



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

August 20, 2014

The Honorable Kevin Lembo
State Comptroller
55 Elm Street
Hartford, Connecticut 06106

Dear Comptroller Lembo:

The following information on the state's General Fund for fiscal year 2015 is provided in accordance with Section 4-66 of the General Statutes. In addition, an analysis of the Special Transportation Fund is included due to the significant nature of this fund. In compliance with Executive Order No. 1, issued January 5, 2011, these projections reflect the state's estimated year-end balance in accordance with Generally Accepted Accounting Principles (GAAP).

General Fund

The adopted budget anticipates a \$0.3 million balance from operations. At this time we project that both revenues and expenditures will be consistent with the budget plan. Better than anticipated revenue performance at the close of fiscal year 2014, particularly in the withholding component of the Personal Income Tax, is a positive sign as we enter fiscal year 2015. Note, however, that we are closely monitoring federal review of Medicaid reimbursements for a variety of programs and services provided by the departments of Social Services, Developmental Services and Mental Health and Addiction Services. OPM and the agencies are actively engaged with the federal government in addressing issues relating to claiming methodologies and allowable costs, and we anticipate resolution before the fiscal year ends.

Special Transportation Fund

Estimated revenues and expenditures remain unchanged relative to the adopted budget. We anticipate the fund balance on June 30, 2015 to be \$175.5 million.

It is important to note that this represents the first projection of the state's General Fund and Special Transportation Fund positions for FY 2015. As the year progresses, these estimates will be adjusted to reflect the impact of changes in the economy, expenditure patterns, and/or other factors.

Sincerely,

A handwritten signature in cursive script, appearing to read "Benjamin Barnes".

Benjamin Barnes
Secretary

Summary
August 20, 2014

State of Connecticut
Summary of Changes
General Fund and Special Transportation Fund
Projected to June 30, 2015
As of July 31, 2014
(In Millions)

General Fund

Balance from Operations - Adopted Budget		\$	0.3
Revenues			
All Changes (Net)	0.0		0.0
Expenditures			
Additional Requirements	0.0		
Estimated Lapses	0.0		
Miscellaneous Adjustments/Rounding	0.0		0.0
Estimated Balance from Operations - June 30, 2015		\$	0.3

Special Transportation Fund

Fund Balance as of June 30, 2014		\$	168.8
Balance from Operations - Adopted Budget			6.7
Revenues			
All Changes (Net)	0.0		0.0
Expenditures			
Additional Requirements	0.0		
Estimated Lapses	0.0		
Miscellaneous Adjustments/Rounding	0.0		0.0
Estimated Fund Balance - June 30, 2015		\$	175.5

State of Connecticut
General Fund
Statement of Revenues, Expenditures, and Results of Operations
Projected to June 30, 2015
As of July 31, 2014
(In Millions)

	General Assembly Budget Plan ¹	Revised Estimates OPM	Over/ (Under)
REVENUE			
Taxes	\$ 16,147.2	\$ 16,147.2	\$ -
Less: Refunds	(1,232.6)	(1,232.6)	-
Taxes - Net	\$ 14,914.6	\$ 14,914.6	\$ -
Other Revenue	1,109.3	1,109.3	-
Other Sources	1,434.1	1,434.1	-
TOTAL Revenue	\$ 17,458.0	\$ 17,458.0	\$ -
EXPENDITURES			
Initial Current Year Appropriations	\$ 17,589.8	\$ 17,589.8	\$ -
Prior Year Appropriations Continued to FY 2015 ²		85.9	85.9
TOTAL Initial and Continued Appropriations	\$ 17,589.8	\$ 17,675.7	\$ 85.9
Appropriation Adjustments	-	-	-
TOTAL Adjusted Appropriations	\$ 17,589.8	\$ 17,675.7	\$ 85.9
Net Additional Expenditure Requirements		-	-
Estimated Appropriations Lapsed	(132.1)	(132.1)	-
Estimated Appropriations to be Continued to FY 2016		-	-
TOTAL Estimated Expenditures	\$ 17,457.7	\$ 17,543.6	\$ 85.9
Net Change in Fund Balances - Continuing Appropriations	-	(85.9)	(85.9)
Miscellaneous Adjustments/Rounding	-	-	-
Net Change in Unassigned Fund Balance - 6/30/2015	\$ 0.3	\$ 0.3	\$ -

