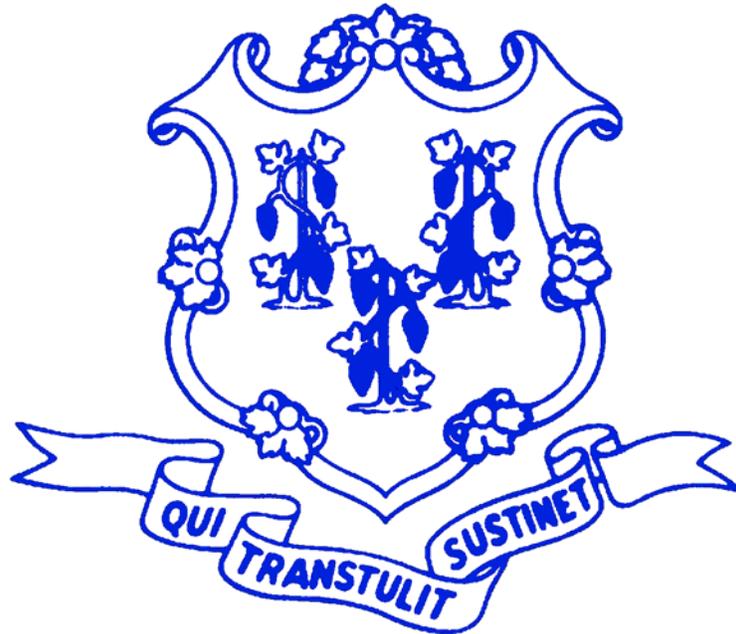


Connecticut General Assembly

OFFICE OF FISCAL ANALYSIS

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Year - End Analysis of the FY 08 General Fund and Transportation Fund Budgets

September 9, 2009

YEAR-END ANALYSIS OF THE FY 08 GENERAL FUND AND TRANSPORTATION FUND BUDGETS

This document is prepared annually by OFA after submission of the Comptroller's tentative year-end report for the prior year. Section 3-115 (CGS) requires the Comptroller to submit her year-end report by September 1st after the conclusion of the fiscal year; however, her FY 08 financial statements were not finalized until December 31, 2008 due to required reconciliations.

Overview

General Fund

The General Fund ended FY 08 with an operating surplus of \$99.4 million (including the budgeted surplus of \$700,000) which was 0.6% of the budget. Per PA 08-1 of the August Special Session, the entire surplus was transferred to the resources of the General Fund for use as General Fund revenue in FY 09.

Transportation Fund

The Transportation Fund ended FY 08 with an annual operating deficit of \$14.7 million. This was \$37.3 million less than the budget plan surplus of \$22.6 million. The decrease was the result of revenues that were \$57.8 million less than anticipated, which was partially offset by a \$20.5 million increase in the Transportation Fund lapse.

The FY 08 operating deficit of \$14.7 million combined with the prior year balance of \$192.9 million resulted in a lower cumulative Transportation Fund balance of \$178.2 million as of June 30, 2008.

FY 08 General Fund Summary
Year-End
(in millions)

	<u>Budget Plan</u>	<u>Increases (Decreases)</u>	<u>Actual</u>
Revenues			
Taxes	\$ 12,453.2	\$ 70.7	\$ 12,523.9
Other Revenue	1,206.3	(42.0)	1,164.3
Other Sources	<u>2,656.1</u>	<u>74.5</u>	<u>2,730.6</u>
Total Revenue	\$ 16,315.6	\$ 103.2	\$ 16,418.8
Appropriations			
Original Appropriations - Gross	\$ 16,431.4	\$ -	\$ 16,431.4
FY 08 Appropriation Adjustments (SA 08-1, June Special Session):			
Appropriation Reductions	-	(42.9)	(42.9)
Deficiency Appropriations	-	41.5	41.5
Adjudicated Claims	-	9.8	9.8
Refunds of Escheated Property	-	30.7	30.7
Lapses [1]	(116.5)	(31.8)	(148.3)
Miscellaneous Adjustment	<u>-</u>	<u>(2.8)</u>	<u>(2.8)</u>
Total Expenditures [2]	\$ 16,314.9	\$ 4.5	\$ 16,319.4
Surplus from Operations for FY 08	\$ 0.7	\$ 98.7	\$ 99.4

