

# OFFICE OF FISCAL ANALYSIS

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## EMERGENCY CERTIFICATION

SB-543

AN ACT CONCERNING REVISIONS TO THE STATE BUDGET FOR FISCAL YEAR 2019 AND DEFICIENCY APPROPRIATIONS FOR FISCAL YEAR 2018.

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### ***OFA Fiscal Note***

***State Impact:*** See Below

***Municipal Impact:*** See Below

### ***Explanation***

Revisions to the enacted FY 19 budget in this amendment provide for an operating surplus of \$8.3 million in the General Fund and \$20.6 million across all Appropriated Funds.

### **Revised FY 19 Balance**

<b>Fund</b>	<b>Revenue</b>	<b>Appropriations</b>	<b>Surplus/ (Deficit) \$</b>
General	19,008.7	18,998.2	10.5
Special Transportation	1,620.5	1,617.3	3.2
Other Appropriated	249.2	239.9	9.3
<b>TOTAL</b>	<b>20,878.4</b>	<b>20,855.4</b>	<b>23.1</b>

Revenue figures above reflect FRB Committee adoption. Separately, Sections 62 - 63 of the bill results in a revenue loss of \$2.3 million (GF) and \$0.2 million (STF) in FY 19.

The amendment revises appropriations in the General Fund, Special Transportation Fund and the Insurance Fund. Appropriations for all appropriated funds total \$20.9 billion in FY 19 as summarized below.

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Contributing Analyst(s):

5/9/18

## Revised FY 19 Appropriations

Fund	Original Appropriation FY 19	Governor Revised FY 19	Revised Appropriation FY 19	Revised - Governor	Revised-Original
General Fund	19,885,371,203	18,870,506,700	19,019,669,599	149,162,899	(865,701,604)
Special Transportation Fund	1,640,068,939	1,631,817,521	1,629,282,343	(2,535,178)	(10,786,596)
Banking Fund	27,386,848	27,756,956	27,386,848	(370,108)	-
Insurance Fund	95,035,932	91,566,573	95,206,162	3,639,589	170,230
Consumer Counsel and Public Utility Control Fund	25,571,954	25,664,830	25,571,954	(92,876)	-
Workers' Compensation Fund	24,940,502	26,113,195	24,940,502	(1,172,693)	-
Mashantucket Pequot and Mohegan Fund	49,942,796	49,692,232	49,942,796	250,564	-
Regional Market Operation Fund	1,067,306	1,067,306	1,067,306	-	-
Criminal Injuries Compensation Fund	2,934,088	2,934,088	2,934,088	-	-
Passport to the Parks Fund	-	11,837,325	-	(11,837,325)	-
Tourism Fund	12,644,988	16,282,076	12,894,988	(3,387,088)	250,000
<b>Total Gross Appropriations</b>	<b>21,764,964,556</b>	<b>20,755,238,802</b>	<b>20,888,896,586</b>	<b>133,657,784</b>	<b>(876,067,970)</b>
<b>General Fund Lapses</b>					
Unallocated Lapse	(51,765,570)	(9,515,570)	(9,515,570)	-	42,250,000
Unallocated Lapse - Legislative	(1,000,000)	-	-	-	1,000,000
Unallocated Lapse - Judicial	(8,000,000)	(5,000,000)	(5,000,000)	-	3,000,000
Statewide Hiring Reduction - Executive	(7,000,000)	-	(7,000,000)	(7,000,000)	-
Targeted Savings	(150,878,179)	-	-	-	150,878,179
Achieve Labor Concessions	(867,600,000)	-	-	-	867,600,000
Municipal Aid Savings	(8,500,000)	-	-	-	8,500,000
<b>General Fund Total Lapses</b>	<b>(1,094,743,749)</b>	<b>(14,515,570)</b>	<b>(21,515,570)</b>	<b>(7,000,000)</b>	<b>1,073,228,179</b>
<b>Special Transportation Fund Lapses</b>					
Unallocated Lapse	(12,000,000)			-	-

