



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

August 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 2016 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. Note that our projections reflect the state's estimated year-end balance from operations in accordance with Generally Accepted Accounting Principles (GAAP).

General Fund

The adopted budget anticipates a \$0.8 million balance from operations. At this time we project that both revenues and expenditures will be consistent with the budget plan. It is worth noting, however, that revenue from License, Permits, and Fees ended FY 2015 below expectations and that trend is likely to continue into FY 2016. The Transfers-Special Revenue source also bears watching as the new Keno game is rolled out over the coming year. On the expenditure side, the adopted budget includes aggressive lapse assumptions, the achievement of which will present significant management challenges to agency heads.

Special Transportation Fund

Transportation Fund revenues have been revised upward by \$6.0 million due to the Motor Fuels Tax; FY 2015 collections ended above projections and that trend is expected to continue into the coming year. Estimated expenditures remain unchanged relative to the adopted budget. We anticipate the fund balance on June 30, 2016 to be \$253.5 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 2016. As the year progresses, these estimates will undoubtedly be revised 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, 2015

State of Connecticut
Summary of Changes
General Fund and Special Transportation Fund
Projected to June 30, 2016
As of July 31, 2015
(In Millions)

General Fund

Balance from Operations - Adopted Budget		\$	0.8
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, 2016		\$	0.8

Special Transportation Fund

Fund Balance as of June 30, 2015		\$	195.5
Balance from Operations - Adopted Budget			52.0
Revenues			
Motor Fuels Tax	6.0		6.0
Expenditures			
Additional Requirements	0.0		
Estimated Lapses	0.0		
Miscellaneous Adjustments/Rounding	0.0		0.0
Estimated Fund Balance - June 30, 2016		\$	253.5

State of Connecticut
General Fund
Statement of Revenues, Expenditures, and Results of Operations
Projected to June 30, 2016
As of July 31, 2015
(In Millions)

	General Assembly Budget Plan ¹	Revised Estimates OPM	Over/ (Under)
REVENUE			
Taxes	\$ 16,936.5	\$ 16,936.5	\$ -
Less: Refunds	(1,224.9)	(1,224.9)	-
Taxes - Net	\$ 15,711.6	\$ 15,711.6	\$ -
Other Revenue	1,174.3	1,174.3	-
Other Sources	1,276.5	1,276.5	-
TOTAL Revenue	\$ 18,162.4	\$ 18,162.4	\$ -
EXPENDITURES			
Initial Current Year Appropriations	\$ 18,362.2	\$ 18,362.2	\$ -
Prior Year Appropriations Continued to FY 2016 ²		64.9	64.9
TOTAL Initial and Continued Appropriations	\$ 18,362.2	\$ 18,427.1	\$ 64.9
Appropriation Adjustments	-	-	-
TOTAL Adjusted Appropriations	\$ 18,362.2	\$ 18,427.1	\$ 64.9
Net Additional Expenditure Requirements		-	-
Estimated Appropriations Lapsed	(200.6)	(200.6)	-
Estimated Appropriations to be Continued to FY 2017		-	-
TOTAL Estimated Expenditures	\$ 18,161.6	\$ 18,226.5	\$ 64.9
Net Change in Fund Balances - Continuing Appropriations	-	(64.9)	(64.9)
Miscellaneous Adjustments/Rounding	-	-	-
Net Change in Unassigned Fund Balance - 6/30/2016	\$ 0.8	\$ 0.8	\$ -

1. P.A. 15-244, as amended by P.A. 15-5, June Spec. Sess.

2. P.A. 15-244, as amended by P.A. 15-5, June Spec. Sess., and other statutory provisions.

State of Connecticut
General Fund
Revenue Estimates
Projected to June 30, 2016
As of July 31, 2015
(In Millions)

