

Revised Policies Details - General Fund

Personal Income

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	9,829,100,000	9,829,100,000	-
April Consensus Update	-	(307,100,000)	(307,100,000)
Policy Estimates and Updates	-	(3,000,000)	(3,000,000)
Total	9,829,100,000	9,519,000,000	(310,100,000)

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	(307,100,000)	(307,100,000)

The April Consensus estimate for FY 17 is lower than the January Consensus by \$307.1 million, due to the following: A) a \$295 million decrease in the FY 16 estimate which effectively lowered the FY 17 revenue base, and B) a net reduction in the aggregate FY 17 growth rate from 2.9% to 2.8% (consisting of a reduction in the withholding growth rate from 3.0% to 2.7%, and an increase in the estimated and final payments growth rate from 2.8% to 3.1%).

It should be noted that both the January and April Consensus estimates include the revenue impact of the full phase-in of the teachers' pension exemption and single filers' exemption (\$9 million and \$10.8 million reductions, respectively), as well as the annualization of marginal rate changes (\$13.6 million reduction) and the Property Tax Credit reduction (\$12 million increase) included in PA 15-244, the FY 16 and FY 17 budget.

Policy Revisions

Extend Angel Investor Tax Credits

Governor FY 17	Legislative FY 17	Difference FY 17
-	(3,000,000)	(3,000,000)

Background: In accordance with CGS Sec. 12-704d, the credit is available to taxpayers who invest in start-up, technology-based businesses in Connecticut. Each credit equals 25% of the cash investment up to a maximum of \$250,000 in total credits for any investor. PA 10-75 established the credit for a minimum qualifying cash investment of \$100,000; PA 11-1 (OSS) reduced the minimum cash investment to \$25,000. PA 14-47 extended the sunset date to July 1, 2016.

Legislative: Extend the sunset date to July 1, 2019. Section 183 of PA 16-3 (MSS) makes this change.

Sales and Use

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	4,092,200,000	4,092,200,000	-
April Consensus Update	-	(31,100,000)	(31,100,000)
Policy Estimates and Updates	200,000	267,600,000	267,400,000
Total	4,092,400,000	4,328,700,000	236,300,000

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	(31,100,000)	(31,100,000)

The April Consensus for FY 17 is lower than the January Consensus by \$31.1 million due primarily to the lowering of the growth rates in FY 16 - FY 17. The adjustment also reflects updated projections of the transfers of sales tax to the Municipal Revenue Sharing Account and Special Transportation Fund.

Policy Revisions

Revise Minimum Bottle Pricing

Governor FY 17	Legislative FY 17	Difference FY 17
200,000	-	(200,000)

Background: CGS Sec. 30-68m establishes the minimum retail bottle price as the posted bottle price from the wholesaler.

Governor: Alter the basis for the minimum price per bottle to the actual cost paid by a retail permittee. It is anticipated that a reduction in prices will increase sales volume resulting in a net state revenue gain estimated to be \$2.1 million (\$1.9 million under the Alcoholic Beverages Tax and \$200,000 under the Sales Tax).

Legislative: Do not alter the minimum bottle price.

Eliminate Sales Tax on Parking Fees at Certain Govt. Lots

Governor FY 17	Legislative FY 17	Difference FY 17
-	(500,000)	(500,000)

Background: Section 75 of PA 15-244 (JSS) eliminated an exemption for seasonal lots operated by (1) the state or political subdivisions; (2) federal tax-exempt nonprofit organizations; and (3) nonprofit charitable hospitals, nursing homes, rest homes, residential care homes, and certain acute-care hospitals.

Legislative: Re-establish the exemption for non-metered motor vehicle parking in (1) seasonal lots with 30 or more spaces operated by the state or political subdivisions and (2) municipally-owned lots with 30 or more spaces. Section 180 of PA 16-3 (MSS) enacts this change, effective from passage.

Enhance Administration of the Sales and Use Tax

Governor FY 17	Legislative FY 17	Difference FY 17
-	5,000,000	5,000,000

Background: Existing law bars the Commissioner of the Department of Revenue Services from issuing or renewing certain licenses or permits for anyone who the Commissioner determines owes any state taxes for which all administrative or judicial remedies have expired or been exhausted.

Legislative: Require the Commissioner of the Department of Revenue Services (DRS) to make reasonable efforts to facilitate the issuance of tax warrants on "payment settlement entities" (i.e., banks or third-party settlement organizations, such as MasterCard, Paypal, and Visa) for payments they made to Connecticut retailers. In addition, prohibit the DRS commissioner from issuing or renewing a (1) cigarette dealer, distributor, or manufacturer license; (2) tobacco product distributor or unclassified importer license; or (3) sales tax seller's permit, for anyone who he determines has failed to file any required tax returns. Applicants must file or arrange to file all outstanding returns to the commissioner's satisfaction before the commissioner may issue or renew the license or permit.

