

CONNECTICUT GENERAL ASSEMBLY
OFFICE OF FISCAL ANALYSIS

OFA

Synopsis of Governor's Budget Plan FY 25 Revised

February 2024

This document is intended to provide a brief summary of the Governor's Revised FY 25 Budget for the Committees of Appropriations and Finance, Revenue and Bonding as background in advance of the Office of Policy and Management's budget presentation. We have highlighted major areas of interest rather than provide a full-scale comprehensive analysis. Such an analysis will be undertaken by both Committees with the assistance of OFA staff in the coming weeks.

EXECUTIVE SUMMARY

The Governor's Recommended Budget proposes to increase the all-appropriated funds budget by \$89.2 million (net), which is three tenths of one percent above the adopted budget. Separately, the Governor's Recommended Budget reallocates approximately \$55.7 million of federal ARPA funds.

Fund Balances

In Millions of Dollars

Fund	Projected ¹	Governor's Revisions	BALANCE
General Fund (GF)			
Revenues	23,162.9	70.6	23,233.5
Appropriations	22,805.9	136.6	22,942.5
GF Operating Balance	357.0		291.0
Required Surplus	289.5		290.4
GF BALANCE	67.5		0.6
Special Transportation Fund (STF)			
Revenues	2,384.2	-	2,384.2
Appropriations	2,286.4	(24.9)	2,261.5
STF Operating Balance	97.8		122.7
Required Surplus	29.8		29.8
STF BALANCE	68.0		92.9
Municipal Revenue Sharing Fund (MRSF)			
Revenues & Transfers	574.4	(16.3)	558.1
Appropriations	568.6	(10.6)	558.1
MRSF BALANCE	5.8		-
Insurance Fund (IF)			
Revenues	135.4	(13.3)	122.1
Appropriations	135.2	(13.1)	122.1
IF BALANCE	0.2		-
Tourism Fund (TF)			
Revenues	16.2	-	16.2
Appropriations	16.1	1.0	17.1
TF BALANCE	0.1		(0.9)

¹Projected reflects: (1) January Consensus Revenue for FY 25 for the General Fund and Special Transportation Fund, (2) FRB adopted FY 25 revenue for MRSF, Insurance Fund and Tourism Fund, and (3) FY 25 Original Appropriations.

SPENDING CAP

The proposal is calculated by the Office of Policy and Management to be under the spending cap by \$0.4 million in FY 24 and \$1.1 million in FY 25 (the original FY 24-FY 25 Biennial Budget was under the cap by \$10.4 million in FY 24 and \$11.6 million in FY 25). The FY 25 allowable capped growth rate decreased from 4.2% in the original budget to 4% in the Governor's proposal due to updated personal income data. This change reduced cap room by approximately \$41 million in FY 25.

SPECIAL TRANSPORTATION FUND

The Governor's Revised FY 25 Budget proposes a \$24.9 million net reduction to expenditures, primarily in debt service, and no new changes to revenue. The proposal includes a new cap on the STF cumulative balance of 18% of current year appropriations, the same threshold used for the BRF, with any balance above 18% being used to pay down STF debt. For FY 25, this mechanism results in a \$22.1 million reduction to STF debt service, which would increase in the out years. The budget makes other minor changes to DMV and DOT operations, including re-proposes the IT transfer to DAS, updates debt service projections, and adjusts pension funding to reflect the new valuation. Under the Governor's proposal, the STF is projected to end FY 25 with an annual balance of \$122.7 million and a cumulative balance of \$422.1 million (post-transfer).

GOVERNOR'S CAPITAL BUDGET

The Governor's capital proposal increases GO bond authorizations by \$131 million in FY 25, including \$90.5 million of new authorization for various projects at the University of Connecticut. When combined with existing GO bond authorizations adopted for FY 25, net effective GO bond authorizations are \$2,581 million for FY 25 – total indebtedness is expected to be approximately 81% of the debt limit.

The capital proposal also increases STO bond authorizations by \$101.5 million. When combined with existing STO bond authorizations adopted for FY 25, net effective STO bond authorizations are \$1,632 million for FY 25.

NOTABLE EXPENDITURE ITEMS

GENERAL GOVERNMENT B

Centralize Information Technology Functions Under DAS

The Governor proposes to centralize IT functions in the Department of Administrative Services from various agencies in the General Fund (GF), Special Transportation Fund (STF), and Insurance Fund (IF). This centralization transfers 271 positions and \$75.4 million in funding to DAS with assumed savings of \$380,073 within the General Fund. The table below details the agencies the funding and positions would be transferred out of.

Agency	Fund	Amount	Positions
Department of Children and Families	GF	(7,232,475)	(30)
Department of Developmental Services	GF	(3,959,950)	(22)
Office of Higher Education	GF	(380,073)	-
Department of Labor	GF	(38,899)	(20)
Department of Social Services	GF	(33,847,231)	(66)

Agency	Fund	Amount	Positions
Department of Mental Health and Addiction Services	GF	(7,470,799)	(45)
Office of Health Strategy	GF	(212,973)	(2)
Office of Health Strategy	IF	(693,117)	-
Department of Motor Vehicles	STF	(12,694,160)	(40)
Department of Transportation	STF	(9,268,905)	(46)
TOTAL		(75,798,582)	(271)

Adjust Higher Education Fringe Benefit Funding - OSC Fringe Benefits

Increase funding for Alternative Retirement Plan costs by \$73.7 million to reflect the payment of these costs from the General Fund rather than an offset of revenue.

