

# OFFICE OF FISCAL ANALYSIS

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<http://www.cga.ct.gov/ofa>

sHB-5037

AN ACT ADJUSTING THE STATE BUDGET FOR THE BIENNIUM  
ENDING JUNE 30, 2023.

## **OFA Fiscal Note**

**State Impact:** See below

**Municipal Impact:** See below

## **Explanation**

The budget bill includes appropriations in nine funds totaling \$24.2 billion in FY 23 as summarized in the table below.

Gross Appropriations by Fund	FY 23 Original \$	FY 23 Committee Revised \$	FY 23 Revisions \$
General Fund	21,661,537,548	22,184,927,842	523,390,294
Special Transportation Fund	1,921,830,975	1,938,161,303	16,330,328
Banking Fund	29,521,021	29,710,671	189,650
Insurance Fund	122,471,874	123,015,429	543,555
Consumer Counsel and Public Utility Control Fund	30,976,441	32,319,563	1,343,122
Workers' Compensation Fund	26,955,096	27,257,008	301,912
Mashantucket Pequot and Mohegan Fund	51,472,796	51,499,796	27,000
Criminal Injuries Compensation Fund	2,934,088	2,934,088	-
Tourism Fund	13,069,988	13,434,253	364,265
<b>Total Gross Appropriations</b>	<b>23,860,769,827</b>	<b>24,403,259,953</b>	<b>542,490,126</b>
<b>General Fund Lapses</b>			
Unallocated Lapse	(48,715,570)	(48,715,570)	-
Unallocated Lapse - Judicial	(5,000,000)	(5,000,000)	-
CREATES Savings Initiative Lapse	(73,487,242)	(73,487,242)	-
<b>Total General Fund Lapses</b>	<b>(127,202,812)</b>	<b>(127,202,812)</b>	-
<b>Transportation Fund Lapses</b>			-
Unallocated Lapse	(12,000,000)	(12,000,000)	-
Temporary Federal Support for Transportation Operations	(100,000,000)	(100,000,000)	-
<b>Total Transportation Fund Lapses</b>	<b>(112,000,000)</b>	<b>(112,000,000)</b>	-
<b>Net Appropriations by Fund</b>			

Primary Analyst: NA  
Contributing Analyst(s): MM, CP, AS, RJW

4/25/22

Gross Appropriations by Fund	FY 23 Original \$	FY 23 Committee Revised \$	FY 23 Revisions \$
General Fund	21,534,334,736	22,057,725,030	523,390,294
Special Transportation Fund	1,809,830,975	1,826,161,303	16,330,328
Banking Fund	29,521,021	29,710,671	189,650
Insurance Fund	122,471,874	123,015,429	543,555
Consumer Counsel and Public Utility Control Fund	30,976,441	32,319,563	1,343,122
Workers' Compensation Fund	26,955,096	27,257,008	301,912
Mashantucket Pequot and Mohegan Fund	51,472,796	51,499,796	27,000
Criminal Injuries Compensation Fund	2,934,088	2,934,088	-
Tourism Fund	13,069,988	13,434,253	364,265
<b>Total Net Appropriations</b>	<b>23,621,567,015</b>	<b>24,164,057,141</b>	<b>542,490,126</b>

### Spending Cap

The budget is under the spending cap by \$0.2 million in FY 22 and \$4.6 million in FY 23. These calculations assume a deappropriation of \$22 million in FY 22 from the Debt Service account.

### Growth Rate

The FY 23 growth rate for all appropriated funds is 6.2% over FY 22 appropriations. The FY 23 growth rate is 2.3% over FY 23 original appropriations. See the table below for details.

#### FY 23 Budget Growth Rates (by fund - in millions)

Fund	FY 22	FY 23	FY 23		FY 23	FY 23	
	Approp.	Original Approp.	Change to Original		Approp.	Change from FY 22	
	\$	\$	\$	%	\$	\$	%
General	20,746.4	21,534.3	523.4	2.4%	22,057.7	1,311.3	6.3%
Transportation	1,721.8	1,809.8	16.4	0.9%	1,826.2	104.4	6.1%
Other Appropriated	275.1	277.4	2.8	1.0%	280.2	5.1	1.8%
<b>TOTAL</b>	<b>22,743.3</b>	<b>23,621.6</b>	<b>542.5</b>	<b>2.3%</b>	<b>24,164.1</b>	<b>1,420.8</b>	<b>6.2%</b>

The following table provides a brief description of the funds being carryforward from the balance available from funds pursuant to PA 21-1 (JSS), Section 308(a) and from anticipated balances from certain accounts in FY 22 for initiatives in FY 23.

