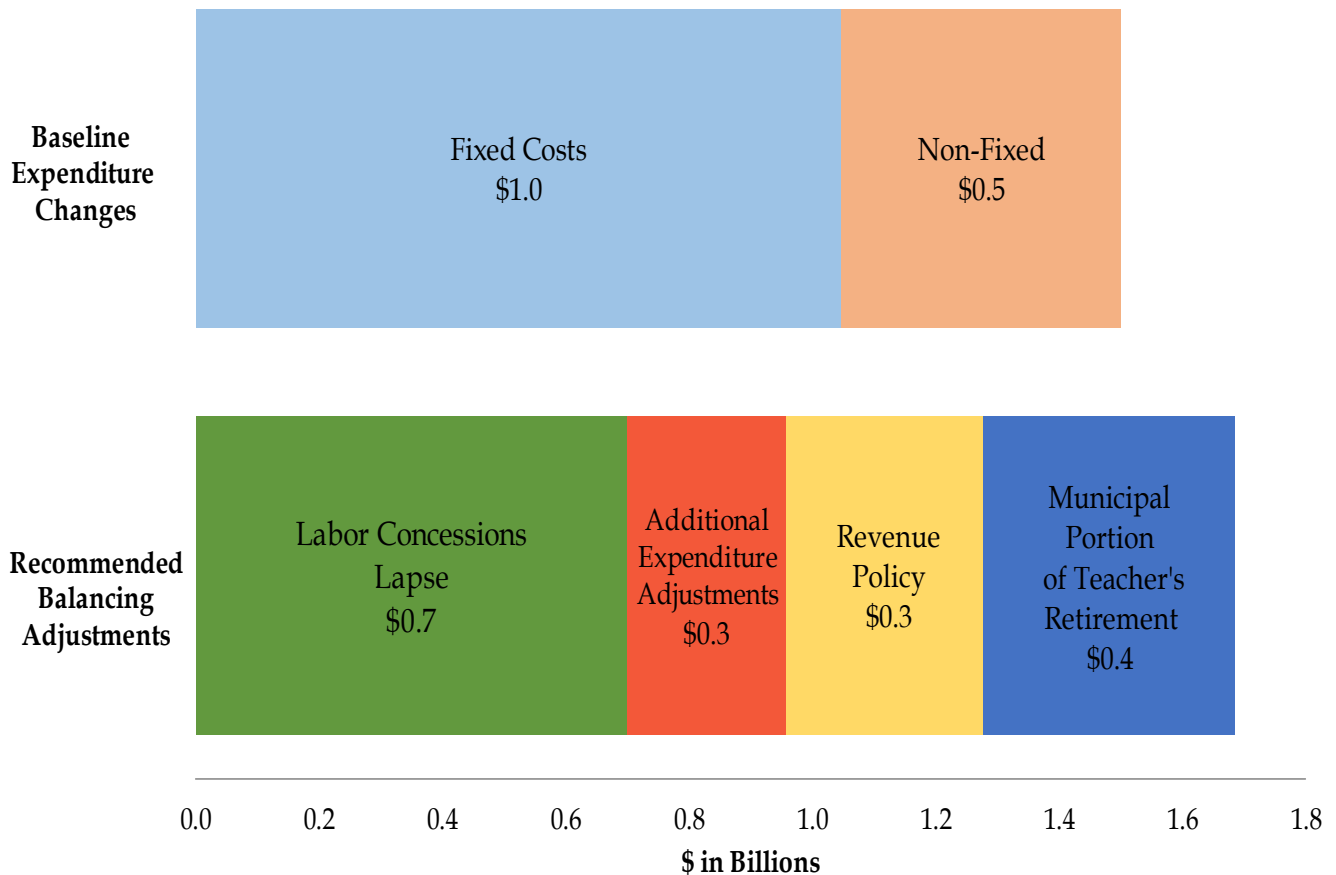


# OFA

## Synopsis of Governor's Budget Plan FY 18 - FY 19

### Governor's FY 18 General Fund Adjustments

In Billions of Dollars



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*The following is intended to provide information on the Governor’s FY 18 and FY 19 Budget, revenue and capital plan for the committees of Appropriations and Finance, Revenue and Bonding as background for the Office of Policy and Management presentation. Since the budget was released Wednesday, we have tried to highlight major areas of interest rather than provide a full-scale comprehensive analysis. Such in-depth analysis will be undertaken by both committees with the assistance of OFA staff in the coming weeks.*

**Executive Summary**

The Governor’s FY 18 and FY 19 Budget balances projected General Fund deficits of \$1.7 billion in FY 18 and \$1.9 billion in FY 19. Relatively weak revenue growth matched against increases of \$1 billion in fixed costs, \$300 million in state employee salaries and \$200 million in other budget updates (i.e., “baseline adjustments”) yields these projected deficits.

The Governor’s FY 18 recommended balancing adjustments consist primarily of \$700 million in labor concessions, \$400 million in reductions to municipal aid to support teachers’ pensions, a net \$300 million in other spending reductions and approximately \$300 million in new state revenues.

**I. MAJOR POLICY CHANGES**

**State Employee Savings**

The Governor’s Budget includes both labor concessions and wage increases, resulting in a net labor savings of \$400 million in both FY 18 and FY 19.

The savings appears as a bottom-line General Fund lapse associated with unspecified labor concessions of \$700 million in FY 18 and \$867.6 million in FY 19.

This lapse savings is mitigated by wage increases of \$300.6 million in FY 18 and \$468.2 million in FY 19 for unsettled contract costs. This \$300.6 million is anticipated to cover wage increases in FY 17 (retroactive) and FY 18 for all appropriated funds (except for the State Police, whose contract is settled through FY 18). The \$468.2 million in FY 19 includes the FY 17 and FY 18 wage increases, plus an additional \$167.6 million for wage increases in FY 19.

**Town Contributions for the Teachers’ Retirement System**

The Governor’s Budget requires towns to contribute one-third of the cost (\$407.6 million in FY 18 and \$420.9 million in FY 19) of the municipal share of the Actuarial Determined Employer Contribution (ADEC) for the Teachers’ Retirement System (TRS). Historically, the state has appropriated the entire employer contribution for TRS in the Teachers’ Retirement Board’s (TRB) Retirement Contribution account. The policy reduces the amount the state appropriates for the retirement contribution in the Teachers’ Retirement Board budget and establishes a payment for towns. The June 30, 2106 actuarial valuation set the employer contribution for the TRS for FY 18 and FY 19. The recommended distribution is shown in the table that follows.

	<b>FY 18</b>	<b>FY 19</b>
TRS Actuarially Determined Employer Contribution	1,290,429,000	1,332,368,000
Town Contribution (One-Third of Municipal Share)	(407,643,383)	(420,891,811)
Net Appropriation - TRB Retirement Contribution account	882,785,617	911,476,189

The cost for each municipality is included in the town runs provided by OPM and OFA.

### **Reallocate and Redistribute Education Cost Sharing (ECS) and Special Education**

Reduce funding for ECS by \$447.6 million in both FY 18 and FY 19 and reallocate the funding to the new Special Education account. Additionally, the ECS formula has been revised to include the following policy changes:

- The foundation is reduced from \$11,525 to \$8,990.
- The definition of need students utilizes Husky A data (including non-school aged children), rather than Free and Reduced Price Lunch students.
- The Guaranteed Wealth Level is reduced from 1.5 times the median equalized net grand list per capita and median household income, to 1.24 times, which effectually reduces base aid ratios.
- The minimum base aid ratio is reduced from 1% to 0%.

