

# OFFICE OF FISCAL ANALYSIS

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## State Budget Projections

April 29, 2011

We are currently projecting a \$458.3 million surplus in the General Fund.<sup>1</sup> This reflects an improvement over our March 2011 report, which projected a \$158.3 million surplus. Estimated expenditure requirements have increased by \$28.1 million and estimated revenues have increased by \$328.1 million for an improvement of \$300.0 million.

The increase in expenditures from March is due primarily to the assumption that the Department of Social Services will make an additional two-week payment to nursing homes in FY 11, at a cost of \$52 million. Due to the enhanced ARRA match on FY 11 expenditures, this payment generates federal revenue of \$29.7 million. There were numerous other adjustments to the estimated expenditures including a \$3.5 million reduction in the Department of Mental Health and Addiction Services due to unfilled vacancies, reduced worker's compensation claims, and continued distribution of generic medications.

The revenue improvement since March is attributable primarily to estimates of the Personal Income Tax and the Corporation Business Tax, which have been adjusted upward by \$157.1 million and \$109.9 million, respectively. The increase in Personal Income Tax results from higher-than-anticipated estimated payments and final payment collections. The increase in the Corporation Business Tax derives mainly from a one-time payment of \$90 million in April.

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<sup>1</sup> Note that \$14.5 million of the estimated surplus is required to be transferred to the Other Post-Employment Benefits trust fund in accordance with the 2009 SEBAC Agreement.

FY 11 General Fund Overview (\$ - millions)					
	Budget	March 25 Projection	Current Projection	Diff. from March 25	Diff. from Budget
Est. Expenditures	17,667.2	18,040.4	18,068.5	28.1	401.3
Est. Revenue	17,667.4	18,198.7	18,526.8	328.1	859.4
Est. (Deficit) / Surplus	0.2	158.3	458.3	300.0	458.1
% of Est. Expenditures	0.00%	0.88%	2.54%		

FY 11 General Fund Details (\$ - millions)					
	Budget	March 25 Projection	Current Projection	Diff. from March 25	Diff. from Budget
<b>Expenditures</b>					
Agency Appropriations	17,963.5	17,963.5	17,963.5	-	-
Deficiency Requirements	-	257.1	295.9	38.8	295.9
Lapses	(296.3)	(244.1)	(249.7)	(5.6)	46.6
Adjudicated Claims / Refunds of Escheats	-	63.9	58.9	(5.0)	58.9
Total Expenditures	17,667.2	18,040.4	18,068.6	28.2	401.4
<b>Revenues</b>					
<b>Taxes</b>					
Personal Income	6,682.5	6,971.7	7,128.8	157.1	446.3
Sales and Use	3,164.9	3,353.1	3,342.0	(11.1)	177.1
Corporations	662.9	660.5	770.4	109.9	107.5
Other	1,431.2	1,531.8	1,561.2	29.4	130.0
Refunds / R&D Credit Exchange	(1,019.8)	(979.1)	(968.0)	11.1	51.8
Subtotal: Taxes	10,921.7	11,538.0	11,834.4	296.4	912.7
Other Revenue	1,202.7	1,246.2	1,247.5	1.3	44.8
<b>Other Sources</b>					
Federal Grants	4,256.0	4,166.6	4,204.8	38.2	(51.2)
Other	1,287.0	1,247.9	1,240.1	(7.8)	(46.9)
Subtotal: Other Sources	5,543.0	5,414.5	5,444.9	30.4	(98.1)
Total Revenues	17,667.4	18,198.7	18,526.8	328.1	859.4
Operating Surplus / (Deficit)	0.2	158.3	458.3	300.0	458.1

Note that figures may not sum to total due to rounding.

