

March 20, 2026

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 | | | Change in Estimate - <u>Mar vs.</u> Feb | Mar Est. Variance from Budget |
|---|---------------------------|----------------------|-------------------|--|--|
| | Budget | February Estimate | March Estimate | | |
| (in millions) | | | | | |
| <u>General Fund</u> | | | | | |
| Revenues | \$ 24,345.4 | \$ 24,466.3 | \$ 24,391.3 | \$ (75.0) | \$ 45.9 |
| Expenditures | <u>24,036.4</u> | <u>24,389.0</u> | <u>24,358.3</u> | <u>(30.7)</u> | <u>321.9</u> |
| Operating Results - Surplus/(Deficit) | \$ 309.1 | \$ 77.3 | \$ 33.0 | \$ (44.3) | \$(276.1) |
| <u>Budget Reserve Fund</u> | | | | | |
| Deposits | | \$ 1,810.4 | \$ 1,810.4 | \$ - | |
| Withdrawals | | <u>(1,656.7)</u> | <u>(1,656.7)</u> | <u>-</u> | |
| Proj. Net Deposit/(Withdrawal) 6/30 | | \$ 153.7 | \$ 153.7 | ^{1.} \$ - | |
| <u>Special Transportation Fund</u> | | | | | |
| Revenues | \$ 2,309.1 | \$ 2,325.3 | \$ 2,325.3 | \$ - | \$ 16.3 |
| Expenditures | <u>2,279.2</u> | <u>2,278.9</u> | <u>2,277.9</u> | <u>(1.0)</u> | <u>(1.3)</u> |
| Operating Results - Surplus/(Deficit) | \$ 29.8 | \$ 46.4 | \$ 47.4 | \$ 1.0 | \$ 17.6 |
| Proj. Fund Balance 6/30 | | \$ 458.8 | \$ 459.8 | ^{2.} \$ 1.0 | |
| Notes: | | | | | |
| 1. BRF withdrawal excludes the remaining \$330.8 million reserve established in S.A. 26-1 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 \$169.2 million that was transferred to the General Fund 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 \$33.0 million surplus, down \$44.3 million from last month's forecast as a result of a \$75.0 million decline in forecast revenues which is partially offset by a \$30.7 million decrease in expenditure requirements as discussed below.

Revenues

Projected revenues have been revised downward by \$75.0 million compared to our estimate last month. The largest negative change is in the Corporation Tax, down \$75.0 million as the tax continues to underperform expectations; continuing a trend that began in FY 2025. Refunds of Taxes has been revised upward by \$50.0 million primarily due to higher than anticipated Income Tax refunds. On the positive side, Inheritance and Estate taxes have been revised upward by \$35.0 million as collections fiscal year to date have risen substantially over last year's performance. The Insurance Companies tax has been revised upward by \$20.0 million as its positive variance relative to its target has continued to expand. All other changes net to a negative \$5.0 million.

Expenditures

We forecast that FY 2026 expenditures will, in aggregate, be \$321.9 million above the level anticipated in the adopted budget, inclusive of \$169.2 million in increased spending as a result of actions taken pursuant to S.A. 25-1 of the November Special Session. This month's estimate reflects a decrease of \$30.7 million compared to last month's forecast of projected agency spending as outlined below. A description of projected shortfalls and lapses follows.

Deficiencies: Shortfalls totaling \$174.6 million are forecast in the following agencies.

