

# OFFICE OF FISCAL ANALYSIS

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## State Budget Projections

June 27, 2011

We are currently projecting a \$129.7 million surplus in the General Fund.<sup>1</sup> This reflects a decrease from our May 2011 report, which projected a \$656.1 million surplus. Estimated expenditure requirements have decreased by \$49.8 million and estimated revenues have decreased by \$576.2 million for a decrease in the estimated surplus of \$526.4 million.

The decrease in revenue since May is attributable primarily to the elimination of the Economic Recovery Revenue Bonds (ERRBs). Public Act 11-61 eliminates the issuance of ERRBs, which will result in a General Fund revenue loss of \$646.6 million in FY 11. The ERRBs were authorized by Public Act 10-179 and backed by a portion of the revenue from charges currently imposed on electric company bills<sup>2</sup>. The revenue from the bonds is no longer needed to balance the FY 11 General Fund budget due to better than anticipated revenue collections. This revenue loss is partially offset by an increase in estimated Personal Income Tax revenue of \$40.0 million.

Public Act 11-61 increases FY 11 Net General Fund appropriations by \$329.2 million to account for deficiencies within various agencies. The increase in appropriations to the General Fund of \$355.2 million is offset by a reduction of \$26 million.

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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.

<sup>2</sup> The revenue stream to pay off the ERRBs would have come from: (1) the Competitive Transition Charges (CTA) on Connecticut Light and Power (CL&P) and United Illuminating (UI) rate payers and (2) the Energy Conservation and Load Management Fund.

FY 11 General Fund Overview (\$ - millions)					
	Budget	May 25 Projection	Current Projection	Diff. from May 25	Diff. from Budget
Est. Expenditures	17,667.2	17,940.3	17,890.5	(49.8)	223.3
Est. Revenue	17,667.4	18,596.4	18,020.2	(576.2)	352.8
Est. (Deficit) / Surplus	0.2	656.1	129.7	(526.4)	129.5
% of Est. Expenditures	0.00%	3.66%	0.72%		

FY 11 General Fund Details (\$ - millions)					
	Budget	May 25 Projection	Current Projection	Diff. from May 25	Diff. from Budget
<b>Expenditures</b>					
Agency Appropriations	17,963.5	17,963.5	17,963.5	-	-
Deficiency Requirements	-	290.6	329.2	38.6	329.2
Lapses	(296.3)	(372.6)	(458.0)	(85.4)	(161.7)
Adjudicated Claims / Refunds of Escheats	-	58.9	55.8	(3.1)	55.8
Total Expenditures	17,667.2	17,940.3	17,890.5	(49.8)	223.3
<b>Revenues</b>					
Taxes					
Personal Income	6,682.5	7,170.0	7,210.0	40.0	527.5
Sales and Use	3,164.9	3,342.0	3,342.0	-	177.1
Corporations	662.9	770.4	780.7	10.3	117.8
Other	1,431.2	1,568.5	1,582.0	13.5	150.8
Refunds / R&D Credit Exchange	(1,019.8)	(968.5)	(968.7)	(0.2)	51.1
Subtotal: Taxes	10,921.7	11,882.4	11,946.0	63.6	1,024.3
Other Revenue	1,202.7	1,269.1	1,275.4	6.3	72.7
Other Sources					
Federal Grants	4,256.0	4,204.8	4,204.8	-	(51.2)
Other	1,287.0	1,240.1	594.0	(646.1)	(693.0)
Subtotal: Other Sources	5,543.0	5,444.9	4,798.8	(646.1)	(744.2)
Total Revenues	17,667.4	18,596.4	18,020.2	(576.2)	352.8
Operating Surplus / (Deficit)	0.2	656.1	129.7	(526.4)	129.5

