

Governor's Recommended Budget Adjustments for FY 2023



Governor Ned Lamont

February 9, 2022

Secretary Melissa McCaw



Introduction

The Connecticut Difference

- ✓ The state's financial landscape is much different than it was when Governor Lamont took office
- ✓ We have had 3 consecutive surpluses and project large surpluses in FY 2022 and FY 2023
- ✓ The first credit rating upgrade in 20 years
- ✓ \$1.6 billion of supplemental pension payments
- ✓ Expanded eligibility and access to essential services
- ✓ Historic investments in our municipalities
- ✓ National leader in our pandemic response
- ✓ There is a difference in how Connecticut is handling its business and it is working



Budget Overview



Proposed Budget Revisions for FY 2023

SUMMARY OF APPROPRIATION CHANGES

(In Millions)

	Enacted ¹ Appropriation <u>FY 2023</u>	Net Adjustments <u>FY 2023</u>	Recommended Appropriation <u>FY 2023</u>	% Growth Over <u>Enacted</u>
General Fund	\$ 21,534.3	\$ 537.8	\$ 22,072.1	2.5%
Special Transportation Fund	1,809.8	15.7	1,825.5	0.9%
Banking Fund	29.5	0.2	29.7	0.6%
Insurance Fund	122.5	0.4	122.9	0.4%
Consumer Counsel and Public Utility Control Fund	31.0	1.7	32.7	5.6%
Workers' Compensation Fund	27.0	0.3	27.3	1.1%
Mashantucket Pequot and Mohegan Fund	51.5	-	51.5	0.0%
Criminal Injuries Compensation Fund	2.9	-	2.9	0.0%
Tourism Fund	<u>13.1</u>	<u>-</u>	<u>13.1</u>	<u>0.0%</u>
Total	\$ 23,621.6	\$ 556.2	\$ 24,177.7	2.4%

Notes:

¹ Enacted 2023 appropriation per Special Act 21-15.

- ✓ On an all-funds basis, the Governor's proposed budget adjustments are 2.4% above the enacted level for FY 2023
- ✓ The Governor's proposed budget adjustments are \$5.6 million below the spending cap



Governor's Budget Plan – General Fund

(in millions)

<u>General Fund</u>	<u>Estimated FY 2022</u>	<u>Appropriated FY 2023</u>	<u>Revised Recommended FY 2023</u>
Total Recommended Budget			
Revenues	\$ 21,912.0	\$ 21,809.8	\$ 22,368.5
Appropriations	<u>20,428.7</u>	<u>21,534.3</u>	<u>22,072.1</u>
Surplus/(Deficit)	\$ 1,483.3	\$ 275.5	\$ 296.4
 Proposed Uses of Surplus			
Reduce Reliance on ARPA for FY 2022 Balance	\$ 559.9		
Use of Surplus for FY 2022 Coll. Barg. Impact	305.4		
Transfer Federal HCBS Funds to FY 2023	83.2		
Carryforward of Appropriations to FY 2023	51.1		
Other Revenue Transfers Impacting FY 2022	20.9		
Deposit to Budget Reserve Fund	<u>462.8</u>		
Revised Surplus/(Deficit)	\$ -	\$ 275.5	\$ 296.4
 Revenue Cap		98.75%	98.75%
Revenue Unavailable Due to Revenue Cap		<u>\$ 272.6</u>	<u>\$ 279.6</u>
Balance after Revenue Cap		\$ 2.8	\$ 16.7



Governor's Budget Plan – General Fund

Proposed Revisions to Enacted FY 2023 General Fund (in millions)

	Enacted Budget, FY 2023	Consensus Revenue Revisions	Technical Updates	Proposed Policy Changes	Recommended Revised Budget, FY 2023
Gross Revenue	\$ 21,809.8	\$ 883.9		\$ (325.2)	\$ 22,368.5
Revenue Cap	<u>(272.6)</u>	<u>(11.0)</u>	<u>-</u>	<u>4.1</u>	<u>(279.6)</u>
Net Revenue	\$ 21,537.2	\$ 872.9	\$ -	\$ (321.1)	\$ 22,088.9
Expenditures	\$ 21,534.3	\$ -	\$ 263.6	\$ 274.2	\$ 22,072.1
Balance	\$ 2.8				\$ 16.7

- ✓ Consensus revenue adjustments in November and January increase available resources by \$873 million
- ✓ Technical spending updates (annualization of FY 2022 costs, primarily for the ARPA HCBS and SUD waiver, and other re-estimates) increase appropriation requirements by \$264 million
- ✓ The Governor proposes \$325 million in revenue policy changes, and \$274 million in expenditure policy changes



Governor's Budget Plan – General Fund Revenue

(in millions)

Projected FY 2023 Revenues

Estimated FY 2023 Revenue - Current Law - January 18, 2022 Consensus	\$ 22,693.7
Proposed Revenue Changes	
Reduce Reliance on Federal American Rescue Plan Act Funds for Revenue Replacement ¹	\$ (250.0)
Expand Property Tax Credit to \$300	(70.0)
Accelerate Reversion to Full Eligibility for Property Tax Credit to Tax Year 2022	(53.0)
Accelerate Existing Pensions/Annuities Exemption to 100% in Tax Year 2022	(42.9)
Expand Student Loan Tax Credit Eligibility to all CHESLA Borrowers	(9.4)
Transfer Medicaid Revenue for ARPA HCBS from FY 2022 to FY 2023	83.2
Captive Insurers Initiative	7.5
All Other Changes (Net)	9.4
Total Changes	\$ <u>(325.2)</u>
Total Resources - FY 2023	\$ 22,368.5

Note 1: ARPA funds used for revenue replacement in FY 2023 reduced from \$1,194.9 million to \$944.9 million.



