
REPORT TO
THE APPROPRIATIONS COMMITTEE AND
THE FINANCE, REVENUE AND BONDING COMMITTEE

AN ACT CONCERNING
FISCAL ACCOUNTABILITY
OF STATE GOVERNMENT

OFFICE OF POLICY AND MANAGEMENT
ROBERT L. GENUARIO, SECRETARY

NOVEMBER 15, 2007

SUMMARY

THIS REPORT INDICATES THE FOLLOWING:

- The state is projected to experience a surplus at the end of FY2007–08 and 2008–09, if expenditures are controlled consistent with the spending cap.
- The state is projected to experience deficits at the end of FY2009–10, 2010–11 and 2011–12 based on current services projections.
- Projections indicate that spending will exceed available room under the expenditure cap in fiscal years 2009–10 and 2010–11.
- Projections also indicate that while spending will not exceed available expenditure cap room in fiscal year 2011–12, it will exceed available revenue.
- The budget reserve fund fails to reach the statutorily required 10% over the 2007–08 through 2011–12 projection period, putting the state at risk in the event of a recession.
- Without further action, expenditures are expected to outpace the growth in revenues.
- Debt service will continue to grow and consume a significant portion of the budget despite efforts to maintain general obligation allocations and issuances at the current level.
- The state faces significant long-term obligations including debt, unfunded pension liabilities and unfunded post-employment retirement benefits which are estimated to exceed \$54 billion in total.

MAJOR ISSUES AND TRENDS IMPACTING THE STATE'S FISCAL SITUATION

- The performance of the income tax is significantly influenced by events in the financial markets which have shown themselves to be extremely volatile this past year thereby increasing the uncertainty of this revenue source.
- Significant cost drivers which include: costs of personnel benefits including post-employment benefits, funding required for unfunded pension liabilities, expenditures related to the Department of Children and Families, the Department of Correction, the Department of Education, the Department of Mental Health and Addiction Services, the Department of Social Services, and the Department of Developmental Services.
- Estimated State grants to local governments increase significantly from FY 2007–08 through FY 2011–12.
- Energy costs have risen almost 100% between FY 2000 and FY 2007.

The Office of Policy and Management remains committed to depositing all surplus funds into the budget reserve fund, a study of alternative uses such as debt reduction or reduction of unfunded pension and other long-term liabilities, may prove to be appropriate uses of surplus once the budget reserve fund has achieved its required level of 10 percent. Addressing identified long term liabilities would appear to be a prudent use of any additional surplus and would position the state to withstand the effects of an economic downturn should we experience another significant reversal of financial position similar to what was experienced earlier this decade.

INTRODUCTION

The Fiscal Accountability Report has been prepared in accordance with Section 2-36b of the Connecticut General Statutes. It contains the estimated revenues and projected expenditures for the three fiscal years next ensuing the 2007-2009 biennium.

Financial Summary of Funds

(in millions)

	Estimated ⁽¹⁾	Revised Enacted ⁽²⁾	Projected		
	2007-08	2008-09	2009-10	2010-11	2011-12
General Fund					
Revenues	\$ 16,437.6	\$ 17,174.1	\$ 17,874.3	\$ 18,673.8	\$ 19,542.6
Expenditures	16,339.9	17,101.3	18,325.0	19,248.6	19,843.1
Surplus Adjustment	(9.7)	-	-	-	-
Surplus/(Deficit)	\$ 88.0	\$ 72.8	\$ (450.7)	\$ (574.8)	\$ (300.5)
Special Transportation Fund					
Revenues	\$ 1,126.9	\$ 1,157.0	\$ 1,165.3	\$ 1,196.2	\$ 1,205.8
Expenditures	1,098.8	1,154.2	1,210.7	1,271.1	1,312.5
Surplus/(Deficit)	\$ 28.1	\$ 2.8	\$ (45.4)	\$ (74.9)	\$ (106.7)
Other Funds ⁽³⁾					
Revenues	\$ 184.7	\$ 184.9	\$ 188.2	\$ 193.7	\$ 195.6
Expenditures	184.2	184.5	187.8	193.2	195.1
Surplus/(Deficit)	\$ 0.5	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5
Total All Appropriated Funds					
Revenues	\$ 17,749.2	\$ 18,516.0	\$ 19,227.8	\$ 20,063.7	\$ 20,944.0
Expenditures	17,622.9	18,440.0	19,723.6	20,712.9	21,350.7
Surplus Adjustment	(9.7)	-	-	-	-
Surplus/(Deficit)	\$ 116.7	\$ 76.0	\$ (495.8)	\$ (649.2)	\$ (406.7)
Expenditure Cap Results					
Total All Appropriated Funds	\$ 17,622.9	\$ 18,440.0	\$ 19,723.6	\$ 20,712.9	\$ 21,350.7
Allowed Appropriations per Cap	17,597.9	18,440.0	19,532.9	20,563.9	21,571.9
Over/(Under) the Cap	\$ 25.0 ⁽¹⁾	\$ 0.0	\$ 190.7	\$ 149.0	\$ (221.2)
Revenues and the Expenditure Cap ⁽⁴⁾					
Revenues – All Funds		\$ 18,516.0	\$ 19,227.8	\$ 20,063.7	\$ 20,944.0
Allowed Appropriations per Cap		18,440.0	19,532.9	20,563.9	21,571.9
Revenues Less Allowed Approps.		\$ 76.0	\$ (305.1)	\$ (500.2)	\$ (627.9)

- (1) Projected deficiencies would place the state budget over the expenditure cap by \$25 million. It is expected that transfers will be identified that will bring the expenditure level into alignment with expenditure cap requirements
- (2) FY 2009– Enacted Budget per PA 07-1 of the June Special Session as revised to reflect the rollout of the FY 2008 deficiencies
- (3) Other funds include the: a) Mashantucket Pequot and Mohegan Fund, b) Soldiers', Sailors' and Marines' Fund, c) Regional Market Operating Fund, d) Banking Fund, e) Insurance Fund, f) Consumer Counsel and Public Utility Fund, g) Workers' Compensation Fund, h) Criminal Injuries Compensation Fund
- (4) Article 3, section 18 of the State Constitution requires a balanced budget

Note: The report does not include an adjustment for conversion to GAAP

SECTION 1

ESTIMATE OF STATE REVENUES, EXPENDITURES
AND ENDING BALANCE

Assumptions

Assumptions Used to Develop Expenditure Estimates

The *Revised Enacted 2008-2009* column shows the original appropriation (PA07-01JSS) adjusted to reflect the rollout of recognized FY2008 deficiencies. The three out years have been developed based on *Revised Enacted 2008-2009* level using the inflation factors noted below.

GENERAL ASSUMPTIONS

With notable exceptions, those expenditures not governed by statute were increased by projected standard inflation rates as follows:

2009-2010	2.12%
2010-2011	2.28%
2011-2012	2.38%

In addition, the following medical inflation rates were used where appropriate:

2009-2010	4.54%
2010-2011	4.35%
2011-2012	4.22%

Personal Services was inflated by 4.75% each year, consistent with the average increase across all contracts. Expenditures increased by the standard inflation rates include: Other Expenses, Other Current Expenses, and Grants. Partial year costs are annualized. Equipment costs are not inflated and reflect the FY2009 enacted budget; agency equipment requirements beyond this level will be funded from the Capital Equipment Purchase Fund. The costs of Pension Obligation Bonds are not reflected; the amount for Debt Service would increase and the amount for Teachers' Retirement contributions would decrease if these bonds were issued. (Note: See **Pension Obligation Bonds** for additional information)

NOTABLE EXCEPTIONS

Listed below are significant items within the three out years that were developed using other than the standard inflation guidelines, or that require further explanation.

STATE TREASURER - DEBT SERVICE

- *Debt Service- State Treasurer* - Debt Service reflects actual and projected issuance schedules. General Fund Debt Service does not assume the issuance of pension obligation bonds.

STATE COMPTROLLER- MISCELLANEOUS

- *Equal Grants to Non-Profit Hospitals* - Reflects level funding.
- *Loss of Taxes on State Property* - Reflects level funding.
- *Loss of Taxes on Private Tax-Exempt Property* - Reflects level funding.
- *Supplemental Municipal Assistance Grant* - In FY 2012, the Mashantucket Pequot and Mohegan Fund grant will be renamed the Supplemental Municipal Assistance grant and will be funded from the General Fund.
- *Mashantucket Pequot and Mohegan Fund* - Level funding is reflected through FY 2011. In FY 2012, the grant will be funded from the General Fund and renamed the Supplemental Municipal Assistance Grant.

STATE COMPTROLLER - FRINGE BENEFITS

- *State Employees Retirement Contributions* - Reflects actuarial estimates.
- *Higher Ed Alternative Retirement System* - FY 2011 includes the cost for 27 pay periods.
- *Judges and Compensation Commissioner's Retirement* - Reflects actuarial estimates through FY 2010. FYs 2011 and 2012 reflect a 5.5% average increase.
- *Employers Social Security Tax* - FY 2011 includes social security for 27 pay periods.
- *State Employees Health Service Costs* - Reflects medical inflation.
- *Retired Employees Health Service Costs* - Reflects medical inflation.

OFFICE OF POLICY AND MANAGEMENT

- *Tax Relief for Elderly Renters* - This program is projected to increase by 6% because of the current experience with the increased number and size of the claims.
- *Payment in Lieu of Taxes - New Manufacturing Machinery & Equipment* - Public Act 06-83 provides for a new 5-year tax phase out, pursuant to which the State pays a portion of the tax on Manufacturing Machinery and Equipment not receiving a payment in lieu of taxes exemption under section 12-94b (CGS). The State's portion of the tax begins at 20% in FY 08 and increases by 20% per year until FY 2012 (when it should remain somewhat constant).
- *Property Tax Exemption - Hybrid Vehicles* - The legislation that passed concerning hybrid vehicles contains no requirement for OPM to reimburse municipalities for local option property tax exemptions that municipalities have approved. Consequently, OPM will not be reimbursing municipalities for property tax exemptions for hybrid vehicles. The current appropriations are expected to lapse for FY 2008 and be eliminated for FY 09.

DIVISION OF CRIMINAL JUSTICE

- *Juvenile Jurisdiction Change* - Additional full-year staffing costs estimated at \$1.8 million in Personal Services beginning in FY2010 with effective date of 7/1/2009.

DEPARTMENT OF MOTOR VEHICLES

- *New Program in FY2009-2010* - Reflects the start up of "Vision Screening" which begins July 1, 2009.

DEPARTMENT OF LABOR

- *Workforce Investment Act* - WIA Funds allocated by the federal government were anticipated to be \$25,895,848 for FY 2008. However, the state DOL has been informed that the FY 2008 allocation will be reduced to \$23,870,952. It is therefore assumed that the FY 2009, FY 2010, FY 2011 and FY 2012 allocations will continue at the lower level.

DEPARTMENT OF AGRICULTURE

- *Regional Market Operation Fund Equipment Projection* - Equipment for the Regional Market is appropriated and is not funded from the Capital Equipment Purchase Fund. Therefore, Equipment reflects a projection of annual requirements.

DEPARTMENT OF PUBLIC HEALTH

- *Medical Inflation* - All DPH accounts are provided medical inflation with the exception of Personal Services, Other Expenses, Medicaid Administration, Nursing Student Loan Forgiveness Program, Emergency Medical Services Training, Emergency Medical Services Regional Offices, Loan Repayment Program and Local & District Departments of Health. These accounts are provided regular inflation.

DEPARTMENT OF DEVELOPMENTAL SERVICES

- *Cooperative Placements Program* - FY2010: \$130,187 annualization for 2 forensic placements in FY2009. FY2012: \$18,360 Leap Year Cost (31% of account for Community Living Arrangements)
- *Employment Opportunities and Day Programs* - FY2010: \$283,235 annualization of 123 high school graduates in FY2009 and \$21,592 annualization of 37 age outs in FY2009
- *Community Residential* - FY2010: \$3,941,730 annualization for 150 waiting list clients in FY2009 and \$1,502,739 annualization for 32 residential age outs in FY2009. FY2012: \$1,359,984 - Leap Year Cost (85.9% of account for Community Living Arrangements).

DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES

- *Personal Services* - FY2008 expenditures adjusted for \$6.3 million shortfall recognized in October Comptrollers' Letter due to additional hiring and overtime coverage as a result of the DOJ and CMS surveys at CVH. FY2009 adjusted for annualization of FY2008 deficiency - \$9.5 million. FYs 2010, 2011, 2012 adjustments include inflation on Disproportionate Share amount of \$75,040,000 which shows in the Department of Social Services - DMHAS/Disproportionate Share Account.
- *Other Expenses* - FY2008 Expenditures adjusted for \$2.0 million shortfall recognized in October Comptrollers' Letter due to higher than budgeted utility expenditures and maintenance and repair costs at CVH and other facilities. FY2009 adjusted for annualization of FY2008 deficiency - \$2.1 million. FYs 2010, 2011, 2012 adjustments include inflation on Disproportionate Share amount of \$2,600,000 which shows in the Department of Social Services - DMHAS/Disproportionate Share Account.
- *General Assistance Managed Care* - FY2012: 83% of account subject to leap year expenditures - \$199,867.
- *Professional Services* - FY2008 expenditures adjusted by \$600,000 resulting from higher than budgeted expenditures. FY2009 adjusted for annualization of FY2008 deficiency - \$600,000.
- *Nursing Home Screening* - FY2008 expenditures adjusted by \$60,000 resulting from higher than budgeted expenditures. FY2009 adjusted for annualization of FY2008 deficiency - \$60,000.

DEPARTMENT OF TRANSPORTATION

- *FY2010* - Governor's Transportation Initiatives: An additional \$5.4 million in Rail Operations for operating costs for the New Haven Branch Line (Danbury, Waterbury and New Canaan), annualization of expanded service for Shore Line East and service for new rail cars; an additional \$6 million in Bus Operations for operating costs for the New Britain to Hartford Busway.
- *FY2011* - Governor's Transportation Initiatives: An additional \$16.5 million in Rail Operations for maintenance facility operations, the New Haven-Hartford-Springfield line and additional rail cars in service; an additional \$1.5 million in Bus Operations for commuter connections to Hartford and the Bradley link.
- *FY2012* - Governor's Transportation Initiative : An additional \$8.5 million in Rail Operations to annualize maintenance facility operations, additional rail cars in service and new service on the New Haven Line and Shore Line East.

DEPARTMENT OF SOCIAL SERVICES

- *State Food Stamp Supplement, HUSKY Program, Medicaid, Old Age Assistance, Aid to the Blind, Aid to the Disabled, Temporary Assistance to Families, ConnPACE, Connecticut Home Care Program, Child Care - TANF/CCDBG, State Administered General Assistance, Medicare Part D Supplemental Needs Fund* - Reflects rate and volume changes based on current trends.
- *HUSKY Program, Charter Oak Health Plan, Medicaid* - Reflects annualization of initiatives to increase access to health care. Note: Although the Charter Oak Health Plan is funded through the Tobacco and Health Trust Fund in FY 2008 and FY 2009, it is assumed that this initiative will be funded through the General Fund beginning in FY 2010.

- *Medicaid* - Reflects additional utilization resulting from enhancements to federally qualified health centers, annualization costs associated with the implementation of a home and community-based services waiver for persons with serious mental illness and the full implementation of dental enhancements related to the anticipated settlement of the Carr lawsuit.
- *Medicaid, Old Age Assistance, Aid to the Blind, Aid to the Disabled* - Reflects leap year payments in FY 2012.
- *Other Expenses, Medicaid, Housing/Homeless Services* - Reflects transition of additional clients under the Money Follows the Person initiative. A total of 700 individuals are expected to transition to the community by FY 2012.
- *Other Expenses* - Reflects adjustments associated with the settlement of the Raymond lawsuit.

TEACHERS' RETIREMENT BOARD

- *Retirement Contributions* - The FYs 2008 and 2009 amounts are per the Actuarial Valuation Report as of June 30, 2006 minus the use of surplus funds. FYs 2010 and beyond reflects actuarial estimates based on the elimination of the Cost of Living Adjustment Reserve Account (CLARA) but without the issuance of \$2 billion in pension obligation bonds.
- *Retirees Health Services Cost* - Reflects medical inflation.
- *Municipal Retirees Health Insurance Cost* - Reflects medical inflation.

DEPARTMENT OF CORRECTION

- *FY2008 Deficiency Rollout* - The Department of Correction has experienced a surge in prison population resulting in a \$16 million deficiency. FY 2009 amounts reflect an additional \$3.4 million in Personal Services, \$6.1 million in Other Expenses, and \$6.5 million in Inmate Medical expenses due to the increased prison population.

DEPARTMENT OF CHILDREN AND FAMILIES

- *Caseload Increase* - An increase in caseload is anticipated in each year of the report in the Board and Care accounts based on historic increases: Family Support Teams - \$530,000; B&C Adoption - \$2,000,000; B&C Foster Care - \$1,500,000; B&C Residential - \$1,500,000
- *Raise the Age of Juvenile Jurisdiction* - Estimated costs are projected for the Raise the Age of Juveniles to include 16 and 17 year olds. One half year costs are estimated in FY 2010 and fully annualized in FY 2011: PS - FY2010 = \$7,414,116, FY2011 = \$15,656,465; OE - FY2010 = \$1,848,298, FY2011 = \$3,893,191; Grant, Juvenile Justice Outreach - FY2010 = \$3,767,800, FY2011 = \$7,845,152; Board & Care Residential - FY2010 = \$12,412,380, FY2011 = \$27,497,567
- *Single Cost Accounting* - Provisions are made in each year of the report to recognize rates set under the Single Cost Accounting regulations: Board & Care Residential - \$1,312,000; No Nexus - \$160,000
- *Leap Year* - Provisions are made for anticipated costs of Leap Year in FY 2012 on per diem payments: Family Support Teams - \$4,989, Board and Care - Adoption - \$187,921, Board and Care - Foster Care - \$217,859, Board and Care - Residential - \$334,543

JUDICIAL DEPARTMENT

- *FY2010* - \$2.2 million to annualize salaries for probation officers and court staff provided in FY2009 for the Juvenile Jurisdiction change, \$1.4 million to annualize community based services for this population.
- *FY2011* - \$13 million for salaries for increased court and probation staff for the Juvenile Jurisdiction change; \$22.8 million for contracted community-based services for this population.

PUBLIC DEFENDER SERVICES COMMISSION

- *Juvenile Jurisdiction Change* - Additional full-year staffing costs estimated at \$900,000 in Personal Services beginning in FY2010 with effective date of 7/1/2009.

CHILD PROTECTION COMMISSION

- *Juvenile Jurisdiction Change* - Additional full-year staffing costs estimated at \$50,000 in Personal Service beginning in FY2010 with effective date of 7/1/2009.

PENSION OBLIGATION BONDS

Budget Impact of the Issuance of \$2.0 Billion of Pension Obligation Bonds (In Millions)

<u>Fiscal Year</u>	<u>Additional Debt Service</u>	<u>Teacher's Retirement Savings</u>	<u>Net Change</u>
2008	-	-	-
2009	-	-	-
2010	\$ 69.3	(\$132.8)	(\$ 63.5)
2011	\$ 65.3	(\$138.1)	(\$ 72.8)
2012	\$ 80.9	(\$143.6)	(\$ 62.7)
Total	\$215.5	(\$414.5)	(\$199.0)

- Assumes that the 2008 and 2009 actuarially required contribution (ARC) payments are fixed per legislation
- Assumes a January 2008 issuance at 5.69% True Interest Cost and capitalized interest to July 1, 2009, and an 8.5% rate of return on investments
- The figures above are relative to the higher ARC payments that resulted from the elimination of the CLARA account that was effective on July 1, 2007

Fiscal Accountability Report
SUMMARY OF 2008 ESTIMATED, 2009 REVISED ENACTED AND 2010-2012 ESTIMATED
By Character and Fund

	Estimated 2007-2008	Revised Enacted 2008-2009	2009-2010	Estimated 2010-2011	2011-2012
GENERAL FUND					
<u>LEGISLATIVE</u>					
LEGISLATIVE MANAGEMENT					
Personal Services	41,671,855	44,570,566	46,687,668	48,905,332	51,228,335
Other Expenses	15,771,573	16,906,885	17,265,311	17,658,960	18,079,243
CAPITAL OUTLAY					
Equipment	818,200	807,200	807,200	807,200	807,200
OTHER CURRENT EXPENSES					
Flag Restoration	50,000	50,000	51,060	52,224	53,467
Minor Capitol Improvements	1,100,000	1,100,000	1,123,320	1,148,932	1,176,277
Interim Salary/Caucus Offices	535,000	437,500	446,775	456,961	467,836
Redistricting	100,000	50,000	51,060	52,224	53,467
Old State House	500,000	500,000	510,600	522,242	534,672
TOTAL OTHER CURRENT EXPENSES	2,285,000	2,137,500	2,182,815	2,232,583	2,285,719
PMTS TO OTHER THAN LOCAL GOVTS					
Interstate Conference Fund	350,000	375,000	382,950	391,681	401,003
TOTAL FIXED CHARGES	350,000	375,000	382,950	391,681	401,003
AGENCY TOTAL	60,896,628	64,797,151	67,325,944	69,995,756	72,801,500
AUDITORS OF PUBLIC ACCOUNTS					
Personal Services	10,854,479	11,343,936	11,882,773	12,447,205	13,038,447
Other Expenses	764,934	780,994	797,551	815,735	835,149
CAPITAL OUTLAY					
Equipment	100,000	100,000	100,000	100,000	100,000
AGENCY TOTAL	11,719,413	12,224,930	12,780,324	13,362,940	13,973,596
COMMISSION ON AGING					
Personal Services	284,787	375,849	393,702	412,403	431,992
Other Expenses	174,000	89,200	91,091	93,168	95,386
CAPITAL OUTLAY					
Equipment	9,500	2,500	2,500	2,500	2,500
AGENCY TOTAL	468,287	467,549	487,293	508,071	529,878
COMMISSION ON THE STATUS OF WOMEN					
Personal Services	699,199	732,257	767,039	803,473	841,638
Other Expenses	334,657	341,687	348,931	356,887	365,381
CAPITAL OUTLAY					
Equipment	4,500	3,000	3,000	3,000	3,000
AGENCY TOTAL	1,038,356	1,076,944	1,118,970	1,163,360	1,210,019
COMMISSION ON CHILDREN					
Personal Services	797,453	841,228	881,186	923,042	966,886
Other Expenses	208,520	212,880	217,393	222,350	227,642
CAPITAL OUTLAY					
Equipment	5,000	2,500	2,500	2,500	2,500
AGENCY TOTAL	1,010,973	1,056,608	1,101,079	1,147,892	1,197,028
LATINO & PUERTO RICAN AFFAIRS COMM					
Personal Services	465,776	494,179	517,653	542,242	567,998
Other Expenses	103,360	103,440	105,633	108,042	110,613
CAPITAL OUTLAY					
Equipment	2,500	2,500	2,500	2,500	2,500
AGENCY TOTAL	571,636	600,119	625,786	652,784	681,111
AFRICAN-AMERICAN AFFAIRS COMMISSION					
Personal Services	335,775	357,059	374,019	391,785	410,395
Other Expenses	75,161	76,386	78,005	79,783	81,682
CAPITAL OUTLAY					
Equipment	2,500	2,500	2,500	2,500	2,500
AGENCY TOTAL	413,436	435,945	454,524	474,068	494,577
ASIAN PACIFIC AMERICAN AFFAIRS COMMISSION					
Other Expenses	0	25,000	25,530	26,112	26,733
AGENCY TOTAL	0	25,000	25,530	26,112	26,733
TOTAL LEGISLATIVE	76,118,729	80,684,246	83,919,450	87,330,983	90,914,442

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By Character and Fund

	Estimated 2007-2008	Revised Enacted 2008-2009	2009-2010	Estimated 2010-2011	2011-2012
GENERAL GOVERNMENT					
GOVERNOR'S OFFICE					
Personal Services	3,073,000	3,244,000	3,398,090	3,559,499	3,728,575
Other Expenses	379,116	379,116	387,153	395,980	405,404
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
PMTS TO OTHER THAN LOCAL GOVTS					
New England Governors' Conference	85,500	90,500	92,419	94,527	96,777
National Governors' Association	107,600	112,600	114,987	117,609	120,408
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	193,100	203,100	207,406	212,136	217,185
TOTAL FIXED CHARGES	193,100	203,100	207,406	212,136	217,185
AGENCY TOTAL	3,645,316	3,826,316	3,992,749	4,167,715	4,351,264
SECRETARY OF THE STATE					
Personal Services	1,640,000	1,700,000	1,780,750	1,865,336	1,953,939
Other Expenses	1,500,000	1,600,000	1,633,920	1,671,173	1,710,947
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
AGENCY TOTAL	3,140,100	3,300,100	3,414,770	3,536,609	3,664,986
LIEUTENANT GOVERNOR'S OFFICE					
Personal Services	485,547	505,177	529,173	554,309	580,639
Other Expenses	87,070	87,070	88,916	90,943	93,107
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
AGENCY TOTAL	572,717	592,347	618,189	645,352	673,846
ELECTIONS ENFORCEMENT COMMISSION					
Personal Services	1,482,675	1,601,174	1,677,230	1,756,898	1,840,351
Other Expenses	261,406	265,726	271,359	277,546	284,152
CAPITAL OUTLAY					
Equipment	31,150	15,400	15,400	15,400	15,400
OTHER CURRENT EXPENSES					
Commission's Per Diems	16,000	17,000	17,000	17,000	17,000
AGENCY TOTAL	1,791,231	1,899,300	1,980,989	2,066,844	2,156,903
OFFICE OF STATE ETHICS					
Personal Services	1,506,533	1,561,773	1,635,957	1,713,665	1,795,064
Other Expenses	160,000	183,882	187,780	192,061	196,632
CAPITAL OUTLAY					
Equipment	34,600	2,500	2,500	2,500	2,500
OTHER CURRENT EXPENSES					
Judge Trial Referee Fees	25,000	25,000	25,000	25,000	25,000
Reserve for Attorney Fees	50,000	50,000	50,000	50,000	50,000
Information Technology Initiatives	500,000	400,000	408,480	417,793	427,736
TOTAL OTHER CURRENT EXPENSES	575,000	475,000	483,480	492,793	502,736
AGENCY TOTAL	2,276,133	2,223,155	2,309,717	2,401,019	2,496,932
FREEDOM OF INFORMATION COMMISSION					
Personal Services	1,833,792	1,911,312	2,002,099	2,097,199	2,196,816
Other Expenses	190,000	200,000	204,240	208,897	213,869
CAPITAL OUTLAY					
Equipment	33,500	30,000	30,000	30,000	30,000
AGENCY TOTAL	2,057,292	2,141,312	2,236,339	2,336,096	2,440,685
JUDICIAL SELECTION COMMISSION					
Personal Services	90,135	95,959	100,517	105,292	110,293
Other Expenses	21,691	21,691	22,151	22,656	23,195
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
AGENCY TOTAL	111,926	117,750	122,768	128,048	133,588
STATE PROPERTIES REVIEW BOARD					
Personal Services	312,952	325,702	341,173	357,379	374,355
Other Expenses	189,244	189,244	193,256	197,662	202,366

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By Character and Fund

	Estimated 2007-2008	Revised Enacted 2008-2009	2009-2010	Estimated 2010-2011	2011-2012
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
AGENCY TOTAL	502,296	515,046	534,529	555,141	576,821
CONTRACTING STANDARDS BOARD					
OTHER CURRENT EXPENSES					
Contracting Standards Board	0	700,000	714,840	731,138	748,539
AGENCY TOTAL	0	700,000	714,840	731,138	748,539
STATE TREASURER					
Personal Services	4,302,516	4,471,817	4,684,228	4,906,729	5,139,799
Other Expenses	338,388	338,388	345,562	353,441	361,853
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
AGENCY TOTAL	4,641,004	4,810,305	5,029,890	5,260,270	5,501,752
STATE COMPTROLLER					
Personal Services	19,617,998	20,415,618	21,385,360	22,401,165	23,465,220
Other Expenses	5,952,156	6,008,110	6,135,482	6,275,371	6,424,725
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
PMTS TO OTHER THAN LOCAL GOVTS					
Governmental Accounting Standards Bd	19,570	19,570	19,985	20,441	20,928
TOTAL FIXED CHARGES	19,570	19,570	19,985	20,441	20,928
AGENCY TOTAL	25,589,824	26,443,398	27,540,927	28,697,077	29,910,973
DEPARTMENT OF REVENUE SERVICES					
Personal Services	58,713,872	59,503,371	62,329,781	65,290,446	68,391,742
Other Expenses	10,825,454	10,821,216	11,050,626	11,302,580	11,571,581
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
OTHER CURRENT EXPENSES					
Collection and Litigation Contingency	425,767	425,767	434,793	444,706	455,290
AGENCY TOTAL	69,965,193	70,750,454	73,815,300	77,037,832	80,418,713
DIVISION OF SPECIAL REVENUE					
Personal Services	5,953,694	6,123,939	6,414,826	6,719,530	7,038,708
Other Expenses	1,183,128	1,532,217	1,564,700	1,600,375	1,638,464
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
AGENCY TOTAL	7,136,922	7,656,256	7,979,626	8,320,005	8,677,272
STATE INSURANCE AND RISK MANAGEMENT					
Personal Services	264,523	268,096	280,831	294,170	308,143
Other Expenses	13,199,326	14,163,704	14,463,975	14,486,637	14,500,801
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
OTHER CURRENT EXPENSES					
Surety Bonds State Officials & Emps	69,350	21,700	22,160	22,665	23,204
AGENCY TOTAL	13,533,299	14,453,600	14,767,066	14,803,572	14,832,248
GAMING POLICY BOARD					
Other Expenses	2,903	2,903	2,965	3,033	3,106
AGENCY TOTAL	2,903	2,903	2,965	3,033	3,106
OFFICE OF POLICY AND MANAGEMENT					
Personal Services	15,949,132	16,406,474	17,185,782	18,002,107	18,857,207
Other Expenses	3,830,808	3,838,273	3,919,644	4,009,011	4,104,426
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
OTHER CURRENT EXPENSES					
Automated Budget Sys & Data Base Link	63,610	63,610	64,959	66,441	68,022
Leadership, Educ, Athletics-Partnership	850,000	850,000	850,000	850,000	850,000
Cash Management Improvement Act	100	100	100	100	100
Justice Assistance Grants	2,993,017	2,963,182	2,963,182	2,963,182	2,963,182
Neighborhood Youth Centers	1,225,200	1,250,930	1,250,930	1,250,930	1,250,930
Land Use Education	150,000	150,000	150,000	150,000	150,000
Office of Property Rights Ombudsman	205,224	214,667	219,218	224,216	229,552
Office of Business Advocate	573,510	599,271	611,976	625,930	640,827

