

STATE OF CONNECTICUT



Rating Agency Presentation

February 2016

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General Fund Operating Results and Budget Reserve Fund

**STATE OF CONNECTICUT
GENERAL FUND OPERATING SURPLUS / (DEFICIT)
(In Millions)**

<u>Fiscal Year</u>	<u>Revenue</u>	<u>Expenditure</u>	<u>Adjustment</u>	<u>Surplus/(Deficit)</u>
1975-76	\$ 1,688.7	\$ 1,654.6	\$ 0.6	\$ 34.7
1976-77	1,845.1	1,771.7	0.1	73.5
1977-78	2,010.5	1,917.4	0.6	93.7
1978-79	2,222.2	2,156.6	1.1	66.7
1979-80	2,394.1	2,393.6	2.6	3.1
1980-81	2,660.9	2,726.6	-	(65.7)
1981-82	2,994.5	2,968.6	-	25.9
1982-83	3,233.9	3,241.9	(0.2)	(8.2)
1983-84	3,840.2	3,624.6	(2.4)	213.2
1984-85	4,010.9	3,636.7	(8.7)	365.5
1985-86	4,317.9	4,011.8	(56.0)	250.1
1986-87	4,741.9	4,356.2	(20.5)	365.2
1987-88	4,860.3	4,966.6	(9.3)	(115.6)
1988-89	5,573.6	5,594.4	(7.2)	(28.0)
1989-90	6,112.0	6,372.6	1.1	(259.5)
1990-91	5,817.9	6,625.2	(1.2)	(808.5)
1991-92	7,389.4	7,276.6	(2.6)	110.2
1992-93	7,569.0	7,456.6	1.1	113.5
1993-94	7,914.2	8,008.1	113.6	19.7
1994-95	8,479.7	8,400.9	1.7	80.5
1995-96	9,111.1	8,861.6	0.5	250.0
1996-97	9,582.1	9,311.0	(8.5)	262.6
1997-98	10,142.2	9,830.3	1.0	312.9
1998-99	10,616.4	10,545.9	1.3	71.8
1999-2000	11,213.6	10,911.1	(2.1)	300.4
2000-01	11,985.5	11,930.6	(24.2)	30.7
2001-02	10,845.4	11,643.2	(19.3)	(817.1)
2002-03	12,023.3	12,128.3	8.4	(96.6)
2003-04	13,123.8	12,823.4	1.8	302.2
2004-05	14,062.9	13,680.8	(18.2)	363.9
2005-06	14,998.7	14,533.2	(19.0)	446.5
2006-07	15,742.6	15,461.0	(12.4)	269.2
2007-08	16,418.8	16,300.5	(18.9)	99.4 (1)
2008-09	15,700.8	16,640.2	(8.3)	(947.6) (2)
2009-10	17,688.5 (3)	17,240.7	2.1	449.9 (4)
2010-11	18,157.4 (5)	17,924.7	4.2	236.9 (6)
2011-12	18,561.6	18,711.1	5.8	(143.6) (7)
2012-13	19,405.0	19,007.7	0.7	398.0 (8)
2013-14	17,200.4 (11)	16,953.6	1.7	248.5 (9)
2014-15	17,282.0	17,398.7	3.5	(113.2) (10)
2015-16 (est.)	18,053.9	18,073.8	-	(19.9) (12)
2016-17 (proj.)	18,152.3	18,141.7	-	10.6 (13)

(1) PA 07-1 reserved \$16.0 million of FY 2008 revenue for use in FY 2009. In addition, PA 08-1 & 08-2 of the August Special Session reserved a total of \$83.4 million of the FY 2008 surplus for use in FY 2009.

(2) Covered by issuing Economic Recovery Notes, per PA 09-2, JSS

(3) Includes \$1,278.5 million of Budget Reserve Fund monies-without these monies, the deficit would have been \$829.1 million.

(4) Per the Comptroller's audited financial results dated December 31, 2010, for the fiscal year ending June 30, 2010. Per PA 10-179, \$140.0 million is reserved for use in FY 2011 and the remaining \$309.4 million will reduce the amount to be securitized in FY 2011.

(5) Includes \$449.4 million from the FY 2010 surplus.

(6) Per the Comptroller's financial results dated September 1, 2011, for the fiscal year ending June 30, 2011. \$222.4 million of the surplus was transferred to the Budget Reserve Fund in PA 12-104 and the remainder via Comptroller reclassification.

(7) Per the 9/4/2012 Comptroller's Letter. Covered by a transfer from the Budget Reserve Fund.

(8) Per the 9/3/2013 Comptroller's Letter. Per section 58 of PA 13-184, \$220.8 million is reserved for use in FY 2014 and FY 2015.

(9) Per the Office of the State Comptroller. Includes \$190.8 million of FY 2013 surplus reserved for use in FY 2014.

(10) Per PA 14-47 and PA 14-217. Includes \$30.0 million of FY 2013 surplus reserved for use in FY 2015.

(11) Beginning in FY 2014 the state commenced net budgeting of Medicaid. This reduced appropriated revenues and expenditures by \$2,993.0 million in FY 2014, \$3,357.0 million in FY 2015, and \$3,625.0 in FY 2016

(12) Per the 2/19/2016 Comptroller's Letter.

(13) Per the Governor's proposed FY 2017 budget revisions of February 3, 2016

HISTORY OF BUDGET RESERVE FUND

(In Millions)

Fiscal Year	Deposits / (Withdrawals)	Balance	Following Year G. F. Net Appropriation	% of Net General Fund Appropriation
1983-84	\$ 165.2	\$ 165.2	\$ 3,624.6	4.6
1984-85	33.4	198.6	3,709.2	5.4
1985-86	16.2	214.8	3,972.3	5.4
1986-87	104.8	319.6	4,339.4	7.4
1987-88	(115.6)	204.0	4,966.6	4.1
1988-89	(101.7)	102.3	5,594.4	1.8
1989-90	(102.3)	-	6,372.6	0.0
1990-91	-	-	6,981.8	0.0
1991-92	-	-	7,317.7	0.0
1992-93	-	-	8,589.6	0.0
1993-94	-	-	8,571.2	0.0
1994-95	80.5	80.5	8,836.8	0.9
1995-96	160.5	241.0	9,049.4	2.7
1996-97	95.9	336.9	9,342.2	3.6
1997-98	161.7	498.6	9,972.0	5.0
1998-99	30.5	529.1	10,581.6	5.0
1999-2000	34.9	564.0	11,280.8	5.0
2000-01	30.7	594.7	11,894.0	5.0
2001-02	(594.7)	-	12,387.8	0.0
2002-03	-	-	12,452.0	0.0
2003-04	302.2	302.2	13,336.2	2.3
2004-05	363.9	666.0	14,131.7	4.7
2005-06	446.5	1,112.5	14,837.2	7.5
2006-07	269.2	1,381.7	16,314.9	8.5
2007-08	-	1,381.7	17,101.8	8.1
2008-09	- (1)	1,381.7	17,370.3	8.0
2009-10	(1,278.5) (2)	103.2	17,667.2	0.6
2010-11	(103.2) (2)	0.0	18,707.7	0.0
2011-12	93.5 (3)	93.5	19,140.1	0.5
2012-13	177.2	270.7	17,188.7 (4)	1.6
2013-14	248.5 (5)	519.2	17,457.7	3.0
2014-15	(113.2)	406.0	18,161.6	2.2

Note:

- (1) Per PA 09-2 of the June Special Session, a deficit of \$947.6 million was funded by issuing Economic Recovery Notes.
- (2) Per Section 17 of PA 10-3 of the September Special Session, transfer \$1,278.5 million in FY 2010 and \$103.2 million in FY 2011 to the resources of the General Fund.
- (3) Per section 28 of PA 12-104 and Comptroller reclassification, deposit of \$236.9 million was made, of which \$143.6 million was withdrawn to mitigate the FY 2012 deficit.
- (4) Per PA 13-184, net fund Medicaid.
- (5) Includes \$190.8 million of FY 2013 surplus.

Disposition of Future Surpluses

C.G.S. 4-30a directs any unappropriated surplus to the Budget Reserve Fund (BRF).

Sections 164-169 of PA 15-244 amends C.G.S. 4-30a, effective July 1, 2019, to divert additional revenue to the BRF based on a formula and increases the maximum cap on BRF deposits from 10% to 15%. Unappropriated surplus will still be directed to the BRF.

FY 2015-16 Operations

State of Connecticut
 Mitigation of the General Fund Deficit
 Fiscal Year 2016
 (In Millions)

1. Original Budget Balance	\$ 0.8
 <u>Revenues - Over/(Under) Budget</u>	
2. Personal Income	\$ (264.4)
3. Corporation Tax	50.0
4. Public Service Corporations	(20.0)
5. Unified Gift and Estate Tax	44.0
6. Insurance Companies Tax	(17.3)
7. Refunds of Payments	8.0
8. Federal Grants	(48.2)
9. All Other	<u>3.6</u>
10. Total Revenue Change	\$ (244.3)
 <u>Expenditures - Additional Requirements</u>	
11. Office of the Chief Medical Examiner	\$ (0.5)
12. Office of Early Childhood	
13. Public Defender Services Commission	(4.0)
14. OSC - Miscellaneous	(17.9)
15. OTT - Debt Service	(35.0)
16. Reduction in Lapse	<u>(17.9)</u>
17. Total Additional Expenditures	\$ (80.0)
 18. Surplus/(Deficit) Prior to Actions	 \$ (323.5)
 <u>Actions Taken</u>	
19. December Special Session ⁽¹⁾	\$ 303.6
 20. End of Fiscal Year Balance (as of 2/19/2016)	 \$ (19.9)

(1) December Special Session replaced the September 18, 2015 recissions

February 19, 2016

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

Dear Comptroller Lembo:

The following information on the state's General Fund for fiscal year 2016 is provided in accordance with Section 4-66 of the General Statutes. In addition, an analysis of the Special Transportation Fund is included due to the significant nature of this fund. Note that our projections reflect the state's estimated year-end balance from operations in accordance with Generally Accepted Accounting Principles (GAAP).

General Fund

In recognition of a sharp increase in projected expenditures in the Adjudicated Claims account, the Office of Policy and Management is projecting a \$19.9 million General Fund deficit for Fiscal Year 2016, up \$12.8 million from last month's estimate. While management actions such as heightened scrutiny of hiring and contract approvals are anticipated to help address the overall projected shortfall, revenue performance through the remainder of the fiscal year—particularly April, which represents a significant month for revenue collections—will be the most important factor in determining year-end results.

Revenues

This month's revenue projection continues to reflect the consensus revenue estimate reached by OPM and the legislature's Office of Fiscal Analysis on January 15th pursuant to Section 2-36c of the General Statutes. As is typical, more than fifty percent of income tax collections are received after January 31st; however, estimated payments to date have been disappointing and seem to indicate significant downside risk in our income tax forecast for the rest of the fiscal year, likely related to the performance of the stock market in calendar 2015.

Expenditures

In aggregate, spending is projected to be \$87.8 million below the budget plan. Net additional requirements (deficiencies) total \$62.1 million, and are offset by \$57.6 million in lapses beyond the budget plan and in addition to savings anticipated as part of the December special session.

Deficiencies. Shortfalls are forecast in the following agencies:

- Office of the Chief Medical Examiner. A total shortfall of \$450,000 is estimated, consisting of \$310,000 in Personal Services and \$140,000 in Other Expenses due to an increase in the number of autopsies performed by the agency.

- Office of Early Childhood. A \$4.7 million deficiency in the Birth to Three program is forecast due to caseload increases and increased utilization of more costly services.
- Public Defender Services Commission. A total shortfall of \$4.0 million is projected. Personal Services is estimated to have a \$1.9 million deficiency. A \$2.0 million deficiency is forecast in the Assigned Counsel – Criminal account due to an increased number of habeas corpus petitions following passage of P.A. 12-115, which places time limitations on filing such petitions. The Expert Witnesses account will have a projected \$100,000 shortfall due both to P.A. 12-115 as well as a Connecticut Supreme Court decision requiring the agency to pay for reasonably necessary expert witnesses when requested by pro se indigent defendants in criminal cases.
- Office of the Treasurer – Debt Service. The December General Obligation bond sale produced lower than anticipated net premiums, resulting in the need for a deficiency appropriation of \$35 million. The next significant bond sale is scheduled in the Spring, and market factors and administrative decisions by the Office of the Treasurer will be key determinants of any change to our projection at that time.
- State Comptroller – Miscellaneous. A \$17.9 million shortfall is projected in the Adjudicated Claims account due to several large settlements for wrongfully incarcerated persons.

Lapses. Recognized lapses beyond holdbacks included in the original budget and Public Act 15-1 (Dec. Spec. Sess.) include the following:

- Office of Legislative Management. A total of \$4.5 million is projected to lapse, with \$3.0 million in Personal Services and \$1.5 million in Other Expenses.
- Auditors of Public Accounts. A lapse of \$700,000 is forecast in Personal Services due to vacancies.
- Secretary of the State. \$200,000 will lapse in the Commercial Recording Division account.
- Office of the State Comptroller. A lapse of \$300,000 is forecast in Personal Services due to vacancies.
- Department of Revenue Services. A lapse of \$300,000 is forecast in Personal Services due to vacancies.
- Comptroller's Fringe Benefits accounts. Lapses totaling \$34.6 million are forecast due to lower than anticipated spending for Retiree Healthcare, Social Security Taxes, Higher Education Alternative Retirement System, Group Life Insurance and Unemployment Compensation.
- Office of Governmental Accountability. A total of \$200,000 is projected to lapse across a variety of accounts.
- Office of Policy and Management. A total of \$500,000 will lapse, with \$300,000 in Personal Services due to vacancies, and \$200,000 in the Distressed Municipalities account as a result of fewer eligible recipients than budgeted.
- DAS – Workers' Compensation Claims. A lapse of \$800,000 is projected due to lower than anticipated claims costs.

- Department of Consumer Protection. \$300,000 is projected to lapse in Personal Services due to turnover and hiring delays.
- Department of Labor. \$1.6 million will lapse, primarily in the Jobs First Employment Services account due to lower than budgeted expenditures for client transportation.
- Commission on Human Rights and Opportunities. A lapse of \$200,000 is forecast in Personal Services due to vacancies.
- Department of Economic and Community Development. \$400,000 is expected to lapse in Personal Services.
- Department of Housing. \$3.7 million is projected to lapse, primarily in the Housing/Homeless account due to a slower than budgeted pace of placements in the Money Follows the Person program.
- Agricultural Experiment Station. Personal Services will lapse \$200,000 due to vacancies.
- Department of Public Health. The agency will lapse \$2.1 million in Personal Services as a result of turnover and hiring delays.
- Department of Children and Families. Lapses totaling \$7.0 million are projected across a variety of accounts.

Special Transportation Fund

We are projecting that the Special Transportation Fund will end the year in balance. Estimated revenues continue to reflect the consensus revenue estimate reached by OPM and the legislature's Office of Fiscal Analysis on January 15th pursuant to Section 2-36c of the General Statutes. On the expenditure side, the Treasurer's Debt Service account will lapse \$3.9 million, and the Comptroller's Fringe Benefits account for active healthcare will lapse \$4.1 million. We anticipate the fund balance on June 30, 2016 to be \$180.0 million.

It is important to note that while this represents the best forecast that can be made at this time, future estimates may need to be revised to reflect the impact of changes in the economy, expenditure patterns, and/or other factors.

Sincerely,



Benjamin Barnes
Secretary

State of Connecticut
Summary of Changes from Prior Month
General Fund and Special Transportation Fund
Projected to June 30, 2016
As of January 31, 2016
(In Millions)

General Fund

Balance from Operations - Prior Month		\$	(7.1)
Revenues			
All changes - net	<u>0.0</u>		0.0
Expenditures			
Additional Requirements	(16.6)		
Estimated Lapses	3.8		
Miscellaneous Adjustments/Rounding	<u>0.0</u>		<u>(12.8)</u>
Estimated Balance from Operations - June 30, 2016		\$	<u>(19.9)</u>

Special Transportation Fund

Fund Balance as of June 30, 2015		\$	180.0
Balance from Operations - Prior Month			0.0
Revenues			
All changes - net	<u>0.0</u>		0.0
Expenditures			
Additional Requirements	0.0		
Estimated Lapses	0.0		
Miscellaneous Adjustments/Rounding	<u>0.0</u>		<u>0.0</u>
Estimated Fund Balance - June 30, 2016		\$	<u>180.0</u>

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

	General Assembly Budget Plan ¹	Revised Estimates OPM	Over/ (Under)
REVENUE			
Taxes	\$ 16,936.5	\$ 16,834.7	\$ (101.8)
Less: Refunds	(1,224.9)	(1,224.9)	-
	<u>\$ 15,711.6</u>	<u>\$ 15,609.8</u>	<u>\$ (101.8)</u>
Other Revenue	1,174.3	1,188.0	13.7
Other Sources	1,276.5	1,256.1	(20.4)
TOTAL Revenue	<u>\$ 18,162.4</u>	<u>\$ 18,053.9</u>	<u>\$ (108.5)</u>
EXPENDITURES			
Initial Current Year Appropriations	\$ 18,362.2	\$ 18,362.2	\$ -
Prior Year Appropriations Continued to FY 2016 ²		64.9	64.9
TOTAL Initial and Continued Appropriations	<u>\$ 18,362.2</u>	<u>\$ 18,427.1</u>	<u>\$ 64.9</u>
Appropriation Adjustments	-	-	-
TOTAL Adjusted Appropriations	<u>\$ 18,362.2</u>	<u>\$ 18,427.1</u>	<u>\$ 64.9</u>
Net Additional Expenditure Requirements		62.1	62.1
Estimated Appropriations Lapsed	(200.6)	(350.5)	(149.9)
Estimated Appropriations to be Continued to FY 2017		-	-
TOTAL Estimated Expenditures	<u>\$ 18,161.6</u>	<u>\$ 18,138.7</u>	<u>\$ (22.9)</u>
Net Change in Fund Balances - Continuing Appropriations	-	(64.9)	(64.9)
Miscellaneous Adjustments/Rounding	-	-	-
Net Change in Unassigned Fund Balance - 6/30/2016	\$ 0.8	\$ (19.9)	\$ (20.7)

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

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

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

	General Assembly Budget Plan ¹ :	Revised Estimates OPM	Over/ (Under)
TAXES			
Personal Income	\$ 9,834.4	\$ 9,570.0	\$ (264.4)
Sales and Use	4,121.1	4,230.3	109.2
Corporation	902.2	950.4	48.2
Public Service Corporations	308.0	287.4	(20.6)
Inheritance and Estate	173.4	217.4	44.0
Insurance Companies	243.8	226.5	(17.3)
Cigarettes	361.2	365.9	4.7
Real Estate Conveyance	194.7	194.7	-
Oil Companies	-	-	-
Alcoholic Beverages	61.7	61.7	-
Admissions and Dues	38.3	38.3	-
Health Provider Tax	676.9	672.4	(4.5)
Miscellaneous	20.8	19.7	(1.1)
TOTAL - TAXES	\$ 16,936.5	\$ 16,834.7	\$ (101.8)
Less: Refunds of Taxes	(1,090.4)	(1,090.4)	-
Earned Income Tax Credit	(127.4)	(127.4)	-
R & D Credit Exchange	(7.1)	(7.1)	-
TOTAL - TAXES - NET	\$ 15,711.6		\$ (101.8)
OTHER REVENUE			
Transfers - Special Revenue	\$ 343.4	\$ 336.4	\$ (7.0)
Indian Gaming Payments	258.8	261.8	3.0
Licenses, Permits, Fees	308.5	312.9	4.4
Sales of Commodities and Services	38.0	39.1	1.1
Rents, Fines, Escheats	126.0	126.0	-
Investment Income	2.5	1.2	(1.3)
Miscellaneous	171.3	176.8	5.5
Refunds of Payments	(74.2)	(66.2)	8.0
TOTAL - OTHER REVENUE	\$ 1,174.3	\$ 1,188.0	\$ 13.7
OTHER SOURCES			
Federal Grants	\$ 1,265.2	\$ 1,217.0	\$ (48.2)
Transfer from Tobacco Settlement Fund	106.6	108.6	2.0
Transfers From/(To) Other Funds	(95.3)	(69.5)	25.8
Transfers to the Resources of the Special Trans. Fund	-	-	-
TOTAL - OTHER SOURCES	\$ 1,276.5	\$ 1,256.1	\$ (20.4)
TOTAL - GENERAL FUND REVENUE	\$ 18,162.4	\$ 18,053.9	\$ (108.5)

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

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

Office of the Chief Medical Examiner	\$ 450,000
Office of Early Childhood	4,700,000
Public Defender Services Commission	4,000,000
OTT - Debt Service	35,000,000
OSC - Miscellaneous	17,900,000
Total	<u>\$ 62,050,000</u>

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

Unallocated Lapse	\$ 30,000,000
Unallocated Lapse - Legislative	-
Unallocated Lapse - Judicial	-
General Employee Lapse	7,110,616
General Lapse - Legislative	39,492
General Lapse - Executive	9,678,316
General Lapse - Judicial	282,192
Statewide Hiring Reduction - Legislative	770,000
Statewide Hiring Reduction - Executive	30,920,000
Statewide Hiring Reduction - Judicial	3,310,000
Targeted Savings	12,500,000
Overtime Savings	10,500,000
MORE Lapse	20,000,000
Allotment Reductions - PA 15-1 (DSS) §1	85,752,529
Executive Branch Reductions - PA 15-1 (DSS) §3(a)	65,057,153
Legislative Branch Reductions - PA 15-1 (DSS) §3(b)	2,000,000
Judicial Branch Reductions - PA 15-1 (DSS) §3(c)	15,000,000
Office of Legislative Management	4,500,000
Auditors of Public Accounts	700,000
Secretary of the State	200,000
Office of the State Comptroller	300,000
Department of Revenue Services	300,000
Office of Governmental Accountability	200,000
Office of Policy and Management	500,000
Department of Consumer Protection	300,000
Department of Labor	1,600,000
Commission on Human Rights and Opportunities	200,000
Department of Economic and Community Development	400,000
Department of Housing	3,700,000
Agricultural Experiment Station	200,000
Department of Public Health	2,100,000
Department of Children and Families	7,000,000
OSC - Fringe Benefits	34,600,000
DAS - Workers' Compensation Claims	800,000
Total	<u><u>\$ 350,520,298</u></u>

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

	Budget Plan ¹	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016
REVENUE	\$ 18,162.4	\$ 18,162.4	\$ 18,066.3	\$ 17,948.9	\$ 17,944.9	\$ 18,080.7	\$ 18,053.9	\$ 18,053.9					
Appropriations	18,362.2	18,362.2	18,362.2	18,362.2	18,362.2	18,362.2	18,362.2	18,362.2					
Additional Requirements	0.0	0.0	6.9	8.5	8.5	44.3	45.5	62.1					
Less: Estimated Lapses	(200.6)	(200.6)	(303.4)	(303.4)	(303.4)	(326.0)	(346.7)	(350.5)					
TOTAL - Estimated Expenditures	18,161.6	18,161.6	18,065.7	18,067.3	18,067.3	18,080.5	18,061.0	18,073.8	0.0	0.0	0.0	0.0	0.0
Balance from Operations	0.8	0.8	0.6	(118.4)	(122.4)	0.2	(7.1)	(19.9)	0.0	0.0	0.0	0.0	0.0
Misc. Adjustments/Rounding	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
Est. Balance from Operations - 6/30/16	\$0.8	\$0.8	\$0.6	(\$118.4)	(\$122.4)	\$0.2	(\$7.1)	(\$19.9)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

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

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

	General Assembly <u>Budget Plan</u> ^{1.}	Revised Estimates	Over/ <u>(Under)</u>
Fund Balance as of June 30, 2015 ^{2.}	\$ 195.5	\$ 180.0	\$ (15.5)
REVENUE			
Taxes	\$ 1,080.7	\$ 993.9	\$ (86.8)
Less: Refunds of Taxes	<u>(7.3)</u>	<u>(7.3)</u>	<u>-</u>
Taxes - Net	1,073.4	986.6	(86.8)
Other Revenue	<u>394.7</u>	<u>402.2</u>	<u>7.5</u>
TOTAL - Revenue	<u>\$ 1,468.1</u>	<u>\$ 1,388.8</u>	<u>\$ (79.3)</u>
EXPENDITURES			
Appropriations	\$ 1,428.1	\$ 1,428.1	\$ -
Net Additional Requirements	-	-	-
Less: Estimated Lapses	<u>(12.0)</u>	<u>(39.3)</u>	<u>(27.3)</u>
TOTAL - Expenditures	<u>\$ 1,416.1</u>	<u>\$ 1,388.8</u>	<u>\$ (27.3)</u>
Balance from Operations	\$ 52.0	\$ (0.0)	\$ (52.0)
Miscellaneous Adjustments	<u>-</u>	<u>-</u>	<u>-</u>
Estimated Fund Balance - June 30, 2016	<u>\$ 247.5</u>	<u>\$ 180.0</u>	<u>\$ (67.5)</u>

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

2. Budget plan as estimated by the Office of Policy and Management. Revised estimates per the Comptroller's September 30, 2015 letter.

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

	<u>General Assembly Budget Plan ¹.</u>	<u>Revised Estimates OPM</u>	<u>Over/ (Under)</u>
TAXES			
Motor Fuels	\$ 499.0	\$ 516.8	\$ 17.8
Oil Companies	339.1	264.0	(75.1)
Sales & Use Tax		123.4	(35.2)
Sales Tax DMV	84.0	89.7	5.7
TOTAL - TAXES	<u>1,080.7</u>	<u>993.9</u>	<u>(86.8)</u>
Less: Refunds of Taxes	<u>(7.3)</u>	<u>(7.3)</u>	<u>-</u>
TOTAL - TAXES - NET	<u>\$ 1,073.4</u>	<u>\$ 986.6</u>	<u>\$ (86.8)</u>
OTHER REVENUE			
Motor Vehicle Receipts	\$ 245.8	\$ 252.4	\$ 6.6
Licenses, Permits, Fees	139.3	140.2	0.9
Interest Income	7.7	7.7	-
Federal Grants	12.1	12.1	-
Transfers (To)/From Other Funds	(6.5)	(6.5)	-
Transfers From the General Fund	-	-	-
Refunds of Payments	<u>(3.7)</u>	<u>(3.7)</u>	<u>-</u>
TOTAL - OTHER REVENUE	<u>\$ 394.7</u>	<u>\$ 402.2</u>	<u>\$ 7.5</u>
TOTAL - SPECIAL TRANSPORTATION FUND REVENUE	<u>\$ 1,468.1</u>	<u>\$ 1,388.8</u>	<u>\$ (79.3)</u>

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

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

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

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

Allocated Lapse - PA 15-1 (DSS) §2	\$ 25,696,429
PA 15-1 (DSS) §2 - Amount to be allocated	\$ 5,600,000
OTT - Debt Service	3,900,000
Comptroller - Fringe Benefits	4,100,000
Total	<u>\$ 39,296,429</u>

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

	Budget Plan 1.	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016
Beginning Balance ²	\$ 195.5	\$ 195.5	\$ 209.5	\$ 180.0	\$ 180.0	\$ 180.0	\$ 180.0	\$ 180.0					
Revenue	1,468.1	1,474.1	1,448.9	1,448.9	1,423.5	1,388.2	1,388.8	1,388.8					
Total Available	1,663.6	1,669.6	1,658.4	1,628.9	1,603.5	1,568.2	1,568.8	1,568.8	0.0	0.0	0.0	0.0	0.0
Appropriations	1,428.1	1,428.1	1,428.1	1,428.1	1,428.1	1,428.1	1,428.1	1,428.1					
Additional Requirements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
Less: Estimated Lapses	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(39.9)	(39.3)	(39.3)					
TOTAL - Estimated Expenditures	1,416.1	1,416.1	1,416.1	1,416.1	1,416.1	1,388.2	1,388.8	1,388.8	0.0	0.0	0.0	0.0	0.0
Balance from Operations	52.0	58.0	32.8	32.8	7.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc. Adjustments/Rounding	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
Estimated Balance 6/30/16	\$247.5	\$253.5	\$242.3	\$212.8	\$187.4	\$180.0	\$180.0	\$180.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

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

2. Budget Plan and the months of July and August as estimated by the Office of Policy and Management. September and thereafter per the Comptroller's September 30, 2015 letter.

The Proposed FY 2016 – FY 2017 Budget

The Current Services Method

- The current services method of budgeting consistently overstates future spending
- Under the current services model:
 - § Projected expenditures have outpaced revenue by 3% -- 4.9% to 1.9% -- per year since 2007
 - § The average projected outyear deficit has been over \$1 billion per year since 2011
- And yet, the Rainy Day fund has grown by \$406 million since 2011

A New Approach to Budgeting

- Start with consensus revenue projections and reduce spending to that level
- Savings from the December deficit mitigation plan are continued into FY 2017
- A limited number of specific policy changes are proposed
- Most appropriations are consolidated into a single account in each agency called Agency Operations
- Funding for certain services, including ECS, Medicaid and entitlements, is protected from deep cuts
- Fringe benefits:
 - § Variable fringe costs reallocated from the central accounts administered by the Comptroller into Agency Operations accounts and Higher Education block grants
 - § Funding for unfunded pension liability and retiree health care costs remain budgeted within the Comptroller's fringe benefit accounts
- Higher education funding is converted into true block grants
- Certain line-item grants such as arts, tourism and other community services are consolidated under the State Comptroller
- A 5.75% reduction is applied to General Fund agency operating accounts and to non-ECS municipal aid

Major Revisions to the FY 2017 Budget

General Fund

(in Millions)

Rollout December 2015 Deficit Mitigation Plan	\$ (90.5)
Specific Budget Reductions	(118.2)
Across-the-Board* Reductions (5.75%)	<u>(360.8)</u>
Total	\$ (569.5)

*Not applied to ECS, entitlements, debt service and fringe benefits

State of Connecticut
Proposed Budget Balance for FY 2017
(in millions)

February 3, 2016

General Fund					
	Originally Adopted <u>Budget</u>	Current Services <u>Update</u>	Current Services	Proposed Policy <u>Changes</u>	Proposed <u>Budget</u>
Revenues	\$ 18,713.6	\$ (563.1)	\$ 18,150.5	\$ 1.8	\$ 18,152.3
Expenditures	<u>18,711.2</u>	<u>(110.4)</u>	<u>18,600.8</u>	<u>(459.1)</u>	<u>18,141.7</u>
Surplus/(Deficit)	\$ 2.4	\$ (452.7)	\$ (450.3)	\$ 460.9	\$ 10.6

Special Transportation Fund					
	Originally Adopted <u>Budget</u>	Current Services <u>Update</u>	Current Services	Proposed Policy <u>Changes</u>	Proposed <u>Budget</u>
Revenues	\$ 1,596.9	\$ (60.0)	\$ 1,536.9	\$ 0.8	\$ 1,537.7
Expenditures	<u>1,496.1</u>	<u>6.8</u>	<u>1,502.9</u>	<u>(3.9)</u>	<u>1,499.0</u>
Surplus/(Deficit)	\$ 100.8	\$ (66.8)	\$ 34.0	\$ 4.7	\$ 38.7

STATE OF CONNECTICUT
 Appropriated Funds of the State
 Comparison of Final FY 2015, Estimated FY 2016, and Recommended FY 2017 Budgets
 (in Millions)

	Final FY 2015	Estimated FY 2016	% Change	Recommended FY 2017	% Change
General Fund	\$ 17,395.2	\$ 18,060.9	+3.8%	\$ 18,141.7	+0.4%
Special Transportation Fund	1,329.6	1,388.8	+4.4%	1,499.0	+7.9%
Banking Fund	27.5	29.6	+7.9%	30.0	+1.3%
Insurance Fund	65.0	79.9	+23.0%	80.5	+0.7%
Consumer Counsel & Public Utility Control Fund	23.2	27.0	+16.5%	27.0	-0.1%
Workers' Compensation Fund	22.4	27.3	+21.9%	26.9	-1.4%
Mashantucket Pequot and Mohegan Fund	61.7	61.8	+0.2%	58.2	-5.8%
Regional Market Operation Fund	1.1	1.1	-1.0%	1.1	+0.6%
Criminal Injuries Compensation Fund	2.4	2.9	+16.5%	2.9	+2.9%
Total	\$ 18,928.1	\$ 19,679.3	+4.0%	\$ 19,867.3	+1.0%

SUMMARY OF FY 2017 RECOMMENDATIONS - GENERAL FUND

(In Millions)

GENERAL FUND:

Projected FY 2017 Revenues

Estimated FY 2017 Revenue - Current Law - January 15, 2016 Consensus	\$	18,150.5
Proposed Revenue Changes		
Eliminate Minimum Bottle Pricing	\$	2.1
5.75% Reduction to Mashantucket Pequot and Mohegan Fund		3.5
Revenue Impact of Expenditure Changes		(4.7)
All Other - Net		0.9
Total Changes	\$	<u>1.8</u>
Available Resources - FY 2017	\$	18,152.3

Projected 2017 Expenditures

Adopted Appropriations FY 2017	\$	18,711.2
Increase/Decrease		
Statewide - Annualize December 2015 Deficit Mitigation Savings	\$	(90.5)
Fringe Benefits - Re-estimate Expenditure Requirements		(29.8)
Statewide - Reduce funding for Arts, Tourism, and Culture Grants		(5.3)
SDE - Reduce Education Equalization Grants to FY 2016 Level		(7.4)
DMHAS - Reduce Mental Health and Substance Abuse Grant Funding		(15.8)
DDS - Convert 30 Community Living Arrangements to Private Providers		(6.2)
DAS - Reduce Funding for Connecticut Education Network		(2.9)
DOC - Close a Prison		(14.8)
Judicial - Reduce Funding for Personal Services		(20.0)
Statewide - Across-the-Board 5.75% Reduction to Agency Operating Funds		(310.7)
Statewide - Across-the-Board 5.75% Reduction to Municipal Aid (excluding ECS)		(50.1)
All Other - Net		(16.0)
Total Increases/(Decreases)	\$	<u>(569.5)</u>
Total Projected Expenditures FY 2017	\$	18,141.7
Projected Operating Balance	\$	<u><u>10.6</u></u>

Fringe Benefits Transfers

Transfers From:

State Comptroller - Fringe Benefits - General Fund	\$	(951,133,680)
State Comptroller - Fringe Benefits - GF / Higher Ed. Portion		(432,852,693)
State Comptroller - Fringe Benefits - Special Transportation Fund		(87,466,632)
Total Transferred from Nonfunctional Comptroller's Accounts	\$	(1,471,453,005)

Transfers To:

Legislative Management	\$	17,875,607
Auditors of Public Accounts		4,546,583
Commission on Aging		155,897
Permanent Commission on the Status of Women		202,556
Commission on Children		250,245
Latino and Puerto Rican Affairs Commission		156,571
African-American Affairs Commission		102,146
Asian Pacific American Affairs Commission		78,307
Governor's Office		872,904
Secretary of the State		2,316,524
Lieutenant Governor's Office		239,593
State Treasurer		1,205,434
State Comptroller		9,186,798
Department of Revenue Services		22,549,865
Office of Governmental Accountability		911,576
Office of Policy and Management		4,727,966
Department of Veterans' Affairs		8,145,334
Department of Administrative Services		19,730,557
Attorney General		12,038,582
Division of Criminal Justice		17,982,494
Department of Emergency Services and Public Protection		54,168,622
Department of Motor Vehicles		18,642,949
Military Department		1,124,683
Department of Consumer Protection		5,946,632
Labor Department		4,050,268
Commission on Human Rights and Opportunities		2,237,212
Office of Protection and Advocacy for Persons with Disabilities		863,279
Department of Agriculture		1,491,371
Department of Energy and Environmental Protection - GF		20,245,248
Department of Energy and Environmental Protection - STF		779,239
Council on Environmental Quality		68,184
Department of Economic and Community Development		3,105,500
Department of Housing		778,793
Agricultural Experiment Station		2,454,576
Department of Public Health		14,133,169
Office of the Chief Medical Examiner		1,777,179
Department of Developmental Services		88,493,733
Department of Mental Health and Addiction Services		85,603,687
Psychiatric Security Review Board		104,719
Department of Transportation		68,044,444
Department of Social Services		48,402,017
State Department on Aging		898,395
Department of Rehabilitation Services		4,104,757
Department of Education		62,015,420
Office of Early Childhood		3,255,861
State Library		2,088,779
Office of Higher Education		753,133
University of Connecticut		145,696,323
University of Connecticut Health Center		103,221,779
Teachers' Retirement Board		664,331
Board of Regents for Higher Education - System Office		198,732
Board of Regents for Higher Education - Constituent Units		183,934,591
Department of Correction		157,754,834
Department of Children and Families		107,851,550
Judicial Department		136,782,727
Public Defender Services Commission		16,440,750
Total Transfers to Agencies	\$	1,471,453,005

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
General Fund				
<i>Legislative</i>				
Legislative Management				
Personal Services	\$48,856,926	\$50,744,676	\$0	(\$50,744,676)
Other Expenses	\$17,008,514	\$18,445,596	\$0	(\$18,445,596)
Equipment	\$375,100	\$475,100	\$0	(\$475,100)
Flag Restoration	\$70,312	\$71,250	\$0	(\$71,250)
Minor Capital Improvements	\$380,000	\$225,000	\$0	(\$225,000)
Interim Salary/Caucus Offices	\$641,942	\$493,898	\$0	(\$493,898)
CT Academy of Sci & Engineering	\$0	\$0	\$0	\$0
Old State House	\$569,724	\$589,589	\$0	(\$589,589)
Agency Operations	\$0	\$0	\$78,153,107	\$78,153,107
Interstate Conference Fund	\$394,288	\$410,058	\$0	(\$410,058)
New England Board of Higher Education	\$179,788	\$185,179	\$0	(\$185,179)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$68,476,594	\$71,640,346	\$78,153,107	\$6,512,761
Auditors of Public Accounts				
Personal Services	\$12,225,412	\$12,250,473	\$0	(\$12,250,473)
Other Expenses	\$400,115	\$404,950	\$0	(\$404,950)
Equipment	\$10,000	\$10,000	\$0	(\$10,000)
Agency Operations	\$0	\$0	\$15,794,979	\$15,794,979
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$12,635,527	\$12,665,423	\$15,794,979	\$3,129,556
Commission on Aging				
Personal Services	\$416,393	\$416,393	\$0	(\$416,393)
Other Expenses	\$38,236	\$38,236	\$0	(\$38,236)
Agency Operations	\$0	\$0	\$563,439	\$563,439
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$454,629	\$454,629	\$563,439	\$108,810
Permanent Commission on the Status of Women				
Personal Services	\$541,016	\$541,016	\$0	(\$541,016)
Other Expenses	\$83,864	\$75,864	\$0	(\$75,864)
Equipment	\$1,000	\$1,000	\$0	(\$1,000)
Agency Operations	\$0	\$0	\$742,247	\$742,247
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$625,880	\$617,880	\$742,247	\$124,367

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Commission on Children				
Personal Services	\$668,389	\$668,389	\$0	(\$668,389)
Other Expenses	\$100,932	\$100,932	\$0	(\$100,932)
Agency Operations	\$0	\$0	\$935,241	\$935,241
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$769,321	\$769,321	\$935,241	\$165,920
Latino and Puerto Rican Affairs Commission				
Personal Services	\$418,191	\$418,191	\$0	(\$418,191)
Other Expenses	\$27,290	\$27,290	\$0	(\$27,290)
Agency Operations	\$0	\$0	\$555,813	\$555,813
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$445,481	\$445,481	\$555,813	\$110,332
African-American Affairs Commission				
Personal Services	\$272,829	\$272,829	\$0	(\$272,829)
Other Expenses	\$28,128	\$28,128	\$0	(\$28,128)
Agency Operations	\$0	\$0	\$371,959	\$371,959
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$300,957	\$300,957	\$371,959	\$71,002
Asian Pacific American Affairs Commission				
Personal Services	\$209,155	\$209,155	\$0	(\$209,155)
Other Expenses	\$14,330	\$14,330	\$0	(\$14,330)
Agency Operations	\$0	\$0	\$278,602	\$278,602
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$223,485	\$223,485	\$278,602	\$55,117
Total - Legislative	\$83,931,874	\$87,117,522	\$97,395,387	\$10,277,865
<i>General Government</i>				
Governor's Office				
Personal Services	\$2,372,643	\$2,407,998	\$0	(\$2,407,998)
Other Expenses	\$200,590	\$203,265	\$0	(\$203,265)
Agency Operations	\$0	\$0	\$3,477,992	\$3,477,992
New England Governors' Conference	\$106,209	\$107,625	\$0	(\$107,625)
National Governors' Association	\$126,469	\$128,155	\$0	(\$128,155)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$2,805,911	\$2,847,043	\$3,477,992	\$630,949
Secretary of the State				

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Personal Services	\$2,923,939	\$2,941,115	\$0	(\$2,941,115)
Other Expenses	\$1,820,472	\$1,842,745	\$0	(\$1,842,745)
Commercial Recording Division	\$5,658,728	\$5,686,861	\$0	(\$5,686,861)
Board of Accountancy	\$297,114	\$301,941	\$0	(\$301,941)
Agency Operations	\$0	\$0	\$11,311,935	\$11,311,935
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$10,700,253	\$10,772,662	\$11,311,935	\$539,273
Lieutenant Governor's Office				
Personal Services	\$639,983	\$649,519	\$0	(\$649,519)
Other Expenses	\$68,640	\$69,555	\$0	(\$69,555)
Agency Operations	\$0	\$0	\$962,861	\$962,861
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$708,623	\$719,074	\$962,861	\$243,787
State Treasurer				
Personal Services	\$3,255,469	\$3,313,919	\$0	(\$3,313,919)
Other Expenses	\$153,942	\$155,995	\$0	(\$155,995)
Equipment	\$0	\$0	\$0	\$0
Agency Operations	\$0	\$0	\$4,384,796	\$4,384,796
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$3,409,411	\$3,469,914	\$4,384,796	\$914,882
State Comptroller				
Personal Services	\$25,190,835	\$25,394,018	\$0	(\$25,394,018)
Other Expenses	\$5,801,377	\$5,179,660	\$0	(\$5,179,660)
Agency Operations	\$0	\$0	\$37,096,725	\$37,096,725
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$30,992,212	\$30,573,678	\$37,096,725	\$6,523,047
Department of Revenue Services				
Personal Services	\$61,648,494	\$62,091,282	\$0	(\$62,091,282)
Other Expenses	\$8,395,265	\$7,722,172	\$0	(\$7,722,172)
Collection and Litigation Contingency Fu	\$0	\$0	\$0	\$0
Agency Operations	\$0	\$0	\$86,246,410	\$86,246,410
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$70,043,759	\$69,813,454	\$86,246,410	\$16,432,956
Office of Governmental Accountability				
Personal Services	\$826,468	\$837,351	\$0	(\$837,351)
Other Expenses	\$57,220	\$59,720	\$0	(\$59,720)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Child Fatality Review Panel	\$107,668	\$107,915	\$0	(\$107,915)
Information Technology Initiatives	\$31,588	\$31,588	\$0	(\$31,588)
Citizens' Election Fund Administration Ac	\$0	\$0	\$0	\$0
Elections Enforcement Commission	\$3,624,215	\$3,675,456	\$3,226,184	(\$449,272)
Office of State Ethics	\$1,580,644	\$1,600,405	\$1,400,116	(\$200,289)
Freedom of Information Commission	\$1,726,320	\$1,735,450	\$1,493,028	(\$242,422)
Contracting Standards Board	\$314,368	\$302,932	\$0	(\$302,932)
Judicial Review Council	\$146,265	\$148,294	\$0	(\$148,294)
Judicial Selection Commission	\$93,100	\$93,279	\$0	(\$93,279)
Office of the Child Advocate	\$714,642	\$712,546	\$0	(\$712,546)
Office of the Victim Advocate	\$462,544	\$460,972	\$0	(\$460,972)
Board of Firearms Permit Examiners	\$127,959	\$128,422	\$0	(\$128,422)
Agency Operations	\$0	\$0	\$11,731,401	\$11,731,401
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$9,813,001	\$9,894,330	\$17,850,729	\$7,956,399

Office of Policy and Management

Personal Services	\$12,986,179	\$13,038,950	\$0	(\$13,038,950)
Other Expenses	\$1,190,216	\$1,216,413	\$0	(\$1,216,413)
Litigation Settlement	\$0	\$0	\$0	\$0
Automated Budget System and Data Bas	\$46,600	\$47,221	\$0	(\$47,221)
Justice Assistance Grants	\$1,008,740	\$1,022,232	\$0	(\$1,022,232)
Criminal Justice Information System	\$0	\$984,008	\$0	(\$984,008)
Youth Services Prevention	\$0	\$0	\$0	\$0
Project Longevity	\$1,000,000	\$1,000,000	\$0	(\$1,000,000)
Agency Operations	\$0	\$0	\$28,482,570	\$28,482,570
Tax Relief for Elderly Renters	\$26,700,000	\$28,900,000	\$27,238,250	(\$1,661,750)
Private Providers	\$0	\$8,500,000	\$0	(\$8,500,000)
Reimbursement to Towns for Loss of Tax	\$83,641,646	\$83,641,646	\$67,253,486	(\$16,388,160)
Reimbursements to Towns for Private Ta	\$125,431,737	\$125,431,737	\$115,851,775	(\$9,579,962)
Reimbursement Property Tax - Disability	\$400,000	\$400,000	\$377,000	(\$23,000)
Distressed Municipalities	\$5,800,000	\$5,800,000	\$5,466,500	(\$333,500)
Property Tax Relief Elderly Circuit Breake	\$20,505,900	\$20,505,900	\$19,326,811	(\$1,179,089)
Property Tax Relief Elderly Freeze Progra	\$120,000	\$120,000	\$113,100	(\$6,900)
Property Tax Relief for Veterans	\$2,970,098	\$2,970,098	\$2,799,317	(\$170,781)
Property Tax Relief	\$0	\$0	\$0	\$0
Focus Deterrence	\$0	\$0	\$0	\$0
Municipal Aid Adjustment	\$0	\$0	\$0	\$0
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Agency Total	\$281,801,116	\$293,578,205	\$266,908,809	(\$26,669,396)
Department of Veterans' Affairs				
Personal Services	\$23,152,920	\$23,338,814	\$0	(\$23,338,814)
Other Expenses	\$5,059,380	\$5,059,380	\$0	(\$5,059,380)
Support Services for Veterans	\$180,500	\$180,500	\$0	(\$180,500)
SSMF Administration	\$593,310	\$593,310	\$0	(\$593,310)
Agency Operations	\$0	\$0	\$34,620,643	\$34,620,643
Burial Expenses	\$7,200	\$7,200	\$0	(\$7,200)
Headstones	\$332,500	\$332,500	\$0	(\$332,500)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$29,325,810	\$29,511,704	\$34,620,643	\$5,108,939
Department of Administrative Services				
Personal Services	\$53,985,369	\$54,425,425	\$0	(\$54,425,425)
Other Expenses	\$32,717,944	\$32,807,679	\$0	(\$32,807,679)
Tuition Reimbursement - Training and Tr	\$382,000	\$0	\$0	\$0
Special Labor Management	\$75,000	\$0	\$0	\$0
Management Services	\$4,623,259	\$4,428,787	\$0	(\$4,428,787)
Loss Control Risk Management	\$114,854	\$114,854	\$0	(\$114,854)
Employees' Review Board	\$20,822	\$21,100	\$0	(\$21,100)
Surety Bonds for State Officials and Empl	\$141,800	\$73,600	\$0	(\$73,600)
Quality of Work-Life	\$350,000	\$0	\$0	\$0
Refunds of Collections	\$25,723	\$25,723	\$0	(\$25,723)
Rents and Moving	\$13,069,421	\$11,447,039	\$0	(\$11,447,039)
Capitol Day Care Center	\$0	\$0	\$0	\$0
W. C. Administrator	\$5,000,000	\$5,000,000	\$0	(\$5,000,000)
Connecticut Education Network	\$2,941,857	\$2,941,857	\$0	(\$2,941,857)
Insurance and Risk Operations	\$13,683,019	\$13,995,707	\$13,790,462	(\$205,245)
IT Services	\$14,315,087	\$14,454,305	\$0	(\$14,454,305)
Agency Operations	\$0	\$0	\$133,524,009	\$133,524,009
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$141,446,155	\$139,736,076	\$147,314,471	\$7,578,395
Attorney General				
Personal Services	\$33,038,471	\$33,154,538	\$0	(\$33,154,538)
Other Expenses	\$1,062,361	\$1,078,926	\$0	(\$1,078,926)
Agency Operations	\$0	\$0	\$43,342,911	\$43,342,911
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$34,100,832	\$34,233,464	\$43,342,911	\$9,109,447

