

December 19, 2025

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 2026. An analysis of the Special Transportation Fund is also provided here due to the significance of this fund.

FY 2026 Projection					
(in millions)					
	Budget	November Estimate	December Estimate	Change in Estimate - Dec vs. Nov	Dec Est. Variance from Budget
<u>General Fund</u>					
Revenues	\$ 24,345.4	\$ 24,356.8	\$ 24,524.7	\$ 167.9	\$ 179.3
Expenditures	<u>24,036.4</u>	<u>24,192.4</u>	<u>24,388.4</u>	<u>196.0</u>	<u>352.0</u>
Operating Results - Surplus/(Deficit)	\$ 309.1	\$ 164.4	\$ 136.3	\$ (28.1)	\$ (172.7)
<u>Budget Reserve Fund</u>					
Deposits		\$ 1,810.4	\$ 1,810.4	\$ -	
Withdrawals		<u>(1,487.5)</u>	<u>(1,655.4)</u>	<u>(167.9)</u>	
Proj. Net Deposit/(Withdrawal) 6/30		\$ 322.9	\$ 155.0	^{1.} \$ (167.9)	
<u>Special Transportation Fund</u>					
Revenues	\$ 2,309.1	\$ 2,328.8	\$ 2,328.8	\$ -	\$ 19.8
Expenditures	<u>2,279.2</u>	<u>2,285.1</u>	<u>2,278.5</u>	<u>(6.5)</u>	<u>(0.7)</u>
Operating Results - Surplus/(Deficit)	\$ 29.8	\$ 43.7	\$ 50.3	\$ 6.5	\$ 20.4
Proj. Fund Balance 6/30		\$ 454.0	\$ 462.7	^{2.} \$ 8.7	
Notes:					
1. BRF withdrawal excludes the remaining \$332.1 million reserve established in S.A. 25-1 of the November 2025 Special Session and includes the remaining \$1,487.5 million balance pursuant to Sec. 4-30a, CGS, which was deposited as additional contributions to the State Employees Retirement Fund and the Teachers' Retirement Fund and \$167.9 million that was transferred to the General Fund on December 18, 2025 pursuant to S.A. 25-1. Estimated deposits excludes forecast General Fund surplus as this will be transferred to the Early Childhood Education Endowment per P.A. 25-93.					
2. STF Fund balance after anticipated transfer to reduce STO debt pursuant to P.A. 25-168, Sec. 389.					

General Fund

The FY 2026 budget, adopted in P.A. 25-168, anticipated a \$309.1 million balance at year end – 1.3% of General Fund appropriations. We currently project a \$136.3 million surplus, down \$28.1 million from last month's forecast based on updated revenue and expenditures projections as discussed below.

Revenues

General Fund revenues have been increased by \$167.9 million due to a transfer into the General Fund from the Budget Reserve Fund pursuant to Special Act 25-1 of the November Special Session and action by my office outlined in my December 18, 2025, letter to legislative leaders. The purpose of these funds is to respond to and mitigate any action or inaction by the federal government. All other General Fund revenues remain unchanged from last month and continue to reflect the November 10th consensus revenue forecast, which will be updated on January 15th.

Expenditures

We forecast that FY 2026 expenditures will, in aggregate, be \$352.0 million above the level anticipated in the adopted budget. This month's estimate reflects an increase of \$196.0 million over last month's forecast, inclusive of \$167.9 million in increased spending pursuant to the state's response to action, or inaction, by the federal government as outlined in my December 18, 2025, letter to legislative leaders as well as an underlying increase of \$28.1 million in projected agency spending as outlined below. A description of projected shortfalls and lapses follows.

Deficiencies: Shortfalls totaling \$191.9 million are forecast in the following agencies.

