

REPUBLICAN PRELIMINARY FISCAL NOTE

Appropriations Committee Meeting

April 20, 2018



OFFICE OF FISCAL ANALYSIS

Room 5200, Legislative Office Building

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The Republican budget includes revised appropriations in ten funds totaling \$20.4 billion in FY 19 as summarized in the table below.

Revised FY 19 Appropriations

Fund	Original Appropriation FY 19	Governor Revised FY 19	Republican FY 19	Republican - Governor	Republican - Original
General Fund	19,885,371,203	18,870,506,700	18,620,110,121	(250,396,579)	(1,265,261,082)
Special Transportation Fund	1,640,068,939	1,631,817,521	1,580,178,903	(51,638,618)	(59,890,036)
Banking Fund	27,386,848	27,756,956	27,386,848	(370,108)	-
Insurance Fund	95,035,932	91,566,573	94,276,959	2,710,386	(758,973)
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	26,113,195	-	1,172,693
Mashantucket Pequot and Mohegan Fund	49,942,796	49,692,232	50,942,796	1,250,564	1,000,000
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	11,444,988	(4,837,088)	(1,200,000)
Total Gross Appropriations	21,764,964,556	20,755,238,802	20,440,027,158	(315,211,644)	(1,324,937,398)
General Fund Lapses					
Unallocated Lapse	(51,765,570)	(9,515,570)	(10,515,570)	(1,000,000)	41,250,000
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
General Fund Total Lapses	(1,094,743,749)	(14,515,570)	(22,515,570)	(8,000,000)	1,072,228,179
Special Transportation Fund Lapses					
Unallocated Lapse	(12,000,000)	(12,000,000)	(12,000,000)	-	-
Special Transportation Fund Total Lapses	(12,000,000)	(12,000,000)	(12,000,000)	-	-
General Fund	18,790,627,454	18,855,991,130	18,597,594,551	(258,396,579)	(193,032,903)
Special Transportation Fund	1,628,068,939	1,619,817,521	1,568,178,903	(51,638,618)	(59,890,036)
Municipal Revenue Sharing Fund	-	-	-	-	-
Banking Fund	27,386,848	27,756,956	27,386,848	(370,108)	-

Fund	Original Appropriation FY 19	Governor Revised FY 19	Republican FY 19	Republican - Governor	Republican - Original
Insurance Fund	95,035,932	91,566,573	94,276,959	2,710,386	(758,973)
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	26,113,195	-	1,172,693
Mashantucket Pequot and Mohegan Fund	49,942,796	49,692,232	50,942,796	1,250,564	1,000,000
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	11,444,988	(4,837,088)	(1,200,000)
Total Net Appropriations	20,658,220,807	20,728,723,232	20,405,511,588	(323,211,644)	(252,709,219)

Spending Cap

The Revised FY 19 Budget is under the spending cap by \$292.9 million. This does not assume any deficiency appropriations in FY 18.

Growth Rate

The Republican's Revised FY 19 Budget growth rate for all appropriated funds is -2% over FY 18 estimated expenditures. See table below for details.

Growth Rate of Appropriations (\$ in millions)

	FY 18 Estimated Expenditures	Original Appropriation FY 19	Republican FY 19	Change From FY 18 Est. to Republican FY 19		Change From Orig. FY 19 to Republican FY 19	
General Fund	18,719.8	18,790.6	18,597.6	(122.2)	-0.7%	(193.0)	-1.0%
Transportation Fund	1,497.3	1,628.1	1,568.2	70.8	4.7%	(59.9)	-3.7%
Other Appropriated Funds	226.6	239.5	239.7	13.1	5.8%	0.2	0.1%
TOTAL	20,443.7	20,658.2	20,405.5	(38.2)	-0.2%	(252.7)	-1.2%

Sections 11 – 25 of the back of budget language are identified below.

Section	Agency	Description
11(a)	OPM	Eliminates the labor management lapse of \$867,600,000 to reflect the allocation into agency budgets.
11(b)	UOC, BOR, UHC	Requires any allotment reduction to a higher education constituent unit to be credited to the General Fund which results in a savings to the General Fund and an equivalent revenue loss to the constituent unit(s).
12(a)	OPM	Reduces the unallocated lapse amount to the executive branch from \$45,000,000 to \$10,515,570 to reflect the allocation into agency budgets.
12(c)	OPM	Reduces the unallocated lapse amount to the judicial branch from \$8,000,000 to \$5,000,000 to reflect the allocation into agency budgets.
13	OPM	Eliminates the targeted savings lapse of \$150,878,179 to reflect the allocation into agency budgets.
14	OPM	Allows the Secretary of the Office of Policy and Management to make reductions in allotments to the executive branch to achieve savings of \$7 million through a hard hiring reduction.
15	OPM	Requires that the Governor shall not reduce allotments to state agencies as it relates to municipal aid. This results in a potentially significant savings to municipalities to the extent that the Governor would have otherwise reduced municipal aid. For context, in FY 2018 the Governor reduced municipal aid by approximately \$90 million as part of holdbacks.
16	OPM	Allows any savings achieved through the implementation of the SEBAC savings in any appropriated fund, other than the Special Transportation Fund to be credited to the resources of the General Fund. This is estimated to be \$32.3 million in FY 19.
17	DSS	Results in a cost to the Department of Social Services of up to \$250,000 to provide a grant to Sharon hospital in FY 19 from the Medicaid account. The funding may be eligible for federal reimbursement of approximately 50% or \$125,000. Funding of \$250,000 is provided in section 1 of the bill.
18	DOH	Designates \$2,560,000 of the Housing and Homeless Services line item in the Department of Housing to be used to fund various programs and specific service providers and does not result in a fiscal impact, as it does not change the total line item allocation.
19	UHC/DDS	Requires UHC to enter into a memorandum of understanding with the DDS to provide dental services at the Southbury Training School (STS) by January 1, 2019. Funding of \$239,949 related to the STS dental clinic was removed from the DDS

Section	Agency	Description
		budget. The cost associated with UCHC providing such dental services is not known at this time.
20 - 21	DOT	Allow funding for the transit districts to remain at FY 17 levels. Any reduction to the Bus Operations account will come from the operating subsidy of CT Fastrack which may reduce service on this bus line.
22	DOT	Restricts the Department of Transportation's ability to raise bus and rail fares in FY 19. If this results in a deficit to the Bus and Rail Operation Accounts, there may be a reduction to services.
23	OPM	Requires, by 10/1/18, that the Office of Policy and Management (OPM) issue a Request For Proposals (RFP) to sell the Connecticut Juvenile Training School (CJTS), operated by the Department of Children and Families (DCF). This provision does not result in a fiscal impact to the state, as OPM has the expertise needed to issue an RFP, and a sale of CJTS is not anticipated to be achieved in FY 19.
24	UCHC	Requires the University of Connecticut (UConn) to amend its bylaws to increase each professor's course load by one course, is estimated to result in a savings of \$10.4 million as fewer adjunct and similar faculty will be hired. This savings is reflected in a UConn Operating Expenses reduction of the same amount in Section 1.
25	DEEP	Authorizes the Public Utilities Regulatory Authority (PURA) to disburse \$63.5 million in each of FY 18 and FY 19 to the General Fund, from the Energy Conservation and Load Management Fund (ECLMF). It requires disbursements to occur proportionately based on receipts received by each of the funds. These sweeps, previously identified in Sec. 683 of PA 17-2, the FY 18 and FY 19 biennial budget, have not yet been authorized.