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Division of Criminal Justice				
Personal Services	\$48,985,592	\$49,475,371	\$0	(\$49,475,371)
Other Expenses	\$2,561,355	\$2,561,355	\$0	(\$2,561,355)
Witness Protection	\$180,000	\$180,000	\$0	(\$180,000)
Training and Education	\$56,499	\$56,499	\$0	(\$56,499)
Expert Witnesses	\$330,000	\$330,000	\$0	(\$330,000)
Medicaid Fraud Control	\$1,323,438	\$1,325,095	\$0	(\$1,325,095)
Criminal Justice Commission	\$481	\$481	\$0	(\$481)
Cold Case Unit	\$277,119	\$282,511	\$0	(\$282,511)
Shooting Taskforce	\$1,115,406	\$1,125,663	\$0	(\$1,125,663)
Agency Operations	\$0	\$0	\$68,550,026	\$68,550,026
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$54,829,890	\$55,336,975	\$68,550,026	\$13,213,051
Total - General Government	\$669,976,973	\$680,486,579	\$722,068,308	\$41,581,729

Regulation and Protection

Department of Emergency Services and Public Protection

Personal Services	\$149,608,808	\$149,909,977	\$0	(\$149,909,977)
Other Expenses	\$29,099,716	\$29,033,588	\$0	(\$29,033,588)
Equipment	\$93,990	\$93,990	\$0	(\$93,990)
Stress Reduction	\$25,354	\$25,354	\$0	(\$25,354)
Fleet Purchase	\$6,183,375	\$6,877,690	\$0	(\$6,877,690)
Gun Law Enforcement Task Force	\$0	\$0	\$0	\$0
Workers' Compensation Claims	\$4,562,247	\$4,562,247	\$0	(\$4,562,247)
Agency Operations	\$0	\$0	\$228,594,591	\$228,594,591
Fire Training School - Willimantic	\$98,079	\$100,000	\$0	(\$100,000)
Maintenance of County Base Fire Radio	\$23,918	\$23,918	\$0	(\$23,918)
Maintenance of State-Wide Fire Radio N	\$15,919	\$15,919	\$0	(\$15,919)
Police Association of Connecticut	\$190,000	\$190,000	\$0	(\$190,000)
Connecticut State Firefighter's Associatio	\$194,711	\$194,711	\$0	(\$194,711)
Fire Training School - Torrington	\$59,034	\$60,000	\$0	(\$60,000)
Fire Training School - New Haven	\$39,426	\$40,000	\$0	(\$40,000)
Fire Training School - Derby	\$29,559	\$30,000	\$0	(\$30,000)
Fire Training School - Wolcott	\$68,810	\$70,000	\$0	(\$70,000)
Fire Training School - Fairfield	\$49,164	\$50,000	\$0	(\$50,000)
Fire Training School - Hartford	\$97,989	\$100,000	\$0	(\$100,000)
Fire Training School - Middletown	\$29,299	\$30,000	\$0	(\$30,000)
Fire Training School - Stamford	\$29,342	\$30,000	\$0	(\$30,000)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$190,498,740	\$191,437,394	\$228,594,591	\$37,157,197
Department of Motor Vehicles				
Personal Services	\$0	\$0	\$0	\$0
Other Expenses	\$0	\$0	\$0	\$0
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$0	\$0	\$0	\$0
Military Department				
Personal Services	\$3,146,928	\$3,179,977	\$0	(\$3,179,977)
Other Expenses	\$2,595,180	\$2,603,340	\$0	(\$2,603,340)
Honor Guard	\$350,000	\$350,000	\$0	(\$350,000)
Veterans' Service Bonuses	\$72,000	\$50,000	\$0	(\$50,000)
Agency Operations	\$0	\$0	\$6,692,644	\$6,692,644
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$6,164,108	\$6,183,317	\$6,692,644	\$509,327
Department of Consumer Protection				
Personal Services	\$15,935,765	\$16,070,008	\$0	(\$16,070,008)
Other Expenses	\$1,346,243	\$1,464,066	\$0	(\$1,464,066)
Agency Operations	\$0	\$0	\$22,200,857	\$22,200,857
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$17,282,008	\$17,534,074	\$22,200,857	\$4,666,783
Labor Department				
Personal Services	\$9,434,317	\$9,515,435	\$0	(\$9,515,435)
Other Expenses	\$1,268,588	\$1,128,588	\$0	(\$1,128,588)
CETC Workforce	\$686,938	\$707,244	\$0	(\$707,244)
Workforce Investment Act	\$32,104,008	\$32,104,008	\$32,104,008	\$0
Jobs Funnel Projects	\$224,700	\$230,510	\$0	(\$230,510)
Connecticut's Youth Employment Progra	\$5,156,250	\$5,225,000	\$0	(\$5,225,000)
Jobs First Employment Services	\$18,036,623	\$18,039,903	\$0	(\$18,039,903)
STRIDE	\$518,094	\$532,475	\$0	(\$532,475)
Apprenticeship Program	\$583,896	\$584,977	\$0	(\$584,977)
Spanish-American Merchant Association	\$500,531	\$514,425	\$0	(\$514,425)
Connecticut Career Resource Network	\$166,061	\$166,909	\$0	(\$166,909)
21st Century Jobs	\$0	\$0	\$0	\$0
Incumbent Worker Training	\$725,688	\$725,688	\$0	(\$725,688)
STRIVE	\$237,094	\$243,675	\$0	(\$243,675)
Customized Services	\$439,062	\$451,250	\$0	(\$451,250)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Intensive Support Services	\$0	\$0	\$0	\$0
Opportunities for Long Term Unemploye	\$3,161,250	\$3,249,000	\$0	(\$3,249,000)
Veterans' Opportunity Pilot	\$526,875	\$541,500	\$0	(\$541,500)
Second Chance Initiatives	\$1,425,000	\$1,425,000	\$0	(\$1,425,000)
Cradle to Career	\$200,000	\$200,000	\$0	(\$200,000)
2Gen - TANF	\$1,500,000	\$1,500,000	\$0	(\$1,500,000)
ConnectiCorps	\$100,000	\$200,000	\$0	(\$200,000)
New Haven Jobs Funnel	\$525,000	\$540,000	\$0	(\$540,000)
Agency Operations	\$0	\$0	\$38,042,247	\$38,042,247
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$77,519,975	\$77,825,587	\$70,146,255	(\$7,679,332)
Commission on Human Rights and Opportunities				
Personal Services	\$6,664,520	\$6,721,805	\$0	(\$6,721,805)
Other Expenses	\$369,255	\$369,255	\$0	(\$369,255)
Martin Luther King, Jr. Commission	\$6,318	\$6,318	\$0	(\$6,318)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$7,040,093	\$7,097,378	\$0	(\$7,097,378)
Office of Protection and Advocacy for Persons with Disabilities				
Personal Services	\$2,339,429	\$2,354,131	\$0	(\$2,354,131)
Other Expenses	\$194,654	\$194,654	\$0	(\$194,654)
Agency Operations	\$0	\$0	\$3,216,625	\$3,216,625
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$2,534,083	\$2,548,785	\$3,216,625	\$667,840
Total - Regulation and Protection	\$301,039,007	\$302,626,535	\$330,850,972	\$28,224,437
<i>Conservation and Development</i>				
Department of Agriculture				
Personal Services	\$4,023,923	\$4,074,226	\$0	(\$4,074,226)
Other Expenses	\$783,103	\$783,103	\$0	(\$783,103)
Senior Food Vouchers	\$364,857	\$364,928	\$0	(\$364,928)
Agency Operations	\$0	\$0	\$6,489,328	\$6,489,328
Tuberculosis and Brucellosis Indemnity	\$100	\$100	\$0	(\$100)
WIC Coupon Program for Fresh Produce	\$174,886	\$174,886	\$0	(\$174,886)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$5,346,869	\$5,397,243	\$6,489,328	\$1,092,085
Department of Energy and Environmental Protection				
Personal Services	\$31,059,897	\$31,266,085	\$0	(\$31,266,085)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Other Expenses	\$2,999,978	\$2,999,978	\$0	(\$2,999,978)
Mosquito Control	\$272,597	\$272,841	\$0	(\$272,841)
State Superfund Site Maintenance	\$481,918	\$488,344	\$0	(\$488,344)
Laboratory Fees	\$151,683	\$153,705	\$0	(\$153,705)
Dam Maintenance	\$142,981	\$143,144	\$0	(\$143,144)
Emergency Spill Response	\$7,278,320	\$7,326,885	\$0	(\$7,326,885)
Solid Waste Management	\$3,384,724	\$3,448,128	\$0	(\$3,448,128)
Underground Storage Tank	\$1,040,293	\$1,047,927	\$0	(\$1,047,927)
Clean Air	\$4,455,103	\$4,543,783	\$0	(\$4,543,783)
Environmental Conservation	\$9,083,811	\$9,122,571	\$0	(\$9,122,571)
Environmental Quality	\$10,047,411	\$10,115,610	\$0	(\$10,115,610)
Pheasant Stocking Account	\$0	\$0	\$0	\$0
Greenways Account	\$2	\$2	\$0	(\$2)
Conservation Districts & Soil and Water	\$266,250	\$270,000	\$0	(\$270,000)
Agency Operations	\$0	\$0	\$85,610,179	\$85,610,179
Interstate Environmental Commission	\$48,783	\$48,783	\$0	(\$48,783)
New England Interstate Water Pollution	\$28,827	\$28,827	\$0	(\$28,827)
Northeast Interstate Forest Fire Compac	\$3,295	\$3,295	\$0	(\$3,295)
Connecticut River Valley Flood Control C	\$32,395	\$32,395	\$0	(\$32,395)
Thames River Valley Flood Control Com	\$48,281	\$48,281	\$0	(\$48,281)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$70,826,549	\$71,360,584	\$85,610,179	\$14,249,595
Council on Environmental Quality				
Personal Services	\$181,253	\$182,657	\$0	(\$182,657)
Other Expenses	\$1,789	\$1,789	\$0	(\$1,789)
Agency Operations	\$0	\$0	\$241,488	\$241,488
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$183,042	\$184,446	\$241,488	\$57,042
Department of Economic and Community Development				
Personal Services	\$8,410,102	\$8,476,385	\$0	(\$8,476,385)
Other Expenses	\$1,072,065	\$1,052,065	\$0	(\$1,052,065)
Statewide Marketing	\$9,500,000	\$9,500,000	\$0	(\$9,500,000)
Small Business Incubator Program	\$339,916	\$349,352	\$0	(\$349,352)
Hartford Urban Arts Grant	\$395,000	\$400,000	\$0	(\$400,000)
New Britain Arts Council	\$63,187	\$64,941	\$0	(\$64,941)
Main Street Initiatives	\$152,297	\$154,328	\$0	(\$154,328)
Office of Military Affairs	\$216,598	\$219,962	\$0	(\$219,962)
Hydrogen/Fuel Cell Economy	\$153,671	\$157,937	\$0	(\$157,937)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
CCAT-CT Manufacturing Supply Chain	\$843,013	\$860,862	\$0	(\$860,862)
Capitol Region Development Authority	\$7,864,370	\$7,864,370	\$0	(\$7,864,370)
Neighborhood Music School	\$126,375	\$128,250	\$0	(\$128,250)
Agency Operations	\$0	\$0	\$29,625,081	\$29,625,081
Nutmeg Games	\$64,075	\$65,000	\$0	(\$65,000)
Discovery Museum	\$315,930	\$324,699	\$0	(\$324,699)
National Theatre of the Deaf	\$126,371	\$129,879	\$0	(\$129,879)
CONNSTEP	\$495,712	\$503,067	\$0	(\$503,067)
Development Research and Economic As	\$121,095	\$124,457	\$0	(\$124,457)
CT Trust for Historic Preservation	\$0	\$0	\$0	\$0
Connecticut Science Center	\$542,512	\$550,000	\$0	(\$550,000)
CT Flagship Producing Theaters Grant	\$417,108	\$428,687	\$0	(\$428,687)
Women's Business Center	\$393,750	\$400,000	\$0	(\$400,000)
Performing Arts Centers	\$1,263,714	\$1,298,792	\$0	(\$1,298,792)
Performing Theaters Grant	\$492,915	\$505,904	\$0	(\$505,904)
Arts Commission	\$1,578,720	\$1,622,542	\$0	(\$1,622,542)
Art Museum Consortium	\$461,014	\$473,812	\$0	(\$473,812)
CT Invention Convention	\$19,687	\$20,000	\$0	(\$20,000)
Litchfield Jazz Festival	\$46,875	\$47,500	\$0	(\$47,500)
Connecticut River Museum	\$25,000	\$25,000	\$0	(\$25,000)
Arte Inc.	\$25,000	\$25,000	\$0	(\$25,000)
CT Virtuosi Orchestra	\$25,000	\$25,000	\$0	(\$25,000)
Barnum Museum	\$25,000	\$25,000	\$0	(\$25,000)
Greater Hartford Arts Council	\$88,982	\$91,174	\$0	(\$91,174)
Stepping Stones Museum for Children	\$36,951	\$37,977	\$0	(\$37,977)
Maritime Center Authority	\$487,315	\$500,842	\$0	(\$500,842)
Tourism Districts	\$1,260,788	\$1,295,785	\$0	(\$1,295,785)
Amistad Committee for the Freedom Tra	\$39,514	\$40,612	\$0	(\$40,612)
Amistad Vessel	\$315,929	\$324,698	\$0	(\$324,698)
New Haven Festival of Arts and Ideas	\$665,111	\$683,574	\$0	(\$683,574)
New Haven Arts Council	\$78,982	\$81,174	\$0	(\$81,174)
Beardsley Zoo	\$327,136	\$336,217	\$0	(\$336,217)
Mystic Aquarium	\$517,308	\$531,668	\$0	(\$531,668)
Quinebaug Tourism	\$34,649	\$35,611	\$0	(\$35,611)
Northwestern Tourism	\$34,649	\$35,611	\$0	(\$35,611)
Eastern Tourism	\$34,649	\$35,611	\$0	(\$35,611)
Central Tourism	\$34,649	\$35,611	\$0	(\$35,611)
Twain/Stowe Homes	\$98,864	\$100,000	\$0	(\$100,000)
Cultural Alliance of Fairfield	\$78,982	\$81,174	\$0	(\$81,174)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$39,710,530	\$40,070,130	\$29,625,081	(\$10,445,049)
Department of Housing				
Personal Services	\$2,234,652	\$2,242,842	\$0	(\$2,242,842)
Other Expenses	\$173,266	\$194,266	\$0	(\$194,266)
Elderly Rental Registry and Counselors	\$1,196,144	\$1,196,144	\$0	(\$1,196,144)
Agency Operations	\$0	\$0	\$83,598,359	\$83,598,359
Subsidized Assisted Living Demonstratio	\$2,255,625	\$2,332,250	\$0	(\$2,332,250)
Congregate Facilities Operation Costs	\$7,783,636	\$8,054,279	\$0	(\$8,054,279)
Housing Assistance and Counseling Progr	\$411,094	\$416,575	\$0	(\$416,575)
Elderly Congregate Rent Subsidy	\$2,162,504	\$2,162,504	\$0	(\$2,162,504)
Housing/Homeless Services	\$69,107,806	\$75,227,013	\$0	(\$75,227,013)
Tax Abatement	\$1,118,580	\$1,153,793	\$0	(\$1,153,793)
Payment in Lieu of Taxes	\$0	\$0	\$0	\$0
Housing/Homeless Services - Municipalit	\$640,398	\$640,398	\$0	(\$640,398)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$87,083,705	\$93,620,064	\$83,598,359	(\$10,021,705)
Agricultural Experiment Station				
Personal Services	\$6,385,305	\$6,496,579	\$0	(\$6,496,579)
Other Expenses	\$1,134,017	\$1,134,017	\$0	(\$1,134,017)
Equipment	\$10,000	\$10,000	\$0	(\$10,000)
Mosquito Control	\$503,987	\$507,516	\$0	(\$507,516)
Wildlife Disease Prevention	\$98,515	\$100,158	\$0	(\$100,158)
Agency Operations	\$0	\$0	\$9,768,602	\$9,768,602
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$8,131,824	\$8,248,270	\$9,768,602	\$1,520,332
Total - Conservation and Development	\$211,282,519	\$218,880,737	\$215,333,037	(\$3,547,700)
<i>Health and Hospitals</i>				
Department of Public Health				
Personal Services	\$38,464,503	\$38,812,372	\$0	(\$38,812,372)
Other Expenses	\$7,162,820	\$7,478,436	\$0	(\$7,478,436)
Needle and Syringe Exchange Program	\$0	\$0	\$0	\$0
Children's Health Initiatives	\$1,942,969	\$1,972,746	\$0	(\$1,972,746)
Childhood Lead Poisoning	\$67,839	\$68,744	\$0	(\$68,744)
AIDS Services	\$85,000	\$85,000	\$0	(\$85,000)
Breast and Cervical Cancer Detection an	\$0	\$0	\$0	\$0
Children with Special Health Care Needs	\$1,022,173	\$1,037,429	\$0	(\$1,037,429)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Medicaid Administration	\$0	\$0	\$0	\$0
Maternal Mortality Review	\$0	\$1,000	\$0	(\$1,000)
Agency Operations	\$0	\$0	\$61,774,258	\$61,774,258
Community Health Services	\$1,930,842	\$2,008,515	\$0	(\$2,008,515)
Rape Crisis	\$617,008	\$617,008	\$0	(\$617,008)
X-Ray Screening and Tuberculosis Care	\$0	\$0	\$0	\$0
Genetic Diseases Programs	\$237,895	\$237,895	\$0	(\$237,895)
Local and District Departments of Health	\$4,458,648	\$4,692,648	\$4,115,926	(\$576,722)
Venereal Disease Control	\$0	\$0	\$0	\$0
School Based Health Clinics	\$11,747,498	\$11,898,107	\$10,653,268	(\$1,244,839)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$67,737,195	\$68,909,900	\$76,543,452	\$7,633,552
Office of the Chief Medical Examiner				
Personal Services	\$5,135,259	\$4,857,946	\$0	(\$4,857,946)
Other Expenses	\$1,480,167	\$1,340,167	\$0	(\$1,340,167)
Equipment	\$19,226	\$19,226	\$0	(\$19,226)
Medicolegal Investigations	\$25,704	\$26,047	\$0	(\$26,047)
Agency Operations	\$0	\$0	\$7,632,180	\$7,632,180
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$6,660,356	\$6,243,386	\$7,632,180	\$1,388,794
Department of Developmental Services				
Personal Services	\$262,989,799	\$265,087,937	\$0	(\$265,087,937)
Other Expenses	\$20,619,455	\$20,894,381	\$0	(\$20,894,381)
Human Resource Development	\$0	\$0	\$0	\$0
Family Support Grants	\$3,738,222	\$3,738,222	\$0	(\$3,738,222)
Cooperative Placements Program	\$24,544,841	\$24,477,566	\$0	(\$24,477,566)
Clinical Services	\$3,440,085	\$3,493,844	\$0	(\$3,493,844)
Early Intervention	\$0	\$0	\$0	\$0
Community Temporary Support Services	\$0	\$0	\$0	\$0
Community Respite Care Programs	\$0	\$0	\$0	\$0
Workers' Compensation Claims	\$14,994,475	\$14,994,475	\$0	(\$14,994,475)
Autism Services	\$2,802,272	\$3,098,961	\$0	(\$3,098,961)
Behavioral Services Program	\$29,731,164	\$30,818,643	\$0	(\$30,818,643)
Supplemental Payments for Medical Ser	\$4,908,116	\$4,908,116	\$0	(\$4,908,116)
Agency Operations	\$0	\$0	\$610,004,298	\$610,004,298
Rent Subsidy Program	\$5,130,212	\$5,130,212	\$0	(\$5,130,212)
Family Reunion Program	\$0	\$0	\$0	\$0
Employment Opportunities and Day Serv	\$227,626,162	\$237,650,362	\$0	(\$237,650,362)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Community Residential Services	\$483,871,682	\$502,596,014	\$0	(\$502,596,014)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$1,084,396,485	\$1,116,888,733	\$610,004,298	(\$506,884,435)
Department of Mental Health and Addiction Services				
Personal Services	\$205,578,670	\$208,141,328	\$0	(\$208,141,328)
Other Expenses	\$28,716,563	\$28,752,852	\$0	(\$28,752,852)
Housing Supports and Services	\$23,221,576	\$24,221,576	\$0	(\$24,221,576)
Managed Service System	\$62,596,523	\$62,743,207	\$0	(\$62,743,207)
Legal Services	\$995,819	\$995,819	\$0	(\$995,819)
Connecticut Mental Health Center	\$8,398,341	\$8,509,163	\$0	(\$8,509,163)
Professional Services	\$11,488,898	\$11,488,898	\$0	(\$11,488,898)
General Assistance Managed Care	\$41,991,862	\$43,075,573	\$42,521,382	(\$554,191)
Workers' Compensation Claims	\$11,792,289	\$11,792,289	\$0	(\$11,792,289)
Nursing Home Screening	\$591,645	\$591,645	\$0	(\$591,645)
Young Adult Services	\$80,206,667	\$85,961,827	\$0	(\$85,961,827)
TBI Community Services	\$10,400,667	\$10,412,737	\$0	(\$10,412,737)
Jail Diversion	\$4,595,351	\$4,617,881	\$0	(\$4,617,881)
Behavioral Health Medications	\$5,783,527	\$5,860,641	\$0	(\$5,860,641)
Prison Overcrowding	\$6,330,189	\$6,352,255	\$0	(\$6,352,255)
Medicaid Adult Rehabilitation Option	\$4,816,334	\$4,803,175	\$0	(\$4,803,175)
Discharge and Diversion Services	\$24,447,924	\$27,347,924	\$0	(\$27,347,924)
Home and Community Based Services	\$19,612,854	\$25,947,617	\$0	(\$25,947,617)
Persistent Violent Felony Offenders Act	\$675,235	\$675,235	\$0	(\$675,235)
Nursing Home Contract	\$485,000	\$485,000	\$0	(\$485,000)
Pre-Trial Account	\$689,750	\$699,437	\$0	(\$699,437)
Agency Operations	\$0	\$0	\$651,565,968	\$651,565,968
Grants for Substance Abuse Services	\$22,667,934	\$22,667,934	\$0	(\$22,667,934)
Grants for Mental Health Services	\$72,280,480	\$73,780,480	\$0	(\$73,780,480)
Employment Opportunities	\$10,417,204	\$10,417,204	\$0	(\$10,417,204)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$658,781,302	\$680,341,697	\$694,087,350	\$13,745,653
Psychiatric Security Review Board				
Personal Services	\$261,587	\$262,916	\$0	(\$262,916)
Other Expenses	\$29,136	\$29,525	\$0	(\$29,525)
Agency Operations	\$0	\$0	\$395,749	\$395,749
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$290,723	\$292,441	\$395,749	\$103,308

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Total - Health and Hospitals	\$1,817,866,061	\$1,872,676,157	\$1,388,663,029	(\$484,013,128)
<i>Human Services</i>				
Department of Social Services				
Personal Services	\$134,527,508	\$133,178,052	\$0	(\$133,178,052)
Other Expenses	\$148,435,174	\$155,619,366	\$0	(\$155,619,366)
HUSKY Performance Monitoring	\$182,043	\$187,245	\$0	(\$187,245)
Genetic Tests in Paternity Actions	\$120,236	\$122,506	\$0	(\$122,506)
State-Funded Supplemental Nutrition As	\$483,100	\$460,800	\$0	(\$460,800)
HUSKY B Program	\$6,550,000	\$4,350,000	\$4,350,000	\$0
Charter Oak Health Plan	\$0	\$0	\$0	\$0
Agency Operations	\$0	\$0	\$353,427,436	\$353,427,436
Medicaid	\$2,468,415,500	\$2,542,788,000	\$2,509,112,500	(\$33,675,500)
Old Age Assistance	\$37,944,440	\$38,347,320	\$0	(\$38,347,320)
Aid to the Blind	\$750,550	\$755,289	\$0	(\$755,289)
Aid to the Disabled	\$61,115,585	\$61,475,440	\$0	(\$61,475,440)
Temporary Assistance to Families - TANF	\$99,425,380	\$98,858,030	\$90,831,330	(\$8,026,700)
Emergency Assistance	\$1	\$1	\$0	(\$1)
Food Stamp Training Expenses	\$11,250	\$11,400	\$0	(\$11,400)
Healthy Start	\$1,251,522	\$1,287,280	\$0	(\$1,287,280)
DMHAS – Disproportionate Share	\$108,935,000	\$108,935,000	\$108,935,000	\$0
Connecticut Home Care Program	\$43,430,000	\$40,590,000	\$0	(\$40,590,000)
Human Resource Development-Hispanic	\$886,630	\$898,452	\$0	(\$898,452)
Community Residential Services	\$0	\$0	\$537,116,053	\$537,116,053
Protective Services To The Elderly	\$476,599	\$478,300	\$0	(\$478,300)
Safety Net Services	\$2,462,943	\$2,533,313	\$0	(\$2,533,313)
Transportation for Employment Indepen	\$0	\$0	\$0	\$0
Refunds Of Collections	\$110,625	\$112,500	\$0	(\$112,500)
Services for Persons With Disabilities	\$526,762	\$541,812	\$0	(\$541,812)
Child Care Services-TANF/CCDBG	\$0	\$0	\$0	\$0
Nutrition Assistance	\$449,687	\$455,683	\$0	(\$455,683)
Housing/Homeless Services	\$0	\$0	\$0	\$0
State Administered General Assistance	\$23,154,540	\$24,818,050	\$22,576,050	(\$2,242,000)
Connecticut Children's Medical Center	\$14,605,500	\$14,800,240	\$0	(\$14,800,240)
Community Services	\$1,100,730	\$1,128,860	\$0	(\$1,128,860)
Human Service Infrastructure Communit	\$3,021,660	\$3,107,994	\$0	(\$3,107,994)
Teen Pregnancy Prevention	\$1,607,707	\$1,653,641	\$0	(\$1,653,641)
Fatherhood Initiative	\$0	\$0	\$0	\$0
Family Programs-TANF	\$541,600	\$415,166	\$0	(\$415,166)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Domestic Violence Shelters	\$5,210,676	\$5,210,676	\$0	(\$5,210,676)
Home Care and Protective Services for t	\$0	\$0	\$41,068,300	\$41,068,300
Aid to the Aged, Blind and Disabled	\$0	\$0	\$102,371,849	\$102,371,849
Human Resource Development-Hispanic	\$5,029	\$5,096	\$0	(\$5,096)
Teen Pregnancy Prevention - Municipalit	\$120,598	\$124,044	\$0	(\$124,044)
Community Services - Municipality	\$78,526	\$79,573	\$0	(\$79,573)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$3,165,937,101	\$3,243,329,129	\$3,769,788,518	\$526,459,389
State Department on Aging				
Personal Services	\$2,427,209	\$2,450,501	\$0	(\$2,450,501)
Other Expenses	\$219,286	\$222,210	\$0	(\$222,210)
Agency Operations	\$0	\$0	\$8,953,562	\$8,953,562
Programs for Senior Citizens	\$6,150,914	\$6,150,914	\$0	(\$6,150,914)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$8,797,409	\$8,823,625	\$8,953,562	\$129,937
Department of Rehabilitation Services				
Personal Services	\$5,191,611	\$5,231,501	\$0	(\$5,231,501)
Other Expenses	\$1,576,205	\$1,576,205	\$0	(\$1,576,205)
Part-Time Interpreters	\$1,522	\$1,522	\$0	(\$1,522)
Educational Aid for Blind and Visually Ha	\$4,514,363	\$4,553,755	\$0	(\$4,553,755)
Employment Opportunities - Blind & Dis	\$1,340,729	\$1,340,729	\$0	(\$1,340,729)
Agency Operations	\$0	\$0	\$23,360,665	\$23,360,665
Vocational Rehabilitation - Disabled	\$6,994,586	\$7,087,847	\$0	(\$7,087,847)
Supplementary Relief and Services	\$93,515	\$94,762	\$0	(\$94,762)
Vocational Rehabilitation - Blind	\$843,189	\$854,432	\$0	(\$854,432)
Special Training for the Deaf Blind	\$286,581	\$286,581	\$0	(\$286,581)
Connecticut Radio Information Service	\$78,055	\$79,096	\$0	(\$79,096)
Employment Opportunities	\$0	\$0	\$0	\$0
Independent Living Centers	\$495,637	\$502,246	\$0	(\$502,246)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$21,415,993	\$21,608,676	\$23,360,665	\$1,751,989
Total - Human Services	\$3,196,150,503	\$3,273,761,430	\$3,802,102,745	\$528,341,315
<i>Education</i>				
Department of Education				
Personal Services	\$20,397,903	\$20,615,925	\$0	(\$20,615,925)
Other Expenses	\$3,926,142	\$3,916,142	\$0	(\$3,916,142)
Admin - Magnet Schools	\$0	\$0	\$0	\$0

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Admin - Adult Basic Education	\$0	\$0	\$0	\$0
Development of Mastery Exams Grades	\$15,149,111	\$15,610,253	\$0	(\$15,610,253)
Admin - Interdistrict Cooperative Progra	\$0	\$0	\$0	\$0
Primary Mental Health	\$427,209	\$427,209	\$0	(\$427,209)
Admin - Youth Service Bureaus	\$0	\$0	\$0	\$0
Leadership, Education, Athletics in Partn	\$681,329	\$690,413	\$0	(\$690,413)
Adult Education Action	\$240,687	\$240,687	\$0	(\$240,687)
Connecticut Pre-Engineering Program	\$246,094	\$249,375	\$0	(\$249,375)
Connecticut Writing Project	\$69,375	\$70,000	\$0	(\$70,000)
Resource Equity Assessments	\$157,560	\$159,661	\$0	(\$159,661)
Neighborhood Youth Centers	\$1,129,425	\$1,157,817	\$0	(\$1,157,817)
Longitudinal Data Systems	\$1,190,700	\$1,208,477	\$0	(\$1,208,477)
School Accountability	\$1,500,000	\$1,500,000	\$0	(\$1,500,000)
Sheff Settlement	\$11,861,044	\$12,192,038	\$0	(\$12,192,038)
Admin - After School Program	\$0	\$0	\$0	\$0
CommPACT Schools	\$350,000	\$350,000	\$0	(\$350,000)
Parent Trust Fund Program	\$468,750	\$475,000	\$0	(\$475,000)
Regional Vocational-Technical School Sys	\$167,029,468	\$171,152,813	\$0	(\$171,152,813)
Science Program for Educational Reform	\$0	\$0	\$0	\$0
Wrap Around Services	\$19,375	\$25,000	\$0	(\$25,000)
Parent Universities	\$0	\$0	\$0	\$0
School Health Coordinator Pilot	\$0	\$0	\$0	\$0
Commissioner's Network	\$12,800,000	\$12,800,000	\$0	(\$12,800,000)
New or Replicated Schools	\$339,000	\$420,000	\$0	(\$420,000)
Bridges to Success	\$242,479	\$250,000	\$0	(\$250,000)
K-3 Reading Assessment Pilot	\$2,869,949	\$2,947,947	\$0	(\$2,947,947)
Talent Development	\$9,302,199	\$9,309,701	\$0	(\$9,309,701)
Common Core	\$5,906,250	\$5,985,000	\$0	(\$5,985,000)
Alternative High School and Adult Readiness	\$185,000	\$200,000	\$0	(\$200,000)
Special Master	\$1,483,909	\$1,010,361	\$0	(\$1,010,361)
School-Based Diversion Initiative	\$1,000,000	\$1,000,000	\$0	(\$1,000,000)
Agency Operations	\$0	\$0	\$361,619,593	\$361,619,593
American School For The Deaf	\$9,992,840	\$10,126,078	\$0	(\$10,126,078)
Regional Education Services	\$1,093,150	\$1,107,725	\$0	(\$1,107,725)
Family Resource Centers	\$8,161,914	\$8,161,914	\$0	(\$8,161,914)
Youth Service Bureau Enhancement	\$715,300	\$715,300	\$0	(\$715,300)
Child Nutrition State Match	\$2,354,000	\$2,354,000	\$0	(\$2,354,000)
Health Foods Initiative	\$4,326,300	\$4,326,300	\$0	(\$4,326,300)
Vocational Agriculture	\$11,017,600	\$11,017,600	\$0	(\$11,017,600)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Transportation of School Children	\$23,329,451	\$23,329,451	\$21,988,008	(\$1,341,443)
Adult Education	\$21,035,200	\$21,037,392	\$19,450,742	(\$1,586,650)
Health and Welfare Services Pupils Priva	\$3,867,750	\$3,867,750	\$0	(\$3,867,750)
Education Equalization Grants	\$2,155,833,601	\$2,172,454,969	\$2,160,981,539	(\$11,473,430)
Bilingual Education	\$2,991,130	\$3,491,130	\$0	(\$3,491,130)
Priority School Districts	\$43,747,208	\$44,837,171	\$42,259,034	(\$2,578,137)
Young Parents Program	\$229,330	\$229,330	\$0	(\$229,330)
Interdistrict Cooperation	\$7,164,885	\$7,164,966	\$0	(\$7,164,966)
School Breakfast Program	\$2,379,962	\$2,379,962	\$0	(\$2,379,962)
Excess Cost - Student Based	\$139,805,731	\$139,805,731	\$131,766,901	(\$8,038,830)
Non-Public School Transportation	\$3,451,500	\$3,451,500	\$3,253,039	(\$198,461)
School to Work Opportunities	\$0	\$0	\$0	\$0
Youth Service Bureaus	\$2,839,805	\$2,839,805	\$2,676,516	(\$163,289)
Open Choice Program	\$38,296,250	\$43,214,700	\$40,258,605	(\$2,956,095)
Magnet Schools	\$328,419,980	\$324,950,485	\$306,265,832	(\$18,684,653)
After School Program	\$5,363,286	\$5,363,286	\$0	(\$5,363,286)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$3,075,389,131	\$3,100,190,364	\$3,090,519,809	(\$9,670,555)

Office of Early Childhood

Personal Services	\$8,785,880	\$8,876,246	\$0	(\$8,876,246)
Other Expenses	\$349,943	\$349,943	\$0	(\$349,943)
Children's Trust Fund	\$11,206,751	\$11,206,751	\$0	(\$11,206,751)
Early Childhood Program	\$10,840,145	\$10,840,145	\$0	(\$10,840,145)
Early Intervention	\$30,886,804	\$24,686,804	\$0	(\$24,686,804)
Early Childhood Advisory Cabinet	\$0	\$0	\$0	\$0
Community Plans for Early Childhood	\$703,125	\$712,500	\$0	(\$712,500)
Improving Early Literacy	\$140,625	\$142,500	\$0	(\$142,500)
Child Care Services	\$18,701,942	\$19,081,942	\$0	(\$19,081,942)
Evenstart	\$445,312	\$451,250	\$0	(\$451,250)
Agency Operations	\$0	\$0	\$61,904,247	\$61,904,247
Head Start Services	\$5,630,593	\$5,630,593	\$0	(\$5,630,593)
Head Start Enhancement	\$0	\$0	\$0	\$0
Child Care Services-TANF/CCDBG	\$120,930,084	\$122,130,084	\$0	(\$122,130,084)
Child Care Quality Enhancements	\$3,107,472	\$3,148,212	\$0	(\$3,148,212)
Head Start - Early Childhood Link	\$693,875	\$720,000	\$0	(\$720,000)
Early Head Start-Child Care Partnership	\$1,300,000	\$1,300,000	\$0	(\$1,300,000)
Early Care and Education	\$0	\$0	\$235,452,005	\$235,452,005
School Readiness Quality Enhancement	\$4,111,135	\$4,676,081	\$0	(\$4,676,081)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
School Readiness	\$83,399,834	\$83,399,834	\$0	(\$83,399,834)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$301,233,520	\$297,352,885	\$297,356,252	\$3,367
State Library				
Personal Services	\$5,374,203	\$5,444,676	\$0	(\$5,444,676)
Other Expenses	\$644,128	\$652,716	\$0	(\$652,716)
State-Wide Digital Library	\$1,865,494	\$1,890,367	\$0	(\$1,890,367)
Interlibrary Loan Delivery Service	\$282,393	\$286,621	\$0	(\$286,621)
Legal/Legislative Library Materials	\$737,431	\$747,263	\$0	(\$747,263)
Computer Access	\$169,219	\$171,475	\$0	(\$171,475)
Agency Operations	\$0	\$0	\$11,591,801	\$11,591,801
Support Cooperating Library Service Unit	\$185,844	\$190,000	\$0	(\$190,000)
Grants To Public Libraries	\$190,846	\$193,391	\$0	(\$193,391)
Connecticard Payments	\$900,000	\$900,000	\$0	(\$900,000)
Connecticut Humanities Council	\$1,921,643	\$1,947,265	\$0	(\$1,947,265)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$12,271,201	\$12,423,774	\$11,591,801	(\$831,973)
Office of Higher Education				
Personal Services	\$1,800,433	\$1,800,433	\$0	(\$1,800,433)
Other Expenses	\$173,987	\$100,307	\$0	(\$100,307)
Minority Advancement Program	\$2,188,526	\$2,188,526	\$0	(\$2,188,526)
Alternate Route to Certification	\$97,720	\$97,720	\$0	(\$97,720)
National Service Act	\$295,904	\$299,969	\$0	(\$299,969)
International Initiatives	\$0	\$0	\$0	\$0
Minority Teacher Incentive Program	\$447,806	\$447,806	\$0	(\$447,806)
English Language Learner Scholarship	\$0	\$0	\$0	\$0
Agency Operations	\$0	\$0	\$43,818,769	\$43,818,769
Governor's Scholarship	\$39,638,381	\$41,023,498	\$0	(\$41,023,498)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$44,642,757	\$45,958,259	\$43,818,769	(\$2,139,490)
University of Connecticut				
Operating Expenses	\$220,582,283	\$225,082,283	\$272,457,625	\$47,375,342
Workers' Compensation Claims	\$3,092,062	\$3,092,062	\$0	(\$3,092,062)
CommPACT Schools	\$0	\$0	\$0	\$0
Next Generation Connecticut	\$19,144,737	\$20,394,737	\$25,826,354	\$5,431,617
Accrued Pension Liabilities	\$0	\$0	\$76,837,115	\$76,837,115
Kirklyn M. Kerr Grant Program	\$400,000	\$400,000	\$0	(\$400,000)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Agency Total	\$243,219,082	\$248,969,082	\$375,121,094	\$126,152,012
University of Connecticut Health Center				
Operating Expenses	\$124,347,180	\$125,519,573	\$150,845,818	\$25,326,245
AHEC	\$427,576	\$433,581	\$0	(\$433,581)
Workers' Compensation Claims	\$7,016,044	\$7,016,044	\$0	(\$7,016,044)
Bioscience	\$12,500,000	\$12,000,000	\$15,264,428	\$3,264,428
Accrued Pension Liabilities	\$0	\$0	\$70,345,881	\$70,345,881
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$144,290,800	\$144,969,198	\$236,456,127	\$91,486,929
Teachers' Retirement Board				
Personal Services	\$1,784,268	\$1,801,590	\$0	(\$1,801,590)
Other Expenses	\$532,707	\$539,810	\$0	(\$539,810)
Agency Operations	\$0	\$0	\$2,831,407	\$2,831,407
Retirement Contributions	\$975,578,000	\$1,012,162,000	\$1,012,162,000	\$0
Retirees Health Service Cost	\$14,714,000	\$14,714,000	\$14,566,860	(\$147,140)
Municipal Retiree Health Insurance Cost	\$5,447,370	\$5,447,370	\$5,392,897	(\$54,473)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$998,056,345	\$1,034,664,770	\$1,034,953,164	\$288,394
Board of Regents for Higher Education				
Workers' Compensation Claims	\$3,877,440	\$3,877,440	\$0	(\$3,877,440)
Charter Oak State College	\$2,733,385	\$2,769,156	\$2,256,901	(\$512,255)
Community Tech College System	\$163,191,028	\$164,480,874	\$213,066,980	\$48,586,106
Connecticut State University	\$163,728,122	\$164,206,317	\$170,900,623	\$6,694,306
Board of Regents	\$566,038	\$566,038	\$0	(\$566,038)
Transform CSCU	\$19,406,103	\$22,102,291	\$0	(\$22,102,291)
Developmental Services	\$0	\$0	\$10,179,000	\$10,179,000
Outcomes-Based Funding Incentive	\$0	\$0	\$2,356,250	\$2,356,250
Accrued Pension Liability	\$0	\$0	\$112,911,100	\$112,911,100
Agency Operations	\$0	\$0	\$4,298,683	\$4,298,683
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$353,502,116	\$358,002,116	\$515,969,537	\$157,967,421
Total - Education	\$5,172,604,952	\$5,242,530,448	\$5,605,786,553	\$363,256,105
<i>Corrections</i>				
Department of Correction				
Personal Services	\$448,395,804	\$445,690,859	\$0	(\$445,690,859)
Other Expenses	\$77,736,830	\$76,433,227	\$0	(\$76,433,227)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Stress Management	\$0	\$0	\$0	\$0
Workers' Compensation Claims	\$25,704,971	\$25,704,971	\$0	(\$25,704,971)
Inmate Medical Services	\$91,742,350	\$92,877,416	\$0	(\$92,877,416)
Board of Pardons and Paroles	\$7,123,925	\$7,204,143	\$0	(\$7,204,143)
Program Evaluation	\$289,781	\$297,825	\$0	(\$297,825)
Agency Operations	\$0	\$0	\$780,371,403	\$780,371,403
Aid to Paroled and Discharged Inmates	\$8,462	\$8,575	\$0	(\$8,575)
Legal Services To Prisoners	\$827,065	\$827,065	\$0	(\$827,065)
Volunteer Services	\$154,410	\$154,410	\$0	(\$154,410)
Community Support Services	\$41,440,777	\$41,440,777	\$0	(\$41,440,777)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$693,424,375	\$690,639,268	\$780,371,403	\$89,732,135

Department of Children and Families

Personal Services	\$291,047,234	\$293,905,124	\$0	(\$293,905,124)
Other Expenses	\$35,383,854	\$34,241,651	\$0	(\$34,241,651)
Workers' Compensation Claims	\$10,540,045	\$10,540,045	\$0	(\$10,540,045)
Family Support Services	\$974,752	\$987,082	\$0	(\$987,082)
Homeless Youth	\$2,515,707	\$2,515,707	\$0	(\$2,515,707)
Differential Response System	\$8,286,191	\$8,286,191	\$0	(\$8,286,191)
Regional Behavioral Health Consultation	\$1,696,875	\$1,719,500	\$0	(\$1,719,500)
Agency Operations	\$0	\$0	\$563,450,629	\$563,450,629
Health Assessment and Consultation	\$1,015,002	\$1,015,002	\$0	(\$1,015,002)
Grants for Psychiatric Clinics for Children	\$15,865,893	\$15,993,393	\$0	(\$15,993,393)
Day Treatment Centers for Children	\$6,995,792	\$7,208,292	\$0	(\$7,208,292)
Juvenile Justice Outreach Services	\$12,464,608	\$13,476,217	\$0	(\$13,476,217)
Child Abuse and Neglect Intervention	\$9,426,096	\$9,837,377	\$0	(\$9,837,377)
Community Based Prevention Programs	\$7,996,992	\$8,100,752	\$0	(\$8,100,752)
Family Violence Outreach and Counselin	\$2,113,938	\$2,477,591	\$0	(\$2,477,591)
Supportive Housing	\$16,955,158	\$19,930,158	\$0	(\$19,930,158)
No Nexus Special Education	\$1,933,340	\$2,016,642	\$0	(\$2,016,642)
Family Preservation Services	\$6,052,611	\$6,211,278	\$0	(\$6,211,278)
Substance Abuse Treatment	\$10,092,881	\$10,368,460	\$0	(\$10,368,460)
Child Welfare Support Services	\$2,501,872	\$2,501,872	\$0	(\$2,501,872)
Board and Care for Children - Adoption	\$94,611,756	\$95,921,397	\$0	(\$95,921,397)
Board and Care for Children - Foster	\$125,158,543	\$128,098,283	\$0	(\$128,098,283)
Board and Care for Children - Short-Ter	\$107,830,694	\$107,090,959	\$0	(\$107,090,959)
Individualized Family Supports	\$9,413,324	\$9,413,324	\$0	(\$9,413,324)
Community Kidcare	\$40,126,470	\$41,261,220	\$0	(\$41,261,220)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Covenant to Care	\$159,814	\$159,814	\$0	(\$159,814)
Neighborhood Center	\$250,414	\$250,414	\$0	(\$250,414)
Care and Support for Children	\$0	\$0	\$336,518,486	\$336,518,486
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$821,409,856	\$833,527,745	\$899,969,115	\$66,441,370
Total - Corrections	\$1,514,834,231	\$1,524,167,013	\$1,680,340,518	\$156,173,505

Judicial

Judicial Department

Personal Services	\$364,955,535	\$385,338,480	\$0	(\$385,338,480)
Other Expenses	\$67,291,910	\$68,813,731	\$0	(\$68,813,731)
Forensic Sex Evidence Exams	\$1,441,460	\$1,441,460	\$0	(\$1,441,460)
Alternative Incarceration Program	\$56,504,295	\$56,504,295	\$0	(\$56,504,295)
Justice Education Center, Inc.	\$511,714	\$518,537	\$0	(\$518,537)
Juvenile Alternative Incarceration	\$28,442,478	\$28,442,478	\$0	(\$28,442,478)
Juvenile Justice Centers	\$2,940,338	\$2,979,543	\$0	(\$2,979,543)
Probate Court	\$0	\$0	\$0	\$0
Workers' Compensation Claims	\$6,559,361	\$6,559,361	\$0	(\$6,559,361)
Youthful Offender Services	\$18,177,084	\$18,177,084	\$0	(\$18,177,084)
Victim Security Account	\$9,402	\$9,402	\$0	(\$9,402)
Children of Incarcerated Parents	\$582,250	\$582,250	\$0	(\$582,250)
Legal Aid	\$1,660,000	\$1,660,000	\$0	(\$1,660,000)
Youth Violence Initiative	\$2,109,375	\$2,137,500	\$0	(\$2,137,500)
Youth Services Prevention	\$3,600,000	\$3,600,000	\$0	(\$3,600,000)
Judge's Increases	\$0	\$0	\$0	\$0
Children's Law Center	\$109,838	\$109,838	\$0	(\$109,838)
Juvenile Planning	\$250,000	\$250,000	\$0	(\$250,000)
Agency Operations	\$0	\$0	\$643,853,529	\$643,853,529
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$555,145,040	\$577,123,959	\$643,853,529	\$66,729,570

Public Defender Services Commission

Personal Services	\$44,712,188	\$43,912,259	\$0	(\$43,912,259)
Other Expenses	\$1,491,837	\$1,491,837	\$0	(\$1,491,837)
Assigned Counsel - Criminal	\$24,191,500	\$21,891,500	\$0	(\$21,891,500)
Expert Witnesses	\$3,472,090	\$3,022,090	\$0	(\$3,022,090)
Training and Education	\$130,000	\$130,000	\$0	(\$130,000)
Contracted Attorneys Related Expenses	\$125,000	\$125,000	\$0	(\$125,000)
Agency Operations	\$0	\$0	\$82,103,381	\$82,103,381

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$74,122,615	\$70,572,686	\$82,103,381	\$11,530,695
Total - Judicial	\$629,267,655	\$647,696,645	\$725,956,910	\$78,260,265
<i>Non-Functional</i>				
Debt Service - State Treasurer				
Debt Service	\$1,685,954,823	\$1,765,932,976	\$1,765,932,976	\$0
UConn 2000 - Debt Service	\$148,382,944	\$162,057,219	\$172,057,219	\$10,000,000
CHEFA Day Care Security	\$5,500,000	\$5,500,000	\$5,500,000	\$0
Pension Obligation Bonds - TRB	\$132,732,646	\$119,597,971	\$119,597,971	\$0
Agency Total	\$1,972,570,413	\$2,053,088,166	\$2,063,088,166	\$10,000,000
State Comptroller - Miscellaneous				
Adjudicated Claims	\$24,800,000	\$8,822,000	\$8,207,448	(\$614,552)
Arts Grants	\$0	\$0	\$3,843,961	\$3,843,961
Community Development Grants	\$0	\$0	\$482,167	\$482,167
Tourism Grants	\$0	\$0	\$3,291,269	\$3,291,269
Workforce Development Grants	\$0	\$0	\$6,046,389	\$6,046,389
Youth Development Grants	\$0	\$0	\$2,301,184	\$2,301,184
Nonfunctional - Change to Accruals	\$44,784,293	\$22,392,147	\$22,392,147	\$0
Agency Total	\$69,584,293	\$31,214,147	\$46,564,565	\$15,350,418
State Comptroller - Fringe Benefits				
Unemployment Compensation	\$7,330,139	\$6,427,401	\$6,348,001	(\$79,400)
State Employees Retirement Contributio	\$1,096,800,201	\$1,124,661,963	\$674,210,447	(\$450,451,516)
Higher Education Alternative Retirement	\$7,159,234	\$7,924,234	\$0	(\$7,924,234)
Pensions and Retirements - Other Statut	\$1,709,519	\$1,760,804	\$1,760,804	\$0
Judges and Compensation Commissioner	\$18,258,707	\$19,163,487	\$19,163,487	\$0
Insurance - Group Life	\$8,492,914	\$8,637,871	\$7,226,772	(\$1,411,099)
Employers Social Security Tax	\$238,994,871	\$250,674,466	\$1,813,050	(\$248,861,416)
State Employees Health Service Cost	\$674,388,450	\$722,588,803	\$32,677,105	(\$689,911,698)
Retired State Employees Health Service	\$681,397,000	\$746,109,000	\$731,109,000	(\$15,000,000)
Tuition Reimbursement - Training and Tr	\$3,127,500	\$0	\$0	\$0
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$2,737,658,535	\$2,887,948,029	\$1,474,308,666	(\$1,413,639,363)
Reserve for Salary Adjustments				
Reserve for Salary Adjustments	\$22,240,302	\$86,024,913	\$86,024,913	\$0
Agency Total	\$22,240,302	\$86,024,913	\$86,024,913	\$0

