

BUDGET HIGHLIGHTS

FY 14 - FY 15 Budget

June 4, 2013



OFFICE OF FISCAL ANALYSIS

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This document is intended to provide highlights of the FY 14 and FY 15 Budget. It is not intended to be all inclusive. OFA will be producing a Budget Book based on the FY 14 and FY 15 Budget that will include a detailed compilation of agency budget changes and financial schedules.

I. OVERVIEW

The budget¹ appropriates \$18,603.7 million in FY 14 and \$19,005.8 million in FY 15. The appropriations are supported by estimated revenues of \$18,609.1 million in FY 14 and \$19,009.9 million in FY 15, as adopted by the Finance, Revenue and Bonding Committee on June 1, 2013. The table below compares the revenue estimates to the appropriations included in the budget bill.

Budgeted Appropriations Compared to Revenue Estimates

Fund	FY 14 \$			FY 15 \$		
	Approp.	Revenue	Surplus/ (Deficit)	Approp.	Revenue	Surplus/ (Deficit)
General	17,186.0	17,190.1	4.1	17,504.8	17,507.5	2.7
Special Transportation	1,243.2	1,243.7	0.5	1,322.3	1,322.7	0.4
Other Appropriated	174.6	175.3	0.7	178.7	179.7	1.0
TOTAL	18,603.7	18,609.1	5.3	19,005.8	19,009.9	4.1

The budget includes appropriations totaling \$18,603.7 million in FY 14 and \$19,005.8 million in FY 15 as summarized in the table below.

Appropriations Fund Summary

Item	FY 14 \$	FY 15 \$
Gross Appropriations		
General Fund ¹	17,358,606,991	17,663,333,266
Special Transportation Fund	1,254,182,080	1,333,312,395
Banking Fund	26,608,448	27,845,849
Insurance Fund	30,744,674	31,968,453
Consumer Counsel and Public Utility Control Fund	24,868,827	25,384,201
Workers' Compensation Fund	23,199,856	24,789,229
Mashantucket Pequot and Mohegan Fund	61,779,907	61,779,907
Soldiers, Sailors and Marines' Fund	3,099,619	3,156,988
Regional Market Operation Fund	921,680	941,498
Criminal Injuries Compensation Fund	3,380,286	2,787,016
Total - Gross Appropriations	18,787,392,368	19,175,298,802
General Fund (GF) Lapses		
GAAP Lapse	(5,500,000)	(7,500,000)
General Lapse - Executive	(13,785,503)	(13,785,503)

¹ HB 6704, An Act Concerning Expenditures and Revenue for the Biennium Ending June 30, 2015 as passed by the House and Senate.

Item	FY 14 \$	FY 15 \$
General Lapse – Judicial	(401,946)	(401,946)
General Lapse – Legislative	(56,251)	(56,251)
Unallocated Lapse	(91,676,192)	(91,676,192)
Unallocated Lapse – Judicial	(7,400,672)	(7,400,672)
Unallocated Lapse – Legislative	(3,028,105)	(3,028,105)
Transfer GAAP Funding	(40,000,000)	-
Municipal Opportunities and Regional Efficiencies Program	-	(10,000,000)
General Other Expenses Reductions – Legislative	(140,000)	(140,000)
General Other Expenses Reductions – Executive	(3,312,000)	(3,312,000)
General Other Expenses Reductions – Judicial	(548,000)	(548,000)
Statewide Hiring Reduction – Executive	(5,478,184)	(16,675,121)
Statewide Hiring Reduction – Judicial	(1,128,261)	(3,434,330)
Statewide Hiring Reduction – Legislative	(190,309)	(579,285)
Total – GF Lapses	(172,645,423)	(158,537,405)
Transportation Fund (TF) Lapses		
Unallocated Lapse	(11,000,000)	(11,000,000)
Total – TF Lapses	(11,000,000)	(11,000,000)
Net Appropriations		
General Fund ¹	17,185,961,568	17,504,795,861
Special Transportation Fund	1,243,182,080	1,322,312,395
Banking Fund	26,608,448	27,845,849
Insurance Fund	30,744,674	31,968,453
Consumer Counsel and Public Utility Control Fund	24,868,827	25,384,201
Workers' Compensation Fund	23,199,856	24,789,229
Mashantucket Pequot and Mohegan Fund	61,779,907	61,779,907
Soldiers, Sailors and Marines' Fund	3,099,619	3,156,988
Regional Market Operation Fund	921,680	941,498
Criminal Injuries Compensation Fund	3,380,286	2,787,016
TOTAL - NET APPROPRIATIONS	18,603,746,945	19,005,761,397

¹The FY 14 and FY 15 General Fund appropriations for the Medicaid account in the Department of Social Services reflect only the state share of the joint state/federal program. Thus to remove the federal share of the Medicaid appropriation in FY 14, the General Fund appropriation was reduced by \$2.8 billion. In FY 15, \$3.2 billion was reduced from the General Fund appropriation.

Net Funding of Medicaid

The FY 14 and FY 15 appropriation for the Department of Social Services' Medicaid account reflects only the state's share of this joint state/federal program, as shown in the table below. For FY 13, the \$4,697,969,332 gross appropriation for Medicaid included both the state's obligation as well as the reimbursable federal funds. The table below reflects the state and federal share of the Medicaid expenditures in FY 14 and FY 15.

State and Federal Share of Medicaid Expenditures

Item	FY 14 \$	FY 15 \$
State Appropriation	2,322,513,826	2,069,136,668
Federal Share	2,768,723,827	3,204,946,670
GROSS EXPENDITURES	5,091,237,653	5,274,083,338

Spending Cap

Based on sections 1-10, 62, 67, and 69 of HB 6704, the FY 14 and FY 15 budget bill, the budget is under the spending cap by approximately \$12 million in FY 14 and \$162.1 million in FY 15. Due to the implementation of net funding of Medicaid in the Department of Social Services (DSS) in the FY 14 and FY 15 Budget, the base upon which the spending cap is calculated has been adjusted to also reflect net funding. Consequently, the FY 14 spending cap calculation base is adjusted downward by \$2,225.3 million.