Increase Pension Funding to Reflect SERS Valuation - OSC Fringe Benefits

Increase General Fund funding by \$31.4 million and Special Transportation Fund funding by \$3.3 million for the State Employee Retirement System's (SERS) Actuarially Determined Employer Contribution (ADEC) as established in the June 30, 2023, valuation.

Adjust Funding for Judges & Compensation Commissioners Retirement System - OSC Fringe Benefits

Decrease net funding by approximately \$7 million for the Judges & Compensation Commissioners' Actuarially Determined Employer Contribution (ADEC). The change in funding results from: 1) an increase of \$7.3 million to fund the ADEC as established in the June 30, 2023, valuation, and 2) a decrease of \$14.3 million resulting from a re-amortization of the fund from a fixed to a new 15-year period layered approach.

Establish a Special Transportation Fund Surplus Cap - Debt Service - State Treasurer

Establish an 18% cap on cumulative balance of the STF, with excess funds being used to retire outstanding transportation debt. The Governor's proposal assumes approximately \$500 million will be made available from the STF cumulative balance after FY 24 to retire transportation debt in FY 25, leading to \$22 million savings in debt service in FY 25, annualized to approximately \$60 million of savings in future years.

Update Debt Service Projections - Debt Service - State Treasurer

The Governor's proposal recognizes a reduction of debt service repayment requirements from what was budgeted in FY 25 of approximately \$70.3 million in the General Fund and \$11.8 million in the Special Transportation Fund. These adjustments are based on estimates from the Office of the State Treasurer following recent bond issuances.

Adjust Funding to Reflect Changes in Grant Calculations - OPM

The Governor proposes reducing the transfer from the GF to the Municipal Revenue Sharing Fund (MRSF) by \$16.3 million to reflect the net decrease of \$10.6 million in funds to be appropriated from the MRSF (\$7.7 million increase in the Tiered PILOT grant and \$18.3 million decrease in the Motor Vehicle Tax Reimbursement grant).

Reduce Funding for COVID Response Measures - OPM (ARPA)

The Governor proposes to reduce funding by \$37.4 million in FY 25 from \$51.9 million to \$14.5 million.

Increase Funding for Invest Connecticut – OPM (ARPA)

The Governor proposes to increase funding by \$9.2 million in FY 25 from \$1.7 million to \$10.9 million.

CONSERVATION AND DEVELOPMENT**Repurpose Carryforward Funds to Support Various Grants - DECD**

Repurpose \$8.275 million in anticipated unspent carryforward funds to support grants under the “Various Grants” account in lieu of a General Fund appropriation in FY 25 only.

PA 23-1 reappropriated \$12 million from the Department of Social Services’ Medicaid account to the Department of Economic and Community Development's Other Expenses account to support the establishment of the center for sustainable aviation. This project is no longer moving forward, resulting in a projected lapse of those funds.

**Various Grants – General Fund
FY 25 Appropriation**

Recipient	FY 25
South End Community Center	5,000
Dixwell Community House	30,000
America 250 Commission	100,000
Latinas & Power, Corp.	125,000
Youth programming at Parker Memorial Community Center, Hartford	100,000
Kamora's Cultural Corner, Hartford	10,000
ActUp Theater, Hartford	25,000
Windsor Community Center	15,000
Food Desert Tax Abatement	500,000
Cornerstone Community Foundation	50,000
Youth Business Initiative	20,000
Homes for Hope	25,000
PAL Hartford	500,000
High Poverty Community Leadership Development	500,000
Color a Positive Thought	75,000
Saint Joseph Parenting Center	200,000
RF Youth Boxing, Inc. (RFYB Fitness Professional Academy)	110,000
Boys and Girls Club of Stamford	100,000
100 Girls Leading	50,000
Colors of the World	40,000
Sisters at the Shore	50,000
Town of Farmington - Part Time Seasonal Help	20,000
Blue Hills Civic Organization	5,500,000
YMCA of Meriden, New Britain, Berlin	100,000
Ridgefield Meeting House	25,000
TOTAL	8,275,000

Increase Funding for Statewide Marketing - DECD

Provide an additional \$1 million to the Statewide Marketing account under the Tourism Fund to boost the state's year-round marketing presence and support continued expansion into new markets. The total proposed FY 25 appropriation is \$5.5 million.

Provide Funding and Twenty Positions for the Unemployment Insurance Benefit Payment Process - DOL

Provide funding of \$1.1 million to support the unemployment insurance consumer contact center as well as the benefit payments control, integrity, appeals and other units.

Provide Funding for State Regulation of Certain Nuclear Materials - DEEP

Provide funding of \$272,451 and three positions in the Clean Air Account, allowing the state to become a delegated authority for specific activities. Of this amount, \$202,551 is for Personal Services, and \$69,900 is for Other Expenses. This would allow DEEP to license and inspect certain materials, which may generate licensing fee revenue. The U.S. Nuclear Regulatory Commission remains responsible for regulating nuclear power plants (e.g., Millstone) and spent fuel storage.

