

PRELIMINARY FISCAL NOTES

Appropriations Committee Meeting

March 27, 2014



OFFICE OF FISCAL ANALYSIS

Room 5200, Legislative Office Building

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The following contains preliminary fiscal impacts for the bills on today's agenda.

sHB 5030 - An Act Making Adjustments to State Expenditures for the Fiscal Year Ending June 30, 2015

The Appropriations Committee budget includes appropriations in nine funds totaling \$19 billion in FY 15 as summarized in the table below.

FY 15 Revised Appropriations

Item	Original \$	Committee \$	Difference \$
Gross Appropriations			
General Fund	17,656,098,266	17,625,749,612	(30,348,654)
Special Transportation Fund	1,333,312,395	1,327,925,720	(5,386,675)
Banking Fund	27,845,849	28,791,624	945,775
Insurance Fund	31,968,453	68,194,562	36,226,109
Consumer Counsel and Public Utility Control Fund	25,384,201	25,589,345	205,144
Workers' Compensation Fund	24,789,229	26,157,484	1,368,255
Mashantucket Pequot and Mohegan Fund	61,779,907	61,779,907	-
Regional Market Operation Fund	941,498	1,029,273	87,775
Criminal Injuries Compensation Fund	2,787,016	2,787,016	-
Total Gross Appropriations	19,164,906,814	19,168,004,543	3,097,729
General Fund (GF) Lapses			
Unallocated Lapse	(91,676,192)	(91,676,192)	-
Unallocated Lapse - Legislative	(3,028,105)	(3,028,105)	-
Unallocated Lapse - Judicial	(7,400,672)	(7,400,672)	-
General Other Expenses Reductions - Legislative	(140,000)	-	140,000
General Other Expenses Reductions - Executive	(3,312,000)	-	3,312,000
General Other Expenses Reductions - Judicial	(548,000)	-	548,000
General Lapse - Legislative	(56,251)	-	56,251
General Lapse - Judicial	(401,946)	-	401,946
General Lapse - Executive	(13,785,503)	-	13,785,503
Municipal Opportunities and Regional Efficiencies Program	(10,000,000)	(10,000,000)	-
GAAP Lapse	(7,500,000)	-	7,500,000
Statewide Hiring Reduction - Executive	(16,675,121)	-	16,675,121
Statewide Hiring Reduction - Judicial	(3,434,330)	-	3,434,330
Statewide Hiring Reduction - Legislative	(579,285)	-	579,285
Total GF Lapses	(158,537,405)	(112,104,969)	46,432,436
Transportation Fund (TF) Lapses			
Unallocated Lapse	(11,000,000)	(11,000,000)	-
Total TF Lapses	(11,000,000)	(11,000,000)	-
Net Appropriations			
General Fund	17,497,560,861	17,513,644,643	16,083,782
Special Transportation Fund	1,322,312,395	1,316,925,720	(5,386,675)
Banking Fund	27,845,849	28,791,624	945,775
Insurance Fund	31,968,453	68,194,562	36,226,109
Consumer Counsel and Public Utility Control Fund	25,384,201	25,589,345	205,144
Workers' Compensation Fund	24,789,229	26,157,484	1,368,255
Mashantucket Pequot and Mohegan Fund	61,779,907	61,779,907	-
Regional Market Operation Fund	941,498	1,029,273	87,775
Criminal Injuries Compensation Fund	2,787,016	2,787,016	-
TOTAL NET APPROPRIATIONS	18,995,369,409	19,044,899,574	49,530,165

Spending Cap

Assuming passage of HB 5034, the deficiency bill, the FY 15 revised budget is under the spending cap by approximately \$700,000.

Growth Rate

The Committee's FY 15 Revised Budget growth rate for all appropriated funds is 2.8% over FY 14 estimated expenditures. See the table below for details.