HB 6704 Statutory Spending Cap Calculations (in millions)

Item	Revised FY 13 \$	FY 14 \$	FY 15 \$
All Appropriated Funds - Prior Year	20,140.8	20,685.0	18,603.7
Less Medicaid net appropriation - base adjustment	-	2,225.3	-
Extraordinary spending	-	-	-
Prior Year Appropriations	20,140.8	18,459.8	18,603.7
Less Prior Year "Non-Capped" Expenditures			
Debt Service	2,373.0	2,328.9	2,183.6
Statutory grants to distressed municipalities ¹	1,458.8	1,550.6	1,529.1
Prior Year "Non-Capped" Expenditures	3,831.7	3,879.6	3,712.8
Allowable Growth Calculation			
Total "capped" expenditures	16,309.1	14,580.2	14,891.0
Times the 5-year average growth in personal income ²	3.0%	1.8%	2.5%
= Allowable "capped" growth	485.9	261.1	364.9
Allowable Capped Expenditures	16,795.0	14,841.3	15,255.8
Plus Current Year "Non-Capped" Expenditures			
Debt service	2,328.9	2,183.6	2,333.6
Federal mandates and court orders (new funding)	20.0	61.7	10.4
Statutory grants to distressed municipalities	1,541.4	1,529.1	1,568.1
Current Year "Non-Capped" Expenditures	3,890.3	3,774.5	3,912.1
Expenditures Allowed Under the Cap	20,685.3	18,615.8	19,167.9
Appropriation for this year ³	20,685.0	18,603.7	19,005.8
TOTAL OVER/(UNDER) THE SPENDING CAP	(0.2)	(12.0)	(162.1)

¹FY 14 is adjusted to reflect new distressed grant percentages.

²Except Consumer Price Index (CPI) in FY 13 & FY 15.

³FY 13 is adjusted to reflect the net deficiency appropriation of \$142 million in HB 6704.

Growth Rate

The growth rate for all appropriated funds is 3.7% over FY 13 estimated expenditures in FY 14 and 2.2% in FY 15. The FY 13 estimated expenditures from the DSS Medicaid account have been adjusted downward by \$2.5 billion to reflect only the state share of the joint state/federal Medicaid program. See the table below for details.

FY 14 and FY 15 Budget Growth Rates (by fund - in millions)

Fund	FY 13 Est. Expend. ¹ \$	FY 14 Approp. \$	FY 14 Change		FY 15 Approp. \$	FY 15 Change	
			\$	%		\$	%
General	16,554.7	17,186.0	631.3	3.8%	17,504.8	318.8	1.9%
Transportation	1,214.9	1,243.2	28.3	2.3%	1,322.3	79.1	6.4%
Other Appropriated	170.3	174.6	4.3	2.5%	178.7	4.1	2.3%
TOTAL	17,939.9	18,603.7	663.8	3.7%	19,005.8	402.1	2.2%

¹The FY 13 General Fund estimated expenditure from the DSS Medicaid account has been adjusted downward by \$2.5 billion to reflect only the state share of the joint state/federal Medicaid program in DSS.

GAAP

The budget provides funding to support budgeting according to Generally Accepted Accounting Principles (GAAP).

- Provides funding in agencies' budgets for prospective obligations on a GAAP basis, total amounts provided are \$15,924,418 in FY 14 and \$76,664,842 in FY 15.
- Reserves up to \$40,000,000 received pursuant to the settlement of litigation under the 1998 tobacco Master Settlement Agreement to help fulfill the requirements of GAAP budgeting in FY 14.
- Authorizes a bond issuance of up to \$750,000,000 to reduce the state's approximate \$1,200,000,000 accumulated (historical) General Fund deficit under GAAP, with a related interest cost over twenty years estimated to be \$186,000,000.
- Reduces, from 15 to 13 years, the statutory term to extinguish the remaining historical GAAP deficit by delaying the first payment from FY 14 to FY 16. This delay removes the need to appropriate funding in each of FY 14 and FY 15, thereby increasing the appropriation requirements for the remaining years because the amortization term required by law is reduced by two years.

II. MAJOR BUDGET CHANGES

Significant Changes in the FY 14 and FY 15 Budget (by agency)

Agency	FY 14 \$	FY 15 \$	Item
Office of the State Treasurer - Debt Service	(196,000,000)	(196,000,000)	Savings are achieved in each year of the biennium by restructuring debt related to the Economic Recovery Notes issued to help cover the FY 09 General Fund budget deficit. The interest cost related to the restructuring, which pushes the planned retirement of the ERNs debt from FY 16 to FY 18, is \$45 million.
DSS	(194,679,082)	(328,922,505)	Gross savings from reduced hospital reimbursement through the elimination of enhanced funding from the user fee, phase out of DSH funding, and elimination of ASO transitional payments.
DSS	107,170,00	47,630,000	Gross funding for primary care physician rate increase pursuant to the Affordable Care Act (100% federally reimbursed).
DSS	(80,000,000)	(100,000,000)	Gross savings from Medicaid fraud initiatives.
SDE	50,756,719	101,513,445	Increase funding for Education Cost Sharing
UConn	-	15,000,000	A total of 66 positions and funding for Next Generation Connecticut.
DMHAS	(15,262,500)	(25,525,000)	Savings associated with reductions to grant accounts to reflect anticipated reduction in need for services for the under and uninsured as of January 1, 2014 due to the provisions of the Affordable Care Act.
DSS	15,000,000	15,000,000	Gross funding for increase in Medicaid discharge rate for hospitals with disproportionately high government payer mix.
DSS	(11,800,000)	(15,800,000)	Gross savings from implementation of Step Therapy in Medicaid Pharmacy Program.
DSS	(10,675,000)	(34,675,000)	Gross savings from reduced preventable hospitalizations and implementation of a non-emergency use emergency room co-payment.
DSS	10,000,000	10,000,000	Gross funding for Community Health Center (FQHC) rebasing.
TRB	(8,304,000)	(9,737,000)	Funding is reduced to reflect lowering the state contribution from 33% to 25% of the TRB sponsored basic retiree health plan cost.
SDE	8,300,000	6,300,000	Provide new funding for Common Core
SDE	(5,000,000)	(5,000,000)	Reduce funding for Magnet Schools
DMHAS	4,662,845	4,045,000	Funds support PA 13-3 AAC Gun Violence Prevention & Children's Safety.
DCF	(4,405,678)	(6,991,661)	Suspend residential rate increases determined by the Single Cost Accounting System in FY 14 and FY 15.
DESPP	4,235,000	1,405,000	Fund PA 13-3, AAC Gun Violence Prevention & Children's Safety.
SDE	4,000,000	-	Increase funding for Sheff Settlement based on the new agreement with the plaintiffs to increase participation in programs that contribute to the desegregation goals.