Governor's Budget Plan – General Fund Appropriations

(in millions)

Projected 2023 Expenditures

Adopted Appropriations FY 2023	\$	21,534.3
Increase/Decrease		
Increase Reimbursements to Towns for Motor Vehicle Tax Cap	\$	160.4
Increase General Fund Support for Higher Education		64.0
Fund Anticipated Wage Increases		47.4
Benefit Enhancements for Employees in DDS Provider Settings		15.0
Support the ARPA Home and Community-Based Svcs Reinvestment Plan		173.8
Adjust Funding Related to the Substance Use Disorder Waiver		24.6
Adjust Pension Funding to Reflect New Valuations		53.0
Reflect Cost of Sheff Settlement		26.2
Revised Debt Service Requirements		(27.6)
All Other - Net		1.0
Total Increases/(Decreases)	\$	<u>537.8</u>
Total Projected Expenditures FY 2023	\$	<u>22,072.1</u>



Governor's Budget Plan – Special Transportation Fund

(in millions)

Estimated Fund Balance - 6/30/2022	\$	510.8
<u>Projected FY 2023 Revenues</u>		
Estimated FY 2023 Revenue - Current Law - January 18, 2022 Consensus	\$	2,129.6
Total Resources - FY 2023	\$	<u>2,640.4</u>
<u>Projected 2023 Expenditures</u>		
Adopted Appropriations FY 2023	\$	1,809.8
Increase/Decrease		
Launch Express Train Service to New York City	\$	4.4
Adjust Pension Funding to Reflect New Valuations		6.7
All Other - Net		<u>4.6</u>
Total Increases/(Decreases)	\$	<u>15.7</u>
Total Projected Expenditures FY 2023	\$	<u>1,825.5</u>
Projected Operating Balance	\$	304.1
Projected Special Transportation Fund Balance - June 30, 2023	\$	<u><u>814.9</u></u>



Budget Reserve Fund (BRF)

(in millions)

	Actual FY 2021	Estimated FY 2022	Projected FY 2023
1. Starting Balance	\$ 3,074.6	\$ 4,730.3	\$ 4,543.9
2. Starting Balance as % of Current Year Budget	15.3%	22.8%	20.6%
3. Deposit to SERS/TRS pursuant to CGS 4-30a	\$ (61.6)	\$ (1,618.3)	\$ (1,233.1)
4. Volatility Cap Deposit	1,241.5	969.2	773.4
5. Deposit Resulting from Surplus, Revenue Cap, and Balanced Operations	<u>475.9</u>	<u>462.8</u>	<u>296.3</u>
6. Projected Balance 6/30	\$ 4,730.3	\$ 4,543.9	\$ 4,380.6
7. Ending Balance as % of Ensuing Year Budget	22.8%	20.6%	N/A

* Totals may not add due to rounding

- ✓ The BRF reached its 15% threshold at the end of FY 2020 and is expected to remain at 15% – approximately \$3.2 billion – through the end of FY 2023
- ✓ Thus far, \$1,679.9 million has been transferred to reduce unfunded liabilities of SERS/TRS
- ✓ An additional \$1,233.1 million will be transferred to SERS/TRS in FY 2023 based on FY 2022 projections



Providing Tax Relief



Total: \$335.7 million

Property Tax Credit

- ✓ Accelerate to full eligibility by one year
 - Effective IY 2022 (FY 2023) instead of IY 2023 (FY 2024)
 - Eliminates current requirement to be 65 & older OR have dependents
 - Retains existing AGI limits
 - Single filers: phases out at AGI \$47,500 – \$107,500
 - Joint filers: phases out at AGI \$70,500 – \$130,500
 - Fiscal impact estimated at (\$53.0) million
 - Number of persons benefitting is expected to rise from 600,000 to 1.1 million, an increase of 500,000

- ✓ Increase from \$200 to \$300 (with full eligibility)
 - Credit is currently limited to a maximum of \$200 per filer
 - Fiscal impact estimated at (\$70.0) million
 - The property tax credit has ranged from \$100 to \$500
 - Expected to benefit 1.1 million persons



Pensions and Annuities

- ✓ Accelerate by 3 years from 2025 to 2022 the phase-in of pensions and annuities exemption under the income tax
- ✓ Revenue loss of \$42.9 million in FY 2023, declining to \$0 in FY 2026 as existing phase-in already assumed in consensus forecast
- ✓ Income year 2022, at 56% exemption, is the 4th year of a 7-year phase-in
- ✓ Single filers with an AGI less than \$75,000 and joint filers with an AGI less than \$100,000 qualify for the exemption
- ✓ Phase-in began in income year 2019 and is scheduled to reach 100% by income year 2025 (~14%/yr. increments)
- ✓ Originally passed in 2017 as part of the bipartisan budget
- ✓ Proposal does not affect the expansion to IRAs from 2021 Session
- ✓ Expected to benefit 250,000 persons



Student Loan Tax Credit

- ✓ Credit Amount: 50% employer tax credit for amounts paid against employee's student loan
 - Currently, loan must be issued by CHESLA to refinance a borrower's student loans
 - Employee/borrower must have earned first Bachelor's Degree in the last 5 years
 - There are currently 172 borrowers in CHESLA's refinance program
- ✓ Max. Credit: \$2,625 per employee per income year
- ✓ Credit can only be made against either Corp. Tax OR Insurance Co.'s Tax liability, not both
- ✓ Current Program
 - (\$0.5) million revenue loss beginning in FY 2023
 - Effective Date: Income years beginning 1/1/22
- ✓ Proposal
 - Expand eligibility to all CHESLA loans, not just refinanced CHESLA loans
 - Allow tax credit to be refundable for businesses with sales less than \$5 million
- ✓ Estimated revenue loss of \$9.4 million across 32,200 CHESLA borrowers



Providing Tax Relief By Lowering Local Car Taxes

- ✓ The Governor proposes lowering the mill rate cap on motor vehicles from 45 mills to 29 mills
- ✓ A 29-mill cap on all motor vehicles would provide property tax relief for an additional 1.7 million vehicles in 103 towns, including 20 of the 25 distressed municipalities
- ✓ Reimbursements to towns would cost an additional \$160.4 million above the current appropriation
- ✓ This program would continue to apply to passenger, commercial, and combination vehicles

