



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

January 20, 2023

The Honorable Sean Scanlon
 State Comptroller
 165 Capitol Avenue
 Hartford, Connecticut 06106

Dear Comptroller Scanlon:

Section 4-66 of the General Statutes requires that my office provide information on the state's General Fund for Fiscal Year 2023. An analysis of the Special Transportation Fund is also provided here due to the significance of this fund.

| | FY 2023 Projection | | | | |
|---|--------------------|--------------------------|--------------------------|---|---|
| | (in millions) | | | Change in Estimate - Jan. vs. Dec. | Jan. Est. Variance from Budget |
| <u>General Fund</u> | <u>Budget</u> | <u>Dec. Estimate</u> | <u>Jan. Estimate</u> | | |
| Revenues | \$ 22,388.2 | \$ 22,959.2 | \$ 23,224.5 | \$ 265.3 | \$ 836.3 |
| Expenditures | <u>22,089.2</u> | <u>21,941.2</u> | <u>21,881.8</u> | <u>(59.4)</u> | <u>(207.4)</u> |
| Operating Results - Surplus/(Deficit) | \$ 299.0 | \$ 1,018.0 | \$ 1,342.7 | \$ 324.7 | \$ 1,043.7 |
| <u>Budget Reserve Fund</u> | | | | | |
| Deposits | | \$ 2,865.5 | \$ 3,190.2 | \$ 324.7 | |
| Withdrawals | | <u>(4,107.6)</u> | <u>(4,107.6)</u> | - | |
| Proj. Net Deposit/(Withdrawal) 6/30 | | \$ (1,242.1) | \$ (917.4) | \$ 324.7 | |
| <u>Special Transportation Fund</u> | | | | | |
| Revenues | \$ 2,091.9 | \$ 2,042.6 | \$ 2,052.5 | \$ 9.9 | \$ (39.4) |
| Expenditures | <u>1,826.2</u> | <u>1,816.0</u> | <u>1,814.8</u> | <u>(1.2)</u> | <u>(11.4)</u> |
| Operating Results - Surplus/(Deficit) | \$ 265.7 | \$ 226.6 | \$ 237.7 | \$ 11.1 | \$ (28.0) |
| Proj. Fund Balance 6/30 | | \$ 624.4 | \$ 635.5 | \$ 11.1 | |

Notes:

1. BRF withdrawal includes the transfer out of \$4,107.6 million in FY 2023 pursuant to Sec. 4-30a, CGS, as the FY 2022 ending balance exceeded the statutory 15% cap. This sum is deposited as additional contributions to the State Employees Retirement Fund and the Teachers' Retirement Fund.

General Fund

The adopted FY 2023 budget anticipates a \$299.0 million balance at year end. We are projecting an operating surplus of \$1,342.7 million, a \$324.7 million increase from last month's forecast. We note that this month's estimate reflects the consensus revenue forecast reached between my office and the Office of Fiscal Analysis on January 17th, which increased General Fund revenue by \$265.3 million in combination with a decrease in estimated expenditure requirements totaling a net \$59.4 million as discussed below. The projected surplus represents 6.1 percent of the General Fund. The operating surplus is comprised of \$836.3 million in increased revenue and \$207.4 million in net expenditures below the amounts included in the enacted budget plan.

Budget Reserve Fund

Our forecast of the Budget Reserve Fund (BRF) balance is depicted below. We project that, after transfers out of the fund and into the State Employees and Teachers' Retirement Systems pursuant to the close-out of FY 2022 and transfers into the fund pursuant to the statutory volatility cap and the estimated FY 2023 operating surplus, the fund balance at the end of FY 2023 will be approximately \$6.50 billion, or 29.4 percent of net General Fund appropriations for the current year. Given that this balance is expected to exceed the statutory 15 percent cap for the Budget Reserve Fund next fiscal year, additional significant transfers to the State Employees Retirement Fund and/or the Teachers' Retirement Fund are expected during the close-out period for FY 2023.

| Budget Reserve Fund | |
|---|-------------------|
| | (in millions) |
| Estimated BRF Starting Balance - FY 2023 (OSC 12/5/22 Est.) | \$ 7,420.9 |
| Deposit to SERS/TRS pursuant to Sec. 4-30a, C.G.S. (OPM 1/20/23 Est.) | \$ (4,107.6) |
| Projected Operating Surplus - FY 2023 (OPM 1/20/23 Est.) | \$ 1,342.7 |
| Volatility Cap Deposit - FY 2023 (OPM 1/20/23 Est.) | <u>\$ 1,847.5</u> |
| Estimated BRF Ending Balance - FY 2023 | \$ 6,503.6 |

Revenues

As a result of the January 17th consensus forecast, revenues have been revised upward by \$265.3 million in aggregate compared to our estimate last month. The biggest change is in the Withholding component of the Personal Income Tax, up \$125.0 million, as growth in this revenue source remains above expectations through December 31st. The Corporation Tax continues to outperform its target and has been revised upward by \$87.5 million. Federal Grants have been revised upward by \$81.3 million largely due to: (a) higher disproportionate share hospital (DSH) claiming for uncompensated care costs at UConn John Dempsey Hospital; and (b) three additional quarters of enhanced federal reimbursement – at a stepped down level through the quarter ending December 31, 2023 – related to the federal public health emergency. All other changes net to a negative \$28.5 million.

