

October 18, 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 2025. An analysis of the Special Transportation Fund is also provided here due to the significance of this fund. This memorandum also provides an explanation of any projected deficiencies as required by Section 2-36 of the General Statutes.

| FY 2025 Projection | | | | | |
|---------------------------------------|-----------------|------------------|------------------|---|---------------------|
| (in millions) | | | | | |
| | Budget | Sep. Estimate | Oct. Estimate | Change in Estimate - Oct. vs. Oct. Est. | from Sep. Budget |
| General Fund | | | | | |
| Revenues | \$ 23,103.7 | \$ 23,271.4 | \$ 23,271.4 | \$ - 167.7 | \$ 167.7 |
| Expenditures | <u>22,805.9</u> | <u>23,162.2</u> | <u>23,200.2</u> | <u>38.0</u> 394.3 | <u>394.3</u> |
| Operating Results - Surplus/(Deficit) | \$ 297.8 | \$ 109.2 | \$ 71.2 | \$ (38.0) \$(226.6) | \$ (226.6) |
| Budget Reserve Fund | | | | | |
| Deposits | | \$ 1,276.7 | \$ 1,234.7 | \$ (42.0) | \$ (42.0) |
| Withdrawals | | <u>(940.5)</u> | <u>(933.0)</u> | <u>7.5</u> 1. | <u>7.5</u> |
| Proj. Net Deposit/(Withdrawal) 6/30 | | \$ 336.2 | \$ 301.7 | \$ (34.5) | \$ (34.5) |
| Special Transportation Fund | | | | | |
| Revenues | \$ 2,354.5 | \$ 2,410.5 | \$ 2,410.5 | \$ - 56.0 | \$ 56.0 |
| Expenditures | <u>2,286.4</u> | <u>2,283.1</u> | <u>2,278.9</u> | <u>(4.2)</u> (7.5) | <u>(7.5)</u> |
| Operating Results - Surplus/(Deficit) | \$ 68.1 | \$ 127.4 | \$ 131.6 | \$ 4.2 | \$ 63.5 |
| Proj. Fund Balance 6/30 | | \$ 539.0 | \$ 543.1 | 2. \$ 4.2 | \$ 4.2 |

Notes:

1. BRF withdrawal includes the projected transfer out of \$933.0 million in FY 2025 pursuant to Sec. 4-30a, CGS based on the FY 2024 ending balance. This sum will be deposited as additional contributions to the State Employees Retirement Fund and the Teachers' Retirement Fund.

2. STF Fund balance after anticipated transfer to reduce STO debt pursuant to P.A. 24-151, Sec. 124.

General Fund

The FY 2025 budget, P.A. 23-204, anticipated a \$297.8 million balance at year end – 1.3% of General Fund appropriations. We currently project a surplus of \$71.2 million, down \$38.0 million from last month's estimate due to updated expenditure projections as discussed below.

Budget Reserve Fund

Our forecast of the Budget Reserve Fund 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 2024 and transfers into the fund pursuant to the statutory volatility cap and the estimated FY 2025 operating surplus, the fund balance at the end of FY 2025 will be \$5.34 billion, or 23.4% of net General Fund appropriations for the current year. Given that this balance is expected to exceed the statutory 18% cap for the Budget Reserve Fund next fiscal year, additional transfers to the State Employees Retirement Fund and/or the Teachers' Retirement Fund are expected during the close-out period for FY 2025.

| Budget Reserve Fund | |
|---|----------------|
| | (in millions) |
| Estimated BRF Ending Balance - FY 2024 (OPM 8/20/24 Est.) | \$ 5,038.1 |
| Deposit to SERS/TRS pursuant to FY 2024 Closeout (OPM 8/20/24 Est.) | <u>(933.0)</u> |
| Estimated FY 2024 Ending Balance After Transfers to Pensions | \$ 4,105.1 |
| Projected Operating Surplus - FY 2025 (OPM 9/20/24 Est.) | 71.2 |
| Volatility Cap Deposit - FY 2025 (OPM 9/20/24 Est.) | <u>1,163.5</u> |
| Estimated BRF Ending Balance - FY 2025 | \$ 5,339.8 |
| Ending BRF as % of Current Year GF Appropriations | 23.4% |

Revenues

No change in General Fund revenue is forecast this month. Note that my office and the Office of Fiscal Analysis will jointly release a consensus forecast next month which could materially alter our projections.