Providing Tax Relief By Lowering Local Car Taxes

Municipalities Impacted by 29-Mill Cap

Municipality	Mill Rate	Municipality	Mill Rate	Municipality	Mill Rate	Municipality	Mill Rate	Municipality	Mill Rate
Hartford	74.29	Derby	38.60	Portland	35.01	Winchester	33.54	New Fairfield	31.49
Waterbury	60.21	Bristol	38.35	Stafford	34.93	Burlington	33.40	Mansfield	31.38
Hamden	52.44	New London	37.95	Beacon Falls	34.90	Windsor	33.27	Coventry	31.15
New Britain	49.50	South Windsor	37.86	Middlebury	34.83	Orange	33.25	New Hartford	30.93
East Hartford	49.35	Ansonia	37.80	Seymour	34.71	Canton	33.22	Colebrook	30.90
Naugatuck	47.75	Simsbury	37.41	Newtown	34.65	North Branford	33.14	North Haven	30.71
Torrington	46.17	Glastonbury	37.32	Plainville	34.56	Wolcott	33.14	Norwalk	30.47
New Haven	43.88	Windham	37.21	Watertown	34.56	Colchester	33.05	East Haddam	30.44
Bridgeport	43.45	Tolland	37.11	East Hampton	34.53	Weston	32.92	Cromwell	30.33
Woodbridge	42.64	Manchester	36.52	Bethany	34.50	Redding	32.84	Brookfield	30.10
West Hartford	42.42	Ashford	36.37	East Windsor	34.50	Guilford	32.62	Willington	29.99
Norwich	41.98	Monroe	36.36	Bethel	34.26	Chaplin	32.50	Clinton	29.83
Meriden	40.86	Hebron	36.33	East Haven	34.25	Easton	32.35	Deep River	29.58
Wethersfield	40.67	Thomaston	36.13	Enfield	34.23	Prospect	32.30	Chester	29.50
Plymouth	40.63	Sprague	36.00	Avon	34.21	Salem	32.20	Branford	29.45
Vernon	39.63	Andover	35.88	Rocky Hill	34.10	Haddam	32.16	Columbia	29.33
Granby	39.61	Marlborough	35.84	West Haven	34.00	Sterling	31.94	Southbury	29.30
Stratford	39.47	Middletown	35.70	Berlin	33.93	Middlefield	31.82	Woodbury	29.17
Bolton	39.43	Bloomfield	35.58	Cheshire	33.72	Montville	31.75	Southington	29.03
Scotland	39.00	Durham	35.56	East Granby	33.60	Ellington	31.60		
Newington	38.81	Trumbull	35.42	Ledyard	33.60	Barkhamsted	31.52		

Residents of 103 towns benefit from lowering the motor vehicle tax cap from 45 mills to 29 mills



Summary of Governor's Proposals

Recommended Policy Actions - Tax Cuts

February 9, 2022

(in millions)

	<u>Revenue</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>
Limited by ARPA	1. Property Tax Credit -- Accelerate Full Eligibility	\$ (53.0)	\$ -	\$ -	\$ -
	2. Property Tax Credit -- Increase from \$200 to \$300	(70.0)	(70.0)	(70.0)	(70.0)
	3. Pensions & Annuities -- Accelerate to 100%	(42.9)	(29.3)	(15.6)	-
	4. Student Loan Tax Credit -- Expand to all CHESLA Borrowers	(9.4)	(9.9)	(10.4)	(10.9)
	5. Revenue - Total	\$ (175.3)	\$ (109.2)	\$ (96.0)	\$ (80.9)
	<u>Expenditures</u>				
Not Limited by ARPA	6. Lower Car Tax Mill Rate Cap from 45 to 29	\$ (160.4)	\$ (160.4)	\$ (160.4)	\$ (160.4)
	7. Expenditures - Total	\$ (160.4)	\$ (160.4)	\$ (160.4)	\$ (160.4)
	8. Grand Total -- Tax Cuts	<u>\$ (335.7)</u>	<u>\$ (269.6)</u>	<u>\$ (256.4)</u>	<u>\$ (241.3)</u>

- ✓ Treasury ARPA rules limit the ability to cut taxes without offsetting via either spending cuts or tax increases, or the state risks loss of Coronavirus State Fiscal Recovery Funds
- ✓ The tax cutting limit is approximately \$250 million to \$300 million in FY 2023, with less headroom in future years because of previously enacted tax cuts
- ✓ These tax cut rules do not apply to appropriations, nor to local governments



Governor Lamont's Tax Relief Proposals

- ✓ Honors the Governor's commitment to property tax relief
- ✓ Provides tax relief that is both tangible and visible
- ✓ Brings a more level playing field for residents in higher mill rate towns in the taxation of automobiles
- ✓ Makes CT more competitive in retaining retirees by accelerating the bi-partisan commitment to reduce retiree taxes
- ✓ Leverages business dollars to address the student loan burden
- ✓ Minimizes the potential for loss of any federal ARPA funds
- ✓ Undertakes tax relief responsibly in both magnitude and at a time when we are beginning to see organic revenue growth



Strengthening Behavioral Health Care



Total Investment: \$159.9 million

Mobile Crisis / Alternatives to Inpatient Care

- ✓ \$26.4 million (CSFRF) to expand adult/pediatric mobile crisis intervention
 - \$17.2 million in DCF for expanded coverage and linkages with schools and police
 - \$9.2 million in DMHAS for 24/7 coverage in privately-provided mobile crisis teams and adding case management post-crisis
- ✓ Alternatives to Inpatient Care
 - \$21.5 million (CSFRF) and \$4.5 million to establish children's behavioral health urgent crisis centers & sub-acute crisis stabilization treatment units
 - \$15.0 million (CSFRF) to develop infant and early childhood mental health services by building capacity for specialized mental health



Alternatives to Inpatient Care

- ✓ \$4.3 million (CSFRF) for 12 additional forensic respite beds for community competency evaluations and restoration to competency activities for repeat offenders of misdemeanor-only crimes
- ✓ \$2.5 million (General Fund) for 26 new community placements for individuals in Connecticut Valley / Whiting Hospitals ready for discharge
- ✓ \$2.4 million (CSFRF) for mental health peer supports in 12 busiest hospital emergency departments
- ✓ \$1.0 million (CSFRF) to explore universal home visiting sustainability through private insurance/Medicaid



Strengthening Inpatient Care / Other Initiatives

✓ Strengthening Inpatient Care

- \$15.0 million (CSFRF) to develop new 12-bed psychiatric/ medical unit at CCMC for capital and temporary staffing costs
- \$6.4 million (\$12.6 million total including federal share) to annualize inpatient pediatric mental health rate increases for bed expansion and acuity add-on to address emergency department overcrowding

✓ Other Initiatives

- \$35.0 million braided funding – \$16.0 million in CSFRF and \$19.0 million in IT Capital – to fund electronic health records to modernize patient medical recordkeeping at DMHAS state-operated facilities
- \$25.5 million for new Substance Use Disorder waiver investments in DMHAS, DCF, DSS, and Judicial



Other Behavioral Health Initiatives

- ✓ \$2.8 million (CSFRF) to provide wrap-around services for 150 existing supportive housing units
- ✓ \$1.1 million for programs identified in CT's Family First Prevention Plan aimed at preventing children from entering foster care
- ✓ \$400,000 (CSFRF) for Judicial to expand several programs in the Family Services Unit, including supervised visitation, behavioral health services, and supporting parenting roles
- ✓ \$354,000 (CSFRF) for annual diversity training in DMHAS to promote a culturally responsive, equitable, trauma-informed behavioral health system
- ✓ \$200,000 (CSFRF) to study parity of private insurance and Medicaid coverage of behavioral health services