We are closely watching January estimated payments under both the Income Tax and the Pass-through Entity Tax as those receipts are still being received by the Department of Revenue Services. As of today, those receipts are falling compared to last year, yet remain within the conservative revenue estimates adopted last year. Furthermore, the current bipartisan fiscal guardrails adopted in 2017, which the Governor will propose extending, are expected to mitigate any impact of these trends on the FY 2023 operating budget and beyond.

Expenditures

We forecast that FY 2023 net expenditures will, in aggregate, be \$207.47 million below the levels anticipated in the adopted budget. This is an improvement of \$59.4 million from last month's forecast. A description of projected shortfalls and lapses follows.

Deficiencies: Shortfalls totaling \$41.45 million are forecast in the following agencies.

- Department of Economic and Community Development. A \$2.25 million shortfall is anticipated in the Capital Region Development Authority account as a result of operating shortfalls of \$850,000 at Rentschler Field and \$1.4 million at the XL Center.
- Office of the Chief Medical Examiner. A \$195,000 shortfall is anticipated in the Other Expenses account as a result of unbudgeted contractual security services costs.
- Department of Correction. A net shortfall of \$11.0 million is anticipated as a result of deficits totaling \$12.0 million in the Personal Services account and \$3.0 million in Other Expenses due to delays in the closure of a correctional facility. Partially offsetting these shortfalls are lapses totaling \$4.0 million across the Inmate Medical Services, Board of Pardons and Paroles, and Community Support Services accounts.
- State Comptroller – Miscellaneous. We estimate \$28.0 million in expenditures for Adjudicated Claims. No appropriation was made in the enacted budget for payment of these claims.

Lapses: The following sums totaling \$291.4 million are anticipated to lapse; this amount exceeds the bottom-line lapse targets included in Public Act 22-118 by \$55.9 million.

- Office of Legislative Management. A total of \$6.0 million is expected to lapse, including \$5.0 million in the Personal Services account and \$1.0 million in the Other Expenses account.
- Auditors of Public Accounts. A \$300,000 Personal Services lapse is forecast due to vacancies.
- Secretary of the State. A \$150,000 Personal Services lapse is forecast due to vacancies.
- Elections Enforcement Commission. A \$250,000 Personal Services lapse is forecast due to vacancies.
- State Comptroller. A lapse of \$1.2 million is forecast in the Personal Services account due to vacancies.
- Department of Revenue Services. A lapse of \$6.0 million is forecast in the Personal Services account due to vacancies.
- Office of Governmental Accountability. A \$350,000 lapse is forecast based on \$200,000 in the Personal Services account and \$150,000 in the Contracting Standards Board account due to delays in hiring.
- Department of Veterans Affairs. A \$930,000 Personal Services lapse is forecast due to vacancies.
- Department of Administrative Services. A net lapse of \$3.4 million is forecast. The Personal Services account is anticipated to lapse \$3.67 million due to vacancies. Other Expenses is anticipated to lapse \$3.0 million as a portion of the carryforward from FY 2022 is anticipated to not be needed. Partially offsetting these amounts are projected shortfalls of \$500,000 in the Rents and Moving account as a result of increased costs for utilities, \$1.5 million in the State Insurance and Risk Management Operations account, and \$1.2 million in IT Services.
- Attorney General. A lapse of \$2.0 million is forecast in the Personal Services account due to vacancies.
- Division of Criminal Justice. A lapse of \$3.7 million is forecast in the Personal Services account due to vacancies.
- Department of Emergency Services and Public Protection. A lapse of \$4.0 million is forecast in the Personal Services account due to vacancies.
- Department of Consumer Protection. A \$750,000 Personal Services lapse is forecast due to vacancies.
- Commission on Human Rights and Opportunities. A \$100,000 Personal Services lapse is forecast due to vacancies.