Fund	Original Appropriation FY 19	Governor Revised FY 19	Revised Appropriation FY 19	Revised - Governor	Revised-Original
	)	(12,000,000)	(12,000,000)		
<b>Special Transportation Fund Total Lapses</b>	<b>(12,000,000)</b>	<b>(12,000,000)</b>	<b>(12,000,000)</b>	-	-
General Fund	18,790,627,454	18,855,991,130	18,998,154,029	142,162,899	207,526,575
Special Transportation Fund	1,628,068,939	1,619,817,521	1,617,282,343	(2,535,178)	(10,786,596)
Banking Fund	27,386,848	27,756,956	27,386,848	(370,108)	-
Insurance Fund	95,035,932	91,566,573	95,206,162	3,639,589	170,230
Consumer Counsel and Public Utility Control Fund	25,571,954	25,664,830	25,571,954	(92,876)	-
Workers' Compensation Fund	24,940,502	26,113,195	24,940,502	(1,172,693)	-
Mashantucket Pequot and Mohegan Fund	49,942,796	49,692,232	49,942,796	250,564	-
Regional Market Operation Fund	1,067,306	1,067,306	1,067,306	-	-
Criminal Injuries Compensation Fund	2,934,088	2,934,088	2,934,088	-	-
Passport to the Parks Fund	-	11,837,325	-	(11,837,325)	-
Tourism Fund	12,644,988	16,282,076	12,894,988	(3,387,088)	250,000
<b>Total Net Appropriations</b>	<b>20,658,220,807</b>	<b>20,728,723,232</b>	<b>20,855,381,016</b>	<b>126,657,784</b>	<b>197,160,209</b>

### Spending Cap

The revised budget in the amendment is under the spending cap by \$734.4 million in FY 18 and \$0.5 million in FY 19.

The revised FY 19 budget growth rate in the amendment for the all appropriated funds is 2.1% over FY 18 original appropriations. See table below for details.

**Growth Rates of Appropriations (\$ in millions)**

	Original Appropriation FY 18	Original Appropriation FY 19	Revised Appropriation FY 19	Change From Orig. FY 18 to Revised FY 19		Change From Orig. FY 19 to Revised FY 19	
General Fund	18,690.1	18,790.6	18,998.2	308.1	1.6%	207.5	1.1%
Transportation Fund	1,510.9	1,628.1	1,617.3	106.4	7.0%	(10.8)	-0.7%
Other Appropriated Funds	229.5	239.5	239.9	10.4	4.6%	0.4	0.2%
<b>TOTAL</b>	<b>20,430.5</b>	<b>20,658.2</b>	<b>20,855.4</b>	<b>424.9</b>	<b>2.1%</b>	<b>197.2</b>	<b>1.0%</b>

The following provides a description of provisions related to the revised FY 19 budget.

**Sec. 5(a)** eliminates the labor management lapse of \$867,600,000 to reflect the allocation into agency budgets.

**Sec. 5(b)** states that any reductions to allotments related to labor management savings that are applicable to Connecticut State Colleges and Universities, The University of Connecticut and The University of Connecticut Health Center shall be credited to the General Fund. This is not expected to result in a fiscal impact.

**Sec. 6(a)** reduces the unallocated lapse amount to the executive branch from \$45,000,000 to \$9,515,570 to reflect the allocation into agency budgets.

**Sec. 6(b)** eliminates the unallocated lapse amount to the legislative branch of \$1,000,000 to reflect the allocation into agency budgets.

**Sec. 6(c)** reduces the unallocated lapse amount to the judicial branch from \$8,000,000 to \$5,000,000 to reflect the allocation into agency budgets.

**Sec. 7** eliminates the targeted savings lapse of \$150,878,179 to reflect the allocation into agency budgets.

**Sec. 8 and 9** authorize the carry forward of FY 18 appropriations into FY 19, in the total amount of \$320.2 million. Of this, \$299.2 million will fund supplemental hospital

payments and \$21 million will support Medicaid expenditures in FY 19. Carried forward funds are not counted as year-end lapses that contribute to a surplus; thus, these sections reduce the anticipated FY 18 year-end deposit into the Budget Reserve Fund by \$320.2 million.