Sections 182 and 198 of PA 16-3 (MSS) enact these provisions.

Eliminate FY 17 Diversion to the Muni. Revenue Sharing Acct.

Governor FY 17	Legislative FY 17	Difference FY 17
-	212,100,000	212,100,000

Background: Effective May 1, 2016, a portion of the Sales Tax is dedicated to the Municipal Revenue Sharing Account (MRSA). The MRSA rate begins at 0.3% increasing to 0.5% as of July 1, 2017 and remains at 0.5% thereafter in accordance with PA 15-244, as amended by PA 15-5 (JSS) and PA 15-1 (December Special Session). Funds in the MRSA are distributed to municipalities for the following grants: 1) supplemental Payments in Lieu of Taxes (PILOT); 2) Additional Sales Tax Grants, including grants to offset municipal revenue losses resulting from the new cap on mill rates for automobiles; and 3) Regional Councils of Government.

Legislative: Eliminate the MRSA diversion for FY 17 only. Instead, establish the Municipal Revenue Sharing Fund (MRSF), which is supported through an appropriation. Section 40 of PA 16-2 (MSS) eliminates the diversion. Sections 8,41,46, and 53 of PA 16-2 (MSS) and Section 188 of PA 16-3 (MSS) establish the MRSF and provides the appropriation for FY 17.

Reduce FY 17 Diversion to the Special Transportation Fund

Governor FY 17	Legislative FY 17	Difference FY 17
-	50,000,000	50,000,000

Background: Effective December 1, 2015, a portion of the Sales Tax is dedicated to the Special Transportation Fund (STF). The STF rate begins at 0.3% increasing to 0.5% as of July 1, 2017 and remains at 0.5% thereafter in accordance with PA 15-244, as amended by PA 15-5 (JSS) and PA 15-1 (DSS).

Legislative: Temporarily reduce transfers of Sales Tax revenues to the STF. Specifically, Section 45 of PA 16-2 (MSS) requires the Commissioner of the Department of Revenue Services to reduce FY 17 monthly transfers of Sales Tax revenues to the STF by \$4,166,667 which is approximately \$50 million in total. This reduction is effective July 1, 2016.

Reflect Enhanced Collections for Lodging

Governor FY 17	Legislative FY 17	Difference FY 17
-	1,000,000	1,000,000

Legislative: Reflect anticipated revenue gains resulting from agreement between the Department of Revenue Services (DRS) and a rental accommodations company to collect room occupancy tax from the company's rental services.

No legislative changes are required as such services are taxable under current state law. This agreement allows the DRS to enforce the tax law which had not previously been enforced on these services due to the administrative difficulties in doing so.

Corporations

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	904,600,000	904,600,000	-
April Consensus Update	-	(65,300,000)	(65,300,000)
Policy Estimates and Updates	-	-	-
Total	904,600,000	839,300,000	(65,300,000)

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	(65,300,000)	(65,300,000)

The April Consensus estimate for FY 17 is lower than the January Consensus by \$65.3 million due to the following: A) a \$66 million decrease in the FY 16 estimate which effectively lowered the FY 17 revenue base, B) a \$28.1 million adjustment to the estimated annualized impact of the Net Operating Loss and tax credit utilization limitations included in PA 15-244, the FY 16 and FY 17 budget, C) a \$25 million increase in the estimated impact of a one-time payment received in FY 16, and D) an increase in the FY 17 growth rate from 3.1% to 3.4%.

Public Service Corporations

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	295,300,000	295,300,000	-
April Consensus Update	-	(11,400,000)	(11,400,000)
Policy Estimates and Updates	-	-	-
Total	295,300,000	283,900,000	(11,400,000)

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	(11,400,000)	(11,400,000)

The April Consensus estimate for FY 17 is lower than the January Consensus by \$11.4 million due to the following: A) an \$11.6 million decrease in the FY 16 estimate which effectively lowered the FY 17 revenue base, and B) an increase in the FY 17 growth rate from 2.8% to 2.9%.

Inheritance and Estate

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	174,600,000	174,600,000	-
April Consensus Update	-	-	-
Policy Estimates and Updates	-	-	-
Total	174,600,000	174,600,000	-

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	-	-

The April Consensus estimate for FY 17 is unchanged from the January Consensus estimate as the collections data utilized in the April Consensus trended consistently with the data utilized in the January Consensus.