Expenditures

We forecast that FY 2025 net expenditures will, in aggregate, be \$394.3 million above the levels anticipated in the adopted budget, an increase of \$38.0 million from last month's estimate. A description of projected shortfalls and lapses follows.

Deficiencies: Shortfalls totaling \$430.3 million are forecast in the following agencies.

- Department of Revenue Services. A shortfall of \$1.0 million in Personal Services is anticipated which may necessitate a release of a portion of funding withheld in order to achieve the "Reflect Historic Staffing" lapse.
- Department of Administrative Services. A shortfall of \$7.1 million is forecast, with \$5.5 million in the Personal Services account, \$1.0 million in the Other Expenses account due to increases in electricity and other premises costs, and \$562,120 in the W.C. Administrator account due to contractual costs.
- Division of Criminal Justice. A total shortfall of \$335,000 is forecast, with \$200,000 in the Personal Services account and \$135,000 in the Witness Protection account.
- Department of Housing. A \$4.0 million shortfall is projected in the Housing / Homeless Services account as a result of rent increases.

- Department of Public Health. A shortfall of \$1.2 million in Personal Services is anticipated which may necessitate a release of a portion of funding withheld in order to achieve the “Reflect Historic Staffing” lapse.
- Office of Health Strategy. A shortfall of \$218,000 in Personal Services is anticipated which may necessitate a release of a portion of funding withheld in order to achieve the “Reflect Historic Staffing” lapse.
- Department of Mental Health and Addiction Services. A total shortfall of \$30.55 million is projected with \$12.0 million in Personal Services which is likely to require deficiency appropriations in addition to release of the remaining \$7.6 million withheld in order to achieve the “Reflect Historic Staffing” lapse, \$9.0 million in the Other Expenses account as a result of higher than anticipated food, utilities and maintenance costs, \$8.0 million in the Professional Services account due to the cost of contracted doctors and nurses, \$1.2 million in the Behavioral Health Medications account due to price increases for medications, and \$350,000 in the Discharge and Diversion Services account due to unanticipated costs associated with discharges from Connecticut Valley Hospital and Whiting Forensic Institute.
- Department of Social Services. A net shortfall of \$212.5 million is anticipated. A \$220.0 million deficit is forecast in the Medicaid account due to higher than budgeted costs. The Governor’s proposed budget had recognized additional costs in Medicaid of \$106.8 million in FY 2025. Since that time, costs have continued to increase, exceeding budgeted amounts. Although the vast majority of the costs for coverage of undocumented children is being charged to Medicaid, the enacted budget funded these costs entirely under HUSKY B, which is the main reason for the projected lapse of \$9 million in that account. Shortfalls of \$2.8 million and \$4.0 million, respectively, are forecast in the Aid to the Disabled and State Administered General Assistance accounts due to higher caseload and costs per case than had been budgeted. These shortfalls are partially offset by lapses of \$4.0 million in Temporary Family Assistance and \$200,000 in Old Age Assistance, primarily due to lower caseloads than had been budgeted, as well as a lapse of \$800,000 in the state-funded home care program due to revised requirements under the ARPA HCBS reinvestment plan.
- Department of Education. A shortfall of \$1.7 million in Personal Services is anticipated which may necessitate a release of a portion of funding withheld in order to achieve the “Reflect Historic Staffing” lapse.
- Technical Education and Career System. A total shortfall of \$13.3 million is forecast including \$3.0 million in Personal Services which may necessitate a release of a portion of funding withheld in order to achieve the “Reflect Historic Staffing” lapse as well as \$10.3 million in the Other Expenses account as a result of unbudgeted increases in special education services, a portion of which was previously funded via expiring federal grants.
- Office of Early Childhood. A \$1.4 million shortfall is anticipated in the Birth to Three account as a result of increased caseload projections.
- Teachers’ Retirement Board. A net shortfall of \$8.9 million is anticipated, based on a \$9.9 million shortfall in the Retiree Health account due to significant increases in contractual Medicare Advantage rates beginning January 1, 2025, in part driven by changes mandated under the federal Inflation Reduction Act. Partially offsetting this shortfall is a \$1.0 million lapse in the Municipal Retiree Health Insurance Costs account as a result of caseload.
- Department of Correction. A net shortfall of \$28.5 million is forecast, with \$5.0 million in Personal Services, \$16.0 million in the Other Expenses account due to inflation-driven increases in operating expenses, and \$12.0 million in the Inmate Medical account due to increased staffing and pharmaceutical costs. Partially offsetting this shortfall are forecast lapses of \$1.5 million in the Board of Pardons and Paroles account and \$3.0 million in the Community Services account.
- Judicial Department. A \$3.2 million shortfall is projected with \$2.24 million in the Personal Services account as a result of new judge hires and \$950,000 in the Other Expenses account, primarily caused by higher-than-expected utilities and information technology costs.
- State Comptroller – Miscellaneous. We estimate \$6.0 million in expenditures for Adjudicated Claims. No appropriation was made in the enacted budget for payment of these claims.