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Water Planning Council	200,000	200,000	200,000	200,000	200,000
Urban Youth Violence Prevention	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
CT Impaired Driving Records Info System	0	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL OTHER CURRENT EXPENSES	7,260,661	8,291,760	8,310,365	8,330,799	8,352,613
PMTS TO OTHER THAN LOCAL GOVTS					
Tax Relief for Elderly Renters	17,736,170	18,622,979	19,740,357	20,924,778	22,179,265
Private Providers	39,000,000	39,000,000	39,000,000	39,000,000	39,000,000
Regional Planning Agencies	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	57,736,170	58,622,979	59,740,357	60,924,778	62,179,265
PMTS TO LOCAL GOVERNMENTS					
Reimb Property Tax-Disability Exempt	576,142	576,142	576,142	576,142	576,142
Distressed Municipalities	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000
Prop Tax Relief Elder-Circuit Breaker	20,505,899	20,505,899	20,505,899	20,505,899	20,505,899
Prop Tax Relief Elderly Freeze Program	1,000,000	900,000	800,000	700,000	600,000
Property Tax Relief for Veterans	2,970,099	2,970,099	2,970,099	2,970,099	2,970,099
P.I.L.O.T. New Mfg Machine & Equipment	75,630,000	104,930,000	139,630,000	172,300,000	208,237,000
Capital City Economic Development	7,900,000	7,900,000	8,067,480	8,251,419	8,447,803
Property Tax Exemption for Hybrid Vehicles	500,000	900,000	0	0	0
TOTAL PMTS TO LOCAL GOVERNMENTS	116,882,140	146,482,140	180,349,620	213,103,559	249,136,943
TOTAL FIXED CHARGES	174,618,310	205,105,119	240,089,977	274,028,337	311,316,208
AGENCY TOTAL	201,659,011	233,641,726	269,505,868	304,370,354	342,630,554
DEPARTMENT OF VETERANS AFFAIRS					
Personal Services	24,839,950	25,806,728	27,032,548	28,316,594	29,661,632
Other Expenses	7,417,755	7,598,860	7,759,956	7,936,883	8,125,781
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
OTHER CURRENT EXPENSES					
Support Services for Veterans	200,000	200,000	204,240	208,897	213,869
PMTS TO OTHER THAN LOCAL GOVTS					
Burial Expenses	7,200	7,200	7,353	7,521	7,700
Headstones	370,000	370,000	377,844	386,459	395,657
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	377,200	377,200	385,197	393,980	403,357
TOTAL FIXED CHARGES	377,200	377,200	385,197	393,980	403,357
AGENCY TOTAL	32,835,905	33,983,788	35,382,941	36,857,354	38,405,639
OFFICE OF WORKFORCE COMPETITIVENESS					
Personal Services	457,026	475,029	497,593	521,229	545,987
Other Expenses	301,824	301,824	308,223	315,251	322,753
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
OTHER CURRENT EXPENSES					
CETC Workforce	2,096,139	2,096,139	2,140,577	2,189,382	2,241,489
Jobs Funnel Projects	1,000,000	1,000,000	1,021,200	1,044,483	1,069,341
Connecticut Career Choices	800,000	800,000	816,960	835,587	855,474
Nanotechnology Study	300,000	300,000	306,360	313,345	320,803
SBIR Initiative	250,000	250,000	255,300	261,121	267,336
Career Ladder Pilot Programs	500,000	500,000	510,600	522,242	534,672
Spanish American Merchant Association	300,000	300,000	306,360	313,345	320,803
Adult Literacy Council	172,889	176,784	180,532	184,648	189,042
Film Industry Training Program	1,000,000	1,000,000	1,021,200	1,044,483	1,069,341
SBIR Matching Grants	250,000	250,000	255,300	261,121	267,336
TOTAL OTHER CURRENT EXPENSES	6,669,028	6,672,923	6,814,389	6,969,757	7,135,637
AGENCY TOTAL	7,428,878	7,450,776	7,621,205	7,807,237	8,005,377
BOARD OF ACCOUNTANCY					
Personal Services	313,160	325,075	340,516	356,691	373,634
Other Expenses	104,676	105,157	107,386	109,834	112,448
AGENCY TOTAL	417,836	430,232	447,902	466,525	486,082
DEPARTMENT OF ADMINISTRATIVE SERVICES					
Personal Services	21,028,451	21,649,417	22,677,764	23,754,958	24,883,319
Other Expenses	1,171,739	1,121,739	1,145,520	1,171,638	1,199,523
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
OTHER CURRENT EXPENSES					
Tuition Reimburs Training, Travel	382,000	382,000	382,000	382,000	382,000
Loss Control Risk Management	278,241	278,241	284,140	290,619	297,535
Employees' Review Board	52,630	52,630	53,746	54,972	56,280

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Quality of Work-Life	350,000	350,000	350,000	350,000	350,000
Refunds of Collections	30,000	30,000	30,636	31,335	32,081
W. C. Administrator	5,450,055	5,450,055	5,565,596	5,692,491	5,827,973
Hospital Billing System	150,000	101,005	103,146	105,497	108,008
Correctional Ombudsman	299,000	299,000	305,339	312,301	319,734
TOTAL OTHER CURRENT EXPENSES	6,991,926	6,942,931	7,074,603	7,219,215	7,373,611
AGENCY TOTAL	29,192,216	29,714,187	30,897,987	32,145,911	33,456,553
DEPARTMENT OF INFORMATION TECHNOLOGY					
Personal Services	9,096,846	9,801,197	10,266,754	10,754,425	11,265,260
Other Expenses	7,661,753	7,674,753	7,837,458	8,016,152	8,206,936
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
OTHER CURRENT EXPENSES					
Connecticut Education Network	3,239,119	3,239,119	3,307,788	3,383,205	3,463,726
Internet and E-Mail Services	6,200,000	7,400,000	7,556,880	7,729,177	7,913,132
TOTAL OTHER CURRENT EXPENSES	9,439,119	10,639,119	10,864,668	11,112,382	11,376,858
AGENCY TOTAL	26,197,818	28,115,169	28,968,980	29,883,059	30,849,154
DEPARTMENT OF PUBLIC WORKS					
Personal Services	7,098,921	7,448,015	7,801,796	8,172,381	8,560,569
Other Expenses	26,476,580	26,476,580	27,037,883	27,654,346	28,312,520
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
OTHER CURRENT EXPENSES					
Management Services	4,220,675	4,220,675	4,310,153	4,408,424	4,513,344
Rents and Moving	10,962,767	10,862,767	11,093,058	11,345,980	11,616,015
Capitol Day Care Center	114,250	114,250	116,672	119,332	122,172
Facilities Design Expenses	5,054,291	5,101,178	5,209,323	5,328,096	5,454,905
TOTAL OTHER CURRENT EXPENSES	20,351,983	20,298,870	20,729,206	21,201,832	21,706,436
AGENCY TOTAL	53,927,584	54,223,565	55,568,985	57,028,659	58,579,625
ATTORNEY GENERAL					
Personal Services	29,703,318	30,994,185	32,466,409	34,008,563	35,623,970
Other Expenses	1,609,424	1,629,091	1,663,628	1,701,559	1,742,056
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
AGENCY TOTAL	31,312,842	32,623,376	34,130,137	35,710,222	37,366,126
OFFICE OF THE CLAIMS COMMISSIONER					
Personal Services	280,605	294,583	308,576	323,233	338,587
Other Expenses	37,079	37,506	38,301	39,174	40,106
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
OTHER CURRENT EXPENSES					
Adjudicated Claims	85,000	85,000	86,802	88,781	90,894
AGENCY TOTAL	402,784	417,189	433,779	451,288	469,687
DIVISION OF CRIMINAL JUSTICE					
Personal Services	42,509,461	43,503,403	47,369,815	49,619,881	51,976,825
Other Expenses	2,807,941	2,800,550	2,859,922	2,925,129	2,994,747
CAPITAL OUTLAY					
Equipment	46,250	100	100	100	100
OTHER CURRENT EXPENSES					
Forensic Sex Evidence Exams	1,074,800	1,074,800	1,097,586	1,122,611	1,149,329
Witness Protection	447,913	447,913	457,409	467,838	478,973
Training and Education	120,908	120,908	123,471	126,286	129,291
Expert Witnesses	236,643	236,643	241,660	247,170	253,053
Medicaid Fraud Control	631,706	660,737	674,745	690,130	706,555
TOTAL OTHER CURRENT EXPENSES	2,511,970	2,541,001	2,594,871	2,654,035	2,717,201
AGENCY TOTAL	47,875,622	48,845,054	52,824,708	55,199,145	57,688,873
CRIMINAL JUSTICE COMMISSION					
Other Expenses	1,000	1,000	1,000	1,000	1,000
AGENCY TOTAL	1,000	1,000	1,000	1,000	1,000
STATE MARSHAL COMMISSION					
Personal Services	306,432	313,630	328,527	344,132	360,478
Other Expenses	162,870	161,374	164,795	168,552	172,563

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CAPITAL OUTLAY					
Equipment	25,100	25,100	25,100	25,100	25,100
AGENCY TOTAL	494,402	500,104	518,422	537,784	558,141
TOTAL GENERAL GOVERNMENT	566,712,054	609,378,408	661,362,578	711,148,289	765,084,439
<u>REGULATION AND PROTECTION</u>					
DEPARTMENT OF PUBLIC SAFETY					
Personal Services	125,224,894	126,752,434	132,773,175	139,079,901	145,686,196
Other Expenses	30,350,165	30,132,509	30,771,318	31,472,904	32,221,959
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
OTHER CURRENT EXPENSES					
Stress Reduction	53,354	53,354	54,485	55,727	57,053
Fleet Purchase	7,831,693	8,351,138	8,528,182	8,722,624	8,930,223
Gun Law Enforcement Task Force	400,000	400,000	408,480	417,793	427,736
Workers' Compensation Claims	3,504,547	3,619,776	3,696,515	3,780,795	3,870,778
COLLECT	51,500	51,500	52,592	53,791	55,071
Urban Violence Task Force	308,700	318,018	324,760	332,165	340,071
TOTAL OTHER CURRENT EXPENSES	12,149,794	12,793,786	13,065,014	13,362,895	13,680,932
PMTS TO OTHER THAN LOCAL GOVTS					
Civil Air Patrol	36,758	36,758	37,537	38,393	39,307
PMTS TO LOCAL GOVERNMENTS					
SNTF Local Officer Incentive Program	238,800	238,800	243,863	249,424	255,360
TOTAL FIXED CHARGES	275,558	275,558	281,400	287,817	294,667
AGENCY TOTAL	168,000,511	169,954,387	176,891,007	184,203,617	191,883,854
POLICE STANDARDS & TRAINING COUNCIL					
Personal Services	2,012,391	2,071,448	2,169,842	2,272,909	2,380,872
Other Expenses	1,020,397	1,029,219	1,051,038	1,075,001	1,100,586
CAPITAL OUTLAY					
Equipment	100	15,100	15,100	15,100	15,100
AGENCY TOTAL	3,032,888	3,115,767	3,235,980	3,363,010	3,496,558
BOARD OF FIREARMS PERMIT EXAMINERS					
Personal Services	84,161	89,197	93,434	97,872	102,521
Other Expenses	14,751	14,751	15,064	15,408	15,774
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
AGENCY TOTAL	99,012	104,048	108,598	113,380	118,395
MILITARY DEPARTMENT					
Personal Services	3,362,747	3,493,752	3,659,705	3,833,541	4,015,634
Other Expenses	2,998,543	3,273,537	3,342,936	3,419,155	3,500,531
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
OTHER CURRENT EXPENSES					
Firing Squads	319,500	319,500	326,273	333,712	341,654
Veterans' Service Bonuses	250,000	250,000	250,000	250,000	250,000
TOTAL OTHER CURRENT EXPENSES	569,500	569,500	576,273	583,712	591,654
AGENCY TOTAL	6,931,790	7,337,789	7,579,914	7,837,408	8,108,819
COMM ON FIRE PREVENTION & CONTROL					
Personal Services	1,632,884	1,687,862	1,768,035	1,852,017	1,939,988
Other Expenses	832,092	832,092	849,732	869,106	889,791
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
OTHER CURRENT EXPENSES					
Firefighter Training I	750,000	795,000	811,854	830,364	850,126
PMTS TO OTHER THAN LOCAL GOVTS					
Fire Training School - Willimantic	165,353	170,314	173,925	177,891	182,124
Fire Training School - Torrington	84,650	85,650	87,466	89,460	91,589
Fire Training School - New Haven	46,750	50,910	51,989	53,174	54,439
Fire Training School - Derby	37,956	39,094	39,923	40,833	41,805
Fire Training School - Wolcott	102,363	105,434	107,669	110,124	112,745

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Fire Training School - Fairfield	124,100	74,100	75,671	77,396	79,238
Fire Training School - Hartford	140,950	178,248	182,027	186,177	190,608
Fire Training School - Middletown	60,350	62,161	63,479	64,927	66,472
Fire Training School - Stamford	1,650	3,350	3,421	3,499	3,582
Payments to Volunteer Fire Companies	100,000	100,000	102,120	104,448	106,934
Fire Training School - Stamford	55,000	55,000	56,166	57,447	58,815
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	919,122	924,261	943,856	965,376	988,351
TOTAL FIXED CHARGES	919,122	924,261	943,856	965,376	988,351
AGENCY TOTAL	4,134,198	4,239,315	4,373,577	4,516,963	4,668,356
DEPARTMENT OF CONSUMER PROTECTION					
Personal Services	10,102,274	10,307,942	10,797,569	11,310,454	11,847,701
Other Expenses	1,390,542	1,378,409	1,407,631	1,439,725	1,473,990
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
AGENCY TOTAL	11,492,916	11,686,451	12,205,300	12,750,279	13,321,791
DEPARTMENT OF LABOR					
Personal Services	8,390,252	8,512,443	8,916,784	9,340,331	9,783,997
Other Expenses	1,517,684	1,524,500	1,556,819	1,592,314	1,630,211
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
OTHER CURRENT EXPENSES					
Workforce Investment Act	25,895,848	25,895,848	23,870,952	23,870,952	23,870,952
Connecticut's Youth Employment Program	5,000,000	5,000,000	5,106,000	5,222,417	5,346,711
Jobs First Employment Services	16,219,096	16,337,976	16,684,341	17,064,744	17,470,885
Opportunity Industrial Centers	500,000	500,000	510,600	522,242	534,672
Individual Development Accounts	350,000	600,000	612,720	626,690	641,605
STRIDE	300,000	300,000	306,360	313,345	320,803
Apprenticeship Program	633,603	654,700	668,580	683,824	700,099
Connecticut Career Resource Network	161,398	164,752	168,245	172,081	176,177
21st Century Jobs	1,000,532	1,001,957	1,023,198	1,046,526	1,071,433
TANF Job Reorganization	6,500,000	6,500,000	6,637,800	6,789,142	6,950,724
Incumbent Worker Training	500,000	500,000	510,600	522,242	534,672
STRIVE	300,000	300,000	306,360	313,345	320,803
Unemployment Benefits for Military Spouses	175,000	175,000	178,710	182,785	187,136
TOTAL OTHER CURRENT EXPENSES	57,535,477	57,930,233	56,584,466	57,330,335	58,126,672
AGENCY TOTAL	67,444,413	67,968,176	67,059,069	68,263,980	69,541,880
OFFICE OF VICTIM ADVOCATE					
Personal Services	312,519	325,272	340,722	356,906	373,859
Other Expenses	51,912	51,912	53,013	54,222	55,513
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
AGENCY TOTAL	364,531	377,284	393,835	411,228	429,472
COMM-HUMAN RIGHTS & OPPORTUNITIES					
Personal Services	7,177,319	7,491,052	7,846,877	8,219,604	8,610,035
Other Expenses	743,717	551,617	563,311	576,154	589,866
CAPITAL OUTLAY					
Equipment	5,800	1,000	1,000	1,000	1,000
OTHER CURRENT EXPENSES					
Martin Luther King, Jr. Commission	6,650	6,650	6,791	6,946	7,111
AGENCY TOTAL	7,933,486	8,050,319	8,417,979	8,803,704	9,208,012
OFFICE OF PROTECTION AND ADVOCACY					
Personal Services	2,259,329	2,354,956	2,466,816	2,583,990	2,706,730
Other Expenses	392,882	392,882	401,211	410,359	420,126
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
AGENCY TOTAL	2,653,211	2,748,838	2,869,027	2,995,349	3,127,856
OFFICE OF THE CHILD ADVOCATE					
Personal Services	790,846	826,699	865,967	907,100	950,187
Other Expenses	144,264	144,264	147,322	150,681	154,267
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000

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OTHER CURRENT EXPENSES					
Child Fatality Review Panel	82,494	84,917	86,717	88,694	90,805
AGENCY TOTAL	1,018,604	1,056,880	1,101,006	1,147,475	1,196,259
EMERGENCY MGMT/HOMELAND SECURITY					
Personal Services	4,035,995	4,115,403	4,310,885	4,515,652	4,730,145
Other Expenses	511,511	511,511	522,355	534,265	546,981
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
OTHER CURRENT EXPENSES					
American Red Cross	225,000	225,000	225,000	225,000	225,000
AGENCY TOTAL	4,772,606	4,852,014	5,058,340	5,275,017	5,502,226
TOTAL	277,878,166	281,491,268	289,293,632	299,681,410	310,603,478
REGULATION AND PROTECTION					

CONSERVATION AND DEVELOPMENT

DEPARTMENT OF AGRICULTURE					
Personal Services	3,760,000	3,860,000	4,043,350	4,235,409	4,436,591
Other Expenses	797,601	797,601	814,510	833,081	852,908
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
OTHER CURRENT EXPENSES					
CT Seafood Advisory Council	47,500	47,500	48,507	49,613	50,794
Food Council	25,000	25,000	25,530	26,112	26,733
Vibrio Bacterium Program	10,000	10,000	10,212	10,445	10,694
Connecticut Wine Council	47,500	47,500	48,507	49,613	50,794
Senior Food Vouchers	400,000	400,000	408,480	417,793	427,736
TOTAL OTHER CURRENT EXPENSES	530,000	530,000	541,236	553,576	566,751
PMTS TO OTHER THAN LOCAL GOVTS					
WIC Pgm for Fresh Produce for Seniors	110,000	110,000	112,332	114,893	117,627
Collection of Agricultural Statistics	1,200	1,200	1,225	1,252	1,282
Tuberculosis and Brucellosis Indemnity	1,000	1,000	1,021	1,044	1,069
Exhibits and Demonstrations	5,600	5,600	5,719	5,850	5,989
Connecticut Grown Product Promotion	15,000	15,000	15,318	15,667	16,040
WIC Coupon Program for Fresh Produce	84,090	84,090	85,873	87,831	89,921
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	216,890	216,890	221,488	226,537	231,928
TOTAL FIXED CHARGES	216,890	216,890	221,488	226,537	231,928
AGENCY TOTAL	5,304,591	5,404,591	5,620,684	5,848,703	6,088,278
DEPARTMENT OF ENVIRONMENTAL PROTECTION					
Personal Services	32,674,000	33,758,800	35,362,343	37,042,054	38,801,552
Other Expenses	3,726,500	3,726,900	3,805,910	3,892,684	3,985,330
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
OTHER CURRENT EXPENSES					
Stream Gaging	184,392	195,456	199,600	204,151	209,010
Mosquito Control	369,905	375,203	383,157	391,893	401,220
State Superfund Site Maintenance	391,000	391,000	399,289	408,393	418,113
Laboratory Fees	275,875	275,875	281,724	288,148	295,006
Dam Maintenance	137,940	138,809	141,752	144,984	148,435
Invasive Plants Council	500,000	500,000	510,600	522,242	534,672
Storm Drain Filters	500,000	500,000	500,000	500,000	500,000
TOTAL OTHER CURRENT EXPENSES	2,359,112	2,376,343	2,416,122	2,459,811	2,506,456
PMTS TO OTHER THAN LOCAL GOVTS					
Agree USGS-Geology Investigation	47,000	47,000	47,996	48,071	49,216
Agreement USGS-Hydrological Study	143,641	152,259	155,487	155,731	159,438
N E Interstate Water Pollution Comm	8,400	8,400	8,578	8,591	8,796
Northeast Interstate Forest Fire Comp	2,040	2,040	2,083	2,086	2,136
Conn River Valley Flood Control Comm	40,200	40,200	41,052	41,116	42,095
Thames River Valley Flood Control Comm	50,200	50,200	51,264	51,344	52,566
Agree USGS Quality Stream Monitoring	199,039	210,981	215,454	215,792	220,927
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	490,520	511,080	521,914	522,731	535,174
TOTAL FIXED CHARGES	490,520	511,080	521,914	522,731	535,174
AGENCY TOTAL	39,250,232	40,373,223	42,106,389	43,917,380	45,828,612

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	Estimated 2007-2008	Revised Enacted 2008-2009	2009-2010	Estimated 2010-2011	2011-2012
COUNCIL ON ENVIRONMENTAL QUALITY					
Personal Services	155,612	162,620	170,344	178,435	186,911
Other Expenses	14,500	14,500	14,807	15,144	15,505
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
AGENCY TOTAL	170,212	177,220	185,251	193,679	202,516
COMMISSION ON CULTURE AND TOURISM					
Personal Services	3,780,202	3,873,749	4,057,752	4,250,495	4,452,394
Other Expenses	1,048,949	1,048,949	1,071,187	1,095,610	1,121,685
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
OTHER CURRENT EXPENSES					
Statewide Marketing	4,300,000	4,300,000	4,391,160	4,491,278	4,598,170
CT Asso Performing Arts/Schubert Theater	500,000	500,000	510,600	522,242	534,672
Hartford Urban Arts Grant	500,000	500,000	510,600	522,242	534,672
New Britain Arts Council	100,000	100,000	102,120	104,448	106,934
Ivoryton Playhouse	0	50,000	51,060	52,224	53,467
TOTAL OTHER CURRENT EXPENSES	5,400,000	5,450,000	5,565,540	5,692,434	5,827,915
PMTS TO OTHER THAN LOCAL GOVTS					
Discovery Museum	500,000	500,000	510,600	522,242	534,672
National Theatre for the Deaf	200,000	200,000	204,240	208,897	213,869
Culture, Tourism and Art Grant	4,000,000	4,000,000	4,084,800	4,177,933	4,277,367
CT Trust for Historic Preservation	250,000	250,000	255,300	261,121	267,336
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	4,950,000	4,950,000	5,054,940	5,170,193	5,293,244
PMTS TO LOCAL GOVERNMENTS					
Greater Hartford Arts Council	125,000	125,000	127,650	130,560	133,667
Stamford Center for the Arts	500,000	500,000	510,600	522,242	534,672
Stepping Stones Museum for Children	50,000	50,000	51,060	52,224	53,467
Maritime Center Authority	675,000	675,000	689,310	705,026	721,805
Basic Cultural Resources Grant	2,400,000	2,400,000	2,450,880	2,506,760	2,566,421
Tourism Districts	4,500,000	4,500,000	4,595,400	4,700,175	4,812,039
Connecticut Humanities Council	2,500,000	2,500,000	2,553,000	2,611,208	2,673,354
Amistad Committee for the Freedom Trail	45,000	45,000	45,954	47,002	48,121
Amistad Vessel	500,000	500,000	510,600	522,242	534,672
New Haven Festival of Arts and Ideas	1,000,000	1,000,000	1,021,200	1,044,483	1,069,341
New Haven Arts Council	125,000	125,000	127,650	130,560	133,667
Palace Theater	500,000	500,000	510,600	522,242	534,672
Beardsley Zoo	400,000	400,000	408,480	417,793	427,736
Mystic Aquarium	750,000	750,000	765,900	783,363	802,008
Quinebaug Tourism	100,000	100,000	102,120	104,448	106,934
Northwestern Tourism	100,000	100,000	102,120	104,448	106,934
Eastern Tourism	100,000	100,000	102,120	104,448	106,934
Central Tourism	100,000	100,000	102,120	104,448	106,934
Twain/Stowe Homes	120,000	120,000	122,544	125,338	128,321
TOTAL PMTS TO LOCAL GOVERNMENTS	14,590,000	14,590,000	14,899,308	15,239,010	15,601,699
TOTAL FIXED CHARGES	19,540,000	19,540,000	19,954,248	20,409,203	20,894,943
AGENCY TOTAL	29,770,151	29,913,698	30,649,727	31,448,742	32,297,937
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT					
Personal Services	7,243,104	7,430,874	7,783,841	8,153,573	8,540,868
Other Expenses	1,352,314	1,352,314	1,380,983	1,412,469	1,446,085
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
OTHER CURRENT EXPENSES					
Elderly Rental Registry and Counselors	629,654	629,654	643,003	657,664	673,316
Small Business Incubator Program	1,000,000	1,000,000	1,021,200	1,044,483	1,069,341
Fair Housing	350,000	350,000	357,420	365,569	374,269
BioFuels Production Account	100,000	100,000	102,120	104,448	106,934
CCAT-Energy Application Research	225,000	225,000	229,770	235,009	240,602
Main Street Initiatives	80,000	80,000	81,696	83,559	85,548
Residential Service Coordinators	1,000,000	1,000,000	1,021,200	1,044,483	1,069,341
Office of Military Affairs	150,000	200,000	204,240	208,897	213,869
Hydrogen/Fuel Cell Economy	250,000	250,000	255,300	261,121	267,336
Southeast CT Incubator	250,000	500,000	510,600	522,242	534,672
Southeast CT Marketing Plan	100,000	200,000	204,240	208,897	213,869
CCAT-CT Manufacturing Supply Chain	0	1,000,000	1,021,200	1,044,483	1,069,341

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TOTAL OTHER CURRENT EXPENSES	4,134,654	5,534,654	5,651,989	5,780,855	5,918,438
PMTS TO OTHER THAN LOCAL GOVTS					
Entrepreneurial Centers	142,500	142,500	145,521	148,839	152,381
Subsidized Assisted Living Demonstration	1,851,037	2,068,000	2,111,842	2,159,992	2,211,400
Congregate Facilities Operation Costs	6,345,205	6,884,547	7,030,499	7,190,794	7,361,935
Housing Assistance and Counseling Pgm	588,903	588,903	601,388	615,100	629,740
Elderly Congregate Rent Subsidy	1,823,004	1,823,004	1,861,652	1,904,098	1,949,416
CONNSTEP	1,000,000	1,000,000	1,021,200	1,044,483	1,069,341
Development Research and Economic Assistan	250,000	250,000	255,300	261,121	267,336
SAMA Bus Windham	300,000	300,000	306,360	313,345	320,803
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	12,300,649	13,056,954	13,333,762	13,637,772	13,962,352
TOTAL FIXED CHARGES	12,300,649	13,056,954	13,333,762	13,637,772	13,962,352
AGENCY TOTAL	25,031,721	27,375,796	28,151,575	28,985,669	29,868,743
AGRICULTURAL EXPERIMENT STATION					
Personal Services	6,057,973	6,300,651	6,599,932	6,913,429	7,241,817
Other Expenses	712,495	713,495	728,621	745,233	762,970
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
OTHER CURRENT EXPENSES					
Mosquito Control	215,501	221,869	226,573	231,739	237,255
Wildlife Disease Prevention	76,804	79,746	81,437	83,294	85,277
TOTAL OTHER CURRENT EXPENSES	292,305	301,615	308,010	315,033	322,532
AGENCY TOTAL	7,062,873	7,315,861	7,636,663	7,973,795	8,327,419
TOTAL	106,589,780	110,560,389	114,350,289	118,367,968	122,613,505
CONSERVATION AND DEVELOPMENT					
<u>HEALTH AND HOSPITALS</u>					
DEPARTMENT OF PUBLIC HEALTH					
Personal Services	33,380,208	35,174,223	36,844,999	38,595,136	40,428,405
Other Expenses	5,787,452	7,533,002	7,692,702	7,868,096	8,055,357
CAPITAL OUTLAY					
Equipment	15,950	9,600	9,600	9,600	9,600
OTHER CURRENT EXPENSES					
Needle and Syringe Exchange Program	490,909	490,909	513,196	535,520	558,119
Comm Svs Support Persons w/ AIDS	199,177	199,177	208,220	217,278	226,447
Children's Health Initiatives	1,598,284	1,609,658	1,682,736	1,755,935	1,830,035
Childhood Lead Poisoning	338,032	713,032	745,404	777,829	810,653
AIDS Services	7,326,662	7,906,553	8,265,511	8,625,061	8,989,039
Breast & Cervical Cancer Detectn/Treatment	2,351,494	2,351,494	2,458,252	2,565,186	2,673,437
Services for Children Affected by AIDS	264,325	264,325	276,325	288,345	300,513
Children w/Special Hlth Care Needs	1,371,764	1,371,764	1,434,042	1,496,423	1,559,572
Medicaid Administration	3,741,609	3,927,702	4,010,969	4,102,419	4,200,056
Fetal and Infant Mortality Review	300,000	300,000	313,620	327,262	341,072
Nursing Student Loan Forgiveness Program	125,000	125,000	127,650	130,560	133,667
TOTAL OTHER CURRENT EXPENSES	18,107,256	19,259,614	20,035,925	20,821,818	21,622,610
PMTS TO OTHER THAN LOCAL GOVTS					
Community Health Services	9,284,758	9,284,758	9,706,286	10,128,509	10,555,932
Emergency Medical Services Training	68,171	68,171	69,616	71,203	72,897
Emergency Med Svcs Regional Offices	677,477	677,477	691,840	707,614	724,455
Rape Crisis	426,877	426,877	446,257	465,669	485,320
X-Ray Screening and Tuberculosis Care	820,761	820,761	858,024	895,348	933,132
Genetic Diseases Programs	895,323	895,323	935,971	976,686	1,017,902
Loan Repayment Program	125,067	125,067	127,718	130,630	133,739
Immunization Services	9,044,950	9,044,950	9,455,591	9,866,909	10,283,293
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	21,343,384	21,343,384	22,291,303	23,242,568	24,206,670
PMTS TO LOCAL GOVERNMENTS					
Local & District Departments of Health	5,352,419	5,352,419	5,465,890	5,590,512	5,723,566
Venereal Disease Control	216,900	216,900	226,747	236,610	246,595
School Based Health Clinics	10,209,364	10,209,364	10,672,869	11,137,139	11,607,126
TOTAL PMTS TO LOCAL GOVERNMENTS	15,778,683	15,778,683	16,365,506	16,964,261	17,577,287
TOTAL FIXED CHARGES	37,122,067	37,122,067	38,656,809	40,206,829	41,783,957
AGENCY TOTAL	94,412,933	99,098,506	103,240,035	107,501,479	111,899,929
OFFICE OF HEALTH CARE ACCESS					
Personal Services	2,031,215	2,074,854	2,173,410	2,276,647	2,384,788

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Other Expenses	535,808	236,218	241,226	246,726	252,598
CAPITAL OUTLAY					
Equipment	21,375	100	100	100	100
AGENCY TOTAL	2,588,398	2,311,172	2,414,736	2,523,473	2,637,486
OFFICE OF THE CHIEF MEDICAL EXAMINER					
Personal Services	4,816,453	5,089,450	5,331,199	5,584,431	5,849,691
Other Expenses	734,404	746,205	762,025	779,400	797,950
CAPITAL OUTLAY					
Equipment	8,500	8,500	8,500	8,500	8,500
OTHER CURRENT EXPENSES					
Medicolegal Investigations	283,228	100,039	102,160	104,489	106,976
AGENCY TOTAL	5,842,585	5,944,194	6,203,884	6,476,820	6,763,117
DEPARTMENT OF DEVELOPMENTAL SERVICES					
Personal Services	303,862,381	317,197,629	332,264,516	348,047,081	364,579,317
Other Expenses	27,932,956	27,922,237	28,514,188	29,164,311	29,858,421
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
OTHER CURRENT EXPENSES					
Human Resource Development	231,358	231,358	236,263	241,650	247,401
Family Support Grants	3,280,095	3,280,095	3,349,633	3,426,005	3,507,544
Cooperative Placements Program	19,824,762	20,090,604	20,646,712	21,117,457	21,638,412
Clinical Services	4,828,372	4,828,372	4,930,733	5,043,153	5,163,180
Early Intervention	26,945,837	28,213,749	29,494,653	30,777,671	32,076,488
Community Temporary Support Services	67,315	67,315	68,742	70,309	71,982
Community Respite Care Programs	330,345	330,345	337,348	345,039	353,251
Workers' Compensation Claims	14,006,214	14,246,035	14,548,051	14,879,747	15,233,885
Pilot Program for Autism Services	1,000,000	1,500,000	1,531,800	1,566,725	1,604,013
TOTAL OTHER CURRENT EXPENSES	70,514,298	72,787,873	75,143,935	77,467,756	79,896,156
PMTS TO OTHER THAN LOCAL GOVTS					
Rent Subsidy Program	3,985,034	4,537,554	4,633,750	4,739,399	4,852,197
Family Reunion Program	137,900	137,900	140,823	144,033	147,461
Employment Opportunities & Day Svcs	157,252,164	167,548,588	171,405,445	175,313,489	179,485,950
Community Residential Services	363,226,226	383,924,747	397,508,421	406,571,613	417,608,001
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	524,601,324	556,148,789	573,688,439	586,768,534	602,093,609
TOTAL FIXED CHARGES	524,601,324	556,148,789	573,688,439	586,768,534	602,093,609
AGENCY TOTAL	926,911,959	974,057,528	1,009,612,078	1,041,448,682	1,076,428,503
DEPT MENTAL HEALTH & ADDICTION SVS					
Personal Services	191,749,495	206,604,779	219,982,906	233,996,494	248,675,728
Other Expenses	34,026,825	34,132,281	34,911,005	35,766,256	36,679,373
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
OTHER CURRENT EXPENSES					
Housing Supports and Services	11,232,800	12,598,532	13,170,505	13,743,422	14,323,395
Managed Service System	29,755,820	29,855,820	31,211,274	32,568,965	33,943,375
Legal Services	536,085	536,085	547,450	559,932	573,259
Connecticut Mental Health Center	8,692,614	8,842,614	9,244,069	9,646,186	10,053,255
Capitol Region Mental Health Center	340,408	340,408	355,863	371,343	387,013
Professional Services	9,283,898	9,283,898	9,705,387	10,127,571	10,554,955
Regional Action Councils	300,000	325,000	331,890	339,457	347,536
General Assistance Managed Care	79,700,717	81,240,508	84,928,827	88,623,231	92,562,998
Workers' Compensation Claims	12,574,839	13,244,566	13,845,869	14,448,165	15,057,877
Nursing Home Screening	674,102	678,934	709,758	740,632	771,887
Young Adult Services	32,373,422	39,433,118	41,223,382	43,016,599	44,831,899
TBI Community Services	5,517,529	5,559,318	5,811,711	6,064,520	6,320,443
Jail Diversion	4,252,241	4,362,006	4,560,041	4,758,403	4,959,207
Behavioral Health Medications	8,989,095	8,989,095	9,397,200	9,805,978	10,219,790
Prison Overcrowding	4,039,612	6,306,821	6,593,151	6,879,953	7,170,287
Community Mental Health Strategy Board	10,106,105	11,397,910	11,915,375	12,433,694	12,958,396
Medicaid Adult Rehabilitation Option	3,927,000	3,927,000	4,105,286	4,283,866	4,464,645
Discharge and Diversion Services	3,025,618	3,025,618	3,162,981	3,300,571	3,439,855
Home and Community Based Services	1,935,683	2,304,976	2,409,622	2,514,440	2,620,550
TOTAL OTHER CURRENT EXPENSES	227,257,588	242,252,227	253,229,641	264,226,928	275,560,622
PMTS TO OTHER THAN LOCAL GOVTS					
Grants for Substance Abuse Services	27,407,045	25,657,045	26,821,875	27,988,626	29,169,746
Gov's Partnership-Protect CT Workforce	501,000	501,000	511,621	523,286	535,740
Grants for Mental Health Services	77,306,334	77,306,334	80,816,042	84,331,539	87,890,330