1. P.A. 14-47, as amended by P.A. 14-217.

2. P.A. 14-47, as amended by P.A. 14-217, and other statutory provisions.

State of Connecticut
General Fund
Revenue Estimates
Projected to June 30, 2015
As of July 31, 2014
(In Millions)

	General Assembly Budget Plan	Revised Estimates OPM	Over/ (Under)
TAXES			
Personal Income	\$ 9,264.5	\$ 9,264.5	\$ -
Sales and Use	4,167.4	4,167.4	-
Corporation	704.3	704.3	-
Public Service Corporations	295.6	295.6	-
Inheritance and Estate	173.0	173.0	-
Insurance Companies	256.2	256.2	-
Cigarettes	360.9	360.9	-
Real Estate Conveyance	186.9	186.9	-
Oil Companies	34.8	34.8	-
Electric Generation	-	-	-
Alcoholic Beverages	60.7	60.7	-
Admissions and Dues	38.3	38.3	-
Health Provider Tax	509.5	509.5	-
Miscellaneous	95.2	95.2	-
TOTAL - TAXES	\$ 16,147.2	\$ 16,147.2	\$ -
Less: Refunds of Taxes	(1,105.1)	(1,105.1)	-
Earned Income Tax Credit	(120.7)	(120.7)	-
R & D Credit Exchange	(6.8)	(6.8)	-
TOTAL - TAXES - NET	\$ 14,914.6	\$ 14,914.6	\$ -
OTHER REVENUE			
Transfers - Special Revenue	\$ 323.1	\$ 323.1	\$ -
Indian Gaming Payments	278.5	278.5	-
Licenses, Permits, Fees	256.2	256.2	-
Sales of Commodities and Services	43.5	43.5	-
Rents, Fines, Escheats	118.4	118.4	-
Investment Income	0.6	0.6	-
Miscellaneous	161.9	161.9	-
Refunds of Payments	(72.9)	(72.9)	-
TOTAL - OTHER REVENUE	\$ 1,109.3	\$ 1,109.3	\$ -
OTHER SOURCES			
Federal Grants	\$ 1,299.6	\$ 1,299.6	\$ -
Transfer from Tobacco Settlement Fund	120.0	120.0	-
Transfers to Other Funds	14.6	14.6	-
TOTAL - OTHER SOURCES	\$ 1,434.1	\$ 1,434.1	\$ -
TOTAL - GENERAL FUND REVENUE	\$ 17,458.0	\$ 17,458.0	\$ -

State of Connecticut - General Fund
Appropriation Adjustments - Net Additional Requirements
Projected to June 30, 2015
As of July 31, 2014

No Additional Requirements

\$ -

Statement 4
August 20, 2014

State of Connecticut
General Fund
Estimated Lapses
Projected to June 30, 2015
As of July 31, 2014

Unallocated Lapse	\$ 91,676,192
Unallocated Lapse - Legislative	3,028,105
Unallocated Lapse - Judicial	7,400,672
General Lapse - Legislative	39,492
General Lapse - Executive	9,678,316
General Lapse - Judicial	282,192
Statewide Hiring Reduction - Legislative	280,000
Statewide Hiring Reduction - Executive	8,060,000
Statewide Hiring Reduction - Judicial	1,660,000
Municipal Opportunities and Regional Efficiencies Lapse	10,000,000
Total	<u>\$ 132,104,969</u>

State of Connecticut
2014-15 General Fund
Summary of Operations Per Letter to the Comptroller
(In Millions)

	Budget Plan 1.	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015
REVENUE	\$ 17,458.0	\$ 17,458.0											
Appropriations	17,589.8	17,589.8											
Additional Requirements	0.0	0.0											
Less: Estimated Lapses	(132.1)	(132.1)											
TOTAL - Estimated Expenditures	17,457.7	17,457.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance from Operations	0.3	0.3	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Est. Balance from Operations - 6/30/15	\$0.3	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

1. P.A. 14-47, as amended by P.A. 14-217.

Statement 1T
August 20, 2014

State of Connecticut
Special Transportation Fund
Analysis of Budget Plan
Projected to June 30, 2015
As of July 31, 2014
(In Millions)

