

Section III. Appropriations

The budget increases appropriations over the FY 23 Revised Budget by \$922.8 million in FY 24 and \$1,798.4 million in FY 25. This increase is due to: (1) current services adjustments totaling \$306.7 million in FY 24 and \$930.3 million in FY 25, and (2) policy revisions totaling \$616.1 million in FY 24 and \$868.1 million in FY 25.

Table 3.1 Building the Biennial Budget
In Millions of Dollars

All Appropriated Funds	FY 24	FY 25
FY 23 Appropriations	24,196.0	24,196.0
Current Services Adjustment	306.7	930.3
Base Expenditures	24,502.7	25,126.3
Policy Revisions	616.1	868.1
TOTAL	25,118.8	25,994.4

SUMMARY OF BUDGET ADJUSTMENTS

Table 3.2 below provides a summary of current services adjustments and policy revisions, excluding transfers of \$379.4 million annually related to moving the payment of certain town grants from the General Fund to the Municipal Revenue Sharing Fund (MRSF).

Table 3.2 Summary of Budget Adjustments
In Millions of Dollars

Description	FY 24	FY 25
Current Services (CS)*		
Fixed Costs	76.1	374.7
Non-Fixed Costs	610.0	935.0
Subtotal Current Service Changes	686.1	1,309.7
Policy Revisions (PR)*		
Policy Increases	500.6	902.2
Policy Reductions	(263.9)	(413.4)
Subtotal Policy Revisions	236.7	488.7
TOTAL	922.8	1,798.4

*Excludes transfers of \$379.4 million related to the payment of certain town grants from the Municipal Revenue Sharing Fund (MRSF)

Current Services Adjustments

These are summarized into two categories above and in **Table 3.2**.

Fixed Costs

Current services increases of \$76.1 million in FY 24 and \$374.7 million in FY 25 are in fixed cost accounts, which include: (1) state employee fringe benefits (e.g., State Employees Retirement System (SERS), active and retiree health), (2) debt service, (3) Teachers' Retirement System (TRS), and (4) entitlements (e.g., Medicaid).

Non-Fixed Costs

Non-fixed cost increases are primarily the result of shifting funding requirements back to the appropriated funds budget after a loss of temporary federal support or funds carried forward from surpluses in previous fiscal years. In addition, there are traditional current services increases related to previously negotiated labor contracts, increased costs of privately provided goods and services, and annualizations of previous year policies and their associated costs.

Policy Revisions

Table 3.2 above summarizes both the policy reductions and increases. The budget act contains net increases (a combination of increases, reductions, and transfers) of \$236.7 million in FY 24 and \$488.7 million in FY 25 across all appropriated funds.

FY 23 APPROPRIATIONS CARRIED FORWARD

Public Acts 23-204 and 23-205 carry forward a total of \$279.5 million in FY 24 and \$73.6 million in FY 25 from unexpended appropriations authorized in FY 23. **Table 3.3** provides a summary of the funds carried forward. **Appendix J** contains the specific details of the carryforward funds and their purpose.

Table 3.3 Summary of Carryforward Funding

In Millions of Dollars

Category	FY 24	FY 25
Education (Early, Lower, and Higher)	147.3	72.5
Human Services/Private Providers	86.6	-
Municipal	18.0	-
General Government	14.9	-
Local Organizations	12.7	1.1
TOTAL	279.5	73.6

AMERICAN RESCUE PLAN ACT (ARPA) ALLOCATIONS

The FY 24 and FY 25 Budget reallocates \$607.5 million in federal American Rescue Plan Act (ARPA) funding from the State and Local Fiscal Relief Fund (SLFRF) for various purposes in FY 24 and FY 25.

Table 3.4 ARPA Funds Allocated by PA 23-204

In Millions of Dollars

Allocation Description	Amount
Deallocation of FY 23 Revenue Replacement	(314.9)
Other Allocations Reduced or Eliminated	(292.7)
New Allocations of Previously Allocated Funds	607.5
TOTAL*	-

*The budget corrects for the prior over-allocation of \$48,241.

The FY 24 and FY 25 Budget results in the full allocation of the ARPA award. Federal rules require the state to obligate the funding by December 31, 2024 and spend it by December 31, 2026.

Table 3.5 Full SLFRF ARPA Allocation Plan

In Millions of Dollars

Description	FY 22	FY 23	FY 24	FY 25	Total
Prior Law Allocation	662.9	2,068.1	77.7	3.6	2,812.3
FY 24 & FY 25 Budget Changes	(10.9)	(596.7)	466.6	140.9	-
FY 24 & FY 25 Budget Allocation	652.1	1,471.4	544.3	144.5	2,812.3