Growth Rate of Appropriations (by fund - in millions)

Fund	FY 14 Estimated Expenditures \$	FY 15 Original \$	FY 15 Revised \$	Change From FY 14 Estimated to FY 15 Revised	
				\$	%
General	17,108.1	17,497.6	17,513.6	405.5	2.4%
Transportation	1,243.2	1,322.3	1,316.9	73.7	5.9%
Other Appropriated	174.6	175.5	214.3	39.7	22.8%
TOTAL	18,525.9	18,995.4	19,044.9	519.0	2.8%

Sections 8 - 30 of the back of budget language are identified below. Included in the sections below are carry forward funding provisions totaling \$64.4 million.

Section	Agency	Description
8	SOS	Allows for \$60,000 in Personal Services to be carried forward from FY 14 into FY 15 and transferred to Other Expenses for programming costs for the online business registration system.
9	DSS/DDS	Allows DSS to establish receivables for the reimbursement anticipated from projects related to DDS' Medicaid waiver management system.
10(a)	OHE	Allows for \$686,538 in Minority Advancement Program to be carried forward from FY 14 into FY 15 and transferred into the Governor's Scholarship Program.
10(b)	OHE/DOH	Allows for \$1,313,462 in the Department of Housing's Tax Relief for the Elderly Renters to be carried forward from FY 14 into FY 15 and transferred to the Governor's Scholarship program in the Office of Higher Education.
11	DOH	Allows for \$1,650,000 in Housing/Homeless Services to be carried forward from FY 14 into FY 15. Of the total, \$1 million shall be used for rental assistance and \$650,000 for rapid rehousing.
12	DPH	Increases the transfer of funding from the newborn screening fee receipts to \$1.7 million in FY 15 to accommodate increased cost of testing. This is an increase of \$585,000 from the FY 14 transfer.
13	GF Revenue/BOR	Transfers \$65 million from the resources of the General Fund to the Board of Regents - President's Office Operating Fund.
14	SSMF	Allows for the unexpended balance in Personal Services to be carried forward from FY 14 into FY 15 for expenses incurred.
15	DMHAS	Requires that DMHAS receive 100% of reimbursement (or an alternative amount identified by the agency) for private providers where their actual expenditures are less than the amount received by the department for FY 15.

Section	Agency	Description
16	DEEP	Allows for \$40,000 in Emergency Spill Response to be carried forward from FY 14 into FY 15 and transferred to Other Expenses for marketing costs for free park admission weekend.
17	DRS	Allows for \$90,000 in Personal Services to be carried forward from FY 14 into FY 15 and transferred to Other Expenses for modifications to the tax systems and forms related to changes to the CT Higher Education Trust plans and implementation of the CHET Baby Scholars program.
18	DEEP	Allows for \$600,000 in Solid Waste Management to be carried forward from FY 14 into FY 15 for the comprehensive materials management strategy.
19(a)	DRS	Allows \$350,000 in Personal Services to be carried forward from FY 14 into FY 15 and transferred to Tax Refund Administration.
19(b)	DRS/OPM	Allows for \$650,000 in OPM's Personal Services to be carried forward from FY 14 into FY 15 and transferred to DRS's Tax Refund Administration.
19(c)	DRS/DOH	Allows for \$721,000 in DOH's Tax Relief for Elderly Renters to be carried forward from FY 14 into FY 15 and transferred to DRS's Tax Refund Administration.
20(a)	OEC	Allows for \$450,000 in OEC's School Readiness to be carried forward from FY 14 into FY 15 and transferred to Other Expenses for developing the state-wide universal pre-kindergarten plan.
20(b)	OEC/DOH	Allows for \$600,000 of DOH's Tax Relief for the Elderly Renters to be carried forward from FY 14 into FY 15 and transferred to OEC's School Readiness Quality Enhancement to be available for universal prekindergarten planning grants at the district and regional levels.
20(c)	OEC	Allows for \$1 million in OEC's Child Care Services to be carried forward from FY 14 into FY 15 and transferred to School Readiness for additional start-up costs for the additional pre-kindergarten seats in school readiness programs.
20(d)	OEC/DOH	Allows \$275,000 in DOH's Tax Relief for the Elderly Renters to be carried forward from FY 14 into FY 15 and transferred to OEC's School Readiness for start-up costs for additional pre-kindergarten seats in school readiness.
21	GF Rev./BRF	Redirects the FY 13 Surplus from the General Fund Revenue in FY 15 to the Budget Reserve Fund (\$30 million).
22	SDE	Provides a list by town of the equalization aid grant amounts for FY 15. The total ECS amount by town for FY 15 is \$2,038 million.
23	OTT	Transfers \$12 million of the CT Student Loan Foundation financial assets to the CHET Baby Scholars Trust administered by the Office of the State Treasurer.
24	SDE	Specifies that up to \$100,000 of the After School Program funding in SDE in FY 15 shall be available to Plainville (\$50,000), Thompson (\$25,000) and Montville (\$25,000) school districts.