**Sec. 10** specify that the Office of Policy and Management may not achieve any unallocated FY 19 General Fund lapses in PA 17-2, the FY 18 and FY 19 budget, or PA 17-4 by reducing (1) municipal aid, (2) grants to the Connecticut Children's Medical Center or the Justice Education Center, or (3) funding for the Youth Employment Program or the Youth Violence Prevention Initiative. This precludes any reduction in these grant programs in FY 19 that would have been achieved through a lapse.

**Sec. 11** specifies that the state appropriation for the TRB health plan be allotted 50% on July first and 50% before December first. Allotting 50% of the appropriation in the first quarter is intended to alleviate potential cash flow issues since the health insurance premium account fund balance typically reaches a low point in September.

**Sec. 12, 70** authorizes the Public Utilities Regulatory Authority (PURA) to disburse \$63.5 million in FY 18 and \$53.5 million in FY 19, from the Energy Conservation and Load Management Fund (ECLMF). It requires disbursements to occur proportionately based on receipts received by each of the funds. Sweeps, previously identified in the amount of \$63.5 million for each of FY 18 and FY 19, identified in Sec. 683 of PA 17-2, the FY 18 and FY 19 biennial budget, have not yet been authorized.

**Sec. 13** restores Medicare Savings Program (MSP) income eligibility levels to a range of 211% FPL to 246% FPL on July 1, 2018, which results in a Medicaid cost of \$61.5 million and an associated federal revenue loss of \$68.5 million. Section 1 of the amendment provides funding for this change.

**Sec. 14** authorizes disbursements in the amount of \$700,000 in total, or \$100,000 each to the following entities, to be paid by the Department of Energy and Environmental Protection from the Passport to the Parks account: (1) The Connecticut River Coastal Conservation District, (2) the Eastern Conservation District, (3) the North Central Conservation District, (4) the Northwest Conservation District, (5) the Southwest Conservation District, (6) the Connecticut Environmental Review Team, and (7) the Connecticut Council on Water and Soil Conservation, beginning in FY 19 and annually thereafter.

**Sec. 15** designates \$1.5 million appropriated in Talent Development for the purposes of the teacher education and mentoring program.

**Sec. 16** allocates up to \$16.2 million in General Fund support for the community college system to subsidize the cost of fringe benefits for non-General Fund supported employees at the institutions within the Office of the State Comptroller fringe benefit (OSC-FB) accounts beginning in FY 19 and for each fiscal year thereafter. Section 1 reflects funding of \$16.2 million in FY 19 for the community college system within OSC-FB.

**Sec. 17** adds four additional cities – Danbury, Waterbury, West Haven, and Meriden, to the list of cities that receive a grant from the Judicial Department Youth Violence Initiative. Currently Bridgeport, Hartford, and New Haven receive grants. As the appropriation to this account is not increased, this results in a revenue loss to the current cities. Section 1 includes an appropriation of \$1,203,303 for this account, with each city receiving approximately \$171,900 in FY 19.

**Sec. 18** specifies that \$2 million is appropriated in Section 1 of this amendment to the Department of Veterans Affairs personal services account for the purpose of attaining a dual licensure for the Connecticut Veterans Home and Hospital. The dual licensure shall be a chronic disease hospital and a skilled nursing facility and will be implemented no later than January 1, 2021.

**Sec. 19** appropriates total funding of \$1.5 million to provide assistance to persons residing in the state who were displaced by Hurricane Maria. Funding is appropriated as follows: (1) \$400,000 million to the State Department of Education for Bilingual Education, (2) \$600,000 to the Department of Housing for Housing/Homeless Services to fund security deposits and first month rent to those evacuees impacted by Hurricane Maria, and (3) \$500,000 to the Department of Social Services for Human Resource Development (HRD)-Hispanic Programs. Funding appropriated to HRD- Hispanic Programs will provide grants of \$90,000 each to the Hispanic Coalition Inc. in Waterbury, Junta For Progressive Action in New Haven, Family Resource Center in Hartford, Caribe Youth Leaders in Waterbury, and \$40,000 each to Casa Boricua in Meriden, Human Resource Agency of New Britain Inc. in New Britain, YMCA of Greater Hartford, Larson Center, and \$20,000 to Thames Valley Council for Community Action in New London.