Investing in Broadband and Technology



Total Investment: \$ 100.4 million

Broadband and Technology Initiatives

- ✓ \$19.8 million (CPF) to expand CEN to remaining towns and libraries
 - Connect 70 libraries, 6 councils of government, and 51 municipalities not yet connected to CEN
 - Redirect 40 municipal town hall fiber connections currently attached to the Public Safety Digital Network and directly attach them to CEN
- ✓ \$850,000 (CPF) to provide public K-12 charter schools with access to CEN's flexible high-speed internet service
- ✓ \$38.3 million (CPF) to bolster the capacity and resiliency of CEN
- ✓ Bridging the digital divide and promoting digital equity
 - \$4 million (CPF) for buildout of broadband infrastructure from street-curb to businesses and residences (fiber to the home) for low-income residents, multi-family dwellings
 - \$14 million when combined with funds previously allocated by the legislature
 - \$14 million (CPF) for grants to help bring broadband service to underserved areas of the state
 - \$24 million when combined with funds previously allocated by the legislature
- ✓ \$23 million (CSFRF) to provide rail commuters with on-board, high-speed internet access



Developing the State's Workforce



Total Investment: \$87.4 million

Workforce Development

- ✓ Expanding the CareerConnect program
 - Enacted budget includes \$70 million from CSFRF and \$40 million in bond funds (\$20 million in FY 2022 and FY 2023)
 - Create opportunities for students to progress in career pathways, leading to jobs in Connecticut's fastest growing industries
 - Aid in reskilling unemployed workers so they can enter new, higher-wage careers
 - Support communities of color to overcome systemic barriers they have faced in education, training, and employment
 - Governor recommends building on this investment with an additional \$15 million to reach an additional 2,000 workers
- ✓ \$420,000 for OWS to bolster staffing for workforce programs related to the state's new recreational cannabis industry, federal infrastructure projects, and to support the CareerConnect initiative



Health Care Workforce

- ✓ \$17 million (CSFRF) in DPH for expansion of student loan repayment program and inclusion of behavioral health providers
 - Builds on \$1 million included in enacted budget for primary care providers

- ✓ \$55 million (CSFRF) in Office of Workforce Strategy to partner with the CT State Colleges and Universities to expand faculty, build community pathways and tuition support to address health care shortages and diversify the health care workforce
 - OWS found that over 7,000 qualified applicants were denied admission to RN programs in 2020 due to faculty shortages or other capacity limitations
 - \$20 million in scholarships for in-demand programs in the areas of health care
 - \$35 million for faculty recruitment for in-demand programs in areas of health care



Criminal Justice Investments



Total Investment: \$72.5 million

Crime Prevention and Reduction

- ✓ Prevent and reduce repeat crime - \$19.4 million
 - \$3.6 million (CSFRF) to support community- and health-care-based organizations that are preventing and reducing gun violence and to help design and implement anti-violence strategies and reporting of outcomes with the Department of Public Health
 - \$2.5 million (CSFRF) to trace firearms recovered at crime scenes to suppliers by reinstating the Gun Tracing Task Force
 - \$2.2 million (CSFRF) to support local agencies responding to violent crime hot spots using Violent Crime Task Forces
 - \$375,000 (carryforward) to launch a statewide gun buyback program
 - \$4.25 million (CSFRF) to support police departments' Real Time Crime Centers to respond to high-risk factors driving violence



Crime Prevention and Reduction (cont'd)

- \$5.2 million (CSFRF) to support continued regional crime strategies (auto theft and violence) among hub cities and surrounding towns
- \$176,000 to improve continuity of Project Longevity staff performing outreach to group and gang members
 - With the item above plus the FY2022-23 budget's temporary enhancement funding, the program's annual state appropriation will be 55% higher than FY 2021
- \$1.0 million (CSFRF) to train officers in highway interdiction techniques and deploy them strategically to stem the flow of guns into the state using Domestic Highway Interdiction Teams
- \$103,105 (carryforward) to create a document management system for improvements to the Deadly Weapon Offender Registry



Speed up Investigations and Support Victim Services

- ✓ Speed up criminal investigations using forensic science - \$4.1 million
 - \$305,000 to reduce crime-lab case backlogs in the DNA, computer crimes and firearms units
 - \$995,000 (CSFRF) to deploy Mobile Crime Labs to crime scenes or hot spots for rapid forensic analysis
 - \$2.9 million (CSFRF) to advance the state's high-tech forensic-science capabilities to process investigations with greater speed and precision
- ✓ Help crime victims recover from crime - \$17.7 million
 - \$14.9 million (CSFRF) to fill an urgent gap left by disappearing federal VOCA assistance funding for victim services, including crisis intervention, safety planning, behavioral health, and legal services
 - \$2.9 million (CSFRF) to provide housing and transitional services for domestic violence victims facing heightened risks during the pandemic



Clearing Accumulated Court Cases

- ✓ Clear accumulated court cases - \$26.3 million (CSFRF)
 - \$6.9 million for eviction and foreclosure case mediators
 - \$122,000 for child support cases technology improvements
 - \$6.6 million for Family and Support Matter case counselors
 - \$607,000 for infractions and payable violations technology
 - \$400,000 for Family Services Unit program expansion
 - \$8.4 million for temporary prosecutors and public defenders
 - \$3.3 million to increase efficiency in court operations using technology
 - Centralized court case management system and scheduler, added automation in court monitor log notes, videoconferencing capabilities between bail staff and defendants, and use of online portal for take-into-custody and probable cause applications



Juvenile Justice, and Police-Community Relations

- ✓ \$2.0 million for Youth Service Bureaus and Juvenile Review Boards
 - Promote expansion of services to all municipalities
 - Support the increased adoption of evidence-based policies and quality-assurance practices, enhance staff training, and develop a data collection and reporting system to track case outcomes
- ✓ \$3.0 million for implementing *AAC Police Accountability*
 - \$500,000 (carryforward) for DESPP to expand law enforcement training to include community relations, use of force, and new law and policy
 - \$471,000 to equip law enforcement units in five state agencies with body cameras
 - \$2 million for DCJ to enhance the storage, use, and review of digital evidence generated by body cameras



Supporting Early Childhood, K-12 and Higher Education



Total Investment: \$402.5 million

Sheff Settlement

- ✓ \$26.2 million in FY 2023 to support implementation of the Sheff settlement agreement
- ✓ Funding will support additional choice programming seats and related transportation costs, various extra-curricular activities, and wrap-around supports for choice education opportunities
- ✓ The state anticipates providing approximately 1,497 seats for Hartford resident students by FY 2029; budget provides for approximately 440 seats for Hartford residents in FY 2023