- State Comptroller – Fringe Benefits. A net shortfall of \$110.5 million is anticipated, with \$75.0 million forecast in the Higher Education Alternative Retirement System account primarily due to a change in the accounting treatment for these expenditures, which were originally budgeted as revenue reimbursements but instead will be reflected as expenditures. In addition, a \$37.4 million shortfall is forecast in the Retired State Employees Health Service Cost account, a \$16.5 million shortfall is forecast in the Other Post Employment Benefits account, a \$8.0 million shortfall is projected in the Employers Social Security Tax account, and a shortfall of \$38,400 is forecast in the Pensions and Retirements – Other Statutory account. Partially offsetting those amounts are forecast lapses of \$14.3 million in the State Employees Health Service account, \$8.0 million in the SERS Defined Contribution Match account, \$2.18 million in the State Employees Retirement Contributions account, \$1.5 million in the Unemployment Compensation account, and \$500,000 in the Insurance – Group Life account.

Lapses: P.A. 23-204 included bottom-line savings targets totaling \$182.7 million. We project that aggregate lapses will total \$214.9 million including \$114.9 million remaining in funds withheld from agencies as part of the rollout of the FY 2025 budget, \$48.7 million in budgeted unallocated lapse that is anticipated to be achieved over the remainder of the year; and \$51.3 million in additional lapses in agencies as identified below. As noted in the deficiencies section above, we currently forecast approximately \$15.4 million of the funding currently withheld from agencies is likely to be released to partially address shortfalls in Personal Services funding in various agencies.

- Office of Legislative Management. A \$5.0 million lapse is projected in the Personal Services account.
- Auditors of Public Accounts. A \$200,000 lapse is projected in the Personal Services account.
- Secretary of the State. A \$500,000 lapse is projected in the Personal Services account.
- Elections Enforcement Commission. A \$400,000 lapse is forecast due to lower than budgeted Personal Services costs.
- Freedom of Information Commission. A \$300,000 lapse is forecast due to lower than budgeted Personal Services costs.
- State Treasurer. A \$300,000 lapse is forecast due to lower than budgeted Personal Services costs.
- Office of Governmental Accountability. A \$100,000 lapse is projected in the Personal Services account.
- Department of Aging and Disability Services. A \$140,000 lapse is projected in the Other Expenses account as a result of a budgeted lease being paid by a different agency.
- Debt Service – State Treasurer. A total lapse of \$44.192 million is anticipated, with \$30.6 million in the Debt Service appropriation and \$12.2 million in the UConn 2000 - Debt Service account as a result of reduced interest payments compared to budgeted estimates.

