Glossary of Budget Book Terms

Account/Major Object
The Connecticut budget appropriates agency funds by account. Within each account, categories of expenditures are called major objects. For example, Other Expenses (description below) is an account and Utilities-Fuel is a major object within the Other Expenses account. An agency generally has discretion to make expenditures within a major object as it sees fit unless it has been instructed to spend funds in a specific manner.

Act (also, Public Act or Special Act)
The designation for a bill that has been passed by both chambers of the legislature. A public act (PA) amends the Connecticut General Statutes. A special act (SA) has limited application or is of limited duration and is not incorporated into the Connecticut General Statutes. Act numbers are assigned by the Legislative Commissioners’ Office.

Adopted Budget
See the description below for “Budget Act.”

Agency Program
A group of activities with a common element or theme that either: (1) achieve the same goal or serve the same purpose, (2) serve slightly different purposes but are performed by the same type of employees, or (3) provide similar services to the same target population. For example, the Department of Agriculture administers the Connecticut Grown Product Promotion Program, which provides funding to promote locally-grown products through several marketing venues.

Allotment
A portion of an appropriation (description below) that is made available to pay an agency’s encumbrances (description below) and expenditures (description below) for a certain period or purpose. The Office of Policy and Management (description below) usually allots appropriated funds to agencies on a quarterly basis (every three months).

Annualization of Partial Year Costs/Funding
Partial year funding occurs in the first year of implementation of a program, when resources are provided for less than a 12-month period. Annualization of partial year costs or funding refers to providing the amount of resources necessary to fund a full 12-month period of the operation in the second year of the program.

Appropriation/Appropriated Fund
An authorization by the General Assembly to spend and incur liabilities for a specific purpose. The General Assembly appropriates the following funds: (1) the General Fund; (2) the Special Transportation Fund; (3) the Mashantucket Pequot and Mohegan Fund; (4) the Regional Market Fund; (5) the Banking Fund; (6) the Insurance Fund; (7)
the Consumer Counsel and Public Utility Control Fund; (8) the Workers’ Compensation Fund; and (9) the Criminal Injuries Compensation Fund.

**Appropriations Committee**
A legislative committee that is currently composed of 54 members of either the Senate or the House of Representatives. It is responsible for: (a) reviewing all expenditure-related matters and (b) producing a final committee budget to be voted on by both chambers and ultimately submitted to the Governor for signature. It also deals with: (c) state employees' salaries, benefits and retirement, (d) teachers' retirement, (e) collective bargaining agreements and (f) arbitration awards for all state employees. The committee is divided into 13 subcommittees that review individual agency budgets and make recommendations. The Appropriations subcommittees are:

1. Legislative,
2. General Government A,
3. General Government B,
4. Regulation and Protection,
5. Conservation and Development,
6. Health and Hospitals,
7. Transportation,
8. Human Services,
9. Higher Education,
10. Elementary and Secondary Education,
11. Judicial and Corrections,
12. Collective Bargaining and
13. Results Based Accountability.

**Banking Fund**
The fund primarily supports the ongoing operation of the Department of Banking. The revenue source is the assessments, fees and fines paid by depository institutions.

**Biennial Budget**
Connecticut changed from annual to biennial budgets in 1991. The change was enacted as part of a massive budget and tax bill that included the state income tax. The first year of the biennium is always the even-numbered year (i.e., the FY 14 and FY 15 biennium). The General Assembly is elected for a two-year term, which coincides with the two-year biennial budget cycle.

**Bill**
A written proposal to change existing law or enact a new law prepared by the Legislative Commissioners' Office. Bills that pass both legislative chambers and are signed by the Governor are called acts (definition above).

**Bond Allocation**
Bond authorizations must be allocated or approved by the State Bond Commission (description below) to actually commit funding to a specific capital project or financial
assistance program. After bond funds are allocated: (1) they are available for expenditure by the agency, town or organization that received the allocation and (2) the state is prepared to issue General Obligation (GO) or Special Tax Obligation (STO) bonds (descriptions below) to support the allocation.

**Bond Authorization**
The amount approved by the General Assembly in an act for a specific project or program. Authorizations can be thought of as enabling legislation. A bond authorization must be allocated through the State Bond Commission before an agency can actually expend funds for a specific project or program.