- State Comptroller. A net shortfall of \$50,000 is anticipated based on a shortfall of \$850,000 in the Other Expenses account which is partially offset by an \$800,000 lapse in Personal Services.
- Department of Emergency Services and Public Protection. A net shortfall of \$10.2 million is projected with \$4.95 million in the Personal Services account as a result of increased overtime costs, \$2.86 million in the Other Expenses account and \$2.68 million in the Fleet Purchase account as a result of inflation and replacement costs, and \$63,250 in the Connecticut Firefighter's Association account due to increased claims. Partially offsetting these shortfalls is a projected lapse of \$350,000 in the Law Enforcement Training Partnerships account due to delays in hiring.
- 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 \$17.0 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 Mental Health and Addiction Services. A net shortfall of \$7.5 million is anticipated, with \$7.0 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. Partially offsetting these shortfalls are projected lapses, as a result of delayed initiatives, totaling \$650,000 in the Grants for Substance Abuse account and \$150,000 in the Young Adult services account.
- Department of Social Services. A net shortfall of \$71.23 million is forecast based on \$85.0 million in the Medicaid account as a result of updated expenditure trends. In addition, shortfalls of \$6.7 million in Aid to the Disabled, \$6.0 million in Old Age Assistance, \$3.5 million in the CT Home Care Program, and \$300,000 in Aid to the Blind are forecast, primarily due to higher costs per case than had been budgeted. These shortfalls are partially offset by projected lapses of \$13.7 million in Temporary Family Assistance,

\$6.57 million in Substance Use Disorder Waiver Reserve, \$3.1 million in State Administered General Assistance, \$2.0 million in Personal services, and \$1.6 million in the HUSKY B Program.

- Technical Education and Career System. A total shortfall of \$4.0 million is projected, based on \$1.8 million in the Personal Services account and \$2.2 million in the Other Expenses account as a result of increased contractual costs for special education, utilities, and consumables.
- Department of Correction. A net shortfall of \$18.4 million is forecast, including \$4.18 million in the Personal Services account, \$10.0 million in the Other Expenses account, and \$7.5 million in the Inmate Medical Services account. Partially offsetting these amounts are forecast lapses of \$300,000 in the Board of Pardons and Paroles account and \$3.0 million in the Community Support Service account.
- Judicial Department. A \$3.17 million shortfall is projected in the Other Expenses account as a result of increased premises costs.
- State Comptroller – Miscellaneous. We estimate \$23.0 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 \$18.66 million is forecast, with higher than budgeted claim volume in the DOC, DMHAS, DESPP, DCF, UCHC, 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 \$116.3 million. We project that aggregate lapses will total \$111.0 million, including \$36.6 million remaining in funds withheld from agencies as part of the rollout of the FY 2026 budget, \$10.0 million in budgeted unallocated lapse that is anticipated to be achieved over the remainder of the year, and \$69.7 million in additional lapses in agencies as identified below.

- Office of Legislative Management. A total lapse of \$5.0 million is projected based on \$3.0 million in the Personal Services account and \$2.0 million in the Other Expenses account.
- Auditors of Public Accounts. A \$175,000 lapse is projected in the Personal Services account.
- Commission on Women, Children, Seniors, Equity and Opportunity. A \$125,000 lapse is projected in the Personal Services account.
- Secretary of the State. A \$900,000 lapse is projected in the Personal Services account.
- Elections Enforcement Commission. A \$350,000 lapse is projected as a result of lower than budgeted Personal Services expenditures.
- Freedom of Information Commission. A \$100,000 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.
- Office of Governmental Accountability. A total lapse of \$600,000 is forecast consisting of \$100,000 in the Contracting Standards Board, \$200,000 in the Office of the Child Advocate, and \$300,000 in the Office of the Correctional Ombuds.
- Office of Policy and Management. A \$1.0 million lapse is forecast in the Property Tax Relief for Veterans account.
- Department of Administrative Services. A total of \$7.57 million is projected to lapse, with \$1.5 million in the Personal Services account and \$3.5 million in the State Insurance and Risk Management Operations account as a result of a recent decline in claim activity. In addition, lapses totaling \$2.57 million are forecast across the Other Expenses, Rents and Moving, and IT Services accounts as a result of efforts to limit FY 2026 spending in support of statewide needs.
- Attorney General. A \$3.5 million lapse is projected in the Personal Services account.
- Military Department. A \$210,000 lapse is projected in the Personal Services account.
- Department of Consumer Protection. A \$750,000 lapse is projected in the Personal Services account.