[1] The breakdown for budgeted lapses is as follows:

unallocated budgeted lapses	\$ (90.5)	\$ (49.2)	\$ (139.7)
general PS and OE reductions (holdbacks)	<u>(26.0)</u>	<u>17.4</u>	<u>(8.6)</u>
Total - Lapses Originally Budgeted	\$ (116.5)	\$ (31.8)	\$ (148.3)

Note: Lapses have been reduced by \$19 million to reflect transfers to cover costs associated with An Act Concerning Criminal Justice Reform (PA 08-1, January Special Session) amounting to approximately \$2 million in FY 08 and \$17 million in FY 09.

[2] Excludes expenditures from prior year carryforwards and appropriations from projected surplus.

FY 08 General Fund Revenue

	Budgeted Revenue	Over(Under) Budgeted	Realized Revenue
Taxes			
Personal Income	\$7,193,900,000	\$318,788,284	\$7,512,688,284
Sales and Use	3,598,900,000	(16,583,161)	3,582,316,839
Corporations	870,000,000	(136,058,016)	733,941,984
Public Service Corporations	253,100,000	(15,987,438)	237,112,562
Inheritance and Estate	185,400,000	(14,781,186)	170,618,814
Insurance Companies	258,100,000	(30,879,046)	227,220,954
Cigarettes	351,500,000	(16,303,335)	335,196,665
Real Estate Conveyance	200,000,000	(41,455,803)	158,544,197
Oil Companies	134,700,000	70,783,240	205,483,240
Alcoholic Beverages	47,000,000	77,475	47,077,475
Admissions, Dues and Cabaret	34,400,000	2,876,886	37,276,886
Miscellaneous	145,000,000	(5,020,201)	139,979,799
Total Taxes	13,272,000,000	115,457,699	13,387,457,699
Refunds of Taxes	(812,800,000)	(39,384,147)	(852,184,147)
R & D Credit Exchange	(6,000,000)	(5,362,507)	(11,362,507)
Taxes Less Refunds	12,453,200,000	70,711,045	12,523,911,045
Other Revenue			
Transfer Special Revenue	282,600,000	5,003,607	287,603,607
Indian Gaming Payments	437,500,000	(26,090,080)	411,409,920
Licenses, Permits and Fees	163,600,000	8,139,173	171,739,173
Sales of Commodities and Services	38,000,000	(7,933,458)	30,066,542
Rentals, Fines and Escheats	52,100,000	7,822,565	59,922,565
Investment Income	85,000,000	(21,057,315)	63,942,685
Miscellaneous	148,100,000	(8,011,392)	140,088,608
Refunds of Payments	(600,000)	98,807	(501,193)
Total Other Revenue	1,206,300,000	(42,028,093)	1,164,271,907
Other Sources			
Federal Grants	2,643,100,000	58,502,617	2,701,602,617
Transfer to the Resources of the General Fund	(16,000,000)	16,000,000	-
Transfer from the Tobacco Settlement Fund	115,300,000	-	115,300,000
Transfer to the Pequot/Mohegan Fund	(86,300,000)	-	(86,300,000)
Total Other Sources	2,656,100,000	74,502,617	2,730,602,617
Total Revenue	<u>\$16,315,600,000</u>	<u>\$103,185,569</u>	<u>\$16,418,785,569</u>

GENERAL FUND

Final Figures Compared to the Original Budget

The FY 08 budget adopted by the General Assembly in June 2007 anticipated General Fund revenues of \$16,315.6 million and expenditures of \$16,314.9 million. Thus, at the time the budget was adopted, revenue estimates exceeded total net appropriations by \$700,000.