	General Assembly <u>Budget Plan</u> ^{1.}	Revised Estimates <u>OPM</u>	Over/ <u>(Under)</u>
Fund Balance as of June 30, 2014 ^{2.}	\$ 168.8	\$ 168.8	\$ -
REVENUE			
Taxes	\$ 965.5	\$ 965.5	\$ -
Less: Refunds of Taxes	<u>(6.6)</u>	<u>(6.6)</u>	<u>-</u>
Taxes - Net	958.9	958.9	-
Other Revenue	<u>369.4</u>	<u>369.4</u>	<u>-</u>
TOTAL - Revenue	\$ 1,328.3	\$ 1,328.3	\$ -
EXPENDITURES			
Appropriations	\$ 1,332.6	\$ 1,332.6	\$ -
Net Additional Requirements	-	-	-
Less: Estimated Lapses	<u>(11.0)</u>	<u>(11.0)</u>	<u>-</u>
TOTAL - Expenditures	\$ 1,321.6	\$ 1,321.6	\$ -
Balance from Operations	\$ 6.7	\$ 6.7	\$ -
Miscellaneous Adjustments	<u>-</u>	<u>-</u>	<u>-</u>
Estimated Fund Balance - June 30, 2015	<u>\$ 175.5</u>	<u>\$ 175.5</u>	<u>\$ -</u>

1. P.A. 14-47, as amended by P.A. 14-217.

2. Budget plan as estimated by the Office of Policy and Management.

Statement 2T
August 20, 2014

State of Connecticut
Special Transportation Fund
Revenue Estimates
Projected to June 30, 2015
As of July 31, 2014
(In Millions)

	<u>General Assembly Budget Plan</u>	<u>Revised Estimates OPM</u>	<u>Over/ (Under)</u>
TAXES			
Motor Fuels	\$ 503.8	\$ 503.8	\$ -
Oil Companies	379.1	379.1	-
Sales Tax DMV	82.6	82.6	-
TOTAL - TAXES	<u>965.5</u>	<u>965.5</u>	<u>-</u>
Less: Refunds of Taxes	(6.6)	(6.6)	-
TOTAL - TAXES - NET	<u>\$ 958.9</u>	<u>\$ 958.9</u>	<u>\$ -</u>
OTHER REVENUE			
Motor Vehicle Receipts	\$ 238.1	\$ 238.1	\$ -
Licenses, Permits, Fees	138.9	138.9	-
Interest Income	5.0	5.0	-
Federal Grants	12.1	12.1	-
Transfers (To)/From Other Funds	(21.5)	(21.5)	-
Refunds of Payments	(3.2)	(3.2)	-
TOTAL - OTHER REVENUE	<u>\$ 369.4</u>	<u>\$ 369.4</u>	<u>\$ -</u>
TOTAL - SPECIAL TRANSPORTATION FUND REVENUE	\$1,328.3	\$1,328.3	\$ -

Statement 3T
August 20, 2014

State of Connecticut
Special Transportation Fund
Appropriation Adjustments - Net Additional Requirements
Projected to June 30, 2015
As of July 31, 2014

No Additional Requirements

\$ -

Statement 4T
August 20, 2014

State of Connecticut
Special Transportation Fund
Estimated Lapses
Projected to June 30, 2015
As of July 31, 2014

Unallocated Lapse	\$ 11,000,000
Total	<u>\$ 11,000,000</u>

State of Connecticut
2014-15 Special Transportation Fund
Summary of Operations Per Letter to the Comptroller
(In Millions)

	Budget Plan ¹	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015
Beginning Balance ²	\$ 168.8	\$ 168.8											
Revenue	1,328.3	1,328.3											
Total Available	1,497.1	1,497.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Appropriations	1,332.6	1,332.6											
Additional Requirements	0.0	0.0											
Less: Estimated Lapses	(11.0)	(11.0)											
TOTAL - Estimated Expenditures	1,321.6	1,321.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance from Operations	6.7	6.7	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Estimated Balance 6/30/15	\$175.5	\$175.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

1. P.A. 14-47, as amended by P.A. 14-217.

2. Budget Plan and the month of July as estimated by the Office of Policy and Management.