	General Assembly Budget Plan ¹	Revised Estimates OPM	Over/ (Under)
TAXES			
Personal Income	\$ 9,834.4	\$ 9,834.4	\$ -
Sales and Use	4,121.1	4,121.1	-
Corporation	902.2	902.2	-
Public Service Corporations	308.0	308.0	-
Inheritance and Estate	173.4	173.4	-
Insurance Companies	243.8	243.8	-
Cigarettes	361.2	361.2	-
Real Estate Conveyance	194.7	194.7	-
Oil Companies	-	-	-
Alcoholic Beverages	61.7	61.7	-
Admissions and Dues	38.3	38.3	-
Health Provider Tax	676.9	676.9	-
Miscellaneous	20.8	20.8	-
TOTAL - TAXES	\$ 16,936.5	\$ 16,936.5	\$ -
Less: Refunds of Taxes	(1,090.4)	(1,090.4)	-
Earned Income Tax Credit	(127.4)	(127.4)	-
R & D Credit Exchange	(7.1)	(7.1)	-
TOTAL - TAXES - NET	\$ 15,711.6	\$ 15,711.6	\$ -
OTHER REVENUE			
Transfers - Special Revenue	\$ 343.4	\$ 343.4	\$ -
Indian Gaming Payments	258.8	258.8	-
Licenses, Permits, Fees	308.5	308.5	-
Sales of Commodities and Services	38.0	38.0	-
Rents, Fines, Escheats	126.0	126.0	-
Investment Income	2.5	2.5	-
Miscellaneous	171.3	171.3	-
Refunds of Payments	(74.2)	(74.2)	-
TOTAL - OTHER REVENUE	\$ 1,174.3	\$ 1,174.3	\$ -
OTHER SOURCES			
Federal Grants	\$ 1,265.2	\$ 1,265.2	\$ -
Transfer from Tobacco Settlement Fund	106.6	106.6	-
Transfers From/(To) Other Funds	(95.3)	(95.3)	-
Transfers to the Resources of the Special Trans. Fund	-	-	-
TOTAL - OTHER SOURCES	\$ 1,276.5	\$ 1,276.5	\$ -
TOTAL - GENERAL FUND REVENUE	\$ 18,162.4	\$ 18,162.4	\$ -

1. P.A. 15-5, June Special Session, section 496

State of Connecticut - General Fund
Appropriation Adjustments - Net Additional Requirements
Projected to June 30, 2016
As of July 31, 2015

No Additional Requirements	0
Total	<u>\$ -</u>

Statement 4
August 20, 2015

State of Connecticut
General Fund
Estimated Lapses
Projected to June 30, 2016
As of July 31, 2015

Unallocated Lapse	\$ 93,076,192
Unallocated Lapse - Legislative	5,028,105
Unallocated Lapse - Judicial	7,400,672
General Employee Lapse	7,110,616
General Lapse - Legislative	39,492
General Lapse - Executive	9,678,316
General Lapse - Judicial	282,192
Statewide Hiring Reduction - Legislative	770,000
Statewide Hiring Reduction - Executive	30,920,000
Statewide Hiring Reduction - Judicial	3,310,000
Targeted Savings	12,500,000
Overtime Savings	10,500,000
Municipal Opportunities and Regional Efficiencies Lapse	20,000,000
Total	<u>\$ 200,615,585</u>

State of Connecticut
2015-16 General Fund
Summary of Operations Per Letter to the Comptroller
(In Millions)

	Budget Plan 1	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016
REVENUE	\$ 18,162.4	\$ 18,162.4											
Appropriations	18,362.2	18,362.2											
Additional Requirements	0.0	0.0											
Less: Estimated Lapses	(200.6)	(200.6)											
TOTAL - Estimated Expenditures	18,161.6	18,161.6	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	0.8	0.8	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											
Est. Balance from Operations - 6/30/16	\$0.8	\$0.8	\$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. 15-244, as amended by P.A. 15-5, June Spec. Sess.