Note that this month's General Fund projection continues to reflect the transfer of appropriations totaling \$3.8 million out of the General Fund Reserve for Salary Adjustment and OPM Private Provider accounts into other appropriated funds.

Special Transportation Fund

The adopted budget anticipated a \$68.1 million balance from operations. We currently forecast an operating balance of \$131.6 million, an improvement of \$4.2 million from last month's forecast attributable to updated spending projections. We forecast that the closing STF balance, as of June 30, 2025, after transfers to reduce indebtedness pursuant to section 124 of P.A. 24-151, will be \$543.1 million, or 23.8% of current year appropriations.

Revenues

No change in Special Transportation Fund revenue is forecast this month. Note that my office and the Office of Fiscal Analysis will jointly release a consensus forecast next month which could materially alter our projections.

Expenditures

We forecast that net expenditures in the Special Transportation Fund will be \$8.9 million below the level in the adopted budget as described below.

Deficiencies: No deficiencies are forecast in the Special Transportation Fund.

Lapses: We project the following lapses, totaling \$20.9 million, will more than satisfy the budgeted bottom-line savings target.

- Department of Administrative Services. A \$400,000 lapse is projected in the Personal Services account.
- Department of Motor Vehicles. A \$8.0 million lapse is projected in the Personal Services account.
- Department of Transportation. A \$12.5 million lapse is projected in the Personal Services account.

Note that this month's Special Transportation Fund projection continues to reflect the transfer of appropriations totaling \$1.4 million from the General Fund Reserve for Salary Adjustment account to the Special Transportation Fund.

It is important to note that this represents just the third monthly projection of the state's budget outlook for FY 2025. As the year progresses, these estimates will undoubtedly be revised to reflect the impact of changes in the economy, expenditure patterns, and/or other factors.

Sincerely,



Jeffrey R. Beckham
Secretary

Attachments:

Summary Statements, FY 2025 Revenue and Expenditures

State of Connecticut

Summary of Changes - FY 2025

General Fund and Special Transportation Fund

Projected to June 30, 2025

As of September 30, 2024

(In Millions)

General Fund

| | | |
|--|--------|--------|
| Balance from Operations - Prior Estimate | \$ | 109.2 |
| Revenues | | |
| No changes | 0.0 | 0.0 |
| Expenditures | | |
| Additional Requirements | (38.5) | |
| Estimated Lapses | 0.5 | |
| Miscellaneous Adjustments/Rounding | 0.0 | (38.0) |
| Operating Surplus - FY 2025 | \$ | 71.2 |

Budget Reserve Fund

| | | |
|--|---------|---------|
| Fund Balance as of June 30, 2024 | \$ | 5,038.1 |
| Deposit to SERS/TRS Pursuant to Sec. 4-30a, CGS | (933.0) | |
| Volatility Cap Deposit | 1,163.5 | |
| FY 2025 Est. Balance from Operations | 71.2 | 301.7 |
| Estimated Fund Balance - June 30, 2025 | \$ | 5,339.8 |
| Fund Balance as Percentage of FY 2025 General Fund | | 23.4% |

Special Transportation Fund

| | | |
|---|-----|---------|
| Fund Balance as of June 30, 2024 | \$ | 967.9 |
| Transfer to Reduce Indebtedness (P.A. 24-151, Sec. 124) | | (556.3) |
| Balance from Operations - Prior Estimate | | 127.4 |
| Revenues | | |
| No Revenue Changes | 0.0 | 0.0 |
| Expenditures | | |
| Additional Requirements | 0.3 | |
| Estimated Lapses | 3.9 | |
| Miscellaneous Adjustments/Rounding | 0.0 | 4.2 |
| Estimated Fund Balance - June 30, 2025 | \$ | 543.1 |