Insurance Companies

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	229,700,000	229,700,000	-
April Consensus Update	-	15,700,000	15,700,000
Policy Estimates and Updates	-	-	-
Total	229,700,000	245,400,000	15,700,000

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	15,700,000	15,700,000

The April Consensus estimate for FY 17 is higher than the January Consensus by \$15.7 million due to an increase in the FY 16 estimate which effectively increased the FY 17 revenue base.

Cigarettes

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	368,600,000	368,600,000	-
April Consensus Update	-	2,500,000	2,500,000
Policy Estimates and Updates	-	-	-
Total	368,600,000	371,100,000	2,500,000

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	2,500,000	2,500,000

The April Consensus estimate for FY 17 is higher than the January Consensus by \$2.5 million due to an increase in the FY 16 estimate which effectively increased the FY 17 revenue base.

Real Estate Conveyance

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	199,700,000	199,700,000	-
April Consensus Update	-	2,100,000	2,100,000
Policy Estimates and Updates	-	-	-
Total	199,700,000	201,800,000	2,100,000

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	2,100,000	2,100,000

The April Consensus estimate for FY 17 is higher than the January Consensus by \$2.1 million due to an increase in the FY 16 estimate which effectively increased the FY 17 revenue base.

Alcoholic Beverages

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	62,200,000	62,200,000	-
April Consensus Update	-	-	-
Policy Estimates and Updates	1,900,000	-	(1,900,000)
Total	64,100,000	62,200,000	(1,900,000)

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	-	-

The April Consensus estimate for FY 17 is unchanged from the January Consensus estimate as the collections data utilized in the April Consensus trended consistently with the data utilized in the January Consensus.

Policy Revisions

Revise Minimum Bottle Pricing

Governor FY 17	Legislative FY 17	Difference FY 17
1,900,000	-	(1,900,000)

Background: CGS Sec. 30-68m establishes the minimum retail bottle price as the posted bottle price from the wholesaler.

Governor: Alter the basis for the minimum price per bottle to the actual cost paid by a retail permittee. It is anticipated that a reduction in prices will increase sales volume resulting in a net state revenue gain estimated to be \$2.1 million (\$1.9 million under the Alcoholic Beverages Tax and \$200,000 under the Sales Tax).

Legislative: Do not alter the minimum bottle price.

Admissions and Dues

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	39,000,000	39,000,000	-
April Consensus Update	-	-	-
Policy Estimates and Updates	-	-	-
Total	39,000,000	39,000,000	-

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	-	-

The April Consensus estimate for FY 17 is unchanged from the January Consensus estimate as the collections data utilized in the April Consensus trended consistently with the data utilized in the January Consensus.

Health Provider

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	676,100,000	676,100,000	-
April Consensus Update	-	7,300,000	7,300,000
Policy Estimates and Updates	-	-	-
Total	676,100,000	683,400,000	7,300,000

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	7,300,000	7,300,000

The April Consensus for FY 17 is higher than the January Consensus by \$7.3 million due to higher than anticipated quarterly payments in the second quarter of FY 16, which increased the base for FY 17.

Miscellaneous Taxes

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	20,100,000	20,100,000	-
April Consensus Update	-	-	-
Policy Estimates and Updates	-	-	-
Total	20,100,000	20,100,000	-

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	-	-

The April Consensus estimate for FY 17 is unchanged from the January Consensus estimate as the collections data utilized in the April Consensus trended consistently with the data utilized in the January Consensus.

Refunds of Taxes

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	(1,101,500,000)	(1,101,500,000)	-
April Consensus Update	-	(5,000,000)	(5,000,000)
Policy Estimates and Updates	-	-	-
Total	(1,101,500,000)	(1,106,500,000)	(5,000,000)

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	(5,000,000)	(5,000,000)

The April Consensus estimate for FY 17 is higher (i.e., a negative revenue impact) than the January Consensus by \$5 million due to the following: A) an \$11 million increase in the FY 16 estimate which effectively increased the FY 17 revenue base, B) a \$6 million adjustment to reflect an anticipated delay in the receipt of revenue from a change to the Property Tax Credit enacted in PA 15-244, the FY 16 and FY 17 budget, that was not fully implemented by DRS until April of 2016, and C) a decrease in the FY 17 growth rate from 4.5% to 4.4%.

Earned Income Tax Credit

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	(133,600,000)	(133,600,000)	-
April Consensus Update	-	-	-
Policy Estimates and Updates	-	-	-
Total	(133,600,000)	(133,600,000)	-

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	-	-

The April Consensus estimate for FY 17 is unchanged from the January Consensus estimate as actual data regarding the utilization of the Earned Income Tax Credit is unavailable until after the Consensus estimate has been finalized.

