

General Government B
Coordinator – Lauren Goulet
Office of Fiscal Analysis

	Page #	Analyst	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov - App FY 26
					FY 26	FY 27	FY 26	FY 27	
General Fund									
State Treasurer	3	EMG, CR	3,425,165	3,908,163	4,045,874	4,045,874	3,895,874	3,895,874	(0.31)
Debt Service - State Treasurer	4	EMG, CR	2,759,974,014	2,594,372,994	2,552,738,624	2,695,958,545	2,509,626,458	2,591,794,241	(3.27)
State Comptroller	6	NN	44,631,763	35,694,433	39,235,451	39,392,022	43,238,027	43,238,027	21.13
State Comptroller - Miscellaneous	8	NN	105,226,520	38,998,570	38,998,570	38,998,570	31,931,561	33,347,395	(18.12)
State Comptroller - Fringe Benefits	10	NN	3,370,082,285	3,392,576,245	3,763,726,430	4,014,234,574	3,515,288,438	3,650,167,552	3.62
Department of Revenue Services	15	CW	52,058,426	66,339,356	71,978,688	72,543,688	59,633,562	59,732,530	(10.11)
Office of Policy and Management	17	LG	47,356,710	112,885,758	60,530,164	60,530,164	84,208,664	179,208,664	(25.40)
Reserve for Salary Adjustments	22	WL	10,288,171	48,184,698	175,230,923	349,500,042	118,165,598	222,551,369	145.23
Department of Administrative Services	23	WL	213,680,988	203,097,617	240,924,879	247,152,704	292,487,717	292,493,217	44.01
Workers' Compensation Claims - Administrative Services	29	WL	93,462,903	99,748,643	99,748,643	99,748,643	97,148,643	97,148,643	(2.61)
Attorney General	31	ME	34,985,850	38,856,741	40,361,957	40,361,957	39,384,803	39,500,139	1.36
Total - General Fund			6,735,172,795	6,634,663,218	7,087,520,203	7,662,466,783	6,795,009,345	7,213,077,651	2.42
Special Transportation Fund									
Debt Service - State Treasurer	4	EMG, CR	862,969,139	951,115,534	947,320,357	1,056,978,787	914,650,787	1,025,610,574	(3.83)
State Comptroller - Miscellaneous	8	NN	4,060,804	3,800,359	3,800,359	3,800,359	2,610,951	2,726,720	(31.30)
State Comptroller - Fringe Benefits	10	NN	261,503,790	263,093,929	270,293,106	276,030,110	267,346,843	262,821,519	1.62
Office of Policy and Management	17	LG	598,064	740,945	770,498	770,498	770,498	770,498	3.99
Reserve for Salary Adjustments	22	WL	-	7,736,356	11,910,597	23,907,374	10,868,037	19,864,541	40.48
Department of Administrative Services	23	WL	23,663,400	18,671,208	21,925,596	23,627,151	22,025,596	22,025,596	17.97
Workers' Compensation Claims - Administrative Services	29	WL	7,957,893	6,723,297	6,723,297	6,723,297	6,723,297	6,723,297	-
Total - Special Transportation Fund			1,160,753,090	1,251,881,628	1,262,743,810	1,391,837,576	1,224,996,009	1,340,542,745	(2.15)
Mashantucket Pequot and Mohegan Fund									
Office of Policy and Management	17	LG	52,420,137	52,541,796	52,541,796	52,541,796	52,541,796	52,541,796	-
Banking Fund									
State Comptroller - Miscellaneous	8	NN	109,509	192,800	192,800	192,800	127,767	133,432	(33.73)
Department of Administrative Services	23	WL	1,053,803	975,283	1,081,186	1,160,204	1,081,186	1,081,186	10.86
Total - Banking Fund			1,163,312	1,168,083	1,273,986	1,353,004	1,208,953	1,214,618	3.50
Insurance Fund									
State Comptroller - Miscellaneous	8	NN	(795,749)	352,916	352,916	352,916	191,273	199,753	(45.80)
Office of Policy and Management	17	LG	423,793	646,150	657,181	657,181	657,181	657,181	1.71

	Page #	Analyst	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov - App FY 26
					FY 26	FY 27	FY 26	FY 27	
Management									
Department of Administrative Services	23	WL	1,995,231	1,998,672	2,119,486	2,165,889	2,076,916	2,076,916	3.91
Total - Insurance Fund			1,623,275	2,997,738	3,129,583	3,175,986	2,925,370	2,933,850	(2.41)
Consumer Counsel and Public Utility Control Fund									
State Comptroller - Miscellaneous	8	NN	85,803	193,293	193,293	193,293	138,975	145,137	(28.10)
Office of Policy and Management	17	LG	269,036	392,665	398,470	398,470	398,470	398,470	1.48
Department of Administrative Services	23	WL	177,170	198,707	184,308	189,727	184,308	184,308	(7.25)
Total - Consumer Counsel and Public Utility Control Fund			532,009	784,665	776,071	781,490	721,753	727,915	(8.02)
Workers' Compensation Fund									
State Comptroller - Miscellaneous	8	NN	15,967	107,617	107,617	107,617	72,954	76,188	(32.21)
Department of Administrative Services	23	WL	1,333,199	1,499,233	1,392,226	1,450,262	1,392,226	1,392,226	(7.14)
Total - Workers' Compensation Fund			1,349,166	1,606,850	1,499,843	1,557,879	1,465,180	1,468,414	(8.82)
Criminal Injuries Compensation Fund									
State Comptroller - Miscellaneous	8	NN	149,166	-	-	-	-	-	n/a
Cannabis Social Equity and Innovation Fund									
State Comptroller - Miscellaneous	8	NN	56,416	-	-	-	-	-	n/a
Cannabis Prevention and Recovery Services Fund									
State Comptroller - Miscellaneous	8	NN	18,650	-	-	-	-	-	n/a
Cannabis Regulatory Fund									
State Comptroller - Miscellaneous	8	NN	245,666	-	-	-	-	-	n/a
Department of Revenue Services	15	CW	36,892	484,188	484,188	484,188	-	-	(100.00)
Attorney General	31	ME	345,137	396,362	407,309	407,309	-	-	(100.00)
Total - Cannabis Regulatory Fund			627,695	880,550	891,497	891,497	-	-	(100.00)
Municipal Revenue Sharing Fund									
Office of Policy and Management	17	LG	573,537,355	568,645,047	558,070,241	558,070,241	554,309,674	554,309,674	(2.52)
Total - Appropriated Funds			8,527,403,066	8,515,169,575	8,968,447,030	9,672,676,252	8,633,178,080	9,166,816,663	1.39

State Treasurer OTT14000

Permanent Full-Time Positions

Fund	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
General Fund	45	45	45	45	45	45	-
Special Transportation Fund	1	1	1	1	1	1	-

Budget Summary

Account	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Personal Services	3,152,797	3,548,309	3,686,020	3,686,020	3,536,020	3,536,020	(0.35)
Other Expenses	272,368	359,854	359,854	359,854	359,854	359,854	-
Agency Total - General Fund	3,425,165	3,908,163	4,045,874	4,045,874	3,895,874	3,895,874	(0.31)

Account	Governor Recommended	
	FY 26	FY 27

Current Services

Adjust Funding to Reflect Current Requirements

Personal Services	(150,000)	(150,000)
Total - General Fund	(150,000)	(150,000)

Governor

Reduce funding by \$150,000 in FY 26 and FY 27 to reflect current agency requirements.

Annualize the Cost of Existing Wage Agreements

Personal Services	137,711	137,711
Total - General Fund	137,711	137,711

Background

The Governor's Recommended Budget provides funding of \$124.4 million in FY 26 and FY 27, across nine appropriated funds, to reflect current wage-related adjustments resulting from existing wage agreements.

Governor

Provide funding of \$137,711 in FY 26 and FY 27 to reflect this agency's increased wage costs.

Totals

Budget Components	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - GF	3,908,163	3,908,163
Current Services	(12,289)	(12,289)
Total Recommended - GF	3,895,874	3,895,874

Debt Service - State Treasurer OTT14100

Budget Summary

Account	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Other Current Expenses							
Debt Service	2,185,333,369	1,985,729,226	2,009,726,862	2,130,653,800	1,982,214,696	2,041,951,996	(0.18)
UConn 2000 - Debt Service	205,492,442	226,542,388	224,283,862	228,811,362	209,033,862	213,698,862	(7.73)
CHEFA Day Care Security	3,643,210	4,000,000	4,350,000	4,350,000	4,000,000	4,000,000	-
Pension Obligation Bonds - TRB	315,671,921	330,190,921	268,251,771	284,364,458	268,251,771	284,364,458	(18.76)
Grant Payments to Local Governments							
Municipal Restructuring	49,833,072	47,910,459	46,126,129	47,778,925	46,126,129	47,778,925	(3.72)
Agency Total - General Fund	2,759,974,014	2,594,372,994	2,552,738,624	2,695,958,545	2,509,626,458	2,591,794,241	(3.27)
Debt Service							
	862,969,139	951,115,534	947,320,357	1,056,978,787	914,650,787	1,025,610,574	(3.83)
Agency Total - Special Transportation Fund	862,969,139	951,115,534	947,320,357	1,056,978,787	914,650,787	1,025,610,574	(3.83)
Total - Appropriated Funds	3,622,943,153	3,545,488,528	3,500,058,981	3,752,937,332	3,424,277,245	3,617,404,815	(3.42)

Account	Governor Recommended	
	FY 26	FY 27

Policy Revisions

Maintain Current Treatment of General Obligation Bond Premium

Debt Service	(20,000,000)	(60,000,000)
Total - General Fund	(20,000,000)	(60,000,000)

Background

Bond premium represents additional funding investors provide when bonds are issued in order to secure desired terms, and result in additional funds being made available to the state beyond the underlying value of the bonds.