Statement 1
October 18, 2024

State of Connecticut
General Fund
Statement of FY 2025 Revenues, Expenditures, and Results of Operations
Projected to June 30, 2025
As of September 30, 2024
(In Millions)

| | General Assembly Budget Plan ¹ | Revised Estimates OPM | Over/ (Under) |
|--|---|-----------------------------|-------------------|
| REVENUE | | | |
| Taxes | \$ 22,502.2 | \$ 22,940.6 | \$ 438.4 |
| Less: Refunds | (2,175.9) | (2,136.9) | 39.0 |
| Taxes - Net | \$ 20,326.3 | \$ 20,803.7 | \$ 477.4 |
| Other Revenue | 1,514.2 | 1,588.2 | 74.0 |
| Other Sources | 1,263.2 | 879.5 | (383.7) |
| TOTAL Revenue | \$ 23,103.7 | \$ 23,271.4 | \$ 167.7 |
| EXPENDITURES | | | |
| Initial Current Year Appropriations | \$ 22,988.6 | \$ 22,988.6 | \$ - |
| Prior Year Appropriations Continued to FY 2025 ² | | 438.9 | 438.9 |
| TOTAL Initial and Continued Appropriations | \$ 22,988.6 | \$ 23,427.5 | \$ 438.9 |
| Appropriation Adjustments | | (3.8) | (3.8) |
| TOTAL Adjusted Appropriations | \$ 22,988.6 | \$ 23,423.7 | \$ 435.1 |
| Net Additional Expenditure Requirements | | 430.3 | 430.3 |
| Estimated Appropriations Lapsed | (182.7) | (214.9) | (32.2) |
| Estimated Appropriations to be Continued to FY 2026 ² | | - | - |
| TOTAL Estimated Expenditures | \$ 22,805.9 | \$ 23,639.1 | \$ 833.3 |
| Net Change in Fund Balance - Continuing Appropriations | | (438.9) | (438.9) |
| Miscellaneous Adjustments/Rounding | | - | - |
| Net Change in Unassigned Fund Balance - 6/30/2025 | \$ 297.8 | \$ 71.2 | \$ (226.7) |

1. P.A. 23-204. Note that CGS Sec. 2-33c limits appropriations to 98.75% of General Fund revenue. As a result, the \$297.8 million budgeted surplus is comprised of \$288.8 million due to this 98.75% limitation, plus an additional \$9.0 million operating surplus.

2. CGS Sec. 4-89 and other statutory provisions. Prior appropriations carried forward to FY 2025 include \$73.5 million from FY 2023 and \$365.4 million from FY 2024.

State of Connecticut

General Fund

FY 2025 Revenue Estimates

Projected to June 30, 2025

As of September 30, 2024

(In Millions)

| | General Assembly | Revised Estimates | Over/ (Under) |
|---|--------------------------|----------------------|-------------------|
| | Budget Plan ¹ | OPM | |
| TAXES | | | |
| Personal Income - Withholding | \$ 8,530.4 | \$ 8,794.1 | \$ 263.7 |
| Personal Income - Estimates and Finals | 2,703.0 | 3,123.5 | 420.5 |
| Sales and Use | 5,428.2 | 5,103.5 | (324.7) |
| Corporation | 1,526.5 | 1,560.7 | 34.2 |
| Pass-through Entity Tax | 1,877.3 | 1,969.3 | 92.0 |
| Public Service Corporations | 296.8 | 311.9 | 15.1 |
| Inheritance and Estate | 182.2 | 156.9 | (25.3) |
| Insurance Companies | 266.8 | 301.7 | 34.9 |
| Cigarettes | 262.0 | 244.7 | (17.3) |
| Real Estate Conveyance | 292.6 | 277.6 | (15.0) |
| Alcoholic Beverages | 78.8 | 78.8 | - |
| Admissions and Dues | 31.0 | 35.5 | 4.5 |
| Health Provider Tax | 957.4 | 941.0 | (16.4) |
| Miscellaneous | 69.2 | 41.4 | (27.8) |
| TOTAL - TAXES | \$ 22,502.2 | \$ 22,940.6 | \$ 438.4 |
| Less: Refunds of Taxes | (1,971.9) | (1,932.9) | 39.0 |
| Earned Income Tax Credit | (196.2) | (196.2) | - |
| R & D Credit Exchange | (7.8) | (7.8) | - |
| TOTAL - TAXES - NET | \$ 20,326.3 | \$ 20,803.7 | \$ 477.4 |
| OTHER REVENUE | | | |
| Transfers - Special Revenue | \$ 411.9 | \$ 383.4 | \$ (28.5) |
| Indian Gaming Payments | 286.0 | 303.6 | 17.6 |
| Licenses, Permits, Fees | 330.7 | 330.7 | - |
| Sales of Commodities and Services | 17.8 | 18.0 | 0.2 |
| Rents, Fines, Escheats | 175.2 | 188.8 | 13.6 |
| Investment Income | 201.7 | 256.6 | 54.9 |
| Miscellaneous | 158.0 | 184.3 | 26.3 |
| Refunds of Payments | (67.1) | (77.2) | (10.1) |
| TOTAL - OTHER REVENUE | \$ 1,514.2 | \$ 1,588.2 | \$ 74.0 |
| OTHER SOURCES | | | |
| Federal Grants | \$ 1,886.5 | \$ 1,893.7 | \$ 7.2 |
| Transfer from Tobacco Settlement Fund | (70.4) | 109.4 | 179.8 |
| Transfers From/(To) Other Funds | 106.7 | 39.9 | (66.8) |
| Transfers to BRF - Volatility Adjustment ² | (659.6) | (1,163.5) | (503.9) |
| TOTAL - OTHER SOURCES | \$ 1,263.2 | \$ 879.5 | \$ (383.7) |
| TOTAL - GENERAL FUND REVENUE | \$ 23,103.7 | \$ 23,271.4 | \$ 167.7 |