**Bond Act**
A type of enabling legislation enacted by the General Assembly based on recommendations from the Finance, Revenue and Bonding Committee. The act contains new bond authorizations for capital projects and financial assistance programs and revisions to authorizations from prior years.

**Bond Commission**
See the description below for “State Bond Commission (SBC).”

**Budget Act (also, Adopted Budget)**
A budget act specifies appropriations for state agencies for a specific period of time, usually a biennium or a fiscal year. A budget act must be: (a) approved by both houses of the General Assembly and (b) signed by the Governor before it can be implemented by the Office of Policy and Management. Connecticut’s budget act normally contains three sections: (1) the front of the budget, (2) revenue estimates for the period covered by the budget act and (3) the back of the budget language. The sections can be described as follows:

1. The front of the budget lists appropriations to finance state agency operations over a specific period of time.
2. The revenue estimates indicate the amount of financial resources that are estimated to be available to pay for the state’s appropriations. By law, the legislature must pass a balanced budget in which appropriations are equal to estimated revenue. The estimates included in the budget act must first be adopted by the Finance, Revenue and Bonding Committee.
3. Back of the budget language authorizes a variety of expenditure-related provisions that are necessary to carry on state operations. These include the redirection of previously appropriated funds, transfers between funds, carry forwards of funds from one fiscal year to another, changes to statutory language for spending programs like grant payments to towns, and any technical and conforming changes needed to enact the spending plan in the front of the budget.

**Budget Options**
Funding requests that increase or decrease the current services level of spending for specific programs. Agencies are required to submit budget options to the Office of
Policy and Management (description below) when they submit their biennial or revised budget request, usually in the fall of each year.

**Budget Request**
An agency’s itemized plan that shows the amount of funding required to carry out the specific functions assigned to it in state statute. The request includes: (1) a current services funding level (description below) that reflects the amount of funding needed to maintain the agency’s current level of operations and (2) a list of budget options for expenditure changes above or below the current services level. The agency’s biennial budget request covers a two year period and its revised budget request makes changes to the second year of the biennium.

**Budget Reserve Fund (BRF – also, Rainy Day Fund)**
A contingency fund capitalized with unappropriated General Fund money that is designated as surplus by the Comptroller after the close of the fiscal year. The BRF provides a reserve that can be drawn upon when the General Fund ends a fiscal year in deficit. The maximum level of the BRF is 10% of net General Fund appropriations for the fiscal year in progress. It is authorized under CGS Sec. 4-30a.

**Capital Budget**
The portion of the state budget that: (a) is separate from the operating budget, (b) usually uses borrowed funding, and (c) deals with proposed long-term expenditures and financial assistance programs. Long-term expenditures include: (1) the purchase of land, (2) construction of new state-owned facilities, (3) improvements, repairs and additions to existing state-owned facilities, (4) major equipment purchases and (5) transportation-related projects. Financial assistance programs are administered by state agencies and provide funds to municipal and non-government entities through grants and/or loans. Capital budget expenditures are normally covered with bond funds, which are paid off over a 20-year period.

**Capital Projects Funds**
Funds established to account for grants and bond-issue proceeds that are used to: (1) acquire or construct major capital facilities for state agencies, (2) fund improvements to transportation infrastructure such as highways and bridges, (3) provide grants to municipalities and nonprofit organizations, and (4) encourage economic development.

**Carry Forward**
Appropriated funds that: (1) were not spent by an agency during a fiscal year and (2) the agency is permitted to "carry forward" for expenditure in the following fiscal year. The amount and use of the funds may be specified in an implementer bill (description below). If not otherwise indicated, the amount and use of carry forward funding is governed by Section 4-89 of the Connecticut General Statutes.
**Comptroller’s Office (also, Office of the State Comptroller)**
The Office of the State Comptroller is the state’s official bookkeeper. The agency is responsible for: (1) operating, maintaining, updating and expanding CORE, the state’s central human resources management and financial accounting system, and (2) producing and distributing monthly and annual reports on the state’s revenue, expenditures and other related financial information.