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Employment Opportunities	10,322,196	10,322,196	10,541,027	10,781,362	11,037,958
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	115,536,575	113,786,575	118,690,565	123,624,813	128,633,774
TOTAL FIXED CHARGES	115,536,575	113,786,575	118,690,565	123,624,813	128,633,774
AGENCY TOTAL	568,571,483	596,776,862	626,815,117	657,615,491	689,550,497
PSYCHIATRIC SECURITY REVIEW BOARD					
Personal Services	319,422	334,977	350,888	367,555	385,014
Other Expenses	49,936	50,022	51,082	52,246	53,490
AGENCY TOTAL	369,358	384,999	401,970	419,801	438,504
TOTAL	1,598,696,716	1,678,573,261	1,748,687,820	1,815,985,746	1,887,718,036
HEALTH AND HOSPITALS					

HUMAN SERVICES

DEPARTMENT OF SOCIAL SERVICES					
Personal Services	115,297,549	120,046,574	125,748,786	131,721,853	137,978,641
Other Expenses	95,197,869	92,555,196	93,834,986	96,301,491	97,655,599
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
OTHER CURRENT EXPENSES					
Children's Health Council	218,317	218,317	222,945	228,028	233,455
HUSKY Outreach	1,706,452	1,706,452	1,742,629	1,782,361	1,824,781
Genetic Tests in Paternity Actions	201,202	201,202	205,467	210,151	215,153
State Food Stamp Supplement	254,349	276,517	293,500	310,700	330,200
Day Care Projects	465,353	465,353	475,218	486,052	497,620
HUSKY Program	43,550,037	52,306,416	56,000,000	58,240,000	61,100,000
Charter Oak Health Plan	0	0	25,500,000	30,400,000	31,800,000
TOTAL OTHER CURRENT EXPENSES	46,395,710	55,174,257	84,439,759	91,657,292	96,001,209
PMTS TO OTHER THAN LOCAL GOVTS					
Vocational Rehabilitation	7,385,768	7,385,768	7,542,346	7,714,311	7,897,911
Medicaid	3,559,525,038	3,723,963,566	3,947,000,000	4,144,000,000	4,351,200,000
Lifestar Helicopter	1,388,190	1,388,190	1,417,620	1,449,942	1,484,451
Old Age Assistance	31,882,892	32,821,026	34,173,252	35,635,867	37,298,627
Aid to the Blind	593,751	609,452	628,467	649,081	672,858
Aid to the Disabled	56,807,141	59,251,104	61,692,249	64,332,678	67,334,423
Temporary Assistance to Families - TANF	114,886,163	115,857,403	117,155,006	118,654,590	120,292,023
Emergency Assistance	500	500	500	500	500
Food Stamp Training Expenses	32,397	32,397	33,084	33,838	34,643
Conn Pharmaceutical Assist to Elderly	51,217,380	56,460,251	61,260,000	66,470,000	72,120,000
Healthy Start	1,441,196	1,441,196	1,471,749	1,505,305	1,541,131
DMHAS – Disproportionate Share	105,935,000	105,935,000	105,935,000	105,935,000	105,935,000
Connecticut Home Care Program	58,657,625	63,057,625	68,100,000	73,500,000	77,200,000
Human Resource Dev-Hispanic Programs	1,007,671	1,007,671	1,029,034	1,052,496	1,077,545
Services to the Elderly	5,942,599	5,965,455	6,091,923	6,230,819	6,379,113
Safety Net Services	2,049,247	2,049,247	2,092,691	2,140,404	2,191,345
Transportation for Employment Independence	3,209,745	3,209,745	3,277,792	3,352,526	3,432,316
Transitory Rental Assistance	1,186,680	1,186,680	1,211,838	1,239,468	1,268,967
Refunds of Collections	187,150	187,150	187,150	187,150	187,150
Services for Persons with Disabilities	740,485	740,485	756,183	773,424	791,832
Child Care Services - TANF/CCDBG	89,985,229	93,118,727	107,086,536	123,149,516	141,621,944
Nutrition Assistance	446,829	446,829	456,302	466,706	477,814
Housing/Homeless Services	40,746,812	42,446,812	44,312,784	46,588,815	48,854,229
Employment Opportunities	1,231,379	1,231,379	1,257,484	1,286,154	1,316,765
Human Resource Development	35,251	35,251	35,998	36,818	37,695
Child Day Care	7,891,151	10,184,456	10,400,366	10,637,494	10,890,666
Independent Living Centers	638,467	638,467	652,003	666,869	682,741
AIDS Drug Assistance	606,678	606,678	634,221	661,810	689,738
Disproportionate Share-Med Emer Assist	53,725,000	53,725,000	53,725,000	53,725,000	53,725,000
DSH-Urban Hospitals/Distressed	31,550,000	31,550,000	31,550,000	31,550,000	31,550,000
State Administered General Assistance	176,286,646	183,393,217	192,760,000	203,200,000	214,280,000
School Readiness	4,355,361	4,955,500	5,060,557	5,175,938	5,299,126
Connecticut Children's Medical Center	11,020,000	11,020,000	11,253,624	11,510,207	11,784,150
Community Services	4,422,969	4,042,969	4,128,680	4,222,814	4,323,317
Alzheimer Respite Care	2,294,388	2,294,388	2,343,029	2,396,450	2,453,485
Family Grants	470,099	470,099	480,065	491,010	502,696
Human Svcs Infrastructure Community Action	4,447,292	4,447,292	4,541,575	4,645,123	4,755,677
Teen Pregnancy Prevention	1,486,008	1,486,008	1,517,511	1,552,110	1,589,050

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	Estimated 2007-2008	Revised Enacted 2008-2009	2009-2010	Estimated 2010-2011	2011-2012
Medicare Part D Supplemental Needs Fund	5,000,000	5,000,000	20,030,000	21,730,000	23,580,000
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	4,440,716,177	4,633,642,983	4,913,281,619	5,158,550,233	5,416,753,928
PMTS TO LOCAL GOVERNMENTS					
Child Day Care	4,943,127	4,943,127	5,047,921	5,163,013	5,285,893
Human Resource Development	29,667	29,667	30,296	30,987	31,725
Human Resource Dev-Hispanic Programs	5,087	5,087	5,195	5,314	5,440
Teen Pregnancy Prevention	848,312	848,312	866,296	886,047	907,135
Services to the Elderly	43,118	43,118	44,032	45,036	46,108
Housing/Homeless Services	666,341	666,341	680,467	695,981	712,546
Community Services	160,499	160,499	163,902	167,639	171,629
TOTAL PMTS TO LOCAL GOVERNMENTS	6,696,151	6,696,151	6,838,109	6,994,017	7,160,476
TOTAL FIXED CHARGES	4,447,412,328	4,640,339,134	4,920,119,728	5,165,544,250	5,423,914,404
AGENCY TOTAL	4,704,304,456	4,908,116,161	5,224,144,259	5,485,225,886	5,755,550,853
STATE DEPARTMENT ON AGING					
Personal Services	315,000	330,750	346,461	362,918	380,157
Other Expenses	115,000	118,250	120,757	123,510	126,449
CAPITAL OUTLAY					
Equipment	20,000	1,000	1,021	1,044	1,069
AGENCY TOTAL	450,000	450,000	468,239	487,472	507,675
TOTAL	4,704,754,456	4,908,566,161	5,224,612,498	5,485,713,358	5,756,058,528
HUMAN SERVICES					

EDUCATION

DEPARTMENT OF EDUCATION					
Personal Services	133,140,012	135,171,412	141,592,054	148,317,677	155,362,767
Other Expenses	17,507,365	17,507,365	17,878,521	18,286,151	18,721,361
CAPITAL OUTLAY					
Equipment	57,475	57,475	57,475	57,475	57,475
OTHER CURRENT EXPENSES					
Institutes for Educators	135,914	135,914	138,795	141,959	145,338
Basic Skills Exam Teachers in Training	1,274,995	1,306,071	1,333,760	1,364,170	1,396,638
Teachers' Standards Implementation Pgm	3,043,773	3,048,558	3,113,187	3,184,167	3,259,951
Early Childhood Program	4,892,247	4,897,884	5,001,719	5,115,758	5,237,513
Develop of Mastery Exams Grades 4,6&8	14,858,451	15,224,921	15,547,689	15,902,176	16,280,647
Primary Mental Health	490,000	490,000	500,388	511,797	523,978
Adult Education Action	266,689	266,689	272,343	278,553	285,182
Vocational Technical School Textbooks	750,000	750,000	765,900	783,363	802,008
Repair of Instructional Equipment	387,995	387,995	396,220	405,253	414,898
Minor Repairs to Plant	390,213	390,213	398,486	407,572	417,272
Connecticut Pre-Engineering Program	400,000	400,000	408,480	417,793	427,736
Connecticut Writing Project	60,000	60,000	61,272	62,669	64,161
Resource Equity Assessment	484,834	499,126	509,707	521,328	533,735
Readers as Leaders	65,000	65,000	66,378	67,891	69,506
Early Childhood Advisory Cabinet	900,000	1,050,000	1,072,260	1,096,708	1,122,810
High School Technology Initiative	1,000,000	1,000,000	1,021,200	1,044,483	1,069,341
Best Practices	500,000	500,000	510,600	522,242	534,672
Para Professional Development	150,000	150,000	153,180	156,673	160,402
School Readiness Staff Bonuses	75,000	150,000	153,180	156,673	160,402
School Accountability	1,925,000	1,925,000	1,965,810	2,010,630	2,058,483
Preschool Quality Rating System	3,000,000	2,500,000	2,553,000	2,611,208	2,673,354
Connecticut Science Center	300,000	500,000	510,600	522,242	534,672
Reach Out and Read	150,000	150,000	153,180	156,673	160,402
Sheff Settlement	4,874,182	9,952,505	21,029,417	32,535,557	43,185,965
CommPACT Schools	0	750,000	765,900	783,363	802,008
TOTAL OTHER CURRENT EXPENSES	40,374,293	46,549,876	58,402,651	70,760,901	82,321,074
PMTS TO OTHER THAN LOCAL GOVTS					
American School for the Deaf	9,246,202	9,979,202	10,190,761	10,423,110	10,671,180
RESC Leases	800,000	800,000	816,960	835,587	855,474
Regional Education Services	1,730,000	1,730,000	1,766,676	1,806,956	1,849,961
Omnibus Education Grants State Support	7,903,417	7,945,417	8,113,860	8,298,856	8,496,369
Head Start Services	2,748,150	2,748,150	2,806,411	2,870,397	2,938,712
Head Start Enhancement	1,773,000	1,773,000	1,810,588	1,851,870	1,895,944
Family Resource Centers	6,359,461	6,359,461	6,494,282	6,642,352	6,800,440
Charter Schools	35,274,700	40,692,150	41,554,824	42,502,274	43,513,828
CT Public Television	150,000	150,000	153,180	156,673	160,402

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Youth Service Bureau Enhancement	625,000	625,000	638,250	652,802	668,339
Head Start - Early Childhood Link	2,200,000	2,200,000	2,246,640	2,297,863	2,352,552
After School Enhancements	150,000	150,000	153,180	156,673	160,402
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	68,959,930	75,152,380	76,745,612	78,495,413	80,363,603
PMTS TO LOCAL GOVERNMENTS					
Vocational Agriculture	4,485,985	4,560,565	4,657,249	4,763,434	4,876,803
Transportation of School Children	47,964,000	47,964,000	48,980,837	50,097,600	51,289,923
Adult Education	20,596,400	20,596,400	21,033,044	21,512,598	22,024,597
Health Serv for Pupils Private Schools	4,775,000	4,775,000	4,876,230	4,987,408	5,106,108
Education Equalization Grants	1,809,212,288	1,889,182,288	1,929,232,953	1,973,219,465	2,020,182,088
Bilingual Education	2,129,033	2,129,033	2,174,168	2,223,739	2,276,664
Priority School Districts	130,044,256	124,246,970	126,881,006	129,773,893	132,862,512
Young Parents Program	229,330	229,330	234,192	239,532	245,233
Interdistrict Cooperation	14,127,369	14,127,369	14,426,869	14,755,801	15,106,989
School Breakfast Program	1,634,103	1,634,103	1,668,746	1,706,793	1,747,414
Excess Cost - Student Based	124,550,187	133,891,451	136,729,950	139,847,393	143,175,761
Non-Public School Transportation	3,995,000	3,995,000	4,079,694	4,172,711	4,272,021
School to Work Opportunities	213,750	213,750	218,282	223,259	228,573
Youth Service Bureaus	2,944,598	2,944,598	3,007,023	3,075,583	3,148,782
OPEN Choice Program	14,031,479	14,115,002	14,414,240	14,742,885	15,093,766
Early Reading Success	2,403,646	2,403,646	2,454,603	2,510,568	2,570,320
Magnet Schools	103,482,519	121,509,285	124,085,282	126,914,427	129,934,990
After School Program	5,300,000	5,500,000	5,616,600	5,744,658	5,881,380
Young Adult Learners	500,000	500,000	510,600	522,242	534,672
TOTAL PMTS TO LOCAL GOVERNMENTS	2,292,618,943	2,394,517,790	2,445,281,568	2,501,033,989	2,560,558,596
TOTAL FIXED CHARGES	2,361,578,873	2,469,670,170	2,522,027,180	2,579,529,402	2,640,922,199
AGENCY TOTAL	2,552,658,018	2,668,956,298	2,739,957,881	2,816,951,606	2,897,384,876
BD OF EDUC & SERVICES FOR THE BLIND					
Personal Services	4,192,613	4,370,705	4,578,313	4,795,783	5,023,583
Other Expenses	870,205	870,205	888,653	908,914	930,546
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
OTHER CURRENT EXPENSES					
Educ Aid Blind/Visually Handicapped Child	7,120,796	7,156,842	7,308,567	7,475,202	7,653,111
Enhanced Employment Opportunities	673,000	673,000	687,268	702,938	719,668
TOTAL OTHER CURRENT EXPENSES	7,793,796	7,829,842	7,995,835	8,178,140	8,372,779
PMTS TO OTHER THAN LOCAL GOVTS					
Supplementary Relief and Services	115,425	115,425	117,872	120,559	123,428
Vocational Rehabilitation	989,454	989,454	1,010,430	1,033,467	1,058,064
Special Training for the Deaf Blind	331,761	331,761	338,794	346,518	354,766
Connecticut Radio Information Service	92,253	92,253	94,209	96,357	98,650
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	1,528,893	1,528,893	1,561,305	1,596,901	1,634,908
TOTAL FIXED CHARGES	1,528,893	1,528,893	1,561,305	1,596,901	1,634,908
AGENCY TOTAL	14,386,507	14,600,645	15,025,106	15,480,738	15,962,816
COMM ON THE DEAF & HEARING IMPAIRED					
Personal Services	675,472	704,218	737,668	772,707	809,411
Other Expenses	162,454	162,454	165,898	169,680	173,718
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
OTHER CURRENT EXPENSES					
Part-Time Interpreters	224,000	316,200	322,903	330,265	338,125
AGENCY TOTAL	1,062,926	1,183,872	1,227,469	1,273,652	1,322,254
STATE LIBRARY					
Personal Services	5,771,524	5,856,069	6,134,232	6,425,608	6,730,824
Other Expenses	870,459	870,459	888,913	909,180	930,818
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
OTHER CURRENT EXPENSES					
State-Wide Digital Library	2,067,485	2,067,485	2,111,316	2,159,454	2,210,849
Interlibrary Loan Delivery Service	262,097	262,097	267,653	273,755	280,270
Legal/Legislative Library Materials	1,200,000	1,200,000	1,225,440	1,253,380	1,283,210
State-Wide Data Base Program	710,206	710,206	725,262	741,798	759,453
Info Anytime	150,000	150,000	153,180	156,673	160,402
Computer Access	200,000	200,000	204,240	208,897	213,869
TOTAL OTHER CURRENT EXPENSES	4,589,788	4,589,788	4,687,091	4,793,957	4,908,053
PMTS TO OTHER THAN LOCAL GOVTS					

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Support Cooperating Library Serv Units	350,000	350,000	357,420	365,569	374,269
PMTS TO LOCAL GOVERNMENTS					
Grants to Public Libraries	347,109	347,109	354,468	362,550	371,179
Connecticard Payments	1,226,028	1,226,028	1,252,020	1,280,566	1,311,043
TOTAL PMTS TO LOCAL GOVERNMENTS	1,573,137	1,573,137	1,606,488	1,643,116	1,682,222
TOTAL FIXED CHARGES	1,923,137	1,923,137	1,963,908	2,008,685	2,056,491
AGENCY TOTAL	13,155,908	13,240,453	13,675,144	14,138,430	14,627,186
DEPARTMENT OF HIGHER EDUCATION					
Personal Services	2,713,377	2,866,195	3,002,339	3,144,950	3,294,335
Other Expenses	172,569	172,569	176,227	180,245	184,535
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
OTHER CURRENT EXPENSES					
Minority Advancement Program	2,402,814	2,405,666	2,456,666	2,512,678	2,572,480
Alternate Route to Certification	477,033	477,033	487,146	498,253	510,111
National Service Act	345,647	345,647	352,975	361,023	369,616
International Initiatives	70,000	70,000	71,484	73,114	74,854
Minority Teacher Incentive Program	481,374	481,374	491,579	502,787	514,753
Education and Health Initiatives	550,000	550,000	561,660	574,466	588,138
TOTAL OTHER CURRENT EXPENSES	4,326,868	4,329,720	4,421,510	4,522,321	4,629,952
PMTS TO OTHER THAN LOCAL GOVTS					
Capitol Scholarship Program	8,926,895	8,927,779	9,117,048	9,324,917	9,546,850
Awards Children Deceased/Disabled Vets	4,000	4,000	4,000	4,000	4,000
CT Independent College Student Grant	23,913,860	23,913,860	24,420,834	24,977,629	25,572,097
CT Aid for Public College Students	30,208,469	30,208,469	30,848,889	31,552,244	32,303,188
New England Board of Higher Education	183,750	183,750	183,750	183,750	183,750
Connecticut Aid to Charter Oak	59,393	59,393	60,652	62,035	63,512
Opportunities in Veterinary Medicine	100,000	0	0	0	0
Washington Center	25,000	25,000	25,530	26,112	26,733
ECE - Collaboration with Higher Ed	500,000	500,000	510,600	522,242	534,672
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	63,921,367	63,822,251	65,171,303	66,652,929	68,234,802
TOTAL FIXED CHARGES	63,921,367	63,822,251	65,171,303	66,652,929	68,234,802
AGENCY TOTAL	71,135,181	71,191,735	72,772,379	74,501,445	76,344,624
UNIVERSITY OF CONNECTICUT					
OTHER CURRENT EXPENSES					
Operating Expenses	212,761,424	217,199,850	221,804,487	226,861,629	232,260,935
Tuition Freeze	4,741,885	4,741,885	4,842,413	4,952,820	5,070,697
Regional Campus Enhancement	7,330,822	7,374,425	7,530,763	7,702,465	7,885,783
Veterinary Diagnostic Laboratory	100,000	100,000	102,120	104,448	106,934
Water Basin Planning	200,000	0	0	0	0
TOTAL OTHER CURRENT EXPENSES	225,134,131	229,416,160	234,279,783	239,621,362	245,324,349
AGENCY TOTAL	225,134,131	229,416,160	234,279,783	239,621,362	245,324,349
UNIV OF CONNECTICUT HEALTH CENTER					
OTHER CURRENT EXPENSES					
Operating Expenses	93,668,388	101,457,891	103,608,798	105,971,078	108,493,190
AHEC for Bridgeport	505,707	505,707	516,428	528,203	540,775
TOTAL OTHER CURRENT EXPENSES	94,174,095	101,963,598	104,125,226	106,499,281	109,033,965
AGENCY TOTAL	94,174,095	101,963,598	104,125,226	106,499,281	109,033,965
CHARTER OAK STATE COLLEGE					
OTHER CURRENT EXPENSES					
Operating Expenses	2,063,453	2,175,936	2,222,066	2,272,729	2,326,820
Distance Learning Consortium	645,690	683,472	697,962	713,876	730,867
TOTAL OTHER CURRENT EXPENSES	2,709,143	2,859,408	2,920,028	2,986,605	3,057,687
AGENCY TOTAL	2,709,143	2,859,408	2,920,028	2,986,605	3,057,687
TEACHERS' RETIREMENT BOARD					
Personal Services	1,723,673	1,782,963	1,867,654	1,956,368	2,049,295
Other Expenses	819,324	778,633	795,140	813,269	832,625
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
PMTS TO OTHER THAN LOCAL GOVTS					
Retirement Contributions	428,560,263	329,302,674	698,760,000	726,711,000	755,778,000
Retirees Health Service Cost	14,373,790	16,031,169	16,758,984	17,488,000	18,225,994
Municipal Retiree Health Insurance Costs	8,561,136	8,989,193	9,397,302	9,806,085	10,219,902

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TOTAL PMTS TO OTHER THAN LOCAL GOVTS	451,495,189	354,323,036	724,916,286	754,005,085	784,223,896
TOTAL FIXED CHARGES	451,495,189	354,323,036	724,916,286	754,005,085	784,223,896
AGENCY TOTAL	454,039,186	356,885,632	727,580,080	756,775,722	787,106,816
REGIONAL COMMUNITY-TECHNICAL COLLEGES					
OTHER CURRENT EXPENSES					
Operating Expenses	146,275,410	149,815,671	152,991,763	156,479,975	160,204,198
Tuition Freeze	2,160,925	2,160,925	2,206,737	2,257,051	2,310,769
Manufacturing Tech Pgm - Asnuntuck	345,000	345,000	352,314	360,347	368,923
Expand Manufacturing Technology Program	200,000	200,000	204,240	208,897	204,760
TOTAL OTHER CURRENT EXPENSES	148,981,335	152,521,596	155,755,054	159,306,270	163,088,650
AGENCY TOTAL	148,981,335	152,521,596	155,755,054	159,306,270	163,088,650
CONNECTICUT STATE UNIVERSITY					
OTHER CURRENT EXPENSES					
Operating Expenses	151,066,414	152,884,620	156,125,774	159,685,442	163,485,956
Tuition Freeze	6,561,971	6,561,971	6,701,085	6,853,870	7,016,992
Waterbury-Based Degree Programs	986,207	997,703	1,018,854	1,042,084	1,066,886
TOTAL OTHER CURRENT EXPENSES	158,614,592	160,444,294	163,845,713	167,581,396	171,569,834
AGENCY TOTAL	158,614,592	160,444,294	163,845,713	167,581,396	171,569,834
TOTAL EDUCATION	3,736,051,022	3,773,263,691	4,231,163,863	4,355,116,507	4,484,823,057
<u>CORRECTIONS</u>					
DEPARTMENT OF CORRECTION					
Personal Services	429,349,991	430,296,070	450,735,133	472,145,052	494,571,942
Other Expenses	79,070,837	79,059,414	80,735,474	82,576,243	84,541,558
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
OTHER CURRENT EXPENSES					
Workers' Compensation Claims	24,250,722	24,898,513	25,426,361	26,006,082	26,625,027
Inmate Medical Services	106,024,982	110,694,273	115,719,793	120,753,604	125,849,406
Board of Pardons and Paroles	4,997,094	5,126,361	5,235,040	5,354,399	5,481,834
Mental Health AIC	500,000	500,000	510,600	522,242	534,672
Amer-I-Can Program	250,000	250,000	0	0	0
TOTAL OTHER CURRENT EXPENSES	136,022,798	141,469,147	146,891,794	152,636,327	158,490,939
PMTS TO OTHER THAN LOCAL GOVTS					
Aid to Paroled and Discharged Inmates	9,500	9,500	9,701	9,922	10,158
Legal Services to Prisoners	768,595	768,595	784,889	802,784	821,890
Volunteer Services	170,758	170,758	174,378	178,354	182,599
Community Support Services	33,662,463	33,662,463	34,376,107	35,159,882	35,996,687
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	34,611,316	34,611,316	35,345,075	36,150,942	37,011,334
TOTAL FIXED CHARGES	34,611,316	34,611,316	35,345,075	36,150,942	37,011,334
AGENCY TOTAL	679,055,042	685,436,047	713,707,576	743,508,664	774,615,873
DEPARTMENT OF CHILDREN AND FAMILIES					
Personal Services	276,541,023	290,594,636	311,811,997	334,865,416	350,771,523
Other Expenses	51,933,665	50,426,054	53,343,384	56,604,506	57,951,693
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
OTHER CURRENT EXPENSES					
Short Term Residential Treatment	692,358	692,358	707,036	723,156	740,367
Substance Abuse Screening	1,770,379	1,770,379	1,807,911	1,849,131	1,893,140
Workers' Compensation Claims	10,073,507	10,562,850	10,786,782	11,032,720	11,295,299
Local Systems of Care	2,031,671	2,090,265	2,134,579	2,183,248	2,235,209
Family Support Services	14,971,422	16,052,540	16,922,854	17,838,695	18,798,245
Emergency Needs	1,000,000	1,000,000	1,021,200	1,044,483	1,069,341
TOTAL OTHER CURRENT EXPENSES	30,539,337	32,168,392	33,380,362	34,671,433	36,031,601
PMTS TO OTHER THAN LOCAL GOVTS					
Health Assessment and Consultation	937,541	937,541	957,417	979,246	1,002,552
Gts Psychiatric Clinics for Children	13,788,591	13,788,591	14,080,909	14,401,954	14,744,721
Day Treatment Centers for Children	5,628,767	5,628,767	5,748,097	5,879,154	6,019,078
Juvenile Justice Outreach Services	12,358,095	12,358,095	16,387,887	20,838,883	21,334,848
Child Abuse and Neglect Intervention	6,020,272	6,020,272	6,147,902	6,288,074	6,437,730
Community Emergency Services	192,543	192,543	196,625	201,108	205,894

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	Estimated 2007-2008	Revised Enacted 2008-2009	2009-2010	Estimated 2010-2011	2011-2012
Community Based Prevention Services	4,713,620	4,713,620	4,813,549	4,923,298	5,040,473
Family Violence Outreach and Counseling	1,819,203	1,819,203	1,857,770	1,900,127	1,945,350
Support for Recovering Families	8,524,733	8,613,355	8,795,958	8,996,506	9,210,623
No Nexus Special Education	8,037,889	8,037,889	8,368,292	8,719,089	9,086,603
Family Preservation Services	5,228,540	5,228,540	5,339,385	5,461,123	5,591,098
Substance Abuse Treatment	4,358,271	4,358,271	4,450,666	4,552,141	4,660,482
Child Welfare Support Services	3,973,001	4,153,401	4,241,453	4,338,158	4,441,406
Board and Care for Children - Adoption	70,864,881	74,105,257	77,676,288	81,447,307	85,573,674
Board and Care for Children - Foster	115,752,462	119,996,026	124,039,942	128,368,053	133,141,072
Board & Care - Residential	206,405,352	216,037,287	235,841,657	259,116,034	268,429,539
Individualized Family Supports	16,327,115	17,014,615	17,375,325	17,771,483	18,194,444
Community KidCare	23,553,065	23,553,065	24,052,390	24,600,785	25,186,283
Covenant to Care	161,666	161,666	165,093	168,857	172,876
Neighborhood Center	257,777	257,777	263,242	269,244	275,652
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	508,903,384	526,975,781	560,799,847	599,220,624	620,694,398
TOTAL FIXED CHARGES	508,903,384	526,975,781	560,799,847	599,220,624	620,694,398
AGENCY TOTAL	867,918,409	900,165,863	959,336,590	1,025,362,979	1,065,450,215
COUNCIL TO ADMINISTER CHILDREN'S TRUST					
Personal Services	1,304,261	1,397,385	1,463,761	1,533,290	1,606,121
Other Expenses	80,000	85,000	86,802	88,781	90,894
CAPITAL OUTLAY					
Equipment	1,000	1,000	1,000	1,000	1,000
OTHER CURRENT EXPENSES					
Children's Trust Fund	13,153,290	13,653,290	13,942,740	14,260,635	14,600,038
Safe Harbor Respite	0	200,000	204,240	208,897	213,869
TOTAL OTHER CURRENT EXPENSES	13,153,290	13,853,290	14,146,980	14,469,532	14,813,907
AGENCY TOTAL	14,538,551	15,336,675	15,698,543	16,092,603	16,511,922
TOTAL	1,561,512,002	1,600,938,585	1,688,742,709	1,784,964,246	1,856,578,010
CORRECTIONS					
JUDICIAL					
JUDICIAL DEPARTMENT					
Personal Services	302,825,084	320,711,865	338,145,679	367,207,599	384,649,960
Other Expenses	67,082,250	70,808,550	72,309,691	73,958,352	75,718,561
CAPITAL OUTLAY					
Equipment	2,657,544	2,762,423	2,762,423	2,762,423	2,762,423
OTHER CURRENT EXPENSES					
Alternative Incarceration Program	45,880,152	46,104,152	47,081,560	48,155,020	49,301,110
Justice Education Center, Inc.	300,000	300,000	306,360	313,345	320,803
Juvenile Alternative Incarceration	30,828,133	30,936,484	31,592,337	32,312,642	33,081,683
Juvenile Justice Centers	3,169,380	3,169,380	3,236,571	3,310,365	3,389,152
Probate Court	1,450,000	2,500,000	2,553,000	2,611,208	2,673,354
Youthful Offender Services	5,679,348	8,088,299	8,259,771	31,059,771	31,798,994
Victim Security Account	125,000	155,000	158,286	161,895	165,748
TOTAL OTHER CURRENT EXPENSES	87,432,013	91,253,315	93,187,885	117,924,246	120,730,844
AGENCY TOTAL	459,996,891	485,536,153	506,405,678	561,852,620	583,861,788
PUBLIC DEFENDER SERVICES COMMISSION					
Personal Services	33,237,717	34,169,082	36,692,113	38,434,988	40,260,650
Other Expenses	1,348,386	1,456,446	1,487,323	1,521,234	1,557,439
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
OTHER CURRENT EXPENSES					
Special Public Defenders - Contractual	3,044,467	3,044,467	3,109,010	3,179,896	3,255,577
Special Public Defenders - NonContractual	5,850,292	5,850,292	5,974,318	6,110,532	6,255,962
Expert Witnesses	1,615,646	1,615,646	1,649,898	1,687,516	1,727,679
Training and Education	98,314	126,114	128,788	131,725	134,860
TOTAL OTHER CURRENT EXPENSES	10,608,719	10,636,519	10,862,014	11,109,669	11,374,078
AGENCY TOTAL	45,194,922	46,262,147	49,041,550	51,065,991	53,192,267
CHILD PROTECTION COMMISSION					
Personal Services	546,362	580,031	657,582	688,817	721,536
Other Expenses	185,314	184,674	188,589	192,889	197,480
CAPITAL OUTLAY					
Equipment	5,550	0	0	0	0

