

PART I. OVERVIEW

Section I. The FY 20 and FY 21 Biennial Budget

The Connecticut General Assembly was faced with projected General Fund deficits totaling \$1.08 billion in FY 20 and \$1.56 billion in FY 21. The majority of the projected budget shortfalls are eliminated as a result of \$1.06 billion in revenue changes in FY 20 and \$1.46 billion in revenue changes in FY 21 (see **Table 1.1** for further detail). PA 19-117, the budget act, also made revenue and expenditure adjustments to the Special Transportation Fund, and the other appropriated funds, to align revenues and expenditures across all other appropriated funds.

Table 1.1 Development of the FY 20 and FY 21 Budget
In Millions of Dollars

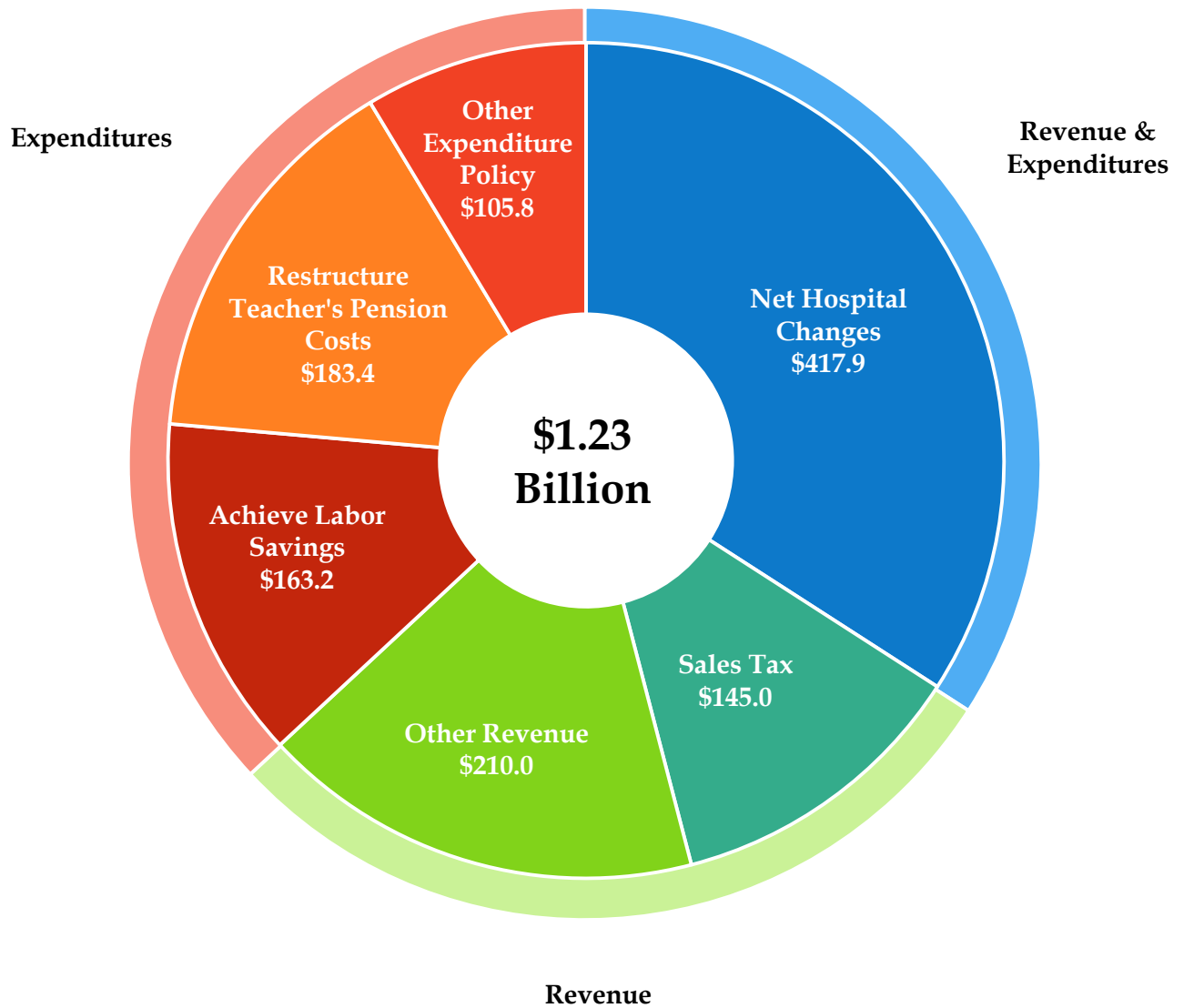
Components	General Fund		Special Transportation Fund		Other Appropriated Funds		All Appropriated Funds	
	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21
Base Estimates¹								
Revenue	18,400.5	18,689.8	1,808.0	1,909.2	254.6	266.5	20,463.1	20,865.5
Appropriations	19,485.5	20,251.3	1,721.4	1,832.3	256.8	263.7	21,463.7	22,347.2
Beginning Balance	(1,085.0)	(1,561.5)	86.6	76.9	(2.2)	2.8	(1,000.6)	(1,481.7)
Budget Changes								
+ Revenue	1,059.7	1,458.4	(84.6)	(77.9)	4.9	4.0	980.0	1,384.5
- Appropriations	(166.4)	(269.3)	(11.1)	(16.0)	(0.9)	4.1	(178.4)	(281.2)
Net Change	1,226.1	1,727.7	(73.5)	(61.9)	5.8	(0.1)	1,158.4	1,665.7
Final Budget								
Revenue	19,460.2	20,148.2	1,723.4	1,831.3	259.5	270.5	21,443.1	22,250.0
Appropriations	19,319.1	19,982.0	1,710.3	1,816.3	255.9	267.8	21,285.2	22,066.1
BUDGET BALANCE²	141.1	166.2	13.1	15.0	3.6	2.7	157.9	183.9

¹Base Estimates: Revenue according to April Consensus Revenue; Appropriations equal to FY 19 net appropriations plus current services updates contained in the FY 20 and FY 21 Biennial Budget.

² Section 50 of PA 19-117 allocates \$30 million from the General fund in FY 20 associated with a court settlement between the state and hospitals thus reducing the FY 20 General Fund balance to \$111.1 million.

The FY 20 and FY 21 Budget includes net policy changes of over \$1.2 billion in the General Fund to bring the FY 20 budget into balance. The graphic on the following page categorizes these changes into three areas: (1) expenditures, (2) revenue, and (3) a combination of revenue and expenditures (net hospital changes). The most substantial policies include changes related to how hospitals are taxed and reimbursed for Medicaid services and the restructuring of both the State Employee (reflected under the Achieve Labor Savings category) and Teacher's Retirement Systems.

Table 1.2 Net Impact of All Policy Changes in the FY 20 General Fund Budget
In Millions of Dollars



The Spending Cap and Budget Growth

The FY 20 Budget is 2.1% greater than the FY 19 Revised Budget and under the spending cap by approximately \$200,000. The FY 21 Budget is 3.7% greater than the FY 20 budget. It is under the spending cap by approximately \$5 million.