- Commission on Human Rights and Opportunities. A \$200,000 lapse is projected in the Personal Services account.
- Department of Agriculture. A \$200,000 lapse is projected in the Personal Services account.
- Agricultural Experiment Station. A \$100,000 lapse is projected in the Personal Services account.
- Department of Public Health. A net lapse of \$206,996 is forecast, with \$700,000 in the Personal Services account and \$106,996 in the Pancreatic Cancer Screening account due to delays in program implementation. Partially offsetting these lapses is a forecast shortfall of \$600,000 in the Other Expenses account due to increases in the cost of lab supplies, utilities, and property management.
- Office of Health Strategy. A \$150,000 lapse is projected in the Personal Services account.
- Department of Aging and Disability Services. A total lapse of \$395,000 is projected, with \$200,000 in Personal Services and \$195,000 in the Employment Opportunities – Blind and Disabled account as a result of hiring delays.
- Department of Education. A net lapse of \$16.19 million is anticipated based on \$275,000 in the Personal Services account; \$750,000 in the Other Expenses account; \$5.0 million in the Sheff Settlement account due to delays in rolling out programming required by the Sheff Settlement; \$5.0 million in the Sheff Transportation account based on actual transportation costs incurred in the Sheff Region; \$2.0 million in the Aspiring Educators Scholarship Program account based on usage rates; and \$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 enrollment data. Partially offsetting these lapses are projected shortfalls of \$2.0 million in the Education Cost Sharing account due to prior year adjustments for the Special Education Cost Grants and \$38,000 in the Vocational Agriculture account.
- Office of Early Childhood. A net lapse of \$660,000 is anticipated with \$4.0 million in the Early Care and Education account and \$160,000 in the 2Gen-TANF account which is partially offset by a \$3.5 million shortfall in the Birth to Three account as a result of caseload trends.
- Teachers' Retirement Board. A total lapse of \$900,000 is projected with \$100,000 in the Personal Services account, \$600,000 in the Municipal Retiree Health Insurance Costs account and \$200,000 in the Retiree Health Service Cost account.
- Public Defender Services Commission. A net lapse of \$1.49 million is forecast, with \$868,000 in the Personal Services account and \$816,000 in the Assigned Counsel – Criminal account. Partially offsetting these lapses is a forecast shortfall of \$193,000 in the Expert Witness account.
- Debt Service – State Treasurer. A total lapse of \$13.72 million is forecast, with \$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, \$5.2 million in the UConn 2000 Debt Service account as a result of the timing of interest payments during FY 2026, and \$721,991 in the Municipal Restructuring account as a result of the partial refunding of the Hartford restructuring debt.
- State Comptroller – Fringe Benefits. A net lapse of \$13.63 million is anticipated based on \$40.0 million in the Higher Education Alternative Retirement System account primarily due to a change in the accounting treatment for these expenditures; \$7.0 million in the Employers Social Security Tax account; \$8.0 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 \$47.4 million, up \$1.0 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 \$459.8 million after transfers to reduce STO indebtedness totaling \$57.5 million pursuant to section 389 of P.A. 25-168.

Revenues

Projected revenues remain unchanged from last month and continue to reflect the January 15th consensus forecast.

Expenditures

We forecast that net expenditures in the Special Transportation Fund will be \$1.3 million below the level in the adopted budget as described below.

Deficiencies: Shortfalls totaling \$9.1 million are forecast in the following agencies:

- State Comptroller – Fringe Benefits. A net shortfall of \$8.61 million is forecast, with \$8.0 million in the State Employees Health Service account, \$1.0 million in the Employers' Social Security Tax account, and \$18,000 in the SERS Defined Contribution Match account which are partially offset by lapses totaling \$410,000 in the Unemployment Compensation and Other Post Employment Benefits 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 \$22.4 million, will more than satisfy the budgeted \$12.0 million bottom-line savings target.