In general, bond premium can either be used for projects - reducing the amount of bonds that need to be issued - or can be used to offset a portion of debt service costs for two to three years after the bonds are issued. Current statute (C.G.S. 3-20j) requires that premium generated from the state's most common General Obligation (GO) bonds, tax exempt fixed rate bonds, be used to offset General Fund debt service costs for bonds issued prior to FY 26 and that premium related to GO bonds issued in FY 26 and beyond would be made available for projects. Bonds backed by the Special Transportation Fund and bonds for the UConn 2000 program both use premium for project costs.

Premium proceeds are dependent on market conditions and the state's credit position. Current service debt service projections for FY 26 and FY 27 include savings generated from premiums in CY 23 and CY 24 bond issuances. Recent market factors, especially higher market interest rates, have limited the availability of bond premium.

Governor

Reduce debt service appropriations by \$20 million in FY 26 and \$60 million in FY 27 to reflect in-biennium savings as a result of delaying statutory requirements regarding the continued use of premium for current debt service requirements. The Governor's proposed change would delay the requirement that bond premiums be used for projects beginning in FY 26 to FY 28.

Account	Governor Recommended	
	FY 26	FY 27

Current Services

Reflect Debt Service Requirements

Debt Service	16,485,470	116,222,770
UConn 2000 - Debt Service	(17,508,526)	(12,843,526)
Pension Obligation Bonds - TRB	(61,939,150)	(45,826,463)
Municipal Restructuring	(1,784,330)	(131,534)
Total - General Fund	(64,746,536)	57,421,247
Debt Service	(36,464,747)	74,495,040
Total - Special Transportation Fund	(36,464,747)	74,495,040

Background

Debt service reflects the state's obligation to make payments on services and goods provided in previous years. In FY 26, over 90 percent of the projected baseline debt service payment is to repay bonds that were issued prior to FY 25. Market conditions changed considerably from 2021 to 2023, including rising interest rates that have been partially offset by improvements in the State's credit rating decreases in General Obligation bond issuance.

Bond spending in previous years relates to debt service payments in the current biennium, as payments are made on issued bonds. General Fund-backed bond spending increased from \$1.5 billion in FY 13 to a peak of \$2.4 billion in FY 16. Spending has since declined to under \$1.3 billion in FY 23, before increasing to over \$1.6 billion in FY 24.

With an extension of the UConn 2000 program during the 2024 session, UConn 2000 debt service is expected to plateau at around \$230 million between FYs 29-30. The program includes new bond authorizations annually through FY 31.

The municipal restructuring debt service changes reflect the contractually adopted debt repayment schedule, which peaked at \$56.3 million in FY 21. After an uptick from FY 26 to FY 27, annual payments decline through the rest of the contract period (FY 36).

In Fall 2008, \$2.3 billion of Pension Obligation Bonds (POBs) were issued to provide an influx of funding to the Teachers Retirement Fund. The bonds were issued with a back-loaded debt service repayment schedule - over the first 15 years of repayment (FY 09 through FY 23), the state paid less than \$1.9 billion towards the bonds (\$133 million annual average), while the debt service schedule over the last 9 years of the contract (FY 24 through FY 32) anticipates \$2.9 billion of payments remaining (\$322 million annual average). That original repayment schedule includes a decrease from \$331 million in FY 25 to \$268.5 million in FY 26. Payments increase annually between \$15 to \$21 million starting in FY 27.

Transportation debt service reflects the ramp up of Special Tax Obligation (STO) bond issuance from an annual average of approximately \$350 million from FY 06 through FY 12 to approximately \$710 million from FY 13 through FY 22. Current service estimates for STF debt assume a ramp up of STO bond issuances from \$1 billion FY 25 to \$1.3 billion in FY 26 and \$1.4 billion annually thereafter. Increased STO issuance and increasing interest rates both contribute to rising debt service repayment requirements.

Governor

Adjust funding in FY 26 and FY 26 to reflect debt repayment schedule, based on prior and projected bond spending.

Totals

Budget Components	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - GF	2,594,372,994	2,594,372,994
Policy Revisions	(20,000,000)	(60,000,000)
Current Services	(64,746,536)	57,421,247
Total Recommended - GF	2,509,626,458	2,591,794,241
FY 25 Appropriation - TF	951,115,534	951,115,534
Current Services	(36,464,747)	74,495,040
Total Recommended - TF	914,650,787	1,025,610,574

State Comptroller OSC15000

Permanent Full-Time Positions

Fund	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
General Fund	284	284	284	284	291	291	2.46

Budget Summary

Account	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Personal Services	26,704,224	28,513,099	30,829,359	30,829,359	30,471,027	30,471,027	6.87
Other Expenses	17,607,274	7,181,334	8,406,092	8,562,663	12,767,000	12,767,000	77.78
Other Current Expenses							
CT Premium Pay Account	320,265	-	-	-	-	-	n/a
Agency Total - General Fund	44,631,763	35,694,433	39,235,451	39,392,022	43,238,027	43,238,027	21.13

Account	Governor Recommended	
	FY 26	FY 27

Policy Revisions

Transfer Paraeducator Healthcare Funding from SDE to OSC

Other Expenses	5,000,000	5,000,000
Total - General Fund	5,000,000	5,000,000

Background

PA 23-204 originally allocated \$5 million in carry forward funds in FY 24 and FY 25 to the Office of the State Comptroller (OSC), and appropriated \$5 million to the State Department of Education (SDE) in FY 25 to establish subsidies to paraeducators for certain health insurance and health care related costs. PA 24-81 expanded this program and required OSC and SDE to enter into an MOU to allow the Comptroller to use the appropriated funds as OSC administers this program.

Governor

Transfer \$5 million in FY 26 and FY 27 from SDE to OSC for the paraeducator healthcare subsidy program.

Transfer Timekeeping Staff and Operational Costs from DAS to OSC

Personal Services	716,864	716,864
Other Expenses	585,666	585,666
Total - General Fund	1,302,530	1,302,530
Positions - General Fund	7	7

Background

The Department of Administrative Services (DAS) is currently responsible for support of the Kronos timekeeping system. Consistent with an existing interagency agreement between the agencies, this proposal would transfer funding for the staff supporting Kronos to the Office of the State Comptroller (OSC).

Governor

Transfer 7 positions and \$1.3 million in both FY 26 and FY 27 from DAS to OSC.

Account	Governor Recommended	
	FY 26	FY 27

Current Services

Annualize the Cost of Existing Wage Agreements

Personal Services	1,241,064	1,241,064
Total - General Fund	1,241,064	1,241,064

Background

The Governor’s Recommended Budget provides funding of \$124.4 million in FY 26 and FY 27, across nine appropriated funds, to reflect current wage-related adjustments resulting from existing wage agreements.

Governor

Provide funding of \$1.2 million in FY 26 and FY 27 to reflect this agency’s increased wage costs.

Totals

Budget Components	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - GF	35,694,433	35,694,433
Policy Revisions	6,302,530	6,302,530
Current Services	1,241,064	1,241,064
Total Recommended - GF	43,238,027	43,238,027

Positions	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - GF	284	284
Policy Revisions	7	7
Total Recommended - GF	291	291

State Comptroller - Miscellaneous

OSC15100

Budget Summary

Account	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Other Current Expenses							
Adjudicated Claims	56,999,044	-	-	-	-	-	n/a
Nonfunctional - Change to Accruals	48,227,476	38,998,570	38,998,570	38,998,570	31,931,561	33,347,395	(18.12)
Agency Total - General Fund	105,226,520	38,998,570	38,998,570	38,998,570	31,931,561	33,347,395	(18.12)
Nonfunctional - Change to Accruals							
Agency Total - Special Transportation Fund	4,060,804	3,800,359	3,800,359	3,800,359	2,610,951	2,726,720	(31.30)
Nonfunctional - Change to Accruals							
Agency Total - Banking Fund	109,509	192,800	192,800	192,800	127,767	133,432	(33.73)
Nonfunctional - Change to Accruals							
Agency Total - Insurance Fund	(795,749)	352,916	352,916	352,916	191,273	199,753	(45.80)
Nonfunctional - Change to Accruals							
Agency Total - Consumer Counsel and Public Utility Control Fund	85,803	193,293	193,293	193,293	138,975	145,137	(28.10)
Nonfunctional - Change to Accruals							
Agency Total - Workers' Compensation Fund	15,967	107,617	107,617	107,617	72,954	76,188	(32.21)
Nonfunctional - Change to Accruals							
Agency Total - Criminal Injuries Compensation Fund	149,166	-	-	-	-	-	n/a
Nonfunctional - Change to Accruals							
Agency Total - Cannabis Social Equity and Innovation Fund	56,416	-	-	-	-	-	n/a
Nonfunctional - Change to Accruals							
Agency Total - Cannabis Prevention and Recovery Services Fund	18,650	-	-	-	-	-	n/a
Nonfunctional - Change to Accruals							
Agency Total - Cannabis Regulatory Fund	245,666	-	-	-	-	-	n/a
Total - Appropriated Funds	109,172,752	43,645,555	43,645,555	43,645,555	35,073,481	36,628,625	(19.64)

Account	Governor Recommended	
	FY 26	FY 27

Current Services

Update GAAP Estimate

Nonfunctional - Change to Accruals	(7,067,009)	(5,651,175)
Total - General Fund	(7,067,009)	(5,651,175)
Nonfunctional - Change to Accruals	(1,189,408)	(1,073,639)
Total - Special Transportation Fund	(1,189,408)	(1,073,639)
Nonfunctional - Change to Accruals	(65,033)	(59,368)
Total - Banking Fund	(65,033)	(59,368)
Nonfunctional - Change to Accruals	(161,643)	(153,163)
Total - Insurance Fund	(161,643)	(153,163)
Nonfunctional - Change to Accruals	(54,318)	(48,156)
Total - Consumer Counsel and Public Utility Control Fund	(54,318)	(48,156)
Nonfunctional - Change to Accruals	(34,663)	(31,429)
Total - Workers' Compensation Fund	(34,663)	(31,429)

Background

PA 11-48 required the state to move towards Generally Accepted Accounting Principal (GAAP) based budgeting. Under GAAP, expenses are assigned to the fiscal year in which they are incurred as opposed to a modified cash basis, where the expenses are reflected when they are paid. GAAP accruals were first reflected in the FY 14 and FY 15 biennial budget. The accruals reflect the difference between an agency's modified cash basis budget amounts and the accrual basis amounts under GAAP.