Agency	FY 14 \$	FY 15 \$	Item
OHE	(3,989,579)	(2,377,479)	Establish Governor's Scholarship Program. The Governor's Scholarship Program consolidates the existing financial aid programs within the Office of Higher Education. The consolidation results in approximately a \$4.0 million reduction in financial aid in FY 14 and a \$2.4 million reduction in FY 15.
SDE	3,700,000	3,700,000	Increase funding for Talent Development.
OPM	3,500,000	3,500,000	Provide funding for Youth Service Grants
DCF	3,500,000	3,500,000	Expand Trauma-Focused Cognitive Behavioral Therapy for children age four through 18 that are experiencing anxiety, depression, trauma and conduct disorders, reflecting support for mental health related initiatives.
DOH	3,318,046	3,318,046	Maintain PILOT and Tax Abatement Funding.
SDE	3,300,000	10,800,000	Increase funding for Commissioner's Network. The increased funding allows SDE to fund the full cohort of 22 schools.
SDE	3,000,000	3,000,000	Provide additional funding for Vocational Agriculture.
DCF	3,000,000	3,000,000	Expand Foster and Adoptive Support Team (FAST) to kinship care families (kinFAST). FAST is a home and community-based program designed to provide intensive services to foster and adoptive families to reduce the number of placements experienced by children in the foster care and adoption systems.
DSS	(2,800,000)	(14,800,000)	Gross savings from implementation of a Medicaid Clinical Pharmacy Management Program.
DPH	2,723,666	2,723,666	Annualize support for FY 13 Revised Budget funding for new or expanded School Based Health Centers.
SDE	2,000,000	2,000,000	Increase funding for OPEN Choice for transportation expenses.
SDE	(2,000,000)	(2,000,000)	Reduce funding for Development of Mastery Exams.
DESPP	2,000,000	-	Provide funding to help reduce backlog at State Police Crime Lab.
DCF	2,000,000	2,000,000	Expand support for home-based services (IICAPS, MST and MST-PSB) to reflect support for mental health related initiatives.
DCF	(2,000,000)	(2,000,000)	Reduce Personal Services funding to reflect the elimination of 30 vacant social worker positions due to a DCF caseload reduction of 9% associated with the implementation of the Differential Response System.
SDE	1,895,000	9,125,000	Provide funding for New State and Local Charter Schools. The additional funding allows for four new local and 3 new state charters to open over the FY 14- FY 15 biennium.
TRB	(1,815,790)	(1,815,790)	Funding is reduced to reflect lowering the state contribution from 33% to 25% of the municipal health insurance subsidy cost.
DCF	1,810,000	1,810,000	Support the establishment of a regional behavioral health consultation and care coordination program for primary care providers that serve children, as directed under Section 69 of PA 13-3, AAC Gun Violence Prevention and Children's Safety.
JUD	1,796,754	3,688,736	Provide for Judges' salary increases.
DECD	1,593,600	1,593,600	Maintain funding for Tourism Districts.

Agency	FY 14 \$	FY 15 \$	Item
SDE	1,370,000	1,370,000	Increase Priority School District Aid for Norwalk.
SDE	1,200,000	1,200,000	Provide funding for adult education incentive program. This includes \$500,000 each for New Haven and Bridgeport Adult Education to provide additional instructional services including but not limited to technology, soft technical skills, counseling, literacy and numeracy; and \$200,000 for Literacy Row.
DEEP	1,105,091	1,108,297	One Environmental Analyst III position and \$1.1 million is provided in both FY 14 and FY 15 for the transfer of care and control of five Connecticut Resources Recovery Authority (CRRRA) post-closure landfills to the state. The majority of funding represents costs associated with contracts for ongoing testing and maintenance of landfills that will be managed by the newly created position.
DOL	1,000,000	1,000,000	Jobs First Employment Services for program monitoring and evaluation.
DMHAS	850,500	855,500	Funds supplement PA 13-3 through various mental health initiatives.
DMV	-	565,653	Provide funding of \$565,653 in FY 15 for eighteen half year positions and other costs to allow undocumented individuals to obtain motor vehicle operator's licenses.
DECD	525,000	525,000	Increase funding for Statewide Marketing (i.e., Still Revolutionary" Campaign).
OGA	170,000	170,000	Provide funding for Contracting Standards Board.

See **Appendix A** for Appropriations by Expenditure Type, **Appendix B** for Revenue by Item, and **Appendix D** for Municipal Formula Grants and Other Major Aid.

State Government Reorganization

Office of Early Childhood

The budget includes the creation of an Office of Early Childhood (OEC). The budget for OEC includes various transfers from agencies with early childhood programs in addition to new funding. The table below reflects the transfers and new funding for the OEC.

Fund/Agency	FY 14 \$	FY 15 \$
General Fund (GF)		
Department of Public Health	-	2,276,721
Department of Social Services	13,994,802	116,179,435
Department of Education	112,133,018	111,714,660
Board of Regents	473,657	486,499
Office of Early Childhood - new funding	1,082,638	1,645,487
GF Total	127,684,115	232,302,802
Federal Funds	16,672,568	33,261,381
TOTAL	144,356,683	265,564,183

The following bulleted list summarizes the programs transferred into OEC included in the budget (transfers starting in FY 14 unless otherwise noted):

- Department of Social Services – Care4Kids (transferred in FY 15), Charts a Course, funding for 211 Infoline, Children’s Trust Fund for Nurturing Families and Help Me Grow.
- Department of Education – School Readiness, Head Start and other early childhood programs.
- Department of Public Health – Licensure and regulation of child day care centers and administration of the federal home visitation program (both in FY 15).
- Board of Regent – CT Charts a Course.

Other Agency Structure Changes

- Transferred the Department of Construction Services into the Department of Administrative Services (results in the elimination of 13 positions and savings of \$1.1 million in both FY 14 and FY 15).
- Eliminated funding for the Gaming Policy Board (\$2,621).
- Transferred various housing programs from the Department of Economic and Community Development, the Department of Social Services and the Office of Policy and Management to the Department of Housing (DOH). The total amount of funding transferred into DOH is \$57.4 million in FY 14 and \$60.1 million in FY 15 with 13 associated staff positions. There are no savings associated with these transfers.
- Transferred the CT State Library into the Secretary of the State (\$12.5 million transferred).

