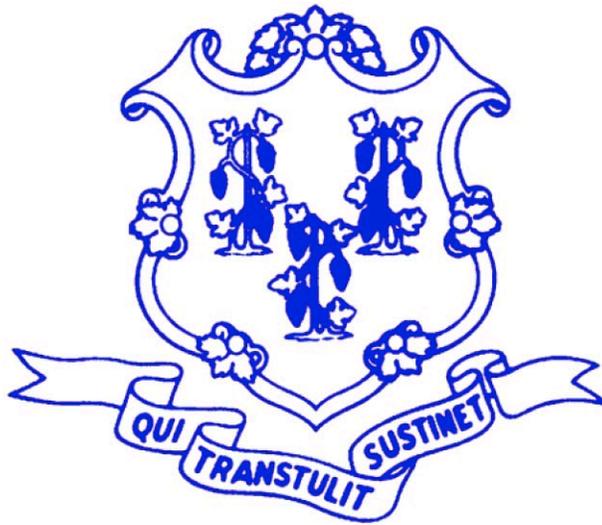


# CONNECTICUT STATE BUDGET

FY 18 & FY 19 Budget



OFFICE OF FISCAL ANALYSIS  
CONNECTICUT GENERAL ASSEMBLY

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## **I. OVERVIEW**

### **General Fund Budget Development**

In November 2016, OFA projected a General Fund deficit of \$77.5 million for the current fiscal year (FY 17) but more ominously projected a significant structural shortfall of \$1.2 billion in FY 18 based on the new fixed cost methodology.

By February 2017, based on new consensus revenue calculations, the General Fund gaps had grown to \$1.7 billion in FY 18 and \$1.9 billion in FY 19. The recommended FY 18 - FY 19 biennial budget that the Governor proposed to the General Assembly closed these gaps, as is required by law, by increasing revenues by \$321 million in FY 18 and by \$287 million in FY 19 while reducing appropriations by \$1.4 billion in FY 18 and by \$1.6 billion in FY 19. When combined, the Governor's budget resulted in a balance of \$2.1 million in FY 18 and \$4.5 million in FY 19.

The April consensus revenue estimates further reduced anticipated revenue by approximately \$600 million in FY 18 and \$860 million in FY 19.

## **FY 18 and FY 19 Budget**

A budget (PA 17-1, June Special Session<sup>1</sup>) passed both houses of the General Assembly on September 15, 2017. However, this act was vetoed by the Governor.

The budget (PA 17-2, JSS<sup>2</sup> (JSS)) passed the Senate on October 25<sup>th</sup> and the House of Representatives on October 26<sup>th</sup>. This Governor exercised his line item veto authority over certain provisions of this budget.

Finally, PA 17-4 JSS<sup>3</sup> passed the Senate on November 14<sup>th</sup> and the House of Representatives on November 15<sup>th</sup>. This bill made final adjustments to the budget and addressed the impact of the Governor's line item veto on PA 17-2.

The FY 18 General Fund budget grows by 4.6% when compared to FY 17 Appropriations. Similarly, the FY 19 budget grows by 0.5% when compared to the FY 18 budget. The final budget included revenue increases of \$ 1,654 million in FY 18 and \$ 1,735 million in FY 19 combined with appropriation increases of \$826.1 million in FY 18 and by \$100.5 million in FY 19.

<sup>1</sup> PA 17-1, JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019, Appropriations and Implementing Provisions Therefor, and Authorizing and Adjusting Bonds of the State for Various Purposes.

<sup>2</sup> PA 17-2, JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019, Making Appropriations Therefore, Authorizing Bonds of the State and Implementing Provisions of the Budget.

<sup>3</sup> PAA 17-4, JSS, An Act Making Minor and Technical Changes to the State Budget and Implementing Provisions for the Biennium Ending June 30<sup>th</sup>, 2019.

**Comparison of FY 18 and FY 19 Appropriations to Revenue Estimates**  
(in millions)

| Fund               | FY 18 \$        |                 |              | FY 19 \$        |                 |              |
|--------------------|-----------------|-----------------|--------------|-----------------|-----------------|--------------|
|                    | Approp          | Revenue         | Balance      | Approp          | Revenue         | Balance      |
| General            | 18,690.1        | 18,739.3        | 49.3         | 18,790.6        | 18,908.2        | 117.6        |
| Transportation     | 1,510.9         | 1,588.5         | 77.6         | 1,628.1         | 1,628.1         | 0.0          |
| Other Appropriated | 229.5           | 239.0           | 9.5          | 239.5           | 250.4           | 10.9         |
| <b>TOTAL</b>       | <b>20,430.5</b> | <b>20,566.8</b> | <b>136.3</b> | <b>20,658.2</b> | <b>20,786.7</b> | <b>128.5</b> |

The budget includes appropriations totaling \$20,430.5 million in FY 18 and \$20,658.2 million in FY 19.

**Fund Summary of FY 18 and FY 19 Appropriations**  
(in millions)

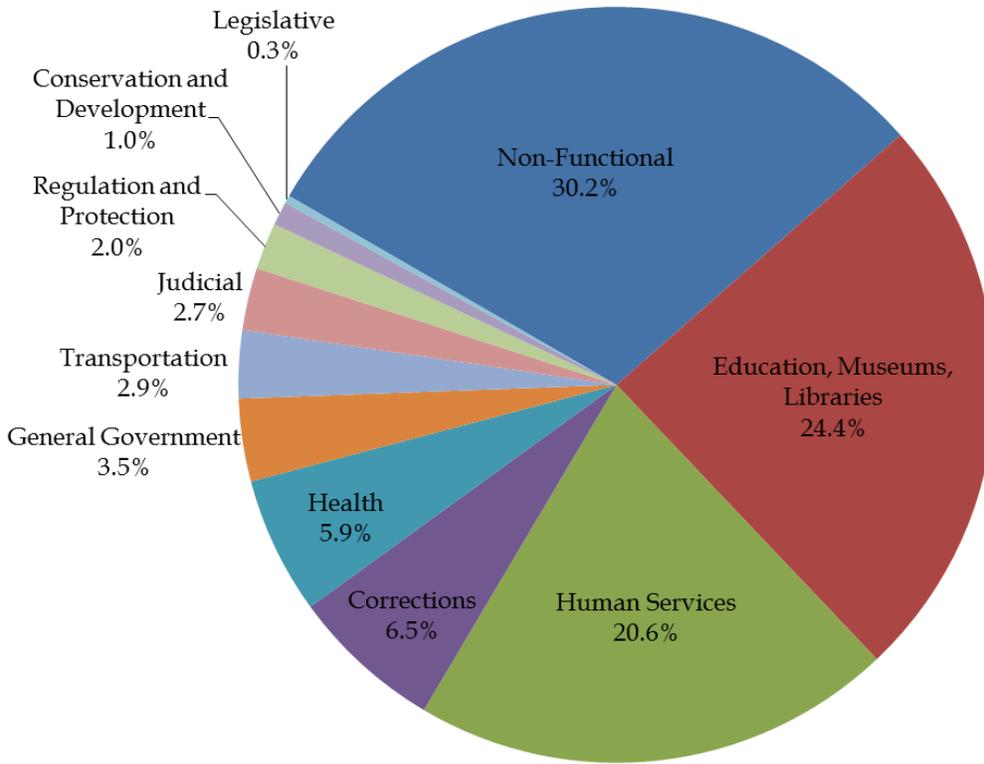
| Gross Appropriations by Fund                     | Legislative           |                       |
|--|-----------------------|-----------------------|
|  | FY 18 \$              | FY 19 \$              |
| General Fund                                     | 19,571,654,760        | 19,885,371,203        |
| Special Transportation Fund                      | 1,522,906,625         | 1,640,068,939         |
| Banking Fund                                     | 27,413,284            | 27,386,848            |
| Insurance Fund                                   | 90,234,868            | 95,035,932            |
| Consumer Counsel and Public Utility Control Fund | 25,571,954            | 25,571,954            |
| Workers' Compensation Fund                       | 24,652,430            | 24,940,502            |
| Mashantucket Pequot and Mohegan Fund             | 57,649,850            | 49,942,796            |
| Regional Market Operation Fund                   | 1,067,306             | 1,067,306             |
| Criminal Injuries Compensation Fund              | 2,934,088             | 2,934,088             |
| Tourism Fund                                     | -                     | 12,644,988            |
| <b>Total Gross Appropriations</b>                | <b>21,324,085,165</b> | <b>21,764,964,556</b> |
| <b>General Fund Lapses</b>                       |                       |                       |
| Unallocated Lapse                                | (42,250,000)          | (51,765,570)          |
| Unallocated Lapse - Legislative                  | (1,000,000)           | (1,000,000)           |
| Unallocated Lapse - Judicial                     | (3,000,000)           | (8,000,000)           |
| Statewide Hiring Reduction - Executive           | (6,500,000)           | (7,000,000)           |
| Targeted Savings                                 | (111,814,090)         | (150,878,179)         |
| Reflect Delay                                    | (8,500,000)           | -                     |
| Achieve Labor Concessions                        | (700,000,000)         | (867,600,000)         |
| Municipal Aid Savings                            | (8,500,000)           | (8,500,000)           |

|  | Legislative           |                        |
|--|-----------------------|------------------------|
| Gross Appropriations by Fund                     | FY 18 \$              | FY 19 \$               |
| <b>Total General Fund Lapses</b>                 | <b>(881,564,090)</b>  | <b>(1,094,743,749)</b> |
| <b>Special Transportation Fund Lapses</b>        |                       |                        |
| Unallocated Lapse                                | (12,000,000)          | (12,000,000)           |
| <b>Total Special Transportation Fund Lapses</b>  | <b>(12,000,000)</b>   | <b>(12,000,000)</b>    |
| <b>Net Appropriations</b>                        |                       |                        |
| General Fund                                     | 18,690,090,670        | 18,790,627,454         |
| Special Transportation Fund                      | 1,510,906,625         | 1,628,068,939          |
| Banking Fund                                     | 27,413,284            | 27,386,848             |
| Insurance Fund                                   | 90,234,868            | 95,035,932             |
| Consumer Counsel and Public Utility Control Fund | 25,571,954            | 25,571,954             |
| Workers' Compensation Fund                       | 24,652,430            | 24,940,502             |
| Mashantucket Pequot and Mohegan Fund             | 57,649,850            | 49,942,796             |
| Regional Market Operation Fund                   | 1,067,306             | 1,067,306              |
| Criminal Injuries Compensation Fund              | 2,934,088             | 2,934,088              |
| Tourism Fund                                     | -                     | 12,644,988             |
| <b>Total Net Appropriations</b>                  | <b>20,430,521,075</b> | <b>20,658,220,807</b>  |

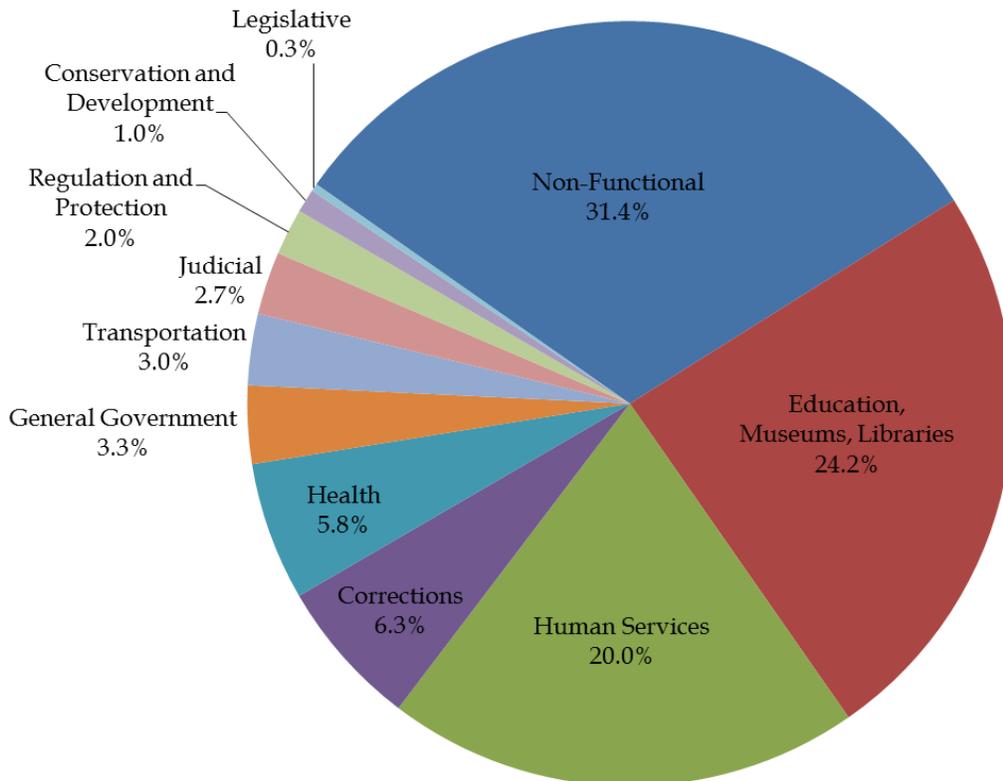
**FY 18 and FY 19 All Appropriated Funds**  
(by function of government – in millions)

| Expenditure Type                         | FY 18 \$        | % of<br>Total | FY 19 \$         | % of<br>Total |
|--|-----------------|---------------|------------------|---------------|
| Non-Functional                           | 6,435.6         | 30.2%         | 6,824.8          | 31.4%         |
| <i>Fringe Benefits</i>                   | 3,174.6         | 14.9%         | 3,426.3          | 15.7%         |
| Education, Museums, Libraries            | 5,204.8         | 24.4%         | 5,275.0          | 24.2%         |
| <i>Primary &amp; Secondary Education</i> | 4,242.5         | 19.9%         | 4,322.6          | 19.9%         |
| <i>Higher Education</i>                  | 547.5           | 2.6%          | 531.2            | 2.4%          |
| Human Services                           | 4,390.1         | 20.6%         | 4,357.0          | 20.0%         |
| <i>Medicaid</i>                          | 2,570.8         | 12.1%         | 2,616.4          | 12.0%         |
| <i>Disproportionate Share</i>            | 108.9           | 0.5%          | 108.9            | 0.5%          |
| <i>Temporary Assistance to Families</i>  | 70.4            | 0.3%          | 70.4             | 0.3%          |
| Corrections                              | 1,386.1         | 6.5%          | 1,367.0          | 6.3%          |
| Health                                   | 1,252.1         | 5.9%          | 1,273.0          | 5.8%          |
| General Government                       | 754.4           | 3.5%          | 717.5            | 3.3%          |
| Transportation                           | 620.1           | 2.9%          | 656.6            | 3.0%          |
| Judicial                                 | 568.0           | 2.7%          | 578.0            | 2.7%          |
| Regulation and Protection                | 425.5           | 2.0%          | 428.5            | 2.0%          |
| Conservation and Development             | 217.3           | 1.0%          | 216.9            | 1.0%          |
| Legislative                              | 70.1            | 0.3%          | 70.5             | 0.3%          |
| <b>Gross Total</b>                       | <b>21,324.1</b> |               | <b>21,765.0</b>  |               |
| Lapses                                   | <i>(893.6)</i>  |               | <i>(1,106.7)</i> |               |
| <b>NET TOTAL</b>                         | <b>20,430.5</b> |               | <b>20,658.2</b>  |               |

**FY 18 All Appropriated Funds  
(by function of government)**

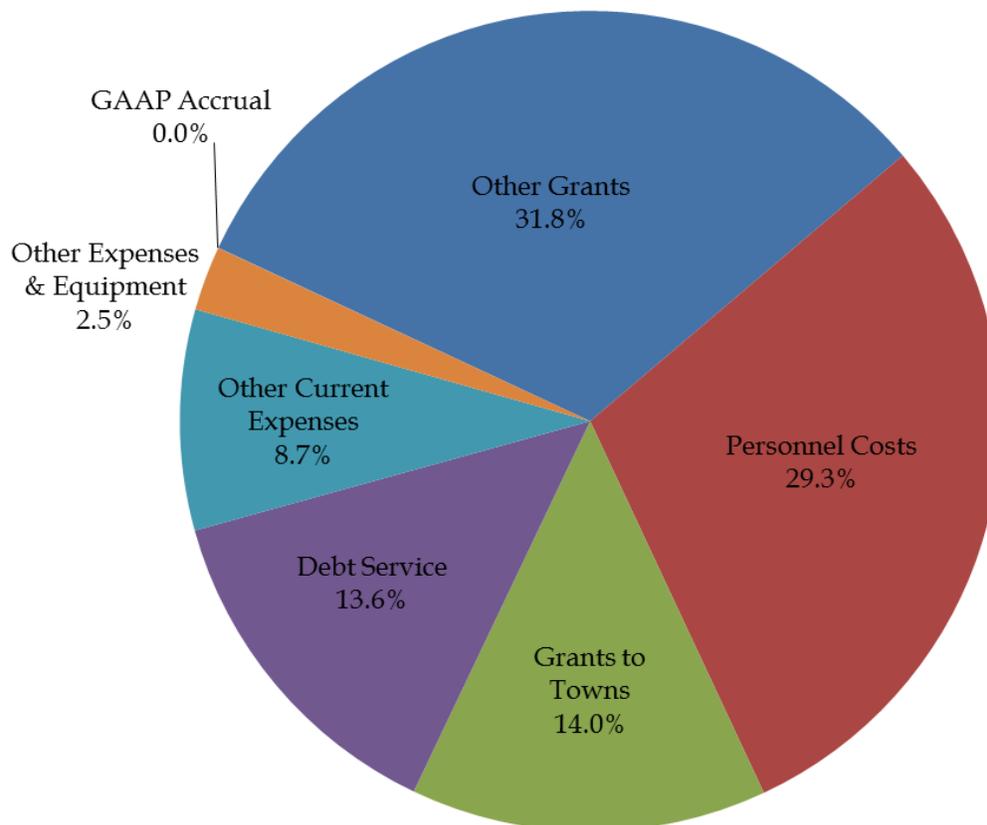


**FY 19 All Appropriated Funds  
(by function of government)**



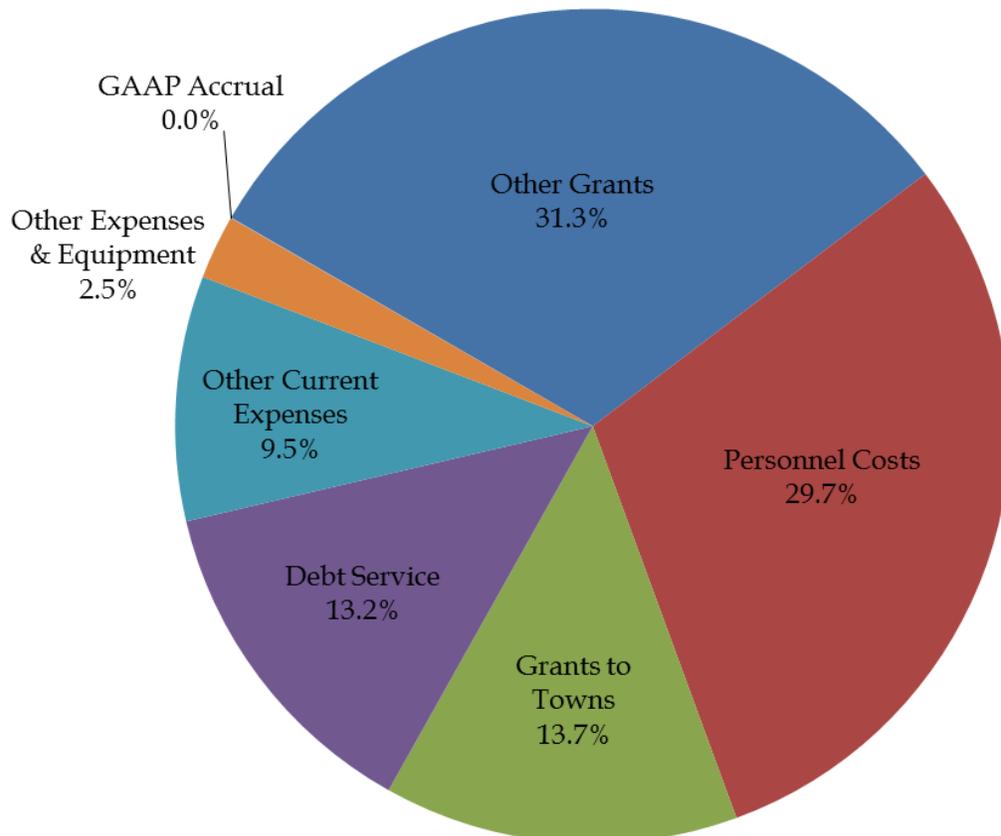
**FY 18 All Appropriated Funds**  
(by expenditure type - in millions)

| Expenditure Type                                 | FY 18 \$        | % of Total |
|--|-----------------|------------|
| Other Grants                                     | 6,790.6         | 31.8%      |
| <i>Medicaid</i>                                  | 2,570.8         | 12.1%      |
| <i>Teacher's Retirement Pension &amp; Health</i> | 1,309.6         | 6.1%       |
| Personnel Costs                                  | 6,237.5         | 29.3%      |
| <i>Fringe Benefits</i>                           | 3,077.3         | 14.4%      |
| Grants to Towns                                  | 2,992.9         | 14.0%      |
| <i>Education Equalization Grants</i>             | 1,986.2         | 9.3%       |
| <i>Magnet Schools</i>                            | 328.1           | 1.5%       |
| <i>PILOTS - State Owned &amp; Private</i>        | 152.5           | 0.7%       |
| Debt Service                                     | 2,905.7         | 13.6%      |
| Other Current Expenses                           | 1,853.5         | 8.7%       |
| Other Expenses & Equipment                       | 542.2           | 2.5%       |
| GAAP Accrual                                     | 1.6             | 0.0%       |
| <b>Gross Total</b>                               | <b>21,324.1</b> |            |
| Lapses   | (893.6)         |            |
| <b>NET TOTAL</b>                                 | <b>20,430.5</b> |            |



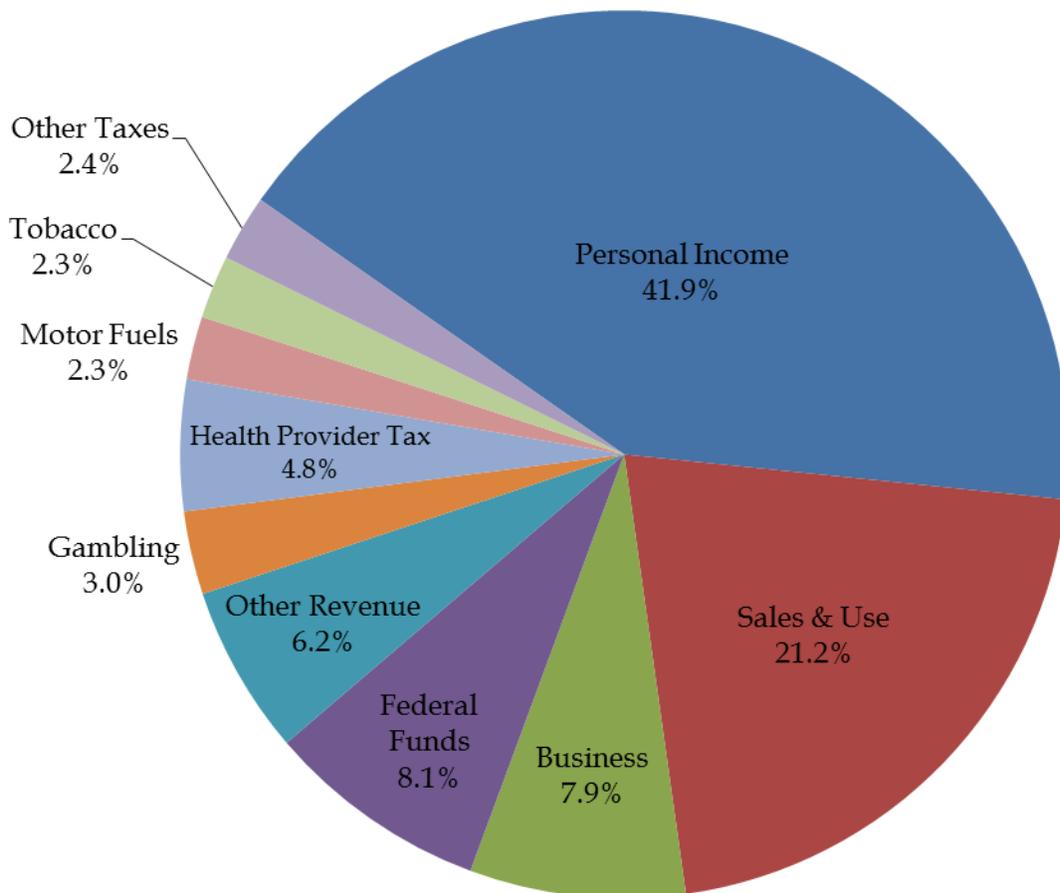
**FY 19 All Appropriated Funds**  
(by expenditure type - in millions)

| <b>Expenditure Type</b>                          | <b>FY 19 \$</b>  | <b>% of Total</b> |
|--|------------------|-------------------|
| Other Grants                                     | 6,820.5          | 31.3%             |
| <i>Medicaid</i>                                  | 2,570.8          | 11.8%             |
| <i>Teacher's Retirement Pension &amp; Health</i> | 1,309.6          | 6.0%              |
| Personnel Costs                                  | 6,471.7          | 29.7%             |
| <i>Fringe Benefits</i>                           | 3,077.3          | 14.1%             |
| Grants to Towns                                  | 2,986.8          | 13.7%             |
| <i>Education Equalization Grants</i>             | 1,986.2          | 9.1%              |
| <i>Magnet Schools</i>                            | 328.1            | 1.5%              |
| <i>PILOTS - State Owned &amp; Private</i>        | 152.5            | 0.7%              |
| Debt Service                                     | 2,873.8          | 13.2%             |
| Other Current Expenses                           | 2,065.2          | 9.5%              |
| Other Expenses & Equipment                       | 543.3            | 2.5%              |
| GAAP Accrual                                     | 3.6              | 0.0%              |
| <b>Gross Total</b>                               | <b>21,765.0</b>  |                   |
| Lapses   | <b>(1,106.7)</b> |                   |
| <b>NET TOTAL</b>                                 | <b>20,658.2</b>  |                   |



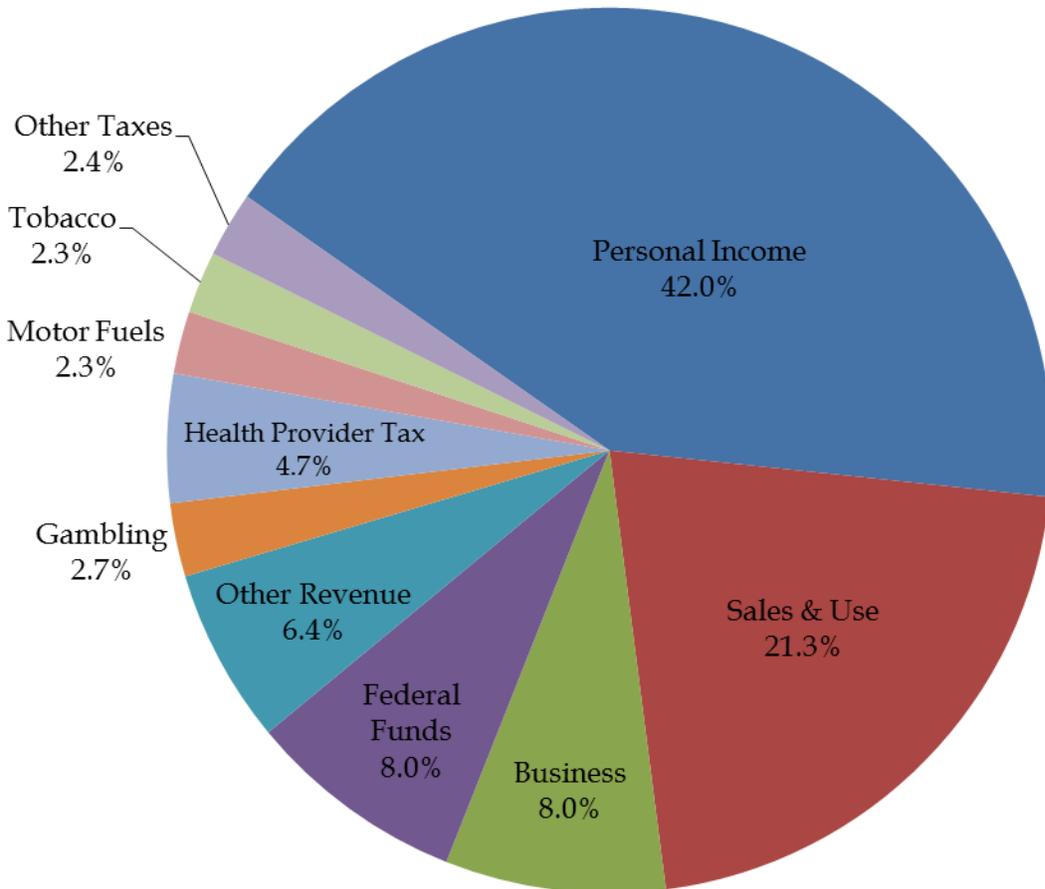
**FY 18 All Appropriated Fund Revenue**  
(by revenue type - in millions)

| <b>Revenue Item</b> | <b>FY 18 \$</b> | <b>% of Total</b> |
|---------------------|-----------------|-------------------|
| Personal Income     | 9,182.5         | 41.9%             |
| Sales & Use         | 4,636.3         | 21.2%             |
| Business            | 1,720.6         | 7.9%              |
| Federal Funds       | 1,778.4         | 8.1%              |
| Other Revenue       | 1,351.3         | 6.2%              |
| Gambling            | 664.2           | 3.0%              |
| Health Provider Tax | 1,045.0         | 4.8%              |
| Motor Fuels         | 505.3           | 2.3%              |
| Tobacco             | 503.9           | 2.3%              |
| Other Taxes         | 527.5           | 2.4%              |
| <b>Gross Total</b>  | <b>21,915.1</b> |                   |
| Reductions          | (1,348.3)       |                   |
| <b>NET TOTAL</b>    | <b>20,566.8</b> |                   |



**FY 19 All Appropriated Fund Revenue**  
(by revenue type - in millions)

| Revenue Item        | FY 19 \$        | % of Total |
|---------------------|-----------------|------------|
| Personal Income     | 9,312.2         | 42.0%      |
| Sales & Use         | 4,725.0         | 21.3%      |
| Business            | 1,786.8         | 8.0%       |
| Federal Funds       | 1,776.1         | 8.0%       |
| Other Revenue       | 1,420.5         | 6.4%       |
| Gambling            | 595.3           | 2.7%       |
| Health Provider Tax | 1,044.1         | 4.7%       |
| Motor Fuels         | 506.1           | 2.3%       |
| Tobacco             | 501.5           | 2.3%       |
| Other Taxes         | 530.6           | 2.4%       |
| <b>Gross Total</b>  | <b>22,198.2</b> |            |
| Reductions          | (1,411.5)       |            |
| <b>NET TOTAL</b>    | <b>20,786.7</b> |            |



## Spending Cap

The budget is under the spending cap by \$635.3 million in FY 17, \$783 million in FY 18 and \$190.1 million in FY 19. Pursuant to Section 709 of PA 17-2 JSS, these calculations incorporate: (1) an allowable growth rate based on the greater of the five-year compound annual growth in personal income on a calendar year basis or the 12-month increase in the Consumer Price Index for All Urban Consumers, All Items Less Food and Energy on a December-over-December basis, (2) the elimination of the current exemption for certain grants to distressed municipalities, (3) a temporary exemption for appropriations for the unfunded liabilities of the State Employees' Retirement System, Judges, Family Support Magistrates and Compensation Commissioners Retirement System, and Teachers' Retirement System, (4) an exemption for appropriations of federal funds, (5) an exemption for the first year of state funding for which a federal match is received, and (6) the requirement that a base adjustment be made under certain enumerated circumstances.

### Spending Cap Calculation (in millions)

| Item  | Revised FY 17 \$ | FY 18 \$        | FY 19 \$        |
|---|------------------|-----------------|-----------------|
| <b>All Appropriated Funds - Prior Year</b>  | <b>19,807.2</b>  | <b>19,739.2</b> | <b>20,430.5</b> |
| Base Adjustment <sup>1</sup>  | -                | 77.8            | (4.1)           |
| Extraordinary spending  | -                | -               | -               |
| <b>Prior Year Appropriations</b>  | <b>19,807.2</b>  | <b>19,817.0</b> | <b>20,426.4</b> |
| <b>Less Prior Year "Non-Capped" Expenditures</b>  |                  |                 |                 |
| Debt Service  | 2,474.5          | 2,626.1         | 2,925.7         |
| SERS/TRS/JRS unfunded liability <sup>2</sup>  | 1,828.8          | 1,890.0         | 2,205.3         |
| Statutory grants to distressed municipalities <sup>3</sup>  | 1,611.4          | -               | -               |
| Appropriation of federal funds <sup>4</sup>   | -                | 1,257.6         | 1,717.7         |
| <b>Prior Year "Non-Capped" Expenditures</b>   | <b>5,914.7</b>   | <b>5,773.7</b>  | <b>6,848.8</b>  |
| Total "capped" expenditures   | 13,892.5         | 14,043.3        | 13,577.6        |
| Times the 5-year compound growth in personal income (calendar year basis) or 12-month increase in Core CPI-U <sup>5</sup> | 3.3%             | 2.2%            | 2.4%            |
| = Allowable "capped" growth   | 461.2            | 311.9           | 328.9           |
| <b>Allowable Capped Expenditures</b>  | <b>14,353.7</b>  | <b>14,355.2</b> | <b>13,906.5</b> |
| <b>Plus Current Year "Non-Capped" Expenditures</b>  |                  |                 |                 |
| Debt service  | 2,626.1          | 2,925.7         | 2,893.8         |
| SERS/TRS/JRS unfunded liability   | 1,890.0          | 2,205.3         | 2,397.1         |
| Federal mandates and court orders (new funding)   | 7.9              | 9.6             | 3.6             |
| Statutory grants to distressed municipalities   | 1,496.8          | -               | -               |
| State match to federal funds (new funding) <sup>6</sup>   | -                | -               | -               |
| Appropriation of federal funds  | -                | 1,717.7         | 1,647.3         |
| <b>Current Year "Non-Capped" Expenditures</b>   | <b>6,020.8</b>   | <b>6,858.4</b>  | <b>6,941.8</b>  |
| <b>Expenditures Allowed Under the Cap</b>   | <b>20,374.5</b>  | <b>21,213.5</b> | <b>20,848.3</b> |
| Appropriation for this year   | 19,739.2         | 20,430.5        | 20,658.2        |
| <b>TOTAL OVER/(UNDER) THE SPENDING CAP</b>  | <b>(635.3)</b>   | <b>(783.0)</b>  | <b>(190.1)</b>  |

<sup>1</sup>Reflects base adjustments for the gross appropriation of portions of Medicaid, and shifting of the following programs on- or off-budget: Newborn Screening, Women's Business Center, and Passport to Parks.

<sup>2</sup> Reflects language temporarily exempting unfunded liabilities for SERS/TRS/JRS.

<sup>3</sup> Adjusted to reflect distressed grants under the cap beginning with the FY 18-FY 19 biennium.

<sup>4</sup> Reflects new exemption for state appropriation of federal funds.

<sup>5</sup> Reflects greater of 5-year compound growth in Personal Income on a Calendar Year basis or increase in CPI-U, All Items Less Food and Energy on a December-over-December basis for the FY 18-FY 19 biennium.

<sup>6</sup>Reflects new language exempting the first year of any new state appropriation that generates a federal match.

## FY 18 and FY 19 Budget Growth Rates

The FY 18 growth rate for the General Fund is 4.6% over FY 17 appropriated expenditures. The FY 19 General Fund growth rate is 0.5% over FY 18. See the table below for details.

### FY 18 and FY 19 Budget Growth Rates (by fund - in millions)

| Fund                      | FY 17<br>Approp. | FY 18<br>Approp. | FY 18<br>Change |             | FY 19<br>Approp. | FY 19<br>Change |             |
|---------------------------|------------------|------------------|-----------------|-------------|------------------|-----------------|-------------|
|                           | \$               | \$               | \$              | %           | \$               | \$              | %           |
| General                   | 17,864.0         | 18,690.1         | 826.1           | 4.6%        | 18,790.6         | 100.5           | 0.5%        |
| Transportation            | 1,463.4          | 1,510.9          | 47.5            | 3.2%        | 1,628.1          | 117.2           | 7.8%        |
| Municipal Revenue Sharing | 185.0            | -                | (185.0)         | -100.0%     | -                | -               | -           |
| Other Appropriated        | 226.8            | 229.5            | 2.7             | 1.2%        | 239.5            | 10.0            | 4.4%        |
| <b>TOTAL</b>              | <b>19,739.2</b>  | <b>20,430.5</b>  | <b>691.3</b>    | <b>3.5%</b> | <b>20,658.2</b>  | <b>227.7</b>    | <b>1.1%</b> |

## Building the FY 18 and FY 19 Budget

The Governor and the Legislature formulate the budget by establishing prior year base spending (FY 17) and adjusting for current services needs and policy goals. In short, the biennial budget is the sum of the FY 17 Revised Appropriations, plus current service adjustments, plus policy revisions. Below is a summary of these changes by fund.

### FY 18 and FY 19 Budget Adjustment Summary (in millions)

| Fund                                      | Current Services |                | Policy         |                  | TOTAL        |              |
|---|------------------|----------------|----------------|------------------|--------------|--------------|
|   | FY 18 \$         | FY 19 \$       | FY 18 \$       | FY 19 \$         | FY 18 \$     | FY 19 \$     |
| General                                   | 1,434.7          | 2,010.0        | (608.6)        | (1,083.3)        | 826.1        | 926.7        |
| Special Transportation                    | 71.0             | 189.2          | (23.5)         | (24.6)           | 47.5         | 164.7        |
| Municipal Revenue Sharing                 | (185.0)          | (185.0)        | -              | -                | (185.0)      | (185.0)      |
| Banking                                   | (2.0)            | (2.0)          | (0.7)          | (0.7)            | (2.7)        | (2.7)        |
| Insurance                                 | 0.8              | 2.0            | 9.0            | 12.5             | 9.8          | 14.6         |
| Consumer Counsel & Public Utility Control | (0.6)            | (0.6)          | (1.1)          | (1.1)            | (1.7)        | (1.7)        |
| Workers' Compensation                     | (0.9)            | (1.6)          | (1.4)          | (0.4)            | (2.3)        | (2.0)        |
| Mashantucket Pequot and Mohegan           | -                | -              | (0.4)          | (8.1)            | (0.4)        | (8.1)        |
| Regional Market Operation                 | -                | -              | -              | -                | -            | -            |
| Criminal Injuries Compensation            | -                | -              | -              | -                | -            | -            |
| Tourism                                   | -                | -              | -              | 12.6             | -            | 12.6         |
| <b>TOTAL</b>                              | <b>1,318.0</b>   | <b>2,012.1</b> | <b>(626.7)</b> | <b>(1,093.1)</b> | <b>691.3</b> | <b>919.0</b> |

On the following page are the FY 18 and FY 19 Budget Reconciliation tables by fund.

**FY 18 Budget Reconciliation**  
(in millions)

| Fund                                      | FY 17 \$        | FY 18 \$                     |                        |                  |                   |                 |
|---|-----------------|------------------------------|------------------------|------------------|-------------------|-----------------|
|   | Revised Approp. | Current Services Adjustments | Total Current Services | Policy Revisions | Total Adjustments | Net Approp.     |
| General                                   | 17,864.0        | 1,434.7                      | 19,298.6               | (608.6)          | 826.1             | 18,690.1        |
| Special Transportation                    | 1,463.4         | 71.0                         | 1,534.4                | (23.5)           | 47.5              | 1,510.9         |
| Municipal Revenue Sharing                 | 185.0           | (185.0)                      | -                      | -                | (185.0)           | -               |
| Banking                                   | 30.1            | (2.0)                        | 28.1                   | (0.7)            | (2.7)             | 27.4            |
| Insurance                                 | 80.4            | 0.8                          | 81.3                   | 9.0              | 9.8               | 90.2            |
| Consumer Counsel & Public Utility Control | 27.3            | (0.6)                        | 26.7                   | (1.1)            | (1.7)             | 25.6            |
| Workers' Compensation                     | 26.9            | (0.9)                        | 26.1                   | (1.4)            | (2.3)             | 24.7            |
| Mashantucket Pequot and Mohegan           | 58.1            | -                            | 58.1                   | (0.4)            | (0.4)             | 57.6            |
| Regional Market Operation                 | 1.1             | -                            | 1.1                    | -                | -                 | 1.1             |
| Criminal Injuries Compensation            | 2.9             | -                            | 2.9                    | -                | -                 | 2.9             |
| Tourism                                   | -               | -                            | -                      | -                | -                 | -               |
| <b>TOTAL</b>                              | <b>19,739.2</b> | <b>1,318.0</b>               | <b>21,057.2</b>        | <b>(626.7)</b>   | <b>691.3</b>      | <b>20,430.5</b> |

**FY 19 Budget Reconciliation**  
(in millions)

| Fund                                      | FY 17 \$        | FY 19 \$                     |                        |                  |                   |                 |
|---|-----------------|------------------------------|------------------------|------------------|-------------------|-----------------|
|   | Revised Approp. | Current Services Adjustments | Total Current Services | Policy Revisions | Total Adjustments | Net Approp.     |
| General                                   | 17,864.0        | 2,010.0                      | 19,874.0               | (1,083.3)        | 926.7             | 18,790.6        |
| Special Transportation                    | 1,463.4         | 189.2                        | 1,652.7                | (24.6)           | 164.7             | 1,628.1         |
| Municipal Revenue Sharing                 | 185.0           | (185.0)                      | -                      | -                | (185.0)           | -               |
| Banking                                   | 30.1            | (2.0)                        | 28.1                   | (0.7)            | (2.7)             | 27.4            |
| Insurance                                 | 80.4            | 2.0                          | 82.5                   | 12.5             | 14.6              | 95.0            |
| Consumer Counsel & Public Utility Control | 27.3            | (0.6)                        | 26.7                   | (1.1)            | (1.7)             | 25.6            |
| Workers' Compensation                     | 26.9            | (1.6)                        | 25.4                   | (0.4)            | (2.0)             | 24.9            |
| Mashantucket Pequot and Mohegan           | 58.1            | -                            | 58.1                   | (8.1)            | (8.1)             | 49.9            |
| Regional Market Operation                 | 1.1             | -                            | 1.1                    | -                | -                 | 1.1             |
| Criminal Injuries Compensation            | 2.9             | -                            | 2.9                    | -                | -                 | 2.9             |
| Tourism                                   | -               | -                            | -                      | 12.6             | 12.6              | 12.6            |
| <b>TOTAL</b>                              | <b>19,036.7</b> | <b>2,012.1</b>               | <b>21,751.3</b>        | <b>(1,093.1)</b> | <b>919.0</b>      | <b>20,658.2</b> |

## FY 20 – FY 22 Out Year Projections

The table below compares OFA’s estimates of revenue and expenditures for FY 20 – FY 22 based on the FY 18 and FY 19 budget (PA 17-2 JSS as adjusted by PA 17-4 JSS). On a fixed costs basis, the expenditures are projected to exceed revenues by \$1.8 billion in FY 20, \$2.5 billion in FY 21, and \$2.9 billion in FY 22.

### Out Year Projections of Expenditures and Revenues (in millions)

| Fund               | FY 20 \$        |                 |                  | FY 21 \$        |                 |                  | FY 22 \$        |                 |                  |
|--------------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|
|                    | Approp          | Revenue         | Balance          | Approp          | Revenue         | Balance          | Approp          | Revenue         | Balance          |
| General            | 19,591.7        | 17,786.7        | (1,805.0)        | 20,431.2        | 17,882.4        | (2,548.8)        | 21,071.1        | 18,008.3        | (3,062.8)        |
| Transportation     | 1,714.0         | 1,743.2         | 29.2             | 1,814.2         | 1,871.8         | 57.6             | 1,930.7         | 1,998.1         | 67.4             |
| Other Appropriated | 243.7           | 257.8           | 14.1             | 243.2           | 258.8           | 15.6             | 244.6           | 259.8           | 15.2             |
| <b>TOTAL</b>       | <b>21,549.4</b> | <b>19,787.7</b> | <b>(1,761.7)</b> | <b>22,488.6</b> | <b>20,013.0</b> | <b>(2,475.6)</b> | <b>23,246.4</b> | <b>20,266.1</b> | <b>(2,980.2)</b> |

## Budget Reserve Fund Activity and Balance

The current balance in the Budget Reserve Fund (Rainy Day Fund) is \$212.9 million.

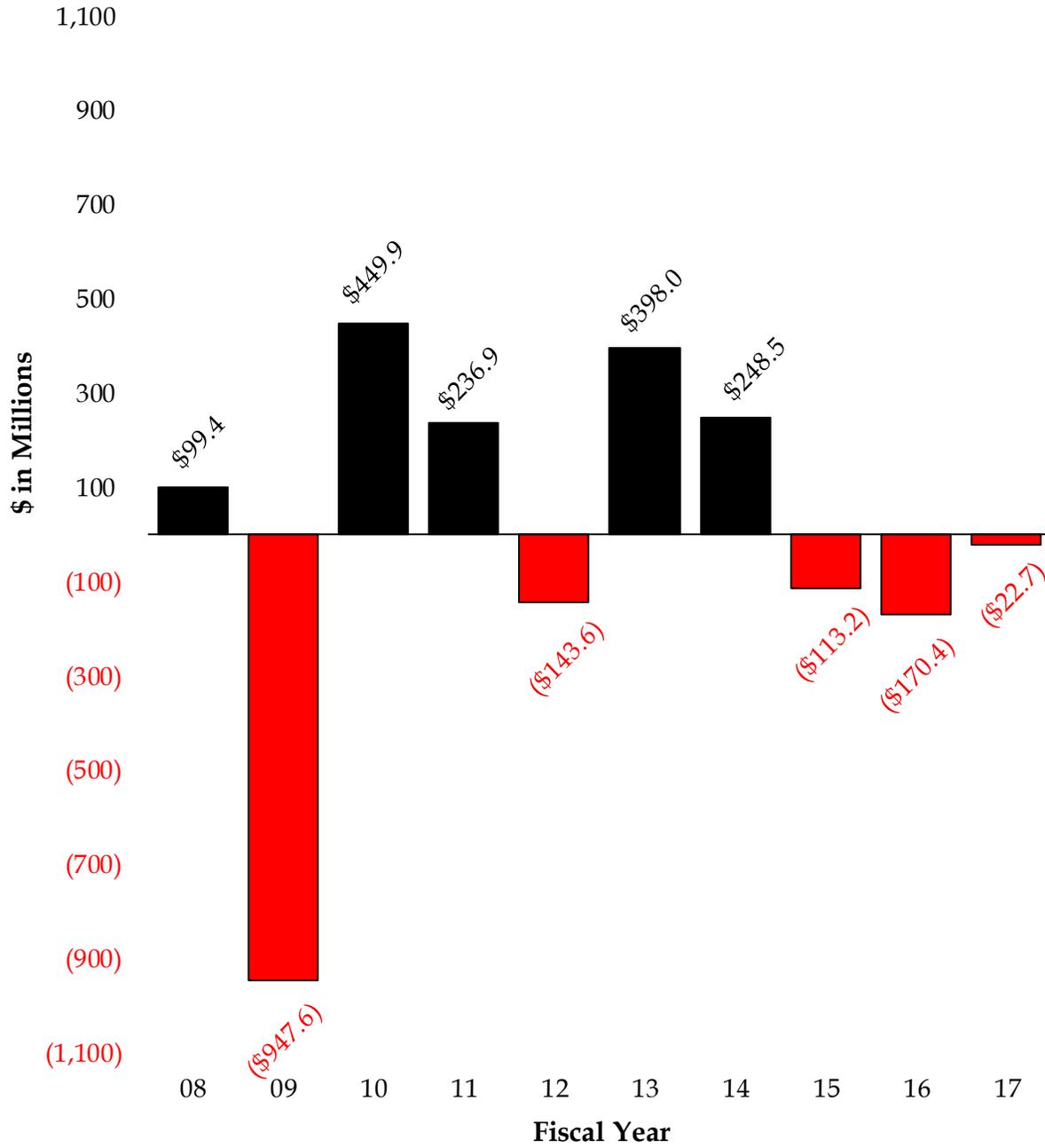
FY 17 ended with a General Fund deficit of \$22.7 million. The Budget Reserve Fund balance at the beginning of FY 17 was \$235.6 million. The deficit of \$22.7 million will be eliminated through a transfer from the Budget Reserve Fund; thus reducing the BRF balance to \$212.9 million.