Provide Funding to Create a Housing Voucher Application System - DOH (ARPA)

Provide funding of \$1.5 million for DOH to develop an application to serve as a single access point for applicants seeking federal, state or local housing choice vouchers (i.e., rental assistance) statewide. DOH would hire a contractor to develop the application portal.

HEALTH

Reflect Special Education Changes as they Impact Funding for High School Graduates - DDS

Reduce funding by \$7.8 million to reflect changes in special education services related to PA 23-137 for those individuals turning 21 years of age. The enacted budget included funding in FY 24 for individuals who would have needed day program services upon their 21st birthdays and who now have an extra year of special education services.

Reflect Delays in the Initiative to Reduce the Residential Waiting List - DDS

Reduce funding by \$4 million to reflect anticipated delays in placements due to staff shortages and economic impacts to Community Living Arrangement (CLA) development.

Support Enhanced Financial Monitoring of Hospitals - OHS

Funding of \$96,000 is provided for one Associate Health Care Analyst to expand the financial monitoring capabilities of the agency and improve Certificate of Need reviews.

Provide Funding to Improve Access to Affordable Care - OHS (Insurance Fund)

Funding of \$531,000 is provided for three positions on the newly formed Prescription Drug Affordability Board, two Health Care Analysts that will assist with implementing new healthcare affordability initiatives, and one Lead Planning Analyst that will assist hospitals at risk of exceeding the cost growth benchmark.

Reflect Availability of Unexpired Vaccines - DPH - (Insurance Fund)

Reduce Department of Public Health (DPH) funding by \$14,208,685 for its Immunization Services account, within the Insurance Fund, to reflect the availability of unexpired childhood vaccines that have already been purchased by the state. DPH's Connecticut Vaccine Program buys vaccines at the lowest possible price through a government contract and then gives these

vaccines at no cost to clinics, pediatricians, and other health care providers for the immunization of children.

Provide Funding to Develop a Nursing Homes Dashboard - DPH (ARPA)

Funding of \$500,000 is provided for consulting and technology infrastructure costs to establish a Nursing Homes Dashboard that will allow consumers to make data-informed decisions about nursing homes.

Provide Funding for a Nursing Homes Center for Excellence - DPH (ARPA)

Funding of \$250,000 is provided for a consultant to plan with stakeholders for the establishment of a Nursing Homes Center for Excellence model that will incentivize nursing homes to achieve and maintain improved quality of care.

Provide Funding for Supporting Housing and Homeless Outreach - DMHAS

Provide funding of \$1,275,000 for supportive housing services to accompany 140 federal housing vouchers, as well as \$1.2 million and 12 positions for homeless outreach teams.

HUMAN SERVICES

Fund Additional Ombudsperson Position to Support the Community Home Care Program - ADS

Funding of \$90,000 is provided for one ombudsperson position to enhance consumer outreach, respond to consumer complaints, and improve the quality of home and community-based services for older adults and individuals with disabilities.

Provide Funding for UCCs and Sub-Acute Crisis Stabilization Units - DCF (ARPA)

Funding of \$2.5 million is provided to support the continued operations of four Urgent Crisis Centers (UCCs) and two Sub-Acute Crisis Stabilization Units.

Reduce Income Eligibility for HUSKY A Adults and Shift Coverage to Covered CT - DSS

Reduce funding by \$2.1 million to reflect reducing income eligibility for certain adults under HUSKY A to 138% of the federal poverty level (FPL). Individuals with incomes up to 175% FPL are anticipated to shift to fully subsidized health coverage under the Covered CT program. After considering the federal share, this is anticipated to result in gross Medicaid savings of \$4.2 million in FY 25 and \$66.2 million when fully annualized.

Maintain Current Medicaid Rates for Ambulance and Methadone Maintenance Providers - DSS

Reduce funding by \$5,361,000 to maintain current reimbursement levels for ambulance (\$5 million) and methadone maintenance (\$361,000) providers. The FY 24 and FY 25 biennial budget provided funding for such increases beginning in FY 25. This change proposes delaying any increases until these provider rates can be reviewed under the second phase of the Medicaid rate study, which will be completed in January 2025. After considering the federal share, this is anticipated to result in gross Medicaid savings of \$14.5 million in FY 25.

HIGHER EDUCATION

Provide Funding for Student Loan Financial Literacy Initiative - OHE (ARPA)

Provide \$500,000 to support a campaign to provide outreach and support to prospective postsecondary students and their families, regarding financing higher education.

ELEMENTARY AND SECONDARY EDUCATION

Increase Pension Funding to Reflect TRS Valuation – TRB

Increase funding by \$42.4 million for the Teachers' Retirement System's (TRS) Actuarially Determined Employer Contribution (ADEC) as established in the June 30, 2023, valuation.

Reduce Funding for Aspiring Educators Diversity Scholarship Program - SDE

Reduce funding for the Aspiring Educators Diversity Scholarship program by \$6 million to reflect maintaining program funding at the FY 24 level.

Eliminate Funding for Assistance to Paraprofessionals – SDE

Eliminate funding of \$5 million for Assistance to Paraprofessionals. Funding provided within the Office of the State Comptroller in the original FY 25 budget is sufficient to meet the needs of the program.

