



# STATE OF CONNECTICUT

## OFFICE OF POLICY AND MANAGEMENT

July 20, 2015

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 that fund. Our projections reflect the state's estimated year-end balance from operations in accordance with Generally Accepted Accounting Principles (GAAP).

### General Fund

We project that the General Fund will close with a \$70.9 million deficit for Fiscal Year 2015, about four-tenths of one percent (0.4%) of the fund, and a significant improvement of \$44.8 million from last month's estimate. It should be noted that GAAP accrual adjustments will not be finalized for several months and could potentially materially impact our projection. In accordance with existing law, any year-end surplus or deficit will be addressed via transfer to or from the Budget Reserve Fund.

### Revenues

Projected revenues this month are down slightly by \$2.7 million from last month's forecast. Estimated Federal Grant revenue is up by \$15.1 million from last month as those collections have exceeded our target. Corporation Tax collections also continue to perform well and have been revised upward by \$12.0 million. Personal Income Tax collections have been revised downward by \$10.0 million as those receipts are expected to fall slightly below their target during the accrual period. Licenses, Permits and Fees has been revised downward by \$31.5 million due to a correction of a deposit earlier this year that should have been made to the Insurance Fund rather than to the General Fund. All other revenue changes net to a positive \$11.7 million. It should be noted that several significant revenue sources totaling approximately \$900 million are still projected to be received through August 7<sup>th</sup> as part of the accrual process for FY 2015.

### Expenditures

Overall, expenditures are projected to be \$73.1 million below the budget plan. This amount is net of any funds carrying forward into fiscal year 2016 as a result of statutory provisions and recently enacted legislation. Estimated lapses by agency are detailed in Statement 4, attached.

### Special Transportation Fund

In the Special Transportation Fund, estimated revenues have been revised upward by \$4.2 million. The largest positive change was in the Motor Fuels Tax, up by \$3.0 million, with all other revenue changes netting to a positive \$1.2 million. It should be noted that Motor Fuels Tax collections are still being tallied through August 7<sup>th</sup> as part of the accrual process for FY 2015. In total, estimated expenditures will end the year \$9.9 million above the budget plan; lapses by agency are detailed in Statement 4T, attached. Our expenditure estimates also reflect sums projected to carry forward from FY 2015 into FY 2016 in accordance with statutory provisions. Overall, we anticipate closing the year with a net \$18.7 million operating surplus in the Special Transportation Fund, and the fund balance is projected to be \$187.7 million on June 30, 2015, \$12.2 million higher than the budget plan.

This is our final estimate for FY 2015. While these projections are the best that can be made at this time, it is important to note that some adjustments are expected during the year end closing process before final results are published.

Sincerely,

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

Benjamin Barnes  
Secretary

Summary  
July 20, 2015

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

**General Fund**

Balance from Operations - Prior Month		\$	(115.7)
Revenues			
Licenses, Permits and Fees	(31.5)		
Personal Income Tax	(10.0)		
Corporation Tax	12.0		
Federal Grants	15.1		
All other changes (net)	<u>11.7</u>		(2.7)
Expenditures			
Additional Requirements	0.0		
Estimated Lapses	47.5		
Miscellaneous Adjustments/Rounding	<u>0.0</u>		<u>47.5</u>
Estimated Balance from Operations - June 30, 2015		\$	<u>(70.9)</u>

**Special Transportation Fund**

Fund Balance as of June 30, 2014		\$	169.0
Balance from Operations - Prior Month			10.4
Revenues			
Motor Fuels Tax	3.0		
All other Changes (net)	<u>1.2</u>		4.2
Expenditures			
Additional Requirements	0.0		
Estimated Lapses	4.1		
Miscellaneous Adjustments/Rounding	<u>0.0</u>		<u>4.1</u>
Estimated Fund Balance - June 30, 2015		\$	<u>187.7</u>