Statement 1T
August 20, 2015

State of Connecticut
Special Transportation Fund
Analysis of Budget Plan
Projected to June 30, 2016
As of July 31, 2015
(In Millions)

	General Assembly <u>Budget Plan</u> ¹	Revised Estimates <u>OPM</u>	Over/ <u>(Under)</u>
Fund Balance as of June 30, 2015 ²	\$ 195.5	\$ 195.5	\$ -
REVENUE			
Taxes	\$ 1,080.7	\$ 1,086.7	\$ 6.0
Less: Refunds of Taxes	<u>(7.3)</u>	<u>(7.3)</u>	-
Taxes - Net	1,073.4	1,079.4	6.0
Other Revenue	<u>394.7</u>	<u>394.7</u>	-
TOTAL - Revenue	\$ 1,468.1	\$ 1,474.1	\$ 6.0
EXPENDITURES			
Appropriations	\$ 1,428.1	\$ 1,428.1	\$ -
Net Additional Requirements	-	-	-
Less: Estimated Lapses	<u>(12.0)</u>	<u>(12.0)</u>	-
TOTAL - Expenditures	\$ 1,416.1	\$ 1,416.1	\$ -
Balance from Operations	\$ 52.0	\$ 58.0	\$ 6.0
Miscellaneous Adjustments	<u>-</u>	<u>-</u>	-
Estimated Fund Balance - June 30, 2016	<u>\$ 247.5</u>	<u>\$ 253.5</u>	<u>\$ 6.0</u>

1. P.A. 15-244, as amended by P.A. 15-5, June Spec. Sess.

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

Statement 2T
August 20, 2015

State of Connecticut
Special Transportation Fund
Revenue Estimates
Projected to June 30, 2016
As of July 31, 2015
(In Millions)

	General Assembly Budget Plan ¹	Revised Estimates OPM	Over/ (Under)
TAXES			
Motor Fuels	\$ 499.0	\$ 505.0	\$ 6.0
Oil Companies	339.1	339.1	-
Sales & Use Tax	158.6	158.6	-
Sales Tax DMV	84.0	84.0	-
TOTAL - TAXES	<u>1,080.7</u>	<u>1,086.7</u>	<u>6.0</u>
Less: Refunds of Taxes	(7.3)	(7.3)	-
TOTAL - TAXES - NET	<u>\$ 1,073.4</u>	<u>\$ 1,079.4</u>	<u>\$ 6.0</u>
OTHER REVENUE			
Motor Vehicle Receipts	\$ 245.8	\$ 245.8	\$ -
Licenses, Permits, Fees	139.3	139.3	-
Interest Income	7.7	7.7	-
Federal Grants	12.1	12.1	-
Transfers (To)/From Other Funds	(6.5)	(6.5)	-
Transfers From the General Fund	-	-	-
Refunds of Payments	(3.7)	(3.7)	-
TOTAL - OTHER REVENUE	<u>\$ 394.7</u>	<u>\$ 394.7</u>	<u>\$ -</u>
TOTAL - SPECIAL TRANSPORTATION FUND REVENUE	<u>\$ 1,468.1</u>	<u>\$ 1,474.1</u>	<u>\$ 6.0</u>

1. P.A. 15-5, June Special Session, section 497

Statement 3T
August 20, 2015

State of Connecticut
Special Transportation Fund
Appropriation Adjustments - Net Additional Requirements
Projected to June 30, 2016
As of July 31, 2015

No Additional Requirements

0

Total

\$ -

Statement 4T
August 20, 2015

State of Connecticut
Special Transportation Fund
Estimated Lapses
Projected to June 30, 2016
As of July 31, 2015

Unallocated Lapse	\$ 12,000,000
Total	<u>\$ 12,000,000</u>

State of Connecticut
2015-16 Special Transportation Fund
Summary of Operations Per Letter to the Comptroller
(In Millions)

	Budget Plan ¹	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016
Beginning Balance ²	\$ 195.5	\$ 195.5											
Revenue	<u>1,468.1</u>	<u>1,474.1</u>											
Total Available	1,663.6	1,669.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Appropriations	1,428.1	1,428.1											
Additional Requirements	0.0	0.0											
Less: Estimated Lapses	<u>(12.0)</u>	<u>(12.0)</u>											
TOTAL - Estimated Expenditures	1,416.1	1,416.1	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	52.0	58.0	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	<u>0.0</u>	<u>0.0</u>											
Estimated Balance 6/30/16	\$247.5	\$253.5	\$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. 15-244, as amended by P.A. 15-5, June Spec. Sess.

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