- Agricultural Experiment Station. A lapse of \$700,000 is forecast in the Personal Services account due to vacancies.
- Department of Public Health. A net lapse of \$3.492 million is forecast. The Personal Services account is anticipated to lapse \$4.0 million, and the Office of Pandemic Preparedness account is anticipated to lapse \$92,000 due to vacancies. The LGBTQ Health and Human Services Network account will lapse \$50,000 as a result of contracting delays. Partially offsetting these lapses is a shortfall of \$650,000 forecast in the Other Expenses account, primarily due to unbudgeted costs related to Monkeypox vaccination efforts.
- Office of Health Strategy. A \$700,000 Personal Services lapse is forecast due to vacancies.
- Department of Developmental Services. A total lapse of \$20.5 million is forecast, with \$15.0 million in the Personal Services account due to vacancies, \$900,000 in Other Expenses due to changes in the rollout of the ARPA home and community-based services (HCBS) reinvestment plan, \$4.0 million in the Behavioral Services Program account due to age-outs of more costly placements aging-out of the program, \$100,000 in the Supplemental Payments for Medical Services account due to the declining census at the Southbury Training School, and \$500,000 across the ID Partnership Initiatives and Emergency Placements accounts due to changes in the rollout of initiatives.
- Department of Social Services. A net lapse of \$162.73 million is forecast across several accounts. The Personal Services account is anticipated to lapse \$6.0 million due to vacancies. The Medicaid account is anticipated to lapse \$200.0 million; this reflects three additional quarters of enhanced federal reimbursement – at a stepped down level through the quarter ending December 31, 2023 – related to the federal public health emergency, thereby reducing the state share of program costs. It also reflects updates to the ARPA HCBS reinvestment plan, which is contributing to the lapse in the state-funded Connecticut Home Care Program of \$3.1 million. These lapses are partially offset by forecast shortfalls of \$11.5 million in the Temporary Family Assistance account, \$3.7 million in the HUSKY B Program account, \$0.6 million in the State Administered General Assistance account, and \$70,000 in the Aid to the Blind account due to higher than budgeted costs per case, \$8.5 million in Old Age Assistance and \$11.0 million in Aid to the Disabled due to delays in Medicaid billing for medical services provided by residential care homes, and \$11.0 million in the Other Expenses account due to anticipated systems and other administrative costs associated with the eventual unwinding of the public health emergency, as well as increased contractual costs associated with eligibility processing for DSS and Access Health CT.
- Department of Aging and Disability Services. A total lapse of \$700,000 is forecast, with \$400,000 in Personal Services and \$300,000 in the Educational Aid for Children – Blind or Visually Impaired account due to vacancies.
- Department of Education. A net lapse of \$9.3 million with \$10.0 million expected to lapse in the Magnet Schools account due to lower than budgeted enrollment. Partially offsetting this lapse is a shortfall of \$700,000 in the Adult Education account as a result of projected enrollment levels.
- Office of Early Childhood. A net lapse of \$6.825 million is forecast, with \$750,000 in the Personal Services account due to vacancies, \$6.5 million in the Early Care and Education account due to delays in operationalizing new funding for Infant/Toddler slots, and \$75,000 in the Smart Start account due to the closure of a classroom. Partially offsetting these lapses is a projected \$500,000 deficiency in the Care4Kids account due to increased caseload.
- Teachers' Retirement Board. A \$600,000 lapse is forecast in the Retiree Health Service Cost account due to medical rates that are effective January 1, 2023.
- Department of Children and Families. A total lapse of \$31.5 million is projected, with \$19.0 million forecast in the Personal Services account due to vacancies, and \$14.0 million across the board and care accounts as a result of caseload trends, offset by a \$1.5 million shortfall in Other Expenses as a result of unanticipated Information Systems costs.

- Judicial Department. A lapse of \$2.477 million is forecast in the Personal Services account due to vacancies.
- Public Defender Services Commission. An aggregate lapse of \$1.271 million is forecast across a variety of accounts as a result of vacancies and a decrease in costly jury trials.
- State Treasurer – Debt Service. A \$4.205 million lapse is forecast in the Debt Service and UConn 2000 Debt Service accounts as a result of savings from the Fall 2022 bond sale.
- State Comptroller – Fringe Benefits. A net lapse of \$97.1 million is projected. Of this, \$38.6 million is in the State Employees Health Service Cost account, \$60.0 million in the Retired State Employees Health Service Cost account, \$1.4 million in the Other Post Employment Benefits account, and \$4.0 million in the SERS Defined Contribution Match account, offset by a projected \$10.0 million shortfall in the Employer’s Social Security Tax account.

This month’s forecast also continues to reflect a net \$17.74 million reduction in expenditure requirements as a result of appropriation transfers out of the General Fund totaling \$16.97 million from OPM’s Reserve for Salary Adjustment account and \$0.77 million from OPM’s Private Providers account. While these funds were appropriated in the General Fund, these transfers were necessary to support contractual requirements in other funds.

