



# STATE OF CONNECTICUT

## OFFICE OF POLICY AND MANAGEMENT

June 21, 2010

The Honorable Nancy Wyman  
State Comptroller  
55 Elm Street  
Hartford, Connecticut 06106

Dear Comptroller Wyman:

The following information on the State's General Fund for Fiscal Year 2009-2010 is provided in accordance with Section 4-66 of the General Statutes. In addition, an analysis of the Special Transportation Fund is included due to the significant nature of this fund. Expenditure and revenue estimates are as of May 31, 2010.

We are currently estimating a surplus of \$242.9 million in the General Fund. It should be noted, however, that Public Act 10-179 requires that any general fund surplus in FY 2010 be transferred to FY 2011 to help balance the FY 2011 budget as well as to reduce the borrowing budgeted for FY 2011. The projected \$242.9 million surplus represents an improvement of \$76.0 million over last month's letter. This change is attributable to an increase in projected lapses totaling \$20.5 million, an improvement in projected revenue totaling approximately \$58.9 million, and an offsetting adjustment of \$3.4 million, primarily for refunds of escheated property.

Estimated General Fund revenue is revised upward by \$58.9 million from our May 20<sup>th</sup> letter. The sales tax estimate has increased by \$30 million due to improving collections, which for the past two months are registering positive growth when compared to the same months a year ago. Refunds of taxes have improved by \$10 million, as lower than projected refunds (other than income taxes) have been issued. Rents, Fines and Escheats have improved by \$16.2 million and collections of Licenses, Permits and Fees have improved by \$12 million. All other changes net to a \$9.3 million reduction.

On the expenditure side, the passage of Public Act 10-179 together with Finance Advisory Committee action and the release of certain holdbacks have eliminated additional requirements within agencies, with the exception of the Commission on Children, which is anticipated to experience a deficiency of \$15,638 in its Personal Services account. Overall, total General Fund lapses are now estimated at \$514.8 million, which includes the \$100.0 million SERS payment deferral and \$59 million in gubernatorial rescissions. This lapse total represents an increase of \$20.5 million over our May 20<sup>th</sup> estimate and more than \$41 million beyond the amount included in the FY 2010 budget as amended.

In the Special Transportation Fund, this month's letter reflects a \$1.7 million increase in the estimated June 30, 2010 fund balance. This change is based on a \$2.3 million improvement on the expenditure side offset by a \$600,000 reduction in projected revenues. The expenditure changes are largely attributable to a reduction in projected debt service requirements and a reduction in estimated fringe benefits costs. The June 30, 2010 fund balance is currently projected to be \$98.5 million.

It should be noted that while these projections are the best that can be made at this time, estimates may have to be adjusted to reflect changes in the economy, expenditure patterns and/or other factors.

Sincerely,

A handwritten signature in cursive script that reads "Brenda L. Sisco".

Brenda L. Sisco  
Acting Secretary

Summary  
June 21, 2010

State of Connecticut  
Summary of Changes  
General Fund and Special Transportation Fund  
Projected to June 30, 2010  
As of May 31, 2010  
(In Millions)

**General Fund**

Balance - May 20, 2010		\$	166.9
Revenues			
Sales & Use	30.0		
Inheritance & Estate	(5.0)		
Refunds of Taxes	10.0		
Licenses, Permits, Fees	12.0		
Rents, Fines, Escheats	16.2		
Miscellaneous	(5.6)		
All Other - Net	1.3		58.9
Expenditures			
Additional Requirements	10.0		
Estimated Lapses	10.5		
Miscellaneous Adjustments/Rounding	(3.4)		17.1
Balance - June 21, 2010		\$	<u>242.9</u>

**Special Transportation Fund**

Carry Forward FY 2008-09 Surplus		\$	93.6
Balance - May 20, 2010			3.2
Revenues			
All Other - Net	(0.6)		(0.6)
Expenditures			
Additional Requirements - No Change	0.0		
Estimated Lapses	2.3		2.3
Balance - June 21, 2010		\$	<u>98.5</u>

Statement 1  
June 21, 2010

State of Connecticut  
General Fund  
Statement of Revenues, Expenditures, and Results of Operations  
Projected to June 30, 2010  
As of May 31, 2010  
(In Millions)