Fund a new Special Education account at \$597.6 million in both FY 18 and FY 19 to assist municipalities with special education expenses and to help meet federal maintenance of effort requirements. Funding for the new account is reallocated from ECS (\$447.6 million in FY 18 and FY 19) and \$140 million from the Excess Cost grant (in FY 18 and FY 19) and an additional \$10 million from the Municipal Revenue Sharing account.

Funding for the new Special Education account will be based on a sliding wealth-based scale, ranging from 0-53.93%. The wealth-based sliding scale is calculated using equalized net grand list per capita and based on previous year special education expenditures.

#### **Education Grants (in millions)**

<b>Fiscal Year</b>	<b>ECS \$</b>	<b>Special Education \$</b>	<b>Special Education (Revised) \$</b>	<b>TOTAL \$</b>
FY 17 Estimated	2,037.6	135.5	-	<b>2,173.1</b>
FY 18 Recommended	1,580.0	-	597.6	<b>2,177.6</b>
FY 19 Recommended	1,580.0	-	597.6	<b>2,177.6</b>

### **Revenue Adjustments**

The Governor makes various revenue changes resulting in a revenue increase of \$320.8 million in FY 18 and \$287.4 million in FY 19. These changes include: (1) elimination of the \$200 property tax credit; (2) increasing the cigarette and other tobacco products tax rates; (3) institute a “fresh start initiative” at DRS; (4) decrease Earned Income Tax Credit (EITC) from 27.5% to 25%; (5) increase various fees; (6) adjust insurance premiums tax; and (7) reduce the gift & estate tax.

### **Spending Cap Calculations and Policy Changes**

The Governor’s Budget is under the spending cap by \$148.6 million in FY 18 and \$101.3 million in FY 19, assuming passage of deficiency appropriations in FY 17.

The Governor’s spending cap calculation also assumes the following definitional changes contained in SB 785, AAC the Expenditure Cap: (1) define “increase in personal income” as the compound annual growth rate of personal income in Connecticut measured on a calendar year basis (rather than fiscal year basis); (2) define “increase in inflation” as the increase in the core Consumer Price Index (i.e., all items less food and energy) calculated on a December over December basis; (3) require that a base adjustment must be made in the event that appropriated funding is moved from or to bonding, a revenue intercept, or nonappropriated accounts; and 4) include all grants to municipalities (including distressed municipalities) under the cap.

## II. FINANCIAL SUMMARY

The Governor's Recommended General Fund Budget has a surplus of \$2.1 million in FY 18 and \$4.5 million in FY 19. See the table below for details.

### Revenue Estimates to Appropriations (in millions)

Fund	FY 18 \$			FY 19 \$		
	Revenue Estimate	Appropriation	Surplus/ (Deficit)	Revenue Estimate	Appropriation	Surplus/ (Deficit)
General	18,002.9	18,000.8	2.1	18,325.4	18,320.9	4.5
Transportation	1,603.9	1,525.1	78.8	1,644.9	1,642.7	2.2
Other Appropriated <sup>1</sup>	571.7	571.4	0.3	582.1	581.7	0.4
<b>TOTAL</b>	<b>20,178.5</b>	<b>20,097.3</b>	<b>81.2</b>	<b>20,552.4</b>	<b>20,545.3</b>	<b>7.1</b>

<sup>1</sup>Includes the following: the Municipal Revenue Sharing Fund, the Mashantucket Pequot and Mohegan Fund, the Regional Market Operation Fund, the Banking Fund, the Insurance Fund, the Consumer Counsel and Public Utility Control Fund, the Workers' Compensation Fund, and the Criminal Injuries Compensation Fund.

The Governor's Recommended General Fund Budget has a growth rate of 0.8% in FY 18 and 1.8% in FY 19. See the table below for details.

### Budget Growth Rates (in millions)

Fund	FY 17 Revised Appropriation	FY 18 Recommended	FY 18 Change		FY 19 Recommended	FY 19 Change	
			\$	%		\$	%
General	17,864.0	18,000.8	136.8	0.8%	18,320.9	320.1	1.8%
Transportation	1,463.4	1,525.1	61.7	4.2%	1,642.7	117.6	7.7%
Other Appropriated	411.8	571.4	159.6	38.8%	581.7	10.3	1.8%
<b>TOTAL</b>	<b>19,739.2</b>	<b>20,097.3</b>	<b>358.2</b>	<b>1.8%</b>	<b>20,545.3</b>	<b>448.0</b>	<b>2.2%</b>

## FY 18 and FY 19 Budget Fund Summaries

Fund Summary	FY 18 \$	FY 19 \$
<b>Gross Appropriations by Fund</b>		
General Fund	18,744,305,915	19,231,999,038
Special Transportation Fund	1,537,136,324	1,654,688,000
Municipal Revenue Sharing Fund	340,100,000	349,000,000
Banking Fund	30,046,284	30,019,848
Insurance Fund	89,813,309	90,941,982
Consumer Counsel and Public Utility Control Fund	25,571,954	25,571,954
Workers' Compensation Fund	23,796,654	24,134,651
Mashantucket Pequot and Mohegan Fund	58,076,612	58,076,612
Regional Market Operation Fund	1,067,306	1,067,306
Criminal Injuries Compensation Fund	2,934,088	2,934,088
<b>Subtotal</b>	<b>20,852,848,446</b>	<b>21,468,433,479</b>
<b>General Fund Lapses</b>		
Achieve Labor Concessions	(700,000,000)	(867,600,000)
Unallocated Lapse	(40,000,000)	(40,000,000)
Unallocated Lapse - Judicial	(3,000,000)	(3,000,000)
Unallocated Lapse - Legislative	(500,000)	(500,000)
<b>Subtotal</b>	<b>(743,500,000)</b>	<b>(911,100,000)</b>
<b>Special Transportation Fund Lapses</b>		
Unallocated Lapse	(12,000,000)	(12,000,000)
<b>Subtotal</b>	<b>(12,000,000)</b>	<b>(12,000,000)</b>
<b>Net Appropriations</b>		
General Fund	18,000,805,915	18,320,899,038
Special Transportation Fund	1,525,136,324	1,642,688,000
Municipal Revenue Sharing Fund	340,100,000	349,000,000
Banking Fund	30,046,284	30,019,848
Insurance Fund	89,813,309	90,941,982
Consumer Counsel and Public Utility Control Fund	25,571,954	25,571,954
Workers' Compensation Fund	23,796,654	24,134,651
Mashantucket Pequot and Mohegan Fund	58,076,612	58,076,612
Regional Market Operation Fund	1,067,306	1,067,306
Criminal Injuries Compensation Fund	2,934,088	2,934,088
<b>TOTAL NET APPROPRIATIONS</b>	<b>20,097,348,446</b>	<b>20,545,333,479</b>

### III. SIGNIFICANT CHANGES BY SUBCOMMITTEE

#### General Government B

##### **Match Employee Contributions for Retiree Health - OSC Fringe Benefits**

Funding of \$120 million is provided in the Other Post-Employment Benefits (OPEB) account in FY 18 and FY 19 to fund the state's match for employee contributions (currently 3% of salary) for retiree health pursuant to the SEBAC 2011 agreement.

FY 18: \$120 million

FY 19: \$120 million

##### **Reduce College & Hospital PILOT Funding - OPM**

Reduce College & Hospital PILOT funding to reflect the removal of private hospital property from the grant formula.

FY 18: (\$55.8 million)

FY 19: (\$55.8 million)

##### **Reduce Funding for Elderly Circuit Breaker - OPM**

Reduce Elderly Circuit Breaker payments by 50% to towns not designated as distressed municipalities.