Special Transportation Fund

The adopted budget anticipates a \$265.7 million balance from operations. We estimate that the Special Transportation Fund will end the year with an operating balance of \$237.7 million, an \$11.1 million increase from last month’s projection. We project that the Transportation Fund balance on June 30, 2023, will be \$635.5 million.

Revenues

Projected revenues have been revised upward by \$9.9 million, reflective of the January 17th consensus revenue forecast. The largest change is in Interest Income, up \$13.4 million, as earnings on Transportation Fund balances have benefitted from rising interest rates. All other changes net to a negative \$3.5 million.

Expenditures

Projected expenditures are anticipated to be \$11.4 million below the enacted budget, which contained budgeted bottom-line lapse amounts totaling \$112.0 million. This month’s expenditure forecast represents an improvement of \$1.2 million from last month and reflects the following deficiencies and lapses:

Deficiencies:

- Department of Administrative Services. A \$2.0 million shortfall is projected in the Insurance and Risk Management Operations account as a result of anticipated claims and premium increases.

Lapses:

- Department of Motor Vehicles. A lapse of \$3.0 million is forecast in the Personal Services account due to vacancies.
- Department of Transportation. A net lapse of \$100.0 million is projected as a result of lapses totaling \$20.4 million in Personal Services due to vacancies and the mild winter, \$2.0 million in ADA Paratransit Program due to decreased ridership, and \$87.835 million across the Bus and Rail Operations accounts as a result of temporarily available federal support for transportation. Offsetting these lapses is a projected \$9.835 million shortfall in Other Expenses due to costs for highway maintenance supplies and \$400,000 in the Minor Capital Projects account.

- State Treasurer - Debt Service. A \$31.4 million lapse is forecast as a result of savings from the FY 2022 bond sale which were not reflected in the FY 2023 budget as well as a revised estimate of FY 2023 borrowing.
- State Comptroller – Fringe Benefits. A net \$200,000 lapse is forecast due to lower than anticipated costs in the State Employees Health Service Cost and SERS Defined Contribution Match accounts, offset by a projected shortfall in the Employer’s Social Security Tax account.
- Department of Administrative Services – Workers’ Compensation Claims. A \$1.15 million lapse is projected based on current reimbursements.

As the year progresses, these estimates will continue to be revised to reflect the impact of changes in the economy, expenditure patterns, and other factors.

Sincerely,



Jeffrey R. Beckham
Secretary

Attachments:

Summary Statements, FY 2023 Revenue and Expenditures

State of Connecticut
Summary of Changes - FY 2023
General Fund and Special Transportation Fund
Projected to June 30, 2023
As of December 31, 2022
(In Millions)

General Fund

| | | | |
|---------------------------------------|---------------|----|------------|
| Balance from Operations - Prior Month | | \$ | 1,018.0 |
| Revenues | | | |
| Personal Income Tax - Withholding | 125.0 | | |
| Corporation Tax | 87.5 | | |
| Federal Grants | 81.3 | | |
| All Other Changes (Net) | <u>(28.5)</u> | | 265.3 |
| Expenditures | | | |
| Additional Requirements | | | (5.7) |
| Estimated Lapses | | | 65.1 |
| Miscellaneous Adjustments/Rounding | | | <u>0.0</u> |
| Operating Surplus - FY 2023 | | | 1,342.7 |

Budget Reserve Fund

| | | | |
|--|----------------|----|----------------|
| Fund Balance as of June 30, 2022 | | \$ | 7,420.9 |
| Deposit to SERS/TRS Pursuant to Sec. 4-30a, CGS | (4,107.6) | | |
| Volatility Cap Deposit | 1,847.5 | | |
| FY 2023 Est. Balance from Operations | <u>1,342.7</u> | | <u>(917.4)</u> |
| Estimated Fund Balance - June 30, 2023 | | \$ | 6,503.6 |
| Fund Balance as Percentage of FY 2023 General Fund | | | 29.4% |

Special Transportation Fund

| | | | |
|--|--------------|----|------------|
| Fund Balance as of June 30, 2022 | | \$ | 397.8 |
| Balance from Operations - Prior Month | | | 226.6 |
| Revenues | | | |
| Interest Income | 13.4 | | |
| Sales Tax - DMV | 5.0 | | |
| Motor Vehicle Receipts | (7.5) | | |
| Refunds of Payments | <u>(1.0)</u> | | 9.9 |
| Expenditures | | | |
| Additional Requirements | | | 0.0 |
| Estimated Lapses | | | 1.3 |
| Miscellaneous Adjustments/Rounding | | | <u>0.0</u> |
| Estimated Fund Balance - June 30, 2023 | | \$ | 635.5 |

