

July 19, 2024

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 2024. An analysis of the Special Transportation Fund is also provided here due to the significance of this fund.

	FY 2024 Projection				
	(in millions)			Change in	July Est.
	<u>Budget</u>	<u>June Estimate</u>	<u>July Estimate</u>	Estimate - July vs. June	Variance from Budget
General Fund					
Revenues	\$ 22,505.3	\$ 22,559.8	\$ 22,606.0	\$ 46.2	\$ 100.7
Expenditures	<u>22,105.6</u>	<u>22,335.2</u>	<u>22,276.7</u>	<u>(58.5)</u>	<u>171.1</u>
Operating Results - Surplus/(Deficit)	\$ 399.7	\$ 224.6	\$ 329.3	\$ 104.7	\$ (70.4)
Budget Reserve Fund					
Deposits		\$ 1,348.1	\$ 1,642.8	\$ 294.7	
Withdrawals		<u>(1,874.6)</u>	<u>(1,874.6)</u>	<u>-</u>	
Proj. Net Deposit/(Withdrawal) 6/30		\$ (526.5)	\$ (231.8)	\$ 294.7	
Special Transportation Fund					
Revenues	\$ 2,352.6	\$ 2,394.5	\$ 2,395.2	\$ 0.7	\$ 42.6
Expenditures	<u>2,148.4</u>	<u>2,117.5</u>	<u>2,117.9</u>	<u>0.4</u>	<u>(30.5)</u>
Operating Results - Surplus/(Deficit)	\$ 204.2	\$ 277.0	\$ 277.3	\$ 0.3	\$ 73.1
Proj. Fund Balance 6/30		\$ 961.9	\$ 956.4	\$ (5.5)	

Notes:

1. BRF withdrawal includes the transfer out of \$1,874.6 million in FY 2024 pursuant to Sec. 4-30a, CGS, as the FY 2023 ending balance exceeded the statutory 15% cap. This sum was deposited as additional contributions to the State Employees Retirement Fund and the Teachers' Retirement Fund.

General Fund

The adopted FY 2024 budget anticipated a \$399.7 million balance at year end – 1.8% of General Fund appropriations. We currently project a surplus of \$329.3 million, \$70.4 million below the originally budgeted level and \$104.7 million above last month’s forecast as a result of revenue and expenditure changes as noted below.

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 2023 and transfers into the fund pursuant to the statutory volatility cap and the estimated FY 2024 operating surplus, the fund balance at the end of FY 2024 will be \$4.96 billion, or 22.4% of net General Fund appropriations for the current year. Based on the adopted FY 2025 budget, we anticipate that, during the close-out process for FY 2024, \$789.2 million will be transferred to the Budget Reserve Fund, bringing the BRF total to 18% of FY 2025 appropriations and the remaining \$853.6 million will be transferred to the State Employees Retirement Fund and/or the Teachers’ Retirement Fund.

Budget Reserve Fund	
	(in millions)
BRF Starting Balance - FY 2024 (OSC 12/29/23)	\$ 5,190.4
Deposit to SERS/TRS pursuant to Sec. 4-30a, C.G.S. (OSC 12/29/23)	\$ (1,874.6)
Projected Operating Surplus - FY 2024 (OPM 7/19/24 Est.)	\$ 329.3
Volatility Cap Deposit - FY 2024 (OPM 7/19/24 Est.)	<u>\$ 1,313.5</u>
Estimated BRF Ending Balance - FY 2024	\$ 4,958.6
BRF as % of current year GF appropriations	22.4%

Revenues

Projected revenues have been revised upward by \$46.2 million compared to last month’s estimate. On the positive side, Estimates and Finals under the Personal Income Tax have been revised upward by \$140.0 million as June estimated payments exceeded their target combined with positive variances in prior months. The Pass-through Entity Tax has been revised upward by \$50 million due to healthy June estimated payments. Federal Grant revenue also ended the year with a \$33.6 million positive variance. The changes noted above to Estimates and Finals and the Pass-through Entity Tax will increase the volatility cap transfer from the General Fund to the Budget Reserve Fund by \$190.0 million. All other changes net to a positive \$12.6 million. It should be noted that our estimates include projections for FY 2024 revenues that will continue to accrue through August 7th, with approximately \$1.0 billion in General Fund revenue still to be collected before the fiscal year closes.