**Summary of Carryforwards and Revenue Diversions for FY 23**

<b>Section</b>	<b>Agency</b>	<b>Fund</b>	<b>Title</b>	<b>Carryforwards \$</b>	<b>Revenue Diversions \$</b>
11b(47)	Secretary of the State	General Fund	Election security and public education program	2,000,000	
11(b)48	Reserve for Salary Adjustments	General Fund	To support wage payouts and increase funding available for state employee and National Guard premium pay.	28,861,306	
11(b)49	Reserve for Salary Adjustments	General Fund	Recruitment and retention of healthcare, engineering, and other difficult to recruit positions.	25,000,000	
11(b)50	Workers' Compensation Claims - Administrative Services	General Fund	To settle workers' compensation claims	15,000,000	
11(b)51	Department of Emergency Services and Public Protection	General Fund	For police and public safety officer training	500,000	
11(b)52	Labor Department	General Fund	To support the restructuring of the unemployment insurance system	459,159	
11(b)53	Labor Department	General Fund	To support enhanced employee wage record reporting	200,000	
11(b)54	Labor Department	General Fund	To support the restructuring of the unemployment insurance system	235,000	
11(b)55	Commission on Human Rights and Opportunities	General Fund	To support durational staff	441,320	
11(b)56	Commission on Human Rights and Opportunities	General Fund	To automate portions of the affirmative action process	200,000	
11(b)57	Department of Public Health	General Fund	For information technology costs related to water well oversight	50,000	
11(b)58	Office of Early Childhood	General Fund	For the Nurturing Families Network	1,000,000	
11(b)59	University of Connecticut	General Fund	For costs of the twenty-seventh payroll during the fiscal year ending June 30, 2023	7,991,695	
11(b)60	University of Connecticut Health Center	General Fund	To provide temporary operating support	30,500,000	
11(b)61	University of Connecticut Health Center	General Fund	For costs of the twenty-seventh payroll during the fiscal year ending June 30, 2023	5,129,011	

Section	Agency	Fund	Title	Carryforwards \$	Revenue Diversions \$
11(b)62	University of Connecticut Health Center	General Fund	For AHEC, for costs of the twenty-seventh payroll during the fiscal year ending June 30, 2023	14,455	
11(b)63	Connecticut State Colleges and Universities	General Fund	For Community Tech College System, for costs of the twenty-seventh payroll during the fiscal year ending June 30, 2023	4,866,346	
11(b)64	Connecticut State Colleges and Universities	General Fund	For Connecticut State Colleges and Universities, for costs of the twenty-seventh payroll during the fiscal year ending June 30, 2023	5,026,555	
11(b)65	Connecticut State Colleges and Universities	General Fund	For Charter Oak State College, for costs of the twenty-seventh payroll during the fiscal year ending June 30, 2023	107,099	
11(b)66	Department of Economic and Community Development	General Fund	To support the establishment of nonstop air service to Jamaica	2,000,000	
12	Office of Policy and Management	General Fund	To support cost of accrued payouts	21,138,694	
13	Labor Department	General Fund	To support the costs of administering the employment insurance program	5,000,000	
14	Department of Administrative Services	General Fund	Restore Lapsed Funding for the Firefighters Cancer Relief Fund		800,000
15	University of Connecticut Health Center	General Fund	Replenish the Medical Malpractice Trust Fund		20,000,000
16	Office of Health Strategy	General Fund	Examine State Agency Regulatory Decisions	400,000	
17(a)	Department of Transportation	Special Trans.	Provide matching funds for projects funded whole or in part by the Infrastructure Investment and Jobs Act, P.L. 117-58	50,000,000	
17(b)	Department of Transportation	Special Trans.	Provide matching funds for projects funded whole or in part by the Infrastructure Investment and Jobs Act, P.L. 117-58	50,000,000	
18	University of Connecticut	General Fund	For the Connecticut Veterinary Medical Diagnostic Laboratory	250,000	
19	State Department Education	General Fund	Study of adequacy of social workers in LEAs	150,000	
20	State Department of Education	General Fund	Study concerning mental health issues in high school athletes	100,000	
21	Department of Consumer Protection	General Fund	Comprehensive Gaming Study	1,250,000	
22	Department of Agriculture	General Fund	Grant to Brass City Food Hub	125,000	
23	Legislative Management	General Fund	Removal of Mason Statute	100,000	