**Sec. 20** puts a growth factor on the newly established “volatility cap” which permanently limits the projected total amount of Estimated and Final (E&F) revenues available to the General Fund at \$3.15 billion.

Specifically, the amendment would allow the volatility cap to grow each fiscal year at the compound annual rate of growth in personal income over the previous five calendar years. The revised (per the amendment) volatility cap would increase the amounts of E&F revenues available to formulate General Fund budgets while reducing the amounts set aside in consensus revenue projections for year-end transfers to the Budget Reserve Fund.

The table below reflects the estimated General Fund (+) and Budget Reserve Fund (-) changes. For instance, the impact in FY 19 increases General Fund revenues by \$46.8 million while reducing the set aside for the Budget Reserve Fund in the same amount.

**Impact of the “Volatility Cap” Revision (\$ in millions)**

	<b>FY 18</b>	<b>FY 19</b>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 22</b>
Growth rate	-	1.5%	2.6%	2.5%	2.6%	3.0%
Revised Volatility Cap	3,150.0	3,196.8	3,278.8	3,362.4	3,449.4	3,551.4
Change	-	46.8	82.0	83.6	87.0	102.0
Change Cumulative		46.8	128.8	212.4	299.4	401.4

**Sec. 21** codifies that changes in the amendment to the volatility cap (via Sec. 20) will be included in the bond covenant.

**Sec. 22** transfers \$16.1 million from the Budget Reserve Fund to the retired teachers’ health insurance premium account. This transfer, when combined with the appropriation in the retirees health service cost account of \$14.6 million, provides a state contribution totaling \$30.6 million for the TRB retiree health plan. This reflects approximately 33% of the TRB retiree health basic plan estimated expenditure for FY 19.

**Sec. 23 and 24** (1) specify the distribution of about \$30.7 million in Motor Vehicle Property Tax reimbursement grants in FY 19, and (2) change the calculation of the Car Tax grants in FY 20 and annually thereafter, so that FY 18 mill rates are used, rather than FY 15 mill rates, to calculate the revenue loss resulting from the mill rate cap on motor vehicles. This increases the cost of providing Motor Vehicle Property Tax grants in the out years by about \$15.7 million.

**Sec. 25** designates \$240,000 of the funds appropriated to the Housing and Homeless Services account in the Department of Housing be used to fund grants of \$150,000 to the New London Homeless Hospitality Center and \$90,000 to Noble House operated by Casa, Inc. in Bridgeport.

**Sec. 26** specifies that \$127,000 of the funding appropriated to DSS for Human Resource Development-Hispanic Programs in FY 19 be made available for a grant to the Spanish Community of Wallingford.

**Sec. 27 - 28** amend various sales tax transfers beginning in FY 19. The impacts are listed in the table below.

**Sales Tax Policy Impacts**

Policy	FY 19 \$	FY 20 \$	FY 21 \$	FY 22 \$	FY 23 \$
Accelerate Car Sales Tax Diversion to STF	(29.0)	(120.1)	(137.9)	(130.1)	(147.7)
Eliminate Restoration of MRSA	-	339.2	347.3	-	-
Lower Sales and Use Tax Rate for Vessel-Related	(2.3)	(2.3)	(2.3)	(2.1)	(2.1)
<b>Subtotal GF Impact</b>	<b>(31.3)</b>	<b>216.8</b>	<b>207.1</b>	<b>(132.2)</b>	<b>(149.8)</b>
Accelerate Car Sales Tax Diversion to STF	29.0	120.1	137.9	130.1	147.7
Lower Sales and Use Tax Rate for Vessel-Related	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
<b>Subtotal STF Impact</b>	<b>28.8</b>	<b>119.9</b>	<b>137.7</b>	<b>129.9</b>	<b>147.5</b>
Eliminate Restoration of MRSA	-	(339.2)	(347.3)	-	-
Lower Sales and Use Tax Rate for Vessel-Related	-	-	-	(0.2)	(0.2)
<b>Subtotal MRSA Impact</b>	<b>-</b>	<b>(339.2)</b>	<b>(347.3)</b>	<b>(0.2)</b>	<b>(0.2)</b>
<b>TOTAL ALL FUNDS</b>	<b>(2.5)</b>	<b>(2.5)</b>	<b>(2.5)</b>	<b>(2.5)</b>	<b>(2.5)</b>

