

OFFICE OF FISCAL ANALYSIS

Room 5200, Legislative Office Building
 Hartford, CT 06106 - (860) 240-0200
 E-Mail: ofa@cga.ct.gov
www.cga.ct.gov/ofa

State Budget Projections General Fund February 25, 2014

Summary

We are currently projecting a \$518.2 million surplus in the General Fund. This reflects a net increase of \$4.8 million since our last report of January 27, 2014. Although projected lapses increased, they were not enough to offset the increase in account shortages resulting in an overall increase in projected expenditures of \$3.2 million. On the revenue side, increases in projections for the inheritance tax and lottery collections were offset by reduced provider tax projections, resulting in a net increase in revenues of \$8.0 million.

FY 14 General Fund Overview (in millions) ¹

Estimates	Budget	Jan Projection	Feb Projection	Difference from Jan	Difference from Budget
Expenditures					
Agency Appropriations	17,361.4	17,361.4	17,361.4	-	-
Deficiency Requirements	-	34.5	44.8	10.3	44.8
Lapses	(172.7)	(295.2)	(302.2)	(7.0)	(129.5)
Total Expenditures	17,188.7	17,100.8	17,104.0	3.2	(84.7)
Revenues					
Personal Income Tax	8,808.8	9,021.9	9,021.9	-	213.1
Sales and Use	4,044.0	4,132.2	4,132.2	-	88.2
Corporations	723.5	815.4	815.4	-	91.9
Federal Grants	1,312.7	1,305.4	1,305.4	-	(7.3)
Other Taxes and Refunds	757.7	802.2	805.2	3.0	47.5
Other Revenue Sources	1,546.5	1,537.1	1,542.1	5.0	(4.4)
Total Revenues	17,193.2	17,614.2	17,622.2	8.0	429.0
Operating Surplus/(Deficit)	4.5	513.4	518.2	4.8	513.7
% of Expenditures	0.0%	3.0%	3.0%	0.0%	3.0%

¹ Totals may appear to not add up due to a rounding effect

Major Expenditure Changes since January 27, 2014

- State Department of Education - Magnet School - was increased by \$9.8 million or 3.6% from last month's projection due to higher than anticipated expenses in the following areas (1) preschool tuition, (2) supplemental transportation grants, and (3) enrollment. The overall deficiency for the Magnet School account is \$18.8 million, which is 0.5% of total agency expenditures. The portion of the deficiency attributed to enrollment is based on unaudited data.
- Office of the State Comptroller - Fringe Benefits - The Employers Social Security account projection was decreased by \$3.1 million or 1.4%. The projected lapse for the Social Security account of \$9.6 million represents approximately 4% of the FY 14 budgeted amount. The decrease is based on current payroll trends across state agencies which impact the General Fund Employers' Social Security account.
- Department of Mental Health and Addiction Services - Other Expenses - was increased by \$1.3 million or 4.5% from last month's projection primarily due to increased costs in food, translation and interpretation, security services and equipment leases. Professional Services was increased by \$1.3 million or 10.2% from last month's projection due to the continued inability to hire psychiatrists. In addition, Workers' Comp was increased by \$1.7 million or 13.9% from last month's projection due to higher than budgeted claims.
- Department of Mental Health and Addiction Services - TBI Community Services - was reduced by \$1.3 million or 9.6% from last month, Behavioral Health Meds by \$800,000 or 14.2% from last month, and Home and Community Based Services was reduced by \$2.8 million or 29.1% from last month's projection. These changes are due to lower per person costs and lower than anticipated caseload.

Major Revenue Changes since January 27, 2014

- Inheritance & Estate Tax - was increased by \$10.0 million, or 5.4%, due to strong collections relative to projections.
- Health Provider Tax - was decreased by \$7.0 million, or 1.4%, due to weaker-than-projected January quarterly payments.
- Transfers- Special Revenue - was increased \$5.0 million, or 1.6%, due to lottery collections outpacing year-to-date targets.

Deficient Agencies

Given the reduction in available funding that occurs due to budgeted lapses (holdbacks), we currently identify seven agencies that would require \$44.8 million in additional expenditure requirements. However, if available funding were to be released, this would reduce the need for deficiency funding to \$37.5 million.

FY 14 General Fund Estimated Agency Deficiency Needs

Agency	Budgeted Appropriation \$	Available ^[1] Appropriation \$	Estimated Exp. \$	Deficiency without release of holdbacks \$	Deficiency with release of holdbacks \$
Department of Education	2,917,583,769	2,917,748,019	2,934,578,266	(16,830,247)	(15,896,174)
Department of Correction	670,461,667	668,776,128	678,162,088	(9,385,960)	(5,394,560)
Department of Administrative Services	138,621,319	138,223,274	144,004,605	(5,781,331)	(4,990,021)
Public Defender Services Commission	61,371,589	61,384,748	66,187,542	(4,802,794)	(4,581,769)
Department of Emergency Services and Public Protection	173,324,812	173,919,376	178,719,376	(4,800,000)	(3,495,883)
Workers' Compensation Claims - Administrative Services	27,187,707	27,187,707	29,808,472	(2,620,765)	(2,620,765)
State Comptroller - Miscellaneous	4,100,000	4,100,000	4,650,099	(550,099)	(550,099)
			Total	(44,771,196)	(37,529,271)
[1] Appropriation less budgeted lapses					

Further Information

Use the links below to see detailed estimates by agency/account and revenue category.

[Expenditures XLS PDF](#)

[Revenues XLS PDF](#)