The General Fund ended FY 08 with an operating surplus of \$99.4 million (including the budgeted surplus of \$700,000) which was 0.6% of the budget. The entire surplus was reserved for FY 09 spending by PA 08-1 of the August Special Session which credited the FY 08 surplus to the resources of the General Fund for use as General Fund revenue in FY 09.

The operating surplus resulted from \$103.2 million in higher revenues and \$4.5 million in higher expenditures (primarily due to deficiencies and other expenditure requirements which were partially offset by additional lapse savings) in addition to the originally budgeted surplus of \$700,000.

General Fund surpluses occurred in the following fiscal years: \$302.2 million in FY 04; \$363.9 million in FY 05; \$446.5 million in FY 06; and \$269.2 million in FY 07, each contributing toward a total Budget Reserve Fund (BRF) balance of \$1,381.8 million (which represents 80.5% of full BRF capacity). Prior to FY 04, both FY 02 and FY 03 ended in deficit. The FY 02 deficit of \$817.1 million was paid off by zeroing out the \$594.7 million balance in the Budget Reserve (Rainy Day) Fund and financing the remaining \$222.4 million through the issuance of Economic Recovery Notes (ERNs) in December 2002. The FY 03 deficit of \$96.6 million was financed through the issuance of ERNs in June 2004. It should be noted the maximum allowable balance in the Budget Reserve Fund was increased twice during this period: (1) PA 02-118 increased the amount from 5% to 7.5% of net General Fund appropriations for the fiscal year in progress and (2) PA 03-2 increased the figure from 7.5% to 10%. Since net General Fund appropriations were \$16,314.9 million in FY 08, the maximum allowable balance in the Budget Reserve Fund was \$1,631.5 million, which was \$249.7 million more than the Fund's actual balance of \$1,381.8 million.

Revenues

Total FY 08 net General Fund revenue was \$16,418.8 million, which was \$103.2 million above the original estimates adopted in support of the budget plan. After adjusting for legislative and other changes, FY 08 revenue grew by 4.0% compared to FY 07. For a comparison of actual collections and the budget plan estimates, please refer to page 3.

The \$103.2 million net increase in General Fund revenue collections above the budget plan is composed of increases of \$488.1 million and decreases of \$384.9 million. The most significant increases were \$318.8 million in Personal Income Tax, \$70.8 million in Oil Companies Tax and \$58.5 million in Federal grant payments. The most significant decreases were: (1) \$136.1 million in Corporation Tax, (2) \$41.5 million in Real Estate Conveyance Tax, (3) \$30.9 million in Insurance Companies Tax, (4) \$26.1 million in Indian Gaming Payments, (5) \$21.1 million in Investment Income, (6) 16.3 million in Cigarette Tax, (7) \$16.0 million in Public Service Companies Tax, and (8) \$14.8 million in Inheritance Tax.

(1) Personal Income Tax collections were \$318.8 million greater than originally projected as a result of: (a) slightly better than expected job gains and wage growth (including overtime) and (b) the strong performance of US and foreign stock markets.

The table below presents a comparison of the budget plan estimates and actual collections.

	Budget Plan Estimate	Actual Collections	Variance
Withholding	\$4,374,948,000	\$4,377,829,024	\$2,881,024
Estimated Payments	1,505,432,000	1,594,047,815	88,615,815
Final & Audit Payments	1,313,579,000	1,540,811,445	227,232,445
Total	\$7,193,959,000	\$7,512,688,284	\$318,729,284

(2) Oil Companies Tax collections were \$70.8 million above the budget plan due to an increase in crude oil prices of approximately 40% from FY 07 to FY 08.

(3) Federal grant payments were \$58.5 million above the budget plan due to a significant increase in federal reimbursement under Medicaid and the Title IV-E (Foster Care & Adoption) program, which was partially offset by lower claims as a result of a reduction in anticipated Medicare expenses. Compliance with new Title IV-E claiming guidelines established per the Deficit Reduction Act of 2006 proved to be less detrimental than originally expected because eligibility rates exceeded original projections and retroactive adjustments did not occur.