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	Estimated 2007-2008	Revised Enacted 2008-2009	2009-2010	Estimated 2010-2011	2011-2012
OTHER CURRENT EXPENSES					
Training for Contracted Attorneys	75,000	45,000	45,954	47,002	48,121
Contracted Attorneys	11,522,697	11,612,135	11,858,312	12,128,681	12,417,344
Contracted Attorneys Related Expenses	114,435	114,435	116,861	119,525	122,369
TOTAL OTHER CURRENT EXPENSES	11,712,132	11,771,570	12,021,127	12,295,208	12,587,834
AGENCY TOTAL	12,449,358	12,536,275	12,867,298	13,176,914	13,506,850
TOTAL JUDICIAL	517,641,171	544,334,575	568,314,526	626,095,525	650,560,905
<u>NON-FUNCTIONAL</u>					
MISC APPROPRIATION TO THE GOVERNOR					
OTHER CURRENT EXPENSES					
Governor's Contingency Account	15,000	15,000	15,000	15,000	15,000
AGENCY TOTAL	15,000	15,000	15,000	15,000	15,000
STATE TREASURER - DEBT SERVICE					
OTHER CURRENT EXPENSES					
Debt Service	1,293,087,052	1,421,390,258	1,531,992,045	1,539,955,383	1,545,412,970
UConn 2000 - Debt Service	99,411,999	114,018,431	120,973,690	138,322,815	146,258,770
CHEFA Day Care Security	6,500,000	8,500,000	8,500,000	8,500,000	8,500,000
TOTAL OTHER CURRENT EXPENSES	1,398,999,051	1,543,908,689	1,661,465,735	1,686,778,198	1,700,171,740
AGENCY TOTAL	1,398,999,051	1,543,908,689	1,661,465,735	1,686,778,198	1,700,171,740
OPM - RESERVE FOR SALARY ADJUSTMENTS					
OTHER CURRENT EXPENSES					
Reserve for Salary Adjustments	53,134,280	92,803,621	94,771,058	96,931,838	99,238,816
AGENCY TOTAL	53,134,280	92,803,621	94,771,058	96,931,838	99,238,816
WORKERS' COMPENSATION CLAIMS - DAS					
OTHER CURRENT EXPENSES					
Workers' Compensation Claims	22,510,514	23,206,154	23,698,124	24,238,441	24,815,316
AGENCY TOTAL	22,510,514	23,206,154	23,698,124	24,238,441	24,815,316
MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER					
JUDICIAL REVIEW COUNCIL					
Personal Services	140,101	142,160	148,913	155,986	163,395
Other Expenses	29,933	29,933	30,568	31,265	32,009
CAPITAL OUTLAY					
Equipment	100	100	100	100	100
AGENCY TOTAL	170,134	172,193	179,581	187,351	195,504
STATE COMPTROLLER- MISCELLANEOUS					
PMTS TO OTHER THAN LOCAL GOVTS					
Maintenance of County Base Fire Radio	25,176	25,176	25,710	26,296	26,922
Maint of State-Wide Fire Radio Network	16,756	16,756	17,111	17,501	17,917
Equal Grants to Non-Profit Hospitals	31	31	31	31	31
Police Association of Connecticut	190,000	190,000	194,028	198,452	203,175
Connecticut State Firefighter's Assoc	194,711	194,711	198,839	203,373	208,214
Interstate Environmental Commission	96,880	102,700	104,877	107,268	109,821
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	523,554	529,374	540,596	552,921	566,080
PMTS TO LOCAL GOVERNMENTS					
Loss of Taxes on State Property	73,019,215	73,019,215	73,019,215	73,019,215	73,019,215
Loss Taxes Private Tax-Exempt Property	115,431,737	115,431,737	115,431,737	115,431,737	115,431,737
TOTAL PMTS TO LOCAL GOVERNMENTS	188,450,952	188,450,952	188,450,952	188,450,952	188,450,952
TOTAL FIXED CHARGES	188,974,506	188,980,326	188,991,548	189,003,873	189,017,032
AGENCY TOTAL	188,974,506	188,980,326	188,991,548	189,003,873	189,017,032
STATE COMPTROLLER - FRINGE BENEFITS					
OTHER CURRENT EXPENSES					
Unemployment Compensation	4,462,358	4,667,627	4,766,581	4,875,259	4,991,290
Employee Retirement Contribution	481,808,264	504,424,039	529,471,000	555,435,000	583,497,000
Higher Ed Alternative Ret System	29,749,000	31,516,000	32,184,139	34,184,012	33,701,384
Pension & Ret Other Statutory	1,781,000	1,884,000	1,923,941	1,967,807	2,014,641
Judges & Comp Commissioner Ret	13,433,610	14,172,454	14,803,000	15,617,000	16,476,000
Group Life Insurance	6,667,062	6,787,064	6,930,950	7,088,976	7,257,694

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Employers Social Security Tax	218,965,640	232,188,340	237,110,733	251,844,429	248,288,759
State Employees Health Serv Cost	444,484,884	500,009,884	522,710,333	545,448,232	568,466,147
Retired Employee Health Serv Cost	442,930,000	484,235,000	506,219,269	528,239,807	550,531,527
Tuition Reimburs Training, Travel	2,312,500	2,002,500	2,044,953	2,091,578	2,141,358
TOTAL OTHER CURRENT EXPENSES	1,646,594,318	1,781,886,908	1,858,164,899	1,946,792,100	2,017,365,800
AGENCY TOTAL	1,646,594,318	1,781,886,908	1,858,164,899	1,946,792,100	2,017,365,800
TOTAL	1,835,738,958	1,971,039,427	2,047,336,028	2,135,983,324	2,206,578,336
MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER					
TOTAL	3,310,397,803	3,630,972,891	3,827,285,945	3,943,946,801	4,030,819,208
NON-FUNCTIONAL					
TOTAL - GENERAL FUND	16,456,351,899	17,218,763,475	18,437,733,310	19,228,350,833	19,955,773,608
Legislative Unallocated Lapses	-2,700,000	-2,700,000	-2,700,000	-2,700,000	-2,700,000
Estimated Unallocated Lapses	-87,780,000	-87,780,000	-85,000,000	-85,000,000	-85,000,000
General Personal Services Reduction	-15,000,000	-14,000,000	-14,000,000	-14,000,000	-14,000,000
General Other Expenses Reductions	-11,000,000	-11,000,000	-11,000,000	-11,000,000	-11,000,000
DoIT Consultants Lapse		-2,000,000			
27th Payroll Cost				132,982,583	
NET - General Fund	16,339,871,899	17,101,283,475	18,325,033,310	19,248,633,416	19,843,073,608
SPECIAL TRANSPORTATION FUND					
<u>GENERAL GOVERNMENT</u>					
STATE INSURANCE AND RISK MANAGEMENT					
Other Expenses	2,375,200	2,517,540	2,570,912	2,629,529	2,692,112
AGENCY TOTAL	2,375,200	2,517,540	2,570,912	2,629,529	2,692,112
TOTAL	2,375,200	2,517,540	2,570,912	2,629,529	2,692,112
GENERAL GOVERNMENT					
<u>REGULATION AND PROTECTION</u>					
DEPARTMENT OF MOTOR VEHICLES					
Personal Services	43,441,065	44,376,964	46,484,870	48,692,901	51,005,814
Other Expenses	16,181,316	16,178,125	16,521,101	16,897,782	17,299,949
CAPITAL OUTLAY					
Equipment	830,767	966,136	966,136	966,136	966,136
OTHER CURRENT EXPENSES					
Insurance Enforcement	659,785	659,785	673,772	689,134	705,535
Commercial Veh Info Sys & Networks Project	283,000	283,000	289,000	295,590	302,625
Vision Screening Program	0	0	1,145,450	1,171,566	1,199,449
TOTAL OTHER CURRENT EXPENSES	942,785	942,785	2,108,222	2,156,290	2,207,609
AGENCY TOTAL	61,395,933	62,464,010	66,080,329	68,713,109	71,479,508
TOTAL	61,395,933	62,464,010	66,080,329	68,713,109	71,479,508
REGULATION AND PROTECTION					
<u>TRANSPORTATION</u>					
DEPARTMENT OF TRANSPORTATION					
Personal Services	148,549,494	151,867,442	159,081,145	166,637,499	174,552,780
Other Expenses	47,940,156	47,038,056	48,035,263	49,130,467	50,299,772
CAPITAL OUTLAY					
Equipment	2,748,345	2,238,870	2,238,870	2,238,870	2,238,870
Highway & Bridge Renewal-Equipment	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
TOTAL CAPITAL OUTLAY	10,748,345	10,238,870	10,238,870	10,238,870	10,238,870
OTHER CURRENT EXPENSES					
Minor Capital Projects	350,000	350,000	350,000	350,000	350,000
Highway Planning and Research	3,086,641	3,192,843	3,260,531	3,334,871	3,414,241
Hospital Transit for Dialysis	100,000	100,000	100,000	100,000	100,000
Rail Operations	100,042,527	116,378,770	124,246,000	143,578,809	155,495,985

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Bus Operations	110,139,826	116,865,218	125,342,761	129,700,576	132,787,450
Highway and Bridge Renewal	12,537,504	12,576,141	12,842,755	13,135,570	13,448,197
Tweed-New Haven Airport Grant	600,000	600,000	0	0	0
ADA Para-transit Program	20,542,934	22,223,606	22,694,746	23,212,186	23,764,636
Non-ADA Dial-A-Ride Program	576,361	576,361	588,580	602,000	616,328
Southeast Tourism Transit System	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Non Bondable Bus Capital Projects	150,000	250,000	250,000	250,000	250,000
SE CT Intermodal Transportation Center	750,000	0	0	0	0
TOTAL OTHER CURRENT EXPENSES	251,875,793	276,112,939	292,675,373	317,264,012	333,226,837
PMTS TO LOCAL GOVERNMENTS					
Town Aid Road Grants	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000
TOTAL FIXED CHARGES	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000
AGENCY TOTAL	481,113,788	507,257,307	532,030,651	565,270,848	590,318,259
TOTAL TRANSPORTATION	481,113,788	507,257,307	532,030,651	565,270,848	590,318,259
<u>NON-FUNCTIONAL</u>					
STATE TREASURER - DEBT SERVICE					
OTHER CURRENT EXPENSES					
Debt Service	436,194,065	449,526,814	471,549,267	480,423,263	496,785,258
AGENCY TOTAL	436,194,065	449,526,814	471,549,267	480,423,263	496,785,258
OPM - RESERVE FOR SALARY ADJUSTMENTS					
OTHER CURRENT EXPENSES					
Reserve for Salary Adjustments	2,114,695	7,799,645	7,964,997	8,146,598	8,340,487
AGENCY TOTAL	2,114,695	7,799,645	7,964,997	8,146,598	8,340,487
WORKERS' COMPENSATION CLAIMS - DAS					
OTHER CURRENT EXPENSES					
Workers' Compensation Claims	5,408,151	5,345,089	5,458,405	5,582,857	5,715,729
AGENCY TOTAL	5,408,151	5,345,089	5,458,405	5,582,857	5,715,729
MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER					
STATE COMPTROLLER - FRINGE BENEFITS					
OTHER CURRENT EXPENSES					
Unemployment Compensation	230,000	242,000	247,130	252,764	258,780
Employee Retirement Contribution	67,058,000	71,426,000	74,973,000	78,650,000	82,624,000
Group Life Insurance	277,794	282,794	288,789	295,373	302,402
Employers Social Security Tax	17,795,000	19,960,600	20,383,765	21,650,381	21,344,710
State Employees Health Serv Cost	35,872,600	38,404,600	40,148,169	41,894,614	43,662,567
TOTAL OTHER CURRENT EXPENSES	121,233,394	130,315,994	136,040,853	142,743,132	148,192,459
AGENCY TOTAL	121,233,394	130,315,994	136,040,853	142,743,132	148,192,459
TOTAL MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER	121,233,394	130,315,994	136,040,853	142,743,132	148,192,459
TOTAL NON-FUNCTIONAL	564,950,305	592,987,542	621,013,522	636,895,850	659,033,933
TOTAL - SPECIAL TRANSPORTATION FUND	1,109,835,226	1,165,226,399	1,221,695,414	1,273,509,336	1,323,523,812
Estimated Unallocated Lapses	-11,000,000	-11,000,000	-11,000,000	-11,000,000	-11,000,000
27th Payroll Cost				8,598,452	
NET - Special Transportation Fund	1,098,835,226	1,154,226,399	1,210,695,414	1,271,107,788	1,312,523,812

BANKING FUND

REGULATION AND PROTECTION

DEPARTMENT OF BANKING					
Personal Services	10,388,853	10,805,361	11,318,616	11,856,250	12,419,422
Other Expenses	2,797,743	1,841,792	1,880,838	1,923,721	1,969,505

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CAPITAL OUTLAY					
Equipment	330,100	100	100	100	100
OTHER CURRENT EXPENSES					
Fringe Benefits	5,918,251	6,079,741	6,208,632	6,350,189	6,501,324
Indirect Overhead	234,139	234,139	239,103	244,555	250,376
TOTAL OTHER CURRENT EXPENSES	6,152,390	6,313,880	6,447,735	6,594,744	6,751,700
AGENCY TOTAL	19,669,086	18,961,133	19,647,289	20,374,815	21,140,727
TOTAL	19,669,086	18,961,133	19,647,289	20,374,815	21,140,727
REGULATION AND PROTECTION					
TOTAL - BANKING FUND	19,669,086	18,961,133	19,647,289	20,374,815	21,140,727
27th Payroll Cost				432,215	
NET - Banking Fund	19,669,086	18,961,133	19,647,289	20,807,030	21,140,727

INSURANCE FUND

REGULATION AND PROTECTION

INSURANCE DEPARTMENT					
Personal Services	12,658,588	13,206,743	13,834,063	14,491,181	15,179,512
Other Expenses	2,301,610	2,138,612	2,183,951	2,233,746	2,286,909
CAPITAL OUTLAY					
Equipment	144,500	134,500	134,500	134,500	134,500
OTHER CURRENT EXPENSES					
Fringe Benefits	7,162,835	7,398,610	7,555,461	7,727,726	7,911,646
Indirect Overhead	150,000	175,000	178,710	182,785	187,136
TOTAL OTHER CURRENT EXPENSES	7,312,835	7,573,610	7,734,171	7,910,511	8,098,782
AGENCY TOTAL	22,417,533	23,053,465	23,886,685	24,769,938	25,699,703
OFFICE OF THE HEALTHCARE ADVOCATE					
Personal Services	516,965	541,822	567,559	594,518	622,758
Other Expenses	144,781	144,781	147,850	151,221	154,820
CAPITAL OUTLAY					
Equipment	8,533	1,333	1,333	1,333	1,333
OTHER CURRENT EXPENSES					
Fringe Benefits	299,840	319,675	326,452	333,895	341,842
Indirect Overhead	23,000	25,000	25,530	26,112	26,733
TOTAL OTHER CURRENT EXPENSES	322,840	344,675	351,982	360,007	368,575
AGENCY TOTAL	993,119	1,032,611	1,068,724	1,107,079	1,147,486
TOTAL	23,410,652	24,086,076	24,955,409	25,877,017	26,847,189
REGULATION AND PROTECTION					
TOTAL - INSURANCE FUND	23,410,652	24,086,076	24,955,409	25,877,017	26,847,189
27th Payroll Cost				547,675	
NET - Insurance Fund	23,410,652	24,086,076	24,955,409	26,424,692	26,847,189

CONSUMER CNSL & PUBLIC UTIL FUND

REGULATION AND PROTECTION

OFFICE OF CONSUMER COUNSEL					
Personal Services	1,422,273	1,482,485	1,552,903	1,626,666	1,703,933
Other Expenses	527,934	527,934	539,126	551,418	564,542
CAPITAL OUTLAY					
Equipment	25,200	22,700	22,700	22,700	22,700
OTHER CURRENT EXPENSES					
Fringe Benefits	794,090	817,666	835,001	854,040	874,366
Indirect Overhead	236,127	236,127	241,133	246,631	252,501
TOTAL OTHER CURRENT EXPENSES	1,030,217	1,053,793	1,076,134	1,100,671	1,126,867
AGENCY TOTAL	3,005,624	3,086,912	3,190,863	3,301,455	3,418,042

Fiscal Accountability Report
SUMMARY OF 2008 ESTIMATED, 2009 REVISED ENACTED AND 2010-2012 ESTIMATED
By Character and Fund

	Estimated 2007-2008	Revised Enacted 2008-2009	2009-2010	Estimated 2010-2011	2011-2012
DEPARTMENT OF PUBLIC UTILITY CONTROL					
Personal Services	11,722,520	12,266,483	12,849,141	13,459,475	14,098,800
Other Expenses	1,702,115	1,702,115	1,738,200	1,777,831	1,820,143
CAPITAL OUTLAY					
Equipment	101,500	97,501	97,501	97,501	97,501
OTHER CURRENT EXPENSES					
Fringe Benefits	6,654,296	6,930,574	7,077,502	7,238,869	7,411,154
Indirect Overhead	149,575	149,575	152,746	156,229	159,948
Nuclear Energy Advisory Council	9,116	9,116	9,309	9,521	9,747
TOTAL OTHER CURRENT EXPENSES	6,812,987	7,089,265	7,239,557	7,404,619	7,580,849
AGENCY TOTAL	20,339,122	21,155,364	21,924,399	22,739,426	23,597,293
TOTAL	23,344,746	24,242,276	25,115,262	26,040,881	27,015,335
REGULATION AND PROTECTION					
TOTAL - CONSUMER CNSL & PUBLIC UTIL FUND	23,344,746	24,242,276	25,115,262	26,040,881	27,015,335
27th Payroll Cost				505,038	
NET - Consumer Cnsl & Public Util Fund	23,344,746	24,242,276	25,115,262	26,545,919	27,015,335
WORKERS' COMPENSATION FUND					
<u>GENERAL GOVERNMENT</u>					
DIVISION OF CRIMINAL JUSTICE					
Personal Services	54,199	55,336	57,964	60,717	63,601
AGENCY TOTAL	54,199	55,336	57,964	60,717	63,601
TOTAL	54,199	55,336	57,964	60,717	63,601
GENERAL GOVERNMENT					
<u>REGULATION AND PROTECTION</u>					
DEPARTMENT OF LABOR					
OTHER CURRENT EXPENSES					
Occupational Health Clinics	673,450	674,587	688,888	704,594	721,364
AGENCY TOTAL	673,450	674,587	688,888	704,594	721,364
WORKERS' COMPENSATION COMMISSION					
Personal Services	9,568,184	9,853,980	10,322,044	10,812,341	11,325,927
Other Expenses	3,653,058	3,311,885	3,382,097	3,459,209	3,541,538
CAPITAL OUTLAY					
Equipment	109,043	307,020	307,020	307,020	307,020
OTHER CURRENT EXPENSES					
Criminal Justice Fraud Unit	487,786	498,030	508,588	520,184	532,565
Rehabilitative Services	2,645,534	2,695,840	2,752,992	2,815,760	2,882,775
Fringe Benefits	5,545,275	5,622,685	5,741,886	5,872,801	6,012,574
Indirect Overhead	965,850	986,133	1,007,039	1,029,999	1,054,512
TOTAL OTHER CURRENT EXPENSES	9,644,445	9,802,688	10,010,505	10,238,744	10,482,426
AGENCY TOTAL	22,974,730	23,275,573	24,021,666	24,817,314	25,656,911
TOTAL	23,648,180	23,950,160	24,710,554	25,521,908	26,378,275
REGULATION AND PROTECTION					
TOTAL - WORKERS' COMPENSATION FUND	23,702,379	24,005,496	24,768,518	25,582,625	26,441,876
27th Payroll Cost				290,975	
NET - Workers' Compensation Fund	23,702,379	24,005,496	24,768,518	25,873,600	26,441,876

Fiscal Accountability Report
SUMMARY OF 2008 ESTIMATED, 2009 REVISED ENACTED AND 2010-2012 ESTIMATED
By Character and Fund

	Estimated 2007-2008	Revised Enacted 2008-2009	2009-2010	Estimated 2010-2011	2011-2012
MASHANTUCKET PEQUOT AND MOHEGAN FUND					
<u>NON-FUNCTIONAL</u>					
MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER STATE COMPTROLLER- MISCELLANEOUS PMTS TO LOCAL GOVERNMENTS					
Grants to Towns	86,250,000	86,250,000	86,250,000	86,250,000	86,250,000
TOTAL FIXED CHARGES	86,250,000	86,250,000	86,250,000	86,250,000	86,250,000
AGENCY TOTAL	86,250,000	86,250,000	86,250,000	86,250,000	86,250,000
 TOTAL MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER	86,250,000	86,250,000	86,250,000	86,250,000	86,250,000
 TOTAL NON-FUNCTIONAL	86,250,000	86,250,000	86,250,000	86,250,000	86,250,000
 TOTAL - MASHANTUCKET PEQUOT AND MOHEGAN FUND	86,250,000	86,250,000	86,250,000	86,250,000	86,250,000
 SOLDIERS, SAILORS AND MARINES' FUND					
<u>HUMAN SERVICES</u>					
SOLDIERS, SAILORS AND MARINES' FUND					
Personal Services	741,673	770,774	807,386	845,737	885,910
Other Expenses	65,157	65,157	66,538	68,055	69,675
CAPITAL OUTLAY					
Equipment	6,000	10,500	10,723	10,968	11,229
OTHER CURRENT EXPENSES					
Award Payments to Veterans	1,979,800	1,979,800	1,979,800	1,979,800	1,979,800
Fringe Benefits	445,340	470,322	480,293	491,244	502,936
TOTAL OTHER CURRENT EXPENSES	2,425,140	2,450,122	2,460,093	2,471,044	2,482,736
AGENCY TOTAL	3,237,970	3,296,553	3,344,740	3,395,804	3,449,550
 TOTAL HUMAN SERVICES	3,237,970	3,296,553	3,344,740	3,395,804	3,449,550
 TOTAL - SOLDIERS, SAILORS AND MARINES' FUND	3,237,970	3,296,553	3,344,740	3,395,804	3,449,550
 27th Payroll Cost				30,703	
NET - Soldiers, Sailors and Marines' Fund	3,237,970	3,296,553	3,344,740	3,426,507	3,449,550
 REGIONAL MARKET OPERATION FUND					
<u>CONSERVATION AND DEVELOPMENT</u>					
DEPARTMENT OF AGRICULTURE					
Personal Services	377,824	395,248	414,022	433,688	454,288
Other Expenses	232,714	232,714	237,648	243,067	248,852
CAPITAL OUTLAY					
Equipment	79,900	100	25,000	25,000	25,000
OTHER CURRENT EXPENSES					
Fringe Benefits	247,176	263,011	268,587	274,711	281,249
AGENCY TOTAL	937,614	891,073	945,257	976,466	1,009,389
 TOTAL CONSERVATION AND DEVELOPMENT	937,614	891,073	945,257	976,466	1,009,389

Fiscal Accountability Report
SUMMARY OF 2008 ESTIMATED, 2009 REVISED ENACTED AND 2010-2012 ESTIMATED
By Character and Fund

	Estimated 2007-2008	Revised Enacted 2008-2009	2009-2010	Estimated 2010-2011	2011-2012
<u>NON-FUNCTIONAL</u>					
STATE TREASURER - DEBT SERVICE OTHER CURRENT EXPENSES					
Debt Service	100,446	122,067	122,067	122,067	122,067
AGENCY TOTAL	100,446	122,067	122,067	122,067	122,067
TOTAL NON-FUNCTIONAL	100,446	122,067	122,067	122,067	122,067
TOTAL - REGIONAL MARKET OPERATION FUND	1,038,060	1,013,140	1,067,324	1,098,533	1,131,456
27th Payroll Cost				13,750	
NET - Regional Market Operation Fund	1,038,060	1,013,140	1,067,324	1,112,283	1,131,456
CRIMINAL INJURIES COMPENSATION FUND					
<u>JUDICIAL</u>					
JUDICIAL DEPARTMENT OTHER CURRENT EXPENSES					
Criminal Injuries Compensation Fund	3,525,000	2,625,000	2,680,650	2,741,769	2,807,023
AGENCY TOTAL	3,525,000	2,625,000	2,680,650	2,741,769	2,807,023
TOTAL JUDICIAL	3,525,000	2,625,000	2,680,650	2,741,769	2,807,023
TOTAL - CRIMINAL INJURIES COMPENSATION FUND	3,525,000	2,625,000	2,680,650	2,741,769	2,807,023
TOTAL ALL FUNDS	17,622,885,018	18,439,989,548	19,723,557,916	20,712,923,004	21,350,680,576

PROJECTED REVENUES

(In Millions)

	General Fund				
<u>Taxes</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Personal Income Tax	\$ 7,345.0	\$ 7,830.0	\$ 8,370.0	\$ 8,925.0	\$ 9,490.0
Sales & Use Tax	3,598.9	3,721.3	3,846.7	3,982.6	4,133.3
Corporation Tax	820.0	740.7	765.6	791.2	817.5
Public Service Tax	247.6	256.9	266.6	272.4	280.4
Inheritance & Estate Tax	179.9	183.5	187.2	190.9	194.7
Insurance Companies Tax	258.1	258.1	258.1	258.1	258.1
Cigarettes Tax	351.5	348.0	344.5	341.1	337.6
Real Estate Conveyance Tax	200.0	204.0	206.0	208.1	210.2
Oil Companies Tax	134.7	144.3	135.2	111.8	111.8
Alcoholic Beverages Tax	47.0	47.5	48.0	48.5	48.9
Admissions & Dues Tax	33.6	34.0	34.3	34.7	35.0
Miscellaneous Tax	148.6	152.2	156.0	159.4	163.1
Total Taxes	\$ 13,364.9	\$ 13,920.5	\$ 14,618.2	\$ 15,323.7	\$ 16,080.6
Less Refunds of Tax	(797.8)	(846.8)	(882.8)	(919.8)	(958.8)
Less R&D Credit Exchange	(6.0)	(7.0)	(7.0)	(7.0)	(7.0)
Total – Taxes Less Refunds	\$ 12,561.1	\$ 13,066.7	\$ 13,728.4	\$ 14,396.9	\$ 15,114.8
<u>Other Revenue</u>					
Transfers–Special Revenue	\$ 286.6	\$ 288.0	\$ 289.5	\$ 290.9	\$ 292.4
Indian Gaming Payments	437.5	449.0	458.0	467.1	476.5
Licenses, Permits, Fees	162.5	156.7	164.1	158.3	165.7
Sales of Commodities	36.5	37.0	37.9	38.9	39.9
Rents, Fines, Escheats	55.1	53.3	53.9	55.0	56.1
Investment Income	85.0	85.0	90.0	90.0	90.0
Miscellaneous	147.8	147.5	147.7	147.6	147.6
Less Refunds of Payments	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Total – Other Revenue	\$ 1,210.4	\$ 1,215.9	\$ 1,240.5	\$ 1,247.2	\$ 1,267.6
<u>Other Sources</u>					
Federal Grants	\$ 2,653.1	\$ 2,766.0	\$ 2,876.6	\$ 3,001.8	\$ 3,133.3
Transfers to the Resources of the G.F.	(16.0)	96.0	–	–	–
Transfer From Tobacco Settlement	115.3	115.8	115.2	114.2	113.2
Transfers From (To) Other Funds	(86.3)	(86.3)	(86.3)	(86.3)	(86.3)
Total – Other Sources	\$ 2,666.1	\$ 2,891.5	\$ 2,905.5	\$ 3,029.7	\$ 3,160.2
Total – General Fund Revenues	\$ 16,437.6	\$ 17,174.1	\$ 17,874.3	\$ 18,673.8	\$ 19,542.6
	Special Transportation Fund				
<u>Taxes</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Motor Fuels Tax	\$ 516.0	\$ 523.6	\$ 528.4	\$ 533.4	\$ 538.4
Oil Companies Tax	127.8	141.9	141.9	165.3	165.3
Sales Tax – DMV	72.0	74.0	74.7	75.4	76.2
Total Taxes	\$ 715.8	\$ 739.5	\$ 745.0	\$ 774.1	\$ 779.9
Less Refunds of Taxes	(8.8)	(9.0)	(9.1)	(9.3)	(9.5)
Total – Taxes Less Refunds	\$ 707.0	\$ 730.5	\$ 735.9	\$ 764.8	\$ 770.4
<u>Other Sources</u>					
Motor Vehicle Receipts	\$ 236.6	\$ 241.3	\$ 243.7	\$ 246.2	\$ 248.6
Licenses, Permits, Fees	164.0	166.0	167.7	169.3	171.0
Interest Income	47.0	47.0	46.0	44.0	44.0
Transfers From (To) Other Funds	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)
Transfers To TSB	(15.3)	(15.3)	(15.3)	(15.3)	(15.3)
Less Refunds of Payments	(2.9)	(3.0)	(3.2)	(3.3)	(3.4)
Total – Other Sources	\$ 419.9	\$ 426.5	\$ 429.4	\$ 431.4	\$ 435.4
Total – STF Revenues	\$ 1,126.9	\$ 1,157.0	\$ 1,165.3	\$ 1,196.2	\$ 1,205.8

PROJECTED REVENUES

(In Millions)

	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Mashantucket Pequot and Mohegan Fund					
Transfers from the General Fund	\$ 86.3	\$ 86.3	\$ 86.3	\$ 86.3	\$ 86.3
Total – Mashantucket Pequot and Mohegan Fund Revenues	\$ 86.3	\$ 86.3	\$ 86.3	\$ 86.3	\$ 86.3
Soldiers', Sailors', and Marines' Fund					
Investment Income	\$ 3.3	\$ 3.3	\$ 3.4	\$ 3.5	\$ 3.5
Total – Soldiers', Sailors', and Marines' Fund Revenues	\$ 3.3	\$ 3.3	\$ 3.4	\$ 3.5	\$ 3.5
Regional Market Operating Fund					
Rentals	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.2
Total – Regional Market Operating Fund Revenues	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.2
Banking Fund					
Fees and Assessments	\$ 19.7	\$ 19.0	\$ 19.7	\$ 20.9	\$ 21.2
Total – Banking Fund Revenues	\$ 19.7	\$ 19.0	\$ 19.7	\$ 20.9	\$ 21.2
Insurance Fund					
Assessments	\$ 23.5	\$ 24.1	\$ 25.0	\$ 26.5	\$ 26.9
Total – Insurance Fund Revenues	\$ 23.5	\$ 24.1	\$ 25.0	\$ 26.5	\$ 26.9
Consumer Counsel & Public Utility Control Fund					
Fees and Assessments	\$ 23.4	\$ 24.3	\$ 25.2	\$ 26.6	\$ 27.1
Total – Consumer Counsel & Public Utility Control Revenues	\$ 23.4	\$ 24.3	\$ 25.2	\$ 26.6	\$ 27.1
Workers' Compensation Fund					
Fees and Assessments	\$ 23.8	\$ 24.1	\$ 24.8	\$ 25.9	\$ 26.5
Total – Workers' Compensation Fund Revenues	\$ 23.8	\$ 24.1	\$ 24.8	\$ 25.9	\$ 26.5
Criminal Injuries Compensation Fund					
Fines	\$ 3.6	\$ 2.7	\$ 2.7	\$ 2.8	\$ 2.9
Total – Criminal Injuries Fund Revenues	\$ 3.6	\$ 2.7	\$ 2.7	\$ 2.8	\$ 2.9
Total – All Appropriated Funds Revenues	\$ 17,749.2	\$ 18,516.0	\$ 19,227.8	\$ 20,063.7	\$ 20,944.0

Fiscal Accountability Report

ASSUMPTIONS USED TO DEVELOP REVENUE ESTIMATES

	<u>Fiscal 2007-08</u>	<u>Fiscal 2008-09</u>	<u>Fiscal 2009-10</u>	<u>Fiscal 2010-11</u>	<u>Fiscal 2011-12</u>
<u>UNITED STATES</u>					
Gross Domestic Product	4.5%	4.8%	5.3%	4.8%	4.7%
Real Gross Domestic Product	2.4%	2.6%	3.3%	2.8%	2.8%
G.D.P. Deflator	2.1%	2.1%	1.9%	1.9%	1.9%
Housing Starts (M)	1.17	1.34	1.74	1.72	1.70
Unemployment Rate	4.9%	5.0%	4.8%	4.7%	4.7%
New Vehicle Sales (M)	15.86	15.96	16.02	16.01	16.08
Consumer Price Index	2.7%	1.8%	2.0%	2.3%	2.4%
<u>CONNECTICUT</u>					
Personal Income	5.4%	4.3%	4.6%	4.3%	4.0%
Nonagricultural Employment	0.9%	0.6%	0.8%	0.6%	0.6%
Unemployment Rate	4.5%	4.4%	4.3%	4.3%	4.3%

M denotes millions.

ECONOMIC GROWTH RATES FOR PROJECTED TAX REVENUES (PERCENT CHANGE)

	General Fund				
<u>Taxes</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Personal Income Tax ¹	7.0, 12.0	5.6, 7.5	6.5, 7.5	6.2, 7.5	5.6, 7.5
Sales & Use Tax	2.9	3.0	3.3	3.6	3.8
Corporation Tax	0.0	1.0	3.0	3.0	3.0
Public Service Tax	5.1	3.8	3.8	3.8	3.8
Inheritance & Estate Tax	0.0	2.0	2.0	2.0	2.0
Insurance Companies Tax	7.6	0.0	0.0	0.0	0.0
Cigarettes Tax	-3.0	-1.0	-1.0	-1.0	-1.0
Real Estate Conveyance Tax	-5.3	2.0	1.0	1.0	1.0
Oil Companies Tax	-2.0	0.0	-2.5	0.0	0.0
Alcoholic Beverages Tax	2.0	1.0	1.0	1.0	1.0
Admissions & Dues Tax	0.7	1.0	1.0	1.0	1.0

	Special Transportation Fund				
<u>Taxes</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Motor Fuels Tax	0.4	1.0	1.0	1.0	1.0
Sales Tax – DMV	5.3	2.0	1.0	1.0	1.0

NOTES:

1. Rates for withholding and "estimates and final filings".

SECTION 2

PROJECTED TAX CREDITS

PROJECTED TAX CREDITS

It should be noted that the basis for projections of tax credits claimed relies upon data from several years ago. This is due to the fact that information regarding tax credits is typically delayed as firms often request an extension to file their final returns. This delays the receipt of such data by the tax department which then must still have the return information data captured.

