



# STATE OF CONNECTICUT

## OFFICE OF POLICY AND MANAGEMENT

September 20, 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 2017 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.

### **General Fund**

We are projecting a \$0.2 million balance from operations, unchanged from last month's estimate. Our revenue forecast remains consistent with the budget plan. As noted last month, we are closely watching trends in several revenue sources, including the Personal Income Tax, Sales and Use Tax, and Corporation Tax, all of which ended FY 2016 below expectations. Estimated expenditures are, in aggregate, consistent with the budget plan. The following deficiencies are forecast:

- Office of the Chief Medical Examiner. A total shortfall of \$275,000 is estimated, consisting of \$245,000 in Personal Services and \$30,000 in Other Expenses, as the adopted budget did not annualize funding provided via deficiency appropriation in FY 2016.
- Public Defender Services Commission. A total shortfall of \$3.7 million is projected, with \$2.4 million in Personal Services, \$1.0 million in Assigned Counsel – Criminal, and \$300,000 in Expert Witnesses.


These deficiencies are offset by a projected \$4.0 million lapse in the Employers Social Security Tax appropriation within the Fringe Benefits accounts managed by the Office of the State Comptroller. As previously noted, our office is monitoring achievement of significant lapses assumed in the adopted budget for all branches of government.

### **Special Transportation Fund**

Estimated revenues remain unchanged relative to the adopted budget. A \$15.3 million Debt Service lapse satisfies the budgeted Unallocated Lapse and improves balance by \$3.3 million compared to the budget plan. We anticipate the fund balance on June 30, 2017 to be \$147.1 million.

It is important to note that while this represents the best forecast that can be made at this time, future estimates will differ as a result of changes in the economy, expenditure patterns, and/or other factors as the year progresses.

Sincerely,

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

Benjamin Barnes  
Secretary

Summary  
September 20, 2016

State of Connecticut  
Summary of Changes  
General Fund and Special Transportation Fund  
Projected to June 30, 2017  
As of August 31, 2016  
(In Millions)

**General Fund**

Balance from Operations - Prior Month		\$	0.2
Revenues			
All Changes (Net)	<u>0.0</u>		0.0
Expenditures			
Additional Requirements	(4.0)		
Estimated Lapses	4.0		
Miscellaneous Adjustments/Rounding	<u>0.0</u>		<u>0.0</u>
Estimated Balance from Operations - June 30, 2017		\$	<u>0.2</u>

**Special Transportation Fund**

Fund Balance as of June 30, 2016		\$	142.8
Balance from Operations - Prior Month			1.0
Revenues			
All Changes (Net)	<u>0.0</u>		0.0
Expenditures			
Additional Requirements	0.0		
Estimated Lapses	3.3		
Miscellaneous Adjustments/Rounding	<u>0.0</u>		<u>3.3</u>
Estimated Fund Balance - June 30, 2017		\$	<u>147.1</u>

State of Connecticut  
General Fund  
Statement of Revenues, Expenditures, and Results of Operations  
Projected to June 30, 2017  
As of August 31, 2016  
(In Millions)