Governor

Decrease funding by \$8.6 million in FY 26 and \$7 million in FY 27 across six appropriated funds to reflect updated estimates.

Totals

Budget Components	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - GF	38,998,570	38,998,570
Current Services	(7,067,009)	(5,651,175)
Total Recommended - GF	31,931,561	33,347,395
FY 25 Appropriation - TF	3,800,359	3,800,359
Current Services	(1,189,408)	(1,073,639)
Total Recommended - TF	2,610,951	2,726,720
FY 25 Appropriation - BF	192,800	192,800
Current Services	(65,033)	(59,368)
Total Recommended - BF	127,767	133,432
FY 25 Appropriation - IF	352,916	352,916
Current Services	(161,643)	(153,163)
Total Recommended - IF	191,273	199,753
FY 25 Appropriation - PF	193,293	193,293
Current Services	(54,318)	(48,156)
Total Recommended - PF	138,975	145,137
FY 25 Appropriation - WF	107,617	107,617
Current Services	(34,663)	(31,429)
Total Recommended - WF	72,954	76,188

State Comptroller - Fringe Benefits

OSC15200

Budget Summary

Account	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Other Current Expenses							
Unemployment Compensation	3,024,020	5,054,729	5,054,729	5,054,729	4,128,400	4,049,400	(18.33)
State Employees Retirement Contributions	-	2,180,602	-	-	-	-	(100.00)
Higher Education Alternative Retirement System	83,244,548	15,396,159	99,532,646	105,504,605	95,819,900	101,569,100	522.36
Pensions and Retirements - Other Statutory	2,228,093	2,188,946	2,362,961	2,433,850	2,362,961	2,433,850	7.95
Judges and Compensation Commissioners Retirement	35,251,783	37,436,431	30,459,919	30,459,919	30,551,644	31,587,446	(18.39)
Insurance - Group Life	9,343,637	10,428,278	9,611,000	9,756,000	9,592,040	9,737,040	(8.02)
Employers Social Security Tax	197,210,988	198,253,601	220,193,300	220,193,300	217,363,325	226,188,025	9.64
State Employees Health Service Cost	627,692,142	708,256,659	680,761,000	726,677,000	676,648,150	698,719,850	(4.46)
Retired State Employees Health Service Cost	692,952,650	737,999,520	999,750,000	1,186,036,000	790,564,000	957,183,800	7.12
Tuition Reimbursement - Training and Travel	3,264,896	4,123,500	140,000	-	290,000	150,000	(92.97)
Other Post Employment Benefits	61,619,664	43,945,893	63,004,054	66,075,183	63,017,404	64,626,405	43.40
Death Benefits For St Employ	10,600	-	-	-	-	-	n/a
SERS Defined Contribution Match	13,574,033	24,500,480	18,625,644	27,812,811	18,640,944	27,840,111	(23.92)
State Employees Retirement Contributions - Normal Cost	177,212,110	182,006,295	184,272,537	184,272,537	195,313,686	201,118,086	7.31
State Employees Retirement Contributions - UAL	1,463,453,121	1,420,805,152	1,449,958,640	1,449,958,640	1,410,995,984	1,324,964,439	(0.69)
Agency Total - General Fund	3,370,082,285	3,392,576,245	3,763,726,430	4,014,234,574	3,515,288,438	3,650,167,552	3.62
Unemployment Compensation	197,110	360,000	360,000	360,000	360,000	360,000	-
Insurance - Group Life	357,604	414,000	395,000	401,000	395,600	401,600	(4.44)
Employers Social Security Tax	18,071,014	19,025,570	20,966,000	20,966,000	20,862,731	21,697,231	9.66
State Employees Health Service Cost	62,167,985	71,541,000	72,651,000	77,603,000	72,448,400	74,679,100	1.27
Other Post Employment Benefits	3,627,679	2,989,257	4,208,597	4,382,277	4,215,697	4,321,112	41.03
SERS Defined Contribution Match	906,914	1,538,880	1,227,498	1,832,822	1,229,898	1,835,222	(20.08)
State Employees Retirement Contributions - Normal Cost	20,485,465	21,096,029	21,358,207	21,358,207	22,660,619	23,334,444	7.42
State Employees Retirement Contributions - UAL	155,690,019	146,129,193	149,126,804	149,126,804	145,173,898	136,192,810	(0.65)
Agency Total - Special Transportation Fund	261,503,790	263,093,929	270,293,106	276,030,110	267,346,843	262,821,519	1.62
Total - Appropriated Funds	3,631,586,075	3,655,670,174	4,034,019,536	4,290,264,684	3,782,635,281	3,912,989,071	3.47

Account	Governor Recommended	
	FY 26	FY 27

Policy Revisions

Eliminate the UConn Health Center Subsidy

Insurance - Group Life	(15,550)	(15,550)
Employers Social Security Tax	(1,122,580)	(1,122,580)
State Employees Health Service Cost	(3,361,870)	(3,361,870)
Total - General Fund	(4,500,000)	(4,500,000)

Background

This subsidy was originally added in the FY 24 and FY 25 budget corresponding with the repeal of a statute related to fringe benefit support for the UConn Health Center. PA 24-81 continued this funding despite a fringe benefit adjustment to the higher education block grants.

Governor

Eliminate funding of \$4.5 million in both FY 26 and FY 27 associated with fringe benefit costs for higher education constituent units.

Adjust State Healthcare Costs for Hospital Services

State Employees Health Service Cost	-	(24,190,900)
Retired State Employees Health Service Cost	-	(45,381,200)
Total - General Fund	-	(69,572,100)
State Employees Health Service Cost	-	(2,680,500)
Total - Special Transportation Fund	-	(2,680,500)

Governor

Reduce funding by \$69.6 million in the General Fund and \$2.7 million in the Special Transportation Fund in FY 27 to reflect decreased hospital rates for state employees and non-Medicare retirees. These adjustments correspond with an increase in Medicaid reimbursements in the Hospital Supplemental Payments account within the Department of Social Services.

Transfer Cannabis Costs into the General Fund

Insurance - Group Life	690	690
Employers Social Security Tax	21,150	21,150
State Employees Health Service Cost	60,220	60,220
Other Post Employment Benefits	7,650	7,650
State Employees Retirement Contributions - Normal Cost	37,550	37,550
State Employees Retirement Contributions - UAL	93,740	93,740
Total - General Fund	221,000	221,000

Background

PA 21-1 JSS, *An Act Concerning Responsible and Equitable Regulation of Adult-Use Cannabis*, legalized recreational cannabis use for adults 21 years of age or older. Recreational cannabis sales began in January 2023.

The Governor's Recommended Budget moves the Cannabis Regulatory Fund (CRF) and the Prevention and Recovery Services Fund (PRSF) expenditures to the General Fund (GF) and the Special Transportation Fund (STF). This affects 11 agencies, 94 positions, and an appropriation of \$12.8 million in FY 26 and FY 27 across the GF and the STF.

Governor

Transfer funding of \$221,000 in both FY 26 and FY 27 for cannabis prevention and recovery duties from the Cannabis Prevention and Recovery Services Fund to the General Fund.

Account	Governor Recommended	
	FY 26	FY 27

Adjust for Net Impact of Position Changes

Unemployment Compensation	128,400	49,400
Insurance - Group Life	(4,100)	(4,100)
Employers Social Security Tax	(42,400)	11,800
State Employees Health Service Cost	(27,300)	143,800
Other Post Employment Benefits	(16,600)	4,600
SERS Defined Contribution Match	7,900	15,700
State Employees Retirement Contributions - Normal Cost	(102,100)	(106,100)
State Employees Retirement Contributions - UAL	(254,800)	(264,900)
Total - General Fund	(311,000)	(149,800)
Insurance - Group Life	600	600
Employers Social Security Tax	18,000	18,700
State Employees Health Service Cost	68,400	75,300
Other Post Employment Benefits	7,100	7,300
SERS Defined Contribution Match	2,400	2,400
State Employees Retirement Contributions - Normal Cost	15,200	15,800
State Employees Retirement Contributions - UAL	37,800	39,300
Total - Special Transportation Fund	149,500	159,400

Governor

Reduce funding by \$311,000 in FY 26 and \$149,800 in FY 27 in the General Fund and provide funding of \$149,500 in FY 26 and \$159,400 in FY 27 in the Special Transportation Fund to reflect current requirements for fringe benefit costs associated with net position changes.