Budgeted Lapses

The FY 14 and FY 15 Budget include \$183.7 million in FY 14 and \$169.5 million in FY 15 lapses. This is \$56.2 million above the FY 13 Revised Budget lapses. The lapses are identified below with a brief explanation.

Lapse	FY 14 \$	FY 15 \$	Explanation
General Fund Lapses			
GAAP Lapse	(5,500,000)	(7,500,000)	This reduction reflects an adjustment across GAAP Accrual accounts in agencies to reflect a re-estimate of GAAP increases over the biennium.
General Lapse ¹	(14,243,700)	(14,243,700)	This reduction reflects savings in a manner to be determined by OPM. All General Fund agency accounts could be subject to this reduction.
Unallocated Lapse ¹	(102,104,969)	(102,104,969)	This reduction reflects an adjustment to gross appropriations due to an anticipated level of under spending across all General Fund agencies and accounts.
Transfer GAAP Funding	(40,000,000)	-	This reduction reflects the utilization of \$40 million from the Tobacco Master Settlement Agreement to help fulfill the requirements of GAAP.
Municipal Opportunities & Regional Efficiencies	-	(10,000,000)	Savings to be achieved in FY 15 with a reduction in municipal aid as a result of various municipal saving initiatives and efficiencies.
General Other Expenses ¹	(4,000,000)	(4,000,000)	This reduction reflects savings in a manner to be determined by OPM such as the curtailing and delaying of purchases and various other as yet undetermined reductions. All General Fund agency Other Expenses accounts could be subject to this reduction.
Statewide Hiring Reduction ¹	(6,796,754)	(20,688,736)	Savings anticipated to be achieved by hiring reductions and other savings initiatives in a manner to be determined by OPM. All General Fund agency Personal Services accounts could be subject to this reduction.
Total GF Lapse	(172,645,423)	(158,537,405)	
Transportation Fund Lapses			
Unallocated Lapse	(11,000,000)	(11,000,000)	This reduction reflects an adjustment to gross appropriations due to an anticipated level of under spending across all Transportation Fund agencies and accounts.
Total TF Lapse	(11,000,000)	(11,000,000)	
TOTAL LAPSES	(183,645,423)	(169,537,405)	

¹The amounts shown are totals by category but the budget act contains a distribution of each by branch of government.

Significant Changes by Account²

Identified in the table below are the 13 General Fund accounts having the most significant changes in FY 14 and FY 15, as compared to the FY 13 base (Governor's FY 13 estimated expenditures).

Agency	Account	FY 14 \$	FY 15 \$
OSC - Fringe	State Employees Retirement Contributions	194.5	247.8
TRB	Retirement Contributions	161.0	196.6
Various	Personal Services	97.4	201.6
SDE	Education Equalization Grants ¹	59.0	125.3
Various	Nonfunctional - Change to Accruals	53.7	72.1
OSC - Fringe	State Employees Health Service Cost	47.9	82.9
DMHAS	General Assistance Managed Care	23.8	82.7
SDE	Magnet Schools	23.1	38.9
Various	Other Expenses	20.9	20.3
DCF	Board and Care for Children - Residential	(35.6)	(34.9)
OSC - Fringe	Retired State Employees Health Service Cost	(65.4)	(45.5)
DSS	Disproportionate Share - Medical Emergency Asst.	(134.2)	(268.5)
OTT	Debt Service ²	(151.1)	(20.6)

¹Includes Charter School Funding increase.

²Includes Debt Service, UConn 2000, and Pension Obligation Bonds - TRB.

²The table does not include the change in Medicaid from FY 13 to FY 14 of \$2,768.7 million and FY 15 of \$3,205.0 million related to the change from gross appropriating to net appropriating.

III. REVENUE IMPACT

HB 6704, the FY 14 and FY 15 budget bill includes various policy changes that yield net revenue increases of \$410.2 million in FY 14 and \$330.1 million in FY 15 identified in the table below. See Appendix C for the revenue estimates as adopted by the Finance, Revenue and Bonding Committee 6/1/13.

General Fund Revenue Impact (in millions)

Description of Change	FY 14 \$	FY 15 \$
Implement a Tax Amnesty Program	35.0	(7.0)
Transfer from the Tobacco and Health Trust and Stem Cell Research Funds	19.5	16.0
Adjust the Cap on Insurance Premiums Tax Credits	18.7	18.7
Extend the Surcharge on Corporate Income Tax	44.4	74.0
Alter Eligibility for Film Tax Credits	2.0	4.0
Extend the Electric Generation Tax	17.5	-
Eliminate the Transfer to the Municipal Revenue Sharing Account	92.4	97.9
Establish a 60-day Exemption from the Use Tax for Boats	(2.0)	(2.0)
Eliminate Luxury Tax on Boats	(0.1)	(0.1)
Re-establish the Sales Tax Exemption on Clothing under \$50	-	(11.5)
Implement Alternative methods for the Collection of the Sales and Use Tax	10.0	15.0
Require Wholesalers to Remit Sales Tax on Cigarettes	2.6	2.6
Reduce the Earned Income Tax Credit	21.1	11.0
Establish Keno	3.8	27.0
Transfers from the Special Transportation Fund	91.3	18.4
Transfer from the Probate Fund	1.0	-
Authorize \$40 million in Bonds to Pay for Tax Credits Claimed per the Urban and Industrial Site Reinvestment Program	20.0	20.0
Increase Fees for Mortgage Recording	5.4	5.4
Transfer from the Connecticut Resources Recovery Authority (CRRRA)	35.0	-
Transfer from the Public Education and Governmental Programming Account	3.4	3.5
Transfer from the Banking Fund	8.0	3.0
Transfer from the Regional Greenhouse Gas Initiative (RGGI)	-	5.0
Transfer from the Clean Energy Finance and Investment Authority (CEFIA)	6.2	24.2
Transfer from the Municipal Video Competitiveness Account	5.0	5.0

Description of Change	FY 14 \$	FY 15 \$
Direct \$40 million from the Tobacco Master Settlement Agreement (MSA) to Help Fulfill the Requirements of Generally Accepted Accounting Principles (GAAP)	(40.0)	-
Direct \$10 million from the MSA to the General Fund	10.0	-
TOTAL	410.2	330.1

Major General Fund Revenue Changes by Revenue Category (in millions)