The following table shows activity and balances in the Budget Reserve Fund from FY 04 - FY 17.

### Budget Reserve Fund Activity and Balance: FY 04 - FY 17 (in millions)

| Fiscal Year | Beginning Balance \$ | Deposits/<br>(Withdrawals) \$ | Ending Balance \$ |
|-------------|----------------------|-------------------------------|-------------------|
| 04          | -                    | 302.2                         | 302.2             |
| 05          | 302.2                | 363.8                         | 666.0             |
| 06          | 666.0                | 446.5                         | 1,112.5           |
| 07          | 1,112.5              | 269.2                         | 1,381.7           |
| 08          | 1,381.7              | -                             | 1,381.7           |
| 09          | 1,381.7              | -                             | 1,381.7           |
| 10          | 1,381.7              | (1,278.5)                     | 103.2             |
| 11          | 103.2                | (103.2)                       | -                 |
| 12          | -                    | 93.3                          | 93.3              |
| 13          | 93.3                 | 177.2                         | 270.7             |
| 14          | 270.7                | 248.5                         | 519.2             |
| 15          | 519.2                | (113.2)                       | 406.0             |
| 16          | 406.0                | (170.4)                       | 235.6             |
| 17          | 235.6                | (22.7)                        | 212.9             |

Ten Year General Fund Surplus/(Deficit) History  
(FY 08 - FY 17)

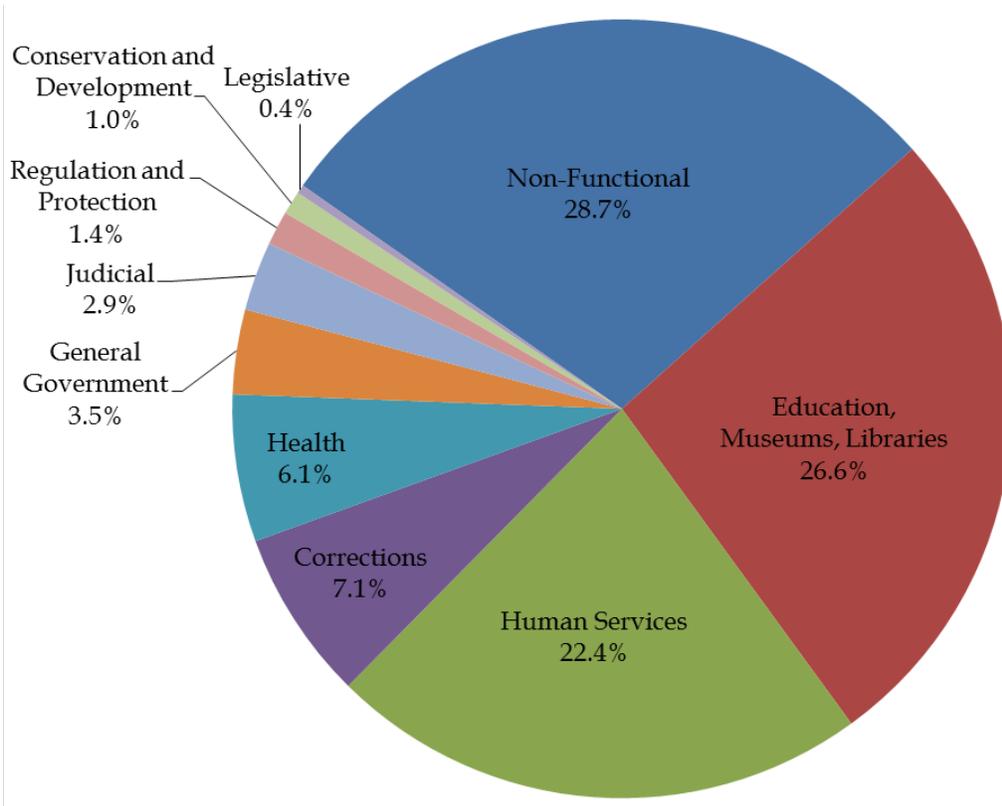


## II. GENERAL FUND

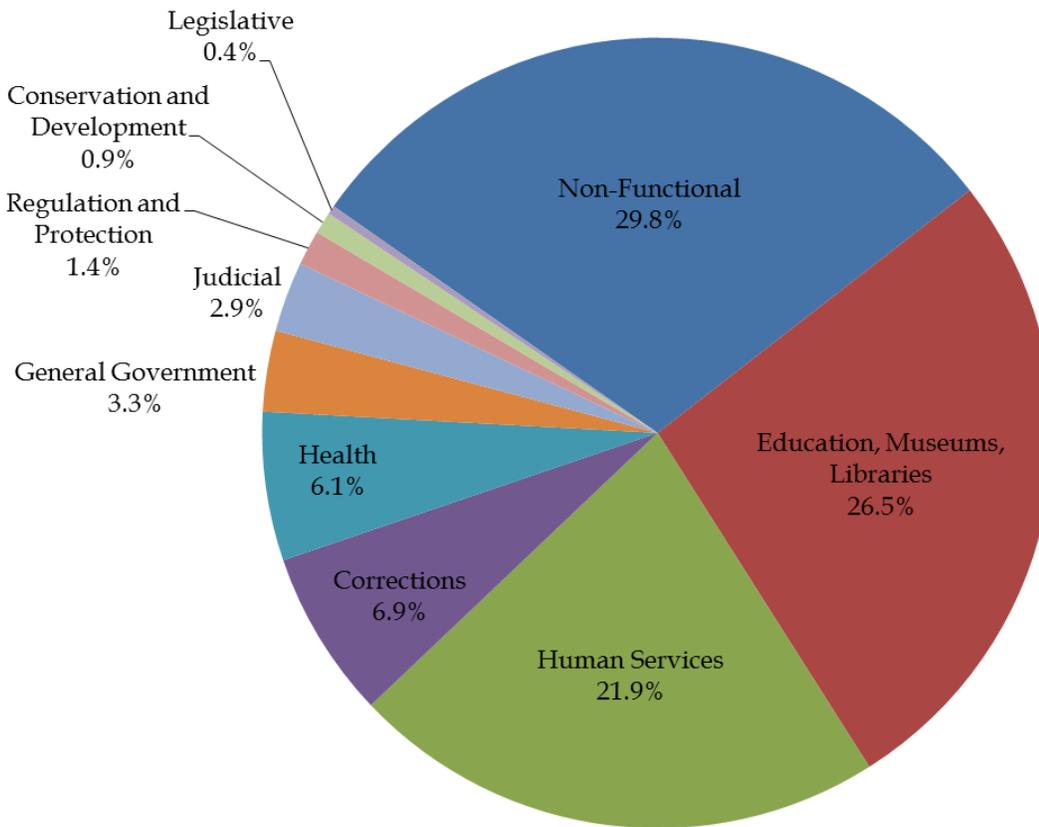
### FY 18 and FY 19 General Fund Appropriations (by function of government – in millions)

| Expenditure Type                         | FY 18 \$        | % of Total | FY 19 \$        | % of Total |
|--|-----------------|------------|-----------------|------------|
| Non-Functional                           | 5,609.8         | 28.7%      | 5,917.6         | 29.8%      |
| <i>Fringe Benefits</i>                   | 2,973.5         | 15.2%      | 3,208.9         | 16.1%      |
| Education, Museums, Libraries            | 5,204.8         | 26.6%      | 5,275.0         | 26.5%      |
| <i>Primary &amp; Secondary Education</i> | 4,242.5         | 21.7%      | 4,322.6         | 21.7%      |
| <i>Higher Education</i>                  | 547.5           | 2.8%       | 531.2           | 2.7%       |
| Human Services                           | 4,387.6         | 22.4%      | 4,354.6         | 21.9%      |
| <i>Medicaid</i>                          | 2,570.8         | 13.1%      | 2,616.4         | 13.2%      |
| <i>Disproportionate Share</i>            | 108.9           | 0.6%       | 108.9           | 0.5%       |
| <i>Temporary Assistance to Families</i>  | 70.4            | 0.4%       | 70.4            | 0.4%       |
| Corrections                              | 1,386.1         | 7.1%       | 1,367.0         | 6.9%       |
| Health                                   | 1,196.8         | 6.1%       | 1,209.6         | 6.1%       |
| General Government                       | 687.2           | 3.5%       | 657.9           | 3.3%       |
| Judicial                                 | 561.5           | 2.9%       | 571.4           | 2.9%       |
| Regulation and Protection                | 278.0           | 1.4%       | 284.9           | 1.4%       |
| Conservation and Development             | 189.9           | 1.0%       | 176.9           | 0.9%       |
| Legislative                              | 70.1            | 0.4%       | 70.5            | 0.4%       |
| <b>Gross Total</b>                       | <b>19,571.7</b> |            | <b>19,885.4</b> |            |
| Lapses                                   | (881.6)         |            | (1,094.7)       |            |
| <b>NET TOTAL</b>                         | <b>18,690.1</b> |            | <b>18,790.6</b> |            |

**FY 18 General Fund Appropriations**  
(by function of government)

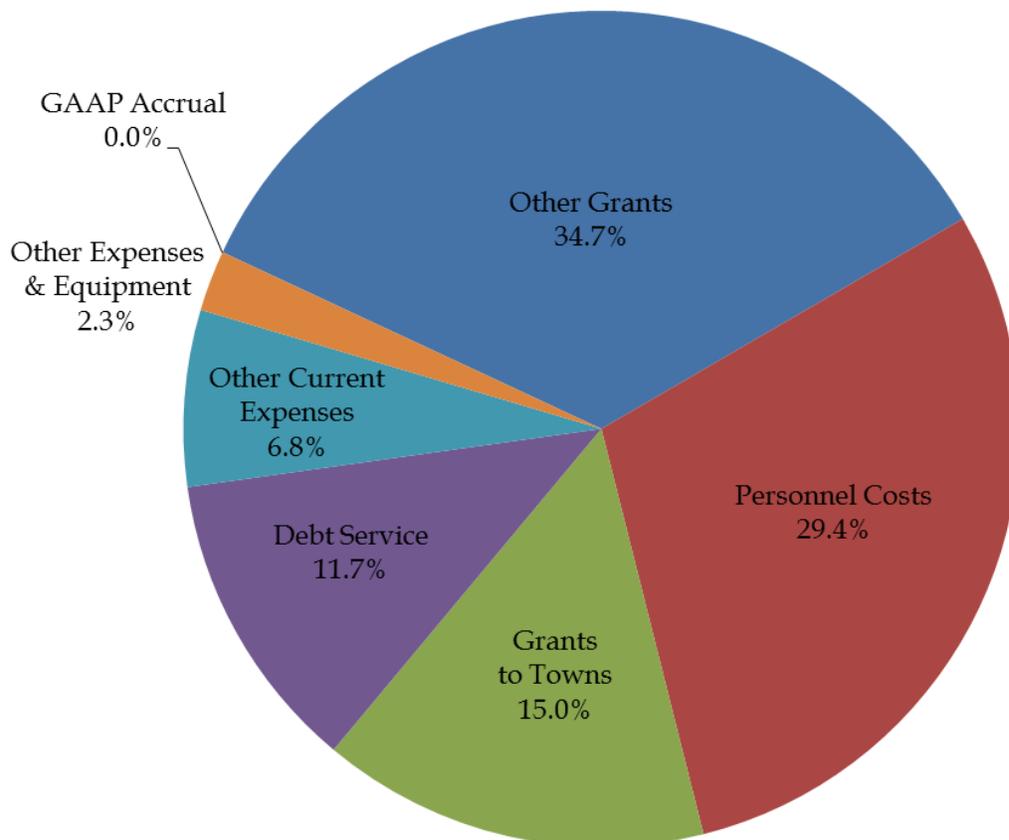


**FY 19 General Fund Appropriations**  
(by function of government)



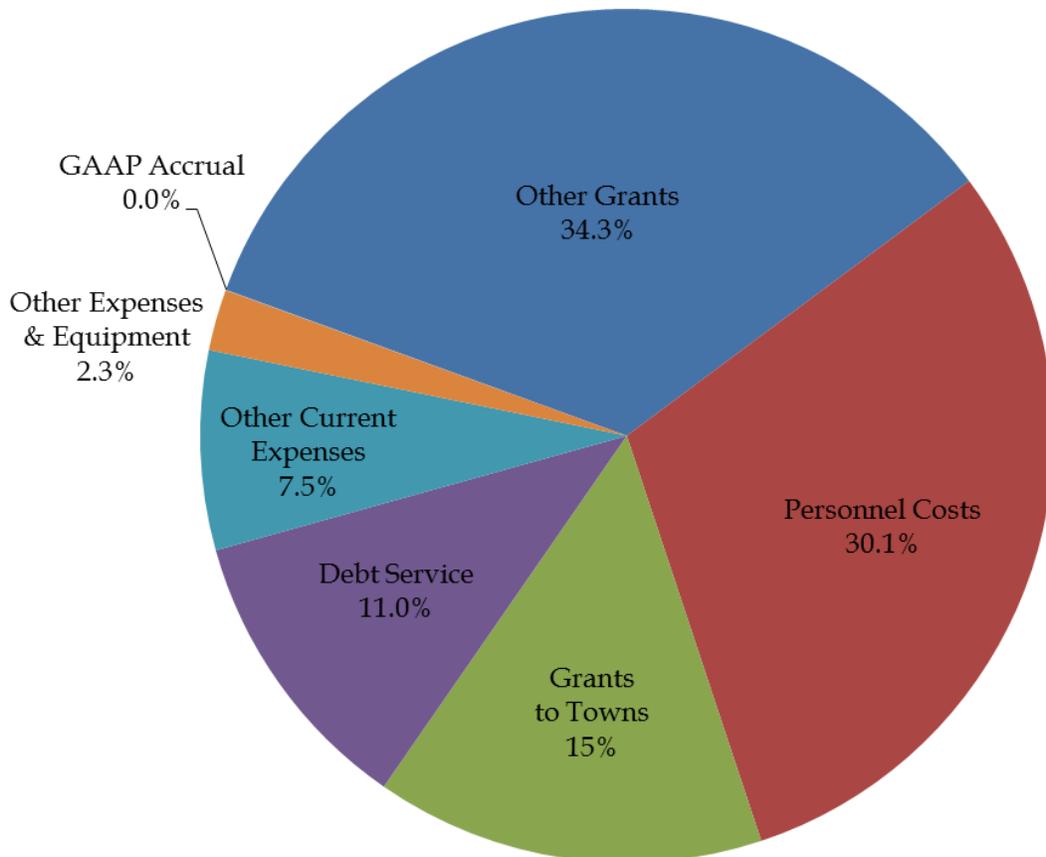
**FY 18 General Fund Appropriations**  
(by expenditure type - in millions)

| <b>Expenditure Type</b>                          | <b>FY 18 \$</b> | <b>% of Total</b> |
|--|-----------------|-------------------|
| Other Grants                                     | 6,787.3         | 34.7%             |
| <i>Medicaid</i>                                  | 2,570.8         | 13.1%             |
| <i>Teacher's Retirement Pension &amp; Health</i> | 1,309.6         | 6.7%              |
| Personnel Costs                                  | 5,762.9         | 29.4%             |
| <i>Fringe Benefits</i>                           | 2,882.2         | 14.7%             |
| Grants to Towns                                  | 2,935.0         | 15.0%             |
| <i>Education Equalization Grants</i>             | 1,986.2         | 10.1%             |
| <i>Magnet Schools</i>                            | 328.1           | 1.7%              |
| <i>PILOTS - State Owned &amp; Private</i>        | 152.5           | 0.8%              |
| Debt Service                                     | 2,291.1         | 11.7%             |
| Other Current Expenses                           | 1,335.7         | 6.8%              |
| Other Expenses & Equipment                       | 459.2           | 2.3%              |
| GAAP Accrual                                     | 1.6             | 0.0%              |
| <b>Gross Total</b>                               | <b>19,571.7</b> |                   |
| Lapses   | <b>(881.6)</b>  |                   |
| <b>NET TOTAL</b>                                 | <b>18,690.1</b> |                   |



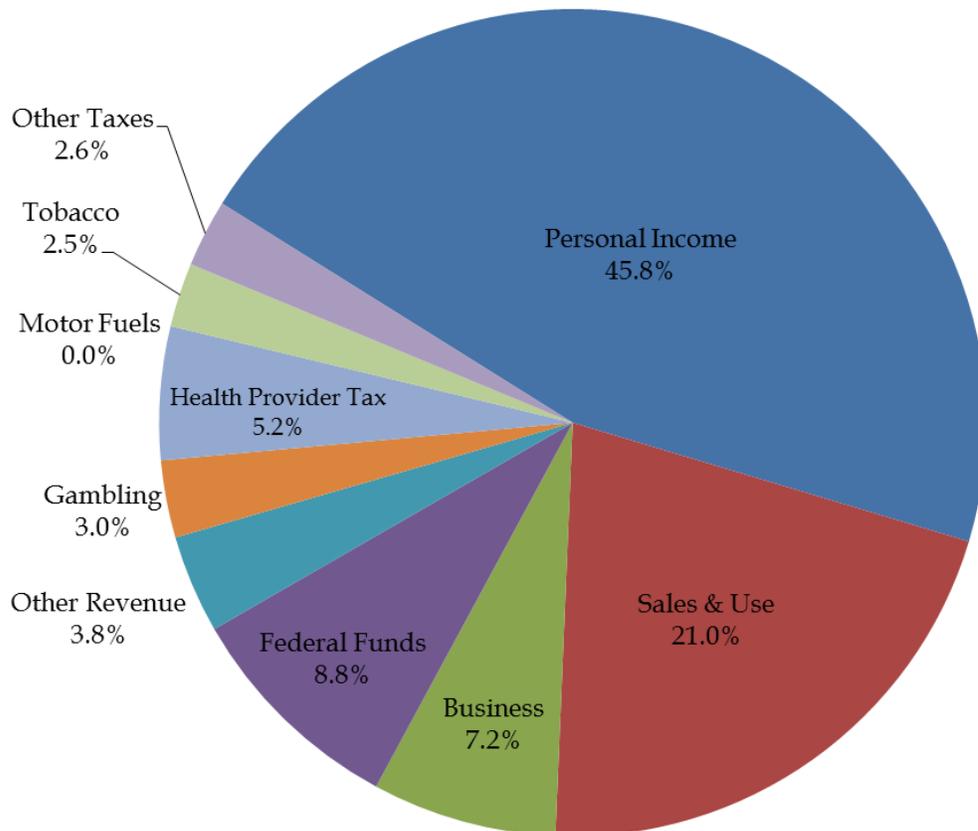
**FY 19 General Fund Appropriations**  
(by expenditure type - in millions)

| <b>Expenditure Type</b>                          | <b>FY 19 \$</b> | <b>% of Total</b> |
|--|-----------------|-------------------|
| Other Grants                                     | 6,787.3         | 34.7%             |
| <i>Medicaid</i>                                  | 2,616.4         | 13.4%             |
| <i>Teacher's Retirement Pension &amp; Health</i> | 1,351.6         | 6.9%              |
| Personnel Costs                                  | 5,762.9         | 29.4%             |
| <i>Fringe Benefits</i>                           | 3,117.7         | 15.9%             |
| Grants to Towns                                  | 2,935.0         | 15.0%             |
| <i>Education Equalization Grants</i>             | 2,017.1         | 10.3%             |
| <i>Magnet Schools</i>                            | 326.5           | 1.7%              |
| <i>PILOTS - State Owned &amp; Private</i>        | 161.9           | 0.8%              |
| Debt Service                                     | 2,291.1         | 11.7%             |
| Other Current Expenses                           | 1,335.7         | 6.8%              |
| Other Expenses & Equipment                       | 459.2           | 2.3%              |
| GAAP Accrual                                     | 1.6             | 0.0%              |
| <b>Gross Total</b>                               | <b>19,571.7</b> |                   |
| Lapses   | <b>(881.6)</b>  |                   |
| <b>NET TOTAL</b>                                 | <b>18,690.1</b> |                   |



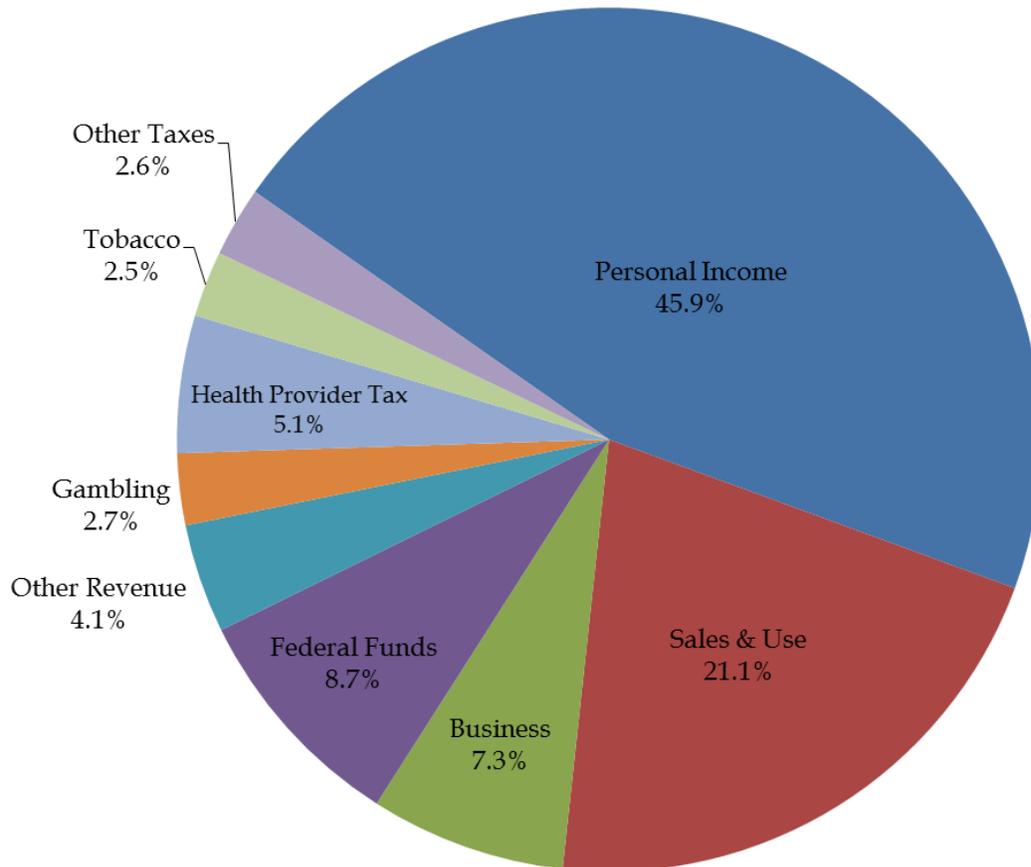
**FY 18 General Fund Revenue**  
(by revenue item - in millions)

| <b>Revenue Item</b> | <b>FY 18 \$</b> | <b>% of Total</b> |
|---------------------|-----------------|-------------------|
| Personal Income     | 9,182.5         | 45.8%             |
| Sales & Use         | 4,220.5         | 21.0%             |
| Business            | 1,448.8         | 7.2%              |
| Federal Funds       | 1,766.3         | 8.8%              |
| Other Revenue       | 769.8           | 3.8%              |
| Gambling            | 606.6           | 3.0%              |
| Health Provider Tax | 1,045.0         | 5.2%              |
| Tobacco             | 503.9           | 2.5%              |
| Other Taxes         | 527.5           | 2.6%              |
| <b>Gross Total</b>  | <b>20,070.9</b> |                   |
| Reductions          | (1,331.6)       |                   |
| <b>NET TOTAL</b>    | <b>18,739.3</b> |                   |



**FY 19 General Fund Revenue**  
(by revenue item - in millions)

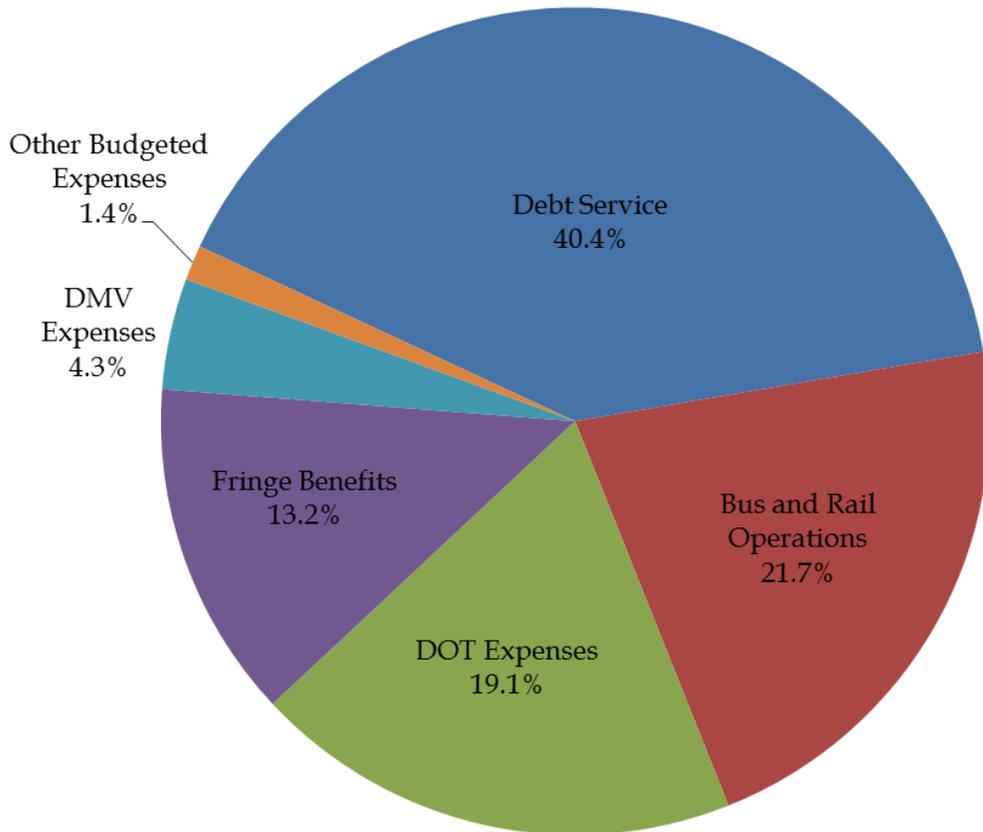
| <b>Revenue Item</b> | <b>FY 19 \$</b> | <b>% of Total</b> |
|---------------------|-----------------|-------------------|
| Personal Income     | 9,312.2         | 45.9%             |
| Sales & Use         | 4,288.1         | 21.1%             |
| Business            | 1,486.6         | 7.3%              |
| Federal Funds       | 1,764.0         | 8.7%              |
| Other Revenue       | 828.8           | 4.1%              |
| Gambling            | 545.4           | 2.7%              |
| Health Provider Tax | 1,044.1         | 5.1%              |
| Tobacco             | 501.5           | 2.5%              |
| Other Taxes         | 530.6           | 2.6%              |
| <b>Gross Total</b>  | <b>20,301.3</b> |                   |
| Reductions          | (1,393.1)       |                   |
| <b>NET TOTAL</b>    | <b>18,908.2</b> |                   |



### III. TRANSPORTATION FUND

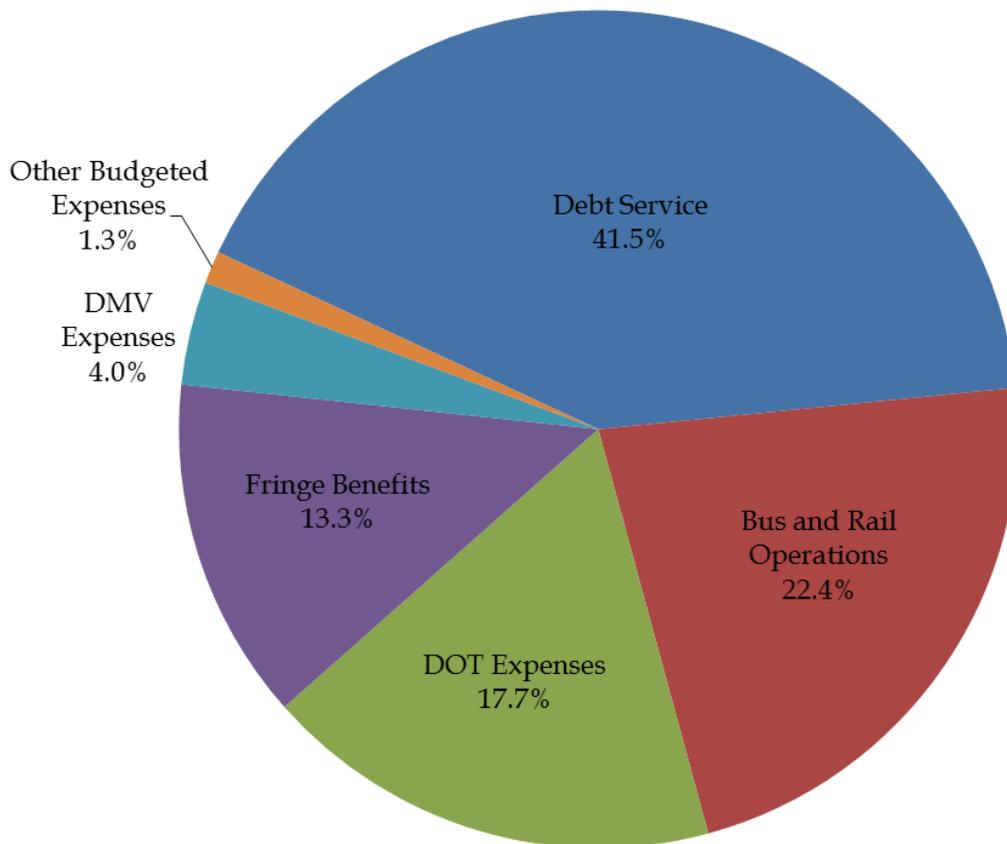
**FY 18 Transportation Fund Appropriations**  
(by expenditure type - in millions)

| Expenditure Type        | FY 18 \$       | % of Total |
|-------------------------|----------------|------------|
| Debt Service            | 614.7          | 40.4%      |
| Bus and Rail Operations | 329.7          | 21.7%      |
| DOT Expenses            | 290.4          | 19.1%      |
| Fringe Benefits         | 201.1          | 13.2%      |
| DMV Expenses            | 66.2           | 4.3%       |
| Other Budgeted Expenses | 20.8           | 1.4%       |
| <b>Gross Total</b>      | <b>1,522.9</b> |            |
| Lapses                  | (12.0)         |            |
| <b>NET TOTAL</b>        | <b>1,510.9</b> |            |



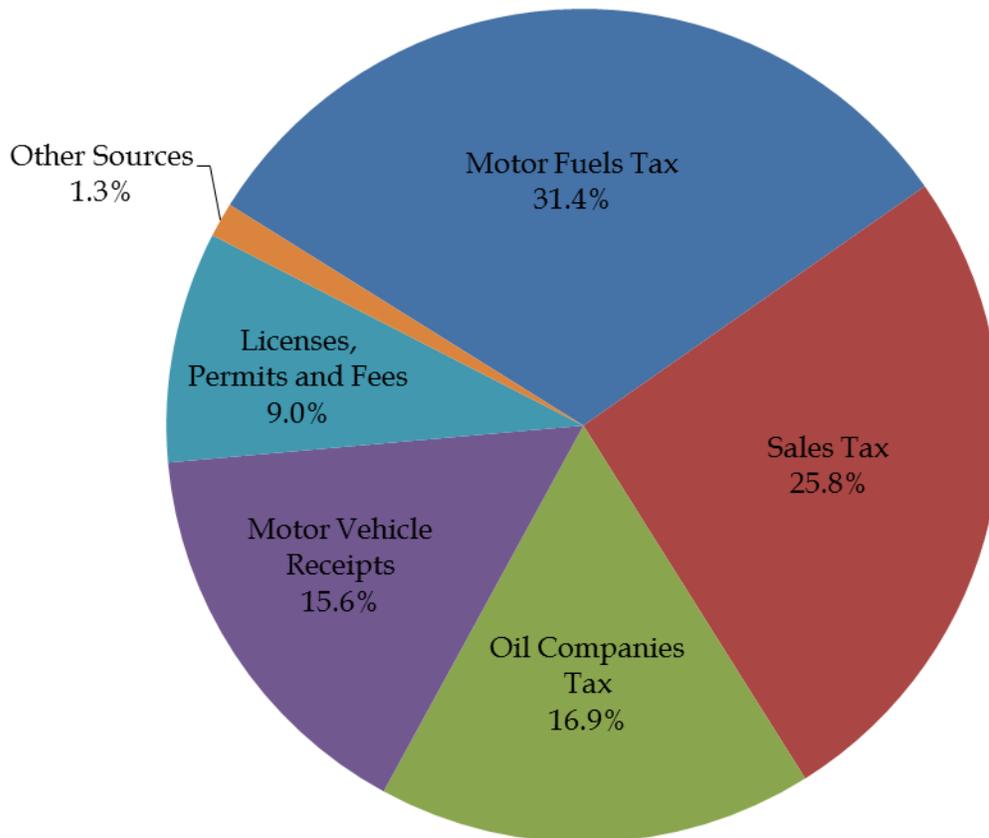
**FY 19 Transportation Fund Appropriations**  
(by expenditure type - in millions)

| <b>Expenditure Type</b> | <b>FY 19 \$</b> | <b>% of Total</b> |
|-------------------------|-----------------|-------------------|
| Debt Service            | 680.2           | 41.5%             |
| Bus and Rail Operations | 366.6           | 22.4%             |
| DOT Expenses            | 290.0           | 17.7%             |
| Fringe Benefits         | 217.4           | 13.3%             |
| DMV Expenses            | 65.4            | 4.0%              |
| Other Budgeted Expenses | 20.5            | 1.3%              |
| <b>Gross Total</b>      | <b>1,640.1</b>  |                   |
| Lapses                  | (12.0)          |                   |
| <b>NET TOTAL</b>        | <b>1,628.1</b>  |                   |



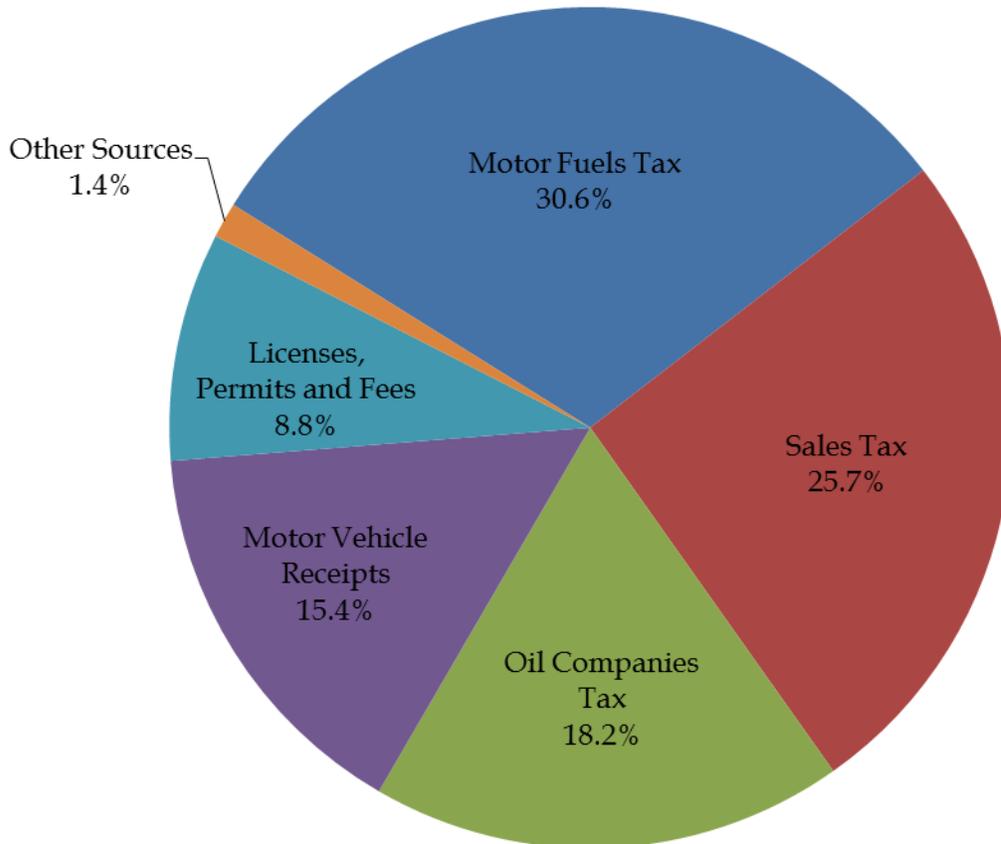
**FY 18 Transportation Fund Revenue**  
(by revenue item - in millions)

| <b>Revenue Item</b>        | <b>FY 18 \$</b> | <b>% of Total</b> |
|----------------------------|-----------------|-------------------|
| Motor Fuels Tax            | 505.3           | 31.4%             |
| Sales Tax                  | 415.8           | 25.8%             |
| Oil Companies Tax          | 271.8           | 16.9%             |
| Motor Vehicle Receipts     | 251.8           | 15.6%             |
| Licenses, Permits and Fees | 144.4           | 9.0%              |
| Other Sources              | 21.6            | 1.3%              |
| <b>Gross Total</b>         | <b>1,610.7</b>  |                   |
| Transfers                  | (5.5)           |                   |
| Reductions                 | (16.7)          |                   |
| <b>NET TOTAL</b>           | <b>1,588.5</b>  |                   |



**FY 19 Transportation Fund Revenue**  
(by revenue item - in millions)

| Revenue Item               | FY 19 \$       | % of Total |
|----------------------------|----------------|------------|
| Motor Fuels Tax            | 506.1          | 31.4%      |
| Sales Tax                  | 424.2          | 26.3%      |
| Oil Companies Tax          | 300.2          | 18.6%      |
| Motor Vehicle Receipts     | 253.8          | 15.8%      |
| Licenses, Permits and Fees | 145.2          | 9.0%       |
| Other Sources              | 22.5           | 1.4%       |
| <b>Gross Total</b>         | <b>1,652.0</b> |            |
| Transfers                  | (5.5)          |            |
| Reductions                 | (18.4)         |            |
| <b>NET TOTAL</b>           | <b>1,628.1</b> |            |



**FY 18 and FY 19 Special Transportation Fund Projections**  
(in millions)

|  | FY 18 \$       | FY 19 \$       |
|--|----------------|----------------|
| <b>Beginning Balance</b>                     | 97.6           | 175.2          |
| <b>Revenues</b>                              |                |                |
| <b>Taxes</b>                                 |                |                |
| Motor Fuels Tax                              | 505.3          | 506.1          |
| Petroleum Products Tax                       | 271.8          | 300.2          |
| Sales Tax - DMV                              | 88.0           | 88.8           |
| Sales & Use Tax                              | 327.8          | 335.4          |
| Refund of Taxes                              | (12.6)         | (14.1)         |
| <b>Subtotal</b>                              | <b>1,180.3</b> | <b>1,216.4</b> |
| <b>Other Revenue</b>                         |                |                |
| Motor Vehicle Receipts                       | 251.8          | 253.8          |
| License, Permits and Fees                    | 144.4          | 145.2          |
| Interest Income                              | 9.5            | 10.4           |
| Federal Grants                               | 12.1           | 12.1           |
| Transfers (to)/from other Funds <sup>1</sup> | (5.5)          | (5.5)          |
| <b>Subtotal</b>                              | <b>412.3</b>   | <b>416.0</b>   |
| Less Refunds of Payments                     | (3.7)          | (3.8)          |
| <b>Total - Revenues</b>                      | <b>1,588.5</b> | <b>1,628.1</b> |
| <b>Expenditures</b>                          |                |                |
| Debt Service                                 | 614.7          | 680.2          |
| DOT Budgeted Expenses                        | 620.1          | 656.6          |
| DMV Budgeted Expenses                        | 66.2           | 65.4           |
| Other Budgeted Expenses                      | 221.9          | 237.9          |
| <b>Subtotal</b>                              | <b>1,522.9</b> | <b>1640.1</b>  |
| Less Unallocated Lapses                      | (12.0)         | (12.0)         |
| <b>Total - Expenditures</b>                  | <b>1,510.9</b> | <b>1,628.1</b> |
| <b>Surplus/(Deficit)</b>                     | <b>77.6</b>    | <b>-</b>       |
| <b>Ending Balance</b>                        | <b>175.2</b>   | <b>175.2</b>   |
| <b>Debt Service Ratio<sup>2</sup></b>        | <b>2.5</b>     | <b>2.4</b>     |

<sup>1</sup>CGS 14-164m transfers \$5.5 million to the Emissions Enterprise Fund.

<sup>2</sup>Pledged revenues for reserves required under the Indentures in an amount at least two (2) times the aggregate Principal and Interest Requirements on all outstanding Bonds and Notes.