(3) Corporation Business Tax collections were \$136.1 million below the budget plan due to weak estimated payment collections (25% lower than projected) for September and December 2007.

(4) Real Estate Conveyance Tax collections were \$41.5 million below the budget plan due to a slump in the real estate market, which was reflected in a reduction in the number of transactions from 69,689 in FY 07 to 53,115 in FY 08.

(5) Insurance Companies Tax collections were \$30.9 million below the budget plan primarily due to an increase in the number of tax credits claimed. In FY 07, \$21 million in credits was claimed while \$73 million was claimed in FY 08. Of the \$73 million total, \$42 million was claimed for the film and digital media production credit.

(6) Indian Gaming Payments were \$26.1 million less than originally projected, which represented a decline of 4.4% from the previous year (\$430.4 million in FY 07 vs. \$411.4 million in FY 08).

(7) Investment income was \$21.1 million below the budget plan due to the effect of a decrease in interest rates on the Short Term Investment Fund (STIF).

(8) Cigarette Tax was \$16.3 million below the budget plan because the tax rate increase from \$1.51 to \$2.00 per pack did not meet expectations for the amount of additional revenue that would be raised.

(9) Public Service Companies Tax collections were \$16.0 million below the budget plan because the actual growth rate for the tax (1.3%) was lower than the rate assumed in the budget plan (4.8%).

(10) Inheritance and Estate Tax collections were \$14.8 million below the budget plan because of a decrease in the number and value of large estates (over \$10 million).

Expenditures

Total FY 08 expenditures were \$16,319.4 million, which was \$4.5 million higher than the \$16,314.9 million spending plan adopted by the Legislature. The \$4.5 million is composed of increases of \$82 million and decreases of \$77.5 million. The increases include \$41.5 million for deficiency appropriations; \$30.7 million for Refunds of Escheated Property; and \$9.8 million for Adjudicated Claims. The decreases include \$42.9 million for appropriation reductions; \$31.8 million for increased lapse savings; and \$2.8 million for miscellaneous expenditure decreases.

Since the FY 08 budget adopted by the Legislature was \$690.4 million above the constitutional spending cap, the Governor issued a declaration which allowed the budget to exceed the spending cap in both FY 07 and FY 08. SA 08-1 of the June Special Session, "AA Making Deficiency Appropriations for the Fiscal Year Ending June 30, 2008", increased appropriations by \$41.5 million and reduced them by \$42.9 million, which resulted in the FY 08 budget being under the spending cap by \$1.4 million.

Deficiencies

The \$41.5 million in FY 08 General Fund deficiencies is composed of: (1) \$21.9 million for the University of Connecticut Health Center, which was due to insufficient block grant funding and operating losses at John Dempsey Hospital; (2) \$18.3 million for the Department of Correction, which was due to costs associated with an increasing incarcerated population; and (3) \$1.3 million for the Department of Administrative Services - Workers' Compensation Claims, which was due to increased medical costs and indemnity costs of older claims. Further explanations of the deficiency items are included in the 2008 OFA Budget Book (page 7). The table below summarizes the three agencies that experienced deficiencies along with the corresponding amounts:

Agency	Amount of Deficiency
University of Connecticut Health Center	\$21,900,000
Department of Correction	18,320,000
Workers' Compensation Claims - Department of Administrative Services	1,250,000
Total	\$41,470,000

Lapses

The FY 08 General Fund year-end lapse was \$148.3 million or \$31.8 million higher than the \$116.5 million lapse in the spending plan adopted by the Legislature. The \$31.8 million was the result of a \$49.2 million increase in the unallocated lapse that was partially offset by a \$17.4 million reduction in savings associated with the holdbacks for Personal Services and Other Expenses.

The most significant lapses were: (1) \$28.5 million in the Department of Children and Families, (2) \$21.9 million in Debt Service, (3) \$20.1 million the Department of Social Services, and (4) \$10.9 million in the Office of Policy and Management. Please see the table at the end of this section for a complete list of General Fund lapses of \$1 million or more.