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

2. The volatility cap for FY 2025 is \$3,929.3 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.

Statement 3
October 18, 2024

State of Connecticut - General Fund

FY 2025 Appropriation Adjustments - Net Additional Requirements

Projected to June 30, 2025

As of September 30, 2024

| | |
|--|------------------------------|
| Department of Revenue Services | \$1,000,000 |
| Department of Administrative Services | \$7,062,120 |
| Division of Criminal Justice | \$335,000 |
| Department of Housing | \$4,000,000 |
| Department of Public Health | \$1,200,000 |
| Office of Health Strategy | \$218,000 |
| Department of Mental Health and Addiction Services | \$30,550,000 |
| Department of Social Services | \$212,500,000 |
| Department of Education | \$1,712,000 |
| Technical Education and Career System | \$13,300,000 |
| Office of Early Childhood | \$1,400,000 |
| Teachers' Retirement Board | \$8,900,000 |
| Department of Correction | \$28,500,000 |
| Judicial Department | \$3,193,000 |
| State Comptroller - Miscellaneous | \$6,000,000 |
| State Comptroller - Fringe Benefits | \$110,457,798 |
| | |
| Total | <u>\$ 430,327,918</u> |

Statement 4
October 18, 2024

State of Connecticut

General Fund

Estimated FY 2025 Lapses

Projected to June 30, 2025

As of September 30, 2024

| | |
|---|-----------------------|
| Unallocated Lapse | \$ 48,715,570 |
| Unallocated Lapse - Judicial | 5,000,000 |
| Reflect Historical Staffing | 109,900,000 |
| Legislative Management | 5,000,000 |
| Auditors of Public Accounts | 200,000 |
| Comm. on Women, Children, Seniors, Equity and Opportunity | 150,000 |
| Secretary of the State | 500,000 |
| Elections Enforcement Commission | 400,000 |
| Freedom of Information Commission | 300,000 |
| State Treasurer | 300,000 |
| Office of Governmental Accountability | 100,000 |
| Department of Aging and Disability Services | 140,000 |
| Debt Service - State Treasurer | 44,191,628 |
| | |
| Total | <u>\$ 214,897,198</u> |