## IV. OTHER APPROPRIATED FUNDS

| Other<br>Appropriated<br>Funds                          | Actual<br>FY 16 \$ | Actual<br>FY 17 \$ | Projected<br>FY 18 \$ | Projected<br>FY 19 \$ | Projected<br>FY 20 \$ | Projected<br>FY 21 \$ | Projected<br>FY 22 \$ |
|---|--------------------|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Mashantucket Pequot and Mohegan Fund</b>             |                    |                    |                       |                       |                       |                       |                       |
| Beginning Balance                                       | -                  | -                  | 23,390                | 23,390                | 23,390                | 23,390                | 23,390                |
| Revenue   | 61,687,907         | 58,100,000         | 57,649,850            | 49,942,796            | 57,649,850            | 57,649,850            | 57,649,850            |
| Expenditures  | (61,687,907)       | (58,076,610)       | (57,649,850)          | (49,942,796)          | (57,649,850)          | (57,649,850)          | (57,649,850)          |
| Transfers   | -                  | -                  | -                     | -                     | -                     | -                     | -                     |
| <b>Ending Balance</b>                                   | -                  | 23,390             | 23,390                | 23,390                | 23,390                | 23,390                | 23,390                |
| <b>Regional Market Operating Fund</b>                   |                    |                    |                       |                       |                       |                       |                       |
| Beginning Balance                                       | 307,405            | 122,592            | 48,153                | 80,847                | 113,541               | 140,850               | 135,978               |
| Revenue   | 864,337            | 869,872            | 1,100,000             | 1,100,000             | 1,100,000             | 1,100,000             | 1,150,000             |
| Expenditures  | (1,049,150)        | (944,311)          | (1,067,306)           | (1,067,306)           | (1,072,691)           | (1,104,872)           | (1,138,018)           |
| Transfers   | -                  | -                  | -                     | -                     | -                     | -                     | -                     |
| <b>Ending Balance</b>                                   | 122,592            | 48,153             | 80,847                | 113,541               | 140,850               | 135,978               | 147,960               |
| <b>Banking Fund</b>                                     |                    |                    |                       |                       |                       |                       |                       |
| Beginning Balance                                       | 14,344,493         | 8,587,945          | 2,035,948             | 622,664               | 1,235,816             | 12,848,968            | 26,262,120            |
| Revenue   | 30,084,413         | 30,535,631         | 37,200,000            | 37,200,000            | 37,200,000            | 37,200,000            | 37,200,000            |
| Expenditures  | (28,840,961)       | (26,087,628)       | (27,413,284)          | (27,386,848)          | (25,586,848)          | (23,786,848)          | (23,786,848)          |
| Transfers   | (7,000,000)        | (11,000,000)       | (11,200,000)          | (9,200,000)           | -                     | -                     | -                     |
| <b>Ending Balance</b>                                   | 8,587,945          | 2,035,948          | 622,664               | 1,235,816             | 12,848,968            | 26,262,120            | 39,675,272            |
| <b>Insurance Fund</b>                                   |                    |                    |                       |                       |                       |                       |                       |
| Beginning Balance                                       | 4,062,349          | 11,607,796         | 8,331,330             | 8,332,231             | 8,432,068             | 8,532,068             | 8,632,068             |
| Revenue   | 82,966,591         | 72,985,878         | 87,300,000            | 92,200,000            | 92,200,000            | 92,200,000            | 92,200,000            |
| Expenditures  | (75,458,972)       | (76,405,592)       | (87,299,099)          | (92,100,163)          | (92,100,000)          | (92,100,000)          | (92,100,000)          |
| Transfers   | 37,828             | 143,248            | -                     | -                     | -                     | -                     | -                     |
| <b>Ending Balance</b>                                   | 11,607,796         | 8,331,330          | 8,332,231             | 8,432,068             | 8,532,068             | 8,632,068             | 8,732,068             |
| <b>Consumer Counsel and Public Utility Control Fund</b> |                    |                    |                       |                       |                       |                       |                       |
| Beginning Balance                                       | 8,531,688          | 5,327,701          | 8,436,946             | 9,364,992             | 12,793,038            | 15,453,926            | 17,324,640            |
| Revenue   | 24,886,839         | 28,452,825         | 29,000,000            | 29,000,000            | 29,000,000            | 29,000,000            | 29,000,000            |
| Expenditures  | (26,090,826)       | (25,343,580)       | (25,571,954)          | (25,571,954)          | (26,339,113)          | (27,129,286)          | (27,943,165)          |
| Transfers   | (2,000,000)        | -                  | (2,500,000)           | -                     | -                     | -                     | -                     |
| <b>Ending Balance</b>                                   | 5,327,701          | 8,436,946          | 9,364,992             | 12,793,038            | 15,453,926            | 17,324,640            | 18,381,475            |

| Other Appropriated Funds                   | Actual FY 16 \$   | Actual FY 17 \$   | Projected FY 18 \$ | Projected FY 19 \$ | Projected FY 20 \$ | Projected FY 21 \$ | Projected FY 22 \$ |
|--|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Workers' Compensation Fund</b>          |                   |                   |                    |                    |                    |                    |                    |
| Beginning Balance                          | 13,372,894        | 15,320,563        | 21,582,782         | 10,965,084         | 12,326,215         | 12,470,251         | 12,719,656         |
| Revenue                                    | 25,168,214        | 28,162,271        | 14,034,732         | 26,301,633         | 25,583,348         | 26,197,503         | 26,721,453         |
| Expenditures                               | (23,220,545)      | (21,900,052)      | (24,652,430)       | (24,940,502)       | (25,439,312)       | (25,948,098)       | (26,467,060)       |
| Transfers                                  | -                 | -                 | -                  | -                  | -                  | -                  | -                  |
| <b>Ending Balance</b>                      | <b>15,320,563</b> | <b>21,582,782</b> | <b>10,965,084</b>  | <b>12,326,215</b>  | <b>12,470,251</b>  | <b>12,719,656</b>  | <b>12,974,049</b>  |
| <b>Criminal Injuries Compensation Fund</b> |                   |                   |                    |                    |                    |                    |                    |
| Beginning Balance                          | 2,875,078         | 3,212,619         | 3,329,351          | 3,395,263          | 3,461,175          | 3,611,175          | 3,761,175          |
| Revenue                                    | 3,915,184         | 3,031,614         | 3,000,000          | 3,000,000          | 3,000,000          | 3,000,000          | 3,000,000          |
| Expenditures                               | (2,827,643)       | (2,917,819)       | (2,934,088)        | (2,934,088)        | (2,850,000)        | (2,850,000)        | (2,850,000)        |
| Transfers                                  | (750,000)         | 2,937             | -                  | -                  | -                  | -                  | -                  |
| <b>Ending Balance</b>                      | <b>3,212,619</b>  | <b>3,329,351</b>  | <b>3,395,263</b>   | <b>3,461,175</b>   | <b>3,611,175</b>   | <b>3,761,175</b>   | <b>3,911,175</b>   |
| <b>Municipal Revenue Sharing Fund</b>      |                   |                   |                    |                    |                    |                    |                    |
| Beginning Balance                          | -                 | -                 | 47,111             | 47,111             | 47,111             | 47,111             | 47,111             |
| Revenue                                    | -                 | 184,250,000       | -                  | -                  | -                  | -                  | -                  |
| Expenditures                               | -                 | (184,202,889)     | -                  | -                  | -                  | -                  | -                  |
| Transfers                                  | -                 | -                 | -                  | -                  | -                  | -                  | -                  |
| <b>Ending Balance</b>                      | <b>-</b>          | <b>47,111</b>     | <b>47,111</b>      | <b>47,111</b>      | <b>47,111</b>      | <b>47,111</b>      | <b>47,111</b>      |
| <b>Tourism Fund</b>                        |                   |                   |                    |                    |                    |                    |                    |
| Beginning Balance                          | -                 | -                 | -                  | -                  | 55,012             | 491,024            | 1,319,466          |
| Revenue                                    | -                 | -                 | -                  | 12,700,000         | 13,081,000         | 13,473,430         | 13,877,633         |
| Expenditures                               | -                 | -                 | -                  | (12,644,988)       | (12,644,988)       | (12,644,988)       | (12,644,988)       |
| Transfers                                  | -                 | -                 | -                  | -                  | -                  | -                  | -                  |
| <b>Ending Balance</b>                      | <b>-</b>          | <b>-</b>          | <b>-</b>           | <b>55,012</b>      | <b>491,024</b>     | <b>1,319,466</b>   | <b>2,552,111</b>   |
| <b>Totals</b>                              |                   |                   |                    |                    |                    |                    |                    |
| Beginning Balance                          | 43,493,906        | 44,179,216        | 43,835,011         | 32,831,582         | 38,487,366         | 53,618,762         | 70,225,603         |
| Revenue                                    | 229,573,486       | 406,388,091       | 229,284,582        | 251,444,429        | 258,814,198        | 259,820,783        | 260,798,936        |
| Expenditures                               | (219,176,005)     | (395,878,481)     | (226,588,011)      | (236,588,645)      | (243,682,802)      | (243,213,942)      | (244,579,928)      |
| Transfers                                  | (9,712,172)       | (10,853,815)      | (13,700,000)       | (9,200,000)        | -                  | -                  | -                  |
| <b>ENDING BALANCE</b>                      | <b>44,179,216</b> | <b>43,835,011</b> | <b>32,831,582</b>  | <b>38,487,366</b>  | <b>53,618,762</b>  | <b>70,225,603</b>  | <b>86,444,611</b>  |

## **Other Appropriated Funds Explained (alphabetical)**

Banking Fund: The Banking Fund is supported by: (1) consumer credit and securities licensing fees; (2) securities registration fees; and (3) a fee assessed on state banks and credit unions based on asset size. Funds are used primarily for the ongoing operation of the Department of Banking.

Consumer Counsel/Department of Public Utility Control Fund: The Consumer Counsel & Public Utility Control Fund supports the operations of the energy division of the Department of Energy and Environmental Protection, the Office of the Consumer Counsel, and the Connecticut Siting Council. Each agency assesses the regulated public utility entities (electric, gas, water and cable) to cover the agencies' costs. Each regulated entity is responsible for their portion of the total needs of the agencies, based on their percentage of the public service companies' tax.

Criminal Injuries Compensation Fund: The Criminal Injuries Compensation Fund is administered by the Office of Victim Services within the Judicial Department. The Office of Victim Services compensates eligible crime victims or their immediate families for actual and reasonable expenses, lost wages, and pecuniary and other losses resulting from injury or death. Maximum awards are \$15,000 for personal injuries and \$25,000 for death. The Criminal Injuries Compensation Fund receives funding from three major sources: (1) Costs imposed in criminal prosecutions and certain fines and fees; (2) federal funding; and (3) money from the person directly responsible for a victim's criminal injuries or death.

Insurance Fund: The Insurance Fund supports the operation of the Department of Insurance and the Office of the Healthcare Advocate, and certain programs under the Department of Public Health. The Department assesses domestic insurance companies and entities to cover the cost of these agencies. The assessment is built around the total amount of premium taxes paid to the Department of Revenue Services by domestic insurance companies and entities for the preceding year.

Mashantucket Pequot/Mohegan Fund: The Mashantucket Pequot Mohegan Fund is an appropriation that reduces the amount of slot machine revenues that are otherwise deposited into the General Fund. The appropriation provides grants to towns.

Regional Market Operation Fund: The Regional Market Operation Fund is operated by the state as a self-sustaining non-profit venture which is fully funded by fees generated from the operation of the Market. Its purpose is to provide a central location for farmers and wholesalers to sell and distribute food and other agricultural products. The Market covers 32 acres and encompasses 230,386 square feet of warehouse space, an active railroad spur and 144 stalls in the farmers' market.

Workers' Compensation Fund: The Workers' Compensation Fund supports the operation of the Workers Compensation Commission. The Commission administers the Connecticut workers' compensation system according to the provisions of the Workers' Compensation Act including determining benefits for work-related disabilities and injuries. The State Treasurer assesses private insurance companies and employers to cover the Commission's annual costs. The assessment is built around the proportion of the preceding year's expenses that the state bore on behalf of each self-insured employer or private insurance carrier.

## V. APPROPRIATIONS

### Budgeted Lapses and Agency Holdbacks

The FY 18 and FY 19 budget includes \$893.6 million in FY 18 and \$1,107 million in FY 19 lapses. The lapses are identified below with a brief explanation.

#### FY 18 and FY 19 Budget Lapses

| Lapse                             | FY 18 \$             | FY 19 \$               | Explanation  |
|-----------------------------------|----------------------|------------------------|--|
| <b>General Fund Lapses (GF)</b>   |                      |                        |  |
| Achieve Labor Concessions         | (700,000,000)        | (867,600,000)          | GF savings are attributed to the SEBAC 2017 agreement, including \$300.6 million in the RSA account, \$257.9 million in fringe benefits, \$75.6 million in staffing reductions due to attrition, \$35.6 million in furlough and longevity deferrals, and \$22.8 million in non-GF funds. |
| Unallocated Lapse <sup>1</sup>    | (46,250,000)         | (60,765,570)           | This reduction reflects an adjustment to gross appropriations due to an anticipated level of under spending across all GF agencies and accounts.   |
| Targeted Savings                  | (111,814,090)        | (150,878,179)          | Other Expense accounts were reduced by 5%, most human services accounts were reduced by 2%, and most municipal aid grants were reduced by 2.5% to achieve savings.   |
| Reflect Delay                     | (8,500,000)          | -                      | Savings anticipated due to implementation delays for various programs and services.  |
| Statewide Hiring Reduction        | (6,500,000)          | (7,000,000)            | Savings anticipated to be achieved by hiring reductions and other savings initiatives in a manner to be determined by OPM. All GF agency Personal Services accounts could be subject to this reduction.  |
| Municipal Aid Savings             | (8,500,000)          | (8,500,000)            | This lapse will be achieved in FY 18 via holdbacks of each town's Education Cost Sharing funding. The FY 18 holdbacks are equal to half of the cost to administer the state funded Renters' Rebate program in each town, or \$250,000, whichever is lower.                               |
| <b>Subtotal</b>                   | <b>(881,564,090)</b> | <b>(1,094,743,749)</b> |  |
| <b>Transportation Fund Lapses</b> |                      |                        |  |
| Unallocated Lapse                 | (12,000,000)         | (12,000,000)           | This reduction reflects an adjustment to gross appropriations due to an anticipated level of under spending across all Transportation Fund agencies and accounts.  |
| <b>Subtotal</b>                   | <b>(12,000,000)</b>  | <b>(12,000,000)</b>    |  |
| <b>TOTAL</b>                      | <b>(893,564,090)</b> | <b>(1,106,743,749)</b> |  |

<sup>1</sup>The amounts shown are totals by category but the budget act contains a distribution of each by branch of government.

## FY 18 Budget Allocated Lapses (Holdbacks)

Sections 12, 13, 14, 15, 16, and 28 of PA 17-2 (JSS) and section 16 of PA 17-4 (JSS) contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses (typically called holdbacks) to state agencies in the three branches of government. The following five lapses are allocated to state agencies via holdbacks by OPM: (1) Achieve Labor Concessions Lapse of \$700 million, (2) a Targeted Savings Lapse of \$111.8 million, (3) a Reflect Delay of Implementation Lapse of \$8.5 million, (4) a Statewide Hiring Reduction Lapse of \$6.5 million, and a (5) Municipal Aid Savings Lapse of \$8.5 million.

The following schedules identify the allocation (holdback) by lapse category, agency and account.

### FY 18 Achieve Labor Concessions Allocated Lapse

| Agency                                       | Account                          | FY 18 Holdback \$ |
|--|----------------------------------|-------------------|
| <b>General Fund</b>                          |                                  |                   |
| Agricultural Experiment Station              | Personal Services                | 205,959           |
| Agricultural Experiment Station              | Mosquito Control                 | 4,635             |
| Agricultural Experiment Station              | Wildlife Disease Prevention      | 1,395             |
| Attorney General                             | Personal Services                | 978,213           |
| Auditors of Public Accounts                  | Personal Services                | 265,594           |
| Board of Regents for Higher Education        | Charter Oak State College        | 72,879            |
| Board of Regents for Higher Education        | Community Tech College System    | 6,572,968         |
| Board of Regents for Higher Education        | Connecticut State University     | 6,463,487         |
| Board of Regents for Higher Education        | Board of Regents                 | 4,635             |
| Board of Regents for Higher Education        | Developmental Services           | 235,286           |
| Board of Regents for Higher Education        | Outcomes-Based Funding Incentive | 31,732            |
| Commission on Human Rights and Opportunities | Personal Services                | 225,993           |
| Council on Environmental Quality             | Personal Services                | 789               |
| Department of Administrative Services        | Personal Services                | 1,699,505         |
| Department of Agriculture                    | Personal Services                | 126,156           |
| Department of Children and Families          | Personal Services                | 10,352,453        |
| Department of Consumer Protection            | Personal Services                | 498,121           |
| Department of Correction                     | Personal Services                | 10,889,139        |
| Department of Correction                     | Board of Pardons and Paroles     | 163,547           |
| Department of Developmental Services         | Personal Services                | 8,228,453         |

| <b>Agency</b>  | <b>Account</b>                                  | <b>FY 18<br/>Holdback \$</b> |
|--|---|------------------------------|
| Department of Economic and Community Development       | Personal Services                               | 259,671                      |
| Department of Education                                | Personal Services                               | 602,488                      |
| Department of Education                                | Development of Mastery Exams Grades 4, 6, and 8 | 47,748                       |
| Department of Education                                | Longitudinal Data Systems                       | 1,474                        |
| Department of Education                                | Sheff Settlement                                | 9,969                        |
| Department of Education                                | Regional Vocational-Technical School System     | 5,226,504                    |
| Department of Education                                | Talent Development                              | 5,967                        |
| Department of Emergency Services and Public Protection | Personal Services                               | 4,314,410                    |
| Department of Energy and Environmental Protection      | Personal Services                               | 783,802                      |
| Department of Energy and Environmental Protection      | Mosquito Control                                | 1,807                        |
| Department of Energy and Environmental Protection      | Dam Maintenance                                 | 302                          |
| Department of Energy and Environmental Protection      | Emergency Spill Response                        | 216,398                      |
| Department of Energy and Environmental Protection      | Solid Waste Management                          | 81,337                       |
| Department of Energy and Environmental Protection      | Underground Storage Tank                        | 11,260                       |
| Department of Energy and Environmental Protection      | Clean Air                                       | 107,456                      |
| Department of Energy and Environmental Protection      | Environmental Conservation                      | 134,318                      |
| Department of Energy and Environmental Protection      | Environmental Quality                           | 278,700                      |
| Department of Housing                                  | Personal Services                               | 66,627                       |
| Department of Mental Health and Addiction Services     | Personal Services                               | 7,744,289                    |
| Department of Mental Health and Addiction Services     | Managed Service System                          | 235,943                      |
| Department of Mental Health and Addiction Services     | General Assistance Managed Care                 | 1,536                        |
| Department of Mental Health and Addiction Services     | Young Adult Services                            | 934,252                      |
| Department of Mental Health and Addiction Services     | TBI Community Services                          | 39,061                       |
| Department of Mental Health and Addiction Services     | Home and Community Based Services               | 5,932                        |

| <b>Agency</b>                                      | <b>Account</b>                      | <b>FY 18<br/>Holdback \$</b> |
|--|-------------------------------------|------------------------------|
| Department of Mental Health and Addiction Services | Forensic Services                   | 43,354                       |
| Department of Public Health                        | Personal Services                   | 1,337,365                    |
| Department of Revenue Services                     | Personal Services                   | 2,200,812                    |
| Department of Social Services                      | Personal Services                   | 4,629,260                    |
| Department of Veterans' Affairs                    | Personal Services                   | 754,309                      |
| Division of Criminal Justice                       | Personal Services                   | 2,287,721                    |
| Division of Criminal Justice                       | Medicaid Fraud Control              | 23,102                       |
| Division of Criminal Justice                       | Cold Case Unit                      | 901                          |
| Division of Criminal Justice                       | Shooting Taskforce                  | 18,799                       |
| Elections Enforcement Commission                   | Elections Enforcement Commission    | 31,842                       |
| Freedom of Information Commission                  | Freedom of Information Commission   | 13,488                       |
| Governor's Office                                  | Personal Services                   | 51,299                       |
| Judicial Department                                | Personal Services                   | 13,546,942                   |
| Labor Department                                   | Personal Services                   | 310,455                      |
| Labor Department                                   | CETC Workforce                      | 832                          |
| Labor Department                                   | Workforce Investment Act            | 124,530                      |
| Labor Department                                   | Jobs First Employment Services      | 5,422                        |
| Labor Department                                   | Apprenticeship Program              | 6,894                        |
| Labor Department                                   | Connecticut Career Resource Network | 2,050                        |
| Labor Department                                   | Veterans' Opportunity Pilot         | 3,699                        |
| Legislative Management                             | Personal Services                   | 1,117,455                    |
| Military Department                                | Personal Services                   | 97,291                       |
| Office of Early Childhood                          | Personal Services                   | 288,888                      |
| Office of Governmental Accountability              | Judicial Review Council             | 1,175                        |
| Office of Governmental Accountability              | Office of the Child Advocate        | 2,871                        |
| Office of Governmental Accountability              | Office of the Victim Advocate       | 3,199                        |
| Office of Governmental Accountability              | Board of Firearms Permit Examiners  | 336                          |
| Office of Higher Education                         | Personal Services                   | 59,420                       |
| Office of Higher Education                         | Minority Advancement Program        | 600                          |
| Office of Higher Education                         | National Service Act                | 686                          |
| Office of Policy and Management                    | Personal Services                   | 285,534                      |
| Office of Policy and Management                    | Justice Assistance Grants           | 612                          |
| Office of State Ethics                             | Office of State Ethics              | 10,680                       |
| Office of the Chief Medical Examiner               | Personal Services                   | 173,217                      |
| Psychiatric Security Review Board                  | Personal Services                   | 1,674                        |

| <b>Agency</b>                                     | <b>Account</b>  | <b>FY 18<br/>Holdback \$</b> |
|---|---|------------------------------|
| Public Defender Services Commission               | Personal Services   | 1,969,082                    |
| Reserve for Salary Adjustments                    | Reserve For Salary Adjustments                              | 300,600,000                  |
| Secretary of the State                            | Personal Services   | 89,817                       |
| Secretary of the State                            | Commercial Recording Division                               | 110,357                      |
| State Comptroller                                 | Personal Services   | 836,430                      |
| State Comptroller - Fringe Benefits               | State Employees Retirement Contributions                    | 149,700,000                  |
| State Comptroller - Fringe Benefits               | State Employees Health Service Cost                         | 43,200,000                   |
| State Comptroller - Fringe Benefits               | Retired State Employees Health Service Cost                 | 65,000,000                   |
| State Dept of Rehabilitation                      | Personal Services   | 173,531                      |
| State Dept of Rehabilitation                      | Educational Aid for Blind and Visually Handicapped Children | 124,792                      |
| State Library                                     | Personal Services   | 193,123                      |
| State Library                                     | Interlibrary Loan Delivery Service                          | 3,756                        |
| State Treasurer                                   | Personal Services   | 94,253                       |
| Teachers' Retirement Board                        | Personal Services   | 60,676                       |
| University of Connecticut                         | Operating Expenses  | 7,039,007                    |
| University of Connecticut                         | Next Generation Connecticut                                 | 449,902                      |
| University of Connecticut Health Center           | Operating Expenses  | 4,203,035                    |
| University of Connecticut Health Center           | AHEC  | 199                          |
| University of Connecticut Health Center           | Bioscience  | 281,908                      |
| <b>General Fund Total</b>                         |   | <b>669,698,772</b>           |
| <b>Special Transportation Fund</b>                |   |                              |
| Department of Energy and Environmental Protection | Personal Services   | 15,540                       |
| Department of Motor Vehicles                      | Personal Services   | 486,669                      |
| Department of Transportation                      | Personal Services   | 2,539,724                    |
| Department of Transportation                      | Rail Operations   | 5,619                        |
| Department of Transportation                      | Pay-As-You-Go Transportation Projects                       | 9,360                        |
| State Comptroller - Fringe Benefits               | State Employees Retirement Contributions                    | 16,400,000                   |
| State Comptroller - Fringe Benefits               | State Employees Health Service Cost                         | 2,800,000                    |
| <b>Special Transportation Fund Total</b>          |   | <b>22,256,912</b>            |
| <b>Banking Fund</b>                               |   |                              |
| Department of Banking                             | Personal Services   | 124,664                      |
| Judicial Department                               | Foreclosure Mediation Program                               | 27,284                       |
| <b>Banking Fund Total</b>                         |   | <b>151,948</b>               |
| <b>Insurance Fund</b>                             |   |                              |

| Agency  | Account  | FY 18 Holdback \$  |
|---|--|--------------------|
| Department of Public Health   | Breast and Cervical Cancer Detection and Treatment | 2,207              |
| Department of Public Health   | Immunization Services                              | 2,097              |
| Insurance Department  | Personal Services                                  | 153,771            |
| Office of Policy and Management   | Personal Services                                  | 1,064              |
| Office of the Healthcare Advocate   | Personal Services                                  | 18,704             |
| <b>Insurance Fund Total</b>   |  | <b>177,843</b>     |
| <b>Consumer Counsel and Public Utility Control Fund</b>                   |  |                    |
| Department of Energy and Environmental Protection                         | Personal Services                                  | 122,799            |
| Office of Consumer Counsel  | Personal Services                                  | 12,127             |
| <b>Consumer Counsel and Public Utility Control Fund Total</b>             |  | <b>134,926</b>     |
| <b>Workers' Compensation Fund</b>   |  |                    |
| Division of Criminal Justice  | Personal Services                                  | 8,706              |
| Labor Department  | Occupational Health Clinics                        | 848                |
| State Dept of Rehabilitation  | Personal Services                                  | 6,654              |
| Workers' Compensation Commission  | Personal Services                                  | 109,289            |
| <b>Workers' Compensation Fund Total</b>                                   |  | <b>125,497</b>     |
| <b>Regional Market Operation Fund</b>                                     |  |                    |
| Department of Agriculture   | Personal Services                                  | 2,032              |
| <b>Regional Market Operation Fund Total</b>                               |  | <b>2,032</b>       |
| <b>Total - Labor Concessions Allocated Lapse - All Appropriated Funds</b> |  | <b>692,547,930</b> |

### FY 18 General Fund Targeted Savings Lapse

| Agency   | Account                                     | FY 18<br>Holdback \$ |
|--|---|----------------------|
| <b>General Fund</b>                              |   |                      |
| Agricultural Experiment Station                  | Other Expenses                              | 45,528               |
| Attorney General                                 | Other Expenses                              | 48,445               |
| Auditors of Public Accounts                      | Other Expenses                              | 13,607               |
| Board of Regents for Higher Education            | Institute for Municipal and Regional Policy | 994,650              |
| Commission on Equity and Opportunity             | Other Expenses                              | 1,500                |
| Commission on Human Rights and Opportunities     | Other Expenses                              | 15,103               |
| Commission on Women, Children and Seniors        | Other Expenses                              | 1,500                |
| Council on Environmental Quality                 | Other Expenses                              | 31                   |
| Department of Administrative Services            | Other Expenses                              | 1,427,162            |
| Department of Administrative Services            | Connecticut Education Network               | 95,291               |
| Department of Administrative Services            | IT Services                                 | 624,451              |
| Department of Administrative Services            | Firefighters Fund                           | 300,000              |
| Department of Agriculture                        | Other Expenses                              | 42,252               |
| Department of Agriculture                        | Tuberculosis and Brucellosis Indemnity      | 97                   |
| Department of Children and Families              | Other Expenses                              | 1,528,801            |
| Department of Children and Families              | Juvenile Justice Outreach Services          | 108,875              |
| Department of Children and Families              | Covenant to Care                            | 2,725                |
| Department of Consumer Protection                | Other Expenses                              | 59,684               |
| Department of Correction                         | Other Expenses                              | 3,348,651            |
| Department of Correction                         | STRIDE                                      | 10,866               |
| Department of Correction                         | Program Evaluation                          | 56,250               |
| Department of Correction                         | Volunteer Services                          | 12,946               |
| Department of Developmental Services             | Other Expenses                              | 833,256              |
| Department of Developmental Services             | Behavioral Services Program                 | 449,570              |
| Department of Developmental Services             | Supplemental Payments for Medical Services  | 75,229               |
| Department of Developmental Services             | ID Partnership Initiatives                  | 28,000               |
| Department of Developmental Services             | Rent Subsidy Program                        | 97,598               |
| Department of Developmental Services             | Employment Opportunities and Day Services   | 3,570,059            |
| Department of Economic and Community Development | Other Expenses                              | 26,367               |
| Department of Economic and Community Development | Northwestern Tourism                        | 300,000              |
| Department of Economic and Community Development | Eastern Tourism                             | 300,000              |

| <b>Agency</b>  | <b>Account</b>   | <b>FY 18<br/>Holdback \$</b> |
|--|--|------------------------------|
| Development  |  |                              |
| Department of Economic and Community Development       | Central Tourism  | 300,000                      |
| Department of Education                                | Other Expenses   | 163,097                      |
| Department of Education                                | Primary Mental Health                                  | 38,365                       |
| Department of Education                                | Leadership, Education, Athletics in Partnership (LEAP) | 46,253                       |
| Department of Education                                | Adult Education Action                                 | 21,615                       |
| Department of Education                                | Connecticut Writing Project                            | 3,000                        |
| Department of Education                                | Resource Equity Assessments                            | 13,438                       |
| Department of Education                                | Neighborhood Youth Centers                             | 65,017                       |
| Department of Education                                | Longitudinal Data Systems                              | 121,295                      |
| Department of Education                                | Parent Trust Fund Program                              | 39,584                       |
| Department of Education                                | New or Replicated Schools                              | 48,000                       |
| Department of Education                                | Bridges to Success                                     | 4,000                        |
| Department of Education                                | K-3 Reading Assessment Pilot                           | 246,158                      |
| Department of Education                                | School-Based Diversion Initiative                      | 100,000                      |
| Department of Education                                | Technical High Schools Other Expenses                  | 1,193,083                    |
| Department of Education                                | American School For The Deaf                           | 825,000                      |
| Department of Education                                | Youth Service Bureau Enhancement                       | 64,886                       |
| Department of Education                                | Vocational Agriculture                                 | 255,715                      |
| Department of Education                                | Adult Education  | 509,599                      |
| Department of Education                                | Health and Welfare Services Pupils Private Schools     | 88,164                       |
| Department of Education                                | Education Equalization Grants                          | 7,404,593                    |
| Department of Education                                | Bilingual Education                                    | 71,208                       |
| Department of Education                                | Priority School Districts                              | 952,586                      |
| Department of Education                                | Young Parents Program                                  | 10,616                       |
| Department of Education                                | Interdistrict Cooperation                              | 1,000,000                    |
| Department of Education                                | School Breakfast Program                               | 53,973                       |
| Department of Education                                | Excess Cost - Student Based                            | 3,563,572                    |
| Department of Education                                | Youth Service Bureaus                                  | 64,962                       |
| Department of Education                                | Open Choice Program                                    | 952,266                      |
| Department of Education                                | Magnet Schools   | 18,548,222                   |
| Department of Education                                | After School Program                                   | 118,017                      |
| Department of Emergency Services and Public Protection | Other Expenses   | 1,331,196                    |

| <b>Agency</b>  | <b>Account</b>                                | <b>FY 18<br/>Holdback \$</b> |
|--|---|------------------------------|
| Department of Emergency Services and Public Protection | Fire Training School - Willimantic            | 150,076                      |
| Department of Emergency Services and Public Protection | Maintenance of County Base Fire Radio Network | 2,170                        |
| Department of Emergency Services and Public Protection | Maintenance of State-Wide Fire Radio Network  | 1,444                        |
| Department of Emergency Services and Public Protection | Fire Training School - Torrington             | 81,367                       |
| Department of Emergency Services and Public Protection | Fire Training School - New Haven              | 48,364                       |
| Department of Emergency Services and Public Protection | Fire Training School - Derby                  | 37,139                       |
| Department of Emergency Services and Public Protection | Fire Training School - Wolcott                | 100,162                      |
| Department of Emergency Services and Public Protection | Fire Training School - Fairfield              | 70,395                       |
| Department of Emergency Services and Public Protection | Fire Training School - Hartford               | 169,336                      |
| Department of Emergency Services and Public Protection | Fire Training School - Middletown             | 68,470                       |
| Department of Emergency Services and Public Protection | Fire Training School - Stamford               | 55,432                       |
| Department of Energy and Environmental Protection      | Other Expenses                                | 70,413                       |
| Department of Energy and Environmental Protection      | Greenways Account                             | 2                            |
| Department of Energy and Environmental Protection      | Fish Hatcheries                               | 200,000                      |
| Department of Housing                                  | Other Expenses                                | 8,102                        |
| Department of Housing                                  | Elderly Rental Registry and Counselors        | 20,709                       |
| Department of Housing                                  | Homeless Youth                                | 46,582                       |
| Department of Housing                                  | Congregate Facilities Operation Costs         | 146,724                      |
| Department of Housing                                  | Elderly Congregate Rent Subsidy               | 39,641                       |
| Department of Housing                                  | Housing/Homeless Services                     | 1,480,484                    |
| Department of Housing                                  | Housing/Homeless Services - Municipality      | 11,739                       |
| Department of Mental Health and Addiction Services     | Other Expenses                                | 1,220,619                    |
| Department of Mental Health and Addiction Services     | Housing Supports and Services                 | 465,394                      |
| Department of Mental Health and Addiction Services     | Managed Service System                        | 1,004,042                    |
| Department of Mental Health and Addiction Services     | Connecticut Mental Health Center              | 656,966                      |

| <b>Agency</b>                                      | <b>Account</b>                               | <b>FY 18<br/>Holdback \$</b> |
|--|--|------------------------------|
| Department of Mental Health and Addiction Services | General Assistance Managed Care              | 820,408                      |
| Department of Mental Health and Addiction Services | Nursing Home Screening                       | 12,727                       |
| Department of Mental Health and Addiction Services | Young Adult Services                         | 1,036,144                    |
| Department of Mental Health and Addiction Services | TBI Community Services                       | 155,367                      |
| Department of Mental Health and Addiction Services | Jail Diversion                               | 95,000                       |
| Department of Mental Health and Addiction Services | Medicaid Adult Rehabilitation Option         | 85,393                       |
| Department of Mental Health and Addiction Services | Discharge and Diversion Services             | 490,676                      |
| Department of Mental Health and Addiction Services | Home and Community Based Services            | 427,275                      |
| Department of Mental Health and Addiction Services | Nursing Home Contract                        | 8,359                        |
| Department of Mental Health and Addiction Services | Pre-Trial Account                            | 620,352                      |
| Department of Mental Health and Addiction Services | Katie Blair House                            | 15,000                       |
| Department of Mental Health and Addiction Services | Forensic Services                            | 170,931                      |
| Department of Mental Health and Addiction Services | Grants for Substance Abuse Services          | 355,765                      |
| Department of Mental Health and Addiction Services | Grants for Mental Health Services            | 1,317,491                    |
| Department of Mental Health and Addiction Services | Employment Opportunities                     | 178,036                      |
| Department of Public Health                        | Other Expenses                               | 389,978                      |
| Department of Public Health                        | Community Health Services                    | 33,785                       |
| Department of Public Health                        | Rape Crisis                                  | 11,162                       |
| Department of Public Health                        | School Based Health Clinics                  | 420,780                      |
| Department of Revenue Services                     | Other Expenses                               | 398,056                      |
| Department of Social Services                      | Other Expenses                               | 7,151,461                    |
| Department of Social Services                      | Connecticut Home Care Program                | 2,180,000                    |
| Department of Social Services                      | Human Resource Development-Hispanic Programs | 663,756                      |
| Department of Social Services                      | Community Residential Services               | 11,078,580                   |
| Department of Social Services                      | Safety Net Services                          | 514,561                      |
| Department of Social Services                      | Services for Persons With Disabilities       | 96,356                       |

| <b>Agency</b>                   | <b>Account</b>  | <b>FY 18<br/>Holdback \$</b> |
|---------------------------------|---|------------------------------|
| Department of Social Services   | Nutrition Assistance  | 93,944                       |
| Department of Social Services   | Connecticut Children's Medical Center                       | 227,829                      |
| Department of Social Services   | Community Services  | 298,320                      |
| Department of Social Services   | Human Service Infrastructure Community Action Program       | 59,890                       |
| Department of Social Services   | Teen Pregnancy Prevention                                   | 25,426                       |
| Department of Social Services   | Programs for Senior Citizens                                | 117,908                      |
| Department of Social Services   | Family Programs - TANF                                      | 287,498                      |
| Department of Social Services   | Domestic Violence Shelters                                  | 106,090                      |
| Department of Social Services   | Human Resource Development-Hispanic Programs - Municipality | 4,120                        |
| Department of Social Services   | Teen Pregnancy Prevention - Municipality                    | 2,006                        |
| Department of Veterans' Affairs | Other Expenses  | 152,812                      |
| Department of Veterans' Affairs | SSMF Administration   | 10,437                       |
| Division of Criminal Justice    | Other Expenses  | 113,820                      |
| Governor's Office               | Other Expenses  | 9,270                        |
| Governor's Office               | Coalition of Northeastern Governors                         | 7,439                        |
| Governor's Office               | National Governors' Association                             | 11,689                       |
| Judicial Department             | Other Expenses  | 3,053,400                    |
| Judicial Department             | Alternative Incarceration Program                           | 990,776                      |
| Judicial Department             | Justice Education Center, Inc.                              | 9,324                        |
| Judicial Department             | Juvenile Alternative Incarceration                          | 413,669                      |
| Judicial Department             | Probate Court   | 200,000                      |
| Judicial Department             | Youthful Offender Services                                  | 208,911                      |
| Judicial Department             | Victim Security Account                                     | 176                          |
| Judicial Department             | Children of Incarcerated Parents                            | 10,890                       |
| Judicial Department             | Legal Aid   | 31,048                       |
| Judicial Department             | Youth Violence Initiative                                   | 38,506                       |
| Judicial Department             | Youth Services Prevention                                   | 3,187,174                    |
| Judicial Department             | Children's Law Center                                       | 2,054                        |
| Judicial Department             | Juvenile Planning   | 333,792                      |
| Judicial Department             | Juvenile Justice Outreach Services                          | 111,495                      |
| Judicial Department             | Board and Care for Children - Short-term and Residential    | 65,643                       |
| Labor Department                | Other Expenses  | 54,017                       |
| Labor Department                | CETC Workforce  | 61,959                       |
| Labor Department                | Job Funnels Projects  | 10,866                       |

| <b>Agency</b>                         | <b>Account</b>   | <b>FY 18<br/>Holdback \$</b> |
|---------------------------------------|--|------------------------------|
| Labor Department                      | Jobs First Employment Services                             | 1,386,961                    |
| Labor Department                      | Cradle To Career   | 100,000                      |
| Labor Department                      | New Haven Jobs Funnel                                      | 75,000                       |
| Labor Department                      | Healthcare Apprenticeship Initiative                       | 500,000                      |
| Labor Department                      | Manufacturing Pipeline Initiative                          | 500,000                      |
| Legislative Management                | Other Expenses   | 1,163,233                    |
| Legislative Management                | Equipment  | 50,000                       |
| Legislative Management                | Interim Salary/Caucus Offices                              | 432,891                      |
| Legislative Management                | Redistricting  | 75,000                       |
| Legislative Management                | Old State House  | 100,000                      |
| Legislative Management                | Interstate Conference Fund                                 | 377,944                      |
| Legislative Management                | New England Board of Higher Education                      | 183,750                      |
| Lieutenant Governor's Office          | Other Expenses   | 3,013                        |
| Military Department                   | Other Expenses   | 113,118                      |
| Office of Early Childhood             | Other Expenses   | 20,586                       |
| Office of Early Childhood             | Evenstart  | 43,771                       |
| Office of Early Childhood             | 2Gen - TANF  | 200,000                      |
| Office of Early Childhood             | Head Start Services  | 103,740                      |
| Office of Governmental Accountability | Other Expenses   | 1,711                        |
| Office of Governmental Accountability | Contracting Standards Board                                | 99,400                       |
| Office of Higher Education            | Other Expenses   | 3,498                        |
| Office of Higher Education            | Minority Advancement Program                               | 178,969                      |
| Office of Higher Education            | National Service Act                                       | 26,090                       |
| Office of Higher Education            | Minority Teacher Incentive Program                         | 35,570                       |
| Office of Policy and Management       | Other Expenses   | 54,904                       |
| Office of Policy and Management       | Automated Budget System and Data Base Link                 | 3,967                        |
| Office of Policy and Management       | Justice Assistance Grants                                  | 91,049                       |
| Office of Policy and Management       | Project Longevity  | 85,000                       |
| Office of Policy and Management       | Council of Governments                                     | 275,000                      |
| Office of Policy and Management       | Tax Relief For Elderly Renters                             | 625,506                      |
| Office of Policy and Management       | Reimbursement to Towns for Loss of Taxes on State Property | 1,289,909                    |
| Office of Policy and Management       | Reimbursements to Towns for Private Tax-Exempt Property    | 2,522,501                    |
| Office of Policy and Management       | Reimbursement Property Tax - Disability Exemption          | 9,352                        |

| <b>Agency</b>                                    | <b>Account</b>                              | <b>FY 18<br/>Holdback \$</b> |
|--|---|------------------------------|
| Office of Policy and Management                  | Property Tax Relief for Veterans            | 69,439                       |
| Office of Policy and Management                  | Municipal Stabilization Grant               | 1,422,599                    |
| Office of Policy and Management                  | Municipal Restructuring                     | 700,000                      |
| Psychiatric Security Review Board                | Other Expenses                              | 1,319                        |
| Public Defender Services Commission              | Other Expenses                              | 58,824                       |
| Secretary of the State                           | Other Expenses                              | 87,380                       |
| State Comptroller                                | Other Expenses                              | 237,443                      |
| State Dept of Rehabilitation                     | Other Expenses                              | 69,901                       |
| State Dept of Rehabilitation                     | Employment Opportunities - Blind & Disabled | 20,650                       |
| State Dept of Rehabilitation                     | Vocational Rehabilitation - Disabled        | 147,082                      |
| State Dept of Rehabilitation                     | Supplementary Relief and Services           | 915                          |
| State Dept of Rehabilitation                     | Special Training for the Deaf Blind         | 5,360                        |
| State Dept of Rehabilitation                     | Connecticut Radio Information Service       | 549                          |
| State Dept of Rehabilitation                     | Independent Living Centers                  | 8,419                        |
| State Library                                    | Other Expenses                              | 21,334                       |
| State Library                                    | State-Wide Digital Library                  | 167,919                      |
| State Library                                    | Interlibrary Loan Delivery Service          | 27,623                       |
| State Library                                    | Legal/Legislative Library Materials         | 63,838                       |
| State Library                                    | Support Cooperating Library Service Units   | 18,430                       |
| State Library                                    | Connecticard Payments                       | 78,182                       |
| State Treasurer                                  | Other Expenses                              | 6,611                        |
| Teachers' Retirement Board                       | Other Expenses                              | 23,407                       |
| <b>General Fund Targeted Savings Lapse Total</b> |   | <b>111,800,000</b>           |

**FY 18 General Fund Implementation Delay Lapse**

| Agency   | Account                              | FY 18<br>Holdback \$ |
|--|--------------------------------------|----------------------|
| <b>General Fund</b>                              |                                      |                      |
| Department of Agriculture                        | Senior Food Vouchers                 | 87,611               |
| Department of Correction                         | STRIDE                               | 24,448               |
| Department of Correction                         | Program Evaluation                   | 18,750               |
| Department of Correction                         | Volunteer Services                   | 29,129               |
| Department of Developmental Services             | ID Partnership Initiatives           | 343,000              |
| Department of Economic and Community Development | Hartford Urban Arts Grant            | 48,474               |
| Department of Economic and Community Development | New Britain Arts Council             | 7,876                |
| Department of Economic and Community Development | Main Street Initiatives              | 20,000               |
| Department of Economic and Community Development | CCAT-CT Manufacturing Supply Chain   | 99,416               |
| Department of Economic and Community Development | Capital Region Development Authority | 50,000               |
| Department of Economic and Community Development | Neighborhood Music School            | 16,108               |
| Department of Economic and Community Development | Nutmeg Games                         | 8,000                |
| Department of Economic and Community Development | Discovery Museum                     | 39,379               |
| Department of Economic and Community Development | National Theatre of the Deaf         | 15,752               |
| Department of Economic and Community Development | CONNSTEP                             | 78,094               |
| Department of Economic and Community Development | Connecticut Science Center           | 89,325               |
| Department of Economic and Community Development | CT Flagship Producing Theaters Grant | 51,990               |
| Department of Economic and Community Development | Performing Arts Centers              | 157,514              |
| Department of Economic and Community Development | Performing Theaters Grant            | 61,351               |
| Department of Economic and Community Development | Arts Commission                      | 74,865               |
| Department of Economic and Community Development | Art Museum Consortium                | 57,463               |
| Department of Economic and Community Development | Litchfield Jazz Festival             | 5,800                |

| <b>Agency</b>                                    | <b>Account</b>   | <b>FY 18<br/>Holdback \$</b> |
|--|--|------------------------------|
| Department of Economic and Community Development | Arte Inc.  | 4,147                        |
| Department of Economic and Community Development | CT Virtuosi Orchestra                                  | 3,050                        |
| Department of Economic and Community Development | Barnum Museum  | 4,147                        |
| Department of Economic and Community Development | Various Grants   | 26,000                       |
| Department of Economic and Community Development | Greater Hartford Arts Council                          | 3,704                        |
| Department of Economic and Community Development | Stepping Stones Museum for Children                    | 6,173                        |
| Department of Economic and Community Development | Maritime Center Authority                              | 60,741                       |
| Department of Economic and Community Development | Connecticut Humanities Council                         | 170,000                      |
| Department of Economic and Community Development | Amistad Committee for the Freedom Trail                | 7,283                        |
| Department of Economic and Community Development | Amistad Vessel   | 52,771                       |
| Department of Economic and Community Development | New Haven Festival of Arts and Ideas                   | 82,902                       |
| Department of Economic and Community Development | New Haven Arts Council                                 | 10,400                       |
| Department of Economic and Community Development | Beardsley Zoo  | 50,776                       |
| Department of Economic and Community Development | Mystic Aquarium  | 64,479                       |
| Department of Economic and Community Development | Northwestern Tourism                                   | 100,000                      |
| Department of Economic and Community Development | Eastern Tourism  | 100,000                      |
| Department of Economic and Community Development | Central Tourism  | 100,000                      |
| Department of Economic and Community Development | Twain/Stowe Homes                                      | 16,239                       |
| Department of Economic and Community Development | Cultural Alliance of Fairfield                         | 10,400                       |
| Department of Education                          | Leadership, Education, Athletics in Partnership (LEAP) | 104,070                      |
| Department of Education                          | Connecticut Writing Project                            | 6,750                        |
| Department of Education                          | Neighborhood Youth Centers                             | 146,289                      |
| Department of Education                          | Parent Trust Fund Program                              | 89,064                       |

| <b>Agency</b>  | <b>Account</b>                                | <b>FY 18<br/>Holdback \$</b> |
|--|---|------------------------------|
| Department of Education                                | Bridges to Success                            | 9,000                        |
| Department of Education                                | Regional Education Services                   | 87,500                       |
| Department of Education                                | Young Parents Program                         | 23,886                       |
| Department of Education                                | Interdistrict Cooperation                     | 512,500                      |
| Department of Emergency Services and Public Protection | Maintenance of County Base Fire Radio Network | 4,882                        |
| Department of Emergency Services and Public Protection | Maintenance of State-Wide Fire Radio Network  | 3,249                        |
| Department of Social Services                          | Programs for Senior Citizens                  | 2,000,000                    |
| Judicial Department                                    | Justice Education Center, Inc.                | 114,223                      |
| Labor Department                                       | Job Funnels Projects                          | 24,448                       |
| Labor Department                                       | Connecticut's Youth Employment Program        | 1,000,000                    |
| Labor Department                                       | Spanish-American Merchants Association        | 100,122                      |
| Labor Department                                       | STRIVE  | 32,597                       |
| Labor Department                                       | Opportunities for Long Term Unemployed        | 438,499                      |
| Labor Department                                       | Second Chance Initiative                      | 133,458                      |
| Labor Department                                       | New Haven Jobs Funnel                         | 67,310                       |
| Military Department                                    | Honor Guard                                   | 131,250                      |
| Office of Early Childhood                              | Evenstart                                     | 98,486                       |
| Office of Early Childhood                              | 2Gen - TANF                                   | 137,500                      |
| Office of Policy and Management                        | Automated Budget System and Data Base Link    | 8,925                        |
| Office of Policy and Management                        | Project Longevity                             | 191,250                      |
| Office of Policy and Management                        | Council of Governments                        | 618,750                      |
| State Dept of Rehabilitation                           | Connecticut Radio Information Service         | 6,731                        |
| State Dept of Rehabilitation                           | Independent Living Centers                    | 103,136                      |
| State Library  | State-Wide Digital Library                    | 7,100                        |
| State Library  | Support Cooperating Library Service Units     | 41,468                       |
| <b>General Fund Implementation Delay Lapse Total</b>   |   | <b>8,500,000</b>             |

## FY 18 General Fund Statewide Hiring Savings Lapse

| Agency   | Account   | FY 18<br>Holdback \$ |
|--|---|----------------------|
| <b>General Fund</b>                                    |   |                      |
| Agricultural Experiment Station                        | Personal Services                               | 12,406               |
| Attorney General                                       | Personal Services                               | 66,743               |
| Auditors of Public Accounts                            | Personal Services                               | 22,779               |
| Board of Regents for Higher Education                  | Charter Oak State College                       | 4,982                |
| Board of Regents for Higher Education                  | Community Tech College System                   | 331,796              |
| Board of Regents for Higher Education                  | Connecticut State University                    | 310,201              |
| Board of Regents for Higher Education                  | Developmental Services                          | 20,180               |
| Board of Regents for Higher Education                  | Outcomes-Based Funding Incentive                | 2,722                |
| Commission on Human Rights and Opportunities           | Personal Services                               | 13,023               |
| Department of Administrative Services                  | Personal Services                               | 103,820              |
| Department of Agriculture                              | Personal Services                               | 7,946                |
| Department of Children and Families                    | Personal Services                               | 601,450              |
| Department of Consumer Protection                      | Personal Services                               | 28,062               |
| Department of Correction                               | Personal Services                               | 845,040              |
| Department of Correction                               | Board of Pardons and Paroles                    | 12,236               |
| Department of Developmental Services                   | Personal Services                               | 457,695              |
| Department of Economic and Community Development       | Personal Services                               | 15,727               |
| Department of Education                                | Personal Services                               | 35,799               |
| Department of Education                                | Development of Mastery Exams Grades 4, 6, and 8 | 2,551                |
| Department of Education                                | Regional Vocational-Technical School System     | 294,667              |
| Department of Emergency Services and Public Protection | Personal Services                               | 317,193              |
| Department of Energy and Environmental Protection      | Personal Services                               | 50,983               |
| Department of Energy and Environmental Protection      | Emergency Spill Response                        | 11,496               |
| Department of Energy and Environmental Protection      | Solid Waste Management                          | 4,448                |
| Department of Energy and Environmental Protection      | Clean Air                                       | 5,942                |
| Department of Energy and Environmental Protection      | Environmental Conservation                      | 7,954                |
| Department of Energy and Environmental Protection      | Environmental Quality                           | 15,239               |
| Department of Housing                                  | Personal Services                               | 4,079                |
| Department of Mental Health and Addiction Services     | Personal Services                               | 407,363              |

| Agency   | Account   | FY 18 Holdback \$ |
|--|---|-------------------|
| Department of Mental Health and Addiction Services       | Managed Service System                                      | 13,873            |
| Department of Mental Health and Addiction Services       | Young Adult Services  | 55,143            |
| Department of Mental Health and Addiction Services       | TBI Community Services                                      | 2,226             |
| Department of Mental Health and Addiction Services       | Forensic Services   | 3,718             |
| Department of Public Health                              | Personal Services   | 78,037            |
| Department of Revenue Services                           | Personal Services   | 124,097           |
| Department of Social Services                            | Personal Services   | 269,710           |
| Department of Veterans' Affairs                          | Personal Services   | 43,832            |
| Division of Criminal Justice                             | Personal Services   | 97,055            |
| Governor's Office  | Personal Services   | 4,400             |
| Judicial Department                                      | Personal Services   | 718,141           |
| Labor Department   | Personal Services   | 19,254            |
| Labor Department   | Workforce Investment Act                                    | 7,599             |
| Legislative Management                                   | Personal Services   | 95,840            |
| Military Department                                      | Personal Services   | 5,968             |
| Office of Early Childhood                                | Personal Services   | 17,151            |
| Office of Higher Education                               | Personal Services   | 3,144             |
| Office of Policy and Management                          | Personal Services   | 22,026            |
| Office of the Chief Medical Examiner                     | Personal Services   | 10,844            |
| Public Defender Services Commission                      | Personal Services   | 88,329            |
| Secretary of the State                                   | Personal Services   | 5,774             |
| Secretary of the State                                   | Commercial Recording Division                               | 6,107             |
| State Comptroller  | Personal Services   | 49,865            |
| State Dept of Rehabilitation                             | Personal Services   | 10,661            |
| State Dept of Rehabilitation                             | Educational Aid for Blind and Visually Handicapped Children | 6,924             |
| State Library  | Personal Services   | 11,049            |
| State Treasurer  | Personal Services   | 6,248             |
| Teachers' Retirement Board                               | Personal Services   | 3,536             |
| University of Connecticut                                | Operating Expenses  | 394,920           |
| University of Connecticut                                | Next Generation Connecticut                                 | 38,587            |
| University of Connecticut Health Center                  | Operating Expenses  | 234,956           |
| University of Connecticut Health Center                  | Bioscience  | 24,178            |
| <b>General Fund Statewide Hiring Savings Lapse Total</b> |   | <b>6,487,714</b>  |

**FY 18 General Fund Municipal Contribution to Renters' Rebate Program**

| <b>Agency</b>           | <b>Account</b>                | <b>FY 18<br/>Holdback \$</b> |
|-------------------------|-------------------------------|------------------------------|
| Department of Education | Education Equalization Grants | 8,285,113                    |

## Funds Carried Forward

The carry forward funds are composed of \$60.2 million from the General Fund, \$30.4 million from the Transportation Fund, \$1.5 million from Banking Fund, and \$1 million from the Workers' Compensation Fund. The table below includes details by fund and agency.