Section 25 carries forward funding from FY 14 into FY 15 in the Treasurer’s Debt Account and transfers to various agencies identified below. Of the total \$64.4 million in carry forward funding in the bill, \$4.9 million is included in section 25.

Section 25	Agency (recipient)	Description
(1)	OGA	\$200,000 - for the Office of the Child Advocate for two-generational planning.
(2)	DOH	\$150,000 - Public Housing Resident Network (PHRN)
(3)	DEEP	\$40,000 - New London County 4-H Camp in North Franklin
(4)	DEEP	\$130,000 - Auer Farm in Bloomfield
(5)	DECD	\$10,000 - New Haven Symphony
(6)	DECD	\$100,000 - Op Sail
(7)	DECD	\$50,000 - Schooner Inc.
(8)	SDE	\$92,000 - Sound School in New Haven
(9)	DMV	\$50,000 - Donate for Life organ donation awareness program
(10)	BOR	\$100,000 - CSU O’Neil Chair Oral History Program (Vets History Project)
(11)	BOR	\$50,000 - Institute of Municipal and Regional Policy (IMRP) evaluation of Multidimensional Family Therapy Program and Juvenile Parole
(12)	OLM	\$139,150 - to CASE to conduct a Family Violence in CT study. Funding was appropriated in FY 14 but will not be expended due to the delay in starting the study.
(13)	OLM	\$400,000 - to CASE for an Early Childhood Regression Discontinuity study. Funding was appropriated in FY 14 for the study but will not be expended due to the delay in starting the study.
(14)	OLM	\$275,000 - Equipment
(15)	OLM	\$80,971 - to finish developing the strategic master plan for higher education in CT.
(16)	AAAC	\$2,850 - to complete the training and outreach for veterans.
(17)	PCSW	\$20,000 - to conduct an early childhood education survey. Funding was appropriated in FY 14 for this purpose but will not be expended due to the delay in implementing the survey.
(18)	PSCW	\$50,000 - to update the Family Economic Self-Sufficiency Standards.
(19)	BOR	\$300,000 - to IMRP for the Racial Profiling Prohibition Project (PA 12-74).
(20)	DOC	\$165,000 - Vocational Education
(21)	DOC	\$165,000 - Medication Assisted Therapy Pilot Project
(22)	DECD	\$50,000 - Stamford parade
(23)	SDE	\$250,000 - Eli Whitney youth services pilot program
(24)	BOR	\$150,000 - IMRP Results First
(25)	DPH	\$40,000 - cardiovascular research grant to Yale School of Medicine
(26)	JUD	\$750,000 - Youth Violence Initiative
(27)	DOL	\$1 million - Mortgage Crisis Job Training program
(28)	Ag	\$80,000 - Bethlehem Animal Control