	General Assembly <u>Budget Plan</u> <sup>1.</sup>	Revised Estimates <u>OPM</u> <sup>2.</sup>	Over/ <u>(Under)</u>
<b>REVENUE</b>			
Taxes	\$12,017.5	\$11,850.4	(\$167.1)
Less: Refunds	<u>(1,089.9)</u>	<u>(\$1,085.2)</u>	<u>4.7</u>
Taxes - Net	10,927.6	\$10,765.2	(162.4)
Other Revenue	1,307.1	\$1,365.7	58.6
Other Sources	<u>5,137.7</u>	<u>\$5,396.3</u>	<u>258.6</u>
TOTAL Revenue	\$17,372.4	\$17,527.2	\$154.8
<b>EXPENDITURES</b>			
Appropriations	\$17,843.6	\$17,766.0	(\$77.6)
Net Additional Requirements	0.0	\$0.0	0.0
Less: Estimated Lapses	<u>(473.3)</u>	<u>(\$514.8)</u>	<u>(41.5)</u>
TOTAL Expenditures	\$17,370.3	\$17,251.2	(\$119.1)
Balance from Operations	\$2.1	\$276.0	\$273.9
Miscellaneous Adjustments	<u>0.0</u>	<u>(\$33.1)</u>	<u>(33.1)</u>
Estimated Balance 6/30/10 <sup>3.</sup>	<u>\$2.1</u>	<u>\$242.9</u>	<u>\$240.8</u>

1. P.A. 09-3 of the June Special Session, as amended by P.A. 09-8, September Special Session, P.A. 09-7, September Special Session and P.A. 09-5 of the September Special Session
2. Appropriation as amended by P.A. 10-3
3. Per P.A. 10-179, as amended, any unappropriated surplus from FY 10 will be transferred to FY 11.

State of Connecticut  
General Fund  
Revenue Estimates  
Projected to June 30, 2010  
As of May 31, 2010  
(In Millions)

TAXES	
Personal Income	\$6,560.5
Sales and Use	3,136.1
Corporation	671.6
Public Service Corporations	260.0
Inheritance and Estate	176.2
Insurance Companies	213.6
Cigarettes	387.6
Real Estate Conveyance	94.3
Oil Companies	124.4
Alcoholic Beverages	47.6
Admissions and Dues	34.6
Miscellaneous	143.9
TOTAL - TAXES	<u>\$11,850.4</u>
Less: Refunds of Taxes	(1,075.5)
R & D Credit Exchange	(9.7)
TOTAL - TAXES - NET	<u>\$10,765.2</u>
OTHER REVENUE	
Transfers - Special Revenue	\$293.4
Indian Gaming Payments	383.7
Licenses, Permits, Fees	242.9
Sales of Commodities and Services	32.0
Rents, Fines, Escheats	251.4
Investment Income	3.5
Miscellaneous	160.0
Refunds of Payments	(1.2)
TOTAL - OTHER REVENUE	<u>\$1,365.7</u>
OTHER SOURCES	
Federal Grants	\$4,037.7
Transfer from Tobacco Settlement Fund	101.6
Transfers (To)/From Other Funds	<u>1,257.0</u>
TOTAL - OTHER SOURCES	<u>\$5,396.3</u>
TOTAL - GENERAL FUND REVENUE	\$17,527.2

State of Connecticut - General Fund  
Appropriation Adjustments - Net Additional Requirements  
Projected to June 30, 2010  
As of May 31, 2010

Commission on Children	\$15,638
Total	<u>\$15,638</u>

State of Connecticut  
General Fund  
Estimated Lapses  
Projected to June 30, 2010  
As of May 31, 2010

Reduce Outside Consultant Contracts	\$33,500,000
General Personal Services Reduction	14,000,000
General Other Expenses Reductions	9,900,000
Personal Services Reductions	157,100,000
Office of Legislative Management	2,955,000
Auditors of Public Accounts	1,608,000
DOIT Lapse	21,000,000
Management Reduction	9,900,000
Reduce Other Expenses to FY 07 Levels	21,400,000
Allotment Rescissions - November 5, 2009	31,600,000
Allotment Rescissions - November 24, 2009	19,400,000
Allotment Rescissions - March 29, 2010	8,200,000
SERS Payment Deferral per SEBAC Agreement	100,000,000
Governor's Office	265,000
Secretary of the State	255,000
Elections Enforcement Commission	540,000
Contracting Standards Board	469,000
Office of the State Treasurer	520,000
Department of Revenue Services	340,000
Division of Special Revenue	555,000
Office of Policy and Management	1,744,000
Department of Veterans Affairs	545,000
Department of Administrative Services	1,670,000
Department of Public Works	521,000
Office of the Attorney General	1,765,000
Police Officer Standards and Training Council	335,000
Department of Labor	280,000
Department of Environmental Protection	4,841,000
Economic and Community Development	361,000
Agricultural Experiment Station	275,000
Department of Developmental Services	2,319,000
Mental Health and Addiction Services	2,637,000
Department of Social Services	10,360,000
Department of Education	1,120,000
State Library	200,000
Department of Higher Education	495,000
Teachers Retirement Board	290,000
Department of Correction	8,297,000
Department of Children and Families	24,139,000
Judicial Department	1,426,000