Expenditures

Preliminary year-end expenditures, including outlays for Adjudicated Claims, reflect a \$58.5 million decrease from last month’s estimate. We forecast that FY 2024 net expenditures, including amounts anticipated to be carried forward to FY 2025, will be \$171.1 million above the levels anticipated in the originally adopted budget. We forecast no remaining shortfalls, with the exception of \$57.0 million in adjudicated claims which will be paid from the resources of the General Fund. Statement 4, attached, lists estimated lapses, net of funds to be carried forward.

Special Transportation Fund

The adopted budget anticipated a \$204.2 million balance from operations. We currently forecast an operating balance of \$277.3 million, \$73.1 million above the budgeted figure and \$0.3 million greater than last month's projection. We project that the Transportation Fund balance on June 30, 2024, will be \$956.4 million.

Revenues

Estimated revenues have been revised upward by \$0.7 million compared to last month's estimate to reflect final projected collections. It should be noted that our estimates include projections for FY 2024 revenues that will continue to accrue through August 7th, with approximately \$270 million in Transportation Fund revenue still to be collected before the fiscal year closes.

Expenditures

Preliminary year-end expenditures are projected to be \$0.4 million above last month's projection and \$30.5 million below the level assumed in the adopted budget. Statement 4T, attached, lists estimated net lapses by agency.

This is our final estimate for FY 2024. While the foregoing information represents the best estimate that can be made at this time, accounting adjustments made as part of the year-end closing process will affect final results.

Sincerely,



Jeffrey R. Beckham
Secretary

Attachments:

Summary Statements, FY 2024 Revenue and Expenditures

Summary of Changes
July 19, 2024

State of Connecticut
Summary of Changes - FY 2024
General Fund and Special Transportation Fund
Projected to June 30, 2024
As of June 30, 2024
(In Millions)

General Fund

Balance from Operations - Prior Month		\$	224.6
Revenues			
Federal Grants	33.6		
All Other Changes (Net)	12.6		46.2
			<hr/>
Expenditures			
Additional Requirements	2.0		
Estimated Lapses	56.6		
Miscellaneous Changes	0.0		58.6
			<hr/>
Operating Surplus - FY 2024			329.3

Budget Reserve Fund

Fund Balance as of June 30, 2023		\$	5,190.4
Deposit to SERS/TRS Pursuant to Sec. 4-30a, CGS	(1,874.6)		
Volatility Cap Deposit	1,313.5		
FY 2024 Est. Balance from Operations	329.3		(231.8)
			<hr/>
Estimated Fund Balance - June 30, 2024		\$	4,958.6
Fund Balance as Percentage of FY 2024 General Fund			22.4%

Special Transportation Fund

Fund Balance as of June 30, 2023		\$	679.1
Balance from Operations - Prior Month			277.0
Revenues			
All Changes - Net	0.7		0.7
			<hr/>
Expenditures			
Additional Requirements	0.0		
Estimated Lapses	(0.4)		
Miscellaneous Changes	0.0		(0.4)
			<hr/>
Estimated Fund Balance - June 30, 2024		\$	956.4

State of Connecticut
General Fund
Statement of FY 2024 Revenues, Expenditures, and Results of Operations
Projected to June 30, 2024
As of June 30, 2024
(In Millions)