### Carry Forward Funding (by fund/agency)

| Fund/Agency  | Account  | Authorization                                    | FY 18 \$¹         |
|--|--|--|-------------------|
|  |  | (Legal Citation)                                 |                   |
| <b>General Fund</b>                                    |  |  |                   |
| Office of the State Comptroller                        | Tuition Reimbursement                          | Per Various SEBAC Agreements                     | 3,390,170         |
| Office of Policy and Management                        | Other Expenses                                 | CGS Sec. 4-89(c)                                 | 428,916           |
| Office of Policy and Management                        | Litigation and Settlement Account              | CGS Sec. 4-89(e)                                 | 2,590,346         |
| Office of Policy and Management                        | Reserve for Salary Adjustments                 | CGS Sec. 4-89(c)                                 | 33,462,326        |
| Department of Administrative Services                  | Other Expenses                                 | CGS Sec. 4-89(c)                                 | 82,600            |
| Department of Administrative Services                  | Tuition Reimbursement - Training and Travel    | CGS Sec. 4-89(c)                                 | 133,581           |
| Department of Administrative Services                  | Special Labor Management                       | CGS Sec. 4-89(c)                                 | 720,965           |
| Department of Emergency Services and Public Protection | Stress Reduction                               | Article 33 of the NP-1 Agreement, Section 10 (c) | 49,954            |
| Department of Labor                                    | Workforce Investment Act                       | CGS Sec. 4-89(h)                                 | 11,825,723        |
| Office of Protection and Advocacy                      | Personal Services                              | CGS Sec. 4-89(c)                                 | 248,244           |
| Office of Protection and Advocacy                      | Other Expenses                                 | CGS Sec. 4-89(c)                                 | 7,478             |
| Department of Social Services                          | Other Expenses                                 | CGS Sec. 4-89(c)                                 | 3,522,606         |
| Department of Social Services                          | Community Residential Services                 | CGS Sec. 4-89(c)                                 | 3,400,000         |
| Connecticut State Library                              | Support Cooperating Library Services           | CGS Sec. 4-89(c)                                 | 36,544            |
| Department of Correction                               | Stress Management                              | Article 29 of NP-4 Contract Section 3.           | 41,930            |
| Department of Correction                               | Community Support Services                     | CGS Sec. 4-89(c)                                 | 295,606           |
| <b>Subtotal - General Fund</b>                         |  |  | <b>60,236,989</b> |
| <b>Transportation Fund</b>                             |  |  |                   |
| Office of Policy and Management                        | Reserve for Salary Adjustments                 | CGS Sec. 4-89(c)                                 | 11,667,593        |
| Department of Motor Vehicles                           | Personal Services                              | CGS Sec. 4-89(c)                                 | 706,629           |
| Department of Motor Vehicles                           | CIVLS<br>(Reg.DriverLicensDataProcesSys)       | CGS Sec. 4-89(c)                                 | 8,693,716         |
| Department of Motor Vehicles                           | CVISN<br>(Com.Veh.Info.Sys.Network)<br>Project | CGS Sec. 4-89(c)                                 | 973,062           |
| Department of Transportation                           | Equipment                                      | CGS Sec. 4-89(e)                                 | 14,783            |
| Department of Transportation                           | Minor Capital Projects                         | CGS Sec. 4-89(b)                                 | 110,417           |
| Department of Transportation                           | Highway Planning & Research                    | CGS Sec. 4-89(e)                                 | 1,473,582         |

| <b>Fund/Agency</b>                     | <b>Account</b>                        | <b>Authorization</b> | <b>FY 18 \$<sup>1</sup></b> |
|--|---------------------------------------|----------------------|-----------------------------|
| Department of Transportation           | Pay-As-You-Go Transportation Projects | CGS Sec. 4-89(b)     | 5,877,713                   |
| Department of Transportation           | Emergency Relief Town Repairs         | CGS Sec. 13a-175(j)  | 871,792                     |
| <b>Subtotal - Transportation Fund</b>  |                                       |                      | <b>30,389,287</b>           |
| <b>Banking Fund</b>                    |                                       |                      |                             |
| Department of Banking                  | Other Expenses                        | CGS Sec. 4-89(c)     | 1,332,000                   |
| Department of Banking                  | Equipment                             | CGS Sec. 4-89(c)     | 175,000                     |
| <b>Subtotal - Banking Fund</b>         |                                       |                      | <b>1,507,000</b>            |
| <b>Workers' Compensation Fund (WC)</b> |                                       |                      |                             |
| Workers' Compensation Commission       | Other Expenses                        | CGS Sec. 4-89(c)     | 1,040,770                   |
| <b>Subtotal - WC Fund</b>              |                                       |                      | <b>1,040,770</b>            |
| <b>TOTAL - ALL APPROPRIATED FUNDS</b>  |                                       |                      | <b>93,174,046</b>           |

<sup>1</sup>The amounts shown are either specified in legislation/statute or are unexpended as of September 2017. Agency/account listed is the recipient of the carry forward funding.

**Authorized Permanent Full-Time Positions**  
(by fund and agency)

| Fund/Agency  | Actual<br>FY 16 | Estimated<br>FY 17 | Authorized<br>FY 18 | Authorized<br>FY 19 | Difference<br>FY 18 - FY 17 | Difference<br>FY 19 - FY 18 |
|--|-----------------|--------------------|---------------------|---------------------|-----------------------------|-----------------------------|
| <b>General Fund</b>                                    |                 |                    |                     |                     |                             |                             |
| Legislative Management                                 | 450             | 444                | 444                 | 436                 | -                           | (8)                         |
| Auditors of Public Accounts                            | 117             | 121                | 126                 | 126                 | 5                           | -                           |
| Commission on Aging                                    | 4               | -                  | -                   | -                   | -                           | -                           |
| Permanent Commission on the Status of Women            | 6               | -                  | -                   | -                   | -                           | -                           |
| Commission on Children                                 | 7               | -                  | -                   | -                   | -                           | -                           |
| Latino and Puerto Rican Affairs Commission             | 4               | -                  | -                   | -                   | -                           | -                           |
| African-American Affairs Commission                    | 3               | -                  | -                   | -                   | -                           | -                           |
| Asian Pacific American Affairs Commission              | 2               | -                  | -                   | -                   | -                           | -                           |
| Commission on Women, Children, Seniors                 | -               | 9                  | 6                   | 6                   | (3)                         | -                           |
| Commission on Equity and Opportunity                   | -               | 9                  | 6                   | 6                   | (3)                         | -                           |
| Governor's Office                                      | 28              | 28                 | 28                  | 28                  | -                           | -                           |
| Secretary of the State                                 | 84              | 85                 | 85                  | 85                  | -                           | -                           |
| Lieutenant Governor's Office                           | 7               | 7                  | 7                   | 7                   | -                           | -                           |
| Elections Enforcement Commission                       | -               | 35                 | 35                  | 35                  | -                           | -                           |
| Office of State Ethics                                 | -               | 15                 | 16                  | 16                  | 1                           | -                           |
| Freedom of Information Commission                      | -               | 15                 | 16                  | 16                  | 1                           | -                           |
| State Treasurer  | 45              | 45                 | 45                  | 45                  | -                           | -                           |
| State Comptroller                                      | 276             | 277                | 277                 | 277                 | -                           | -                           |
| Department of Revenue Services                         | 660             | 660                | 660                 | 660                 | -                           | -                           |
| Office of Governmental Accountability                  | 92              | 19                 | 19                  | 19                  | -                           | -                           |
| Office of Policy and Management                        | 125             | 125                | 125                 | 125                 | -                           | -                           |
| Department of Veterans' Affairs                        | 243             | 243                | 243                 | 243                 | -                           | -                           |
| Department of Administrative Services                  | 663             | 665                | 663                 | 663                 | (2)                         | -                           |
| Attorney General                                       | 303             | 303                | 311                 | 311                 | 8                           | -                           |
| Division of Criminal Justice                           | 486             | 486                | 486                 | 486                 | -                           | -                           |
| Department of Emergency Services and Public Protection | 1,733           | 1,733              | 1,735               | 1,735               | 2                           | -                           |

| Fund/Agency   | Actual<br>FY 16 | Estimated<br>FY 17 | Authorized<br>FY 18 | Authorized<br>FY 19 | Difference<br>FY 18 - FY 17 | Difference<br>FY 19 - FY 18 |
|---|-----------------|--------------------|---------------------|---------------------|-----------------------------|-----------------------------|
| Military Department                                   | 42              | 42                 | 42                  | 42                  | -                           | -                           |
| Department of Consumer Protection                     | 239             | 241                | 218                 | 218                 | (23)                        | -                           |
| Labor Department                                      | 191             | 191                | 191                 | 191                 | -                           | -                           |
| Commission on Human Rights and Opportunities          | 85              | 85                 | 82                  | 82                  | (3)                         | -                           |
| Protection and Advocacy for Persons with Disabilities | 31              | 31                 | -                   | -                   | (31)                        | -                           |
| Department of Agriculture                             | 50              | 50                 | 50                  | 50                  | -                           | -                           |
| Department of Energy and Environmental Protection     | 644             | 642                | 618                 | 618                 | (24)                        | -                           |
| Council on Environmental Quality                      | 2               | 2                  | 2                   | -                   | -                           | (2)                         |
| Department of Economic and Community Development      | 89              | 89                 | 89                  | 89                  | -                           | -                           |
| Department of Housing                                 | 23              | 23                 | 23                  | 23                  | -                           | -                           |
| Agricultural Experiment Station                       | 69              | 69                 | 69                  | 69                  | -                           | -                           |
| Department of Public Health                           | 479             | 481                | 495                 | 480                 | 14                          | (15)                        |
| Office of Health Strategy                             | -               | -                  | -                   | 23                  | -                           | 23                          |
| Office of the Chief Medical Examiner                  | 50              | 50                 | 50                  | 50                  | -                           | -                           |
| Department of Developmental Services                  | 3,318           | 3,098              | 2,980               | 2,980               | (118)                       | -                           |
| Department of Mental Health and Addiction Services    | 3,438           | 3,438              | 3,438               | 3,438               | -                           | -                           |
| Psychiatric Security Review Board                     | 3               | 3                  | 3                   | 3                   | -                           | -                           |
| Department of Social Services                         | 1,975           | 1,986              | 2,009               | 2,009               | 23                          | -                           |
| State Department on Aging                             | 28              | 27                 | -                   | -                   | (27)                        | -                           |
| Department of Rehabilitation Services                 | 118             | 118                | 113                 | 113                 | (5)                         | -                           |
| Department of Education                               | 1,806           | 1,815              | 1,819               | 1,819               | 4                           | -                           |
| Office of Early Childhood                             | 116             | 116                | 118                 | 118                 | 2                           | -                           |
| State Library   | 55              | 55                 | 55                  | 55                  | -                           | -                           |
| Office of Higher Education                            | 27              | 27                 | 27                  | 27                  | -                           | -                           |
| University of Connecticut                             | 2,413           | 2,413              | 2,413               | 2,413               | -                           | -                           |
| University of Connecticut Health Center               | 1,698           | 1,698              | 1,698               | 1,698               | -                           | -                           |
| Teachers' Retirement Board                            | 27              | 27                 | 27                  | 27                  | -                           | -                           |
| Connecticut State Colleges and Universities           | 4,625           | 4,633              | 4,633               | 4,633               | -                           | -                           |
| Department of Correction                              | 6,216           | 6,117              | 6,117               | 6,117               | -                           | -                           |
| Department of Children and                            | 3,240           | 3,240              | 3,240               | 3,240               | -                           | -                           |

| Fund/Agency  | Actual<br>FY 16 | Estimated<br>FY 17 | Authorized<br>FY 18 | Authorized<br>FY 19 | Difference<br>FY 18 - FY 17 | Difference<br>FY 19 - FY 18 |
|--|-----------------|--------------------|---------------------|---------------------|-----------------------------|-----------------------------|
| <b>Families</b>  |                 |                    |                     |                     |                             |                             |
| Judicial Department  | 4,329           | 4,329              | 4,329               | 4,329               | -                           | -                           |
| Public Defender Services<br>Commission                                 | 447             | 447                | 447                 | 447                 | -                           | -                           |
| <b>General Fund Total</b>  | <b>41,211</b>   | <b>40,907</b>      | <b>40,728</b>       | <b>40,726</b>       | <b>(179)</b>                | <b>(2)</b>                  |
| <b>Transportation Fund</b>   |                 |                    |                     |                     |                             |                             |
| State Treasurer  | 1               | 1                  | 1                   | 1                   | -                           | -                           |
| Department of Motor Vehicles   | 603             | 603                | 603                 | 603                 | -                           | -                           |
| Department of Energy and<br>Environmental Protection                   | 28              | 29                 | 29                  | 29                  | -                           | -                           |
| Department of Transportation   | 3,279           | 3,352              | 3,357               | 3,362               | 5                           | 5                           |
| <b>Transportation Fund Total</b>                                       | <b>3,911</b>    | <b>3,985</b>       | <b>3,990</b>        | <b>3,995</b>        | <b>5</b>                    | <b>5</b>                    |
| <b>Banking Fund</b>  |                 |                    |                     |                     |                             |                             |
| Department of Banking  | 120             | 123                | 119                 | 119                 | (4)                         | -                           |
| Judicial Department  | 51              | 51                 | 20                  | 20                  | (31)                        | -                           |
| <b>Banking Fund Total</b>  | <b>171</b>      | <b>174</b>         | <b>139</b>          | <b>139</b>          | <b>(35)</b>                 | <b>-</b>                    |
| <b>Insurance Fund</b>  |                 |                    |                     |                     |                             |                             |
| Office of Policy and<br>Management                                     | 2               | 2                  | 2                   | 2                   | -                           | -                           |
| Insurance Department   | 159             | 159                | 151                 | 150                 | (8)                         | (1)                         |
| Office of the Healthcare<br>Advocate                                   | 29              | 29                 | 27                  | 22                  | (2)                         | (5)                         |
| Department of Housing  | -               | -                  | 1                   | 1                   | 1                           | -                           |
| Department of Public Health  | 5               | 5                  | 5                   | 5                   | -                           | -                           |
| Office of Health Strategy  | -               | -                  | -                   | 6                   | -                           | 6                           |
| <b>Insurance Fund Total</b>  | <b>195</b>      | <b>195</b>         | <b>186</b>          | <b>186</b>          | <b>(9)</b>                  | <b>-</b>                    |
| <b>Consumer Counsel &amp; Public Utility Control Fund (CC&amp;PUC)</b> |                 |                    |                     |                     |                             |                             |
| Office of Consumer Counsel   | 15              | 15                 | 12                  | 12                  | (3)                         | -                           |
| Department of Energy and<br>Environmental Protection                   | 127             | 127                | 122                 | 122                 | (5)                         | -                           |
| <b>CC&amp;PUC Fund Total</b>   | <b>142</b>      | <b>142</b>         | <b>134</b>          | <b>134</b>          | <b>(8)</b>                  | <b>-</b>                    |
| <b>Workers' Compensation Fund</b>                                      |                 |                    |                     |                     |                             |                             |
| Division of Criminal Justice   | 4               | 4                  | 4                   | 4                   | -                           | -                           |
| Labor Department   | 2               | 2                  | 2                   | 2                   | -                           | -                           |
| Workers' Compensation<br>Commission                                    | 117             | 117                | 117                 | 117                 | -                           | -                           |
| Department of Rehabilitation<br>Services                               | 6               | 6                  | 6                   | 6                   | -                           | -                           |
| <b>Workers' Compensation Fund<br/>Total</b>                            | <b>129</b>      | <b>129</b>         | <b>129</b>          | <b>129</b>          | <b>-</b>                    | <b>-</b>                    |
| <b>Regional Market Fund</b>  |                 |                    |                     |                     |                             |                             |
| Department of Agriculture  | 7               | 7                  | 7                   | 7                   | -                           | -                           |
| <b>Regional Market Fund Total</b>                                      | <b>7</b>        | <b>7</b>           | <b>7</b>            | <b>7</b>            | <b>-</b>                    | <b>-</b>                    |

| Fund/Agency  | Actual<br>FY 16 | Estimated<br>FY 17 | Authorized<br>FY 18 | Authorized<br>FY 19 | Difference<br>FY 18 - FY 17 | Difference<br>FY 19 - FY 18 |
|--------------|-----------------|--------------------|---------------------|---------------------|-----------------------------|-----------------------------|
| <b>TOTAL</b> | 45,766          | 45,539             | 45,313              | 45,316              | (226)                       | 3                           |

**FY 05 through FY 19 General Budget Expenditures**  
(in thousands)<sup>1</sup>

| Fiscal Year        | General Budget Expenditures \$ | Annual Increase Over Prior Year \$ | % Growth    | Inflation Adjusted Growth in Expenditures |
|--------------------|--------------------------------|------------------------------------|-------------|---|
| 05                 | 14,428,128                     | 832,834                            | 6.1%        | 0.5%                                      |
| 06                 | 15,665,824                     | 1,237,696                          | 8.6%        | 2.4%                                      |
| 07                 | 16,505,640                     | 839,816                            | 5.4%        | 0.6%                                      |
| 08                 | 17,906,920                     | 1,401,280                          | 8.5%        | 2.9%                                      |
| 09                 | 18,547,639                     | 640,719                            | 3.6%        | 1.3%                                      |
| 10                 | 18,459,913                     | (87,726)                           | -0.5%       | -1.1%                                     |
| 11                 | 19,168,739                     | 708,826                            | 3.8%        | 1.2%                                      |
| 12                 | 20,134,192                     | 965,453                            | 5.0%        | 2.0%                                      |
| 13                 | 20,403,224                     | 269,032                            | 1.3%        | -0.6%                                     |
| 14                 | 18,416,897                     | (1,986,327)                        | -9.7%       | -11.8%                                    |
| 15                 | 18,945,600                     | 528,703                            | 2.9%        | 1.9%                                      |
| 16                 | 19,541,153                     | 595,553                            | 3.1%        | 2.1%                                      |
| 17                 | 19,406,694                     | (134,459)                          | -0.7%       | -2.4%                                     |
| <b>18 Budgeted</b> | <b>20,523,695</b>              | <b>1,117,001</b>                   | <b>5.8%</b> | <b>3.5%</b>                               |
| <b>19 Budgeted</b> | <b>20,658,221</b>              | <b>134,526</b>                     | <b>0.7%</b> | <b>-0.9%</b>                              |

<sup>1</sup>Notes

**Budget Expenditures** - For purposes of comparison, the expenditure figures include all expenditures of the General Fund, Special Transportation Fund, other appropriated funds, surplus (primary for “one-time” items) and expenditures from prior year appropriations carried forward into subsequent fiscal year. The expenditures and percentage changes have been adjusted to account for structural changes in the budgets. Actual expenditures are based on the Comptroller’s reports (FY 17 figures are unaudited figures as of September 30, 2017). Figures for FY 18 and FY 19 are estimates of expenditures based on the biennial budget (PA 17-2 JSS), as adjusted by PA 17-4 JSS, including carried forward funding. It should be noted that beginning in FY 14 the General Fund appropriation for the Medicaid account in the Department of Social Services reflected only the state share of the joint state/federal program.

**Inflation Adjusted Growth** - The inflation adjusted growth rate factors the growth in expenditures from previous fiscal years less the Implicit Price Deflator for state and local governments. The use of this adjustment factor eliminates growth that results from inflation and facilitates the calculation of the adjusted year to year growth rate. The adjustments for FY 18 and FY 19 are expected to be 2.3% and 1.6% respectively. When factored with the growth in expenditures, the inflation adjusted growth for FY 18 is 3.5%; for FY 19 it is -0.9%.

**Implicit Price Deflator for State and Local Governments** - In economics, the GDP deflator (implicit price deflator for GDP) is a measure of the level of prices of all new, domestically produced, final goods and services in an economy. GDP stands for gross domestic product, the total value of all final goods and services produced within that economy during a specified period. Historical data is taken from the US Department of Commerce Bureau of Economic Analysis. Projections are by Moody’s Economy.com.

## Function of Government

|                                     |     |
|-------------------------------------|-----|
| Legislative .....                   | 58  |
| General Government .....            | 70  |
| Regulation and Protection .....     | 122 |
| Conservation and Development .....  | 164 |
| Health .....                        | 198 |
| Transportation .....                | 230 |
| Human Services.....                 | 236 |
| Education, Museums, Libraries ..... | 267 |
| Corrections .....                   | 309 |
| Judicial .....                      | 322 |
| Non-Functional .....                | 334 |

## Legislative Management OLM10000

### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 439             | 450             | 444                    | 444                  | 444   | 444         | 436   |

### Budget Summary

| Account   | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|   |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                                 | 42,778,800        | 43,029,937        | 44,711,354             | 40,868,161           | 40,868,161        | 43,542,854        | 43,332,854        |
| Other Expenses                                    | 14,480,949        | 14,829,043        | 15,504,772             | 14,028,674           | 14,498,674        | 13,364,982        | 13,975,741        |
| Equipment   | 325,051           | 54,928            | 298,762                | 100,000              | 100,000           | 100,000           | 100,000           |
| <b>Other Current Expenses</b>                     |                   |                   |                        |                      |                   |                   |                   |
| Flag Restoration                                  | 46,139            | 4,882             | 65,645                 | -                    | -                 | -                 | -                 |
| Minor Capital Improvements                        | -                 | -                 | 111,565                | -                    | -                 | -                 | -                 |
| Interim Salary/Caucus Offices                     | 495,478           | 613,031           | 452,875                | 452,875              | 452,875           | 452,875           | 452,875           |
| Redistricting                                     | -                 | -                 | -                      | 100,000              | 100,000           | 100,000           | 100,000           |
| Connecticut Academy of Science<br>and Engineering | 354,500           | 604,250           | -                      | -                    | -                 | -                 | -                 |
| Old State House                                   | 559,521           | 542,747           | -                      | 400,000              | 400,000           | 500,000           | 500,000           |
| <b>Other Than Payments to Local Governments</b>   |                   |                   |                        |                      |                   |                   |                   |
| Interstate Conference Fund                        | 362,262           | 365,568           | 377,944                | 377,944              | 377,944           | 377,944           | 377,944           |
| New England Board of Higher<br>Education          | 183,750           | 183,750           | 170,652                | 183,750              | 183,750           | 183,750           | 183,750           |
| <b>Nonfunctional - Change to<br/>Accruals</b>     | 57,472            | -                 | -                      | -                    | -                 | -                 | -                 |
| <b>Agency Total - General Fund</b>                | <b>59,643,922</b> | <b>60,228,136</b> | <b>61,693,569</b>      | <b>56,511,404</b>    | <b>56,981,404</b> | <b>58,622,405</b> | <b>59,023,164</b> |
| <b>Additional Funds Available</b>                 |                   |                   |                        |                      |                   |                   |                   |
| Private Contributions                             | -                 | 3,074,025         | 3,202,300              | 3,202,300            | 3,202,300         | 3,202,300         | 3,202,300         |
| <b>Agency Grand Total</b>                         | <b>59,643,922</b> | <b>63,302,161</b> | <b>64,895,869</b>      | <b>59,713,704</b>    | <b>60,183,704</b> | <b>61,824,705</b> | <b>62,225,464</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Adjust Accounts to FY 17 Base

|                             |          |          |                  |                   |                  |                   |
|-----------------------------|----------|----------|------------------|-------------------|------------------|-------------------|
| Personal Services           | -        | -        | 5,848,681        | 9,319,995         | 5,848,681        | 9,319,995         |
| Other Expenses              | -        | -        | 1,800,162        | 2,267,921         | 1,800,162        | 2,267,921         |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>7,648,843</b> | <b>11,587,916</b> | <b>7,648,843</b> | <b>11,587,916</b> |

### Background

Pursuant to Sec. 4-73(f) the appropriations recommended for the legislative branch shall be the estimates of expenditure requirements transmitted to Office of Policy and Management by the Office of Legislative Management (OLM).

### Legislative

Provide funding of \$7,648,843 in FY 18 and \$11,587,916 in FY 19 to reflect OLM's budget request of \$67.9 million in FY 18 and \$72.2 million in FY 19.

### Annualize FY 2017 Holdbacks

|                             |                    |                    |                    |                    |   |   |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|---|---|
| Personal Services           | (1,145,911)        | (1,145,911)        | (1,145,911)        | (1,145,911)        | - | - |
| Other Expenses              | (1,000,000)        | (1,000,000)        | (1,000,000)        | (1,000,000)        | - | - |
| Equipment                   | (198,762)          | (198,762)          | (198,762)          | (198,762)          | - | - |
| Flag Restoration            | (65,645)           | (65,645)           | (65,645)           | (65,645)           | - | - |
| Minor Capital Improvements  | (111,565)          | (111,565)          | (111,565)          | (111,565)          | - | - |
| <b>Total - General Fund</b> | <b>(2,521,883)</b> | <b>(2,521,883)</b> | <b>(2,521,883)</b> | <b>(2,521,883)</b> | - | - |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$2,521,883 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

### Reduce Funding for Wage and Compensation Related Adjustments

|                             |                    |                    |                    |                    |                  |                    |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|
| Personal Services           | (2,697,282)        | (2,697,282)        | (3,506,803)        | (6,336,867)        | (809,521)        | (3,639,585)        |
| <b>Total - General Fund</b> | <b>(2,697,282)</b> | <b>(2,697,282)</b> | <b>(3,506,803)</b> | <b>(6,336,867)</b> | <b>(809,521)</b> | <b>(3,639,585)</b> |

#### Governor

Reduce funding by \$2,697,282 in both FY 18 and FY 19 to achieve savings.

#### Legislative

Reduce funding by \$3,506,803 in FY 18 and \$6,336,867 in FY 19 to eliminate:

- COLAs - \$1,119,166 in FY 18 and \$2,331,890 in FY 19
- Merits - \$1,058,478 in FY 18 and \$2,491,240 in FY 19
- Promotions - \$148,151 in FY 18 and \$297,298 in FY 19
- Vacancies - \$1,181,008 in FY 18 and \$1,216,439 in FY 19.

### Eliminate LCO Commissioners

|                             |          |          |          |                  |          |                  |
|-----------------------------|----------|----------|----------|------------------|----------|------------------|
| Personal Services           | -        | -        | -        | (100,000)        | -        | (100,000)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>(100,000)</b> | <b>-</b> | <b>(100,000)</b> |

#### Background

The General Assembly appoints two part-time attorneys of different political parties to oversee the Legislative Commissioners' Office. The Commissioners advise the legislature and review the final drafts of each favorably reported bill.

#### Legislative

Reduce funding by \$100,000 in FY 19 to reflect the elimination of the LCO Commissioners.

### Consolidate Certain Legislative Committees

|                                 |          |          |          |                  |          |                  |
|---------------------------------|----------|----------|----------|------------------|----------|------------------|
| Personal Services               | -        | -        | -        | (500,000)        | -        | (500,000)        |
| <b>Total - General Fund</b>     | <b>-</b> | <b>-</b> | <b>-</b> | <b>(500,000)</b> | <b>-</b> | <b>(500,000)</b> |
| <b>Positions - General Fund</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>(8)</b>       | <b>-</b> | <b>(8)</b>       |

#### Legislative

Reduce funding by \$500,000 and eliminate eight full-time positions and 13 sessional positions in FY 19 to reflect the consolidation of certain legislative committees.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Achieve Efficiencies

|                             |   |   |                    |                    |                    |                    |
|-----------------------------|---|---|--------------------|--------------------|--------------------|--------------------|
| Other Expenses              | - | - | (2,463,854)        | (2,790,854)        | (2,463,854)        | (2,790,854)        |
| <b>Total - General Fund</b> | - | - | <b>(2,463,854)</b> | <b>(2,790,854)</b> | <b>(2,463,854)</b> | <b>(2,790,854)</b> |

#### Legislative

Reduce funding in Other Expenses by \$2,463,854 in FY 18 and \$2,790,854 in FY 19 to achieve efficiencies. These savings will be achieved by eliminating certain legislative mailings, and reducing transcription and statute costs.

### Reduce Personal Services

|                             |   |   |                    |                    |                    |                    |
|-----------------------------|---|---|--------------------|--------------------|--------------------|--------------------|
| Personal Services           | - | - | (2,364,467)        | (2,615,717)        | (2,364,467)        | (2,615,717)        |
| <b>Total - General Fund</b> | - | - | <b>(2,364,467)</b> | <b>(2,615,717)</b> | <b>(2,364,467)</b> | <b>(2,615,717)</b> |

#### Legislative

Reduce funding in Personal Services by \$2,364,467 in FY 18 and \$2,615,717 in FY 19.

## Current Services

### Transfer Care and Control of the Old State House to OLM

|                             |                |                |                |                |                |                |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Old State House             | 400,000        | 400,000        | 500,000        | 500,000        | 100,000        | 100,000        |
| <b>Total - General Fund</b> | <b>400,000</b> | <b>400,000</b> | <b>500,000</b> | <b>500,000</b> | <b>100,000</b> | <b>100,000</b> |

#### Background

PA 16-3 MSS, the FY 17 budget implementer, transferred care and control of the Old State House from the Office of Legislative Management (OLM) to the Department of Energy and Environmental Protection (DEEP).

#### Governor

Provide funding of \$400,000 in both FY 18 and FY 19 to reflect the transfer of care and control of the Old State House from DEEP back to OLM.

#### Legislative

Provide funding of \$500,000 in both FY 18 and FY 19 to reflect the transfer of care and control of the Old State House from DEEP back to OLM.

### Provide Funding for 2020 Redistricting

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Redistricting               | 100,000        | 100,000        | 100,000        | 100,000        | -        | -        |
| <b>Total - General Fund</b> | <b>100,000</b> | <b>100,000</b> | <b>100,000</b> | <b>100,000</b> | <b>-</b> | <b>-</b> |

#### Background

Redistricting, or reapportionment, is a requirement under Article 111, Section 6 of the state's constitution. This provision redraws lines of both the state legislature and congressional districts every 10 years.

#### Governor

Provide funding of \$100,000 in each of FY 18 and FY 19 for costs associated with redistricting.

#### Legislative

Same as Governor

### Adjust Funding for Short/Long Sessions

|                             |                  |              |                  |              |          |          |
|-----------------------------|------------------|--------------|------------------|--------------|----------|----------|
| Other Expenses              | (463,000)        | 7,000        | (463,000)        | 7,000        | -        | -        |
| <b>Total - General Fund</b> | <b>(463,000)</b> | <b>7,000</b> | <b>(463,000)</b> | <b>7,000</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding by \$463,000 in FY 18 to reflect expenses in a short legislative session and increase funding by \$7,000 in FY 19 for a long legislative session. Mileage reimbursement increases and the printing of the statutes occur in a long session.

**Legislative**

Same as Governor

**Transfer Funds for New England Board of Higher Education**

|                                       |          |          |          |          |   |   |
|---------------------------------------|----------|----------|----------|----------|---|---|
| Other Expenses                        | (13,098) | (13,098) | (13,098) | (13,098) | - | - |
| New England Board of Higher Education | 13,098   | 13,098   | 13,098   | 13,098   | - | - |
| <b>Total - General Fund</b>           | -        | -        | -        | -        | - | - |

**Background**

The New England Board of Higher Education, founded in 1955, promotes greater educational opportunities and services for residents of New England states. This account was transferred to OLM from the Office of Higher Education in FY 11.

**Governor**

Transfer funding of \$13,098 in both FY 18 and FY 19. This technical adjustment transfers the funding into the New England Board of Higher Education account.

**Legislative**

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |                  |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|------------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19            |
| FY 17 Appropriation - GF      | 61,693,569           | 61,693,569        | 61,693,569        | 61,693,569        | -                        | -                |
| Policy Revisions              | (5,219,165)          | (5,219,165)       | (3,208,164)       | (3,277,405)       | 2,011,001                | 1,941,760        |
| Current Services              | 37,000               | 507,000           | 137,000           | 607,000           | 100,000                  | 100,000          |
| <b>Total Recommended - GF</b> | <b>56,511,404</b>    | <b>56,981,404</b> | <b>58,622,405</b> | <b>59,023,164</b> | <b>2,111,001</b>         | <b>2,041,760</b> |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |            |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|------------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19      |
| FY 17 Appropriation - GF      | 444                  | 444        | 444         | 444        | -                        | -          |
| Policy Revisions              | -                    | -          | -           | (8)        | -                        | (8)        |
| <b>Total Recommended - GF</b> | <b>444</b>           | <b>444</b> | <b>444</b>  | <b>436</b> | <b>-</b>                 | <b>(8)</b> |

## *Other Significant Legislation*

### **PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$95,840, a Labor Concessions Savings of \$1,117,455, and a Targeted Savings of \$2,382,818. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| <b>Account</b>                        | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|---------------------------------------|-------------------------|----------------------------|-------------------------|--------------------|
| Personal Services                     | 43,542,854              | (1,213,295)                | 42,329,559              | 2.8%               |
| Other Expenses                        | 13,364,982              | (668,249)                  | 12,696,733              | 5.0%               |
| Equipment                             | 100,000                 | (100,000)                  | -                       | 100.0%             |
| Interim Salary/Caucus Offices         | 452,875                 | (452,875)                  | -                       | 100.0%             |
| Redistricting                         | 100,000                 | (100,000)                  | -                       | 100.0%             |
| Old State House                       | 500,000                 | (500,000)                  | -                       | 100.0%             |
| Interstate Conference Fund            | 377,944                 | (377,944)                  | -                       | 100.0%             |
| New England Board of Higher Education | 183,750                 | (183,750)                  | -                       | 100.0%             |

## Auditors of Public Accounts APA11000

### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 117             | 117             | 121                    | 121                  | 121   | 126         | 126   |

### Budget Summary

| Account                               | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---------------------------------------|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|                                       |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                     | 10,961,971        | 10,899,914        | 10,641,720             | 10,192,726           | 10,192,726        | 10,349,151        | 10,349,151        |
| Other Expenses                        | 301,094           | 367,581           | 342,143                | 342,143              | 342,143           | 272,143           | 272,143           |
| Equipment                             | 3,542             | -                 | -                      | -                    | -                 | -                 | -                 |
| Nonfunctional - Change to<br>Accruals | 40,074            | -                 | -                      | -                    | -                 | -                 | -                 |
| <b>Agency Total - General Fund</b>    | <b>11,306,681</b> | <b>11,267,495</b> | <b>10,983,863</b>      | <b>10,534,869</b>    | <b>10,534,869</b> | <b>10,621,294</b> | <b>10,621,294</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

## Policy Revisions

### Adjust Accounts to FY 17 Base

|                                 |          |          |                  |                  |                  |                  |
|---------------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Personal Services               | -        | -        | 1,523,188        | 1,566,630        | 1,523,188        | 1,566,630        |
| Other Expenses                  | -        | -        | 30,000           | 30,000           | 30,000           | 30,000           |
| <b>Total - General Fund</b>     | <b>-</b> | <b>-</b> | <b>1,553,188</b> | <b>1,596,630</b> | <b>1,553,188</b> | <b>1,596,630</b> |
| <b>Positions - General Fund</b> | <b>-</b> | <b>-</b> | <b>5</b>         | <b>5</b>         | <b>5</b>         | <b>5</b>         |

#### Background

Pursuant to Sec. 4-73(f) the appropriations recommended for the legislative branch shall be the estimates of expenditure requirements transmitted to Office of Policy and Management by the Office of Legislative Management.

#### Legislative

Provide funding of \$1,553,188 in FY 18 and \$1,596,630 in FY 19 for five positions to reflect Auditors of Public Accounts budget request of \$12.9 million in both FY 18 and FY 19.

### Annualize FY 2017 Holdbacks

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | (448,994)        | (448,994)        | (448,994)        | (448,994)        | -        | -        |
| <b>Total - General Fund</b> | <b>(448,994)</b> | <b>(448,994)</b> | <b>(448,994)</b> | <b>(448,994)</b> | <b>-</b> | <b>-</b> |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$448,994 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Reduce Funding for COLAs and Merits

|                             |   |   |                  |                  |                  |                  |
|-----------------------------|---|---|------------------|------------------|------------------|------------------|
| Personal Services           | - | - | (713,338)        | (756,780)        | (713,338)        | (756,780)        |
| <b>Total - General Fund</b> | - | - | <b>(713,338)</b> | <b>(756,780)</b> | <b>(713,338)</b> | <b>(756,780)</b> |

#### Legislative

Reduce funding by \$713,338 in FY 18 and \$756,780 in FY 19 to eliminate the COLAs and merit increases included in the agency budget request.

### Provide Funding for Special Education Audits

|                             |   |   |                |                |                |                |
|-----------------------------|---|---|----------------|----------------|----------------|----------------|
| Personal Services           | - | - | 201,500        | 201,500        | 201,500        | 201,500        |
| <b>Total - General Fund</b> | - | - | <b>201,500</b> | <b>201,500</b> | <b>201,500</b> | <b>201,500</b> |

#### Background

Sections 278-281 of PA 15-5 JSS require the Auditors of Public Accounts (APA) to conduct compliance audits of certain private special education providers on a regular basis. Section 5 of PA 16-144 provided the APA \$366,000, including fringe benefits, from the Municipal Reimbursement and Revenue Account for staffing of four and related expenses in FY 17.

#### Legislative

Provide funding of \$201,500 in both FY 18 and FY 19 to continue special education audits as the grant from the Municipal Reimbursement and Revenue Account expires on June 30, 2017.

### Achieve Efficiencies

|                             |   |   |                  |                  |                  |                  |
|-----------------------------|---|---|------------------|------------------|------------------|------------------|
| Personal Services           | - | - | (854,925)        | (854,925)        | (854,925)        | (854,925)        |
| Other Expenses              | - | - | (100,000)        | (100,000)        | (100,000)        | (100,000)        |
| <b>Total - General Fund</b> | - | - | <b>(954,925)</b> | <b>(954,925)</b> | <b>(954,925)</b> | <b>(954,925)</b> |

#### Legislative

Reduce funding in Personal Services by \$854,925 in both FY 18 and FY 19 and reduce funding in Other Expenses by \$100,000 in both FY 18 and FY 19 to achieve efficiencies.

## Totals

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |               |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|---------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19         |
| FY 17 Appropriation - GF      | 10,983,863           | 10,983,863        | 10,983,863        | 10,983,863        | -                        | -             |
| Policy Revisions              | (448,994)            | (448,994)         | (362,569)         | (362,569)         | 86,425                   | 86,425        |
| <b>Total Recommended - GF</b> | <b>10,534,869</b>    | <b>10,534,869</b> | <b>10,621,294</b> | <b>10,621,294</b> | <b>86,425</b>            | <b>86,425</b> |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |          |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|----------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 121                  | 121        | 121         | 121        | -                        | -        |
| Policy Revisions              | -                    | -          | 5           | 5          | 5                        | 5        |
| <b>Total Recommended - GF</b> | <b>121</b>           | <b>121</b> | <b>126</b>  | <b>126</b> | <b>5</b>                 | <b>5</b> |

## *Other Significant Legislation*

### **PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$22,779, a Labor Concessions Savings of \$265,594, and a Targeted Savings of \$13,607. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| <b>Account</b>    | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|-------------------|-------------------------|----------------------------|-------------------------|--------------------|
| Personal Services | 10,349,151              | (288,373)                  | 10,060,778              | 2.8%               |
| Other Expenses    | 272,143                 | (13,607)                   | 258,536                 | 5.0%               |

## Commission Women, Children, Seniors

### CWS11960

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | -               | -               | 9                      | 9                    | 9     | 6           | 6     |

#### Budget Summary

| Account                            | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |         | Legislative |         |
|------------------------------------|-----------------|-----------------|------------------------|----------------------|---------|-------------|---------|
|                                    |                 |                 |                        | FY 18                | FY 19   | FY 18       | FY 19   |
| Personal Services                  | -               | -               | 600,000                | 600,000              | 600,000 | 400,000     | 400,000 |
| Other Expenses                     | -               | -               | 100,000                | 71,386               | 71,386  | 30,000      | 30,000  |
| <b>Agency Total - General Fund</b> | -               | -               | 700,000                | 671,386              | 671,386 | 430,000     | 430,000 |
| <b>Additional Funds Available</b>  |                 |                 |                        |                      |         |             |         |
| Private Contributions              | -               | -               | 1,030                  | -                    | -       | -           | -       |
| <b>Agency Grand Total</b>          | -               | -               | 701,030                | 671,386              | 671,386 | 430,000     | 430,000 |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

### Policy Revisions

#### Annualize FY 2017 Holdbacks

|                             |          |          |          |          |   |   |
|-----------------------------|----------|----------|----------|----------|---|---|
| Other Expenses              | (28,614) | (28,614) | (28,614) | (28,614) | - | - |
| <b>Total - General Fund</b> | (28,614) | (28,614) | (28,614) | (28,614) | - | - |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$28,614 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

#### Reduce the Commission on Women, Children and Seniors

|                                 |   |   |           |           |           |           |
|---------------------------------|---|---|-----------|-----------|-----------|-----------|
| Personal Services               | - | - | (200,000) | (200,000) | (200,000) | (200,000) |
| Other Expenses                  | - | - | (41,386)  | (41,386)  | (41,386)  | (41,386)  |
| <b>Total - General Fund</b>     | - | - | (241,386) | (241,386) | (241,386) | (241,386) |
| <b>Positions - General Fund</b> | - | - | (3)       | (3)       | (3)       | (3)       |

#### Legislative

Reduce funding for the Commission on Women, Children and Seniors by \$241,386 in both FY 18 and FY 19. The position count is also reduced by three.

**Totals**

| Budget Components             | Governor Recommended |                | Legislative    |                | Difference from Governor |                  |
|-------------------------------|----------------------|----------------|----------------|----------------|--------------------------|------------------|
|                               | FY 18                | FY 19          | FY 18          | FY 19          | FY 18                    | FY 19            |
| FY 17 Appropriation - GF      | 700,000              | 700,000        | 700,000        | 700,000        | -                        | -                |
| Policy Revisions              | (28,614)             | (28,614)       | (270,000)      | (270,000)      | (241,386)                | (241,386)        |
| <b>Total Recommended - GF</b> | <b>671,386</b>       | <b>671,386</b> | <b>430,000</b> | <b>430,000</b> | <b>(241,386)</b>         | <b>(241,386)</b> |

| Positions                     | Governor Recommended |          | Legislative |          | Difference from Governor |            |
|-------------------------------|----------------------|----------|-------------|----------|--------------------------|------------|
|                               | FY 18                | FY 19    | FY 18       | FY 19    | FY 18                    | FY 19      |
| FY 17 Appropriation - GF      | 9                    | 9        | 9           | 9        | -                        | -          |
| Policy Revisions              | -                    | -        | (3)         | (3)      | (3)                      | (3)        |
| <b>Total Recommended - GF</b> | <b>9</b>             | <b>9</b> | <b>6</b>    | <b>6</b> | <b>(3)</b>               | <b>(3)</b> |

***Other Significant Legislation*****PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Targeted Savings of \$1,500. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account        | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|----------------|------------------|---------------------|------------------|-------------|
| Other Expenses | 30,000           | (1,500)             | 28,500           | 5.0%        |

## Commission on Equity and Opportunity

### CEO11970

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | -               | -               | 9                      | 9                    | 9     | 6           | 6     |

#### Budget Summary

| Account                            | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |                | Legislative    |                |
|------------------------------------|-----------------|-----------------|------------------------|----------------------|----------------|----------------|----------------|
|                                    |                 |                 |                        | FY 18                | FY 19          | FY 18          | FY 19          |
| Personal Services                  | -               | -               | 600,000                | 600,000              | 600,000        | 400,000        | 400,000        |
| Other Expenses                     | -               | -               | 100,000                | 71,386               | 71,386         | 30,000         | 30,000         |
| <b>Agency Total - General Fund</b> | -               | -               | <b>700,000</b>         | <b>671,386</b>       | <b>671,386</b> | <b>430,000</b> | <b>430,000</b> |
| <b>Additional Funds Available</b>  |                 |                 |                        |                      |                |                |                |
| Federal Funds                      | -               | -               | 58,090                 | 56,500               | -              | 56,500         | -              |
| Private Contributions              | -               | -               | 37,291                 | -                    | -              | -              | -              |
| <b>Agency Grand Total</b>          | -               | -               | <b>795,381</b>         | <b>727,886</b>       | <b>671,386</b> | <b>486,500</b> | <b>430,000</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

### Policy Revisions

#### Annualize FY 2017 Holdbacks

|                             |                 |                 |                 |                 |   |   |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---|---|
| Other Expenses              | (28,614)        | (28,614)        | (28,614)        | (28,614)        | - | - |
| <b>Total - General Fund</b> | <b>(28,614)</b> | <b>(28,614)</b> | <b>(28,614)</b> | <b>(28,614)</b> | - | - |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$28,614 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

#### Reduce the Commission on Equity and Opportunity

|                                 |   |   |                  |                  |                  |                  |
|---------------------------------|---|---|------------------|------------------|------------------|------------------|
| Personal Services               | - | - | (200,000)        | (200,000)        | (200,000)        | (200,000)        |
| Other Expenses                  | - | - | (41,386)         | (41,386)         | (41,386)         | (41,386)         |
| <b>Total - General Fund</b>     | - | - | <b>(241,386)</b> | <b>(241,386)</b> | <b>(241,386)</b> | <b>(241,386)</b> |
| <b>Positions - General Fund</b> | - | - | <b>(3)</b>       | <b>(3)</b>       | <b>(3)</b>       | <b>(3)</b>       |

#### Legislative

Reduce funding for the Commission on Equity and Opportunity by \$241,386 in both FY 18 and FY 19. The position count is also reduced by three.

