

# OFFICE OF FISCAL ANALYSIS

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## State General Fund Budget Projections March 25, 2011

We are currently projecting a \$158.3 million surplus in the General Fund.<sup>1</sup> This reflects an improvement over our February 2011 report, which projected an \$89.9 million surplus. Estimated expenditure requirements have decreased by \$9.2 million and estimated revenues have increased by \$59.2 million for an improvement of \$68.4 million.

The revenue improvement since February is attributable primarily to estimates of the Personal Income Tax and Estate Tax, which have been adjusted upward by \$51.1 million and \$23.1 million, respectively. The increase in Personal Income Tax results from higher-than-anticipated withholding collections and strong 4<sup>th</sup> quarter estimated payments. The increase in the Estate Tax derives mainly from a number of significant payments resulting in the achievement of the \$99.0 million budgeted amount in January of this year. Petroleum Gross Earnings Tax collections are outpacing budgeted levels due to the recent spike in fuel prices, while the housing slump continues to erode Real Estate Conveyance Tax collections.

The expenditure improvements since February are attributable primarily to reduced estimates in the following: 1) \$5.0 million in OSC's Employer's Social Security Tax line item; 2) \$1.0 million in the DEP's Emergency Spill Response line item as a result of fewer undesignated claims than anticipated; and 3) \$1.3 million in SDE's Priority School Districts line item primarily as a consequence of lower than budgeted filling of school readiness slots.

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<sup>1</sup> Note that \$14.5 million of the estimated surplus is required to be transferred to the Other Post-Employment Benefits trust fund in accordance with the 2009 SEBAC Agreement.

FY 11 General Fund Overview (\$ - millions)					
	Budget	February 25 Projection	Current Projection	Diff. from February 25	Diff. from Budget
Est. Expenditures	17,667.2	18,049.6	18,040.4	(9.2)	373.2
Est. Revenue	17,667.4	18,139.5	18,198.7	59.2	531.3
Est. (Deficit) / Surplus	0.2	89.9	158.3	68.4	158.1
% of Est. Expenditures	0.00%	0.50%	0.88%		

FY 11 General Fund Details (\$ - millions)					
	Budget	February 25 Projection	Current Projection	Diff. from February 25	Diff. from Budget
<b>Expenditures</b>					
Agency Appropriations	17,963.5	17,963.5	17,963.5	-	-
Deficiency Requirements	-	257.5	257.1	(.4)	257.1
Lapses	(296.3)	(235.2)	(244.1)	(8.8)	52.3
Adjudicated Claims / Refunds of Escheats	-	63.9	63.9	-	63.9
Total Expenditures	17,667.2	18,049.6	18,040.4	(9.2)	373.2
<b>Revenues</b>					
Taxes					
Personal Income	6,682.5	6,920.6	6,971.7	51.1	289.2
Sales and Use	3,164.9	3,353.1	3,353.1	-	188.3
Corporations	662.9	660.5	660.5	-	(2.4)
Other	1,431.2	1,523.7	1,531.8	8.1	100.6
Refunds / R&D Credit Exchange	(1,019.8)	(979.1)	(979.1)	-	40.7
Subtotal: Taxes	10,921.7	11,478.8	11,538.0	59.2	616.3
Other Revenue	1,202.7	1,206.2	1,246.2	40.0	43.5
Other Sources					
Federal Grants	4,256.0	4,166.6	4,166.6	-	(89.4)
Other	1,287.0	1,287.9	1,247.9	(40.0)	(39.1)
Subtotal: Other Sources	5,543.0	5,454.5	5,414.5	(40.0)	(128.5)
Total Revenues	17,667.4	18,139.5	18,198.7	59.2	531.3
Operating Surplus / (Deficit)	0.2	89.9	158.3	68.4	158.1

Note that some figures may not sum to total due to rounding.