Department of Children and Families - The Department of Children and Families ended FY 08 with a lapse of approximately \$28.5 million (or 3.3 % of its adjusted appropriation of \$871.8 million). Contributory factors were:

- Personal Services lapse of \$1.1 million due primarily to not filling 18 positions due primarily to a delay in opening a state-operated facility for juvenile girls.
- Other Expenses lapse of \$1.3 million was attributable to a programmed allotment reduction for this agency imposed by the Office of Policy and Management in order to achieve an aggregate General Fund Other Expenses reduction.
- \$0.8 million resulted due to lower than budgeted expenditures for Workers' Compensation Claims.
- Family Support Services lapse of \$4.2 million resulted due to Treatment Foster Care placements below budgeted levels and delays in implementing a Life Coaching program.
- Juvenile Justice Outreach lapse of \$0.9 million resulted primarily from delays in new program development, including juvenile services education reentry and delinquency prevention and building stronger families programs.
- Child Welfare Support Services lapse of \$0.3 million resulted from delays in new program development, including community life skills programming.
- Board and Care for Children (BCC) - Adoption lapse of \$0.8 million resulted due to the need to expend less than the full \$1.5 million transferred into the account during FY 08 by Finance Advisory Committee (FAC) action as caseload growth in the last three months of the fiscal year fell slightly below projected levels. From June 2007 to June 2008, adoptive and subsidized guardianship placements increased by 369 (5.6%).
- BCC - Foster lapse of \$4.4 million resulted from declines in foster care placements and reduced flex fund expenditures. From June 2007 to June 2008, foster care placements decreased by 326 (7.4%).
- BCC - Residential lapse of \$10.6 million resulted from delays in new group home development, not contracting to replace a residential treatment program, and a decline in the number of children and youth in placement. From June 2007 to June 2008, residential placements decreased by 30 (1.9%).
- Individualized Family Supports lapse of \$0.9 million resulted from flex fund expenditures below budgeted levels.
- Community KidCare lapse of \$1.1 million resulted from delays in development of new emergency mobile psychiatric services.
- Finally, an aggregate \$2.0 million lapse was due to recovery of unspent FY 07 contract funds from private providers across various budget accounts.

Debt Service - The FY 08 lapse in the General Fund debt service account was \$21.9 million. The lapse is due to the following: (1) changes in the issuance schedule and lower than

anticipated interest rates, (2) changes in premiums* received on nontaxable General Obligation (GO) bonds, (3) refunding savings, and (4) savings from a variety of other sources such as arbitrage rebate payments, rebate fees and trustee fees. (*Bond purchasers pay a premium to receive a higher interest rate than the one at which the bonds would otherwise have sold.)

Department of Social Services - The Department of Social Services' \$20.1 million lapse was 0.4% of the FY 08 adjusted appropriation of \$4,767.4 million. The lapse was primarily due to lower than anticipated expenditures and enrollments in the Temporary Family Assistance Program, the ConnPACE Program and the Rental Assistance Program. In addition, service and payment interruptions related to the transition of the Medicaid HUSKY program from the former managed care providers delayed certain payments.

Office of Policy and Management - The \$10.9 million lapse was the result of lower than anticipated expenditures in the following areas:

- \$4.4 million in the Manufacturing Machinery and Equipment PILOT due to lower than anticipated claims. This lapse is net of a \$750,000 Finance Advisory Committee transfer and the use of \$17.06 million pursuant to PA 08-1 (SB 1700), January Special Session, An Act Concerning Criminal Justice Reform.
- \$253,342 in lapsed Personal Services, net of the Personal Services holdback. The lapse is due to: 1) delays in hiring and; 2) because a variety of funded vacant civil service positions are held for staff who were formerly in civil service, but are currently serving in an appointed capacity. As these staff members continue to serve in their appointed capacities, the funds for the vacant civil service positions will lapse.
- \$1 million in the CT Impaired Driving Records System due to a delay in implementation.
- \$2.4 million in Justice Assistance Grants due to lower than anticipated expenditures of discretionary funds.
- \$203,258 in Disability Tax Exemption, \$941,763 in Distressed Municipalities and \$160,635 in Elderly Freeze due to lower than anticipated claims.