Current Services

Fund the Actuarially Determined Employer Contribution (ADEC) for the State Employees Retirement System (SERS)

State Employees Retirement Contributions - Normal Cost	13,371,941	19,180,341
State Employees Retirement Contributions - UAL	(9,648,108)	(12,739,186)
Total - General Fund	3,723,833	6,441,155
State Employees Retirement Contributions - Normal Cost	1,549,390	2,222,615
State Employees Retirement Contributions - UAL	(993,095)	(1,311,009)
Total - Special Transportation Fund	556,295	911,606

Background

The State Employees' Retirement System (SERS) is the state's defined benefit plan for approximately 49,000 active and 57,600 retired state employees and beneficiaries. SERS is currently funded using an actuarial reserve funding method, whereby the normal cost and past service liability are calculated in order to determine the state's annual actuarially determined employer contribution (ADEC) (CGS 5-156a). SERS is a collectively bargained benefit. The current agreement governing pension benefits is effective until 2027. The ADEC is funded through three sources: a General Fund appropriation, Special Transportation Fund appropriation and recoveries from other funding sources, including other appropriated funds, federal funds, and grant funds.

Governor

Provide funding of \$3.7 million in FY 26 and \$6.4 million in FY 27 in the General Fund and \$556,295 in FY 26 and \$911,606 in FY 27 in the Special Transportation Fund to fund the ADEC for SERS in the biennium.

Reflect Impact of Additional Pension Fund Contribution Due to the Anticipated FY 2025 Budget Reserve Fund Deposit

State Employees Retirement Contributions - UAL	-	(82,930,367)
Total - General Fund	-	(82,930,367)
State Employees Retirement Contributions - UAL	-	(8,664,674)
Total - Special Transportation Fund	-	(8,664,674)

Account	Governor Recommended	
	FY 26	FY 27

Background

Under current law (CGS 4-30a) the General Fund operating surplus and revenue exceeding the volatility cap are deposited into the Budget Reserve Fund (BRF) or dedicated to reducing long-term debt (with the State Treasurer determining the division of funds between the state employees' and teachers' retirement systems). The distribution of funds is based on the BRF balance relative to General Fund net appropriations. If the balance is below 15% net General Fund appropriations, then the BRF retains all funds until it has reached 15%; if the balance is between 15%-18%, there is an equal 50/50 distribution of funds exceeding the 15% threshold made to the BRF and to reduce long-term debts; and if the balance is above 18%, all funds exceeding the 18% threshold are used to reduce long-term debts.

Governor

Reduce funding by \$82.9 million in the General Fund and \$8.7 million in the Special Transportation Fund in FY 27 to reflect the impact of additional pension fund contributions from the anticipated FY 25 Budget Reserve Fund deposit.

Fund the Actuarially Determined Employer Contribution (ADEC) for the Judges Retirement System (JRS)

Judges and Compensation Commissioners Retirement	(6,884,787)	(5,848,985)
Total - General Fund	(6,884,787)	(5,848,985)

Background

PA 24-81 changed the methodology for the Judges, Family Support Magistrates, and Compensation Commissioners' Retirement System (JRS) to a fifteen-year layered amortization approach to reduce volatility in the required payments, which extended the system's unfunded liability repayment from 2032 to 2039.

Governor

Reduce funding by \$6.9 million in FY 26 and \$5.8 million in FY 27 to fund the ADEC for JRS in the biennium.

Adjust Funding to Reflect Current Requirements

Unemployment Compensation	(1,054,729)	(1,054,729)
State Employees Retirement Contributions	(2,180,602)	(2,180,602)
Higher Education Alternative Retirement System	80,423,741	86,172,941
Pensions and Retirements - Other Statutory	174,015	244,904
Insurance - Group Life	(817,278)	(672,278)
Employers Social Security Tax	20,196,754	28,934,754
State Employees Health Service Cost	(28,484,659)	17,465,341
Retired State Employees Health Service Cost	52,564,480	264,565,480
Tuition Reimbursement - Training and Travel	(3,833,500)	(3,973,500)
Other Post Employment Benefits	19,058,161	20,633,262
SERS Defined Contribution Match	(5,874,836)	3,312,331
Total - General Fund	130,171,547	413,447,904
Insurance - Group Life	(19,000)	(13,000)
Employers Social Security Tax	1,819,161	2,652,961
State Employees Health Service Cost	839,000	5,743,300
Other Post Employment Benefits	1,219,340	1,324,555
SERS Defined Contribution Match	(311,382)	293,942
Total - Special Transportation Fund	3,547,119	10,001,758

Governor

Provide funding of \$130.2 million in FY 26 and \$413.4 million in FY 27 in the General Fund and \$3.5 million in FY 26 and \$10 million in FY 27 in the Special Transportation Fund to reflect current agency requirements.

Adjust for Net Impact of Position Changes

Employers Social Security Tax	56,800	89,300
State Employees Health Service Cost	205,100	346,600
Other Post Employment Benefits	22,300	35,000
SERS Defined Contribution Match	7,400	11,600
Total - General Fund	291,600	482,500

Governor

Provide funding of \$291,600 in FY 26 and \$482,500 in FY 27 to reflect current requirements for fringe benefit costs associated with net position changes.

Totals

Budget Components	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - GF	3,392,576,245	3,392,576,245
Policy Revisions	(4,590,000)	(74,000,900)
Current Services	127,302,193	331,592,207
Total Recommended - GF	3,515,288,438	3,650,167,552
FY 25 Appropriation - TF	263,093,929	263,093,929
Policy Revisions	149,500	(2,521,100)
Current Services	4,103,414	2,248,690
Total Recommended - TF	267,346,843	262,821,519

Department of Revenue Services DRS16000

Permanent Full-Time Positions

Fund	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
General Fund	593	593	593	593	602	602	1.52
Cannabis Regulatory Fund	7	7	7	7	-	-	(100.00)

Budget Summary

Account	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Personal Services	47,994,787	61,221,998	66,861,330	66,861,330	55,016,204	55,115,172	(10.14)
Other Expenses	4,063,639	5,117,358	5,117,358	5,682,358	4,617,358	4,617,358	(9.77)
Agency Total - General Fund	52,058,426	66,339,356	71,978,688	72,543,688	59,633,562	59,732,530	(10.11)
Personal Services	36,892	484,188	484,188	484,188	-	-	(100.00)
Agency Total - Cannabis Regulatory Fund	36,892	484,188	484,188	484,188	-	-	(100.00)
Total - Appropriated Funds	52,095,318	66,823,544	72,462,876	73,027,876	59,633,562	59,732,530	(10.76)

Account	Governor Recommended	
	FY 26	FY 27

Policy Revisions

Provide Funding for a Prescription Drug Cost Containment Initiative

Personal Services	32,990	131,958
Total - General Fund	32,990	131,958
Positions - General Fund	2	2

Governor

Provide funding of \$32,990 in FY 26 and \$131,958 in FY 27 for two Revenue Agent positions to establish a prescription drug cost containment initiative which limits price increases for generic and off-patent drugs to the annual rate of inflation and authorizing the Department of Revenue Services to levy a civil penalty on manufacturers that raise prices above that threshold. HB 6870, *An Act Addressing Patients' Prescription Drug Costs*, implements the initiative.

Transfer Cannabis Costs into the General Fund

Personal Services	484,188	484,188
Total - General Fund	484,188	484,188
Positions - General Fund	7	7
Personal Services	(484,188)	(484,188)
Total - Cannabis Regulatory Fund	(484,188)	(484,188)
Positions - Cannabis Regulatory Fund	(7)	(7)

Background

PA 21-1 JSS, *An Act Concerning Responsible and Equitable Regulation of Adult-Use Cannabis*, legalized recreational cannabis use for adults 21 years of age or older. Recreational cannabis sales began in January 2023.

The Governor's Recommended Budget moves the Cannabis Regulatory Fund (CRF) and the Prevention and Recovery Services Fund (PRSF) expenditures to the General Fund (GF) and the Special Transportation Fund (STF). This affects 11 agencies, 94 positions, and an appropriation of \$12.8 million in FY 26 and FY 27 across the GF and the STF.

Account	Governor Recommended	
	FY 26	FY 27

Governor

Transfer funding of \$484,188 and 7 positions in both FY 26 and FY 27 for cannabis regulation duties from the Cannabis Regulatory Fund to the General Fund.

Current Services

Annualize the Cost of Existing Wage Agreements

Personal Services	2,277,028	2,277,028
Total - General Fund	2,277,028	2,277,028

Background

The Governor's Recommended Budget provides funding of \$124.4 million in FY 26 and FY 27, across nine appropriated funds, to reflect current wage-related adjustments resulting from existing wage agreements.

Governor

Provide funding of \$2,277,028 in both FY 26 and FY 27 to reflect this agency's increased wage costs.

Adjust Funding to Reflect Current Requirements

Personal Services	(9,000,000)	(9,000,000)
Other Expenses	(500,000)	(500,000)
Total - General Fund	(9,500,000)	(9,500,000)

Governor

Reduce funding by \$9.5 million in FY 26 and FY 27 to reflect current agency requirements.