Provide Funding for Science of Reading – SDE (ARPA)

Provide funding of \$3.5 million in FY 25 for a statewide professional learning and coaching model to support K-3 literacy instruction that uses the science of reading. The master class would be provided to district literacy leadership teams.

Provide Funding to Meet Increased Special Education Expenses - TEC

Provide funding of \$4,483,962 in Personal Services (PS) and \$2 million in Other Expenses (OE) to fund 82 General Fund positions throughout the Connecticut Technical Education and Career System, to meet increased special education needs. Of the 82 new positions, 31 have previously been funded using federal ESSER grants, and will now be funded using General Fund dollars. The additional OE funding will be used to purchase instructional supplies and software.

Provide Funding for Various Childhood Investments – OEC

Provide funding of approximately \$20 million for various childhood investments, including:

- Expanding Care4Kids eligibility from 60% to 65% State Median Income (SMI) - \$12.9 million
- Supporting the costs of merging the existing School Readiness and Child Day Care contract rate systems at OEC - \$3.8 million
- Maintaining seats previously added with federal funds in the Smart Start Pre-K program - \$1.2 million
- Providing support for benefit navigators for childcare workers - \$360,000
- Continuing the provision of the Sparkler early screening and intervention mobile app - \$1.8 million

Provide Funding for Stabilization Payments to Childcare Programs – OEC (ARPA)

Provide funding of \$18.8 million for stabilization payments in FY 25 to childcare providers, targeted specifically for providers in high need areas.

Reduce and Redistribute Education Finance Reform (EFR) Funding - SDE

The proposal: (1) reduces funding for Education Finance Reform by \$47.9 million and (2) redistributes the remaining \$102.1 million among a variety of education grants and initiatives. The table below shows the original distribution of this funding, the proposed distribution, and the differences under the proposal.

Redistribution of Education Finance Reform Funding

Grant/Program	FY 25 Original	FY 25 Gov. Rec.	Difference
ECS	68,499,497	74,299,667	5,800,170
Magnet Schools	53,442,787	5,059,979	(48,382,808)
State Charter Schools	9,378,313	7,730,439	(1,647,874)
Vocational Agriculture	7,249,060	1,181,400	(6,067,660)
Open Choice	11,430,343	1,218,780	(10,211,563)
LEAP-Home Visiting	-	7,000,000	7,000,000
School Meals	-	5,600,000	5,600,000
TOTAL	150,000,000	102,090,265	(47,909,735)

Impact of Education Finance Reform Changes on Education Programs - SDE

Adjust Funding for ECS and Charter Schools Due to Updated Data

The redistribution of Education Finance Reform funding supports scheduled increases in formula funding for ECS and Charter Schools. The redistribution increases ECS funding by \$5.8 million (reflecting a designation of \$74.3 million) and decreases funding for Charter Schools by \$1.6 million (reflecting a designation of \$7.7 million) to account for updated data for FY 25 grant funding. The proposal makes no changes to the underlying formulas of these grants.

Reduce Funding for Magnet Schools, Open Choice and Vocational Agriculture

The redistribution reduces EFR funding for Magnet Schools, Open Choice, and Vocational Agriculture by a total of \$64.7 million. The proposal includes funding to: (1) support 3% increases in per student grant funding for magnet schools and Open Choice, and (2) provide the full statutory per-student grant amount in FY 25 for Vocational Agriculture. The proposal also removes magnet school and Vocational Agriculture tuition caps that were scheduled to begin in FY 25.

Provide Funding for LEAP and School Meals

The redistribution provides funding of \$12.6 million as follows: (1) \$7 million for the Learner Engagement and Attendance Program (LEAP), to continue the program into FY 25 (ARPA allocations end in FY 24), and (2) \$5.6 million for school meals. It is anticipated that the current ARPA allocation for school meals will be able to cover the remainder of the anticipated FY 25 cost of continuing the FY 24 ARPA school meals programs.

JUDICIAL AND CORRECTIONS

Reduce Probate Subsidy - JUD

Reduce the Probate Court Administration Fund (PCAF) subsidy by \$5.5 million to achieve savings due to sufficient PCAF balance.

Provide Funding for Legal Representation of Tenant Evictions - JUD (ARPA)

Provide \$2 million to the Right to Counsel Program (established under PA 21-34). The program provides legal representation to tenants who are facing eviction or loss of housing voucher.

Expand Use of Judicial Online Communication Exchange (JOCE) - JUD (ARPA)

Provide \$1.5 million for the expansion of JOCE. The proposed expansion includes Probable Cause Determination applications, Electronic Arrests/Search Warrants integration, and expansion of the eCitation platform.

Provide Funding for an Additional Correction Officer Class - DOC

Provide funding of \$2.5 million for an additional correction officer class to address staff and inmate assaults.

Provide Funding for Religious Services for Inmates - DOC

Provide funding of \$557,924 to hire six chaplains to increase the hours of availability for religious services for inmates.

NOTABLE REVENUE ITEMS

The Governor's Revised FY 24 Budget reflects improvements to revenue projections for the second year of the budget. In total, FY 24 projected revenues exceed budget by \$59.2 million in the General Fund and \$29.7 million in the Special Transportation Fund. In addition, the Governor's Revised FY 24 Budget recommends policies that, if enacted, would increase revenues by \$70.6 million in the General Fund and leave the Special Transportation Fund unchanged.