## FY 11 State Agency or Account Lapses/(Deficiencies)

Agency	Adjusted Approp [1]	OFA Est. Expenditures	Balance [2]
Department of Social Services	5,160,991,338	5,367,361,059	(206,369,721)
Refunds of Escheated Property	-	60,000,000	(60,000,000)
Department of Mental Health and Addiction Services	631,606,269	676,863,806	(45,257,537)
Adjudicated Claims	-	3,865,000	(3,865,000)
Child Protection Commission	11,468,166	14,141,834	(2,673,668)
Workers' Compensation Claims - Department of Administrative Services	26,206,154	27,622,154	(1,416,000)
Public Defender Services Commission	48,466,160	49,447,972	(981,812)
Department of Agriculture	4,538,885	4,812,700	(273,815)
Teachers' Retirement Board	584,023,635	584,132,256	(108,621)
Labor Department	61,369,335	61,393,658	(24,323)
Miscellaneous Appropriation to the Governor	1	1	-
State Comptroller - Miscellaneous	189,426,409	189,426,409	-
State Department on Aging	2	2	-
Council on Environmental Quality	163,710	163,372	338
Asian Pacific American Affairs Commission	52,310	50,671	1,639
Board of Firearms Permit Examiners	82,508	80,817	1,691
Judicial Selection Commission	87,133	83,906	3,227
Charter Oak State College	2,897,633	2,893,267	4,366
Judicial Review Council	148,530	143,638	4,892
African-American Affairs Commission	212,236	206,350	5,886
Commission on Aging	256,071	249,903	6,168
Latino and Puerto Rican Affairs Commission	319,791	313,212	6,579
Office of the Victim Advocate	328,515	318,611	9,904
Contracting Standards Board	10,001	1	10,000
Psychiatric Security Review Board	354,722	342,886	11,836
Lieutenant Governor's Office	503,867	486,949	16,918
Board of Accountancy	383,688	354,302	29,386
Commission on the Deaf and Hearing Impaired	904,012	871,916	32,096
Permanent Commission on the Status of Women	505,420	456,493	48,927
Office of the Child Advocate	833,887	774,219	59,668
Governor's Office	2,760,631	2,674,331	86,300
Office of Protection and Advocacy for Persons with Disabilities	2,639,510	2,548,734	90,776
Agricultural Experiment Station	6,944,505	6,782,556	161,949
Freedom of Information Commission	2,306,883	2,135,927	170,956
Office of State Ethics	1,903,308	1,730,488	172,820
Commission on Children	530,420	357,107	173,313
University of Connecticut Health Center	119,346,347	119,166,814	179,533
Board of Regents for Higher Education	70,248,327	70,018,355	229,972
Police Officer Standards and Training Council	2,687,808	2,454,849	232,959
Secretary of the State	8,000,085	7,764,778	235,307
Regional Community - Technical Colleges	158,523,261	158,282,029	241,232
Connecticut State University	162,517,232	162,271,103	246,129
Commission on Fire Prevention and Control	3,564,721	3,282,133	282,588
Office of the Chief Medical Examiner	5,650,427	5,336,863	313,564
Board of Education and Services for the Blind	11,607,026	11,289,235	317,791

## FY 11 State Agency or Account Lapses/(Deficiencies)

Agency	Adjusted Approp [1]	OFA Est. Expenditures	Balance [2]
University of Connecticut	233,011,263	232,655,600	355,663
Elections Enforcement Commission	5,016,952	4,626,913	390,039
Department of Emergency Management and Homeland Security	3,784,522	3,330,196	454,326
State Comptroller	25,397,999	24,896,860	501,139
Commission on Culture and Tourism	16,690,361	16,177,765	512,596
Department of Consumer Protection	10,998,752	10,474,141	524,611
State Treasurer	3,991,071	3,415,699	575,372
Attorney General	29,122,914	28,533,750	589,164
Commission on Human Rights and Opportunities	6,378,778	5,761,171	617,607
Office of Workforce Competitiveness	2,687,472	2,030,732	656,740
Military Department	6,521,562	5,731,655	789,907
Division of Criminal Justice	49,081,245	47,979,847	1,101,398
Division of Special Revenue	5,230,374	4,081,736	1,148,638
State Library	12,154,483	10,916,440	1,238,043
Department of Economic and Community Development	26,897,399	25,367,194	1,530,205
Auditors of Public Accounts	13,426,371	11,678,183	1,748,188
Department of Public Works	54,814,588	52,815,584	1,999,004
Department of Administrative Services	41,860,344	39,404,260	2,456,084
Department of Information Technology	42,993,149	40,453,415	2,539,734
Department of Veterans' Affairs	31,150,039	28,435,269	2,714,770
Department of Public Health	87,157,487	84,375,253	2,782,234
Office of Policy and Management	129,780,924	126,766,654	3,014,270
Regional Vocational-Technical School System	139,103,088	136,024,713	3,078,375
Department of Energy and Environmental Protection	77,159,824	74,014,779	3,145,045
Department of Revenue Services	66,856,005	63,530,945	3,325,060
Department of Public Safety	164,612,444	160,365,729	4,246,715
Department of Education	2,586,293,790	2,580,603,503	5,690,287
Judicial Department	501,801,894	495,271,891	6,530,003
Legislative Management	65,141,752	57,312,529	7,829,223
Department of Correction	693,746,197	681,653,874	12,092,323
State Comptroller - Fringe Benefits	1,932,602,747	1,919,406,850	13,195,897
Department of Developmental Services	1,004,762,407	986,971,318	17,791,089
Department of Children and Families	850,224,859	824,773,035	25,451,824
Debt Service - State Treasurer	1,672,693,240	1,622,608,050	50,085,190
Reserve for Salary Adjustments	84,997,061	24,997,061	60,000,000
Totals	17,963,514,236	18,040,395,260	(76,881,024)
<b>Summary</b>			
General Fund Gross Appropriation	17,963,514,236	17,963,514,236	-
Budgeted Lapses	(296,344,077)	(244,089,473)	(52,254,604)
Refunds of Escheats and Adjudicated Claims	-	63,865,000	(63,865,000)
Deficiencies	-	257,105,497	(257,105,497)
General Fund Net Appropriation	17,667,170,159	18,040,395,260	(373,225,101)

[1] The appropriation listed above for each agency: (a) excludes budgeted lapses; and (b) includes any actual or anticipated transfers from OPM's Reserve for Salary Adjustments line item to cover the costs of collective bargaining agreements that were not otherwise provided in the agencies' budgets.

[2] Estimated balance of current year appropriations: excludes carry forwards.