Workers' Compensation Claims - Department of Administrative Services

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Workers' Compensation Claims	\$8,662,068	\$8,662,068	\$8,105,530	(\$556,538)
Agency Total	\$8,662,068	\$8,662,068	\$8,105,530	(\$556,538)
Total - Non-Functional	\$4,810,715,611	\$5,066,937,323	\$3,678,091,840	(\$1,388,845,483)

Statewide

Statewide - Lapses

Unallocated Lapse	(\$30,000,000)	(\$94,476,192)	(\$94,476,192)	\$0
Unallocated Lapse - Legislative	\$0	(\$3,028,105)	(\$3,028,105)	\$0
Unallocated Lapse - Judicial	\$0	(\$7,400,672)	(\$7,400,672)	\$0
General Lapse - Executive	(\$9,678,316)	(\$9,678,316)	\$0	\$9,678,316
General Lapse - Judicial	(\$282,192)	(\$282,192)	\$0	\$282,192
General Lapse - Legislative	(\$39,492)	(\$39,492)	\$0	\$39,492
Municipal Opp and Reg Efficiencies Prg	(\$20,000,000)	(\$20,000,000)	\$0	\$20,000,000
Statewide Hiring Reduction - Executive	(\$30,920,000)	(\$30,920,000)	\$0	\$30,920,000
Statewide Hiring Reduction - Judicial	(\$3,310,000)	(\$3,310,000)	\$0	\$3,310,000
Statewide Hiring Reduction - Legislative	(\$770,000)	(\$770,000)	\$0	\$770,000
General Employee Lapse	(\$7,110,616)	(\$12,816,745)	\$0	\$12,816,745
Overtime Savings	(\$10,500,000)	(\$10,500,000)	\$0	\$10,500,000
Targeted Savings	(\$12,500,000)	(\$12,500,000)	\$0	\$12,500,000
December 2015 DMP - PA 15-1	(\$167,809,682)	\$0	\$0	\$0
Other Allocated Lapses	(\$53,800,000)	\$0	\$0	\$0
Agency Total	(\$346,720,298)	(\$205,721,714)	(\$104,904,969)	\$100,816,745
Total - Statewide	(\$346,720,298)	(\$205,721,714)	(\$104,904,969)	\$100,816,745
Total - General Fund	\$18,060,949,088	\$18,711,158,675	\$18,141,684,330	(\$569,474,345)

Special Transportation Fund

General Government

Department of Administrative Services

State Insurance and Risk Mgmt Operatio	\$8,728,170	\$8,960,575	\$8,960,575	\$0
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$8,728,170	\$8,960,575	\$8,960,575	\$0
Total - General Government	\$8,728,170	\$8,960,575	\$8,960,575	\$0

Regulation and Protection

Department of Motor Vehicles

Personal Services	\$49,333,344	\$49,794,202	\$0	(\$49,794,202)
Other Expenses	\$16,229,814	\$16,221,814	\$0	(\$16,221,814)
Equipment	\$520,840	\$520,840	\$0	(\$520,840)
Reflective License Plates	\$0	\$0	\$0	\$0

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Commercial Vehicle Information System	\$212,109	\$214,676	\$0	(\$214,676)
Agency Operations	\$0	\$0	\$85,394,481	\$85,394,481
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$66,296,107	\$66,751,532	\$85,394,481	\$18,642,949
Total - Regulation and Protection	\$66,296,107	\$66,751,532	\$85,394,481	\$18,642,949
<i>Conservation and Development</i>				
Department of Energy and Environmental Protection				
Personal Services	\$1,993,313	\$2,031,640	\$0	(\$2,031,640)
Other Expenses	\$750,000	\$750,000	\$0	(\$750,000)
Agency Operations	\$0	\$0	\$3,644,540	\$3,644,540
Agency Total	\$2,743,313	\$2,781,640	\$3,644,540	\$862,900
Total - Conservation and Development	\$2,743,313	\$2,781,640	\$3,644,540	\$862,900
<i>Transportation</i>				
Department of Transportation				
Personal Services	\$177,942,169	\$181,396,243	\$0	(\$181,396,243)
Other Expenses	\$56,169,517	\$56,169,517	\$0	(\$56,169,517)
Equipment	\$1,629,076	\$1,423,161	\$0	(\$1,423,161)
Minor Capital Projects	\$449,639	\$449,639	\$0	(\$449,639)
Highway & Bridge Renewal-Equipment	\$0	\$0	\$0	\$0
Highway Planning And Research	\$3,246,823	\$3,246,823	\$0	(\$3,246,823)
Rail Operations	\$181,071,446	\$167,262,955	\$171,249,813	\$3,986,858
Bus Operations	\$150,802,948	\$155,410,904	\$155,610,904	\$200,000
Tweed-New Haven Airport Grant	\$1,500,000	\$1,500,000	\$0	(\$1,500,000)
ADA Para-transit Program	\$34,928,044	\$37,041,190	\$0	(\$37,041,190)
Non-ADA Dial-A-Ride Program	\$576,361	\$576,361	\$0	(\$576,361)
Pay-As-You-Go Transportation Projects	\$29,572,153	\$29,589,106	\$29,589,106	\$0
CAA Related Funds	\$3,272,322	\$3,000,000	\$0	(\$3,000,000)
Port Authority	\$119,506	\$239,011	\$400,000	\$160,989
Airport Operations	\$0	\$0	\$4,500,000	\$4,500,000
Transit Corridor Development Assistance	\$0	\$0	\$250,000	\$250,000
Agency Operations	\$0	\$0	\$346,506,706	\$346,506,706
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$641,280,004	\$637,304,910	\$708,106,529	\$70,801,619
CT Airport Authority				
Insurance Recovery	\$0	\$0	\$0	\$0
Agency Total	\$0	\$0	\$0	\$0

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Total - Transportation	\$641,280,004	\$637,304,910	\$708,106,529	\$70,801,619
<i>Human Services</i>				
Department of Social Services				
Family Programs-TANF	\$2,244,195	\$2,370,629	\$2,370,629	\$0
Agency Total	\$2,244,195	\$2,370,629	\$2,370,629	\$0
Total - Human Services	\$2,244,195	\$2,370,629	\$2,370,629	\$0
<i>Non-Functional</i>				
Debt Service - State Treasurer				
Debt Service	\$501,950,536	\$562,993,251	\$562,993,251	\$0
Agency Total	\$501,950,536	\$562,993,251	\$562,993,251	\$0
State Comptroller - Miscellaneous				
Nonfunctional - Change to Accruals	\$3,258,893	\$1,629,447	\$1,629,447	\$0
Agency Total	\$3,258,893	\$1,629,447	\$1,629,447	\$0
State Comptroller - Fringe Benefits				
Unemployment Compensation	\$509,232	\$305,000	\$305,000	\$0
State Employees Retirement Contributio	\$122,166,623	\$129,227,978	\$110,538,527	(\$18,689,451)
Insurance - Group Life	\$276,987	\$285,063	\$285,063	\$0
Employers Social Security Tax	\$17,656,269	\$18,178,987	\$307,199	(\$17,871,788)
State Employees Health Service Cost	\$51,843,476	\$56,825,438	\$5,920,045	(\$50,905,393)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$192,452,587	\$204,822,466	\$117,355,834	(\$87,466,632)
Reserve for Salary Adjustments				
Reserve for Salary Adjustments	\$1,896,280	\$13,301,186	\$13,301,186	\$0
Agency Total	\$1,896,280	\$13,301,186	\$13,301,186	\$0
Workers' Compensation Claims - Department of Administrative Services				
Workers' Compensation Claims	\$7,223,297	\$7,223,297	\$7,223,297	\$0
Agency Total	\$7,223,297	\$7,223,297	\$7,223,297	\$0
Total - Non-Functional	\$706,781,593	\$789,969,647	\$702,503,015	(\$87,466,632)
<i>Statewide</i>				
Statewide - Lapses				
Unallocated Lapse	\$0	(\$12,000,000)	(\$12,000,000)	\$0
December 2015 DMP - PA 15-1	(\$31,296,429)	\$0	\$0	\$0
Other Allocated Lapses	(\$8,000,000)	\$0	\$0	\$0
Agency Total	(\$39,296,429)	(\$12,000,000)	(\$12,000,000)	\$0

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Total - Statewide	(\$39,296,429)	(\$12,000,000)	(\$12,000,000)	\$0
Total - Special Transportation Fund	\$1,388,776,953	\$1,496,138,933	\$1,498,979,769	\$2,840,836
Banking Fund				
<i>Regulation and Protection</i>				
Department of Banking				
Personal Services	\$10,828,191	\$10,891,111	\$0	(\$10,891,111)
Other Expenses	\$1,611,490	\$1,461,490	\$0	(\$1,461,490)
Equipment	\$35,000	\$35,000	\$0	(\$35,000)
Fringe Benefits	\$8,554,271	\$8,603,978	\$0	(\$8,603,978)
Indirect Overhead	\$167,151	\$167,151	\$0	(\$167,151)
Agency Operations	\$0	\$0	\$21,456,501	\$21,456,501
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$21,196,103	\$21,158,730	\$21,456,501	\$297,771
Labor Department				
Opportunity Industrial Centers	\$475,000	\$475,000	\$0	(\$475,000)
Individual Development Accounts	\$190,000	\$190,000	\$0	(\$190,000)
Customized Services	\$950,000	\$950,000	\$0	(\$950,000)
Agency Operations	\$0	\$0	\$1,615,000	\$1,615,000
Agency Total	\$1,615,000	\$1,615,000	\$1,615,000	\$0
Total - Regulation and Protection	\$22,811,103	\$22,773,730	\$23,071,501	\$297,771
<i>Conservation and Development</i>				
Department of Housing				
Fair Housing	\$670,000	\$670,000	\$0	(\$670,000)
Agency Operations	\$0	\$0	\$500,000	\$500,000
Agency Total	\$670,000	\$670,000	\$500,000	(\$170,000)
Total - Conservation and Development	\$670,000	\$670,000	\$500,000	(\$170,000)
<i>Judicial</i>				
Judicial Department				
Foreclosure Mediation Program	\$5,964,788	\$6,350,389	\$0	(\$6,350,389)
Agency Operations	\$0	\$0	\$6,350,389	\$6,350,389
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$5,964,788	\$6,350,389	\$6,350,389	\$0
Total - Judicial	\$5,964,788	\$6,350,389	\$6,350,389	\$0
<i>Non-Functional</i>				

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
State Comptroller - Miscellaneous				
Nonfunctional - Change to Accruals	\$190,355	\$95,178	\$95,178	\$0
Agency Total	\$190,355	\$95,178	\$95,178	\$0
Total - Non-Functional	\$190,355	\$95,178	\$95,178	\$0
Total - Banking Fund	\$29,636,246	\$29,889,297	\$30,017,068	\$127,771
Insurance Fund				
<i>General Government</i>				
Office of Policy and Management				
Personal Services	\$312,051	\$313,882	\$0	(\$313,882)
Other Expenses	\$5,750	\$6,012	\$0	(\$6,012)
Fringe Benefits	\$199,491	\$200,882	\$0	(\$200,882)
Agency Operations	\$0	\$0	\$520,776	\$520,776
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$517,292	\$520,776	\$520,776	\$0
Total - General Government	\$517,292	\$520,776	\$520,776	\$0
<i>Regulation and Protection</i>				
Insurance Department				
Personal Services	\$15,037,381	\$15,145,396	\$0	(\$15,145,396)
Other Expenses	\$1,949,807	\$1,949,807	\$0	(\$1,949,807)
Equipment	\$95,000	\$92,500	\$0	(\$92,500)
Fringe Benefits	\$11,729,157	\$11,813,409	\$0	(\$11,813,409)
Indirect Overhead	\$248,930	\$248,930	\$0	(\$248,930)
Agency Operations	\$0	\$0	\$28,533,164	\$28,533,164
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$29,060,275	\$29,250,042	\$28,533,164	(\$716,878)
Office of the Healthcare Advocate				
Personal Services	\$2,500,809	\$2,565,193	\$0	(\$2,565,193)
Other Expenses	\$2,700,767	\$2,700,767	\$0	(\$2,700,767)
Equipment	\$15,000	\$15,000	\$0	(\$15,000)
Fringe Benefits	\$2,317,643	\$2,317,458	\$0	(\$2,317,458)
Indirect Overhead	\$142,055	\$142,055	\$0	(\$142,055)
Agency Operations	\$0	\$0	\$7,593,506	\$7,593,506
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$7,676,274	\$7,740,473	\$7,593,506	(\$146,967)
Total - Regulation and Protection	\$36,736,549	\$36,990,515	\$36,126,670	(\$863,845)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
<i>Health and Hospitals</i>				
Department of Public Health				
Needle and Syringe Exchange Program	\$459,416	\$459,416	\$0	(\$459,416)
AIDS Services	\$4,890,686	\$4,890,686	\$0	(\$4,890,686)
Breast and Cervical Cancer Detection an	\$2,145,586	\$2,150,565	\$0	(\$2,150,565)
Immunization Services	\$32,728,052	\$34,000,718	\$0	(\$34,000,718)
Agency Operations	\$0	\$0	\$42,898,704	\$42,898,704
X-Ray Screening and Tuberculosis Care	\$1,115,148	\$1,115,148	\$0	(\$1,115,148)
Venereal Disease Control	\$197,171	\$197,171	\$0	(\$197,171)
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$41,536,059	\$42,813,704	\$42,898,704	\$85,000
Department of Mental Health and Addiction Services				
Managed Service System	\$435,000	\$435,000	\$0	(\$435,000)
Agency Operations	\$0	\$0	\$435,000	\$435,000
Agency Total	\$435,000	\$435,000	\$435,000	\$0
Total - Health and Hospitals	\$41,971,059	\$43,248,704	\$43,333,704	\$85,000
<i>Human Services</i>				
State Department on Aging				
Fall Prevention	\$475,000	\$475,000	\$0	(\$475,000)
Agency Operations	\$0	\$0	\$400,000	\$400,000
Agency Total	\$475,000	\$475,000	\$400,000	(\$75,000)
Total - Human Services	\$475,000	\$475,000	\$400,000	(\$75,000)
<i>Non-Functional</i>				
State Comptroller - Miscellaneous				
Nonfunctional - Change to Accruals	\$233,889	\$116,945	\$116,945	\$0
Agency Total	\$233,889	\$116,945	\$116,945	\$0
Total - Non-Functional	\$233,889	\$116,945	\$116,945	\$0
Total - Insurance Fund	\$79,933,789	\$81,351,940	\$80,498,095	(\$853,845)
Consumer Counsel/Public Utility Fund				
<i>Regulation and Protection</i>				
Office of Consumer Counsel				
Personal Services	\$1,497,103	\$1,508,306	\$0	(\$1,508,306)
Other Expenses	\$552,907	\$452,907	\$0	(\$452,907)
Equipment	\$12,200	\$2,200	\$0	(\$2,200)
Fringe Benefits	\$1,271,038	\$1,280,560	\$0	(\$1,280,560)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Indirect Overhead	\$97,613	\$97,613	\$0	(\$97,613)
Agency Operations	\$0	\$0	\$2,944,310	\$2,944,310
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$3,430,861	\$3,341,586	\$2,944,310	(\$397,276)
Total - Regulation and Protection	\$3,430,861	\$3,341,586	\$2,944,310	(\$397,276)

Conservation and Development

Department of Energy and Environmental Protection

Personal Services	\$12,030,389	\$12,110,378	\$0	(\$12,110,378)
Other Expenses	\$1,479,367	\$1,479,367	\$0	(\$1,479,367)
Equipment	\$19,500	\$19,500	\$0	(\$19,500)
Fringe Benefits	\$9,383,703	\$9,446,095	\$0	(\$9,446,095)
Indirect Overhead	\$467,009	\$467,009	\$0	(\$467,009)
Agency Operations	\$0	\$0	\$23,937,267	\$23,937,267
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$23,379,968	\$23,522,349	\$23,937,267	\$414,918
Total - Conservation and Development	\$23,379,968	\$23,522,349	\$23,937,267	\$414,918

Non-Functional

State Comptroller - Miscellaneous

Nonfunctional - Change to Accruals	\$179,317	\$89,658	\$89,658	\$0
Agency Total	\$179,317	\$89,658	\$89,658	\$0
Total - Non-Functional	\$179,317	\$89,658	\$89,658	\$0
Total - Consumer Counsel/Public Utility Fund	\$26,990,146	\$26,953,593	\$26,971,235	\$17,642

Workers' Compensation Fund

General Government

Division of Criminal Justice

Personal Services	\$402,519	\$405,969	\$0	(\$405,969)
Other Expenses	\$10,000	\$10,428	\$0	(\$10,428)
Fringe Benefits	\$336,390	\$339,273	\$0	(\$339,273)
Agency Operations	\$0	\$0	\$755,670	\$755,670
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$748,909	\$755,670	\$755,670	\$0
Total - General Government	\$748,909	\$755,670	\$755,670	\$0

Regulation and Protection

Labor Department

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Occupational Health Clinics	\$686,418	\$687,148	\$0	(\$687,148)
Agency Operations	\$0	\$0	\$687,148	\$687,148
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$686,418	\$687,148	\$687,148	\$0
Workers' Compensation Commission				
Personal Services	\$10,044,172	\$10,240,361	\$0	(\$10,240,361)
Other Expenses	\$4,828,747	\$4,269,747	\$0	(\$4,269,747)
Equipment	\$107,500	\$41,000	\$0	(\$41,000)
Fringe Benefits	\$8,035,338	\$8,192,289	\$0	(\$8,192,289)
Indirect Overhead	\$464,028	\$464,028	\$0	(\$464,028)
Agency Operations	\$0	\$0	\$22,691,719	\$22,691,719
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$23,479,785	\$23,207,425	\$22,691,719	(\$515,706)
Total - Regulation and Protection	\$24,166,203	\$23,894,573	\$23,378,867	(\$515,706)
<i>Human Services</i>				
Department of Rehabilitation Services				
Personal Services	\$529,629	\$534,113	\$0	(\$534,113)
Other Expenses	\$53,822	\$53,822	\$0	(\$53,822)
Rehabilitative Services	\$1,261,913	\$1,261,913	\$0	(\$1,261,913)
Fringe Benefits	\$407,053	\$410,485	\$0	(\$410,485)
Agency Operations	\$0	\$0	\$2,710,333	\$2,710,333
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$2,252,417	\$2,260,333	\$2,710,333	\$450,000
Total - Human Services	\$2,252,417	\$2,260,333	\$2,710,333	\$450,000
<i>Non-Functional</i>				
State Comptroller - Miscellaneous				
Nonfunctional - Change to Accruals	\$144,597	\$72,298	\$72,298	\$0
Agency Total	\$144,597	\$72,298	\$72,298	\$0
Total - Non-Functional	\$144,597	\$72,298	\$72,298	\$0
Total - Workers' Compensation Fund	\$27,312,126	\$26,982,874	\$26,917,168	(\$65,706)
Mashantucket Pequot and Mohegan Fund				
<i>General Government</i>				
Office of Policy and Management				
Grants To Towns	\$61,779,907	\$61,779,907	\$58,227,562	(\$3,552,345)
Agency Total	\$61,779,907	\$61,779,907	\$58,227,562	(\$3,552,345)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Total - General Government	\$61,779,907	\$61,779,907	\$58,227,562	(\$3,552,345)
Total - Mashantucket Pequot and Mohegan Fund	\$61,779,907	\$61,779,907	\$58,227,562	(\$3,552,345)
Soldiers, Sailors and Marines Fund				
<i>Human Services</i>				
Soldiers, Sailors and Marines Fund				
Personal Services	\$0	\$0	\$0	\$0
Other Expenses	\$0	\$0	\$0	\$0
Award Payments To Veterans	\$0	\$0	\$0	\$0
Fringe Benefits	\$0	\$0	\$0	\$0
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$0	\$0	\$0	\$0
Total - Human Services	\$0	\$0	\$0	\$0
Total - Soldiers, Sailors and Marines Fund	\$0	\$0	\$0	\$0
Regional Market Operation Fund				
<i>Conservation and Development</i>				
Department of Agriculture				
Personal Services	\$425,294	\$430,138	\$0	(\$430,138)
Other Expenses	\$273,007	\$273,007	\$0	(\$273,007)
Fringe Benefits	\$357,247	\$361,316	\$0	(\$361,316)
Agency Operations	\$0	\$0	\$1,064,461	\$1,064,461
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$1,055,548	\$1,064,461	\$1,064,461	\$0
Total - Conservation and Development	\$1,055,548	\$1,064,461	\$1,064,461	\$0
<i>Non-Functional</i>				
State Comptroller - Miscellaneous				
Nonfunctional - Change to Accruals	\$5,689	\$2,845	\$2,845	\$0
Agency Total	\$5,689	\$2,845	\$2,845	\$0
Total - Non-Functional	\$5,689	\$2,845	\$2,845	\$0
Total - Regional Market Operation Fund	\$1,061,237	\$1,067,306	\$1,067,306	\$0
Criminal Injuries Compensation Fund				
<i>Judicial</i>				
Judicial Department				
Criminal Injuries Compensation Fund	\$2,851,675	\$2,934,088	\$0	(\$2,934,088)

	FY 2016 Estimated	FY 2017 Enacted	FY 2017 Recommended	Recommended - Enacted
Agency Operations	\$0	\$0	\$2,934,088	\$2,934,088
Nonfunctional - Change to Accruals	\$0	\$0	\$0	\$0
Agency Total	\$2,851,675	\$2,934,088	\$2,934,088	\$0
Total - Judicial	\$2,851,675	\$2,934,088	\$2,934,088	\$0
Total - Criminal Injuries Compensation Fund	\$2,851,675	\$2,934,088	\$2,934,088	\$0
Total - All Funds	\$19,679,291,167	\$20,438,256,613	\$19,867,296,621	(\$570,959,992)

Spending Cap

STATE OF CONNECTICUT
Statutory Spending Cap Calculations
For FY 2016 and FY 2017

	FY 2015-16		FY 2015-16	FY 2016-17
	Adopted		Revised	Revised
	<u>Budget</u>	<u>Adjustments</u> (1)	<u>Budget</u>	<u>Budget</u>
Total All Appropriated Funds - Prior Year	\$ 19,014.1		\$ 19,014.1	\$ 19,807.2
Net Appropriated Medicaid Budget Base Adjustment	-		-	-
SERS/TRS/JRS UAL Base Adjustment	-		-	-
Net Appropriated Birth to Three Base Adjustment	(7.3)		(7.3)	-
Net Appropriated HUSKY B Base Adjustment	<u>(27.1)</u>		<u>(27.1)</u>	<u>-</u>
Net Total All Appropriated Funds - Prior Year	18,979.7		18,979.7	19,807.2
Less "Non-Capped" Expenditures:				
Debt Service	2,172.9		2,172.9	2,474.5
Statutory Grants to Distressed Municipalities	1,568.8 (2)		1,568.8	1,611.4 (3)
SERS/TRS/JRS UAL	<u>1,736.1</u>		<u>1,736.1</u>	<u>1,828.8</u>
Total "Non-Capped" Expenditures - Prior Year	5,477.9		5,477.9	5,914.7
Total "Capped" Expenditures	13,501.8		13,501.8	13,892.5
Allowable Cap Growth Rate	3.24%		3.24%	3.32% (4)
Allowable "Capped" Growth	<u>438.1</u>		<u>438.1</u>	<u>461.5</u>
"Capped" Expenditures	13,939.9		13,939.9	14,354.0
Plus "Non-Capped" Expenditures:				
Debt Service	2,439.5	35.0	2,474.5	2,626.1
Federal Mandates and Court Orders (new \$)	42.9		42.9	7.9
Statutory Grants to Distressed Municipalities	1,579.2		1,579.2	1,580.9
SERS/TRS/JRS UAL	<u>1,828.8</u>		<u>1,828.8</u>	<u>1,947.4</u>
Total "Non-Capped" Expenditures	5,890.3		5,925.3	6,162.2
Total All Expenditures Allowed	19,830.2		19,865.2	20,516.2
Appropriation for this year	19,807.2		19,807.2	19,867.3
Amount Total Appropriations are Over/ (Under) the Cap	\$ (23.0)		(58.0)	\$ (648.9)

(1) Assumes passage of FY 2016 Deficiency Bill

(2) Updated to reflect FY 2014 actual payments and a revised listing of the 25 distressed municipalities

(3) Updated to reflect FY 2015 actual payments and a revised listing of the 25 distressed municipalities

(4) Actual data from BEA, Forecast data from IHS Jan 19, 2016



Office of The Attorney General
State of Connecticut

(860) 808-5319

November 17, 2015

The Honorable Leonard A. Fasano
Senate Minority Leader
Legislative Office Building
Suite 3400
Hartford, CT 06106

Dear Senator Fasano:

You have asked for a formal legal opinion concerning the legal effect of the constitutional and statutory spending caps set forth, respectively, in the Connecticut constitution, article third, § 18, and Conn. Gen. Stat. § 2-33a. Specifically, you ask:

- (1) Do we have an enforceable constitutional spending cap, or did voter approval of the spending cap create only the promise of a future enforceable right that is contingent upon the legislature fulfilling its obligation to adopt definitions for the enforcement of the spending cap by the requisite three fifths vote; and
- (2) Is the super majority vote requirement contained in the statutory spending cap binding on current and future legislatures, or absent an enforceable constitutional spending cap, could the general assembly exceed the cap with a simple majority vote.

We conclude that unless and until the General Assembly adopts the definitions that the constitutional spending cap requires by the necessary three-fifths vote of the members of each house, the constitutional spending cap has no legal effect.

We further conclude that a court would likely hold that the General Assembly could exceed the statutory spending cap by a simple majority vote. We

base this conclusion on the well-established principles that one legislature cannot control the exercise of power by a subsequent legislature, and that when two laws conflict, the later enacted one prevails. Although it would not bind a court, this opinion represents our considered judgment as to how a court would likely approach and resolve your questions in light of statutory construction principles and binding Connecticut precedent.

I. History of the Constitutional and Statutory Spending Caps

In answering your questions, it is important to understand the history of the constitutional and statutory spending caps, and their relationship to each other. You have set forth some of this history in your letter.

On August 21, 1991, the General Assembly passed House Joint Resolution 205, which proposed amending article third of the state constitution to add a constitutional spending cap. The proposed amendment prohibited the General Assembly from authorizing an increase in general budget expenditures that exceeded the percentage increase in personal income or inflation, whichever was higher, in the absence of a declaration by the Governor that there exists an emergency or extraordinary circumstances and a vote by at least three-fifths of each house of the General Assembly to exceed such limit. It further expressly required that the General Assembly define by law the terms "increase in personal income," "increase in inflation," and "general budget expenditures" by a vote of three-fifths of the members of each house. See H.J.R. 205 (June 1991 Special Session).

During floor debate on the proposed amendment, legislators discussed the requirement that the General Assembly define the amendment's key terms and recognized that these definitions were essential prerequisites to the amendment taking effect. See 34 Conn. S. Proc., pt. 13, 1991 Sess. 205 (Aug. 21, 1991); 34 Conn. H. R. Proc., pt. 34, 1991 Sess. 799-805 (July 1, 1991). In the House, when asked whether "the definitions that are spoken of here would need to be adopted and if so, how would that occur," Representative McNally explained that "the Resolution states that enactment or amendment of such definitions shall require a three-fifths vote of the members of each House of the General Assembly. So at that time a three-fifths vote of both Chambers would be required to implement definitions as proposed in this Resolution." 34 Conn. H. R. Proc., pt. 34, 1991 Sess. 800-801 (July 1, 1991). When Representative Prelli followed up with a question as to whether "general budget expenditures" meant gross or net appropriation, Representative McNally responded that "general budget expenditures are left for future definition. That could include whatever . . . three-

fifths of both Chambers of the General Assembly define it as." *Id.* at 803-804. In the Senate, Senator Fleming questioned whether the cap would "be able to go into effect if we were unable to reach that 3/5's vote and enact these definitions to get it going?" 34 Conn. S. Proc., pt. 13, 1991 Sess. 205 (Aug. 21, 1991). Senator Herbst responded, "it is doubtful that it could go into effect without that." *Id.* As Representative McNally summed up, the proposed amendment "provides the potential for future spending control. It doesn't provide any guarantees." 34 Conn. H. R. Proc., pt. 34, 1991 Sess. 799 (July 1, 1991). After the General Assembly passed the proposed amendment, the electorate overwhelmingly approved it on November 3, 1992, and it became what is now article third, § 18(b), of the state constitution.¹

On the same day that the General Assembly passed the proposed constitutional spending cap resolution, it also passed 1991 Conn. Pub. Acts No. 91-3 (June 1991 Special Session), which contained a statutory spending cap. The statutory spending cap mirrored the provisions of the constitutional spending cap except that, unlike the constitutional spending cap, it defined the terms "general budget expenditures," "increase in personal income," and "increase in inflation." The General Assembly passed the statutory spending cap, including its definitions, by a simple majority vote. *Nielsen v. State*, 236 Conn. 1, 5 n. 5 (1996). It also did so before the voters had actually approved the constitutional

¹ As adopted, the constitutional spending cap states:

The general assembly shall not authorize an increase in general budget expenditures for any fiscal year above the amount of general budget expenditures authorized for the previous fiscal year by a percentage which exceeds the greater of the percentage increase in personal income or the percentage increase in inflation, unless the governor declares an emergency or the existence of extraordinary circumstances and at least three-fifths of the members of each house of the general assembly vote to exceed such limit for the purposes of such emergency or extraordinary circumstances. The general assembly shall by law define 'increase in personal income', 'increase in inflation' and 'general budget expenditures' for the purposes of this section and may amend such definitions, from time to time, provided general budget expenditures shall not include expenditures for the payment of bonds, notes or other evidences of indebtedness. The enactment or amendment of such definitions shall require the vote of three-fifths of the members of each house of the general assembly.

Conn. const. art. III, § 18(b).

spending cap. It is clear, therefore, that the legislature did not intend to, and did not, in fact, adopt definitions for the constitutional spending cap when it passed the statutory spending cap.

Rather, the General Assembly intended the statutory spending cap to be a temporary measure while it worked towards the more difficult goal of adopting definitions for the constitutional spending cap by the necessary three-fifths vote. See 34 Conn. H.R. Proc., pt. 34, 1991 Sess. 804 and 805 (July 1, 1991) (remarks of Representative McNally). During floor debate, legislators recognized that the definitions in the statutory spending cap would not automatically become the definitions required by the constitutional spending cap. Thus, when Senator Freedman asked whether, once the constitutional amendment was adopted by the public, "the Legislature [would] then have to revote the current statutory language," Senator Herbst responded "[y]es, we will have to revote and we will probably have to redefine whatever takes place at that time." 34 Conn. S. Proc., pt. 13, 1991 Sess. 209 (Aug. 21, 1991).

After passage, the statutory spending cap was codified at Conn. Gen. Stat. § 2-33a and has never been amended. It provides, in pertinent part, that:

The General Assembly shall not authorize an increase in general budget expenditures for any fiscal year above the amount of general budget expenditures authorized for the previous fiscal year by a percentage which exceeds the greater of the percentage increase in personal income or the percentage increase in inflation, unless the Governor declares an emergency or the existence of extraordinary circumstances and at least three-fifths of the members of each house of the General Assembly vote to exceed such limit for the purposes of such emergency or extraordinary circumstances.

Conn. Gen. Stat. § 2-33a. The statute goes on to define its key terms.² As noted, the General Assembly adopted § 2-33a, including the definitions, by a simple

² Specifically, Conn. Gen. Stat. § 2-33a states that:

As used in this section, 'increase in personal income' means the average of the annual increase in personal income in the state for each of the preceding five years, according to United States Bureau of Economic Analysis data; 'increase in inflation' means the increase in the consumer price index for urban consumers

majority vote prior to the time the constitutional spending cap was approved by the voters. Nielsen v. State, 236 Conn. 1, 5 n. 5 (1996).

In 1993, when the General Assembly had failed, despite repeated attempts, to adopt the definitions required to implement the constitutional spending cap, a group of taxpayers sued the General Assembly, seeking to compel it to enact the necessary definitions. Nielsen v. State, 236 Conn. 1 (1996). The Connecticut Supreme Court affirmed the dismissal of the suit, holding that it presented "a political question not amenable to judicial resolution." Id. at 9. According to the Court, the plaintiffs sought relief that the court could not provide "without an impermissible intrusion upon the prerogatives and functions of the coordinate branches of government." Id.

The Nielsen Court explained that it could not order the relief sought because, among other reasons, "[a] necessary predicate for a right to injunctive relief is the determination that a constitutional right exists and has been violated." Id. at 11. But the constitutional spending cap contained no such right. According to the Court, "the adoption of article third, § 18, establishe[d] only a future right to a spending cap, a right that will mature into an actionable right only *after* its predicate terms have been defined by the General Assembly." Id. at 11 (italics in original, citing State v. Sanabria, 192 Conn. 671, 687-691 (1984)). "In the absence of defined terms, there [was] no basis for enjoining presently permissible conduct by a coordinate branch of government." Id. at 12. Although the plaintiffs asked the Court to define the amendment's terms itself, the Court specifically

during the preceding twelve-month period, according to United States Bureau of Labor Statistics data; and 'general budget expenditures' means expenditures from appropriated funds authorized by public or special act of the General Assembly, provided (1) general budget expenditures shall not include expenditures for payment of the principal of and interest on bonds, notes or other evidences of indebtedness, expenditures pursuant to section 4-30a, or current or increased expenditures for statutory grants to distressed municipalities, provided such grants are in effect on July 1, 1991, and (2) expenditures for the implementation of federal mandates or court orders shall not be considered general budget expenditures for the first fiscal year in which such expenditures are authorized, but shall be considered general budget expenditures for such year for the purposes of determining general budget expenditures for the ensuing fiscal year. As used in this section, 'federal mandates' means those programs or services in which the state must participate, or in which the state participated on July 1, 1991, and in which the state must meet federal entitlement and eligibility criteria in order to receive federal reimbursement, provided expenditures for program or service components which are optional under federal law or regulation shall be considered general budget expenditures.

rejected that request, explaining that the text of article third, § 18, expressly committed sole responsibility for that task to the General Assembly and the terms had no inherent meaning that were reliably discernable through judicial processes. Accordingly, the Court held that it could neither order the legislature to act, nor act itself, to define the terms necessary to implement the constitutional spending cap. Any available relief, it stated, would be through the political process, not the courts.

In so holding, the Nielsen Court made clear that the constitutional spending cap in article third, § 18, had no current effect, and would continue to have no effect, until the General Assembly enacted the necessary definitions by a three-fifths vote of each house. Furthermore, the Court ruled, in response to the plaintiffs' specific claim for relief, that the definitions set forth in Conn. Gen. Stat. § 2-33a, the statutory spending cap, could not be "substitute[d]" to satisfy the requirements of article third, § 18, because they had been adopted by a simple majority vote, rather than by the three-fifths vote required by the constitution. Nielsen, 236 Conn. at 13 n. 8; Roger Sherman Liberty Center, Inc. v. Williams, 52 Conn. Supp. 118, 130 n. 4 (2011). This situation has not changed since Nielsen was decided.³

II. Analysis

In your first question you ask whether the constitutional spending cap has any current legal effect. The answer to this question is apparent from the preceding discussion. As the legislative history of the constitutional spending cap and the Connecticut Supreme Court's analysis in Nielsen make clear, the constitutional spending cap set forth in article third, § 18(b) has no current legal effect, and will continue to have no legal effect until the General Assembly adopts the necessary definitions by a three-fifths vote of the members of each house. Members of the General Assembly recognized when they proposed the constitutional spending cap that the future passage of definitions would be essential to give it effect. See 34 Conn. S. Proc., pt. 13, 1991 Sess. 205 (Aug. 21, 1991); 34 Conn. H. R. Proc., pt. 34, 1991 Sess. 799-805 (July 1, 1991). The Nielsen Court confirmed this conclusion, holding that "the adoption of article third, § 18, establishe[d] only a future right to a spending cap, a right that will mature into an actionable right only *after* its predicate terms have been defined by

³ We note that one justice only concurred in the Court's judgment, and stated his view that the matter would in fact become justiciable "[i]f the legislature fails to perform its duty within a reasonable time period" Nielsen, 236 Conn. at 17 (Berdon, J., concurring).

the General Assembly." Nielsen, 236 Conn. at 11 (italics in original, citing State v. Sanabria, 192 Conn. 671, 687-691 (1984)). Thus, we conclude in answer to your first question, that in the absence of properly adopted definitions, the constitutional spending cap has no present legal effect.

In your second question you ask whether the General Assembly could exceed the statutory spending cap in Conn. Gen. Stat. § 2-33a by a simple majority vote. As discussed, the statutory cap purports to prohibit the General Assembly from authorizing an increase in general budget expenditures that exceeds the percentage increase in personal income or inflation, whichever is higher, "unless the Governor declares an emergency or the existence of extraordinary circumstances *and at least three-fifths of the members of each house of the General Assembly vote to exceed such limit* for the purposes of such emergency or extraordinary circumstances." Conn. Gen. Stat. § 2-33a (emphasis added). Notwithstanding this language, a court would likely conclude that the General Assembly may lawfully exceed the statutory spending cap – or indeed could amend the definitions in the statutory cap – by a simple majority vote.

Three well established legal principles guide our analysis. First, under our state constitution and democratic system of government, absent a specific constitutional provision to the contrary, the power to pass legislation is exercised by a simple majority vote. Second, as you note in your letter, the Connecticut Supreme Court has long held that "[o]ne [l]egislature cannot control the exercise of the powers of a succeeding [l]egislature." Patterson v. Dempsey, 152 Conn. 431, 439 (1965); Preveslin v. Derby & Ansonia Developing Co., 112 Conn. 129, 140 (1930); see also State v. Staub, 61 Conn. 553, 564-565 (1892). Third, it is well settled that "[w]hen two statutes conflict . . . the latest expression of the legislature prevails over a conflicting prior enactment." Wisniowski v. Planning Commission of Town of Berlin, 37 Conn. App. 303, 313-314, cert. denied, 233 Conn. 909 (1995); accord Tomlinson v. Tomlinson, 305 Conn. 539, 553 (2012).

Applying these related principles, the Court in Patterson v. Dempsey, 152 Conn. 431 (1965), held that a state statute prohibiting the General Assembly from including general legislation in an appropriations bill did not preclude the later passage of an appropriations bill that included general legislation. The Court emphasized that, as a fundamental principle of the exercise of the legislative power, an earlier legislative enactment cannot bind a subsequent legislature. Id. at 439. The General Assembly's inclusion of the non-appropriation matters in the appropriations bill "was the equivalent of an affirmative enactment suspending, to the extent that the action violated [the prior statute], the prohibitory part of [that

prior statute]." *Id.* "The effect is really that of repeal by implication. 'When expressions of the legislative will are irreconcilable, the latest [in time] prevails.'" *Id.* (quoting Moran v. Bens, 144 Conn. 27, 30 (1956)). To hold otherwise would violate fundamental principles of majoritarian democracy and legislative sovereignty by allowing one General Assembly to "effectively control the enactment of legislation by a subsequent General Assembly." *Id.*; see also Newton v. Mahoning County Commissioners, 100 U.S. 548, 559 (1879) ("[e]very succeeding legislature possesses the same jurisdiction and power . . . as its predecessors. The latter have the same power of repeal and modification which the former had of enactment, neither more nor less. All occupy, in this respect, a footing of perfect equality."); AFSCME v. City of West Haven, 43 Conn. Supp. 470, 489 (1994) ("[N]o legislature can impose its will on all future lawmakers by enacting legislation that cannot be altered."), *aff'd*, 234 Conn. 217 (1995) (per curiam).⁴

The same principles apply to the present question and lead to the same conclusion. Although § 2-33a, as enacted by a prior legislature, purports to establish certain spending restrictions applicable unless the Governor declares emergent or extraordinary circumstances, and at least three-fifths of the members of each house vote in favor, those restrictions are ineffective to bind subsequent legislatures or alter the manner in which they exercise their constitutional power to pass laws. Thus, if the current General Assembly were to pass a state budget act or other statute that failed to comply substantively or procedurally with the statutory spending cap, the more recent legislation would control and be presumed to have suspended the conflicting portions of the earlier enacted statutory spending cap. No other conclusion is consistent with the fundamental constitutional principles identified above. Those important principles serve to protect legislative prerogatives from gradual erosion and, indeed, to safeguard voters' ability to elect representatives vested with authority undiminished by the acts and judgments of past legislatures.⁵

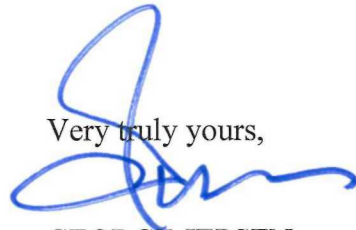
⁴ One exception to these rules, not present here, is "where vested rights, protected by the constitution, have accrued under the earlier act." Patterson, 152 Conn. at 439.

⁵ We note that an earlier opinion of this office advised that the statutory spending cap could be amended only by a three-fifths majority. See 1993 Conn. Op. Atty Gen. 93-006, 1993 WL 378479 at *2 (April 14, 1993). That opinion did not have the benefit of the Supreme Court's decision in Nielsen, which concluded that the constitutional amendment established "only a future right to a spending cap." Neither the statutory cap, nor the yet to be defined constitutional cap, presently restricts the legislature's ability to amend the existing statutory cap by majority vote.

Separation of powers principles strongly suggest that a court would leave undisturbed a legislative enactment that deviated in some fashion from the statutory spending cap. “The power to legislate, which our [state] constitution has committed solely to the General Assembly, necessarily includes the power to appropriate funds to finance the operation of the state and its programs.” City of Bridgeport v. Agostinelli, 163 Conn. 537, 544 (1972). Because “[t]he legislature is in a far better position than the courts to balance the myriad of factors necessary to formulate policy on matters that so intimately concern the state budget,” DaimlerChrysler Services North America, LLC v. Commissioner of Revenue Services, 274 Conn. 196, 210 (2005), judicial deference to the legislature on such issues is often warranted and appropriate. See, e.g., Roger Sherman Liberty Center, Inc. v. Williams, 52 Conn. Supp. 118 (2011)(dismissing challenge to state budget bill in part because it presented a nonjusticiable political question committed to the legislative branch).

For all of the foregoing reasons, we conclude that a court, if faced with the question, would likely hold that the legislature can lawfully exceed the statutory spending cap with a simple majority vote.⁶

Very truly yours,



GEORGE JEPSEN
ATTORNEY GENERAL

⁶ We are not the first Attorney General's Office to have been asked this very question. The Montana Attorney General reached the same conclusion in a formal opinion to the Montana legislature about the enforceability of a statutory spending cap. In reaching that conclusion, the Montana Attorney General cited some of the same Connecticut Supreme Court precedents upon which we have relied in this opinion. See 51 Mont. Op. Atty. Gen. No. 4, 2005 WL 1631092 at *5 (July 5, 2005) (Montana’s statutory spending cap “placed no enforceable limits on the spending power of a subsequent legislature”).

Language Establishing a Spending Cap Commission
Public Act 15-01 of the December Special Session

Sec. 24. (Effective from passage) (a) There is established a spending cap commission to create proposed definitions of "increase in personal income", "increase in inflation" and "general budget expenditures" for purposes of the general budget expenditures requirement pursuant to section 18 of article third of the Constitution of the state.

(b) The commission shall consist of the following members:

(1) Two appointed by the speaker of the House of Representatives;

(2) Two appointed by the president pro tempore of the Senate;

(3) One appointed by the majority leader of the House of Representatives;

(4) One appointed by the majority leader of the Senate;

(5) One appointed by the minority leader of the House of Representatives;

(6) One appointed by the minority leader of the Senate;

(7) Three persons appointed by the Governor;

(8) The chairpersons and ranking members of the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies, finance, revenue and bonding, and government administration and elections, or each chairperson's or ranking member's designee; and

(9) The Secretary of the Office of Policy and Management, or the secretary's designee.

(c) Any member of the commission appointed under subdivision (1), (2), (3), (4), (5), (6) or (8) of subsection (b) of this section may be a member of the General Assembly.

(d) All appointments to the commission shall be made not later than thirty days after the effective date of this section. Any vacancy shall be filled by the appointing authority.

(e) The speaker of the House of Representatives and the president pro tempore of the Senate shall select the chairpersons of the commission from among the members of the

commission. Such chairpersons shall schedule the first meeting of the commission, which shall be held not later than sixty days after the effective date of this section.

(f) The administrative staff of the joint standing committee of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies shall serve as administrative staff of the commission.

(g) The commission shall hold a public hearing relating to the proposed definitions in each congressional district in the state.

(h) Not later than December 1, 2016, the commission shall submit its proposed definitions to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies, finance, revenue and bonding, and government administration and elections, in accordance with the provisions of section 11-4a of the general statutes. The commission shall terminate on the date that the commission submits its proposed definitions or December 1, 2016, whichever is later.

Miscellaneous Topics

FULL TIME WORKFORCE

As of February 2016

<u>Bargaining Unit</u>	<u>Full Time Employees</u>	<u>Full Time Payroll (All Funds)</u>	<u>Expiration Date</u>
<u>All Contracts Settled</u>			
1. State Police (NP-1)	1,078	\$ 84,508,523	6/30/2018
2. Service/Maintenance (NP-2)	3,839	200,494,066	6/30/2016
3. Administrative Clerical (NP-3)	3,398	190,023,090	6/30/2016
4. Correctional Officers (NP-4)	4,721	263,374,254	6/30/2016
5. Protective Services (NP-5)	822	54,159,721	6/30/2016
6. Health NonProfessional (NP-6)	2,950	171,045,218	6/30/2016
7. Health Professional (P-1)	3,088	266,090,808	6/30/2016
8. Social and Human Services(P-2)	3,973	292,200,657	6/30/2016
9. Education A (P-3A)	239	25,562,680	6/30/2016
10. Education B (P-3B)	616	48,356,442	6/30/2016
11. Engineer, Scien, Tech (P-4)	2,538	227,813,616	6/30/2016
12. Admin and Residual (P-5)	2,962	252,714,581	6/30/2016
13. St Vocation Federation Teacher	1,177	96,394,298	6/30/2016
14. Amercan Fed of School Admin	54	7,073,608	6/30/2016
15. Comm College Faculty - AFT	168	13,120,606	6/30/2016
16. State University Faculty	1,442	129,585,115	6/30/2016
17. State University Non-Fac Prof	800	67,229,029	6/30/2016
18. Comm College Faculty CCCC	656	51,717,672	6/30/2016
19. UConn - Faculty	1,750	149,804,246	6/30/2016
20. UConn - Non-Faculty	1,692	102,235,940	6/30/2016
21. UCHC - Faculty	316	57,086,210	6/30/2016
22. UConn - Law School Faculty	46	6,116,600	6/30/2016
23. Judicial - Judges	196	32,843,532	6/30/2016
24. Judicial - Professional	1,302	117,886,287	6/30/2016
25. Judicial - Non-Professional	1,323	81,920,811	6/30/2016
26. Judicial - Law Clerks	57	3,289,510	6/30/2016
27. UCHC Univ Hlth Professionals	1,565	87,197,802	6/30/2016
28. Comm College Admin - CCCC	694	52,483,822	6/30/2016
29. Conn Assoc Prosecutors	247	29,220,413	6/30/2016
30. Comm College Admin - AFSCME	91	7,168,690	6/30/2016
31. Criminal Justice Residual	126	7,287,843	6/30/2016
32. Higher Ed - Professional Emp	23	1,775,588	6/30/2016
33. Bd State Acad Awards Prof	68	4,967,762	6/30/2016
34. Judicial - Judicial Marshals	688	34,910,447	6/30/2016
35. Correctional Supervisor (NP-8)	496	39,714,739	6/30/2016
36. StatePoliceLts&Captains (NP-9)	37	4,695,142	6/30/2016
37. DPDS Public Defenders	197	22,446,400	6/30/2016
38. DPDS Chief Public Defenders	21	3,287,354	6/30/2016
39. Criminal Justice Inspectors	73	6,637,173	6/30/2016
40. Comm College AFT Couns/Lib	14	1,269,342	6/30/2016
41. Judicial - Supvr Jud Marshals	63	4,620,128	6/30/2016
Total Covered by Collective Bargaining	45,606	\$ 3,300,329,766	
<u>Not Covered by Collective Bargaining</u>			
Auditors of Public Accounts	113	\$ 10,542,242	
Other Employees	5,450	511,128,914	
Total Not Covered by Collective Bargaining	5,563	\$ 521,671,156	

Note: As of 2/5/2016. Payroll amounts include regular wages for full-time employees excluding overtime, shift differentials, premiums, etc. Those not covered by collective bargaining include employees of the Legislative Branch, elected and appointed officials and managerial and confidential employees.