FY 18: (\$4.7 million)

FY 19: (\$4.7 million)

##### **Reduce Funding for Elderly Renters' Program - OPM**

Reduce funding for Elderly Renters' Program by 10% to reflect a caseload reduction.

FY 18: (\$1.9 million)

FY 19: (\$1.9 million)

##### **Phase out the General Fund support for the Connecticut Education Network - DAS**

The state subsidy for the Connecticut Education Network is phased out and eliminated in FY 19.

FY 18: (\$0.1 million)

FY 19: (\$1.1 million)

##### **Provide Funding for the Municipal Accountability Review Board - OPM**

Provide funding to create the Municipal Accountability Review Board to oversee municipal finances and budgeting.

FY 18: \$0.2 million

FY 19: \$0.2 million

**Eliminate Tax Incidence Study - DRS**

Permanently eliminate the current statutory requirement that the Department of Revenue Services perform a tax incidence study covering all major state and municipal taxes by February 15, 2018 and biennially thereafter.

FY 18: (\$0.2 million)

FY 19: -

**Change Funding Source for MRSA-Related Grants - OPM**

Fund MRSA-related grants via a General Fund transfer into the appropriated Municipal Revenue Sharing Fund, rather than via a sales tax diversion into the non-appropriated Municipal Revenue Sharing Account. This has no net impact on the General Fund or funding to municipalities.

FY 18: -

FY 19: -

**Regulation and Protection**

**Eliminate the Office of Protection and Advocacy for Persons with Disabilities - OPA**

Eliminate 31 positions and the OPA pursuant to PA 16-66, *AAC Various Revisions to the Public Health Statutes*. Transfer, from OPA's Abuse Investigation Division (AID) to the Department of Developmental Services (DDS), 12 positions and \$1,009,178. This results in a net savings to the state of \$1,217,463.

FY 18: (\$1.2 million)

FY 19: (\$1.2 million)

**Eliminate Office of State Broadband - DCC**

Eliminate \$307,350 for the Office of the State Broadband and one position.

FY 18: (\$0.3 million)

FY 19: (\$0.3 million)

**Suspend the Municipal Set-Aside Program - CHRO**

Suspend the Municipal Set-Aside Program and eliminate 11 positions for savings of \$395,183 in FY 18 (nine months) and \$526,910 in FY 19 (annualized).

FY 18: (\$0.4 million)

FY 19: (\$0.5 million)



**Fully Fund Honor Guards - MIL**

The proposed Budget contains full year funding for the supplemental state benefits provided at veterans’ funerals.

FY 18: \$0.2 million  
FY 19: \$0.2 million

**Close the Stamford District Office - WCC**

Funding is eliminated for the Stamford District Office to reflect its recommended closing effective July 1, 2017. Employees of the office will refill vacancies within one of the remaining seven other district offices (Hartford, Norwich, New Haven, Bridgeport, Waterbury, New Haven, and Middletown) or the central office in Hartford.

FY 18: (\$0.2 million)  
FY 19: (\$0.2 million)

**Transfer State Innovation Model Program (SIM) to Office of Health Strategy - MCO**

Seven positions and \$3.6 million is transferred, effective July 1, 2019, to the new Office of Health Strategy. These positions support the SIM program and are funded out of the Insurance Fund.

FY 18: -  
FY 19: (\$3.6 million)

**Conservation & Development**

**Provide Funding for Crumbling Foundations - DOH**

Crumbling foundations resulting from the presence of pyrrhotite have impacted homes in more than 30 towns in north central and northeastern Connecticut. The total number of homes impacted is unknown. As of December 2016 the minimum number of known affected homes is 567. The Governor’s Budget will subsidize interest rates on loans that support the remediation of crumbling foundations. The funding will be provided through the Banking Fund.

FY 18: \$2.7 million  
FY 19: \$2.7 million

**Reduce Funding for the Connecticut Youth Employment Program - DOL**

Reduce, from \$5.2 million to \$2.5 million, funding for Connecticut’s Youth Employment Program. This program provides job opportunities and work experiences for economically disadvantaged youth from ages 14-21.

FY 18: (\$2.7 million)  
FY 19: (\$2.7 million)

### **Eliminate Council on Environmental Quality - CEQ**

Eliminating CEQ and its two positions will result in a savings of \$175,539.

FY 18: (\$0.2 million)

FY 19: (\$0.2 million)

### **Eliminate Arts/Culture/Tourism Direct Line-Item Accounts - DECD**

The Governor recommends funding two new accounts: (1) an Arts and Historic Preservation Grant account and (2) a Tourism Grant account, in lieu of the direct line-item accounts for arts/culture/tourism organizations. There are no savings through this recommendation, though it should be noted that savings of \$3.1 million are achieved from the direct-line item arts/culture/tourism accounts via the annualization of the FY 17 holdback policy recommendation in FY 18 and FY 19.

FY 18: \$ -

FY 19: \$ -

## **Health**

### **Provide Funding for Children's HPV Vaccination - DPH**

Make the human papillomavirus (HPV) vaccine universally available to privately insured eleven- and twelve-year-olds. Publically insured children already have access to the vaccine through the federal Vaccines for Children Program. The Centers for Disease Control and Prevention recommend that children get two doses of the HPV vaccine six to twelve months apart. The additional \$100,000 provided in the first year will support a related educational campaign.

FY 18: \$9.6 million

FY 19: \$9.5 million

### **Reduce and Reallocate Grant Accounts - MHA**

Reduce funding for Grants for Mental Health Services (\$2.9 million in each year), Grants for Substance Abuse Services (\$1.5 million in each year), and Employment Services (\$275,314 in each year). Funding for these three accounts is then reallocated to the new Grants for Behavioral Health Services account. The total reduction to the grants is shown below.

FY 18: (\$4.7 million)

FY 19: (\$4.7 million)

### **Provide Funding for ID Partnership Initiatives - DDS**

Funding for ID Partnership Initiatives is provided to: (1) begin to address the agency waiting list, (2) establish small pilot programs to explore best practices and (3) support rate equalization for private providers undergoing conversions from grant funded services to Medicaid fee-for-service.

FY 18: \$3.3 million

FY 19: \$3.8 million

**Privatize Certain State Operated Services - MHA**

The Governor's Budget recommends reducing Department of Mental Health and Addiction Services provided services and reallocating such funding to private providers, resulting in a net savings to the state. The proposal includes privatizing 22 Young Adult Services residential beds, 21 substance abuse rehab beds, and local mental health authority services.

FY 18: (\$2.5 million)

FY 19: (\$5.0 million)

**Close Southbury Training School Fire Department - DDS**

Eliminate funding and 13 positions due to the closure of the Southbury Training School Fire Department and transferring this responsibility to the town of Southbury.

FY 18: (\$1.6 million)

FY 19: (\$1.6 million)

**Transfer Abuse and Neglect Responsibilities to DDS - DORS**

Transfer funding and 12 positions for abuse and neglect responsibilities from the Department of Rehabilitation Services to DDS. PA 16-66 eliminated the Office of Protection and Advocacy and transferred its abuse and neglect responsibilities to the Department of Rehabilitation Services effective FY 18.

FY 18: \$1 million

FY 19: \$1 million

**Reduce Funding for Connecticut Mental Health Center (CMHC) - MHA**

The Governor's Budget proposes reducing funding for CMHC. The majority of the reduction is associated with funding for Ribicoff Research Labs.