State of Connecticut
FY 2025 General Fund
Monthly Summary of Operations
(In Millions)

| | Budget Plan ¹ | July 2024 | August 2024 | September 2024 | October 2024 | November 2024 | December 2024 | January 2025 | February 2025 | March 2025 | April 2025 | May 2025 | June 2025 |
|---|-----------------------------|-----------------|-----------------|-------------------|-----------------|------------------|------------------|-----------------|------------------|---------------|---------------|--------------|--------------|
| REVENUE | \$ 23,103.7 | \$ 23,252.3 | \$ 23,271.4 | \$ 23,271.4 | | | | | | | | | |
| Appropriations | 22,988.6 | 22,984.8 | 22,984.8 | 22,984.8 | | | | | | | | | |
| Additional Requirements | 0.0 | 368.1 | 391.9 | 430.3 | | | | | | | | | |
| Less: Estimated Lapses | (182.7) | (213.8) | (214.4) | (214.9) | | | | | | | | | |
| TOTAL - Estimated Expenditures | 22,805.9 | 23,139.1 | 23,162.2 | 23,200.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating Balance | 297.8 | 113.2 | 109.2 | 71.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Misc. Adjustments/Rounding | 0.0 | 0.0 | 0.0 | 0.0 | | | | | | | | | |
| Est. Operating Balance - 6/30/25 | \$297.8 | \$113.2 | \$109.2 | \$71.2 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |

1. P.A. 23-204.

State of Connecticut
Special Transportation Fund
Analysis of FY 2025 Budget Plan
Projected to June 30, 2025
As of September 30, 2024
(In Millions)

| | General Assembly Budget Plan ¹ | Revised Estimates OPM | Over/ (Under) |
|--|---|-----------------------------|------------------|
| Fund Balance as of June 30, 2024 | | \$ 968.2 | |
| Transfer to Reduce Indebtedness ² | | (556.6) | |
| REVENUE | | | |
| Taxes | \$ 1,947.7 | \$ 1,947.4 | \$ (0.3) |
| Less: Refunds of Taxes | (16.6) | (11.3) | 5.3 |
| Taxes - Net | 1,931.1 | 1,936.1 | 5.0 |
| Other Revenue | 423.4 | 474.4 | 51.0 |
| TOTAL - Revenue | \$ 2,354.5 | \$ 2,410.5 | \$ 56.0 |
| EXPENDITURES | | | |
| Appropriations | \$ 2,298.4 | \$ 2,298.4 | \$ - |
| Prior Year Appropriations Continued to FY 2025 ³ | 150.0 | 150.0 | 150.0 |
| TOTAL Initial and Continued Appropriations | \$ 2,298.4 | \$ 2,448.4 | \$ 150.0 |
| Appropriation Adjustments | - | 1.4 | 1.4 |
| TOTAL Adjusted Appropriations | \$ 2,298.4 | \$ 2,449.8 | \$ 151.5 |
| Net Additional Expenditure Requirements | | - | - |
| Estimated Appropriations Lapsed | (12.0) | (20.9) | (8.9) |
| Estimated Appropriations to be Continued to FY 2026 ³ | - | - | - |
| TOTAL Estimated Expenditures | \$ 2,286.4 | \$ 2,428.9 | \$ 142.6 |
| Net Change in Fund Balance - Continuing Appropriations | | (150.0) | (150.0) |
| Miscellaneous Adjustments/Rounding | | - | - |
| Net Change in Unassigned Fund Balance - FY 2025 | \$ 68.1 | \$ 131.6 | \$ 63.5 |
| Estimated Fund Balance - June 30, 2025 | | <u>\$ 543.1</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 \$68.1 million budgeted surplus is comprised of \$29.4 million due to this limitation, plus an additional \$38.7 million operating surplus.

2. P.A. 24-151, Sec. 124 provides for the portion of the STF fund balance that exceeds 18% of FY 2025 appropriations to be transferred to reduce STO indebtedness.