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

February 10, 2016

Comptroller Kevin Lembo
55 Elm Street
Hartford, CT 06106

Sal Luciano
444 East Main Street
New Britain, CT 06051

State Treasurer Denise Nappier
55 Elm Street
Hartford, CT 06106

Mark Waxenberg
Capitol Place, Suite 500
21 Oak Street
Hartford, CT 06106

Dear Colleagues:

In his budget address last week Governor Malloy asked that I convene us all in order to seek consensus on which measures we ought to take to enhance the long-term stability and sustainability of state contributions to the state employee and teachers' retirement systems. Please accept this letter as an invitation to do just that.

All of you have been involved in the management of the two large pension systems in one way or another over years, and I believe that we share a commitment to those systems and the important role that they play in the lives of thousands of current and retired teachers and public servants. Furthermore, I believe we share deep concerns about the current trajectory of contributions, which could result in payments in ten to fifteen years which would be extraordinarily difficult for the state to afford. These concerns have been discussed in detail in the report commissioned by OPM from Boston College, and also in the constructive follow-up to that report from both the Treasurer and the Comptroller.

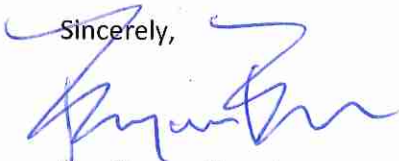
Our situation is clear. We need to adjust our plans for future pension contributions to ensure that the funds are maintained on a solid financial footing without exceeding the state's ability to pay in the future. There are several viable ways to accomplish such a stabilization; we need to decide on the best approaches and move to implement them soon.

I am proposing that we meet together publicly on March 15, 2016 at 1:00 to review the various alternatives that have been proposed, as well as to identify the various legal, actuarial, and fiscal considerations that accompany each. Based on that review and the recommendations of the group, OPM will retain the plan actuaries to undertake detailed review including long-term impacts on contributions and funding levels under the various selected alternatives. Once that review is complete, we can meet again and determine the best approaches to pursue for implementation.

I have asked Bob Dakers, the Executive Finance Officer, to work with your respective staffs to prepare for this meeting by cataloguing the possible approaches that have been suggested and offering, for our consideration at the March meeting, a group of alternatives for further actuarial analysis. Bob will be reaching out to your offices in regard to the staff members you will be assigning to this task.

My office will be in contact in order to arrange for meeting described above. I look forward to continuing to work on our shared goal of ensuring a predictable and sustainable path forward for the State's pension plans in the decades to come.

Sincerely,



Ben Barnes, Secretary

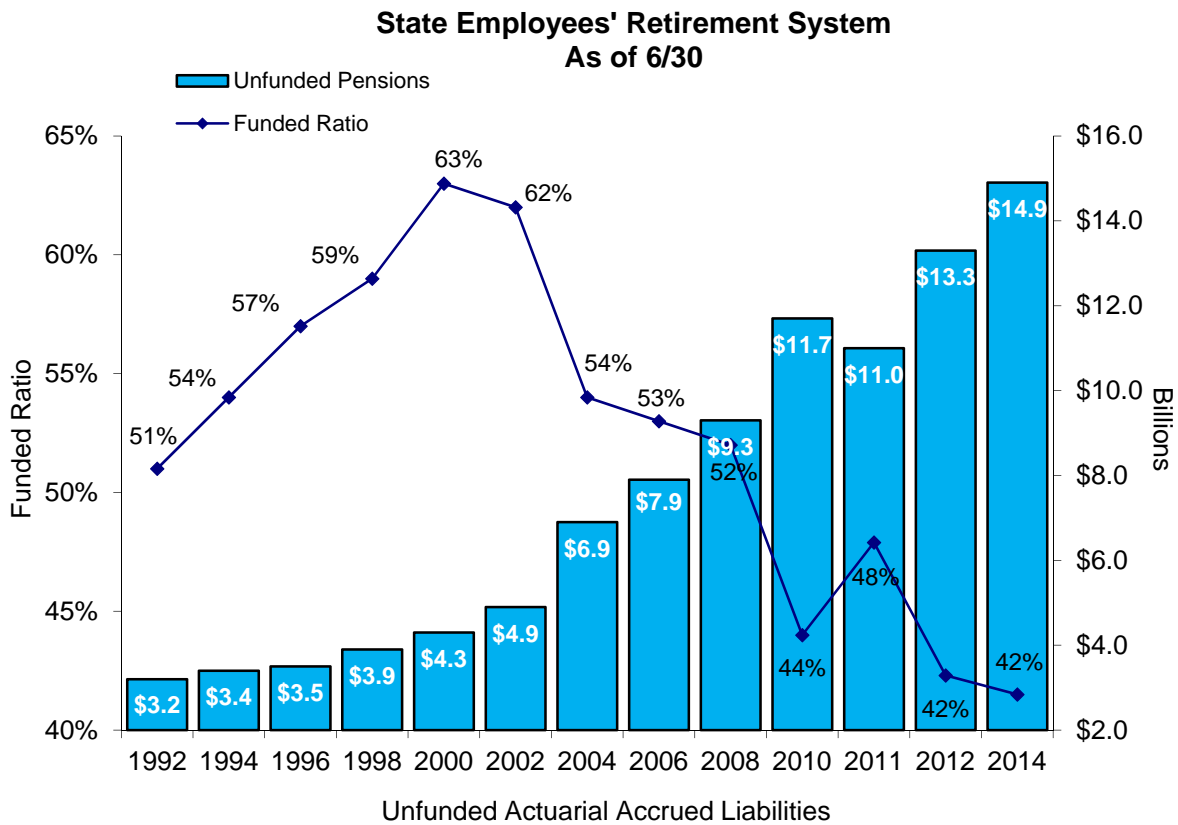
cc:

Governor Dannel P. Malloy
Claire Barnett, Chair TRB
Peter Adomeit, Chair, RC
Lisa Egan
Brenda Halpin
Darlene Perez
Greg Messner
Karen Nolan
Bob Dakers
Dan Livingston
Speaker of the House, Brendan Sharkey
Senator Martin Looney
Representative Joe Aresimowicz
Senator Bob Duff
Senator Len Fasano
Representative Themis Klarides

State Employee Retirement System (SERS)

SERS is a single-employer defined benefit pension plan administered by the state for most state employees. The plan provides retirement, disability and death benefits, and annual cost of living adjustments to plan members and their beneficiaries. Employees who have worked enough years and are eligible to retire by age 65 (or age 63 depending on years of service) receive an annual pension based on a portion of their compensation as an employee. That portion is determined by a formula based on the number of years of service of the employee. The average annual pension to retirees under the SERS plan is \$35,936, as of the 06/30/2014 valuation. Actuarial valuations are conducted every two years.

The most recent valuation as of 06/30/2014 indicated gross SERS employer contributions for FYs 2016 and 2017 of \$1,514.5 million and \$1,569.1 million, respectively. The funded ratio is 41.5% and the unfunded actuarial liabilities are \$14.9 billion. The increase in the unfunded liabilities are the result of: the net investment experience over the last five years, higher than anticipated new members, younger ages at retirement and higher than anticipated pay increases. The state contributed 100% of the gross SERS employer contribution in FY 2014 and contributed 99.5% in FY 2015.



State Employee Retirement
System Pension Contributions

<u>Fiscal Year</u>	<u>Actuarial Required Contribution</u>	<u>State Contribution</u>	<u>Percent</u>
2001-02	\$415	\$415	100%
2002-03	\$426	\$421	99%
2003-04	\$474	\$470	99%
2004-05	\$516	\$516	100%
2005-06	\$623	\$623	100%
2006-07	\$664	\$664	100%
2007-08	\$717	\$712	99%
2008-09	\$754	\$700	93%
2009-10	\$897	\$721	80%
2010-11	\$944	\$826	88%
2011-12	\$926	\$926	100%
2012-13	\$1,060	\$1,058	100%
2013-14	\$1,269	\$1,269	100%
2014-15	\$1,379	\$1,372	99%
2015-16 est.	\$1,514	\$1,514	100%
2016-17 est.	\$1,569	\$1,569	100%

*In Millions

State Employee Retirement
Fund Rate of Return = 8%

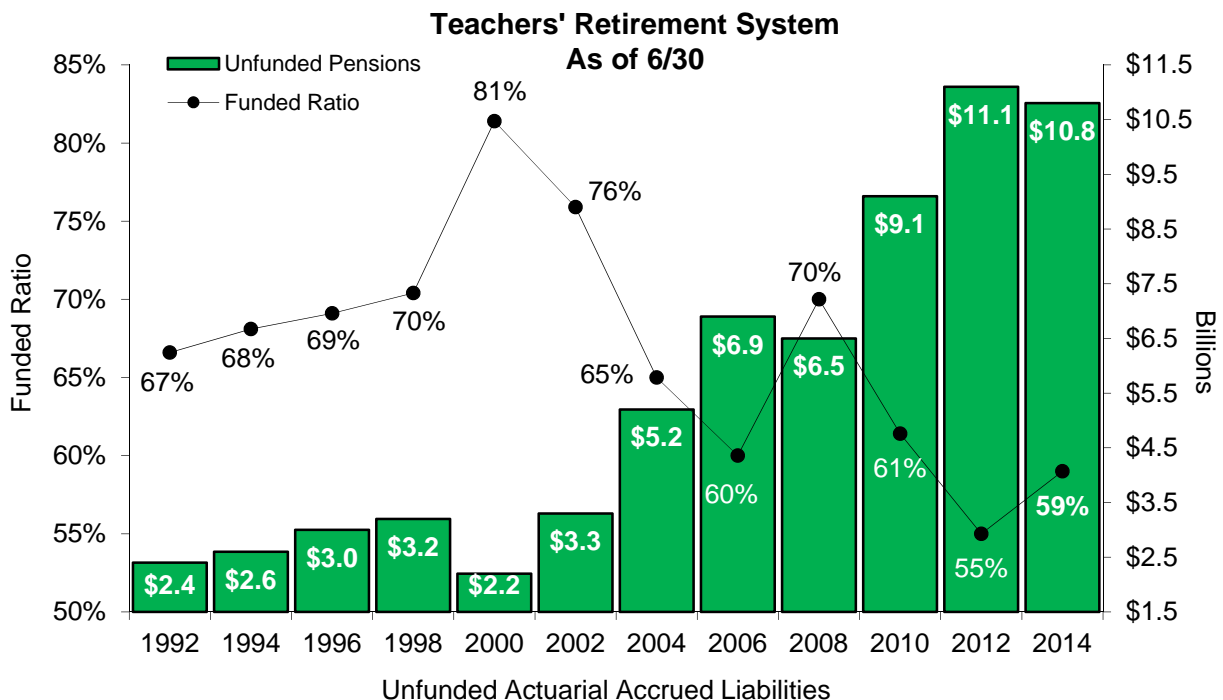
<u>Fiscal Year</u>	<u>Rate of Return Market Value Basis</u>
2001-02	-6.6%
2002-03	1.9%
2003-04	15.2%
2004-05	10.5%
2005-06	11.0%
2006-07	17.1%
2007-08	-4.8%
2008-09	-18.3%
2009-10	12.9%
2010-11	21.2%
2011-12	-0.9%
2012-13	11.9%
2013-14	15.6%
2014-15	2.8%
2015-16 (as of 12/31/15)	-2.3%

SERS utilizes 5 year smoothing.

Teachers' Retirement System (TRS)

The TRS is a defined benefit pension plan for teachers, principals, assistant principals, superintendents, assistant superintendents and supervisors employed in public schools. The plan provides retirement, disability and death benefits, and annual cost of living adjustments to plan members and the beneficiaries. Plan members are required to contribute six percent (6%) of their annual salary. The state is required to contribute the actuarially determined employer contribution. Normal retirement is at age 60 and 20 years of CT service or any age and 35 years of service, 25 years of which must be CT service. Actuarial valuations are conducted every two years.

Since FY 2006, the state has contributed 100% of the certified amounts into the TRS pension fund and will continue to do so. During FY 2008, bond proceeds in the amount of \$2 billion were deposited into the pension fund in addition to the state's actuarial required contribution. The bond covenant requires the state to make the full actuarial required contribution for the twenty-five year term of the bonds. The state contributed \$757.2 million in FY 2012, \$787.5 million in FY 2013, \$948.5 million in FY 2014 and \$984.1 million in FY 2015. According to the most recent valuation of 06/30/2014, the funded ratio rose to 59% and the unfunded liabilities were \$10.8 billion, a \$325 million decrease since the last valuation on 06/30/2012. The increase in the funded ratio and decrease in the unfunded liabilities are primarily attributable to the recognition of the double digit net investment gains in three of the last four years. The actuarially determined employer contributions for FYs 2016 and 2017 are \$975.6 million and \$1,012.2 million, respectively.



Teachers' Retirement System			
Pension Contribution			
<u>Fiscal Year</u>	<u>Actuarial Required Contribution</u>	<u>State Contribution</u>	<u>Percent</u>
2001-02	\$211	\$205	97%
2002-03	\$221	\$180	81%
2003-04	\$271	\$185	68.5%
2004-05	\$281	\$185	65.9%
2005-06	\$396	\$396	100%
2006-07	\$412	\$412	100%
2007-08	\$519	\$519	100%
2008-09	\$539	\$539	100%
2009-10	\$559	\$559	100%
2010-11	\$582	\$582	100%
2011-12	\$757	\$757	100%
2012-13	\$788	\$788	100%
2013-14	\$949	\$949	100%
2014-15	\$984	\$984	100%
2015-16 est.	\$976	\$976	100%
2016-17 est.	\$1,012	\$1,012	100%

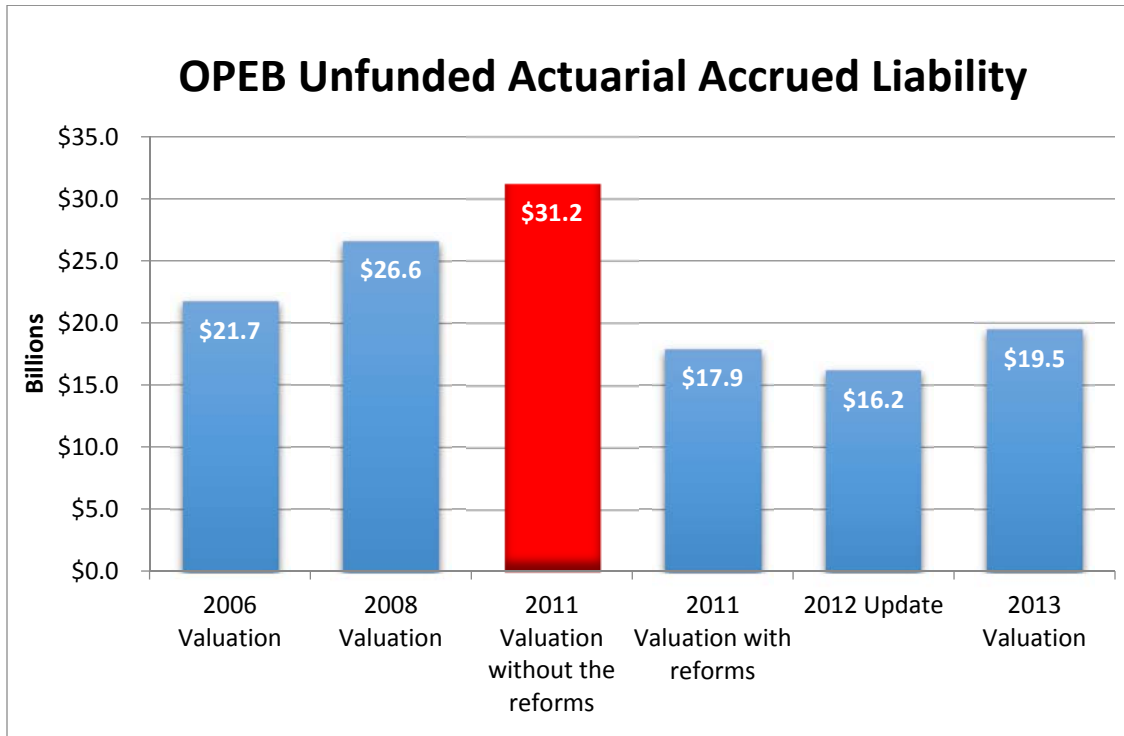
* In Millions

Teachers' Retirement System	
Fund Rate of Return = 8.5%	
<u>Fiscal Year</u>	<u>Rate of Return Market Value Basis</u>
2001-02	-6.6%
2002-03	2.1%
2003-04	15.3%
2004-05	10.5%
2005-06	11.0%
2006-07	17.5%
2007-08	-4.8%
2008-09	-17.1%
2009-10	12.9%
2010-11	20.8%
2011-12	-0.9%
2012-13	11.8%
2013-14	15.7%
2014-15	2.8%
2015-16 (as of 12/31/15)	-2.27%

TRS utilizes 4 year smoothing.

Other Post-Employment Benefits (OPEB)

The Governmental Accounting Standards Board (GASB) requires states to report on unfunded liabilities due to other post-employment benefits (OPEB), such as health, dental and life insurance for retirees. Segal Consulting currently performs the OPEB actuarial valuation in accordance with GASB Statements 43 and 45 for the State of Connecticut. The next OPEB valuation is due in 2016.



The first two OPEB valuations clearly showed a significant, and increasing, Unfunded Actuarial Accrued Liability (UAAL). In 2009, the state initiated negotiations with the State Employees Bargaining Agent Coalition (SEBAC) in an effort to obtain benefit and wage concessions. There were two major OPEB reforms in the 2009 SEBAC Agreement. Effective 7/1/2009, all new health care eligible employees contribute 3% of their salary to fund retiree health for the first 10 years of employment. Effective 7/1/2010, any health care eligible employees with fewer than 5 years of service contribute 3% of their salary until they reach 10 years of employment.

In 2011, the state initiated another round of benefit and wage concessions with SEBAC. The 2011 SEBAC Agreement incorporated a number of additional reforms. All employees, not just new employees, contribute a percent of their salary to fund retiree health and will continue to contribute for ten years or until retirement, whichever is sooner. For those employees who previously were not contributing, the contribution percentages are phased in over three years as follows:

- 0.5% effective the first day of the pay period after July 1, 2013;
- 2.0% effective the first day of the pay period after July 1, 2014;
- 3.0% effective the first day of the pay period after July 1, 2015.

The 2011 agreement also stipulated a greater health premium share for early retirees. Before this agreement, the premium shares for retiree health care coverage were minimal, ranging from zero to a maximum of three percent. The agreement imposes premium sharing on individuals who elect early retirement, ranging from two percent to forty percent, based on the number of years of service and the number of years retiring early. The premium for any given employee is capped at 25% of the person's actual pension benefit.

If the state had not implemented any of the reforms negotiated with SEBAC, the UAAL would have increased to \$31.2 billion in 2011 (represented by the red bar in the chart). The SEBAC reforms resulted in the OPEB unfunded liability decreasing \$13.3 billion to \$17.9 billion.

For 2012, the state requested an update to the OPEB valuation. The update confirmed a second year of significant reductions in the state's unfunded liability from \$17.9 billion to \$16.2 billion. This builds upon the prior reduction of \$13.3 billion due to the OPEB reforms negotiated in the SEBAC agreements of 2009 and 2011. The updated actuarial report reflected those reforms plus the following:

- a reduction in health care cost trends,
- a new prescription drug contract effective 07/01/2013 expected to reduce drug costs by 11%, and
- a conversion of the Medicare-age prescription drug program to an Employer Group Waiver Program.

The SEBAC reforms combined with the three items above reduced the OPEB liability by \$15.0 billion.

After two years of significant declines, the OPEB UAAL rose to \$19.5 billion as of June 30, 2013. The 2013 valuation, received in February of 2014, indicated that the unfunded plan obligation had been expected to increase the UAAL to \$17.9 billion due to normal plan operations. The difference between the actual (\$19.5 billion) and expected (\$17.9 billion) UAAL were mainly due to valuation assumption changes that increased the actuarial accrued liability. The actuary stated this was the result of 1) an increase in obligations due to the valuation-year per capita health costs and raising the future trend on such cost, and 2) an increase due to updating the demographic assumptions based on the latest experience study completed by the pension actuary.

The OPEB trust fund contained \$229.6 million in net assets as of June 30, 2015.

Deposits to the OPEB Trust Fund:

- State Contributions:
 - \$10 million – FY 2008. A state appropriation represented the state’s first deposit into the fund.
 - \$14.5 million – FY 2011. This sum was deposited at the end of FY 2011 from the year end fund balance per the 2009 SEBAC agreement.
- Employee Contributions:
 - \$1.4 million – FY 2010. Started collections from new employees only per the 2009 SEBAC agreement.
 - \$21.6 million – FY 2011. Started collections from new employees and employees with less than 5 years of service per the 2009 SEBAC agreement.
 - \$25.0 million – FY 2012.
 - \$27.5 million – FY 2013.
 - \$45.5 million - FY 2014.
 - \$93.3 million – FY 2015.

Effective July 1, 2017, the state will contribute to the OPEB/Retiree Health Care Trust Fund an amount equal to the amount contributed by employees in each year.

Other Post-Employment Benefits Summary of Contributions			
<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>State Contributions</u>	<u>Total Contributions</u>
2007-08	-	\$10.0	\$10.0
2008-09	-	-	-
2009-10	\$1.4	-	\$1.4
2010-11	\$21.6	\$14.5	\$36.1
2011-12	\$25.0	-	\$25.0
2012-13	\$27.5	-	\$27.5
2013-14	\$45.5	-	\$45.5
2014-15	\$93.3	-	\$93.3
2015-16 est.	\$125.0	-	\$125.0
2016-17 est.	\$128.7	-	\$128.7
2017-18 est.	<u>\$132.6</u>	<u>\$132.6</u>	<u>\$265.2</u>
Total	\$ 600.6	\$ 157.1	\$757.7

Excludes investment earnings

* In Millions

Excise Tax on High Cost Employer-Sponsored Health Coverage

The Affordable Care Act imposes an excise tax on high cost employer-sponsored health coverage for taxable years beginning after December 31, 2017. The Consolidated Appropriations Act, 2016, signed into law December 18, 2015, delays the effective date two years to taxable years beginning after December 31, 2019. The excise tax, also known as the “Cadillac Tax”, will help finance the expansion of health coverage under the Patient Protection and Affordable Care Act (PPACA). The tax is 40% of the cost of health coverage that exceeds predetermined threshold amounts. The cost of coverage includes the total contribution paid by both the employer and employees, i.e. total premium equivalents. The PPACA will allow the thresholds to be increased for group demographics including age and gender. The thresholds will be updated when final regulations are issued and will be indexed for inflation in future years.

The state continues to work with its health benefit consultants to determine the impact on the state employee and retiree health plans. The exact dollar impact to the state cannot be determined until final Internal Revenue Code regulations are developed.

State Aid to Local Governments

Includes Appropriated, Capital, Federal ARRA and Revenue Intercept Sources
(in millions)



* In FY 10, includes use of \$269 M in ARRA funds

**Dedication of Sales Tax to the
Municipal Revenue Sharing Account (MRSA) and the Special Transportation Fund (STF)**
Change to PA 15-244 by PA 15-01, DSS Sections 31-33
(Dollars in Millions)

Amount Dedicated			
Fiscal Year	MRSA	STF	Total
2016	\$35.3	\$123.4	\$158.7
2017	\$221.9	\$260.6	\$482.5
2018 & after	\$359.1	\$359.1	\$718.2

Percent Dedicated		Time Period			STF		
Sales Tax Rate	Equivalent Percentage of Revenue	MRSA		# of Months	Start	End	# of Months
0.3%	4.7%	5/1/2016	5/1/2017	12	12/1/2015	10/1/2016	10
0.4%	6.3%	5/1/2017	7/1/2017	2	10/1/2016	7/1/2017	9
0.5%	7.9%	7/1/2017	& after		7/1/2017	& after	

Expected Cash Flow								
Tax Month	Tax Due*	DRS Transfer	MRSA			STF		
			FY 2016	FY 2017	FY 2018	FY 2016	FY 2017	FY 2018
Jul	31-Aug	10-Sep		\$17.6	\$29.9		\$17.6	\$29.9
Aug	30-Sep	10-Oct		17.6	29.9		17.6	29.9
Sep	31-Oct	10-Nov		17.6	29.9		17.6	29.9
Oct	30-Nov	10-Dec		17.6	29.9		23.1	29.9
Nov	31-Dec	10-Jan		17.6	29.9		23.1	29.9
Dec	31-Jan	10-Feb		17.6	29.9	\$17.6	23.1	29.9
Jan	28-Feb	10-Mar		17.6	29.9	17.6	23.1	29.9
Feb	31-Mar	10-Apr		17.6	29.9	17.6	23.1	29.9
Mar	30-Apr	10-May		17.6	29.9	17.6	23.1	29.9
Apr	31-May	10-Jun		17.6	29.9	17.6	23.1	29.9
May	30-Jun	10-Jul	\$17.6	22.9	29.9	17.6	23.1	29.9
Jun	31-Jul	10-Aug	17.6	22.9	29.9	17.6	23.1	29.9
		Total	\$35.3	\$221.9	\$359.1	\$123.4	\$260.6	\$359.1

* Due date moving from the 20th day of the month to the last day of the month effective on sales occurring after December 31, 2015.

Totals may not add due to rounding.

The Unemployment Compensation Fund

The Unemployment Compensation Fund (“Trust Fund”) is established pursuant to Connecticut General Statutes (CGS) Section 31-261 for the purpose of paying benefits to unemployed workers. The Trust Fund is comprised of tax contributions paid by employers. This is not a budgeted fund of the state.

Employer contributions (taxes) fall into three categories:

1. **Experience tax rate:** Most employers pay unemployment taxes based on their experience with unemployment. Depending on the volume of charges against the employer’s account resulting from former employees collecting unemployment benefits over a rolling 3-year period, an employer’s experience tax rate can range from a minimum of 0.5% to a maximum of 5.4%. The CT Department of Labor uses the determined tax rate to bill employers on the first \$15,000 in wages paid to each covered employee in a calendar year, with billing occurring on a quarterly basis.
2. **Reimbursements:** State, municipal and tribal governments and qualifying non-profit employers may elect the reimbursing method of contribution which requires the employer to pay dollar-for-dollar into the Trust Fund based on the employer’s prorated share of benefits paid. Reimbursing employers do not pay quarterly payroll taxes like experience-rated employers and are not subject to the fund solvency tax described below.
3. **Fund Solvency Tax:** In addition to the tax rate established for experience tax rated employers, Section 31-225a(f), CGS, establishes a fund solvency tax to maintain the solvency goal of the Trust Fund. Prior to calendar year 2013, the established fund solvency goal was eight-tenths of one percent of total wages paid to covered workers by experience rated employers. As amended by Public Act 12-46, section 31-225a(f), CGS, establishes a fund solvency goal that results in an average high cost multiple (AHCM) equal to 0.5, increasing by 0.1 per year to a maximum of 1 in calendar year 2019. The AHCM represents the number of years a state could pay benefits based on the average amount paid out during recessionary periods, without collecting additional taxes. For calendar year 2016, the fund solvency goal is an AHCM equal to 0.7, or \$910 million.¹ The statute further requires the Labor Commissioner to annually establish a “fund balance tax rate” sufficient to maintain a balance equal to the fund solvency goal. The fund solvency tax can range from zero to 1.4%. This tax is added to the experience tax rate charged to employers. (For example, an employer with an experience tax rate of 2.0% will pay a contribution rate of 3.4%. For each employee earning \$15,000 in wages, the employer will pay 3.4% x 15,000, or \$510.) In 2009, the fund solvency tax was increased to 1.4% and will remain at that level for calendar year 2016.

Major Issues Facing the Trust Fund:

1. The first \$15,000 of wages paid to each employee is taxed for UI purposes. In order to maintain fund solvency, this threshold may need to be reconsidered in the future.
2. As of December 2015, the Connecticut seasonally adjusted unemployment rate was estimated at 5.2%. Although federal extensions of unemployment compensation benefits expired in December 2013, individuals who remain unemployed continue to qualify for the regular 26 weeks of eligibility for unemployment benefits.
3. While the unemployment rate slowly improves, individuals continue to collect UI benefits and more individuals draw benefits at higher levels (more claimants receive the maximum UI amount due to higher wages earned when employed). The maximum

¹ \$910 million is calculated based on projected full solvency of approximately \$1.3 billion X 0.7.

weekly benefit rate is currently \$598 for claims filed effective October 4, 2015 and thereafter. Connecticut also pays \$15 per dependent child up to a maximum of \$75.

4. In order to access the full \$87.8 million in federal funding available for modernization through the American Recovery and Reinvestment Act of 2009, Connecticut further expanded its unemployment benefits to provide benefits to individuals who voluntarily leave employment to 1) care for a family members' illness/disability, 2) protect a family member or self from domestic violence, and 3) accompany a spouse to a location from which it is impractical to commute. Connecticut received \$58 million in federal funding to implement the changes which carried an approximate cost of \$1.3 to \$2.1 million per year.
5. In 2010 increases in job losses resulted in benefit payouts of approximately \$1.3 billion from the Trust Fund, while only \$700 million in taxes were collected. UI benefit payouts exceeded revenues in calendar years 2011 and 2012 as well. Since 2014, revenues have slightly outpaced benefit payouts and are expected to continue this trend in 2016. As Connecticut brings in more money annually in tax revenues than is paid out in benefits, that net cash flow will be applied to the outstanding federal loans.
6. The solvency tax, which was at 0.9% in 2008, is currently at the maximum of 1.4%. Even with the fund solvency tax generating its maximum revenue annually, the Trust Fund became insolvent in October 2009.
7. Connecticut's Unemployment Trust Fund began borrowing in mid-October 2009 and has a loan balance of approximately \$100.9 million as of February 2016. The state has borrowed approximately \$155 million in calendar year 2013, approximately \$100 million in calendar year 2014 and approximately \$60 million in calendar year 2015. In calendar year 2016, it is anticipated that the state will borrow approximately \$80 million. Loans taken during 2014, 2015 and 2016 are cash flow loans and paid back in the same year funds are borrowed. Staying current with federal borrowing allows the state to avoid increased debt service. It is anticipated that final repayment of the loans may occur as early as June 2016.
8. Although the American Recovery and Reinvestment Act provided interest free borrowing through calendar year 2010, states with loans outstanding beginning in 2011 were subject to interest on those loans, with payment due on September 30, 2011. By Connecticut statute, interest on loans is paid by employers in the form of special assessments. Since Connecticut was unable to repay the loan within two years, the federal government increased federal unemployment taxes on employers by increasing the existing FUTA tax in 0.3% increments annually, beginning with calendar year 2011. In addition, states with loans outstanding for five years are subject to an additional increase (Benefit Cost Rate add-on). In 2015, the BCR for Connecticut was 0.6%. As a result, for calendar year 2015, CT employers have a FUTA tax rate of 2.1%, in addition to the standard 0.6% tax rate. The increases are applied to the state's loan principal until fully repaid. Since the loan is anticipated to be paid back in June 2016, the FUTA tax rate will revert to the normal FUTA tax of 0.6% for calendar year 2016.

Hospital Related Matters

In Fiscal Year 2012, the State began levying a tax on the net patient revenue of each hospital in the State. A petition for a declaratory ruling was received by the Department of Social Services (“DSS”) and the Department of Revenue Services (“DRS”) claiming that this tax is invalid as implemented under various constitutional and administrative theories. The determination of DSS and DRS with respect to the petition could affect the collection of the tax going forward, provide the basis for potential refund claims, or result in litigation. No representation is made concerning the possible resolution or financial impact of this matter, or what actions the State might implement in response to any adverse findings.

Hospitals are also contesting inpatient and outpatient Medicaid rates for each of several rate years and have requested administrative hearings to resolve their claims. The issues raised by the hospitals are nuanced and complex. In these appeals, the hospitals seek increases which, if successful, could potentially result in substantial additional Medicaid expenditures. Hearings are scheduled to begin in October 2016.

Outyear General Fund Estimates (in Millions)

	Proposed FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020
Projected Revenue	\$ 18,152.3	\$ 18,323.7	\$ 18,824.5	\$ 19,387.4
Increase over Prior Year		171.4	500.8	562.9
Growth		0.9%	2.7%	3.0%
<u>Projected Areas of Expenditure Growth (Relative to Prior Year)</u>				
Debt Service		275.2	(44.7)	198.0
Teachers' Retirement System		259.2	45.0	46.9
Medicaid		121.5	123.4	134.3
Matching Contributions for OPEB		132.6	-	-
State Employee Fringe Benefits Costs		71.6	62.6	72.5
Other Entitlements and Miscellaneous		6.9	5.9	9.0
Total Fixed Areas of Growth	\$	867.1	192.2	460.7
Surplus / (Shortfall) of Revenue vs. Fixed Costs	\$	(695.7)	308.6	102.2
Change to Agency Operating Accounts, Higher Ed Block Grants, and Non-ECS Municipal Aid Needed for Balance		-9.7%	4.8%	1.5%

Governance

The State of Connecticut has in place a number of policies and procedures which serve to ensure the highest level of attention is given to the governance of the public's financial resources.

Examples of such laws, policies, and procedures which support sound financial governance include:

- Balanced budget. Article 3 Section 18 (a) of the State Constitution requires a balanced budget.
- Cap on spending. Section 2-33a of the Connecticut General Statutes limits the increase in expenditures to the greater of the percentage increase in personal income over a five year period or the percentage increase in inflation over the previous fiscal year. Article 3 Section 18 (b) of the State Constitution includes language for a constitutional spending cap but has no legal effect until the General Assembly adopts certain definitions by a three-fifths vote. The statutory expenditure cap has served the citizens of the state well. It has limited the growth in the state's budget to no more than the economy's ability to pay for those increases, as measured by the growth in personal income.
- Cap on bonding. Section 3-21 of the Connecticut General Statutes imposes a ceiling on the amount of General Fund-supported debt the Legislature may authorize. The limit is 1.6 times net General Fund tax receipts projected by the Finance, Revenue and Bonding Committee for the fiscal year in which the bonds are authorized. The statute prohibits the General Assembly from authorizing any additional General Fund-supported debt, except what is required to meet cash flow needs or emergencies resulting from natural disasters, when the aggregate amount of outstanding debt and authorized but unissued debt exceed this amount. Certain types of debt are excluded from the statutory debt limit calculation, including debts incurred for federally reimbursable public works projects, assets in debt retirement funds, and debt incurred in anticipation of revenue.

The State Treasurer must certify that any bill authorizing bonds does not violate the debt limit, before the General Assembly may vote on the bill. A similar certification is also required before the state Bond Commission can authorize any new bonds to be issued. The State Treasurer also computes the state's aggregate bonded indebtedness each January 1 and July 1. If the amount reaches 90% of the ceiling amount, the governor must review each bond act for which no obligations have been incurred and recommend to the General Assembly priorities for repealing these authorizations.

- Budget Reserve Fund. Statutorily, after the accounts for the General Fund have been closed for each fiscal year and the Comptroller has determined the amount of unappropriated surplus in the fund, the surplus shall be transferred to the Budget Reserve Fund until the fund reaches an amount equal to ten percent of the net General Fund appropriations. The Budget Reserve Fund may only be expended to the extent necessary to fund a deficit in the immediately preceding fiscal year. [C.G.S. 4-30a]. Legislation enacted during the most recent legislative session made certain reforms to the Budget Reserve Fund effective July 1, 2019. See accompanying write-up.
- Multiple year financial planning.
 - Biennial Budget. Statutorily, the Governor must, in each odd number year, transmit a budget to the General Assembly which sets forth the financial plan for each year of the next biennium. [C.G.S. 4-71]
 - Three-Year Out-Year Report. Each year the Governor must submit a separate report which sets forth the estimated revenues and expenditures for the three years following the proposed biennial budget. [C.G.S. 4-71]

- Annual report to the joint standing committees on Appropriations, and Finance Revenue & Bonding. Statutorily, each November OPM, and the Legislative Office of Fiscal Analysis (OFA) are each required to submit Fiscal Accountability Reports on the projected status of state revenues, expenditures and ending balances for each fund for the current biennium and next ensuing three fiscal years beyond the biennium. Additionally OPM and OFA are required to meet with the joint committees of the General Assembly following submittal of the reports to discuss the findings and defend the assumptions used to compile the reports. [C.G.S. 2-36b]
- Regular monitoring of fiscal progress. Statutorily, the Secretary of the Office of Policy and Management (OPM) is required to provide the State Comptroller on the 20th of every month updates of the statements of revenue and expenditure projections to the end of the current fiscal year along with the resultant projection for a surplus or deficit. [C.G.S. 4-66] By the first of the following month the State Comptroller transmits such estimates to the Governor. [C.G.S. 3-115]
- Effective spending controls. Fiscal management tools including: well defined appropriations, encumbrance requirements for all expenditures, agency expenditure plans with quarterly allotment requirements, authority to reduce allotments, and centralized (OPM) approval of Executive-branch positions (hiring and refills) and certain contracts, serve to maintain appropriate controls.
- Ability to adjust expenditures -- Rescission Authority & Deficit Mitigation. Should the Comptroller report a projected General Fund deficit greater than 1%, the Governor is required to file a report with the joint standing committees on Appropriations, and Finance Revenue & Bonding which outlines a plan to modify allotments as necessary to prevent a deficit. The Governor may reduce allotments to agencies by up to 5% or 3% within any fund if circumstances have changed since the passage of the appropriation. Further reductions are allowed with the concurrence of the General Assembly. [C.G.S. 4-85]
- Revenue forecasting. Utilizing both professional in-house staff and economic forecasting services under contract, economic trends are monitored and factored into all revenue projections and are updated on a monthly basis. Revenue forecasts through this system have continually offered a favorable degree of accuracy with a conservative bias. Revenue estimates used in the budget negotiation process are also reviewed and confirmed by the professional nonpartisan financial staff of the Legislative Office of Fiscal Analysis (OFA). C.G.S. 2-36c codified the previously informal process between OFA and OPM, thereby requiring the two offices to reach an agreement on the projected revenues at certain times of the year.
- Ability to affect financial direction. The power to propose, enact, and implement a budget rests with the Governor and General Assembly. There are no initiative or referendum requirements within the State's Constitution.
- Transition of Administration – Tentative Budget. Section 4-79 of the Connecticut General Statutes requires the Secretary of the Office of Policy and Management to prepare a tentative budget and provide it to the Governor- elect by November 15th. In addition to providing the statutorily required tentative budget, OPM also typically provides the Governor-elect and his staff other briefing material regarding state's procedures, finances, and major policy issues in order to ensure as smooth a transition as possible.
- Corrective actions taken as necessary. The state has weathered economic downturns in the past and has a long history of addressing the issues as they arise.

Revenue and Tax Changes

STATE OF CONNECTICUT
GENERAL FUND REVENUES - FY 2016
Changes to Originally Adopted Revenue Estimates
(In Millions)

	Adopted Budget <u>FY 2016</u>	December Special Session <u>Changes</u>	Revenue Estimate <u>Changes</u>	1/15/2016 Consensus Estimate <u>FY 2016</u>
<u>Taxes</u>				
Personal Income Tax	\$ 9,834.4	\$ -	\$ (264.4)	\$ 9,570.0
Sales & Use Tax	4,121.1	109.2	-	4,230.3
Corporation Tax	902.2	(1.8)	50.0	950.4
Public Service Tax	308.0	(0.6)	(20.0)	287.4
Inheritance & Estate Tax	173.4	-	44.0	217.4
Insurance Companies Tax	243.8	-	(17.3)	226.5
Cigarettes Tax	361.2	-	4.7	365.9
Real Estate Conveyance Tax	194.7	-	-	194.7
Oil Companies Tax	-	-	-	-
Alcoholic Beverages Tax	61.7	-	-	61.7
Admissions & Dues Tax	38.3	-	-	38.3
Health Provider Tax	676.9	(0.8)	(3.7)	672.4
Miscellaneous Tax	20.8	-	(1.1)	19.7
Total Taxes	\$ 16,936.5	\$ 106.0	\$ (207.8)	\$ 16,834.7
Less Refunds of Tax	(1,090.4)	-	-	(1,090.4)
Less Earned Income Tax Credit	(127.4)	-	-	(127.4)
Less R&D Credit Exchange	(7.1)	-	-	(7.1)
Total - Taxes Less Refunds	\$ 15,711.6	\$ 106.0	\$ (207.8)	\$ 15,609.8
<u>Other Revenue</u>				
Transfers-Special Revenue	\$ 343.4	\$ -	\$ (7.0)	\$ 336.4
Indian Gaming Payments	258.8	-	3.0	261.8
Licenses, Permits, Fees	308.5	-	4.4	312.9
Sales of Commodities	38.0	-	1.1	39.1
Rents, Fines, Escheats	126.0	-	-	126.0
Investment Income	2.5	-	(1.3)	1.2
Miscellaneous	171.3	-	5.5	176.8
Less Refunds of Payments	(74.2)	-	8.0	(66.2)
Total - Other Revenue	\$ 1,174.3	\$ -	\$ 13.7	\$ 1,188.0
<u>Other Sources</u>				
Federal Grants	\$ 1,265.2	\$ -	\$ (48.2)	\$ 1,217.0
Transfer From Tobacco Settlement	106.6	2.0	-	108.6
Transfers From/(To) Other Funds	(95.3)	27.8	(2.0)	(69.5)
Total - Other Sources	\$ 1,276.5	\$ 29.8	\$ (50.2)	\$ 1,256.1
Total - General Fund Revenues	\$ 18,162.4	\$ 135.8	\$ (244.3)	\$ 18,053.9

STATE OF CONNECTICUT
GENERAL FUND REVENUES - FY 2017
Changes to Originally Adopted Revenue Estimates
(In Millions)

	Adopted Budget <u>FY 2017</u>	December Special Session <u>Changes</u>	Revenue Estimate <u>Changes</u>	1/15/2016 Consensus Estimate <u>FY 2017</u>	Proposed Revenue Changes <u>FY 2017</u>	Net Projected Revenue <u>FY 2017</u>
<u>Taxes</u>						
Personal Income Tax	\$ 10,357.2	\$ -	\$ (528.1)	\$ 9,829.1	\$ -	\$ 9,829.1
Sales & Use Tax	4,084.7	7.5	-	4,092.2	0.2	4,092.4
Corporation Tax	910.7	(4.1)	(2.0)	904.6	-	904.6
Public Service Tax	316.5	(0.6)	(20.6)	295.3	-	295.3
Inheritance & Estate Tax	174.7	-	(0.1)	174.6	-	174.6
Insurance Companies Tax	246.0	-	(16.3)	229.7	-	229.7
Cigarettes Tax	363.3	-	5.3	368.6	-	368.6
Real Estate Conveyance Tax	200.8	-	(1.1)	199.7	-	199.7
Oil Companies Tax	-	-	-	-	-	-
Alcoholic Beverages Tax	62.1	-	0.1	62.2	1.9	64.1
Admissions & Dues Tax	39.6	-	(0.6)	39.0	-	39.0
Health Provider Tax	683.9	(4.2)	(3.6)	676.1	-	676.1
Miscellaneous Tax	21.3	-	(1.2)	20.1	-	20.1
Total Taxes	\$ 17,460.8	\$ (1.4)	\$ (568.2)	\$ 16,891.2	\$ 2.1	\$ 16,893.3
Less Refunds of Tax	(1,103.1)	-	1.6	(1,101.5)	-	(1,101.5)
Less Earned Income Tax Credit	(133.9)	-	0.3	(133.6)	-	(133.6)
Less R&D Credit Exchange	(7.4)	-	(1.1)	(8.5)	-	(8.5)
Total - Taxes Less Refunds	\$ 16,216.4	\$ (1.4)	\$ (567.4)	\$ 15,647.6	\$ 2.1	\$ 15,649.7
<u>Other Revenue</u>						
Transfers-Special Revenue	\$ 369.3	\$ -	\$ (18.3)	\$ 351.0	\$ -	\$ 351.0
Indian Gaming Payments	252.4	-	4.2	256.6	-	256.6
Licenses, Permits, Fees	290.8	-	4.4	295.2	0.2	295.4
Sales of Commodities	39.1	-	1.0	40.1	-	40.1
Rents, Fines, Escheats	128.0	-	-	128.0	-	128.0
Investment Income	5.6	-	(2.2)	3.4	-	3.4
Miscellaneous	173.4	-	5.6	179.0	-	179.0
Less Refunds of Payments	(75.1)	-	8.0	(67.1)	-	(67.1)
Total - Other Revenue	\$ 1,183.5	\$ -	\$ 2.7	\$ 1,186.2	\$ 0.2	\$ 1,186.4
<u>Other Sources</u>						
Federal Grants	\$ 1,252.7	\$ -	\$ 20.9	\$ 1,273.6	\$ (4.7)	\$ 1,268.9
Transfer From Tobacco Settlement	104.5	-	-	104.5	-	104.5
Transfers From/(To) Other Funds	(43.4)	(16.1)	(1.9)	(61.4)	4.2	(57.2)
Total - Other Sources	\$ 1,313.8	\$ (16.1)	\$ 19.0	\$ 1,316.7	\$ (0.5)	\$ 1,316.2
Total - General Fund Revenues	\$ 18,713.6	\$ (17.5)	\$ (545.7)	\$ 18,150.5	\$ 1.8	\$ 18,152.3

STATE OF CONNECTICUT

Actual FY 2015, Forecast FY 2016, and Proposed FY 2017 General Fund Revenues
(In Millions)

	FY 2014-15		FY 2015-16		FY 2016-17	
	Annual Comptroller's Report	Economic Growth Rate*	1/15/2016 Consensus Forecast	Economic Growth Rate*	Proposed Revised Budget	Economic Growth Rate*
<u>Taxes</u>						
Personal Income Tax	\$ 9,151.0	3.1, 9.9	\$ 9,570.0	3.3, 2.6	\$ 9,829.1	3.3, 2.2
Sales & Use	4,205.1	3.9	4,230.3	3.8	4,092.4	3.9
Corporation	814.8	10.0	950.4	(6.2)	904.6	4.2
Public Service	276.8	0.0	287.4	6.1	295.3	2.7
Inheritance & Estate	176.7	5.2	217.4	25.3	174.6	(17.0)
Insurance Companies	220.6	(7.9)	226.5	(1.5)	229.7	1.4
Cigarettes	358.7	(4.8)	365.9	(5.0)	368.6	(5.0)
Real Estate Conveyance	186.0	3.0	194.7	4.7	199.7	2.6
Oil Companies	-	(18.8)	-	-	-	-
Alcoholic Beverages	61.7	1.6	61.7	(0.7)	64.1	0.6
Admissions & Dues	38.4	4.2	38.3	0.8	39.0	1.8
Health Provider	455.0	(5.2)	672.4	(0.6)	676.1	0.5
Miscellaneous	19.0	5.0	19.7	3.7	20.1	2.5
Total Taxes	\$ 15,963.9		\$ 16,834.7		\$ 16,893.3	
Less Refunds of Tax	(1,064.0)		(1,090.4)		(1,101.5)	
Less Earned Income Tax	(99.6)		(127.4)		(133.6)	
Less R&D Credit Exchange	(7.9)		(7.1)		(8.5)	
Total Taxes Less Refunds	\$ 14,792.3		\$ 15,609.8		\$ 15,649.7	
<u>Other Revenue</u>						
Transfers-Special Revenue	\$ 323.3		\$ 336.4		\$ 351.0	
Indian Gaming Payments	268.0		261.8		256.6	
Licenses, Permits, Fees	257.4		312.9		295.4	
Sales of Commodities	35.8		39.1		40.1	
Rents, Fines, Escheats	168.7		126.0		128.0	
Investment Income	0.9		1.2		3.4	
Miscellaneous	185.0		176.8		179.0	
Refund of Payments	(64.3)		(66.2)		(67.1)	
Total Other Revenue	\$ 1,174.9		\$ 1,188.0		\$ 1,186.4	
<u>Other Sources</u>						
Federal Grants	\$ 1,241.2		\$ 1,217.0		1,268.9	
Trans. From Tobacco Settlement Fund	97.4		108.6		104.5	
Transfers to Other Funds	(23.8)		(69.5)		(57.2)	
Total Other Sources	\$ 1,314.8		\$ 1,256.1		\$ 1,316.2	
Total General Fund Revenues	\$ 17,282.0		\$ 18,053.9		\$ 18,152.3	

* Growth Rates reflect baseline economic activity prior to any tax changes.