	General Assembly Budget Plan <sup>1</sup>	Revised Estimates OPM	Over/ (Under)
<b>REVENUE</b>			
Taxes	\$ 16,768.5	\$ 16,768.5	\$ -
Less: Refunds	(1,248.6)	(1,248.6)	-
Taxes - Net	\$ 15,519.9	\$ 15,519.9	\$ -
Other Revenue	1,219.0	1,219.0	-
Other Sources	1,147.8	1,147.8	-
<b>TOTAL Revenue</b>	<b>\$ 17,886.7</b>	<b>\$ 17,886.7</b>	<b>\$ -</b>
<b>EXPENDITURES</b>			
Initial Current Year Appropriations	\$ 18,073.3	\$ 18,073.3	\$ 0.0
Prior Year Appropriations Continued to FY 2017 <sup>2</sup>		95.1	95.1
<b>TOTAL Initial and Continued Appropriations</b>	<b>\$ 18,073.3</b>	<b>\$ 18,168.4</b>	<b>\$ 95.1</b>
Appropriation Adjustments	-	-	-
<b>TOTAL Adjusted Appropriations</b>	<b>\$ 18,073.3</b>	<b>\$ 18,168.4</b>	<b>\$ 95.1</b>
Net Additional Expenditure Requirements		4.0	4.0
Estimated Appropriations Lapsed	(209.3)	(190.8)	18.5
Estimated Appropriations to be Continued to FY 2018		-	-
<b>TOTAL Estimated Expenditures</b>	<b>\$ 17,864.0</b>	<b>\$ 17,981.6</b>	<b>\$ 117.6</b>
Net Change in Fund Balance - Continuing Appropriations		(95.1)	(95.1)
Miscellaneous Adjustments/Rounding		-	-
<b>Net Change in Unassigned Fund Balance - 6/30/2017</b>	<b>\$ 22.7</b>	<b>\$ 0.2</b>	<b>\$ (22.5)</b>

1. P.A. 15-244, as amended by P.A. 15-5, June Spec. Sess. and P.A. 16-2, May Spec. Sess., after gubernatorial line item vetoes.

2. P.A. 15-244, as amended by P.A. 15-5, June Spec. Sess., P.A. 16-2, May Spec. Sess., and other statutory provisions.

State of Connecticut  
General Fund  
Revenue Estimates  
Projected to June 30, 2017  
As of August 31, 2016  
(In Millions)

	General Assembly Budget Plan <sup>1</sup>	Revised Estimates OPM	Over/ (Under)
<b>TAXES</b>			
Personal Income	\$ 9,519.0	\$ 9,519.0	\$ -
Sales and Use	4,328.7	4,328.7	-
Corporation	839.3	839.3	-
Public Service Corporations	283.9	283.9	-
Inheritance and Estate	174.6	174.6	-
Insurance Companies	245.4	245.4	-
Cigarettes	371.1	371.1	-
Real Estate Conveyance	201.8	201.8	-
Alcoholic Beverages	62.2	62.2	-
Admissions and Dues	39.0	39.0	-
Health Provider Tax	683.4	683.4	-
Miscellaneous	20.1	20.1	-
<b>TOTAL - TAXES</b>	<b>\$ 16,768.5</b>	<b>\$ 16,768.5</b>	<b>\$ -</b>
Less: Refunds of Taxes	(1,106.5)	(1,106.5)	-
Earned Income Tax Credit	(133.6)	(133.6)	-
R & D Credit Exchange	(8.5)	(8.5)	-
<b>TOTAL - TAXES - NET</b>	<b>\$ 15,519.9</b>	<b>\$ 15,519.9</b>	<b>\$ -</b>
<b>OTHER REVENUE</b>			
Transfers - Special Revenue	\$ 355.5	\$ 355.5	\$ -
Indian Gaming Payments	267.0	267.0	-
Licenses, Permits, Fees	269.2	269.2	-
Sales of Commodities and Services	42.6	42.6	-
Rents, Fines, Escheats	128.0	128.0	-
Investment Income	3.8	3.8	-
Miscellaneous	219.0	219.0	-
Refunds of Payments	(66.1)	(66.1)	-
<b>TOTAL - OTHER REVENUE</b>	<b>\$ 1,219.0</b>	<b>\$ 1,219.0</b>	<b>\$ -</b>
<b>OTHER SOURCES</b>			
Federal Grants	\$ 1,257.6	\$ 1,257.6	\$ -
Transfer from Tobacco Settlement Fund	108.5	108.5	-
Transfers From/(To) Other Funds	(218.3)	(218.3)	-
<b>TOTAL - OTHER SOURCES</b>	<b>\$ 1,147.8</b>	<b>\$ 1,147.8</b>	<b>\$ -</b>
<b>TOTAL - GENERAL FUND REVENUE</b>	<b>\$ 17,886.7</b>	<b>\$ 17,886.7</b>	<b>\$ -</b>

