Summary
We are projecting an FY 18 deficit of $162.6 million once the transfer (volatility adjustment) of $664.9 million from the General Fund to the Budget Reserve Fund is taken into account.

Highlights
Positive year-to-date variance in the Withholding portion of Income Tax is recognized in the amount of $53 million. However, Corporation Tax collections in March (when Q1 2018 payments were due) missed its target by $47 million. The net positive revenue variance of $6 million is almost entirely offset by increased spending projections, primarily a $3.9 million increase in the Adjudicated Claims line item.

Uncertainty remains over whether or not an estimated $30.3 million in SEBAC labor savings in other appropriated funds will be allocated to the General Fund in FY 18. If a mechanism is not enacted to transmit these FY 18 savings to the General Fund in accordance with the budget, then the estimated $162.6 million General Fund deficit indicated above would increase to $192.9 million.

Figure 1. General Fund Overview
In Millions of Dollars

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>March Estimate</th>
<th>Difference from Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>18,739.3</td>
<td>18,503.4</td>
<td>(235.9) -1.3%</td>
</tr>
<tr>
<td>Expenditures</td>
<td>18,690.1</td>
<td>18,666.0</td>
<td>(24.1) -0.1%</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>49.2</td>
<td>(162.6)</td>
<td>(211.8) -1.1%</td>
</tr>
</tbody>
</table>

Figure 2. Major Items Contributing to Surplus/ (Deficit)
In Millions of Dollars

Budgeted Surplus 49.2

Positive Adjustments
Net Other Revenue 29.2
Inheritance and Estate 50.0
Net Lapse 98.7
Subtotal 177.9

Negative Adjustments
Federal Grants (198.5)
Sales Tax (69.6)
Deficient Agencies (66.0)
Corporation Tax (47.0)
Subtotal (389.7)

Surplus/(Deficit) (162.6)

Links
Deficient Agency Table
Expenditure Details Table
Revenue Details Table

https://www.cga.ct.gov/ofa/ | 860/240-0200