## Totals

| Budget Components             | Governor Recommended |                | Legislative    |                | Difference from Governor |                  |
|-------------------------------|----------------------|----------------|----------------|----------------|--------------------------|------------------|
|                               | FY 18                | FY 19          | FY 18          | FY 19          | FY 18                    | FY 19            |
| FY 17 Appropriation - GF      | 700,000              | 700,000        | 700,000        | 700,000        | -                        | -                |
| Policy Revisions              | (28,614)             | (28,614)       | (270,000)      | (270,000)      | (241,386)                | (241,386)        |
| <b>Total Recommended - GF</b> | <b>671,386</b>       | <b>671,386</b> | <b>430,000</b> | <b>430,000</b> | <b>(241,386)</b>         | <b>(241,386)</b> |

| Positions                     | Governor Recommended |          | Legislative |          | Difference from Governor |            |
|-------------------------------|----------------------|----------|-------------|----------|--------------------------|------------|
|                               | FY 18                | FY 19    | FY 18       | FY 19    | FY 18                    | FY 19      |
| FY 17 Appropriation - GF      | 9                    | 9        | 9           | 9        | -                        | -          |
| Policy Revisions              | -                    | -        | (3)         | (3)      | (3)                      | (3)        |
| <b>Total Recommended - GF</b> | <b>9</b>             | <b>9</b> | <b>6</b>    | <b>6</b> | <b>(3)</b>               | <b>(3)</b> |

*Other Significant Legislation***PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Targeted Savings of \$1,500. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account        | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|----------------|------------------|---------------------|------------------|-------------|
| Other Expenses | 30,000           | (1,500)             | 28,500           | 5.0%        |

## Governor's Office GOV12000

### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 28              | 28              | 28                     | 28                   | 28    | 28          | 28    |

### Budget Summary

| Account   | Actual<br>FY 15  | Actual<br>FY 16  | Appropriation<br>FY 17 | Governor Recommended |                  | Legislative      |                  |
|---|------------------|------------------|------------------------|----------------------|------------------|------------------|------------------|
|   |                  |                  |                        | FY 18                | FY 19            | FY 18            | FY 19            |
| Personal Services                               | 2,150,089        | 2,089,549        | 2,197,412              | 2,048,912            | 2,048,912        | 1,998,912        | 1,998,912        |
| Other Expenses                                  | 156,078          | 200,857          | 187,274                | 185,402              | 185,402          | 185,402          | 185,402          |
| <b>Other Than Payments to Local Governments</b> |                  |                  |                        |                      |                  |                  |                  |
| New England Governors' Conference               | 74,391           | 74,391           | 73,614                 | 74,391               | 74,391           | 74,391           | 74,391           |
| National Governors' Association                 | 128,155          | 116,517          | 118,073                | 116,893              | 116,893          | 116,893          | 116,893          |
| <b>Nonfunctional - Change to Accruals</b>       | <b>82,675</b>    | -                | -                      | -                    | -                | -                | -                |
| <b>Agency Total - General Fund</b>              | <b>2,591,388</b> | <b>2,481,314</b> | <b>2,576,373</b>       | <b>2,425,598</b>     | <b>2,425,598</b> | <b>2,375,598</b> | <b>2,375,598</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Annualize FY 17 Rescissions

|                             |          |          |                 |                 |                 |                 |
|-----------------------------|----------|----------|-----------------|-----------------|-----------------|-----------------|
| Personal Services           | -        | -        | (50,000)        | (50,000)        | (50,000)        | (50,000)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>(50,000)</b> | <b>(50,000)</b> | <b>(50,000)</b> | <b>(50,000)</b> |

#### Background

The Governor implemented General Fund rescissions totaling \$70.5 million across state agencies

#### Legislative

Reduce funding by \$50,000 in both FY 18 and FY 19 to reflect the rollout of the Governor's FY 17 rescissions.

### Adjust Personal Services

|                             |                 |                 |                 |                 |          |          |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Personal Services           | (75,000)        | (75,000)        | (75,000)        | (75,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(75,000)</b> | <b>(75,000)</b> | <b>(75,000)</b> | <b>(75,000)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding by \$75,000 in both FY 18 and FY 19 to reflect the elimination of funding for one vacant position.

#### Legislative

Same as Governor

### Annualize FY 17 Holdbacks

|                                   |                 |                 |                 |                 |          |          |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Personal Services                 | (73,500)        | (73,500)        | (73,500)        | (73,500)        | -        | -        |
| Other Expenses                    | (1,872)         | (1,872)         | (1,872)         | (1,872)         | -        | -        |
| New England Governors' Conference | (736)           | (736)           | (736)           | (736)           | -        | -        |
| National Governors' Association   | (1,180)         | (1,180)         | (1,180)         | (1,180)         | -        | -        |
| <b>Total - General Fund</b>       | <b>(77,288)</b> | <b>(77,288)</b> | <b>(77,288)</b> | <b>(77,288)</b> | <b>-</b> | <b>-</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

**Governor**

Reduce funding by \$77,288 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

**Legislative**

Same as Governor

**Current Services****Provide Funding for the New England Governors' Conference**

|                                   |              |              |              |              |          |          |
|-----------------------------------|--------------|--------------|--------------|--------------|----------|----------|
| New England Governors' Conference | 1,513        | 1,513        | 1,513        | 1,513        | -        | -        |
| <b>Total - General Fund</b>       | <b>1,513</b> | <b>1,513</b> | <b>1,513</b> | <b>1,513</b> | <b>-</b> | <b>-</b> |

**Governor**

Provide funding of \$1,513 in both FY 18 and FY 19 for dues related to the New England Governors' Conference.

**Legislative**

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                  | Legislative      |                  | Difference from Governor |                 |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------------|-----------------|
|                               | FY 18                | FY 19            | FY 18            | FY 19            | FY 18                    | FY 19           |
| FY 17 Appropriation - GF      | 2,576,373            | 2,576,373        | 2,576,373        | 2,576,373        | -                        | -               |
| Policy Revisions              | (152,288)            | (152,288)        | (202,288)        | (202,288)        | (50,000)                 | (50,000)        |
| Current Services              | 1,513                | 1,513            | 1,513            | 1,513            | -                        | -               |
| <b>Total Recommended - GF</b> | <b>2,425,598</b>     | <b>2,425,598</b> | <b>2,375,598</b> | <b>2,375,598</b> | <b>(50,000)</b>          | <b>(50,000)</b> |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 28                   | 28        | 28          | 28        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>28</b>            | <b>28</b> | <b>28</b>   | <b>28</b> | <b>-</b>                 | <b>-</b> |

### *Other Significant Legislation*

#### **PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| <b>Account</b>                      | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|-------------------------------------|-------------------------|----------------------------|-------------------------|--------------------|
| Personal Services                   | 1,998,912               | (55,699)                   | 1,943,213               | 2.8%               |
| Other Expenses                      | 185,402                 | (9,270)                    | 176,132                 | 5.0%               |
| Coalition of Northeastern Governors | 74,391                  | (7,439)                    | 66,952                  | 10.0%              |
| National Governors' Association     | 116,893                 | (11,689)                   | 105,204                 | 10.0%              |

## Secretary of the State

## SOS12500

## Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 85              | 84              | 85                     | 85                   | 85    | 85          | 85    |

## Budget Summary

| Account                                   | Actual<br>FY 15  | Actual<br>FY 16  | Appropriation<br>FY 17 | Governor Recommended |                  | Legislative      |                  |
|---|------------------|------------------|------------------------|----------------------|------------------|------------------|------------------|
|   |                  |                  |                        | FY 18                | FY 19            | FY 18            | FY 19            |
| Personal Services                         | 2,863,765        | 2,775,915        | 2,704,459              | 2,623,326            | 2,623,326        | 2,623,326        | 2,623,326        |
| Other Expenses                            | 1,562,420        | 1,877,820        | 1,712,094              | 1,839,705            | 1,839,705        | 1,747,593        | 1,747,589        |
| <b>Other Current Expenses</b>             |                  |                  |                        |                      |                  |                  |                  |
| Commercial Recording Division             | 4,673,647        | 4,822,177        | 4,829,932              | 4,685,034            | 4,685,034        | 4,610,034        | 4,610,034        |
| Board of Accountancy                      | 253,977          | 225,562          | -                      | -                    | -                | -                | -                |
| <b>Nonfunctional - Change to Accruals</b> | <b>224,552</b>   | <b>-</b>         | <b>-</b>               | <b>-</b>             | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>Agency Total - General Fund</b>        | <b>9,578,361</b> | <b>9,701,475</b> | <b>9,246,485</b>       | <b>9,148,065</b>     | <b>9,148,065</b> | <b>8,980,953</b> | <b>8,980,949</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

## Policy Revisions

## Annualize FY 17 Rescissions

|                               |          |          |                  |                  |                  |                  |
|-------------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Other Expenses                | -        | -        | (92,112)         | (92,116)         | (92,112)         | (92,116)         |
| Commercial Recording Division | -        | -        | (75,000)         | (75,000)         | (75,000)         | (75,000)         |
| <b>Total - General Fund</b>   | <b>-</b> | <b>-</b> | <b>(167,112)</b> | <b>(167,116)</b> | <b>(167,112)</b> | <b>(167,116)</b> |

## Background

The Governor implemented General Fund rescissions totaling \$70.5 million across state agencies

## Legislative

Reduce funding by \$167,112 in FY 18 and \$167,116 in FY 19 to reflect the rollout of the Governor's FY 17 rescissions.

## Annualize FY 17 Holdbacks

|                               |                  |                  |                  |                  |          |          |
|-------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services             | (81,133)         | (81,133)         | (81,133)         | (81,133)         | -        | -        |
| Other Expenses                | (51,362)         | (51,362)         | (51,362)         | (51,362)         | -        | -        |
| Commercial Recording Division | (144,898)        | (144,898)        | (144,898)        | (144,898)        | -        | -        |
| <b>Total - General Fund</b>   | <b>(277,393)</b> | <b>(277,393)</b> | <b>(277,393)</b> | <b>(277,393)</b> | <b>-</b> | <b>-</b> |

## Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

## Governor

Reduce funding by \$277,393 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

## Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Current Services

### Provide Funding for eRegulations System Maintenance

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Other Expenses              | 122,000        | 122,000        | 122,000        | 122,000        | -        | -        |
| <b>Total - General Fund</b> | <b>122,000</b> | <b>122,000</b> | <b>122,000</b> | <b>122,000</b> | <b>-</b> | <b>-</b> |

#### Background

PA 13-274 established an eRegulations System to house adopted regulations of all state agencies. Section 24 of PA 16-2, the revised FY 17 budget, carried forward \$240,000 to support the eRegulations program.

#### Governor

Provide funding of \$122,000 in both FY 18 and FY 19 to fund software maintenance for the eRegulations system.

#### Legislative

Same as Governor

### Provide Funding for Motor Voter Program's Software Fees

|                             |               |               |               |               |          |          |
|-----------------------------|---------------|---------------|---------------|---------------|----------|----------|
| Other Expenses              | 56,973        | 56,973        | 56,973        | 56,973        | -        | -        |
| <b>Total - General Fund</b> | <b>56,973</b> | <b>56,973</b> | <b>56,973</b> | <b>56,973</b> | <b>-</b> | <b>-</b> |

#### Background

The National Voter Registration Act (NVRA) of 1993 requires states to provide individuals the opportunity to register to vote at the same time the individual applies for, or renews, a driver's license.

#### Governor

Provide funding of \$56,973 in both FY 18 and FY 19 for software licensing fees associated with the motor voter program. This software allows the Department of Motor Vehicles' (DMV) and the Secretary of the State's (SOTS) computer systems to interact.

#### Legislative

Same as Governor

## Totals

| Budget Components             | Governor Recommended |                  | Legislative      |                  | Difference from Governor |                  |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------------|------------------|
|                               | FY 18                | FY 19            | FY 18            | FY 19            | FY 18                    | FY 19            |
| FY 17 Appropriation - GF      | 9,246,485            | 9,246,485        | 9,246,485        | 9,246,485        | -                        | -                |
| Policy Revisions              | (277,393)            | (277,393)        | (444,505)        | (444,509)        | (167,112)                | (167,116)        |
| Current Services              | 178,973              | 178,973          | 178,973          | 178,973          | -                        | -                |
| <b>Total Recommended - GF</b> | <b>9,148,065</b>     | <b>9,148,065</b> | <b>8,980,953</b> | <b>8,980,949</b> | <b>(167,112)</b>         | <b>(167,116)</b> |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 85                   | 85        | 85          | 85        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>85</b>            | <b>85</b> | <b>85</b>   | <b>85</b> | <b>-</b>                 | <b>-</b> |

## *Other Significant Legislation*

### **PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| <b>Account</b>                | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|-------------------------------|-------------------------|----------------------------|-------------------------|--------------------|
| Personal Services             | 2,623,326               | (95,591)                   | 2,527,735               | 3.6%               |
| Other Expenses                | 1,747,593               | (87,380)                   | 1,660,213               | 5.0%               |
| Commercial Recording Division | 4,610,034               | (116,464)                  | 4,493,570               | 2.5%               |

## Lieutenant Governor's Office

### LGO13000

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 7               | 7               | 7                      | 7                    | 7     | 7           | 7     |

#### Budget Summary

| Account                                   | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |                | Legislative    |                |
|---|-----------------|-----------------|------------------------|----------------------|----------------|----------------|----------------|
|   |                 |                 |                        | FY 18                | FY 19          | FY 18          | FY 19          |
| Personal Services                         | 499,470         | 516,873         | 609,998                | 601,699              | 601,699        | 591,699        | 591,699        |
| Other Expenses                            | 26,898          | 31,925          | 119,190                | 60,264               | 60,264         | 60,264         | 60,264         |
| <b>Nonfunctional - Change to Accruals</b> | <b>5,228</b>    | -               | -                      | -                    | -              | -              | -              |
| <b>Agency Total - General Fund</b>        | <b>531,596</b>  | <b>548,798</b>  | <b>729,188</b>         | <b>661,963</b>       | <b>661,963</b> | <b>651,963</b> | <b>651,963</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

### Policy Revisions

#### Reduce Funding to Reflect Completion of Healthcare Study

|                             |                 |                 |                 |                 |   |   |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---|---|
| Other Expenses              | (55,351)        | (55,351)        | (55,351)        | (55,351)        | - | - |
| <b>Total - General Fund</b> | <b>(55,351)</b> | <b>(55,351)</b> | <b>(55,351)</b> | <b>(55,351)</b> | - | - |

#### Background

PA 11-58 created the Office of Healthcare Reform within the Lieutenant Governor's Office.

#### Governor

Reduce funding by \$55,351 in both FY 18 and FY 19 to reflect the completion of the Healthcare Cost Containment Study.

#### Legislative

Same as Governor

#### Annualize FY 17 Holdbacks

|                             |                 |                 |                 |                 |   |   |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---|---|
| Personal Services           | (18,299)        | (18,299)        | (18,299)        | (18,299)        | - | - |
| Other Expenses              | (3,575)         | (3,575)         | (3,575)         | (3,575)         | - | - |
| <b>Total - General Fund</b> | <b>(21,874)</b> | <b>(21,874)</b> | <b>(21,874)</b> | <b>(21,874)</b> | - | - |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$21,874 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Current Services

### Funding for Personal Services

|                             |               |               |          |          |                 |                 |
|-----------------------------|---------------|---------------|----------|----------|-----------------|-----------------|
| Personal Services           | 10,000        | 10,000        | -        | -        | (10,000)        | (10,000)        |
| <b>Total - General Fund</b> | <b>10,000</b> | <b>10,000</b> | <b>-</b> | <b>-</b> | <b>(10,000)</b> | <b>(10,000)</b> |

#### Background

Annualization refers to providing the amount of resources necessary for a 12 month period of operation.

#### Governor

Provide funding of \$10,000 in both FY 18 and FY 19 to reflect full year funding for payroll costs.

#### Legislative

Do not provide personal services annualization funding.

## Totals

| Budget Components             | Governor Recommended |                | Legislative    |                | Difference from Governor |                 |
|-------------------------------|----------------------|----------------|----------------|----------------|--------------------------|-----------------|
|                               | FY 18                | FY 19          | FY 18          | FY 19          | FY 18                    | FY 19           |
| FY 17 Appropriation - GF      | 729,188              | 729,188        | 729,188        | 729,188        | -                        | -               |
| Policy Revisions              | (77,225)             | (77,225)       | (77,225)       | (77,225)       | -                        | -               |
| Current Services              | 10,000               | 10,000         | -              | -              | (10,000)                 | (10,000)        |
| <b>Total Recommended - GF</b> | <b>661,963</b>       | <b>661,963</b> | <b>651,963</b> | <b>651,963</b> | <b>(10,000)</b>          | <b>(10,000)</b> |

| Positions                     | Governor Recommended |          | Legislative |          | Difference from Governor |          |
|-------------------------------|----------------------|----------|-------------|----------|--------------------------|----------|
|                               | FY 18                | FY 19    | FY 18       | FY 19    | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 7                    | 7        | 7           | 7        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>7</b>             | <b>7</b> | <b>7</b>    | <b>7</b> | <b>-</b>                 | <b>-</b> |

## Other Significant Legislation

### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account        | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|----------------|------------------|---------------------|------------------|-------------|
| Other Expenses | 60,264           | (3,013)             | 57,251           | 5.0%        |

## Elections Enforcement Commission ELE13500

### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | -               | -               | 35                     | 35                   | 35    | 35          | 35    |

### Budget Summary

| Account                            | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |           | Legislative |           |
|------------------------------------|-----------------|-----------------|------------------------|----------------------|-----------|-------------|-----------|
|                                    |                 |                 |                        | FY 18                | FY 19     | FY 18       | FY 19     |
| <b>Other Current Expenses</b>      |                 |                 |                        |                      |           |             |           |
| Elections Enforcement Commission   | -               | -               | 3,201,093              | 3,125,570            | 3,125,570 | 3,125,570   | 3,125,570 |
| <b>Agency Total - General Fund</b> | -               | -               | 3,201,093              | 3,125,570            | 3,125,570 | 3,125,570   | 3,125,570 |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Annualize FY 17 Holdbacks

|                                  |          |          |          |          |   |   |
|----------------------------------|----------|----------|----------|----------|---|---|
| Elections Enforcement Commission | (96,032) | (96,032) | (96,032) | (96,032) | - | - |
| <b>Total - General Fund</b>      | (96,032) | (96,032) | (96,032) | (96,032) | - | - |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$96,032 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

## Current Services

### Annualize FY 17 Funding for Personal Services

|                                  |        |        |        |        |   |   |
|----------------------------------|--------|--------|--------|--------|---|---|
| Elections Enforcement Commission | 20,509 | 20,509 | 20,509 | 20,509 | - | - |
| <b>Total - General Fund</b>      | 20,509 | 20,509 | 20,509 | 20,509 | - | - |

#### Background

Annualization refers to providing the amount of resources necessary for a 12 month period of operation.

#### Governor

Provide funding of \$20,509 in both FY 18 and FY 19 to reflect full year funding for payroll costs.

#### Legislative

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                  | Legislative      |                  | Difference from Governor |          |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------------|----------|
|                               | FY 18                | FY 19            | FY 18            | FY 19            | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 3,201,093            | 3,201,093        | 3,201,093        | 3,201,093        | -                        | -        |
| Policy Revisions              | (96,032)             | (96,032)         | (96,032)         | (96,032)         | -                        | -        |
| Current Services              | 20,509               | 20,509           | 20,509           | 20,509           | -                        | -        |
| <b>Total Recommended - GF</b> | <b>3,125,570</b>     | <b>3,125,570</b> | <b>3,125,570</b> | <b>3,125,570</b> | <b>-</b>                 | <b>-</b> |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 35                   | 35        | 35          | 35        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>35</b>            | <b>35</b> | <b>35</b>   | <b>35</b> | <b>-</b>                 | <b>-</b> |

***Other Significant Legislation*****PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account                          | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|----------------------------------|------------------|---------------------|------------------|-------------|
| Elections Enforcement Commission | 3,125,570        | (31,842)            | 3,093,728        | 1.0%        |

## Office of State Ethics

## ETH13600

## Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | -               | -               | 15                     | 16                   | 16    | 16          | 16    |

## Budget Summary

| Account                            | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |                  | Legislative      |                  |
|------------------------------------|-----------------|-----------------|------------------------|----------------------|------------------|------------------|------------------|
|                                    |                 |                 |                        | FY 18                | FY 19            | FY 18            | FY 19            |
| <b>Other Current Expenses</b>      |                 |                 |                        |                      |                  |                  |                  |
| Information Technology Initiatives | -               | -               | 29,098                 | 28,226               | 28,226           | 28,226           | 28,226           |
| Office of State Ethics             | -               | -               | 1,389,227              | 1,403,529            | 1,403,529        | 1,403,529        | 1,403,529        |
| <b>Agency Total - General Fund</b> | <b>-</b>        | <b>-</b>        | <b>1,418,325</b>       | <b>1,431,755</b>     | <b>1,431,755</b> | <b>1,431,755</b> | <b>1,431,755</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

## Transfer One Position &amp; Associated Funding from DAS to OSE

|                                 |               |               |               |               |          |          |
|---------------------------------|---------------|---------------|---------------|---------------|----------|----------|
| Office of State Ethics          | 55,979        | 55,979        | 55,979        | 55,979        | -        | -        |
| <b>Total - General Fund</b>     | <b>55,979</b> | <b>55,979</b> | <b>55,979</b> | <b>55,979</b> | <b>-</b> | <b>-</b> |
| <b>Positions - General Fund</b> | <b>1</b>      | <b>1</b>      | <b>1</b>      | <b>1</b>      | <b>-</b> | <b>-</b> |

## Background

In FY 17, the Freedom of Information Commission (FOIC), Office of State Ethics (OSE), State Elections Enforcement Commission (SEEC), and the Department of Administrative Services (DAS) entered into a Memorandum of Understanding (MOU) to realign the business office and human resources functions for the re-established independent watchdog agencies. Under this MOU, DAS established and funded one Fiscal/ Administrative position that worked in OSE.

## Governor

Provide funding of \$55,979 in both FY 18 and FY 19 for one Fiscal/ Administrative position that had been funded in FY 17 by DAS . This Fiscal/ Administrative position transferred from DAS to OSE.

## Legislative

Transfer one Fiscal/ Administrative position and funding of \$55,979 in both FY 18 and FY 19 from DAS to OSE.

## Annualize FY 17 Holdbacks

|                                    |                 |                 |                 |                 |          |          |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Information Technology Initiatives | (872)           | (872)           | (872)           | (872)           | -        | -        |
| Office of State Ethics             | (41,677)        | (41,677)        | (41,677)        | (41,677)        | -        | -        |
| <b>Total - General Fund</b>        | <b>(42,549)</b> | <b>(42,549)</b> | <b>(42,549)</b> | <b>(42,549)</b> | <b>-</b> | <b>-</b> |

## Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

## Governor

Reduce funding by \$42,549 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

## Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Totals

| Budget Components             | Governor Recommended |                  | Legislative      |                  | Difference from Governor |          |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------------|----------|
|                               | FY 18                | FY 19            | FY 18            | FY 19            | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 1,418,325            | 1,418,325        | 1,418,325        | 1,418,325        | -                        | -        |
| Policy Revisions              | 13,430               | 13,430           | 13,430           | 13,430           | -                        | -        |
| <b>Total Recommended - GF</b> | <b>1,431,755</b>     | <b>1,431,755</b> | <b>1,431,755</b> | <b>1,431,755</b> | <b>-</b>                 | <b>-</b> |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 15                   | 15        | 15          | 15        | -                        | -        |
| Policy Revisions              | 1                    | 1         | 1           | 1         | -                        | -        |
| <b>Total Recommended - GF</b> | <b>16</b>            | <b>16</b> | <b>16</b>   | <b>16</b> | <b>-</b>                 | <b>-</b> |

### Other Significant Legislation

#### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account                | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|------------------------|------------------|---------------------|------------------|-------------|
| Office of State Ethics | 1,403,529        | (10,680)            | 1,392,849        | 0.8%        |

## Freedom of Information Commission

### FOI13700

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | -               | -               | 15                     | 16                   | 16    | 16          | 16    |

#### Budget Summary

| Account                            | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |                  | Legislative      |                  |
|------------------------------------|-----------------|-----------------|------------------------|----------------------|------------------|------------------|------------------|
|                                    |                 |                 |                        | FY 18                | FY 19            | FY 18            | FY 19            |
| <b>Other Current Expenses</b>      |                 |                 |                        |                      |                  |                  |                  |
| Freedom of Information Commission  | -               | -               | 1,481,416              | 1,513,476            | 1,513,476        | 1,513,476        | 1,513,476        |
| <b>Agency Total - General Fund</b> | -               | -               | <b>1,481,416</b>       | <b>1,513,476</b>     | <b>1,513,476</b> | <b>1,513,476</b> | <b>1,513,476</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Policy Revisions

#### Transfer One Position & Associated Funding from DAS to FOIC

|                                   |               |               |               |               |          |          |
|-----------------------------------|---------------|---------------|---------------|---------------|----------|----------|
| Freedom of Information Commission | 76,502        | 76,502        | 76,502        | 76,502        | -        | -        |
| <b>Total - General Fund</b>       | <b>76,502</b> | <b>76,502</b> | <b>76,502</b> | <b>76,502</b> | <b>-</b> | <b>-</b> |
| <b>Positions - General Fund</b>   | <b>1</b>      | <b>1</b>      | <b>1</b>      | <b>1</b>      | <b>-</b> | <b>-</b> |

#### Background

In FY 17, the Freedom of Information Commission (FOIC), Office of State Ethics (OSE), State Elections Enforcement Commission (SEEC), and the Department of Administrative Services (DAS) entered into a Memorandum of Understanding (MOU) to realign the business office and human resources functions for the re-established independent watchdog agencies. Under this MOU, DAS established and funded one Human Resources Specialist position that worked in FOIC.

#### Governor

Provide funding of \$76,502 in both FY 18 and FY 19 for one Human Resources position that had been funded in FY 17 by DAS. This Human Resources position is transferred from DAS to FOIC.

#### Legislative

Transfer one Human Resource position and funding of \$76,502 in both FY 18 and FY 19 from DAS to FOIC.

#### Annualize FY 17 Holdbacks

|                                   |                 |                 |                 |                 |          |          |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Freedom of Information Commission | (44,442)        | (44,442)        | (44,442)        | (44,442)        | -        | -        |
| <b>Total - General Fund</b>       | <b>(44,442)</b> | <b>(44,442)</b> | <b>(44,442)</b> | <b>(44,442)</b> | <b>-</b> | <b>-</b> |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$44,442 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                  | Legislative      |                  | Difference from Governor |          |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------------|----------|
|                               | FY 18                | FY 19            | FY 18            | FY 19            | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 1,481,416            | 1,481,416        | 1,481,416        | 1,481,416        | -                        | -        |
| Policy Revisions              | 32,060               | 32,060           | 32,060           | 32,060           | -                        | -        |
| <b>Total Recommended - GF</b> | <b>1,513,476</b>     | <b>1,513,476</b> | <b>1,513,476</b> | <b>1,513,476</b> | <b>-</b>                 | <b>-</b> |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 15                   | 15        | 15          | 15        | -                        | -        |
| Policy Revisions              | 1                    | 1         | 1           | 1         | -                        | -        |
| <b>Total Recommended - GF</b> | <b>16</b>            | <b>16</b> | <b>16</b>   | <b>16</b> | <b>-</b>                 | <b>-</b> |

***Other Significant Legislation*****PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account                           | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|-----------------------------------|------------------|---------------------|------------------|-------------|
| Freedom of Information Commission | 1,513,476        | (13,488)            | 1,499,988        | 0.9%        |

## State Treasurer

### OTT14000

#### Permanent Full-Time Positions

| Fund                        | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|-----------------------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|                             |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund                | 48              | 45              | 45                     | 45                   | 45    | 45          | 45    |
| Special Transportation Fund | 1               | 1               | 1                      | 1                    | 1     | 1           | 1     |

#### Budget Summary

| Account                                   | Actual<br>FY 15  | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|---|------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|   |                  |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| Personal Services                         | 3,122,049        | 3,066,325          | 3,034,513              | 2,838,478            | 2,838,478          | 2,838,478          | 2,838,478          |
| Other Expenses                            | 153,995          | 134,447            | 143,722                | 139,411              | 139,411            | 132,225            | 132,225            |
| Equipment                                 | 1                | -                  | -                      | -                    | -                  | -                  | -                  |
| <b>Nonfunctional - Change to Accruals</b> | <b>117,071</b>   | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Agency Total - General Fund</b>        | <b>3,393,116</b> | <b>3,200,772</b>   | <b>3,178,235</b>       | <b>2,977,889</b>     | <b>2,977,889</b>   | <b>2,970,703</b>   | <b>2,970,703</b>   |
| <b>Additional Funds Available</b>         |                  |                    |                        |                      |                    |                    |                    |
| Private Contributions & Other Restricted  | -                | 115,661,736        | 122,767,004            | 125,801,750          | 129,659,420        | 125,801,750        | 129,659,420        |
| Private Contributions                     | -                | 3,998,719          | 4,118,680              | 4,242,241            | 4,369,508          | 4,242,241          | 4,369,508          |
| <b>Agency Grand Total</b>                 | <b>3,393,116</b> | <b>122,861,227</b> | <b>130,063,919</b>     | <b>133,021,880</b>   | <b>137,006,817</b> | <b>133,014,694</b> | <b>136,999,631</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

## Policy Revisions

### Annualize FY 17 Holdbacks

|                             |                 |                 |                 |                 |          |          |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Personal Services           | (91,035)        | (91,035)        | (91,035)        | (91,035)        | -        | -        |
| Other Expenses              | (4,311)         | (4,311)         | (4,311)         | (4,311)         | -        | -        |
| <b>Total - General Fund</b> | <b>(95,346)</b> | <b>(95,346)</b> | <b>(95,346)</b> | <b>(95,346)</b> | <b>-</b> | <b>-</b> |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in each of FY 18 and FY 19 across various agencies.

#### Governor

Reduce funding by \$95,346 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

### Adjust Funding for Personal Services

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | (105,000)        | (105,000)        | (105,000)        | (105,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(105,000)</b> | <b>(105,000)</b> | <b>(105,000)</b> | <b>(105,000)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding by \$105,000 in both FY 18 and FY 19 to achieve savings.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Same as Governor

**Annualize FY 17 Rescissions**

|                             |   |   |                |                |                |                |
|-----------------------------|---|---|----------------|----------------|----------------|----------------|
| Other Expenses              | - | - | (7,186)        | (7,186)        | (7,186)        | (7,186)        |
| <b>Total - General Fund</b> | - | - | <b>(7,186)</b> | <b>(7,186)</b> | <b>(7,186)</b> | <b>(7,186)</b> |

**Background**

The Governor implemented General Fund rescissions totaling \$70.5 million across state agencies

**Legislative**

Reduce funding by \$7,186 in both FY 18 and FY 19 to reflect the rollout of the Governor's FY 17 rescissions.

**Totals**

| Budget Components             | Governor Recommended |                  | Legislative      |                  | Difference from Governor |                |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------------|----------------|
|                               | FY 18                | FY 19            | FY 18            | FY 19            | FY 18                    | FY 19          |
| FY 17 Appropriation - GF      | 3,178,235            | 3,178,235        | 3,178,235        | 3,178,235        | -                        | -              |
| Policy Revisions              | (200,346)            | (200,346)        | (207,532)        | (207,532)        | (7,186)                  | (7,186)        |
| <b>Total Recommended - GF</b> | <b>2,977,889</b>     | <b>2,977,889</b> | <b>2,970,703</b> | <b>2,970,703</b> | <b>(7,186)</b>           | <b>(7,186)</b> |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |       |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|-------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19 |
| FY 17 Appropriation - GF      | 45                   | 45        | 45          | 45        | -                        | -     |
| <b>Total Recommended - GF</b> | <b>45</b>            | <b>45</b> | <b>45</b>   | <b>45</b> | -                        | -     |
| FY 17 Appropriation - TF      | 1                    | 1         | 1           | 1         | -                        | -     |
| <b>Total Recommended - TF</b> | <b>1</b>             | <b>1</b>  | <b>1</b>    | <b>1</b>  | -                        | -     |

**Other Significant Legislation****PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$6,248, a Labor Concessions Savings of \$94,253, and a Targeted Savings of \$6,611. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account           | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|-------------------|------------------|---------------------|------------------|-------------|
| Personal Services | 2,838,478        | (100,501)           | 2,737,977        | 3.5%        |
| Other Expenses    | 132,225          | (6,611)             | 125,614          | 5.0%        |

## State Comptroller OSC15000

### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 276             | 276             | 277                    | 277                  | 280   | 277         | 277   |

### Budget Summary

| Account                                   | Actual<br>FY 15   | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---|-------------------|--------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|   |                   |                    |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                         | 22,752,005        | 23,338,261         | 23,464,017             | 22,655,097           | 22,863,915        | 22,655,097        | 22,655,097        |
| Other Expenses                            | 4,156,404         | 5,584,945          | 4,746,238              | 4,748,854            | 4,748,854         | 4,748,854         | 4,748,854         |
| <b>Nonfunctional - Change to Accruals</b> | <b>498,742</b>    | <b>(2,382,081)</b> | -                      | -                    | -                 | -                 | -                 |
| <b>Agency Total - General Fund</b>        | <b>27,407,151</b> | <b>26,541,126</b>  | <b>28,210,255</b>      | <b>27,403,951</b>    | <b>27,612,769</b> | <b>27,403,951</b> | <b>27,403,951</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

## Policy Revisions

### Provide Funding for CoreCT Support Staff

|                                 |   |                |   |   |   |                  |
|---------------------------------|---|----------------|---|---|---|------------------|
| Personal Services               | - | 208,818        | - | - | - | (208,818)        |
| <b>Total - General Fund</b>     | - | <b>208,818</b> | - | - | - | <b>(208,818)</b> |
| <b>Positions - General Fund</b> | - | <b>3</b>       | - | - | - | <b>(3)</b>       |

#### Background

The Office of the State Comptroller provides pension services to retired members, and their annuitants, for the State Employees Retirement System (SERS), the Probate Judges and Employees' Retirement System, the States Attorneys' Retirement System, the Public Defenders' Retirement System, retired Family Support Magistrates' and Compensation Commissioners' and the spouses of deceased State Judges as well as the Municipal Employees' Retirement System (MERS). Prior to the implementation of the pension module, administration of these programs was done by separate computer systems.

The Core-CT pension module consolidated all of the Comptroller's pension administration within Core-CT and retired the legacy systems. The project consisted of three major implementation phases, (1) customer relationship management (CRM), (2) SERS pension administration (3) MERS pension administration. The total project cost is approximately \$50 million. The upgrade is scheduled to be completed in February 2017.

In addition to the pension module, all human resource and payroll data for the University of Connecticut will be stored in Core-CT. The information is currently stored in a separate accounting system. The data will include detailed information about employee demographics, jobs, salary, hours worked, rates of pay and leave information. The projected is anticipated to be completed by March of 2017.

#### Governor

Provide funding of \$208,818 in FY 19 and three positions to support (1) the integration of the University of Connecticut's accounting system in the state accounting system, Core-CT and (2) the pension module enhancements to Core-CT.

#### Legislative

Do not provide funding of \$208,818 in FY 19 and three positions to support (1) the integration of the University of Connecticut's accounting system in the state accounting system, Core-CT and (2) the pension module enhancements to Core-CT.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Reduce Funding for Personal Services

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | (105,000)        | (105,000)        | (105,000)        | (105,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(105,000)</b> | <b>(105,000)</b> | <b>(105,000)</b> | <b>(105,000)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding by \$105,000 in both FY 18 and FY 19 to achieve savings.

#### Legislative

Same as Governor

### Annualize FY 17 Holdbacks

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | (703,920)        | (703,920)        | (703,920)        | (703,920)        | -        | -        |
| Other Expenses              | (142,387)        | (142,387)        | (142,387)        | (142,387)        | -        | -        |
| <b>Total - General Fund</b> | <b>(846,307)</b> | <b>(846,307)</b> | <b>(846,307)</b> | <b>(846,307)</b> | <b>-</b> | <b>-</b> |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$703,920 in the Personal Services account and \$142,387 in the Other Expenses account in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

## Current Services

### Provide Funding for Additional Software Licenses

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Other Expenses              | 145,003        | 145,003        | 145,003        | 145,003        | -        | -        |
| <b>Total - General Fund</b> | <b>145,003</b> | <b>145,003</b> | <b>145,003</b> | <b>145,003</b> | <b>-</b> | <b>-</b> |

#### Background

The April 26, 2013 Bond Commission allocated \$1.5 million to the Office of Policy and Management (OPM) to build an Oracle Business Intelligence (OBI) data warehouse. The warehouse was designed to improve the ability of Core-CT (the state's accounting system) users to extract financial, human resources, and other information from the system. These funds were allocated to hire consultants to build the technical infrastructure and to develop initial reports.

#### Governor

Provide funding of \$145,003 in both FY 18 and FY 19 in the Other Expenses account for additional user licenses for the state's OBI software.

#### Legislative

Same as Governor

## Totals

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |                  |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|------------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19            |
| FY 17 Appropriation - GF      | 28,210,255           | 28,210,255        | 28,210,255        | 28,210,255        | -                        | -                |
| Policy Revisions              | (951,307)            | (742,489)         | (951,307)         | (951,307)         | -                        | (208,818)        |
| Current Services              | 145,003              | 145,003           | 145,003           | 145,003           | -                        | -                |
| <b>Total Recommended - GF</b> | <b>27,403,951</b>    | <b>27,612,769</b> | <b>27,403,951</b> | <b>27,403,951</b> | -                        | <b>(208,818)</b> |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |            |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|------------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19      |
| FY 17 Appropriation - GF      | 277                  | 277        | 277         | 277        | -                        | -          |
| Policy Revisions              | -                    | 3          | -           | -          | -                        | (3)        |
| <b>Total Recommended - GF</b> | <b>277</b>           | <b>280</b> | <b>277</b>  | <b>277</b> | -                        | <b>(3)</b> |

*Other Significant Legislation***PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$49,865, a Labor Concessions Savings of \$836,430, and a Targeted Savings of \$237,443. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account           | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|-------------------|------------------|---------------------|------------------|-------------|
| Personal Services | 22,655,097       | (886,295)           | 21,768,802       | 3.9%        |
| Other Expenses    | 4,748,854        | (237,443)           | 4,511,411        | 5.0%        |

# Department of Revenue Services

## DRS16000

### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 665             | 660             | 660                    | 660                  | 660   | 660         | 660   |

### Budget Summary

| Account                                       | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|   |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                             | 57,853,931        | 57,801,853        | 57,419,820             | 55,180,743           | 55,010,743        | 56,380,743        | 56,210,743        |
| Other Expenses                                | 8,136,912         | 7,865,293         | 6,776,492              | 7,961,117            | 6,831,117         | 7,961,117         | 6,831,117         |
| <b>Other Current Expenses</b>                 |                   |                   |                        |                      |                   |                   |                   |
| Collection and Litigation<br>Contingency Fund | 17,077            | -                 | -                      | -                    | -                 | -                 | -                 |
| <b>Nonfunctional - Change to<br/>Accruals</b> | <b>530,204</b>    | <b>-</b>          | <b>-</b>               | <b>-</b>             | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Agency Total - General Fund</b>            | <b>66,538,124</b> | <b>65,667,146</b> | <b>64,196,312</b>      | <b>63,141,860</b>    | <b>61,841,860</b> | <b>64,341,860</b> | <b>63,041,860</b> |
| <b>Additional Funds Available</b>             |                   |                   |                        |                      |                   |                   |                   |
| Federal Funds                                 | -                 | (5,331)           | 35,000                 | 35,000               | 35,000            | 35,000            | 35,000            |
| Private Contributions & Other<br>Restricted   | -                 | 1,260,216         | 1,259,826              | 1,187,700            | 1,187,700         | 1,187,700         | 1,187,700         |
| <b>Agency Grand Total</b>                     | <b>66,538,124</b> | <b>66,922,031</b> | <b>65,491,138</b>      | <b>64,364,560</b>    | <b>63,064,560</b> | <b>65,564,560</b> | <b>64,264,560</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Provide Funding for the Connecticut Fresh Start Initiative

|                             |                  |                |                  |                |          |          |
|-----------------------------|------------------|----------------|------------------|----------------|----------|----------|
| Personal Services           | 200,000          | 30,000         | 200,000          | 30,000         | -        | -        |
| Other Expenses              | 1,450,000        | 320,000        | 1,450,000        | 320,000        | -        | -        |
| <b>Total - General Fund</b> | <b>1,650,000</b> | <b>350,000</b> | <b>1,650,000</b> | <b>350,000</b> | <b>-</b> | <b>-</b> |

#### Background

Section 2 of SB 787, AAC Revenue Items to Implement the Governor's Budget, establishes a Fresh Start initiative which consists of two main components: 1) incentives (including penalty and interest reductions) to taxpayers who are non-filers, under-reporters, or unregistered in exchange for self-reporting and paying taxes; and 2) a compliance strategy including audits focused on specific segments of the taxpayer population using new tools and techniques to make it easier for those taxpayers to become compliant. This initiative is estimated to result in a revenue gain of \$60 million in FY 18 and \$25 million in FY 19.

#### Governor

Provide funding of \$1,650,000 in FY 18 and \$350,000 in FY 19 to implement the Fresh Start initiative. This includes \$200,000 in FY 18 and \$30,000 in FY 19 in Personal Services for temporary employees and overtime, and \$1,450,000 in FY 18 and \$320,000 in FY 19 in Other Expenses for professional/expert services, travel for audits, marketing, information technology, and postage and printing costs.

#### Legislative

Same as Governor. Section 656 of PA 17-2 JSS, the biennial budget act, implements this policy.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Provide Funding for Collections and Enforcement**

|                             |          |          |                  |                  |                  |                  |
|-----------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Personal Services           | -        | -        | 1,200,000        | 1,200,000        | 1,200,000        | 1,200,000        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>1,200,000</b> | <b>1,200,000</b> | <b>1,200,000</b> | <b>1,200,000</b> |

**Legislative**

Provide funding of \$1.2 million in Personal Services to re-fill vacant audit, collections & enforcement, and operations & management staff. This is estimated to result in a revenue gain of \$30 million annually in FY 18 and FY 19.

**Delay Funding for Tax Incidence Study**

|                             |                  |          |                  |          |          |          |
|-----------------------------|------------------|----------|------------------|----------|----------|----------|
| Other Expenses              | (197,100)        | -        | (197,100)        | -        | -        | -        |
| <b>Total - General Fund</b> | <b>(197,100)</b> | <b>-</b> | <b>(197,100)</b> | <b>-</b> | <b>-</b> | <b>-</b> |

**Background**

Section 30 of HB 7051, AA Implementing the Governor's Budget Recommendations for General Government, repeals the statutory requirement that the Department of Revenue Services provide a biennial Tax Incidence Report.

**Governor**

Remove funding of \$197,100 in FY 18 only to reflect the elimination of the biennial Tax Incidence Report and associated costs.

**Legislative**

Remove funding of \$197,100 in FY 18 only to reflect a delay, from February 15, 2018 to February 15, 2020, the deadline for submission of the next biennial Tax Incidence Report. Section 108 of PA 17-2 JSS, the biennial budget act, implements this policy.

**Transfer Funding for MSA Enforcement to Tobacco Account**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | (716,483)        | (716,483)        | (716,483)        | (716,483)        | -        | -        |
| Other Expenses              | (62,081)         | (62,081)         | (62,081)         | (62,081)         | -        | -        |
| <b>Total - General Fund</b> | <b>(778,564)</b> | <b>(778,564)</b> | <b>(778,564)</b> | <b>(778,564)</b> | <b>-</b> | <b>-</b> |

**Background**

In May of 2013, Connecticut joined 21 other states in a partial settlement with the major tobacco companies of a dispute dating from 2006 regarding payments to the states under the 1998 tobacco Master Settlement Agreement (MSA), from which Connecticut received approximately \$63 million. Sections 110-112 of PA 13-184 specify that: (1) up to \$40 million of the funds be used to reduce the state's GAAP deficit, (2) up to \$10 million be transferred to the General Fund for FY 14, and (3) a total of \$13 million be transferred to a non-lapsing account to fund enforcement activity related to the agreement by the Department of Revenue Services and the Office of the Attorney General.

**Governor**

Transfer funding of \$778,564 in both FY 18 and FY 19 to the non-lapsing Tobacco Revenue Enforcement account within the Department of Revenue Services to fund staffing costs associated with enforcement of the MSA.

**Legislative**

Same as Governor

**Annualize FY 17 Holdbacks**

|                             |                    |                    |                    |                    |          |          |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Personal Services           | (1,722,594)        | (1,722,594)        | (1,722,594)        | (1,722,594)        | -        | -        |
| Other Expenses              | (203,294)          | (203,294)          | (203,294)          | (203,294)          | -        | -        |
| <b>Total - General Fund</b> | <b>(1,925,888)</b> | <b>(1,925,888)</b> | <b>(1,925,888)</b> | <b>(1,925,888)</b> | <b>-</b> | <b>-</b> |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

**Governor**

Reduce funding by \$1,925,888 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

**Legislative**

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Current Services

### Provide Funding for Biennial

### Tax Incidence Study

|                             |                |          |                |          |          |          |
|-----------------------------|----------------|----------|----------------|----------|----------|----------|
| Other Expenses              | 197,100        | -        | 197,100        | -        | -        | -        |
| <b>Total - General Fund</b> | <b>197,100</b> | <b>-</b> | <b>197,100</b> | <b>-</b> | <b>-</b> | <b>-</b> |

### Background

CGS Sec. 12-7c requires the Department of Revenue Services, by February 15, 2018 and biennially thereafter, to provide a Tax Incidence Report covering all major state and local taxes.

### Governor

Provide funding of \$197,100 in FY 18 only for consulting and information technology costs associated with the Tax Incidence Report due February 15, 2018.