FY 18: (\$1 million)

FY 19: (\$1 million)

**Relocate Detox Beds - MHA**

The Governor's Budget proposes relocating 21 detox beds from Blue Hills to Connecticut Valley Hospital (CVH). Savings is reflective of reduced personnel costs.

FY 18: (\$1 million)

FY 19: (\$1.2 million)

### **Create a New State Agency: Office of Health Strategy**

Transfer funding totaling \$5,804,059 and 31 positions from three agencies (Department of Public Health, Department of Insurance and the Office of the Healthcare Advocate) to create a new Office of Health Strategy in FY 19. This reflects the transfer of \$1,975,432 and 23 positions from DPH (General Fund), \$262,978 and one position from DOI (Insurance Fund), and \$3,565,649 and seven positions from OHA (Insurance Fund).

FY 18: -

FY 19: \$5.8 million

### **Funding for High School Graduates is Not Provided - DDS**

No funding is provided for Employment and Day Services for high school graduates in FY 18 and FY 19. Annualized funding for the estimated 335 high school graduates in FY 18 would be \$7.6 million and for the 355 high school graduates in FY 19 would be \$7.9 million. This would result in a cumulative total of \$15.6 million in FY 19.

## **Transportation**

### **Increase Funding for Rail Operations - DOT**

Provide funding for increased operational costs associated with the Metro North Rail Line, the Shoreline East Rail Line and the New Haven-Hartford-Springfield rail line.

FY 18: \$7.1 million

FY 19: \$32 million

### **Increase Funding for Let's Go CT! - DOT**

Provide funding in the Personal Services account for 86 new positions. These positions consist of 50 engineers, 8 planners, 16 rail officers, 10 maintainers and 2 transit oriented development planning analysts.

FY 18: \$1.8 million

FY 19: \$1.8 million

### **Provide Support for National Voter Registration Act - DMV**

Provide funding and 22 durational positions for the Department of Motor Vehicles to reestablish compliance with the federal 1993 National Voter Registration Act.

FY 18: \$0.8 million

FY 19: -

## **Human Services**

### **Reduce Eligibility Levels for Medicare Savings Program (MSP) - DSS**

The federal MSP consists of three separate components: the Qualified Medicare Beneficiary (QMB), the Specified Low-Income Beneficiary (SLMB), and the Qualified Individual (QI) (also known as the Additional Low-Income Medicare Beneficiary or ALMB). To qualify, individuals

must be enrolled in Medicare Part A. Program participants get help from the state's Medicaid program with their Medicare cost sharing, including premiums and deductibles. The Governor's Budget recommends reducing the income disregard used to determine eligibility to a range of \$347 to \$467 (the current disregard is between \$1,099 and \$1,482). The reduction will effectively reduce MSP eligibility from 211% to 246% FPL to between 135% and 170% FPL. The reduction is anticipated to impact 39,000 individuals; effective August 1, 2017. Total state savings (state and federal share) is \$66.4 million in FY 18 and \$81.6 million in FY 19.

FY 18: (\$29.5 million)

FY 19: (\$39.5 million)

#### **Transfer Birth to Three Funding from Office of Early Childhood (OEC) - DSS**

The Governor's Budget recommends fully transferring the Birth to Three program to the Department of Social Services. Due to the net funding of the Medicaid account, \$25.2 million is transferred out of OEC while approximately \$20 million is transferred into the DSS General Fund budget.

FY 18: (\$20 million)

FY 19: (\$20 million)

#### **Support for Juan F. Exit Plan Compliance - DCF**

Provide funding of \$14,463,978 to fulfil 22 performance benchmarks set under the 2004 *Juan F.* Exit Plan. This amount reflects the partial restoration of previous cuts to various Department of Children and Families (DCF) accounts totaling \$8,280,592. In addition, new funding of \$6,183,386 is provided to increase the service capacity and geographic reach of an array of programs, including: Cognitive Behavioral Intervention for Trauma in Schools (CBITS), Intensive Family Preservation, Extended Day Treatment, and Emergency Mobile Psychiatric Services (EMPS). The Department maintained compliance with 16 of the 22 measures required in the Exit Plan for both the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2015, according to the Court Monitor's most recent status report (January 2017).

FY 18: \$14.5 million

FY 19: \$14.5 million

#### **Limit Intake into the Connecticut Home Care Program for Elders (CHCPE) - DSS**

Intake into Category 1 of the CHCPE continues to be frozen (PA 15-5 closed Category 1 to new applicants in FY 16 and FY 17). This category supports individuals at risk of hospitalization or short-term nursing care. Savings is estimated at \$2.2 million in FY 18 and \$6.3 million in FY 19. The Governor's Budget also recommends limiting intake to Category 2 at the estimated FY 17 end of year enrollment level. Category 2 supports individuals who require nursing home level care but have resources that would prevent them from qualifying for Medicaid upon admission to a facility. Savings are estimated at \$730,000 in FY 18 and \$2.3 million in FY 19.

FY 18: (\$2.9 million)

FY 19: (\$8.6 million)

**Reduce the Unearned Income Disregard for Supplemental Assistance - DSS**

The Governor’s Budget recommends reducing the unearned income disregard for individuals in the Aged, Blind and Disabled (State Supplement) program.

FY 18: (\$1.2 million)  
 FY 19: (\$2.6 million)

**Reduce the Personal Needs Allowance (PNA) - DSS**

The Governor’s Budget recommends reducing the PNA from \$60 to \$50 per month. This is anticipated to impact approximately 18,000 long term care residents.

FY 18: (\$1 million)  
 FY 19: (\$1.1 million)

**Reduce Income Eligibility for HUSKY A Adults - DSS**

The Governor’s Budget recommends reducing income eligibility for HUSKY A adults from 155% FPL to 138% FPL. This is anticipated to impact approximately 400 individuals in FY 18 (effective October 2017) and an additional 8,800 individuals in FY 19 (effective October 2018). Total savings (both state and federal share) is estimated at \$1 million in FY 18 and \$22.6 million in FY 19. This does not impact pregnant women or children currently enrolled in HUSKY A.

FY 18: (\$0.5 million)  
 FY 19: (\$11.3 million)

**Medicaid Supplemental Hospital Payments - DSS**

The Governor’s Budget recommends three policy actions concerning state estimated supplemental Medicaid payments to hospitals which are summarized in the following table:

Proposal	State Share	Federal Share	TOTAL
Reallocate Existing Inpatient Hospital Supplemental Pool funding to Medicaid Account	There is no change to the state share of \$35.8 million. FY 18 and FY 19 reflect maintaining the FY 17 level.	There is no change to the estimated federal share of \$69.9 million.	Total Estimated funding based on FY 17 is \$105.7 million.
Eliminate the Small Hospital Supplemental Payment Pool	Eliminate funding of \$3.9 million in FY 18 and FY 19.	Federal share is approximately \$7.4 million.	Total reduction of approximately \$11 million impacting five hospitals (Bristol, Day Kimball, Griffin, Hungerford and Milford)
Establish New Hospital Inpatient Supplemental Pool*  <i>*A separate proposal eliminates hospitals’ existing exemption from municipal tax on real property.</i>	Provide funding of \$87.6 million in FY 18 and FY 19.	Federal share is approximately \$162.7 million.	Total funding is \$250.3 million and is for all acute care hospitals as well as specialty hospitals excluded from existing inpatient supplemental pool.

## Elementary & Secondary Education

### Reduce Retirement Contribution Funding To Reflect Town Contributions - TRB

Reduce the appropriation for the ADEC for the Teachers' Retirement System (TRS) and offset this reduction by requiring towns to contribute one-third of the TRS contribution. (See Major Policy Changes).