Statement 4  
June 21, 2010

State of Connecticut  
General Fund  
Estimated Lapses  
Projected to June 30, 2010  
As of May 31, 2010

Commission on Child Protection	779,000
Office of the State Treasurer - Debt Service	6,661,000
State Comptroller - Fringe Benefits	8,350,000
Other Minor Lapses	1,856,000
Total	<u>\$514,773,000</u>

State of Connecticut  
2009-10 General Fund  
Summary of Operations Per Letter to the Comptroller  
(In Millions)

	Budget Plan <sup>1</sup>	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009	January 2010	February 2010	March 2010	April <sup>2</sup> 2010	May 2010	June 2010
REVENUE	\$17,372.4	\$17,375.4	\$17,375.4	\$17,203.3	\$17,127.3	\$17,239.1	\$17,029.5	\$17,029.5	\$17,029.5	\$17,058.2	\$17,468.3	\$17,527.2	
Appropriations	17,843.6	17,847.9	17,847.9	17,843.9	17,843.6	17,843.6	17,843.6	17,843.6	17,843.6	17,843.6	17,766.0	17,766.0	
Additional Requirements	0.0	0.0	0.0	212.5	212.5	234.5	193.7	193.7	143.5	129.3	10.0	0.0	
Less: Estimated Lapses	(473.3)	(473.3)	(473.3)	(473.3)	(473.3)	(524.3)	(524.3)	(524.3)	(624.3)	(622.4)	(504.3)	(514.8)	
TOTAL - Estimated Expenditures	17,370.3	17,374.6	17,374.6	17,583.1	17,582.8	17,553.8	17,513.0	17,513.0	17,362.8	17,350.5	17,271.7	17,251.2	
Balance from Operations	2.1	0.8	0.8	(379.8)	(455.5)	(314.7)	(483.5)	(483.5)	(333.3)	(292.3)	196.6	276.0	
Compt.'s Misc. Adjustments/Rounding	0.0	0.0	0.0	(8.7)	(11.0)	(13.2)	(17.0)	(20.4)	(23.2)	(27.5)	(29.8)	(33.1)	
Estimated Balance 6/30/10 <sup>3</sup>	\$2.1	\$0.8	\$0.8	(\$388.5)	(\$466.5)	(\$327.9)	(\$500.5)	(\$503.9)	(\$356.5)	(\$319.8)	\$166.9	\$242.9	

1. P.A. 09-3 of the June Special Session, as amended by P.A. 09-8, September Special Session,

P.A. 09-7, September Special Session and P.A. 09-5 of the September Special Session

2. Appropriation as amended by P.A. 10-3

3. Per P.A. 10-179, as amended, any unappropriated surplus from FY 10 will be transferred to FY 11.

Statement 1T  
June 21, 2010

State of Connecticut  
Special Transportation Fund  
Analysis of Budget Plan  
Projected to June 30, 2010  
As of May 31, 2010  
(In Millions)

	General Assembly <u>Budget Plan</u> <sup>1.</sup>	Revised Estimates <u>OPM</u> <sup>2.</sup>	Over/ <u>(Under)</u>
Surplus Carried Forward from 2008-09	\$93.6	\$93.6	\$0.0
<b>REVENUE</b>			
Taxes	\$691.4	\$710.3	\$18.9
Less: Refunds of Taxes	<u>(6.6)</u>	<u>(7.4)</u>	<u>(0.8)</u>
Taxes - Net	684.8	702.9	18.1
Other Revenue	<u>430.9</u>	<u>410.1</u>	<u>(20.8)</u>
<b>TOTAL - Revenue</b>	<b>\$1,115.7</b>	<b>\$1,113.0</b>	<b>(\$2.7)</b>
<b>EXPENDITURES</b>			
Appropriations	\$1,135.9	\$1,135.9	\$0.0
Additional Appropriations	0.0	0.0	0.0
Less: Estimated Lapses	<u>(21.2)</u>	<u>(27.8)</u>	<u>(6.6)</u>
<b>TOTAL - Expenditures</b>	<b>\$1,114.7</b>	<b>\$1,108.1</b>	<b>(\$6.6)</b>
Balance from Operations	\$1.0	\$4.9	\$3.9
Miscellaneous Adjustments	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>Estimated Balance 6/30/10</b>	<b><u>\$94.6</u></b>	<b><u>\$98.5</u></b>	<b><u>\$3.9</u></b>