Section	Agency	Description
26	DMHAS/SDE/ DECD	Transfers \$12.5 million from the Tobacco Settlement Funds to the following: (1) \$10 million to DMHAS for Grants for Substance Abuse (\$3 million) and Grants for Mental Health Services (\$7 million); (2) \$2 million to SDE for Interdistrict Cooperation (\$1 million) and After School (\$1 million), there are eight cities listed in the bill eligible to apply for the After School grant; and (3) \$500,000 to DECD for a grant to Connecticut Innovations for regenerative medicine and bioscience grant award management. In FY 14, \$180.1 million in Tobacco Settlement Funds were budgeted for disbursements, it is anticipated that \$192.8 million will be received therefore resulting in a \$12.7 million balance.
27	OSC Fringe/DSS	Allows for \$51 million in Medicaid funding in DSS to be carried forward from FY 14 into FY 15 and transferred to the OSC-Fringe Benefits for Retired Employee Health Service Costs.
28	DOL	Specifies that up to \$900,000 provided in DOL's budget for Jobs First Employment Services in FY 15 shall be available for participants in Jobs First program and unemployed clients.
29	OPM	Removes the assessed value of Bradley Airport property in the town of Windsor Locks, Windsor, Suffield, and East Granby from the State-Owned property PILOT grant formula. This will increase State Owned PILOT payments to 165 municipalities (and various other boroughs) and reduce State Owned property payments to the four above mentioned towns with Bradley Airport land. The four abovementioned towns will mostly offset the reduction in State Owned property PILOT by receiving direct payment representing property tax (Sec. 58-61 of PA 13-277) from the Connecticut Airport Authority for the Bradley Airport land.
30	BOR	Repeals section 42 of PA 13-184 that earmarked funding for the Institute of Municipal and Regional Policy (IMRP) for the Results First project. Section 25(24) of this bill clarifies the funding for the IMRP and Results First.
30	Various	Repeals sections 11, 12 and 49 of PA 13-184, the biennial budget that provided OPM with holdback authority for specific budgeted lapses. These sections are no longer needed as this budget distributes these lapses in the agencies budgets.

HB 5034 – An Act Making Deficiency Appropriations for the Fiscal Year Ending June 30, 2014

The bill results in no net impact to the General Fund (GF) or Transportation Fund (TF). The GF increases of \$44.3 million and TF \$0.6 million are offset by reductions in appropriations to various agencies and accounts.

The bill also reduces, by \$9 million, the amount by which the FY 14 budget is under the spending cap. This is due to a \$9 million reduction of appropriations in Debt Service, which is exempt from the spending cap, and a commensurate increase in areas that are subject to the spending cap. The FY 14 budget is currently under the spending cap by \$9.4 million; with passage of the bill, the FY 14 budget will be under the spending cap by \$400,000.

The table below shows the changes in agency appropriations contained in the bill.

HB 5034, the FY 14 Deficiency Bill (in millions)

Agency	FY 14 \$
Section 1 General Fund Increases:	
Department of Administrative Services	8.0
Department of Emergency Services and Public Protection	4.5
Department of Education	18.8
Public Defenders	4.0
OSC - Adjudicated Claims	6.2
DAS - Workers' Compensation	2.8
Total - General Fund Increases	44.3
Section 2 General Fund Reductions:	
Legislative Management	(3.0)
Department of Social Services	(3.0)
Teachers' Retirement Board	(2.0)
Department of Children and Families	(10.0)
Debt Service - State Treasurer	(9.0)
OSC - Fringe Benefits	(17.3)
Total - General Fund Reductions	(44.3)
NET GF Impact	-
Section 3 Transportation Fund Increases:	
DAS - Workers' Compensation	0.6
Section 4 Transportation Fund Reductions:	
Department of Motor Vehicles	(0.6)
NET TF Impact	-

OFA's description of the factors in each agency's deficiency is in the 3/25/14 document prepared for the Appropriations Committee Deficiency public hearing and on our website ([available here](#)).