Section	Agency	Fund	Title	Carryforwards \$	Revenue Diversions \$
24-31	Office of Early Childhood	General Fund	Early Childhood Wage Increases	74,000,000	
32	Office Policy and Management	General Fund	Non-Union Wage Adjustments	23,000,000	
33	Judicial Department	General Fund	Support a study of inmate mental health	500,000	
34	Judicial Department	General Fund	Counsel for domestic violence	Unexpended balance	
35	Connecticut State Colleges and Universities	General Fund	E-Commerce Training Program	65,000	
37	Department of Emergency Services and Public Protection	General Fund	To support police crisis intervention training	100,000	
38	Department of Economic and Community Development	General Fund	American Legion Post 85	4,000	
39	Department of Transportation	Special Trans.	Grant to the Port Authority to conduct a dredging study	3,000,000	

**Sections 9 and 10** reallocate federal American Rescue Plan Act (ARPA) funding from the State and Local Fiscal Relief Fund (SLFRF) and allocates the unallocated balance of the ARPA Capital Projects Fund (CPF). This results in a total of \$748.7 million in new ARPA (\$671.3 million in SLFRF and \$77.4 million in CPF) allocations for a variety of initiatives and grant programs.

The bill reduces General Fund revenue replacement ARPA SLFRF allocations by \$809.9 million, but only reallocates \$671.3 million, leaving \$137.7 million unallocated. This, combined with (1) \$233 million in previously unallocated SLFRF funding; and (2) \$2 million in reallocated FY 22 SLFRF funding, results in a total of approximately \$373.7 million unallocated.

**Section 40** precludes the Office of Policy and Management from making allotment reductions to implement budgeted lapses if there is a projected budget surplus. This correspondingly precludes any subsequent adjustment to such projected surpluses that would otherwise occur.

**Section 41** transfers \$20.0 million from the resources of the community investment account (CIA) to the following: (1) \$5.0 million to the Department of Agriculture to implement a farm manure management system program; (2) \$5.0 million to the Department of Housing for eviction prevention, including (a) \$2.0 million for project longevity housing vouchers to be issued in Hartford, Waterbury, Bridgeport and New Haven, (b) \$1.5 million for the Rent Bank, and (c) \$1.5 million for Coordinated Access Networks; (3) \$5.0 million to the Department of Economic and Community Development for historic preservation; and (4) \$5.0 million to the Department of Energy and Environmental Protection for open space. The available cash balance in the CIA is approximately \$24.6 million.

**Section 42** requires the Department of Children and Families (DCF) and Division of Public Defender Services to develop a plan concerning legal representation in child protection proceedings. The section makes the release of \$150,000 contingent upon the release of this plan. These funds are included in section 1 of this bill.

**Section 43** requires DCF to develop a plan to expand coverage and improve outcomes for youth service bureaus and juvenile review boards. The section makes the release of \$2,000,000 contingent upon the release of this plan. These funds are included in sections 1 and 9 of this bill.

**Section 44** requires the Connecticut Port Authority to conduct a study on dredging and to report the results of such study to the Environment and Appropriations Committees by January 1, 2023. The study is anticipated to cost approximately \$3 million.

**Section 45** requires the Department of Administrative Services to submit a monthly report to the General assembly concerning vacancies and hiring of state employees.

**Section 46** specifies that grants to various victim services providers will only be up to the actual amount the Victims of Crime Act Assistance grants to the providers were reduced in FY 23 and does not result in a

fiscal impact.

***The Out Years***

**Projected Expenditures FY 24-FY 26 (in millions)**

<b>Fund</b>	<b>FY 24 \$</b>	<b>FY 25 \$</b>	<b>FY 26 \$</b>
General	22,509.2	22,804.9	23,212.5
Transportation	2,014.9	2,091.3	2,157.1
Other Appropriated	250.5	250.5	250.5
<b>Total</b>	<b>24,774.6</b>	<b>25,146.6</b>	<b>25,620.1</b>