

May 15, 2026

The Honorable Martin M. Looney, President Pro Tempore
The Honorable Bob Duff, Senate Majority Leader
The Honorable Stephen Harding, Senate Minority Leader
The Honorable Matthew Ritter, Speaker of the House
The Honorable Jason Rojas, House Majority Leader
The Honorable Vincent Candelora, House Minority Leader

Re: Use of Federal Cuts Response Fund

Dear Legislative Leaders,

As you are aware, Special Act 26-1 transferred \$330,811,954 million from the Budget Reserve Fund to the Federal Cuts Response Fund.¹ Section 3(a) appropriates such amount from the Federal Cuts Response Fund to the Office of Policy and Management “for the purposes of responding to the policy impacts of P.L. 119-21 and mitigating any action or inaction by the federal government that results in a reduction in funding for any program in this state.” Pursuant to section 3(b), as Secretary of the Office of Policy and Management, I am authorized to transfer any amount of such appropriation to another agency or fund to give effect to the intent of the appropriation. Prior to transferring or expending said funds, section 4 requires me to provide notice of such transfers or expenditures to you.

In accordance with section 4 of Special Act 26-1, I hereby provide notice that I intend to transfer and expend funds appropriated under section 3(a) of said Act as described below. Specifically, I intend to transfer funds in the amounts listed below from the Federal Cuts Response Fund to the General Fund for the following expenditures:

- Funding for 50 new positions in the Department of Social Services to help with expanded operational demands resulting from eligibility changes under Public Law 119-21 in the amount of \$3,300,000.
- Replace reductions in federal funding for research grants to the University of Connecticut in the amount of \$21,000,000.

¹ Section 259 of Substitute Senate Bill 1, which is pending the Governor’s approval, authorizes an additional \$50,000,000 transfer to and appropriation from the Federal Cuts Response Fund.

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- Replace reductions in federal funding for research grants to the University of Connecticut Health Center in the amount of \$14,000,000.
- Provide funding to the Department of Agriculture to stabilize Connecticut's dairy industry, which has been impacted by federal policy changes, including declining Federal Milk Marketing Order pricing. The department will use a holistic multi-pronged approach, including but not limited to direct subsidies, reimbursement for enrollment in the USDA Farm Service Agency's Dairy Margin Coverage program, and other supportive measures in the amount of \$22,500,000.
- Provide funding to the Department of Labor to replace declining federal support for Unemployment Insurance (UI) to maintain current UI staffing dedicated to the various processes related to providing temporary income support to eligible workers who are unemployed in the amount of \$17,000,000.
- Provide funding to the Department of Labor to replace declining federal support for UI related activities, including support for updates and modernization of the UI information systems in the amount of \$500,000.
- Provide funding to the Department of Social Services for refugee assistance services to replace a significant reduction in federal funding for these services in the amount of \$3,000,000.
- Provide funding to the Department of Housing for short-term housing stabilization programs in collaboration with community partners to address impacts of changes in federal policy and funding in the amount of \$5,000,000.
- Provide funding to the Office of Policy and Management to design and develop affordable health insurance coverage options on the Access Health CT exchange, in the amount of \$1,000,000. Eligibility changes at the federal level, as required by Public Law 119-21, have reduced access and funding for affordable health insurance options. The funds will support a feasibility assessment on network and plan design and provide recommendations on provider participation incentives, opportunities to maximize federal funding, market analysis and other strategies to reduce premiums and overall health insurance costs.

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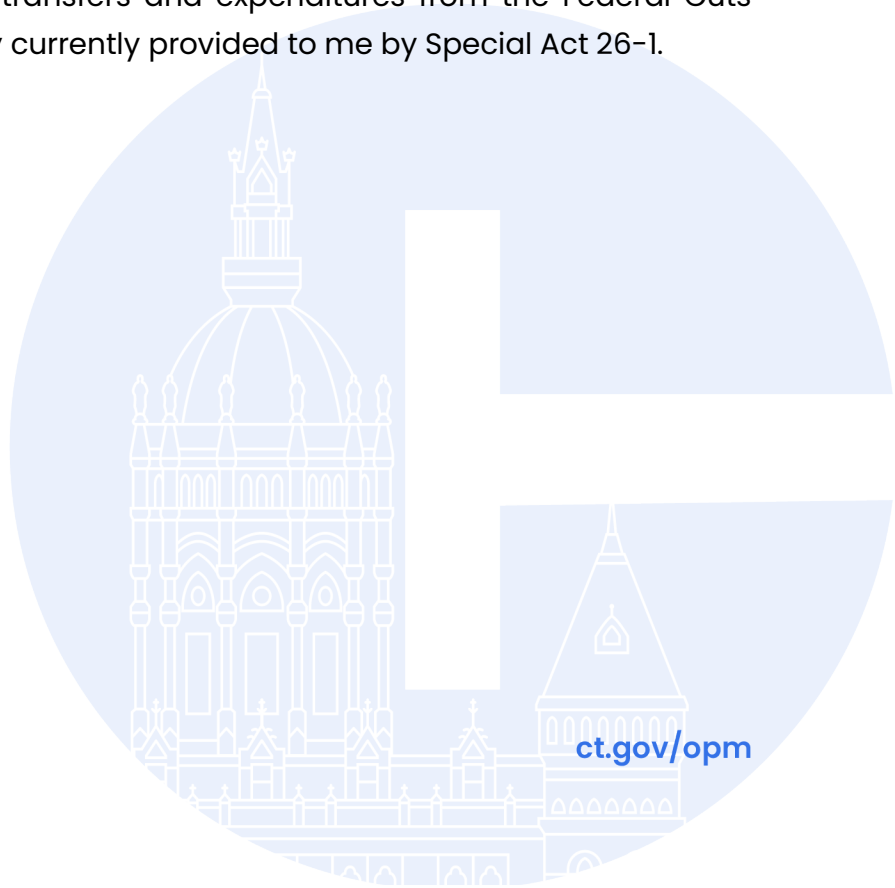
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Reauthorization of previously authorized transfers and expenditures. In addition to the transfers and expenditures listed above, I also intend to transfer funds from the Federal Cuts Response Fund to the General Fund for the following expenditures:

- Funding to support system upgrades at the Department of Social Services, ensuring the state can successfully implement the eligibility changes required by Public Law 119-21 in the amount of \$11,400,000 for the state share of these costs.
- Replace funding for mental health counselors provided by EdAdvance to schools in the Northwest region of Connecticut in the amount of \$830,000.
- Replace funding for Community School grants for Clifford Beers in New Haven, Waterbury Bridges to Success, and Hartford Public Schools which provide critical wraparound services, including healthcare and childcare, to children and families in these communities in the amount of \$4,513,000.

Through my letter to you dated January 29, 2026, I previously authorized these three transfers and expenditures from the \$500 million that was appropriated from the Budget Reserve Fund pursuant to Special Act 25-1 (November Special Session). As the funds for these expenditures were not obligated by the deadline of February 4, 2026, the appropriation lapsed and the remaining funds, including the unobligated portion of the three expenditures listed above, were transferred to the Federal Cuts Response Fund. Accordingly, I am informing you by this letter that I intend to reauthorize such transfers and expenditures from the Federal Cuts Response Fund pursuant to the authority currently provided to me by Special Act 26-1.



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Detailed below is a summary of the transfers that I intend to make.

T1	GENERAL FUND	2026-2027
T2		
T3	OFFICE OF POLICY AND MANAGEMENT	
T4	Other Expenses	1,000,000
T5		
T6	DEPARTMENT OF LABOR	
T7	Personal Services	17,000,000
T8	Other Expenses	500,000
T9		
T10	DEPARTMENT OF HOUSING	
T11	Housing/Homeless Services	5,000,000
T12		
T13	DEPARTMENT OF AGRICULTURE	
T14	Other Expenses	22,500,000
T15		
T16	DEPARTMENT OF SOCIAL SERVICES	
T17	Personal Services	3,300,000
T18	Other Expenses	11,400,000
T19	Community Services	3,000,000
T20		
T21	DEPARTMENT OF EDUCATION	
T22	Other Expenses	5,343,000
T23		
T24	UNIVERSITY OF CONNECTICUT	
T25	Operating Expenses	21,000,000
T26		
T27	UNIVERSITY OF CONNECTICUT HEALTH CENTER	
T28	Operating Expenses	14,000,000
T29		
T30	TOTAL - GENERAL FUND	104,043,000

With these transfers, \$226,768,954² remains available from the appropriations made pursuant to section 3 of Special Act 26-1. Additional funding needs may be identified, which

² An additional \$50,000,000 of appropriations will become available upon the Governor's approval of Substitute Senate Bill 1.

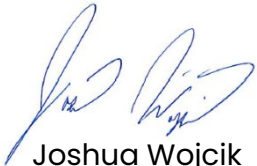
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may require further transfers or expenditures of these remaining funds. I will inform you of such additional transfers or expenditures as required by section 4 of said Act in one or more subsequent notifications.

Respectfully,



Joshua Wojcik
Secretary

Cc: Governor Lamont, OTG
Matthew Brokman, OTG
Courtney Cullinan, Senate Democrats
Franklin Perry, House Democrats
Sen. Catherine Osten, Appropriations Committee
Rep. Toni Walker, Appropriations Committee
Sen. Heather Somers, Ranking Member, Appropriations Committee
Rep. Tammy Nuccio, Ranking Member, Appropriations Committee
Neil Ayers, Director, Office of Fiscal Analysis
Jennifer Skehan, Chief of Staff, House Republicans
Michael Downes, Chief of Staff, Senate Republicans