R & D Credit Exchange

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	(8,500,000)	(8,500,000)	-
April Consensus Update	-	-	-
Policy Estimates and Updates	-	-	-
Total	(8,500,000)	(8,500,000)	-

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	-	-

The April Consensus estimate for FY 17 is unchanged from the January Consensus estimate as the collections data utilized in the April Consensus trended consistently with the data utilized in the January Consensus.

Transfer Special Revenue

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	351,000,000	351,000,000	-
April Consensus Update	-	-	-
Policy Estimates and Updates	-	4,500,000	4,500,000
Total	351,000,000	355,500,000	4,500,000

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	-	-

The April Consensus estimate for FY 17 is unchanged from the January Consensus estimate as the collections data utilized in the April Consensus trended consistently with the data utilized in the January Consensus.

Policy Revisions

Increase Lottery Target

Governor FY 17	Legislative FY 17	Difference FY 17
-	4,500,000	4,500,000

Legislative: Increase the projected growth of lottery transfers to the General Fund by 1.3% relative to the April Consensus figures.

Indian Gaming Payments

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	256,600,000	256,600,000	-
April Consensus Update	-	10,400,000	10,400,000
Policy Estimates and Updates	-	-	-
Total	256,600,000	267,000,000	10,400,000

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	10,400,000	10,400,000

The April Consensus estimate for FY 17 is higher than the January Consensus by \$10.4 million due to the following: A) a \$5.1 million increase in the FY 16 estimate which effectively increased the FY 17 revenue base, and B) an increase in the FY 17 growth rate from -2% to 0%.

Licenses, Permits and Fees

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	295,200,000	295,200,000	-
April Consensus Update	-	(26,200,000)	(26,200,000)
Policy Estimates and Updates	200,000	200,000	-
Total	295,400,000	269,200,000	(26,200,000)

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	(26,200,000)	(26,200,000)

The April Consensus estimate for FY 17 is lower than the January Consensus by \$26.2 million due to the following: A) a \$20 million decrease in the FY 16 estimate which effectively decreased the FY 17 revenue base, and B) a decrease in the FY 17 growth rate from 4.5% to 2.5%.

Policy Revisions

Increase Filing Fee for Labor Grievances

Governor FY 17	Legislative FY 17	Difference FY 17
200,000	200,000	-

Background: The State Board of Mediation and Arbitration within the Department of Labor reviews certain grievances or disputes with a filing fee of \$25 to be paid by each party to the grievance. By law, the board assigns each case to one of its two three-member panels, each consisting of one labor, business, and public member. The board must refund the fee if the parties agree to have the public member arbitrate the matter.

Legislative: Increase the grievance filing fee from \$25 to \$200. Section 179 of PA 16-3 (MSS) enacts this change, effective July 1, 2016.

Sales of Commodities

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	40,100,000	40,100,000	-
April Consensus Update	-	2,500,000	2,500,000
Policy Estimates and Updates	-	-	-
Total	40,100,000	42,600,000	2,500,000

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	2,500,000	2,500,000

The April Consensus estimate for FY 17 is higher than the January Consensus by \$2.5 million due to an increase in the FY 16 estimate which effectively increased the FY 17 revenue base.

Rentals, Fines and Escheats

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	128,000,000	128,000,000	-
April Consensus Update	-	-	-
Policy Estimates and Updates	-	-	-
Total	128,000,000	128,000,000	-

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	-	-

The April Consensus estimate for FY 17 is unchanged from the January Consensus estimate as the collections data utilized in the April Consensus trended consistently with the data utilized in the January Consensus.

Investment Income

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	3,400,000	3,400,000	-
April Consensus Update	-	400,000	400,000
Policy Estimates and Updates	-	-	-
Total	3,400,000	3,800,000	400,000

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	400,000	400,000

The April Consensus estimate for FY 17 is higher than the January Consensus by \$400,000 due to an increase in the FY 16 estimate which effectively increased the FY 17 revenue base.

Miscellaneous

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	179,000,000	179,000,000	-
April Consensus Update	-	40,000,000	40,000,000
Policy Estimates and Updates	-	-	-
Total	179,000,000	219,000,000	40,000,000

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	40,000,000	40,000,000

The April Consensus estimate for FY 17 is higher than the January Consensus by \$40 million due to anticipated proceeds from certain negotiated settlements, as indicated by the Office of the Attorney General.

Refunds of Payments

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	(67,100,000)	(67,100,000)	-
April Consensus Update	-	1,000,000	1,000,000
Policy Estimates and Updates	-	-	-
Total	(67,100,000)	(66,100,000)	1,000,000

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	1,000,000	1,000,000

The April Consensus estimate for FY 17 is lower (i.e., a positive revenue impact) than the January Consensus by \$1 million due to a decrease in the FY 16 estimate which effectively decreased the FY 17 revenue base.