- Department of Emergency Services and Public Protection. A \$7.0 million shortfall is projected in the Personal Services account as a result of increased overtime costs.
- Department of Labor. A \$1.4 million shortfall is anticipated in the Other Expenses account as a result of anticipated operating and IT consultant cost increases as well as required payments to FEMA.
- Department of Housing. A shortfall of \$12.5 million is projected in the Housing / Homeless Services account as a result of rent increases as well as cold weather funding which was not provided for in the budget.
- Department of Public Health. A \$600,000 shortfall is forecast in the Other Expenses account primarily due to increases in the cost of lab supplies, utilities, and property management.
- Department of Mental Health and Addiction Services. A total shortfall of \$6.3 million is anticipated, with \$5.0 million in the Personal Services account and \$1.3 million in Behavioral Health Medications due to rising medication costs and increased reliance on injectable treatments.
- Department of Social Services. A net shortfall of \$103.5 million is forecast based on \$110.0 million in the Medicaid account as a result of continued utilization growth and higher than budgeted costs. In addition, shortfalls of \$6.3 million in Old Age Assistance, \$3.5 million in the Connecticut Home Care Program, \$3.4 million in Aid to the Disabled, and \$190,000 in Aid to the Blind are anticipated primarily due to higher costs per case than had been budgeted. These shortfalls are partially offset by projected lapses of \$15.2 million in Temporary Family Assistance, \$3.0 million in State Administered General Assistance, and \$1.7 million in the HUSKY B Program.
- Technical Education and Career System. A total shortfall of \$6.4 million is projected in the Other Expenses account as a result of increased contractual costs for special education, utilities, and consumables.
- Office of Early Childhood. A net shortfall of \$2.34 million is anticipated, with \$2.5 million forecast in the Birth to Three account as a result of increased caseload which is partially offset by a \$160,000 lapse in the 2Gen-TANF account.

- Department of Correction. A net shortfall of \$15.75 million is forecast including \$5.0 million in the Personal Services account, \$10.0 million in the Other Expenses account, and \$4.0 million in the Inmate Medical Services account. Partially offsetting these amounts are forecast lapses of \$250,000 in the Board of Pardons and Paroles account and \$3.0 million in the Community Support Service account.
- Judicial Department. A \$2.53 million shortfall is projected in the Other Expenses account as a result of increased premises costs.
- State Comptroller – Miscellaneous. We estimate \$20.0 million in expenditures for Adjudicated Claims. No appropriation was made in the enacted budget for payment of these claims.
- Workers' Compensation Claims – DAS. A net shortfall of \$13.6 million is forecast, with higher than anticipated claim volume in the DMHAS, DESPP, DOC, and statewide accounts, which are partially mitigated by projected lapses in the UConn and CSCU accounts.

Lapses: P.A. 25-168 included bottom-line savings targets totaling \$94.2 million. We project that aggregate lapses will total \$102.2 million including \$37.1 million remaining in funds withheld from agencies as part of the rollout of the FY 2026 budget, \$30.0 million in budgeted unallocated lapse that is anticipated to be achieved over the remainder of the year, and \$35.1 million in additional lapses in agencies as identified below.

- Office of Legislative Management. A \$1.0 million lapse is projected in the Personal Services account.
- Secretary of the State. A \$600,000 lapse is projected in the Personal Services account.
- Elections Enforcement Commission. A \$250,000 lapse is projected as a result of lower than budgeted Personal Services expenditures.
- Department of Revenue Services. A \$1.5 million lapse is projected in the Personal Services account.
- Department of Administrative Services. A total of \$2.0 million is projected to lapse, with \$750,000 in the Personal Services account and \$1.25 million in the State Insurance and Risk Management Operations account as a result of a recent decline in claim activity.
- Attorney General. A \$500,000 lapse is projected in the Personal Services account.
- Department of Education. A net lapse of \$4.46 million is anticipated based on \$2.5 million in the Magnet School account, \$1.0 million in the Charter School account, and \$1.0 million in the Open Choice account as a result of updated October 1 enrollment data. Partially offsetting these lapses is a projected shortfall of \$38,000 in the Vocational Agriculture account.
- Teachers' Retirement Board. A total lapse of \$675,000 is projected with \$500,000 in the Municipal Retiree Health Insurance Costs account and \$175,000 in the Retiree Health Service Cost account.
- Public Defender Services Commission. A net \$500,000 lapse is forecast based on \$350,000 in the Personal Services account and \$350,000 in the Assigned Counsel – Criminal accounts which are partially offset by a \$200,000 shortfall in the Expert Witnesses account.
- Debt Service – State Treasurer. A total lapse of \$8.5 million is forecast based on \$7.8 million in the Debt Service account based on results of the Fall GO sale which resulted in a slightly lower interest rate than assumed as well as savings due to refunding sales and \$721,991 in the Municipal Restructuring account as a result of the refunding of the Hartford restructuring debt.
- State Comptroller – Fringe Benefits. A net lapse of \$15.13 million is anticipated based on \$50.0 million in the Higher Education Alternative Retirement System account primarily due to a change in the accounting treatment for these expenditures; \$5.0 million in the Employers Social Security Tax account; \$1.5 million in the Other Post Employment Benefits account; and \$1.63 million across the Unemployment Compensation, Pensions and Retirements - Other Statutory, Insurance – Group Life, and SERS Defined Contributions Match accounts. These lapses are partially offset by a \$43.0 million shortfall in the State Employees Health Service Cost account.