<u>Sheff Settlement Cost Through FY 2024</u>			
<u>Account</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Magnet School Operating	\$ 514,301	\$ 4,442,409	\$ 6,302,816
Sheff Transportation	150,500	1,427,476	2,097,613
Sheff Settlement	467,518	12,334,185	12,884,185
Open Choice	<u>60,000</u>	<u>8,018,000</u>	<u>8,518,000</u>
Total	\$ 1,192,319	\$ 26,222,070	\$ 29,802,613

K-12 Education and Early Childhood

- ✓ Maintains state's commitment to continue progress towards full implementation of the ECS formula
- ✓ Reauthorizes the alliance district program and creates a new district categorization of "Graduated Alliance Districts" for districts being phased out due to successfully improving educational outcomes
- ✓ ~\$160 million (CSFRF) for various education-related initiatives
 - \$90 million to support school air quality improvements
 - \$10.85 million to support increased dual enrollment opportunities
 - \$4.5 million to support increased summer enrichment programming
 - \$1.1 million for summer enrichment, student work experiences, and technology initiatives at the American School for the Deaf
 - \$500,000 to supplement SDE efforts to increase the number of high school seniors who complete FAFSA before graduation
- ✓ \$1 million (carryforward) for OEC to support the second year of the home visiting program in New Haven to maintain access at pre-pandemic levels



Connecticut State Colleges and Universities

✓ Short-Term Recovery Funds (CSFRF)

- \$65 million for CSCU to support enrollment recovery through tuition assistance for students and resources for campuses
- Must be used to to grow enrollment in programs of demand, including use of funds to offset institutional student financial aid
 - Enrollment has dropped 16% since FY 2019 at Connecticut State Universities and 22% at community colleges
- An additional \$5 million for campus improvements at CSCU to further benefit students
- With this additional support, total CSFRF and carryforward support to CSCU is \$74 million in FY 2022 and \$154 million in FY 2023



Support for Wages at Constituent Units

- ✓ \$145.3 million is provided to the constituent units to limit the impact of collectively-bargained wage increases for non-block grant supported employees
- ✓ This support will limit the pressure on colleges and universities to increase tuition or make cuts to student/patient services
- ✓ FY 2022 support is funded through deficiency transfers, and FY 2023 support through ongoing increased block grant appropriations

	<u>FY 2022</u>	<u>FY 2023</u>
University of Connecticut	\$ 27,800,000	\$ 20,000,000
UConn Health Center	28,900,000	20,000,000
Charter Oak State College	517,000	500,000
Community Colleges	9,225,000	9,000,000
State Universities	<u>14,858,000</u>	<u>14,500,000</u>
TOTAL	\$ 81,300,000	\$ 64,000,000

Strengthening the Health and Human Services Safety Net



Total Investment: \$503.3 million

Human Services Investments

- ✓ \$174.4 million to fund ARPA HCBS Reinvestment Plan in DSS, DDS and DMHAS to support workforce stability, informal caregiver support, assistive technology / smart home technology, home adaptations, and self-direction
- ✓ \$700,000 (\$1.4 million total including federal share) to add 150 new autism waiver slots
- ✓ \$5 million (CSFRF) to provide additional recreational and community engagement opportunities to facilitate socialization and connections for individuals with intellectual and developmental disability (I/DD)
- ✓ \$5 million (CSFRF) for infrastructure improvements for public and privately-operated DDS camps serving individuals with I/DD



Human Services Investments

- ✓ \$15 million in additional funding for DDS-contracted providers to enhance health and retirement benefits for direct care workers
- ✓ \$12.8 million (\$25.6 million total including federal share) to rebase nursing home rates to assist with transition to acuity-based rates
- ✓ \$500,000 to expand expert pediatric consultation and training on cases of suspected child maltreatment



Increasing Access to Health Care

✓ Women's Health

- \$8.3 million (CSFRF) to provide technical assistance / training to primary care providers to strengthen family planning
- \$800,000 (CSFRF) to provide funding to FQHCs to ensure immediate availability of long-acting reversible contraceptives
- \$300,000 (\$1.2 million total including federal share) to increase Medicaid rates for family planning clinic services

✓ Dental Care under Medicaid

- \$5.1 million (\$15.0 million total including federal share) to increase adult dental rates by 25%
- \$1.4 million (\$4.2 million total including federal share) to further increase adult rates for endodontic services



Increasing Access to Health Care

✓ System Improvements

- \$1.2 million (CSFRF) to initiate systems changes required to collect race and ethnicity language (REL) data pursuant to PA 21-35, An Act Equalizing Comprehensive Access to Mental, Behavioral and Physical Health Care in Response to the Pandemic
- \$400,000 (Insurance Fund carryforward) to fund one-time consulting expertise in OHS to develop a health system plan addressing anti-competitive practices and inform regulatory reforms



Public Health Investments

- ✓ \$272 million (CSFRF) for COVID-19 testing options, PPE, and other pandemic response measures
- ✓ \$245,000 to fully fund statutory formula grants to Local and District Health Departments
- ✓ \$118,000 for DPH monitoring of revised testing requirements for private and semi-public water wells to promote safe drinking water



Providing Economic Assistance and Economic Development Opportunities



Total Investment: \$104.9 million

Economic Assistance

- ✓ \$42.25 million (CSFRF) to enable DRS to make one-time economic assistance payments in 2022 to individuals and households eligible for the EITC
 - Payments would approximate what these households would receive if the Connecticut EITC were 40% of the federal credit
 - Like the EITC, these payments will provide direct relief to workers doing their best to provide for their families during the pandemic-influenced economy
- ✓ Builds on similar payments directed by Governor Lamont in December 2021, utilizing \$75 million in Coronavirus Relief Funds
 - Provided economic support equivalent to increasing state EITC payments from 23% of the federal credit to 41.5%
 - Payments estimated to impact nearly 200,000 households



Economic Development

- ✓ Continues state's commitment to business growth and recovery statewide
- ✓ Utilizing \$20 million (CSFRF) to support the Innovation Corridor - part of the Economic Development Action Plan (EDAP)
 - Reduces reliance on the Community Investment Fund
- ✓ \$27.5 million (CSFRF) to provide free admission to popular venues statewide - building on the success in the summer of 2021
 - To make these venues more accessible, an additional \$5 million for DOT to make bus service free on weekends from Memorial Day through Labor Day of 2022
- ✓ \$15 million (CSFRF) for the legislature to identify investments in water infrastructure, parks, outdoor spaces, broadband access, and other essential infrastructure in communities across Connecticut
- ✓ \$150,000 under DECD for the Greater Hartford Community Foundation to support the Travelers Championship