The table below provides a listing of all General Fund lapsing appropriations of \$1 million or more.

FY 08 General Fund Lapsing Appropriations
(in millions)

Agency	Lapse Amount	Adjusted Appropriation	% of Adjusted Appropriation
Department of Children and Families	28.5	871.8	3.3%
Debt Service	21.9	1,4234.9	1.5%
Department of Social Services	20.1	4,767.4	0.4%
Office of Policy and Management	10.9	203.5	5.3%
Department of Developmental Services	6.4	944.6	0.7%
Department of Environmental Protection	6.4	51.6	12.4%
Legislative Management	5.6	64.5	8.6%
Judicial Department	5.5	462.1	1.2%
Department of Mental Health and Addiction Services	4.4	570.5	0.8%
Department of Economic & Community Development	3.9	49.0	7.9%
Department of Public Health	3.8	105.6	3.6%
Teachers Retirement Board	2.6	754.3	0.3%
Department of Education	2.3	2,580.6	0.1%
Department of Revenue Services	1.9	69.7	2.7%
State Insurance & Risk Management	1.7	13.5	12.6%
State Auditors	1.2	10.3	11.6%
Secretary of State	1.1	4.6	23.7%
Department of Public Safety	1.1	174.5	0.6%
All Others	19.0	4,146.8	0.5%
Total General Fund	\$148.3	\$17,279.8	0.9%

TRANSPORTATION FUND

FY 08 Transportation Fund Summary

The Transportation Fund ended FY 08 with an annual operating deficit of \$14.7 million. This was \$37.3 million less than the budget plan surplus of \$22.6 million. The decrease was the result of revenues that were \$57.8 million less than anticipated, which was partially offset by a \$20.5 million increase in the Transportation Fund lapse.

The FY 08 operating deficit of \$14.7 million combined with the prior year balance of \$192.9 million resulted in a lower cumulative Transportation Fund balance of \$178.2 million as of June 30, 2008.

Revenues

Total FY 08 net Transportation Fund revenue was \$1,063.6 million, which was \$57.8 million below the original estimates adopted in support of the budget plan. Revenues were lower than anticipated primarily because of lower than anticipated collections in: (1) Motor Fuels Tax, (2) Sales Tax collected by the Department of Motor Vehicles, (3) License, Permits and Fees and (4) Interest Income. The Motor Fuels Tax was expected to grow at 1.0% but the actual rate was - 0.5% because higher fuel prices led to a reduction in consumption.

Expenditures

FY 08 end of the year expenditures were \$20.5 million lower than the budget plan due to an increase in the lapse from \$11.0 million to \$31.5 million.

Debt Service - The Debt Service account lapsed a total of \$14.8 million in FY 08. Of this total, approximately \$14.0 million was attributable to the elimination of a \$150 million Special Tax Obligation (STO) bond issuance in Fall 2007. The remaining \$0.8 million was due to lower than anticipated payments for miscellaneous fees such as arbitrage rebate and banking fees.

FY 08 Transportation Fund Summary
(in millions)

	<u>Budget</u> <u>Plan</u>	<u>Increases</u> <u>(Decreases)</u>	<u>Actual</u>
Revenues			
Taxes	\$707.0	(\$26.2)	\$680.8
Other Revenue (incl. Transfers and Refunds of Payments) ¹	<u>414.4</u>	<u>(31.6)</u>	<u>382.8</u>
Total Revenue	\$1,121.4	(\$57.8)	\$1,063.6
Appropriations			
Original Appropriations – Gross	\$1,109.8	--	\$1,109.8
Less:			
Lapses	(11.0)	(20.5)	(31.5)
Total Expenditures	\$1,098.8	(\$20.5)	\$1,078.3
Surplus/(Deficit) from Operations for FY 08	\$22.6	(\$37.3)	(\$14.7)
Plus: Cumulative Surplus as of June 30, 2007			\$192.9
Fund Balance as of June 30, 2008			\$178.2

¹ Section 96 of PA 07-7 of the June Special Session credits \$5.5 million on deposit in the Special Transportation Fund to the TSB Projects account.

