

OFFICE OF FISCAL ANALYSIS

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State Budget Projections General Fund June 25, 2013

Summary

We are currently projecting a \$279.9 million surplus in the General Fund on a budgetary basis. This reflects an improvement of \$59.1 million since last month. Section 58 of PA 13-184 allows for up to \$190.8 million of the FY 13 surplus to be utilized as revenue in FY 14 and up to \$30 million in FY 15.

The remaining projected surplus of \$59.1 million is anticipated to be deposited into the Budget Reserve Fund.

FY 13 General Fund Overview (in millions)

Estimates	Budget	May Projection	Current Projection	Difference from May	Difference from Budget
Expenditures	19,140.1	18,999.3	19,003.0	3.7	(137.1)
Agency Appropriations	19,256.4	19,256.4	19,256.4	-	-
Deficiency Requirement	-	298.0	-	(298.0)	-
Deficiency Appropriations ¹	-	-	142.0	142.0	142.0
Lapses	(116.3)	(555.1)	(395.4)	159.7	(279.1)
Revenues	19,143.2	19,220.1	19,282.9	62.8	139.7
Personal Income Tax	8,554.3	8,663.9	8,663.9	-	109.6
Sales and Use	4,045.9	3,856.6	3,856.6	-	(189.3)
Corporations	793.0	716.2	730.5	14.3	(62.5)
Federal Grants	3,629.0	3,729.2	3,729.2	-	100.2
Other Taxes and Refunds	1,014.9	1,157.8	1,191.9	34.1	177.0
Other Revenue Sources	1,106.0	1,096.4	1,110.8	14.4	4.8
Operating Surplus/(Deficit)	3.1	220.8	279.9	59.1	276.8
% of Expenditures	0.0%	1.16%	1.47%		

¹ Section 62 of PA 13-184, the FY 14 and FY 15 Budget, provides \$142 million in FY 13 deficiency appropriations.

Major Expenditure Changes since May

- State Comptroller- Fringe Benefits - The State Employee Health Service account increased by \$5.3 million or 1% based on current claims expenditures. The Retired Employee Health Service account increased by \$47.8 million or 8.9% based on an accounting change facilitated by an update to CORE-CT which allows retirement payroll to be incorporated into the system.
- Department of Education - The agency's expenditure increase of \$1.9 million or 0.07% from last month's projection is due mostly to section 169 of PA 13-247, the general government implementer, that allows SDE to provide supplemental transportation grants to Sheff magnet schools in FY 13.
- Department of Children and Families - The agency's expenditure projection decreased by \$4.8 million or 0.6% from last month's projection due mostly to reductions in account caseload and utilization in Board and Care - Residential, Juvenile Justice Outreach Services and No Nexus Special Education.
- Department of Social Services - The agency's expenditure projection was reduced by approximately \$42.5 million of which \$32 million is related to a downward trend in Medicaid Low Income Adults (LIA) expenditures. May's LIA monthly enrollment growth was 0.8%; the monthly growth rate had averaged 1.5% over the first two quarters, and 1.2% through April. Total end of year DSS expenditures for this population are estimated at \$625 million. Additional expenditure adjustments were made for various accounts totaling approximately \$10 million, including Child Care Services - TANF/CCDBG (reduction of \$4.3 million due to lower than projected monthly caseload), Other Expenses (reduction of \$3 million due to lower than anticipated expenditures), and Connecticut Home Care Program (reduction of \$2.8 million due to flat growth and 250 more clients than originally projected transferred to the 1915i state plan option under Medicaid).

Major Revenue Changes since May

- The Refunds of Taxes projection was decreased by \$15 million, or 1.4%, from last month's projection due to lower-than-anticipated refunds in May.
- The Corporation Business Tax projection was increased by \$14.3 million, or 2.0%, from last month's projection due to strong June collections.
- The Refunds of Payments projection was decreased by \$10 million, or 11.8%, from last month's projection as refunds in May and June came in lower than anticipated.
- The Oil Companies Tax projection was increased by \$9 million, or 5.4%, from last month's projection as collections have outpaced targets.
- The Hospital Tax projection was decreased by \$9 million, or 1.8%, from last month's projection due to weak collections of the Intermediate Care Facility Fee.
- The Inheritance & Estate Tax projection was increased by \$8.8 million, or 2.1%, from last month's projection as strong collections continue to perform well relative to targets.
- The Insurance Premiums Tax projection was increased by \$6 million, or 2.4%, from last month's projection to reflect the latest trends.
- The Real Estate Conveyance Tax projection was increased by \$5 million, or 5.0%, from last month's projection as May and June collections exceeded targeted levels.

Further Information

Use the links below to see detailed estimates by agency/account and revenue category.

[Expenditures XLS PDF](#)

[Revenues XLS PDF](#)