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

State of Connecticut

Special Transportation Fund
FY 2025 Revenue Estimates
Projected to June 30, 2025
As of September 30, 2024
(In Millions)

| | General Assembly Budget Plan ^{1.} | Revised Estimates OPM | Over/ (Under) |
|--|--|-----------------------------|------------------|
| TAXES | | | |
| Motor Fuels | \$ 506.7 | \$ 512.7 | \$ 6.0 |
| Oil Companies | 357.2 | 381.3 | 24.1 |
| Sales & Use Tax | 883.2 | 879.2 | (4.0) |
| Sales Tax DMV | 106.5 | 113.4 | 6.9 |
| Highway Use | 94.1 | 60.8 | |
| TOTAL - TAXES | 1,947.7 | 1,947.4 | 33.0 |
| Less: Refunds of Taxes | (16.6) | (11.3) | 5.3 |
| TOTAL - TAXES - NET | \$ 1,931.1 | \$ 1,936.1 | \$ 38.3 |
| OTHER REVENUE | | | |
| Motor Vehicle Receipts | \$ 255.4 | \$ 280.6 | \$ 25.2 |
| Licenses, Permits, Fees | 126.1 | 143.9 | 17.8 |
| Interest Income | 51.0 | 63.6 | 12.6 |
| Federal Grants | 8.1 | 8.1 | - |
| Transfers (To)/From Other Funds | (13.5) | (13.5) | - |
| Refunds of Payments | (3.7) | (8.3) | (4.6) |
| TOTAL - OTHER REVENUE | \$ 423.4 | \$ 474.4 | \$ 51.0 |
| TOTAL - SPECIAL TRANSPORTATION FUND REVENUE | \$ 2,354.5 | \$ 2,410.5 | \$ 89.3 |

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

Statement 3T
October 18, 2024

State of Connecticut
Special Transportation Fund
FY 2025 Appropriation Adjustments - Net Additional Requirements
Projected to June 30, 2025
As of September 30, 2024

| | |
|----------------------------|--------------------|
| No additional requirements | \$0 |
| Total | <u>\$</u> <u>-</u> |

Statement 4T
October 18, 2024

State of Connecticut
Special Transportation Fund
FY 2025 Estimated Lapses
Projected to June 30, 2025
As of September 30, 2024

| | | |
|---------------------------------------|--------|-----------------------|
| Unallocated Lapse | \$ | - |
| Department of Administrative Services | | \$400,000 |
| Department of Motor Vehicles | | \$8,000,000 |
| Department of Transportation | | \$12,500,000 |
| Total | \$ | <u>20,900,000</u> |

State of Connecticut
FY 2025 Special Transportation Fund
Monthly Summary of Operations
(In Millions)

| | Budget Plan ¹ | July 2024 | August 2024 | September 2024 | October 2024 | November 2024 | December 2024 | January 2025 | February 2025 | March 2025 | April 2025 | May 2025 | June 2025 |
|-------------------------------------|-----------------------------|--------------|----------------|-------------------|-----------------|------------------|------------------|-----------------|------------------|---------------|---------------|-------------|--------------|
| Beginning Balance ² | \$ 411.6 | \$ 411.6 | \$ 411.6 | \$ 411.6 | | | | | | | | | |
| Revenue | 2,354.5 | 2,410.5 | 2,410.5 | 2,410.5 | | | | | | | | | |
| Total Available | 2,766.1 | 2,822.1 | 2,822.1 | 2,822.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Appropriations | 2,298.4 | 2,299.8 | 2,299.8 | 2,299.8 | | | | | | | | | |
| Additional Requirements | 0.0 | 0.3 | 0.3 | 0.0 | | | | | | | | | |
| Less: Estimated Lapses | (12.0) | (16.0) | (17.0) | (20.9) | | | | | | | | | |
| TOTAL - Estimated Expenditures | 2,286.4 | 2,284.1 | 2,283.1 | 2,278.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating Balance | 68.1 | 126.4 | 127.4 | 131.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Misc. Adjustments/Rounding | 0.0 | 0.0 | 0.0 | 0.0 | | | | | | | | | |
| Estimated Operating Balance 6/30/25 | \$479.7 | \$538.0 | \$539.0 | \$543.1 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |

1. P.A. 23-204.

2. Budget plan through August as estimated by the Office of Policy and Management after transfers to reduce STO debt pursuant to P.A. 24-151, Sec. 124.