Revenue Changes

In Millions of Dollars

Fund	Budget	Consensus Revenue Updates	Governor Policy	Governor TOTAL
General Fund	23,103.7	59.2	70.6	22,233.5
Special Transportation Fund	2,354.5	29.7	-	2,384.2
TOTAL	25,458.2	88.9	70.6	24,617.7

Eliminate Licensure Application Fees for Certain Education, Childcare and Healthcare Workers

Eliminate the initial application fees listed below. The associated, annual General Fund revenue loss is approximately \$3.5 million.

- **Educator certificates.** Administered by the State Department of Education, this fee costs \$200 and generates about \$1,000,000 in annual revenue.
- **Home childcare licenses.** Administered by the Office of Early Childhood, the home childcare license fee costs \$40 and the initial application fee for staff costs \$15. Combined, they generate about \$20,000 in annual revenue.
- **Registered nurse licenses.** Administered by the Department of Public Health, this fee costs \$180 and generates about \$2,005,000 in annual revenue.
- **Practical nurse licenses.** Administered by the Department of Public Health, this fee costs \$150 and generates about \$174,300 in annual revenue.

- **Advanced practice registered nurse licenses.** Administered by the Department of Public Health, this fee costs \$200 and generates about \$260,000 in annual revenue.

Revenue Transfers to the General Fund

Transfer \$74.1 million to the General Fund in FY 25 from the following sources:

- FY 24 General Fund revenues (\$45 million)
- Tobacco and Health Trust Fund (\$12 million)
- Municipal Revenue Sharing Fund (\$16.3 million)
- Biomedical Research Trust Fund (\$0.8 million)
- Itinerant Vendors Guaranty Fund (\$46,200)

Clarify the Workforce Housing Tax Credit

Clarify that the tax credit is equal to 50% of the cash contribution (rather than the amount specified by the Housing Commissioner) under the workforce housing opportunity development program. This does not result in any fiscal impact as it does not change the \$10 million annual cap on credits under the program.

Expand the Student Loan Tax Credit

Expand the existing credit for employers making student loan payments on behalf of qualified employees to include all student loans, rather than just those administered by the Connecticut Higher Education Supplemental Loan Authority, as well as establish a \$10 million annual cap on credits under the program.

Establish an Incentive to Challenge New York's "Convenience of the Employer" Rule

Establish a 50% tax credit for any amounts refunded to certain income tax filers that successfully challenge New York's remote working rules for income tax purposes.

SIGNIFICANT CAPITAL BUDGET CHANGES

The Governor's recommended capital budget increases authorizations for several programs while maintaining existing FY 25 authorizations.

Bond Authorizations

In Millions of Dollars

General Obligation Bonds (GO)	FY 25
Current authorizations	2,581
Proposed new or increased authorizations	131
Proposed Net Effective Authorizations	2,581
Special Tax Obligation Bonds (STO)	
Current authorizations	1,531
Proposed new or increased authorizations	102
Proposed Net Effective Authorizations	1,631

The proposal includes:

GO Bonds:

- \$90.5 million for various capital projects at the University of Connecticut, including deferred maintenance, building renovations, and a \$12 million increase for the UConn 2000 program
- \$15 million for IT capital investment
- \$14 million for Long Lane School Remediation

- \$5 million increase (beyond the existing \$25 million FY 25 authorization) for the microgrid and resilience grant and loan program

STO Bonds:

- \$100 million increase (beyond the existing \$62 million FY 25 authorization) for state bridges
- \$1.5 million increase (beyond the existing \$17 million FY 25 authorization)

Debt Limit Calculation - The Governor’s proposed bond revisions for FY 25 are projected to be below the statutory bond cap on General Obligation bonds, based on revenue estimates that include his tax proposals. The debt percentage is expected to be approximately 81% as of July 1, 2024. This level of indebtedness is approximately \$2.9 billion below the 90% threshold of the debt limit.

CGS Sec. 3-21 stipulates that if the level of bonded indebtedness reaches 90% of the limit, the governor must review each bond act for which no obligations have yet been incurred and recommend to the General Assembly priorities for repealing these authorizations

MUNICIPAL AID

The Governor's Budget decreases municipal aid by \$35.8 million from FY 25 original appropriations. This includes a \$42.4 million increase in Teachers' Retirement payments on behalf of municipalities. Without this, the budget decreases municipal aid by \$78.3 million. This decrease is partly due to changes in formula-based grants, including Tiered PILOT and the Motor Vehicle Tax Reimbursement Grant. The proposal also makes significant changes to education funding that are described in detail on pages 7 and 8.