Summary of the December 2015 Special Session
December 8, 2015

General Fund
(In Millions)

<u>Tax Type</u>	<u>Bill</u>	<u>Sec.</u>	<u>Legislative Proposals</u>	<u>Eff. Date</u>	<u>Fiscal 2016</u>	<u>Fiscal 2017</u>	<u>Fiscal 2018</u>	<u>Fiscal 2019</u>	<u>Fiscal 2020</u>
Personal Income Tax	15-01	26	Exempt employees in the state for less than 15 days	1/1/2016	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and Use Tax	15-01	32	Delay transfer to STF two months	Passage	\$ 35.2	\$ -	\$ -	\$ -	\$ -
	15-01	31-33	Delay transfer to MRSA four months	Passage	70.4	-	-	(16.2)	-
	15-01	49	Eliminate energy star sales tax exemption	1/1/2016	<u>3.6</u>	<u>7.5</u>	<u>7.8</u>	<u>8.1</u>	<u>8.4</u>
			Sub-Total Sales and Use Tax		\$ 109.2	\$ 7.5	\$ 7.8	\$ (8.1)	\$ 8.4
Corporation Tax	15-01	40-46	Single factor apportionment for all "C" corporations	1/1/2016	\$ 6.2	\$ 10.3	\$ 10.3	\$ 10.3	\$ 10.3
	15-01	38	\$6bn NOL election effective 1/1/2015 with \$2.5 min. liability	Passage	-	-	-	-	-
	15-01	29-30	Raise the cap on various corp tax credits	Passage	(0.5)	(2.5)	(4.6)	(6.6)	(8.1)
	15-01	36	Cap unitary combined reporting	1/1/2016	<u>(7.5)</u>	<u>(11.9)</u>	<u>(11.9)</u>	<u>(11.9)</u>	<u>(11.9)</u>
			Sub-Total Corporation Tax		\$ (1.8)	\$ (4.1)	\$ (6.2)	\$ (8.2)	\$ (9.7)
Public Service	15-01	28	Extend Apprenticeship Tax Credit	1/1/2016	\$ (0.6)	\$ (0.6)	\$ (0.6)	\$ (0.6)	\$ (0.6)
Health Provider	15-01	29-30	Raise the cap on various corp tax credits	Passage	\$ (0.8)	\$ (4.2)	\$ (7.5)	\$ (10.9)	\$ (13.4)
Transfers - Tobacco Settl.	15-01	12	Transfer from Biomedical Trust Fund	Passage	\$ 2.0	\$ -	\$ -	\$ -	\$ -
Transfers - Other Funds	15-01	13	Transfer from School Bus Seat Belt Account	Passage	\$ 2.0	\$ -	\$ -	\$ -	\$ -
	15-01	17	Trans. from Private Occupation School Student Protection Acct.	Passage	2.0	-	-	-	-
	15-01	14	Transfer from Lottery Assesment fund	Passage	1.0	-	-	-	-
	15-01	15	Transfer from Drug Asset Forfeiture Fund	Passage	0.4	-	-	-	-
	15-01	16	Transfer proceeds from sale of Norwich Hospital	Passage	0.3	-	-	-	-
	15-01	19	Recoup UConn fringe/Transfer from operating reserves	Passage	8.5	-	-	-	-
	15-01	19	Transfer from UCHC operating reserves	Passage	3.0	-	-	-	-
	15-01	19	Transfer from CSU operating reserves	Passage	1.8	-	-	-	-
	15-01	19	Transfer from CTC operating reserves	Passage	1.8	-	-	-	-
	15-01	18	Reduce transfer from FY 16 to FY 17	Passage	7.0	(7.0)	-	-	-
	15-01	8-11	GAAP Amortization from FY 2017 to FY 2028	Passage	-	(9.1)	(9.1)	(9.1)	(9.1)
			Sub-Total Transfer - Other Funds		\$ 27.8	\$ (16.1)	\$ (9.1)	\$ (9.1)	\$ (9.1)
			General Fund Total		\$ 135.8	\$ (17.5)	\$ (15.6)	\$ (36.9)	\$ (24.4)

Special Transportation Fund
(In Millions)

Sales and Use Tax	15-01	32	Delay transfer to STF two months	Passage	\$ (35.2)	\$ -	\$ -	\$ -	\$ -
Oil Companies Tax	15-01	28	Extend Apprenticeship Tax Credit	1/1/2016	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)
			Special Transportation Fund Total		\$ (35.3)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)

Municipal Revenue Sharing Account
(In Millions)

Sales and Use Tax	15-01	31-33	Delay transfer to MRSA four months	Passage	\$ (70.4)	\$ -	\$ -	\$ -	\$ -
			Municipal Revenue Sharing Account Total		\$ (70.4)	\$ -	\$ -	\$ -	\$ -

Governor's Revenue Proposals

February 3, 2016

General Fund
(In Millions)

<u>Tax Type</u>	<u>Bill</u>	<u>Sec.</u>	<u>Legislative Proposals</u>	<u>Eff. Date</u>	<u>Fiscal 2016</u>	<u>Fiscal 2017</u>	<u>Fiscal 2018</u>	<u>Fiscal 2019</u>	<u>Fiscal 2020</u>
Sales and Use Tax	SB 14	1	Impact of alcoholic beverage change	10/1/2016	\$ -	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.3
Alcoholic Beverages	SB 14	1	Eliminate minimum bottle pricing	10/1/2016	\$ -	\$ 1.9	\$ 2.5	\$ 2.5	\$ 2.5
Licenses, Permits, Fees	HB 5046	2	Increase DOL Filing Fees for Grievances from \$25 to \$200	7/1/2016	\$ -	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
Federal Grants	HB 5044		Revenue loss associated with expenditure reductions	7/1/2016	\$ -	\$ (4.7)	\$ (4.7)	\$ (4.7)	\$ (4.7)
Transfers - Other Funds	HB 5044	23	Decrease G.F. Transfer to the Mashantucket/Mohegan Fund	7/1/2016	\$ -	\$ 3.5	\$ 3.5	\$ 3.5	\$ 3.5
	HB 5044	16	Eliminate THTF Support of Asthma Awareness Program	7/1/2016	-	0.3	-	-	-
	HB 5044	16	Eliminate THTF Support of Easy Breathing Programs	7/1/2016	-	0.4	-	-	-
			Subtotal Transfers - Other Funds		\$ -	\$ 4.2	\$ 3.5	\$ 3.5	\$ 3.5
			General Fund Total		\$ -	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8

Special Transportation Fund
(In Millions)

<u>Tax Type</u>									
Licenses, Permits, Fees	HB 5046	1	Increase permit fees for oversize/overweight vehicles	7/1/2016	\$ -	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8
			Special Transportation Fund Total		\$ -	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8

Mashantucket Pequot and Mohegan Fund Total
(In Millions)

<u>Tax Type</u>									
Transfers - Other Funds	HB 5044	23	Decrease G.F. Transfer to the Mashantucket/Mohegan Fund	7/1/2016	\$ -	\$ (3.5)	\$ (3.5)	\$ (3.5)	\$ (3.5)
			Mashantucket Pequot and Mohegan Fund Total		\$ -	\$ (3.5)	\$ (3.5)	\$ (3.5)	\$ (3.5)

Probate Court Administration
(In Millions)

<u>Tax Type</u>									
Licenses, Permits, Fees	SB 13	1-2	Cap fees for decedents' estates at \$40,000		\$ -	\$ (6.5)	\$ (6.5)	\$ (6.5)	\$ (6.5)
			Probate Court Administration Total		\$ -	\$ (6.5)	\$ (6.5)	\$ (6.5)	\$ (6.5)

STATE OF CONNECTICUT
 One-Time Budget Items in Proposed FY 2017 Revised Budget
 February 3, 2016
 General Fund
 (In Millions)

<u>Tax Type</u>	<u>Legislative Proposals</u>	<u>Eff. Date</u>	<u>Fiscal 2017</u>
FY 2016-17 Biennial Budget			
Sales and Use Tax	Regional Performance Incentive	7/1/2016	10.0
Corporation Tax	Extend Surcharge IY 2016 & 2017, 20%; IY 2018 10%	1/1/2016	75.0
Insurance Companies Tax	Maintain 3 Tier Credit Cap for Two Years	1/1/2015	18.7
	Continue Film Moratorium for Two Years	7/1/2015	4.0
	Sub-Total - Insurance Companies Tax		22.7
Cigarette Tax	Floor Tax on rate increases	10/1/2015	2.8
Refunds of Taxes	Delay EITC for Two Years @ 27.5%	1/1/2015	11.0
Transfers - Tobacco Settlement	Eliminate Tobacco Health Trust Fund Transfer	7/1/2015	6.0
	Reduce transfer to the Early Childhood Education Program	7/1/2015	5.0
	Sub-Total - Transfers - Tobacco Settlement		11.0
Transfers - Other Funds	Transfer Community Investment Act Revenue	1/1/2016	13.5
	CHEFA grant program - loan servicing fees	7/1/2015	3.5
	Divert PEGPETIA transfer	7/1/2015	4.3
	Transfer from the Citizens Election Fund	7/1/2015	7.8
	Transfer from the Banking Fund	7/1/2015	7.0
	Transfer Funds from MRSA	Passage	-
	Transfer FY 2016 Resources to FY 2017	7/1/2015	25.0
Sub-Total - Transfers - Other Funds			61.1
Total- One-Time Revenue, FY 2016-17 Biennial Budget			\$ 193.6
Percent of Proposed FY 2017 G.F. Revenues			1.1%

December Special Session

Transfers - Other Funds	Reduce Transfer From FY 2016 Resources to FY 2017	Passage	(7.0)
Total- One-Time Revenue, Current Law			\$ 186.6
Percent of Proposed FY 2017 G.F. Revenues			1.0%

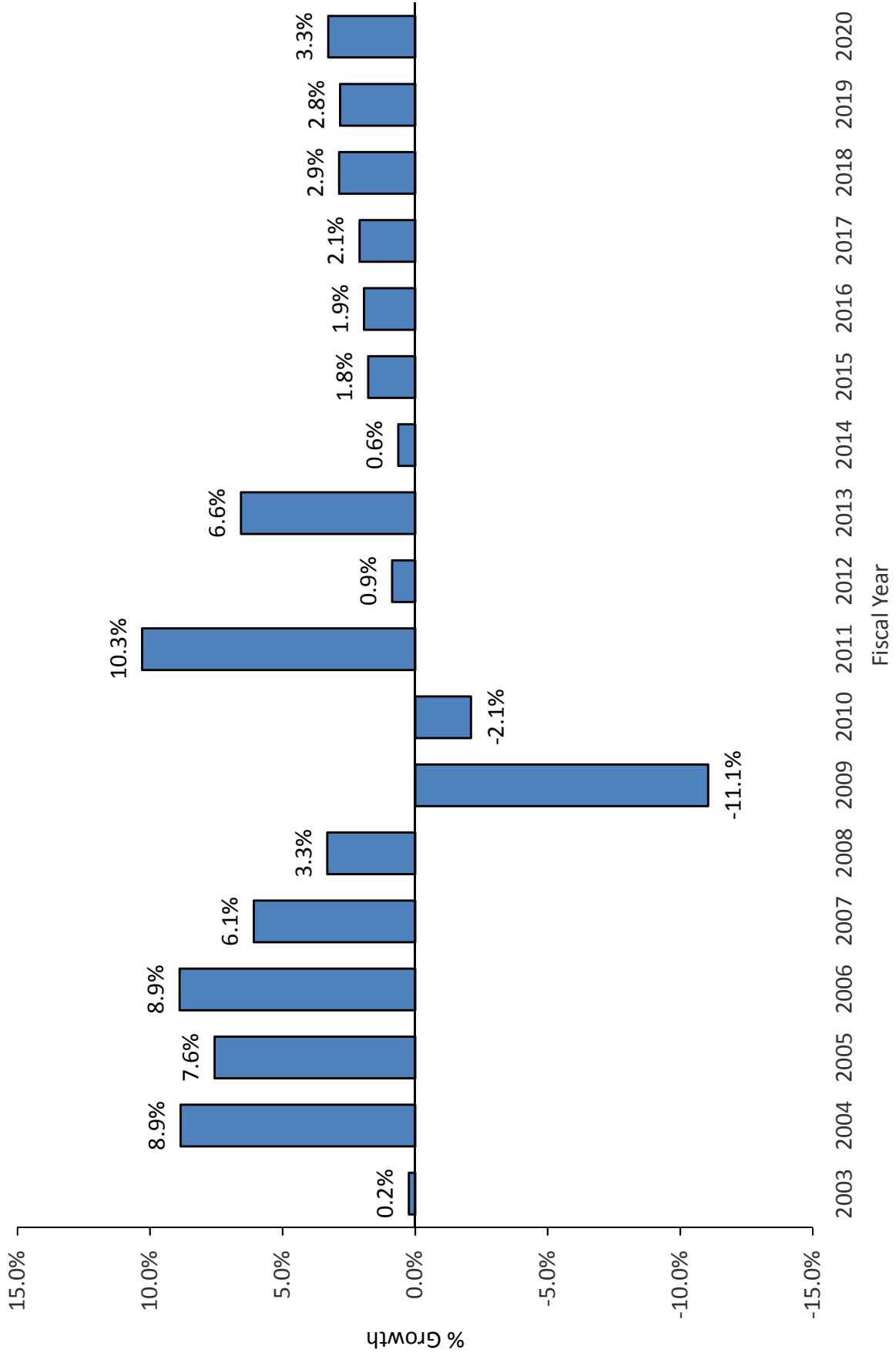
Proposed FY 2017 Revisions

Transfers - Tobacco Settlement	Eliminate THTF Support of Asthma Awareness Program		0.3
	Eliminate THTF Support of Easy Breathing Programs		0.4
	Subtotal - Transfers - Tobacco Settlement		0.7
Total- One-Time Revenue, FY 2016-17 Biennial Budget			\$ 187.3
Percent of Proposed FY 2017 G.F. Revenues			1.0%

These one-time items represent 1.0% of FY 2017 revenue, down from 12.5% in FY 2010 and 13.4% in FY 2011.

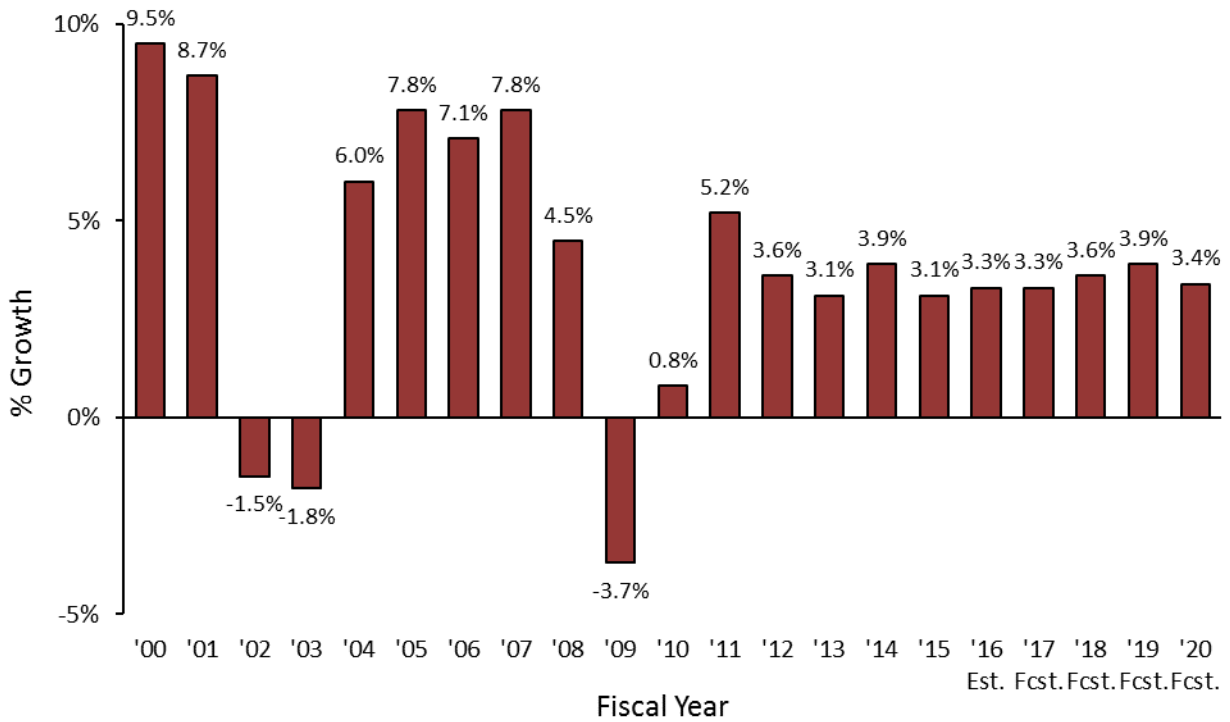
State of Connecticut

General Fund Economic Growth Rates

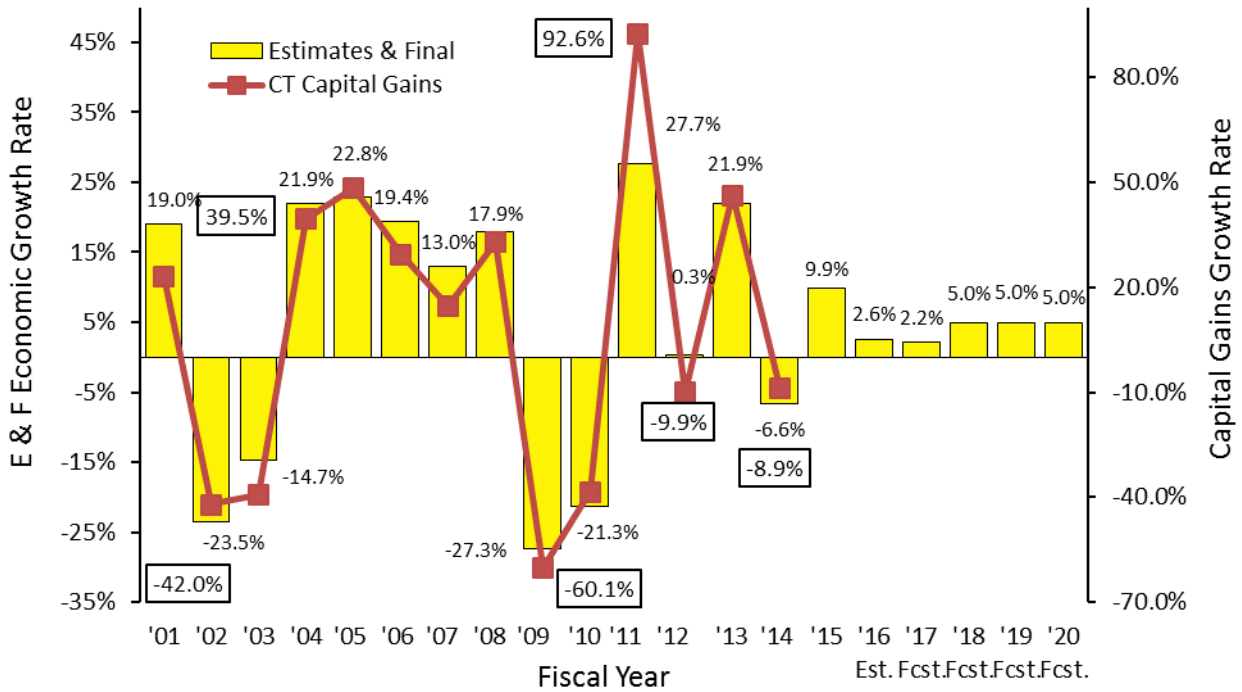


State of Connecticut
Personal Income Tax Economic Growth Rates

Personal Income Tax - Withholding

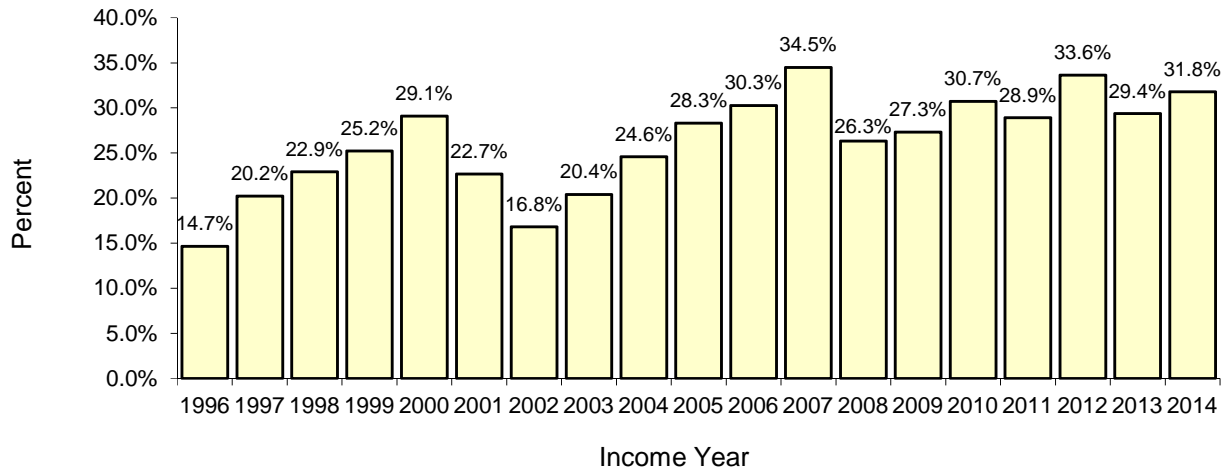


Estimates & Finals

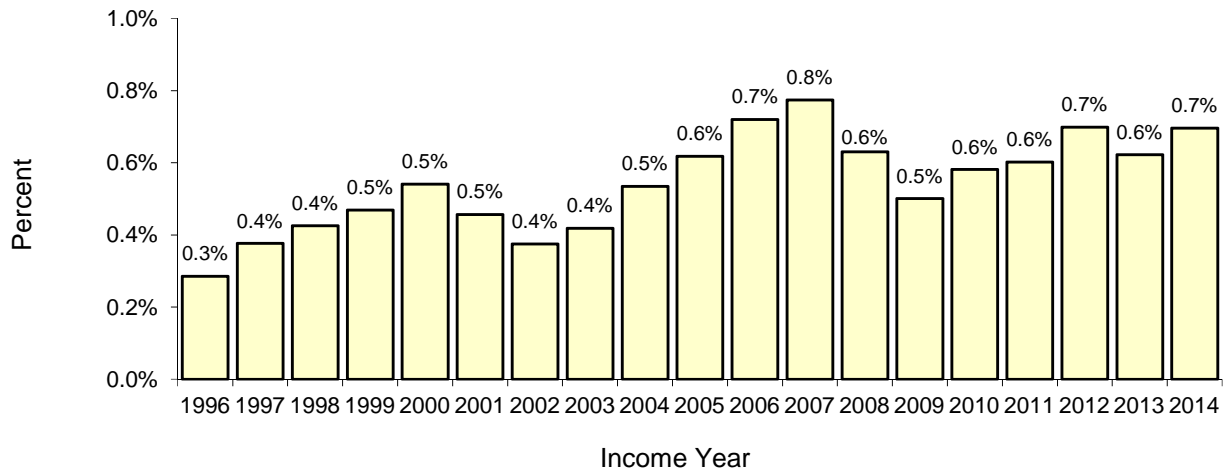


Note: Capital Gains are for the immediately preceding calendar year.

Millionaires As A Percentage of Total Income Tax Collections

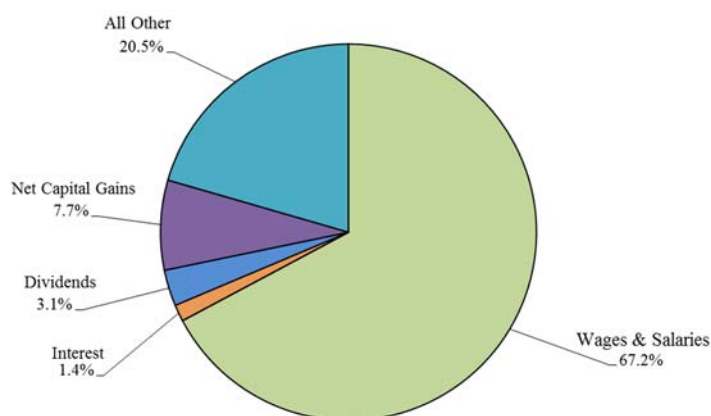


Millionaires As A Percentage of Total Income Tax Filers



Sources of Connecticut Income

Connecticut Adjusted Gross Income By Source
Income Year 2013 - \$155.4 Billion



Source: Internal Revenue Service

Variance in Sources of Connecticut Adjusted Gross Income

Income Years 1997 - 2013

	<u>Max</u>	<u>Min</u>	<u>Average</u>
Wages & Salaries	74.4%	64.8%	69.6%
Interest	3.6%	1.2%	2.5%
Dividends	3.5%	2.1%	2.9%
Net Capital Gains	13.3%	3.8%	8.5%
All Other	21.2%	12.9%	16.5%

Source: Internal Revenue Service

Capital Gains Income Reported by Connecticut Residents
(In Millions)

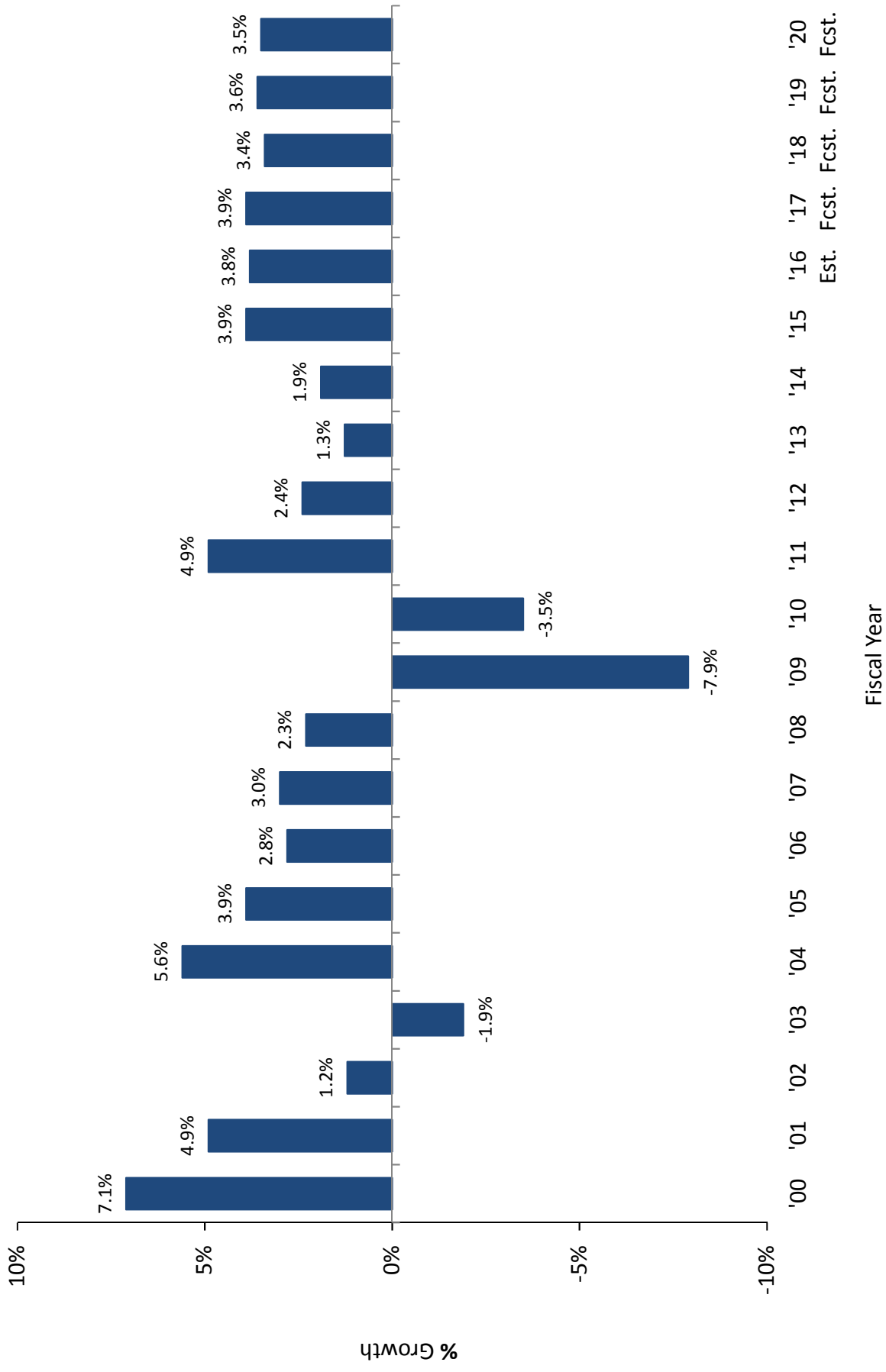
<u>Year</u>	<u>Conn. Capital Gains</u>	<u>Percent Change</u>
1995	\$3,832	50%
1996	\$4,732	23%
1997	\$7,787	65%
1998	\$9,867	27%
1999	\$11,800	20%
2000	\$15,435	31%
2001	\$7,391	-52%
2002	\$6,231	-16%
2003	\$8,723	40%
2004	\$10,626	22%
2005	\$13,765	30%
2006	\$15,783	15%
2007	\$21,006	33%
2008	\$8,377	-60%
2009	\$5,172	-38%
2010	\$9,962	93%
2011	\$8,977	-10%
2012	\$13,142	46%
2013	\$11,977	-9%

Source: Department of Revenue Services and Internal Revenue Service

Estimate of Bonus Income Contained in Adjusted Gross Income
Fiscal Years 2005 – 2015

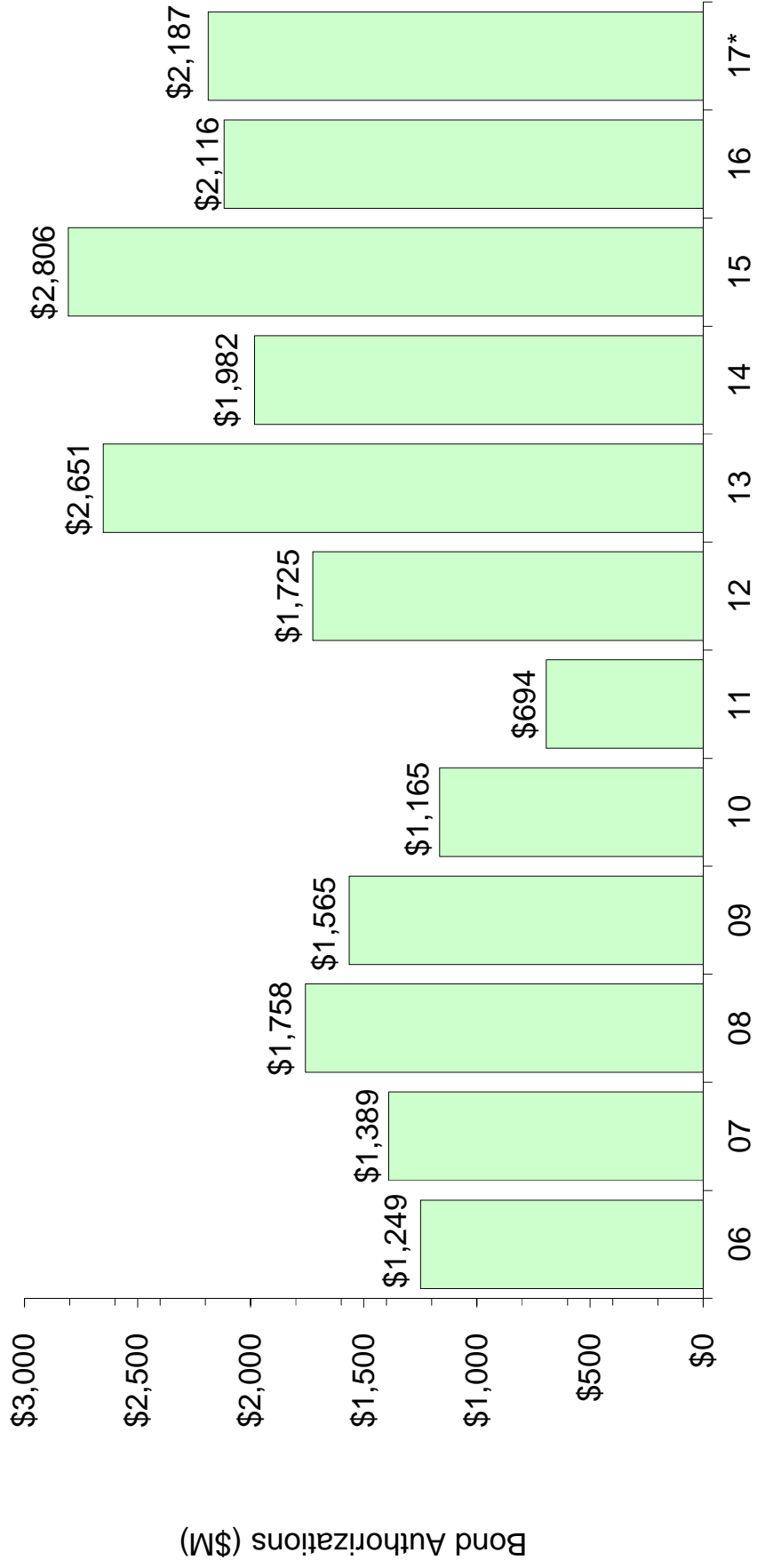
- Bonus income is not separately stated, only an indirect analysis based on withholding tax receipts can be made
- Each year withholding collections are higher than average for the months of December, January, February and March
- Increase is attributable to bonuses paid in those months
- On average bonus income represents 7.5% of adjusted gross income per year
 - High: 9.4% (2010)
 - Low: 5.6% (2003)

State of Connecticut
Sales and Use Tax Economic Growth Rate



Capital Budget

Net New General Obligation Bond Authorizations By Year



* With Proposed Midterm Adjustments
Fiscal Year

G.O. Bond Commission Allocations
Calendar Year

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
January	\$ 496,116,706	\$ 527,779,048	\$ 419,429,307	\$ 391,691,925	\$ 351,309,950	\$ -	\$ 31,913,247	\$ 394,941,170	\$ 229,271,475	\$ 905,179,405	\$ 505,111,037
February	-	-	117,625,303	-	-	123,508,324	-	-	310,507,457	-	-
March	85,909,009	42,708,685	83,522,747	-	52,783,950	90,839,038	245,490,718	284,985,254	44,485,319	141,912,830	-
April	-	-	-	76,621,050	69,362,800	57,900,396	53,794,735	108,933,926	-	-	-
May	-	-	74,685,092	-	-	-	-	-	474,609,667	337,851,879	-
June	67,404,566	70,061,458	-	-	-	-	165,260,932	168,042,522	-	-	-
July	-	-	-	-	126,497,465	367,152,505	298,785,273	77,267,008	193,234,082	546,117,714	-
August	428,694,667	-	463,558,582	-	396,649,961	113,051,806	85,750,587	-	-	-	-
September	-	-	-	268,892,118	-	57,983,822	-	395,467,452	-	93,752,356	-
October	67,664,316	438,404,090	-	389,033,354	-	84,487,827	120,502,154	-	-	-	-
December	81,188,965	68,830,384	25,492,955	-	58,166,821	241,554,192	99,505,126	10,493,635	266,970,253	8,155,334	-
Total	\$ 1,226,978,229	\$ 1,147,783,665	\$ 1,184,313,986	\$ 1,126,238,447	\$ 1,054,770,947	\$ 1,136,477,910	\$ 1,041,002,772	\$ 1,440,130,967	\$ 1,519,078,253	\$ 2,032,969,518	\$ 505,111,037
UConn 2000*	89,000,000	115,000,000	140,000,000	-	138,800,000	157,200,000	143,000,000	204,400,000	315,500,000	312,100,000	266,400,000
CSUS 2020**	-	-	95,000,000	95,000,000	95,000,000	95,000,000	95,000,000	95,000,000	175,000,000	118,500,000	95,000,000
Bioscience Collaboration***	-	-	-	-	-	-	-	59,728,000	19,669,000	21,425,000	21,108,000
Bioscience Innovation Fund****	-	-	-	-	-	-	-	-	35,000,000	15,000,000	25,000,000
Grand Total	\$ 1,315,978,229	\$ 1,262,783,665	\$ 1,419,313,986	\$ 1,221,238,447	\$ 1,288,570,947	\$ 1,388,677,910	\$ 1,279,002,772	\$ 1,799,258,967	\$ 2,064,247,253	\$ 2,499,994,518	\$ 912,619,037

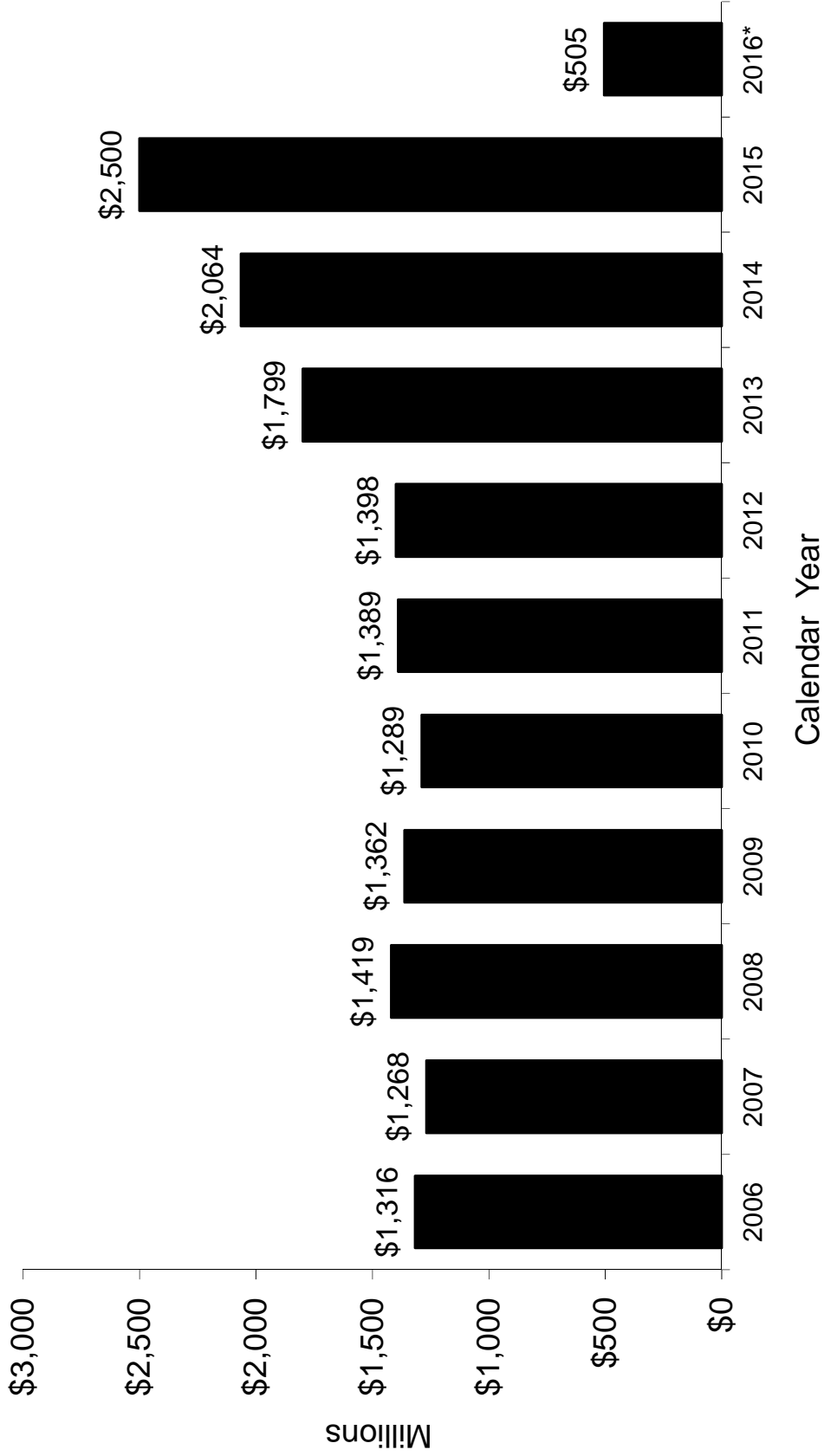
Notes: - * Pursuant to Section 10a-109g of the Connecticut General Statutes and in accordance with the General Obligation Master Indenture of Trust adopted by the State Bond Commission, the State has pledged to provide debt service commitment on bonds annually allocated on July 1 in accordance with the Act.

** Pursuant to Sections 101 to 108 of P.A. 07-7, June Special Session, the Connecticut State University System Act authorizes \$950 million of bonds over 10-years, annually allocated in accordance with a Memorandum of Understanding between the CSUS Board of Trustees, the Secretary of OPM and the State Treasurer beginning on July 1, 2008.

*** Pursuant to P.A. 10-2, October Special Session, the Bioscience Collaboration Program authorizes \$290.685 million of bonds over 10-years beginning in Fiscal Year 2012.

**** Pursuant to P.A. 13-239, the Bioscience Innovation Fund authorizes \$200 million of bonds over 10-years beginning in Fiscal Year 2013.