	General Assembly Budget Plan ¹	Revised Estimates OPM	Over/ (Under)
REVENUE			
Taxes	\$ 22,060.7	\$ 22,569.5	\$ 508.8
Less: Refunds	(2,078.6)	(2,165.8)	(87.2)
Taxes - Net	\$ 19,982.1	\$ 20,403.7	\$ 421.6
Other Revenue	1,502.9	1,732.5	229.6
Other Sources	1,020.3	469.8	(550.5)
TOTAL Revenue	\$ 22,505.3	\$ 22,606.0	\$ 100.7
EXPENDITURES			
Initial Current Year Appropriations	\$ 22,239.3	\$ 22,239.3	\$ -
Prior Year Appropriations Continued to FY 2024 ²		829.3	829.3
TOTAL Initial and Continued Appropriations	\$ 22,239.3	\$ 23,068.6	\$ 829.3
Appropriation Adjustments	-	89.3	89.3
TOTAL Adjusted Appropriations	\$ 22,239.3	\$ 23,157.8	\$ 918.5
Net Additional Expenditure Requirements		57.0	57.0
Estimated Appropriations Lapsed	(133.7)	(108.9)	24.8
Estimated Appropriations to be Continued to FY 2025 ²		(361.1)	(361.1)
TOTAL Estimated Expenditures	\$ 22,105.6	\$ 22,744.8	\$ 639.2
Net Change in Fund Balance - Continuing Appropriations		(468.2)	(468.2)
Miscellaneous Adjustments/Rounding		-	-
Net Change in Unassigned Fund Balance - 6/30/2024	\$ 399.7	\$ 329.3	\$ (70.4)

1. P.A. 23-204. Note that CGS Sec. 2-33c limits appropriations to 98.75% of General Fund revenue. As a result, the \$399.7 million budgeted surplus is comprised of \$281.3 million due to this 98.75% limitation, plus an additional \$118.4 million operating surplus.

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

State of Connecticut
General Fund
FY 2024 Revenue Estimates
Projected to June 30, 2024
As of June 30, 2024
(In Millions)

	General Assembly Budget Plan ^{1.}	Revised Estimates OPM	Over/ (Under)
TAXES			
Personal Income - Withholding	\$ 8,380.9	\$ 8,633.8	\$ 252.9
Personal Income - Estimates and Finals	2,642.4	3,137.5	495.1
Sales and Use	5,299.5	4,979.5	(320.0)
Corporation	1,514.5	1,549.5	35.0
Pass-through Entity Tax	1,815.6	1,955.9	140.3
Public Service Corporations	291.6	343.9	52.3
Inheritance and Estate	178.1	118.1	(60.0)
Insurance Companies	262.8	300.5	37.7
Cigarettes	276.4	253.9	(22.5)
Real Estate Conveyance	287.7	272.7	(15.0)
Alcoholic Beverages	78.4	78.4	-
Admissions and Dues	31.0	38.9	7.9
Health Provider Tax	956.4	886.0	(70.4)
Miscellaneous	45.4	20.9	(24.5)
TOTAL - TAXES	\$ 22,060.7	\$ 22,569.5	\$ 508.8
Less: Refunds of Taxes	(1,879.5)	(1,965.2)	(85.7)
Earned Income Tax Credit	(191.6)	(191.6)	-
R & D Credit Exchange	(7.5)	(9.0)	(1.5)
TOTAL - TAXES - NET	\$ 19,982.1	\$ 20,403.7	\$ 421.6
OTHER REVENUE			
Transfers - Special Revenue	\$ 406.5	\$ 382.6	\$ (23.9)
Indian Gaming Payments	283.7	305.7	22.0
Licenses, Permits, Fees	356.5	369.5	13.0
Sales of Commodities and Services	16.9	18.3	1.4
Rents, Fines, Escheats	172.9	268.5	95.6
Investment Income	198.9	293.9	95.0
Miscellaneous	153.2	179.7	26.5
Refunds of Payments	(85.7)	(85.7)	-
TOTAL - OTHER REVENUE	\$ 1,502.9	\$ 1,732.5	\$ 229.6
OTHER SOURCES			
Federal Grants	\$ 1,867.8	\$ 2,067.1	\$ 199.3
Transfer from Tobacco Settlement Fund	108.4	99.0	(9.4)
Transfers From/(To) Other Funds	(272.7)	(382.8)	(110.1)
Transfers to BRF - Volatility Adjustment ^{2.}	(683.2)	(1,313.5)	(630.3)
TOTAL - OTHER SOURCES	\$ 1,020.3	\$ 469.8	\$ (550.5)
TOTAL - GENERAL FUND REVENUE	\$ 22,505.3	\$ 22,606.0	\$ 100.7