**Connecticut General Statutes (also, CGS or the Statutes)**
The codified body of laws of the state of Connecticut that are enacted by the General Assembly.

**Consumer Counsel & Public Utility Control Fund**
The Consumer Counsel & Public Utility Control Fund supports the operations of: (1) the Office of the Consumer Counsel, (2) the Connecticut Siting Council, and (3) the energy branch at the Department of Energy and Environmental Protection, including the Public Utilities Regulatory Authority. The revenue source is an assessment on regulated public utility entities (electric, gas, water and cable), based on the percentage of the public service companies' tax paid by the entity. The assessments are levied by each agency on the entities it regulates.

**CORE (also, CORE-CT)**
CORE is the state’s central human resources management and financial accounting system that is overseen by the Comptroller’s Office. It was implemented in 2003 to replace the incompatible legacy systems used by many state agencies with one system and a set of standardized reporting procedures that would be used by all state agencies.

**Criminal Injuries Compensation Fund**
The Criminal Injuries Compensation Fund is administered by the Office of Victim Services within the Judicial Department. It is used to compensate eligible crime victims or their immediate families for actual and reasonable expenses, lost wages, and pecuniary and other losses resulting from injury or death. Maximum awards are $15,000 for personal injuries and $25,000 for death. The three revenue sources are: (1) a General Fund appropriation, which comes primarily from costs imposed in criminal prosecutions, (2) federal funding, and (3) money paid to the state by the person directly responsible for a victim's criminal injuries or death.

**Current Services**
The amount of funding required by an agency to provide the same level of services in the succeeding fiscal year as in the current fiscal year, plus any: (1) scheduled or (2) required changes. Scheduled changes include annualization of partial year costs and increases based on current law. Required changes include an adjustment for: (a) inflation and (b) caseload increases.
**Debt Reserve Service Fund (also, Debt Service Fund or Sinking Fund)**
A reserve fund that is used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements. It may be: (1) funded with bond proceeds or by an accumulation of pledged revenues and (2) established when the bonds are issued or upon the occurrence of a specified event. Reserve funds provide repayment security for bond purchasers and may result in a higher rating for the bond issuance and a reduction in the interest rate at which the bonds are sold.

**Deficiency Appropriation**
A supplemental appropriation made for an agency based on a need for increased funding during a fiscal year.

**Deficiency Bill**
A bill making additional appropriations to state agencies that need more funds to complete a fiscal year.

**Deficit (also, Budget Deficit)**
A budget deficit occurs when an entity expends more money than it takes in. A projected deficit occurs during the fiscal year and an actual deficit occurs after the close of the fiscal year. The term deficiency is used to describe a shortfall in a specific account/agency. The opposite of a budget deficit is a budget surplus.

**Disbursements**
Payments made in cash or by check regardless of the purpose.

**Equipment**
One of the three major categories of accounts (the other two are Personal Services and Other Expenses). Equipment includes machinery, tools, furniture, vehicles, apparatus, etc., with: (1) a value greater than $1,000 and (2) a useful life of more than one year. The category also includes all books, regardless of cost, that are purchased for the State Library or an agency library that is a separate operating division or unit of the agency.

**Employee Fringe Benefits**
Non-salary benefits for employees, including: (1) pensions, (2) unemployment compensation, (3) health and life insurance and (4) social security. For the General Fund and the Special Transportation Fund, fringe benefits are not included in an agency’s budget but instead are appropriated to the Fringe Benefit accounts, which are administered by the Comptroller. For other appropriated funds, fringe benefit costs are budgeted to the specific accounts within the agency’s budget and recovered by the Comptroller based on an actual-cost basis.

**Enabling Legislation**
See the description below for “Implementer Bills.”
Encumbrances
Funds that have been committed for payment from an account via a requisition or purchase order, but have not yet been paid.

Expenditure
Funds committed to be paid for specific goods received or services rendered.

Federal Grants
Funds made available to the state by the federal government in order to reimburse the state for specific expenditures or to encourage specific programs or projects.

Fiduciary Funds
Assets held by the state when it serves as an agent for individuals or government units. In the future, the assets within these funds will be transferred to other state funds or to sources outside the state (e.g., various retirement funds).