FY 18: (\$407.6 million)

FY 19: (\$420.9 million)

### Extend the Caps on Various Statutory Grants - SDE

The Governor recommends extending the caps on various statutory grants, which provide municipal aid to cities and towns.

FY 18: (\$57.1 million)

FY 19: (\$63.4 million)

### Transfer the Office of Higher Education into the State Department of Education - SDE

The Governor recommends transferring the Office of Higher Education into the State Department of Education.

FY 18: \$39.1 million

FY 19: \$37 million

### Reduce various grants<sup>1</sup> - SDE

In Millions

Grant	FY 18 \$	FY 19 \$
Family Resource Centers	(3.9)	(3.9)
After School Programs	(2.4)	(2.4)
Common Core	(2.6)	(2.6)
Priority School District	(4.2)	(4.2)
Interdistrict Cooperation	(2.4)	(2.4)
Talent Development	(3.2)	(3.2)
Sheff Account	(2.4)	(2.4)
<b>TOTAL</b>	<b>(21.1)</b>	<b>(21.1)</b>

<sup>1</sup>Family Resource Centers and After School Programs are reallocated into a new account titled Student Support Services. Common Core is reallocated into a new account called Student Assessment and Accountability.

### Reduce State Share of Health Costs from One-Third to One-Quarter- TRB

Reduce the state share of the TRB retiree basic health plan and the municipal retiree health subsidy from one-third to 25%. Under the proposal the retiree share of the TRB health plan remains one-third of the monthly premium and the TRB health fund pays the amount not paid

by the state. In FY 16 and FY 17 the health accounts were funded at the FY 15 level, which resulted in a state share of approximately 17% for the TRB basic health plan and 29% for the municipal retiree health subsidy in FY 16.

FY 18: (\$9.9 million)

FY 19: (\$11.2 million)

#### **Maintain Closure of Care4Kids Priority Groups - OEC**

The Governor's Budget recommends annualizing savings associated with closing priority groups 2 and 4 of the Care4Kids program to new applicants. Priority group 4 (working families) closed to new applicants in August 2016. Priority Group 2 (former TANF recipients) closed to new applicants as of January 2017.

FY 18: (\$7.4 million)

FY 19: (\$12.6 million)

#### **Reduce Funding for the Vocational Technical High School System - SDE**

The Governor recommends reducing funding to the Vocational Technical High School System.

FY 18: (\$6 million)

FY 19: (\$6 million)

#### **Eliminate Connecticard Payments - CSL**

The Connecticard program, now known as "borrowIT CT," allows Connecticut residents to borrow materials from any of the 192 public libraries that participate. Eliminate funding.

FY 18: (\$0.8 million)

FY 19: (\$0.8 million)

#### **Reduce Charter Schools - SDE**

Reduce Charter Schools by \$744,500 in both FY 18 and FY 19. This includes a reduction of \$96,000 for local charter schools and \$648,500 for state charter schools. The reduction in state charter schools includes a \$5 million increase due to increasing the per pupil grant from \$11,000 to \$11,500 coupled with an overall \$5.64 million decrease.

FY 18: (\$744,500)

FY 19: (\$744,500)

**Transfer Birth to Three Program from OEC to DSS** (See transfer description under Human Services).



## Higher Education

### Transfer the Office of Higher Education into the State Department of Education - DHE

The Governor recommends transferring the Office of Higher Education into the State Department of Education.

FY 18: \$39.1 million

FY 19: \$37 million

### Reduce the Governor's Scholarship - DHE

The Governor recommends reducing financial aid for the Governor's Scholarship program.

FY 18: (\$2.2 million)

FY 19: (\$4.4 million)

### Reduce and Consolidate Developmental Services Funding in the Connecticut State Colleges and Universities - CSCU

Developmental Services are remedial education to bring entering students' academic skills up to the postsecondary level. Reduce Developmental Services funding to \$9.2 million and consolidate it within Connecticut State Colleges and Universities Operating Expenses.

FY 18: (\$0.3 million)

FY 19: (\$0.3 million)

### Adjust Funding for the Bioscience Initiative at UConn Health Center - UHC

The Bioscience Initiative is a multi-year effort to support the bioscience industry and the health center through construction, hiring, equipment investments, and community programs. Reduce Bioscience Initiative funding to \$11.1 million in FY 18 and increase it to \$14.2 million in FY 19, accounting for holdbacks, reductions, and increases.

FY 18: (\$0.2 million)

FY 19: \$2.9 million

### Reduce Public Institution of Higher Education Block Grants

Reduce Operating Expenses for each of the public colleges and universities, as well as the University of Connecticut Health Center, as detailed in the table below.

	FY 18 Block Grant Reduction (\$ in millions)	FY 19 Block Grant Reduction (\$ in millions)	% FY Reduction From FY 17 Estimate	Number of Students
Charter Oak State College	(0.1)	(0.1)	(4.6%)	2,000
Community Technical Colleges	(7.5)	(7.5)	(4.6%)	50,548
Connecticut State Universities	(6.1)	(6.1)	(4.0%)	33,187
University of Connecticut	(8.6)	(8.6)	(4.2%)	32,027
UConn Health Center	(4.6)	(4.6)	(4.0%)	NA

## Judicial & Corrections

### Full and Partial Facility Closures - DOC

The proposed budget for Department of Correction includes a facility closure, as well as the partial closure of a 120-bed unit, a 250-bed unit, and two other housing units.

FY 18: (\$11.9 million)

FY 19: (\$13.4 million)

## IV. SIGNIFICANT REVENUE CHANGES

The Governor's Budget raises General Fund revenues by \$320.8 million in FY 18 and \$287.4 million in FY 19, distributed as follows:

### Revenue Changes by Major Category (in millions)

	FY 18 \$	FY 19 \$
Taxes	265.1	191.6
Fees	18.7	40.5
Federal Grants	35.0	40.3
Other	2.0	15.0
<b>TOTAL</b>	<b>320.8</b>	<b>287.4</b>

### Significant Revenue Changes by Topic

#### Eliminate the \$200 Property Tax Credit

Eliminate the Income Tax credit of up to \$200 for property taxes paid on real property and motor vehicles. The credit is claimed by approximately 794,000 filers. Under policies included in the FY 16-FY 17 Biennial Budget, the income threshold at which the credit amount phases-out was reduced in the 2015 income year and the credit amount was reduced from \$300 to \$200 in the 2016 income year.

FY 18: \$105 million

FY 19: \$105 million

#### Increase Taxes on Cigarettes and Other Tobacco Products

Increase the Cigarette Tax rate from \$3.90 per pack to \$4.35 per pack. Additionally, increase the tax on snuff from \$1.00 per ounce to \$3.00 per ounce and raise the cap on the tax on cigars from 50 cents to \$1.50 per cigar.

FY 18: \$63.6 million

FY 19: \$56.3 million

#### Implement a Tax Administration Initiative

Implement the Fresh Start tax initiative which consists of two main components: 1) incentives (including penalty and interest reductions) to taxpayers who are non-filers, under-reporters, or unregistered in exchange for self-reporting and paying taxes; and 2) a compliance strategy including audits focused on specific segments of the taxpayer population using new tools and techniques to make it easier for those taxpayers to become compliant.

FY 18: \$60 million

FY 19: \$25 million

### **Reduce the Earned Income Tax Credit**

Permanently reduce the Earned Income Tax Credit (EITC) to 25% of the federal EITC beginning with the 2017 income year. The credit is currently scheduled to increase from 27.5% to 30% for the 2017 income year.

