

sHB 5044 PRELIMINARY FISCAL NOTE

Appropriations Committee Meeting

April 6, 2016



OFFICE OF FISCAL ANALYSIS

Room 5200, Legislative Office Building

Hartford, CT 06106 • (860) 240-0200

E-Mail: ofa@cga.ct.gov

www.cga.ct.gov/ofa

sHB 5044 - An Act Making Adjustments to State Expenditures for the Fiscal Year Ending June 30, 2017.

The Appropriations Committee budget includes revised appropriations in nine funds totaling \$19.9 billion in FY 17 as summarized in the table below.

Revised FY 17 Appropriations

Item	Original \$	Committee \$	Difference \$
Gross Appropriations			
General Fund	18,916,880,389	18,246,589,299	(670,291,090)
Special Transportation Fund	1,508,138,933	1,537,476,777	29,337,844
Banking Fund	29,889,297	30,066,200	176,903
Insurance Fund	81,351,940	84,129,509	2,777,569
Consumer Counsel and Public Utility Control Fund	26,953,593	27,378,485	424,892
Workers' Compensation Fund	26,982,874	26,917,168	(65,706)
Mashantucket Pequot and Mohegan Fund	61,779,907	58,227,562	(3,552,345)
Regional Market Operation Fund	1,067,306	1,067,306	-
Criminal Injuries Compensation Fund	2,934,088	2,934,088	-
Total Gross Appropriations	20,655,978,327	20,014,786,394	(641,191,933)
General Fund (GF) Lapses			
Unallocated Lapse	(94,476,192)	(94,476,192)	-
Unallocated Lapse - Legislative	(3,028,105)	(3,028,105)	-
Unallocated Lapse - Judicial	(7,400,672)	(7,400,672)	-
General Employee Lapse	(12,816,745)	-	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	(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 GF Lapses	(205,721,714)	(104,904,969)	100,816,745
Special Transportation Fund (STF) Lapses			
Unallocated Lapse	(12,000,000)	(12,000,000)	-
Total STF Lapses	(12,000,000)	(12,000,000)	-
Net Appropriations			
General Fund	18,711,158,675	18,141,684,330	(569,474,345)
Special Transportation Fund	1,496,138,933	1,525,476,777	29,337,844
Banking Fund	29,889,297	30,066,200	176,903
Insurance Fund	81,351,940	84,129,509	2,777,569
Consumer Counsel and Public Utility Control Fund	26,953,593	27,378,485	424,892
Workers' Compensation Fund	26,982,874	26,917,168	(65,706)
Mashantucket Pequot and Mohegan Fund	61,779,907	58,227,562	(3,552,345)
Regional Market Operation Fund	1,067,306	1,067,306	-
Criminal Injuries Compensation Fund	2,934,088	2,934,088	-
TOTAL NET APPROPRIATIONS	20,438,256,613	19,897,881,425	(540,375,188)

Spending Cap

The Revised FY 17 Budget is under the statutory spending cap by \$551.3 million, which is \$445.1 million further from the cap than the original FY 17 budget. Pursuant to Section 35 of PA 15-244, these calculations reflect a five-year personal income growth rate calculated on a calendar year rather than a fiscal year basis, and assume that appropriations for the unfunded liabilities of the State Employees' Retirement System (SRS), Judges, Family Support Magistrates and Compensation Commissioners' Retirement System (JRS), and Teachers' Retirement System (TRS) are exempt from being counted as general budget expenditures under the spending cap for FY 15 through FY 17.

Growth Rate

The Committee's Revised FY 17 Budget growth rate for all appropriated funds is 1.1% over FY 16 estimated expenditures. See table below for details.

Growth Rate by Appropriations (by fund - in millions)

Fund	FY 16 Estimated Expenditures \$	FY 17 Original Appropriation \$	FY 17 Revised \$	Change From FY 16 Estimated to FY 17 Revised	
				\$	%
General	18,060.9	18,711.2	18,141.7	80.8	0.4%
Transportation	1,388.8	1,496.1	1,525.5	136.7	9.8%
Other Appropriated	229.6	231.0	230.7	1.1	0.5%
TOTAL	19,679.3	20,438.3	19,897.9	218.6	1.1%

Sections 9 - 16 of the back of budget language are identified below.

Section	Agency	Description
9	DORS	Requires that up to \$200,000 of the unexpended balance in the Department of Rehabilitation Services (DORS) Part-Time Interpreters account to be carried forward and transferred to Personal Services. Funding in the DORS Personal Services account was reduced by \$200,000 in FY 17 in anticipation of this transfer.
10	DPH	Requires the Department of Public Health to reduce, on a pro rata basis, payments to full-time municipal and district health departments in an aggregate amount equal to \$310,636 in FY 17.
11	DPH	Requires DPH to report to various committees concerning the expenditures necessary to ensure the continued administration of safe drinking water standards, among other requirements, does not result in a fiscal impact to the agency. DPH is anticipated to be able to complete the report with staff expertise by 1/15/17 (approximately six months' time).

Section	Agency	Description
12(a) & 13(a)	DPH	Eliminates the transfer in FY 17 from the Tobacco and Health Trust Fund (THTF) to DPH for grants totaling \$550,000 for: (1) a children's Easy Breathing program - \$250,000, (2) an adult Easy Breathing program - \$150,000, and (3) an Asthma Outreach and Education Program - \$150,000. In concert with this change. Section 13(a) Transfers \$700,000 from the THTF to the resources of the General Fund in FY 17. This reflects the \$550,000 that was authorized for transfer to DPH in FY 17 for these grants, as well an additional \$150,000 that was intended for the Asthma Outreach and Education Program in FY 16 that will not be expended.
12(b)	DPH	Eliminates the transfer of \$750,000 from the THTF to the Department of Developmental Services in FY 17 for the implementation of a study to enhance and improve the services and supports for individuals with autism and their families. Instead, Sec. 13(b) authorizes \$750,000 from THTF to the Department of Social Services for this purpose.
13(b)	DSS	Transfers \$750,000 from the Tobacco Health Trust Fund to the Department of Social Services to implement the recommendations of section 27 of PA 11-6. The FY 16- FY 17 Budget transferred the funds to the Department of Developmental Services.
14	SDE	Specifies the payment of approximately \$2,028.1 million Education Equalization grant (ECS) payments. This reflects a reduction, from the original FY 17 appropriation, of \$41.6 million in ECS funding to municipalities.
15	OPM	Specify the payment of approximately \$67.3 million in State Property PILOT payments. This reflects a reduction, from the original FY 17 appropriation, of \$16.4 million in State Property PILOT funding to municipalities.
16	OPM	Specify the payment of approximately \$ \$115.9 million in Hospital PILOT payments. This reflects a reduction, from the original FY 17 appropriation, of \$9.6 million in Hospital PILOT funding to municipalities.