Revenue Category	FY 14 \$	FY 15 \$
Personal Income Tax		
Tax Amnesty	11.9	(2.4)
Reduce Earned Income Tax Credit	21.1	11.0
subtotal	33.0	8.6
Sales & Use Tax		
Eliminate Transfer to Municipal Revenue Sharing Account	52.9	56.9
Tax Amnesty	12.6	(2.5)
Enhanced Online Collections	15.0	15.0
Alternative Collections Methods Target	10.0	15.0
Phase-In Clothing Exemption	-	(11.5)
Eliminate Luxury Tax on Boats	(0.1)	(0.1)
Establish 60-Day Exemption for Boats	(2.0)	(2.0)
subtotal	88.4	70.8
Corporation Business Tax		
Maintain 20% Surcharge for 2014 & 2015	44.4	74.0
Tax Amnesty	10.5	(2.1)
subtotal	54.9	71.9
Insurance Companies Tax		
Maintain Credit Cap for 2013 & 2014	18.7	18.7
Urban/Industrial Site Credit Buy-Back	20.0	20.0
Feature Film Credit Moratorium	2.0	4.0
subtotal	40.7	42.7
Real Estate Conveyance Tax		
Eliminate Transfer to Municipal Revenue Sharing Account	39.5	41.0
subtotal	39.5	41.0

Revenue Category	FY 14 \$	FY 15 \$
Electric Generation Tax		
Maintain Tax through 10/1/13	17.5	-
subtotal	17.5	-
Transfers from Special Revenue		
Establish Keno	3.8	27.0
subtotal	3.8	27.0
TOTAL	277.8	262.0

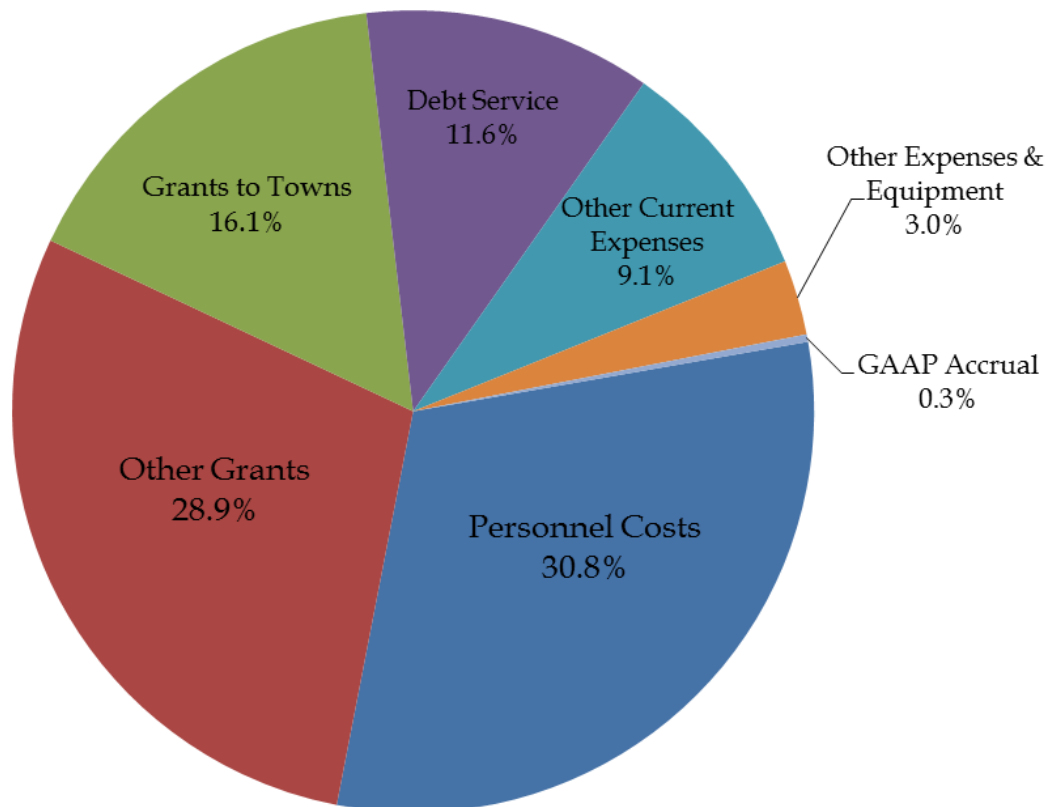
Transfers (To) and From Funds (in millions)

Fund/Transfer	FY 14 \$	FY 15 \$
General Fund (GF)		
Connecticut Resources Recovery Authority	35.0	-
Transfer from the Special Transportation Fund (STF)	249.3	170.7
Transfer Oil Companies Tax Revenue to STF	(158.0)	(152.3)
Transfer Public, Educational and Government Account	3.4	3.5
Reduce Pequot & Mohegan Transfer	73.2	73.2
Sweep Banking Fund	8.0	3.0
Transfer Tobacco Funds	9.5	6.0
Divert Stem Cell Funds	10.0	10.0
Transfer from Municipal Video Competitiveness Account	5.0	5.0
Tobacco Litigation Funds	10.0	-
Transfer Regional Greenhouse Gas Initiative Funds	-	5.0
Mortgage Recording System Revenues	5.4	5.4
Probate Fund Transfer	1.0	-
Transfer from CEFIA	6.2	24.2
Transfer FY 13 Surplus Funds	190.8	30.0
GF Total	448.8	183.7
STF		
Transfer Oil Companies Tax Revenue to STF	158.0	152.3
Transfer to GF	(249.3)	(170.7)
STF Total	(91.3)	(18.4)
NET TOTAL	357.5	165.3