1. Sec. 397 of P.A. 23-204.

2. The volatility cap for FY 2024 is \$3,779.9 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 2024 Appropriation Adjustments - Net Additional Requirements
Projected to June 30, 2024
As of June 30, 2024

State Comptroller - Miscellaneous	\$ 56,999,044
Total	<u>\$ 56,999,044</u>

State of Connecticut
General Fund
Estimated FY 2024 Lapses
Projected to June 30, 2024
As of June 30, 2024

Unallocated Lapse	\$	-
Unallocated Lapse - Judicial		-
Reflect Historical Staffing		-
Legislative Management		4,063,414
Auditors of Public Accounts		297,417
Commission on Women, Children, Seniors, Equity and Opportunity		37,268
Governor's Office		390,027
Secretary of the State		371,648
Lieutenant Governor's Office		17,855
Elections Enforcement Commission		341,640
Office of State Ethics		38,821
Freedom of Information Commission		438,559
State Treasurer		48,359
State Comptroller		1,728,200
Department of Revenue Services		2,515,248
Office of Governmental Accountability		266,583
Office of Policy and Management		1,573,680
Department of Veterans Affairs		320,340
Department of Administrative Services		219,306
Attorney General		1,439,348
Division of Criminal Justice		651,710
Department of Emergency Services and Public Protection		5,078,634
Military Department		140,243
Department of Consumer Protection		1,353,716
Department of Labor		1,106,764
Commission on Human Rights and Opportunities		324,361
Department of Agriculture		655,543
Department of Energy and Environmental Protection		2,212,882
Department of Economic and Community Development		1,079,740
Department of Housing		245,205
Agricultural Experiment Station		16,600
Department of Public Health		4,027,771
Office of Health Strategy		3,235,505
Office of the Chief Medical Examiner		500,560
Department of Developmental Services		2,818,830
Department of Mental Health and Addiction Services		373,954
Psychiatric Security Review Board		10,194
Department of Social Services		1,153,792
Department of Aging and Disability Services		1,046,793

State of Connecticut
General Fund
Estimated FY 2024 Lapses
Projected to June 30, 2024
As of June 30, 2024

Department of Education	14,438,685
Technical Education and Career System	17,210
Office of Early Childhood	10,982,328
State Library	221,986
Office of Higher Education	550,336
Teachers' Retirement Board	535,946
Department of Correction	565,996
Department of Children and Families	7,725,290
Judicial Department	1,715,459
Public Defender Services Commission	929,942
Debt Service - State Treasurer	21,392,057
State Comptroller - Fringe Benefits	7,319,441
Workers' Compensation Claims - DAS	2,361,519
Total	<u><u>\$ 108,896,705</u></u>

State of Connecticut
FY 2024 General Fund
Monthly Summary of Operations
(In Millions)

	Budget Plan ¹ .	July 2023	August 2023	September 2023	October 2023	November 2023	December 2023	January 2024	February 2024	Revised March 2024	April 2024	May 2024	June 2024
REVENUE	\$22,505.3	\$ 22,505.3	\$22,586.8	\$ 22,586.8	\$ 22,529.7	\$ 22,529.7	\$ 22,499.9	\$ 22,499.9	\$22,443.2	\$ 22,613.5	\$ 22,528.5	\$ 22,559.8	\$22,606.0
Appropriations	22,239.3	22,239.3	22,239.3	22,239.3	22,239.3	22,239.3	22,239.3	22,239.3	22,239.3	22,239.3	22,328.6	22,328.6	22,328.6
Additional Requirements	0.0	9.5	196.7	269.1	270.2	260.9	284.8	287.7	312.1	331.5	56.0	59.0	57.0
Less: Estimated Lapses	<u>(133.7)</u>	<u>(133.7)</u>	<u>(133.7)</u>	<u>(133.7)</u>	<u>(133.7)</u>	<u>(148.5)</u>	<u>(191.0)</u>	<u>(195.0)</u>	<u>(216.9)</u>	<u>(213.9)</u>	<u>(37.5)</u>	<u>(52.3)</u>	<u>(108.9)</u>
TOTAL - Estimated Expenditures	22,105.6	22,115.1	22,302.3	22,374.7	22,375.8	22,351.7	22,333.2	22,332.0	22,334.5	22,356.8	22,347.0	22,335.2	22,276.7
Operating Balance	399.7	390.2	284.5	212.1	153.9	178.0	166.7	167.9	108.7	256.7	181.5	224.6	329.3
Misc. Adjustments/Rounding	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Est. Operating Balance - 6/30/24	\$399.7	\$390.2	\$284.5	\$212.1	\$153.9	\$178.0	\$166.7	\$167.9	\$108.7	\$256.7	\$181.5	\$224.6	\$329.3