State GO Bond Commission Allocations



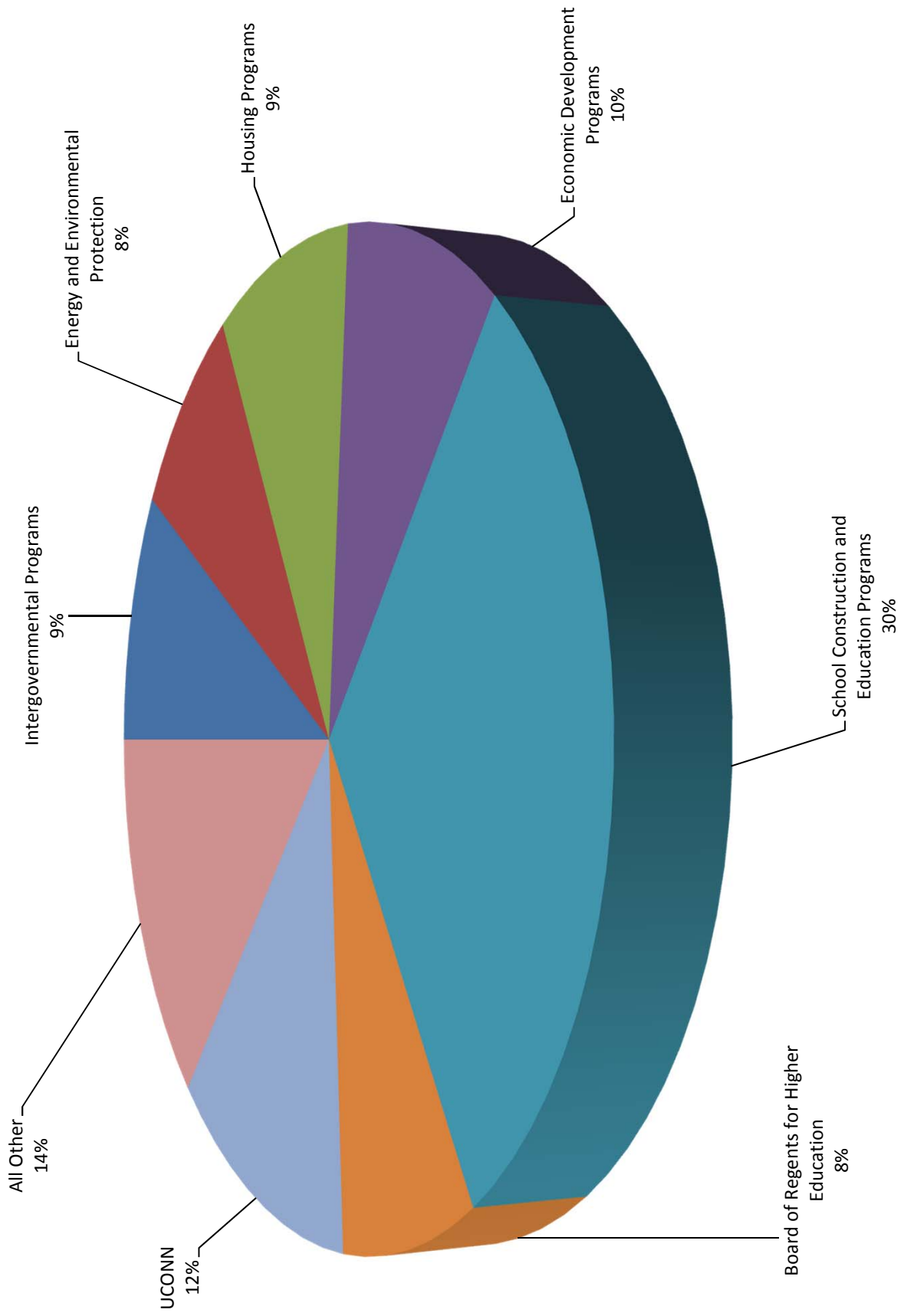
*Through February 29, 2016

Allocation Schedule Calendar 2016

(in millions)

<u>Agency/Fund</u>	<u>Goal</u>
Board of Regents	\$ 200.0
University of Connecticut	266.4
Bioscience Collaboration	21.1
Bioscience Innovation Fund	25.0
Connecticut Innovations Recapitalization	25.0
Regenerative Medicine Research Fund	10.0
Small Business Express Program	50.0
Local School Construction	700.0
Alliance School District Grants	50.0
Smart Start Early Childhood Grants	20.0
Clean Water Program Grants	150.0
Manufacturing Innovation Fund	30.0
Urban Act Grants	125.0
Grants for Municipal Purposes and Projects	60.0
Economic and Manufacturing Assistance	150.0
Housing Projects and Programs	130.0
State Facilities	100.0
Small Town Economic Assistance Program	20.0
Local Capital Improvement Program	30.0
Town Aid Road Grants	60.0
Farmland Preservation	10.0
All Other Projects and Programs	<u>267.5</u>
Total	<u>\$ 2,500.0</u>
Average per meeting	\$ 227.3

FY 2017 GO Bond Authorizations by Program



**Local School Construction
Bond Allocations
(In Millions of Dollars)**

Calendar <u>Year</u>	<u>Total</u>
2005	\$680.2
2006	\$713.3
2007	\$715.0
2008	\$647.7
2009	\$653.4
2010	\$666.2
2011	\$329.3
2012	\$443.6
2013	\$532.8
2014	\$357.1
2015	\$653.0
2016*	\$700.0
2017*	\$650.0

* Projected

DEBT LIMIT CALCULATIONS
(in Billions)

	As of	
	1/1/2016	7/1/2016*
	<u>FY 16</u>	<u>FY 17</u>
Net Debt	\$ 21.000	\$ 22.519
 <u>Calculation of Debt Margins</u>		
Total GF Tax Receipts	\$ 15.712	\$ 15.650
Multiplier	<u>1.6</u>	<u>1.6</u>
Debt Limit	\$ 25.139	\$ 25.040
Debt Incurring Margin	\$ 4.139	\$ 2.521
90% of Debt Limit	\$ 22.625	\$ 22.536
Actual Net Debt	\$ 21.000	\$ 22.519
Capacity before 90%	<u>\$ 1.625</u>	<u>\$ 0.017</u>
% of Debt Limit	83.54%	89.93%

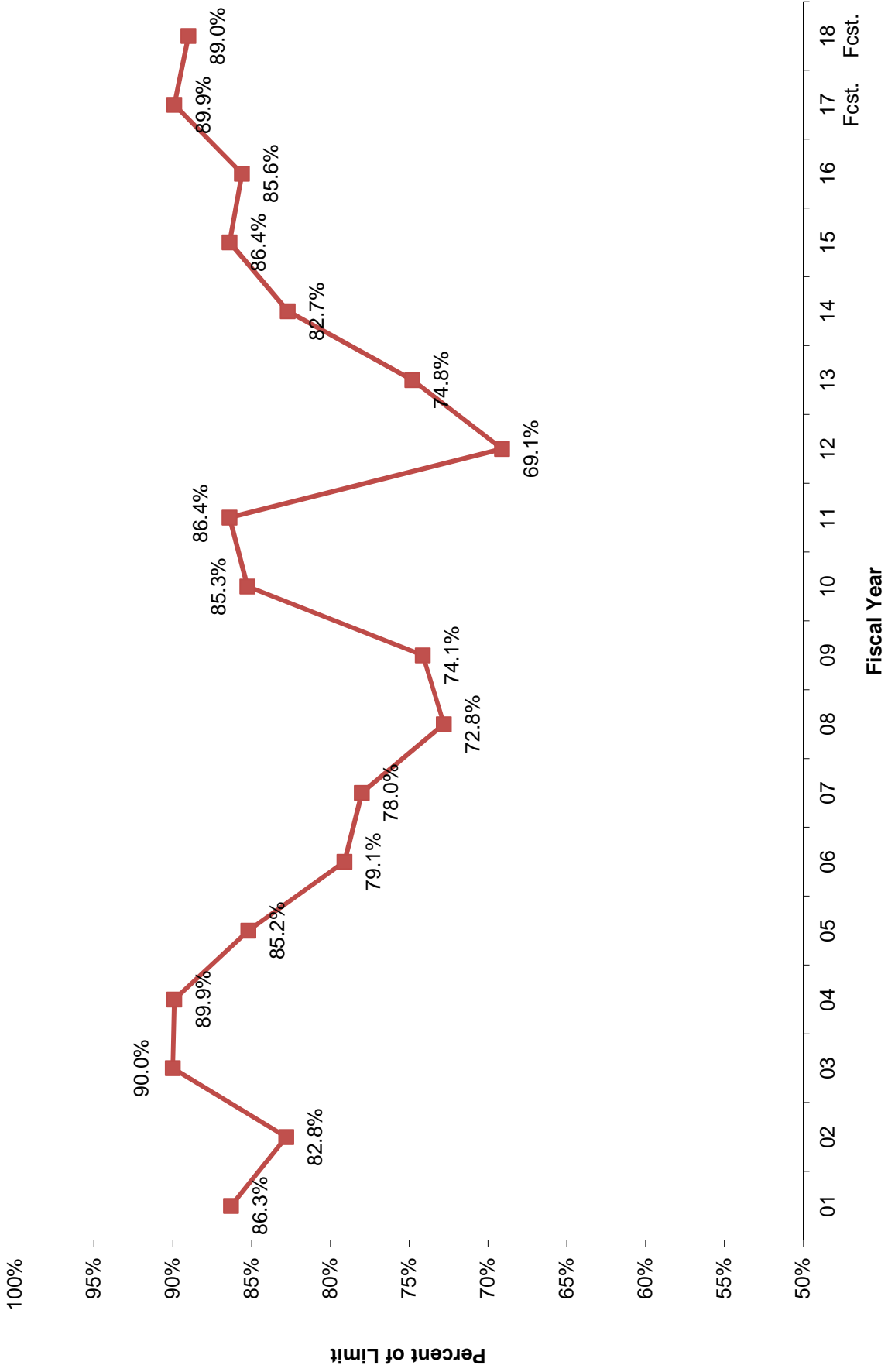
*Projected

**State Debt
Indebtedness as a
Percentage of the Debt Limitation**

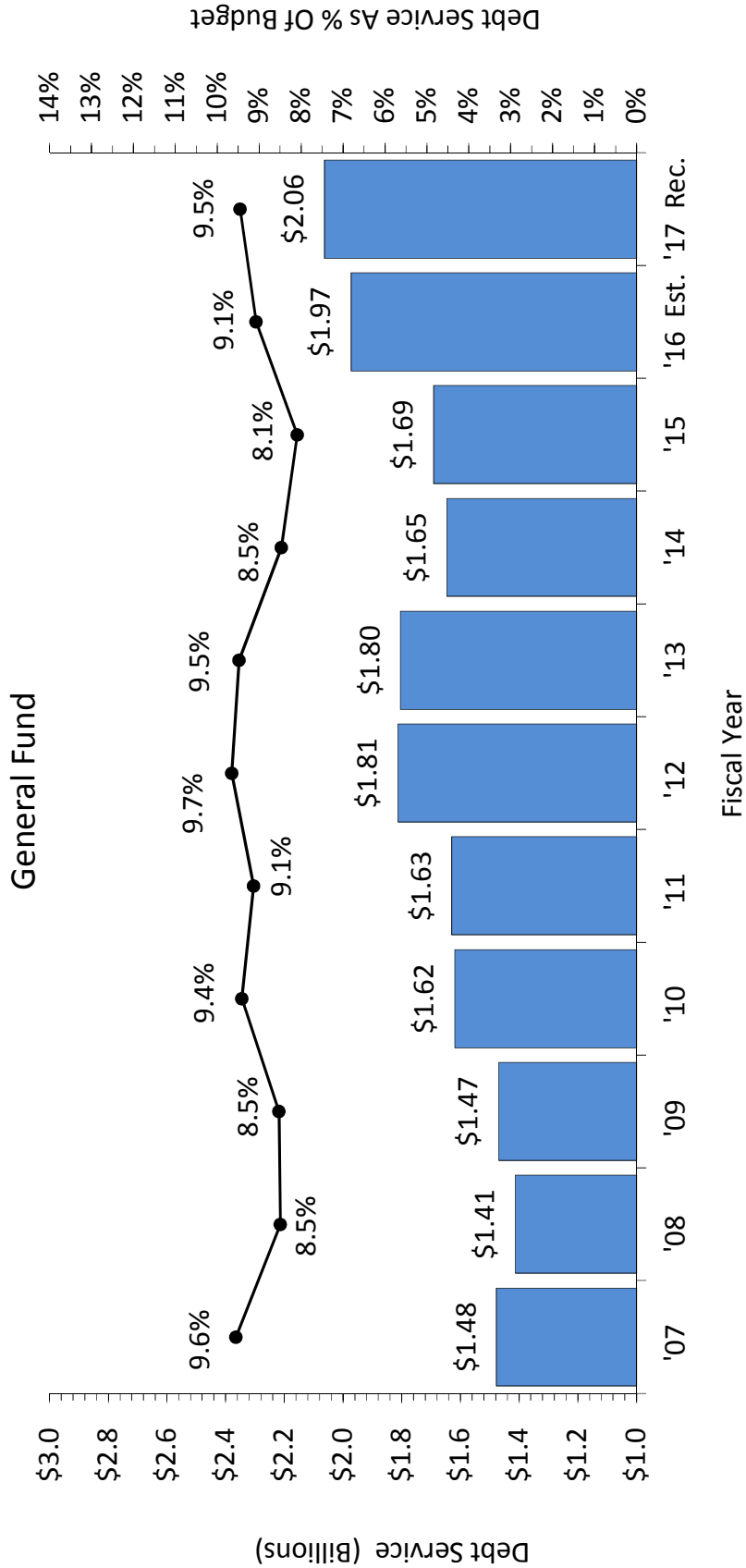
<u>Fiscal Year</u>	<u>Percent of Limit</u>
01	86.3%
02	82.8%
03	90.0%
04	89.9%
05	85.2%
06	79.1%
07	78.0%
08	72.8%
09	74.1%
10	85.3%
11	86.4%
12	69.1%
13	74.8%
14	82.7%
15	86.4%
16	85.6%
17 Fcst.	89.9%
18 Fcst.	89.0%

As of July 1

History of Statutory Debt Limit



Debt Service Expenditures



Note: FY 2014 through FY 2017 are adjusted for net budgeting of Medicaid for comparison to prior years

Special Transportation Fund

STATE OF CONNECTICUT
SPECIAL TRANSPORTATION FUND REVENUES - FY 2016
Changes to Originally Adopted Revenue Estimates
(In Millions)

	Adopted Budget <u>FY 2016</u>	December Special Session <u>Changes</u>	Revenue Estimate <u>Changes</u>	1/15/2016 Consensus Estimate <u>FY 2016</u>
<u>Taxes</u>				
Motor Fuels Tax	\$ 499.0	\$ -	\$ 17.8	\$ 516.8
Oil Companies Tax	339.1	(0.1)	(75.0)	264.0
Sales & Use Tax	158.6	(35.2)	-	123.4
Sales Tax - DMV	84.0	-	5.7	89.7
	<hr/>	<hr/>	<hr/>	<hr/>
Total Taxes	\$ 1,080.7	\$ (35.3)	\$ (51.5)	\$ 993.9
Less Refunds of Tax	(7.3)	-	-	(7.3)
	<hr/>	<hr/>	<hr/>	<hr/>
Total - Taxes Less Refunds	\$ 1,073.4	\$ (35.3)	\$ (51.5)	\$ 986.6
<u>Other Sources</u>				
Motor Vehicle Receipts	\$ 245.8	\$ -	\$ 6.6	\$ 252.4
Licenses, Permits, Fees	139.3	-	0.9	140.2
Interest Income	7.7	-	-	7.7
Federal Grants	12.1	-	-	12.1
Transfers From/(To) Other Funds	(6.5)	-	-	(6.5)
Less Refunds of Payments	(3.7)	-	-	(3.7)
	<hr/>	<hr/>	<hr/>	<hr/>
Total - Other Sources	\$ 394.7	\$ -	\$ 7.5	\$ 402.2
Total - STF Revenues	\$ 1,468.1	\$ (35.3)	\$ (44.0)	\$ 1,388.8

STATE OF CONNECTICUT
SPECIAL TRANSPORTATION FUND REVENUES - FY 2017
Changes to Originally Adopted Revenue Estimates
(In Millions)

	Adopted Budget <u>FY 2017</u>	December Special Session <u>Changes</u>	Revenue Estimate <u>Changes</u>	1/15/2016 Consensus Estimate <u>FY 2017</u>	Proposed Revenue Changes <u>FY 2017</u>	Net Projected Revenue <u>FY 2017</u>
<u>Taxes</u>						
Motor Fuels Tax	\$ 502.3	\$ -	\$ 1.4	\$ 503.7	\$ -	\$ 503.7
Oil Companies Tax	359.7	(0.1)	(76.0)	283.7	-	283.7
Sales & Use Tax	260.6	-	-	260.6	-	260.6
Sales Tax - DMV	85.0	-	5.3	90.3	-	90.3
Total Taxes	\$ 1,207.6	\$ (0.1)	\$ (69.2)	\$ 1,138.3	\$ -	\$ 1,138.3
Less Refunds of Tax	(7.5)	-	-	(7.5)	-	(7.5)
Total - Taxes Less Refunds	\$ 1,200.1	\$ (0.1)	\$ (69.2)	\$ 1,130.8	\$ -	\$ 1,130.8
<u>Other Sources</u>						
Motor Vehicle Receipts	\$ 246.6	\$ -	\$ 8.5	\$ 255.1	\$ -	\$ 255.1
Licenses, Permits, Fees	139.9	-	0.8	140.7	0.8	141.5
Interest Income	8.5	-	-	8.5	-	8.5
Federal Grants	12.1	-	-	12.1	-	12.1
Transfers From/(To) Other Funds	(6.5)	-	-	(6.5)	-	(6.5)
Less Refunds of Payments	(3.8)	-	-	(3.8)	-	(3.8)
Total - Other Sources	\$ 396.8	\$ -	\$ 9.3	\$ 406.1	\$ 0.8	\$ 406.9
Total - STF Revenues	\$ 1,596.9	\$ (0.1)	\$ (59.9)	\$ 1,536.9	\$ 0.8	\$ 1,537.7

SPECIAL TRANSPORTATION FUND - STATEMENT OF FINANCIAL CONDITION

(In Millions)

Actual & Projected Revenues	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Motor Fuels Tax, Motor Vehicle Receipts,							
Licenses, Permits, Fees	\$ 882.5	\$ 911.5	\$ 909.4	\$ 899.5	\$ 903.7	\$ 905.7	\$ 907.0
Sales & Use Tax	-	-	123.4	260.6	359.1	372.0	385.1
Sales Tax - DMV	82.2	83.9	89.7	90.3	90.9	91.9	92.6
Oil Companies Tax	380.7	337.9	264.0	283.7	314.7	345.8	369.1
Federal Grants	12.1	12.1	12.1	12.1	12.1	12.1	12.1
Interest Income	6.8	6.9	7.7	8.5	9.5	10.4	11.2
Transfers from / (to) Other Funds	(83.0)	(6.5)	(6.5)	(6.5)	(6.5)	(6.5)	(6.5)
Transfers from the Resources of the General Fund	-	41.2	-	-	-	-	-
Transfers to Transportation Strategy Board Account	(15.0)	(15.0)	-	-	-	-	-
Total Revenues	\$ 1,266.3	\$ 1,372.0	\$ 1,399.8	\$ 1,548.2	\$ 1,683.5	\$ 1,731.4	\$ 1,770.6
Refunds	(10.6)	(11.1)	(11.0)	(11.3)	(11.5)	(12.2)	(12.8)
Total Net Revenues	\$ 1,255.7	\$ 1,360.9	\$ 1,388.8	\$ 1,536.9	\$ 1,672.0	\$ 1,719.2	\$ 1,757.8
Projected Debt Service and Expenditures							
Projected Debt Service on the Bonds	\$ 449.9	\$ 460.0	\$ 502.0	\$ 563.0	\$ 620.4	\$ 685.2	\$ 752.1
DOT Budgeted Expenses	555.7	581.7	611.7	614.5	642.2	690.9	732.5
DMV Budgeted Expenses	57.1	62.2	66.3	66.8	69.7	72.8	76.1
Other Budget Expenses	183.2	206.0	218.5	241.1	246.0	258.3	271.3
Program Costs Paid from Current Operations	5.4	19.7	29.6	29.5	30.9	30.9	30.9
Estimated Unallocated Lapses	0.0	0.0	(39.3)	(12.0)	(11.0)	(11.0)	(11.0)
Total Expenditures	1,251.3	1,329.6	1,388.8	1,502.9	1,598.2	1,727.1	1,851.9
Excess (Deficiency)	4.4	31.3	0.0	34.0	73.8	(7.9)	(94.1)
Revised Cumulative Excess (Deficiency)	148.8	180.0	180.0	214.0	287.8	279.9	185.8
New Revenue Changes							
LPF - Increase permit fees for oversize/overweight vehicles				\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8
Total Revenue Changes	-	-	-	0.8	0.8	0.8	0.8
Total Revised Revenues	\$ 1,255.7	\$ 1,360.9	\$ 1,388.8	\$ 1,537.7	\$ 1,672.8	\$ 1,720.0	\$ 1,758.6
New Expenditure Changes							
DMV - Reallocate Certain Fringe Benefits Costs to Agency Operating Funds	\$ -	\$ -	\$ -	\$ 18.6	\$ 18.6	\$ 18.6	\$ 18.6
DEEP - Transfer Funding for the Harbor Liaison Officer from DOT to DEEP	-	-	-	0.1	0.1	0.1	0.1
DEEP - Reallocate Certain Fringe Benefits Costs to Agency Operating Funds	-	-	-	0.8	0.8	0.9	0.9
DOT - Closure of two Rest Areas & one Welcome Center and shift reductions	-	-	-	(1.2)	(1.2)	(1.2)	(1.2)
DOT - Defer CT Rail (NHHS)	-	-	-	(2.2)	(2.2)	(2.2)	(2.2)
DOT - Eliminate Non-ADA Dial-A-Ride Program	-	-	-	(0.6)	(0.6)	(0.6)	(0.6)
DOT - Reallocate Funding for Harbor Liaison Officer from DOT to DEEP	-	-	-	(0.1)	(0.1)	(0.1)	(0.1)
DOT - Reallocate Certain Fringe Benefits Costs to Agency Operating Funds	-	-	-	68.0	71.1	74.3	77.7
OSC - Reallocate Certain Fringe Benefits Costs - Employee Retirement Contribution	-	-	-	(18.7)	(18.7)	(18.7)	(18.7)
OSC - Reallocate Certain Fringe Benefits Costs - Employers Social Security Tax	-	-	-	(17.9)	(17.9)	(17.9)	(17.9)
OSC - Reallocate Certain Fringe Benefits Costs - State Employees Health Serv Cost	-	-	-	(50.9)	(50.9)	(50.9)	(50.9)
Total Expenditure Changes	-	-	-	(3.9)	(0.8)	2.4	5.8
Total Revised Expenditures	\$ 1,251.3	\$ 1,329.6	\$ 1,388.8	\$ 1,499.0	\$ 1,597.4	\$ 1,729.5	\$ 1,857.7
Revised Projected Excess (Deficiency)	4.4	31.3	0.0	38.7	75.4	(9.5)	(99.1)
Revised Cumulative Excess (Deficiency)	\$ 148.8	\$ 180.0	\$ 180.0	\$ 218.7	\$ 294.2	\$ 284.6	\$ 185.5

Special Transportation Fund Assumptions

As of January 31, 2016

<u>Revenue</u>	<u>Motor Fuels Tax</u>	<u>Motor Vehicle Receipts</u>	<u>License, Permits, Fees</u>
FY 2016	2.6%	1.2%	-3.6%
FY 2017	1.7%	1.1%	0.4%
FY 2018	0.6%	0.2%	0.4%
FY 2019	0.2%	0.2%	0.4%
FY 2020	0.0%	0.2%	0.4%

Expenditures

FY 2015 Per the Comptroller's 2015 Annual Report

	<u>CPI</u>	<u>CPI-Med</u>	<u>Personal Services</u>
FY 2016	2.5%	4.2%	4.5%
FY 2017	2.5%	4.0%	4.5%
FY 2018	2.7%	4.1%	4.5%
FY 2019	2.5%	4.1%	4.5%
FY 2020	2.5%	4.1%	4.5%

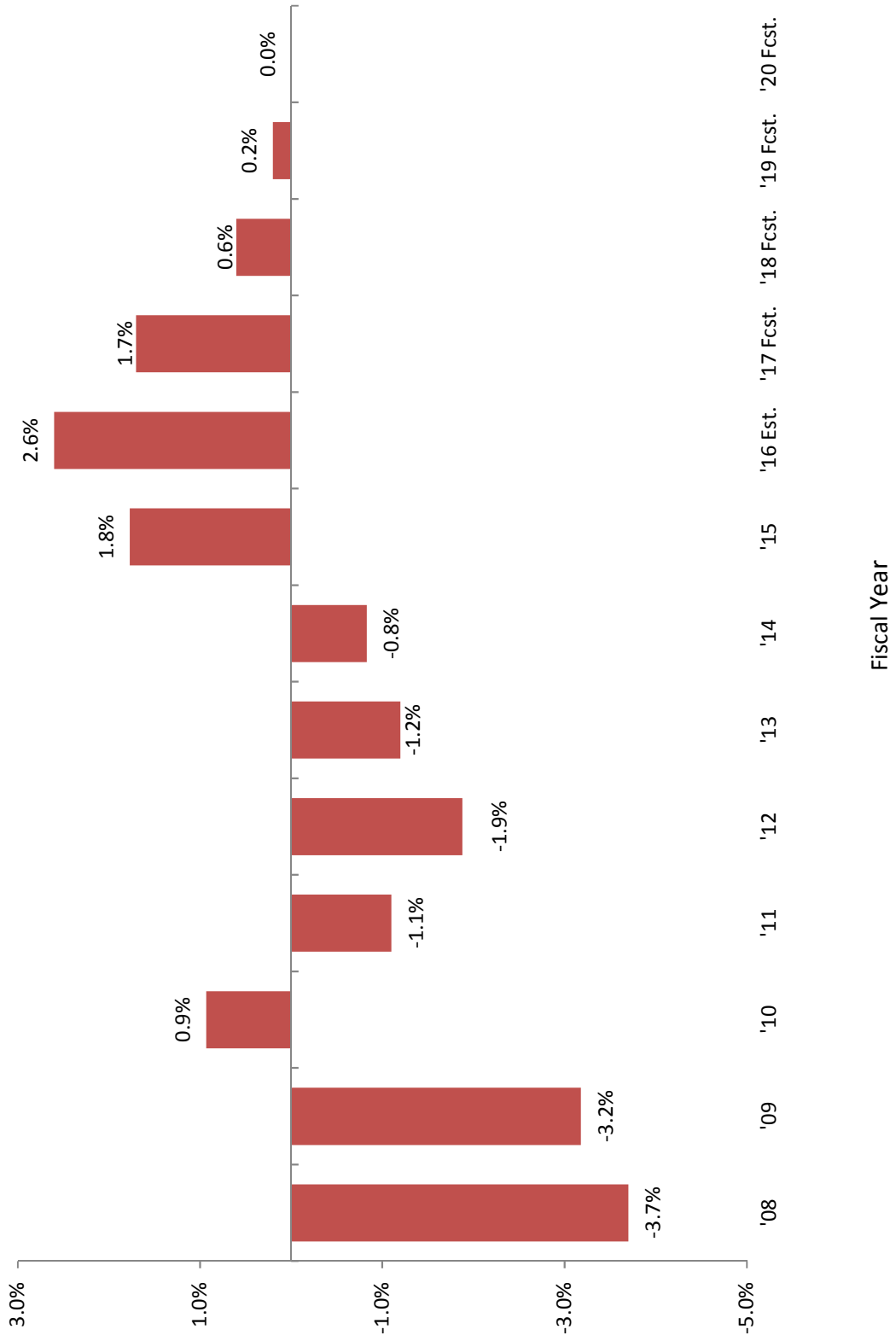
Debt Service

	<u>Projected Issuance</u>	<u>Interest Rate</u>
FY 2016	\$700 M	3.2%
FY 2017	\$800 M	4.5%
FY 2018	\$900 M	5.3%
FY 2019	\$900 M	5.5%
FY 2020	\$900 M	5.8%

Other Assumptions

	<u>WTI Crude Price \$ per Barrel</u>	<u>CT Retail Gasoline \$ per Gallon</u>	<u>Diesel Fuel Tax Rate</u>
FY 2016	\$38.4	\$2.37	50.3¢
FY 2017	\$44.1	\$2.55	42.8¢
FY 2018	\$51.9	\$2.83	42.8¢
FY 2019	\$61.6	\$3.10	42.8¢
FY 2020	\$71.9	\$3.31	42.8¢

Growth in Yield per Penny Motor Fuels Tax Collection



Transportation Legislation for the 2016 Legislative Session

Constitutional Lockbox

The Governor has made it clear that a constitutional lockbox is a necessary component to the *Let's Go CT!* plan. On December 8, 2015 Resolution Act No. 15-1 *Resolution Proposing a State Constitutional Amendment to Protect Transportation Funds* passed both chambers of the General Assembly, but did not achieve the required 3/4s vote in the house in order to be placed on the 2016 ballot. This resolution may be voted on again in the 2017 legislative session and will only require a majority vote in both chambers in order to be placed on the 2018 ballot. In the 2016 legislative session the Governor has put forward a slightly modified version of the transportation lockbox, H.J. 1 *Resolution Proposing a State Constitutional Amendment to Protect Resources of the Special Transportation Fund*. It will require a 3/4s vote from both chambers in order to be placed on the 2017 ballot.

Transportation Excess Surplus Cap

On January 15, 2016 the Transportation Finance Panel released their final report on the *Let's Go CT!* infrastructure program. The panel recommended several new and existing revenue sources with many of those revenues starting before significant construction projects get underway in order to finance the first 15 years of the *Let's Go CT!* initiative. In order to address the significant unencumbered cumulative balance in the early years of the initiative, the panel recommended the creation of a surplus cap. The cap would be set at 5% of the current year's expenditures. Any excess surplus above the cap would be used for capital projects and will reduce the need for increased future borrowing.

For the 2016 legislative session, the Governor put forward S.B. 12 *An Act Adopting a Recommendation of the Transportation Finance Group*, a slightly modified version of the Transportation Finance Panel's recommendation. Instead of capping the annual surplus of the fund, S.B. 12 caps the unappropriated surplus, also known as the cumulative balance. Similar to the panel's recommendation, all excess unappropriated surplus above 15% of the current year's expenditures will be transferred into a new account known as the "Transportation Excess Surplus account". This account will be used to fund future capital projects on a pay-as-you-go basis and reduce the state's reliance on borrowing.



General Assembly

**Governor's House Joint
Resolution No. 1**

February Session, 2016

LCO No. 471



Referred to Committee on TRANSPORTATION

Introduced by:

REP. SHARKEY, 88th Dist.

REP. ARESIMOWICZ, 30th Dist.

SEN. LOONEY, 11th Dist.

SEN. DUFF, 25th Dist.

**RESOLUTION PROPOSING A STATE CONSTITUTIONAL
AMENDMENT TO PROTECT THE RESOURCES OF THE SPECIAL
TRANSPORTATION FUND.**

Resolved by this Assembly:

1 Section 1. That the following be proposed as an amendment to the
2 Constitution of the State, which, when approved and adopted in the
3 manner provided by the Constitution, shall, to all intents and
4 purposes, become a part thereof:

5 Article third of the Constitution is amended by adding section 19 as
6 follows:

7 Sec. 19. The Special Transportation Fund shall remain a perpetual
8 fund. The general assembly shall direct the resources of said fund
9 solely for transportation purposes, including the payment of debt
10 service on obligations of the state incurred for transportation purposes.
11 Sources of funds, moneys and receipts of the state credited, deposited

12 or transferred to said fund by state law on or after the effective date of
13 this amendment shall be credited, deposited or transferred to the
14 Special Transportation Fund, so long as such sources are authorized by
15 statute to be collected or received by the state, or any officer thereof,
16 and the general assembly shall enact no law authorizing the resources
17 of said fund to be expended other than for transportation purposes
18 and the payment of debt service on obligations of the state incurred for
19 transportation purposes.

20 RESOLVED: That the foregoing proposed amendment to the
21 Constitution be continued to the next session of the General Assembly
22 elected at the general election to be held on November 8, 2016, and
23 published with the laws passed at the present session, or be presented
24 to the electors at the general election to be held on November 8, 2016,
25 whichever the case may be, according to article sixth of the
26 amendments to the Constitution. The designation of said proposed
27 amendment to be used on the ballots at such election shall be "Shall the
28 Constitution of the State be amended to ensure (1) that all moneys
29 contained in the Special Transportation Fund be used solely for
30 transportation purposes, including the payment of debts of the state
31 incurred for transportation purposes, and (2) that sources of funds
32 deposited in the Special Transportation Fund be deposited in said fund
33 so long as such sources are authorized by statute to be collected or
34 received by the state?"



General Assembly

February Session, 2016

Governor's Bill No. 12

LCO No. 538



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:

SEN. LOONEY, 11th Dist.

SEN. DUFF, 25th Dist.

REP. SHARKEY, 88th Dist.

REP. ARESIMOWICZ, 30th Dist.

**AN ACT ADOPTING A RECOMMENDATION OF THE
TRANSPORTATION FINANCE GROUP.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) There is established an
2 account to be known as the "Transportation Excess Surplus account"
3 which will be a separate, nonlapsing account within the Special
4 Transportation Fund. The account shall contain any moneys required
5 by law to be deposited into the account. Moneys in the account shall be
6 expended by the Commissioner of Transportation, with the approval
7 of the Secretary of the Office of Policy and Management, for the
8 payment of transportation costs, as defined in section 13b-75 of the
9 general statutes.

10 (b) At the end of each fiscal year commencing with the fiscal year
11 ending June 30, 2017, and each fiscal year thereafter, after the accounts

12 for the Special Transportation Fund have been closed for each fiscal
13 year and the Comptroller has determined the amount of
14 unappropriated surplus in said fund, the Comptroller shall transfer
15 such unappropriated surplus in excess of fifteen per cent of total
16 expenditures for the most recently completed fiscal year to the
17 Transportation Excess Surplus account within the Special
18 Transportation Fund.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

U.S. Economy and Connecticut Economy

Highlights of Economic Indicators

Personal Income

- CT Personal Income per capita is the highest in the nation, significantly exceeding the New England region and the U.S.
- CT Personal Income growth is projected to average more than 4.0% over the forecast period.
- Even excluding Fairfield County, 2014 CT per capita Personal Income is 25.0% higher than the U.S.

GDP/GSP

- The U.S. economy is expected to continue to expand over the forecast period.
- CT's per capita real GSP ranked 4th in the nation in 2014.
- CT's per capita real GSP was 35% higher than the nation in 2014.
- CT's Services and FIRE sectors made up 53.5% of CT's GSP in 2014, up from 50.7% in 2004.

Employment

- From the peak in March 2008 to the low in February 2010, Connecticut lost 119,000 jobs or 6.9%.
- Since that low, through December 2015, Connecticut has regained 106,700 jobs or 89.7% of the jobs lost.
- The state gained 19,900 jobs in FY 2015 over FY 2014.
- The sectors with positive growth job beyond the March 2008 peak are: Leisure and Hospitality, Education and Health Services; Transportation and Utilities, and Professional and Business Services.
- CT's employment recovery is skewed towards lower-wage industries.
- Through December 2015, the Bridgeport-Stamford-Norwalk labor market area has seen the largest job recovery within Connecticut with 112.9% of all lost jobs recovered. Other major Connecticut labor market area recoveries include the Hartford area at 108.7% and the New Haven area at 107.7%.

Unemployment

- CT's unemployment rate is projected to meet the national average in the out-years.
- CT's unemployment rate for the month of December 2015 was 5.1% compared to 5.0% for the U.S.

Housing

- CT housing starts were approximately 4,900 FY 2015, 39% higher than their trough in FY 2011.
- CT's most recent housing start level peaked in FY 2005, at less than half of the 1980's peak.
- CT's multi-family housing starts have exceeded their pre-recession peak.
- The median sales price of existing single family homes has stabilized in the state.

Exports & Markets

- CT's exports decreased by 4.2% in 2015.
- CT's leading export markets in 2015 were France, Germany, and Canada.
- CT's largest exporting industries in 2015 were transportation equipment followed by industrial machinery, and computer and electronics.
- CT's new car registrations in FY 2015 increased by 3.7% from the prior year.
- CT's electricity sales decreased in FY 2015, while remaining above their FY 2012 trough.
- CT retail sales continues to improve.

Various Rankings

- CT compares favorably in various national rankings that have an impact on state government expenditures and economic prospects.

U.S. and Connecticut Economies

U.S. vs Connecticut Economy

(Year-Over-Year Changes)

		<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Real G.D.P.	US	2.1%	2.7%	2.2%	3.0%	2.8%	2.5%	2.5%
	CT	0.5%	1.2%	1.7%	2.6%	2.2%	2.1%	2.3%
G.D.P.	US	3.7%	4.1%	3.6%	4.9%	4.8%	4.6%	4.6%
G.D.P. Deflator	US	1.6%	1.3%	1.3%	1.9%	2.0%	2.0%	2.1%
C.P.I. - U	US	1.6%	0.7%	0.5%	2.1%	2.6%	2.6%	2.5%
Personal Income	US	2.3%	4.7%	4.4%	4.5%	5.3%	5.1%	4.9%
	CT	1.2%	4.1%	3.9%	3.8%	4.7%	4.4%	4.3%
Wages & Salaries	US	3.7%	5.1%	4.9%	5.1%	5.2%	5.0%	4.9%
	CT	2.3%	2.9%	4.3%	4.2%	4.5%	4.2%	4.4%
Total Employment	US	1.8%	2.1%	1.9%	1.5%	1.2%	1.1%	1.0%
	CT	0.7%	1.2%	1.5%	0.9%	0.6%	0.4%	0.4%
Unemployment Rate	US	6.8%	5.7%	5.0%	4.9%	4.9%	4.9%	5.0%
	CT	7.1%	6.3%	5.2%	5.2%	5.1%	5.0%	4.9%
Housing Starts	US	8.7%	10.7%	13.4%	11.8%	10.3%	3.7%	3.9%
	CT	-13.1%	3.3%	13.9%	10.0%	19.3%	8.5%	7.2%
New Vehicle Sales (M)	US	15.88	16.81	17.79	17.99	18.19	17.90	17.49

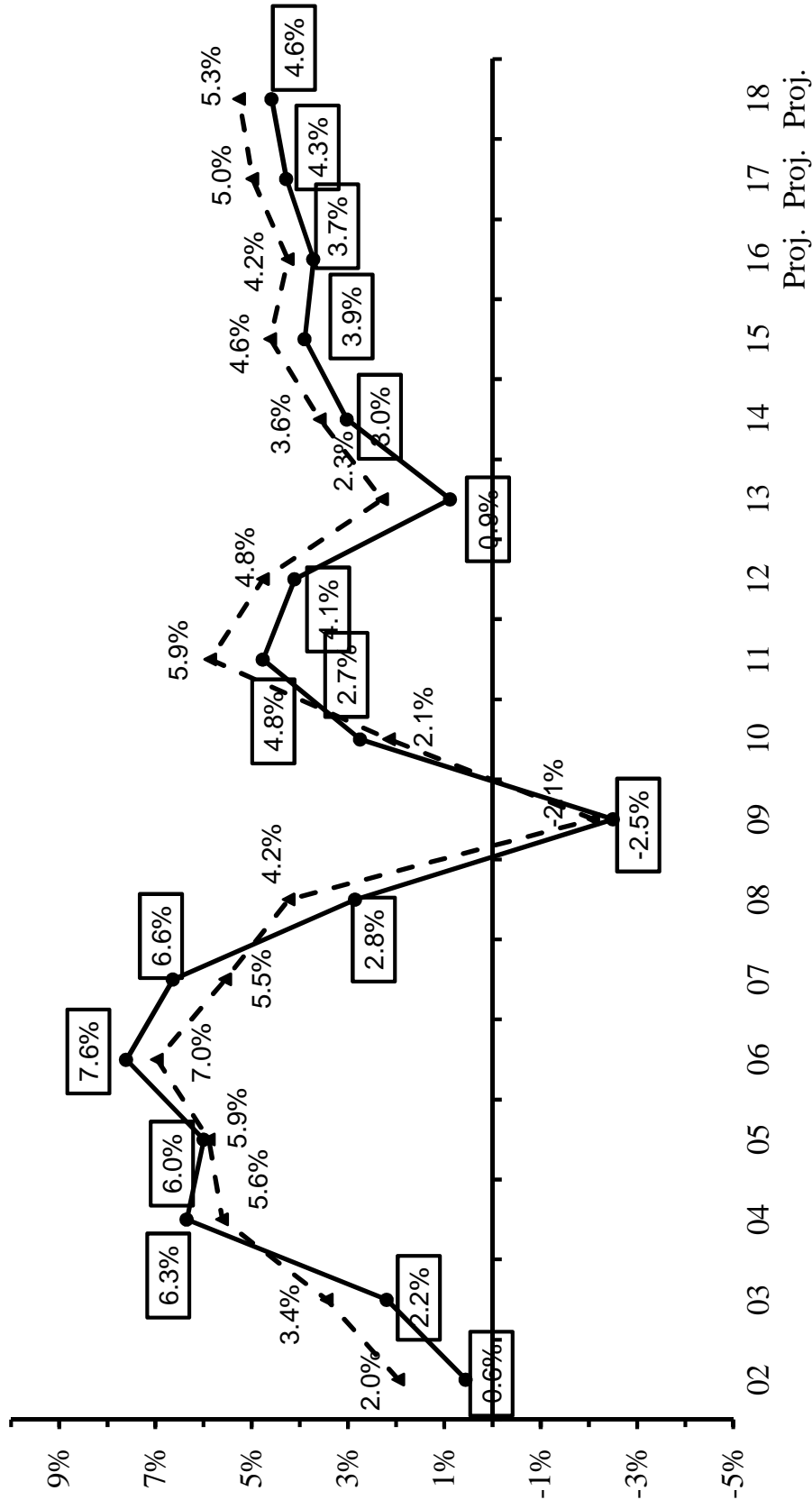
Other Connecticut Indicators

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Personal Income (\$B)	227.9	237.1	246.5	255.8	267.9	279.5	291.7
Wages & Salaries (\$B)	107.3	110.4	115.1	120.0	125.4	130.7	136.4
Labor Force (K)	1,874.6	1,903.4	1,899.4	1,906.2	1,915.8	1,924.6	1,929.6
(% Change)	0.2%	1.5%	-0.2%	0.4%	0.5%	0.5%	0.3%
Total Employment (K)	1,658.6	1,678.5	1,703.2	1,719.1	1,728.7	1,736.2	1,743.2
NON-MFG Employment (K)	1,497.5	1,519.0	1,541.7	1,557.4	1,567.2	1,574.8	1,581.9
(% Change)	0.9%	1.4%	1.5%	1.0%	0.6%	0.5%	0.4%
MFG Employment (K)	161.1	159.5	161.5	161.7	161.5	161.3	161.3
(% Change)	-1.4%	-1.0%	1.3%	0.1%	-0.2%	-0.1%	0.0%
Real Gross State Product (\$B)	227.8	230.4	234.4	240.5	245.8	250.9	256.6
Housing Starts (K)	4.70	4.85	5.53	6.08	7.26	7.87	8.44

Source: IHS Connect, 2/8/16

Personal Income Growth

—●— CT - -▲- - US



Fiscal Year

Source: IHS, BEA

Per Capita Personal Income by State

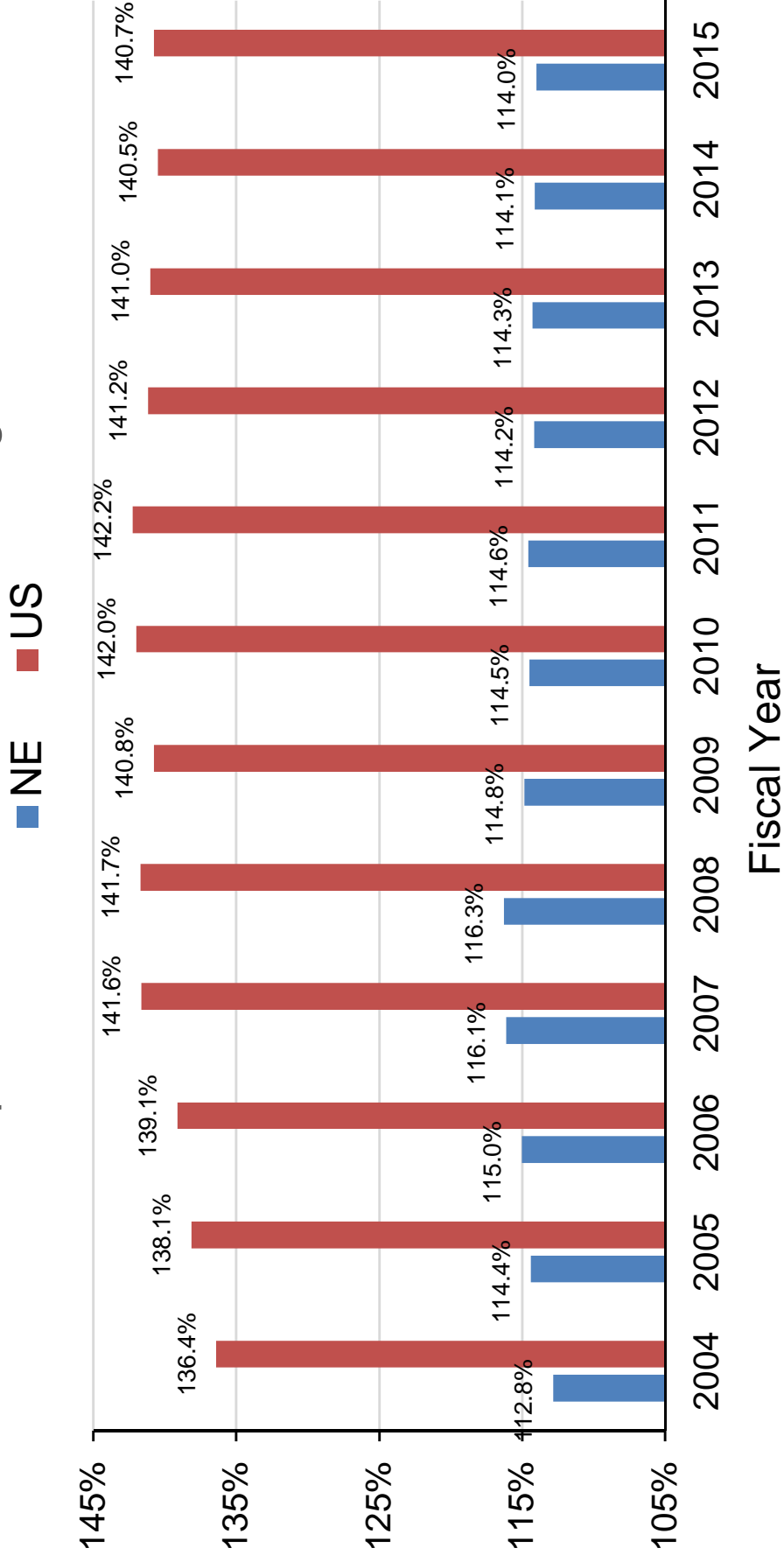
Fiscal Year 2015

The following Table shows per capita income for each of the fifty states with their corresponding ranking. In Fiscal Year 2015, the \$65,873 figure for Connecticut per capita personal income was 40.7% higher than the national average of \$46,803.

<u>Rank</u>	<u>State</u>	<u>Per Capita</u>		<u>Rank</u>	<u>State</u>	<u>Per Capita</u>	
		<u>Income</u>	<u>% of US</u>			<u>Income</u>	<u>% of US</u>
1	Connecticut	\$ 65,873	140.7%	26	Wisconsin	\$ 44,806	95.7%
2	Massachusetts	59,877	127.9%	27	Oklahoma	44,241	94.5%
3	New Jersey	58,601	125.2%	28	Florida	43,395	92.7%
4	New York	56,554	120.8%	29	Ohio	42,821	91.5%
5	North Dakota	55,408	118.4%	30	Louisiana	42,677	91.2%
6	Wyoming	55,323	118.2%	31	Missouri	42,107	90.0%
7	Alaska	55,208	118.0%	32	Oregon	42,102	90.0%
8	Maryland	55,054	117.6%	33	Michigan	41,478	88.6%
9	New Hampshire	53,576	114.5%	34	Nevada	41,337	88.3%
10	Virginia	51,051	109.1%	35	Maine	41,272	88.2%
11	California	51,045	109.1%	36	Tennessee	41,061	87.7%
12	Washington	50,490	107.9%	37	Montana	40,596	86.7%
13	Minnesota	49,959	106.7%	38	Indiana	40,254	86.0%
14	Colorado	49,676	106.1%	39	North Carolina	39,886	85.2%
15	Rhode Island	49,190	105.1%	40	Georgia	39,748	84.9%
16	Pennsylvania	48,459	103.5%	41	Arkansas	38,375	82.0%
17	Illinois	48,328	103.3%	42	Arizona	38,351	81.9%
18	Nebraska	47,681	101.9%	43	Alabama	38,270	81.8%
19	Vermont	47,099	100.6%	44	Utah	38,248	81.7%
20	Delaware	46,994	100.4%	45	Kentucky	38,106	81.4%
21	Hawaii	46,815	100.0%	46	New Mexico	37,874	80.9%
22	Texas	46,355	99.0%	47	South Carolina	37,273	79.6%
23	Kansas	45,346	96.9%	48	Idaho	37,066	79.2%
24	South Dakota	44,922	96.0%	49	West Virginia	36,568	78.1%
25	Iowa	44,921	96.0%	50	Mississippi	34,883	74.5%
	U.S. Average	\$ 46,803					

Source: IHS, U.S. Department of Commerce, Bureau of Economic Analysis

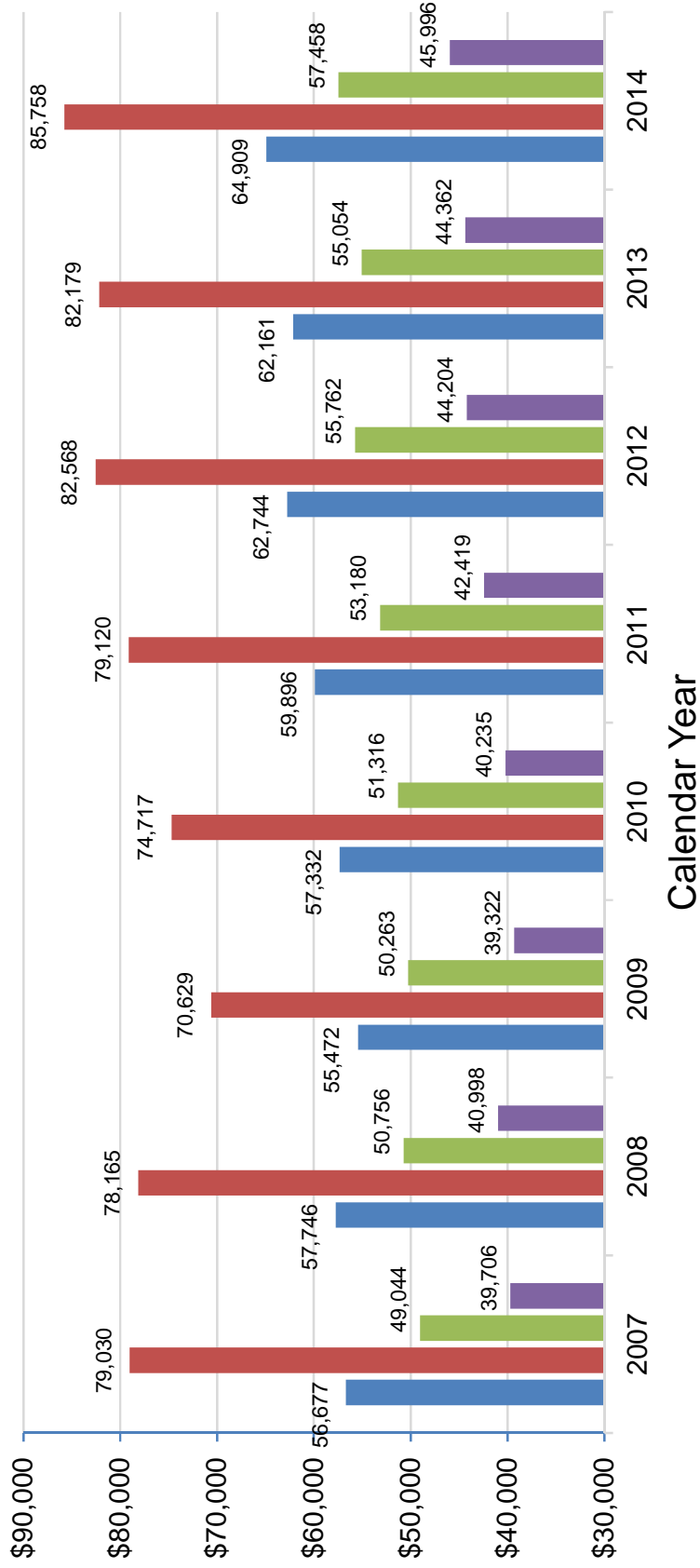
CT Per Capita Income as a % of New England & U.S.