- Office of Policy and Management. A \$100,000 lapse is projected in the Personal Services account.
- Department of Administrative Services. A total lapse of \$1.1 million is projected with \$400,000 in the Personal Services account and \$700,000 in the State Insurance and Risk Management Operations account.
- Department of Motor Vehicles. A \$2.0 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 related 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 and S.A. 26-1 of the 2026 Regular Session, which together established an appropriated reserve totaling \$500 million 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. 26-1 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 2/20/26 Est.) | \$ 33.0 |
| Volatility Cap Deposit - FY 2026 (OPM 2/20/26 Est.) | 1,810.4 |
| Projected Transfer to Early Childhood Education Endowment | (33.0) |
| S.A. 25-1 (Nov. Spec. Sess.) Transfers to General Fund | (169.2) |
| S.A. 26-1 Reserve for Response to Federal Actions | <u>(330.8)</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 continue to 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 February 28, 2026
(In Millions)

General Fund

| | | | |
|--|--------|----|--------|
| Balance from Operations - Prior Estimate | | \$ | 77.3 |
| Revenues | | | |
| Corporation Tax | (75.0) | | |
| Refunds of Taxes | (50.0) | | |
| Inheritance and Estate Taxes | 35.0 | | |
| All Other Changes - Net | 15.0 | | (75.0) |
| | | | <hr/> |
| Expenditures | | | |
| Additional Requirements | 25.4 | | |
| Estimated Lapses | 5.3 | | |
| Increase in Appropriation per S.A. 25-1 | 0.0 | | 30.7 |
| | | | <hr/> |
| Operating Surplus - FY 2026 | | \$ | 33.0 |

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 | (169.2) | | |
| FY 2026 Est. Volatility Cap Deposit | 1,810.4 | | |
| FY 2026 Est. Balance from Operations | 33.0 | | |
| Transfer to Early Childhood Education Endowment | (33.0) | | |
| Reserve for Federal Response | (330.8) | | (177.1) |
| | | | <hr/> |
| 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 | | | 46.4 |
| Revenues | | | |
| No Changes | 0.0 | | 0.0 |
| | | | <hr/> |
| Expenditures | | | |
| Additional Requirements | 0.4 | | |
| Estimated Lapses | 0.6 | | |
| Miscellaneous Adjustments/Rounding | 0.0 | | 1.0 |
| | | | <hr/> |
| Estimated Fund Balance - June 30, 2026 | | \$ | 459.8 |

State of Connecticut
General Fund
Statement of FY 2026 Revenues, Expenditures, and Results of Operations
Projected to June 30, 2026
As of February 28, 2026
(In Millions)

| | General Assembly Budget Plan ^{1.} | Revised Estimates OPM | Over/ (Under) |
|---|--|-----------------------------|-----------------------|
| REVENUE | | | |
| Taxes | \$ 23,909.0 | \$ 25,116.0 | \$ 1,207.0 |
| Less: Refunds | (2,212.0) | (2,395.8) | (183.8) |
| Taxes - Net | \$ 21,697.0 | \$ 22,720.2 | \$ 1,023.2 |
| Other Revenue | 1,695.2 | 1,678.4 | (16.8) |
| Other Sources | 953.2 | (7.3) | (960.5) |
| TOTAL Revenue | \$ 24,345.4 | \$ 24,391.3 | \$ 45.9 |
| | | | |
| 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.} | - | 169.2 | 169.2 |
| TOTAL Adjusted Appropriations | \$ 24,130.8 | \$ 24,665.9 | \$ 535.1 |
| | | | |
| Net Additional Expenditure Requirements | | 174.6 | 174.6 |
| Estimated Appropriations Lapsed | (94.2) | (116.3) | (22.0) |
| Estimated Appropriations to be Continued to FY 2027 ^{2.} | | - | - |
| TOTAL Estimated Expenditures | \$ 24,036.6 | \$ 24,724.2 | \$ 687.7 |
| | | | |
| 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 | \$ 33.0 | \$ (275.9) |

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. Pursuant to Per S.A. 25-1 (Nov. Spec. Sess.) net transfers from BRF to General Fund total \$169.19 million.