Totals

Budget Components	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - GF	66,339,356	66,339,356
Policy Revisions	517,178	616,146
Current Services	(7,222,972)	(7,222,972)
Total Recommended - GF	59,633,562	59,732,530
FY 25 Appropriation - CRF	484,188	484,188
Policy Revisions	(484,188)	(484,188)
Total Recommended - CRF	-	-

Positions	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - GF	593	593
Policy Revisions	9	9
Total Recommended - GF	602	602
FY 25 Appropriation - CRF	7	7
Policy Revisions	(7)	(7)
Total Recommended - CRF	-	-

Office of Policy and Management OPM20000

Permanent Full-Time Positions

Fund	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
General Fund	186	186	188	188	186	186	-
Special Transportation Fund	7	7	7	7	7	7	-
Insurance Fund	3	3	3	3	3	3	-
Consumer Counsel and Public Utility Control Fund	2	2	2	2	2	2	-

Budget Summary

Account	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Personal Services	18,286,223	20,450,385	21,331,791	21,331,791	21,021,791	21,021,791	2.79
Other Expenses	1,618,432	1,414,922	1,414,922	1,414,922	1,403,422	1,403,422	(0.81)
Other Current Expenses							
Automated Budget System and Data Base Link	3,100	20,438	20,438	20,438	20,438	20,438	-
Justice Assistance Grants	790,664	800,967	865,967	865,967	865,967	865,967	8.12
Other Than Payments to Local Governments							
Tax Relief For Elderly Renters	24,593,798	25,020,226	25,020,226	25,020,226	25,020,226	25,020,226	-
Private Providers	-	53,300,000	-	-	31,000,000	126,000,000	(41.84)
Grant Payments to Local Governments							
Reimbursement Property Tax - Disability Exemption	364,713	364,713	364,713	364,713	364,713	364,713	-
Distressed Municipalities	-	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	-
Property Tax Relief Elderly Freeze Program	5,166	6,000	4,000	4,000	4,000	4,000	(33.33)
Property Tax Relief for Veterans	1,694,614	2,708,107	2,708,107	2,708,107	2,708,107	2,708,107	-
Municipal Restructuring	-	7,300,000	7,300,000	7,300,000	300,000	300,000	(95.89)
Agency Total - General Fund	47,356,710	112,885,758	60,530,164	60,530,164	84,208,664	179,208,664	(25.40)
Personal Services	598,064	740,945	770,498	770,498	770,498	770,498	3.99
Agency Total - Special Transportation Fund	598,064	740,945	770,498	770,498	770,498	770,498	3.99
Grants To Towns	52,420,137	52,541,796	52,541,796	52,541,796	52,541,796	52,541,796	-
Agency Total - Mashantucket Pequot and Mohegan Fund	52,420,137	52,541,796	52,541,796	52,541,796	52,541,796	52,541,796	-
Personal Services	233,347	363,008	374,039	374,039	374,039	374,039	3.04
Other Expenses	-	6,012	6,012	6,012	6,012	6,012	-
Fringe Benefits	190,446	277,130	277,130	277,130	277,130	277,130	-
Agency Total - Insurance Fund	423,793	646,150	657,181	657,181	657,181	657,181	1.71
Personal Services	132,458	194,591	200,396	200,396	200,396	200,396	2.98
Other Expenses	20,882	2,000	2,000	2,000	2,000	2,000	-
Fringe Benefits	115,696	196,074	196,074	196,074	196,074	196,074	-
Agency Total - Consumer Counsel and Public Utility Control Fund	269,036	392,665	398,470	398,470	398,470	398,470	1.48

Account	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Supplemental Revenue Sharing Grants	87,172,468	74,672,470	74,672,470	74,672,470	81,965,370	81,965,370	9.77
Motor Vehicle Tax Grants	146,954,721	154,562,410	136,277,726	136,277,726	127,496,890	127,496,890	(17.51)
Tiered PILOT	339,410,166	339,410,167	347,120,045	347,120,045	344,847,414	344,847,414	1.60
Agency Total - Municipal Revenue Sharing Fund	573,537,355	568,645,047	558,070,241	558,070,241	554,309,674	554,309,674	(2.52)
Total - Appropriated Funds	674,605,095	735,852,361	672,968,350	672,968,350	692,886,283	787,886,283	(5.84)

Account	Governor Recommended	
	FY 26	FY 27

Policy Revisions

Transfer Funding for Non-Formula Based Grants from Tiered PILOT to Supplemental Revenue Sharing Account

Supplemental Revenue Sharing Grants	7,292,900	7,292,900
Tiered PILOT	(7,292,900)	(7,292,900)
Total - Municipal Revenue Sharing Fund	-	-

Background

PA 21-3 established the Tiered PILOT formula to provide for State Property PILOT and College and Hospital PILOT grants to towns in the event that appropriations are insufficient to fund those grants. Tiered PILOT (encompassing all three former PILOT accounts) is currently funded from the Municipal Revenue Sharing Fund (MRSF). It is distributed based on the type of applicable property, town property wealth per capita, and town status as an Alliance District.

The current Tiered PILOT formula includes the following payments: (1) \$5 million to Bridgeport, (2) \$100,000 to Branford, (3) \$1 million to New London, and (4) \$60,000 to Voluntown. These payments are not subject to the Tiered PILOT formula but are currently paid out under the Tiered PILOT payments.

Under CGS 12-18b(d)(1), the Tiered PILOT formula includes a hold harmless provision that requires towns to receive at least as much as they received from this grant in FY 21. Under the FY 26-Tiered PILOT formula, 19 towns would receive more under this provision than under the current Tiered PILOT formula.

PA 23-204 established the Supplemental Revenue Sharing grant. This is a statutory payment grant that combined the Municipal Revenue Sharing and Municipal Stabilization grants and it currently funded from the MRSF.

Governor

Transfer \$7,292,900 in both FY 26 and FY 27 from the Tiered PILOT payment to the Supplemental Revenue Sharing grant. This includes the four statutory payments to Bridgeport, Branford, New London, and Voluntown which totals \$6,160,000 in both FY 26 and FY 27 and the hold harmless provision associated with CGS 12-18b(d)(1) which totals \$1,132,613 in both FY 26 and FY 27.

Reduce Funding for Printing Services

Other Expenses	(11,500)	(11,500)
Total - General Fund	(11,500)	(11,500)

Governor

Reduce funding by \$11,500 in both FY 26 and FY 27 for OE to reflect the reduced cost of printing.

Provide Funding Increase for Private Providers

Private Providers	31,000,000	126,000,000
Total - General Fund	31,000,000	126,000,000

Background

Private provider organizations contract to provide direct health and human services for clients of various state agencies, including: the Departments of Aging and Disability Services, Children and Families, Correction, Developmental, Housing, Mental Health and Addiction Services, Public Health, Social Services, Veteran's Affairs, the Office of Early Childhood and the Judicial Department.

Account	Governor Recommended	
	FY 26	FY 27

Governor

Provide \$31 million in FY 26 and \$126 million in FY 27 for a 3 percent increase to private provider funding on January 1st, 2026, and July 1st, 2027.

Reduce Funding for Municipal Restructuring Account

Municipal Restructuring	(7,000,000)	(7,000,000)
Total - General Fund	(7,000,000)	(7,000,000)

Background

JSS PA 17-2, the FY 18 and FY 19 budget, established two Municipal Restructuring accounts within the Office of Policy and Management and the Treasurer's Office to provide assistance to certain financially distressed municipalities. The act also established the Municipal Accountability Review Board (MARB) to assess the financial health of municipalities and to provide oversight and assistance to financially distressed municipalities.

Governor

Reduce the Municipal Restructuring account by \$7 million in both FY 26 and FY 27 to reflect current expenditure needs.

Current Services**Annualize the Cost of Existing Wage Agreements**

Personal Services	881,406	881,406
Justice Assistance Grants	5,000	5,000
Total - General Fund	886,406	886,406
Personal Services	29,553	29,553
Total - Special Transportation Fund	29,553	29,553
Personal Services	11,031	11,031
Total - Insurance Fund	11,031	11,031
Personal Services	5,805	5,805
Total - Consumer Counsel and Public Utility Control Fund	5,805	5,805

Background

The Governor's Recommended Budget provides funding of \$124.4 million in FY 26 and FY 27, across nine appropriated funds, to reflect current wage-related adjustments resulting from existing wage agreements.

Governor

Provide funding of \$923,785 million in FY 26 and FY 27 to reflect this agency's increased wage costs.

Annualize Private Provider COLA Funding

Private Providers	(53,300,000)	(53,300,000)
Total - General Fund	(53,300,000)	(53,300,000)

Background

Private provider organizations contract to provide direct health and human services for clients of various state agencies, including: the Departments of Aging and Disability Services, Children and Families, Correction, Developmental, Housing, Mental Health and Addiction Services, Public Health, Social Services, Veteran's Affairs, the Office of Early Childhood and the Judicial Department.

Governor

Transfer funding of \$53.3 million in both FY 26 and FY 27 to other agencies to cover the cost of the annualization of the FY 25 COLA increase.

Adjust Funding to Reflect Changes in Grant Calculations

Motor Vehicle Tax Grants	(27,065,520)	(27,065,520)
Tiered PILOT	12,730,147	12,730,147
Total - Municipal Revenue Sharing Fund	(14,335,373)	(14,335,373)

Account	Governor Recommended	
	FY 26	FY 27

Background

PA 21-3 established the Tiered PILOT formula to provide for State Property PILOT and College and Hospital PILOT grants to towns in the event that appropriations are insufficient to fund those grants. Tiered PILOT (encompassing all three former PILOT accounts) is currently funded from the Municipal Revenue Sharing Fund (MRSF). It is distributed based on the type of applicable property, town property wealth per capita, and town status as an Alliance District.