Federal Grants

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	1,273,600,000	1,273,600,000	-
April Consensus Update	-	(10,900,000)	(10,900,000)
Policy Estimates and Updates	(4,732,433)	(5,100,000)	(367,567)
Total	1,268,867,567	1,257,600,000	(11,267,567)

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	(10,900,000)	(10,900,000)

The April Consensus estimate for FY 17 is lower than the January Consensus by \$11 million due to reductions in expenditures that receive federal Medicaid reimbursement (\$6.8 million), as well as decreases in revenue associated with SNAP, Child Support Enforcement and Title IV-E funding (\$7.6 million). These decreases are partially offset by increases in the Child Care Development Block Grant (\$1.3 million) and Workforce Investment Act grant revenue (\$2.1 million).

Policy Revisions

Reflect the Impact of Expenditure Changes on Federal Funds

Governor FY 17	Legislative FY 17	Difference FY 17
(4,732,433)	(5,100,000)	(367,567)

Background: Changes to appropriations in certain line items impact federal reimbursements which are treated as General Fund revenues.

Governor: Reduce Federal Grants by \$4,732,433 to reflect changes to appropriations. Revenue adjustments to the Department of Developmental Services (DDS) total \$4,374,598 and are related to 1) Converting state-operated Community Living Arrangements (CLAs) to privately-operated CLAs (\$3,075,188), 2) Eliminating the Early Childhood Autism Waiver (\$500,000), and 3) Transferring the Autism Services Division to the Department of Social Services Medicaid account (\$799,480). The adjustment to the Department of Social Services budget is due to reducing funding for the Connecticut Children's Medical Center (CCMC), which results in a revenue reduction of \$357,835.

Legislative: Reduce Federal Grants to reflect revised appropriations.

Transfer from Tobacco Settlement

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	104,500,000	104,500,000	-
April Consensus Update	-	-	-
Policy Estimates and Updates	-	4,000,000	4,000,000
Total	104,500,000	108,500,000	4,000,000

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	-	-

The April Consensus estimate for FY 17 is unchanged from the January Consensus estimate as the collections data utilized in the April Consensus trended consistently with the data utilized in the January Consensus.

Policy Revisions

Eliminate Biomedical Transfer beginning in FY 17

Governor FY 17	Legislative FY 17	Difference FY 17
-	4,000,000	4,000,000

Background: The Biomedical Research Trust Fund (BRTF) was established by PA 00-216 as a separate nonlapsing fund that can accept transfers from the Tobacco Settlement Fund and receive gifts, grants or donations from public or private sources. The Commissioner of Public Health awards grants-in-aid from the Fund to eligible institutions for the purpose of supporting biomedical research in the fields of heart disease, cancer and other tobacco-related diseases, Alzheimer's disease, stroke, and diabetes. PA 13-208 authorized not more than 2% of the total available amount held in the BRTF to be made available to the Department of Public Health for administration expenses relating to the Fund, such as determining and awarding grants-in-aid.

Legislative: Permanently eliminate the transfer of Tobacco Settlement Funds to the Biomedical Research Trust Fund, effective July 1, 2016. Section 11 of PA 16-2 (MSS) enacts this provision.

Transfers From/To Other Funds

Revenue Components	Governor FY 17	Legislative FY 17	Difference FY 17
January Consensus	(61,400,000)	(61,400,000)	-
April Consensus Update	-	(25,000,000)	(25,000,000)
Policy Estimates and Updates	4,200,000	(131,900,000)	(136,100,000)
Total	(57,200,000)	(218,300,000)	(161,100,000)

April Consensus Update

Governor FY 17	Legislative FY 17	Difference FY 17
-	(25,000,000)	(25,000,000)

FY 16 deficit mitigation actions in March 2016 altered the amount of transfers to FY 17 included in the original biennial budget. In particular: 1) the Governor exercised the authority granted to him by PA 15-1 (December Special Session) to eliminate the remainder of the \$25 million General Fund transfer from FY 16 to FY 17 (\$18 million of this transfer remained subsequent to PA 15-1); and Section 18 of PA 16-1 credited the FY 16 General Fund rather than FY 17 with a \$7 million transfer from the Citizens' Election Fund.