Special Transportation Fund

The adopted budget, P.A. 25-168, anticipated a \$29.8 million balance from operations. We currently forecast an operating surplus of \$50.3 million, up \$6.5 million from last month's forecast as a result of updated expenditure projections as discussed below. We project that the Transportation Fund balance on June 30, 2026, will be \$462.7 million after transfers to reduce STO indebtedness totaling \$57.5 million pursuant to section 389 of P.A. 25-168.

Revenues

Transportation Fund revenues remain unchanged from last month and continue to reflect the November 10th consensus revenue forecast, which will be updated on January 15th.

Expenditures

We forecast that net expenditures in the Special Transportation Fund will be \$700,000 below the level in the adopted budget as described below.

Deficiencies: Shortfalls totaling \$7.9 million are forecast in the following agencies:

- State Comptroller – Fringe Benefits. A total shortfall of \$7.4 million is forecast, with \$7.0 million in the State Employees Health Service account and \$600,000 in the Employers' Social Security Tax account which are partially offset by lapses totaling \$200,000 in the Unemployment Compensation and SERS Defined Contribution Match accounts.
- Workers' Compensation Claims – DAS. A net shortfall of \$500,000 is forecast based on higher than anticipated claim volume.

Lapses: We project the following lapses, totaling \$20.6 million, will more than satisfy the budgeted \$12.0 million bottom-line savings target.

- Department of Administrative Services. A \$400,000 lapse is projected in the Personal Services account.
- Department of Motor Vehicles. A \$1.0 million lapse is projected in the Personal Services account.
- Debt Service – State Treasurer. A \$19.2 million lapse is projected in the Debt Service account due to refunding sales and updated debt service costs due to timing.

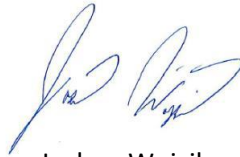
Budget Reserve Fund

Our forecast for the Budget Reserve Fund is depicted below. We project that, after transfers out of the fund and into the State Employees and Teachers' Retirement Systems totaling \$1.49 billion pursuant to the close-out of FY 2025, the balance will stand at \$4.83 billion: temporarily above the statutory 18% threshold as a result of S.A. 25-1 of the November 2025 Special Session, which established an appropriated \$500 million reserve for responding to federal actions affecting the state budget. We anticipate a volatility cap transfer of \$1.81 billion for FY 2026, which will result in a year-end balance, excluding any unspent portion of the S.A. 25-1 (Nov. Spec. Sess.) reserve, of \$6.14 billion, or 24.2% of FY 2027 enacted General Fund appropriations. Note that, pursuant to P.A. 25-93, any operating surplus will be transferred to the Early Childhood Education Endowment rather than the Budget Reserve Fund.

Budget Reserve Fund	
	(in millions)
BRF Ending Balance - FY 2025	\$ 6,314.0
Deposit to SERS/TRS pursuant to FY 2025 Closeout	<u>(1,487.5)</u>
Estimated FY 2025 Ending Balance After Transfers to Pensions	\$ 4,826.5
Projected Operating Surplus - FY 2026 (OPM 12/19/25 Est.)	\$ 136.3
Volatility Cap Deposit - FY 2026 (OPM 12/19/25 Est.)	1,810.4
Projected Transfer to Early Childhood Education Endowment	(136.3)
S.A. 25-1 Transfer to General Fund	(167.9)
S.A. 25-1 Reserve for Response to Federal Actions	<u>(332.1)</u>
Estimated BRF Ending Balance - FY 2026	\$ 6,136.9
Ending BRF as % of FY 2026 General Fund Appropriations	25.5%
Ending BRF as % of enacted FY 2027 General Fund Appropriations	24.2%

As the year progresses, these estimates will undoubtedly be revised to reflect the impact of changes in the economy, expenditure patterns, federal fiscal policy, and/or other factors.