State of Connecticut
General Fund
FY 2026 Revenue Estimates
Projected to June 30, 2026
As of February 28, 2026
(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 | 5,279.2 | 176.1 |
| Corporation | 1,659.5 | 1,306.7 | (352.8) |
| Pass-through Entity Tax | 2,115.3 | 2,440.6 | 325.3 |
| Public Service Corporations | 319.4 | 324.7 | 5.3 |
| Inheritance and Estate | 176.0 | 221.0 | 45.0 |
| Insurance Companies | 323.9 | 368.9 | 45.0 |
| Cigarettes | 228.1 | 217.1 | (11.0) |
| Real Estate Conveyance | 295.2 | 323.6 | 28.4 |
| 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 | \$ 25,116.0 | \$ 1,207.0 |
| Less: Refunds of Taxes | (1,966.8) | (2,150.6) | (183.8) |
| Earned Income Tax Credit | (235.4) | (235.4) | - |
| R & D Credit Exchange | (9.8) | (9.8) | - |
| TOTAL - TAXES - NET | \$ 21,697.0 | \$ 22,720.2 | \$ 1,023.2 |
| OTHER REVENUE | | | |
| Transfers - Special Revenue | \$ 376.3 | \$ 372.5 | \$ (3.8) |
| Indian Gaming Payments | 334.6 | 364.6 | 30.0 |
| Licenses, Permits, Fees | 362.9 | 366.9 | 4.0 |
| 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 | 167.1 | (22.0) |
| Refunds of Payments | (89.7) | (112.2) | (22.5) |
| TOTAL - OTHER REVENUE | \$ 1,695.2 | \$ 1,678.4 | \$ (16.8) |
| OTHER SOURCES | | | |
| Federal Grants | \$ 1,853.2 | \$ 1,827.1 | \$ (26.1) |
| Transfer from Tobacco Settlement Fund | 91.8 | 91.8 | - |
| Transfers From/(To) Other Funds | (261.4) | (92.2) | 169.2 |
| Transfers to BRF - Volatility Adjustment ² . | (730.4) | (1,810.4) | (1,080.0) |
| Transfer to Housing Trust Fund | - | (23.6) | (23.6) |
| TOTAL - OTHER SOURCES | \$ 953.2 | \$ (7.3) | \$ (960.5) |
| TOTAL - GENERAL FUND REVENUE | \$ 24,345.4 | \$ 24,391.3 | \$ 45.9 |

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 February 28, 2026

| | |
|--|-----------------------|
| State Comptroller | \$ 50,000 |
| Department of Emergency Services and Public Protection | 10,203,250 |
| Department of Labor | 1,400,000 |
| Department of Housing | 17,000,000 |
| Department of Mental Health and Addiction Services | 7,500,000 |
| Department of Social Services | 71,230,000 |
| Technical Education and Career System | 4,000,000 |
| Department of Correction | 18,400,000 |
| Judicial Department | 3,174,000 |
| State Comptroller - Miscellaneous | 23,000,000 |
| Workers' Compensation Claims - DAS | 18,664,384 |
| Total | <u>\$ 174,621,634</u> |

State of Connecticut
General Fund
Estimated FY 2026 Lapses
Projected to June 30, 2026
As of February 28, 2026