1. P.A. 16-2, May Special Session, and P.A. 16-3, May Special Session.

State of Connecticut - General Fund  
Appropriation Adjustments - Net Additional Requirements  
Projected to June 30, 2017  
As of August 31, 2016

Office of the Chief Medical Examiner	\$	275,000
Public Defenders Services Commission	\$	3,700,000
Total	\$	<u>3,975,000</u>

State of Connecticut  
General Fund  
Estimated Lapses  
Projected to June 30, 2017  
As of August 31, 2016

Unallocated Lapse - Amount Allocated <sup>1</sup> .	\$ 41,879,699
Unallocated Lapse - Remaining	30,096,493
Unallocated Lapse - Legislative <sup>1</sup> .	3,028,105
Unallocated Lapse - Judicial <sup>1</sup> .	7,400,672
General Lapse - Judicial	15,075,000
Targeted Savings - Amount Allocated	61,801,472
Targeted Savings - Remaining	7,047,496
Arts and Tourism Lapse	500,000
Municipal Opportunities and Regional Efficiencies Lapse	20,000,000
OSC - Fringe Benefits	4,000,000
Total	<u>\$ 190,828,937</u>

1. Allocable pursuant to Public Act 16-2, May Spec. Sess., Section 35.

State of Connecticut  
2016-17 General Fund  
Summary of Operations Per Letter to the Comptroller  
(in Millions)

	Budget Plan <sup>1</sup>	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017
REVENUE	\$ 17,886.7	\$ 17,886.7	\$ 17,886.7										
Appropriations	18,073.3	18,073.3	18,073.3										
Additional Requirements	0.0	0.0	4.0										
Less: Estimated Lapses	(209.3)	(186.8)	(190.8)										
TOTAL - Estimated Expenditures	17,864.0	17,886.5	17,886.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance from Operations	22.7	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc. Adjustments/Rounding	0.0	0.0	0.0										
Est. Balance from Operations - 6/30/17	\$22.7	\$0.2	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

1. P.A. 15-244, as amended by P.A. 15-5, June Spec. Sess. and P.A. 16-2, May Spec. Sess.



State of Connecticut  
Special Transportation Fund  
Analysis of Budget Plan  
Projected to June 30, 2017  
As of August 31, 2016  
(In Millions)

	General Assembly Budget Plan <sup>1</sup>	Revised Estimates OPM	Over/ (Under)
Fund Balance as of June 30, 2016 <sup>2</sup>	\$ 150.4	\$ 142.8	\$ (7.6)
<b>REVENUE</b>			
Taxes	\$ 1,065.3	\$ 1,065.3	\$ -
Less: Refunds of Taxes	(14.5)	(14.5)	-
Taxes - Net	1,050.8	1,050.8	-
Other Revenue	413.6	413.6	-
<b>TOTAL - Revenue</b>	<b>\$ 1,464.4</b>	<b>\$ 1,464.4</b>	<b>\$ -</b>
<b>EXPENDITURES</b>			
Appropriations	\$ 1,475.4	\$ 1,475.4	\$ -
Prior Year Appropriations Continued to FY 2016 <sup>2</sup>		22.6	22.6
<b>TOTAL Initial and Continued Appropriations</b>	<b>\$ 1,475.4</b>	<b>\$ 1,498.0</b>	<b>\$ 22.6</b>
Appropriation Adjustments	-	-	-
<b>TOTAL Adjusted Appropriations</b>	<b>\$ 1,475.4</b>	<b>\$ 1,498.0</b>	<b>\$ 22.6</b>
Net Additional Expenditure Requirements		-	-
Estimated Appropriations Lapsed	(12.0)	(15.3)	(3.3)
Estimated Appropriations to be Continued to FY 2017		-	-
<b>TOTAL Estimated Expenditures</b>	<b>\$ 1,463.4</b>	<b>\$ 1,482.7</b>	<b>\$ 19.3</b>
Net Change in Fund Balance - Continuing Appropriations		(22.6)	(22.6)
Miscellaneous Adjustments/Rounding		-	-
<b>Net Change in Unassigned Fund Balance - FY 2017</b>	<b>\$ 1.0</b>	<b>\$ 4.3</b>	<b>\$ 3.3</b>
Estimated Fund Balance - June 30, 2017	<u>\$ 151.4</u>	<u>\$ 147.1</u>	<u>\$ (4.3)</u>