Sincerely,



Joshua Wojcik
Secretary

Attachments:

Summary Statements, FY 2026 Revenue and Expenditures

State of Connecticut
Summary of Changes - FY 2026
General Fund and Special Transportation Fund
Projected to June 30, 2026
As of November 30, 2025
(In Millions)

General Fund

Balance from Operations - Prior Estimate		\$	164.4
Revenues			
Transfers from/(to) Other Funds (SA 25-1)	167.9		167.9
Expenditures			
Additional Requirements	(40.1)		
Estimated Lapses	12.0		
Increase in Appropriation per SA 25-1	(167.9)		(196.0)
Operating Surplus - FY 2026		\$	136.3

Budget Reserve Fund

Fund Balance as of June 30, 2025		\$	6,314.0
Deposit to SERS/TRS Pursuant to Sec. 4-30a, CGS	(1,487.5)		
Transfer to General Fund Pursuant to S.A. 25-1	(167.9)		
FY 2026 Est. Volatility Cap Deposit	1,810.4		
FY 2026 Est. Balance from Operations	136.3		
Transfer to Early Childhood Education Endowment	(136.3)		
Reserve for Federal Response	(332.1)		(177.1)
Estimated Fund Balance - June 30, 2026		\$	6,136.9
Fund Balance as Percentage of FY 2026 General Fund			25.5%

Special Transportation Fund

Fund Balance as of June 30, 2025		\$	469.9
Transfer to Reduce Indebtedness (P.A. 25-168, Sec. 389)			(57.5)
Balance from Operations - Prior Estimate			43.7
Revenues			
No Changes	0.0		0.0
Expenditures			
Additional Requirements	(0.1)		
Estimated Lapses	6.6		
Miscellaneous Adjustments/Rounding	0.0		6.6
Estimated Fund Balance - June 30, 2026		\$	462.7

State of Connecticut
General Fund
Statement of FY 2026 Revenues, Expenditures, and Results of Operations
Projected to June 30, 2026
As of November 30, 2025
(In Millions)

	General Assembly Budget Plan ^{1.}	Revised Estimates OPM	Over/ (Under)
REVENUE			
Taxes	\$ 23,909.0	\$ 25,064.0	\$ 1,155.0
Less: Refunds	(2,212.0)	(2,245.8)	(33.8)
Taxes - Net	\$ 21,697.0	\$ 22,818.2	\$ 1,121.2
Other Revenue	1,695.2	1,686.4	(8.8)
Other Sources	953.2	20.1	(933.1)
TOTAL Revenue	\$ 24,345.4	\$ 24,524.7	\$ 179.3
 EXPENDITURES			
Initial Current Year Appropriations	\$ 24,130.8	\$ 24,130.8	\$ -
Prior Year Appropriations Continued to FY 2026 ^{2.}		365.9	365.9
TOTAL Initial and Continued Appropriations	\$ 24,130.8	\$ 24,496.7	\$ 365.9
Appropriation Adjustments ^{3.}	-	167.9	167.9
TOTAL Adjusted Appropriations	\$ 24,130.8	\$ 24,664.6	\$ 533.9
 Net Additional Expenditure Requirements		191.9	191.9
Estimated Appropriations Lapsed	(94.2)	(102.2)	(8.0)
Estimated Appropriations to be Continued to FY 2027 ^{2.}		-	-
TOTAL Estimated Expenditures	\$ 24,036.6	\$ 24,754.3	\$ 717.7
 Net Change in Fund Balance - Continuing Appropriations		(365.9)	(365.9)
Miscellaneous Adjustments/Rounding		-	-
 Net Change in Unassigned Fund Balance - 6/30/2026	\$ 308.9	\$ 136.3	\$ (172.6)

1. P.A. 25-168. Note that CGS Sec. 2-33c limits appropriations to 98.75% of General Fund revenue. As a result, \$304.3 million of the budgeted surplus is due to this limitation.