### Legislative

Same as Governor

## Totals

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |                  |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|------------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19            |
| FY 17 Appropriation - GF      | 64,196,312           | 64,196,312        | 64,196,312        | 64,196,312        | -                        | -                |
| Policy Revisions              | (1,251,552)          | (2,354,452)       | (51,552)          | (1,154,452)       | 1,200,000                | 1,200,000        |
| Current Services              | 197,100              | -                 | 197,100           | -                 | -                        | -                |
| <b>Total Recommended - GF</b> | <b>63,141,860</b>    | <b>61,841,860</b> | <b>64,341,860</b> | <b>63,041,860</b> | <b>1,200,000</b>         | <b>1,200,000</b> |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |          |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|----------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 660                  | 660        | 660         | 660        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>660</b>           | <b>660</b> | <b>660</b>  | <b>660</b> | <b>-</b>                 | <b>-</b> |

## Other Significant Legislation

### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account           | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|-------------------|------------------|---------------------|------------------|-------------|
| Personal Services | 56,380,743       | (2,324,909)         | 54,055,834       | 4.1%        |
| Other Expenses    | 7,961,117        | (398,056)           | 7,563,061        | 5.0%        |

**PA 17-147, An Act Concerning State Taxation and Collection, Tax Gap Compliance, Tax Preparers and Facilitators, Changes to the Tax and Related Statutes, a Mental Health Community Investment Account and Municipal Bonds**

Section 3 shortens the period, from five to two years, during which sales tax permits issued on or after October 1, 2017 are valid.

Sections 6 and 8 require income tax withholding by certain payers of pensions and annuities, including those from an employer pension, annuity, profit-sharing plan, stock bonus, deferred compensation plan, individual retirement arrangement, endowment, or life insurance contract. The withholding requirement applies to payers of pension or annuity distributions that (1) maintain an office or transact business in Connecticut and (2) make taxable payments to resident individuals.

Sections 12 through 14 apply a uniform 11% room occupancy tax to rent received by bed and breakfast establishments (B&Bs) and specifies that rent received by hotels, lodging houses, and B&Bs includes any meals that are included with the occupancy charge.

Sections 15 through 18 establish a regulatory structure for most tax preparers and facilitators who are not otherwise regulated and prohibit a number of actions by anyone who provides tax preparation services, including those who are otherwise regulated.

Section 26 exempts from the 1% dry cleaning surcharge businesses that accept clothing or other fabrics to be dry cleaned by another establishment (i.e., "drop stores").

## Office of Governmental Accountability

### OGA17000

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 89              | 92              | 19                     | 19                   | 19    | 19          | 19    |

#### Budget Summary

| Account                                   | Actual<br>FY 15  | Actual<br>FY 16  | Appropriation<br>FY 17 | Governor Recommended |                  | Legislative      |                  |
|---|------------------|------------------|------------------------|----------------------|------------------|------------------|------------------|
|   |                  |                  |                        | FY 18                | FY 19            | FY 18            | FY 19            |
| Personal Services                         | 623,385          | 727,201          | -                      | -                    | -                | -                | -                |
| Other Expenses                            | 147,601          | 43,245           | 50,045                 | 44,218               | 44,218           | 34,218           | 34,218           |
| <b>Other Current Expenses</b>             |                  |                  |                        |                      |                  |                  |                  |
| Child Fatality Review Panel               | 100,420          | 90,218           | 97,663                 | 94,734               | 94,734           | 94,734           | 94,734           |
| Information Technology Initiatives        | 24,247           | 23,621           | -                      | -                    | -                | -                | -                |
| Citizens' Election Fund Admin             | 1,547,998        | 3,995            | -                      | -                    | -                | -                | -                |
| Elections Enforcement Commission          | 1,555,153        | 3,168,931        | -                      | -                    | -                | -                | -                |
| Office of State Ethics                    | 1,457,308        | 1,457,607        | -                      | -                    | -                | -                | -                |
| Freedom of Information Commission         | 1,609,496        | 1,666,254        | -                      | -                    | -                | -                | -                |
| Contracting Standards Board               | 271,997          | 261,243          | 274,435                | 271,615              | 271,615          | 257,894          | 257,894          |
| Judicial Review Council                   | 109,644          | 116,767          | 135,335                | 131,275              | 131,275          | 124,509          | 124,509          |
| Judicial Selection Commission             | 82,369           | 84,191           | 84,636                 | 82,097               | 82,097           | 82,097           | 82,097           |
| Office of the Child Advocate              | 522,123          | 563,242          | 649,545                | 630,059              | 630,059          | 630,059          | 630,059          |
| Office of the Victim Advocate             | 398,308          | 383,158          | 421,421                | 408,779              | 408,779          | 387,708          | 387,708          |
| Board of Firearms Permit Examiners        | 119,748          | 123,429          | 116,774                | 113,272              | 113,272          | 113,272          | 113,272          |
| <b>Nonfunctional - Change to Accruals</b> | <b>7,260</b>     | <b>-</b>         | <b>-</b>               | <b>-</b>             | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>Agency Total - General Fund</b>        | <b>8,577,057</b> | <b>8,713,102</b> | <b>1,829,854</b>       | <b>1,776,049</b>     | <b>1,776,049</b> | <b>1,724,491</b> | <b>1,724,491</b> |
| <b>Additional Funds Available</b>         |                  |                  |                        |                      |                  |                  |                  |
| Private Contributions & Other Restricted  | -                | 476,408          | -                      | -                    | -                | -                | -                |
| <b>Agency Grand Total</b>                 | <b>8,577,057</b> | <b>9,189,510</b> | <b>1,829,854</b>       | <b>1,776,049</b>     | <b>1,776,049</b> | <b>1,724,491</b> | <b>1,724,491</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Policy Revisions

#### Reduce Funding for Various Line Items

|                               |          |          |                 |                 |                 |                 |
|-------------------------------|----------|----------|-----------------|-----------------|-----------------|-----------------|
| Other Expenses                | -        | -        | (10,000)        | (10,000)        | (10,000)        | (10,000)        |
| Contracting Standards Board   | -        | -        | (13,721)        | (13,721)        | (13,721)        | (13,721)        |
| Judicial Review Council       | -        | -        | (6,766)         | (6,766)         | (6,766)         | (6,766)         |
| Office of the Victim Advocate | -        | -        | (21,071)        | (21,071)        | (21,071)        | (21,071)        |
| <b>Total - General Fund</b>   | <b>-</b> | <b>-</b> | <b>(51,558)</b> | <b>(51,558)</b> | <b>(51,558)</b> | <b>(51,558)</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Reduce funding by \$51,558 in both FY 18 and FY 19 to achieve savings.

**Reduce Funding for Other Expenses**

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Other Expenses              | (4,326)        | (4,326)        | (4,326)        | (4,326)        | -        | -        |
| <b>Total - General Fund</b> | <b>(4,326)</b> | <b>(4,326)</b> | <b>(4,326)</b> | <b>(4,326)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$4,326 in both FY 18 and FY 19 to achieve savings.

**Legislative**

Same as Governor

**Annualize FY 17 Holdbacks**

|                                    |                 |                 |                 |                 |          |          |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Other Expenses                     | (1,501)         | (1,501)         | (1,501)         | (1,501)         | -        | -        |
| Child Fatality Review Panel        | (2,929)         | (2,929)         | (2,929)         | (2,929)         | -        | -        |
| Contracting Standards Board        | (8,233)         | (8,233)         | (8,233)         | (8,233)         | -        | -        |
| Judicial Review Council            | (4,060)         | (4,060)         | (4,060)         | (4,060)         | -        | -        |
| Judicial Selection Commission      | (2,539)         | (2,539)         | (2,539)         | (2,539)         | -        | -        |
| Office of the Child Advocate       | (19,486)        | (19,486)        | (19,486)        | (19,486)        | -        | -        |
| Office of the Victim Advocate      | (12,642)        | (12,642)        | (12,642)        | (12,642)        | -        | -        |
| Board of Firearms Permit Examiners | (3,502)         | (3,502)         | (3,502)         | (3,502)         | -        | -        |
| <b>Total - General Fund</b>        | <b>(54,892)</b> | <b>(54,892)</b> | <b>(54,892)</b> | <b>(54,892)</b> | <b>-</b> | <b>-</b> |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

**Governor**

Reduce funding by \$54,892 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

**Legislative**

Same as Governor

**Current Services****Annualize FY 17 Funding for Two Positions**

|                             |              |              |              |              |          |          |
|-----------------------------|--------------|--------------|--------------|--------------|----------|----------|
| Contracting Standards Board | 5,413        | 5,413        | 5,413        | 5,413        | -        | -        |
| <b>Total - General Fund</b> | <b>5,413</b> | <b>5,413</b> | <b>5,413</b> | <b>5,413</b> | <b>-</b> | <b>-</b> |

**Background**

Annualization refers to providing the amount of resources necessary for a 12 month period of operation. .

**Governor**

Provide funding of \$5,413 in both FY 18 and FY 19 to reflect full year funding for two positions at the Contracting Standards Board.

**Legislative**

Same as Governor

## Totals

| Budget Components             | Governor Recommended |                  | Legislative      |                  | Difference from Governor |                 |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------------|-----------------|
|                               | FY 18                | FY 19            | FY 18            | FY 19            | FY 18                    | FY 19           |
| FY 17 Appropriation - GF      | 1,829,854            | 1,829,854        | 1,829,854        | 1,829,854        | -                        | -               |
| Policy Revisions              | (59,218)             | (59,218)         | (110,776)        | (110,776)        | (51,558)                 | (51,558)        |
| Current Services              | 5,413                | 5,413            | 5,413            | 5,413            | -                        | -               |
| <b>Total Recommended - GF</b> | <b>1,776,049</b>     | <b>1,776,049</b> | <b>1,724,491</b> | <b>1,724,491</b> | <b>(51,558)</b>          | <b>(51,558)</b> |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 19                   | 19        | 19          | 19        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>19</b>            | <b>19</b> | <b>19</b>   | <b>19</b> | <b>-</b>                 | <b>-</b> |

*Other Significant Legislation***PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account                            | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|------------------------------------|------------------|---------------------|------------------|-------------|
| Other Expenses                     | 34,218           | (1,711)             | 32,507           | 5.0%        |
| Contracting Standards Board        | 257,894          | (99,400)            | 158,494          | 38.5%       |
| Judicial Review Council            | 124,509          | (1,175)             | 123,334          | 0.9%        |
| Office of the Child Advocate       | 630,059          | (2,871)             | 627,188          | 0.5%        |
| Office of the Victim Advocate      | 387,708          | (3,199)             | 384,509          | 0.8%        |
| Board of Firearms Permit Examiners | 113,272          | (336)               | 112,936          | 0.3%        |

## Office of Policy and Management

### OPM20000

#### Permanent Full-Time Positions

| Fund           | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|----------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|                |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund   | 125             | 125             | 125                    | 125                  | 125   | 125         | 125   |
| Insurance Fund | 2               | 2               | 2                      | 2                    | 2     | 2           | 2     |

#### Budget Summary

| Account  | Actual<br>FY 15    | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|--|--------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|  |                    |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| Personal Services  | 11,735,284         | 11,244,909         | 11,390,132             | 11,092,895           | 11,092,895         | 10,006,964         | 10,006,964         |
| Other Expenses   | 1,304,143          | 1,482,071          | 923,822                | 1,100,084            | 1,100,084          | 1,098,084          | 1,098,084          |
| <b>Other Current Expenses</b>                              |                    |                    |                        |                      |                    |                    |                    |
| Litigation Settlement Costs                                | 304,713            | 1,177,151          | -                      | -                    | -                  | -                  | -                  |
| Automated Budget System and Data Base Link                 | 32,985             | 9,134              | 40,894                 | 39,668               | 39,668             | 39,668             | 39,668             |
| Justice Assistance Grants                                  | 866,754            | 732,653            | 938,648                | 910,489              | 910,489            | 910,489            | 910,489            |
| Criminal Justice Information System                        | 1,394,005          | 1,671,049          | 920,048                | -                    | -                  | -                  | -                  |
| Youth Services Prevention                                  | 3,377,488          | -                  | -                      | -                    | -                  | -                  | -                  |
| Project Longevity  | 146,743            | 940,000            | 885,000                | 550,000              | 550,000            | 850,000            | 850,000            |
| Council of Governments                                     | -                  | -                  | -                      | -                    | -                  | 2,750,000          | 5,000,000          |
| <b>Other Than Payments to Local Governments</b>            |                    |                    |                        |                      |                    |                    |                    |
| Tax Relief For Elderly Renters                             | 25,305,101         | 26,287,142         | 27,300,000             | 25,220,568           | 26,103,288         | 25,020,226         | 25,020,226         |
| <b>Grant Payments to Local Governments</b>                 |                    |                    |                        |                      |                    |                    |                    |
| Reimbursement to Towns for Loss of Taxes on State Property | 83,641,646         | 71,356,484         | 66,730,441             | 66,730,441           | 66,730,441         | 51,596,345         | 56,045,788         |
| Reimbursements to Towns for Private Tax-Exempt Property    | 125,431,737        | 122,919,655        | 114,950,770            | 59,122,160           | 59,122,160         | 100,900,058        | 105,889,432        |
| Reimbursement Property Tax - Disability Exemption          | 400,000            | 400,000            | 374,065                | 374,065              | 374,065            | 374,065            | 374,065            |
| Distressed Municipalities                                  | 5,800,000          | 5,549,101          | 5,423,986              | 5,423,986            | 5,423,986          | -                  | -                  |
| Property Tax Relief Elderly Circuit Breaker                | 20,505,900         | 20,505,900         | 19,176,502             | 14,474,502           | 14,474,502         | -                  | -                  |
| Property Tax Relief Elderly Freeze Program                 | 120,871            | 94,757             | 112,221                | 65,000               | 65,000             | 65,000             | 65,000             |
| Property Tax Relief for Veterans                           | 2,970,098          | 2,896,990          | 2,777,546              | 2,777,546            | 2,777,546          | 2,777,546          | 2,777,546          |
| Property Tax Relief  | 1,126,814          | -                  | -                      | -                    | -                  | -                  | -                  |
| Focus Deterrence   | 790,046            | -                  | -                      | -                    | -                  | -                  | -                  |
| Municipal Aid Adjustment                                   | 3,608,728          | -                  | -                      | -                    | -                  | -                  | -                  |
| Municipal Revenue Sharing                                  | -                  | -                  | -                      | -                    | -                  | 35,221,814         | 36,819,135         |
| Municipal Restructuring                                    | -                  | -                  | -                      | -                    | -                  | 28,000,000         | 28,000,000         |
| Municipal Transition                                       | -                  | -                  | -                      | -                    | -                  | 36,000,000         | 15,000,000         |
| Municipal Stabilization Grant                              | -                  | -                  | -                      | -                    | -                  | 56,903,954         | 37,753,335         |
| <b>Nonfunctional - Change to Accruals</b>                  | <b>430,338</b>     | -                  | -                      | -                    | -                  | -                  | -                  |
| <b>Agency Total - General Fund</b>                         | <b>289,293,394</b> | <b>267,266,995</b> | <b>251,944,075</b>     | <b>187,881,404</b>   | <b>188,764,124</b> | <b>352,514,213</b> | <b>325,649,732</b> |
| Grants To Towns  | 61,698,907         | 61,687,907         | 58,076,612             | 58,076,612           | 58,076,612         | 57,649,850         | 49,942,796         |
| <b>Agency Total - Mashantucket Pequot and Mohegan Fund</b> | <b>61,698,907</b>  | <b>61,687,907</b>  | <b>58,076,612</b>      | <b>58,076,612</b>    | <b>58,076,612</b>  | <b>57,649,850</b>  | <b>49,942,796</b>  |
| Personal Services  | 291,610            | 294,370            | 313,882                | 313,882              | 313,882            | 313,882            | 313,882            |

| Account  | Actual<br>FY 15    | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|--|--------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|  |                    |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| Other Expenses                                       | 444                | 5,355              | 6,012                  | 6,012                | 6,012              | 6,012              | 6,012              |
| Fringe Benefits                                      | 169,569            | 179,077            | 200,882                | 200,882              | 200,882            | 200,882            | 200,882            |
| <b>Nonfunctional - Change to Accruals</b>            | <b>2,669</b>       | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Agency Total - Insurance Fund</b>                 | <b>464,292</b>     | <b>478,802</b>     | <b>520,776</b>         | <b>520,776</b>       | <b>520,776</b>     | <b>520,776</b>     | <b>520,776</b>     |
| Municipal Revenue Sharing                            | -                  | -                  | 185,000,000            | 330,100,000          | 339,000,000        | -                  | -                  |
| <b>Agency Total - Municipal Revenue Sharing Fund</b> | <b>-</b>           | <b>-</b>           | <b>185,000,000</b>     | <b>330,100,000</b>   | <b>339,000,000</b> | <b>-</b>           | <b>-</b>           |
| <b>Total - Appropriated Funds</b>                    | <b>351,456,593</b> | <b>329,433,704</b> | <b>495,541,463</b>     | <b>576,578,792</b>   | <b>586,361,512</b> | <b>410,684,839</b> | <b>376,113,304</b> |
| <b>Additional Funds Available</b>                    |                    |                    |                        |                      |                    |                    |                    |
| Carry Forward Funding                                | -                  | -                  | -                      | -                    | -                  | 3,019,262          | -                  |
| Federal Funds  | -                  | 6,472,561          | 9,386,464              | 7,100,783            | 3,735,325          | 7,100,783          | 3,735,325          |
| Private Contributions & Other Restricted             | -                  | 10,896,391         | 4,451,204              | 4,111,001            | 4,351,001          | 4,111,001          | 4,351,001          |
| Private Contributions                                | -                  | 130,180            | 1,349,544              | 1,311,013            | 46,013             | 1,311,013          | 46,013             |
| <b>Agency Grand Total</b>                            | <b>351,456,593</b> | <b>346,932,836</b> | <b>510,728,675</b>     | <b>589,101,589</b>   | <b>594,493,851</b> | <b>426,226,898</b> | <b>384,245,643</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Adjust Funding Source for MRSA/MRSF Grants

|   |                    |                    |                   |                   |                      |                      |
|---|--------------------|--------------------|-------------------|-------------------|----------------------|----------------------|
| Municipal Revenue Sharing                     | -                  | -                  | 45,805,008        | 46,101,081        | 45,805,008           | 46,101,081           |
| Municipal Transition                          | -                  | -                  | 36,000,000        | 15,000,000        | 36,000,000           | 15,000,000           |
| <b>Total - General Fund</b>                   | <b>-</b>           | <b>-</b>           | <b>81,805,008</b> | <b>61,101,081</b> | <b>81,805,008</b>    | <b>61,101,081</b>    |
| Municipal Revenue Sharing                     | 330,100,000        | 339,000,000        | -                 | -                 | (330,100,000)        | (339,000,000)        |
| <b>Total - Municipal Revenue Sharing Fund</b> | <b>330,100,000</b> | <b>339,000,000</b> | <b>-</b>          | <b>-</b>          | <b>(330,100,000)</b> | <b>(339,000,000)</b> |

#### Background

The Municipal Revenue Sharing Fund (MRSF) is an appropriated fund created in PA 16-2, the Revised FY 17 budget, to provide \$185.0 million in funding in FY 17 to municipalities and regional councils of government, via a revenue transfer from the General Fund. Funding is provided for 1) supplemental PILOT grants to towns with high levels of tax exempt property, 2) grants to towns that experience a revenue loss as a result of the mill rate cap on motor vehicles, 3) additional general state aid, 4) supplemental Education Cost Sharing grants, and 5) grants to regional councils of government.

#### Governor

Provide funding of \$330,100,000 in FY 18 and \$339 million in FY 19 for the Municipal Revenue Sharing Fund. This funding replaces a scheduled diversion of sales tax revenue (of the same amount in each of FY 18 and FY 19) into the non-appropriated Municipal Revenue Sharing Account (MRSA) for the same grant programs. Please note this does not include \$10 million in Education Cost Sharing money funded via MRSF within the State Department of Education (SDE) in FY 18 and FY 19.

#### Legislative

Do not fund any grants via the Municipal Revenue Sharing Fund in FY 18 or FY 19. Funding for two grants previously funded via MRSF is instead provided through the General Fund: 1) \$45,805,008 in FY 18 and \$46,101,081 in FY 19 for Supplemental PILOT, and 2) \$36,000,000 in FY 18 and \$15,000,000 in FY 19 for Car Tax Grants.

### Provide Funding for Municipal Restructuring

|                             |          |          |                   |                   |                   |                   |
|-----------------------------|----------|----------|-------------------|-------------------|-------------------|-------------------|
| Municipal Restructuring     | -        | -        | 28,000,000        | 28,000,000        | 28,000,000        | 28,000,000        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>28,000,000</b> | <b>28,000,000</b> | <b>28,000,000</b> | <b>28,000,000</b> |

#### Legislative

Provide \$28,000,000 in each of FY 18 and FY 19 for assistance for certain financially distressed municipalities.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Reduce Funding for PILOT grants

|  |   |   |                     |                     |                     |                     |
|--|---|---|---------------------|---------------------|---------------------|---------------------|
| Reimbursement to Towns for Loss of Taxes on State Property | - | - | (11,025,359)        | (11,025,359)        | (11,025,359)        | (11,025,359)        |
| Reimbursements to Towns for Private Tax-Exempt Property    | - | - | (8,961,283)         | (8,961,283)         | (8,961,283)         | (8,961,283)         |
| <b>Total - General Fund</b>                                | - | - | <b>(19,986,642)</b> | <b>(19,986,642)</b> | <b>(19,986,642)</b> | <b>(19,986,642)</b> |

#### Background

The State Property PILOT provides a payment in lieu of local property taxes (PILOT) to municipalities for property owned and used by the State of Connecticut. The payment is equal to a percentage of the amount of taxes that would be paid if the property were not exempt from taxation. The payment percentages are 100% for facilities used as a correctional facility, 100% Mashantucket Pequot Tribal land taken into trust by federal government on or after June 8, 1999, 100% for any town in which more than 50% of all property in the town is state-owned real property, 65% for the Connecticut Valley Hospital facility, and 45% for all other property.

The College & Hospital PILOT provides a payment in lieu of local property taxes (PILOT) to municipalities for private colleges, general hospitals, and free standing chronic disease hospitals. These facilities are exempt from payment of local property taxes. The PILOT payment is equal to 77% of the amount of taxes that would have been paid if the property were not exempt from taxation.

#### Legislative

Reduce funding by \$19,986,642 in each of FY 18 and FY 19 for PILOT grants (\$11,025,359 in each of FY 18 and FY 19 for the State Property PILOT and \$8,961,283 in each of FY 18 and FY 19 for the College & Hospital PILOT).

### Eliminate Increases in PILOT funding

|  |   |   |                     |   |                     |   |
|--|---|---|---------------------|---|---------------------|---|
| Reimbursement to Towns for Loss of Taxes on State Property | - | - | (5,108,737)         | - | (5,108,737)         | - |
| Reimbursements to Towns for Private Tax-Exempt Property    | - | - | (5,089,429)         | - | (5,089,429)         | - |
| Municipal Revenue Sharing                                  | - | - | (1,301,248)         | - | (1,301,248)         | - |
| <b>Total - General Fund</b>                                | - | - | <b>(11,499,414)</b> | - | <b>(11,499,414)</b> | - |
| Grants To Towns  | - | - | (426,762)           | - | (426,762)           | - |
| <b>Total - Mashantucket Pequot and Mohegan Fund</b>        | - | - | <b>(426,762)</b>    | - | <b>(426,762)</b>    | - |

#### Legislative

Reduce funding for the State Property PILOT, College & Hospital PILOT, Pequot, and Supplemental PILOT in FY 18 by a total of \$11,499,414 in the General Fund and \$426,762 in the Pequot fund. These reductions preclude any town from receiving an increase in state aid from any of these grants.

### Eliminate Supplemental PILOT for Certain Municipalities

|                             |   |   |                    |                    |                    |                    |
|-----------------------------|---|---|--------------------|--------------------|--------------------|--------------------|
| Municipal Revenue Sharing   | - | - | (9,281,946)        | (9,281,946)        | (9,281,946)        | (9,281,946)        |
| <b>Total - General Fund</b> | - | - | <b>(9,281,946)</b> | <b>(9,281,946)</b> | <b>(9,281,946)</b> | <b>(9,281,946)</b> |

#### Background

The Supplemental PILOT is intended to increase the effective reimbursement rates (the portion of the tax loss due to state, college and hospital property that towns actually receive as a reimbursement) to certain municipalities with high levels of tax exempt property. In FY 17, this grant was funded via the Municipal Revenue Sharing Fund and provided funding of \$44.1 million to 35 municipalities.

#### Legislative

Reduce Supplemental PILOT funding by \$9,281,946 in each of FY 18 and FY 19 to reflect the elimination of this grant to all but the top five FY 17 recipients (Bridgeport, Hartford, New Haven, Mansfield, and Waterbury).

### Establish Municipal Stabilization Grant

|                               |   |   |                   |                   |                   |                   |
|-------------------------------|---|---|-------------------|-------------------|-------------------|-------------------|
| Municipal Stabilization Grant | - | - | 56,903,954        | 37,753,335        | 56,903,954        | 37,753,335        |
| <b>Total - General Fund</b>   | - | - | <b>56,903,954</b> | <b>37,753,335</b> | <b>56,903,954</b> | <b>37,753,335</b> |

#### Legislative

Provide Funding of \$56,903,954 in FY 18 and \$37,753,335 in FY 19 for a Municipal Stabilization Grant to mitigate reductions in aid to various towns caused by reductions in funding for other municipal grants. This funding ensures that 1) no town receives a town aid reduction greater than 5% in FY 18, and 2) Alliance Districts lose no funding in FY 18, and lose no more than \$250,000 in FY 19.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Distribute Municipal Lapse

|  |   |   |   |                    |   |                    |
|--|---|---|---|--------------------|---|--------------------|
| Reimbursement to Towns for Loss of Taxes on State Property | - | - | - | (659,294)          | - | (659,294)          |
| Reimbursements to Towns for Private Tax-Exempt Property    | - | - | - | (100,055)          | - | (100,055)          |
| <b>Total - General Fund</b>                                | - | - | - | <b>(759,349)</b>   | - | <b>(759,349)</b>   |
| Grants To Towns  | - | - | - | (8,133,816)        | - | (8,133,816)        |
| <b>Total - Mashantucket Pequot and Mohegan Fund</b>        | - | - | - | <b>(8,133,816)</b> | - | <b>(8,133,816)</b> |

#### Legislative

Reduce funding for the Pequot grant, State Property PILOT, and College & Hospital PILOT in FY 19 by \$8,133,816 in the Pequot Fund and \$759,349 in the General Fund. These reductions are distributed on a per capita basis, except that no Alliance District receives a reduction greater than \$250,000.

### Reduce Funding for Elderly Renter's Rebate

|                                |                    |                    |                    |                    |                  |                    |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|
| Tax Relief For Elderly Renters | (1,964,809)        | (2,062,889)        | (2,165,151)        | (3,145,951)        | (200,342)        | (1,083,062)        |
| <b>Total - General Fund</b>    | <b>(1,964,809)</b> | <b>(2,062,889)</b> | <b>(2,165,151)</b> | <b>(3,145,951)</b> | <b>(200,342)</b> | <b>(1,083,062)</b> |

#### Background

State law provides a reimbursement program for Connecticut renters who are elderly or totally disabled, and whose incomes do not exceed certain limits. Persons renting an apartment or room, or living in cooperative housing or a mobile home may be eligible for this program. Renters' rebates can be up to \$900 for married couples and \$700 for single persons. The renters' rebate amount is based on a graduated income scale and the amount of rent and utility payments (excluding telephone) made in the calendar year prior to the year in which the renter applies.

#### Governor

Reduce funding by \$1,964,809 in FY 18 and \$2,062,889 in FY 19 for Elderly Renters' Tax Relief to achieve savings.

#### Legislative

Reduce funding for the Elderly Renters' Rebate by \$2,165,151 in FY 18 and \$3,145,951 in FY 19 to match estimated FY 17 expenditure levels.

### Eliminate Funding for Certain Municipal Grants

|   |                    |                    |                     |                     |                     |                     |
|---|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Distressed Municipalities                   | -                  | -                  | (5,423,986)         | (5,423,986)         | (5,423,986)         | (5,423,986)         |
| Property Tax Relief Elderly Circuit Breaker | (4,702,000)        | (4,702,000)        | (19,176,502)        | (19,176,502)        | (14,474,502)        | (14,474,502)        |
| <b>Total - General Fund</b>                 | <b>(4,702,000)</b> | <b>(4,702,000)</b> | <b>(24,600,488)</b> | <b>(24,600,488)</b> | <b>(19,898,488)</b> | <b>(19,898,488)</b> |

#### Background

The Elderly Circuit Breaker provides a property tax credit program for Connecticut owners in residence of real property, who are elderly (65 and over) or totally disabled, and whose annual incomes do not exceed certain limits. The credit amount is calculated by the local assessor and applied by the tax collector to the applicant's real property tax bill. The amount of the credit that may be granted is up to \$1,250 for married couples and \$1,000 for single persons. About 38,500 people in all 169 municipalities and six other special taxing districts receive this tax credit. The grant provides a partial reimbursement to municipalities for the revenue loss associated with the Circuit Breaker program.

The Distressed Municipalities Property Tax Reimbursement Program provides a 5-year state reimbursement of a portion of the property tax loss towns sustain as a result of property tax exemptions granted to qualified manufacturing facilities located in designated municipalities. Manufacturing companies may receive a tax reduction equal to 80% of the local property tax on their real estate and personal property. Service facilities may receive a tax reduction of from 40% to 80% of the local property tax, depending on the amount of investment made by the owner. These companies must be located in distressed municipalities, enterprise zones, targeted investment communities, or other designated areas to receive these exemptions.

#### Governor

Reduce funding by \$4,702,000 in each of FY 18 and FY 19 to achieve savings. This results in a 24.5% reduction in grant funding to municipalities. It does not impact the tax credits received by program participants.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Reduce funding by \$24,600,488 in each of FY 18 and FY 19 (\$5,423,986 in each of FY 18 and FY 19 for the Distressed Municipalities grant; \$19,176,502 in each of FY 18 and FY 19 for the Elderly Circuit Breaker grant) to reflect the elimination of two municipal grant programs.

**Maintain Funding for College and Hospital PILOT**

|   |                     |                     |          |          |                   |                   |
|---|---------------------|---------------------|----------|----------|-------------------|-------------------|
| Reimbursements to Towns for Private Tax-Exempt Property | (55,828,610)        | (55,828,610)        | -        | -        | 55,828,610        | 55,828,610        |
| <b>Total - General Fund</b>                             | <b>(55,828,610)</b> | <b>(55,828,610)</b> | <b>-</b> | <b>-</b> | <b>55,828,610</b> | <b>55,828,610</b> |

**Governor**

Reduce funding by \$55,828,610 in each of FY 18 and FY 19 to reflect the removal of private hospital property from the calculation of C&H PILOT grants. The Governor's budget proposal allows municipalities to fully tax real property owned by hospitals. This is estimated to generate approximately \$212.2 million in revenue to municipalities.

**Legislative**

Maintain funding for the College & Hospital PILOT in FY 18 and FY 19 and do not remove private hospital property from the calculation of C&H PILOT grants. The Governor's proposal to allow municipalities to tax real property owned by hospitals is not implemented.

**Provide Funding for COGs**

|                             |          |          |                  |                  |                  |                  |
|-----------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Council of Governments      | -        | -        | 2,750,000        | 5,000,000        | 2,750,000        | 5,000,000        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>2,750,000</b> | <b>5,000,000</b> | <b>2,750,000</b> | <b>5,000,000</b> |

**Legislative**

Provide funding of \$2,750,000 in FY 18 and \$5,000,000 in FY 19 for regional Councils of Government (COGs). This funding was previously provided via the Municipal Revenue Sharing Fund. Sections 259 and 260 of PA 17-2, the FY 18 and FY 19 budget, require the Office of Policy and Management to determine the distribution of this funding and provides stipulations under which COGs may receive the money.

**Transfer CJIS from OPM to DESPP**

|                                     |                    |                    |                    |                    |          |          |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Criminal Justice Information System | (2,392,840)        | (2,739,398)        | (2,392,840)        | (2,739,398)        | -        | -        |
| <b>Total - General Fund</b>         | <b>(2,392,840)</b> | <b>(2,739,398)</b> | <b>(2,392,840)</b> | <b>(2,739,398)</b> | <b>-</b> | <b>-</b> |

**Background**

Connecticut's Criminal Justice Information System (CJIS) is the umbrella term for the agencies with criminal justice responsibilities. CJIS was created to enhance communication and information sharing across criminal justice agencies. The primary responsibility of CJIS is the development and management of the Connecticut Information Sharing System, the information technology system which allows for electronic information sharing across agencies.

**Governor**

Reduce funding for CJIS by \$2,392,840 in FY 18 and \$2,739,398 in FY 19 to reflect the transfer of this funding to the Department of Emergency Services and Public Protection.

**Legislative**

Same as Governor

**Adjust Funding for Personal Services**

|                             |          |          |                    |                    |                    |                    |
|-----------------------------|----------|----------|--------------------|--------------------|--------------------|--------------------|
| Personal Services           | -        | -        | (1,000,920)        | (1,000,920)        | (1,000,920)        | (1,000,920)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>(1,000,920)</b> | <b>(1,000,920)</b> | <b>(1,000,920)</b> | <b>(1,000,920)</b> |

**Legislative**

Reduce funding for Personal Services by \$1,000,920 in each of FY 18 and FY 19 to achieve savings.

**Provide Funding for Municipal Accountability Review Board**

|                             |                |                |                |                |                 |                 |
|-----------------------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| Personal Services           | 215,319        | 215,319        | 130,308        | 130,308        | (85,011)        | (85,011)        |
| Other Expenses              | 2,000          | 2,000          | -              | -              | (2,000)         | (2,000)         |
| <b>Total - General Fund</b> | <b>217,319</b> | <b>217,319</b> | <b>130,308</b> | <b>130,308</b> | <b>(87,011)</b> | <b>(87,011)</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Background

The Governor's proposed FY 18 and FY 19 budget includes the creation of the Municipal Accountability Review Board. This board will have a varying degree of oversight of municipal budgets and finances, depending on the financial health of the municipality. SB 1502, the FY 18 and FY 19 budget, establishes a Municipal Accountability Review Board (MARB) to oversee the finances of certain municipalities, and gives MARB the ability to enter into contract assistance with those municipalities. Under the provisions of the bill, MARB can review and approve the budgets, bond ordinances, and collective bargaining agreements of the most financially distressed municipalities.

### Governor

Provide funding of \$217,319 (\$215,319 in Personal Services and \$2,000 in Other Expenses) in each of FY 18 and FY 19 for staffing for the Municipal Accountability Review Board.

### Legislative

Provide funding of \$130,308 for the Municipal Accountability Review Board in each of FY 18 and FY 19.

### Provide State Property PILOT for Groton

|  |          |          |                  |                  |                  |                  |
|--|----------|----------|------------------|------------------|------------------|------------------|
| Reimbursement to Towns for Loss of Taxes on State Property | -        | -        | 1,000,000        | 1,000,000        | 1,000,000        | 1,000,000        |
| <b>Total - General Fund</b>                                | <b>-</b> | <b>-</b> | <b>1,000,000</b> | <b>1,000,000</b> | <b>1,000,000</b> | <b>1,000,000</b> |

### Legislative

Provide a State Property PILOT grant of \$1,000,000 in each of FY 18 and FY 19 for the Town of Groton.

### Reduce Funding for Project Longevity

|                             |                  |                  |                |                |                |                |
|-----------------------------|------------------|------------------|----------------|----------------|----------------|----------------|
| Project Longevity           | (308,450)        | (308,450)        | (8,450)        | (8,450)        | 300,000        | 300,000        |
| <b>Total - General Fund</b> | <b>(308,450)</b> | <b>(308,450)</b> | <b>(8,450)</b> | <b>(8,450)</b> | <b>300,000</b> | <b>300,000</b> |

### Background

Project Longevity is a comprehensive initiative involving law enforcement officials, social service providers, and community members to reduce gun violence in large communities.

### Governor

Reduce funding by \$308,450 in each of FY 18 and FY 19 for Project Longevity to achieve savings.

### Legislative

Reduce funding by \$8,450 in each of FY 18 and FY 19.

### Annualize FY 17 Holdbacks

|  |                    |                    |                    |                    |          |          |
|--|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Personal Services                          | (512,556)          | (512,556)          | (512,556)          | (512,556)          | -        | -        |
| Other Expenses                             | (9,238)            | (9,238)            | (9,238)            | (9,238)            | -        | -        |
| Automated Budget System and Data Base Link | (1,226)            | (1,226)            | (1,226)            | (1,226)            | -        | -        |
| Justice Assistance Grants                  | (28,159)           | (28,159)           | (28,159)           | (28,159)           | -        | -        |
| Criminal Justice Information System        | (27,601)           | (27,601)           | (27,601)           | (27,601)           | -        | -        |
| Project Longevity                          | (26,550)           | (26,550)           | (26,550)           | (26,550)           | -        | -        |
| Tax Relief For Elderly Renters             | (837,476)          | (837,476)          | (837,476)          | (837,476)          | -        | -        |
| <b>Total - General Fund</b>                | <b>(1,442,806)</b> | <b>(1,442,806)</b> | <b>(1,442,806)</b> | <b>(1,442,806)</b> | <b>-</b> | <b>-</b> |

### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

### Governor

Reduce funding by \$1,442,806 in each of FY 18 and FY 19 to annualize FY 17 holdbacks.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Same as Governor

**Current Services****Reflect Change in Funding Source for MRSF/MRSA Grants**

|   |                      |                      |                      |                      |          |          |
|---|----------------------|----------------------|----------------------|----------------------|----------|----------|
| Municipal Revenue Sharing                     | (185,000,000)        | (185,000,000)        | (185,000,000)        | (185,000,000)        | -        | -        |
| <b>Total - Municipal Revenue Sharing Fund</b> | <b>(185,000,000)</b> | <b>(185,000,000)</b> | <b>(185,000,000)</b> | <b>(185,000,000)</b> | <b>-</b> | <b>-</b> |

**Governor**

Eliminate the General Fund revenue transfer to the Municipal Revenue Sharing Fund (MRSF) in each of FY 18 and FY 19 to reflect the funding of MRSF grants via a sales tax diversion into the non-appropriated Municipal Revenue Sharing Account (MRSA).

**Legislative**

Same as Governor

**Provide Funding for Criminal Justice Information System**

|                                     |                  |                  |                  |                  |          |          |
|-------------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Criminal Justice Information System | 1,500,393        | 1,846,951        | 1,500,393        | 1,846,951        | -        | -        |
| <b>Total - General Fund</b>         | <b>1,500,393</b> | <b>1,846,951</b> | <b>1,500,393</b> | <b>1,846,951</b> | <b>-</b> | <b>-</b> |

**Governor**

Provide funding of \$1,500,393 in FY 18 and \$1,846,951 in FY 19 to meet the current contractual and technological requirements of CJIS.

**Legislative**

Same as Governor

**Provide Funding for Elderly Renters' Rebate program**

|                                |                |                  |                |                  |          |          |
|--------------------------------|----------------|------------------|----------------|------------------|----------|----------|
| Tax Relief For Elderly Renters | 722,853        | 1,703,653        | 722,853        | 1,703,653        | -        | -        |
| <b>Total - General Fund</b>    | <b>722,853</b> | <b>1,703,653</b> | <b>722,853</b> | <b>1,703,653</b> | <b>-</b> | <b>-</b> |

**Governor**

Provide funding of \$722,853 in FY 18 and \$1,703,653 in FY 19 to reflect an anticipated 3.5 percent increase in the cost to fully fund renters' rebates.

**Legislative**

Same as Governor

**Provide Funding for the Open Data Portal**

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Other Expenses              | 183,500        | 183,500        | 183,500        | 183,500        | -        | -        |
| <b>Total - General Fund</b> | <b>183,500</b> | <b>183,500</b> | <b>183,500</b> | <b>183,500</b> | <b>-</b> | <b>-</b> |

**Background**

The Open Data Portal initiative began in 2014 and is intended to provide researchers and the general public access to a wide range of information concerning state government finances, demographic information, and other statistical and economic data.

**Governor**

Provide funding of \$183,500 in each of FY 18 and FY 19 for contractual obligations.

**Legislative**

Same as Governor

**Reduce Funding for Elderly Tax Freeze Program**

|  |                 |                 |                 |                 |          |          |
|--|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Property Tax Relief Elderly Freeze Program | (47,221)        | (47,221)        | (47,221)        | (47,221)        | -        | -        |
| <b>Total - General Fund</b>                | <b>(47,221)</b> | <b>(47,221)</b> | <b>(47,221)</b> | <b>(47,221)</b> | <b>-</b> | <b>-</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Background**

The Freeze Tax Relief Program was established with the 1967 Grand List program year. 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. There are 51 participants in this program across 30 municipalities and three special taxing districts.

**Governor**

Reduce funding by \$47,221 in each of FY 18 and FY 19 to reflect a reduction in caseload.

**Legislative**

Same as Governor

**Carry Forward****Carry Forward Funding for Litigation Settlement**

|                                      |   |   |                  |   |                  |   |
|--------------------------------------|---|---|------------------|---|------------------|---|
| Litigation Settlement Costs          | - | - | 2,590,346        | - | 2,590,346        | - |
| <b>Total - Carry Forward Funding</b> | - | - | <b>2,590,346</b> | - | <b>2,590,346</b> | - |

**Legislative**

Pursuant to CGS 4-89(e), \$2,590,346 is carried forward into FY 18 for litigation settlement.

**Carry Forward for Other Expenses**

|                                      |   |   |                |   |                |   |
|--------------------------------------|---|---|----------------|---|----------------|---|
| Other Expenses                       | - | - | 428,916        | - | 428,916        | - |
| <b>Total - Carry Forward Funding</b> | - | - | <b>428,916</b> | - | <b>428,916</b> | - |

**Legislative**

Pursuant to CGS 4-89(c), \$428,916 is carried forward into FY 18 for various unfinished projects.

**Totals**

| Budget Components             | Governor Recommended |                    | Legislative        |                    | Difference from Governor |                      |
|-------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|----------------------|
|                               | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19                |
| FY 17 Appropriation - GF      | 251,944,075          | 251,944,075        | 251,944,075        | 251,944,075        | -                        | -                    |
| Policy Revisions              | (66,422,196)         | (66,866,834)       | 98,210,613         | 70,018,774         | 164,632,809              | 136,885,608          |
| Current Services              | 2,359,525            | 3,686,883          | 2,359,525          | 3,686,883          | -                        | -                    |
| <b>Total Recommended - GF</b> | <b>187,881,404</b>   | <b>188,764,124</b> | <b>352,514,213</b> | <b>325,649,732</b> | <b>164,632,809</b>       | <b>136,885,608</b>   |
| FY 17 Appropriation - MF      | 58,076,612           | 58,076,612         | 58,076,612         | 58,076,612         | -                        | -                    |
| Policy Revisions              | -                    | -                  | (426,762)          | (8,133,816)        | (426,762)                | (8,133,816)          |
| <b>Total Recommended - MF</b> | <b>58,076,612</b>    | <b>58,076,612</b>  | <b>57,649,850</b>  | <b>49,942,796</b>  | <b>(426,762)</b>         | <b>(8,133,816)</b>   |
| FY 17 Appropriation - IF      | 520,776              | 520,776            | 520,776            | 520,776            | -                        | -                    |
| <b>Total Recommended - IF</b> | <b>520,776</b>       | <b>520,776</b>     | <b>520,776</b>     | <b>520,776</b>     | -                        | -                    |
| FY 17 Appropriation - MU      | 185,000,000          | 185,000,000        | 185,000,000        | 185,000,000        | -                        | -                    |
| Policy Revisions              | 330,100,000          | 339,000,000        | -                  | -                  | (330,100,000)            | (339,000,000)        |
| Current Services              | (185,000,000)        | (185,000,000)      | (185,000,000)      | (185,000,000)      | -                        | -                    |
| <b>Total Recommended - MU</b> | <b>330,100,000</b>   | <b>339,000,000</b> | -                  | -                  | <b>(330,100,000)</b>     | <b>(339,000,000)</b> |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |       |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|-------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19 |
| FY 17 Appropriation - GF      | 125                  | 125        | 125         | 125        | -                        | -     |
| <b>Total Recommended - GF</b> | <b>125</b>           | <b>125</b> | <b>125</b>  | <b>125</b> | -                        | -     |
| FY 17 Appropriation - IF      | 2                    | 2          | 2           | 2          | -                        | -     |
| <b>Total Recommended - IF</b> | <b>2</b>             | <b>2</b>   | <b>2</b>    | <b>2</b>   | -                        | -     |

### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$22,026, a Labor Concessions Savings of \$287,210, a Targeted Savings of \$7,149,226, and a Delayed Start Savings of \$818,925. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account  | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|--|------------------|---------------------|------------------|-------------|
| Personal Services  | 10,320,846       | (308,624)           | 10,012,222       | 3.4%        |
| Other Expenses   | 1,098,084        | (54,904)            | 1,043,180        | 5.0%        |
| Municipal Restructuring                                    | 28,000,000       | (700,000)           | 27,300,000       | 2.5%        |
| Automated Budget System and Data Base Link                 | 39,668           | (12,892)            | 26,776           | 32.5%       |
| Justice Assistance Grants                                  | 910,489          | (91,661)            | 818,828          | 10.1%       |
| Project Longevity  | 850,000          | (276,250)           | 573,750          | 32.5%       |
| Council of Governments                                     | 2,750,000        | (893,750)           | 1,856,250        | 32.5%       |
| Tax Relief For Elderly Renters                             | 25,020,226       | (625,506)           | 24,394,720       | 2.5%        |
| Reimbursement to Towns for Loss of Taxes on State Property | 51,596,345       | (1,289,909)         | 50,306,436       | 2.5%        |
| Reimbursements to Towns for Private Tax-Exempt Property    | 100,900,058      | (2,522,501)         | 98,377,557       | 2.5%        |
| Reimbursement Property Tax - Disability Exemption          | 374,065          | (9,352)             | 364,713          | 2.5%        |
| Property Tax Relief for Veterans                           | 2,777,546        | (69,439)            | 2,708,107        | 2.5%        |
| Municipal Stabilization Grant                              | 56,903,954       | (1,422,599)         | 55,481,355       | 2.5%        |

## Department of Veterans' Affairs

### DVA21000

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 248             | 243             | 243                    | 243                  | 243   | 243         | 243   |

#### Budget Summary

| Account   | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|   |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                               | 22,032,118        | 21,874,065        | 21,375,366             | 19,914,195           | 19,914,195        | 19,914,195        | 17,914,195        |
| Other Expenses                                  | 5,114,216         | 4,714,663         | 3,150,761              | 3,056,239            | 3,056,239         | 3,056,239         | 3,056,239         |
| <b>Other Current Expenses</b>                   |                   |                   |                        |                      |                   |                   |                   |
| Support Services for Veterans                   | 180,497           | 178,691           | -                      | -                    | -                 | -                 | -                 |
| SSMF Administration                             | 635,000           | 550,296           | 527,104                | 521,833              | 521,833           | 521,833           | 521,833           |
| <b>Other Than Payments to Local Governments</b> |                   |                   |                        |                      |                   |                   |                   |
| Burial Expenses                                 | 7,200             | 7,128             | 6,666                  | 6,467                | 6,467             | 6,666             | 6,666             |
| Headstones                                      | 258,345           | 279,620           | 307,834                | 250,000              | 250,000           | 307,834           | 307,834           |
| <b>Nonfunctional - Change to Accruals</b>       | <b>18,407</b>     | <b>-</b>          | <b>-</b>               | <b>-</b>             | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Agency Total - General Fund</b>              | <b>28,245,783</b> | <b>27,604,463</b> | <b>25,367,731</b>      | <b>23,748,734</b>    | <b>23,748,734</b> | <b>23,806,767</b> | <b>21,806,767</b> |
| <b>Additional Funds Available</b>               |                   |                   |                        |                      |                   |                   |                   |
| Federal Funds                                   | -                 | 1,839,029         | 300,000                | -                    | -                 | -                 | -                 |
| Private Contributions & Other Restricted        | -                 | 2,557,512         | 4,935,508              | 3,420,000            | 3,420,000         | 3,420,000         | 3,420,000         |
| Private Contributions                           | -                 | 64,102            | 96,000                 | -                    | -                 | -                 | -                 |
| <b>Agency Grand Total</b>                       | <b>28,245,783</b> | <b>32,065,106</b> | <b>30,699,239</b>      | <b>27,168,734</b>    | <b>27,168,734</b> | <b>27,226,767</b> | <b>25,226,767</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Annualize FY 17 Holdbacks

|                             |                  |                  |                  |                  |               |               |
|-----------------------------|------------------|------------------|------------------|------------------|---------------|---------------|
| Personal Services           | (592,661)        | (592,661)        | (592,661)        | (592,661)        | -             | -             |
| Other Expenses              | (94,522)         | (94,522)         | (94,522)         | (94,522)         | -             | -             |
| SSMF Administration         | (5,271)          | (5,271)          | (5,271)          | (5,271)          | -             | -             |
| Burial Expenses             | (199)            | (199)            | -                | -                | 199           | 199           |
| Headstones                  | (57,834)         | (57,834)         | -                | -                | 57,834        | 57,834        |
| <b>Total - General Fund</b> | <b>(750,487)</b> | <b>(750,487)</b> | <b>(692,454)</b> | <b>(692,454)</b> | <b>58,033</b> | <b>58,033</b> |

### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

### Governor

Reduce funding by \$750,487 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

### Legislative

Reduce funding by \$692,454 in both FY 18 and FY 19 to annualize certain FY 17 holdbacks.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Convert Licensure to Nursing Home Level of Care**

|                             |   |   |   |                    |   |                    |
|-----------------------------|---|---|---|--------------------|---|--------------------|
| Personal Services           | - | - | - | (2,000,000)        | - | (2,000,000)        |
| <b>Total - General Fund</b> | - | - | - | <b>(2,000,000)</b> | - | <b>(2,000,000)</b> |

**Background**

The Sgt. John L. Levitow Veterans Healthcare Center is located on the Department of Veteran's Affairs campus in Rocky Hill. It is currently licensed by the CT Department of Public Health as a Chronic Disease Hospital.