FY 18: \$25 million

FY 19: \$26 million

### **Reduce the Insurance Premiums Tax Rate and Extend Credit Limits**

Reduce the Insurance Premiums Tax rate from 1.75% to 1.5% beginning on January 1, 2018 which results in an annualized revenue loss of \$22.4 million. This is partially offset by permanently extending limitations on the use of various tax credits that are scheduled to sunset under current law.

FY 18: \$10.4 million

FY 19: (\$2.4 million)

### **Increase Pistol Permit Fees from \$70 to \$300 Department of Emergency Services and Public Protection (DESPP)**

The Governor is proposing increasing the state portion of the pistol permit fee from \$70 to \$370. The current fee is \$140 to be renewed every five years. Local authorities would retain \$70 of the initial permit fee and the General Fund would retain \$300; 30,000 permits a year would generate an additional \$9 million annually.

FY 18: \$9 million

FY 19: \$9 million

### **Exempt Aviation Fuel from the Petroleum Gross Earnings Tax**

Reduce the Petroleum Gross Earnings (PGET) tax rate for aviation fuel from 8.1% to 2%. The PGET tax applies to gross earnings of companies distributing petroleum products on the initial sale in the state, which typically occurs at the wholesale level. The revenue loss from this change would impact the Special Transportation Fund.

FY 18: (\$7 million)

FY 19: (\$7.8 million)

### **Increase Fees for Background Checks (DESPP)**

The Governor is proposing increasing fees for background checks from \$50 to \$75; 104,000 annual background checks would generate an additional \$2.6 million annually.

FY 18: \$2.6 million

FY 19: \$2.6 million

**Require Towns to Fully Cover the Cost of Resident State Troopers**

Increase to 100% the amount municipalities must contribute toward the costs of all Resident State Troopers. Municipalities currently cover 85% of the regular time expenses for the first two Resident State Troopers in each town and 100% of the cost for additional Troopers and all overtime.

FY 18: \$1.5 million

FY 19: \$1.5 million

**Modify the Ambulatory Surgical Center Tax**

The Governor proposes to (1) limit the taxable base to gross receipts from facility fees and (2) eliminate the \$1 million exemption. Facility fees are defined for this purpose by federal regulations at 42 C.F.R. 416.164(a). These recommendations were determined by a study conducted by the Office of Policy Management, as required under PA 16-3 MSS.

FY 18: (\$1 million)

FY 19: (\$1 million)

**Phase-in Reductions to the Estate & Gift Tax**

Increase, over a three-year period, the Estate & Gift Tax exemption to match the federal exemption level in 2020. Additionally, decrease (from \$20 million to \$15 million) the lifetime cap on taxes any single estate must pay.

FY 18: -

FY 19: (\$20.1) million

**Increase Agency Fees to Cover Administrative Costs**

Require state agencies to review the cost of all fees to: 1) determine which fees do not fully cover the cost of administration, and 2) compile recommendations to increase fees to cover administrative costs. No fee may be increased more than 50% and the aggregate impact is limited to \$20 million.

FY 18: -

FY 19: \$20 million

### **Continue Appropriations of Municipal Revenue Sharing**

The 2017 Revised Budget established the Municipal Revenue Sharing Fund and provided a transfer from the Resources of the General Fund in lieu of a Sales Tax transfer in FY 17 only.

The Governor proposes eliminating the Sales Tax transfer permanently and instead transferring from the Resources of the General Fund the equivalent of 0.5% of the Sales Tax. The net revenue impact to the General Fund is \$0; however, it should be noted that the policy would increase the bond cap by increasing estimated state tax revenue.

FY 18: -

FY 19: -

## V. SIGNIFICANT CAPITAL BUDGET CHANGES

The Governor’s Budget authorizes new bonds and cancels \$190.2 million in existing bond authorizations, as summarized below.

### Governor’s Recommended Capital Budget (in millions)

New Bond Authorizations	FY 18 \$	FY 19 \$
General Obligation (GO) bonds - new	1,601.8	1,713.9
Prior year authorizations effective July 1	506.3	403.5
<b>Subtotal</b>	<b>2,088.1</b>	<b>2,097.4</b>
General Obligation (GO) bond - cancellations	(190.2)	-
Special Tax Obligation (STO) bonds	818.8	820.2
Clean Water Fund (CWF) Revenue bonds	158.2	350.3
<b>TOTAL</b>	<b>2,874.9</b>	<b>3,267.9</b>

The table below lists major changes to GO bond authorizations recommended by the Governor.

### Significant Capital Changes by Agency (in millions)

Description of Change	FY 18 \$	FY 19 \$
<b>General Obligation Bonds</b>		
<b>Office of Policy and Management</b>		
Information technology capital investment program.	50.0	50.0
Grants-in-aid to municipalities for municipal projects and purposes.	-	-
Grants-in-aid to private, nonprofit health and human service organizations for alterations, renovations, improvements, additions and new construction, including health, safety, compliance with the Americans with Disabilities Act and energy conservation improvements, information technology systems, technology for independence, purchase of vehicles and acquisition of property.	25.0	25.0
Small Town Economic Assistance Program (STEAP).	-	-
Urban Action Program.	50.0	50.0
Transit-oriented development predevelopment fund.	8.0	8.0
Local Capital Improvement Program (LoCIP).	90.0	35.0
Capital Equipment Purchase Fund.	50.0	31.5
<b>Department of Administrative Services</b>		
Grants-in-aid to Alliance districts to assist in paying for general improvements to school buildings.	30.0	30.0
School Construction Payments.	600.0	600.0

<b>Description of Change</b>	<b>FY 18 \$</b>	<b>FY 19 \$</b>
<b>Department of Energy and Environmental Protection</b>		
Connecticut bikeway, pedestrian walkway, recreational trail and greenway grant program for grants-in-aid to municipalities and private nonprofit organizations.	5.0	0.0
Energy efficient and renewable energy projects in state owned buildings.	60.0	60.0
Clean Water Fund Program grants-in-aid.	45.1	167.9
<b>Department of Economic and Community Development</b>		
Manufacturing Assistance Act.	200.0	175.0
Connecticut Manufacturing Innovation Fund.	10.0	10.0
Small Business Express Program.	25.0	25.0
Brownfield Remediation and Revitalization.	20.0	20.0
<b>Capital Region Development Authority</b>		
XL Center renovations.	50.0	75.0
<b>Department of Housing</b>		
Housing development and rehabilitation programs.	165.0	165.0
<b>Department of Education</b>		
Grants-in-aid, pursuant to section 10-66hh of the general statutes, to assist charter school with capital expenses.	5.0	5.0
Grant-in-aid to assist targeted local and regional school districts for alterations, repairs, improvements, technology and equipment in low-performing schools.	10.0	10.0
<b>Department of Transportation</b>		
Town Aid Road	60.0	60.0

The Governor's Proposed Bond Package for FY 18 and FY 19 is below the statutory bond cap on General Obligation bonds in each fiscal year, based on revenue estimates that include his tax proposals. The table that follows shows that the cap calculation as of July 1, 2017 is 89.3% and as of July 1, 2018 is 89.8%. These figures compare to the cap calculation on February 1, 2017, which was 85.8%.

CGS Section 3-21 stipulates that if the level of bonded indebtedness reaches 90% of the ceiling amount, the governor must review each bond act for which no obligations have yet been incurred and recommend to the General Assembly priorities for repealing these authorizations.