Policy Revisions

Reflect Appropriations Adjustment to the Pequot/Mohegan Fund

Governor FY 17	Legislative FY 17	Difference FY 17
3,500,000	3,700,000	200,000

Background: The Mashantucket Pequot/Mohegan Fund annually distributes a grant to each of the state's 169 municipalities. The Pequot fund receives casino gaming revenue that otherwise would be deposited into the General Fund. Revenue deposited into the Pequot fund is distributed based on numerous factors including, but not limited to, the value of state-owned property, and private college and general hospital property, population, equalized net grand list, and per capita income as set forth in Sections 3-55i, j, and k of the Connecticut General Statutes. Pursuant to CGS Sec. 3-55i, as amended by PA 15-244, the transfer from the General Fund to the Mashantucket Pequot/Mohegan Fund must be, "equal to the appropriation," for the Pequot/Mohegan Fund Grants.

Governor: In accordance with CGS Sec. 3-55i, adjust the transfer out of the General Fund to the Pequot/Mohegan fund to reflect a \$3.7 million reduction in appropriations to the Pequot/Mohegan Fund. Section 3 of PA 16-2 (MSS) reduces, from \$61.8 million to \$58.1 million, appropriations for Pequot/Mohegan Fund grants within the agency budget of the Office of Policy and Management.

Eliminate THTF Support of Asthma Awareness Program

Governor FY 17	Legislative FY 17	Difference FY 17
300,000	300,000	-

Background: PA 15-244, the FY 16 and FY 17 Biennial Budget, authorized a transfer of \$150,000 from the THTF to DPH for an Asthma Outreach and Education Program in both fiscal years. THTF funding intended for this program in FY 16 was not transferred out of the THTF. The contractor did not receive funding.

Governor: Eliminate funding for the Asthma Outreach and Education Program in both FY 16 and FY 17 (\$150,000 in each fiscal year). Transfer \$300,000 from the THTF to the resources of the General Fund in FY 17.

Legislative: Same as Governor. Sections 18 and 19 of PA 16-2 (MSS) implement this policy change.

Eliminate THTF Support of Easy Breathing Programs

Governor FY 17	Legislative FY 17	Difference FY 17
400,000	400,000	-

Background: Section 39(a) of PA 15-244, the FY 16 and FY 17 Biennial Budget, included a funding transfer of \$400,000 in both fiscal years from the Tobacco and Health Trust Fund (THTF) to the Department of Public Health (DPH) to support an adult asthma Easy Breathing program (\$150,000) and a children's asthma Easy Breathing program (\$250,000). Bridgeport Hospital operates the adult Easy Breathing program and Connecticut Children's Medical Center operates the children's Easy Breathing program.

Governor: Eliminate funding for Easy Breathing. Transfer \$400,000 from the THTF to the resources of the General Fund in FY 17.

Legislative: Same as Governor. Transfer \$400,000 from the THTF to the resources of the General Fund in FY 17. Provide funding of \$400,000 from the Biomedical Research Trust Fund to DPH's Children's Health Initiatives account to support an adult asthma Easy Breathing program (\$150,000) and a children's asthma Easy Breathing program (\$250,000). Section 9(b) of PA 16-2 MSS, the FY 17 Revised Budget bill, implements this change. Sections 18 and 19 of PA 16-2 (MSS) implement this change.

Transfer from Regional Greenhouse Gas Initiative (RGGI)

Governor FY 17	Legislative FY 17	Difference FY 17
-	3,300,000	3,300,000

Background: RGGI is a regional interstate "cap and trade" program to reduce greenhouse gas emissions. The program subjects the region's power plants to a declining cap on the amount of CO2 they can emit and requires them to purchase emission allowances at quarterly auctions. Those that exceed the cap may also buy credits from those that do not. The proceeds from the auction sales fund energy efficiency and renewable energy programs. Quarterly auction proceeds are \$6 million on average and are distributed approximately as follows: 69% to conservation and load management programs that the electric utilities administer; 23% for renewables programs that the CT Green Bank administers; and 7.5% to cover program dues and program administration by Connecticut's Department of Energy and Environmental Protection.

Legislative: Transfer \$3.3 million from the proceeds of the RGGI auction occurring on or after January 1, 2017 for deposit in the General Fund in FY 17. Once the \$3.3 million has been transferred, any subsequent auction proceeds must be calculated and allocated as required by current law and regulations. Section 181 of PA 16-3 (MSS) enacts this change.

Delay Amortization of FY 14 Negative Growth in GAAP Deficit

Governor FY 17	Legislative FY 17	Difference FY 17
-	9,100,000	9,100,000

Background: In accordance with Sections 8-11 of PA 15-1 (December Special Session) the \$108.7 million growth in the GAAP deficit between FY 13 and FY 14 must be amortized between FY 17 and FY 28 (12 fiscal years) through a set aside of General Fund revenues. These set asides are in addition to the revenue amounts needed to: 1) balance the budget; and 2) amortize the \$618.5 million (\$47.6 million per year over 13 fiscal years) GAAP deficit as of the close of FY 13 subsequent to the receipt of \$598.5 million in proceeds from the issuance of GAAP Conversion Bonds authorized by CGS Section 3-20h.