## FY 11 State Agency or Account Lapses/ (Deficiencies)

Agency	Adjusted Approp [1]	OFA Est. Expenditures	Balance [2]
Department of Social Services	5,160,991,338	5,419,361,059	(258,369,721)
Refunds of Escheated Property	-	55,000,000	(55,000,000)
Department of Mental Health and Addiction Services	631,606,269	673,314,900	(41,708,631)
Adjudicated Claims	-	3,865,000	(3,865,000)
Child Protection Commission	11,468,166	13,995,855	(2,527,689)
Public Defender Services Commission	48,697,077	49,963,149	(1,266,072)
Workers' Compensation Claims - Department of Administrative Services	26,206,154	26,506,154	(300,000)
Department of Agriculture	4,550,720	4,708,200	(157,480)
Teachers' Retirement Board	584,023,635	584,078,009	(54,374)
Miscellaneous Appropriation to the Governor	1	1	-
State Comptroller - Miscellaneous	189,426,409	189,426,409	-
State Department on Aging	2	2	-
Council on Environmental Quality	163,710	163,372	338
Asian Pacific American Affairs Commission	52,310	50,671	1,639
Board of Firearms Permit Examiners	82,508	80,817	1,691
Judicial Selection Commission	87,133	83,906	3,227
Charter Oak State College	2,897,633	2,893,267	4,366
Judicial Review Council	148,530	143,638	4,892
African-American Affairs Commission	212,236	206,350	5,886
Commission on Aging	256,071	249,903	6,168
Latino and Puerto Rican Affairs Commission	319,791	313,212	6,579
Office of the Victim Advocate	328,515	318,611	9,904
Contracting Standards Board	10,001	1	10,000
Psychiatric Security Review Board	355,205	344,768	10,437
Lieutenant Governor's Office	503,867	486,949	16,918
Board of Accountancy	383,688	354,302	29,386
Labor Department	61,369,335	61,335,580	33,755
Commission on the Deaf and Hearing Impaired	904,012	869,344	34,668
Permanent Commission on the Status of Women	505,420	456,493	48,927
Office of the Child Advocate	833,887	774,219	59,668
Governor's Office	2,760,631	2,674,331	86,300
Office of Protection and Advocacy for Persons with Disabilities	2,653,479	2,562,703	90,776
Freedom of Information Commission	2,306,883	2,135,927	170,956
Office of State Ethics	1,903,308	1,730,488	172,820
Commission on Children	530,420	357,107	173,313
University of Connecticut Health Center	119,346,347	119,166,814	179,533
Commission on Fire Prevention and Control	3,564,721	3,377,669	187,052
Department of Higher Education	70,248,327	70,018,355	229,972
Secretary of the State	8,000,085	7,764,778	235,307
Police Officer Standards and Training Council	2,687,808	2,450,518	237,290
Regional Community - Technical Colleges	158,523,261	158,282,029	241,232
Connecticut State University	162,517,232	162,271,103	246,129
Office of the Chief Medical Examiner	5,650,427	5,348,507	301,920
University of Connecticut	233,011,263	232,655,600	355,663
Board of Education and Services for the Blind	11,607,026	11,243,148	363,878

## FY 11 State Agency or Account Lapses/ (Deficiencies)

Agency	Adjusted Approp [1]	OFA Est. Expenditures	Balance [2]
Agricultural Experiment Station	6,991,173	6,625,892	365,281
Elections Enforcement Commission	5,016,952	4,626,913	390,039
Commission on Culture and Tourism	16,690,361	16,177,765	512,596
Department of Consumer Protection	10,998,752	10,474,141	524,611
Department of Emergency Management and Homeland Security	3,784,522	3,205,580	578,942
Attorney General	29,122,914	28,533,750	589,164
State Treasurer	3,991,071	3,397,968	593,103
Commission on Human Rights and Opportunities	6,378,778	5,761,171	617,607
Office of Workforce Competitiveness	2,687,472	2,030,732	656,740
Military Department	6,549,083	5,866,987	682,096
State Comptroller	25,397,999	24,496,860	901,139
Division of Special Revenue	5,230,374	3,895,187	1,335,187
State Library	12,169,568	10,916,440	1,253,128
Division of Criminal Justice	49,395,671	48,014,815	1,380,856
Department of Economic and Community Development	26,897,399	25,330,023	1,567,376
Auditors of Public Accounts	13,426,371	11,640,826	1,785,545
Department of Public Works	54,858,585	52,812,858	2,045,727
Department of Public Safety	165,298,283	162,655,363	2,642,920
Department of Veterans' Affairs	31,150,039	28,765,469	2,384,570
Department of Information Technology	42,993,149	40,453,415	2,539,734
Office of Policy and Management	129,780,924	126,764,280	3,016,644
Regional Vocational-Technical School System	139,103,088	136,024,713	3,078,375
Department of Revenue Services	66,856,005	63,489,945	3,366,060
Department of Public Health	87,157,487	83,789,516	3,367,971
Department of Administrative Services	41,860,344	38,442,577	3,417,767
Department of Environmental Protection	77,270,129	73,305,385	3,964,744
Judicial Department	501,877,820	495,471,891	6,405,929
Legislative Management	65,141,752	57,312,529	7,829,223
Department of Education	2,586,293,790	2,574,848,120	11,445,670
State Comptroller - Fringe Benefits	1,932,602,747	1,917,702,747	14,900,000
Department of Correction	693,730,815	678,049,826	15,680,989
Department of Developmental Services	1,004,762,407	984,628,425	20,133,982
Department of Children and Families	850,224,859	823,603,592	26,621,267
Debt Service - State Treasurer	1,672,693,240	1,624,608,050	48,085,190
Reserve for Salary Adjustments	83,435,472	23,435,472	60,000,000
<b>Totals</b>	<b>17,963,514,236</b>	<b>18,068,542,441</b>	<b>(105,028,205)</b>
<b>Summary</b>			
General Fund Gross Appropriation	17,963,514,236	17,963,514,236	-
Budgeted Lapses	(296,344,077)	(249,716,555)	(46,627,522)
Refunds of Escheats and Adjudicated Claims	-	58,865,000	(58,865,000)
Deficiencies	-	295,879,760	(295,879,760)
General Fund Net Appropriation	17,667,170,159	18,068,542,441	(401,372,282)

[1] The appropriation listed above for each agency: (a) excludes budgeted lapses; and (b) includes any actual or anticipated transfers from OPM's Reserve for Salary Adjustments line item to cover the costs of collective bargaining agreements that were not otherwise provided in the agencies' budgets.

[2] Estimated balance of current year appropriations: excludes carry forwards.