Finance Advisory Committee (FAC)
A joint legislative-executive body whose main task is to approve fund transfers between accounts that are within the same agency. The committee is comprised of: (1) the Governor, (2) Lieutenant Governor, (3) Treasurer, (4) Comptroller, and (5) two Senate members and three House members of the Appropriations Committee. It meets on the first Thursday of every month, or as needed during the year.

Finance, Revenue and Bonding Committee
A legislative committee that is currently composed of 54 members of either the Senate or the House of Representatives. It has cognizance over matters relating to: (1) finance, (2) revenue, (3) taxation, (4) the capital budget (bonding), (5) the Department of Revenue Services and (6) the revenue aspects of the Division of Special Revenue. All bills related to these matters that are favorably reported (approved) by any other legislative committee are referred to this committee.

Fiscal Note
A brief statement of costs/savings or the revenue impact of: (1) a favorably-reported bill or (2) any amendments to a bill, which is prepared by the Office of Fiscal Analysis (description below). All bills taken up by either chamber of the General Assembly are required to have a fiscal note.

Fiscal Year (FY)
The twelve-month budget or financial year. Connecticut’s fiscal year runs from July 1st through June 30th. At the end of this period the Comptroller’s Office closes all accounts and determines: (1) the state’s financial condition and (2) the net results of its operations. The federal government’s fiscal year runs from October 1st through September 30th.
Fixed Charge or Grant
Payments to: (a) institutions, agencies or individuals or (b) for undertakings that may or may not be directly under state control. Fixed charges are divided into either: (1) Payments to Other Than Local Governments (Grants - Other) or (2) Payments to Local Governments (Grants - Local or Town Grants).

Function of Government
Categories of state government responsibilities and activities that are related to public interest. The categories are useful for budgeting purposes because they allow expenditure levels for different activities to be compared with other jurisdictions. Connecticut’s budget document is organized into eleven categories, including: (1) Legislative; (2) General Government; (3) Regulation and Protection; (4) Conservation and Development, (5) Health and Hospitals; (6) Transportation; (7) Human Services; (8) Education, Museums and Libraries; (9) Corrections; (10) Judicial; and (11) Non-Functional. All state agencies or commissions are assigned to one of the ten function categories based on its mission. The Non-Functional category includes expenditures that do not easily fit into one of the other categories, such as Debt Service, the central Workers’ Compensation account, and Fringe Benefits Administered by the Comptroller.

Fund
An independent financial and accounting entity. Each fund is comprised of a self-balancing set of accounts and records, cash and other financial resources. Monies within a fund share a common purpose or objective in accordance with special regulations, restrictions, or limitations. The state has nine appropriated funds.

Funded Positions
The number of full-time positions that could be filled by an agency during the fiscal year without incurring a deficit: (1) after turnover is taken into account, and (2) provided that all other personal services items were expended as budgeted.

General Assembly
The official name of the Connecticut legislature.

Generally Accepted Accounting Practice (GAAP)
GAAP is the standard framework of guidelines for financial accounting used in any given jurisdiction. The guidelines for state and local governments are set by the Government Accounting Standards Board (GASB). They include the standards, conventions, and rules that the state is required to follow in preparing its annual financial statements and its annual budget. GAAP requires the state to: (1) budget for expenses when they are incurred rather than when bills are actually paid and (2) recognize revenues when they are earned.
Accumulated GAAP Deficit
The cumulative GAAP deficit refers to the aggregate amount of liabilities that exceed assets in the General Fund. The deficit accumulated prior to July 1, 2013, when the state changed to a modified accrual basis of accounting utilized under GAAP.

General Fund (GF)
The main operating fund of the state government that is used to finance the majority of the state’s operations. The fund receives income from taxes, federal aid, licenses, permits and fees. It is operated according to a budget plan adopted by the General Assembly and signed by the Governor.

General Obligation (GO) Bonds
Nontaxable or taxable bonds issued by the state that pledge the revenue stream from the state’s General Fund to pay debt service. They are used to finance: (1) the construction of state buildings, (2) capital improvements to state buildings and parks, (3) school construction grants-in-aid to towns, and (4) grants and loans for housing, economic development, community care facilities, and open space. The General Assembly has also authorized the issuance of two specialized forms of GO bonds: (a) UConn 2000 Infrastructure Improvement Bonds and (b) Tax Incremental Financing (TIF) Bonds.