Housing and Environmental Initiatives



Total Investment: \$ 152.1 million

Housing

- ✓ \$70 million (CSFRF) to expand resources for lead abatement / remediation and other housing improvements to promote healthy homes
- ✓ \$50 million (CSFRF) to support and invest in the creation of additional affordable housing across the state
- ✓ Department of Housing
 - \$2 million for the Congregate Operating Subsidy Program, reducing reliance on the Housing Repayment and Revolving Loan Fund
 - \$100,000 and one position to support administration of the agency's bond-funded initiatives – reduces reliance on bond funding to support administrative functions



State Parks

- ✓ \$25 million (CSFRF) to DEEP to offer additional outdoor recreation opportunities and to enhance the visitor experience
 - Improving accessibility
 - Making repairs and improvements to park amenities
 - Offering increasing outdoor recreation and education opportunities
- ✓ \$5 million (carryforward) for DEEP to establish and administer the Sustainable Materials Management program to support solid waste reduction strategies, including waste diversion, unit-based pricing and organics materials diversion strategies
 - Builds on \$5 million from carryforward approved last session



Improving Government Services



Total Investment: \$56.6 million

IT Optimization

- ✓ Executive Branch IT functions are consolidating under the Bureau of Information Technology Solutions (BITS) within DAS
 - Improve enterprise-wide IT services by sharing reusable solutions and common processes, accelerating digital government, applying shared best practices, and driving greater automation
 - Prepare the state to successfully transition through upcoming retirement surge
 - Create a culture focused on customer service, career growth, and skill development
 - Establish a platform to accelerate data sharing and data-driven decision making
- ✓ Funding and staff currently budgeted under individual agencies are reallocated
 - 483 IT staff realigned to DAS as part of the BITS structure
 - \$39 million in Personal Services funding
 - \$32 million of Other Expenses funding to support IT systems



Labor Department Support

- ✓ \$30 million (carryforward) to maintain support for DOL's continued response to increased claims arising from the COVID-19 pandemic
 - Builds on the \$15 million in CSFRF approved as part of the enacted budget
 - Will mitigate processing times for various agency functions including claims intake, consumer contact center responses, claims adjudication, and appeals
- ✓ \$969,486 in new funding and carryforward and one position to support system modifications related to Unemployment Insurance program and enhanced wage record reporting



Elections Security Investments

- ✓ Secretary of the State - to bolster the election security program
 - \$150,000 for a Security Analyst to monitor and combat election misinformation on a full-time basis
 - \$2.0 million (carryforward) for a public information campaign to educate and inform the state's registered voters on voting how-to's, including absentee voting
 - \$4.0 million in capital funds have been made available to upgrade the central voter registration system and election management application

Other Investments in Government Operations

- ✓ Auditors of Public Accounts - \$218,770 for 3 positions to enhance oversight of state agency contracting in a non-partisan manner
- ✓ Office of Policy and Management
 - \$142,638 for staff in the Office of Finance for increased demand related to municipal oversight functions
 - \$928,779 (CSFRF) to coordinate evaluation of and evidence-building for investments from CSFRF
 - \$1.25 million (CSFRF) to ensure that a robust audit capacity is resourced for initiatives funded from CSFRF



Other Investments in Government Operations

- ✓ Department of Administrative Services
 - \$1.2 million for 13 positions to augment statewide HR recruiting during challenging job market to support 24/7 agencies
 - \$2 million to support state employee workers' compensation claims related to COVID-19
 - \$15 million (carryforward) to settle workers' compensation claims to reduce future budget exposure
 - \$800,000 restored to Firefighters Cancer Relief Fund
 - Replaces \$400,000 in each of FY 2018 and FY 2019 that lapsed before the required non-lapsing account was established

Other Investments in Government Operations

- ✓ Commission on Human Rights and Opportunities
 - \$154,867 to support temporary staff for addressing COVID-19 related claims of discrimination at public hearings and in state and federal court
 - \$441,320 (carryforward) to continue support for durational staff necessary to reduce claims backlog exacerbated by the public health emergency
 - \$200,000 (carryforward) to automate portions of the Affirmative Action process

- ✓ Office of the Chief Medical Examiner
 - \$334,551 to support 7 new full-time and 4 new part-time positions to support the agency's ongoing response to the opioid crisis
 - \$860,667 (CSFRF) to support COVID-related expenses, including PPE, testing and management of decedent remains



Rebuilding Connecticut's Infrastructure: Supporting the Infrastructure Investment & Jobs Act (IIJA)



Total Investment: \$3.1 million

What IJA Means for Connecticut

Over 5 years, Connecticut will receive ~\$6 billion

- ✓ \$3.5 billion for highway programs and \$561 million for bridge replacement and repair with a focus on climate change mitigation, resilience, equity, and safety for cyclists and pedestrians
- ✓ \$1.3 billion to improve public transportation further developing healthy and sustainable transportation options in CT
- ✓ \$445 million to improve water infrastructure across the state and ensure that clean, safe drinking water is a right in all communities by eliminating Connecticut's lead service lines and pipes
- ✓ \$100 million to provide broadband coverage across state, helping connect every citizen to reliable high-speed internet
- ✓ \$62 million for airport infrastructure development, improving and modernizing Connecticut's airports
- ✓ \$53 million to support expansion of EV charging network, building a network of EV chargers to facilitate long-distance travel and provide convenient charging options
- ✓ \$6.4 million to protect against wildfires and \$13 million to protect against cyberattacks and prepare our infrastructure for the impacts of climate change and extreme weather events



IIJA – Project Support, DRS, OCC

- ✓ Department of Revenue Services – \$270,000 and 2 positions for the IIJA Coordination Support team which will oversee the rollout of the state’s projects under IIJA, as recommended by the White House
- ✓ \$600,000 (carryforward) for 6 interim positions to serve as advisors and project managers for IIJA planning, inter-agency coordination and communication
- ✓ Office of Consumer Counsel - \$400,000 and 2 positions
 - Enforce new consumer protection provisions
 - Participate in Public Utilities Regulatory Authority, DEEP, Federal Communications Commission and Federal Energy Regulatory Commission proceedings
 - Provide support for digital inclusion and broadband adoption activities
 - Consumer education and outreach initiatives



IIJA – DOT and DEEP

- ✓ DOT - 206 positions being hired in FY 2022 to begin delivering the IIJA-funded projects (detailed under STF section)
- ✓ DEEP – \$1.8 million for 53 positions are budgeted across multiple funds to support increased permitting activity, and to provide technical assistance associated with other agency and municipal investments

Program	State Funded	Federally Funded	Total
DOT Project Pipeline Support	17	9	26
Clean Water Projects	-	2	2
Grid Resilience and Modernization	-	4	4
State Energy Program and Transportation Electrification	2	-	2
Energy Efficiency, Weatherization & Workforce Development	2	3	5
Clean School Bus Program	-	1	1
Ecosystems Projects	-	2	2
Resiliency Projects	2	5	7
Broadband Projects	-	4	4
Total	23	30	53