2. CGS Sec. 4-89 and other statutory provisions. Prior appropriations carried forward from FY 2025 included \$365.9 million into FY 2026 and \$36.0 million into FY 2027.

3. OPM Dec 18, 2025 memorandum pursuant to Per S.A. 25-1 (Nov. Spec. Sess.) transferred \$167.93 million from BRF to General Fund

State of Connecticut
General Fund
FY 2026 Revenue Estimates
Projected to June 30, 2026
As of November 30, 2025
(In Millions)

	General Assembly Budget Plan ^{1.}	Revised Estimates OPM	Over/ (Under)
TAXES			
Personal Income - Withholding	\$ 9,287.2	\$ 9,503.4	\$ 216.2
Personal Income - Estimates and Finals	3,343.7	4,098.4	754.7
Sales and Use	5,103.1	5,212.2	109.1
Corporation	1,659.5	1,401.7	(257.8)
Pass-through Entity Tax	2,115.3	2,440.6	325.3
Public Service Corporations	319.4	344.7	25.3
Inheritance and Estate	176.0	176.0	-
Insurance Companies	323.9	333.9	10.0
Cigarettes	228.1	217.1	(11.0)
Real Estate Conveyance	295.2	303.6	8.4
Alcoholic Beverages	79.1	76.2	(2.9)
Admissions and Dues	39.7	43.3	3.6
Health Provider Tax	916.9	891.0	(25.9)
Miscellaneous	21.9	21.9	-
TOTAL - TAXES	\$ 23,909.0	\$ 25,064.0	\$ 1,155.0
Less: Refunds of Taxes	(1,966.8)	(2,000.6)	(33.8)
Earned Income Tax Credit	(235.4)	(235.4)	-
R & D Credit Exchange	(9.8)	(9.8)	-
TOTAL - TAXES - NET	\$ 21,697.0	\$ 22,818.2	\$ 1,121.2
OTHER REVENUE			
Transfers - Special Revenue	\$ 376.3	\$ 362.5	\$ (13.8)
Indian Gaming Payments	334.6	344.6	10.0
Licenses, Permits, Fees	362.9	371.9	9.0
Sales of Commodities and Services	17.3	17.6	0.3
Rents, Fines, Escheats	203.2	228.1	24.9
Investment Income	301.5	273.8	(27.7)
Miscellaneous	189.1	194.1	5.0
Refunds of Payments	(89.7)	(106.2)	(16.5)
TOTAL - OTHER REVENUE	\$ 1,695.2	\$ 1,686.4	\$ (8.8)
OTHER SOURCES			
Federal Grants	\$ 1,853.2	\$ 1,835.8	\$ (17.4)
Transfer from Tobacco Settlement Fund	91.8	91.8	-
Transfers From/(To) Other Funds	(261.4)	(93.5)	167.9
Transfers to BRF - Volatility Adjustment ^{2.}	(730.4)	(1,810.4)	(1,080.0)
Transfer to Housing Trust Fund	-	(3.6)	(3.6)
TOTAL - OTHER SOURCES	\$ 953.2	\$ 20.1	\$ (933.1)
TOTAL - GENERAL FUND REVENUE	\$ 24,345.4	\$ 24,524.7	\$ 179.3

1. Sec. 460 of P.A. 25-168.

2. The volatility cap for the adopted FY 2026 budget is \$4,728.6 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 2026 Appropriation Adjustments - Net Additional Requirements
Projected to June 30, 2026
As of November 30, 2025

Department of Emergency Services and Public Protection	\$ 7,000,000
Department of Labor	1,400,000
Department of Housing	12,500,000
Department of Public Health	600,000
Department of Mental Health and Addiction Services	6,300,000
Department of Social Services	103,490,000
Technical Education and Career System	6,400,000
Office of Early Childhood	2,340,000
Department of Correction	15,750,000
Judicial Department	2,525,000
State Comptroller - Miscellaneous	20,000,000
Workers' Compensation Claims - DAS	13,600,000
Total	<u>\$ 191,905,000</u>