In calculating the expected amount of credits to be claimed, OPM examined the most recent relevant years available (income years 2001 to 2004 for business credits and income year 2005 for the personal income tax credit) of both the number of credits claimed and their corresponding dollar value. An average value was derived over that time period which then became the base for fiscal year 2008. From fiscal year 2008 and forward, the number of credits claimed and the dollar value of credits claimed was grown by appropriate growth rates.

Projected Total Amounts of Tax Credits Claimed

(In Thousands)

	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Personal Income Tax Credits					
Property Tax	\$ 370,000	\$ 377,000	\$ 385,000	\$ 393,000	\$ 401,000
Total Personal Income Tax	\$ 370,000	\$ 377,000	\$ 385,000	\$ 393,000	\$ 401,000
Business Tax Credits					
Apprenticeship Training	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Clean Alternative Fuels	30	30	30	30	30
Computer Donation	30	30	30	30	30
Displaced Electric Worker	1	1	1	1	1
Displaced Worker	4,500	4,500	4,500	4,500	4,500
Donation of Open Space Land	700	700	700	700	700
Electronic Data Processing	23,600	24,000	24,000	24,000	24,000
Enterprise Zone	10	10	10	10	10
Film Industry	50,000	60,000	62,000	64,000	66,000
Film Industry Infrastructure*	-	5,000	5,000	5,000	5,000
Film Industry Digital Animation*	-	15,000	15,000	15,000	15,000
Financial Institutions	30	30	30	30	30
Fixed Capital	60,000	60,600	61,200	62,000	63,000
Hiring Incentive	100	100	100	100	100
Historic Homes Rehabilitation	300	300	300	300	300
Historic Rehabilitation- Mixed Use*	-	16,700	16,700	16,700	16,700
Historic Structures	15,000	15,200	15,400	15,600	15,800
Housing Program Contribution	3,600	3,600	3,600	3,600	3,600
Human Capital	3,000	3,000	3,000	3,000	3,000
Insurance Reinvestment**	25,100	14,100	5,700	5,500	4,100
Job Creation	4,000	7,000	10,000	10,000	10,000
Machinery and Equipment	3,000	3,000	3,000	3,000	3,000
Manufacturing Facility in Targeted Investment Community or Enterprise Zone	1,000	1,000	1,000	1,000	1,000
Neighborhood Assistance	2,000	2,000	2,000	2,000	2,000
R&D Grants to Higher Education	3	3	3	3	3
Research and Development Expenditures	14,000	14,000	14,000	14,000	14,000
Research and Experimental Expenditures	20,000	20,000	20,000	20,000	20,000
Service Facility	10	10	10	10	10
Small Business Guaranty Fee	100	100	100	100	101
Traffic Reduction	200	200	200	200	200
Urban and Industrial Reinvestment**	6,500	17,200	17,200	21,200	23,700
Total Business Tax	\$ 237,314	239,690	\$ 285,314	\$ 292,114	\$ 296,415
Total Amount Claimed	\$ 607,314	\$ 616,690	\$ 670,314	\$ 685,114	\$ 697,415

* New Tax Credits enacted during the 2007 Legislative Session

** Estimates are based on the DECD approved tax credits coming due in each fiscal year

Projected Number of Tax Credits Claimed

	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
<u>Personal Income Tax Credits</u>					
Property Tax	930,000	939,000	948,000	957,000	967,000
Total Personal Income Tax	930,000	939,000	948,000	957,000	967,000
<u>Business Tax Credits</u>					
Apprenticeship Training	22	22	22	23	23
Clean Alternative Fuels	4	4	4	4	4
Computer Donation	1	1	1	1	1
Displaced Electric Worker	1	1	1	1	1
Displaced Worker	5	5	5	5	5
Donation of Open Space Land	27	27	28	28	28
Electronic Data Processing	2,560	2,590	2,620	2,650	2,680
Enterprise Zone	1	1	1	1	1
Film Industry	15	20	20	20	20
Film Industry Infrastructure*	-	1	1	1	1
Film Industry Digital Animation*	-	1	1	1	1
Financial Institutions	5	5	5	5	5
Fixed Capital	3,264	3,300	3,330	3,360	3,390
Hiring Incentive	6	6	6	6	6
Historic Homes Rehabilitation	2	2	2	2	2
Historic Rehabilitation- Mixed Use*	-	5	5	5	5
Historic Structures	3	3	3	3	3
Housing Program Contribution	20	20	20	21	21
Human Capital	189	191	193	195	197
Insurance Reinvestment	5	5	3	2	2
Job Creation	12	18	24	24	24
Machinery and Equipment	325	328	332	335	338
Manufacturing Facility in Targeted Investment Community or Enterprise Zone	47	47	48	48	49
Neighborhood Assistance	100	101	102	103	104
R&D Grants to Higher Education	1	1	1	1	1
Research and Development Expenditures	148	149	151	152	154
Research and Experimental Expenditures	129	130	132	133	134
Service Facility	1	1	1	1	1
Small Business Guaranty Fee	3	3	3	3	3
Traffic Reduction	6	6	6	6	6
Urban and Industrial Reinvestment	3	5	5	5	5
Total Business Tax	6,905	7,001	7,076	7,146	7,217
Total Number of Credits Claimed	936,905	946,001	955,076	964,146	974,217

* New Tax Credits enacted during the 2007 Legislative Session

SECTION 3

SUMMARY OF ESTIMATED DEFICIENCIES

SUMMARY OF ESTIMATED DEFICIENCIES

(REASONS FOR DEFICIENCIES AND BASIS OF ASSUMPTIONS)

DEPARTMENT OF MENTAL HEALTH & ADDICTION SERVICES

A \$9 million shortfall is projected in the Department of Mental Health and Addiction Services. A deficiency of \$6.3 million in Personal Services is related to enhanced staffing and increased overtime resulting from recommendations by the Centers for Medicare and Medicaid Services and the Department of Justice regarding operations at Connecticut Valley Hospital (CVH). The \$2 million in Other Expenses is due to higher than budgeted utility expenditures and maintenance and repair costs at CVH and other facilities; \$660,000 in the Professional Services and Nursing Home Screening accounts result from higher than budgeted expenditures.

DEPARTMENT OF CORRECTION

The Department of Correction (DOC) has an estimated deficiency of \$16 million due to increased prison population. \$3.4 million of the deficiency is in the agency's Personal Services account due to increased overtime costs. \$6.1 million of the deficiency is in Other Expenses mainly due to maintenance, food and energy costs. \$6.5 million of the deficiency is in the Inmate Medical account resulting from increased medical costs and staffing.

In order to address the increase in prison population, the Governor has authorized the following staffing enhancements:

- The expedited hiring of 10 new parole officers for the DOC within 30 days. These officers will enhance the level of oversight of offenders in the community.
- The expedited hiring of three new counselors for the DOC, who will process offender case referrals from correctional facilities for appropriate placement and supervision in the community.
- The hiring of three new parole officers to return the DOC's Fugitive Remand Unit to its prior full complement. The Fugitive Remand Unit is a team of full-time parole officers whose mission is to identify, locate and apprehend parole violators or absconders before they re-engage in criminal activity. They also assist other law enforcement agencies that have an interest in locating and arresting parole fugitives.
- The issuance of two Requests for Proposals, one for more halfway house beds and a second for additional community-based centers that will provide an array of services to non-violent offenders based on assessed needs to include substance abuse treatment and employment development.
- The hiring of five temporary staff to help ensure the Board of Pardons and Paroles (BPP) can effectively review and consider the additional inter-agency information that is now being provided on offenders prior to parole consideration. The BPP is now waiting for about 1,000 court sentencing transcripts that have been requested in order to process paroles for non-violent inmates eligible for release.

The Governor also noted that two classes of new Correction Officers are currently in process. The first class will graduate 87 new officers in December 2007 and the second will begin training between 40 and 60 new officers in January 2008, bringing about 140 new Correction Officers into the Department. The current ratio of Correction Officers to inmates is about 1 to 5, while the national average is about 1 to 5.5. Including the 87 officers currently in the academy, the DOC will have 4,155 Corrections Officers, the highest number in recent history. In addition, 114 new prison beds will be available for November at the Robinson Correctional Institution in Enfield.

SECTION 4
PROJECTED BALANCE OF THE
BUDGET RESERVE FUND

BUDGET RESERVE FUND

PROJECTED FUND BALANCE

(Assumes Expenditure Reductions Are Made To Remain Below Spending Cap and to Balance Budget)
(In Millions)

Budget Reserve Fund Activity:

	<u>2007-08</u> ⁽¹⁾	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Beginning Balance	\$ 1,382.2 ⁽²⁾	\$ 1,470.2	\$ 1,543.0	\$ 1,543.0	\$ 1,543.0
Deposits/(Withdrawals)	88.0	72.8	- ⁽³⁾	- ⁽³⁾	- ⁽³⁾
Ending Balance	<u>\$ 1,470.2</u>	<u>\$ 1,543.0</u>	<u>\$ 1,543.0</u>	<u>\$ 1,543.0</u>	<u>\$ 1,543.0</u>
Balance as Percent of Budget	8.6%	8.6%	8.4%	8.1%	7.8%
Balance Over/(Under) Target	<u>\$ (239.9)</u>	<u>\$ (244.4)</u>	<u>\$ (295.4)</u>	<u>\$ (365.3)</u>	<u>\$ (440.5)</u>
Available Over BRF Target ⁽⁴⁾	\$ -	\$ -	\$ -	\$ -	\$ -

Calculation of Budget Reserve Fund Target Balance:

General Fund Appropriations	\$ 16,349.6	\$ 17,101.3	\$ 18,325.0	\$ 19,248.6	\$ 19,843.1
G.F. Reductions to Remain Below Expenditure Cap	-	-	(177.3)	(138.5)	-
G.F. Reductions to Balance Budget	-	-	(273.5)	(436.3)	(300.5)
G.F. Reductions Due to Prior Year Budget Balancing Adjustment	-	-	-	(289.0)	(459.4)
Adjusted G.F. Appropriations	<u>\$ 16,349.6</u>	<u>\$ 17,101.3</u>	<u>\$ 17,874.3</u>	<u>\$ 18,384.8</u>	<u>\$ 19,083.2</u>
Target Balance ⁽⁵⁾	\$ 1,710.1	\$ 1,787.4	\$ 1,838.5	\$ 1,908.3	\$ 1,983.5 ⁽⁶⁾
Balance Over/(Under) Target	<u>\$ (239.9)</u>	<u>\$ (244.4)</u>	<u>\$ (295.4)</u>	<u>\$ (365.3)</u>	<u>\$ (440.5)</u>

(1) FY2007-08 is based on FY2006-07 amounts which are preliminary and have not been audited.

(2) Beginning balance in fiscal year 2007-08 includes the \$446.5 million deposit at the end of fiscal year 2005-06 and a \$269.7 million deposit at the end of fiscal year 2006-07.

(3) Deposited amounts assume expenditure reductions due to spending cap and balancing budget, and are not because Budget Reserve Fund targets have been met.

(4) Available for debt service and/or unfunded liabilities when BRF target of 10% has been reached.

(5) Target Balance is equal to ten percent of the next fiscal year's adjusted general fund appropriations.

(6) FY2011-12 Target Balance assumes average expenditure growth rate of previous four years.

SECTION 5
PROJECTED BOND AUTHORIZATIONS,
ALLOCATIONS AND ISSUANCES

FIVE YEAR BOND PROJECTIONS

	FY2008	FY2009	FY2010	FY2011	FY2012
Bond Authorizations					
General Obligation Bonds	\$ 1,643,361,638	\$ 1,294,947,438	\$ 1,125,000,000	\$ 1,105,000,000	\$ 1,105,000,000
Special Tax Obligation Bonds	613,188,000	407,300,000	323,000,000	223,000,000	223,000,000
Clean Water Fund Revenue Bonds	235,000,000	180,000,000	100,000,000	100,000,000	100,000,000
UCONN 21st Century	115,000,000	140,000,000	140,500,000	146,500,000	123,100,000
CSUS 2020	–	95,000,000	95,000,000	95,000,000	95,000,000
Total Bond Authorizations	\$ 2,606,549,638	\$ 2,117,247,438	\$ 1,783,500,000	\$ 1,669,500,000	\$ 1,646,100,000
Bond Allocations					
General Obligation Bonds					
School Construction Program	\$ 725,000,000	\$ 620,000,000	\$ 575,000,000	\$ 575,000,000	\$ 575,000,000
Urban Action Grants	27,000,000	–	45,000,000	45,000,000	45,000,000
Small Town Economic Assistance Program	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Housing Trust Fund	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Clean Water Grants	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000
Manufacturing Assistance Act	35,000,000	–	15,000,000	15,000,000	15,000,000
Local Capital Improvement Program	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
New Public Health Laboratory	–	81,700,000	–	–	–
Community College System					
Tunxis	3,200,000	–	53,000,000	–	–
Naugatuck Valley	–	–	1,400,000	–	–
Housatonic	–	–	3,500,000	33,000,000	–
Three Rivers	8,100,000	–	–	10,000,000	–
Norwalk	18,300,000	–	3,500,000	–	52,000,000
Gateway	21,504,000	161,300,000	–	2,500,000	2,500,000
Asnuntuck	3,200,000	2,000,000	9,000,000	–	–
Northwestern	706,000	–	–	5,400,000	–
Manchester	2,600,000	–	–	–	–
Middlesex	–	–	190,000	–	–
Capital	5,500,000	–	4,200,000	–	–
Various Projects	29,500,000	25,000,000	24,500,000	20,000,000	20,000,000
Sub-Total Community College System	\$ 92,610,000	\$ 188,300,000	\$ 99,290,000	\$ 70,900,000	\$ 74,500,000
State University System					
Central	15,959,000	–	–	–	–
Western	13,592,000	–	–	–	–
Southern	8,892,000	–	–	–	–
Eastern	2,566,100	–	–	–	–
System wide Projects	15,896,000	–	–	–	–
Sub-Total State University System	\$ 80,000,000	\$ 95,000,000	\$ 95,000,000	\$ 95,000,000	\$ 95,000,000
All other GO projects/programs	25,390,000	50,000,000	130,210,000	152,600,000	147,400,000
UCONN 21st Century	115,000,000	140,000,000	140,500,000	146,500,000	123,100,000
Total General Obligation Bonds	\$ 1,250,000,000	\$ 1,325,000,000	\$ 1,250,000,000	\$ 1,250,000,000	\$ 1,225,000,000
Special Tax Obligation Bonds	479,700,000	412,300,000	422,900,000	323,000,000	223,000,000
Clean Water Fund Revenue Bonds	235,000,000	180,000,000	100,000,000	100,000,000	100,000,000
Total Bond Allocations	\$ 1,964,700,000	\$ 1,917,300,000	\$ 1,772,900,000	\$ 1,673,000,000	\$ 1,548,000,000
Bond Issuance					
General Obligation Bonds	\$ 1,135,000,000	\$ 1,135,000,000	\$ 1,135,000,000	\$ 1,135,000,000	\$ 1,135,000,000
Special Tax Obligation Bonds	400,000,000	400,000,000	500,000,000	500,000,000	500,000,000
Clean Water Revenue Bonds	100,000,000	–	–	–	–
UCONN 21st Century	115,000,000	140,000,000	140,500,000	146,500,000	123,100,000
Total Bond Issuance	\$ 1,750,000,000	\$ 1,675,000,000	\$ 1,775,500,000	\$ 1,781,500,000	\$ 1,758,100,000
Debt Service					
General Fund	\$ 1,398,999,051	\$ 1,543,908,689	\$ 1,661,465,735	\$ 1,686,778,198	\$ 1,700,171,740
Transportation Fund	436,194,065	449,526,814	471,549,267	480,423,263	496,785,258
Total Debt Service	\$ 1,835,193,116	\$ 1,993,435,503	\$ 2,133,015,002	\$ 2,167,201,461	\$ 2,196,956,998
Debt Service as a Percentage of Budget					
GO Debt Service as Percentage of General Fund	8.56%	9.03%	9.07%	8.76%	8.57%
Total Debt Service	10.52%	10.92%	10.92%	10.56%	10.38%

Fiscal Accountability Report

Assumptions

Bond Authorizations

Projected General Obligation Bond authorizations assume that authorizations continue at historical average levels.
Clean Water Program Revenue Bond authorizations based on projected allocations.
UCONN 21st. Century authorizations in accordance with C.G.S. 10a-109g as amended.

Bond Allocations

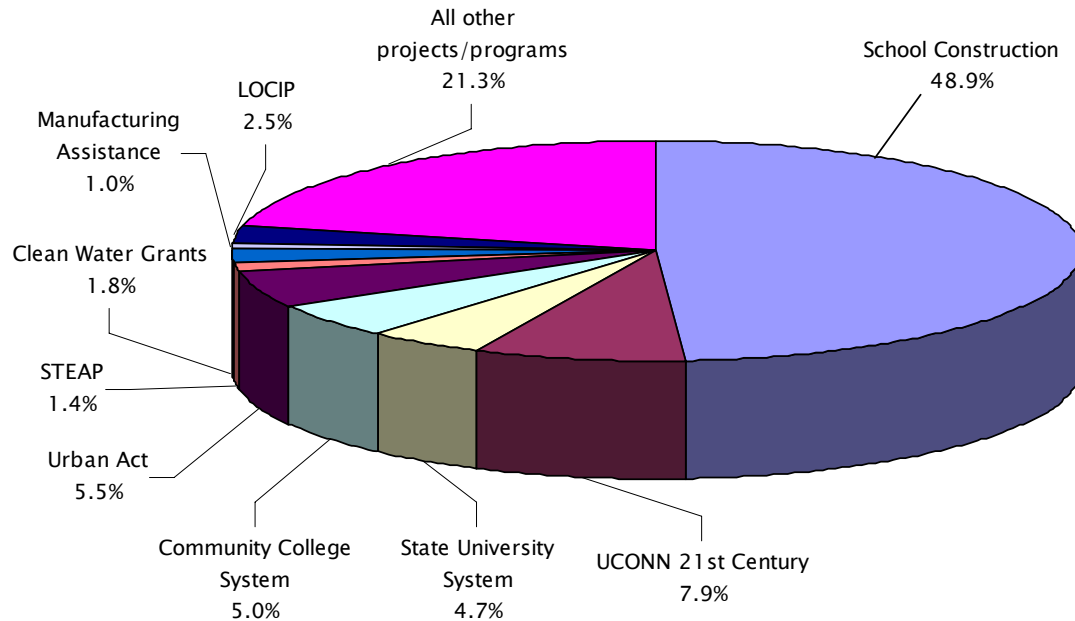
The projected bond allocations in no way represent a commitment to fund any of these programs or projects.
School Construction Program allocations based on budget projections prepared by the Department of Education.
Community College allocations are based on project status and available resources.
CSU Allocations base on the enactment of CSUS2020 beginning in FY2009.

Debt Service

As projected by Treasurer for actual and future annual issuance.
Debt Service as a percentage of budget assumes adherence to the expenditure cap.
The above figures do not include the issuance of pension obligation bonds.

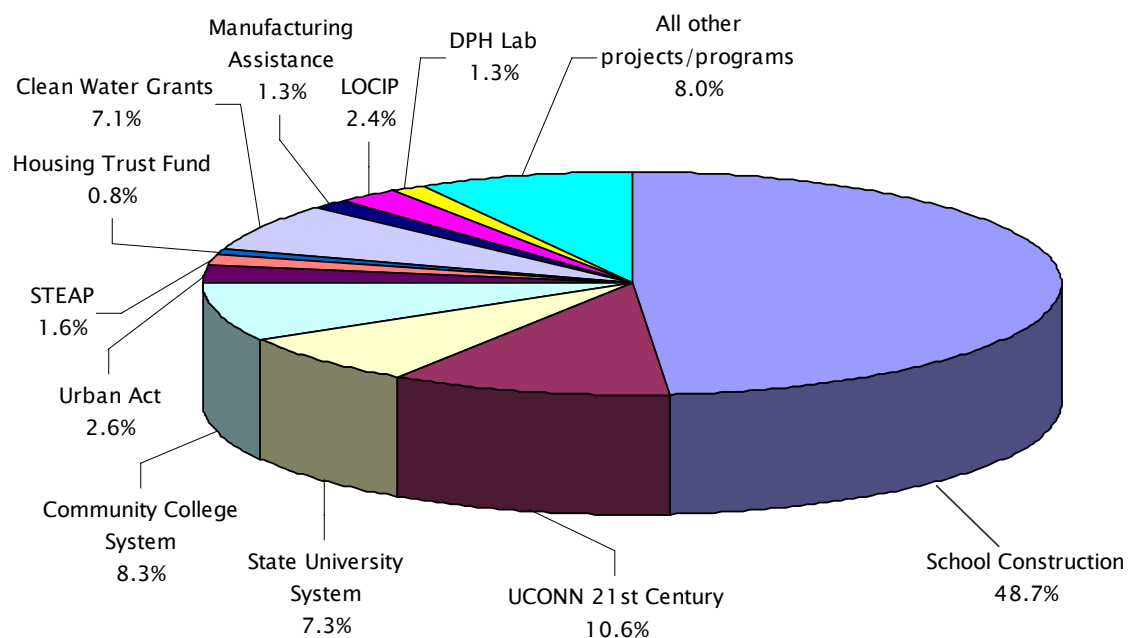
DISTRIBUTION OF GENERAL OBLIGATION BOND ALLOCATIONS

ACTUAL FY2003 – FY2007



- From FY2003 to FY2007 over 66% of bond allocations were education related
- Over the next 5 years the percentage of bond allocations devoted to education jumps to almost 75%
- All other projects/programs includes; state facility improvements, environmental conservation, CORE-CT, housing, Capital City Economic Development Authority Projects, and state equipment

PROJECTED FY2008 – FY2012



SECTION 6

REVENUE AND EXPENDITURE TRENDS,
MAJOR COST DRIVERS

WATCH LIST

AGENCY SUBMITTED TECHNICAL ADJUSTMENTS TO ENACTED FY09 BUDGET

<u>General Fund</u>	
<u>Agency</u>	<u>Requested Adjustments</u>
Department of Social Services	\$ 139,919,108
Department of Higher Education	26,038,862
Department of Mental Health and Addiction Services	19,487,985
State Treasurer – Debt Service	16,071,807
Department of Correction	15,165,305
Department of Children and Families	3,893,993
Department of Education	3,290,000
Reserve for Salary Adjustments	9,800,000
Total	\$ 233,667,060

<u>Special Transportation Fund</u>	
<u>Agency</u>	<u>Requested Adjustments</u>
Department of Transportation	\$ 1,250,212
Department of Motor Vehicles	96,618
Total	\$ 1,346,830

- Technical Adjustments include:
 - o Adjustments due to legislation that was passed in the 2007 legislative session without the proper adjustment to the budget (ie: mergers or program restructurings; does not include items to be funded “within available appropriations”)
 - o Adjustments due to legislation that specifically changed the appropriated amount in any account
 - o Revised estimates for court-mandated or formula-driven expenditures (not to include federal cutbacks)
 - o Adjustments due to new facilities coming on-line but not previously budgeted
- Requested Technical Adjustments shown above total 1.33% of the enacted FY09 General Fund budget, 0.12% of the enacted FY09 Special Transportation Fund budget
- The technical adjustments shown above would place the budget well above the state’s expenditure cap for FY09 even with expected additional cap room of approximately \$70 million due to higher personal income growth

STRUCTURAL HOLES

CREATED BY FUNDING ONGOING EXPENDITURES WITH PRIOR YEAR SURPLUSES

IMPACT ON FISCAL 2010– GENERAL FUND

(In Millions)

<u>From the FY 2007 Surplus</u>	<u>Amount</u>
1. Teachers' Retirement Contributions	\$ 210.0
2. Payment in Lieu of Taxes– State Property	7.0
3. Payment in Lieu of Taxes– Private Property	7.0
4. Debt Service– Supportive Housing	3.0
5. DOT– Town Aid Road	8.0
6. DOT– Enhanced Transit	5.0
7. DOT– Section 16 Projects	2.3
8. Comptroller– Health Coverage up to age 26	8.0
9. Revenue Transferred from FY 2008 to FY 2009	16.0
10. Revenue Transfer– Used to Balance FY 2009	80.0

<u>From the Tobacco and Health Trust Fund</u>	
1. DSS–Charter Oak Health Plan	<u>25.5</u>
Total	\$ 371.8

- Surplus Funds have been used for ongoing spending commitments over the past few years
- Approximately \$372.0 million of projected FY 2010 spending had been funded with surplus dollars in FY 2009
- These spending commitments, without ongoing revenue sources to pay for them, are contributing to our large FY2010 imbalance

LONG-TERM OBLIGATIONS

- The state's long-term obligations total \$54.2 billion, up 10.6% from last year's reported amount of \$49.0 billion
- This equates to approximately \$15,500 for every man, woman and child in Connecticut, up \$1,500 from last year's reported amount of \$14,000
- In comparison, total Personal Income Tax collections in FY 2008 will only be \$7.345 billion

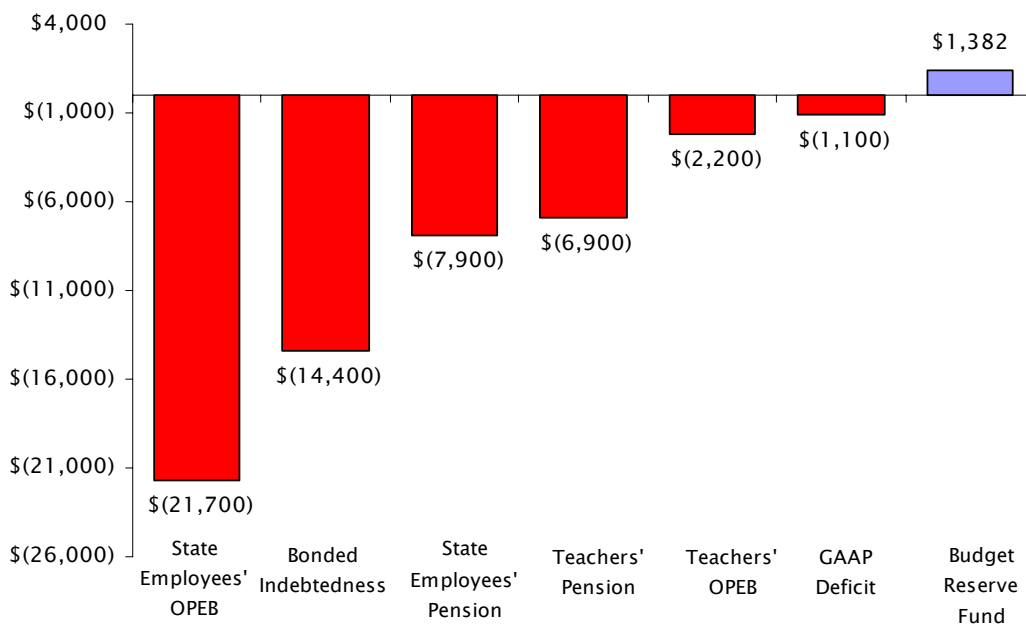
LONG-TERM OBLIGATIONS

(In Billions)

Bonded Indebtedness – As of 8/31/07	\$ 14.4
State Employee Pensions – Unfunded 6/30/06	7.9
Teachers' Pension – Unfunded 6/30/06	6.9
State Employee Post Retirement Health and Life – Unfunded	21.7
Teachers' Post Retirement Health and Life – Unfunded	2.2
GAAP Deficit	<u>1.1</u>
Total	\$ 54.2

LONG-TERM OBLIGATIONS DWARF THE BUDGET RESERVE FUND

(In Millions)



DEBT BURDEN

Ranked by Per Capita State Debt
Among the 50 States in 2005

Rank	State	PC debt
1	Massachusetts	\$ 8,704
2	Alaska	8,695
3	Connecticut	6,584
4	Rhode Island	6,361
5	New York	5,280
6	New Hampshire	5,253
7	Delaware	5,169
8	New Jersey	4,862
9	Hawaii	4,590
10	Vermont	4,499
13	Maine	3,510
	United States	\$ 2,693

Ranked by State Debt as a % of PI
Among the 50 States in 2005

Rank	State	Debt/PI
1	Alaska	24.4%
2	Massachusetts	20.0%
3	Rhode Island	18.0%
4	Delaware	13.9%
5	New Hampshire	13.9%
6	Connecticut	13.9%
7	Vermont	13.8%
8	Montana	13.6%
9	Hawaii	13.3%
10	New York	13.2%
11	Maine	11.4%
13	New Jersey	11.1%
	United States	7.8%

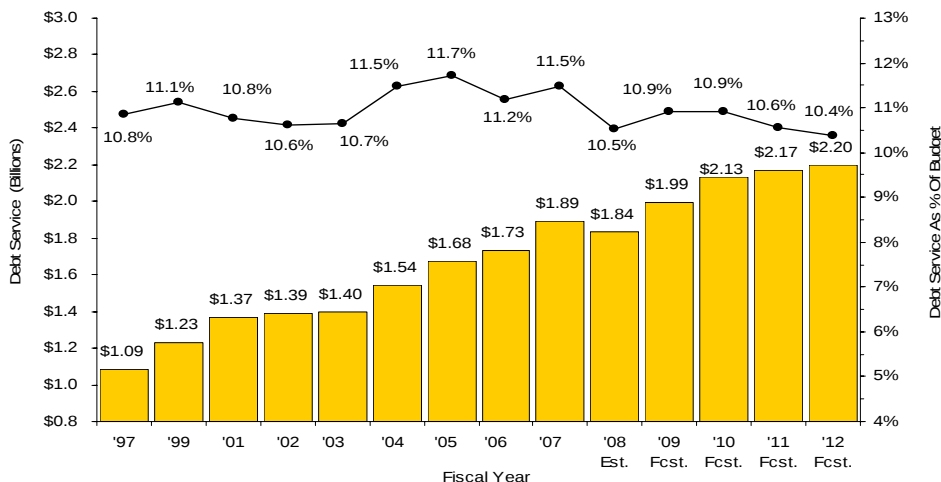
- Connecticut carries some of the highest debt levels in the nation
- Connecticut's debt burden in 2005 equals \$6,584 for every man, woman, and child in the state
- The state's burden is more than 2 times the national average, and higher than most of its neighboring states
- High debt levels impair the state's bond rating
- Even after adjusting for its high personal income, Connecticut would still rank 6th in the nation in 2005
- Even after adjusting for debt issued by counties and other political subdivisions, Connecticut would still rank 4th per capita in the nation in 2005

Source: US Bureau of Census and Bureau of Economic Analysis

IMPACT OF DEBT EXPENSES

DEBT SERVICE EXPENDITURES

GENERAL & SPECIAL TRANSPORTATION FUNDS



- Debt Service expenditures have doubled since 1997
- The increase in debt service expenditures crowds out discretionary spending

CONNECTICUT'S BOND RATING

CURRENT GENERAL OBLIGATION BOND RATING

<u>Moody's</u>	<u>Standard & Poor's</u>	<u>Fitch</u>
Aa3	AA	AA

- Prior to 1975, Connecticut's General Obligation (GO) bonds had the highest rating possible: Aaa by Moody's and AAA by Standard & Poor's (S&P)
- The most recent change in Connecticut's bond rating was a downgrade by Moody's in July 2003

	Number of States Rated		
<u>Rating</u>	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
Better than CT	26	16	15
Equal to CT	10	16	13
Lower than CT	<u>2</u>	<u>6</u>	<u>8</u>
Total*	38	38	36

* 39 states issue GO bonds. All 39 states are rated by Moody's and Standard and Poor's. Fitch does not rate Arkansas and New Mexico

Neighboring States' Ratings

- Currently, neighboring states that are rated better or lower than Connecticut's Aa3 Moody's rating are:
 - o Better than CT: Vermont (Aaa), Massachusetts (Aa2), and New Hampshire (Aa2)
 - o Lower than CT: None
- Currently, neighboring states that are rated better or lower than Connecticut's AA Standard and Poor's rating are:
 - o Better than CT: Vermont (AA+)
 - o Lower than CT: None
- Currently, neighboring states that are rated better or lower than Connecticut's AA Fitch rating are:
 - o Better than CT: Vermont (AA+)
 - o Lower than CT: New Jersey (AA-) and New York (AA-)