Governor’s Bills
Bills introduced by legislative leaders of the Governor's party at the request of the Governor. Governor’s bills are generally introduced at the beginning of the legislative session.

Governor’s Recommended Biennial Budget
The financial recommendations of the Governor that are contained in a budget document and presented to the General Assembly for action each February in odd-numbered years. Since Connecticut uses a biennial budget process, the Governor’s budget covers a two-year period in the first year.

Governor’s Recommended Budget Revisions
The Governor presents his recommendations for midterm (mid-biennial) adjustments for the second year of the biennial budget to the General Assembly for action each February in even-numbered years.

Grant Payments to Towns (also, Grant-in-aid Payments to Towns)
Payments to Connecticut’s municipalities (towns and cities) for a specified purpose or to reimburse expenses already incurred. Education grants make up the largest portion of these payments.
Grant Payments Other Than to Towns
State obligations that are not part of an agency’s direct operating budget (e.g., Temporary Assistance to Needy Families, Medicaid, and payments to the Teachers’ Retirement Fund).

Holdback (also, Budgeted Lapse or Allotment Reduction)
The amount of an agency’s General Fund appropriation that is retained (i.e., held back) by the Office of Policy and Management (description below) in order to achieve the amount of overall savings assumed in the adopted budget.

Implementer Bills (also, Enabling Legislation)
A bill or set of bills that contain the policy provisions needed to put into effect or “implement” the state budget. Implementer bills are necessary because the budget act often contains the funding necessary for a program but does not contain the statutory changes that enable the program to function as intended. Implementers are often referred to by the agency or department most affected, as in "Education Implementer." Unlike most other bills, implementers don’t go through legislative committees or public hearings.

Insurance Fund
The Insurance Fund primarily supports the operations of the Department of Insurance and the Office of the Healthcare Advocate. The revenue source is an assessment levied by the Department of Insurance on domestic insurance companies and entities. The assessment is based on the total amount of premium taxes paid to the Department of Revenue Services by domestic insurance companies and entities for the preceding year.

Internal Service Funds
Funds used to finance goods or services provided by one state agency to another state agency, on a cost-reimbursed basis. The state’s Internal Service Funds include: (1) the Correction Industries Fund, (2) the Technical Services Fund, (3) the General Services Fund, and (4) the Capital Equipment Data Processing Fund.

Lapse
Appropriated funds that: (1) an agency does not or cannot spend by the end of the fiscal year and (2) are not carried forward into the next fiscal year. A lapse may occur naturally because the funding available is more than is needed, or may be a budgeted lapse (holdback) that is programmed in the adopted budget to achieve savings.

Line Item
A single account listed in the budget act that provides funding for a specific type of expenditure. Examples include Personal Services, Other Expenses and Equipment.
Mashantucket Pequot and Mohegan Fund
The Mashantucket Pequot and Mohegan Fund is an appropriation that reduces the amount of slot machine revenues that are otherwise deposited into the General Fund. The appropriation provides grants to towns.

New or Expanded Services
Changes that reflect policy decisions to expand current services or provide new services. Increases in revenue may or may not be associated with these changes.

Nonappropriated Account
Expenditures from a nonappropriated account: (a) are for a specific, dedicated purpose, which may be defined in statute and (b) are not subject to the legislative appropriation process or to allotment through the Office of Policy and Management (description above). Sources of nonappropriated funds include: (1) the federal government, (2) private funds or donations, and (3) dedicated fees and fines. An example of a nonappropriated account is the federally funded Low Income Home Energy Assistance Account.

Nonlapsing Account or Fund
An account or fund with the statutory authority to carry forward its balance from one fiscal year to the next.

Office of Fiscal Analysis (OFA)
A nonpartisan professional office of the Connecticut General Assembly established in 1973 that supports the legislature in both budget formulation and execution. Its primary function is to provide technical support to the Committee on Appropriations and the Committee on Finance, Revenue and Bonding, as well as the other committees and members of the legislature. OFA: (1) analyzes the Governor’s budget recommendations, (2) determines fiscal impact of legislation by completing fiscal notes on bills and amendments and (3) responds to fiscal requests by legislators.

