



# STATE OF CONNECTICUT

## OFFICE OF POLICY AND MANAGEMENT

October 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. An analysis of the Special Transportation Fund is also included due to the significant nature of the fund. In compliance with Executive Order No. 1, issued January 5, 2011, these projections reflect the state's estimated year-end balance from operations in accordance with Generally Accepted Accounting Principles (GAAP).

### General Fund

Revenue and expenditure trends remain consistent with the budget plan, and we continue to project a \$0.3 million balance from operations. As noted last month, Sales and Use Tax revenues are rising, suggesting collections may slightly exceed the budget target. Personal Income Tax revenues are also rising, but it is still early in the year and the trend does not yet suggest a change in the overall target. In the aggregate, all other revenue sources remain on target for the year, although it should be noted that Indian Gaming Payments continue to underperform their targets, and falling oil prices, while beneficial to the economy overall, will likely negatively impact Oil Companies revenue.

With respect to deferral of certain Medicaid reimbursements referenced in previous forecasts, my office and the Department of Social Services remain actively engaged with the federal government in resolving the federal claiming issues in order to receive the remainder of deferred funds.

### Special Transportation Fund

We project an operating surplus of \$9.9 million, a slight improvement over last month. Storm damage repairs at Groton-New London airport and a related insurance settlement resulted in offsetting \$1.2 million expenditure and revenue increases. Beyond that, various minor changes in other projected revenue sources net to an additional \$1.0 million over budgeted levels. A lapse of \$12.0 million in Debt Service is expected as a result of the most recent bond sale, which more than satisfies the \$11.0 million Unallocated Lapse target for the fund. We project that the fund balance on June 30, 2015 will be \$177.7 million.

As always, it is important to note that while this is the best forecast that can be made at this time, estimates may need to be adjusted as the year progresses to reflect 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  
October 20, 2014

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

**General Fund**

Balance from Operations - Prior Month		\$	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		\$	169.0
Balance from Operations - Prior Month			8.9
Revenues			
All Changes (Net)	0.0		0.0
Expenditures			
Additional Requirements	0.0		
Estimated Lapses	1.0		
Miscellaneous Adjustments/Rounding	(1.2)		(0.2)
Estimated Fund Balance - June 30, 2015		\$	177.7

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

	General Assembly Budget Plan <sup>1</sup> .	Revised Estimates OPM	Over/ (Under)
<b>REVENUE</b>			
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	-
<b>TOTAL Revenue</b>	<b>\$ 17,458.0</b>	<b>\$ 17,458.0</b>	<b>\$ -</b>
<b>EXPENDITURES</b>			
Initial Current Year Appropriations	\$ 17,589.8	\$ 17,589.8	\$ -
Prior Year Appropriations Continued to FY 2015 <sup>2</sup>		85.9	85.9
<b>TOTAL Initial and Continued Appropriations</b>	<b>\$ 17,589.8</b>	<b>\$ 17,675.7</b>	<b>\$ 85.9</b>
Appropriation Adjustments	-	-	-
<b>TOTAL Adjusted Appropriations</b>	<b>\$ 17,589.8</b>	<b>\$ 17,675.7</b>	<b>\$ 85.9</b>
Net Additional Expenditure Requirements		-	-
Estimated Appropriations Lapsed	(132.1)	(132.1)	-
Estimated Appropriations to be Continued to FY 2016		-	-
<b>TOTAL Estimated Expenditures</b>	<b>\$ 17,457.7</b>	<b>\$ 17,543.6</b>	<b>\$ 85.9</b>
Net Change in Fund Balances - Continuing Appropriations	-	(85.9)	(85.9)
Miscellaneous Adjustments/Rounding	-	-	-
<b>Net Change in Unassigned Fund Balance - 6/30/2015</b>	<b>\$ 0.3</b>	<b>\$ 0.3</b>	<b>\$ -</b>

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.

Statement 2  
October 20, 2014

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

	General Assembly Budget Plan	Revised Estimates OPM	Over/ (Under)
<b>TAXES</b>			
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	-
<b>TOTAL - TAXES</b>	<b>\$ 16,147.2</b>	<b>\$ 16,147.2</b>	<b>\$ -</b>
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)	-
<b>TOTAL - TAXES - NET</b>	<b>\$ 14,914.6</b>	<b>\$ 14,914.6</b>	<b>\$ -</b>
<b>OTHER REVENUE</b>			
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)	-
<b>TOTAL - OTHER REVENUE</b>	<b>\$ 1,109.3</b>	<b>\$ 1,109.3</b>	<b>\$ -</b>
<b>OTHER SOURCES</b>			
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	-
<b>TOTAL - OTHER SOURCES</b>	<b>\$ 1,434.1</b>	<b>\$ 1,434.1</b>	<b>\$ -</b>
<b>TOTAL - GENERAL FUND REVENUE</b>	<b>\$ 17,458.0</b>	<b>\$ 17,458.0</b>	<b>\$ -</b>