Importance of Bond Ratings

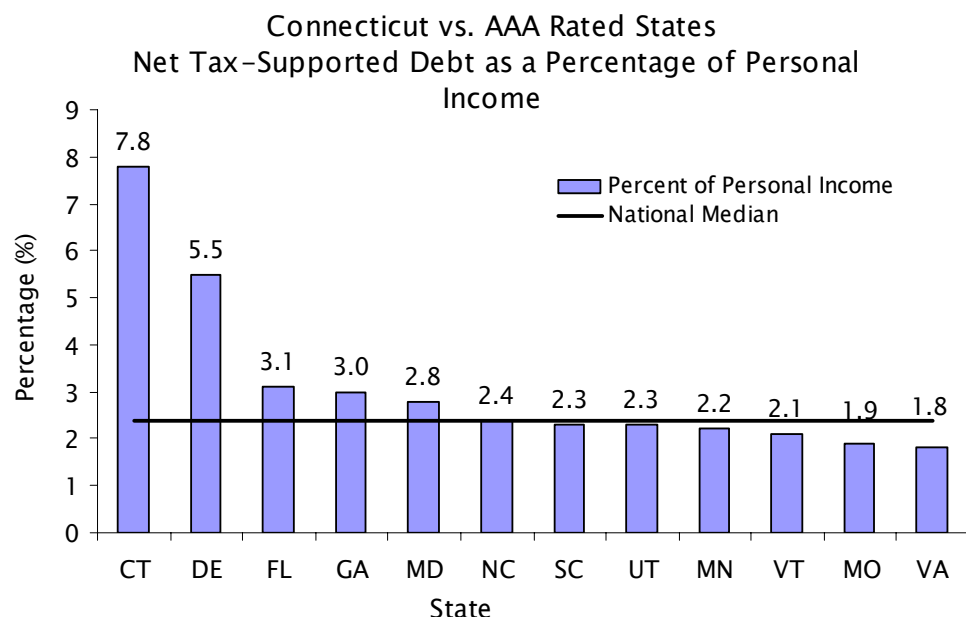
- The rating process informs investors about risk
- The rating process shows how we compare relative to other investments
- Connecticut is a high-debt state
- Low ratings will result in higher borrowing costs

MOODY'S INVESTORS SERVICE U.S. CREDIT SCORECARD

- Moody's uses the State Credit Scorecard and certain other factors to determine ratings.
- The other factors include:
 - o Subjective assessment of future based on past actions
 - o Assessment of expected willingness of state leadership to:
 - Preserve a strong financial profile in the future
 - Take strong but unpopular fiscal actions in times of stress
- The Scorecard is as follows:
 - o States are ranked into one of five tiers of ten states each in each category and in total, with Tier 1 being a high rating and Tier 5 being a low rating
 - o Connecticut is ranked in Tier 3 overall, as of September 2007

Category	Weight	CT Tier	Why CT Did Not Rank Higher (September 2007 Edition)
Economy	20%	4	-Weak job growth -Net negative population migration out of state
Debt Management	20%	4	-High debt as a percentage of revenue -High unfunded pension liabilities (low funding ratio)
Management/Governance	30%	3	Institutional Financial Flexibility: -All measures were satisfactory. Fiscal Best Practices: -Governor's allotment rescission authority is limited -No routinely-published analysis of debt affordability -GAAP-based financial reports published late due to CORE-CT implementation
Financial Management	30%	2	High/Negative Unrestricted Undesignated Fund Balance (UUFB) relative to revenue -High non-state asset-backed bonding -School construction -Operating grants and loans -Unfunded GAAP Deficit -Unfunded Accrued Medicaid liabilities -Unfunded 27-pay-period years -Unfunded pension liabilities -Unfunded workers' compensation liabilities -Unfunded compensated absences liabilities -Unfunded OPEB not included but will be added in future

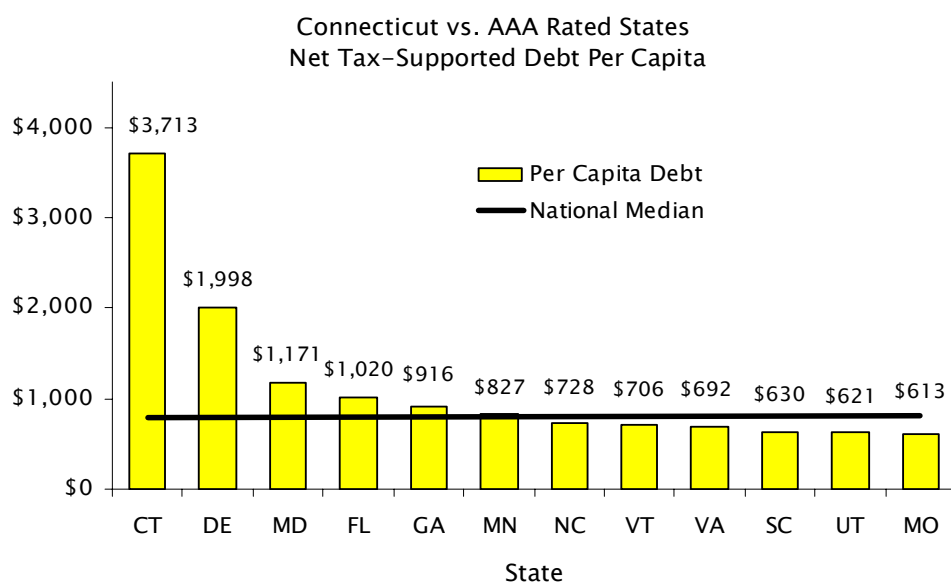
DEBT AS A PERCENTAGE OF PERSONAL INCOME



- Connecticut ranks third in net tax-supported debt as a percentage of personal income behind Hawaii and Massachusetts
- Connecticut's net tax-supported debt as a percentage of personal income is more than 3 times the national average of 2.4%
- Connecticut's net tax-supported debt as a percentage of personal income is more than 1 1/2 times the 4.8% average for neighboring states

Source: Moody's Investors Service Special Comment 2007 State Debt Medians April 2007

TAX-SUPPORTED DEBT PER CAPITA



- Connecticut ranks second behind Massachusetts in net tax-supported debt per capita
- Connecticut's net tax-supported debt per capita is about 5 times the national median of \$787 and the AAA median of \$728
- Connecticut's net tax-supported debt per capita is more than twice the median of \$1,687 for its neighboring states

Source: Moody's Investors Service

RETIREMENT SYSTEM STATISTICS

STATE EMPLOYEES & TEACHERS' SYSTEMS COMBINED

State	Actuarial Funding Ratio	Unfunded Liability (\$ thousands)	State	Actuarial Funding Ratio	Unfunded Liability (\$ thousands)
1 North Carolina *	106.5%	\$ (3,045,514)	26 Virginia*	81.3%	\$ 9,256,000
2 Florida *	105.6%	\$ (6,181,784)	27 Arkansas	81.3%	\$ 3,278,000
3 Oregon	104.2%	\$ (2,088,600)	28 Missouri*	81.2%	\$ 8,135,660
4 Delaware*	101.7%	\$ (97,574)	29 North Dakota	81.0%	\$ 675,900
5 Tennessee	99.8%	\$ 39,807	30 Ohio	80.7%	\$ 31,328,562
6 New York	99.6%	\$ 886,800	31 Michigan	79.4%	\$ 12,498,000
7 Wisconsin	99.4%	\$ 412,900	32 New Jersey	78.1%	\$ 23,345,123
8 Georgia*	97.8%	\$ 1,352,620	33 Massachusetts	75.5%	\$ 10,809,357
9 South Dakota	96.7%	\$ 191,400	34 Nevada	74.9%	\$ 6,457,118
10 Utah*	96.4%	\$ 542,549	35 Mississippi	73.5%	\$ 6,607,401
11 Idaho	95.2%	\$ 461,700	36 Colorado	73.3%	\$ 23,876,244
12 Wyoming	94.4%	\$ 307,627	37 South Carolina*	73.1%	\$ 8,991,285
13 Vermont*	90.8%	\$ 268,153	38 Maine	69.7%	\$ 3,034,653
14 Texas	88.8%	\$ 14,785,610	39 Kentucky	69.3%	\$ 9,148,511
15 Iowa	88.4%	\$ 2,507,085	40 Kansas	68.8%	\$ 5,152,469
16 Washington	88.4%	\$ 6,041,000	41 Louisiana	66.3%	\$ 10,420,319
17 California	87.2%	\$ 46,265,000	42 Hawaii	65.0%	\$ 5,132,028
18 Nebraska	87.2%	\$ 845,226	43 Indiana	64.3%	\$ 9,585,979
19 Pennsylvania	86.6%	\$ 7,244,500	44 Alaska	63.9%	\$ 4,122,721
20 Minnesota*	86.6%	\$ 6,218,454	45 New Hampshire	61.4%	\$ 2,474,605
21 Alabama	83.7%	\$ 5,478,749	46 Illinois	60.7%	\$ 39,900,512
22 Arizona	83.4%	\$ 3,342,101	47 Connecticut	58.3%	\$ 14,801,411
23 Maryland*	82.8%	\$ 7,045,182	48 Oklahoma	56.9%	\$ 9,933,382
24 Montana	82.4%	\$ 1,323,329	49 Rhode Island	55.8%	\$ 4,318,307
25 New Mexico	81.8%	\$ 4,071,266	50 West Virginia	52.7%	\$ 5,267,922
* States with a AAA credit rating					
Mean	81.2%				
Median	81.6%				

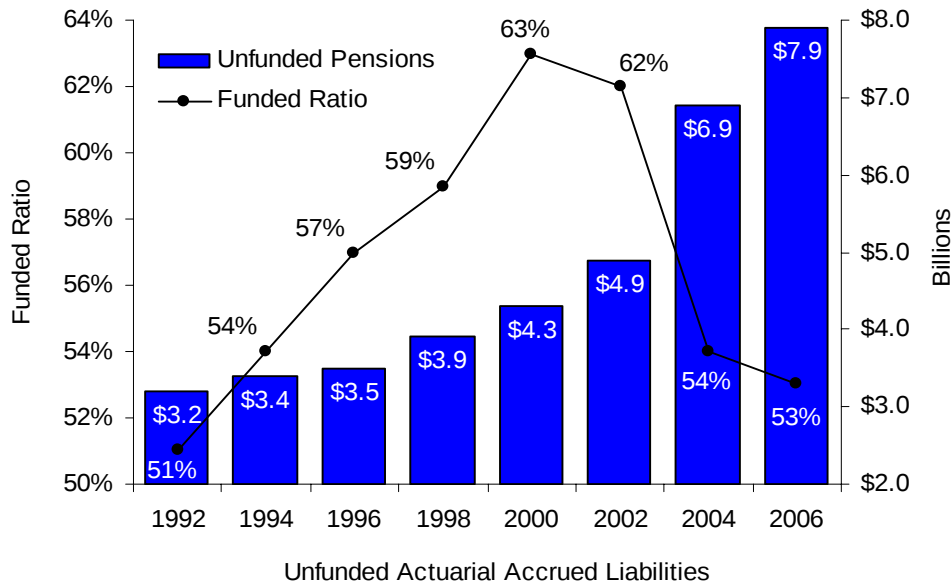
Source: National Association of State Retirement Administrators Public Fund Survey for FY 2006

- Connecticut's unfunded pension liabilities are among the worst in the nation
- Connecticut's pension fund assets would cover only 58.3% of the liability
- This places Connecticut almost dead last in the nation
- Ten of the eleven states with AAA credit ratings have Actuarial Funding Ratios of 80% or better

UNFUNDED PENSIONS

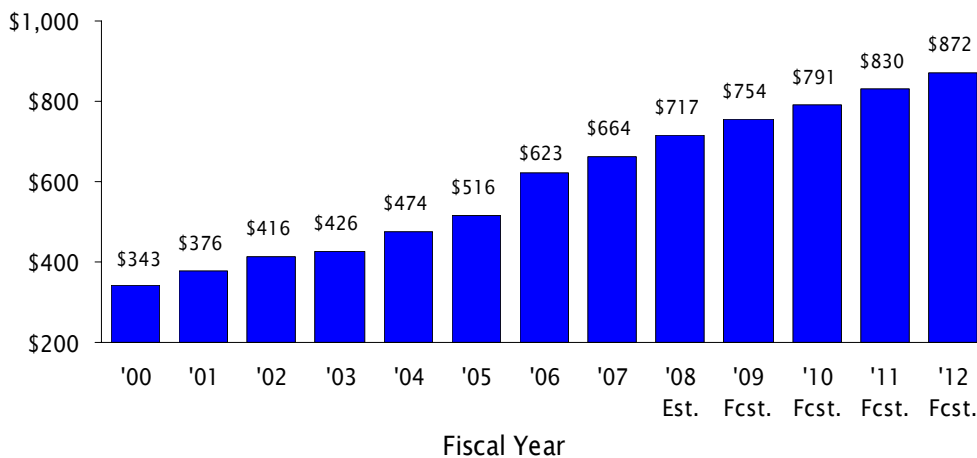
STATE EMPLOYEES RETIREMENT SYSTEM AS OF 6/30

- State Employees unfunded pension liabilities continue to grow
- The State's obligations at the end of FY2006 total \$7.9 billion
- This obligation represents roughly \$1,720 for every man, woman, and child in the State



STATE EMPLOYEES RETIREMENT SYSTEM CONTRIBUTIONS

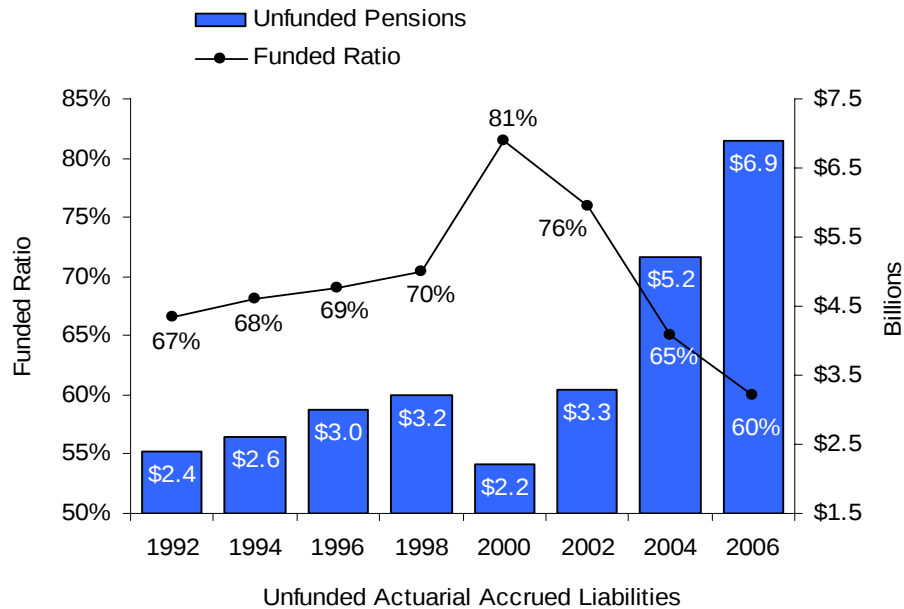
(In Millions)



- This obligation rose even with the large increase in equity valuations that took place over the 1990s
- The required contribution will rise by approximately \$155M over the next four fiscal years

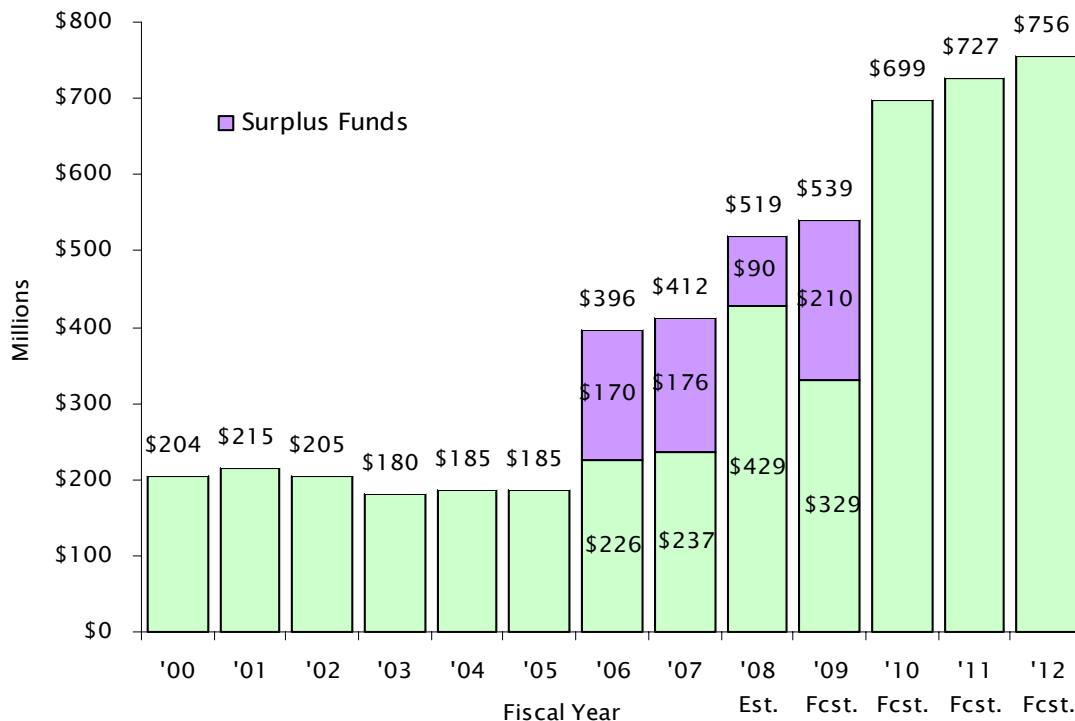
UNFUNDED PENSIONS

CONNECTICUT TEACHERS' RETIREMENT SYSTEM AS OF 6/30



- Teachers' unfunded pension liabilities continue to grow
- The State's obligations at the end of FY2006 total \$6.9 billion
- Contributions in both FY2006, FY2007, FY2008, and FY2009 were enhanced by the use of surplus. The required contribution jumps from \$329M in FY2009 to \$699M in FY2010 – and increase of \$370M – without these resources
- The \$6.9 billion does not include the \$1.0 billion increase in obligations due to the elimination of the cost of living adjustment reserve account (CLARA), and does not include the issuance of Pension Obligation Bonds

TEACHERS' RETIREMENT SYSTEM CONTRIBUTIONS *

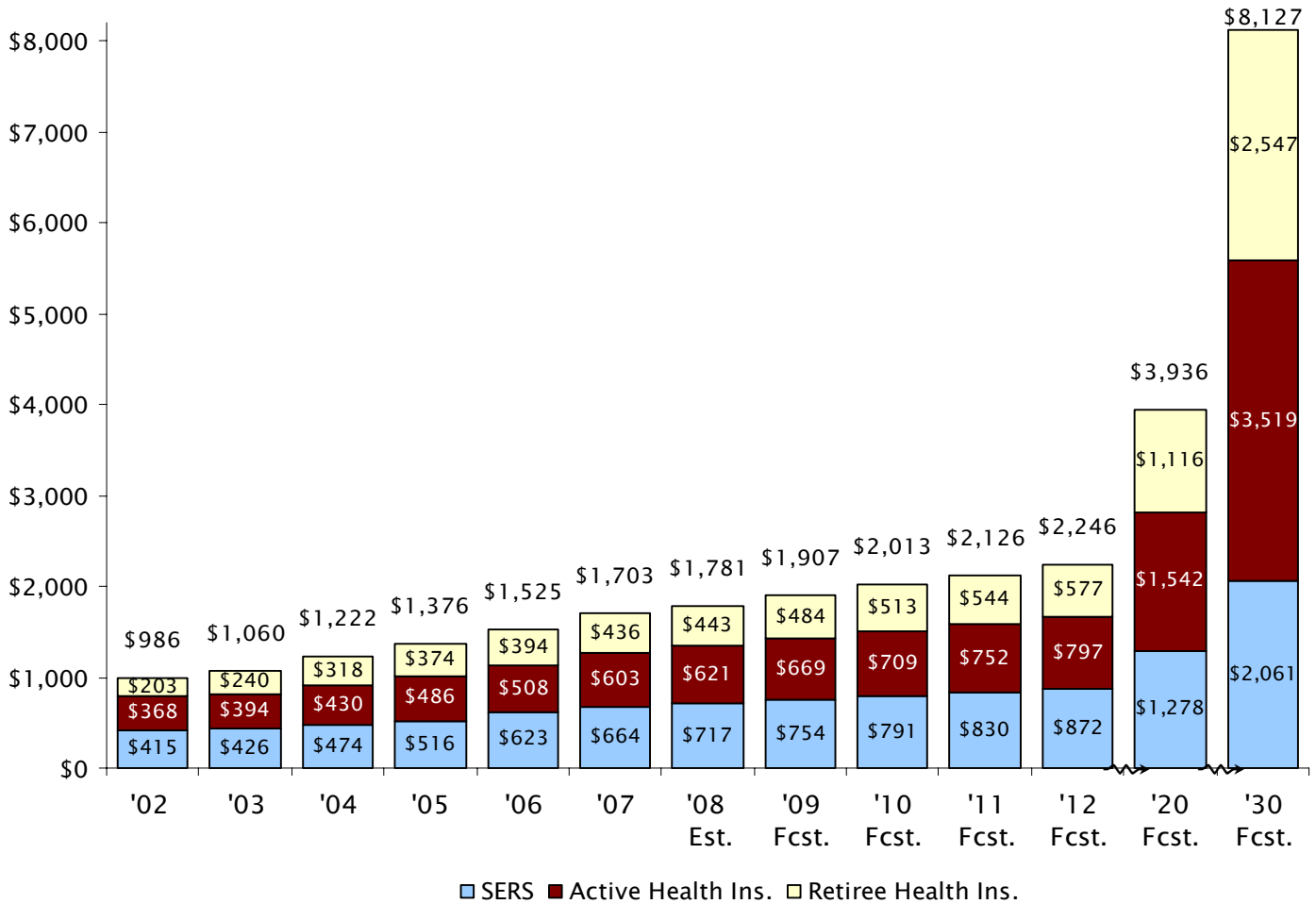


* FY06 and FY07 figures include \$170M and \$176M respectively from FY2005 and FY2006 surplus appropriations; FY08 includes \$90M and FY09 includes \$210M from FY2007 surplus appropriations

STATE EMPLOYEES PENSION & HEALTH INSURANCE

ALL FUNDS—As of 6/30

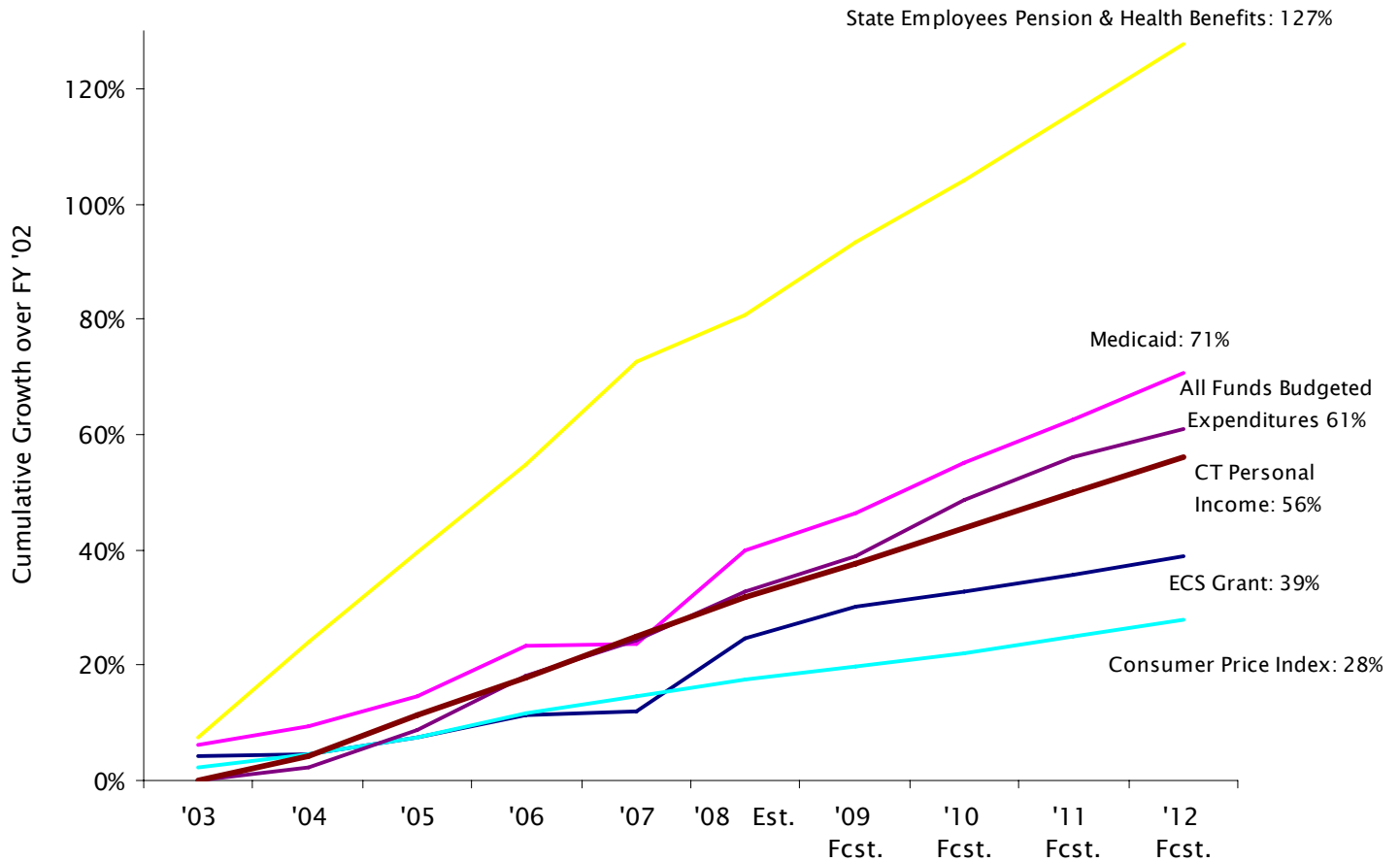
(In Millions)



Note: Starting in FY 07, Retiree Health includes offsets for the Medicare Part D Employer Subsidy.

- Fiscal 2007–09 pension costs are 14.3% higher than in the prior biennium
- Fiscal 2007–09 health insurance costs for active employees are estimated to be 17.4% higher than in the prior biennium
- Fiscal 2007–09 health insurance costs for retirees are estimated to be 15.2% higher than in the prior biennium
- Fiscal 2007–08 estimated average health insurance cost to the State is \$10,800 per active employee

GROWTH IN SIGNIFICANT STATE EXPENDITURES



- The increase for State Employees Pension and Health Benefits is more than double that of the overall budget over this period and the rate of growth is accelerating relative to the other categories
- State Employees Pension and Health Benefits and Medicaid are the principal cost drivers during this period and show increasing growth trends over the Educational Cost Sharing Grant (ECS), the Consumer Price Index (CPI), and the remaining budget
- The above figures assume no amortization of Other Post Employment Benefits (OPEB) debt

OTHER POST EMPLOYMENT BENEFITS

- The Government Accounting Standards Board (GASB) now requires states to report on unfunded liabilities due to other post-employment benefits (OPEB), such as health, dental and life insurance for retirees.
- Current financial reporting methods fail to:
 - o Recognize the cost of employee benefits in periods when the employees' perform services for the state.
 - o Provide information about the actuarial accrued liabilities for promised benefits associated with past service and to what extent those benefits have been funded.
 - o Provide information useful in assessing potential demands on the state's future cash flow.
- There is currently no requirement to fund OPEB liabilities
 - o Required funding is expected within the next several years
 - o Some states have already begun funding OPEB, which is looked upon favorably by rating agencies
- Under various measures, Connecticut consistently ranks among the states with the highest unfunded Other Post Employment Benefit levels.

States With Highest Unfunded OPEB Liabilities (Millions of Dollars) Highest Ten States		States With Highest Per-Capita Unfunded OPEB Liabilities (Dollars) Highest Ten States	
<u>State</u>	<u>Amount</u>	<u>State</u>	<u>Amount</u>
California	\$ 70,000	Alaska	\$ 7,047
New Jersey	60,000	New Jersey	6,877
New York	54,000	<u>Connecticut</u>	<u>6,020</u>
Texas	26,817	Hawaii	4,398
North Carolina	23,786	Alabama	4,349
Maryland	22,903	West Virginia	4,279
Michigan	22,745	Maryland	4,078
<u>Connecticut</u>	<u>21,100</u>	Delaware	3,720
Alabama	20,000	Maine	3,599
Georgia	20,000	Kentucky	3,192

Source: Credit Suisse

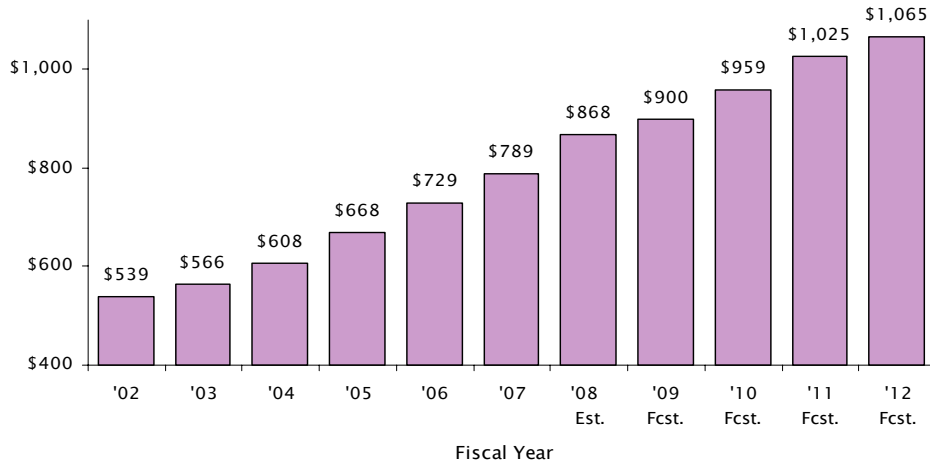
Source: Credit Suisse

- Connecticut ranks third highest of all the states in total unfunded OPEB per-capita at \$6,020, compared to the median per-capita unfunded OPEB of \$1,581.
- Only four states appear in the top ten on both lists: Connecticut, New Jersey, Maryland and Alabama.
- Connecticut ranks eighth highest of all the states in total unfunded OPEB at \$21.1 billion, which was the preliminary estimate of the state's liability. A report has now been released estimating Connecticut's unfunded OPEB liability to be \$21.7 billion.