Office of Policy and Management (OPM)
An executive branch budget office established in 1977. The agency: (a) develops the forms and instructions that are used by state agencies in preparing their budget requests, (b) works closely with the Governor to develop the budget for presentation to the legislature, (c) prepares all proposed enabling legislation associated with the Governor’s budget, and (d) implements and monitors the budget plan once it’s been adopted. It is composed of seven divisions that report to the Secretary of OPM:

1. Administration,
2. Budget and Financial Management,
3. Criminal Justice Policy and Planning Division,
4. Finance,
5. Intergovernmental Policy,
6. Labor Relations, and
Office of the State Comptroller
See the description above for “Comptroller’s Office.”

Operating Budget
An itemized summary of estimated funding needs for a given period of time that will allow an agency to carry out the specific functions assigned to it in the state statutes.

Other Current Expenses (OCE)
A category of expenses that can be used for Personal Services, Other Expenses, Equipment or fixed charges directly associated with that program. Funds appropriated for a nonfunctional OCE account can be used for any category of expenditure as long as it is consistent with the purpose of the appropriation.

Other Expenses (OE)
One of the three major categories of accounts (the other two are Personal Services and Equipment). OE is comprised of: (1) Contractual Services, (2) Commodities and (3) Sundry. Contractual Services are considered compensation for services secured by contract. Commodities refer to all supplies, materials and equipment not normally regarded as capital items. Sundry charges include all expenditures not properly assignable to other standard accounts, for example: employee fringe benefits, lottery prizes, and student grants.

Personal Services (PS)
One of the three major categories of accounts (the other two are Other Expenses and Equipment). PS is used for actual direct payroll costs. For example: full-time, part-time and temporary employee salaries, overtime, payments for vacation and sick leave, longevity and shift differential. Fringe benefits are not included in this category.

Personal Services (PS) Reduction
A reduction in Personal Services that often reflects economies and efficiencies in an agency’s operations.

Policy Revision (also, Policy Change)
A shift in the direction or set of principles that determine the course of action for: (1) an agency’s program or (2) adopted legislation.

Program Budget
A method of budgeting expenditures to meet programmatic objectives rather than on a line-item basis. The program budget for an agency includes the objectives for each program, a description of each program, performance measures, and an explanation of significant program changes requested and recommended.

Program and Outcome Measures
The measures that quantify the key aspects of a program’s performance such as workload, output, outcome, client/employee ratios, response times, etc.
Rainy Day Fund
See the description above for “Budget Reserve Fund.”

Regional Market Operation Fund
The Regional Market Operation Fund supports the operation of the Hartford Regional Market. The market is a fully-funded and self-sustaining non-profit venture that is operated by the state. The revenue source is the fees generated the Market’s operations. The Market’s purpose is to provide a central location for farmers and wholesalers to sell and distribute food and other agricultural products. It is located on 32 acres, with 230,386 square feet of warehouse space, an active railroad spur and 144 vendor stalls.

Reimbursement
Cash or other assets paid by the state to another governmental unit, fund or department to repay that entity for an expenditure made on behalf of the state.

Rescission
Cancellation of the authority to expend money previously approved by the legislature and Governor. The Governor is permitted to reduce state agency allotments by up to: (1) 3% of the total appropriation from any fund or (2) 5% of any appropriation. As part of a deficit mitigation plan to address the Comptroller's projected deficit of more than 1% of General Fund appropriations, the Governor may seek Finance Advisory Committee (description above) approval to reduce total appropriations from any fund by up to 5%. The Governor is granted rescission authority under CGS Sec. 4-85.

Results Based Accountability (RBA)
A management tool can be used: (1) to facilitate collaboration among various agencies, (2) to decentralize services or (3) as a regulatory process. The term implies that expected results (also known as goals) are clearly articulated and that data are regularly collected and reported to address questions of whether results have been achieved.