**Statutory Bond Cap for the Governor's Proposed FY 16 and FY 17 Bond Package**  
(in thousands)

Calculations	As of July 1, 2017 \$	As of July 1, 2018 \$
Net Tax Revenues <sup>1</sup>	15,883.6	16,248.9
Multiplier	1.6	1.6
<b>Debt Limit</b>	<b>25,413.8</b>	<b>25,998.2</b>
<b>Calculation of Bonds Subject to Debt Limit</b>		
Net Indebtedness	22,701.6	23,340.2
<b>Net Indebtedness as a percent of debt limit</b>	<b>89.33%</b>	<b>89.78%</b>
Debt Incurring Margin	2,712.2	2,658.0
<b>90% Limit</b>	<b>22,872.4</b>	<b>23,398.4</b>
<b>Debt Incurring Margin to 90% Limit</b>	<b>170.8</b>	<b>58.2</b>

<sup>1</sup>The net tax revenue figures include the Governor's tax proposals.

## VI. MUNICIPAL AID

The Governor's Budget reduces funding for municipal aid by a net \$27.1 million from FY 17 to FY 18, and a net \$3.8 million from FY 18 to FY 19. This includes the Governor's proposal to require towns to pay for a third of the actuarially determined employers' contribution for the Teachers' Retirement System in FY 18 and FY 19. This requirement is estimated to cost towns \$407.6 million in FY 18 and \$420.9 million in FY 19.

The cost to municipalities, on a bottom-line basis, is offset by an increase in the required *total* teachers' retirement contribution (of \$278.3 million in FY 18 and \$320.2 million in FY 19), and an increase, provided under current law, in MRSA-related grants (of \$145.1 million in FY 18 and \$154 million in FY 19).

The increase in MRSA-related grants is a result of an increase in the sales tax revenue diversion into the account, in accordance with current law. The Governor's Budget maintains current law funding levels for MRSA grants, but changes the funding source from a sales tax diversion to a General Fund transfer.

The Governor's Budget also

- Allows towns to tax real property owned by hospitals. There is a significant revenue gain to towns with real property owned by hospitals, which will vary based on changes to municipal grand lists and mill rates. A preliminary analysis shows that towns would have collected approximately \$212.2 million in property taxes in FY 17 had they been allowed to tax hospitals in that year.
- Makes several significant changes in education funding. Specifically, in each of FY 18 and FY 19, it (1) establishes a new special education grant of \$597.6 million, (2) eliminates the \$135.6 million Excess Cost grant, and (3) reduces ECS grants by \$427.6 million.
- Reduces the College & Hospital PILOT grant by \$55.8 million to reflect the removal of property owned by hospitals from the grant formula.
- Eliminates Grants for Municipal Projects in each of FY 18 and FY 19, resulting in a \$60 million revenue loss to municipalities in each year.
- Provides funding for LoCIP of \$55 million in FY 18 and \$35 million in FY 19 to offset the elimination of the grant in FY 17.
- Establishes the Municipal Accountability Review Board (MARB) and eliminates the municipal spending cap for certain municipalities.

## Impact of the Governor's FY 18 and FY 19 Budget on Municipal Aid

Agency/Grant Name	FY 17 \$	FY 18 Gov. Rec. \$	FY 19 Gov. Rec. \$	FY 18 Gov. Rec. - FY 17 \$	FY 19 Gov. Rec. - FY 17 \$
<b>Appropriated Funds</b>					
<b>Connecticut State Library (CSL)</b>					
Grants To Public Libraries	-	-	-	-	-
Connecticard Payments	806,000	-	-	(806,000)	(806,000)
<b>Department of Housing (DOH)</b>					
Tax Abatement	1,078,993	-	-	(1,078,993)	(1,078,993)
Housing/Homeless Services- Municipality	592,893	586,965	586,965	(5,928)	(5,928)
<b>Department of Public Health (DPH)</b>					
Local and District Departments of Health	4,083,916	3,684,078	3,684,078	(399,838)	(399,838)
Venereal Disease Control	197,171	197,171	197,171	-	-
School Based Health Clinics	11,280,633	10,152,570	10,152,570	(1,128,063)	(1,128,063)
<b>Department of Social Services (DSS)</b>					
Human Resource Development- Hispanic Programs - Municipality	4,719	-	-	(4,719)	(4,719)
Teen Pregnancy Prevention - Municipality	114,876	-	-	(114,876)	(114,876)
Community Services - Municipality	70,742	-	-	(70,742)	(70,742)
<b>Office of Policy and Management(OPM)</b>					
State Property PILOT	66,730,441	66,730,441	66,730,441	-	-
College & Hospital PILOT	114,950,770	59,122,160	59,122,160	(55,828,610)	(55,828,610)
Reimbursement Property Tax - Disability Exemption	374,065	374,065	374,065	-	-
Distressed Municipalities	5,423,986	5,423,986	5,423,986	-	-
Property Tax Relief Elderly Circuit Breaker	19,176,502	14,474,502	14,474,502	(4,702,000)	(4,702,000)
Property Tax Relief Elderly Freeze Program	112,221	65,000	65,000	(47,221)	(47,221)
Property Tax Relief for Veterans	2,777,546	2,777,546	2,777,546	-	-
Pequot Grants	58,076,612	58,076,612	58,076,612	-	-
Municipal Revenue Sharing Fund	185,000,000	330,100,000	339,000,000	145,100,000	154,000,000
<b>Department of Education (SDE)</b>					
Vocational Agriculture	10,544,937	9,490,443	9,423,507	(1,054,494)	(1,121,430)
Transportation of School Children	-	-	-	-	-
Adult Education	20,383,960	20,383,960	20,383,960	-	-
Health and Welfare Services Pupils Private Schools	3,526,579	3,526,579	3,526,579	-	-
Education Cost Sharing <sup>1</sup>	2,017,587,120	1,590,003,953	1,590,003,953	(427,583,167)	(427,583,167)
Bilingual Education	3,164,800	2,848,320	2,848,320	(316,480)	(316,480)
Priority School Districts	42,337,171	38,103,454	38,103,454	(4,233,717)	(4,233,717)
Young Parents Program	212,318	-	-	(212,318)	(212,318)