APPENDIX A

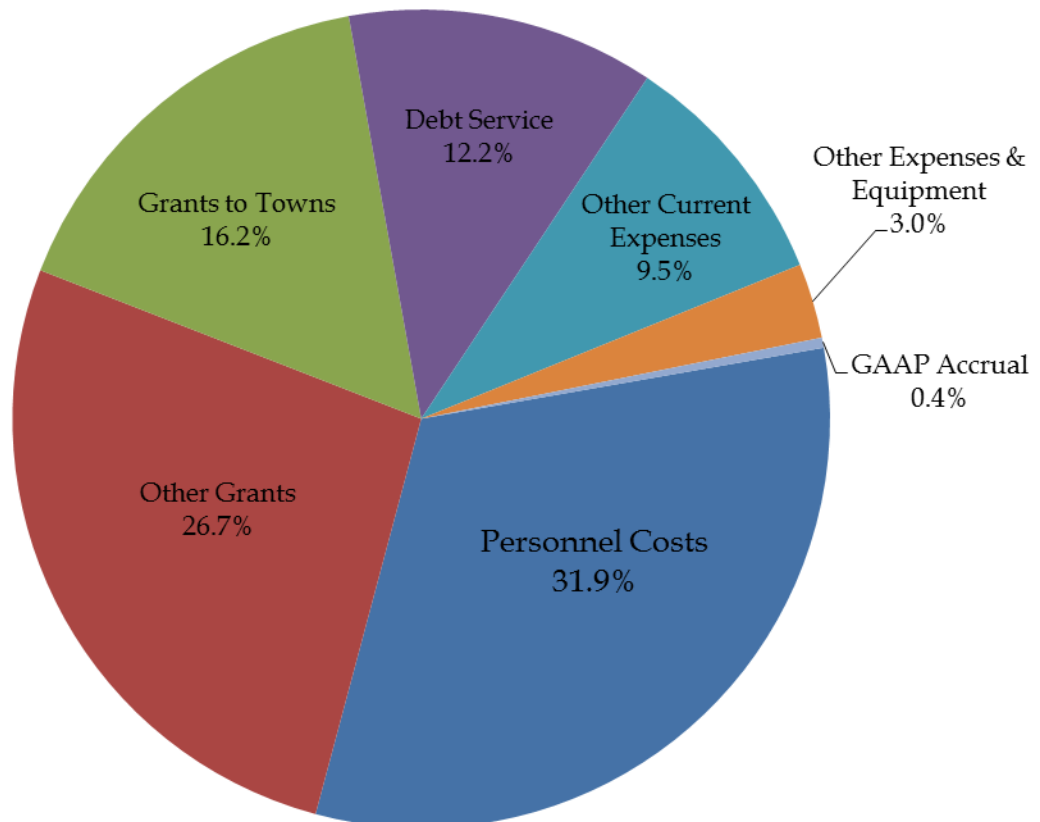
FY 14 All Appropriated Funds
(by account type - in millions)

Account Type	FY 14 \$	% of Total
Personnel Costs	5,793.1	30.8%
<i>Fringe Benefits</i>	2,532.1	13.5%
Other Grants	5,438.8	28.9%
<i>Medicaid</i>	2,322.5	12.4%
<i>Teacher's Retirement: Pension & Health</i>	970.9	5.2%
Grants to Towns	3,029.4	16.1%
<i>Education Equalization Grants</i>	2,066.6	11.0%
<i>Magnet Schools</i>	265.4	1.4%
<i>PILOTS - State Owned & Private</i>	189.1	1.0%
Debt Service	2,183.6	11.6%
Other Current Expenses	1,717.8	9.1%
Other Expenses & Equipment	568.7	3.0%
GAAP Accrual	55.9	0.3%
Gross Total	18,787.4	100.0%
Lapses	(183.6)	
NET TOTAL	18,603.7	



FY 15 All Appropriated Funds
(by account type - in millions)

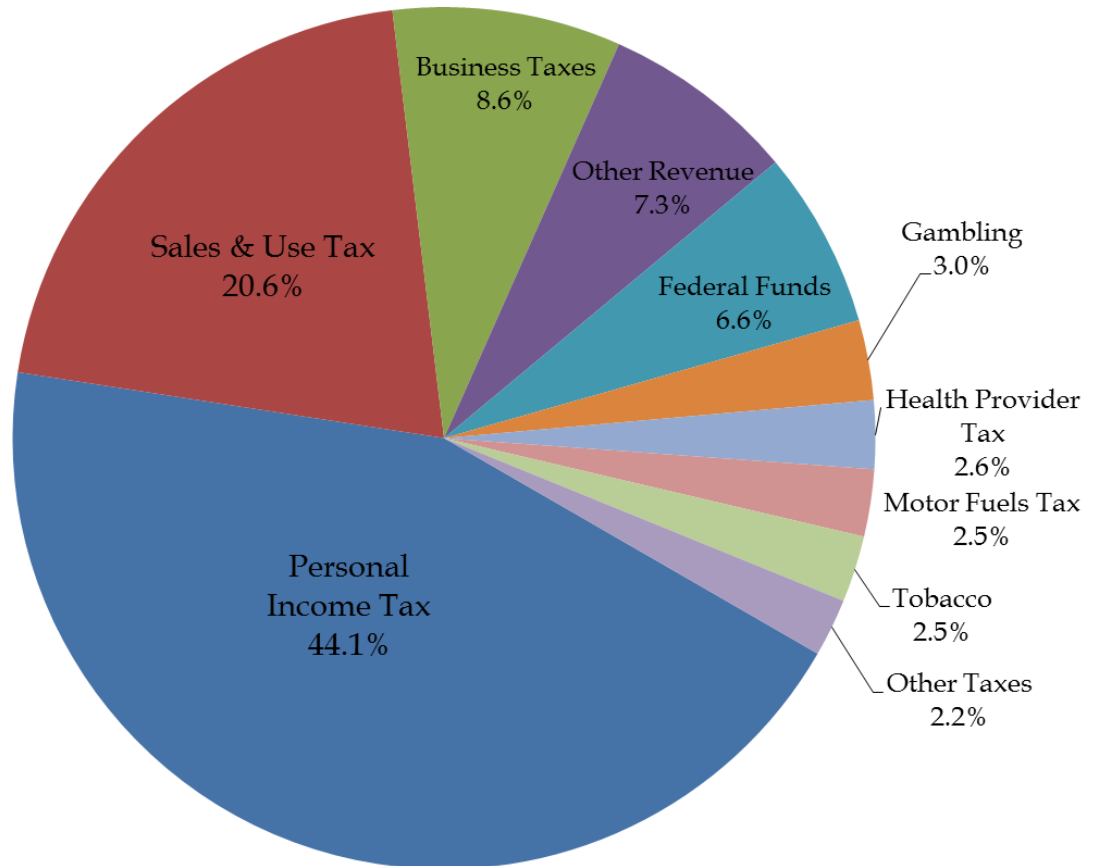
Account Type	FY 15 \$	% of Total
Personnel Costs	6,125.2	31.9%
<i>Fringe Benefits</i>	2,679.9	14.0%
Other Grants	5,128.6	26.7%
<i>Medicaid</i>	2,069.1	10.8%
<i>Teacher's Retirement: Pension & Health</i>	1,010.8	5.3%
Grants to Towns	3,115.3	16.2%
<i>Education Equalization Grants</i>	2,132.9	11.1%
<i>Magnet Schools</i>	281.3	1.5%
<i>PILOTS - State Owned & Private</i>	189.1	1.0%
Debt Service	2,333.6	12.2%
Other Current Expenses	1,827.6	9.5%
Other Expenses & Equipment	568.3	3.0%
GAAP Accrual	76.7	0.4%
Gross Total	19,175.3	100.0%
Lapses	(169.5)	
NET TOTAL	19,005.8	