Legislative: Delay amortization of the \$108.7 million until FY 18, reducing the amortization to 11 fiscal years. Section 184 of PA 16-3 (MSS) enacts this change, which will increase the approximate annual amounts required from \$9.1 million to \$9.9 million.

Divert Tobacco Settlement FY 16 Surplus

Governor FY 17	Legislative FY 17	Difference FY 17
-	4,000,000	4,000,000

Background: In accordance with CGS Sec. 4-28e (c)(3), annual revenues from the Tobacco Settlement Fund in excess of the budgeted diversion to the General Fund are deposited into the Tobacco Health Trust Fund.

Legislative: Deposit up to \$4 million of excess revenues into the General Fund rather than the Tobacco Health Trust Fund. Section 10 of PA 16-2 (MSS) enacts this provision.

Transfer from Betting Taxes Account

Governor FY 17	Legislative FY 17	Difference FY 17
-	500,000	500,000

Background: Under an obsolete provision of statute, formerly CGS Sec. 12-575(g), tax revenues from off-track betting have been deposited into the apparently defunct Betting Taxes Account. There have been no expenditures from the account for several years. The Department of Consumer Protection administers the account.

Legislative: Transfer \$500,000 from the Betting Taxes Account to the General Fund. Section 14 of PA 16-2 (MSS) enacts the transfer, which effectively reduces the account balance to zero.

Transfer from FY 16 Municipal Revenue Sharing Account

Governor FY 17	Legislative FY 17	Difference FY 17
-	22,800,000	22,800,000

Background: Pursuant to PA 15-5, it is anticipated that approximately \$35 million in sales tax revenue will be deposited into the Municipal Revenue Sharing Account (MRSA) in FY 16. Of this amount, approximately \$10 million will be used to supplement FY 16 Education Cost Sharing grants to towns, and about \$1 million will be used for earmarks to various towns.

Legislative: Credit the \$22.8 million FY 16 balance of MRSA to the General Fund in FY 17. Section 44 of PA 16-2 (MSS) enacts this transfer.

Transfer from Individual Development Account

Governor FY 17	Legislative FY 17	Difference FY 17
-	200,000	200,000

Background: In accordance with CGS Sec. 31-51zz and CGS Sec. 31-51-aaa, the account is authorized to support grants to community organizations for grants to low-income participants in the Individual Development Account (IDA) program which encourages low wage earners to save. The Connecticut Department of Labor administers the IDA program.

Legislative: Transfer \$200,000 from the IDA Reserve Fund to the General Fund. Section 29 of PA 16-2 (MSS) enacts the transfer.

Transfer from Municipal Video Competitiveness Account

Governor FY 17	Legislative FY 17	Difference FY 17
-	2,000,000	2,000,000

Background: Pursuant to CGS Sec. 16-331bb, the State Comptroller must deposit into the Municipal Video Competition Trust Account up to \$5 million each fiscal year from the Gross Earning Tax established under CGS Sec. 12-256 on certified competitive video service providers (i.e., certain cable TV companies). The amount deposited is then distributed to municipalities in which such companies are located for the purpose of property tax relief. The FY 14 and FY 15 budget eliminated the annual revenue diversion to the account entirely in each year of the 2014-2015 Biennium.

Section 98 of PA 15-244 permanently reduced, from \$5 million to \$2 million, the statutory annual deposit into the Municipal Video Competition Trust Account and allowed \$3 million to remain in the General Fund.

Section 14 of PA 16-1 transferred \$2 million from the Municipal Video Competition Trust Account to the General Fund to help mitigate the FY 16 deficit in the General Fund.

Legislative: Transfer the remaining FY 17 revenue from the Municipal Video Competition Trust Account to the General Fund in FY 17. Section 27 of PA 16-2 (MSS) enacts this transfer.

Transfer from the School Bus Seat Belt Account

Governor FY 17	Legislative FY 17	Difference FY 17
-	2,000,000	2,000,000

Background: The account was established in 2011 and is authorized by CGS Sec. 14-50b. Revenue to the account is generated from a portion (\$50 of the \$175 total) of the restoration fee for a motor vehicle operator's license or registration payable to the Commissioner of the Department of Motor Vehicles from any person whose license or registration has been suspended or revoked and seeks to have such license or registration restored. No funds have been spent from the account to date.