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

	General Assembly Budget Plan <sup>1</sup>	Revised Estimates OPM <sup>3</sup>	Over/ (Under)
<b>REVENUE</b>			
Taxes	\$ 16,147.2	\$ 15,979.0	\$ (168.2)
Less: Refunds	(1,232.6)	(1,171.5)	61.1
Taxes - Net	\$ 14,914.6	\$ 14,807.5	\$ (107.1)
Other Revenue	1,109.3	1,180.6	71.3
Other Sources	1,434.1	1,325.6	(108.5)
<b>TOTAL Revenue</b>	<b>\$ 17,458.0</b>	<b>\$ 17,313.7</b>	<b>\$ (144.3)</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)	(205.2)	(73.1)
Estimated Appropriations to be Continued to FY 2016 <sup>4</sup>		(65.1)	(65.1)
<b>TOTAL Estimated Expenditures</b>	<b>\$ 17,457.7</b>	<b>\$ 17,405.4</b>	<b>\$ (52.3)</b>
Net Change in Fund Balances - Continuing Appropriations	-	(20.8)	(20.8)
Miscellaneous Adjustments/Rounding	-	-	-
<b>Net Change in Unassigned Fund Balance - 6/30/2015</b>	<b>\$ 0.3</b>	<b>\$ (70.9)</b>	<b>\$ (71.2)</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.
3. P.A. 15-244, sections 52, 53, and 55.
4. P.A. 15-244, P.A. 15-5 (June Spec. Sess.), and other statutory provisions.

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

	General Assembly Budget Plan	Revised Estimates OPM	Over/ (Under)
<b>TAXES</b>			
Personal Income	\$ 9,264.5	\$ 9,154.0	\$(110.5)
Sales and Use	4,167.4	4,211.2	43.8
Corporation	704.3	812.0	107.7
Public Service Corporations	295.6	293.6	(2.0)
Inheritance and Estate	173.0	176.7	3.7
Insurance Companies	256.2	220.6	(35.6)
Cigarettes	360.9	354.4	(6.5)
Real Estate Conveyance	186.9	186.9	-
Oil Companies	34.8	-	(34.8)
Alcoholic Beverages	60.7	60.7	-
Admissions and Dues	38.3	38.4	0.1
Health Provider Tax	509.5	451.4	(58.1)
Miscellaneous	95.2	19.1	(76.1)
<b>TOTAL - TAXES</b>	<b>\$ 16,147.2</b>	<b>\$ 15,979.0</b>	<b>\$(168.2)</b>
Less: Refunds of Taxes	(1,105.1)	(1,064.0)	41.1
Earned Income Tax Credit	(120.7)	(99.6)	21.1
R & D Credit Exchange	(6.8)	(7.9)	(1.1)
<b>TOTAL - TAXES - NET</b>	<b>\$ 14,914.6</b>	<b>\$ 14,807.5</b>	<b>\$(107.1)</b>
<b>OTHER REVENUE</b>			
Transfers - Special Revenue	\$ 323.1	\$ 323.3	\$ 0.2
Indian Gaming Payments	278.5	268.0	(10.5)
Licenses, Permits, Fees	256.2	257.6	1.4
Sales of Commodities and Services	43.5	35.8	(7.7)
Rents, Fines, Escheats	118.4	163.4	45.0
Investment Income	0.6	1.3	0.7
Miscellaneous	161.9	195.5	33.6
Refunds of Payments	(72.9)	(64.3)	8.6
<b>TOTAL - OTHER REVENUE</b>	<b>\$ 1,109.3</b>	<b>\$ 1,180.6</b>	<b>\$ 71.3</b>
<b>OTHER SOURCES</b>			
Federal Grants	\$ 1,299.6	\$ 1,241.2	\$(58.4)
Transfer from Tobacco Settlement Fund	120.0	120.0	0.0
Transfers (from) / to Other Funds	14.6	18.2	3.7
Transfers to the Resources of the Special Trans. Fund	-	(53.8)	(53.8)
<b>TOTAL - OTHER SOURCES</b>	<b>\$ 1,434.1</b>	<b>\$ 1,325.6</b>	<b>\$(108.5)</b>
<b>TOTAL - GENERAL FUND REVENUE</b>	<b>\$ 17,458.0</b>	<b>\$ 17,313.7</b>	<b>\$(144.3)</b>