Revenue
Cash paid to or collected by the state. Connecticut receives revenue from a variety of sources, including: (1) state taxes, such as the sales tax and the income tax, (2) federal grants and payments, (3) licenses, permits and fees, and (4) Indian Gaming Payments from Foxwoods and the Mohegan Sun casinos.

Soldiers, Sailors and Marines’ Fund
The Soldiers, Sailors and Marines’ Fund provides temporary financial assistance to help meet the health and maintenance needs of eligible veterans, their dependents and survivors. The Fund currently exists as both an independent, appropriated agency and as a Trust Fund that is administered by the State Treasurer. Prior to FY 15, the investment income from the Trust Fund was distributed to the Soldiers, Sailors and Marines' Special Revenue Fund to support the operations of the agency. In FY 15, the fund will no longer be an appropriated fund or administered directly by the state.
Instead, it will be administered by the American Legion and the State Treasurer will maintain fiduciary oversight of the Trust Fund.

**Special Revenue Fund**

Any fund that can only be used only in accordance with specific regulations. Special revenue funds are created by law to finance particular activities with revenue from specific taxes or other sources. Examples include the Special Transportation Fund, the Regional Market Operation Fund, and Higher Education Tuition Funds.

**Special Tax Obligation (STO) Bonds**

Nontaxable bonds issued by the state to finance the state’s share of the cost of highway and bridge construction and maintenance projects (the federal government finances the remainder of the cost). The bonds have also been used to provide grants to towns for local road improvement under the Town Aid Road program. The debt service costs for the bonds are funded by: (1) the motor fuels tax, (2) oil companies tax, (3) sales tax collected on motor vehicle sales, and (4) motor vehicle registrations, licenses and fees.

**Special Transportation Fund (STF)**

The operating fund of the State Department of Transportation and the State Department of Motor Vehicles. The STF finances: (1) the ordinary, everyday operations of the two agencies, including fringe benefits for employees and (2) debt service costs for Special Tax Obligation (STO) bonds, which pay for road and bridge improvement projects.

**State Bond Commission (SBC)**

A joint legislative-executive body that: (1) allocates General Obligation (GO) and Special Tax Obligation (STO) bond funds for capital budget projects and programs and (2) approves the amount and timing of bond sales requested by the State Treasurer. The agenda for SBC meetings is determined by the Governor. The ten-member commission includes six executive members (the Governor, the Treasurer, the Comptroller, the Attorney General, the Secretary of the Office of Policy and Management, the Commissioner of Administrative Services) and four legislative members (the House and Senate chairs and ranking members of the Finance, Revenue and Bonding Committee). SBC meetings are scheduled in every month except November.

**Surplus**

A budget surplus occurs when an entity takes in more money than it expends. A projected surplus occurs during the fiscal year and an actual surplus occurs after the close of the fiscal year. The term lapse is used to describe a surplus in a specific account within an agency. The opposite of a budget surplus is a budget deficit.

**Tax Expenditure**

A type of “off budget” spending through the tax code that is used to implement government policies. Tax expenditures include tax credits, deductions, exclusions, exemptions, deferrals, and preferential rates. They may be used to encourage: (1) people save for retirement, buy a home, or pay for college or (2) companies to invest in
green energy technologies or build new plants. Examples include the state personal income tax deduction for contributions to the Connecticut Higher Education Trust and the sales tax exemption for residential weatherization products that meet federal Energy Star standards.

**Transfers**
The movement of funds from one funding category to another, including: (1) the redirection of resources within an agency by the Finance Advisory Committee (FAC), (2) transfers from one agency to another by the deficiency bill, and (3) transfers from one fund to another by the budget act.

**Turnover**
A net adjustment made to the Personal Services account that reflects: (1) the natural reduction made to an agency’s payroll due to the loss of employees through voluntary separation, retirements, deaths and transfers, and (2) payroll increases due to the hiring of new employees.

**Workers’ Compensation Fund**
The fund supports the annual cost to operate the Workers’ Compensation Commission. The Commission administers the state workers' compensation system, which pays benefits to workers with job-related disabilities and injuries. The revenue source for the fund is an annual assessment on private insurance companies and employers. The assessment is levied by the Office of the State Treasurer and is built around the proportion of the preceding year's expenses that the state bore on behalf of each self-insured employer or private insurance carrier.