Source: IHS, Bureau of Economic Analysis

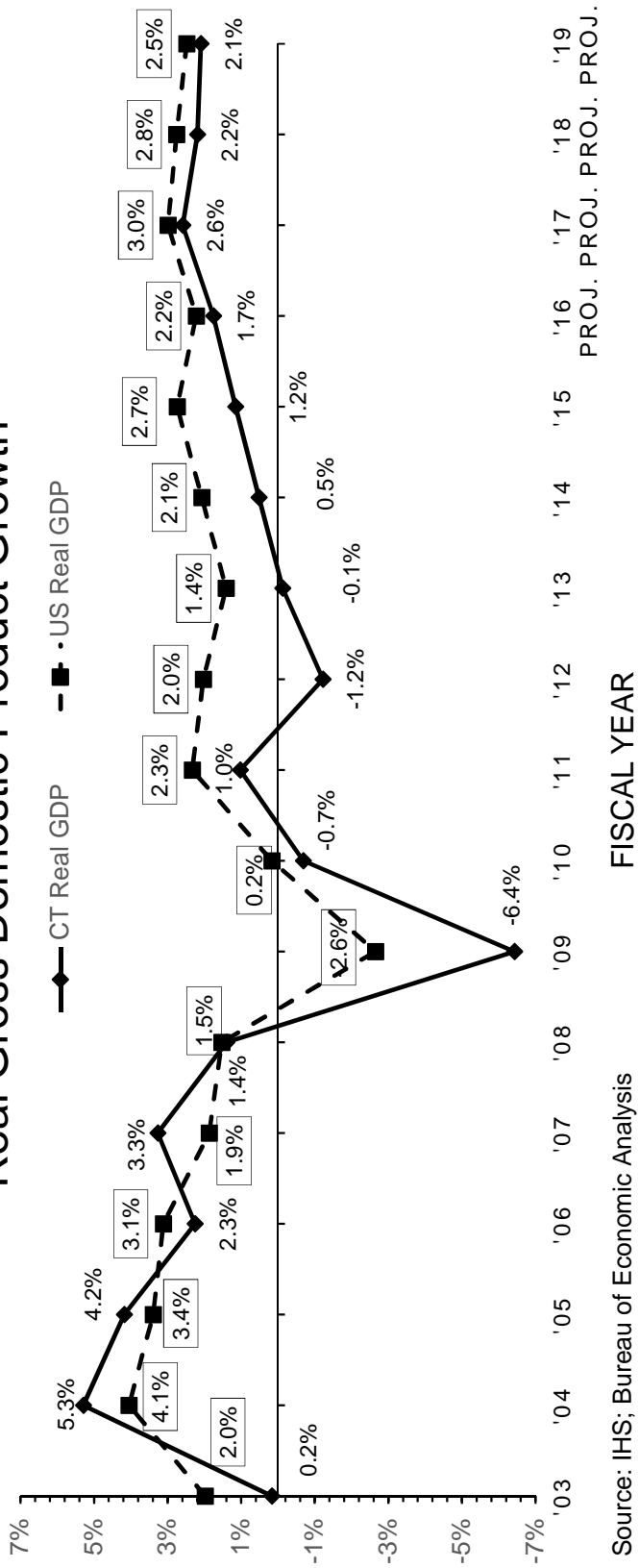
County Per Capita Income In Connecticut

■ CT ■ Fairfield County ■ CT Excluding Fairfield County ■ US



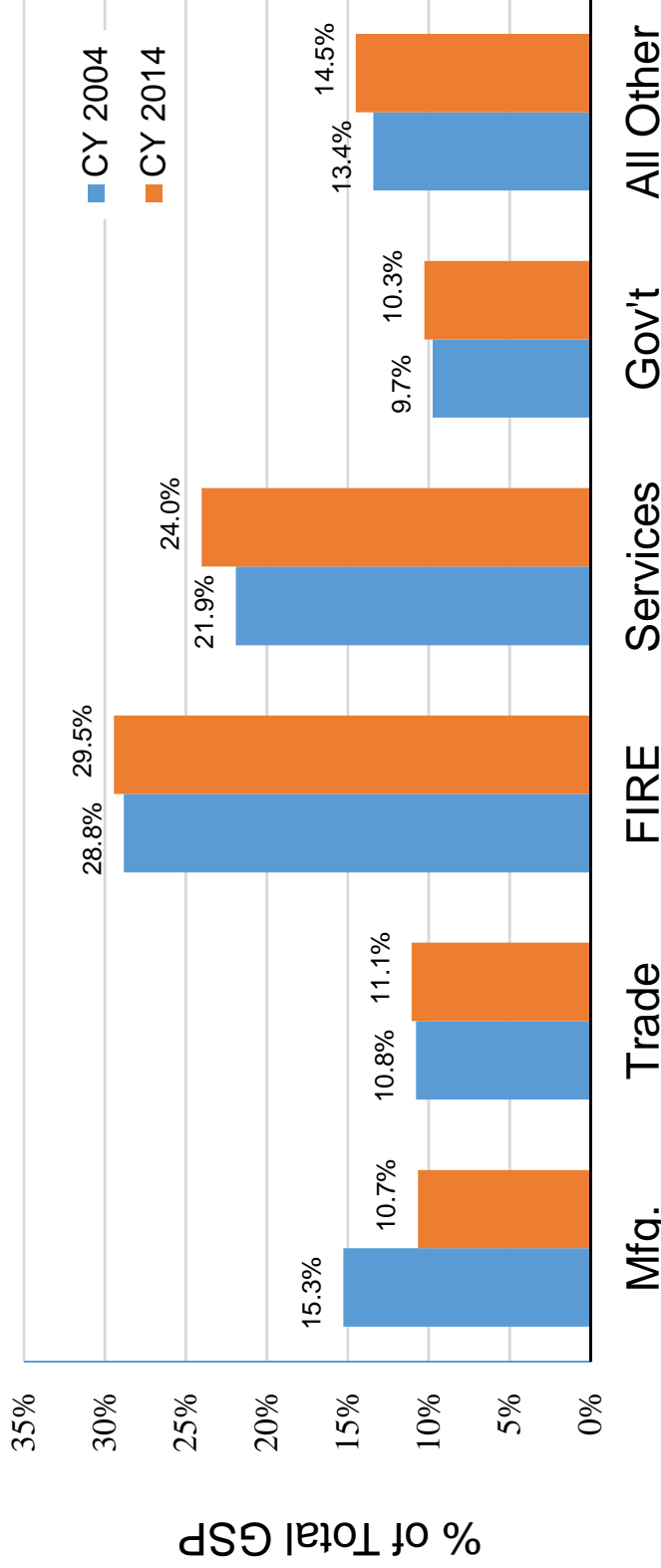
Source: IHS Economics

Real Gross Domestic Product Growth



Source: IHS; Bureau of Economic Analysis

Connecticut Gross Product By Source (In Current Dollars)



Services includes professional, scientific, and technical services; management of companies and enterprises; educational services; health care and social assistance; arts, entertainment, and recreation; accommodation and food services; and other services.

Source: Bureau of Economic Analysis

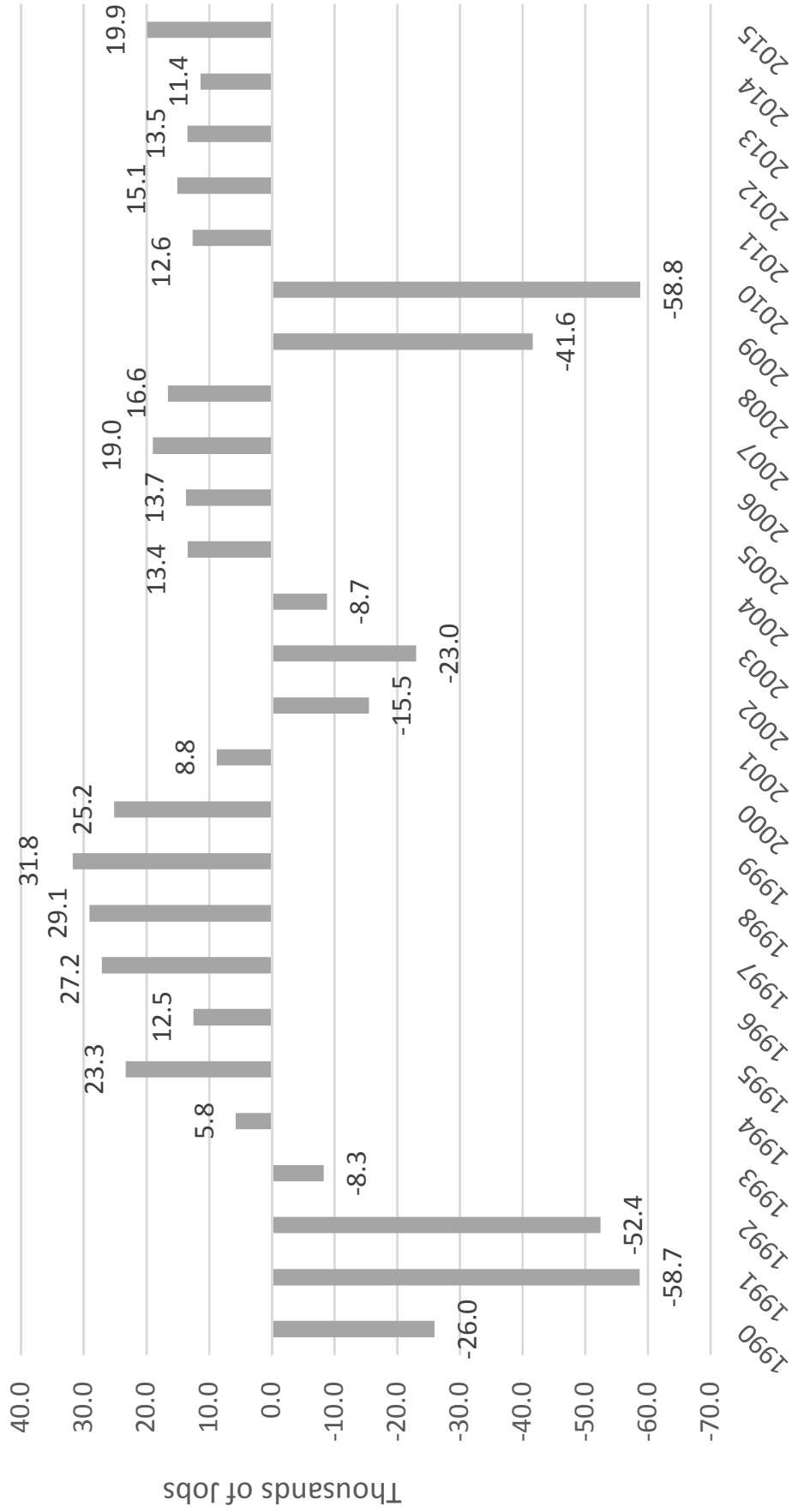
Real Per Capita Gross State Product by State Calendar Year 2014

The following Table shows real per capita Gross State Product (GSP in chained 2009 dollars) for each of the fifty states with their corresponding ranking. In CY2014, the \$64,679 figure for Connecticut real per capita GSP was 35.4% higher than the national average.

<u>Rank</u>	<u>State</u>	<u>Per Capita Real GDP</u>	<u>Rank</u>	<u>State</u>	<u>Per Capita Real GDP</u>
1	Alaska	\$ 66,149	26	Louisiana	\$ 46,423
2	North Dakota	\$ 65,080	27	Ohio	\$ 45,876
3	New York	\$ 64,801	28	Kansas	\$ 45,747
4	Connecticut	\$ 64,679	29	North Carolina	\$ 44,228
5	Wyoming	\$ 64,286	30	Indiana	\$ 43,839
6	Massachusetts	\$ 62,963	31	Utah	\$ 43,477
7	Delaware	\$ 60,470	32	Vermont	\$ 43,353
8	New Jersey	\$ 56,383	33	Georgia	\$ 43,076
9	Washington	\$ 55,214	34	Missouri	\$ 42,835
10	California	\$ 54,398	35	Nevada	\$ 42,452
11	Texas	\$ 54,320	36	Michigan	\$ 42,103
12	Maryland	\$ 53,717	37	Tennessee	\$ 42,073
13	Illinois	\$ 52,829	38	Oklahoma	\$ 41,837
14	Minnesota	\$ 52,758	39	New Mexico	\$ 40,080
15	Nebraska	\$ 52,679	40	Kentucky	\$ 38,920
16	Colorado	\$ 52,113	41	Arizona	\$ 38,673
17	Virginia	\$ 51,291	42	Florida	\$ 38,619
18	Oregon	\$ 51,262	43	Montana	\$ 38,498
19	New Hampshire	\$ 49,931	44	Maine	\$ 38,323
20	Hawaii	\$ 49,641	45	Alabama	\$ 37,577
21	Iowa	\$ 49,046	46	Arkansas	\$ 37,320
22	Rhode Island	\$ 47,891	47	West Virginia	\$ 36,775
23	Pennsylvania	\$ 47,633	48	South Carolina	\$ 36,070
24	Wisconsin	\$ 46,649	49	Idaho	\$ 35,177
25	South Dakota	\$ 46,634	50	Mississippi	\$ 31,547
	United States	\$ 47,754			

Source: Bureau of Economic Analysis

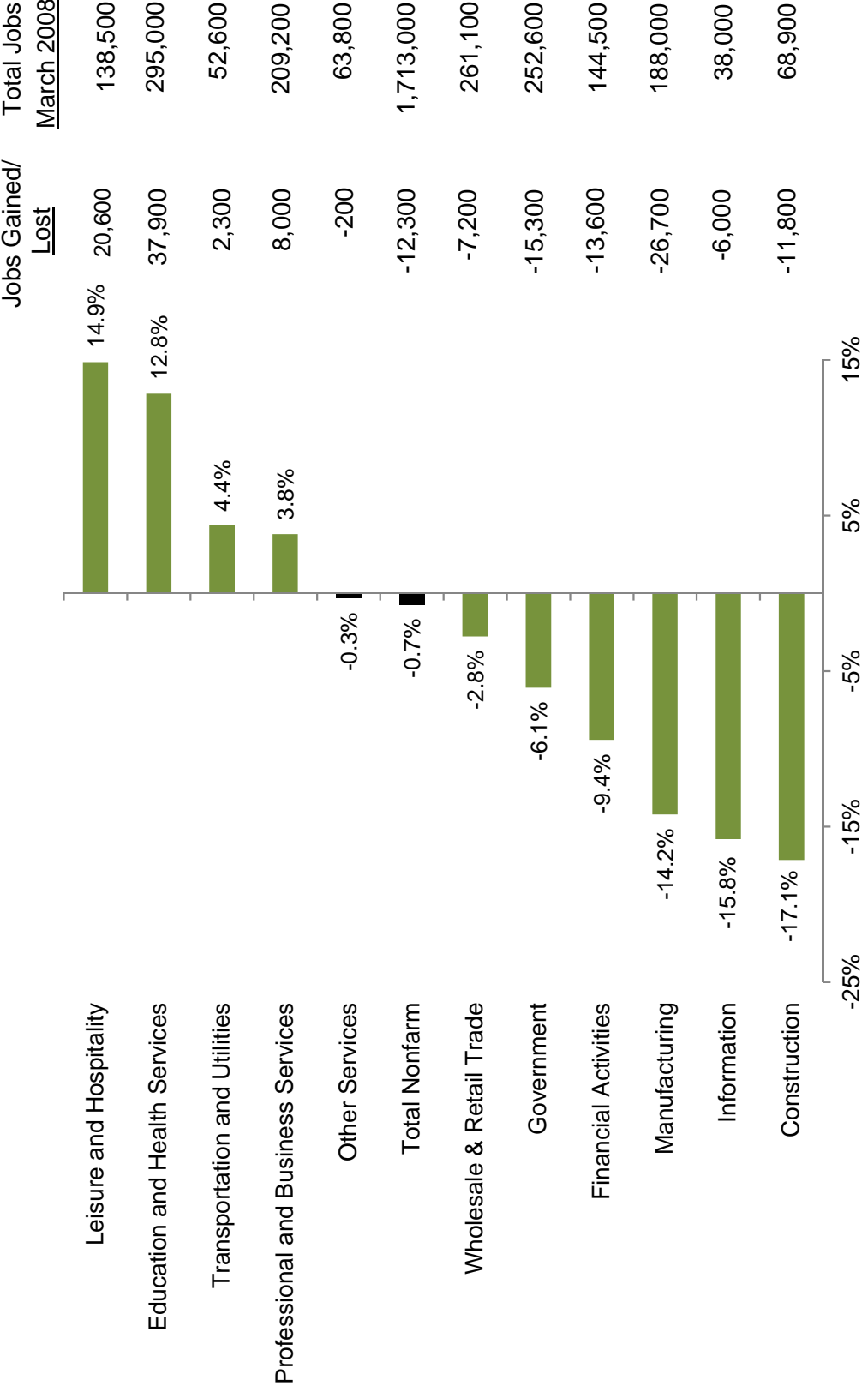
Connecticut Nonfarm Employment Growth



Source: Bureau of Labor Statistics

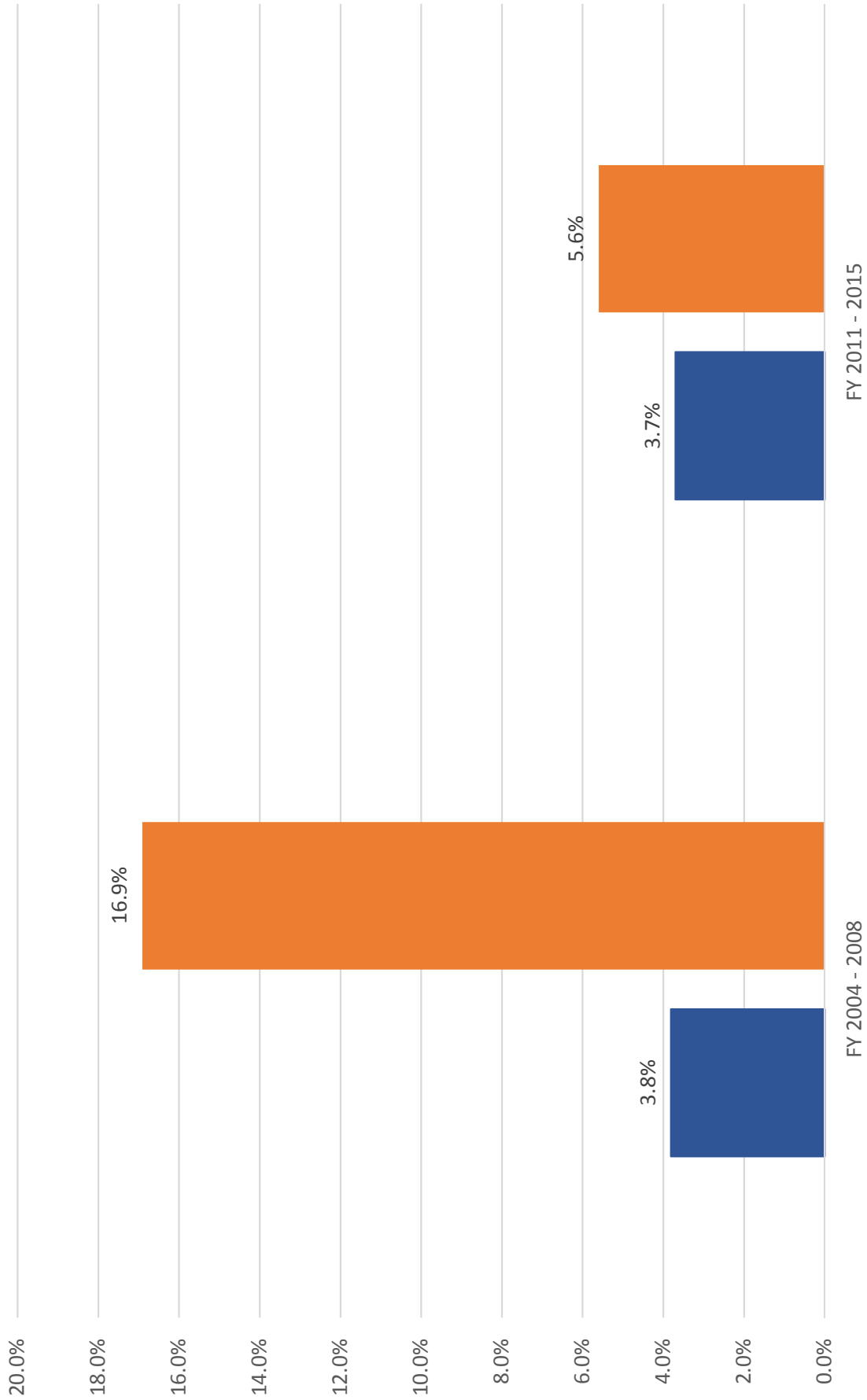
Fiscal Year

Connecticut Employment Percent Change in Employment By Sector and Jobs Gained/(Lost) From March 2008 (Peak Month in Jobs) to December 2015

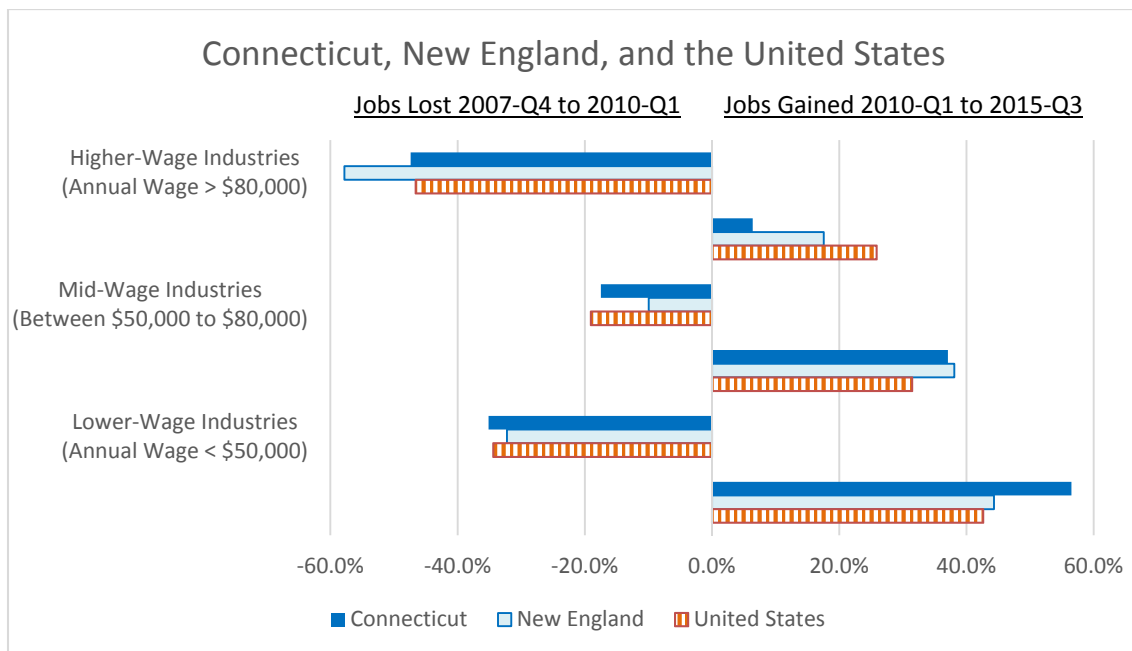
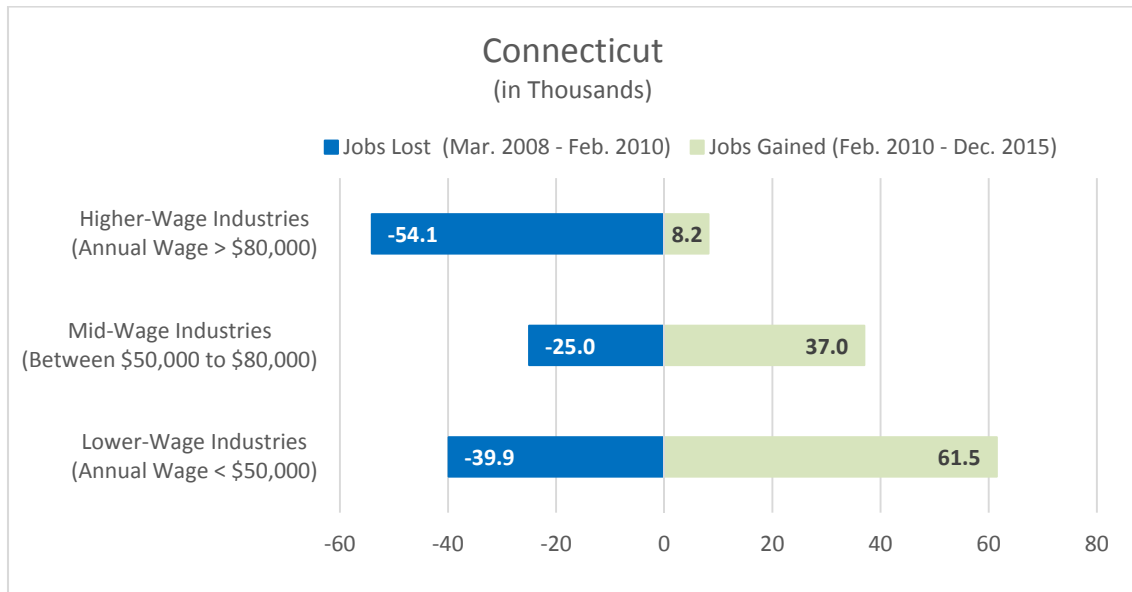


Source: Bureau of Labor Statistics

Connecticut's Total Employment and Wage Growth



Low versus High-Wage Job Growth



Notes:

Annual Wage = 2014 Connecticut Average Annual Wage by Industry

Higher-Wage Industries include: Management of Companies and Enterprises; Finance and Insurance; Professional, Scientific, and Technical Services; Information; Wholesale Trade; and Manufacturing

Mid-Wage Industries include: Real Estate and Rental & Leasing; Construction and Mining; Government; Educational Services; Transportation, Warehousing, and Utilities; and Health Care and Social Assistance

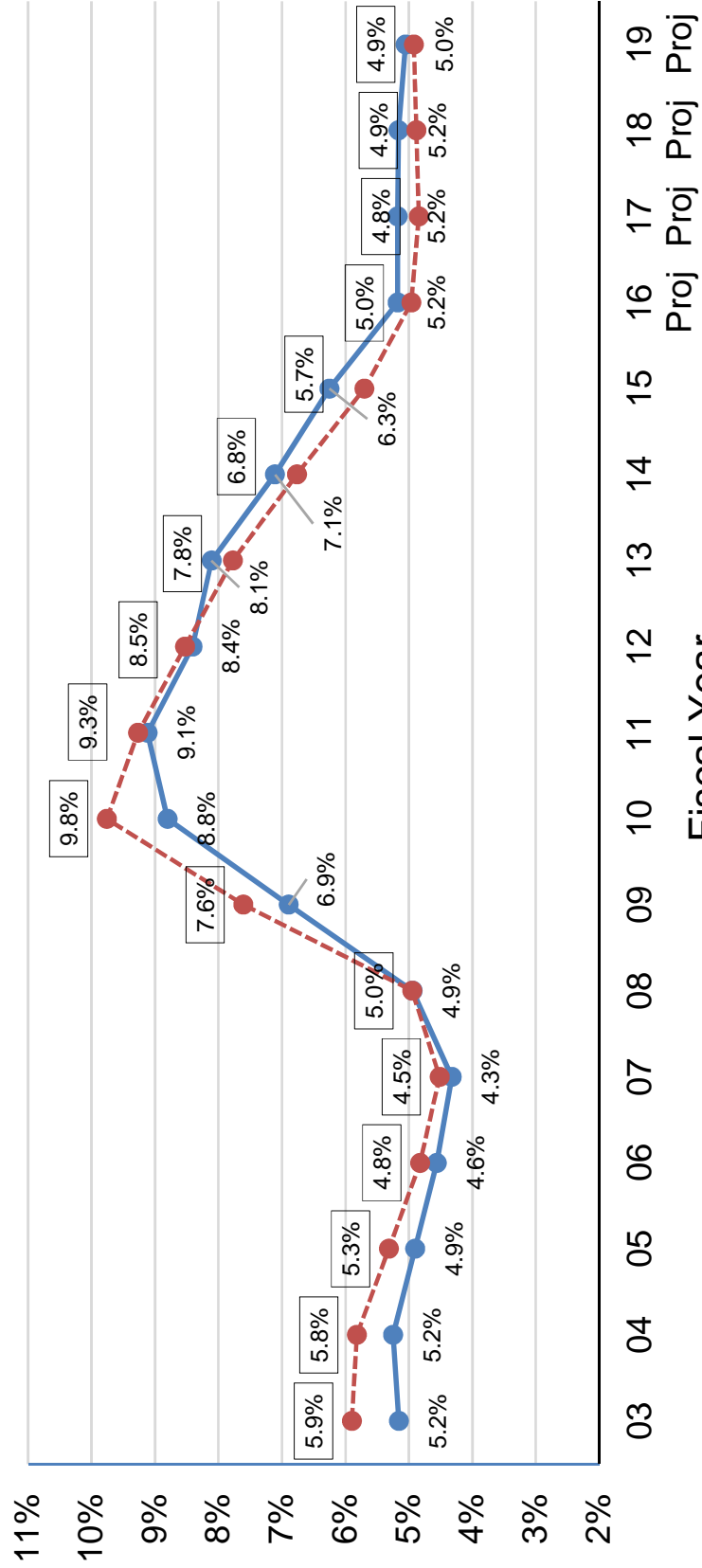
Lower-Wage Industries include: Other Services; Administrative & Support and Waste Services; Retail Trade; Arts, Entertainment, and Recreation; and Accommodation and Food Services

Job Loss and Recovery Data By Labor Market Area										
	CT	Bridgeport-Stamford-Norwalk	Danbury*	Danielson/Northeast*	Enfield*	Hartford	New Haven	Norwich-New London-Westerly	Torrington/Northwest*	Waterbury*
Job Peak (000's)	1,713.0	413.8	78.5	27.8	49.4	571.4	282.1	139.1	35.3	72.8
Job Trough (000's)	1,594.0	384.3	71.5	25.3	43.9	538.2	264.0		32.3	63.7
Peak / Trough Dates	Mar-08 to Feb-10	Mar-08 to Feb-10	Dec-07 to Mar-10	June-08 to Mar-10	Dec-06 to Jan-10	Jun-08 to Jan-10	Jan-08 to Jan-10	May-08	March-08 to Mar-10	Mar-05 to Feb-10
Job Loss from Peak (000's)	119.0	29.5	7.0	2.5	5.5	33.2	18.1		3.0	9.1
% Loss	6.9%	7.1%	8.9%	9.0%	11.1%	5.8%	6.4%		8.5%	12.5%
December 2015 Jobs (000's)	1,700.7	417.6	78.5	27.3	45.6	574.3	283.5	127.5	33.9	67.9
Job Gains from Trough (000's)	106.7	33.3	7.0	2.0	1.7	36.1	19.5		1.6	4.2
% Recovery Rate	89.7%	112.9%	100.0%	80.0%	30.9%	108.7%	107.7%		53.3%	46.2%