State of Connecticut
General Fund
Estimated FY 2026 Lapses
Projected to June 30, 2026
As of November 30, 2025

Unallocated Lapse	\$ 41,484,277
Unallocated Lapse - Judicial	5,000,000
Targeted Savings Lapse	20,626,692
Office of Legislative Management	1,000,000
Secretary of the State	600,000
Elections Enforcement Commission	250,000
Department of Revenue Services	1,500,000
Department of Administrative Services	2,000,000
Attorney General	500,000
Department of Education	4,462,021
Teachers' Retirement Board	675,000
Public Defender Services Commission	500,000
Debt Service - State Treasurer	8,521,991
State Comptroller - Fringe Benefits	15,125,000
Total	<u>\$ 102,244,981</u>

State of Connecticut FY 2026 General Fund Monthly Summary of Operations (In Millions)													
	Budget Plan ¹	July 2025	August 2025	September 2025	October 2025	November 2025	December 2025	January 2026	February 2026	Revised March 2026	April 2026	May 2026	June 2026
REVENUE	\$ 24,345.4	\$ 24,491.8	\$ 24,491.8	\$ 24,491.8	\$ 24,356.8	\$ 24,524.7							
Appropriations	24,130.8	24,130.6	24,130.6	24,130.6	24,130.8	24,298.7							
Additional Requirements	0.0	105.0	140.0	127.1	151.8	191.9							
Less: Estimated Lapses	<u>(94.2)</u>	<u>(94.2)</u>	<u>(95.6)</u>	<u>(88.2)</u>	<u>(90.2)</u>	<u>(102.2)</u>							
TOTAL - Estimated Expenditures	24,036.6	24,141.4	24,175.0	24,169.5	24,192.4	24,388.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Balance	308.9	350.5	316.8	322.3	164.4	136.3							
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>							
Est. Operating Balance - 6/30/26	\$308.9	\$350.5	\$316.8	\$322.3	\$164.4	\$136.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

1. P.A. 25-168.

State of Connecticut
Special Transportation Fund
Analysis of FY 2026 Budget Plan
Projected to June 30, 2026
As of November 30, 2025
(In Millions)

	General Assembly <u>Budget Plan</u> ^{1.}	Revised Estimates <u>OPM</u>	Over/ (Under)
Fund Balance as of June 30, 2025		\$ 469.9	
Transfer to Reduce Indebtedness ^{2.}		(57.5)	
REVENUE			
Taxes	\$ 1,854.8	\$ 1,869.2	\$ 14.4
Less: Refunds of Taxes	(10.3)	(14.3)	(4.0)
Taxes - Net	\$ 1,844.5	\$ 1,854.9	\$ 10.4
Other Revenue	464.6	473.9	9.3
TOTAL - Revenue	\$ 2,309.1	\$ 2,328.8	\$ 19.8
EXPENDITURES			
Appropriations	\$ 2,291.2	\$ 2,291.2	\$ -
Prior Year Appropriations Continued to FY 2026 ^{3.}		76.4	76.4
TOTAL Initial and Continued Appropriations	\$ 2,291.2	\$ 2,367.6	\$ 76.4
Appropriation Adjustments	-	-	-
TOTAL Adjusted Appropriations	\$ 2,291.2	\$ 2,367.6	\$ 76.4
Net Additional Expenditure Requirements		7.9	7.9
Estimated Appropriations Lapsed	(12.0)	(20.6)	(8.6)
Estimated Appropriations to be Continued to FY 2027 ^{3.}		-	-
TOTAL Estimated Expenditures	\$ 2,279.2	\$ 2,354.9	\$ 75.7
Net Change in Fund Balance - Continuing Appropriations		(76.4)	(76.4)
Miscellaneous Adjustments/Rounding		-	-
Net Change in Unassigned Fund Balance - FY 2026	\$ 29.8	\$ 50.3	\$ 20.5
Estimated Fund Balance - June 30, 2026		<u>\$ 462.7</u>	

1. P.A.25-168. Note that CGS Sec. 2-33c limits appropriations to 98.75% of Special Transportation Fund revenue. As a result, \$28.9 million of the budgeted surplus is due to this limitation.

