

# **I. OVERVIEW**

## **General Fund Budget Development**

In November 2015, OFA projected a deficiency of \$552.0 million for FY 17, largely due to underperforming tax collections reported in the November consensus revenue projection. By the April, 2016 consensus revenue projection, FY 17 tax receipts were anticipated to be \$963.2 million below the level adopted in the original FY 17 budget.

During the early May Special Session, PA 16-2 MSS, the FY 17 Revised Budget, and PA 16-3 MSS, the budget implementer (which contained implementation language and other changes) were passed by both chambers. The Governor subsequently exercised his ability to veto certain line items within the budget. These actions increased the adopted balance from \$0.2 million to \$22.7 million.

## **FY 17 Revised Budget**

The original FY 17 budget contained a \$2.5 million General Fund balance. The Revised FY 17 Budget increases that balance to \$22.7 million. The Revised FY 17 Budget has a growth rate of -1.1% in the General Fund (0.3% all funds) when comparing FY 17 revised appropriations to FY 16 expenditures. The budget includes various policy changes that yield a net revenue increase of \$272.1 million in FY 17 across the General Fund, Transportation Fund, and the new Municipal Revenue Sharing Fund. The majority of this (\$234.9 million) is due to restructuring of the Sales and Use Tax diversions to the Special Transportation Fund, the Municipal Revenue Sharing Account and the Municipal Revenue Sharing Fund. The remaining \$37.2 million is the net increase in tax and other revenue sources across the General and Special Transportation Funds.

The table below compares revenue estimates to expenditures for the Revised FY 17 Budget.

**Revised FY 17 Fund Balance (in millions)**

Fund	Revenue \$	Appropriations \$	Surplus/ (Deficit) \$
General	17,886.7	17,864.0	22.7
Transportation	1,464.4	1,463.4	1.0
Other Appropriated	428.4	411.8	16.6
<b>TOTAL</b>	<b>19,779.5</b>	<b>19,739.2</b>	<b>40.3</b>

The table below compares original FY 17 appropriations to the Revised FY 17 Budget for the nine appropriated funds. The General Fund is \$847.2 million below original appropriations and \$699.1 million below on an all funds basis.

**Revised FY 17 Appropriations**

Fund	Original Appropriation FY 17	Revised FY 17	Revised - Original
General Fund	18,916,880,389	18,073,292,409	(843,587,980)
Special Transportation Fund	1,508,138,933	1,475,408,052	(32,730,881)
Banking Fund	29,889,297	30,066,200	176,903
Insurance Fund	81,351,940	80,448,042	(903,898)
Consumer Counsel and Public Utility Control Fund	26,953,593	27,308,485	354,892
Workers' Compensation Fund	26,982,874	26,917,168	(65,706)
Mashantucket Pequot and Mohegan Fund	61,779,907	58,076,612	(3,703,295)
Regional Market Operation Fund	1,067,306	1,067,306	-
Criminal Injuries Compensation Fund	2,934,088	2,934,088	-
Municipal Revenue Sharing Fund	-	185,000,000	185,000,000
<b>Total Gross Appropriations</b>	<b>20,655,978,327</b>	<b>19,960,518,362</b>	<b>(715,459,965)</b>
<b>General Fund Lapses</b>			
Unallocated Lapse	(94,476,192)	(94,476,192)	-
Unallocated Lapse - Legislative	(3,028,105)	(3,028,105)	-
Unallocated Lapse - Judicial	(7,400,672)	(7,400,672)	-
General Employee Lapse	(12,816,745)	-	12,816,745
General Lapse - Legislative	(39,492)	-	39,492
General Lapse - Judicial	(282,192)	(15,075,000)	(14,792,808)
General Lapse - Executive	(9,678,316)	-	9,678,316
Municipal Opportunities and Regional Efficiencies Program	(20,000,000)	(20,000,000)	-
Overtime Savings	(10,500,000)	-	10,500,000
Statewide Hiring Reduction - Executive	(30,920,000)	-	30,920,000
Statewide Hiring Reduction - Judicial	(3,310,000)	-	3,310,000
Statewide Hiring Reduction - Legislative	(770,000)	-	770,000
Targeted Savings	(12,500,000)	(68,848,968)	(56,348,968)
Arts and Tourism Lapse	-	(500,000)	(500,000)

Fund	Original Appropriation FY 17	Revised FY 17	Revised - Original
<b>General Fund Total Lapses</b>	<b>(205,721,714)</b>	<b>(209,328,937)</b>	<b>(3,607,223)</b>
<b>Special Transportation Fund Lapses</b>			
Unallocated Lapse	(12,000,000)	(12,000,000)	-
<b>Special Transportation Fund Total Lapses</b>	<b>(12,000,000)</b>	<b>(12,000,000)</b>	<b>-</b>
General Fund	18,711,158,675	17,863,963,472	(847,195,203)
Special Transportation Fund	1,496,138,933	1,463,408,052	(32,730,881)
Banking Fund	29,889,297	30,066,200	176,903
Insurance Fund	81,351,940	80,448,042	(903,898)
Consumer Counsel and Public Utility Control Fund	26,953,593	27,308,485	354,892
Workers' Compensation Fund	26,982,874	26,917,168	(65,706)
Mashantucket Pequot and Mohegan Fund	61,779,907	58,076,612	(3,703,295)
Regional Market Operation Fund	1,067,306	1,067,306	-
Criminal Injuries Compensation Fund	2,934,088	2,934,088	-
Municipal Revenue Sharing Fund	-	185,000,000	185,000,000
<b>Total Net Appropriations</b>	<b>20,438,256,613</b>	<b>19,739,189,425</b>	<b>(699,067,188)</b>