1. P.A. 23-204.

State of Connecticut
Special Transportation Fund
Analysis of FY 2024 Budget Plan
Projected to June 30, 2024
As of June 30, 2024
(In Millions)

	General Assembly <u>Budget Plan</u> ^{1.}	Revised Estimates <u>OPM</u>	Over/ <u>(Under)</u>
Fund Balance as of June 30, 2023	\$ 670.0	\$ 679.1	\$ 9.1
REVENUE			
Taxes	\$ 1,940.3	\$ 1,907.3	\$ (33.0)
Less: Refunds of Taxes	<u>(16.9)</u>	<u>(10.5)</u>	<u>6.4</u>
Taxes - Net	1,923.4	1,896.8	(26.6)
Other Revenue	<u>429.2</u>	<u>498.4</u>	<u>69.2</u>
TOTAL - Revenue	\$ 2,352.6	\$ 2,395.2	\$ 42.6
EXPENDITURES			
Appropriations	\$ 2,160.4	\$ 2,160.4	\$ -
Prior Year Appropriations Continued to FY 2024 ^{2.}		<u>80.9</u>	<u>80.9</u>
TOTAL Initial and Continued Appropriations	\$ 2,160.4	\$ 2,241.3	\$ 80.9
Appropriation Adjustments	<u>-</u>	<u>(15.8)</u>	<u>(15.8)</u>
TOTAL Adjusted Appropriations	\$ 2,160.4	\$ 2,225.6	\$ 65.2
Net Additional Expenditure Requirements		-	-
Estimated Appropriations Lapsed	(12.0)	(26.7)	(14.7)
Estimated Appropriations to be Continued to FY 2025 ^{2.}		<u>(150.0)</u>	<u>(150.0)</u>
TOTAL Estimated Expenditures	\$ 2,148.4	\$ 2,048.9	\$ (99.5)
Net Change in Fund Balance - Continuing Appropriations		69.1	69.1
Miscellaneous Adjustments/Rounding		-	-
Net Change in Unassigned Fund Balance - FY 2024	\$ 204.2	\$ 277.3	\$ 73.1
Estimated Fund Balance - June 30, 2024	<u>\$ 874.2</u>	<u>\$ 956.4</u>	<u>\$ 82.2</u>

1. P.A. 23-204. Note that CGS Sec. 2-33c limits appropriations to 98.75% of Special Transportation Fund revenue. As a result, the \$204.2 million budgeted surplus is comprised of \$29.4 million due to this limitation, plus an additional \$174.8 million operating surplus.

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

State of Connecticut
Special Transportation Fund
FY 2024 Revenue Estimates
Projected to June 30, 2024
As of June 30, 2024
(In Millions)