The Motor Vehicle Tax Reimbursement Grant reimburses towns for revenue loss associated with the statewide 32.46 mill rate cap.

Both grant amounts are determined by statutory formulas and the total grant amount varies each FY depending on the changes to the variables within the formula. The Tiered PILOT Grant and the Motor Vehicle Tax Reimbursement Grant, along with a third grant (Supplemental Revenue Sharing Grant), are paid directly out of the MRSF.

The MRSF is funded via (1) sales tax revenue diversion and (2) a transfer from the General Fund.

Governor

Reduce total appropriations by \$14.3 million in the MRSF in FY 26 and FY 27 to reflect the changes in statutory formula grants. The cost of the Tiered PILOT grant increased by \$12.7 million, and the cost of the Motor Vehicle Tax Reimbursement Grant decreased by \$27.1 million in FY 26 for a net decrease of \$14.3 million to be paid out of the MRSF in FY 26 and FY 27.

Reduce Funding to Reflect Lower Cost of Elderly Property Tax Freeze Program

Property Tax Relief Elderly Freeze Program	(2,000)	(2,000)
Total - General Fund	(2,000)	(2,000)

Background

The Property Tax Relief Elderly Freeze Program was established with the 1967 Grand List program year to provide real property tax relief to resident property owners or tenants for life age sixty-five or over (or surviving spouse over fifty) with annual taxable income of \$6,000 or less. Elderly and disabled persons who applied and qualified for tax relief had their property tax frozen at that year's net benefit level. No new applicants have been allowed since the 1978 program year.

In FY 22, there were four individuals who received this property tax relief.

Governor

Reduce funding by \$2,000 in both FY 24 and FY 25 to reflect a decrease in caseload.

Adjust Funding to Reflect Current Requirements

Personal Services	(250,000)	(250,000)
Total - General Fund	(250,000)	(250,000)

Governor

Reduce funding by \$250,000 in both FY 26 and FY 27 to reflect current agency requirements.

Realign Personal Services Funds to the Justice Assistance Grants Account

Personal Services	(60,000)	(60,000)
Justice Assistance Grants	60,000	60,000
Total - General Fund	-	-

Background

Connecticut receives federal grants for various narcotics control and general criminal justice activities under several United States Department of Justice programs. Funds are distributed to State justice agencies, municipalities, and non-profit agencies for program implementation. Four of the grants require a state match or cost sharing.

1. The National Criminal History Improvement Program (NCHIP) grant award provides direct awards and technical assistance to states and localities to improve the quality, timeliness, and immediate accessibility of criminal history records and related information. The Judicial Branch and the Department of Emergency Services and Public Protection receive funding through NCHIP. The NCHIP federal award requires a 10% state match for all federal funds expended through this program.

2. The Residential Substance Abuse Treatment Grant Program (RSAT) is to enhance the capabilities of state, local, and Indian tribal governments to provide residential substance use disorder treatment to adult and juvenile populations during detention or incarceration; prepare them for their reintegration into a community by incorporating reentry planning activities into their treatment programs; and assist them and their communities throughout the reentry process by delivering community-based treatment and other broad-based aftercare services. The Department of Correction receives funding through RSAT. The RSAT federal award requires a 25% state match for all federal funds expended through this program.

Account	Governor Recommended	
	FY 26	FY 27

3. The Services Training Officers Prosecutors Violence Against Women Formula Grant Program (VAW STOP) supports community efforts to develop and strengthen effective law enforcement responses, victim services and prosecution strategies in cases involving domestic violence, dating violence, sexual assault, and stalking. The Connecticut Coalition Against Domestic Violence, Connecticut Alliance to End Sexual Violence and the Hispanic Health Council are examples of entities receiving funding through VAW STOP. VAW STOP requires a 25% state match for all federal funds expended through this grant program.

4. The Office of Juvenile Justice Delinquency Prevention Title II Formula Grant (JJ Formula Grant) provides funding to support states and territories to plan, establish, operate, coordinate, and evaluate policies and projects, directly or through grants and contracts with public and private agencies for the development of more effective education, training, research, prevention, diversion, treatment, and rehabilitation programs in the area of juvenile delinquency as well as juvenile justice system improvement efforts. This is a new grant award that OPM recently applied for and received (\$600,554). OPM is allowed to use up to 10% of the total award for administrative purposes. The JJ Formula grant requires a 100% state match for all funds expended on administrative purposes.

Governor

Transfer \$60,000 from PS in the General Fund to the Justice Assistance Grants in FY 25 to meet match requirements for Justice Assistance Grants.

Totals

Budget Components	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - GF	112,885,758	112,885,758
Policy Revisions	23,988,500	118,988,500
Current Services	(52,665,594)	(52,665,594)
Total Recommended - GF	84,208,664	179,208,664
FY 25 Appropriation - TF	740,945	740,945
Current Services	29,553	29,553
Total Recommended - TF	770,498	770,498
FY 25 Appropriation - IF	646,150	646,150
Current Services	11,031	11,031
Total Recommended - IF	657,181	657,181
FY 25 Appropriation - PF	392,665	392,665
Current Services	5,805	5,805
Total Recommended - PF	398,470	398,470
FY 25 Appropriation - MRSF	568,645,047	568,645,047
Policy Revisions	-	-
Current Services	(14,335,373)	(14,335,373)
Total Recommended - MRSF	554,309,674	554,309,674

Reserve for Salary Adjustments OPM20100

Budget Summary

Account	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Other Current Expenses							
Reserve For Salary Adjustments	10,288,171	48,184,698	175,230,923	349,500,042	118,165,598	222,551,369	145.23
Agency Total - General Fund	10,288,171	48,184,698	175,230,923	349,500,042	118,165,598	222,551,369	145.23
Reserve For Salary Adjustments	-	7,736,356	11,910,597	23,907,374	10,868,037	19,864,541	40.48
Agency Total - Special Transportation Fund	-	7,736,356	11,910,597	23,907,374	10,868,037	19,864,541	40.48
Total - Appropriated Funds	10,288,171	55,921,054	187,141,520	373,407,416	129,033,635	242,415,910	130.74

Account	Governor Recommended	
	FY 26	FY 27

Current Services

Provide Funding for Anticipated Accruals and Wage Agreement

Reserve For Salary Adjustments	69,980,900	174,366,671
Total - General Fund	69,980,900	174,366,671
Reserve For Salary Adjustments	3,131,681	12,128,185
Total - Special Transportation Fund	3,131,681	12,128,185

Governor

Provide Funding of \$73,112,581 in FY 26 and \$186,494,856 in FY 27 for accruals and anticipated wage agreements.

Totals

Budget Components	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - GF	48,184,698	48,184,698
Current Services	69,980,900	174,366,671
Total Recommended - GF	118,165,598	222,551,369
FY 25 Appropriation - TF	7,736,356	7,736,356
Current Services	3,131,681	12,128,185
Total Recommended - TF	10,868,037	19,864,541

Department of Administrative Services DAS23000

Permanent Full-Time Positions

Fund	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
General Fund	941	941	941	941	1,097	1,097	16.58
Special Transportation Fund	31	31	31	31	31	31	-
Banking Fund	3	3	3	3	3	3	-
Insurance Fund	6	6	6	6	6	6	-
Consumer Counsel and Public Utility Control Fund	1	1	1	1	1	1	-
Workers' Compensation Fund	6	6	6	6	6	6	-

Budget Summary

Account	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Personal Services	91,751,618	89,255,808	106,366,035	106,366,035	117,425,343	117,425,343	31.56
Other Expenses	33,037,405	28,856,256	33,558,223	33,605,765	31,251,286	31,251,286	8.30
Other Current Expenses							
Tuition Reimbursement - Training and Travel	157,228	-	3,726	4,276	-	-	n/a
Labor - Management Fund	22,897	-	-	-	-	-	n/a
Loss Control Risk Management	79,029	88,003	88,003	88,003	88,003	88,003	-
Employees' Review Board	17,611	17,611	17,611	17,611	32,611	32,611	85.17
Surety Bonds for State Officials and Employees	78,347	125,184	132,100	137,600	-	-	(100.00)
Quality of Work-Life	22,800	-	-	-	-	-	n/a
Refunds Of Collections	17,899	20,381	20,381	20,381	20,381	20,381	-
Rents and Moving	3,780,058	4,610,985	4,610,985	4,610,985	4,136,035	4,136,035	(10.30)
W. C. Administrator	4,975,000	5,000,000	5,000,000	5,000,000	5,562,120	5,562,120	11.24
Insurance Recovery	2,374,220	-	-	-	-	-	n/a
State Insurance and Risk Mgmt Operations	17,012,090	17,831,771	21,758,246	23,317,000	21,825,088	21,830,588	22.39
IT Services	54,954,786	56,891,618	68,969,569	73,585,048	110,618,682	110,618,682	94.44
Firefighters Fund	5,400,000	400,000	400,000	400,000	400,000	400,000	-
Office of the Claims Commissioner	-	-	-	-	460,499	460,499	n/a
State Properties Review Board	-	-	-	-	337,113	337,113	n/a
State Marshal Commission	-	-	-	-	330,556	330,556	n/a
Agency Total - General Fund	213,680,988	203,097,617	240,924,879	247,152,704	292,487,717	292,493,217	44.01
Personal Services	2,653,812	3,090,648	2,837,990	2,937,727	2,937,990	2,937,990	(4.94)
State Insurance and Risk Mgmt Operations	20,055,590	14,626,561	17,467,920	19,069,738	17,467,920	17,467,920	19.43
IT Services	953,998	953,999	1,619,686	1,619,686	1,619,686	1,619,686	69.78
Agency Total - Special Transportation Fund	23,663,400	18,671,208	21,925,596	23,627,151	22,025,596	22,025,596	17.97
Personal Services	378,958	323,657	413,105	426,717	413,105	413,105	27.64
Fringe Benefits	328,188	291,292	307,747	317,861	307,747	307,747	5.65
IT Services	346,657	360,334	360,334	415,626	360,334	360,334	-
Agency Total - Banking Fund	1,053,803	975,283	1,081,186	1,160,204	1,081,186	1,081,186	10.86