Note that 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]
Refunds of Escheated Property	-	51,500,000	(51,500,000)
Adjudicated Claims	-	4,337,000	(4,337,000)
Miscellaneous Appropriation to the Governor	1	1	-
State Comptroller - Miscellaneous	189,426,409	189,426,409	-
State Department on Aging	2	2	-
Board of Firearms Permit Examiners	82,508	80,278	2,230
Judicial Selection Commission	87,133	83,886	3,247
Charter Oak State College	2,897,633	2,893,267	4,366
African-American Affairs Commission	212,236	206,344	5,892
Latino and Puerto Rican Affairs Commission	319,791	313,212	6,579
Commission on Aging	256,071	249,088	6,983
Teachers' Retirement Board	584,093,635	584,086,628	7,007
Council on Environmental Quality	163,710	155,496	8,214
Contracting Standards Board	10,001	1	10,000
Office of Protection and Advocacy for Persons with Disabilities	2,669,178	2,658,839	10,339
Psychiatric Security Review Board	355,205	342,833	12,372
Judicial Review Council	148,530	134,068	14,462
Asian Pacific American Affairs Commission	52,310	36,562	15,748
Lieutenant Governor's Office	553,867	534,612	19,255
Child Protection Commission	13,868,166	13,843,956	24,210
Office of the Victim Advocate	328,515	303,743	24,772
Department of Agriculture	4,742,556	4,712,268	30,288
Board of Accountancy	383,688	330,738	52,950
Permanent Commission on the Status of Women	505,420	452,263	53,157
Office of the Child Advocate	833,887	722,771	111,116
Labor Department	61,499,335	61,385,245	114,090
University of Connecticut Health Center	119,346,347	119,166,814	179,533
Commission on Children	530,420	341,631	188,789
Office of State Ethics	1,903,308	1,687,755	215,553
Office of Financial and Academic Affairs for Higher Education	70,248,327	70,018,355	229,972
Commission on the Deaf and Hearing Impaired	924,382	688,937	235,445
Regional Community - Technical Colleges	158,523,261	158,282,029	241,232
Connecticut State University	162,517,232	162,271,103	246,129
Governor's Office	2,760,631	2,506,092	254,539
Public Defender Services Commission	50,013,243	49,718,617	294,626
Workers' Compensation Claims - Department of Administrative Services	26,506,154	26,206,154	300,000
Commission on Fire Prevention and Control	3,564,721	3,247,405	317,316
Office of the Chief Medical Examiner	5,650,427	5,330,752	319,675
Agricultural Experiment Station	6,991,173	6,671,016	320,157
University of Connecticut	233,011,263	232,655,600	355,663
Police Officer Standards and Training Council	2,687,808	2,327,620	360,188
Board of Education and Services for the Blind	11,607,026	11,221,844	385,182
Freedom of Information Commission	2,306,883	1,897,863	409,020

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

Agency	Adjusted Approp [1]	OFA Est. Expenditures	Balance [2]
Office of Workforce Competitiveness	2,687,472	2,028,261	659,211
Commission on Culture and Tourism	16,690,361	16,031,150	659,211
Department of Emergency Management and Homeland Security	3,784,522	3,099,705	684,817
Elections Enforcement Commission	5,016,952	4,303,871	713,081
State Treasurer	3,991,071	3,253,110	737,961
Commission on Human Rights and Opportunities	6,378,778	5,624,878	753,900
Military Department	6,549,083	5,763,955	785,128
Secretary of the State	8,000,085	7,169,741	830,344
Department of Consumer Protection	10,998,752	10,098,968	899,784
State Library	12,184,654	10,976,781	1,207,873
Attorney General	29,122,914	27,862,036	1,260,878
Division of Criminal Justice	49,775,671	48,509,088	1,266,583
Division of Special Revenue	5,230,374	3,883,096	1,347,278
State Comptroller	26,022,999	24,365,162	1,657,837
Department of Economic and Community Development	26,897,399	24,942,913	1,954,486
Department of Veterans' Affairs	31,150,039	28,475,627	2,674,412
Auditors of Public Accounts	13,426,371	10,709,861	2,716,510
Department of Information Technology	42,993,149	40,043,679	2,949,470
Regional Vocational-Technical School System	139,103,088	136,024,713	3,078,375
Department of Energy and Environmental Protection	77,270,129	73,557,302	3,712,827
Office of Policy and Management	129,780,924	126,043,582	3,737,342
Department of Administrative Services	41,860,344	38,037,440	3,822,904
Department of Revenue Services	66,856,005	62,876,741	3,979,264
Department of Public Health	87,587,487	82,534,397	5,053,090
Judicial Department	502,551,893	495,108,618	7,443,275
Department of Public Works	61,628,585	52,544,677	9,083,908
Legislative Management	65,141,752	54,820,061	10,321,691
Department of Emergency Services and Public Protection	172,974,985	162,137,437	10,837,548
Department of Correction	690,384,838	677,315,002	13,069,836
Department of Education	2,586,293,790	2,572,507,476	13,786,314
Department of Social Services	5,437,991,338	5,417,950,622	20,040,716
Department of Mental Health and Addiction Services	688,856,269	665,761,485	23,094,784
Department of Developmental Services	1,004,762,407	970,230,635	34,531,772
Department of Children and Families	850,224,859	815,474,305	34,750,554
Debt Service - State Treasurer	1,672,693,240	1,624,608,050	48,085,190
Reserve for Salary Adjustments	60,661,517	-	60,661,517
State Comptroller - Fringe Benefits	1,932,602,747	1,812,802,747	119,800,000
<b>Totals</b>	<b>18,292,709,236</b>	<b>17,890,506,269</b>	<b>402,202,967</b>
<b>Summary</b>			
General Fund Gross Appropriation	17,963,514,236	17,963,514,236	-
Budgeted Lapses	(296,344,077)	(458,039,967)	161,695,890
Refunds of Escheats and Adjudicated Claims	-	55,837,000	(55,837,000)
Deficiency Appropriations	329,195,000	329,195,000	-
<b>General Fund Net Appropriation</b>	<b>17,996,365,159</b>	<b>17,890,506,269</b>	<b>105,858,890</b>

[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.