* Seasonally Adjusted by the CT Department of Labor

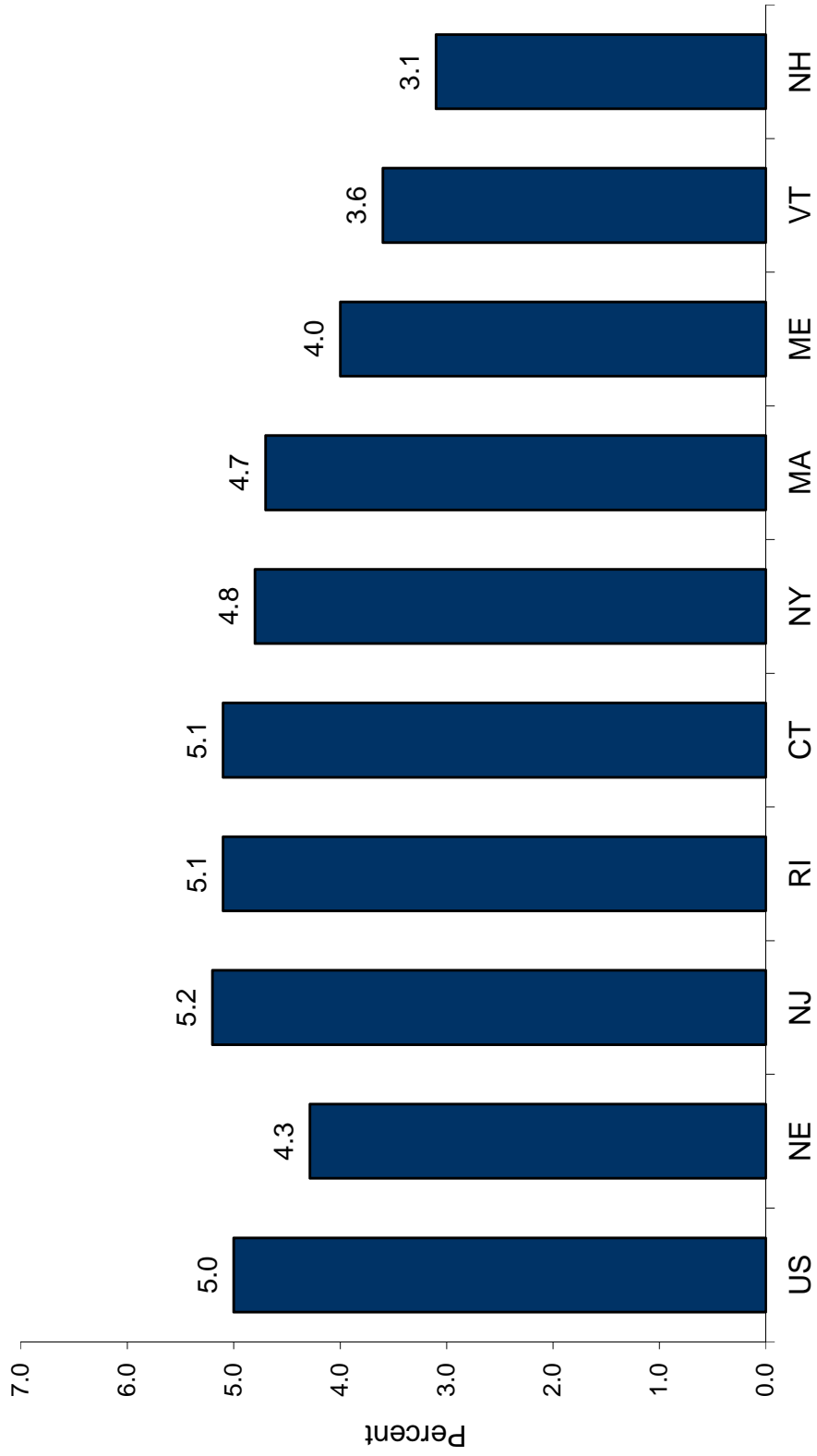
Unemployment Rate

—●— CT - - - ● - - - US



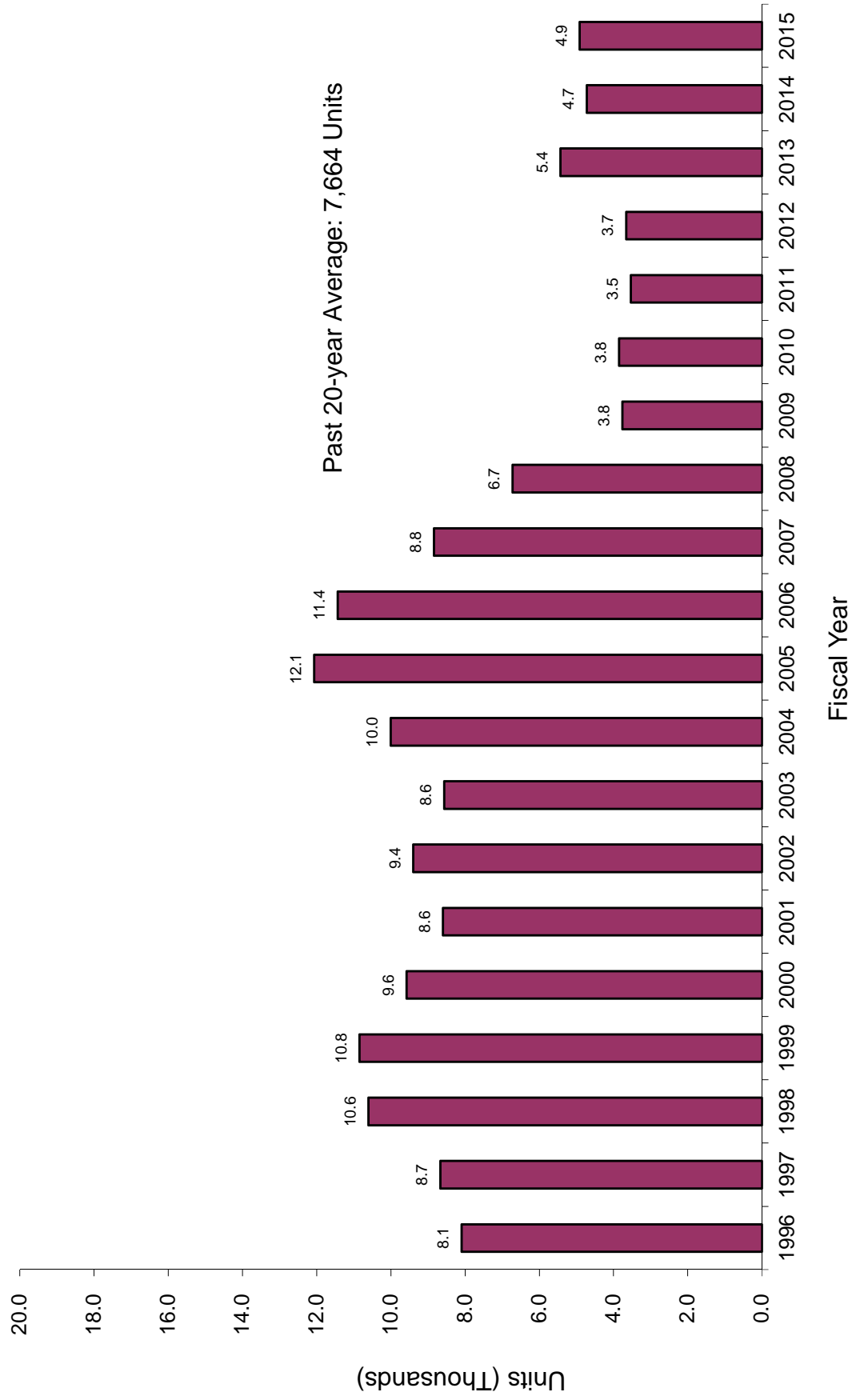
Source: IHS Economics

Unemployment Rate Among the Neighboring States as of December 2015



Source: Bureau of Labor Statistics

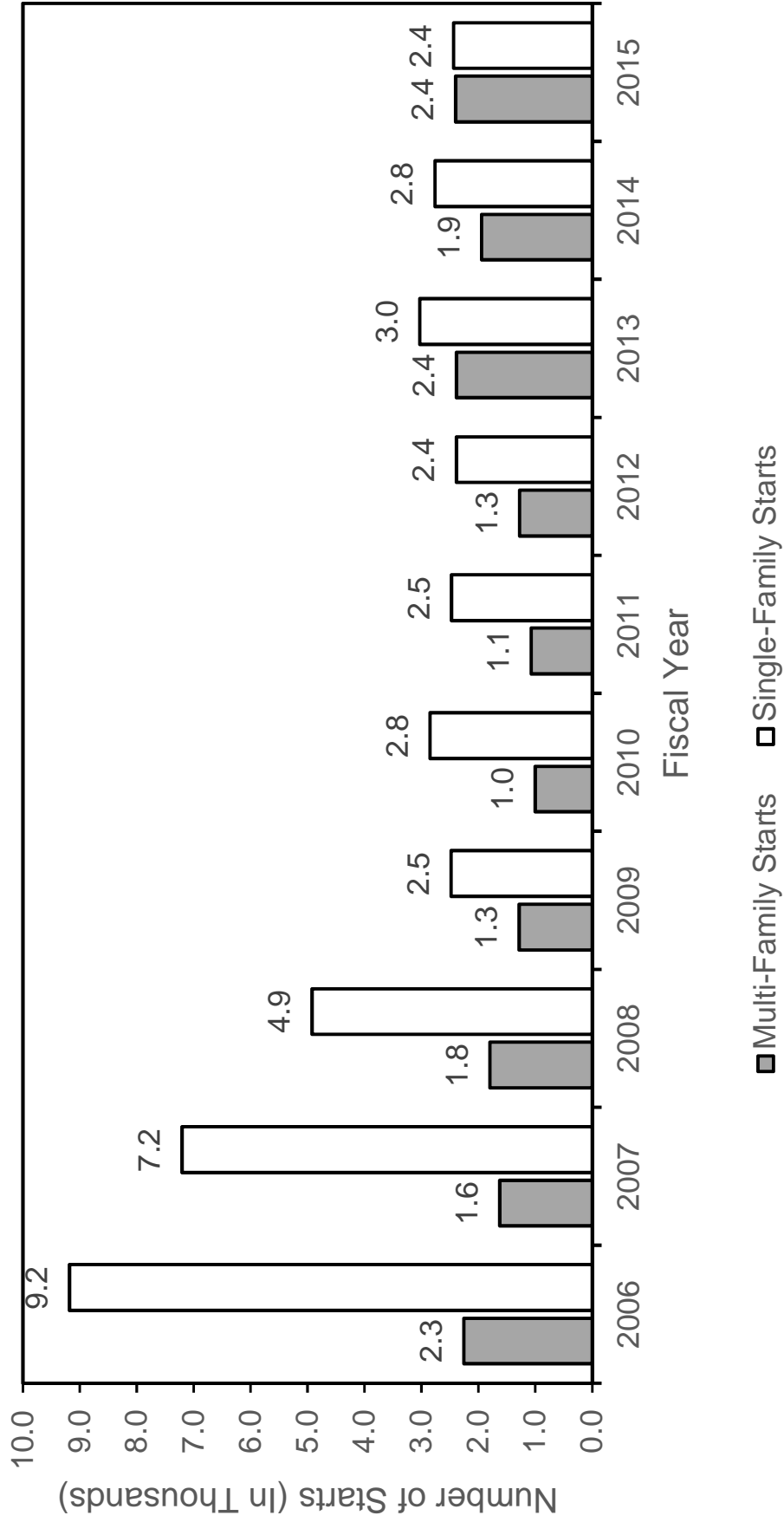
Connecticut Housing Starts



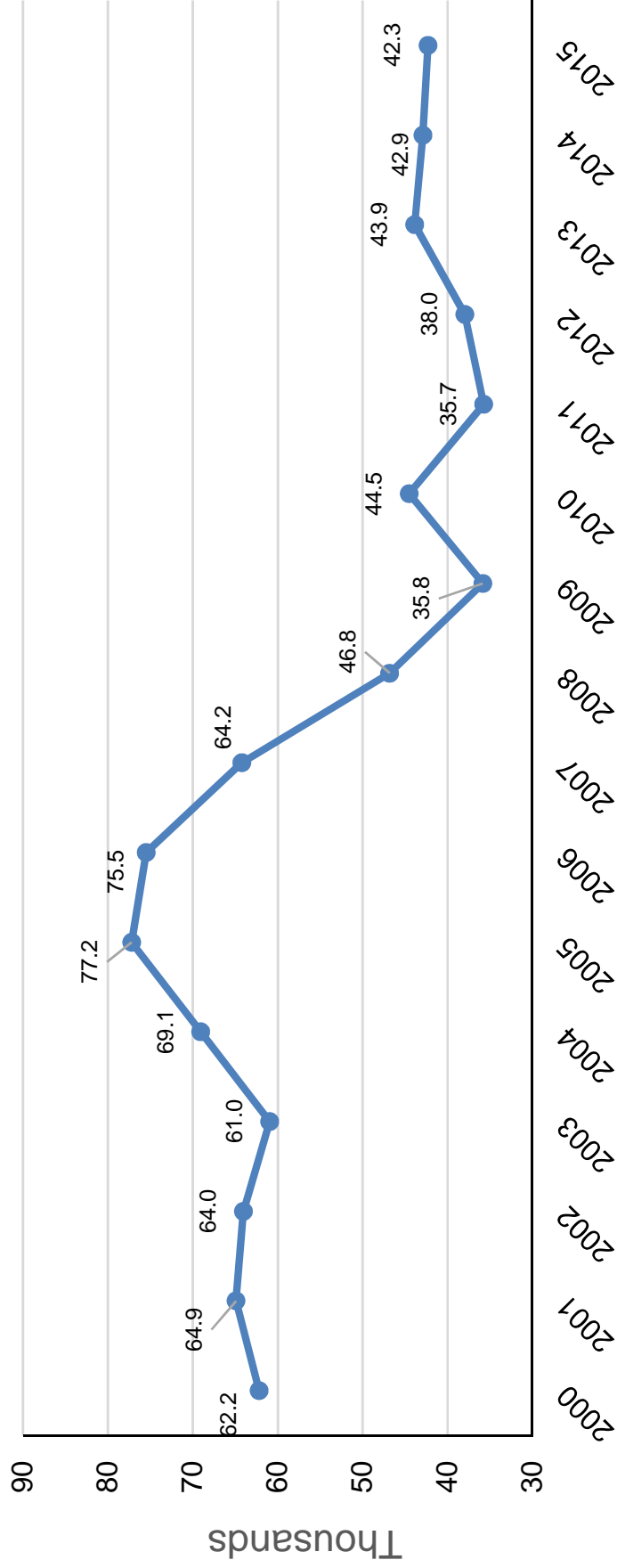
Source: IHS

Connecticut Housing Starts

Single-Family and Multi-Family



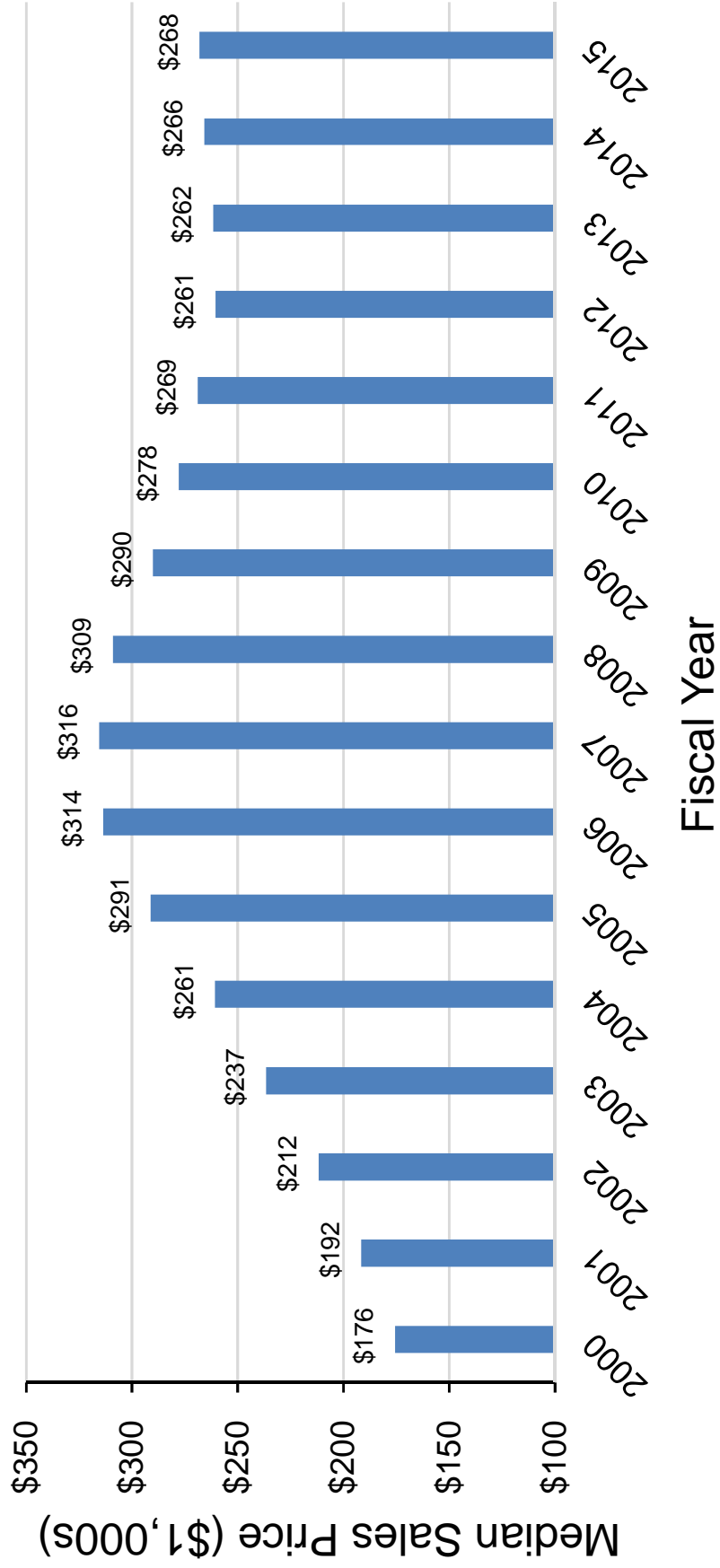
Connecticut Home Sales



Fiscal Year

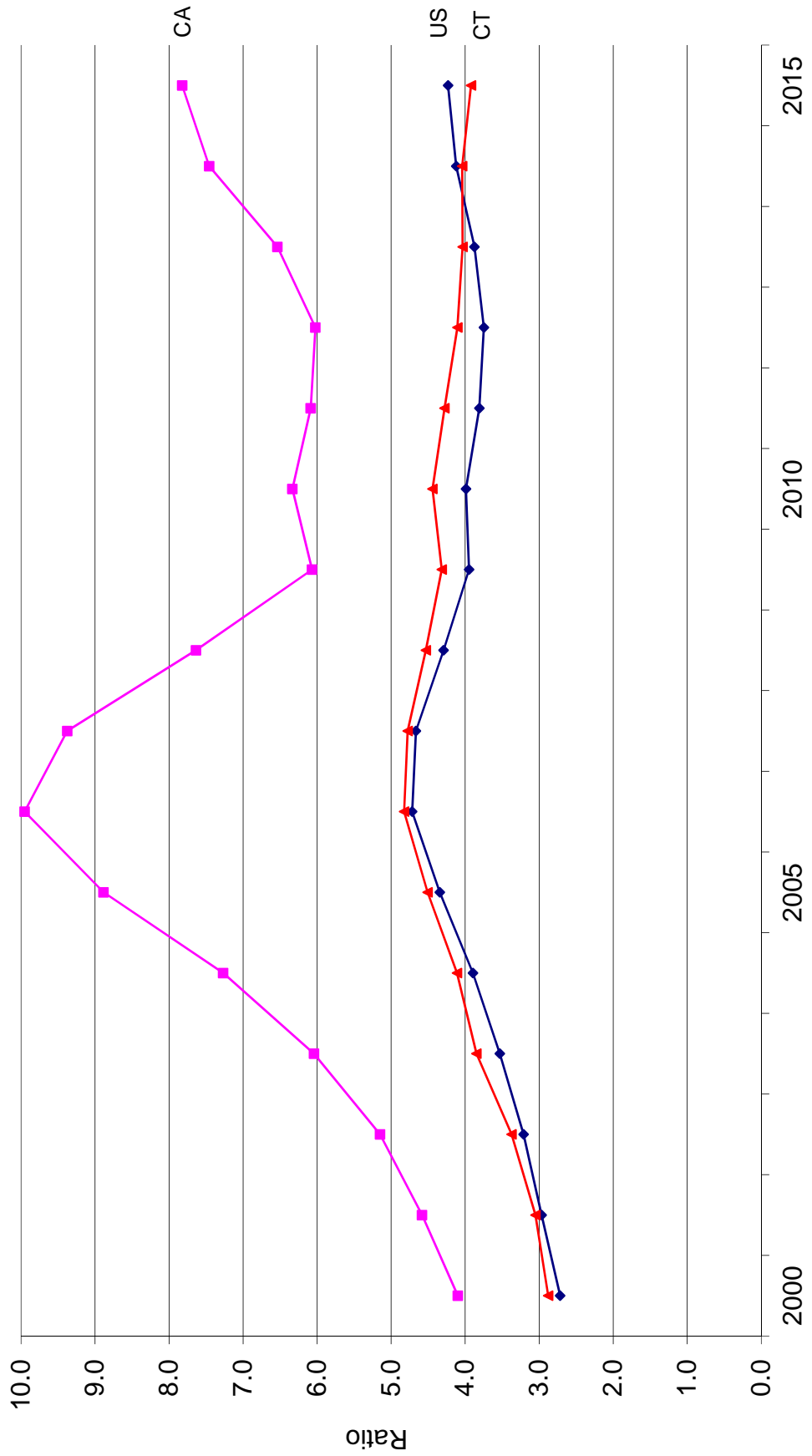
Source: IHS Economics

Median Sales Price of Existing Homes Connecticut



Ratio of Median Existing Home Price to Median Household Income

All States vs. California vs. Connecticut
As of FY 2015

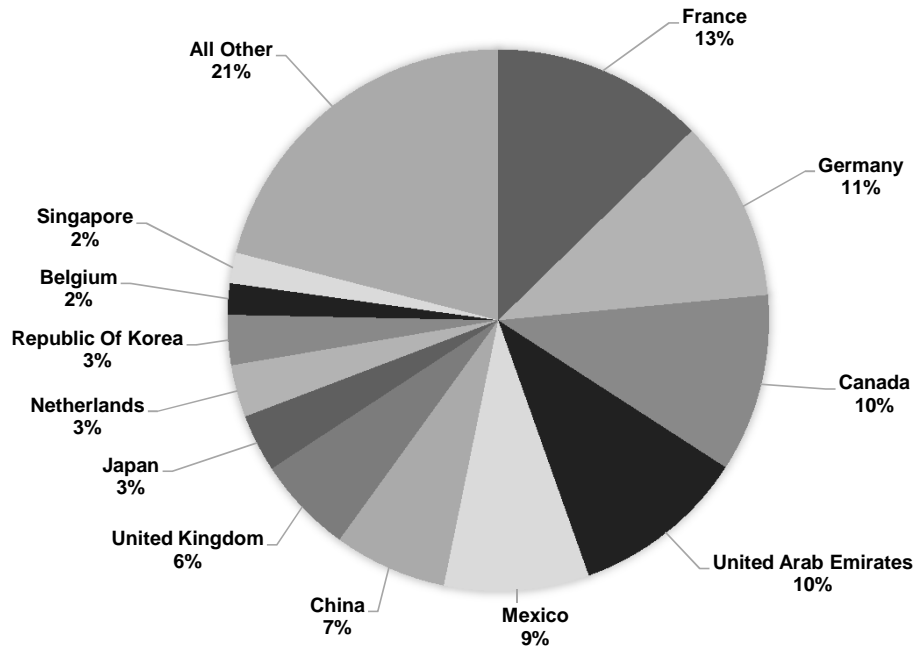


Source: IHS

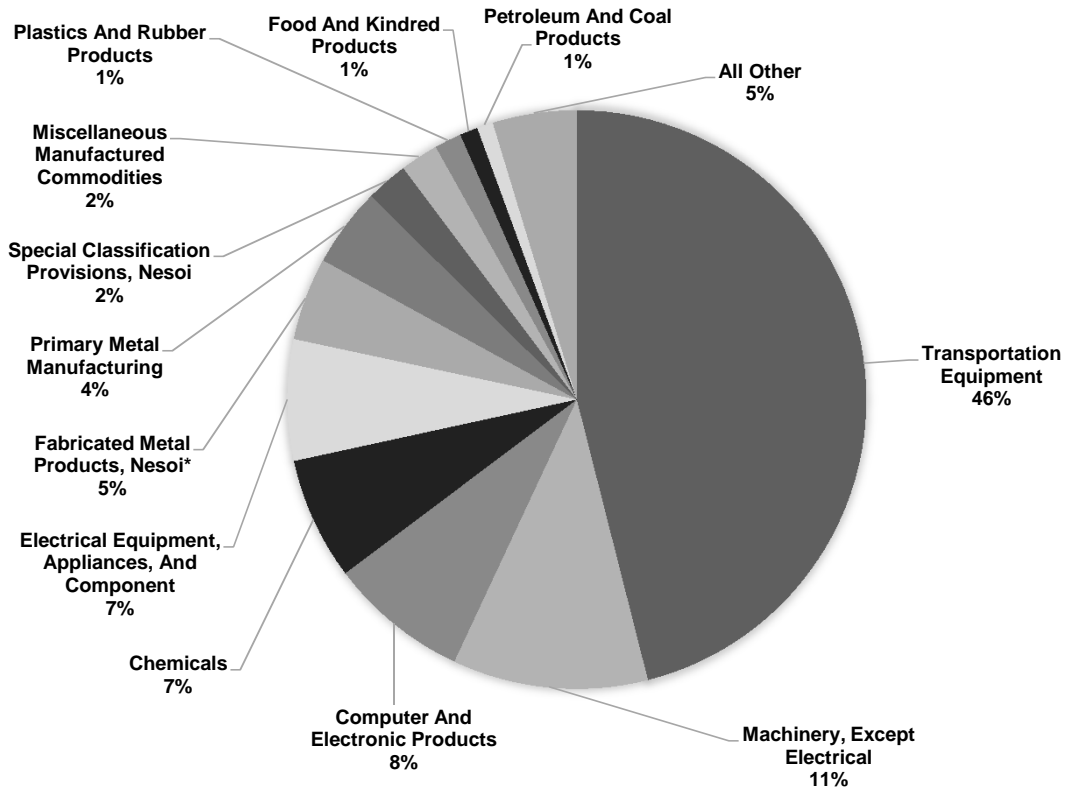
Connecticut Exports

CT Calendar Year 2015 Exports = \$15,256 Million

CT'S LEADING EXPORT MARKETS - CY 2015

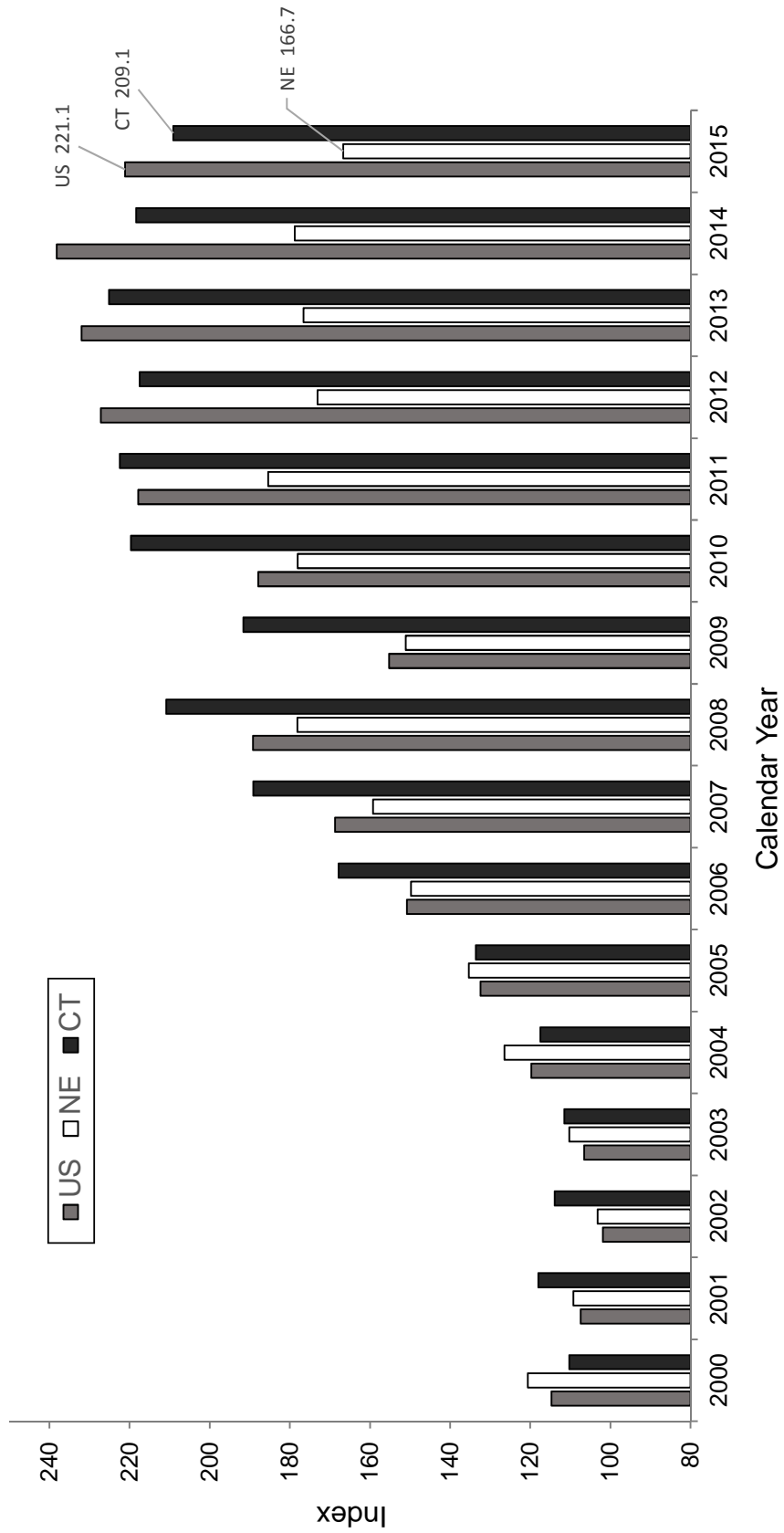


CT'S EXPORTING INDUSTRY LEADERS - CY 2015



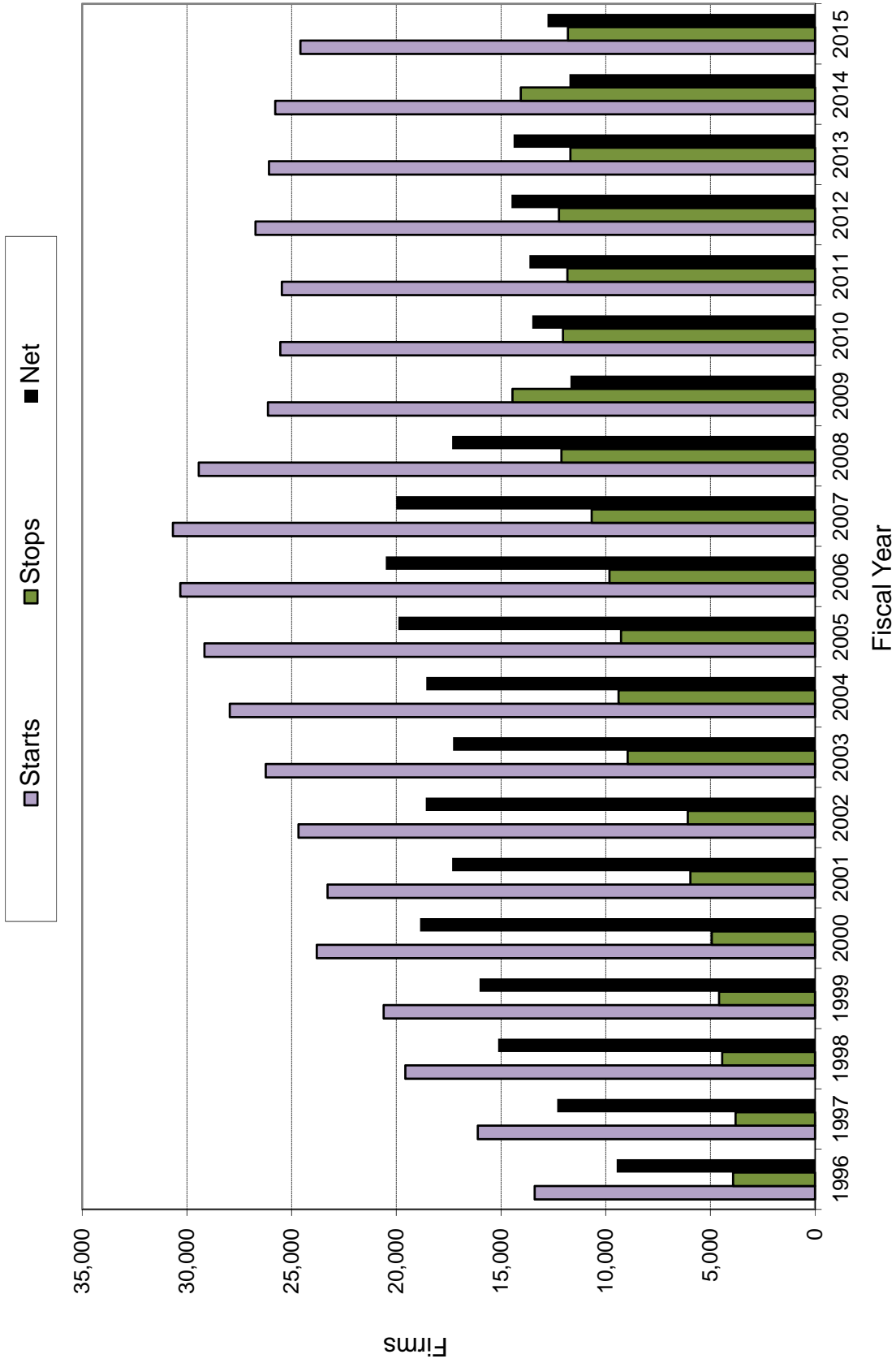
* Not Elsewhere Specified or Included

Exports Index 1998=100



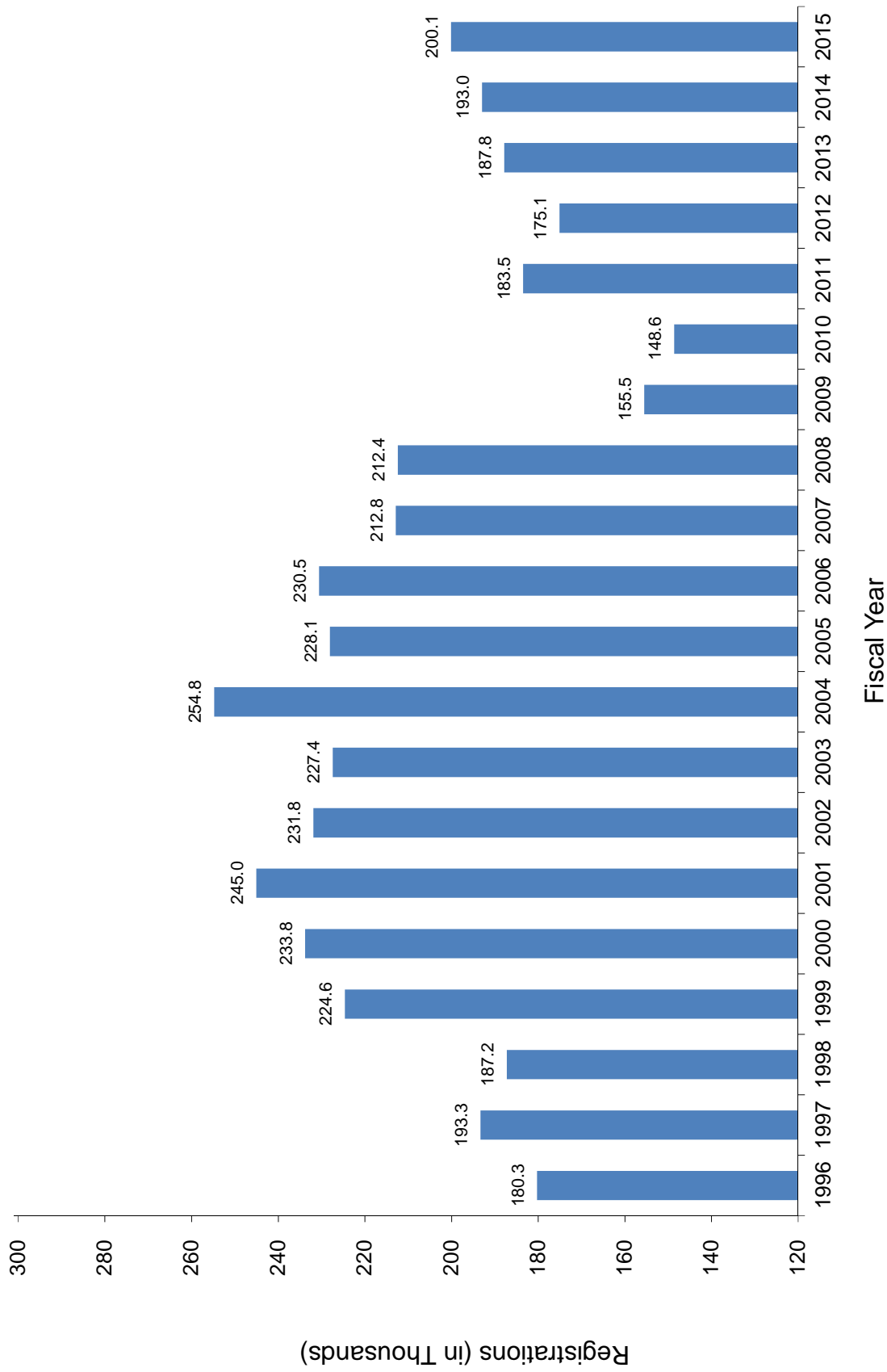
Source: World Institute for Strategic Economic Research (WISER) Trade

Business Formation



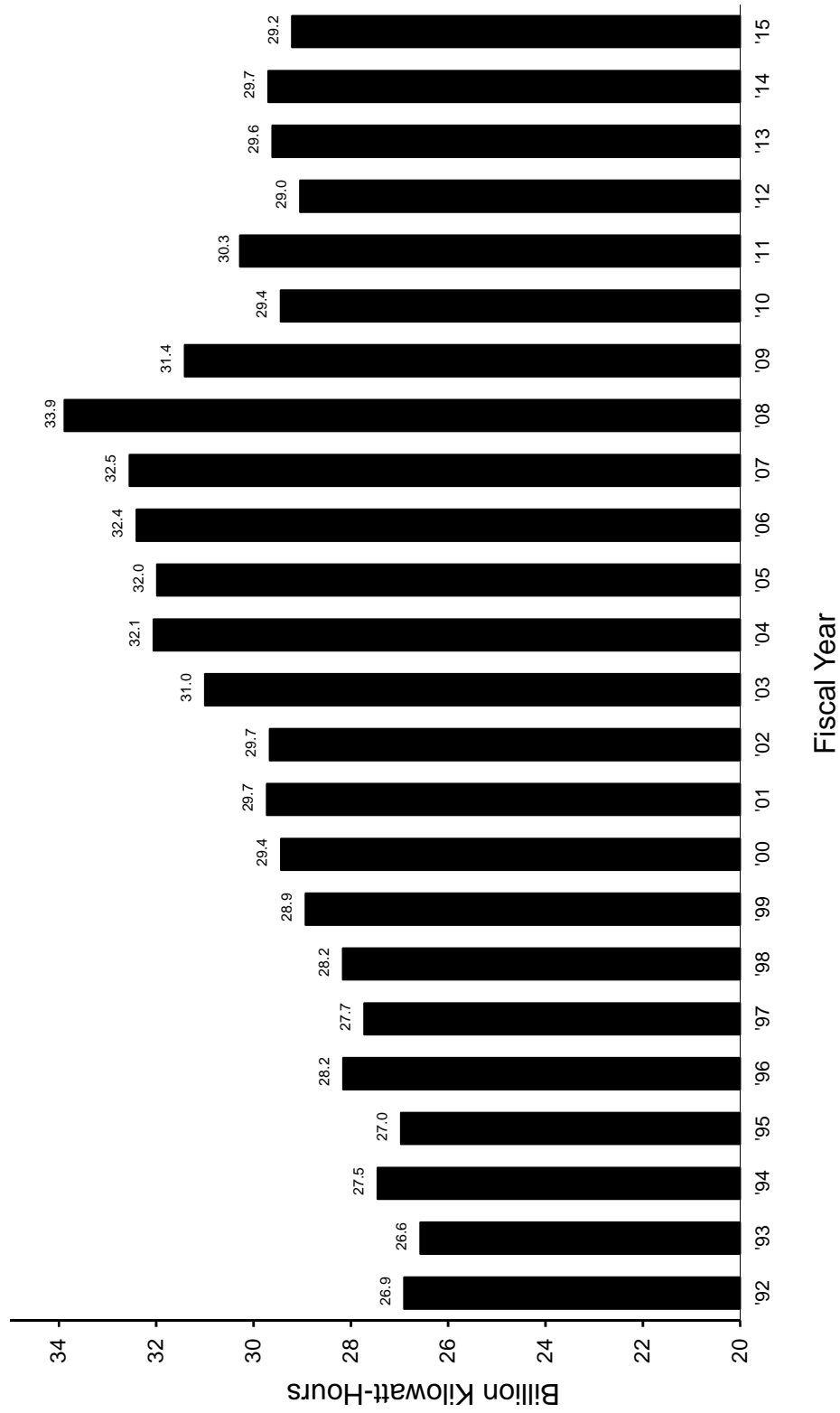
Source: CT Secretary of State

Connecticut New Auto Registrations Processed



Source: CT Department of Labor

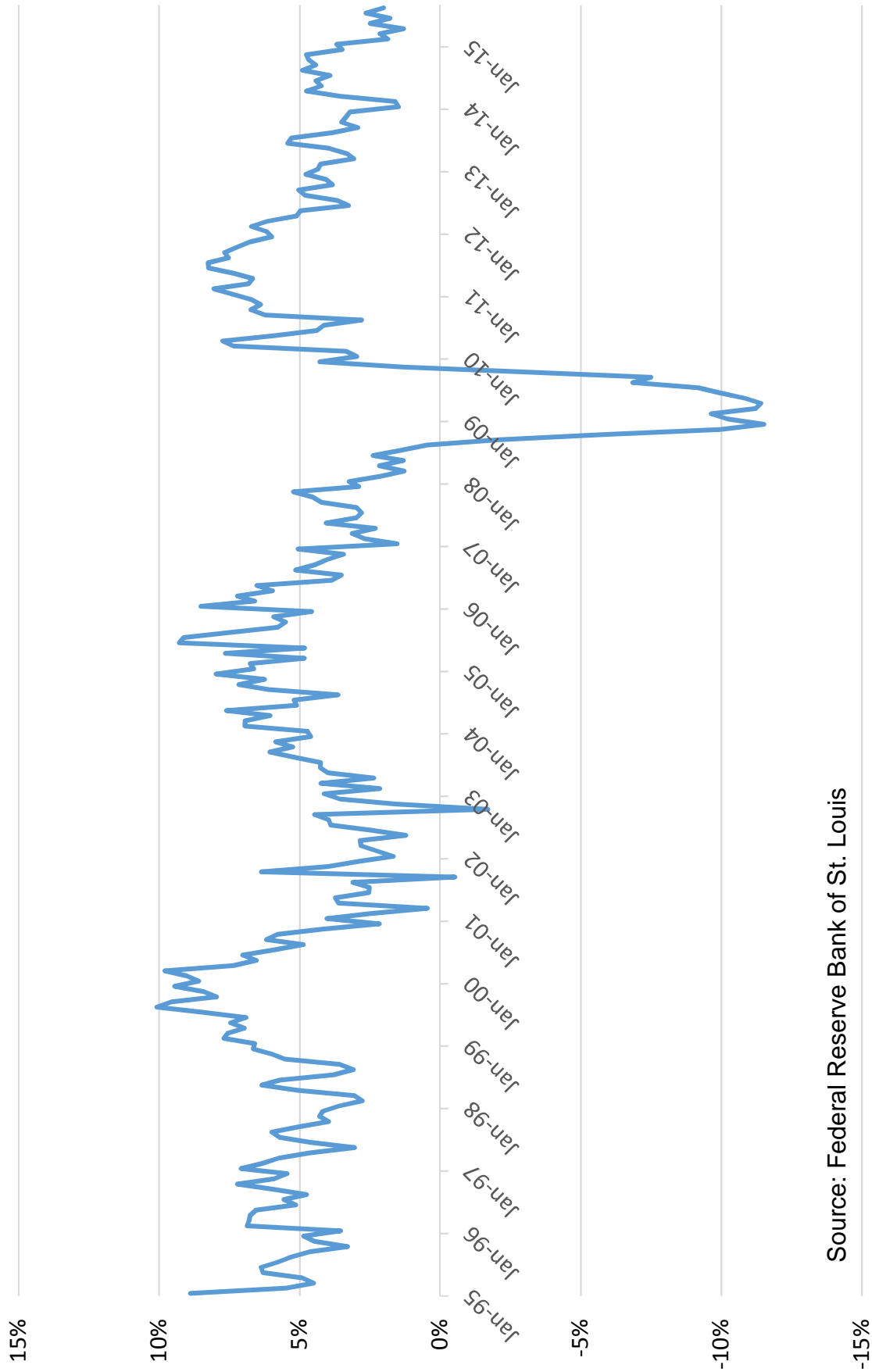
Connecticut Electricity Sales



Source: Federal Reserve Bank at Boston

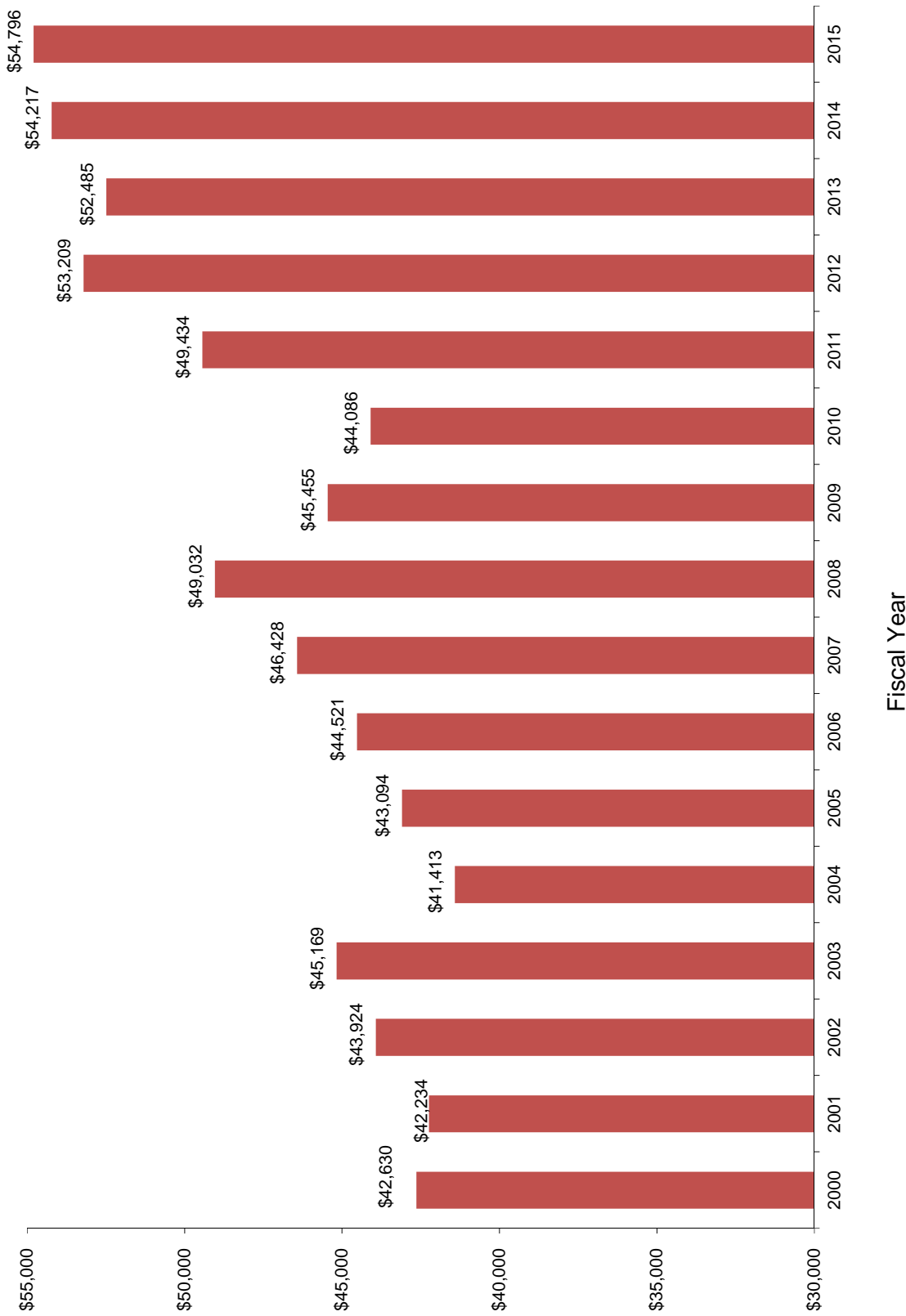
U.S. Retail Sales

Percentage change (NSA) from the same month last year, as of December 2015



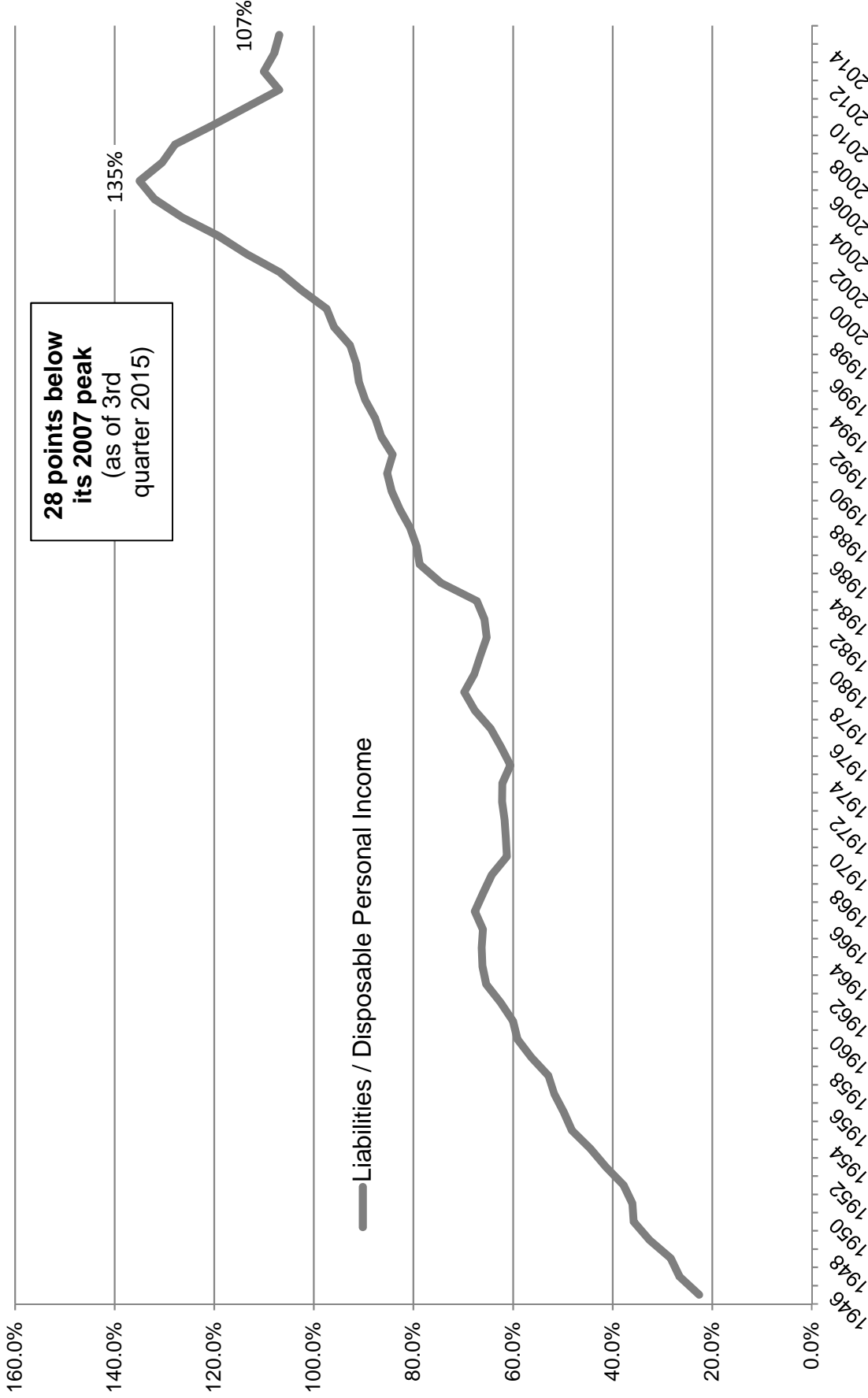
Source: Federal Reserve Bank of St. Louis

Connecticut Retail Sales (in millions)



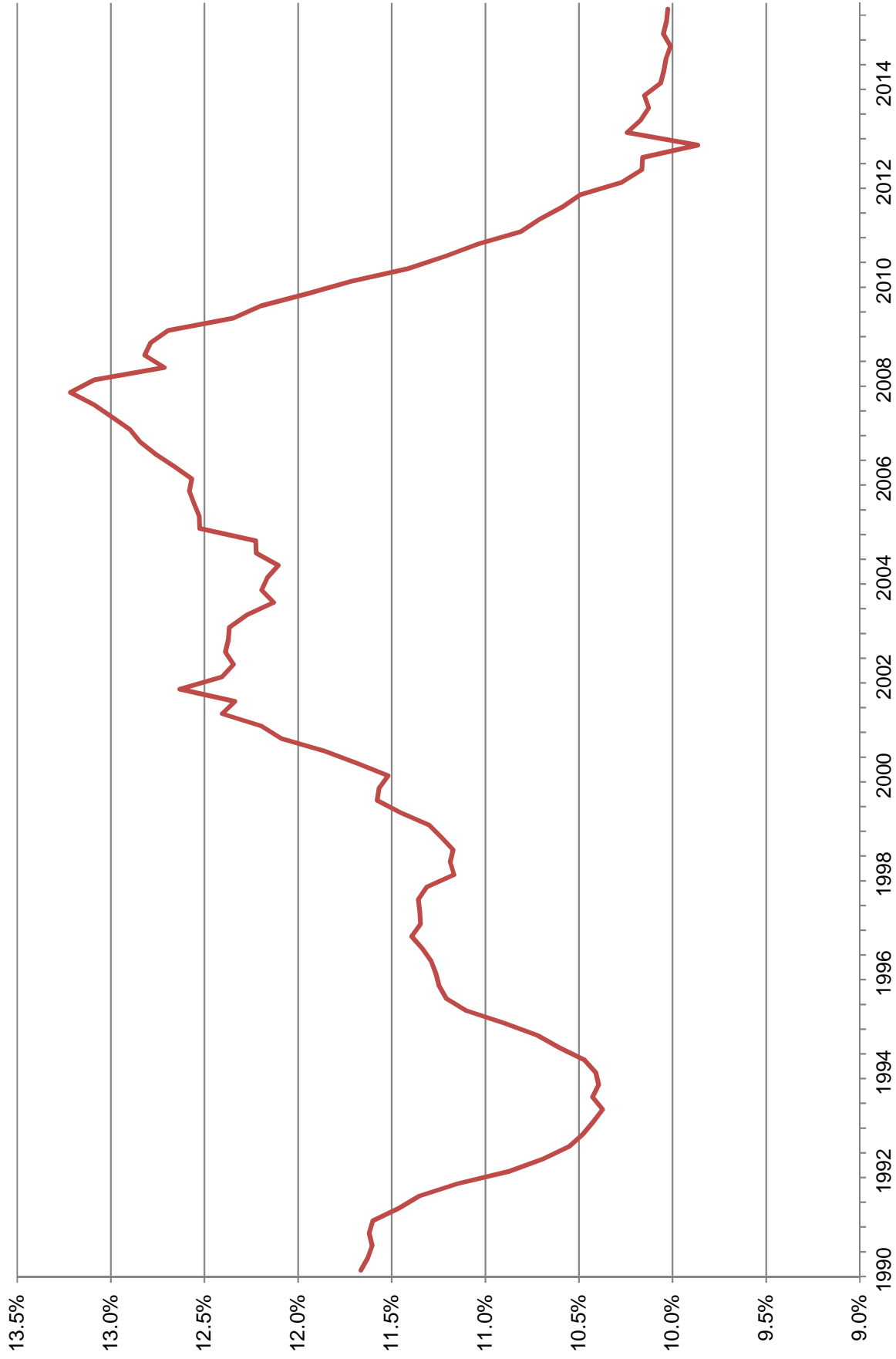
Source: CT Dept. of Revenue Services

US Household Debt as a Percentage of Net Income



Source: Federal Reserve Financial Accounts of the United States

US Household Debt Service to Personal Income Ratio



Source: Federal Reserve

State of Connecticut- Various Statistics

<u>Indicator</u>	<u>Rank</u>	<u>CT Rate/ Index</u>	<u>U.S. Rate/ Index</u>	<u>Notes</u>	<u>Source</u>
Earnings of Male Workers	1	\$61,097	\$47,473	2012 median earnings	U.S. Bureau of Census, 2012
Median Household Income	3	\$66,844	\$51,366	3 year average, 2010-2012	U.S. Bureau of Census, 2012
Population with an Advanced Degree	3	16.6%	10.9%	Persons aged 25 and older	U.S. Bureau of Census, 2012
Earnings of Female Workers	2	\$47,900	\$37,412	Median earnings	U.S. Bureau of Census, 2012
Population with a Bachelor's Degree	3	37.1%	29.1%	Persons aged 25 and older	U.S. Bureau of Census, 2012
Expenditures for Elementary & Secondary Education	5	25.6%	21.9%	% of all state & local direct general expenditures	U.S. Bureau of Census, 2011
Children who are Fully Immunized	4	77.1%	68.4%	Aged 19 to 35 months	U.S. Dept. of Health & Human Services, 2012
Personal Bankruptcy Rate	37	195.0	336.0	per 100,000 population	Admin. Office of the U.S. Courts, 2013
Crime Rate	44	2,423.0	3,246.1	per 100,000 population	FBI, 2012
Population Not Covered by Health Insurance	46	9.3%	15.8%	3 year average, 2010-2012	U.S. Bureau of Census, 2012
Adults who Smoke	47	16.0%	19.6%	Persons aged 18 and older	U.S. Dept. of Health & Human Services, 2012
Teenage Birth Rates	45	5.4%	8.3%	Percent of all births, women 15-19 years old	U.S. Dept. of Health & Human Services, 2011
Adults who are Overweight/Obese	36	62.3%	63.4%	Persons aged 18 and older	U.S. Dept. of Health & Human Services, 2012
Families Living in Poverty	44	7.7%	11.6%	Families with income below poverty level	U.S. Bureau of Census, 2012
Poverty Rate	46	10.5%	15.7%	3 year average 2010-2012 of % pop. in poverty	U.S. Bureau of Census, 2012
School Children Eligible for Reduced Price Meals	47	34.0%	47.9%	School year 2010-2011	U.S. Dept. of Education

Financing Schedule



Forward Financing Schedule
Preliminary - Subject to Change
2016 Calendar Year

Month/Pricing	Amount (\$)	Credit
March 2016	\$550,000,000	General Obligation Bonds
April 2016	\$300,000,000	UConn 2000 Bonds
May 2016	\$500,000,000 \$300,000,000	General Obligation Refunding Bonds General Obligation Bonds (Variable Rate)
August 2016	\$500,000,000	General Obligation Bonds (Including Taxable)
September 2016	\$800,000,000	Special Tax Obligation Bonds (Infrastructure Purposes)
November 2016	\$650,000,000	General Obligation Bonds

Cash Flow Schedule

Week Ending	ESTIMATED			ACTUAL			
	Weekly Surplus/Deficit	Cumulative Surplus/Deficit	Available (a) Cash Balance	Weekly Surplus/Deficit	Available (a) Cash Balance	Weekly Variance	Year to Date Variance
	Beginning Balance						
			2,218,347,422				
Jul-11-15	(19,539,800)	(19,539,800)	2,198,807,622	8,710,540	2,227,057,962	28,250,340	28,250,340
Jul-18-15	(293,145,029)	(312,684,829)	1,905,662,592	(239,542,788)	1,987,515,173	53,602,241	81,852,581
Jul-25-15	162,853,471	(149,831,359)	2,068,516,063	133,418,251	2,120,933,424	(29,435,220)	52,417,361
Aug-01-15	24,629,471	(125,201,888)	2,093,145,534	45,434,464	2,166,367,888	20,804,993	73,222,354
Aug-08-15	(147,749,029)	(272,950,918)	1,945,396,504	(104,561,222)	2,061,806,665	43,187,807	116,410,161
Aug-15-15	(98,740,029)	(371,690,947)	1,846,656,475	(125,504,606)	1,936,302,060	(26,764,576)	89,645,585
Aug-22-15	550,728,971	179,038,024	2,397,385,445	497,074,293	2,433,376,352	(53,654,678)	35,990,907
Aug-29-15	222,632,471	401,670,494	2,620,017,916	171,802,344	2,605,178,696	(50,830,127)	(14,839,220)
Sep-05-15	(727,542,029)	(325,871,535)	1,892,475,887	(593,581,439)	2,011,597,258	133,960,591	119,121,371
Sep-12-15	29,598,971	(296,272,565)	1,922,074,857	3,084,433	2,014,681,690	(26,514,538)	92,606,833
Sep-19-15	236,204,971	(60,067,594)	2,158,279,828	284,502,282	2,299,183,972	48,297,312	140,904,145
Sep-26-15	296,952,971	236,885,376	2,455,232,798	186,158,787	2,485,342,759	(110,794,184)	30,109,961
Oct-03-15	(706,983,529)	(470,098,153)	1,748,249,269	(596,079,228)	1,889,263,531	110,904,302	141,014,263
Oct-10-15	(43,945,450)	(514,043,603)	1,704,303,819	(179,055,879)	1,710,207,653	(135,110,429)	5,903,834
Oct-17-15	484,977,300	(29,066,303)	2,189,281,119	495,537,373	2,205,745,025	10,560,073	16,463,907
Oct-24-15	321,430,050	292,363,747	2,510,711,169	335,263,776	2,541,008,801	13,833,726	30,297,632
Oct-31-15	(638,483,950)	(346,120,203)	1,872,227,219	(589,046,157)	1,951,962,644	49,437,793	79,735,425
Nov-07-15	(87,341,450)	(433,461,653)	1,784,885,769	(45,467,096)	1,906,495,548	41,874,354	121,609,779
Nov-14-15	(276,499,450)	(709,961,103)	1,508,386,319	(275,616,614)	1,630,878,934	882,836	122,492,615
Nov-21-15	252,641,050	(457,320,053)	1,761,027,369	324,122,338	1,955,001,273	71,481,288	193,973,904
Nov-28-15	(33,061,450)	(490,381,503)	1,727,965,919	(83,409,963)	1,871,591,310	(50,348,513)	143,625,391
Dec-05-15	241,644,050	(248,737,453)	1,969,609,969	301,442,952	2,173,034,261	59,798,902	203,424,292
Dec-12-15	(201,917,950)	(450,655,403)	1,767,692,019	(96,935,571)	2,076,098,690	104,982,379	308,406,671
Dec-19-15	129,631,550	(321,023,853)	1,897,323,569	212,897,159	2,288,995,849	83,265,609	391,672,280
Dec-26-15	204,026,550	(116,997,303)	2,101,350,119	36,726,825	2,325,722,674	(167,299,725)	224,372,555
Jan-02-16	13,398,050	(103,599,253)	2,114,748,169	137,795,103	2,463,517,777	124,397,053	348,769,608
Jan-09-16	(343,764,450)	(447,363,703)	1,770,983,719	(386,723,615)	2,076,794,161	(42,959,165)	305,810,443
Jan-16-16	203,382,550	(243,981,153)	1,974,366,269	43,517,051	2,120,311,213	(159,865,499)	145,944,944
Jan-23-16	212,852,050	(31,129,103)	2,187,218,319	449,156,250	2,569,467,463	236,304,200	382,249,144
Jan-30-16	(118,627,950)	(149,757,053)	2,068,590,369	(467,520,762)	2,101,946,701	(348,892,812)	33,356,332
Feb-06-16	(18,796,768)	(168,553,821)	2,049,793,601	(37,873,346)	2,064,073,356	(19,076,577)	14,279,755
Feb-13-16	(120,537,950)	(289,091,771)	1,929,255,651	(111,676,822)	1,952,396,534	8,861,128	23,140,883
Feb-20-16	(243,067,950)	(532,159,721)	1,686,187,701	(246,557,571)	1,705,838,963	(3,489,621)	19,651,262
Feb-27-16	141,226,550	(390,933,171)	1,827,414,251				
Mar-05-16	(348,107,450)	(739,040,621)	1,479,306,801				
Mar-12-16	(53,319,950)	(792,360,571)	1,425,986,851				

Week Ending	E S T I M A T E D			A C T U A L			
	Weekly Surplus/Deficit	Cumulative Surplus/Deficit	Available (a) Cash Balance	Weekly Surplus/Deficit	Available (a) Cash Balance	Weekly Variance	Year to Date Variance
Mar-19-16	23,925,550	(768,435,021)	1,449,912,401				
Mar-26-16	54,416,050	(714,018,971)	1,504,328,451				
Apr-02-16	220,600,550	(493,418,421)	1,724,929,001				
Apr-09-16	85,008,050	(408,410,371)	1,809,937,051				
Apr-16-16	313,908,550	(94,501,821)	2,123,845,601				
Apr-23-16	663,004,050	568,502,229	2,786,849,651				
Apr-30-16	(664,945,450)	(96,443,221)	2,121,904,201				
May-07-16	(14,005,950)	(110,449,171)	2,107,898,251				
May-14-16	(254,985,450)	(365,434,621)	1,852,912,801				
May-21-16	(64,900,950)	(430,335,571)	1,788,011,851				
May-28-16	176,097,050	(254,238,521)	1,964,108,901				
Jun-04-16	(97,489,950)	(351,728,471)	1,866,618,951				
Jun-11-16	(28,775,950)	(380,504,421)	1,837,843,001				
Jun-18-16	62,302,550	(318,201,871)	1,900,145,551				
Jun-25-16	103,622,050	(214,579,821)	2,003,767,601				
Jun-30-16	128,875,550	(85,704,271)	2,132,643,151				
Average							1,952,618,717

(a) Includes bank concentration account and State Treasury - controlled STIF balances, STIF Plus, Extended Investment Portfolio, and Community Bank and Credit Union Initiative investments.

Please note, these projections are based on P.A. 15-244, as amended by P.A. 15-5, June Special Session, and the following bond sale schedule for FY 2016: \$500 million in GO proceeds in week ending Aug. 22, 2015, \$700 million in STO proceeds in week ending Oct. 17, 2015, \$650 million in GO proceeds in week ending Dec. 5, 2015, \$550 million in GO proceeds in week ending April 2, 2016 and \$300 million in GO proceeds in week ending May 28, 2016.