APPENDIX B

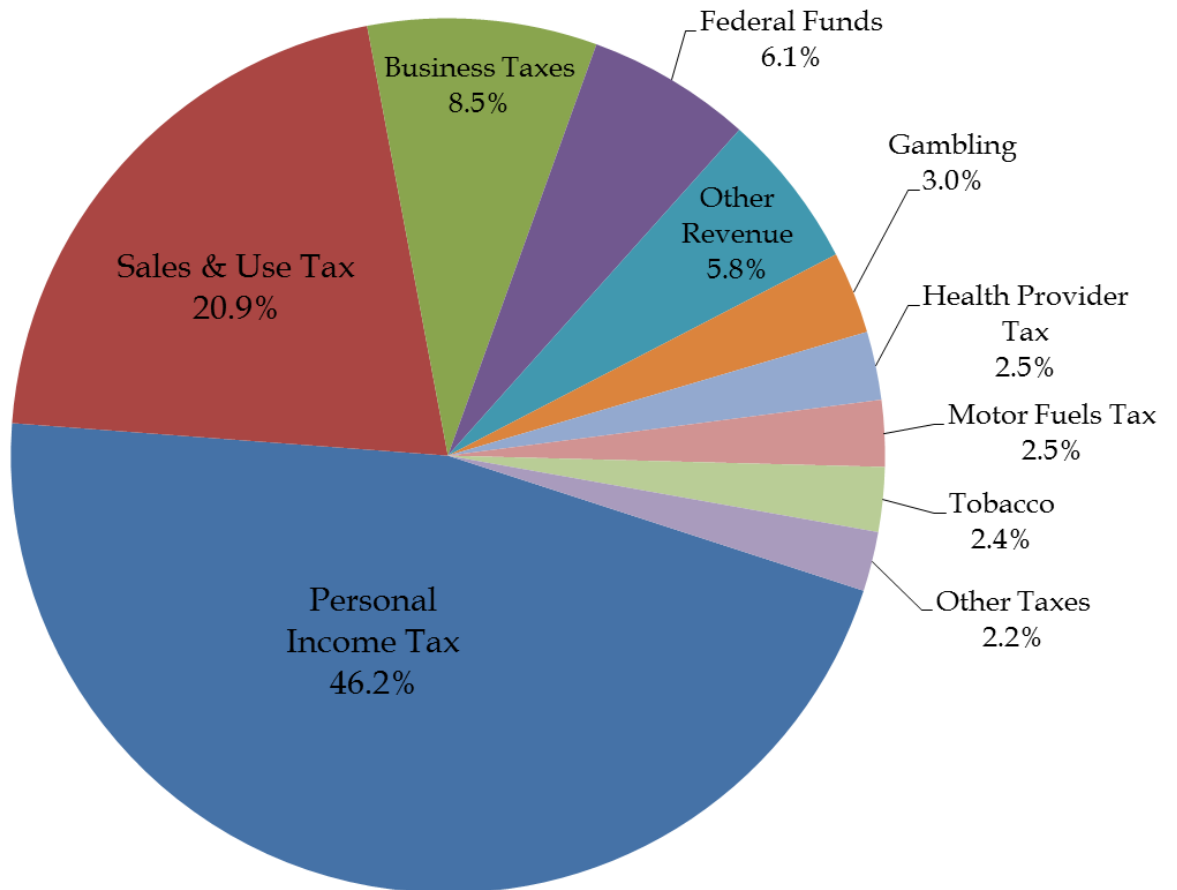
FY 14 All Appropriated Funds Revenue (by revenue item - in millions)

Revenue Item	FY 14 \$	% of Total
Personal Income Tax	8,808.8	44.1%
Sales & Use Tax	4,122.4	20.6%
Business Taxes	1,709.6	8.6%
Other Revenue	1,458.1	7.3%
Federal Funds	1,325.8	6.6%
Gambling	599.6	3.0%
Health Provider Tax	512.0	2.6%
Motor Fuels Tax	502.9	2.5%
Tobacco	497.4	2.5%
Other Taxes	433.4	2.2%
Gross Total	19,970.0	100.0%
Reductions	(1,361.0)	
NET TOTAL	18,609.0	



FY 15 All Appropriated Funds Revenue
(by revenue item - in millions)

Revenue Item	FY 15 \$	% of Total
Personal Income Tax	9,399.8	46.2%
Sales & Use Tax	4,244.7	20.9%
Business Taxes	1,726.5	8.5%
Federal Funds	1,241.0	6.1%
Other Revenue	1,174.6	5.8%
Gambling	619.2	3.0%
Health Provider Tax	514.5	2.5%
Motor Fuels Tax	499.1	2.5%
Tobacco	485.5	2.4%
Other Taxes	448.3	2.2%
Gross Total	20,353.2	100.0%
Reductions	(1,343.3)	
NET TOTAL	19,009.9	



APPENDIX C

**Finance, Revenue and Bonding Committee
June 1, 2013**

**FY 14 and FY 15 General Fund Estimates
(in thousands)**

General Fund (GF)		
Item	FY 14 \$	FY 15 \$
Taxes		
Personal Income Tax	8,808,800	9,399,800
Sales & Use Tax	4,044,000	4,164,800
Corporation Tax	723,500	749,300
Public Service Tax	279,300	284,400
Inheritance & Estate Tax	172,900	179,800
Insurance Companies Tax	271,200	277,600
Cigarettes Tax	390,400	379,500
Real Estate Conveyance Tax	143,800	150,800
Oil Companies Tax	37,400	36,100
Electric Generation Tax	17,500	-
Alcoholic Beverages Tax	59,800	60,200
Admissions & Dues Tax	37,000	37,300
Health Provider Tax	512,000	514,500
Miscellaneous Tax	19,900	20,200
Subtotal - Taxes	15,517,500	16,254,300
Less Refunds	(1,073,500)	(1,115,600)
Less Earned Income Tax Credit	(104,500)	(121,000)
Less R&D Credit Exchange	(5,500)	(6,200)
Net - Taxes	14,334,000	15,011,500
Other Revenue		
Transfers - Special Revenue	314,300	338,800
Indian Gaming Payments	285,300	280,400
Licenses, Permits and Fees	300,900	274,100
Sales of Commodities	38,200	39,400
Rents, Fines and Escheats	114,050	116,000
Investment Income	1,300	1,600
Miscellaneous	169,100	170,900
Less Refunds of Payments	(69,800)	(71,300)