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

No Additional Requirements

0

Total

\$ -

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

Legislative Management	\$ 10,483,987
Auditors of Public Accounts	996,152
Commission on Aging	92,175
Permanent Commission on the Status of Women	168,465
Commission on Children	68,441
Latino and Puerto Rican Affairs Commission	43,368
African-American Affairs Commission	21,765
Asian Pacific American Affairs Commission	15,264
Governor's Office	344,538
Secretary of the State	718,047
Lieutenant Governor's Office	189,362
State Treasurer	538,054
State Comptroller	1,903,556
Department of Revenue Services	3,432,808
Office of Governmental Accountability	1,008,018
Office of Policy and Management	3,663,485
Department of Veterans' Affairs	1,175,613
Department of Administrative Services	4,691,469
Attorney General	2,642,927
Division of Criminal Justice	848,589
Department of Emergency Services and Public Protection	2,467,742
Department of Motor Vehicles	2,402
Military Department	459,547
Department of Consumer Protection	1,571,761
Labor Department	2,965,436
Commission on Human Rights and Opportunities	318,002
Office of Protection and Advocacy for Persons with Disabilities	76,661
Department of Agriculture	245,788
Department of Energy and Environmental Protection	3,619,595
Council on Environmental Quality	110
Department of Economic and Community Development	2,242,245
Department of Housing	5,922,656
Agricultural Experiment Station	408,276
Department of Public Health	3,385,274
Office of the Chief Medical Examiner	267,502
Department of Developmental Services	10,487,533
Department of Mental Health and Addiction Services	12,384,380
Psychiatric Security Review Board	11,224
Department of Social Services	24,566,666
State Department on Aging	559,427
Department of Rehabilitation Services	844,781
Department of Education	19,669,721
Office of Early Childhood	20,348,447

Statement 4  
July 20, 2015

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

State Library	619,700
Office of Higher Education	352,563
University of Connecticut	24,080
University of Connecticut Health Center	25,003
Teachers' Retirement Board	1,598,867
Board of Regents for Higher Education	93,865
Department of Correction	3,459,500
Department of Children and Families	23,515,000
Judicial Department	14,774,914
Public Defender Services Commission	257,051
Miscellaneous Appropriation to the Governor	1
State Treasurer - Debt Service	4,513,537
State Comptroller - Miscellaneous	87,418
State Comptroller - Fringe Benefits	9,670,635
DAS - Workers' Compensation Claims	300,338
Total	<u><u>\$ 205,163,731</u></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	Updated March 2015	April 2015	May 2015	June 2015
Revenue <sup>2</sup>	\$17,458.0	\$17,458.0	\$17,458.0	\$17,458.0	\$17,398.9	\$17,398.9	\$17,359.6	\$17,395.6	\$17,332.6	\$17,292.1	\$17,267.8	\$17,316.4	\$17,313.7
Appropriations <sup>3</sup>	17,589.8	17,589.8	17,589.8	17,589.8	17,589.8	17,589.8	17,589.8	17,589.8	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	40.7	99.7	149.7	143.8	147.6	149.8	125.0	0.0	0.0
Less: Estimated Lapses	(132.1)	(132.1)	(132.1)	(132.1)	(186.8)	(259.0)	(269.0)	(276.8)	(272.0)	(285.6)	(282.1)	(157.7)	(205.2)
TOTAL - Estimated Expenditures	17,457.7	17,457.7	17,457.7	17,457.7	17,443.7	17,430.5	17,480.5	17,456.8	17,465.4	17,453.8	17,432.7	17,432.1	17,384.6
Balance from Operations	0.3	0.3	0.3	0.3	(44.8)	(31.6)	(120.9)	(61.2)	(132.8)	(161.7)	(164.9)	(115.7)	(70.9)
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	(\$44.8)	(\$31.6)	(\$120.9)	(\$61.2)	(\$132.8)	(\$161.7)	(\$164.9)	(\$115.7)	(\$70.9)

1. P.A. 14-47, as amended by P.A. 14-217.  
2. P.A. 14-47, as amended by P.A. 14-217, section 55 of P.A. 15-244, and P.A. 15-5 (June Spec. Sess.).  
3. P.A. 14-47, as amended by P.A. 14-217, sections 52 and 53 of P.A. 15-244, P.A. 15-5 (June Spec. Sess.), and other statutory provisions.

State of Connecticut  
Special Transportation Fund  
Analysis of Budget Plan  
Projected to June 30, 2015  
As of June 30, 2015  
(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	\$ 923.9	\$ (41.6)
Less: Refunds of Taxes	<u>(6.6)</u>	<u>(7.2)</u>	<u>(0.6)</u>
Taxes - Net	958.9	916.7	(42.2)
Other Revenue	<u>369.4</u>	<u>434.7</u>	<u>65.3</u>
TOTAL - Revenue	<u>\$ 1,328.3</u>	<u>\$ 1,351.4</u>	<u>\$ 23.1</u>
<b>EXPENDITURES</b>			
Appropriations	\$ 1,332.6	\$ 1,332.6	\$ -
Appropriation Adjustments <sup>3</sup>		\$ 20.4	
Net Additional Requirements	-	-	-
Less: Estimated Lapses	<u>(11.0)</u>	<u>(21.5)</u>	<u>(10.5)</u>
TOTAL - Expenditures	<u>\$ 1,321.6</u>	<u>\$ 1,331.5</u>	<u>\$ 9.9</u>
Balance from Operations	\$ 6.7	\$ 19.9	\$ 13.2
Miscellaneous Adjustments	<u>-</u>	<u>(1.2)</u>	<u>(1.2)</u>
Estimated Fund Balance - June 30, 2015	<u>\$ 175.5</u>	<u>\$ 187.7</u>	<u>\$ 12.2</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.