FY 25 Revised Municipal Aid Synopsis

Fund/Agency	FY 24 Estimated	FY 25 Appropriated	FY 25 Gov. Rec.	FY 25 Gov. Rec. - FY 25 Appropriated	FY 25 Gov. Rec. - FY 24
OFFICE OF POLICY AND MANAGEMENT					
GF - Appropriated Funds					
Reimbursement Property Tax - Disability Exemption	364,713	364,713	364,713	-	-
Distressed Municipalities	-	1,500,000	1,500,000	-	1,500,000
Property Tax Relief Elderly Freeze Program	6,000	6,000	6,000	-	-
Property Tax Relief for Veterans	2,708,107	2,708,107	2,708,107	-	-
Municipal Restructuring	31,885,000	7,300,000	7,300,000	-	(24,585,000)
Mashantucket Pequot and Mohegan Fund					
Mashantucket Pequot and Mohegan Grants	52,541,796	52,541,796	52,541,796	-	-
Municipal Revenue Sharing Fund					
Tiered PILOT	339,410,167	339,410,167	347,131,950	7,721,783	7,721,783
Motor Vehicle Tax Grants	154,562,410	154,562,410	136,277,726	(18,284,684)	(18,284,684)
Supplemental Revenue Sharing Grants	87,172,470	74,672,470	74,672,470	-	(12,500,000)
Subtotal	668,650,663	633,065,663	622,502,762	(10,562,901)	(46,147,901)
STATE DEPARTMENT OF EDUCATION					
Vocational Agriculture	18,824,200	18,824,200	20,005,600	1,181,400	1,181,400
Adult Education ²	22,817,310	23,386,642	22,836,642	(550,000)	19,332
Health and Welfare Services Pupils Private Schools	3,438,415	3,438,415	3,438,415	-	-

Fund/Agency	FY 24 Estimated	FY 25 Appropriated	FY 25 Gov. Rec.	FY 25 Gov. Rec. - FY 25 Appropriated	FY 25 Gov. Rec. - FY 24
Education Cost Sharing (Education Equalization Grants)	2,233,420,315	2,287,900,235	2,362,199,902	74,299,667	128,779,587
Education Finance Reform ¹	-	150,000,000	-	(150,000,000)	-
Bilingual Education	3,832,260	3,832,260	3,832,260	-	-
Priority School Districts	30,818,778	30,818,778	30,818,778	-	-
Interdistrict Cooperation	1,537,500	1,537,500	1,537,500	-	-
School Breakfast Program	2,158,900	2,158,900	7,458,900	5,300,000	5,300,000
Excess Cost - Student Based	181,119,782	181,119,782	181,119,782	-	-
Open Choice Program	31,189,780	31,472,503	32,691,283	1,218,780	1,501,503
Magnet Schools	279,942,141	287,484,265	289,544,244	2,059,979	9,602,103
After School Program ²	5,520,667	5,750,695	5,650,695	(100,000)	130,028
Sheff Transportation	70,825,009	75,465,173	75,465,173	-	4,640,164
Non-Sheff Transportation	14,044,797	15,675,787	15,675,787	-	1,630,990
Extended School Hours	2,919,883	2,919,883	2,919,883	-	-
School Accountability	3,412,207	3,412,207	3,412,207	-	-
Subtotal	2,905,821,944	3,125,197,225	3,058,607,051	(66,590,174)	152,785,107
OTHER AGENCIES					
Other Appropriated Aid					
Housing/Homeless Services - Municipality	692,651	675,409	692,651	17,242	-
Local and District Departments of Health	7,192,101	7,192,101	7,210,901	18,800	18,800
School Based Health Clinics	12,228,674	11,544,057	11,790,721	246,664	(437,953)
Teen Pregnancy Prevention - Municipality	98,281	98,281	98,281	-	-
Connecticard Payments	703,638	703,638	703,638	-	-
Municipal Restructuring (Debt Service)	51,251,706	47,910,459	46,518,776	(1,391,683)	(4,732,930)
Youth Service Bureaus	2,683,240	2,733,240	2,733,240	-	50,000
Youth Service Bureau Enhancement	1,115,161	1,115,161	1,115,161	-	-
Town Aid Road Grants	60,000,000	60,000,000	60,000,000	-	-
Subtotal	135,965,452	131,972,346	130,863,369	(1,108,977)	(5,102,083)
Bonding and Other Non-Appropriated Aid					
LoCIP	45,000,000	45,000,000	45,000,000	-	-
Grants for Municipal Projects	91,000,000	91,000,000	91,000,000	-	-
Subtotal	136,000,000	136,000,000	136,000,000	-	-
TOTAL - Appropriated and Bond Funding less TRB Contributions	3,846,438,059	4,026,235,234	3,947,973,182	(78,262,052)	101,535,123
Teachers' Retirement Board					
Retirement Contributions	1,554,542,000	1,558,960,000	1,601,407,000	42,447,000	46,865,000
Retirees Health Service Cost	13,591,691	16,030,802	16,030,802	-	2,439,111
Municipal Retiree Health Insurance Costs	8,840,000	9,840,000	9,840,000	-	1,000,000
Subtotal	1,576,973,691	1,584,830,802	1,627,277,802	42,447,000	50,304,111
TOTAL	5,423,411,750	5,611,066,036	5,575,250,984	(35,815,052)	151,839,234

¹The proposal: (1) reduces funding for Education Finance Reform by \$47.9 million and (2) redistributes the remaining \$102.1 million among a variety of education grants and initiatives. The redistributed funding is reflected among the above listed ECS (Education Equalization Grants), Magnet Schools, Vocational Agriculture, Open Choice, and School Breakfast Program accounts, and among other SDE accounts not shown above.