State of Connecticut
General Fund
Statement of FY 2023 Revenues, Expenditures, and Results of Operations
Projected to June 30, 2023
As of December 31, 2022
(In Millions)

| | General Assembly Budget Plan ¹ | Revised Estimates OPM | Over/ (Under) |
|--|---|-----------------------------|-------------------|
| REVENUE | | | |
| Taxes | \$ 22,150.5 | \$ 22,639.9 | \$ 489.4 |
| Less: Refunds | (2,103.5) | (1,978.5) | 125.0 |
| Taxes - Net | \$ 20,047.0 | \$ 20,661.4 | \$ 614.4 |
| Other Revenue | 1,334.6 | 1,509.4 | 174.8 |
| Other Sources | 1,006.6 | 1,053.7 | 47.1 |
| TOTAL Revenue | \$ 22,388.2 | \$ 23,224.5 | \$ 836.3 |
| EXPENDITURES | | | |
| Initial Current Year Appropriations | \$ 22,229.4 | \$ 22,229.4 | \$ - |
| Prior Year Appropriations Continued to FY 2023 ² | | 834.3 | 834.3 |
| TOTAL Initial and Continued Appropriations | \$ 22,229.4 | \$ 23,063.7 | \$ 834.3 |
| Appropriation Adjustments | - | - | - |
| TOTAL Adjusted Appropriations | \$ 22,229.4 | \$ 23,063.7 | \$ 834.3 |
| Net Additional Expenditure Requirements | | 41.4 | 41.4 |
| Estimated Appropriations Lapsed | (140.2) | (371.3) | (231.1) |
| Estimated Appropriations to be Continued to FY 2024 ² | | - | - |
| TOTAL Estimated Expenditures | \$ 22,089.2 | \$ 22,733.8 | \$ 644.7 |
| Net Change in Fund Balance - Continuing Appropriations | | (834.3) | (834.3) |
| Miscellaneous Adjustments/Rounding ³ | | 17.7 | 17.7 |
| Net Change in Unassigned Fund Balance - 6/30/2023 | \$ 299.0 | \$ 1,342.7 | \$ 1,043.7 |

1. P.A. 22-118. Note that CGS Sec. 2-33c limits appropriations in FY 2023 to 98.75% of General Fund revenue. As a result, the \$299.0 million budgeted surplus is comprised of \$279.9 million due to this 98.75% limitation, plus an additional \$19.1 million operating surplus.

2. CGS Sec. 4-89 and other statutory provisions.

3. Appropriation transfers to other funds from OPM Reserve for Salary Adjustment and Private Providers accounts.

State of Connecticut
General Fund
FY 2023 Revenue Estimates
Projected to June 30, 2023
As of December 31, 2022
(In Millions)

| | General Assembly Budget Plan ^{1.} | Revised Estimates OPM | Over/ (Under) |
|--|--|-----------------------------|------------------|
| TAXES | | | |
| Personal Income - Withholding | \$ 8,184.4 | \$ 8,309.4 | \$ 125.0 |
| Personal Income - Estimates and Finals | 3,522.7 | 3,522.7 | - |
| Sales and Use | 4,777.6 | 5,057.6 | 280.0 |
| Corporation | 1,294.2 | 1,381.7 | 87.5 |
| Pass-through Entity Tax | 1,957.3 | 1,957.3 | - |
| Public Service Corporations | 277.0 | 287.0 | 10.0 |
| Inheritance and Estate | 150.2 | 210.2 | 60.0 |
| Insurance Companies | 243.1 | 243.1 | - |
| Cigarettes | 308.1 | 293.1 | (15.0) |
| Real Estate Conveyance | 290.4 | 290.4 | - |
| Alcoholic Beverages | 78.0 | 78.0 | - |
| Admissions and Dues | 27.2 | 27.2 | - |
| Health Provider Tax | 973.8 | 955.7 | (18.1) |
| Miscellaneous | 66.5 | 26.5 | (40.0) |
| TOTAL - TAXES | \$ 22,150.5 | \$ 22,639.9 | \$ 489.4 |
| Less: Refunds of Taxes | (1,952.4) | (1,827.4) | 125.0 |
| Earned Income Tax Credit | (143.8) | (143.8) | - |
| R & D Credit Exchange | (7.3) | (7.3) | - |
| TOTAL - TAXES - NET | \$ 20,047.0 | \$ 20,661.4 | \$ 614.4 |
| OTHER REVENUE | | | |
| Transfers - Special Revenue | \$ 402.2 | \$ 392.2 | \$ (10.0) |
| Indian Gaming Payments | 251.8 | 259.9 | 8.1 |
| Licenses, Permits, Fees | 327.5 | 327.5 | - |
| Sales of Commodities and Services | 23.9 | 11.9 | (12.0) |
| Rents, Fines, Escheats | 163.3 | 163.3 | - |
| Investment Income | 4.8 | 185.0 | 180.2 |
| Miscellaneous | 224.9 | 233.4 | 8.5 |
| Refunds of Payments | (63.8) | (63.8) | - |
| TOTAL - OTHER REVENUE | \$ 1,334.6 | \$ 1,509.4 | \$ 174.8 |
| OTHER SOURCES | | | |
| Federal Grants | \$ 2,059.0 | \$ 2,210.1 | \$ 151.1 |
| Transfer from Tobacco Settlement Fund | 122.1 | 110.1 | (12.0) |
| Transfers From/(To) Other Funds | 673.0 | 581.0 | (92.0) |
| Transfers to BRF - Volatility Adjustment ^{2.} | (1,847.5) | (1,847.5) | - |
| TOTAL - OTHER SOURCES | \$ 1,006.6 | \$ 1,053.7 | \$ 47.1 |
| TOTAL - GENERAL FUND REVENUE | \$ 22,388.2 | \$ 23,224.5 | \$ 836.3 |