| | |
|--|-----------------------|
| Unallocated Lapse | \$ 20,984,277 |
| Unallocated Lapse - Judicial | 5,000,000 |
| Targeted Savings Lapse | 20,626,692 |
| Office of Legislative Management | 5,000,000 |
| Auditors of Public Accounts | 175,000 |
| Commission on Women, Children, Seniors, Equity and Opportunity | 125,000 |
| Secretary of the State | 900,000 |
| Elections Enforcement Commission | 350,000 |
| Freedom of Information Commission | 100,000 |
| Department of Revenue Services | 1,500,000 |
| Office of Governmental Accountability | 600,000 |
| Office of Policy and Management | 1,000,000 |
| Department of Administrative Services | 7,568,771 |
| Attorney General | 3,500,000 |
| Military Department | 210,000 |
| Department of Consumer Protection | 750,000 |
| Commission on Human Rights and Opportunities | 200,000 |
| Department of Agriculture | 200,000 |
| Agricultural Experiment Station | 150,000 |
| Department of Public Health | 206,996 |
| Office of Health Strategy | 150,000 |
| Department of Aging and Disability Services | 395,000 |
| Department of Education | 16,187,021 |
| Office of Early Childhood | 660,000 |
| Teachers' Retirement Board | 900,000 |
| Public Defender Services Commission | 1,491,000 |
| Debt Service - State Treasurer | 13,721,991 |
| State Comptroller - Fringe Benefits | 13,625,000 |
| Total | <u>\$ 116,276,748</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 | 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 | \$ 24,465.0 | \$ 24,466.3 | \$ 24,391.3 | | | | |
| Appropriations | 24,130.8 | 24,130.6 | 24,130.6 | 24,130.6 | 24,130.8 | 24,298.7 | 24,298.7 | 24,300.0 | 24,300.0 | | | | |
| Additional Requirements | 0.0 | 105.0 | 140.0 | 127.1 | 151.8 | 191.9 | 188.9 | 200.0 | 174.6 | | | | |
| Less: Estimated Lapses | (94.2) | (94.2) | (95.6) | (88.2) | (90.2) | (102.2) | (108.5) | (111.0) | (116.3) | | | | |
| TOTAL - Estimated Expenditures | 24,036.6 | 24,141.4 | 24,175.0 | 24,169.5 | 24,192.4 | 24,388.4 | 24,379.1 | 24,389.0 | 24,358.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating Balance | 308.9 | 350.5 | 316.8 | 322.3 | 164.4 | 136.3 | 85.9 | 77.3 | 33.0 | | | | |
| Misc. Adjustments/Rounding | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| Est. Operating Balance - 6/30/26 | \$308.9 | \$350.5 | \$316.8 | \$322.3 | \$164.4 | \$136.3 | \$85.9 | \$77.3 | \$33.0 | \$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 February 28, 2026
(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 | \$ 1,868.2 | \$ 13.4 |
| Less: Refunds of Taxes | <u>(10.3)</u> | <u>(14.3)</u> | <u>(4.0)</u> |
| Taxes - Net | \$ 1,844.5 | \$ 1,853.9 | \$ 9.4 |
| Other Revenue | <u>464.6</u> | <u>471.4</u> | <u>6.8</u> |
| TOTAL - Revenue | \$ 2,309.1 | \$ 2,325.3 | \$ 16.3 |
| EXPENDITURES | | | |
| Appropriations | \$ 2,291.2 | \$ 2,291.2 | \$ - |
| Prior Year Appropriations Continued to FY 2026 ³ : | | <u>76.4</u> | <u>76.4</u> |
| TOTAL Initial and Continued Appropriations | \$ 2,291.2 | \$ 2,367.6 | \$ 76.4 |
| Appropriation Adjustments | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL Adjusted Appropriations | \$ 2,291.2 | \$ 2,367.6 | \$ 76.4 |
| Net Additional Expenditure Requirements | | 9.1 | 9.1 |
| Estimated Appropriations Lapsed | (12.0) | (22.4) | (10.4) |
| Estimated Appropriations to be Continued to FY 2027 ³ : | | <u>-</u> | <u>-</u> |
| TOTAL Estimated Expenditures | \$ 2,279.2 | \$ 2,354.3 | \$ 75.1 |
| Net Change in Fund Balance - Continuing Appropriations | | (76.4) | (76.4) |
| Miscellaneous Adjustments/Rounding | | - | - |
| Net Change in Unassigned Fund Balance - FY 2026 | \$ 29.8 | \$ 47.4 | \$ 17.5 |
| Estimated Fund Balance - June 30, 2026 | | <u>\$ 459.8</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 February 28, 2026
(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 | 899.1 | 19.9 |
| Sales Tax DMV | 118.1 | 111.7 | (6.4) |
| Highway Use | 61.7 | 60.8 | (0.9) |
| TOTAL - TAXES | \$ 1,854.8 | \$ 1,868.2 | \$ 13.4 |
| Less: Refunds of Taxes | (10.3) | (14.3) | (4.0) |
| TOTAL - TAXES - NET | \$ 1,844.5 | \$ 1,853.9 | \$ 9.4 |
| OTHER REVENUE | | | |
| Motor Vehicle Receipts | \$ 282.1 | \$ 266.6 | \$ (15.5) |
| 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 | \$ 471.4 | \$ 6.8 |
| TOTAL - SPECIAL TRANSPORTATION FUND REVENUE | \$ 2,309.1 | \$ 2,325.3 | \$ 16.2 |