Account	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Personal Services	809,525	776,947	915,796	942,738	905,796	905,796	16.58
Fringe Benefits	676,572	707,589	656,984	676,445	656,984	656,984	(7.15)
IT Services	509,134	514,136	546,706	546,706	514,136	514,136	-
Agency Total - Insurance Fund	1,995,231	1,998,672	2,119,486	2,165,889	2,076,916	2,076,916	3.91
Personal Services	87,264	105,448	96,173	99,023	96,173	96,173	(8.80)
Fringe Benefits	89,906	93,259	88,135	90,704	88,135	88,135	(5.49)
Agency Total - Consumer Counsel and Public Utility Control Fund	177,170	198,707	184,308	189,727	184,308	184,308	(7.25)
Personal Services	540,490	661,609	663,688	696,156	663,688	663,688	0.31
Fringe Benefits	572,781	637,686	528,600	554,168	528,600	528,600	(17.11)
IT Services	219,928	199,938	199,938	199,938	199,938	199,938	-
Agency Total - Workers' Compensation Fund	1,333,199	1,499,233	1,392,226	1,450,262	1,392,226	1,392,226	(7.14)
Total - Appropriated Funds	241,903,791	226,440,720	267,627,681	275,745,937	319,247,949	319,253,449	40.99

Account	Governor Recommended	
	FY 26	FY 27

Policy Revisions

Centralize Information Technology Functions Under DAS

Personal Services	19,698,976	19,698,976
IT Services	45,401,146	45,401,146
Total - General Fund	65,100,122	65,100,122
Positions - General Fund	158	158

Background

The Governor's Recommended Budget consolidates IT positions from five agencies across the General Fund and Special Transportation Fund into the Department of Administrative Services (DAS). In total, 158 positions and \$65 million are transferred in FY 26 and FY 27.

Governor

Transfer 158 positions and \$65,061,651 to DAS in both FY 26 and FY 27.

Transfer Timekeeping Staff and Operational Costs from DAS to OSC

Personal Services	(716,864)	(716,864)
IT Services	(585,666)	(585,666)
Total - General Fund	(1,302,530)	(1,302,530)
Positions - General Fund	(7)	(7)

Background

The Department of Administrative Services (DAS) is currently responsible for support of the Kronos timekeeping system. Consistent with an existing interagency agreement between the agencies, this proposal would transfer funding for the staff supporting Kronos to the Office of the State Comptroller (OSC).

Governor

Transfer 7 positions and \$1.3 million in both FY 26 and FY 27 from DAS to OSC.

Transfer Funding for Software from DCP to DAS

IT Services	694,500	694,500
Total - General Fund	694,500	694,500

Background

Bamboo Health maintains the Connecticut Prescription Drug Monitoring Program (PDMP) for the state. During previous IT consolidation a part of this contract was transferred to DAS BITS.

Account	Governor Recommended	
	FY 26	FY 27

The PDMP collects prescription data for Schedule II through Schedule V drugs into a centralized database, the Connecticut Prescription Monitoring and Reporting System (CPMRS), which can then be used by healthcare providers and pharmacists in the active treatment of their patients.

Governor

Transfer funding of \$694,500 in FY 26 and FY 27 to DAS BITS from the Department of Consumer Protection (DCP) for the PDMP software contract.

Transfer GPS Monitoring Funding from DAS to DOC

IT Services	(811,617)	(811,617)
Total - General Fund	(811,617)	(811,617)

Governor

Transfer funding of \$811,617 in both FY 26 and FY 27 from DAS to the Department of Corrections (DOC) for the cost of the GPS monitoring contract.

Transfer Funding for IBM Licensing Agreement from DEEP to DAS

IT Services	50,000	50,000
Total - General Fund	50,000	50,000

Governor

Transfer funding of \$50,000 in FY 26 and FY 27 to DAS BITS from the Department of Energy and Environmental Protection (DEEP) for the IBM licensing agreement.

Transfer Funding from DAS to DOH for IT Centralization

IT Services	(25,000)	(25,000)
Total - General Fund	(25,000)	(25,000)

Background

PA 22-118 (as amended by PA 22-146), the FY 23 Revised Budget, centralized certain Executive Branch IT functions in the Department of Administrative Services' new unit, the Bureau of Information Technology Solutions (BITS). Funds were transferred to support this centralization beginning in FY 23.

Governor

Transfer \$25,000 in FY 26 and FY 27 from DAS to DOH to correct past error.

Adjust IT Services Funding to Reflect Shifting from Bond Funds

IT Services	8,585,363	8,585,363
Total - General Fund	8,585,363	8,585,363

Background

Bond funds are used to fund information technology (IT) upgrades and enhancements. When the projects become operational ongoing licensing and software costs would be needed to provide continued support for the projects.

Governor

Increase funding in IT Services by \$8,585,363 in FY 26 and FY 27 to provide continued support for various IT projects that were previously funded through bond funds.

Adjust IT Services Funding to Support Digital Government Initiatives

Personal Services	477,131	477,131
Total - General Fund	477,131	477,131
Positions - General Fund	5	5

Background

Bonds currently support consultants engaged in various digital government initiatives.

Governor

Provide five positions and funding of \$477,131 in FY 26 and FY 27 to support various digital government initiatives which are currently being performed by consultants and supported through bond funds.

Account	Governor Recommended	
	FY 26	FY 27

Transfer Funding for Boards' and Commissions into Distinct Accounts

Personal Services	(1,146,667)	(1,146,667)
Other Expenses	(261,582)	(261,582)
Employees' Review Board	15,000	15,000
Surety Bonds for State Officials and Employees	(132,100)	(137,600)
State Insurance and Risk Mgmt Operations	397,181	402,681
Office of the Claims Commissioner	460,499	460,499
State Properties Review Board	337,113	337,113
State Marshal Commission	330,556	330,556
Total - General Fund	-	-

Governor

Transfer funding into individual accounts for the Employees' Review Board, the State Marshal Commission, the State Properties Review Board, State Insurance and Risk Management Board, and the Office of the Claims Commissioner that are under the Department of Administrative Services for administrative purposes only.

Current Services

Adjust Funding for Insurance and Risk Management

State Insurance and Risk Mgmt Operations	3,596,136	3,596,136
Total - General Fund	3,596,136	3,596,136
State Insurance and Risk Mgmt Operations	2,841,359	2,841,359
Total - Special Transportation Fund	2,841,359	2,841,359

Background

These accounts fund: 1) premiums associated with policies purchased by the State to insure against losses; 2) claims and judgments issued against the State for losses that occur within the self-insured deductible amounts; and 3) payment to an insurance broker and the Third Party Administrator. The FY 24 and FY 25 insurance premiums and claim expenses were calculated using actuarial and historical experience. The majority of the Board's premium dollars are for Rail, Liability, Property Insurance and Fleet, Bus and Highway Liability. Each of these insurance lines is incurring increases upon renewal and the premium projections reflect market increases.

Governor

Provide Funding of \$6,437,495 in FY 26 and FY 27 to reflect current requirements.

Annualize the Cost of Existing Wage Agreements

Personal Services	4,356,959	4,356,959
Total - General Fund	4,356,959	4,356,959
Personal Services	125,161	125,161
Total - Special Transportation Fund	125,161	125,161
Personal Services	9,036	9,036
Total - Banking Fund	9,036	9,036
Personal Services	37,875	37,875
Total - Insurance Fund	37,875	37,875
Personal Services	4,413	4,413
Total - Consumer Counsel and Public Utility Control Fund	4,413	4,413
Personal Services	25,390	25,390
Fringe Benefits	2,080	2,080
Total - Workers' Compensation Fund	27,470	27,470

Background

The Governor's Recommended Budget provides funding of \$124.4 million in FY 26 and FY 27, across nine appropriated funds, to reflect current wage-related adjustments resulting from existing wage agreements.

Governor

Provide funding of \$4,560,914 million in both FY 26 and FY 27 to reflect this agency's increased wage costs.

Account	Governor Recommended	
	FY 26	FY 27

Annualize FY 25 Deficiencies

Personal Services	5,500,000	5,500,000
Other Expenses	2,900,000	2,900,000
W. C. Administrator	562,120	562,120
Total - General Fund	8,962,120	8,962,120

Governor

Provide funding of \$8,962,120 in both FY 26 and FY 27 to reflect annualization of the agency's FY 25 deficiency.