1. Sec. 474 of P.A. 22-118.

2. The volatility cap for FY 2023 is \$3,632.5 million. Total revenue from the Estimates and Finals portion of the Personal Income Tax and the Pass-through Entity Tax that exceeds the volatility cap will be deposited into the Budget Reserve Fund.

State of Connecticut - General Fund
FY 2023 Appropriation Adjustments - Net Additional Requirements
Projected to June 30, 2023
As of December 31, 2022

| | | |
|--|----|-------------------|
| Department of Economic and Community Development | \$ | 2,250,000 |
| Office of the Chief Medical Examiner | | 195,000 |
| Department of Correction | | 11,000,000 |
| OSC - Miscellaneous | | 28,000,000 |
| Total | \$ | <u>41,445,000</u> |

State of Connecticut
General Fund
Estimated FY 2023 Lapses
Projected to June 30, 2023
As of December 31, 2022

| | |
|--|-----------------------|
| Unallocated Lapse | \$ - |
| Unallocated Lapse - Judicial | - |
| SEBAC Specialty Drug Savings | - |
| CREATES Savings Initiative Lapse | - |
| Office of Legislative Management | 6,000,000 |
| Auditors of Public Accounts | 300,000 |
| Secretary of the State | 150,000 |
| Elections Enforcement Commission | 250,000 |
| State Comptroller | 1,200,000 |
| Department of Revenue Services | 6,000,000 |
| Office of Governmental Accountability | 350,000 |
| Department of Veterans Affairs | 930,000 |
| Department of Administrative Services | 3,470,000 |
| Attorney General | 2,000,000 |
| Division of Criminal Justice | 3,700,000 |
| Department of Emergency Services and Public Protection | 4,000,000 |
| Department of Consumer Protection | 750,000 |
| Commission on Human Rights and Opportunities | 100,000 |
| Agricultural Experiment Station | 700,000 |
| Department of Public Health | 3,492,000 |
| Office of Health Strategy | 700,000 |
| Department of Developmental Services | 20,500,000 |
| Department of Social Services | 162,730,000 |
| Department of Aging and Disability Services | 700,000 |
| Department of Education | 9,300,000 |
| Office of Early Childhood | 6,825,000 |
| Teachers' Retirement Board | 600,000 |
| Department of Children and Families | 31,500,000 |
| Judicial Department | 2,477,000 |
| Public Defender Services Commission | 1,271,000 |
| Debt Service - State Treasurer | 4,205,000 |
| State Comptroller - Fringe Benefits | 97,100,000 |
| | |
| Total | <u>\$ 371,300,000</u> |

State of Connecticut
FY 2023 General Fund
Monthly Summary of Operations
(In Millions)