Use of Surplus Funds



Total: \$209 million

Use of Surplus from FY 2022 and FY 2021

Proposed Disposition of Surplus Funds

(in millions)

FY 2021 Surplus

PA 21-2, JSS, Sec. 308(a) - Amounts Carried Forward	\$ 628.96
PA 21-2, JSS, Sec. 308(b) - Enumerated Uses	<u>491.99</u>
Balance Available	\$ 136.97

FY 2022 Surplus

OPM General Fund Surplus Estimate, 1/20/22	\$ 1,483.30
Less: Elim. Use of CSFRF for Revenue Replacement in FY22	(559.90)
Less: Transfer of ARPA HCBS Revenue from FY22 to FY23	<u>(83.20)</u>
Balance Available	\$ 840.20

Proposed Uses of Funds

Collective Bargaining	\$ 305.40
Carry Forward for Spending Initiatives	<u>188.11</u>
Transfer for Revenue Initiatives	<u>20.88</u>
Total	\$ 514.38
Remaining Surplus - Deposit to Budget Reserve Fund	\$ 462.79

Proposed
initiatives
total \$209
million



Proposed Use of Surplus Funds - Summary

Use of Surplus By Type of Use

By Type of Use	Amount	% of Total
Spending Initiatives	188,106,705	90%
Revenue Transfers	20,875,000	10%
Grand Total	\$ 208,981,705	100%

Proposed Uses of Surplus by Category of Use

Category	Amount	% of Total
Higher Education Support	73,635,161	35.24%
Labor	50,000,000	23.93%
Government Services	35,175,939	16.83%
Workforce	25,000,000	11.96%
Efficiency	15,000,000	7.18%
Environment	5,000,000	2.39%
Economic Development	2,000,000	0.96%
Criminal Justice	1,370,605	0.66%
Human Services	1,100,000	0.53%
Infrastructure	500,000	0.24%
Modernization	200,000	0.10%
Grand Total	\$ 208,981,705	100%

Use of Surplus By Agency

Agency	Amount	% of Total
OPM - Reserve for Salary Adjustments	75,000,000	35.9%
UConn Health Center	55,643,466	26.6%
Dept. of Labor	30,894,159	14.8%
DAS - Workers' Comp. Claims	15,000,000	7.2%
CT State Colleges and Univ.	10,000,000	4.8%
Univ. of Connecticut	7,991,695	3.8%
Dept. of Energy and Environmental Protection	5,100,000	2.4%
Secretary of the State	2,000,000	1.0%
Dept. of Economic and Community Development	2,000,000	1.0%
Dept. of Administrative Services	1,715,460	0.8%
Office of Early Childhood	1,000,000	0.5%
Dept. of Emerg. Svs and Public Protection	970,605	0.5%
Comm. On Human Rights and Opportunities	641,320	0.3%
Office of Policy and Management	575,000	0.3%
Dept. of Revenue Services	200,000	0.1%
State Library	100,000	0.0%
Office of the Governor	100,000	0.0%
Dept. of Public Health	50,000	0.0%
Grand Total	\$ 208,981,705	100%



Proposed Use of Surplus Funds - Detail

By Category and Agency	Amount
Higher Education Support	73,635,161
Univ. of Connecticut - Provide Funding to Support Salary Costs of the 27th Payroll During FY 2023	7,991,695
UConn Health Ctr - Provide Temporary Operating Support to UCHC	30,500,000
UConn Health Ctr - Replace Funds Transferred from the University of Connecticut Health Center Medical Malpractice Trust Fund	20,000,000
UConn Health Ctr - Provide Funding to Support Salary Costs of the 27th Payroll During FY 2023	5,143,466
CT State Colleges and Univ. - Provide Funding to Support Salary Costs of the 27th Payroll During FY 2023	10,000,000
Labor	50,000,000
OPM - Reserve for Salary Adjustments - Provide Funding for Collective Bargaining Costs Related to Accrual Payouts and Premium Pay	50,000,000
Government Services	35,175,939
Secretary of the State - Provide Funds for Elections IT Security and Public Education Campaign	2,000,000
Office of Policy and Management - Enhance Funding for Neglected Cemetery Account Grant Program	75,000
Dept. of Administrative Services - Restore Lapsed Funding for the Firefighters Cancer Relief Fund	800,000
Dept. of Administrative Services - Fund One-time FY 2023 Facility Costs	915,460
Dept. of Labor - Provide Funding to Support COVID Related Unemployment Insurance Program Needs	30,000,000
Dept. of Labor - Provided Funding to Support Restructuring of the UI System	659,159
Dept. of Labor - Provide Funding for System Upgrades to Support Enhanced Employee Wage Record Reporting Requirements	235,000
Comm. On Human Rights and Opportunities - Provide Funding to Continue Support for Durational Staff to Reduce Claims Backlog Exacerbated by the Public Health Emergency	441,320
Dept. of Public Health - Support One-time Systems Development Costs for Revised Testing Requirements for Private Wells and Semi-Public Wells	50,000
Workforce	25,000,000
OPM - Reserve for Salary Adjustments - Provide Incentive Funds for Recruitment and Retention of Healthcare Workers, Engineers and Other Difficult to Recruit Positions	25,000,000
Efficiency	15,000,000
DAS - Workers' Comp. Claims - Provide Funds to Settle Workers' Compensation Claims to Reduce Future Liabilities	15,000,000



Proposed Use of Surplus Funds – Detail (cont'd)

By Category and Agency	Amount
Environment	5,000,000
Dept. of Energy and Environmental Protection - Provide Funding for Sustainable Materials Management Grants Program	5,000,000
Economic Development	2,000,000
Dept. of Economic and Community Development - Fund Additional Support for Airport Authority to Offer Direct Flights to Jamaica from Carryforward	2,000,000
Criminal Justice	1,370,605
Dept. of Emerg. Svs and Public Protection - Provide Funding to Increase Training and Education Opportunities for Law Enforcement Officers	500,000
Dept. of Emerg. Svs and Public Protection - Provide Funds for a Statewide Gun Buy Back Program	375,000
Dept. of Emerg. Svs and Public Protection - Provide Funds for One-time Costs of Deadly Weapon Offender Registry Document Management System	95,605
Office of Policy and Management - Fund a Study of Secure Facilities to Address Youthful Offenders	400,000
Human Services	1,100,000
Office of Early Childhood - Provide Funding for New Haven Home Visiting Program	1,000,000
State Library - Support for Braille Book Collections at Local Libraries	100,000
Infrastructure	500,000
Office of the Governor - Provide Funding for Interim Staff Support Necessary for Implementing Federal Infrastructure Bill	100,000
Dept. of Revenue Services - Provide Funding for Interim Staff Support Necessary for Implementing Federal Infrastructure Bill	200,000
Office of Policy and Management - Provide Funding for Interim Staff Support Necessary for Implementing Federal Infrastructure Bill	100,000
Dept. of Energy and Environmental Protection - Provide Funding for Interim Staff Support Necessary for Implementing Federal Infrastructure Bill	100,000
Modernization	200,000
Comm. On Human Rights and Opportunities - Provide Funding to Automate Portions of the Affirmative Action Process	200,000