	General Assembly Budget Plan ¹	Revised Estimates OPM	Over/ (Under)
TAXES			
Motor Fuels	\$ 495.6	\$ 504.4	\$ 8.8
Oil Companies	387.0	372.0	(15.0)
Sales & Use Tax	860.2	856.2	(4.0)
Sales Tax DMV	107.5	114.7	7.2
Highway Use	90.0	60.0	(30.0)
TOTAL - TAXES	<u>1,940.3</u>	<u>1,907.3</u>	<u>(33.0)</u>
Less: Refunds of Taxes	(16.9)	(10.5)	6.4
TOTAL - TAXES - NET	<u>\$ 1,923.4</u>	<u>\$ 1,896.8</u>	<u>\$ (26.6)</u>
OTHER REVENUE			
Motor Vehicle Receipts	\$ 254.1	\$ 278.8	\$ 24.7
Licenses, Permits, Fees	123.7	141.2	17.5
Interest Income	59.3	86.3	27.0
Federal Grants	9.2	9.3	0.1
Transfers (To)/From Other Funds	(13.5)	(5.5)	8.0
Refunds of Payments	(3.6)	(11.7)	(8.1)
TOTAL - OTHER REVENUE	<u>\$ 429.2</u>	<u>\$ 498.4</u>	<u>\$ 69.2</u>
TOTAL - SPECIAL TRANSPORTATION FUND REVENUE	<u>\$ 2,352.6</u>	<u>\$ 2,395.2</u>	<u>\$ 42.6</u>

1. Sec. 398 of P.A. 23-204.

State of Connecticut
Special Transportation Fund
FY 2024 Appropriation Adjustments - Net Additional Requirements
Projected to June 30, 2024
As of June 30, 2024

No additional requirements

Total

\$ -

State of Connecticut
Special Transportation Fund
FY 2024 Estimated Lapses
Projected to June 30, 2024
As of June 30, 2024

Unallocated Lapse	\$	-
Office of Policy and Management		132,418
Department of Administrative Services		5,664
Department of Motor Vehicles		633,975
Department of Energy and Environmental Protection		124,450
Department of Transportation		1,801,865
Debt Service - State Treasurer		24,028,311
State Comptroller - Fringe Benefits		2,540,087
Workers' Compensation Claims - DAS		365,404
Total	\$	<u>26,726,683</u>

State of Connecticut
FY 2024 Special Transportation Fund
Monthly Summary of Operations
(In Millions)

	Budget Plan ¹	July 2023	August 2023	September 2023	October 2023	November 2023	December 2023	January 2024	February 2024	Revised March 2024	April 2024	May 2024	June 2024
Beginning Balance ²	\$ 670.0	\$ 670.0	\$ 670.0	\$ 670.0	\$ 670.0	\$ 670.0	\$ 670.0	\$ 679.1	\$ 679.1	\$ 679.1	\$ 679.1	\$ 679.1	\$ 679.1
Revenue	2,352.6	2,352.6	2,352.6	2,352.6	2,341.1	2,341.1	2,367.1	2,367.1	2,370.1	2,404.5	2,404.5	2,394.5	2,395.2
Total Available	3,022.6	3,022.6	3,022.6	3,022.6	3,011.1	3,011.1	3,037.1	3,046.2	3,049.2	3,083.6	3,049.2	3,073.6	3,074.3
Appropriations	2,160.4	2,160.4	2,160.4	2,160.4	2,160.4	2,160.4	2,160.4	2,160.4	2,160.4	2,160.4	2,144.7	2,144.7	2,144.7
Additional Requirements	0.0	0.0	0.0	0.3	3.6	3.5	3.5	3.5	5.3	5.8	0.0	0.0	0.0
Less: Estimated Lapses	(12.0)	(12.0)	(12.0)	(12.0)	(31.3)	(33.1)	(37.8)	(37.5)	(25.1)	(42.3)	(22.9)	(27.1)	(26.7)
TOTAL - Estimated Expenditures	2,148.4	2,148.4	2,148.4	2,148.7	2,132.7	2,130.8	2,126.1	2,126.5	2,140.6	2,123.9	2,121.8	2,117.5	2,117.9
Operating Balance	204.2	204.2	204.2	203.9	208.4	210.3	241.0	240.7	229.5	280.6	282.7	277.0	277.3
Misc. Adjustments/Rounding	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Estimated Operating Balance 6/30/24	\$874.2	\$874.2	\$874.2	\$873.9	\$878.4	\$880.3	\$911.0	\$919.8	\$908.7	\$959.8	\$961.9	\$956.1	\$956.4

1. P.A. 23-204.

2. Budget plan and July - December as estimated by the Office of Policy and Management. January - June per Comptroller's year-end report