2. P.A. 25-168, Sec. 389 provides for the portion of the STF fund balance that exceeds 18% of current-year appropriations to be transferred to reduce STO indebtedness.

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

State of Connecticut
Special Transportation Fund
FY 2026 Revenue Estimates
Projected to June 30, 2026
As of November 30, 2025
(In Millions)

	General Assembly Budget Plan ^{1.}	Revised Estimates OPM	Over/ (Under)
TAXES			
Motor Fuels	\$ 502.0	\$ 504.2	\$ 2.2
Oil Companies	293.8	292.4	(1.4)
Sales & Use Tax	879.2	898.1	18.9
Sales Tax DMV	118.1	113.7	(4.4)
Highway Use	61.7	60.8	(0.9)
TOTAL - TAXES	\$ 1,854.8	\$ 1,869.2	\$ 14.4
Less: Refunds of Taxes	(10.3)	(14.3)	(4.0)
TOTAL - TAXES - NET	\$ 1,844.5	\$ 1,854.9	\$ 10.4
OTHER REVENUE			
Motor Vehicle Receipts	\$ 282.1	\$ 269.1	\$ (13.0)
Licenses, Permits, Fees	134.9	139.7	4.8
Interest Income	47.0	64.5	17.5
Federal Grants	-	-	-
Transfers (To)/From Other Funds	11.5	11.5	-
Refunds of Payments	(10.9)	(10.9)	-
TOTAL - OTHER REVENUE	\$ 464.6	\$ 473.9	\$ 9.3
TOTAL - SPECIAL TRANSPORTATION FUND REVENUE	\$ 2,309.1	\$ 2,328.8	\$ 19.7

1. Sec. 461 of P.A. 25-168.

Statement 3T
December 19, 2025

State of Connecticut
Special Transportation Fund
FY 2026 Appropriation Adjustments - Net Additional Requirements
Projected to June 30, 2026
As of November 30, 2025

State Comptroller - Fringe Benefits	\$ 7,400,000
Workers' Compensation Claims - DAS	500,000
Total	<u>\$ 7,900,000</u>

Statement 4T
December 19, 2025

State of Connecticut
Special Transportation Fund
FY 2026 Estimated Lapses
Projected to June 30, 2026
As of November 30, 2025

Unallocated Lapse	\$ -
Department of Administrative Services	400,000
Department of Motor Vehicles	1,000,000
Debt Service - State Treasurer	19,200,000
Total	<u>\$ 20,600,000</u>

State of Connecticut													
FY 2026 Special Transportation Fund													
Monthly Summary of Operations													
(In Millions)													
	Budget Plan ¹ .	July 2025	August 2025	September 2025	October 2025	November 2025	December 2025	January 2026	February 2026	Revised March 2026	April 2026	May 2026	June 2026
Beginning Balance ² .	\$ 410.3	\$ 410.3	\$ 410.3	\$ 410.3	\$ 412.4	\$ 412.4							
Revenue	2,309.1	2,298.8	2,298.8	2,298.8	2,328.8	2,328.8							
Total Available	2,719.4	2,709.1	2,709.1	2,709.1	2,741.2	2,741.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Appropriations	2,291.2	2,291.2	2,291.2	2,291.2	2,291.2	2,291.2							
Additional Requirements	0.0	0.0	7.6	7.5	7.9	7.9							
Less: Estimated Lapses	(12.0)	(12.0)	(12.0)	(13.9)	(14.0)	(20.6)							
TOTAL - Estimated Expenditures	2,279.2	2,279.2	2,286.8	2,284.8	2,285.1	2,278.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Balance	29.8	19.6	12.0	14.0	43.7	50.3	0.0	0.0	0.0	0.0	0.0	-	-
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 6/30/26	\$440.1	\$429.9	\$422.3	\$424.3	\$456.2	\$462.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

1. P.A. 25-168.

2 Estimated by the Office of Policy and Management after transfers to reduce STO debt pursuant to P.A. 25-168, Sec. 389. October based on Treasurer 11/12/2025 estimate.