²The Governor's proposal transfers administrative costs associated with the After School and Adult Education programs into SDE's PS and OE accounts. The reductions shown in these accounts reflect that policy change and do not impact any grant funding to any town.

Appendix A - Growth Rates and Summary of Funds

Fund Summary

In Millions of Dollars

Fund Summary	Original	Difference	Revised
General Fund	22,988,572,293	136,607,473	23,125,179,766
Special Transportation Fund	2,298,389,891	(24,854,796)	2,273,535,095
Municipal Revenue Sharing Fund	568,645,047	(10,562,901)	558,082,146
Banking Fund	35,832,606	144,997	35,977,603
Insurance Fund	135,210,679	(13,145,757)	122,064,922
Consumer Counsel and Public Utility Control Fund	37,943,087	(143,840)	37,799,247
Workers' Compensation Fund	29,128,141	196,993	29,325,134
Mashantucket Pequot and Mohegan Fund	52,541,796	-	52,541,796
Criminal Injuries Compensation Fund	2,934,088	-	2,934,088
Tourism Fund	16,144,453	1,000,000	17,144,453
Cannabis Social Equity and Innovation Fund	10,200,000	-	10,200,000
Cannabis Prevention and Recovery Services Fund	3,358,000	-	3,358,000
Cannabis Regulatory Fund	10,247,420	-	10,247,420
Subtotal	26,189,147,501	89,242,169	26,278,389,670
General Fund Lapses			
Unallocated Lapse	(48,715,570)	-	(48,715,570)
Unallocated Lapse - Judicial	(5,000,000)	-	(5,000,000)
Reflect Historical Staffing	(129,000,000)	-	(129,000,000)
Subtotal	(182,715,570)	-	(182,715,570)
Special Transportation Fund Lapses			
Unallocated Lapse	(12,000,000)	-	(12,000,000)
Subtotal	(12,000,000)	-	(12,000,000)
Net Appropriations			
General Fund	22,805,856,723	136,607,473	22,942,464,196
Special Transportation Fund	2,286,389,891	(24,854,796)	2,261,535,095
Municipal Revenue Sharing Fund	568,645,047	(10,562,901)	558,082,146
Banking Fund	35,832,606	144,997	35,977,603
Insurance Fund	135,210,679	(13,145,757)	122,064,922
Consumer Counsel and Public Utility Control Fund	37,943,087	(143,840)	37,799,247
Workers' Compensation Fund	29,128,141	196,993	29,325,134
Mashantucket Pequot and Mohegan Fund	52,541,796	-	52,541,796
Criminal Injuries Compensation Fund	2,934,088	-	2,934,088
Tourism Fund	16,144,453	1,000,000	17,144,453
Cannabis Social Equity and Innovation Fund	10,200,000	-	10,200,000
Cannabis Prevention and Recovery Services Fund	3,358,000	-	3,358,000
Cannabis Regulatory Fund	10,247,420	-	10,247,420
TOTAL NET APPROPRIATIONS	25,994,431,931	89,242,169	26,083,674,100

Growth Rates

In Millions of Dollars

Fund	FY 24 Estimated Expenditures	FY 25 Appropriations	FY 25 Revised	Changes from FY 24 Estimated to FY 25 Revised	
				\$	%
General	22,333.2	22,805.9	22,942.5	609.3	2.7%
Transportation	2,126.1	2,286.4	2,261.5	135.5	6.4%
Other Appropriated	852.0	902.2	879.7	27.7	3.3%
TOTAL	25,311.2	25,994.4	26,083.7	772.5	3.1%

Appendix B - FY 24 General Fund Revenue Summary

In Millions of Dollars

Revenue Type	Adopted Revenue Estimates	Consensus Updates	January Consensus Estimates	Governor Policies	Governor FY 24 Revised
Taxes					
Personal Income	11,233.4	10.7	11,244.1	-	11,244.1
Withholding	8,530.4	151.6	8,682.0	-	8,682.0
Estimates and Finals	2,703.0	(140.9)	2,562.1	-	2,562.1
Sales and Use	5,428.2	(203.0)	5,225.2	-	5,225.2
Corporations	1,526.5	3.0	1,529.5	-	1,529.5
Pass-Through Entity Tax	1,877.3	(57.9)	1,819.4	-	1,819.4
Public Service Corporations	296.8	-	296.8	5.0	301.8
Inheritance and Estate	182.2	-	182.2	-	182.2
Insurance Companies	266.8	28.8	295.6	-	295.6
Cigarettes	262.0	(17.3)	244.7	-	244.7
Real Estate Conveyance	292.6	-	292.6	-	292.6
Alcoholic Beverages	78.8	-	78.8	-	78.8
Admissions, Dues and Cabaret	31.0	4.5	35.5	-	35.5
Health Provider Tax	957.4	(0.5)	956.9	-	956.9
Miscellaneous	69.2	(20.0)	49.2	-	49.2
Total Taxes	22,502.2	(251.7)	22,250.5	5.0	22,255.5
Refunds of Tax	(1,971.9)	-	(1,971.9)	-	(1,971.9)
Earned Income Tax Credit	(196.2)	-	(196.2)	-	(196.2)
R & D Credit Exchange	(7.8)	-	(7.8)	-	(7.8)
Total Taxes Less Refunds	20,326.3	(251.7)	20,074.6	5.0	20,079.6
Other Revenue					
Transfer Special Revenue	411.9	(5.0)	406.9	-	406.9
Indian Gaming Payments	286.0	5.0	291.0	-	291.0
Licenses, Permits and Fees	330.7	-	330.7	(3.5)	327.2
Sales of Commodities and Services	17.8	-	17.8	-	17.8
Rentals, Fines and Escheats	175.2	-	175.2	-	175.2
Investment Income	201.7	26.1	227.8	-	227.8
Miscellaneous	158.0	41.5	199.5	-	199.5
Refunds of Payments	(67.1)	(10.1)	(77.2)	-	(77.2)
Total Other Revenue	1,514.2	57.5	1,571.7	(3.5)	1,568.2
Other Sources					
Federal Grants	1,886.5	46.0	1,932.5	-	1,932.5
Transfer from Tobacco Settlement Fund	106.7	-	106.7	12.0	118.7
Transfers From / (To) Other Funds	(70.4)	(0.5)	(70.9)	57.1	(13.8)
Total Other Sources	1,922.8	45.5	1,968.3	69.1	2,037.4
Volatility Cap Adjustment	(659.6)	207.9	(451.7)	-	(451.7)
GRAND TOTAL	23,103.7	59.2	23,162.9	70.6	22,233.5