**Sec. 29 - 32** reflect the appropriated fund revenue estimates for FY 19 as adjusted by this amendment.

**FY 19 REVENUE IMPACTS**

The following table outlines the various sections of the amendment that have a revenue impact.

Section	Policy	Fund	FY 19	FY 20
1	Reflect the Net Federal Revenue Impact from State Policy Changes	General Fund	3.0	3.0
1	Reflect Federal Match for I/DD Private Provider Increase	General Fund	10.8	21.5



12, 60	Reduce Transfer from the Conservation & Load Management Fund	General Fund	(10.0)	-
13	Restore Medicare Savings Program Eligibility	General Fund	(68.5)	(68.5)
20	Index the Volatility Cap	General Fund	46.8	82.0
35	Restore \$ 1 Million to Support CT-N	General Fund	(1.0)	(1.0)
55	Reflect Fed. Reimbursement of FY 20 Appropriations for Supplemental Hospital Pool	General Fund	-	(222.2)
60, 61	Eliminate Transfer to the Early Childhood Ed. Program	General Fund	-	10.0
60, 61	Eliminate Transfer to Tobacco & Health Trust Fund	General Fund	-	6.0
62, 63	Accelerate Car Sales Tax Diversion to STF	General Fund	(29.0)	(120.1)
62, 63	Accelerate Car Sales Tax Diversion to STF	Special Transportation Fund	29.0	120.1
62, 63	Lower Sales Tax Rate for Vessel-Related Sales	General Fund	(2.3)	(2.3)
62, 63	Lower Sales Tax Rate for Vessel-Related Sales	Special Transportation Fund	(0.2)	(0.2)
62, 63	Delay Restoration of MRSA	General Fund	-	339.2
62, 63	Delay Restoration of MRSA	Municipal Revenue Sharing Account	-	(339.2)

**Sec. 33** precludes revenue gain of approximately \$4.5 million in FY 19 from the Probate Court Administration Fund to the General Fund by suspending the transfer of any amount in balance over 15% of the Probate Court Administration operating costs.

**Section 34** eliminates a requirement that the Office of Policy and Management (OPM) reduce municipal aid by \$8.5 million in FY 19 in an amount equal to the cost of the Renters' Rebate program in each town. This precludes a revenue loss to municipalities of \$8.5 million in FY 19.

**Sec. 36** carries forward the unexpended balance of funds that were carried forward into FY 18 in the Department of Administrative Services in Other Expenses for the Office of the Claims Commissioner. These funds will be carried forward into FY 19 and will not exceed \$82,600. This will reduce the anticipated FY 18 year end deposit into the Budget Reserve Fund by up to \$82,600.

**Sec. 37** results in a revenue gain to those towns whose districts received students during FY 18 who were displaced by Hurricane Maria. The total revenue gain is approximately \$2.9 million. The funds are derived from Education Cost Sharing (ECS) grant appropriations that would otherwise lapse.

**Sec. 38 - 43** clarify the year in which the consumer price index (CPI) adjustments are applied to Citizens' Election Program (CEP) grants.

Under current law, candidate grant levels are adjusted in accordance with CPI changes beginning January 1, 2008, and ending December thirty-first of the year preceding the year the adjustment is to be made, except for the 2018 elections.