**Legislative**

Convert the healthcare centers license from a chronic disease hospital to a nursing home license. The change in license will change the type of staff required resulting in a \$2 million savings starting in FY 19.

**Achieve Personal Services Savings through Attrition**

|                             |                  |                  |                  |                  |   |   |
|-----------------------------|------------------|------------------|------------------|------------------|---|---|
| Personal Services           | (468,510)        | (468,510)        | (468,510)        | (468,510)        | - | - |
| <b>Total - General Fund</b> | <b>(468,510)</b> | <b>(468,510)</b> | <b>(468,510)</b> | <b>(468,510)</b> | - | - |

**Governor**

Reduce funding by \$468,510 in both FY 18 and FY 19 to reflect anticipated savings to be achieved through attrition.

**Legislative**

Same as Governor

**Current Services**

**Annualize Electronic Medical Record (EMR) Savings**

|                             |                  |                  |                  |                  |   |   |
|-----------------------------|------------------|------------------|------------------|------------------|---|---|
| Personal Services           | (400,000)        | (400,000)        | (400,000)        | (400,000)        | - | - |
| <b>Total - General Fund</b> | <b>(400,000)</b> | <b>(400,000)</b> | <b>(400,000)</b> | <b>(400,000)</b> | - | - |

**Background**

DVA began implementation of EMR in 2014 with modules such as clinical notes, patient census and billing with staggered deliverable dates. The pharmacy module of the DVA's EMR system has been installed and is anticipated to be fully operational no later than 7/1/17. This module will allow for an automatic pill distribution system. Currently, pill distribution is a labor-intensive process requiring the review of patient charts and the manual distribution of medications by nursing staff at least twice a day.

**Governor**

Reduce funding by \$400,000 in both FY 18 and FY 19 to reflect the elimination of overtime associated with manual distribution of medications.

**Legislative**

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |                    |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|--------------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19              |
| FY 17 Appropriation - GF      | 25,367,731           | 25,367,731        | 25,367,731        | 25,367,731        | -                        | -                  |
| Policy Revisions              | (1,218,997)          | (1,218,997)       | (1,160,964)       | (3,160,964)       | 58,033                   | (1,941,967)        |
| Current Services              | (400,000)            | (400,000)         | (400,000)         | (400,000)         | -                        | -                  |
| <b>Total Recommended - GF</b> | <b>23,748,734</b>    | <b>23,748,734</b> | <b>23,806,767</b> | <b>21,806,767</b> | <b>58,033</b>            | <b>(1,941,967)</b> |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |          |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|----------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 243                  | 243        | 243         | 243        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>243</b>           | <b>243</b> | <b>243</b>  | <b>243</b> | <b>-</b>                 | <b>-</b> |

**PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$43,832, a Labor Concessions Savings of \$754,309, and a Targeted Savings of \$163,249. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account             | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|---------------------|------------------|---------------------|------------------|-------------|
| Personal Services   | 19,914,195       | (798,141)           | 19,116,054       | 4.0%        |
| Other Expenses      | 3,056,239        | (152,812)           | 2,903,427        | 5.0%        |
| SSMF Administration | 521,833          | (10,437)            | 511,396          | 2.0%        |

## Department of Administrative Services

### DAS23000

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 656             | 663             | 665                    | 663                  | 663   | 663         | 663   |

#### Budget Summary

| Account   | Actual<br>FY 15    | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|---|--------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|   |                    |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| Personal Services                                     | 48,781,373         | 48,541,367         | 49,794,514             | 48,300,679           | 48,300,679         | 47,168,198         | 47,168,198         |
| Other Expenses  | 34,157,351         | 31,246,877         | 30,154,345             | 29,392,481           | 29,653,689         | 28,543,249         | 28,804,457         |
| <b>Other Current Expenses</b>                         |                    |                    |                        |                      |                    |                    |                    |
| Tuition Reimbursement -<br>Training and Travel        | 525,739            | 438,334            | -                      | -                    | -                  | -                  | -                  |
| Labor - Management Fund                               | 9,416              | -                  | -                      | -                    | -                  | -                  | -                  |
| Management Services                                   | 4,651,615          | 4,177,121          | 3,089,993              | -                    | -                  | -                  | -                  |
| Loss Control Risk Management                          | 98,961             | 98,934             | 102,927                | 92,634               | 92,634             | 92,634             | 92,634             |
| Employees' Review Board                               | 21,098             | 15,476             | 18,155                 | 17,611               | 17,611             | 17,611             | 17,611             |
| Surety Bonds for State Officials<br>and Employees     | 5,600              | 125,367            | 65,026                 | 65,949               | 147,524            | 65,949             | 147,524            |
| Quality of Work-Life                                  | 21,600             | 24,300             | -                      | -                    | -                  | -                  | -                  |
| Refunds Of Collections                                | 22,270             | 21,650             | 22,116                 | 21,453               | 21,453             | 21,453             | 21,453             |
| Rents and Moving                                      | 16,083,054         | 10,999,900         | 10,421,930             | 10,562,692           | 11,318,952         | 10,562,692         | 11,318,952         |
| Capitol Day Care Center                               | 120,642            | -                  | -                      | -                    | -                  | -                  | -                  |
| W. C. Administrator                                   | 5,000,000          | 4,908,333          | 4,480,774              | 5,000,000            | 5,000,000          | 5,000,000          | 5,000,000          |
| Insurance Recovery                                    | -                  | 6,500              | -                      | -                    | -                  | -                  | -                  |
| Connecticut Education Network                         | 3,240,214          | 2,764,393          | 1,100,000              | 952,907              | -                  | 952,907            | -                  |
| State Insurance and Risk Mgmt<br>Operations           | 14,575,302         | 11,942,226         | 13,585,462             | 12,292,825           | 12,556,522         | 10,719,619         | 10,917,391         |
| IT Services   | 13,032,309         | 13,914,492         | 13,200,415             | 12,657,014           | 12,552,014         | 12,489,014         | 12,384,014         |
| Firefighters Fund                                     | -                  | -                  | -                      | -                    | -                  | 400,000            | 400,000            |
| <b>Nonfunctional - Change to<br/>Accruals</b>         | <b>28,720</b>      | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Agency Total - General Fund</b>                    | <b>140,375,264</b> | <b>129,225,270</b> | <b>126,035,657</b>     | <b>119,356,245</b>   | <b>119,661,078</b> | <b>116,033,326</b> | <b>116,272,234</b> |
| State Insurance and Risk Mgmt<br>Operations           | 6,596,001          | 6,390,246          | 8,960,575              | 10,138,240           | 10,345,232         | 8,353,680          | 8,508,924          |
| <b>Nonfunctional - Change to<br/>Accruals</b>         | <b>(75,998)</b>    | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Agency Total - Special<br/>Transportation Fund</b> | <b>6,520,003</b>   | <b>6,390,246</b>   | <b>8,960,575</b>       | <b>10,138,240</b>    | <b>10,345,232</b>  | <b>8,353,680</b>   | <b>8,508,924</b>   |
| <b>Total - Appropriated Funds</b>                     | <b>146,895,267</b> | <b>135,615,516</b> | <b>134,996,232</b>     | <b>129,494,485</b>   | <b>130,006,310</b> | <b>124,387,006</b> | <b>124,781,158</b> |
| <b>Additional Funds Available</b>                     |                    |                    |                        |                      |                    |                    |                    |
| Carry Forward Funding                                 | -                  | -                  | -                      | -                    | -                  | 937,146            | -                  |
| Federal Funds   | -                  | 2,858,796          | 2,431,597              | 2,431,597            | 2,431,597          | 2,431,597          | 2,431,597          |
| Private Contributions & Other<br>Restricted           | -                  | 8,032,562          | 8,008,882              | 7,784,788            | 7,784,788          | 7,784,788          | 7,784,788          |
| Private Contributions                                 | -                  | 68,199,521         | 66,738,576             | 66,738,516           | 66,738,516         | 66,738,516         | 66,738,516         |
| <b>Agency Grand Total</b>                             | <b>146,895,267</b> | <b>214,706,395</b> | <b>212,175,287</b>     | <b>206,449,386</b>   | <b>206,961,211</b> | <b>202,279,053</b> | <b>201,736,059</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Achieve Efficiencies

|                             |   |   |                    |                    |                    |                    |
|-----------------------------|---|---|--------------------|--------------------|--------------------|--------------------|
| Personal Services           | - | - | (1,000,000)        | (1,000,000)        | (1,000,000)        | (1,000,000)        |
| Other Expenses              | - | - | (919,232)          | (919,232)          | (919,232)          | (919,232)          |
| IT Services                 | - | - | (168,000)          | (168,000)          | (168,000)          | (168,000)          |
| <b>Total - General Fund</b> | - | - | <b>(2,087,232)</b> | <b>(2,087,232)</b> | <b>(2,087,232)</b> | <b>(2,087,232)</b> |

#### Legislative

Reduce various accounts to reflect current spending requirements:

- Reduce Personal Services by \$1,000,000 in both FY 18 and FY 19;
- Reduce Other Expenses by \$919,232 in both FY 18 and FY 19;
- Reduce IT Services by \$168,000 in both FY 18 and FY 19.

### Provide Funding for Claims Commissioner

|                             |   |   |               |               |               |               |
|-----------------------------|---|---|---------------|---------------|---------------|---------------|
| Other Expenses              | - | - | 70,000        | 70,000        | 70,000        | 70,000        |
| <b>Total - General Fund</b> | - | - | <b>70,000</b> | <b>70,000</b> | <b>70,000</b> | <b>70,000</b> |

#### Background

Section 5 of Public Act 16-127 authorized the Claims Commissioner to engage magistrates from a list maintained by the Chief Court Administrator to hear claims and make recommendations for final disposition to the Claims Commissioner. The claims magistrates consider dispositive motions and preside over formal hearings on the merits, and make recommendations for disposition. They serve on a part-time basis and are compensated at the per diem rate of \$200 currently applicable to Judicial Branch magistrates, with a potential maximum compensation of \$20,000 for any fiscal year.

#### Legislative

Provide funding of \$70,000 in both FY 18 and FY 19 to use magistrates to help DAS to reduce the backlog of claims within the Office of the Claims Commissioner.

### First Responders Fund

|                             |   |   |                |                |                |                |
|-----------------------------|---|---|----------------|----------------|----------------|----------------|
| Firefighters Fund           | - | - | 400,000        | 400,000        | 400,000        | 400,000        |
| <b>Total - General Fund</b> | - | - | <b>400,000</b> | <b>400,000</b> | <b>400,000</b> | <b>400,000</b> |

#### Background

PA 16-10 created the cancer relief program to provide firefighters diagnosed with cancer with wage replacement benefits funded through a diversion of funds from the E-911 program. By law, the E-911 program is funded through a monthly phone service subscriber fee imposed by PURA; the fees are used to develop and administer the E-911 system.

Sections 219 & 220 of PA 17-2 (JSS) eliminate the requirement for the Public Utilities Regulatory Authority (PURA) to divert a portion of the enhanced 9-1-1 program's (E-911) funds to the Firefighters' Cancer Relief Program.

#### Legislative

Provide funding of \$400,000 in both FY 18 and FY 19 to establish the Firefighters Fund account.

### Reduce Funding to Reflect Unoccupied State Office Building

|                             |                    |                    |                    |                    |          |          |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Other Expenses              | (2,288,112)        | (2,208,372)        | (2,288,112)        | (2,208,372)        | -        | -        |
| <b>Total - General Fund</b> | <b>(2,288,112)</b> | <b>(2,208,372)</b> | <b>(2,288,112)</b> | <b>(2,208,372)</b> | <b>-</b> | <b>-</b> |

#### Background

The State Office Building, at 165 Capitol Avenue, will be unoccupied during FY 18 and FY 19 while undergoing major renovations.

#### Governor

Reduce funding by \$2,288,112 in FY 18 and \$2,208,372 in FY 19 to reflect building maintenance savings from unoccupied State Office Building. The Department of Administrative Services' (DAS) will continue to incur certain operational costs, such as snow removal.

#### Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Provide Funding for e-Licensing Expansion**

|                             |                |               |                |               |          |          |
|-----------------------------|----------------|---------------|----------------|---------------|----------|----------|
| IT Services                 | 190,000        | 85,000        | 190,000        | 85,000        | -        | -        |
| <b>Total - General Fund</b> | <b>190,000</b> | <b>85,000</b> | <b>190,000</b> | <b>85,000</b> | <b>-</b> | <b>-</b> |

**Background**

The Connecticut e-License web portal provides real-time access to over 600 credentials including licenses, registrations, permits or certifications for individuals, organizations and facilities.

**Governor**

Provide funding of \$190,000 in FY 18 and \$85,000 in FY 19 to expand the state's e-Licensing platform to enhance certain capabilities for the Department of Public Health's drinking water e-Licensing, as well as programs for other state agencies.

**Legislative**

Same as Governor

**Reduce Various Accounts**

|                              |                  |                  |                  |                  |          |          |
|------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Other Expenses               | (205,752)        | (205,752)        | (205,752)        | (205,752)        | -        | -        |
| Loss Control Risk Management | (7,205)          | (7,205)          | (7,205)          | (7,205)          | -        | -        |
| Rents and Moving             | (79,686)         | (79,686)         | (79,686)         | (79,686)         | -        | -        |
| <b>Total - General Fund</b>  | <b>(292,643)</b> | <b>(292,643)</b> | <b>(292,643)</b> | <b>(292,643)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce various accounts to reflect current spending requirements:

- Reduce Other Expenses by \$205,752 in both FY 18 and FY 19 for training, travel and other discretionary expenses;
- Reduce Loss Control by \$7,205 in both FY 18 and FY 19;
- Reduce Rents and Moving by \$79,686 in both FY 18 and FY 19 to reflect the termination of the lease at 999 Asylum Avenue.

**Legislative**

Same as Governor

**Reduce Funding to Reflect Decreased Use of Mainframe**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| IT Services                 | (337,389)        | (337,389)        | (337,389)        | (337,389)        | -        | -        |
| <b>Total - General Fund</b> | <b>(337,389)</b> | <b>(337,389)</b> | <b>(337,389)</b> | <b>(337,389)</b> | <b>-</b> | <b>-</b> |

**Background**

The Department of Social Services is anticipated to complete rollout of the ImpaCT project in FY 17 which will reduce the load on the DAS mainframe environment.

**Governor**

Reduce funding by \$337,389 in both FY 18 and FY 19 as DAS expects to renegotiate vendor contracts to reflect current mainframe requirements.

**Legislative**

Same as Governor

**Reduce the Insurance and Risk Management Account**

|  |                    |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| State Insurance and Risk Mgmt Operations   | (1,222,692)        | (1,222,692)        | (2,795,898)        | (2,861,823)        | (1,573,206)        | (1,639,131)        |
| <b>Total - General Fund</b>                | <b>(1,222,692)</b> | <b>(1,222,692)</b> | <b>(2,795,898)</b> | <b>(2,861,823)</b> | <b>(1,573,206)</b> | <b>(1,639,131)</b> |
| State Insurance and Risk Mgmt Operations   | (896,058)          | (896,058)          | (2,680,618)        | (2,732,366)        | (1,784,560)        | (1,836,308)        |
| <b>Total - Special Transportation Fund</b> | <b>(896,058)</b>   | <b>(896,058)</b>   | <b>(2,680,618)</b> | <b>(2,732,366)</b> | <b>(1,784,560)</b> | <b>(1,836,308)</b> |

**Governor**

Reduce funding by \$1,222,692 in the General Fund and \$896,058 in the Transportation Fund in both FY18 and FY 19 to reflect anticipated spending requirements.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Reduce funding by \$2,795,898 in FY 18 and \$2,861,823 in FY 19 in the General Fund and \$2,680,618 in FY 18 and \$2,732,366 in FY 19 in the Transportation Fund to reflect anticipated spending requirements.

**Transfer Ownership of 25 Sigourney to DOT**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Other Expenses              | (912,800)        | (912,800)        | (912,800)        | (912,800)        | -        | -        |
| <b>Total - General Fund</b> | <b>(912,800)</b> | <b>(912,800)</b> | <b>(912,800)</b> | <b>(912,800)</b> | <b>-</b> | <b>-</b> |

**Governor**

Transfer funding of \$912,800 in both FY 18 and FY 19 to reflect the transfer of ownership of the 25 Sigourney Street building from DAS to the Department of Transportation (DOT).

**Legislative**

Same as Governor

**Eliminate 25 Sigourney Street Maintenance Costs**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Other Expenses              | (945,394)        | (945,394)        | (945,394)        | (945,394)        | -        | -        |
| <b>Total - General Fund</b> | <b>(945,394)</b> | <b>(945,394)</b> | <b>(945,394)</b> | <b>(945,394)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$945,394 in both FY 18 and FY 19 to reflect building maintenance savings from the unoccupied property at 25 Sigourney Street. The Department of Administrative Services' (DAS) will continue to incur certain operational costs, such as snow removal.

**Legislative**

Same as Governor

**Provide Funding for Utility Costs at Data Center**

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Rents and Moving            | 102,000        | 102,000        | 102,000        | 102,000        | -        | -        |
| <b>Total - General Fund</b> | <b>102,000</b> | <b>102,000</b> | <b>102,000</b> | <b>102,000</b> | <b>-</b> | <b>-</b> |

**Governor**

Provide funding of \$102,000 in both FY 18 and FY 19 for to pay certain utility costs at the state data center in Groton.

**Legislative**

Same as Governor

**Reduce Funding for CEN**

|                               |                  |                    |                  |                    |          |          |
|-------------------------------|------------------|--------------------|------------------|--------------------|----------|----------|
| Connecticut Education Network | (114,093)        | (1,067,000)        | (114,093)        | (1,067,000)        | -        | -        |
| <b>Total - General Fund</b>   | <b>(114,093)</b> | <b>(1,067,000)</b> | <b>(114,093)</b> | <b>(1,067,000)</b> | <b>-</b> | <b>-</b> |

**Background**

Connecticut Education Network (CEN) is part of the State's secure 'Nutmeg Network', whose purpose is to deliver reliable, high-speed internet access, and data transport services to its members throughout Connecticut.

**Governor**

Reduce funding by \$114,093 in FY 18 and \$1,067,000 in FY 19 to reflect the phasing out of DAS financial support for CEN.

**Legislative**

Same as Governor

**Transfer Management Services to Other Expenses**

|                             |             |             |             |             |          |          |
|-----------------------------|-------------|-------------|-------------|-------------|----------|----------|
| Other Expenses              | 3,072,794   | 3,086,905   | 3,072,794   | 3,086,905   | -        | -        |
| Management Services         | (3,072,794) | (3,086,905) | (3,072,794) | (3,086,905) | -        | -        |
| <b>Total - General Fund</b> | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b> | <b>-</b> |

**Background**

DAS has been utilizing two separate accounts to pay for lease expenditures, utility costs, and property management expenses based on a property's proximity to Hartford.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Transfer funding of \$3,072,794 in FY 18 and \$3,086,905 in FY 19 from Management Services to Other Expenses to place all leasing , utility and property management funding into one account.

**Legislative**

Same as Governor

**Transfer Two Positions and Associated Funding to FOIC & OSE**

|                                 |            |            |                  |                  |                  |                  |
|---------------------------------|------------|------------|------------------|------------------|------------------|------------------|
| Personal Services               | -          | -          | (132,481)        | (132,481)        | (132,481)        | (132,481)        |
| <b>Total - General Fund</b>     | -          | -          | <b>(132,481)</b> | <b>(132,481)</b> | <b>(132,481)</b> | <b>(132,481)</b> |
| <b>Positions - General Fund</b> | <b>(2)</b> | <b>(2)</b> | <b>(2)</b>       | <b>(2)</b>       | -                | -                |

**Background**

DAS provided the services of a Human Resources Specialist and a Fiscal Administrative Assistant to the watchdog agencies in FY 17 based on an MOU.

**Governor**

Transfer one Human Resources position to the Freedom of Information Commission and one Fiscal Administration position to the Office of State Ethics.

**Legislative**

Transfer funding of \$132,481 in both FY 18 and FY 19 to reflect the transfer of two positions:

- 1) One human resources position and \$76,502 is transferred to the Freedom of Information Commission, and
- 2) One fiscal position and \$55,979 is transferred to the Office of State Ethics.

**Annualize FY 17 Holdbacks**

|  |                    |                    |                    |                    |   |   |
|--|--------------------|--------------------|--------------------|--------------------|---|---|
| Personal Services                              | (1,493,835)        | (1,493,835)        | (1,493,835)        | (1,493,835)        | - | - |
| Other Expenses                                 | (301,543)          | (301,543)          | (301,543)          | (301,543)          | - | - |
| Management Services                            | (30,899)           | (30,899)           | (30,899)           | (30,899)           | - | - |
| Loss Control Risk Management                   | (3,088)            | (3,088)            | (3,088)            | (3,088)            | - | - |
| Employees' Review Board                        | (544)              | (544)              | (544)              | (544)              | - | - |
| Surety Bonds for State Officials and Employees | (1,951)            | (1,951)            | (1,951)            | (1,951)            | - | - |
| Refunds Of Collections                         | (663)              | (663)              | (663)              | (663)              | - | - |
| Rents and Moving                               | (312,658)          | (312,658)          | (312,658)          | (312,658)          | - | - |
| W. C. Administrator                            | (134,422)          | (134,422)          | (134,422)          | (134,422)          | - | - |
| Connecticut Education Network                  | (33,000)           | (33,000)           | (33,000)           | (33,000)           | - | - |
| State Insurance and Risk Mgmt Operations       | (135,854)          | (135,854)          | (135,854)          | (135,854)          | - | - |
| IT Services                                    | (396,012)          | (396,012)          | (396,012)          | (396,012)          | - | - |
| <b>Total - General Fund</b>                    | <b>(2,844,469)</b> | <b>(2,844,469)</b> | <b>(2,844,469)</b> | <b>(2,844,469)</b> | - | - |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

**Governor**

Reduce funding by \$2,844,469 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

**Legislative**

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Current Services

### Annualize Costs of Occupancy at 450 Columbus Blvd

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Other Expenses              | 656,461        | 656,461        | 656,461        | 656,461        | -        | -        |
| <b>Total - General Fund</b> | <b>656,461</b> | <b>656,461</b> | <b>656,461</b> | <b>656,461</b> | <b>-</b> | <b>-</b> |

#### Background

Annualization refers to providing the amount of resources necessary for a 12 month period of operation.

#### Governor

Provide funding of \$656,461 in both FY 18 and FY 19 to reflect full year funding for the occupancy costs at 450 Columbus Boulevard.

#### Legislative

Same as Governor

### Provide Funding for Various Adjustments

|  |                |                  |                |                  |          |          |
|--|----------------|------------------|----------------|------------------|----------|----------|
| Other Expenses                                 | 162,482        | 329,839          | 162,482        | 329,839          | -        | -        |
| Management Services                            | 13,700         | 27,811           | 13,700         | 27,811           | -        | -        |
| Surety Bonds for State Officials and Employees | 2,874          | 84,449           | 2,874          | 84,449           | -        | -        |
| Rents and Moving                               | 431,106        | 1,187,366        | 431,106        | 1,187,366        | -        | -        |
| State Insurance and Risk Mgmt Operations       | 65,909         | 329,606          | 65,909         | 329,606          | -        | -        |
| <b>Total - General Fund</b>                    | <b>676,071</b> | <b>1,959,071</b> | <b>676,071</b> | <b>1,959,071</b> | <b>-</b> | <b>-</b> |

#### Governor

Provide Funding of \$431,106 in FY 18 and \$1,187,366 in FY 19 for lease increases; \$176,182 in FY 18 and \$357,650 in FY 19 for contractual increases for security guards; \$65,909 in FY 18 and \$329,606 in FY 19 for insurance premium increases; and \$2,874 in FY 18 and \$84,449 surety bond renewal increases.

#### Legislative

Same as Governor

### Provide Funding for the Third Party Administrator

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| W. C. Administrator         | 653,648        | 653,648        | 653,648        | 653,648        | -        | -        |
| <b>Total - General Fund</b> | <b>653,648</b> | <b>653,648</b> | <b>653,648</b> | <b>653,648</b> | <b>-</b> | <b>-</b> |

#### Background

The Workers' Compensation Administrator account provides funding for the third party administrator (TPA) contract for workers' compensation claims administration and medical case management.

#### Governor

Provide funding of \$653,648 in both FY 18 and FY 19 to reflect the current TPA contractual obligation.

#### Legislative

Same as Governor

### Provide Funding for Rail Line Insurance

|  |                  |                  |                  |                  |          |          |
|--|------------------|------------------|------------------|------------------|----------|----------|
| State Insurance and Risk Mgmt Operations   | 2,073,723        | 2,280,715        | 2,073,723        | 2,280,715        | -        | -        |
| <b>Total - Special Transportation Fund</b> | <b>2,073,723</b> | <b>2,280,715</b> | <b>2,073,723</b> | <b>2,280,715</b> | <b>-</b> | <b>-</b> |

#### Background

Beginning in FY18, the Insurance and Risk management board will be required to purchase insurance for the new rail line from New Haven to Springfield.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Provide funding of \$2,073,723 in FY 18 and \$2,280,715 in FY 19 to purchase insurance for the new rail line.

**Legislative**

Same as Governor

**Carry Forward**

**Carry Forward Funding in Various Accounts**

|   |   |   |                |   |                |   |
|---|---|---|----------------|---|----------------|---|
| Other Expenses                              | - | - | 82,600         | - | 82,600         | - |
| Tuition Reimbursement - Training and Travel | - | - | 133,581        | - | 133,581        | - |
| Labor - Management Fund                     | - | - | 720,965        | - | 720,965        | - |
| <b>Total - Carry Forward Funding</b>        | - | - | <b>937,146</b> | - | <b>937,146</b> | - |

**Legislative**

Pursuant to CGS Sec. 4-89 (c), funds totaling \$937,146 are carried forward into FY 18 (\$82,600 in Other Expenses for Claims Commissioner expenses; \$133,581 in Tuition, Training and Travel; and \$720,965 in the Special Labor-Management Fund account).

**Totals**

| Budget Components             | Governor Recommended |                    | Legislative        |                    | Difference from Governor |                    |
|-------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|--------------------|
|                               | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19              |
| FY 17 Appropriation - GF      | 126,035,657          | 126,035,657        | 126,035,657        | 126,035,657        | -                        | -                  |
| Policy Revisions              | (8,665,592)          | (9,643,759)        | (11,988,511)       | (13,032,603)       | (3,322,919)              | (3,388,844)        |
| Current Services              | 1,986,180            | 3,269,180          | 1,986,180          | 3,269,180          | -                        | -                  |
| <b>Total Recommended - GF</b> | <b>119,356,245</b>   | <b>119,661,078</b> | <b>116,033,326</b> | <b>116,272,234</b> | <b>(3,322,919)</b>       | <b>(3,388,844)</b> |
| FY 17 Appropriation - TF      | 8,960,575            | 8,960,575          | 8,960,575          | 8,960,575          | -                        | -                  |
| Policy Revisions              | (896,058)            | (896,058)          | (2,680,618)        | (2,732,366)        | (1,784,560)              | (1,836,308)        |
| Current Services              | 2,073,723            | 2,280,715          | 2,073,723          | 2,280,715          | -                        | -                  |
| <b>Total Recommended - TF</b> | <b>10,138,240</b>    | <b>10,345,232</b>  | <b>8,353,680</b>   | <b>8,508,924</b>   | <b>(1,784,560)</b>       | <b>(1,836,308)</b> |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |       |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|-------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19 |
| FY 17 Appropriation - GF      | 665                  | 665        | 665         | 665        | -                        | -     |
| Policy Revisions              | (2)                  | (2)        | (2)         | (2)        | -                        | -     |
| <b>Total Recommended - GF</b> | <b>663</b>           | <b>663</b> | <b>663</b>  | <b>663</b> | -                        | -     |

## *Other Significant Legislation*

### **PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$103,820, a Labor Concessions Savings of \$1,699,505, and a Targeted Savings of \$2,446,904. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| <b>Account</b>                | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|-------------------------------|-------------------------|----------------------------|-------------------------|--------------------|
| Personal Services             | 47,168,198              | (1,803,325)                | 45,364,873              | 3.8%               |
| Other Expenses                | 28,543,249              | (1,427,162)                | 27,116,087              | 5.0%               |
| Connecticut Education Network | 952,907                 | (95,291)                   | 857,616                 | 10.0%              |
| IT Services                   | 12,489,014              | (624,451)                  | 11,864,563              | 5.0%               |
| Firefighters Fund             | 400,000                 | (300,000)                  | 100,000                 | 75.0%              |

## Attorney General OAG29000

### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 303             | 303             | 303                    | 303                  | 303   | 311         | 311   |

### Budget Summary

| Account                                   | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|   |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                         | 30,459,339        | 29,582,649        | 31,369,385             | 30,323,304           | 30,323,304        | 30,323,304        | 30,923,304        |
| Other Expenses                            | 1,257,826         | 991,811           | 998,871                | 968,906              | 968,906           | 968,906           | 1,068,906         |
| <b>Nonfunctional - Change to Accruals</b> | <b>123,440</b>    | <b>-</b>          | <b>-</b>               | <b>-</b>             | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Agency Total - General Fund</b>        | <b>31,840,605</b> | <b>30,574,461</b> | <b>32,368,256</b>      | <b>31,292,210</b>    | <b>31,292,210</b> | <b>31,292,210</b> | <b>31,992,210</b> |
| <b>Additional Funds Available</b>         |                   |                   |                        |                      |                   |                   |                   |
| Federal Funds                             | -                 | 95,274            | -                      | -                    | -                 | -                 | -                 |
| Private Contributions & Other Restricted  | -                 | 2,591,229         | 2,620,000              | 2,648,000            | 2,660,000         | 2,648,000         | 2,660,000         |
| Private Contributions                     | -                 | 177,103           | 260,000                | 360,000              | 360,000           | 360,000           | 360,000           |
| <b>Agency Grand Total</b>                 | <b>31,840,605</b> | <b>33,438,067</b> | <b>35,248,256</b>      | <b>34,300,210</b>    | <b>34,312,210</b> | <b>34,300,210</b> | <b>35,012,210</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

## Policy Revisions

### Annualize FY 17 Holdbacks

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | (941,081)        | (941,081)        | (941,081)        | (941,081)        | -        | -        |
| Other Expenses              | (29,965)         | (29,965)         | (29,965)         | (29,965)         | -        | -        |
| <b>Total - General Fund</b> | <b>(971,046)</b> | <b>(971,046)</b> | <b>(971,046)</b> | <b>(971,046)</b> | <b>-</b> | <b>-</b> |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in each of FY 18 and FY 19 across various agencies.

#### Governor

Reduce funding by \$971,046 in each of FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

### Reduce Funding for Personal Services

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | (105,000)        | (105,000)        | (105,000)        | (105,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(105,000)</b> | <b>(105,000)</b> | <b>(105,000)</b> | <b>(105,000)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding by \$105,000 in each of FY 18 and FY 19 to achieve savings.

#### Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Add Attorneys and Increase Funding for Expenses**

|                                 |   |   |          |                |          |                |
|---------------------------------|---|---|----------|----------------|----------|----------------|
| Personal Services               | - | - | -        | 600,000        | -        | 600,000        |
| Other Expenses                  | - | - | -        | 100,000        | -        | 100,000        |
| <b>Total - General Fund</b>     | - | - | -        | <b>700,000</b> | -        | <b>700,000</b> |
| <b>Positions - General Fund</b> | - | - | <b>8</b> | <b>8</b>       | <b>8</b> | <b>8</b>       |

**Legislative**

Provide funding of \$800,000 in each of FY 18 and FY 19 to support eight attorney positions and related expenses in order to enhance legal representation. A portion of the increased funding to other expenses reflects the anticipated costs of agency relocation.

**Totals**

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |                |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|----------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19          |
| FY 17 Appropriation - GF      | 32,368,256           | 32,368,256        | 32,368,256        | 32,368,256        | -                        | -              |
| Policy Revisions              | (1,076,046)          | (1,076,046)       | (1,076,046)       | (376,046)         | -                        | 700,000        |
| <b>Total Recommended - GF</b> | <b>31,292,210</b>    | <b>31,292,210</b> | <b>31,292,210</b> | <b>31,992,210</b> | -                        | <b>700,000</b> |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |          |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|----------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 303                  | 303        | 303         | 303        | -                        | -        |
| Policy Revisions              | -                    | -          | 8           | 8          | 8                        | 8        |
| <b>Total Recommended - GF</b> | <b>303</b>           | <b>303</b> | <b>311</b>  | <b>311</b> | <b>8</b>                 | <b>8</b> |

**Other Significant Legislation**

**PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$66,743, a Labor Concessions Savings of \$978,213, and a Targeted Savings of \$48,445. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account           | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|-------------------|------------------|---------------------|------------------|-------------|
| Personal Services | 30,323,304       | (1,044,956)         | 29,278,348       | 3.4%        |
| Other Expenses    | 968,906          | (48,445)            | 920,461          | 5.0%        |

## Division of Criminal Justice DCJ30000

### Permanent Full-Time Positions

| Fund                       | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|----------------------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|                            |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund               | 498             | 486             | 486                    | 486                  | 486   | 486         | 486   |
| Workers' Compensation Fund | 4               | 4               | 4                      | 4                    | 4     | 4           | 4     |

### Budget Summary

| Account  | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|--|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|  |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                                | 46,940,489        | 47,927,316        | 45,296,055             | 45,591,267           | 45,591,267        | 44,094,555        | 44,021,057        |
| Other Expenses                                   | 2,708,695         | 2,557,340         | 2,359,373              | 2,403,280            | 2,403,280         | 2,276,404         | 2,273,280         |
| <b>Other Current Expenses</b>                    |                   |                   |                        |                      |                   |                   |                   |
| Witness Protection                               | 251,104           | 246,094           | 165,806                | 164,148              | 164,148           | 164,148           | 164,148           |
| Training And Education                           | 44,154            | 37,156            | 52,044                 | 30,000               | 30,000            | 27,398            | 27,398            |
| Expert Witnesses                                 | 123,635           | 127,605           | 191,757                | 145,000              | 145,000           | 135,413           | 135,413           |
| Medicaid Fraud Control                           | 1,120,952         | 1,054,950         | 1,107,897              | 1,096,819            | 1,096,819         | 1,041,425         | 1,041,425         |
| Criminal Justice Commission                      | 159               | 406               | 444                    | 431                  | 431               | 409               | 409               |
| Cold Case Unit                                   | 269,262           | 176,198           | 240,619                | -                    | -                 | 228,213           | 228,213           |
| Shooting Taskforce                               | 1,012,651         | 1,063,626         | 1,044,948              | -                    | -                 | 1,034,499         | 1,034,499         |
| <b>Nonfunctional - Change to Accruals</b>        | <b>156,727</b>    | <b>-</b>          | <b>-</b>               | <b>-</b>             | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Agency Total - General Fund</b>               | <b>52,627,828</b> | <b>53,190,691</b> | <b>50,458,943</b>      | <b>49,430,945</b>    | <b>49,430,945</b> | <b>49,002,464</b> | <b>48,925,842</b> |
| Personal Services                                | 314,927           | 290,570           | 405,969                | 369,969              | 369,969           | 369,969           | 369,969           |
| Other Expenses                                   | 5,211             | 6,912             | 10,428                 | 10,428               | 10,428            | 10,428            | 10,428            |
| Fringe Benefits                                  | 251,013           | 247,155           | 339,273                | 306,273              | 306,273           | 306,273           | 306,273           |
| <b>Nonfunctional - Change to Accruals</b>        | <b>(3,398)</b>    | <b>-</b>          | <b>-</b>               | <b>-</b>             | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Agency Total - Workers' Compensation Fund</b> | <b>567,753</b>    | <b>544,637</b>    | <b>755,670</b>         | <b>686,670</b>       | <b>686,670</b>    | <b>686,670</b>    | <b>686,670</b>    |
| <b>Total - Appropriated Funds</b>                | <b>53,195,581</b> | <b>53,735,328</b> | <b>51,214,613</b>      | <b>50,117,615</b>    | <b>50,117,615</b> | <b>49,689,134</b> | <b>49,612,512</b> |
| <b>Additional Funds Available</b>                |                   |                   |                        |                      |                   |                   |                   |
| Federal Funds                                    | -                 | 1,057,596         | 1,047,911              | 1,017,500            | 1,027,500         | 1,017,500         | 1,027,500         |
| Private Contributions & Other Restricted         | -                 | 146,873           | 150,000                | 150,000              | 150,000           | 150,000           | 150,000           |
| Private Contributions                            | -                 | 125,455           | 135,304                | 135,500              | 135,500           | 135,500           | 135,500           |
| <b>Agency Grand Total</b>                        | <b>53,195,581</b> | <b>55,065,252</b> | <b>52,547,828</b>      | <b>51,420,615</b>    | <b>51,430,615</b> | <b>50,992,134</b> | <b>50,925,512</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Policy Revisions

#### Maintain Cold Case and Shooting Taskforce Unit

|                    |             |             |   |   |             |             |
|--------------------|-------------|-------------|---|---|-------------|-------------|
| Personal Services  | 1,195,212   | 1,195,212   | - | - | (1,195,212) | (1,195,212) |
| Other Expenses     | 67,500      | 67,500      | - | - | (67,500)    | (67,500)    |
| Cold Case Unit     | (228,213)   | (228,213)   | - | - | 228,213     | 228,213     |
| Shooting Taskforce | (1,034,499) | (1,034,499) | - | - | 1,034,499   | 1,034,499   |

| Account                     | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|-----------------------------|----------------------|-------|-------------|-------|--------------------------|-------|
|                             | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
| <b>Total - General Fund</b> | -                    | -     | -           | -     | -                        | -     |

**Background**

The Cold Case/Shooting Task Force Unit is responsible for the investigation and prosecution of violent crime. The Unit investigate and, whenever possible, prosecute serious crimes that have gone "cold," or unsolved for a long period of time. The cases assigned to this Unit typically include unsolved murders, some of which took place decades ago. The Unit works closely with the Connecticut State Police, municipal police departments, and nationally recognized forensics experts, utilizing the latest technology to solve these crimes.

**Governor**

Reallocate funding for the Cold Case and Shooting Taskforce Units to the Personal Services and Other Expenses accounts.

**Legislative**

Maintain funding for the Cold Case Unit and Shooting Taskforce in separate accounts. Section 167 of PA 17-2 JSS specifies that the account remain separate.

**Annualize FY 17 Savings for Turnover**

|   |                  |                  |                  |                  |          |          |
|---|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services                         | (400,000)        | (400,000)        | (400,000)        | (400,000)        | -        | -        |
| <b>Total - General Fund</b>               | <b>(400,000)</b> | <b>(400,000)</b> | <b>(400,000)</b> | <b>(400,000)</b> | <b>-</b> | <b>-</b> |
| Personal Services                         | (36,000)         | (36,000)         | (36,000)         | (36,000)         | -        | -        |
| Fringe Benefits                           | (33,000)         | (33,000)         | (33,000)         | (33,000)         | -        | -        |
| <b>Total - Workers' Compensation Fund</b> | <b>(69,000)</b>  | <b>(69,000)</b>  | <b>(69,000)</b>  | <b>(69,000)</b>  | <b>-</b> | <b>-</b> |

**Background**

Annualization refers to providing the amount of resources necessary for a 12 month period of operation.

**Governor**

Reduce funding by \$469,000 in both FY 18 and FY 19 to reflect full year savings from turnover.

**Legislative**

Same as Governor

**Achieve Efficiencies**

|                             |          |          |                  |                  |                  |                  |
|-----------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Personal Services           | -        | -        | (301,500)        | (374,998)        | (301,500)        | (374,998)        |
| Other Expenses              | -        | -        | (59,376)         | (62,500)         | (59,376)         | (62,500)         |
| Training And Education      | -        | -        | (2,602)          | (2,602)          | (2,602)          | (2,602)          |
| Expert Witnesses            | -        | -        | (9,587)          | (9,587)          | (9,587)          | (9,587)          |
| Medicaid Fraud Control      | -        | -        | (55,394)         | (55,394)         | (55,394)         | (55,394)         |
| Criminal Justice Commission | -        | -        | (22)             | (22)             | (22)             | (22)             |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>(428,481)</b> | <b>(505,103)</b> | <b>(428,481)</b> | <b>(505,103)</b> |

**Legislative**

Reduce funding by \$428,481 in FY 18 and \$505,103 in FY 19 to reflect savings that will be achieved.

**Annualize FY 17 Holdbacks**

|                             |                    |                    |                    |                    |          |          |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Personal Services           | (1,619,166)        | (1,619,166)        | (1,619,166)        | (1,619,166)        | -        | -        |
| Other Expenses              | (23,593)           | (23,593)           | (23,593)           | (23,593)           | -        | -        |
| Witness Protection          | (1,658)            | (1,658)            | (1,658)            | (1,658)            | -        | -        |
| Training And Education      | (22,044)           | (22,044)           | (22,044)           | (22,044)           | -        | -        |
| Expert Witnesses            | (46,757)           | (46,757)           | (46,757)           | (46,757)           | -        | -        |
| Medicaid Fraud Control      | (11,078)           | (11,078)           | (11,078)           | (11,078)           | -        | -        |
| Criminal Justice Commission | (13)               | (13)               | (13)               | (13)               | -        | -        |
| Cold Case Unit              | (12,406)           | (12,406)           | (12,406)           | (12,406)           | -        | -        |
| Shooting Taskforce          | (10,449)           | (10,449)           | (10,449)           | (10,449)           | -        | -        |
| <b>Total - General Fund</b> | <b>(1,747,164)</b> | <b>(1,747,164)</b> | <b>(1,747,164)</b> | <b>(1,747,164)</b> | <b>-</b> | <b>-</b> |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Reduce funding by \$1,747,164 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

**Legislative**

Same as Governor

**Current Services**

**Provide Personal Services Funding**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | 1,119,166        | 1,119,166        | 1,119,166        | 1,119,166        | -        | -        |
| <b>Total - General Fund</b> | <b>1,119,166</b> | <b>1,119,166</b> | <b>1,119,166</b> | <b>1,119,166</b> | <b>-</b> | <b>-</b> |

**Governor**

Provide funding of \$1,119,166 in both FY 18 and FY 19 to reflect current requirements for this account.