Appendix C - FY 24 Special Transportation Fund Revenue Summary

In Millions of Dollars

Revenue Type	Adopted Revenue Estimates	Consensus Updates	January Consensus Estimates	Governor Policies	Governor FY 24 Revised
Taxes					
Motor Fuels Tax	506.7	1.5	508.2	-	508.2
Oil Companies	357.2	15.6	372.8	-	372.8
Sales and Use Tax	883.2	-	883.2	-	883.2
Highway Use	94.1	(27.8)	66.3	-	66.3
Sales Tax - DMV	106.5	-	106.5	-	106.5
Refunds of Taxes	(16.6)	-	(16.6)	-	(16.6)
Total Taxes Less Refunds	1,931.1	(10.7)	1,920.4	-	1,920.4
Other Sources					
Motor Vehicle Receipts	255.4	18.9	274.3	-	274.3
Licenses, Permits and Fees	126.1	17.8	143.9	-	143.9
Interest Income	51.0	7.2	58.2	-	58.2
Federal Grants	8.1	-	8.1	-	8.1
Transfers From/(To) Other Funds	(13.5)	-	(13.5)	-	(13.5)
Refunds of Payments	(3.7)	(3.5)	(7.2)	-	(7.2)
Total Other Sources	423.4	40.4	463.8	-	463.8
GRAND TOTAL	2,354.5	29.7	2,384.2	-	2,384.2

Appendix D - Revenue Changes by Policy

GENERAL FUND

In Millions of Dollars

Revenue Type	Policy	FY 24	FY 25	FY 26	FY 27	FY 28
Personal Income Tax	Provide Incentive to Challenge Remote Workers Tax	-	-	-	-	-
	Personal Income Tax Total	-	-	-	-	-
Corporation Tax	Adjust Workforce Housing TC to 50% of Cash Contribution	-	-	-	-	-
	Expand Student Loan Employer TC Eligibility & Cap at \$10M/FY	-	-	-	-	-
	Corporation Tax Total	-	-	-	-	-
Public Service Corporations Tax	Repeal \$5M transfer to the Municipal Video Competition Trust Account	-	5.0	5.0	5.0	5.0
	Public Service Corporations Tax Total	-	5.0	5.0	5.0	5.0
	Taxes Total	-	5.0	5.0	5.0	5.0
Licenses, Permits and Fees	Eliminate Certain Fees	-	(3.5)	(3.5)	(3.5)	(3.5)
	Licenses, Permits and Fees Total	-	(3.5)	(3.5)	(3.5)	(3.5)
	Other Revenue Total	-	(3.5)	(3.5)	(3.5)	(3.5)
Tobacco Settlement Fund	Suspend FY 2025 Transfer to Tobacco and Health Trust Fund	-	12.0	-	-	-
	Tobacco Settlement Total	-	12.0	-	-	-
Transfers From / (To) Other Funds	Increase Existing FY 2024 Transfer to FY 2025 From \$95M to \$140M	(45.0)	45.0	-	-	-
	Reduce General Fund Subsidy Transfer to MRSF to Reflect Actual Costs	-	16.3	16.3	16.3	16.3
	Repeal \$5M transfer from the Municipal Video Competition Trust Account to the General Fund (Also see Public Service Corp.)	-	(5.0)	(5.0)	(5.0)	(5.0)
	Transfer unobligated Biomedical Research Trust Funds to the General Fund	-	0.8	-	-	-
	Transfer Balance of CT Itinerant Vendors Guaranty Fund (approx. \$46k) to the General Fund	-	-	-	-	-
	Transfers From / (To) Other Funds Total	(45.0)	57.1	11.3	11.3	11.3
	Other Sources Total	(45.0)	69.1	11.3	11.3	11.3
	General Fund Total	(45.0)	70.6	12.8	12.8	12.8