

I. OVERVIEW

General Fund Budget Development

In November 2014, OFA projected a General Fund deficit of \$89.1 million in the current fiscal year (FY 15) but more ominously projected a significant deficit of \$1,321.4 million in FY 16 and \$1,439.1 million in FY 17 based on a Current Services methodology.

By February 2015, based on new calculations by Governor Malloy, these General Fund gaps had shrunk to \$1,144.7 million in FY 16 and \$1,105.2 million in FY 17. The recommended FY 16 - FY 17 biennial budget that the Governor proposed to the General Assembly closed these gaps, as is required by law, by increasing revenues by \$557.6 million in FY 16 and by \$356.8 million in FY 17 while reducing appropriations by \$590.3 million in FY 16 and by \$753.5 million in FY 17. When combined, the Governor's budget resulted in a balance of \$3.2 million in FY 16 and \$5.0 million in FY 17.

FY 16 and FY 17 Budget

The budget (PA 15-244) passed both houses of the General Assembly on June 3, 2015, however there was not enough time to pass the accompanying implementing legislation, and a special session was required and called for the during the month of June. Eventually, implementer bills were finalized and passed in special session on June 29, 2015.

The FY 16 and FY 17 General Fund budget grows by a 3.9% when comparing FY 16 appropriations to FY 15 estimated expenditures. Similarly, the FY 17 budget grows by 3.0% when compared to the FY 16 budget. This equates to \$681.1 million in additional appropriations in FY 16 and an additional \$549.6 million in FY 17 over FY 16.

The budget¹ appropriates \$19,807.2 million in FY 16 and \$20,438.3 million in FY 17. The appropriations are supported by estimated revenues of \$19,873.3 million in FY 16 and \$20,555.9 million in FY 17.

¹PA 15-244, the State Budget for the Biennium Ending June 30, 2017, and Making Appropriations Therefor, and Other Provisions Related to Revenue, Deficiency Appropriations and Tax Fairness and Economic Developments passed by the House and Senate as adjusted by PA 15-5, JSS, An Act Implementing the State Budget for the Biennium Ending June 30, 2017, Concerning General Government, Education, Health and Human Services and Bonds of the State.

**Comparison of FY 16 and FY 17 Appropriations to Revenue Estimates
(in millions)**

Fund	FY 16 \$			FY 17 \$		
	Approp.	Revenue	Surplus / (Deficit)	Approp.	Revenue	Surplus / (Deficit)
General	18,161.6	18,162.4	0.8	18,711.2	18,713.6	2.5
Special Transportation	1,416.1	1,468.1	52.0	1,496.1	1,596.9	100.8
Other Appropriated	229.6	242.6	13.0	231.0	245.4	14.4
TOTAL	19,807.2	19,873.0	65.8	20,438.3	20,555.9	117.6

The budget includes appropriations totaling \$19,807.2 million in FY 16 and \$20,438.3 million in FY 17.

Fund Summary of FY 16 and FY 17 Appropriations (in millions)

Fund Summary	FY 16 \$	FY 17 \$
Gross Appropriations by Fund		
General Fund	18,362,169,386	18,916,880,389
Special Transportation Fund	1,428,073,382	1,508,138,933
Banking Fund	29,636,246	29,889,297
Insurance Fund	79,933,789	81,351,940
Consumer Counsel and Public Utility Control Fund	26,990,146	26,953,593
Workers' Compensation Fund	27,312,126	26,982,874
Mashantucket Pequot and Mohegan Fund	61,779,907	61,779,907
Regional Market Operation Fund	1,061,237	1,067,306
Criminal Injuries Compensation Fund	2,851,675	2,934,088
Total Gross Appropriations	20,019,807,894	20,655,978,327
General Fund Lapses		
Unallocated Lapse	(93,076,192)	(94,476,192)
Unallocated Lapse - Legislative	(5,028,105)	(3,028,105)
Unallocated Lapse - Judicial	(7,400,672)	(7,400,672)
General Employee Lapse	(7,110,616)	(12,816,745)
General Lapse - Legislative	(39,492)	(39,492)
General Lapse - Judicial	(282,192)	(282,192)
General Lapse - Executive	(9,678,316)	(9,678,316)
Municipal Opportunities and Regional Efficiencies Program	(20,000,000)	(20,000,000)
Overtime Savings	(10,500,000)	(10,500,000)
Statewide Hiring Reduction - Executive	(30,920,000)	(30,920,000)
Statewide Hiring Reduction - Judicial	(3,310,000)	(3,310,000)
Statewide Hiring Reduction - Legislative	(770,000)	(770,000)
Targeted Savings	(12,500,000)	(12,500,000)
Total General Fund Lapses	(200,615,585)	(205,721,714)

Fund Summary	FY 16 \$	FY 17 \$
Special Transportation Fund Lapses		
Estimated Unallocated Lapses	(12,000,000)	(12,000,000)
Total Special Transportation Fund Lapses	(12,000,000)	(12,000,000)
Net Appropriations by Fund		
General Fund	18,161,553,801	18,711,158,675
Special Transportation Fund	1,416,073,382	1,496,138,933
Banking Fund	29,636,246	29,889,297
Insurance Fund	79,933,789	81,351,940
Consumer Counsel and Public Utility Control Fund	26,990,146	26,953,593
Workers' Compensation Fund	27,312,126	26,982,874
Mashantucket Pequot and Mohegan Fund	61,779,907	61,779,907
Regional Market Operation Fund	1,061,237	1,067,306
Criminal Injuries Compensation Fund	2,851,675	2,934,088
TOTAL NET APPROPRIATIONS	19,807,192,309	20,438,256,613