Proposed New Allocations of ARPA Funds



Total Investment: \$1,120.3 million

Proposed New Allocations of ARPA Funds

ARPA Investments (CSFRF and CPF) by Theme	Proposed Total	% of Total
Behavioral Health	\$ 109,436,562	9.77%
Broadband/Technology	100,400,612	8.96%
Community Investment	15,000,000	1.34%
Courts System	8,306,610	0.74%
Criminal Justice	25,540,017	2.28%
Economic Assistance	42,250,000	3.77%
Economic Development	23,000,000	2.05%
Education	159,965,000	14.28%
Government Services	12,533,148	1.12%
Higher Education	500,000	0.04%
Higher Education Support	70,000,000	6.25%
Housing	50,000,000	4.46%
Human Services	22,850,000	2.04%
Judicial	26,183,207	2.34%
Lead Abatement	70,000,000	6.25%
Pandemic Response	272,325,000	24.31%
Recreation	25,000,000	2.23%
Workforce	87,000,000	7.77%
Grand Total	\$ 1,120,290,156	100.00%

- ✓ Investments are described throughout this presentation



Special Transportation Fund



Total Investment: \$6 million

Special Transportation Fund Policy Proposals

- ✓ Proposed changes include expansions totaling \$6.0 million
 - Express trains to New York City - \$4.35 million
 - IJJA-related positions at DEEP - \$1.14 million
- ✓ Enacted budget supports 206 DOT positions hired during FY 2022 to begin delivering IJJA-funded projects. These positions are 80% federally funded and 20% funded from state STF budget
 - 164 Engineering staff
 - 15 Rail staff
 - 15 Planning staff
 - 12 Fiscal/Administrative support staff



Funding Express Rail Services

Funding is included to launch two new rail services with express access for riders to New York City

- ✓ \$3.0 million to provide one express train each weekday
 - The Penn-Keystone Express service, operated by Amtrak, will be the first commuter express service of its kind to originate from the Springfield/New Haven Corridor through Hartford and continuing to Penn Station
 - This is a brand-new, first-of-its-kind service
- ✓ \$1.35 million is included for 3 express trains, seven days per week, from New Haven to NYC
 - Currently, 3 express trains run on weekends only
 - The new service will only have 4 stops instead of 5 stops, making it the fastest on the New Haven Line
 - Travel time via express will be reduced from 1 hour and 46 minutes to 1 hour and 36 minutes, saving 10 minutes

Capital Budget



Total Investment: \$165 million

Summary of Recommended Adjustments - GO

The Governor's proposed midterm adjustments include \$165.0 million in new GO bond authorizations for FY 2023, increasing authorizations from \$1.9 billion to \$2.1 billion

- ✓ \$75.0 million to provide the state match towards projects allowed under the federal IJA
 - This will serve as the initial first year match towards an estimated \$6.0 billion of federal infrastructure funds available to the state
 - These funds will be used for a variety of purposes, including, but not limited to:
 - water infrastructure improvements
 - electric vehicle charging improvements, and
 - resilient infrastructure
- ✓ \$60.0 million to DOC for improvements to the state's prisons and to address deferred maintenance projects
- ✓ \$15.0 million to DEEP for infrastructure improvements at state parks
- ✓ \$15.0 million for the Capital Equipment Purchase Fund to help address state IT equipment needs



Infrastructure Bill

- ✓ **DOT:** Eligible for up to \$2.6 billion of funds available over the next 5 years. \$1.0 billion are competitive
 - No recommendation on bond bill. Match will be covered by STF \$100 million carryforward and existing \$400 million GO bond authorizations
 - Formula based support around \$60 to \$80 million per year
 - Competitive grants match requirement are unknown at the moment. Estimates range from \$50 to \$100 million per year
 - Allocation plan assumes \$60 million to be spent each year

- ✓ **DEEP:** Eligible for up to \$2.4 billion in awards over the next 5 years
 - Bond Bill recommendation to include \$50 million in annual matching funds
 - Formula based support around \$30 million per year
 - Competitive grant requirements are unknown as the grants match requirements range. DEEP requested at least \$20 million initial to match competitive program

- ✓ **DPH:** Eligible for up to \$461.2 million in awards over the next 5 years
 - Bond bill recommendation to include \$10 million in annual matching funds. This will cover all programmatic matching requirements

- ✓ **Broadband:** Eligible for up to \$137.5 million. No match requirement

Infrastructure Bill (in millions)		
<u>Agency</u>	<u>Program Type</u>	<u>Match</u>
1. DOT	Formula	\$ 80.0
2. DOT	Competitive	100.0
3. DEEP	All Funds	50.0
4. DPH	All Funds	10.0
5. Broadband	All Funds	-
6. Total Match Required		\$ 240.0
7. Covered by other sources (#1 & #2)		(180.0)
8. Agency Match Requirement		\$ 60.0
9. Contingency		15.0
10. New Bond Authorization		\$ 75.0



Summary of Recommended Adjustments - STO

- ✓ No changes to the Special Tax Obligation (STO) bond program authorizations
- ✓ The adopted budget contained \$929.6 million in new authorizations in FY 2023
 - Along with existing authorizations, this will ensure that the state continues to invest in transportation infrastructure
 - Existing authorizations will provide adequate matching funds for federal programs within the IJJA to take advantage of over \$2.6 billion in potential federal assistance over the next 5 years
 - An additional carryforward of up to \$100 million will help provide matching funds for federal grant-funded projects

Conclusion



Conclusion

**The Governor's budget proposal is being presented
as our state is on the precipice of great things**

- ✓ **It honors our commitments**
- ✓ **It does not sacrifice our future for short-term gain**
- ✓ **The tax breaks make our state more affordable**
- ✓ **Our workforce will be prepared for the jobs of the next decade**
- ✓ **Connecticut will be positioned to accelerate our growth and continue our successes**

*Under Governor Lamont's leadership, we are doing business differently,
and we are doing it better*