The amendment clarifies that the elimination of the 2018 CPI adjustment reverts General Assembly grants to 2016 levels and statewide grants to 2014 levels.

No fiscal impact is anticipated as a result of the amendment since CEP grants are funded for the 2016 and 2014 levels.

**Sec. 44 - 47**, the FY 18 deficiency provisions, result in no net impact to the General Fund or the Transportation Fund. General Fund increases of \$25.6 million are offset by reductions in appropriations. Transportation Fund increases of \$37.2 million are offset by reductions in appropriations.

**General Fund and Transportation  
Fund Expenditure Account  
Changes (\$ in millions)**

Agency	FY 18
<b>Section 44 General Fund Increases</b>	
Division of Criminal Justice	0.3
Dept. of Energy & Environmental Protection	1.8
Office of the Chief Medical Examiner	0.2
Dept. of Developmental Services	5.5
Dept. of Mental Health & Addiction Services	2.0
Connecticut State Colleges & Universities	0.3
Dept. of Correction	4.5
Dept. of Children & Families	9.2
Workers' Comp. Claims - Administrative Services	1.8
<b>General Fund Increases</b>	<b>25.6</b>
<b>Section 45 General Fund Reductions</b>	
State Comptroller - Fringe Benefits	(25.6)

Agency	FY 18
Total - General Fund Reductions	(25.6)
<b>NET General Fund Impact</b>	<b>-</b>
<b>Section 46 Transportation Fund Increases</b>	
Dept. of Transportation	33.6
State Comptroller - Fringe Benefits	3.6
<b>Transportation Fund Increases</b>	<b>37.2</b>
<b>Section 47 Transportation Fund Reductions:</b>	
Dept. of Motor Vehicles	(2.0)
Debt Service - State Treasurer	(31.4)
State Comptroller - Fringe Benefits	(3.8)
<b>Transportation Fund Reductions</b>	<b>(37.2)</b>
<b>NET Transportation Fund Impact</b>	<b>-</b>

**Sec. 40** increases income eligibility for HUSKY A adults from 138% to 155% FPL (inclusive of the 5% disregard), resulting in a cost of approximately \$11.3 million in FY 19. Section 1 of the amendment provides funding for this change.

**Sec. 41** authorizes the carry forward of FY 18 appropriations into FY 19, in the amount of \$21.5 million from the Retired State Employees' Health Service Cost account within the Office of the State Comptroller - Fringe Benefits. Section 1 of the amendment reflects a reduction in FY 19 to the Retired State Employees' Health Service Cost account of \$16.5 million to reflect these carried forward funds. This will reduce the anticipated FY 18 year-end deposit into the Budget Reserve Fund by \$16.5 million.

**Sec. 50** prorates any transfer from the community investment account (CIA) to the general fund across all CIA subaccounts in FY 19. As this sweep was previously identified in Sec. 697 of PA 17-2, the FY 18 and FY 19 biennial budget, it has no fiscal impact to the resources of the CIA or the general fund.

**Section 51** requires that the Secretary of the Office of Policy and Management (OPM) shall make reductions via a hard hiring reduction in the executive branch consistent with provisions of the ratified 2017 State Employee Bargaining Agent Coalition (SEBAC) agreement in

order to achieve savings in the General Fund of \$7,000,000 for the fiscal year ending June 30, 2019.

**Section 52** increases the vocational agriculture per pupil student grant by \$1,000. This is anticipated to result in an additional cost to the State Department of Education of approximately \$3.53 million, and a corresponding revenue gain to local and regional school districts operating vocational agriculture schools.

**Section 53** results in a revenue gain of \$2.0 million to the CIA by transferring \$1.0 million appropriated to the Department of Agriculture (DoAg), "Dairy Farmer - Agriculture Sustainability account" into the CIA's "agricultural sustainability account" no later than July 15, 2018.

**Section 54** requires the Department of Administrative Services (DAS) to provide Voluntown \$250,000 by July 31, 2018 for the purchase of a fire truck. Therefore, there is a cost to DAS in either FY 18 or FY 19, depending on the timing of the transfer, of \$250,000 and an equivalent revenue gain to Voluntown resulting from this section.