Adjust Funding to Reflect Current Requirements

Surety Bonds for State Officials and Employees	6,916	12,416
Rents and Moving	(400,000)	(400,000)
IT Services	100,000	100,000
Total - General Fund	(293,084)	(287,584)
Personal Services	(277,819)	(277,819)
IT Services	665,687	665,687
Total - Special Transportation Fund	387,868	387,868
Personal Services	80,412	80,412
Fringe Benefits	16,455	16,455
Total - Banking Fund	96,867	96,867
Personal Services	90,974	90,974
Fringe Benefits	(50,605)	(50,605)
Total - Insurance Fund	40,369	40,369
Personal Services	(13,688)	(13,688)
Fringe Benefits	(5,124)	(5,124)
Total - Consumer Counsel and Public Utility Control Fund	(18,812)	(18,812)
Personal Services	(23,311)	(23,311)
Fringe Benefits	(111,166)	(111,166)
Total - Workers' Compensation Fund	(134,477)	(134,477)

Governor

Increase net funding by \$78,731 in FY 26 and \$84,231 in FY 27 to reflect current agency requirements.

Consolidate Funding into IT Services Account

Other Expenses	(243,388)	(243,388)
Rents and Moving	(74,950)	(74,950)
IT Services	318,338	318,338
Total - General Fund	-	-

Governor

Transfer funding of \$318,338 in FY 26 and FY 27 into the IT Services account from Other Expenses and Rents and Moving accounts.

Totals

Budget Components	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - GF	203,097,617	203,097,617
Policy Revisions	72,767,969	72,767,969
Current Services	16,622,131	16,627,631
Total Recommended - GF	292,487,717	292,493,217
FY 25 Appropriation - TF	18,671,208	18,671,208
Current Services	3,354,388	3,354,388
Total Recommended - TF	22,025,596	22,025,596
FY 25 Appropriation - BF	975,283	975,283
Current Services	105,903	105,903
Total Recommended - BF	1,081,186	1,081,186
FY 25 Appropriation - IF	1,998,672	1,998,672
Current Services	78,244	78,244
Total Recommended - IF	2,076,916	2,076,916
FY 25 Appropriation - PF	198,707	198,707
Current Services	(14,399)	(14,399)
Total Recommended - PF	184,308	184,308
FY 25 Appropriation - WF	1,499,233	1,499,233
Current Services	(107,007)	(107,007)
Total Recommended - WF	1,392,226	1,392,226

Positions	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - GF	941	941
Policy Revisions	156	156
Total Recommended - GF	1,097	1,097

Workers' Compensation Claims - Administrative Services DAS23100

Budget Summary

Account	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Other Current Expenses							
Workers' Compensation Claims	6,015,783	8,259,800	8,259,800	8,259,800	6,509,800	6,509,800	(21.19)
Workers' Compensation Claims - University of Connecticut	2,666,927	2,271,228	2,271,228	2,271,228	2,271,228	2,271,228	-
Claims - University of Connecticut Health Center	3,048,870	3,460,985	3,460,985	3,460,985	3,460,985	3,460,985	-
Workers' Compensation Claims - Board of Regents Higher Ed	3,127,568	3,289,276	3,289,276	3,289,276	3,289,276	3,289,276	-
Claims - Department of Children and Families	6,997,665	10,286,952	10,286,952	10,286,952	10,036,952	10,036,952	(2.43)
Workers' Compensation Claims Mental Health & Addiction Serv	17,535,994	18,561,027	18,561,027	18,561,027	18,061,027	18,061,027	(2.69)
Claim Department of Emergency Services and Public Protection	3,403,324	3,723,135	3,723,135	3,723,135	3,723,135	3,723,135	-
Claims - Department of Developmental Services	10,671,852	15,773,417	15,773,417	15,773,417	12,073,417	12,073,417	(23.46)
Workers' Compensation Claims - Department of Correction	39,994,920	34,122,823	34,122,823	34,122,823	37,722,823	37,722,823	10.55
Agency Total - General Fund	93,462,903	99,748,643	99,748,643	99,748,643	97,148,643	97,148,643	(2.61)
Workers' Compensation Claims	7,957,893	6,723,297	6,723,297	6,723,297	6,723,297	6,723,297	-
Agency Total - Special Transportation Fund	7,957,893	6,723,297	6,723,297	6,723,297	6,723,297	6,723,297	-
Total - Appropriated Funds	101,420,796	106,471,940	106,471,940	106,471,940	103,871,940	103,871,940	(2.44)

Account	Governor Recommended	
	FY 26	FY 27

Current Services

Adjust Funding to Reflect Current Requirements

Workers' Compensation Claims	(1,750,000)	(1,750,000)
Claims - Department of Children and Families	(250,000)	(250,000)
Workers' Compensation Claims Mental Health & Addiction Serv	(500,000)	(500,000)
Claims - Department of Developmental Services	(3,700,000)	(3,700,000)
Workers' Compensation Claims - Department of Correction	3,600,000	3,600,000
Total - General Fund	(2,600,000)	(2,600,000)

Governor

Reduce net funding by \$2,600,000 across various accounts in FY 26 and FY 27 to reflect current agency requirements.

Totals

Budget Components	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - GF	99,748,643	99,748,643
Current Services	(2,600,000)	(2,600,000)
Total Recommended - GF	97,148,643	97,148,643

Attorney General OAG29000

Permanent Full-Time Positions

Fund	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
General Fund	319	319	319	319	326	326	2.19
Cannabis Regulatory Fund	4	4	4	4	-	-	(100.00)

Budget Summary

Account	Actual FY 24	Appropriation FY 25	Agency Requested		Governor Recommended		% Diff Gov-App FY 26
			FY 26	FY 27	FY 26	FY 27	
Personal Services	33,985,255	37,821,931	39,327,147	39,327,147	38,349,993	38,465,329	1.40
Other Expenses	1,000,595	1,034,810	1,034,810	1,034,810	1,034,810	1,034,810	-
Agency Total - General Fund	34,985,850	38,856,741	40,361,957	40,361,957	39,384,803	39,500,139	1.36
Personal Services	345,137	396,362	407,309	407,309	-	-	(100.00)
Agency Total - Cannabis Regulatory Fund	345,137	396,362	407,309	407,309	-	-	(100.00)
Total - Appropriated Funds	35,330,987	39,253,103	40,769,266	40,769,266	39,384,803	39,500,139	0.34

Account	Governor Recommended	
	FY 26	FY 27

Policy Revisions

Transfer Cannabis Costs into the General Fund

Personal Services	407,309	407,309
Total - General Fund	407,309	407,309
Positions - General Fund	4	4
Personal Services	(407,309)	(407,309)
Total - Cannabis Regulatory Fund	(407,309)	(407,309)
Positions - Cannabis Regulatory Fund	(4)	(4)

Background

PA 21-1 JSS, *An Act Concerning Responsible and Equitable Regulation of Adult-Use Cannabis*, legalized recreational cannabis use for adults 21 years of age or older. Recreational cannabis sales began in January 2023.

The Governor’s Recommended Budget moves the Cannabis Regulatory Fund (CRF) and the Prevention and Recovery Services Fund (PRSF) expenditures to the General Fund (GF) and the Special Transportation Fund (STF). This affects 11 agencies, 94 positions, and an appropriation of \$12.8 million in FY 26 and FY 27 across the GF and the STF.

Governor

Transfer funding of \$407,309 and 4 positions in both FY 26 and FY 27 for cannabis regulation duties from the Cannabis Regulatory Fund to the General Fund.

Provide Funding to Implement Notice of Material Change Legislation

Personal Services	115,537	230,873
Total - General Fund	115,537	230,873
Positions - General Fund	3	3

Account	Governor Recommended	
	FY 26	FY 27

Background

HB 6873, *An Act Strengthening the Review of Healthcare Entity Transactions*, strengthens the existing notice of material change statute. This bill requires the Attorney General's office and the Office of Health Strategy to review and evaluate healthcare consolidations and acquisitions.

Governor

Provide funding of \$115,537 in FY 26 and \$230,873 in FY 27 to support three additional positions to implement the notice of material change legislation.

Current Services

Adjust Funding to Reflect Current Requirements

Personal Services	(1,500,000)	(1,500,000)
Total - General Fund	(1,500,000)	(1,500,000)

Governor

Reduce funding by \$1.5 million in FY 26 and FY 27 to reflect current agency requirements.

Annualize the Cost of Existing Wage Agreements

Personal Services	1,505,216	1,505,216
Total - General Fund	1,505,216	1,505,216
Personal Services	10,947	10,947
Total - Cannabis Regulatory Fund	10,947	10,947

Background

The Governor's Recommended Budget provides funding of \$124.4 million in FY 26 and FY 27, across nine appropriated funds, to reflect current wage-related adjustments resulting from existing wage agreements.

Governor

Provide funding of \$1,505,216 in FY 26 and FY 27 to the General Fund and \$10,947 in FY 26 and FY 27 to the Cannabis Regulatory Fund to reflect this agency's increased wage costs.

Totals

Budget Components	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - GF	38,856,741	38,856,741
Policy Revisions	522,846	638,182
Current Services	5,216	5,216
Total Recommended - GF	39,384,803	39,500,139
FY 25 Appropriation - CRF	396,362	396,362
Policy Revisions	(407,309)	(407,309)
Current Services	10,947	10,947
Total Recommended - CRF	-	-

Positions	Governor Recommended	
	FY 26	FY 27
FY 25 Appropriation - GF	319	319
Policy Revisions	7	7
Total Recommended - GF	326	326
FY 25 Appropriation - CRF	4	4
Policy Revisions	(4)	(4)
Total Recommended - CRF	-	-