Statement 3  
October 20, 2014

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

No Additional Requirements

\$ -

Statement 4  
October 20, 2014

State of Connecticut  
General Fund  
Estimated Lapses  
Projected to June 30, 2015  
As of September 30, 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 <sup>1</sup>	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	\$ 17,458.0	\$ 17,458.0	\$ 17,458.0								
Appropriations	17,589.8	17,589.8	17,589.8	17,589.8	17,589.8								
Additional Requirements	0.0	0.0	0.0	0.0	0.0								
Less: Estimated Lapses	(132.1)	(132.1)	(132.1)	(132.1)	(132.1)								
TOTAL - Estimated Expenditures	17,457.7	17,457.7	17,457.7	17,457.7	17,457.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance from Operations	0.3	0.3	0.3	0.3	0.3	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	\$0.3	\$0.3	\$0.3	\$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  
October 20, 2014

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

	General Assembly <u>Budget Plan</u> <sup>1</sup>	Revised Estimates <u>OPM</u>	Over/ <u>(Under)</u>
Fund Balance as of June 30, 2014 <sup>2</sup>	\$ 168.8	\$ 169.0	\$ 0.2
<b>REVENUE</b>			
Taxes	\$ 965.5	\$ 966.2	\$ 0.7
Less: Refunds of Taxes	(6.6)	(7.1)	(0.5)
Taxes - Net	<u>958.9</u>	<u>959.1</u>	<u>0.2</u>
Other Revenue	369.4	371.4	2.0
TOTAL - Revenue	<u>\$ 1,328.3</u>	<u>\$ 1,330.5</u>	<u>\$ 2.2</u>
<b>EXPENDITURES</b>			
Appropriations	\$ 1,332.6	\$ 1,332.6	\$ -
Net Additional Requirements	-	-	-
Less: Estimated Lapses	(11.0)	(12.0)	(1.0)
TOTAL - Expenditures	<u>\$ 1,321.6</u>	<u>\$ 1,320.6</u>	<u>\$ (1.0)</u>
Balance from Operations	\$ 6.7	\$ 9.9	\$ 3.2
Miscellaneous Adjustments	<u>-</u>	<u>(1.2)</u>	<u>(1.2)</u>
Estimated Fund Balance - June 30, 2015	<u>\$ 175.5</u>	<u>\$ 177.7</u>	<u>\$ 2.2</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. Revised estimates per the Comptroller's September 30, 2014 letter.

Statement 2T  
October 20, 2014

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

	<u>General Assembly Budget Plan</u>	<u>Revised Estimates OPM</u>	<u>Over/ (Under)</u>
TAXES			
Motor Fuels	\$ 503.8	\$ 503.9	\$ 0.1
Oil Companies	379.1	379.1	-
Sales Tax DMV	82.6	83.2	0.6
TOTAL - TAXES	<u>965.5</u>	<u>966.2</u>	<u>0.7</u>
Less: Refunds of Taxes	(6.6)	(7.1)	(0.5)
TOTAL - TAXES - NET	<u>\$ 958.9</u>	<u>\$ 959.1</u>	<u>\$ 0.2</u>
OTHER REVENUE			
Motor Vehicle Receipts	\$ 238.1	\$ 238.1	\$ -
Licenses, Permits, Fees	138.9	139.1	0.2
Interest Income	5.0	7.2	2.2
Federal Grants	12.1	12.1	-
Transfers (To)/From Other Funds	(21.5)	(21.5)	-
Refunds of Payments	(3.2)	(3.6)	(0.4)
TOTAL - OTHER REVENUE	<u>\$ 369.4</u>	<u>\$ 371.4</u>	<u>\$ 2.0</u>
TOTAL - SPECIAL TRANSPORTATION FUND REVENUE	<u>\$ 1,328.3</u>	<u>\$ 1,330.5</u>	<u>\$ 2.2</u>

Statement 3T  
October 20, 2014

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

No Additional Requirements

\$ -

Statement 4T  
October 20, 2014

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

OTT - Debt Service	\$ 12,000,000
Total	<u>\$ 12,000,000</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 <sup>2</sup>	\$ 168.8	\$ 168.8	\$ 173.5	\$ 169.0	\$ 169.0								
Revenue	1,328.3	1,328.3	1,330.5	1,330.5	1,330.5								
Total Available	1,497.1	1,497.1	1,504.0	1,499.5	1,499.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Appropriations	1,332.6	1,332.6	1,332.6	1,332.6	1,332.6								
Additional Requirements	0.0	0.0	0.0	0.0	0.0								
Less: Estimated Lapses	(11.0)	(11.0)	(11.0)	(11.0)	(12.0)								
TOTAL - Estimated Expenditures	1,321.6	1,321.6	1,321.6	1,321.6	1,320.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance from Operations	6.7	6.7	8.9	8.9	9.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc. Adjustments/Rounding	0.0	0.0	(1.2)	(1.2)	(1.2)	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	\$181.2	\$176.7	\$177.7	\$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. August per the Comptroller's September 2, 2014 letter. September and thereafter per the Comptroller's September 30, 2014 letter.