DEPARTMENT OF CHILDREN AND FAMILIES

DCF EXPENDITURES

(In Millions)

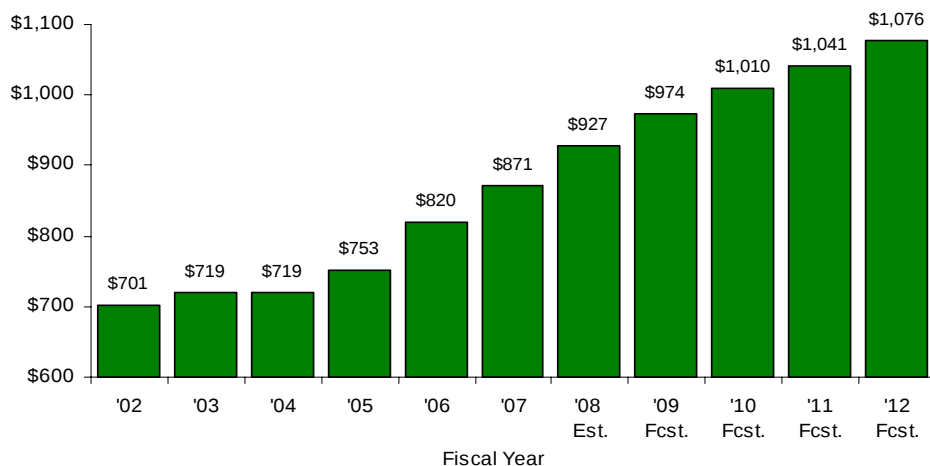


- Since 1991 DCF has been operating under the provisions of a federal court ordered Consent Decree in the Juan F. case and since that time DCF's budget has increased five times over
- In FY 2003, DCF entered into an Exit Plan for the Juan F. case. It has since made significant progress in meeting the Outcome Measures in the Exit Plan
- There is still much to do under the Exit Plan but the rate of growth in costs due to the Exit Plan is slowing
- DCF is still a cost driver in the budget due to its size, continued work on the Exit Plan and anticipated needs of the Raise the Age of Juveniles initiative

DEPARTMENT OF DEVELOPMENTAL SERVICES

DDS EXPENDITURES

(In Millions)

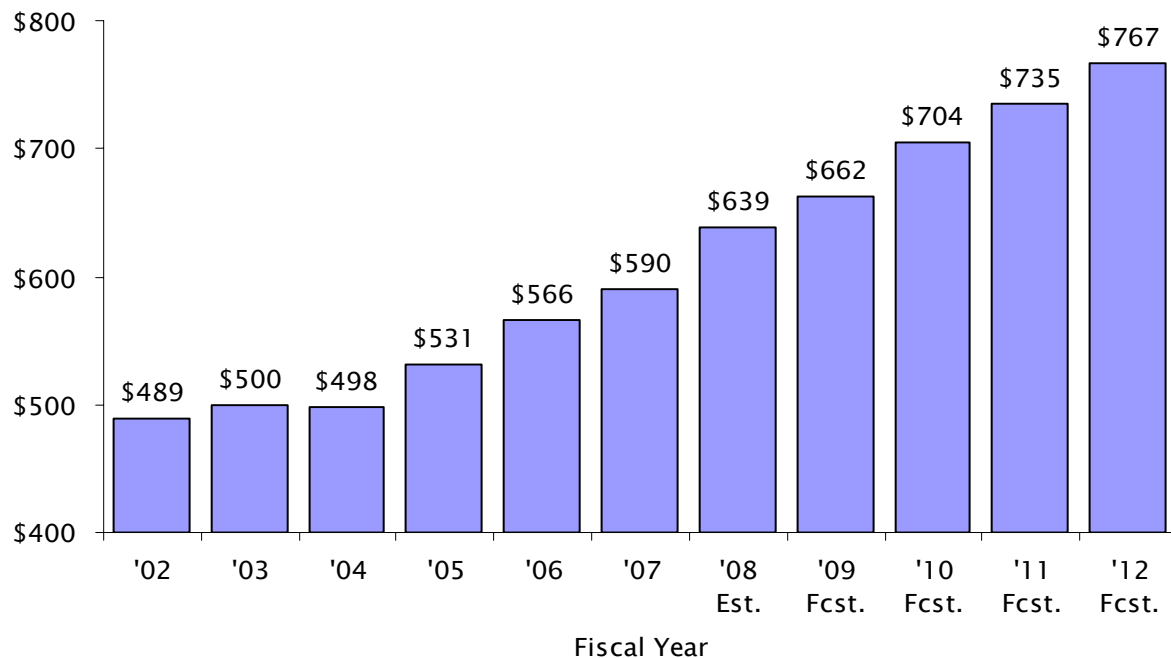


- New funding of \$19.6M in FY 08 and \$44.4M in FY 09 has been appropriated for DDS to continue to meet the service requirements of the most at risk clients. These funds are targeted to serve clients transitioning or "aging out" of current placements. There is an ongoing commitment to maintain services to individuals with future funding for this effort
- With additional and ongoing funding commitments the state has been able to reach a settlement in the Association for Retarded Citizens (ARC) vs. CT suit. As part of the settlement, funding of \$8.75M in FY 08 and an additional \$8.84M in FY 09 is provided to serve 300 individuals on the waiting list

DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES

DMHAS EXPENDITURES

(In Millions)



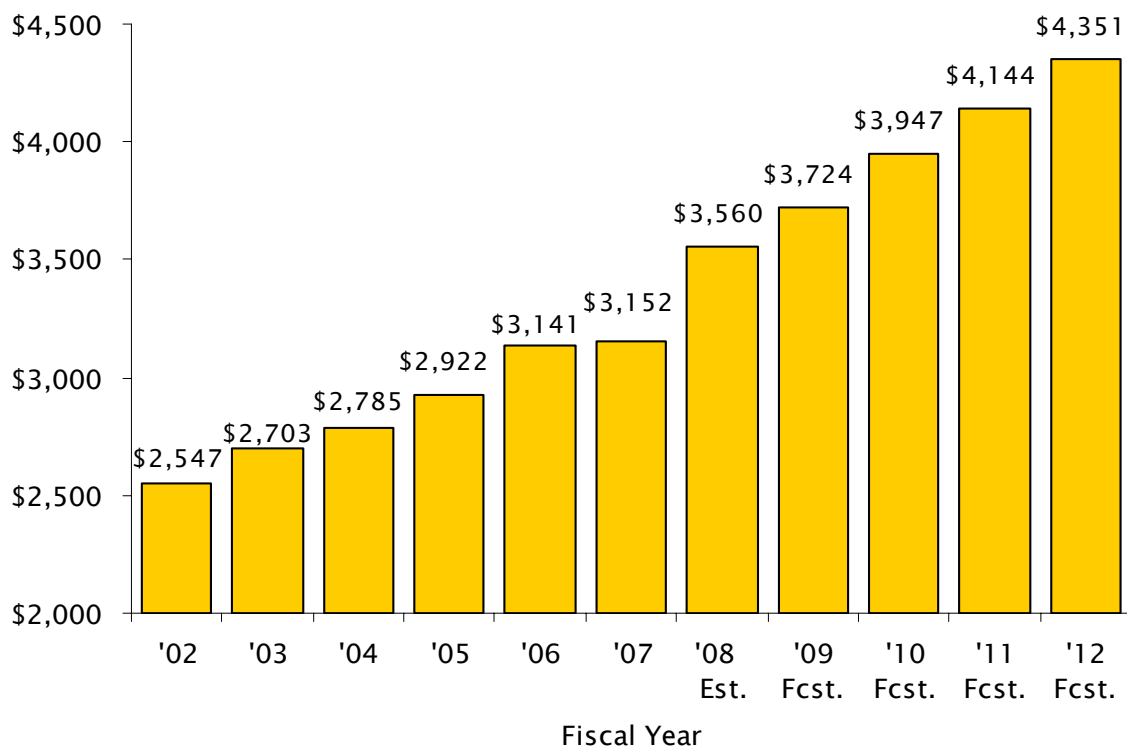
Significant new funding is anticipated to be required in FY 2009 and in the out-years to address the following issues:

- Conditions at Connecticut Valley Hospital – A deficiency of \$9 million is projected for FY 2008 to address survey findings by the Centers for Medicare and Medicaid Services, the Joint Commission on Accreditation of Healthcare Organizations, and the U.S. Department of Justice related to records, treatment planning and environment of care
- Caseload increases in the young adult services program
- Possible changes in monitoring and treatment for parolees resulting from the various ongoing criminal justice discussions
- Individuals with mental illness in nursing homes

DEPARTMENT OF SOCIAL SERVICES

MEDICAID EXPENDITURES

(In Millions)

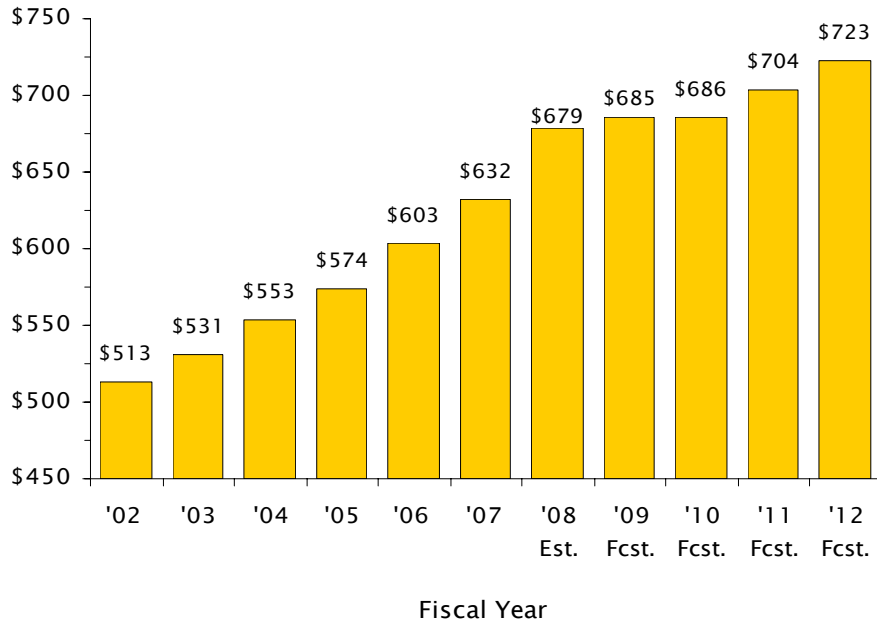


- With expenditures increasing 71% from FY 2002 to FY 2012, growth in the Medicaid program is the major cost driver in the Department of Social Services.
- Medicaid accounts for approximately 75% of DSS' budget.
- Medicaid growth since FY02 has been affected by the implementation of a nursing home provider tax that resulted in a 17% increase in rates, and increases in areas such as the HUSKY program and medical care under fee-for-service. Medicaid expenditures grew by only 3.5% from FY06 to FY07 due to the shift of pharmaceutical costs to the federal government under Medicare Part D. Other cost drivers include recent rate increases for hospitals, nursing homes, physicians and other providers.
- Future growth will be impacted by recent program expansions including services provided through federal waivers, expansion of coverage for HUSKY adults, increased utilization due to the Governor's authorization of \$25.8 million in bond funds to expand community health centers and increased access for children receiving medical services through the School Based Child Health program.

DEPARTMENT OF CORRECTION

DOC EXPENDITURES

(In Millions)

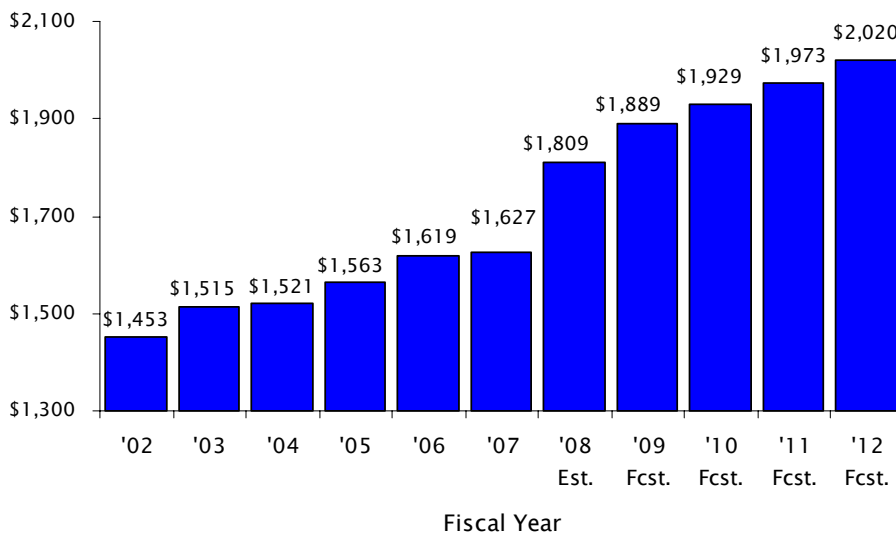


- The prison population reached its record peak in October 2007
- As the parole process is currently being reviewed, it is expected that the prison population will increase over the coming months
- More prisoners result in higher costs to the system

DEPARTMENT OF EDUCATION

EDUCATION COST SHARING GRANT

(In Millions)

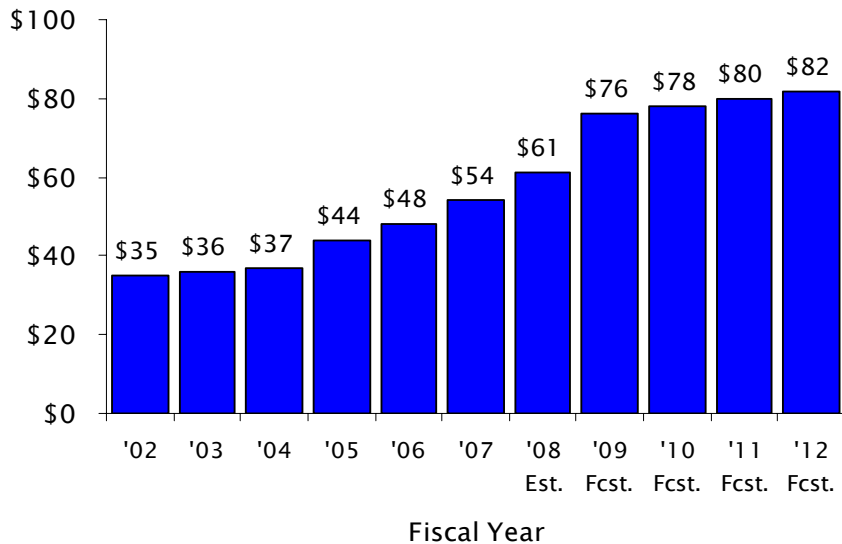


- The Education Cost Sharing Grant (ECS) is the state's major education grant, designed to equalize the ability of towns to finance local education costs
- The expenditure for the current fiscal year is \$1.8 billion, which is a growth of 11% over FY 07. Average growth in ECS since 2002 has been 3.8%
- The budget for FY 2006 & FY 2007 included \$57 million in surplus funds divided over the biennium

EDUCATION GRANTS

SCHOOL READINESS GRANT TO PRIORITY SCHOOL DISTRICTS

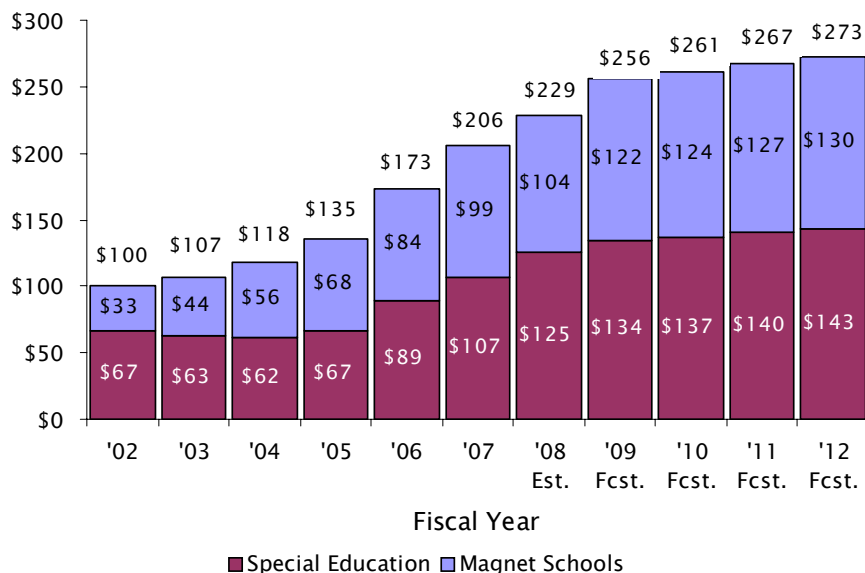
(In Millions)



- The School Readiness Grant is part of the Priority School Districts Grant (PSD), which is one of the state's major grants, designed to target funds to the 16 neediest communities.
- The School Readiness Grant provides funding for preschool slots in the Priority School Districts.
- The School Readiness Grant expenditure for the current fiscal year is \$61 million, which is a growth of 13% over FY 07. Average growth in the grant since 2002 has been 9.9%.
- The biennial budget includes funding for approximately 600 additional preschool slots in FY 2008 and another 2,000 slots in FY 2009.
- Even with these additional preschool slots, the unmet need will still be approximately 6,130.

GRANTS FOR MAGNET SCHOOLS AND SPECIAL EDUCATION

(In Millions)

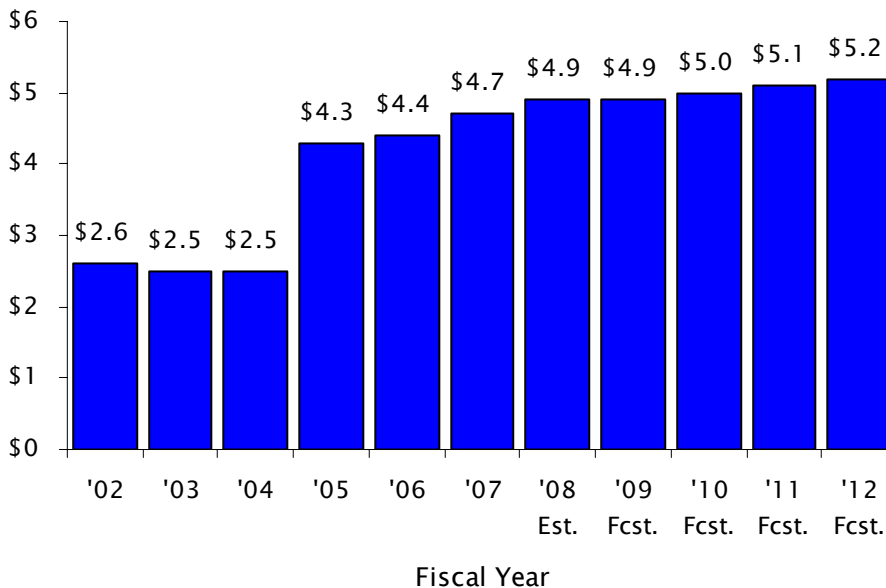


- The Special Education Grant reimburses school districts for higher than average special education costs. For locally initiated special education placements, reimbursement is currently available for those costs that exceed 4.5 times the average cost.
- The Special Education expenditure for the current fiscal year is \$125 million, which is a growth of 16.8% over FY 07. Average growth in the grant since 2002 has been 11.7%.
- The Magnet School Grant provides subsidies to operate and transport students to Magnet Schools, which are designed to voluntarily reduce racial, ethnic and economic isolation.
- The Magnet School expenditure for the current fiscal year is \$104 million, which is a growth of 5% over FY 07. Average growth in the grant since 2002 has been 21.4%.

EARLY CHILDHOOD PROGRAM

DEPARTMENT OF EDUCATION—COMPETITIVE GRANT

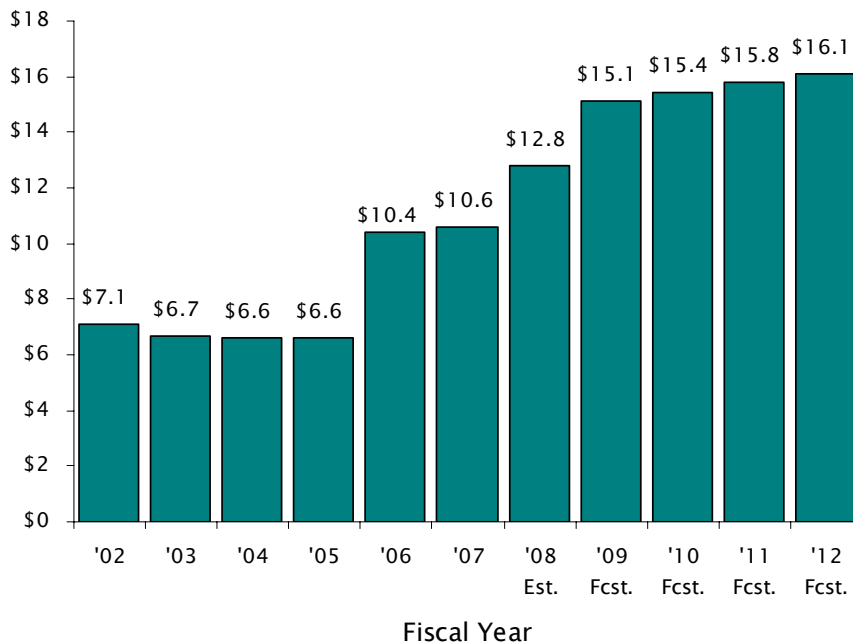
(In Millions)



- The Early Childhood Program is the competitive portion of the Early Childhood Grant, which provides school readiness and daycare slots for 3 and 4 year olds in towns served by priority schools (where 40% of students are in the reduced or free lunch program), certain former priority schools or to non-Priority School District towns ranked among the top 50 poorest communities.
- The estimated expenditure for the current fiscal year is \$4.9 million, which is a growth of 4% over FY 07. Average growth in the Early Childhood Program since 2002 has been 13.6%.

DEPARTMENT OF SOCIAL SERVICES – CHILD DAY CARE CENTERS

(In Millions)



- DSS contracts with municipalities and not-for-profit child day care centers to secure slots to provide care to infant/toddler (6 weeks to 3 years of age), preschool (3 through 5 years of age) and school age children (6 years of age and above). Eighty percent of slots are reserved for low-income working families with earnings less than 75% of the state median income.
- The FY08 appropriation of \$12.8 million represents a 20% increase over FY07 expenditures. Additional funding totaling \$4.4 million over the biennium will allow for rate increases for state supported child day care centers.

STATUS OF COLLECTIVE BARGAINING AGREEMENTS

<u>Bargaining Unit</u>	<u>Number of Full Time Employees</u>	<u>6/30/2008 All Funds Full Time Payroll (est.)</u>	<u>Contract Expiration Date</u>
Judicial Marshals	643	25,502,516	6/30/07
State Technical College Faculty	171	10,568,242	6/30/07
Service Maintenance (NP-2)	4,078	194,330,264	6/30/08
Corrections (NP-4)	4,986	269,233,670	6/30/08
Protective Services (NP-5)	876	51,324,050	6/30/08
Correctional Supervisors (NP-8)	571	23,734,009	6/30/08
Supervising Judicial Marshals	59	3,499,797	6/30/08
Administrative Clerical (NP-3)	4,503	216,432,198	6/30/09
Health Care Para Professional (NP-6)	3,750	198,364,610	6/30/09
Health Care Professional (P-1)	3,061	242,072,526	6/30/09
Social & Human Services (P-2)	3,820	249,164,202	6/30/09
Education – Administrators (P-3A)	271	25,592,093	6/30/09
Education – Educators (P3-B)	832	58,842,022	6/30/09
Engineering & Science Related (P-4)	2,527	182,954,454	6/30/09
DCJ Employees	143	7,303,213	6/30/09
DCJ Inspectors	81	6,483,617	6/30/09
Judicial Employees	1,304	71,502,123	6/30/09
Judicial Professional Employees	1,162	90,376,442	6/30/09
State Police (NP-1)	1,150	84,303,757	6/30/10
DCJ Prosecutors & Juvenile Prosecutors	256	26,519,623	6/30/10
DHE Professional Employees	39	2,740,205	6/30/10
Charter Oak State College Professionals	55	3,299,516	6/30/10
Congress of Connecticut Community Colleges	1,224	87,266,640	6/30/10
Technical College Administrators	68	4,740,819	6/30/10
UConn Health Center Non Faculty Professionals	1,790	107,211,359	6/30/10
Administrative & Residual (P-5)	3,157	226,237,896	6/30/11
Vocational – Technical Faculty	1,191	87,939,465	6/30/11
Vocational – Technical Directors	63	6,462,597	6/30/11
Connecticut State University Faculty (AAUP)	1,423	108,005,970	6/30/11
Connecticut State University Administrative Faculty	685	47,769,925	6/30/11
University of Connecticut Faculty (AAUP)	1,538	153,447,284	6/30/11
UConn Professional Employees Assoc (UCPEA)	<u>1,605</u>	<u>93,237,806</u>	6/30/11
Total	47,082	\$2,966,462,910	

Note: The payroll numbers include all wages for full time employees excluding overtime.

Full Time Salary Projected Percentage Increase Over Previous Fiscal Year For Settled Units **4.63%**
(Increase from FY 2007 to FY 2008)

- The costs of settled collective bargaining agreements were built into agency budgets for state fiscal years 2008 and 2009

SUMMARY OF LOCAL AID

ESTIMATED FORMULA GRANTS TO MUNICIPALITIES

(In Millions)

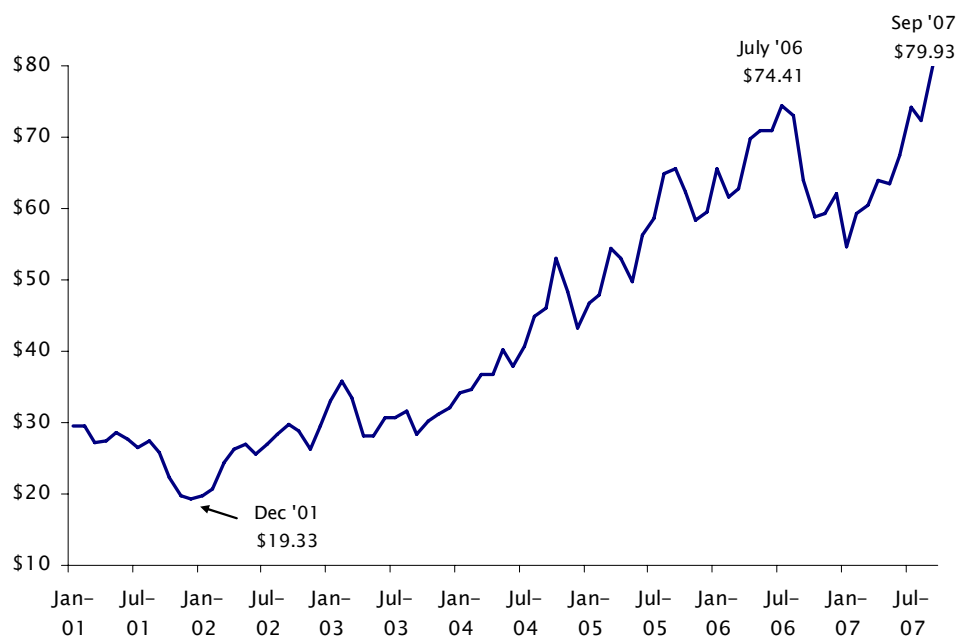
Grant	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
State-Owned PILOT	\$ 81.2	\$ 82.9	\$ 82.9	\$ 75.9	\$ 75.9	\$ 75.9
College & Hospital PILOT	120.7	122.4	122.4	115.4	115.4	115.4
Pequot Grant	91.1	93.0	93.0	86.3	86.3	86.3
Town Aid Road Grant	30.0	30.0	30.0	22.0	22.0	22.0
LoCIP	30.0	30.0	30.0	30.0	30.0	30.0
Miscellaneous General	20.0	20.9	21.6	22.1	22.7	23.4
Machinery & Equipment	<u>50.2</u>	<u>75.6</u>	<u>104.9</u>	<u>139.6</u>	<u>172.3</u>	<u>208.2</u>
Sub-total – General Government	\$ 423.2	\$ 454.8	\$ 484.8	\$ 491.3	\$ 524.6	\$ 561.2
Public School Transportation	\$ 48.0	\$ 48.0	\$ 48.0	\$ 49.0	\$ 50.1	\$ 51.3
Non-Public School Transportation	4.0	4.0	4.0	4.1	4.2	4.3
Adult Education	18.6	20.6	20.6	21.0	21.5	22.0
Education Cost Sharing	1,626.9	1,809.2	1,889.2	1,929.2	1,973.2	2,020.2
Magnet Schools	98.6	103.8	121.5	124.1	126.9	129.9
Special Education	106.6	124.6	133.9	136.7	139.8	143.2
Miscellaneous Education Grants	<u>148.6</u>	<u>161.5</u>	<u>155.8</u>	<u>159.5</u>	<u>163.3</u>	<u>167.4</u>
Sub-total – Education	\$ 2,051.3	\$ 2,271.7	\$ 2,373.0	\$ 2,423.6	\$ 2,479.0	\$ 2,538.3
Total – Formula Grants	\$ 2,474.5	\$ 2,726.5	\$ 2,857.8	\$ 2,914.9	\$ 3,003.6	\$ 3,099.5

- In fiscal year 2008, grants to municipalities comprises 16.7% of the General Fund budget
- Grants to municipalities will be \$3.1 billion in FY 2012 which is a 25% increase over the fiscal year 2007 level
- Fiscal year 2007 through fiscal year 2009 grants include surplus funding, where appropriate

- Increases in energy costs over the past few years have been significant, and yet have shown no sign of stabilizing as regional conflicts stay heightened and the gap between international supply and demand remains high.
- The growth in demand for oil products in newly industrialized countries such as China and India as well as within the oil exporting countries continues to rise. World demand is growing at a brisk pace as the world economy continues to move forward.
- The economy may face inflationary pressures and the uncertainty of energy supplies may cause a further slowdown, depending on the geopolitical risks, unexpected supply restraints, and behavior of consumers.
- A sustained increase in energy prices will erode purchasing power and dampen personal consumption. Accompanied with the weakening housing market, an unfavorable energy environment may push the delicately balanced economy into recession.
- The State of Connecticut will be affected:
 - In the provision of energy assistance to low income residents.
 - In tax collection, depending upon the volatile energy markets' overall impact on the economy of the nation and the state.
 - To reduce spending and create "budget certainty", the Office of Policy and Management conducted a reverse auction in September 2007, and entered into seven different electricity contracts for certain state facilities through FY09 resulting in a savings of \$18.5 million.

CRUDE OIL PRICES

PER BARREL, WEST TEXAS INTERMEDIATE



- Most recessions have been accompanied by higher energy prices.
- Spare production capacity is not sufficient to handle even a modest loss in supply.
- A higher oil price reduces purchasing power, holding down the demand for non-energy goods.
- On November 6, 2007, the price for light sweet crude for December delivery rose as high as \$98.62 per barrel on the New York Mercantile Exchange.

STATE AGENCY ENERGY COSTS

General Fund	2000 <u>Actual</u>	2004 <u>Actual</u>	2006 <u>Actual</u>	2007 <u>Actual</u> ⁽¹⁾	2008 <u>Estimated</u> ⁽²⁾	2009 <u>Enacted</u>
Electricity & District Cooling	\$24,852,189	\$25,172,335	\$37,298,308	\$46,525,013	\$44,477,636	\$44,805,286
Natural Gas & District Heating	\$9,735,164	\$15,941,274	\$28,546,004	\$25,683,722	\$30,768,943	\$31,045,213
Motor Vehicle Fuel (gasoline)	\$5,500,307	\$5,522,174	\$11,336,507	\$11,685,357	\$12,157,576	\$12,173,539
Fuel Oil	<u>\$3,110,050</u>	<u>\$4,319,889</u>	<u>\$5,604,678</u>	<u>\$5,406,334</u>	<u>\$6,158,294</u>	<u>\$6,165,233</u>
Total	\$43,197,710	\$50,955,672	\$82,785,497	\$89,300,426	\$93,562,449	\$94,189,271
Special Transportation Fund						
Electricity & District Cooling	\$5,745,915	\$5,983,555	\$7,627,065	\$9,239,843	\$8,054,494	\$8,043,341
Natural Gas & District Heating	\$196,326	\$400,439	\$538,844	\$513,538	\$581,142	\$579,259
Motor Vehicle Fuel (gasoline)	\$2,062,444	\$2,048,770	\$1,053,347	\$1,185,411	\$1,535,732	\$1,532,367
Fuel Oil	<u>\$502,960</u>	<u>\$565,463</u>	<u>\$881,642</u>	<u>\$819,352</u>	<u>\$956,318</u>	<u>\$956,103</u>
Total	\$8,507,645	\$8,998,227	\$10,100,898	\$11,758,144	\$11,127,686	\$11,111,070
Total GF and STF Expenditures	\$51,705,355	\$59,953,899	\$92,886,395	\$101,058,570	\$104,690,135	\$105,300,341

- State agency energy costs have risen almost 100% since FY2000; this additional cost is over \$49M.
- Anticipated savings from the reverse auction for electricity procurement are not reflected above and may be offset by rising crude oil prices

⁽¹⁾ Final FY2007 expenditures are not yet available; the amounts shown above may not agree with official figures to be published in the Comptroller's Annual Report

⁽²⁾ Does not include \$7,605,000 in the OPM Energy Contingency account to meet agency needs

PICK UP EXPIRING FEDERAL FUNDS

A total of \$4,196,367 in FY '09 was provided from the General Fund in order to replace expiring federal fund dollars. Twelve positions were also added to transfer grant funded employees to state positions due to the reduction of the funding.

Programs replaced included:

- Juvenile Accountability Block Grant in the Division of Criminal Justice
- DNA Backlog in the Department of Public Safety
- Hartford Armory and Camp Hartell Security in the Military Department
- Supportive Housing Beds for Discharged Inmates in the Department of Mental Health and Addiction Services
- The Hartford Youth Project and the Park Project in the Department of Children and Families
- Court Diversion Initiatives for Girls and Residential Beds for Girls in Detention in the Judicial Department
- Juvenile Accountability Block Grant in the Public Defenders' Services Commission
- Justice Assistance Grant for Stipends to Search and Rescue in the Department of Emergency Management and Homeland Security

The costs of any additional requests for the pick up of expiring federal funds are not known at this time.

EFFORTS TO OBTAIN FEDERAL FUNDS

The administration continues to make revenue maximization efforts a priority. Numerous Medicaid state plan amendments and waivers have been submitted or are in the process of being submitted to the federal government. In the current fiscal year and next, tens of millions of dollars could be gained in new federal revenue due to these initiatives, above and beyond normal growth in federal revenue resulting from caseload and inflation growth.

