

COMMITTEE PRELIMINARY FISCAL NOTE

Appropriations Committee Meeting

April 20, 2018



OFFICE OF FISCAL ANALYSIS

Room 5200, Legislative Office Building

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The Committee budget includes revised appropriations in eleven funds totaling \$20.9 billion in FY 19 as summarized in the table below.

Revised FY 19 Appropriations

Fund	Original Appropriation FY 19	Governor Revised FY 19	Committee FY 19	Committee - Governor	Committee - Original
General Fund	19,885,371,203	18,870,506,700	19,025,697,726	155,191,026	(859,673,477)
Special Transportation Fund	1,640,068,939	1,631,817,521	1,627,266,927	(4,550,594)	(12,802,012)
Banking Fund	27,386,848	27,756,956	27,856,956	100,000	470,108
Insurance Fund	95,035,932	91,566,573	91,566,573	-	(3,469,359)
Consumer Counsel and Public Utility Control Fund	25,571,954	25,664,830	24,297,186	(1,367,644)	(1,274,768)
Workers' Compensation Fund	24,940,502	26,113,195	26,113,195	-	1,172,693
Mashantucket Pequot and Mohegan Fund	49,942,796	49,692,232	49,783,527	91,295	(159,269)
Regional Market Operation Fund	1,067,306	1,067,306	1,067,306	-	-
Criminal Injuries Compensation Fund	2,934,088	2,934,088	2,934,088	-	-
Passport to the Parks Fund	-	11,837,325	11,857,325	20,000	11,857,325
Tourism Fund	12,644,988	16,282,076	13,044,988	(3,237,088)	400,000
Total Gross Appropriations	21,764,964,556	20,755,238,802	20,901,485,797	146,246,995	(863,478,759)
General Fund Lapses					
Unallocated Lapse	(51,765,570)	(9,515,570)	(9,515,570)	-	42,250,000
Unallocated Lapse - Legislative	(1,000,000)	-	-	-	1,000,000
Unallocated Lapse - Judicial	(8,000,000)	(5,000,000)	(5,000,000)	-	3,000,000
Statewide Hiring Reduction - Executive	(7,000,000)	-	-	-	7,000,000
Targeted Savings	(150,878,179)	-	-	-	150,878,179
Achieve Labor Concessions	(867,600,000)	-	-	-	867,600,000
Municipal Aid Savings	(8,500,000)	-	-	-	8,500,000
General Fund Total Lapses	(1,094,743,749)	(14,515,570)	(14,515,570)	-	1,080,228,179
Special Transportation Fund Lapses					
Unallocated Lapse	(12,000,000)	(12,000,000)	(12,000,000)	-	-
Special Transportation Fund Total Lapses	(12,000,000)	(12,000,000)	(12,000,000)	-	-
General Fund	18,790,627,454	18,855,991,130	19,011,182,156	155,191,026	220,554,702
Special Transportation Fund	1,628,068,939	1,619,817,521	1,615,266,927	(4,550,594)	(12,802,012)

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Insurance Fund	95,035,932	91,566,573	91,566,573	-	(3,469,359)
Consumer Counsel and Public Utility Control Fund	25,571,954	25,664,830	24,297,186	(1,367,644)	(1,274,768)
Workers' Compensation Fund	24,940,502	26,113,195	26,113,195	-	1,172,693
Mashantucket Pequot and Mohegan Fund	49,942,796	49,692,232	49,783,527	91,295	(159,269)
Regional Market Operation Fund	1,067,306	1,067,306	1,067,306	-	-
Criminal Injuries Compensation Fund	2,934,088	2,934,088	2,934,088	-	-
Passport to the Parks Fund	-	11,837,325	11,857,325	20,000	11,857,325
Tourism Fund	12,644,988	16,282,076	13,044,988	(3,237,088)	400,000
Total Net Appropriations	20,658,220,807	20,728,723,232	20,874,970,227	146,246,995	216,749,420

Spending Cap

The Revised FY 19 Budget is over the spending cap by \$31 million. This does not assume any deficiency appropriations in FY 18.

Growth Rate

The Committee's Revised FY 19 Budget growth rate for all appropriated funds is 2.1% over FY 18 estimated expenditures. See table below for details.

Growth Rates of Appropriations (\$ in millions)

	FY 18 Estimated Expenditures	Original Appropriation FY 19	Committee FY 19	Change From FY 18 Est. to Committee FY 19		Change From Orig. FY 19 to Committee FY 19	
General Fund	18,719.8	18,790.6	19,011.2	291.4	1.6%	220.6	1.2%
Transportation Fund	1,497.3	1,628.1	1,615.3	117.9	7.9%	(12.8)	-0.8%
Other Appropriated Funds	226.6	239.5	248.5	21.9	9.7%	9.0	3.8%
TOTAL	20,443.7	20,658.2	20,875.0	431.3	2.1%	216.7	1.0%

Sections 12 - 25 of the back of budget language are identified below.