Net - Other Revenue	1,153,350	1,149,900
Other Sources		
Federal Grants	1,312,700	1,227,900
Transfer From Tobacco Settlement	107,000	106,000
Transfers (To)/From Other Funds	283,000	12,200
Net - Other Sources	1,702,700	1,346,100
GF TOTAL	17,190,050	17,507,500

**FY 14 and FY 15 Special Transportation Fund Estimates
(in thousands)**

Special Transportation Fund (STF)		
Item	FY 14 \$	FY 15 \$
Taxes		
Motor Fuels Tax	502,900	499,100
Oil Companies Tax	380,700	379,100
Sales Tax- DMV	78,400	79,900
Less Refunds	(6,500)	(6,600)
Net - Taxes	955,500	951,500
Other Sources		
Motor Vehicle Receipts	234,000	237,500
Licenses, Permits and Fees	138,500	139,100
Interest Income	3,800	4,100
Federal Grants	13,100	13,100
Transfers From/(To) Other Funds	(98,000)	(19,400)
Refunds of Payments	(3,200)	(3,200)
Net - Other Sources	288,200	371,200
STF TOTAL	1,243,700	1,322,700

APPENDIX D

Municipal Formula Grants and Other Major Aid

Grant	FY 13 \$ Appropriation	FY 14 - FY 15 Appropriation			
		FY 14 \$	FY 15 \$	FY 14 \$ - FY 13 \$	FY 15 \$ - FY 13 \$
Appropriated Funds					
Colleges & Hospitals PILOT	115,431,737	115,431,737	115,431,737	-	-
Reimbursement Property Tax - Disability Exemption	400,000	400,000	400,000	-	-
Distressed Municipalities	5,800,000	5,800,000	5,800,000	-	-
Property Tax Relief Elderly Circuit Breaker	20,505,900	20,505,900	20,505,900	-	-
Property Tax Relief for Veterans	2,970,098	2,970,098	2,970,098	-	-
Local and District Departments of Health	4,662,487	4,669,173	4,669,173	6,686	6,686
Vocational Agriculture	6,485,565	9,485,565	9,485,565	3,000,000	3,000,000
Health and Welfare Services Pupils Private Schools	4,297,500	4,297,500	4,297,500	-	-
Bilingual Education	1,916,130	1,916,130	1,916,130	-	-
Excess Cost - Student Based	139,805,731	139,805,731	139,805,731	-	-
Non-Public School Transportation	3,595,500	3,595,500	3,595,500	-	-
Youth Service Bureaus	2,989,268	2,989,268	2,989,268	-	-
Child Day Care ¹	18,419,752	18,419,752	18,419,752	-	-
PILOT - State Property	73,641,646	73,641,646	73,641,646	-	-
Mashantucket Pequot and Mohegan Fund	61,779,907	61,779,907	61,779,907	-	-
Property Tax Relief Elderly Freeze Program	390,000	235,000	235,000	(155,000)	(155,000)
Tax Abatement	1,704,890	1,444,646	1,444,646	(260,244)	(260,244)
PILOT - Housing	2,204,000	1,873,400	1,873,400	(330,600)	(330,600)
Public School Transportation	24,884,748	24,884,748	24,884,748	-	-
Education Equalization Grants (ECS) ²	1,939,607,087	1,991,000,000	2,040,901,002	51,392,913	101,293,915
Priority School Districts ¹	121,875,581	47,427,206	46,947,022	(74,448,375)	(74,928,559)
School Breakfast Program	2,220,303	2,300,041	2,379,962	79,738	159,659
OPEN Choice Program	22,090,956	37,018,594	42,616,736	14,927,638	20,525,780
Magnet Schools	242,361,711	265,449,020	281,250,025	23,087,309	38,888,314
School-Based Health Clinics	11,543,438	12,747,463	12,638,716	1,204,025	1,095,278
Interdistrict Cooperation	10,131,935	9,146,369	9,150,379	(985,566)	(981,556)
Early Childhood ¹	6,022,489	6,748,003	6,761,345	725,514	738,856
School Readiness ¹	-	74,767,825	74,299,075	74,767,825	74,299,075
Adult Education	21,025,690	21,033,915	21,045,036	8,225	19,346
Municipal Aid Adjustment Grant	-	2,217,456	1,358,728	2,217,456	1,358,728
subtotal	2,868,764,049	2,964,001,593	3,033,493,727	95,237,544	164,729,678

Grant	FY 13 \$ Appropriation	FY 14 - FY 15 Appropriation			
		FY 14 \$	FY 15 \$	FY 14 \$ - FY 13 \$	FY 15 \$ - FY 13 \$
Bond Funds and Other Revenue-Related Grants					
Local Capital Improvement Program	30,000,000	30,000,000	30,000,000	-	-
Town Aid Road Grants	30,000,000	60,000,000	60,000,000	30,000,000	30,000,000
Municipal Revenue Sharing Account	94,100,000	-	-	(94,100,000)	(94,100,000)
Bonded Payments Based on Municipal Revenue Sharing Account Formula	-	56,429,907	56,429,907	56,429,907	56,429,907
Regional Performance Incentive Account	8,900,000	9,200,000	9,200,000	300,000	300,000
School-Based Child Health	4,500,000	4,900,000	5,400,000	400,000	900,000
subtotal	167,500,000	160,529,907	161,029,907	(6,970,093)	(6,470,093)
TOTAL	3,036,264,049	3,124,531,500	3,194,523,634	88,267,451	158,259,585

¹School Readiness (removed from Priority School District account), Early Childhood, and Child Day Care were transferred from SDE to OEC in the budget.

²Does not include Charter School funding of \$75.6 million in FY 14 and \$92 million in FY 15.