FY 08 Transportation Fund Revenue
(in millions)

	<u>Budget Plan</u>	<u>Over/(Under) Budget Plan</u>	<u>Realized Revenue</u>
TAXES			
Motor Fuels Tax	\$516.0	(\$20.9)	\$495.1
Petroleum Products Tax	127.8	0.0	127.8
Sales Tax – DMV	72.0	(7.1)	64.9
Refunds of Taxes	<u>(8.8)</u>	<u>1.8</u>	<u>(7.0)</u>
Total - Taxes less Refunds	\$707.0	(\$26.2)	\$680.8
OTHER REVENUE			
Motor Vehicle Receipts	\$236.6	(\$11.1)	\$225.5
License, Permits and Fees	164.0	(10.2)	153.8
Interest Income	47.0	(10.5)	36.5
Transfer to Conservation Fund	(3.0)	0.0	(3.0)
Transfer to Emissions Fund	(6.5)	0.0	(6.5)
Transfers to TSB Account ²	(20.8)	0.0	(20.8)
Refunds of Payments	<u>(2.9)</u>	<u>0.2</u>	<u>(2.7)</u>
Total - Other Rev. less Transfers & Refunds	\$414.4	(\$31.6)	\$382.8
TOTAL REVENUE	\$1,121.4	(\$57.8)	\$1,063.6

² Incremental revenue from the various DMV fee changes allocated to the Transportation Strategy Board (TSB) and deposited in the TSB projects account. Section 96 of PA 07-7 of the June Special Session credits \$5.5 million on deposit in the Special Transportation Fund to the TSB Projects account.

FY 08 Transportation Fund Lapsing Appropriations

The agencies and accounts funded within the Transportation Fund lapsed a total of \$31.5 million. Below is a listing of all Transportation Fund lapsing appropriations of \$1 million or more and the percentages relative to the adjusted appropriations for each agency/account. Also below is brief description of significant (approximately greater than \$1 million) Transportation Fund lapses.

Agency	Lapse Amount (in millions)	Adjusted Appropriation (in millions)	% of Adjusted Appropriation
Department of Transportation	8.1	510.9	1.6%
Debt Service	14.9	436.2	3.4%
Employer Social Security	3.4	17.8	19.2%
State Employee Health	3.8	35.9	10.7%
All Others	1.4	166.4	0.8%
Total Transportation Fund	31.5	1,167.2	2.7%

Department of Transportation (DOT) – The Department of Transportation ended FY 08 with a lapse of \$8.1 million (or 1.6% of its adjusted appropriation of \$510.9 million). The Other Expenses account lapsed a net total of \$3.6 million, which was attributable to savings realized in the second half of FY 08 due to lower than projected electricity expenditures as a result of "reverse auctions," lower than anticipated diesel fuel usage, and savings that resulted from the Governor's directive to restrict state agency spending. The Southeast Tourist Transit System account lapsed a total of \$3.0 million because delays in implementation.

Non Functional Accounts - The following lapse resulted in the non-functional accounts:

- The Debt Service account lapsed a total of \$14.8 million in FY 08. Of this total, approximately \$14.0 million was attributable to the elimination of a \$150 million Special Tax Obligation (STO) bond issuance in Fall 2007. The remaining \$0.8 million was due to lower than anticipated payments for miscellaneous fees such as arbitrage rebate and banking fees.
- The Employer Social Security Tax account lapsed a total of \$3.4 million, which was attributable to the hiring freeze and lower than anticipated overtime costs for snow and ice removal.
- The State Employees Health Service Cost account lapsed a total of \$3.8 million, which was attributable to the hiring freeze.