Section	Agency	Description
12(a)	OPM	Eliminates the labor management lapse of \$867,600,000 to reflect the allocation into agency budgets.
12(b)	UOC, BOR, UHC	Requires any allotment reduction to a higher education constituent unit to be credited to the General Fund which results in a savings to the General Fund and an equivalent revenue loss to the constituent unit(s).
13(a)	OPM	Reduces the unallocated lapse amount to the executive branch from \$45,000,000 to \$9,515,570 to reflect the allocation into agency budgets. Requires that the Secretary of the Office of Policy and Management (OPM) shall not reduce allotments to municipal aid, including the education equalization grant, in order to achieve budget savings. This results in a potentially significant savings to municipalities to the extent that the Secretary would have otherwise reduced municipal aid. For context, in FY 2018 the Governor reduced municipal aid by approximately \$90 million as part of holdbacks.
13(b)	OPM	Eliminates the unallocated lapse amount to the legislative branch of \$1,000,000 to reflect the allocation into agency budgets.
13(c)	OPM	Reduces the unallocated lapse amount to the judicial branch from \$8,000,000 to \$5,000,000 to reflect the allocation into agency budgets.
14	OPM	Eliminates the targeted savings lapse of \$150,878,179 to reflect the allocation into agency budgets.
15	OPM	Allows the Secretary of the Office of Policy and Management to make reductions in allotments to the executive branch to achieve savings of \$7 million through a hard hiring reduction.
16 - 17	DSS/UHC	Reduce funding disbursements from the Tobacco and Health Trust Fund (THTF) by a total of approximately \$2.3 million. Without this reduction, original THTF disbursement amounts under PA 17-2 JSS will overextend the Fund's available balance in FY 19. PA 17-2 JSS provided \$1.5 million for Department of Social Services (DSS) autism services, and \$2 million for the University of Connecticut Health Center (UHC), to support the Connecticut Institute for Clinical and Translational Science. Section 5 reduces funding DSS autism services by a total of \$962,929. Section 6 reduces Connecticut Institute for Clinical and Translational Science funding by a total of \$1,283,506.
18	DPH	Allows for the Health and Welfare fee supporting the Department of Public Health's Immunization Services account to be adjusted in FY 19 to accommodate for the difference between its FY 18 appropriation and actual expenditures. As this account expends close to all of its available funds (it lapsed

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		\$3 in FY 16 and \$244 in FY 17) each year, this change is not anticipated to result in a fiscal impact.
19	DOH	Designates that of funds appropriated to the Department of Housing for Homeless and Hospitality Services, \$400,000 be used for rental assistance for people displaced by Hurricane Maria, \$50,000 be used for a grant to the New London Homeless Hospitality Center, and \$90,000 be used for a grant to Noble House. It should be noted that \$450,000 is newly appropriated to this line item to fund the rental assistance and grant to the New London Homeless Hospitality Center.
20	JUD	Allows the Youth Services Prevention grants to be proportionately reduced to stay within the account's appropriation and conforms to the funding provided in Section 1 of the bill.
21	OSC	Results in a cost to the Office of the State Comptroller-Fringe Benefits of up to \$16.2 million in FY 19 and thereafter to support fringe benefit costs of community college employees, which otherwise would have been supported out of non-General Fund resources of the institutions. \$16.2 million is provided in the bill in the Office of the State Comptroller fringe benefit accounts for non-General Fund supported employees at the community colleges.
22	DOE	Designates up to \$1.5 million of funds in the Talent Development line item be used for purposes of the teacher education and mentoring program (TEAM).
23	TRB	Specifies that the state appropriation for the TRB health plan be allotted 50% on July first and 50% before December first. Allotting 50% of the appropriation in the first quarter is intended to alleviate potential cash flow issues since the health insurance premium account fund balance typically reaches a low point in September.
24	JUD/ PROBATE	Precludes revenue gain of approximately \$4.5million in FY 19 from the Probate Court Administration Fund to the General Fund by suspending the transfer of any amount in balance over 15% of the Probate Court Administration operating costs.
25	UCHC	Requires the University of Connecticut Health Center to report to the legislature by January 1, 2019 on its progress in establishing public-private partnerships, results in no fiscal impact. The Health Center has sufficient staff and expertise to implement this requirement.