

As of February 26, 2024, the Office of Fiscal Analysis is projecting **\$279.6 million** in state agency General Fund shortfalls. The following table reflects the level of funding that is anticipated to be needed by various agencies from the General Fund this fiscal year.

FY 24 General Fund Estimated Deficiency Needs

In Millions of Dollars

Agency	Deficiency \$
Department of Social Services	125.8
State Comptroller - Fringe Benefits	66.4
State Comptroller - Miscellaneous	40.0
Department of Correction	24.0
Department of Mental Health and Addiction Services	14.7
PS Deficiencies Due to Holdbacks	3.9
Judicial Department	2.4
Connecticut Technical Education and Career System	2.0
Division of Criminal Justice	0.4
TOTAL	279.6

A description of each deficiency is provided below.

Department of Social Services - \$125.8 million

The projected deficiency of \$125.8 million reflects the net impact of shortfalls in several accounts that are partially offset by lapses. The Medicaid shortfall (\$140 million) is primarily driven by a reconciliation of costs related to Medicare Part D clawback billing, costs for undocumented individuals, and adjustments for ARPA HCBS. The shortfalls in Aid to the Disabled (\$4.1 million) and State Administered General Assistance (\$3.2 million) are due to both increased caseloads and higher than budgeted costs per case.

The lapse in HUSKY B (\$15.5 million) is primarily driven by lower than budgeted expenditures associated with state-funded HUSKY medical services for individuals regardless of immigration status. The lapse in Connecticut Home Care Program (\$6 million) is primarily due to ARPA HCBS adjustments and the lapse in Old Age Assistance (\$400,000) is due to variances in cost and caseload compared to budget.

Office of the State Comptroller – Fringe Benefits - \$66.4 million

A projected \$66.4 million deficiency is due to shortfalls in several accounts which are partially offset by lapses. The anticipated deficiencies are: (1) \$66 million in the Higher Education Alternative Retirement (ARP) account resulting from a change in the accounting of a policy enacted by PA 23-204, the FY 24 and FY 25 Budget; (2) \$19 million in the Other Post Employment Benefits account resulting from a decrease in ARP and SERS recovery rates; and (3) \$38,361 in the Pensions and Retirements – Other Statutory account. These deficiencies are partially offset by

lapses within several accounts: (1) \$8.9 million in the State Employees Health Service Cost account; (2) \$3 million in the SERS Defined Contribution Match account; (3) \$2.8 million in the Retired State Employee Health Service Costs account; (4) \$2 million in the Unemployment Compensation account; (5) \$1.5 million in the Employer's Social Security Tax account; and (6) \$500,000 in the Insurance - Group Life account.

Office of the State Comptroller - Adjudicated Claims - \$40 million

There is a projected deficiency of \$40 million within the Adjudicated Claims account. No FY 24 appropriation was made for this account. Through February 21, approximately \$14.3 million has been expended, and an additional \$25.2 million is anticipated for the settlement of two claims made against the State.

Department of Correction - \$24.0 million

The Department of Correction is projected to have a deficiency of \$24 million, resulting from shortfalls of \$17 million in Other Expenses and \$10 million in Inmate Medical Services. This deficiency is partially offset by a \$1 million lapse in the Boards of Pardons and Parole due to a delay to refilling vacancies and a \$2 million lapse in Community Support Services due to a delay in certain private providers meeting their contractual obligations.

The deficiencies are due to increased costs for utilities, food, clothing, and pharmaceutical and medical supplies, as well as a higher inmate population count. The average population count in FY 23 was 10,033 while the population count as of 2/1/24 is 10,510 (an increase of 4.8%).

Department of Mental Health and Addiction Services - \$14.7 million

The projected deficiency of \$14.7 million reflects the net impact of shortfalls in Personal Services, Other Expenses and Professional Services that are partially offset by lapses in Home and Community Based Services and Medicaid Adult Rehabilitation Option. The Personal Services shortfall (\$2 million) reflects the impact of a \$12.1 million holdback as well as increased hires in FY 24. The offsetting savings in overtime is delayed as new staff members are trained. The Other Expenses shortfall (\$8 million) is primarily due to higher than budgeted costs for utility, maintenance, and food costs at DMHAS facilities. The Professional Services shortfall (\$6 million) reflects the continued use of contracted doctors and nurses due to associated staff vacancies. The lapse in Home and Community Based Services (\$1 million) is based on fewer referrals. The lapse in Medicaid Adult Rehabilitation Option (\$300,000) is due to lower than projected claim activity.

Various Agencies (Personal Services) - \$3.9 million

There is a projected deficiency in Personal Services totaling \$3.9 million across five agencies due to the inability of some agencies to meet their portion of the \$80 million Personal Services holdback. The table below provides the projected deficiency for each such agency.

Agency	Deficiency \$
Judicial Department	1,700,000
Division of Criminal Justice	1,000,000
Secretary of the State	450,000
Office of the Chief Medical Examiner	400,000
Agricultural Experiment Station	375,000
TOTAL	3,925,000

Judicial Department - \$2.4 million

The Judicial Department is projected to have a deficiency of \$2.4 million in the Other Expenses account due to higher than anticipated utility costs and information technology expenses.

Technical Education and Career System - \$2.0 million

A projected \$2 million deficiency is due to shortfalls in both Personal Services (PS) and Other Expenses (OE). The anticipated deficiencies are: (1) \$1 million in PS is due to an inability to attain the \$1 million holdback because of an increase in the speed at which vacancies have been filled and (2) \$1 million in OE due to an increase in a variety of costs, including utilities.

Division of Criminal Justice - \$415,000

The Division of Criminal Justice (DCJ) is projected to have a deficiency of \$415,000 from shortfalls in Witness Protection, Cold Case Unit, and Shooting Taskforce.

The deficit of \$125,000 in Witness Protection is due to increased costs in travel and lodging.

The deficit of \$40,000 in Medical Fraud Control is due to capital outlays. These will be reimbursed by the federal government; however, those funds will be received directly by the General Fund.

The deficits of \$50,000 in the Cold Case Unit and of \$200,000 in the Shooting Taskforce are largely due to scheduled salary increases for staff.