| | Budget Plan ¹ | July 2022 | August 2022 | September 2022 | October 2022 | November 2022 | December 2022 | January 2023 | February 2023 | March 2023 | April 2023 | May 2023 | June 2023 |
|----------------------------------|-----------------------------|----------------|----------------|-------------------|-----------------|------------------|------------------|-----------------|------------------|---------------|---------------|-------------|--------------|
| REVENUE | \$22,388.2 | \$ 22,409.2 | \$22,534.4 | \$22,534.4 | \$22,959.2 | \$ 22,959.2 | \$23,224.5 | | | | | | |
| Appropriations | 22,229.4 | 22,229.4 | 22,229.4 | 22,229.4 | 22,229.4 | 22,229.4 | 22,229.4 | | | | | | |
| Additional Requirements | 0.0 | 21.0 | 21.0 | 24.7 | 33.7 | 35.8 | 41.4 | | | | | | |
| Less: Estimated Lapses | <u>(140.2)</u> | <u>(140.2)</u> | <u>(160.6)</u> | <u>(196.1)</u> | <u>(291.4)</u> | <u>(306.2)</u> | <u>(371.3)</u> | | | | | | |
| TOTAL - Estimated Expenditures | 22,089.2 | 22,110.2 | 22,089.8 | 22,057.9 | 21,971.6 | 21,959.0 | 21,899.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating Balance | 299.0 | 299.0 | 444.6 | 476.5 | 987.6 | 1,000.2 | 1,325.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Misc. Adjustments/Rounding | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>17.7</u> | <u>17.7</u> | <u>17.7</u> | <u>17.7</u> | | | | | | |
| Est. Operating Balance - 6/30/23 | \$299.0 | \$299.0 | \$444.6 | \$494.2 | \$1,005.3 | \$1,018.0 | \$1,342.7 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |

1. P.A. 22-118.

State of Connecticut
Special Transportation Fund
Analysis of FY 2023 Budget Plan
Projected to June 30, 2023
As of December 31, 2022
(In Millions)

| | General Assembly <u>Budget Plan</u> ^{1.} | Revised Estimates <u>OPM</u> | Over/ <u>(Under)</u> |
|---|---|------------------------------------|-------------------------|
| Fund Balance as of June 30, 2022 | \$ 456.2 | \$ 397.8 | \$ (58.4) |
| REVENUE | | | |
| Taxes | \$ 1,692.2 | \$ 1,639.2 | \$ (53.0) |
| Less: Refunds of Taxes | <u>(16.2)</u> | <u>(16.2)</u> | <u>-</u> |
| Taxes - Net | \$ 1,676.0 | \$ 1,623.0 | \$ (53.0) |
| Other Revenue | <u>415.9</u> | <u>429.5</u> | <u>13.6</u> |
| TOTAL - Revenue | \$ 2,091.9 | \$ 2,052.5 | \$ (39.4) |
| EXPENDITURES | | | |
| Appropriations | \$ 1,938.2 | \$ 1,938.2 | \$ - |
| Prior Year Appropriations Continued to FY 2023 ^{2.} | | <u>156.3</u> | <u>156.3</u> |
| TOTAL Initial and Continued Appropriations | \$ 1,938.2 | \$ 2,094.5 | \$ 156.3 |
| Appropriation Adjustments | | <u>-</u> | <u>-</u> |
| TOTAL Adjusted Appropriations | \$ 1,938.2 | \$ 2,094.5 | \$ 156.3 |
| Net Additional Expenditure Requirements | | 2.0 | 2.0 |
| Estimated Appropriations Lapsed | (112.0) | (135.8) | (23.8) |
| Estimated Appropriations to be Continued to FY 2024 ^{2.} | | <u>-</u> | <u>-</u> |
| TOTAL Estimated Expenditures | \$ 1,826.2 | \$ 1,960.7 | \$ 134.6 |
| Net Change in Fund Balance - Continuing Appropriations | | (156.3) | (156.3) |
| Miscellaneous Adjustments/Rounding ^{3.} | | (10.3) | - |
| Net Change in Unassigned Fund Balance - FY 2023 | \$ 265.7 | \$ 237.8 | \$ (17.7) |
| Estimated Fund Balance - June 30, 2023 | <u>\$ 721.9</u> | <u>\$ 635.5</u> | <u>\$ (76.1)</u> |

1. P.A. 22-118. Note that CGS Sec. 2-33c limits appropriations in FY 2023 to 98.75% of Special Transportation Fund revenue. As a result, the \$265.7 million budgeted surplus is comprised of \$26.1 million due to this 99.0% limitation, plus an additional \$239.6 million operating surplus.