**Section 55** provides funding of \$166.5 million in FY 20 in the Hospital Supplemental account, with associated revenue of \$109.2 million.

**Section 56**, which establishes a panel to study and make recommendations regarding the proposals made by the Commission on Fiscal Stability and Economic Growth, will not result in a fiscal impact.

**Sec. 57** requires the Office of Policy and Management to issue a Request for Proposals to hire a national consultant to make recommendations regarding efficiency improvements in revenue collection and agency expense management that will result in a savings of at least five hundred million dollars. This has no fiscal impact.

**Section 58** establishes a panel to study recommendations of the Commission on Fiscal Stability and Growth regarding the Teachers' Retirement System. There may be actuarial consulting cost which would be dependent on the scope of the study.

**Section 59** results in a potential savings to municipalities, as it prohibits towns from entering into collective bargaining agreements that limit volunteer services. If a municipality entered into such an agreement, it would have to pay employees rather than rely on volunteer labor. To the extent this section prevents a municipality entering into such an agreement, there is a savings that will vary based on the work performed by volunteers. Any potential savings would be minimal given that the section also prevents reductions in municipal workforce as a result of such volunteerism.

**Sections 60 - 61** eliminate, in FY 20 and the out-years, two annual disbursements from the Tobacco Settlement Fund (TSF) and, instead, provide these resources to the General Fund: \$6 million to the Tobacco and Health Trust Fund (THTF), and \$10 million to the Office of Early Childhood (OEC) for municipal preschool. It is anticipated that the THTF's available balance will be depleted this fiscal year.

**Sec. 64 - 65**, the fuel excise tax exemption of dyed diesel fuel, is not anticipated to result in a fiscal impact, as it is assumed the affected individual currently redeems a refund under current law.

**Sec. 66 - 68** extend, by three years, the phase-in of the Estate and Gift Tax threshold to the federal threshold. This results in a revenue gain of \$28.3 million in FY 21 and \$15.1 million in FY 22, and a diminishing revenue gain through FY 24 (at which point the state exemption level would be equal to the federal exemption level).

**Sec. 69** requires OPM to allocate available funds (\$9.5 million) to private providers of human services in nine agencies to provide a 1% cost-of-living adjustment (COLA) to employees who provide state-administered human services. Private provider rates may be reduced if

such providers do not distribute the funds to employees as specified in the amendment.

### The Out Years

The table below compares the revenue estimates to the projected expenditures for FY 20 – FY 23 based on modifications to the FY 19 budget contained in this amendment.

Fund	FY 20			FY 21		
	Revenue	Approp .	Surplus / (Deficit )	Revenue	Approp .	Surplus / (Deficit )
General	17,490.7	19,506.2	(2,015.6 )	17,602.8	20,179.7	(2,576.9)
Special Transportation	1,749.5	1,704.1	45.4	1,873.5	1,806.8	66.7
Other Appropriated	249.2	239.9	9.3	249.2	239.9	9.3
<b>TOTAL</b>	<b>19,489.4</b>	<b>21,450.3</b>	<b>(1,960.8 )</b>	<b>19,725.6</b>	<b>22,226.5</b>	<b>(2,500.9)</b>

Fund	FY 22 \$			FY 23 \$		
	Revenue	Approp .	Surplus / (Deficit )	Revenue	Approp .	Surplus / (Deficit )
General	17,387.1	20,613.5	(3,226.4 )	17,674.0	21,351.3	(3,677.3)
Special Transportation	1,974.4	1,874.0	100.4	2,103.7	2,005.6	98.1
Other Appropriated	249.2	239.9	9.3	249.2	239.9	9.3
<b>TOTAL</b>	<b>19,610.7</b>	<b>22,727.4</b>	<b>(3,116.7 )</b>	<b>20,026.9</b>	<b>23,596.8</b>	<b>(3,569.9)</b>

*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*