1. P.A. 15-244, as amended by P.A. 15-5, June Spec. Sess. and P.A. 16-2, May Spec. Sess.

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

State of Connecticut  
Special Transportation Fund  
Revenue Estimates  
Projected to June 30, 2017  
As of August 31, 2016  
(In Millions)

	General Assembly Budget Plan <sup>1</sup>	Revised Estimates OPM	Over/ (Under)
<b>TAXES</b>			
Motor Fuels	\$ 503.7	\$ 503.7	\$ -
Oil Companies	268.4	268.4	-
Sales & Use Tax	202.9	202.9	-
Sales Tax DMV	90.3	90.3	-
TOTAL - TAXES	<u>1,065.3</u>	<u>1,065.3</u>	<u>-</u>
Less: Refunds of Taxes	(14.5)	(14.5)	-
TOTAL - TAXES - NET	<u>\$ 1,050.8</u>	<u>\$ 1,050.8</u>	<u>\$ -</u>
<b>OTHER REVENUE</b>			
Motor Vehicle Receipts	\$ 261.8	\$ 261.8	\$ -
Licenses, Permits, Fees	141.5	141.5	-
Interest Income	8.5	8.5	-
Federal Grants	12.1	12.1	-
Transfers (To)/From Other Funds	(6.5)	(6.5)	-
Refunds of Payments	(3.8)	(3.8)	-
TOTAL - OTHER REVENUE	<u>\$ 413.6</u>	<u>\$ 413.6</u>	<u>\$ -</u>
TOTAL - SPECIAL TRANSPORTATION FUND REVENUE	<u>\$ 1,464.4</u>	<u>\$ 1,464.4</u>	<u>\$ -</u>

1. P.A. 15-244, as amended by P.A. 15-5, June Spec. Sess. and P.A. 16-2, May Spec. Sess.

Statement 3T  
September 20, 2016

State of Connecticut  
Special Transportation Fund  
Appropriation Adjustments - Net Additional Requirements  
Projected to June 30, 2017  
As of August 31, 2016

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

Statement 4T  
September 20, 2016

State of Connecticut  
Special Transportation Fund  
Estimated Lapses  
Projected to June 30, 2017  
As of August 31, 2016

Unallocated Lapse	\$ -
OTT - Debt Service	15,300,000
Total	<u>\$ 15,300,000</u>

State of Connecticut  
2016-17 Special Transportation Fund  
Summary of Operations Per Letter to the Comptroller  
(In Millions)

	Budget Plan 1	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017
Beginning Balance 2	\$ 150.4	\$ 150.4	\$ 142.8										
Revenue	1,464.4	1,464.4	1,464.4										
Total Available	1,614.8	1,614.8	1,607.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Appropriations	1,475.4	1,475.4	1,475.4										
Additional Requirements	0.0	0.0	0.0										
Less: Estimated Lapses	(12.0)	(12.0)	(15.3)										
TOTAL - Estimated Expenditures	1,463.4	1,463.4	1,460.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance from Operations	1.0	1.0	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc. Adjustments/Rounding	0.0	0.0	0.0										
Estimated Balance 6/30/16	\$151.4	\$151.4	\$147.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

1. P.A. 15-244, as amended by P.A. 15-5, June Spec. Sess. and P.A. 16-2, May Spec. Sess.  
2. Budget Plan and the months of July and August as estimated by the Office of Policy and Management.