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

Statement 3T
March 20, 2026

State of Connecticut
Special Transportation Fund
FY 2026 Appropriation Adjustments - Net Additional Requirements
Projected to June 30, 2026
As of February 28, 2026

| | |
|-------------------------------------|---------------------|
| State Comptroller - Fringe Benefits | \$ 8,608,000 |
| Workers' Compensation Claims - DAS | 500,000 |
| Total | <u>\$ 9,108,000</u> |

Statement 4T
March 20, 2026

State of Connecticut
Special Transportation Fund
FY 2026 Estimated Lapses
Projected to June 30, 2026
As of February 28, 2026

| | | |
|---------------------------------------|-----------|-------------------|
| Unallocated Lapse | \$ | - |
| Office of Policy and Management | | 100,000 |
| Department of Administrative Services | | 1,100,000 |
| Department of Motor Vehicles | | 2,000,000 |
| Debt Service - State Treasurer | | 19,200,000 |
| Total | <u>\$</u> | <u>22,400,000</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 | March 2026 | April 2026 | May 2026 | June 2026 |
|-------------------------------------|-------------------------------|--------------|----------------|-------------------|-----------------|------------------|------------------|-----------------|------------------|---------------|---------------|-------------|--------------|
| Beginning Balance ² . | \$ 410.3 | \$ 410.3 | \$ 410.3 | \$ 410.3 | \$ 412.4 | \$ 412.4 | \$ 412.4 | \$ 412.4 | \$ 412.4 | | | | |
| Revenue | 2,309.1 | 2,298.8 | 2,298.8 | 2,298.8 | 2,328.8 | 2,328.8 | 2,325.3 | 2,325.3 | 2,325.3 | | | | |
| Total Available | 2,719.4 | 2,709.1 | 2,709.1 | 2,709.1 | 2,741.2 | 2,741.2 | 2,737.7 | 2,737.7 | 2,737.7 | 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 | 2,291.2 | 2,291.2 | 2,291.2 | | | | |
| Additional Requirements | 0.0 | 0.0 | 7.6 | 7.5 | 7.9 | 7.9 | 8.4 | 9.5 | 9.1 | | | | |
| Less: Estimated Lapses | (12.0) | (12.0) | (12.0) | (13.9) | (14.0) | (20.6) | (20.9) | (21.8) | (22.4) | | | | |
| TOTAL - Estimated Expenditures | 2,279.2 | 2,279.2 | 2,286.8 | 2,284.8 | 2,285.1 | 2,278.5 | 2,278.8 | 2,278.9 | 2,277.9 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating Balance | 29.8 | 19.6 | 12.0 | 14.0 | 43.7 | 50.3 | 46.5 | 46.4 | 47.4 | | | | |
| Misc. Adjustments/Rounding | 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 | \$458.9 | \$458.8 | \$459.8 | \$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.