1. P.A. 09-3 of the June Special Session, as amended by P.A. 09-8, September Special Session  
and P.A. 09-7, September Special Session

2. Appropriation as amended by P.A. 10-3

Statement 2T  
June 21, 2010

State of Connecticut  
Special Transportation Fund  
Revenue Estimates  
Projected to June 30, 2010  
As of May 31, 2010  
(In Millions)

TAXES	
Motor Fuels	\$500.4
Oil Companies	141.9
Sales Tax DMV	68.0
TOTAL - TAXES	<u>710.3</u>
Less: Refunds of Taxes	<u>(7.4)</u>
TOTAL - TAXES - NET	\$702.9
OTHER REVENUE	
Motor Vehicle Receipts	\$218.8
Licenses, Permits, Fees	134.9
Interest Income	6.5
Federal Grants	3.3
Transfers (To)/From Other Funds	49.4
Refunds of Payments	<u>(2.8)</u>
TOTAL - OTHER REVENUE	<u>\$410.1</u>
TOTAL - SPECIAL TRANSPORTATION FUND REVENUE	\$1,113.0

Statement 3T  
June 21, 2010

State of Connecticut  
Special Transportation Fund  
Appropriation Adjustments - Net Additional Requirements  
Projected to June 30, 2010  
As of May 31, 2010

No Additional Requirements	\$0
Total	<u>          </u> \$0

Statement 4T  
June 21, 2010

State of Connecticut  
Special Transportation Fund  
Estimated Lapses  
Projected to June 30, 2010  
As of May 31, 2010

State Treasurer - Debt Service	\$10,500,000
Department of Motor Vehicles	2,980,000
Department of Transportation	360,000
State Comptroller - Fringe Benefits	3,435,000
Personal Services Reductions	9,613,180
Allotment Rescissions November 5, 2009	896,820
Total	<u>\$27,785,000</u>

State of Connecticut  
2009-10 Special Transportation Fund  
Summary of Operations Per Letter to the Comptroller  
(In Millions)

	Budget Plan <sup>1</sup>	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009	January 2010	February 2010	March 2010	April <sup>2</sup> 2010	May 2010	June 2010
Beginning Balance	\$93.6	\$93.6	\$93.6	\$93.6	\$93.6	\$93.6	\$93.6	\$93.6	\$93.6	\$93.6	\$93.6	\$93.6	\$93.6
Revenue	<u>1,115.7</u>	<u>1,106.5</u>	<u>1,109.5</u>	<u>1,118.7</u>	<u>1,118.7</u>	<u>1,118.7</u>	<u>1,127.1</u>	<u>1,127.1</u>	<u>1,127.1</u>	<u>1,125.3</u>	<u>1,113.6</u>	<u>1,113.6</u>	<u>1,113.0</u>
Total Available	1,209.3	1,200.1	1,203.1	1,212.3	1,212.3	1,212.3	1,220.7	1,220.7	1,220.7	1,218.9	1,207.2	1,206.6	1,206.6
Appropriations	1,135.9	1,127.6	1,127.6	1,135.9	1,135.9	1,135.9	1,135.9	1,135.9	1,135.9	1,135.9	1,135.9	1,135.9	1,135.9
Additional Requirements	0.0	0.0	0.0	0.0	0.0	0.0	6.0	6.0	6.0	2.0	0.0	0.0	0.0
Less: Estimated Lapses	<u>(21.2)</u>	<u>(21.2)</u>	<u>(21.2)</u>	<u>(21.2)</u>	<u>(21.2)</u>	<u>(22.1)</u>	<u>(28.1)</u>	<u>(28.1)</u>	<u>(28.1)</u>	<u>(26.8)</u>	<u>(25.5)</u>	<u>(27.8)</u>	<u>(27.8)</u>
TOTAL - Estimated Expenditures	1,114.6	1,106.4	1,106.4	1,114.6	1,114.7	1,113.8	1,113.8	1,113.8	1,113.8	1,111.1	1,110.4	1,108.1	1,108.1
Balance from Operations	1.1	0.1	3.1	4.1	4.0	4.9	13.3	13.3	13.3	14.2	3.2	4.9	4.9
Compt's Misc. Adjustments/Rounding	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Estimated Balance 6/30/10	\$94.7	\$93.7	\$96.7	\$97.7	\$97.6	\$98.5	\$106.9	\$106.9	\$106.9	\$107.8	\$96.8	\$98.5	\$98.5

1. P.A. 09-3 of the June Special Session, as amended by P.A. 09-8, September Special Session, P.A. 09-7, September Special Session and P.A. 09-5 of the September Special Session

2. Appropriation as amended by P.A. 10-3