

OFFICE OF FISCAL ANALYSIS

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State Budget Projections General Fund May 23, 2014

Summary

We are currently projecting a \$72.7 million surplus in the General Fund. This reflects an increase of \$16.4 million since our last report of April 30, 2014. Note that once ongoing (statutory) carry forwards are included, the projected surplus would be reduced to \$63.5 million.

FY 14 General Fund Overview (in millions) ¹

Estimates	Budget	April Projection	May Projection	Difference from April	Difference from Budget
Expenditures					
Agency Appropriations	17,361.4	17,361.4	17,361.4	-	-
Deficiency Requirements	-	47.5	-	(47.5)	-
Lapses	(172.7)	(312.4)	(288.5)	23.9	(115.8)
Total Expenditures	17,188.7	17,096.5	17,072.9	(23.7)	(115.8)
Revenues					
Personal Income Tax	8,808.8	8,632.8	8,632.8	-	(176.0)
Sales and Use	4,044.0	4,109.6	4,109.6	-	65.6
Corporations	723.5	771.2	766.2	(5.0)	42.7
Federal Grants	1,312.7	1,279.5	1,279.5	-	(33.2)
Other Taxes and Refunds	757.7	771.4	746.4	(25.0)	(11.3)
Other Revenue Sources	1,546.5	1,588.3	1,611.1	22.8	64.6
Total Revenues	17,193.2	17,152.8	17,145.6	(7.2)	(47.6)
Operating Surplus/(Deficit)	4.5	56.3	72.7	16.4	68.2
% of Expenditures	0.0%	0.3%	0.4%	0.1%	0.4%
Statutory Carry Forward of Lapse	-	9.2	9.2	-	9.2
Adjusted Surplus/(Deficit)	4.5	47.1	63.5	16.4	59.0

¹ Totals may appear to not add up due to a rounding effect

Major Expenditure Changes since April 30, 2014

- Department of Children and Families - Personal Services - reduced by \$1.3 million or 0.5% from last month's projection due to unfilled vacant positions.
- Office of the Attorney General - Personal Services - reduced by \$1.2 million or 3.8% from last month's projection due to a reduction in anticipated expenditures for: (1) accumulated leave payments to employees who were expected to retire but did not do so and (2) funds that would be needed to refill the positions vacated by the retiring employees. There are at least seven Tier 1 employees who are currently eligible for retirement and the anticipated accumulated leave payment per employee is estimated to be \$120,000.
- The Reserve for Salary Adjustment (RSA) account has been reduced by \$10.4 million since April to reflect the anticipated transfer to the Department of Corrections (DOC) to cover deficiencies of \$13.5 million in Personal Services. Additionally \$3.1 million of funds carried forward into RSA from FY 13 are also anticipated to be transferred to DOC.

Major Revenue Changes since April 30, 2014

- Health Provider Tax – was decreased by \$10.0 million, or 2.0%, due to weak April quarterly collections from the hospital net revenue portion of the tax. This weakness was partially offset by increased year-over-year collections under the intermediate care facility fee portion of the tax, which is returning to historical growth trends after a one-time negative adjustment in FY 13.
- Transfers- Special Revenue - was increased by \$10.0 million, or 3.1%, due to continued strength in CT Lottery sales.
- Miscellaneous Revenue - was increased by \$8.8 million, or 4.6%, due to anticipated General Fund revenue from a legal settlement relating to the UConn Law Library.
- All other adjustments net to a \$16.0 million decrease and are attributable to variance between collection trends and targets.

Further Information

Use the links below to see detailed estimates by agency/account and revenue category.

[Expenditures XLS PDF](#)

[Revenues XLS PDF](#)