Section 13 of PA 15-1 (DSS) transferred \$2 million from the School Bus Seat Belt Account to the General Fund to help mitigate the projected FY 16 deficit in the General Fund.

Legislative: Transfer \$2 million from the School Bus Seat Belt Account to the General Fund. Section 28 of PA 16-2 (MSS) enacts the transfer, which is approximately equal to the FY 16 year-end balance in the account. Annual revenues to the account, which are unaffected by this policy, are approximately \$2 million.

Transfer from the Community Investment Act (CIA) Fund

Governor FY 17	Legislative FY 17	Difference FY 17
-	1,000,000	1,000,000

Background: The Community Investment Act account (CIA) provides funding for: 1) agricultural sustainability; 2) historic preservation; 3) municipal Open Space grants; and 4) various other agricultural activities, including grants to nonprofit organizations. The account is funded through land use recording fees (the account receives \$26 of every \$30 recording fee imposed with municipalities retaining \$4). The account was established by PA 05-228 and does not lapse funds. On a quarterly basis funds are distributed according to a schedule under CGS Sec. 4-66aa.

The estimated balance of the account as of 6/1/16 was \$26.5 million.

Section 93 of PA 15-244 diverts 100% of quarterly payments associated with the CIA into the General Fund from January 1, 2016 to June 30, 2017. In addition, Section 8 of PA 15-1 (December Special Session) transfers \$6 million from the balance of the CIA fund. Further, Section 8 specifies that the \$6 million sum shall be achieved by reducing proportionally the amount of each distribution specified in subsection (a) of CGS Sec. 4-66aa, except the distribution for the agriculture sustainability account, established pursuant to CGS Sec. 4-66cc.

Legislative: Credit \$1 million of the existing CIA Fund balance to the General Fund in FY 17. Such sum shall be achieved by reducing proportionally the amount of each distribution specified in subsection (a) of CGS Sec. 4-66aa. Section 12 of PA 16-2 (MSS) enacts this transfer.

Transfer from the Emissions Enterprise Fund

Governor FY 17	Legislative FY 17	Difference FY 17
-	1,600,000	1,600,000

Background: This fund is used to operate the statewide system to enforce emissions standards. CGS Sec. 14-164m transfers \$6.5 million annually from the Special Transportation Fund to the Emissions Enterprise Fund and specifies the sources of revenues to be diverted for the program: CGS Sec. 14-49b (Motor Vehicle Registration Renewal Fees) and CGS Sec. 14-164c (Fees and Penalties related to Inspections and Standards under the Emissions System).

Section 13 of PA 15-1 (DSS) transferred \$8 million from the Emissions Enterprise Fund to the General Fund to help mitigate the projected FY 16 deficit in the General Fund.

Legislative: Transfer \$1.6 million from the Enterprise Emissions Fund to the General Fund in FY 17. Section 13 of PA 16-2 (MSS) enacts this transfer.

Transfer from Wage and Workplace Violation Account

Governor FY 17	Legislative FY 17	Difference FY 17
-	200,000	200,000

Background: Title 31 of the Connecticut General Statutes provides that civil penalties collected by the Labor Department for violation of various wage and workplace laws be placed in a separate non-lapsing account within the General Fund to be used to defray the costs of enforcing said laws.

Legislative: Transfer \$200,000 from the Wage and Workplace Standards - Penalty Fund to the General Fund. Section 30 of PA 16-2 (MSS) enacts this transfer.

Transfer from the Biomedical Research Trust Fund

Governor FY 17	Legislative FY 17	Difference FY 17
-	2,000,000	2,000,000

Background: The fund has an estimated balance of \$5.9 million.

Legislative: Transfer \$2 million of the remaining balance of the Biomedical Research Trust Fund to the General Fund. Section 9 of PA 16-2 (MSS) enacts this provision.

Transfer to New Muni. Revenue Sharing Fund

Governor FY 17	Legislative FY 17	Difference FY 17
-	(185,000,000)	(185,000,000)

Legislative: In conjunction with the policy to eliminate the MRSA rate temporarily FY 17 (only), which is explained in more detail under the write up entitled, "Eliminate FY 17 Diversion to the Muni. Revenue Sharing Acct.," provide an appropriation of \$185 million to the newly established Municipal Revenue Sharing Fund (MRSF) with a transfer of \$185 million from the General Fund. The net impact to the General Fund from these two adjustments is a \$27 million revenue gain. In addition, the \$22.8 million transfer from the MRSA balance in FY 16 to the General Fund in FY 17 yields a net positive to the General Fund of approximately \$49.8 million. Section 46 of PA 16-2 (MSS) enacts this policy.