Some of the major revenue maximization efforts include:

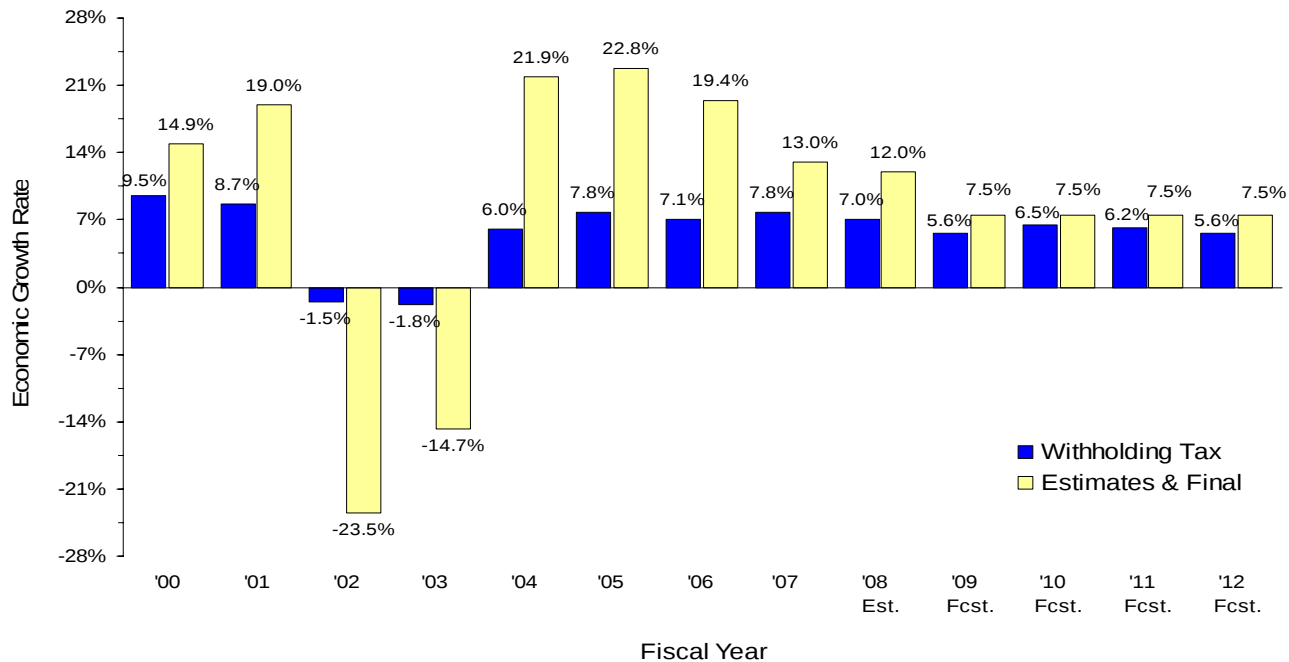
- Capturing enhanced federal reimbursement at 90% for family planning services.
- Pursuing Disproportionate Share Hospital (DSH) reimbursement for qualifying public hospitals that serve low-income individuals.
- Continuing negotiations with the federal Centers for Medicare and Medicaid Services (CMS) on Medicare denials related to home health services.
- Implementing the rehabilitation initiative for Private Non-Medical Institutions (PNMI).
- Implementing a state-of-the-art fraud detection system at DSS.
- Ongoing reimbursement for chronic disease hospital (CDH) services provided at the state veteran's hospital in Rocky Hill under the DSH program.
- Increasing claiming under the Department of Developmental Services' (DDS) Home and Community Based Services (HCBS) waiver as a result of the continuing effort to reduce the waiting list, serving new ageouts and high school graduates in the biennium, and through the transfer of responsibility for children with mental retardation from the Department of Children and Families' voluntary services program.
- Increasing Medicaid Targeted Case Management claiming through hire of new DDS case managers.
- Recovering tuition costs for School Based Child Health (SBCH) special education services.

In addition to efforts to maximize federal revenues, it should also be noted that significant new initiatives funded during the biennium are expected to generate federal reimbursement of state expenditures, including:

- Eligibility expansion for HUSKY Adults from 150% to 185% of the federal poverty level.
- Eligibility expansion for pregnant women under Medicaid to 250% of the federal poverty level.
- Medicaid and State Administered General Assistance (SAGA) rate increases of over \$122 million which should generate 50% reimbursement.
- Expansion of the Katie Beckett waiver.
- Increased access to the HUSKY program through the enrollment at birth, school enrollment, and outreach initiatives.
- FQHC expansion resulting from the Governor's release of \$25.8 million in bond funds.
- Discussions are ongoing with federal officials regarding potential reimbursement for certain Charter Oak Health Plan expenditures.

PERSONAL INCOME TAX TRENDS

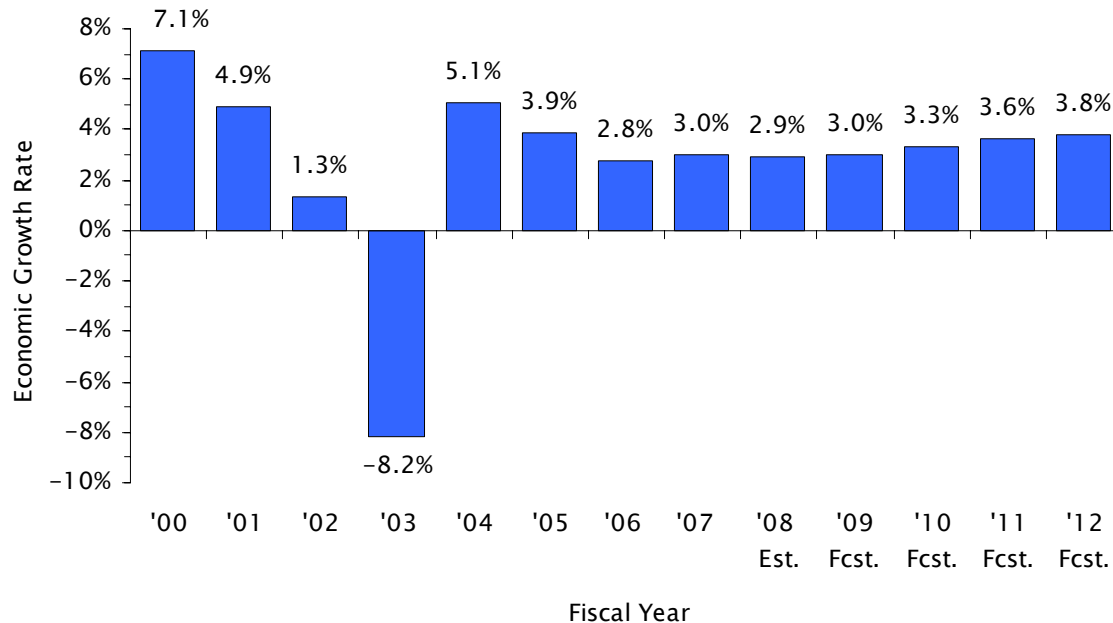
ECONOMIC GROWTH RATES OF THE PERSONAL INCOME TAX



- Over the past several years Connecticut's income tax revenue has fluctuated dramatically.
- This was due to the stock market decline beginning in 2000 and the onset of the recession.
- Although the tax has performed better since fiscal 2004, the volatility of this revenue source dictates caution when forecasting future revenues.
- Performance in the financial markets significantly influences the growth in this revenue source
- The State of New York recently lowered the growth rate in their fiscal 2008 income tax projections from 8.3% to 7.1%. Connecticut is currently projecting an overall growth rate of 8.7% for fiscal 2008.
- New York is projecting withholding growth of 6.3% and estimates and finals growth of 8.6%.

SALES TAX TRENDS

ECONOMIC GROWTH RATES OF THE SALES AND USE TAX



- The sales tax recovered in fiscal 2004 from the recessionary lows experienced in 2002 and 2003
- Fiscal 2006 collections were weaker due to a spike in energy prices which robbed consumers' discretionary spending
- Moving forward, while personal income continues to grow, with a setback in the housing and housing goods markets and the growth in sales over the internet, the growth rate from this revenue source is expected to remain moderate

SIGNIFICANT DEMOGRAPHIC TRENDS

PROJECTIONS OF THE POPULATION IN CONNECTICUT

(Mid-Year Resident Population In Thousands)

<u>Age Group</u>	<u>1990</u>	<u>2000</u>	<u>Projections</u>			<u>% Change</u>
	<u>Census</u>	<u>Census</u>	<u>2010</u>	<u>2020</u>	<u>2030</u>	<u>2000-2030</u>
Total	3,287.1	3,405.6	3,577.5	3,675.7	3,688.6	8.3%
0-17	737.6	841.7	814.0	816.3	823.4	(2.2%)
18-64	2,103.6	2,093.7	2,247.9	2,216.7	2,070.8	(0.1%)
65 & Over	445.9	470.2	515.6	642.5	794.4	68.9%
85 & Over	47.1	64.3	93.7	105.6	132.4	105.9%
Median Age	34.4	37.4	39.6	39.7	41.1	9.9%

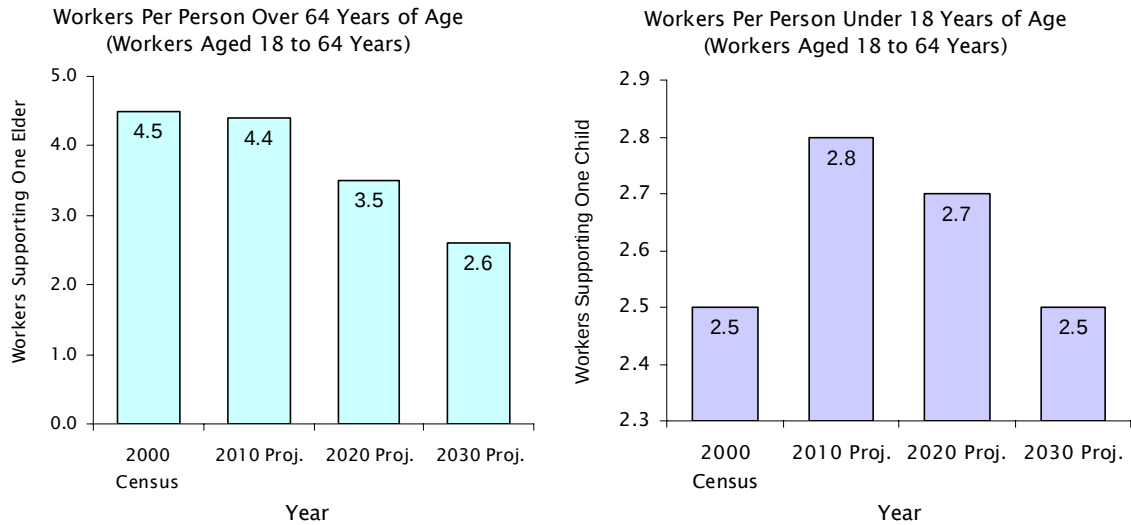
Source: U.S. Department of Commerce, Bureau of the Census, April 2005.

The state is projected to undergo major demographic changes, if current trends continue without some corrective action, with significant impact on our economic and social infrastructures. While many of these trends are also affecting the nation in total, Connecticut is a state that will be impacted particularly hard by these trends.

- The total population in Connecticut is expected to grow only 8.3% between 2000 and 2030, while the nation will grow by 29.2%
- While the older population, which uses services, will be growing significantly, the population between 18 and 64, those who will be working and will be asked to pay for those services with their taxes, will shrink in size by 0.1%
- The older population, those over 65, who are high users of various health and social services, will increase almost 70% between 2000 and 2030
- The very old and frail population, those over 85, who are very intense users of health and social services, will more than double in size from 2000 to 2030
- The school-aged population, those under 18, will stay about the same size or decrease slightly
- The median age of the state will increase to 41.1 years by 2030, while the nation's median age will increase to only 39.0 years

SIGNIFICANT DEMOGRAPHIC TRENDS

SHIFTING SOCIAL NEEDS



- Currently, there are 4.5 workers for every retiree in the State. This ratio will drop by 42% to 2.6 workers per retiree by 2030.
- The number of workers relative to the population under age 18 is projected to remain constant.

SIGNIFICANT DEMOGRAPHIC TRENDS

MIGRATION INTO AND OUT OF CONNECTICUT FROM 2002 TO 2006

Based on federal tax return data from the IRS, during the four-year period, Connecticut has lost:

- 22,606 households (net)
 - o 153,094 households moved into the state
 - o 175,700 households moved out of the state
- 35,618 individual residents (net)
 - o 274,078 residents moved into the state
 - o 309,696 residents moved out of the state
- \$1,229,456,000 (net) in Federal AGI of its residents
 - o \$10,429,435,000 was brought into the state
 - o \$11,658,891,000 was taken out of the state

Assuming an average tax rate of 3.5%, over the four-year period the state has lost a total of approximately \$43.0 million in personal income tax revenue alone due to migration. Of that total, \$18.2 million was lost in the last year, due to the acceleration of the losses.

The losses appear to be accelerating:

<u>Calendar Year</u>	Net Gain/(Loss)		
	<u>Households</u>	<u>Residents</u>	<u>Federal AGI (\$ millions)</u>
2002 to 2003	(1,677)	(893)	7.5
2003 to 2004	(6,888)	(10,800)	(405.3)
2004 to 2005	(6,647)	(11,102)	(311.9)
2005 to 2006	<u>(7,394)</u>	<u>(12,823)</u>	<u>(519.8)</u>
2002 to 2006	(22,606)	(35,618)	(1,229.5)

The top five states impacting Connecticut (plus or minus) over the four years with regard to household migration into and out of Connecticut were:

<u>State Moved From/To</u>	Net Gain/(Loss)		
	<u>Households</u>	<u>Residents</u>	<u>Federal AGI (\$ millions)</u>
Florida	(16,170)	(31,963)	(1,414.2)
New York	12,588	33,109	1,805.6
North Carolina	(3,538)	(7,521)	(261.2)
California	(2,064)	(1,791)	(80.3)
New Jersey	<u>1,263</u>	<u>2,644</u>	<u>170.2</u>
SubTotal	(7,921)	(5,522)	220.1
Other States	<u>(14,685)</u>	<u>(30,096)</u>	<u>(1,449.6)</u>
Total Migration	(22,606)	(35,618)	(1,229.5)

HOUSING, MORTGAGES, AND CREDIT QUALITY

Nationwide:

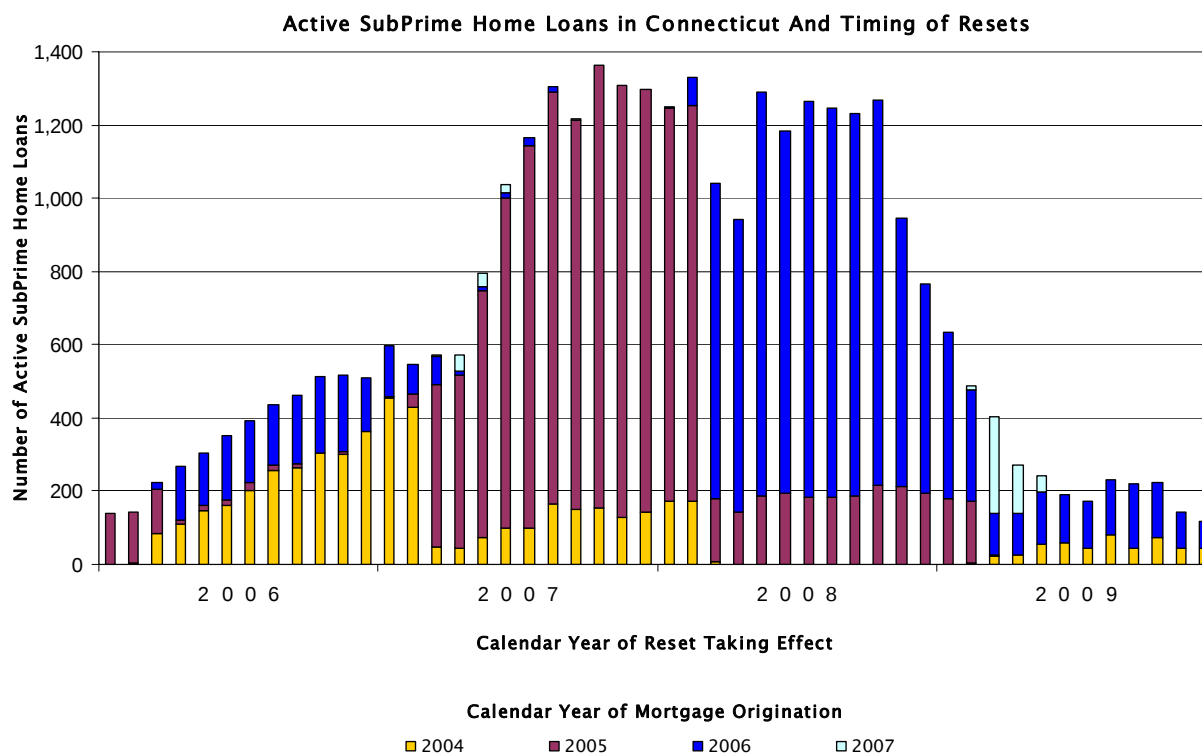
- Home prices have fallen every month so far this year
- Prices of sold homes fell eight percent in September, the largest decline since 1999
- The median sales price in September fell 4.2 percent compared to a year ago
- Foreclosure actions were initiated on 500,000 subprime home loans in 2006
- The Congressional Joint Economic Committee estimates that nearly two million subprime mortgages could go into foreclosure during the next eighteen months

In Connecticut:

- Housing starts declined in FY 2007 for the second year in a row
- Housing permits in September were down 36.6% compared to last year
- Of the 12.5% of mortgage loans outstanding that are subprime in Connecticut, 65% are not fixed-rate loans, with most having two-year interest rate resets
- In the first six months of 2007 compared to the same period in 2006, foreclosures are:
 - o Up 547% in the New Haven–Milford area
 - o Up 522% in the Bridgeport–Norwalk–Stamford area
 - o Up 446% in the Hartford area

Outlook on foreclosures in Connecticut:

- The problem grew in 2006 as two-year resets began for loans originated in 2004
- The problem became apparent in 2007 as more resets began for 2005 loans
- The problem will continue through 2008 as 2006 resets begin
- The most immediate impact will diminish in 2009
- The secondary effects on credit and the economy may continue for a longer period



HEALTH CARE ACCESS EXPANSIONS

The enacted budget provides a substantial investment in health care over the biennium, including funding to increase access to health care coverage for state residents without health insurance, and to provide better and timely care through increases in medical reimbursement rates. This will be accomplished through new programs, eligibility expansions, and enrollment initiatives. These initiatives will result in budget growth that will continue through and after the biennium as a result of expanded access to and reimbursement for health care services. These initiatives include:

- The innovative Charter Oak Health Plan, which will offer affordable health coverage to uninsured adults of all incomes (including childless adults who might otherwise be eligible for HUSKY coverage if they had children under 19) who don't have medical benefits through work and don't qualify for a public program. The program will begin in FY 2009 and will annualize after the biennium.
- Eligibility for the state's health care program for low income children and families—the HUSKY program—was expanded to cover parents of children in the HUSKY program from 150% to 185% of the Federal poverty level, covering an additional 25,000 people annually.
- The HUSKY program was also expanded to cover all children who are not otherwise insured by enrolling them at birth, with the state paying any premiums for the first four months, as well as annual enrollment efforts through schools. These efforts will increase HUSKY caseloads during and after the current biennium.
- Expansion of eligibility for low-income pregnant women from the current level of 185% of the Federal poverty level up to 250% of FPL.
- Premium assistance to help HUSKY A clients enroll in their employers' health plans when available. Because many employer-sponsored health plans have high co-pays, premiums or other cost sharing requirements, DSS will supplement employers' plans to ensure coverage comparable to the existing Medicaid benefit package. DSS will develop a "wrap-around" program that will coordinate coverage between the Medicaid program and the employer-sponsored insurance, assuring no loss of benefits or additional expense for the client, in order to leverage employers' dollars with state dollars. This effort also annualizes after the current biennium.
- Expansions and enhancements of community health centers and school-based health centers. As a result of the Governor's initiative to provide bonding support in the amount of \$25.8 million in 2006 for repairs and capacity expansion, additional low income individuals will have access to health care over the next several years—as much as an additional 80,000 visits.
- The enacted budget also provides significant increases in medical and dental reimbursement rates for Connecticut's health care providers. Budget growth for the outyears will be driven to the extent that increased reimbursement results in enhanced access to and utilization of medical and dental services.

DOC/PAROLE CHANGES

The FY08–09 Biennial Budget for the Department of Correction was constructed under the presumption that alternative to incarceration programs, funded in FY07 and geared toward reducing prison overcrowding, would be fully implemented and would result in lower numbers of incarcerated offenders.

However, with the unfortunate tragedy that occurred in Cheshire on July 23, 2007, the Governor and General Assembly have steered their focus toward the parole process and the impact it has on the safety and security of Connecticut's residents. The Governor wants to ensure that violent offenders who pose a risk to society stay behind bars while continuing to help non-violent offenders make the most effective transition possible back to society.

Immediately following the tragedy, the Governor directed the Board of Pardons and Paroles to treat Burglary II as a violent crime, meaning offenders sentenced under this crime would no longer be eligible for parole after completing half their sentence, rather they would need to complete 85% of their sentence in order to be paroled. The Governor also instructed the Department of Correction to increase supervision of any parolee convicted of Burglary II by fitting them with GPS or electronic monitoring bracelets.

More recently, Governor Rell has directed the Department of Correction and the Board of Pardons and Paroles to take further steps that will ensure that violent offenders who pose a risk to society are not paroled or not be allowed to remain on parole. The Governor suspended approval of future parole for any inmate serving a sentence involving a violent offense and ordered that any current parolee released after serving time for a violent crime be returned to prison if they violate their parole in any way.

As a result of the Governor's directive, the Department of Correction has begun reviewing the records of parolees, and the Board of Pardons and Paroles has conducted parole revocation hearings that resulted in the reincarceration of many parolees due to violations of the terms and conditions of their release, technical and otherwise.

In order to mitigate the ongoing influx of offenders back into prison, Governor Rell has also directed the Department of Correction to review the files of all "Level One" inmates to identify non-violent offenders who may benefit from release to a halfway house or other alternative form of supervision. "Level One" inmates are inmates who are eligible for community release at the discretion of the Commissioner of the Department of Correction. This will help open bed space for violent offenders who are reincarcerated.

These changes will come at a cost. It is expected that the Department of Correction will experience a shortfall in funding in FY08 as incarceration costs are much more than community supervision. Medical costs, food costs, utility costs, personnel costs and overtime costs will all increase as a result.

It should be noted at this point however, that there are no current or expected plans to expand prison capacity beyond the reopening of some beds at the Carl Robinson Correctional Institution. There are also no current or expected plans to house inmates anywhere out of state. But, the Governor and the General Assembly will be looking at various options during the 2008 Legislative Session concerning ways to improve the current Correctional system. Three Strikes laws, expanding violent crimes laws, and reforming the Board of Pardons and Paroles and its processes are all options to be considered.

AGE OF JURISDICTION FOR 16 AND 17 YEAR OLDS

PA 07-4 June Special Session extends the juvenile justice system and the Families with Service Needs (FWSN) program to include 16 and 17 year olds as of January 1, 2010.

Connecticut is one of three states that include 16 and 17 year olds as adults for criminal justice purposes. A juvenile jurisdiction planning and implementation committee was charged with developing a plan for the implementation of changes in the juvenile justice system to extend jurisdiction in delinquency matters and proceedings to sixteen- and seventeen-year-olds within the Superior Court for Juvenile Matters. On February 8, 2007 the committee submitted findings and recommendations for legislation during the 2007 legislative session.

The estimated costs associated with implementing the provisions of PA07-4 of the June Special Session are outlined in the chart below. FY 08 and FY 09 amounts provided in the FY 07-09 Biennial Budget (PA 07-1 JSS) are noted below; these are continued as current services in the out-years.

Preliminary Cost Estimate – Age of Jurisdiction Bills (in millions)

Operating Funds	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>
<u>Judicial</u>				
Services & Supervision	\$ -	\$ -	\$ 10.40	\$ 20.70
Costs for Positions – In PA07-1 JSS	5.00	10.60	10.60	10.60
Annualization Costs for Positions	-	-	4.50	6.30
Families with Service Needs (FWSN)	-	1.00	2.00	2.00
FWSN – In PA07-1 JSS	3.50	3.50	3.50	3.50
<u>Division Criminal Justice & Public Defenders</u>				
Court Support	-	0.50	2.70	2.70
Guardians ad litem	-	-	0.05	0.05
<u>Department of Children and Families</u>				
Families with Service Needs	-	-	8.00	16.10
Adjudicated Youth – Treatment and Reintegration Centers (TREC's) or Community Providers	-	-	21.50	42.90
<u>Department of Education</u>				
\$50k grant to 5 districts, 1 position	-	0.35	0.35	0.35
<u>Comptroller's Fringe Benefit Accounts</u>				
Judicial	-	-	3.50	7.00
Department of Children and Families	-	0.25	1.10	1.10
Criminal Justice & Public Defenders	-	-	1.50	1.50
Total – Operating Funds	8.50	16.20	69.70	114.80
Less Budgeted In PA07-1 JSS	(8.50)	(14.10)	(14.10)	(14.10)
Unbudgeted – Additional Operating Needs	\$ -	\$ 2.10	\$ 55.60	\$ 100.70
Bond Funds				
Judicial	\$ -	\$ 4.00	\$ -	\$ -
Criminal Justice	-	0.50	-	-
Department of Children and Families	5.00	17.00	23.00	-
Total Bond Funds	\$ 5.00	\$ 21.50	\$ 23.00	\$ -

The operating costs indicated in the chart above are significant and can be summarized as follows:

- When fully implemented, the Judicial Department will incur costs of \$5.5 million annually for expanded services for an estimated 1000 additional youth in families designated as FWSNs and various training materials.
- \$50.1 million will be required in FY 2011 for increased court and probation staff, fringe benefit costs, contracted community-based services and expanded facilities.
- Effective July 1, 2009, the Division of Criminal Justice and the Public Defender Services Commission will require additional staffing estimated at \$2.7 million annually and additional fringe benefit costs of \$1.5 million to support the court expansions and to engage in more time-intensive proceedings.
- Effective on July 1, 2009, the Commission on Child Protection would also incur costs, estimated to be less than \$50,000 annually, to appoint persons (guardians ad litem) to act on behalf of the interests of some of these juveniles in delinquency proceedings.
- The Department of Children and Families (DCF) would have significant costs to implement services for 16 and 17 year olds that would be charged to their custody or eligible for DCF services. When fully annualized in FY 2011, preliminary estimates indicate that these costs could reach:
 - o \$16 million to service 16 and 17 year olds eligible for FWSN services,
 - o \$43 million to service an anticipated 300 additional adjudicated youth that will likely be committed to DCF.
- The Department of Education (SDE) would incur some costs to partner with the Court Support Services Division and the FWSN Advisory Board to establish prevention initiatives for preventing and reducing truancy. \$350,000 would be needed in FY 2009 in order to hire a lead consultant dedicated to truancy and provide the five districts with grants of \$50,000 each.

Additionally, affected agencies will require capital funding. The Division of Criminal Justice and the Public Defender Services Commission will each require about \$400,000 through the Capital Equipment Purchase Fund for equipment for new personnel. The Judicial Department will need a one-time increase of \$4 million in its general alterations and improvements bond authorization for necessary repairs to current facilities. DCF will require significant capital funding for this new population. DCF anticipates that an 18 bed secure facility will adequately manage the juvenile girl population. The cost to construct such a facility is estimated at \$11 million and is currently under consideration for a bond authorization. DCF has presented various scenarios on how to accommodate the additional male population to the Governor for consideration. Capital costs depend on the future use of the Connecticut Juvenile Training School. The current estimates for capital funding required for the department range from approximately \$30 million to \$100 million.

Public Act 07-4 also created the Juvenile Jurisdiction Policy and Operations Coordinating Council (JJPOCC) which shall monitor "the development and implementation of a comprehensive system of community-based services and residential services for juveniles." The JJPOCC, whose final report on these matters is due no later than January 1, 2009, is currently meeting. Therefore, the previously mentioned costs associated with the passage of PA 07-4 are currently the state's best estimates. These figures are expected to be modified as the change in the age of jurisdiction is studied in more detail by the JJPOCC.

SECTION 7

ANALYSIS OF POSSIBLE USES OF SURPLUS FUNDS

ANALYSIS OF POSSIBLE USES OF SURPLUS FUNDS

Article XXVIII of the Amendments to the State Constitution requires that any unappropriated surplus for the fiscal year shall be used to fund a budget reserve fund (BRF), to reduce bonded indebtedness or for any other purpose authorized by at least three-fifths of each house of the General Assembly. Sec. 4-30a of the Connecticut General Statutes provides that no further transfers to the BRF shall be made when the balance of the fund equals 10% of the net General Fund appropriations for the year in progress.

On September 4, 2007, the Comptroller provided preliminary financial results for FY'07 indicating that the General Fund surplus was \$269.7 million. When this amount is certified, OPM expects that the balance of the Budget Reserve Fund will be slightly over \$1.382 billion. Ten percent of the FY'08 General Fund net appropriation would be \$1,631.4 million. The balance of the BRF would be approximately \$249.3 million less than the required 10% amount needed to provide minimal protection against any unforeseen downturns in the economy. It is the position of the Office of Policy and Management that a 10% balance in the Budget Reserve Fund is essential to the state's financial well-being. Only after this amount has been secured should any serious discussion of alternatives be entertained.

Under Article XXVIII of the Amendments to the State Constitution, any additional unappropriated surplus after the 10% Budget Reserve Fund balance has been achieved should be used to reduce bonded indebtedness or for any other purpose authorized by at least three-fifths of each house of the General Assembly. Contradicting that, CGS Sec. 4-30a, directs the Treasurer first to transfer additional surplus to the State Employees Retirement Fund, in an amount not exceeding 5% of the unfunded past service liability.

Possible Use of Surplus Funds upon meeting BRF 10% Balance:

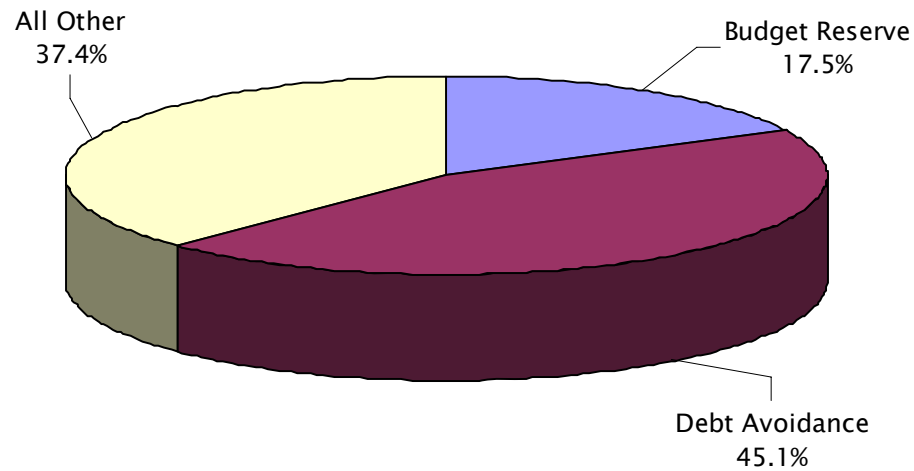
- Reduce bonded indebtedness
- Provide funds for Higher Education Matching Grants as per PA 05-3
- Reduce unfunded liability in the State Employees Retirement Fund
- Reduce unfunded liability in the Teachers Retirement Fund
- Begin to actuarially fund the unfunded Other Post Employment Benefits
- Fund the higher education matching gift program

The Office of Policy and Management is receptive to the concept of an economic analysis of the relative merits of one approach versus the other. There is merit to utilizing any surplus, above that required to be deposited to the BRF, to pay down existing obligations. Whether that takes the form of reducing bonded indebtedness, Higher Education matching grants, reducing the unfunded liabilities in our pension funds or establishing a process to actuarially fund the unfunded Other Post Employment Benefits that have been earned by current and former employees, it will be a step in the right direction.

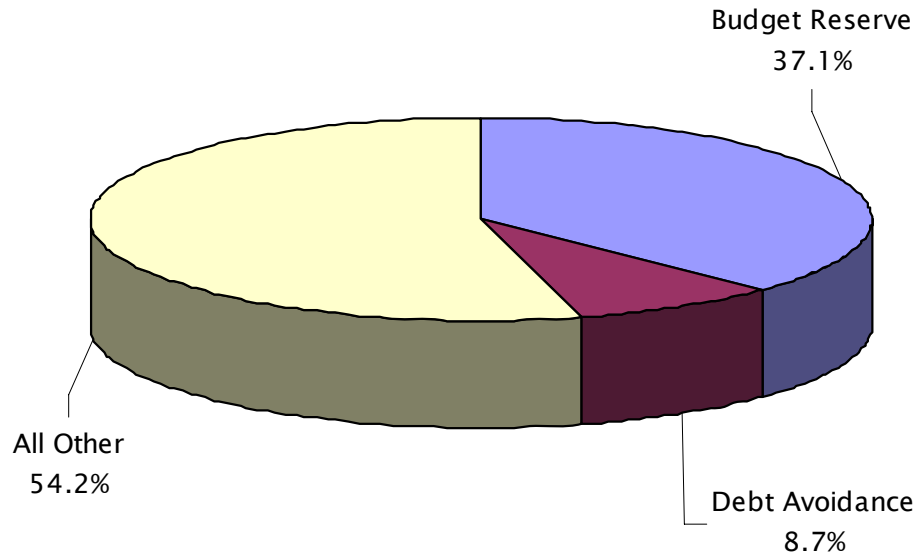
OPM remains committed to utilizing any surplus from FY'08 to fully fund the BRF before any such alternatives are actually implemented. When full funding of the BRF is achieved, serious consideration should then be given to addressing our long-term obligations.

USE OF GENERAL FUND SURPLUSES

ACTUAL FY1992 to FY2003



ACTUAL FY2004 to FY2007



- The state registered surpluses in 14 of 16 years between FY 1992 and FY 2007
- Unfortunately, recent use of surplus has not been as prudent as previous use of surplus
- Between 1992 and 2003, 62.6% of surplus went to either the Budget Reserve Fund or Debt Avoidance
- Between 2004 and 2007, this figure fell to 45.8%