2. CGS Sec. 4-89 and other statutory provisions.

3. Appropriation transfers from OPM General Fund Reserve for Salary Adjustment account.

State of Connecticut
Special Transportation Fund
FY 2023 Revenue Estimates
Projected to June 30, 2023
As of December 31, 2022
(In Millions)

| | General Assembly Budget Plan ¹ | Revised Estimates OPM | Over/ (Under) |
|--|---|-----------------------------|------------------|
| TAXES | | | |
| Motor Fuels | \$ 344.4 | \$ 254.4 | \$ (90.0) |
| Oil Companies | 402.4 | 402.4 | - |
| Sales & Use Tax | 794.1 | 820.1 | 26.0 |
| Sales Tax DMV | 106.3 | 117.3 | 11.0 |
| Highway Use | 45.0 | 45.0 | |
| TOTAL - TAXES | \$ 1,692.2 | \$ 1,639.2 | \$ (53.0) |
| Less: Refunds of Taxes | (16.2) | (16.2) | - |
| TOTAL - TAXES - NET | \$ 1,676.0 | \$ 1,623.0 | \$ (53.0) |
| OTHER REVENUE | | | |
| Motor Vehicle Receipts | \$ 269.0 | \$ 252.8 | \$ (16.2) |
| Licenses, Permits, Fees | 142.1 | 132.1 | (10.0) |
| Interest Income | 3.3 | 46.6 | 43.3 |
| Federal Grants | 10.1 | 10.1 | - |
| Transfers (To)/From Other Funds | (5.5) | (5.5) | - |
| Refunds of Payments | (3.1) | (6.6) | (3.5) |
| TOTAL - OTHER REVENUE | \$ 415.9 | \$ 429.5 | \$ 13.6 |
| TOTAL - SPECIAL TRANSPORTATION FUND REVENUE | \$ 2,091.9 | \$ 2,052.5 | \$ (39.4) |

1. Sec. 475 of P.A. 22-118.

Statement 3T
January 20, 2023

State of Connecticut
Special Transportation Fund
FY 2023 Appropriation Adjustments - Net Additional Requirements
Projected to June 30, 2023
As of December 31, 2022

| | |
|---------------------------------------|---------------------|
| Department of Administrative Services | \$ 2,000,000 |
| Total | <u>\$ 2,000,000</u> |

Statement 4T
January 20, 2023

State of Connecticut
Special Transportation Fund
FY 2023 Estimated Lapses
Projected to June 30, 2023
As of December 31, 2022

| | | |
|---|----|-----------------------|
| Unallocated Lapse | \$ | - |
| Temporary Federal Support for Transportation Operations | | - |
| Department of Motor Vehicles | | 3,000,000 |
| Department of Transportation | | 100,000,000 |
| DAS - Workers' Compensation Claims | | 1,150,000 |
| OTT - Debt Service | | 31,400,000 |
| OSC - Fringe Benefits | | 200,000 |
| Total | | <u>\$ 135,750,000</u> |

State of Connecticut
FY 2023 Special Transportation Fund
Monthly Summary of Operations
(In Millions)

| | Budget Plan ¹ | July 2022 | August 2022 | September 2022 | October 2022 | November 2022 | December 2022 | January 2023 | February 2023 | March 2023 | April 2023 | May 2023 | June 2023 |
|-------------------------------------|-----------------------------|----------------|----------------|-------------------|-----------------|------------------|------------------|-----------------|------------------|---------------|---------------|-------------|--------------|
| Beginning Balance ² | \$ 456.2 | \$ 456.2 | \$ 456.2 | \$ 397.8 | \$ 397.8 | \$ 397.8 | \$ 397.8 | | | | | | |
| Revenue | <u>2,091.9</u> | <u>2,093.2</u> | <u>2,119.9</u> | <u>2,119.9</u> | <u>2,132.6</u> | <u>2,042.6</u> | <u>2,052.5</u> | | | | | | |
| Total Available | 2,548.1 | 2,549.4 | 2,576.1 | 2,517.7 | 2,530.4 | 2,440.4 | 2,450.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Appropriations | 1,938.2 | 1,938.2 | 1,938.2 | 1,938.2 | 1,938.2 | 1,938.2 | 1,938.2 | | | | | | |
| Additional Requirements | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 2.0 | | | | | | |
| Less: Estimated Lapses | <u>(112.0)</u> | <u>(112.0)</u> | <u>(145.4)</u> | <u>(149.8)</u> | <u>(132.7)</u> | <u>(134.5)</u> | <u>(135.8)</u> | | | | | | |
| TOTAL - Estimated Expenditures | 1,826.2 | 1,826.2 | 1,792.8 | 1,788.5 | 1,805.5 | 1,805.7 | 1,804.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating Balance | 265.7 | 267.0 | 327.1 | 331.5 | 327.1 | 236.9 | 248.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Misc. Adjustments/Rounding | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>(10.3)</u> | <u>(10.3)</u> | <u>(10.3)</u> | <u>(10.3)</u> | | | | | | |
| Estimated Operating Balance 6/30/23 | \$721.9 | \$723.2 | \$783.3 | \$718.9 | \$714.6 | \$624.4 | \$635.5 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |

1. P.A. 22-118.

2. Budget plan, July and August as estimated by the Office of Policy and Management, September and October based on OSC preliminary closing balance for FY 2022.