3. P.A. 15-244 sec. 54.

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

	<u>General Assembly Budget Plan</u>	<u>Revised Estimates OPM</u>	<u>Over/ (Under)</u>
TAXES			
Motor Fuels	\$ 503.8	\$ 514.7	\$ 10.9
Oil Companies	379.1	325.3	(53.8)
Sales Tax DMV	82.6	83.9	1.3
TOTAL - TAXES	<u>965.5</u>	<u>923.9</u>	<u>(41.6)</u>
Less: Refunds of Taxes	(6.6)	(7.2)	(0.6)
TOTAL - TAXES - NET	<u>\$ 958.9</u>	<u>\$ 916.7</u>	<u>\$ (42.2)</u>
OTHER REVENUE			
Motor Vehicle Receipts	\$ 238.1	\$ 249.5	\$ 11.4
Licenses, Permits, Fees	138.9	138.9	-
Interest Income	5.0	5.8	0.8
Federal Grants	12.1	12.1	-
Transfers (To)/From Other Funds	(21.5)	(21.5)	-
Transfers From the General Fund	-	53.8	53.8
Refunds of Payments	(3.2)	(3.9)	(0.7)
TOTAL - OTHER REVENUE	<u>\$ 369.4</u>	<u>\$ 434.7</u>	<u>\$ 65.3</u>
TOTAL - SPECIAL TRANSPORTATION FUND REVENUE	\$1,328.3	\$1,351.4	\$ 23.1

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

No Additional Requirements

0

Total

\$ -

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

Department of Administrative Services	\$ 1,320,072
Department of Motor Vehicles	1,270,524
Department of Transportation	588,479
State Treasurer - Debt Service	16,732,777
State Comptroller - Fringe Benefits	298,420
DAS - Workers' Compensation Claims	1,257,707
Total	<u>\$ 21,467,979</u>

State of Connecticut  
2014-15 Special Transportation 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	Updated March 2015	April 2015	May 2015	June 2015
Beginning Balance <sup>2</sup>	\$ 168.8	\$ 168.8	\$ 173.5	\$ 169.0	\$ 169.0	\$ 169.0	\$ 169.0	\$ 169.0	\$ 169.0	\$ 169.0	\$ 169.0	\$ 169.0	\$ 169.0
Revenue	1,328.3	1,328.3	1,330.5	1,330.5	1,335.4	1,335.4	1,339.1	1,339.1	1,339.1	1,340.7	1,343.7	1,347.2	1,351.4
Total Available	1,497.1	1,497.1	1,504.0	1,499.5	1,504.4	1,504.4	1,508.1	1,508.1	1,508.1	1,509.7	1,512.7	1,516.2	1,520.4
Appropriations <sup>3</sup>	1,332.6	1,332.6	1,332.6	1,332.6	1,332.6	1,332.6	1,332.6	1,332.6	1,332.6	1,332.6	1,332.6	1,353.0	1,353.0
Additional Requirements	0.0	0.0	0.0	0.0	0.0	20.0	20.0	23.0	21.9	20.4	20.4	0.0	0.0
Less: Estimated Lapses	(11.0)	(11.0)	(11.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.7)	(12.7)	(12.7)	(17.4)	(21.5)
TOTAL - Estimated Expenditures	1,321.6	1,321.6	1,321.6	1,320.6	1,320.6	1,340.6	1,340.6	1,343.6	1,341.8	1,340.3	1,340.3	1,335.6	1,331.5
Balance from Operations	6.7	6.7	8.9	9.9	14.8	(5.2)	(1.5)	(4.5)	(2.7)	0.4	3.4	11.6	19.9
Misc. Adjustments/Rounding	0.0	0.0	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)
Estimated Balance 6/30/15	\$175.5	\$175.5	\$181.2	\$177.7	\$182.6	\$162.6	\$166.3	\$163.3	\$165.1	\$168.2	\$171.2	\$179.4	\$187.7

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.  
3. P.A. 14-47, as amended by P.A. 14-217 and P.A. 15-244.