Agency/Grant Name	FY 17 \$	FY 18 Gov. Rec. \$	FY 19 Gov. Rec. \$	FY 18 Gov. Rec. - FY 17 \$	FY 19 Gov. Rec. - FY 17\$
Interdistrict Cooperation	6,353,391	4,000,000	4,000,000	(2,353,391)	(2,353,391)
School Breakfast Program	2,225,669	-	-	(2,225,669)	(2,225,669)
Excess Cost - Student Based	135,555,731	-	-	(135,555,731)	(135,555,731)
Special Education Grant	-	597,582,615	597,582,615	597,582,615	597,582,615
Non-Public School Transportation	-	-	-	-	-
Youth Service Bureaus	2,651,516	-	-	(2,651,516)	(2,651,516)
Open Choice Program	40,258,605	40,090,639	42,090,639	(167,966)	1,832,034
Magnet Schools	313,058,158	313,058,158	313,058,158	-	-
After School Program	4,866,695	-	-	(4,866,695)	(4,866,695)
<b>Teachers' Retirement Board (TRB)</b>					
Retirement Contributions- Total State & Town <sup>2</sup>	1,012,162,000	1,290,429,000	1,332,368,000	278,267,000	320,206,000
Retirees Health Service Cost	14,566,860	25,354,500	29,075,250	10,787,640	14,508,390
Municipal Retiree Health Insurance Costs	5,392,897	4,644,673	4,644,673	(748,224)	(748,224)
<b>Subtotal- Appropriations</b>	<b>4,105,700,493</b>	<b>4,491,281,390</b>	<b>4,547,774,204</b>	<b>385,580,897</b>	<b>442,073,711</b>
<b>Bond Funds</b>					
Town Aid Road	60,000,000	60,000,000	60,000,000	-	-
LoCIP	-	55,000,000	35,000,000	55,000,000	35,000,000
Grants for Municipal Projects	60,000,000	-	-	(60,000,000)	(60,000,000)
<b>Subtotal- Bond funds</b>	<b>120,000,000</b>	<b>115,000,000</b>	<b>95,000,000</b>	<b>(5,000,000)</b>	<b>(25,000,000)</b>
<b>GROSS TOTAL</b>	<b>4,225,700,493</b>	<b>4,606,281,390</b>	<b>4,642,774,204</b>	<b>380,580,897</b>	<b>417,073,711</b>
MORE Commission Lapse	-	-	-	-	-
Town Portion of Teachers' Retirement Contribution <sup>3</sup>	-	(407,643,383)	(420,891,811)	(407,643,383)	(420,891,811)
<b>NET TOTAL</b>	<b>4,225,700,493</b>	<b>4,198,638,007</b>	<b>4,221,882,393</b>	<b>(27,062,486)</b>	<b>(3,818,100)</b>
<sup>1</sup> This number (1) reflects the roll out of the FY 17 MORE Commission Lapse, which reduced ECS funding to towns by \$20 million, and (2) does NOT include \$10 million in ECS funding from the Municipal Revenue Sharing Fund (MRSF). That funding is included in the MRSF appropriation.					
<sup>2</sup> This represents the full actuarially required contribution to the Teachers' Retirement Fund in FY 18 and FY 19. Of this amount, the state must pay \$882.8 million in FY 18 and \$911.5 in FY 19 and towns must pay \$407.6 million in FY 18 and \$420.9 million in FY 19.					
<sup>3</sup> This reflects the total town contribution to the Teachers' Retirement Fund in FY 18 and FY 19, as recommended by the Governor.					

## APPENDIX A: Full Time Authorized Position Count by Agency and Fund

Fund/Agency	Authorized FY 16	Revised FY 17	Governor Recommended FY 18	Governor Recommended FY 19
<b>General Fund</b>				
African-American Affairs Commission	3	-	-	-
Agricultural Experiment Station	69	69	69	69
Asian Pacific American Affairs Commission	2	-	-	-
Attorney General	303	303	303	303
Auditors of Public Accounts	117	121	121	121
Commission on Aging	4	-	-	-
Commission on Children	7	-	-	-
Commission on Equity and Opportunity	-	9	9	9
Commission on Human Rights and Opportunities	85	85	74	74
Commission on Women, Children and Seniors	-	9	9	9
Connecticut State Colleges and Universities	4,625	4,633	4,633	4,633
Council on Environmental Quality	2	2	-	-
Department of Administrative Services	663	665	663	663
Department of Agriculture	50	50	50	50
Department of Children and Families	3,240	3,240	3,235	3,235
Department of Consumer Protection	239	241	218	218
Department of Correction	6,216	6,117	6,117	6,117
Department of Developmental Services	3,318	3,098	2,948	2,948
Department of Economic and Community Development	89	89	89	89
Department of Education	1,806	1,815	1,811	1,811
Department of Emergency Services and Public Protection	1,733	1,733	1,736	1,736
Department of Energy and Environmental Protection	644	642	618	618
Department of Housing	23	23	23	23
Department of Mental Health and Addiction Services	3,438	3,438	3,438	3,438
Department of Public Health	479	481	495	480
Department of Rehabilitation Services	118	118	113	113
Department of Revenue Services	660	660	660	660
Department of Social Services	1,975	1,986	1,991	1,991
Department of Veterans Affairs	243	243	243	243
Division of Criminal Justice	486	486	486	486
Elections Enforcement Commission	-	35	35	35
Freedom of Information Commission	-	15	16	16
Governor's Office	28	28	28	28
Judicial Department	4,329	4,329	4,329	4,329
Labor Department	191	191	191	191
Latino and Puerto Rican Affairs Commission	4	-	-	-
Legislative Management	450	444	444	444
Lieutenant Governor's Office	7	7	7	7
Military Department	42	42	42	42
Office of Early Childhood	116	116	114	114

Fund/Agency	Authorized FY 16	Revised FY 17	Governor Recommended FY 18	Governor Recommended FY 19
Office of Governmental Accountability	92	19	19	19
Office of Health Strategy	-	-	-	23
Office of Higher Education	27	27	-	-
Office of Policy and Management	125	125	125	125
Office of Protection and Advocacy for Persons with Disabilities	31	31	-	-
Office of State Ethics	-	15	16	16
Office of the Chief Medical Examiner	50	50	50	50
Permanent Commission on the Status of Women	6	-	-	-
Psychiatric Security Review Board	3	3	3	3
Public Defender Services Commission	447	447	447	447
Secretary of the State	84	85	85	85
State Comptroller	276	277	277	280
State Department on Aging	28	27	25	25
State Library	55	55	55	55
State Treasurer	45	45	45	45
Teachers' Retirement Board	27	27	27	27
University of Connecticut	2,413	2,413	2,127	2,127
University of Connecticut Health Center	1,698	1,698	1,698	1,698
<b>Subtotal</b>	<b>41,211</b>	<b>40,907</b>	<b>40,357</b>	<b>40,368</b>
<b>Special Transportation Fund</b>				
Department of Energy and Environmental Protection	28	29	29	29
Department of Motor Vehicles	603	603	603	603
Department of Transportation	3,279	3,352	3,439	3,444
State Treasurer	1	1	1	1
<b>Subtotal</b>	<b>3,911</b>	<b>3,985</b>	<b>4,072</b>	<b>4,077</b>
<b>Banking Fund</b>				
Department of Banking	120	123	119	119
Judicial Department	51	51	20	20
<b>Subtotal</b>	<b>171</b>	<b>174</b>	<b>139</b>	<b>139</b>
<b>Insurance Fund</b>				
Department of Public Health	5	5	5	5
Insurance Department	159	159	151	150
Office of Health Strategy	-	-	-	8
Office of Policy and Management	2	2	2	2
Office of the Healthcare Advocate	29	29	29	22
<b>Subtotal</b>	<b>195</b>	<b>195</b>	<b>187</b>	<b>187</b>
<b>Consumer Counsel and Public Utility Control Fund</b>				
Department of Energy and Environmental Protection	127	127	122	122
Office of Consumer Counsel	15	15	12	12
<b>Subtotal</b>	<b>142</b>	<b>142</b>	<b>134</b>	<b>134</b>

<b>Fund/Agency</b>	<b>Authorized FY 16</b>	<b>Revised FY 17</b>	<b>Governor Recommended FY 18</b>	<b>Governor Recommended FY 19</b>
<b>Workers' Compensation Fund</b>				
Department of Rehabilitation Services	6	6	6	6
Division of Criminal Justice	4	4	4	4
Labor Department	2	2	2	2
Workers' Compensation Commission	117	117	109	109
<b>Subtotal</b>	<b>129</b>	<b>129</b>	<b>121</b>	<b>121</b>
<b>Regional Market Operation Fund</b>				
Department of Agriculture	7	7	7	7
<b>Subtotal</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>TOTAL - ALL FUNDS</b>	<b>45,766</b>	<b>45,539</b>	<b>45,017</b>	<b>45,033</b>