**Legislative**

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |                  |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|------------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19            |
| FY 17 Appropriation - GF      | 50,458,943           | 50,458,943        | 50,458,943        | 50,458,943        | -                        | -                |
| Policy Revisions              | (2,147,164)          | (2,147,164)       | (2,575,645)       | (2,652,267)       | (428,481)                | (505,103)        |
| Current Services              | 1,119,166            | 1,119,166         | 1,119,166         | 1,119,166         | -                        | -                |
| <b>Total Recommended - GF</b> | <b>49,430,945</b>    | <b>49,430,945</b> | <b>49,002,464</b> | <b>48,925,842</b> | <b>(428,481)</b>         | <b>(505,103)</b> |
| FY 17 Appropriation - WF      | 755,670              | 755,670           | 755,670           | 755,670           | -                        | -                |
| Policy Revisions              | (69,000)             | (69,000)          | (69,000)          | (69,000)          | -                        | -                |
| <b>Total Recommended - WF</b> | <b>686,670</b>       | <b>686,670</b>    | <b>686,670</b>    | <b>686,670</b>    | <b>-</b>                 | <b>-</b>         |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |          |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|----------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 486                  | 486        | 486         | 486        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>486</b>           | <b>486</b> | <b>486</b>  | <b>486</b> | <b>-</b>                 | <b>-</b> |
| FY 17 Appropriation - WF      | 4                    | 4          | 4           | 4          | -                        | -        |
| <b>Total Recommended - WF</b> | <b>4</b>             | <b>4</b>   | <b>4</b>    | <b>4</b>   | <b>-</b>                 | <b>-</b> |

**PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$97,055, a Labor Concessions Savings of \$2,339,229, and a Targeted Savings of \$113,820. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| <b>Account</b>         | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|------------------------|-------------------------|----------------------------|-------------------------|--------------------|
| Personal Services      | 44,464,524              | (2,393,482)                | 42,071,042              | 7.8%               |
| Other Expenses         | 2,276,404               | (113,820)                  | 2,162,584               | 5.0%               |
| Medicaid Fraud Control | 1,041,425               | (23,102)                   | 1,018,323               | 2.2%               |
| Cold Case Unit         | 228,213                 | (901)                      | 227,312                 | 0.4%               |
| Shooting Taskforce     | 1,034,499               | (18,799)                   | 1,015,700               | 1.8%               |

## Department of Emergency Services and Public Protection

### DPS32000

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 1,733           | 1,733           | 1,733                  | 1,736                | 1,736 | 1,735       | 1,735 |

#### Budget Summary

| Account   | Actual<br>FY 15    | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|---|--------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|   |                    |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| Personal Services                               | 145,815,286        | 146,232,420        | 136,557,561            | 146,714,985          | 148,840,423        | 144,109,537        | 146,234,975        |
| Other Expenses                                  | 28,644,251         | 28,435,284         | 26,275,160             | 27,396,849           | 26,678,310         | 26,623,919         | 26,611,310         |
| Equipment                                       | 89,289             | 87,003             | 86,580                 | -                    | -                  | -                  | -                  |
| <b>Other Current Expenses</b>                   |                    |                    |                        |                      |                    |                    |                    |
| Stress Reduction                                | 75,108             | 250                | 25,354                 | 25,354               | 25,354             | 25,354             | 25,354             |
| Fleet Purchase                                  | 6,006,001          | 5,979,054          | 6,394,806              | 6,518,502            | 6,897,277          | 6,202,962          | 6,581,737          |
| Gun Law Enforcement Task Force                  | 633,735            | -                  | -                      | -                    | -                  | -                  | -                  |
| Workers' Compensation Claims                    | 5,603,473          | 4,243,453          | 4,293,814              | 4,541,962            | 4,636,817          | 4,541,962          | 4,636,817          |
| Criminal Justice Information System             | -                  | -                  | -                      | 2,392,840            | 2,739,398          | 2,392,840          | 2,739,398          |
| <b>Other Than Payments to Local Governments</b> |                    |                    |                        |                      |                    |                    |                    |
| Fire Training School - Willimantic              | 146,024            | 93,176             | 76,900                 | 20,000               | 20,000             | 150,076            | 150,076            |
| Maintenance of County Base Fire Radio Network   | 23,918             | 22,681             | 22,368                 | 21,698               | 21,698             | 21,698             | 21,698             |
| Maintenance of State-Wide Fire Radio Network    | 15,919             | 15,096             | 14,887                 | 14,441               | 14,441             | 14,441             | 14,441             |
| Police Association of Connecticut               | 88,535             | 99,660             | 177,683                | 172,353              | 172,353            | 172,353            | 172,353            |
| Connecticut State Firefighter's Association     | 159,562            | 133,077            | 182,087                | 176,625              | 176,625            | 176,625            | 176,625            |
| Fire Training School - Torrington               | 73,435             | 56,083             | 46,150                 | 20,000               | 20,000             | 81,367             | 81,367             |
| Fire Training School - New Haven                | 43,649             | 37,455             | 30,000                 | 20,000               | 20,000             | 48,364             | 48,364             |
| Fire Training School - Derby                    | 33,519             | 28,082             | 23,100                 | 20,000               | 20,000             | 37,139             | 37,139             |
| Fire Training School - Wolcott                  | 90,397             | 65,370             | 53,830                 | 20,000               | 20,000             | 100,162            | 100,162            |
| Fire Training School - Fairfield                | 63,533             | 46,706             | 37,700                 | 20,000               | 20,000             | 70,395             | 70,395             |
| Fire Training School - Hartford                 | 152,827            | 93,090             | 76,900                 | 20,000               | 20,000             | 169,336            | 169,336            |
| Fire Training School - Middletown               | 53,296             | 27,835             | 23,100                 | 20,000               | 20,000             | 68,470             | 68,470             |
| Fire Training School - Stamford                 | 50,028             | 27,875             | 22,320                 | 20,000               | 20,000             | 55,432             | 55,432             |
| <b>Nonfunctional - Change to Accruals</b>       | <b>(18,429)</b>    | -                  | -                      | -                    | -                  | -                  | -                  |
| <b>Agency Total - General Fund</b>              | <b>187,843,356</b> | <b>185,723,649</b> | <b>174,420,300</b>     | <b>188,155,609</b>   | <b>190,382,696</b> | <b>185,062,432</b> | <b>187,995,449</b> |
| <b>Additional Funds Available</b>               |                    |                    |                        |                      |                    |                    |                    |
| Carry Forward Funding                           | -                  | -                  | -                      | -                    | -                  | 49,954             | -                  |
| Federal Funds                                   | -                  | 38,339,883         | 63,417,030             | 23,313,446           | 20,050,488         | 23,313,446         | 20,050,488         |
| Private Contributions & Other Restricted        | -                  | 33,441,727         | 36,079,443             | 37,070,448           | 37,384,772         | 37,070,448         | 37,384,772         |
| Private Contributions                           | -                  | 2,262,700          | 2,605,016              | 2,367,683            | 2,367,683          | 2,367,683          | 2,367,683          |
| <b>Agency Grand Total</b>                       | <b>187,843,356</b> | <b>259,767,959</b> | <b>276,521,789</b>     | <b>250,907,186</b>   | <b>250,185,639</b> | <b>247,863,963</b> | <b>247,798,392</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Provide Funding for Fire Training Schools

|                                    |   |   |                |                |                |                |
|------------------------------------|---|---|----------------|----------------|----------------|----------------|
| Fire Training School - Willimantic | - | - | 73,176         | 73,176         | 73,176         | 73,176         |
| Fire Training School - Torrington  | - | - | 35,217         | 35,217         | 35,217         | 35,217         |
| Fire Training School - New Haven   | - | - | 18,364         | 18,364         | 18,364         | 18,364         |
| Fire Training School - Derby       | - | - | 14,039         | 14,039         | 14,039         | 14,039         |
| Fire Training School - Wolcott     | - | - | 46,332         | 46,332         | 46,332         | 46,332         |
| Fire Training School - Fairfield   | - | - | 32,695         | 32,695         | 32,695         | 32,695         |
| Fire Training School - Hartford    | - | - | 92,436         | 92,436         | 92,436         | 92,436         |
| Fire Training School - Middletown  | - | - | 45,370         | 45,370         | 45,370         | 45,370         |
| Fire Training School - Stamford    | - | - | 33,112         | 33,112         | 33,112         | 33,112         |
| <b>Total - General Fund</b>        | - | - | <b>390,741</b> | <b>390,741</b> | <b>390,741</b> | <b>390,741</b> |

#### Background

There are nine regional fire training schools throughout the state that provide training to municipal fire departments. These schools typically receive funding from state and local government to provide training and resources to professional and volunteer firefighters.

#### Legislative

Provide funding of \$390,741 in FY 18 and FY 19 to regional fire schools to cover operating expenses and administrative costs.

### Defer FY 17 Trooper Class

|                             |   |   |                    |                    |                    |                    |
|-----------------------------|---|---|--------------------|--------------------|--------------------|--------------------|
| Personal Services           | - | - | (3,000,000)        | (3,000,000)        | (3,000,000)        | (3,000,000)        |
| <b>Total - General Fund</b> | - | - | <b>(3,000,000)</b> | <b>(3,000,000)</b> | <b>(3,000,000)</b> | <b>(3,000,000)</b> |

#### Background

Each year, the Department aims to commence a trooper class for the purpose of refilling patrol positions within the State Police Division. They aim to graduate approximately 60 troopers per class, as that is the average number of retirees anticipated each year.

#### Legislative

Reduce funding for Personal Services by \$3,000,000 associated with deferring the FY 17 trooper class. Although the class was set to commence in FY 17, the salaries for the cadets would have been paid in FY 18.

### Reduce Overtime Associated with Software

|                             |                  |                  |          |          |                |                |
|-----------------------------|------------------|------------------|----------|----------|----------------|----------------|
| Personal Services           | (457,767)        | (457,767)        | -        | -        | 457,767        | 457,767        |
| Other Expenses              | 67,000           | 67,000           | -        | -        | (67,000)       | (67,000)       |
| <b>Total - General Fund</b> | <b>(390,767)</b> | <b>(390,767)</b> | <b>-</b> | <b>-</b> | <b>390,767</b> | <b>390,767</b> |

#### Governor

Reduce funding by \$390,767 in both FY 18 and FY 19 to reflect an overtime savings initiative. Reduce Personal Services by \$457,767 in both FY 18 and FY 19 through the utilization of the National Crime Information Center (NCIC) Peak Performance Project. The system allows for online training, validations and audits to be conducted on-site during the work day and thereby reducing staff overtime expenses normally used for training. This overtime savings is partially offset by purchasing and maintaining an online certification system for \$67,000.

#### Legislative

Do not provide \$67,000 of funding for the purchasing and maintenance of an online certification system and do not reduce funding to reflect an associated savings in overtime from reducing staff expenses normally used for trainings and certification.

### Transfer Funding for Criminal Justice Information System

|                                     |                  |                  |                  |                  |          |          |
|-------------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Criminal Justice Information System | 2,392,840        | 2,739,398        | 2,392,840        | 2,739,398        | -        | -        |
| <b>Total - General Fund</b>         | <b>2,392,840</b> | <b>2,739,398</b> | <b>2,392,840</b> | <b>2,739,398</b> | <b>-</b> | <b>-</b> |

#### Background

Connecticut's Criminal Justice Information System (CJIS) is the umbrella term for the agencies with criminal justice responsibilities. CJIS was created to enhance communication and information sharing across criminal justice agencies. The primary responsibility of

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

CJIS is the development and management of the Connecticut Information Sharing System, the information technology system which allows for electronic information sharing across agencies.

**Governor**

Transfer Criminal Justice Information System (CJIS) funding of \$2,392,840 in FY 18 and \$2,739,398 in FY 19 from OPM to DESPP. DESPP assumed management of CJIS in July 2015.

**Legislative**

Same as Governor

**Increase Fire Prevention/Control Certification Testing Fees**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Other Expenses              | (130,000)        | (130,000)        | (130,000)        | (130,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(130,000)</b> | <b>(130,000)</b> | <b>(130,000)</b> | <b>(130,000)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$130,000 in both FY 18 and FY 19 to reflect the state savings from increasing certain Division of Fire Prevention and Control certification testing fees.

**Legislative**

Same as Governor

**Reduce Funding to Various Accounts**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Other Expenses              | (282,800)        | (282,800)        | (282,800)        | (282,800)        | -        | -        |
| Equipment                   | (83,983)         | (83,983)         | (83,983)         | (83,983)         | -        | -        |
| <b>Total - General Fund</b> | <b>(366,783)</b> | <b>(366,783)</b> | <b>(366,783)</b> | <b>(366,783)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$366,783 in both FY 18 and FY 19 in the Other Expenses and Equipment accounts to achieve savings.

**Legislative**

Same as Governor

**Annualize FY 17 Holdbacks**

|   |                    |                    |                    |                    |                |                |
|---|--------------------|--------------------|--------------------|--------------------|----------------|----------------|
| Personal Services                             | (4,096,726)        | (4,096,726)        | (4,096,726)        | (4,096,726)        | -              | -              |
| Other Expenses                                | (262,751)          | (262,751)          | (262,751)          | (262,751)          | -              | -              |
| Equipment                                     | (2,597)            | (2,597)            | (2,597)            | (2,597)            | -              | -              |
| Fleet Purchase                                | (191,844)          | (191,844)          | (191,844)          | (191,844)          | -              | -              |
| Workers' Compensation Claims                  | (128,814)          | (128,814)          | (128,814)          | (128,814)          | -              | -              |
| Fire Training School - Willimantic            | (56,900)           | (56,900)           | -                  | -                  | 56,900         | 56,900         |
| Maintenance of County Base Fire Radio Network | (670)              | (670)              | (670)              | (670)              | -              | -              |
| Maintenance of State-Wide Fire Radio Network  | (446)              | (446)              | (446)              | (446)              | -              | -              |
| Police Association of Connecticut             | (5,330)            | (5,330)            | (5,330)            | (5,330)            | -              | -              |
| Connecticut State Firefighter's Association   | (5,462)            | (5,462)            | (5,462)            | (5,462)            | -              | -              |
| Fire Training School - Torrington             | (26,150)           | (26,150)           | -                  | -                  | 26,150         | 26,150         |
| Fire Training School - New Haven              | (10,000)           | (10,000)           | -                  | -                  | 10,000         | 10,000         |
| Fire Training School - Derby                  | (3,100)            | (3,100)            | -                  | -                  | 3,100          | 3,100          |
| Fire Training School - Wolcott                | (33,830)           | (33,830)           | -                  | -                  | 33,830         | 33,830         |
| Fire Training School - Fairfield              | (17,700)           | (17,700)           | -                  | -                  | 17,700         | 17,700         |
| Fire Training School - Hartford               | (56,900)           | (56,900)           | -                  | -                  | 56,900         | 56,900         |
| Fire Training School - Middletown             | (3,100)            | (3,100)            | -                  | -                  | 3,100          | 3,100          |
| Fire Training School - Stamford               | (2,320)            | (2,320)            | -                  | -                  | 2,320          | 2,320          |
| <b>Total - General Fund</b>                   | <b>(4,904,640)</b> | <b>(4,904,640)</b> | <b>(4,694,640)</b> | <b>(4,694,640)</b> | <b>210,000</b> | <b>210,000</b> |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Reduce funding by \$4,904,640 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

**Legislative**

Reduce funding by \$4,694,640 to annualize FY 17 holdbacks. Do not holdback \$210,000 of funding related to the regional fire schools.

**Current Services****FY 17 RSA transfer for NP-1 Contract**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | 8,478,586        | 8,478,586        | 8,478,586        | 8,478,586        | -        | -        |
| <b>Total - General Fund</b> | <b>8,478,586</b> | <b>8,478,586</b> | <b>8,478,586</b> | <b>8,478,586</b> | <b>-</b> | <b>-</b> |

**Background**

In FY 17, \$8,478,586 was transferred from the Reserve for Salary Adjustment account for the settlement of the NP-1 contract.

**Governor**

Transfer funding of \$8,478,586 in both FY 18 and FY 19 from the Reserve for Salary Adjustment (RSA) account to DESPP for the FY 17 wage and compensation costs of the settled NP-1 contract.

**Legislative**

Same as Governor

**Provide Funding for Wage Increases for the NP-1 Contract**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | 6,010,711        | 8,136,149        | 6,010,711        | 8,136,149        | -        | -        |
| <b>Total - General Fund</b> | <b>6,010,711</b> | <b>8,136,149</b> | <b>6,010,711</b> | <b>8,136,149</b> | <b>-</b> | <b>-</b> |

**Background**

The State Police NP-1 union contract expires in June 2018. The funds are now budgeted in the Department of Emergency Services and Public Protection Personal Services account.

**Governor**

Provide funding of \$6,010,711 in FY 18 and \$8,136,149 in FY 19 for the NP -1 Union contract settlement. This reflects the FY 18 COLAs and Annual Increments awarded in the contract.

**Legislative**

Same as Governor

**Provide Funding Related to Body Worn Camera Devices**

|                                 |                |                |                |                |                 |                 |
|---------------------------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| Personal Services               | 222,620        | 222,620        | 159,405        | 159,405        | (63,215)        | (63,215)        |
| Other Expenses                  | 225,000        | 225,000        | 225,000        | 225,000        | -               | -               |
| <b>Total - General Fund</b>     | <b>447,620</b> | <b>447,620</b> | <b>384,405</b> | <b>384,405</b> | <b>(63,215)</b> | <b>(63,215)</b> |
| <b>Positions - General Fund</b> | <b>3</b>       | <b>3</b>       | <b>2</b>       | <b>2</b>       | <b>(1)</b>      | <b>(1)</b>      |

**Background**

PA 15-4 requires that the State Police use body worn cameras while interacting with the public in their law enforcement capacity. Bond funds were designated for the purchase of the cameras and did not include ongoing support and maintenance costs of the program.

**Governor**

Provide funding of \$447,920 in both FY 18 and FY 19 for three positions including a Forensic Scientist, an IT Analyst and a Paralegal to handle the video redaction workload associated with increased FOIA requests for body camera information. Funding includes \$225,000 for ongoing support and maintenance of the cameras and digital storage.

**Legislative**

Provide funding of \$384,405 in both FY 18 and FY 19 for two positions including a Forensic Scientist and an IT Analyst to handle the video redaction workload associated with increased FOIA requests for body camera information. Funding includes \$225,000 for ongoing support and maintenance of the cameras and digital storage.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Replace State Police Vehicles and Bulletproof Vests**

|                             |                |                |          |                |                  |                  |
|-----------------------------|----------------|----------------|----------|----------------|------------------|------------------|
| Other Expenses              | 436,014        | -              | -        | -              | (436,014)        | -                |
| Fleet Purchase              | 315,540        | 694,315        | -        | 378,775        | (315,540)        | (315,540)        |
| <b>Total - General Fund</b> | <b>751,554</b> | <b>694,315</b> | <b>-</b> | <b>378,775</b> | <b>(751,554)</b> | <b>(315,540)</b> |

**Background**

The department's replacement schedule is for 250 patrol vehicles and 50 specialty/administrative vehicles annually. Bulletproof vests are replaced on a five year cycle.

**Governor**

Provide funding of \$436,014 in FY 18 for the replacement of bulletproof vests. Provide funding of \$315,540 in FY 18 and \$694,315 in 19 is provided for the replacement of State Police Vehicles.

**Legislative**

Provide funding of \$378,775 in FY19 for the replacement of State Police Vehicles.

**Provide Funding for a Trooper Class in FY 18**

|                             |                |          |                |          |          |          |
|-----------------------------|----------------|----------|----------------|----------|----------|----------|
| Other Expenses              | 438,200        | -        | 438,200        | -        | -        | -        |
| <b>Total - General Fund</b> | <b>438,200</b> | <b>-</b> | <b>438,200</b> | <b>-</b> | <b>-</b> | <b>-</b> |

**Background**

A recruit trooper training class begins with 80 recruits. Salaries for recruits are included within Personal Services, and are often paid from savings associated with retirements throughout the fiscal year.

**Governor**

Provide funding of \$438,200 to provide equipment and outfitting for a Trooper Class in FY 18.

**Legislative**

Same as Governor

**Adjust Funding to Reflect the FY 17 Deficiency**

|                              |                |                |                |                |          |          |
|------------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Workers' Compensation Claims | 376,962        | 471,817        | 376,962        | 471,817        | -        | -        |
| <b>Total - General Fund</b>  | <b>376,962</b> | <b>471,817</b> | <b>376,962</b> | <b>471,817</b> | <b>-</b> | <b>-</b> |

**Background**

HB 7026, the Governor's deficiency bill, results in no net increase to the General Fund. Increases of \$28.4 million are offset by funding reductions in various accounts. The bill includes 300,000 in deficiency funding in FY 17 for this agency in the Workers' Compensation Claims account. This funding is required based on historical increases to the Workers' Compensation Claims account have been 6%.

**Governor**

Provide funding of \$376,962 in FY 18 and \$471,817 in FY 19 to reflect the annualization of the agency's FY 17 deficiency.

**Legislative**

Same as Governor

**Provide Funding for Various IT Programs and Maintenance**

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Other Expenses              | 361,110        | 492,794        | 361,110        | 492,794        | -        | -        |
| <b>Total - General Fund</b> | <b>361,110</b> | <b>492,794</b> | <b>361,110</b> | <b>492,794</b> | <b>-</b> | <b>-</b> |

**Background**

The microwave radio network is a statewide infrastructure used for inter-departmental communication. The Law Enforcement Administration software is used for various trainings, certification, and communications functions.

**Governor**

Provide funding of \$361,110 in FY 18 and \$492,794 in FY 19 for IT maintenance contract increases for the microwave radio network, Law Enforcement Administration Software as well as CADRMS mobility software and training audit/validation program for COLLECT users.

**Legislative**

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Provide Funding for Lab Supplies

|                             |                |                |          |                |                  |          |
|-----------------------------|----------------|----------------|----------|----------------|------------------|----------|
| Other Expenses              | 269,916        | 293,907        | -        | 293,907        | (269,916)        | -        |
| <b>Total - General Fund</b> | <b>269,916</b> | <b>293,907</b> | <b>-</b> | <b>293,907</b> | <b>(269,916)</b> | <b>-</b> |

#### Background

Lab supplies are used to process forensics evidence.

#### Governor

Provide funding of \$269,916 in FY 18 and \$293,907 in FY 19 for lab supplies due to a growth in case load.

#### Legislative

Provide funding of \$293,907 in FY 19 for lab supplies due to case load growth.

## Carry Forward

### Carry Forward for Stress Reduction

|                                      |          |          |               |          |               |          |
|--------------------------------------|----------|----------|---------------|----------|---------------|----------|
| Stress Reduction                     | -        | -        | 49,954        | -        | 49,954        | -        |
| <b>Total - Carry Forward Funding</b> | <b>-</b> | <b>-</b> | <b>49,954</b> | <b>-</b> | <b>49,954</b> | <b>-</b> |

#### Legislative

Pursuant to CGS 5-278, and in accordance with section 10(c), article 33, of the collectively bargained NP-1 (State Trooper) contract, funding of up to \$49,954 from the Stress Reduction account is carried forward into FY 18 for use by sworn members of the State Police for stress reduction initiatives.

## Totals

| Budget Components             | Governor Recommended |                    | Legislative        |                    | Difference from Governor |                    |
|-------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|--------------------|
|                               | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19              |
| FY 17 Appropriation - GF      | 174,420,300          | 174,420,300        | 174,420,300        | 174,420,300        | -                        | -                  |
| Policy Revisions              | (3,399,350)          | (3,052,792)        | (5,407,842)        | (5,061,284)        | (2,008,492)              | (2,008,492)        |
| Current Services              | 17,134,659           | 19,015,188         | 16,049,974         | 18,636,433         | (1,084,685)              | (378,755)          |
| <b>Total Recommended - GF</b> | <b>188,155,609</b>   | <b>190,382,696</b> | <b>185,062,432</b> | <b>187,995,449</b> | <b>(3,093,177)</b>       | <b>(2,387,247)</b> |

| Positions                     | Governor Recommended |              | Legislative  |              | Difference from Governor |            |
|-------------------------------|----------------------|--------------|--------------|--------------|--------------------------|------------|
|                               | FY 18                | FY 19        | FY 18        | FY 19        | FY 18                    | FY 19      |
| FY 17 Appropriation - GF      | 1,733                | 1,733        | 1,733        | 1,733        | -                        | -          |
| Current Services              | 3                    | 3            | 2            | 2            | (1)                      | (1)        |
| <b>Total Recommended - GF</b> | <b>1,736</b>         | <b>1,736</b> | <b>1,735</b> | <b>1,735</b> | <b>(1)</b>               | <b>(1)</b> |

## PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$317,193, a Labor Concessions Savings of \$4,314,410, a Targeted Savings of \$2,115,551, and a Delayed Start Savings of \$8,131. See the FY 18 Holdbacks schedule in Section V of this

document for a further description of these statewide savings targets.

| <b>Account</b>                                | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|---|-------------------------|----------------------------|-------------------------|--------------------|
| Personal Services                             | 144,109,537             | (4,631,603)                | 139,477,934             | 3.2%               |
| Other Expenses                                | 26,623,919              | (1,331,196)                | 25,292,723              | 5.0%               |
| Fire Training School - Willimantic            | 150,076                 | (150,076)                  | -                       | 100.0%             |
| Maintenance of County Base Fire Radio Network | 21,698                  | (7,052)                    | 14,646                  | 32.5%              |
| Maintenance of State-Wide Fire Radio Network  | 14,441                  | (4,693)                    | 9,748                   | 32.5%              |
| Fire Training School - Torrington             | 81,367                  | (81,367)                   | -                       | 100.0%             |
| Fire Training School - New Haven              | 48,364                  | (48,364)                   | -                       | 100.0%             |
| Fire Training School - Derby                  | 37,139                  | (37,139)                   | -                       | 100.0%             |
| Fire Training School - Wolcott                | 100,162                 | (100,162)                  | -                       | 100.0%             |
| Fire Training School - Fairfield              | 70,395                  | (70,395)                   | -                       | 100.0%             |
| Fire Training School - Hartford               | 169,336                 | (169,336)                  | -                       | 100.0%             |
| Fire Training School - Middletown             | 68,470                  | (68,470)                   | -                       | 100.0%             |
| Fire Training School - Stamford               | 55,432                  | (55,432)                   | -                       | 100.0%             |

## Department of Motor Vehicles

### DMV35000

#### Permanent Full-Time Positions

| Fund                        | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|-----------------------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|                             |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund                | 4               | -               | -                      | -                    | -     | -           | -     |
| Special Transportation Fund | 599             | 603             | 603                    | 603                  | 603   | 603         | 603   |

#### Budget Summary

| Account   | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|   |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services   | 242,519           | -                 | -                      | -                    | -                 | -                 | -                 |
| Other Expenses  | 242,365           | -                 | -                      | -                    | -                 | -                 | -                 |
| <b>Nonfunctional - Change to Accruals</b>                   | <b>1,074</b>      | -                 | -                      | -                    | -                 | -                 | -                 |
| <b>Agency Total - General Fund</b>                          | <b>485,958</b>    | -                 | -                      | -                    | -                 | -                 | -                 |
| Personal Services   | 44,080,260        | 49,235,837        | 49,296,260             | 50,426,336           | 49,296,260        | 49,601,226        | 49,296,260        |
| Other Expenses  | 16,143,992        | 16,221,347        | 15,897,378             | 15,897,378           | 15,897,378        | 15,897,378        | 15,397,378        |
| Equipment   | 520,291           | 121,329           | 468,756                | 468,756              | 468,756           | 468,756           | 468,756           |
| <b>Other Current Expenses</b>                               |                   |                   |                        |                      |                   |                   |                   |
| Real Time Online Registration System                        | 2,401,858         | (41,660)          | -                      | -                    | -                 | -                 | -                 |
| Commercial Vehicle Information Systems and Networks Project | 175,147           | (137,202)         | 214,676                | 214,676              | 214,676           | 214,676           | 214,676           |
| <b>Nonfunctional - Change to Accruals</b>                   | <b>547,305</b>    | -                 | -                      | -                    | -                 | -                 | -                 |
| <b>Agency Total - Special Transportation Fund</b>           | <b>63,868,853</b> | <b>65,399,651</b> | <b>65,877,070</b>      | <b>67,007,146</b>    | <b>65,877,070</b> | <b>66,182,036</b> | <b>65,377,070</b> |
| <b>Total - Appropriated Funds</b>                           | <b>64,354,811</b> | <b>65,399,651</b> | <b>65,877,070</b>      | <b>67,007,146</b>    | <b>65,877,070</b> | <b>66,182,036</b> | <b>65,377,070</b> |
| <b>Additional Funds Available</b>                           |                   |                   |                        |                      |                   |                   |                   |
| Carry Forward Transportation Fund                           | -                 | -                 | -                      | -                    | -                 | 10,373,407        | -                 |
| Federal Funds   | -                 | 3,684,566         | 8,678,329              | 1,551,379            | 1,551,379         | 1,551,379         | 1,551,379         |
| Private Contributions & Other Restricted                    | -                 | 5,057,860         | 7,102,854              | 7,102,854            | 7,102,854         | 7,102,854         | 7,102,854         |
| Private Contributions                                       | -                 | 638,107           | 2,654,420              | -                    | -                 | -                 | -                 |
| <b>Agency Grand Total</b>                                   | <b>64,354,811</b> | <b>74,780,184</b> | <b>84,312,673</b>      | <b>75,661,379</b>    | <b>74,531,303</b> | <b>85,209,676</b> | <b>74,031,303</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Policy Revisions

#### Reduce Funding for Other Expenses

|  |   |   |   |                  |   |                  |
|--|---|---|---|------------------|---|------------------|
| Other Expenses                             | - | - | - | (500,000)        | - | (500,000)        |
| <b>Total - Special Transportation Fund</b> | - | - | - | <b>(500,000)</b> | - | <b>(500,000)</b> |

#### Legislative

Reduce funding by \$500,000 in the Other Expenses account to achieve savings.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Current Services

### Adjust Funding for the Drive-Only License Program

|  |                |          |                |          |          |          |
|--|----------------|----------|----------------|----------|----------|----------|
| Personal Services                          | 304,966        | -        | 304,966        | -        | -        | -        |
| <b>Total - Special Transportation Fund</b> | <b>304,966</b> | <b>-</b> | <b>304,966</b> | <b>-</b> | <b>-</b> | <b>-</b> |

#### Background

PA 13-89, effective July 1, 2015, required the Department of Motor Vehicles (DMV) to issue driver's licenses "for driving purposes only" to individuals who cannot provide DMV with proof of legal U. S. residence or a social security number. The license only allows the holder to drive; it cannot be used for federal identification purposes or as proof of identity to vote.

#### Governor

Provide funding of \$304,966 in FY 18 for six durational employees to provide assistance with the drive-only license program.

#### Legislative

Same as Governor

### Adjust Funding for the National Voter Registration Act

|  |                |          |          |          |                  |          |
|--|----------------|----------|----------|----------|------------------|----------|
| Personal Services                          | 825,110        | -        | -        | -        | (825,110)        | -        |
| <b>Total - Special Transportation Fund</b> | <b>825,110</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>(825,110)</b> | <b>-</b> |

#### Background

The National Voter Registration Act of 1993 requires states to offer voter registration opportunities at motor vehicle agencies. Section 5 of the act requires these motor vehicle agencies to provide individuals a mechanism for voter registration for federal elections at the same time that they apply for a driver's license or seek to renew a driver's license. In April 2016, the United States Department of Justice informed the Connecticut DMV that it was not compliant with section 5 of the Motor Voter Registration Act.

#### Governor

Provide funding of \$825,110 in FY 18 for 22 durational employees to comply with the National Voter Registration Act.

#### Legislative

Do not provide funding in FY 18 for the National Voter Registration Act.

## Carry Forward

### Carry Forward for Real Time Registration

|  |          |          |                  |          |                  |          |
|--|----------|----------|------------------|----------|------------------|----------|
| Real Time Online Registration System             | -        | -        | 8,693,716        | -        | 8,693,716        | -        |
| <b>Total - Carry Forward Transportation Fund</b> | <b>-</b> | <b>-</b> | <b>8,693,716</b> | <b>-</b> | <b>8,693,716</b> | <b>-</b> |

#### Background

The Department of Motor Vehicles (DMV) is currently implementing the Integrated Transaction Processing System (ITPS) which will integrate more than 40 stand-alone systems as real time online registration systems for vehicle registration, the cashing system, and the driver license system.

#### Legislative

Pursuant to CGS 4-89(c), funding of \$8693716 is carried forward from FY 17 into FY 18 in the Real Time Registration account for use of upgrading DMV's registration and driver license data processing system.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Carry Forward for Commercial Vehicle Registration

|   |   |   |                |   |                |   |
|---|---|---|----------------|---|----------------|---|
| Commercial Vehicle Information Systems and Networks Project | - | - | 973,062        | - | 973,062        | - |
| <b>Total - Carry Forward Transportation Fund</b>            | - | - | <b>973,062</b> | - | <b>973,062</b> | - |

#### Background

The Commercial Vehicle Information System and Network Project (CVISN) is part of a national Intelligence Transportation System/Commercial Vehicle Operations effort to link commercial motor carriers, state regulatory agencies (DMV and the Department of Transportation) and roadside safety screening and inspection stations. The CVISN network allows commercial motor carriers to electronically apply for, pay and receive registration, fuel tax and oversize/overweight permits and other credentials.

#### Legislative

Pursuant to CGS 4-89(c), funding of \$973,062 is carried forward from FY 17 into FY 18 for the Commercial Vehicle Information System and Network Project.

### Carry Forward Funding for Personal Services

|  |   |   |                |   |                |   |
|--|---|---|----------------|---|----------------|---|
| Personal Services                                | - | - | 706,629        | - | 706,629        | - |
| <b>Total - Carry Forward Transportation Fund</b> | - | - | <b>706,629</b> | - | <b>706,629</b> | - |

#### Legislative

Pursuant to CGS 4-89(c) funding of \$706,629 is carried forward from FY 17 into FY 18 from the Personal Services account.

### Totals

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |                  |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|------------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19            |
| FY 17 Appropriation - TF      | 65,877,070           | 65,877,070        | 65,877,070        | 65,877,070        | -                        | -                |
| Policy Revisions              | -                    | -                 | -                 | (500,000)         | -                        | (500,000)        |
| Current Services              | 1,130,076            | -                 | 304,966           | -                 | (825,110)                | -                |
| <b>Total Recommended - TF</b> | <b>67,007,146</b>    | <b>65,877,070</b> | <b>66,182,036</b> | <b>65,377,070</b> | <b>(825,110)</b>         | <b>(500,000)</b> |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |       |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|-------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19 |
| FY 17 Appropriation - TF      | 603                  | 603        | 603         | 603        | -                        | -     |
| <b>Total Recommended - TF</b> | <b>603</b>           | <b>603</b> | <b>603</b>  | <b>603</b> | -                        | -     |

## Military Department MIL36000

### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 42              | 42              | 42                     | 42                   | 42    | 42          | 42    |

### Budget Summary

| Account                                   | Actual<br>FY 15  | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---|------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|   |                  |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                         | 2,937,354        | 2,799,547         | 2,863,407              | 2,711,254            | 2,711,254         | 2,711,254         | 2,711,254         |
| Other Expenses                            | 2,693,559        | 2,092,068         | 2,242,356              | 2,262,356            | 2,284,779         | 2,262,356         | 2,284,779         |
| <b>Other Current Expenses</b>             |                  |                   |                        |                      |                   |                   |                   |
| Honor Guards                              | 476,700          | 451,300           | 326,329                | 515,210              | 515,210           | 525,000           | 525,000           |
| Veteran's Service Bonuses                 | 26,500           | 76,200            | 46,759                 | 93,333               | 93,333            | 93,333            | 93,333            |
| <b>Nonfunctional - Change to Accruals</b> | <b>19,000</b>    | -                 | -                      | -                    | -                 | -                 | -                 |
| <b>Agency Total - General Fund</b>        | <b>6,153,113</b> | <b>5,419,116</b>  | <b>5,478,851</b>       | <b>5,582,153</b>     | <b>5,604,576</b>  | <b>5,591,943</b>  | <b>5,614,366</b>  |
| <b>Additional Funds Available</b>         |                  |                   |                        |                      |                   |                   |                   |
| Federal Funds                             | -                | 18,239,534        | 17,694,240             | 19,356,857           | 19,623,902        | 19,356,857        | 19,623,902        |
| Private Contributions & Other Restricted  | -                | 358,962           | 399,500                | 385,000              | 343,500           | 385,000           | 343,500           |
| Private Contributions                     | -                | 143,304           | 96,500                 | 136,000              | 700               | 136,000           | 700               |
| <b>Agency Grand Total</b>                 | <b>6,153,113</b> | <b>24,160,916</b> | <b>23,669,091</b>      | <b>25,460,010</b>    | <b>25,572,678</b> | <b>25,469,800</b> | <b>25,582,468</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Annualize FY 17 Savings

|                             |                 |                 |                 |                 |   |   |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---|---|
| Personal Services           | (40,469)        | (40,469)        | (40,469)        | (40,469)        | - | - |
| Other Expenses              | (27,577)        | (27,577)        | (27,577)        | (27,577)        | - | - |
| <b>Total - General Fund</b> | <b>(68,046)</b> | <b>(68,046)</b> | <b>(68,046)</b> | <b>(68,046)</b> | - | - |

#### Background

Annualization refers to providing the amount of resources necessary for a 12 month period of operation.

#### Governor

Reduce funding by \$68,046 in both FY 18 and FY 19 to reflect full year savings for reduced overtime, attrition savings, and deferred maintenance.

#### Legislative

Same as Governor

### Annualize FY 2017 Holdbacks

|                             |                  |                  |                  |                  |              |              |
|-----------------------------|------------------|------------------|------------------|------------------|--------------|--------------|
| Personal Services           | (131,684)        | (131,684)        | (131,684)        | (131,684)        | -            | -            |
| Other Expenses              | (22,423)         | -                | (22,423)         | -                | -            | -            |
| Honor Guards                | (9,790)          | (9,790)          | -                | -                | 9,790        | 9,790        |
| Veteran's Service Bonuses   | (467)            | (467)            | (467)            | (467)            | -            | -            |
| <b>Total - General Fund</b> | <b>(164,364)</b> | <b>(141,941)</b> | <b>(154,574)</b> | <b>(132,151)</b> | <b>9,790</b> | <b>9,790</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

**Governor**

Reduce funding by \$163,364 in FY 18 and \$141,941 in FY 19 to annualize FY 17 holdbacks.

**Legislative**

Reduce funding by \$154,574 in FY 18 and \$132,151 in FY 19 to annualize certain FY 17 holdbacks.

**Current Services**

**Fund Honor Guard as Defined in Statute**

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Honor Guards                | 198,671        | 198,671        | 198,671        | 198,671        | -        | -        |
| <b>Total - General Fund</b> | <b>198,671</b> | <b>198,671</b> | <b>198,671</b> | <b>198,671</b> | <b>-</b> | <b>-</b> |

**Background**

The Honor Guard account funds three member rifle squads for veteran funerals, which is a supplemental benefit to the federally required presentation of the flag and playing of "taps." PA 16-2, the Revised FY 17 Budget, provided funding of \$326,329 in FY 17. This level of funding was insufficient to provide a full year of supplemental funeral honors.

**Governor**

Provide funding of \$198,697 in both FY 18 and FY 19 to ensure full year funding of supplemental funeral honors. Total funding in FY 18 and FY 19 is \$515,210.

**Legislative**

Same as Governor

**Provide Funding for the Governor's Horse Guard Units**

|                             |               |               |               |               |          |          |
|-----------------------------|---------------|---------------|---------------|---------------|----------|----------|
| Personal Services           | 20,000        | 20,000        | 20,000        | 20,000        | -        | -        |
| Other Expenses              | 70,000        | 70,000        | 70,000        | 70,000        | -        | -        |
| <b>Total - General Fund</b> | <b>90,000</b> | <b>90,000</b> | <b>90,000</b> | <b>90,000</b> | <b>-</b> | <b>-</b> |

**Background**

The Governor's Horse Guards, located in Avon and Newtown, are militia units that maintain herds of horses. Each unit has an associated nonprofit for fundraising purposes, and as of FY 17 the Military Department has been able to lease excess space in each of the horse barns.

**Governor**

Provide funding of \$90,000 in both FY 18 and FY 19 for support of the Governor's Horse Guard.

**Legislative**

Same as Governor

**Provide Funding for Veterans' Service Bonuses**

|                             |               |               |               |               |          |          |
|-----------------------------|---------------|---------------|---------------|---------------|----------|----------|
| Veteran's Service Bonuses   | 47,041        | 47,041        | 47,041        | 47,041        | -        | -        |
| <b>Total - General Fund</b> | <b>47,041</b> | <b>47,041</b> | <b>47,041</b> | <b>47,041</b> | <b>-</b> | <b>-</b> |

**Background**

The Veterans' Service Bonus is a grant program awarded to Connecticut National Guard members on active duty in support of the global war on terrorism. Eligible participants in the program can receive \$50 per month up to \$500 for non-combat service and up to \$1,200 for combat service.

**Governor**

Provide funding of \$47,041 in FY 18 and FY 19 to reflect anticipated needs based on deployments.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                  | Legislative      |                  | Difference from Governor |              |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------------|--------------|
|                               | FY 18                | FY 19            | FY 18            | FY 19            | FY 18                    | FY 19        |
| FY 17 Appropriation - GF      | 5,478,851            | 5,478,851        | 5,478,851        | 5,478,851        | -                        | -            |
| Policy Revisions              | (232,410)            | (209,987)        | (222,620)        | (200,197)        | 9,790                    | 9,790        |
| Current Services              | 335,712              | 335,712          | 335,712          | 335,712          | -                        | -            |
| <b>Total Recommended - GF</b> | <b>5,582,153</b>     | <b>5,604,576</b> | <b>5,591,943</b> | <b>5,614,366</b> | <b>9,790</b>             | <b>9,790</b> |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 42                   | 42        | 42          | 42        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>42</b>            | <b>42</b> | <b>42</b>   | <b>42</b> | <b>-</b>                 | <b>-</b> |

**PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$5,968, a Labor Concessions Savings of \$97,291, a Targeted Savings of \$113,118, and a Delayed Start Savings of \$131,250. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account           | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|-------------------|------------------|---------------------|------------------|-------------|
| Personal Services | 2,711,254        | (103,259)           | 2,607,995        | 3.8%        |
| Other Expenses    | 2,262,356        | (113,118)           | 2,149,238        | 5.0%        |
| Honor Guard       | 525,000          | (131,250)           | 393,750          | 25.0%       |

## Department of Banking

### DOB37000

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| Banking Fund | 116             | 120             | 123                    | 119                  | 119   | 119         | 119   |

#### Budget Summary

| Account                               | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---------------------------------------|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|                                       |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                     | 10,316,751        | 10,596,822        | 11,025,073             | 10,998,922           | 10,984,235        | 10,998,922        | 10,984,235        |
| Other Expenses                        | 1,389,607         | 1,459,901         | 1,468,990              | 1,478,390            | 1,478,390         | 1,478,390         | 1,478,390         |
| Equipment                             | 37,154            | 46,768            | 44,900                 | 44,900               | 44,900            | 44,900            | 44,900            |
| <b>Other Current Expenses</b>         |                   |                   |                        |                      |                   |                   |                   |
| Fringe Benefits                       | 7,614,444         | 8,147,550         | 8,709,808              | 8,799,137            | 8,787,388         | 8,799,137         | 8,787,388         |
| Indirect Overhead                     | 129,307           | 167,151           | 86,862                 | 291,192              | 291,192           | 291,192           | 291,192           |
| Nonfunctional - Change to<br>Accruals | 84,570            | -                 | -                      | -                    | -                 | -                 | -                 |
| <b>Agency Total - Banking Fund</b>    | <b>19,571,833</b> | <b>20,418,193</b> | <b>21,335,633</b>      | <b>21,612,541</b>    | <b>21,586,105</b> | <b>21,612,541</b> | <b>21,586,105</b> |
| <b>Additional Funds Available</b>     |                   |                   |                        |                      |                   |                   |                   |
| Carry Forward Banking Fund            | -                 | -                 | -                      | -                    | -                 | 1,507,000         | -                 |
| Private Contributions                 | -                 | 37,851            | 18,834                 | -                    | -                 | -                 | -                 |
| <b>Agency Grand Total</b>             | <b>19,571,833</b> | <b>20,456,044</b> | <b>21,354,467</b>      | <b>21,612,541</b>    | <b>21,586,105</b> | <b>23,119,541</b> | <b>21,586,105</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Policy Revisions

#### Eliminate Vacant Positions

|                                 |                  |                  |                  |                  |          |          |
|---------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services               | (196,622)        | (196,622)        | (196,622)        | (196,622)        | -        | -        |
| Fringe Benefits                 | (157,297)        | (157,297)        | (157,297)        | (157,297)        | -        | -        |
| <b>Total - Banking Fund</b>     | <b>(353,919)</b> | <b>(353,919)</b> | <b>(353,919)</b> | <b>(353,919)</b> | <b>-</b> | <b>-</b> |
| <b>Positions - Banking Fund</b> | <b>(4)</b>       | <b>(4)</b>       | <b>(4)</b>       | <b>(4)</b>       | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding by \$353,919 in both FY 18 and FY 19 to reflect the elimination of four positions that are currently vacant.

#### Legislative

Same as Governor

#### Eliminate Durational Position

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | (61,686)         | (76,373)         | (61,686)         | (76,373)         | -        | -        |
| Fringe Benefits             | (49,349)         | (61,098)         | (49,349)         | (61,098)         | -        | -        |
| <b>Total - Banking Fund</b> | <b>(111,035)</b> | <b>(137,471)</b> | <b>(111,035)</b> | <b>(137,471)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding of \$111,035 in FY 18 and \$137,471 in FY 19 to reflect the elimination of one durational position.

#### Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Current Services

### Provide Funding for Staffing

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Personal Services           | 232,157        | 232,157        | 232,157        | 232,157        | -        | -        |
| Other Expenses              | 9,400          | 9,400          | 9,400          | 9,400          | -        | -        |
| Fringe Benefits             | 185,725        | 185,725        | 185,725        | 185,725        | -        | -        |
| <b>Total - Banking Fund</b> | <b>427,282</b> | <b>427,282</b> | <b>427,282</b> | <b>427,282</b> | <b>-</b> | <b>-</b> |

#### Background

The FY 16 and FY 17 Biennial Budget provided DOB with four new positions in the financial institutions and consumer credit divisions that were supported through carry forward funding.

#### Governor

Provide funding of \$427,282 in both FY 18 and FY 19 to support four positions that had been previously funded through carry forward funding.

#### Legislative

Same as Governor

### Adjust Fringe Benefits and Indirect Overhead

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Fringe Benefits             | 110,250        | 110,250        | 110,250        | 110,250        | -        | -        |
| Indirect Overhead           | 204,330        | 204,330        | 204,330        | 204,330        | -        | -        |
| <b>Total - Banking Fund</b> | <b>314,580</b> | <b>314,580</b> | <b>314,580</b> | <b>314,580</b> | <b>-</b> | <b>-</b> |

#### Background

The fringe benefit costs for employees supported by funds other than the General Fund are budgeted for within their respective agencies, as opposed to the fringe benefit accounts within the Office of the State Comptroller. In addition, this agency is charged indirect overhead costs by the State Comptroller for utilizing certain centralized state agency services.

#### Governor

Provide funding of \$314,580 in both FY 18 and FY 19 to ensure sufficient funds for fringe benefits and indirect overhead.

#### Legislative

Same as Governor

## Carry Forward

### Carry Forward for E-Licensing and Agency Offices

|   |          |          |                  |          |                  |          |
|---|----------|----------|------------------|----------|------------------|----------|
| Other Expenses                            | -        | -        | 1,332,000        | -        | 1,332,000        | -        |
| Equipment                                 | -        | -        | 175,000          | -        | 175,000          | -        |
| <b>Total - Carry Forward Banking Fund</b> | <b>-</b> | <b>-</b> | <b>1,507,000</b> | <b>-</b> | <b>1,507,000</b> | <b>-</b> |

#### Legislative

Pursuant to CGS 4-89(c) funding of \$1,507,000 is carried forward from FY 17 into FY 18 for the agency e-license system (\$1,211,000 Other Expenses) and cubical refurbishment (\$121,000 in Other Expenses. and \$75,000 in Equipment).

## Totals

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |       |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|-------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19 |
| FY 17 Appropriation - BF      | 21,335,633           | 21,335,633        | 21,335,633        | 21,335,633        | -                        | -     |
| Policy Revisions              | (464,954)            | (491,390)         | (464,954)         | (491,390)         | -                        | -     |
| Current Services              | 741,862              | 741,862           | 741,862           | 741,862           | -                        | -     |
| <b>Total Recommended - BF</b> | <b>21,612,541</b>    | <b>21,586,105</b> | <b>21,612,541</b> | <b>21,586,105</b> | -                        | -     |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |       |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|-------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19 |
| FY 17 Appropriation - BF      | 123                  | 123        | 123         | 123        | -                        | -     |
| Policy Revisions              | (4)                  | (4)        | (4)         | (4)        | -                        | -     |
| <b>Total Recommended - BF</b> | <b>119</b>           | <b>119</b> | <b>119</b>  | <b>119</b> | -                        | -     |

## Insurance Department DOI37500

### Permanent Full-Time Positions

| Fund           | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|----------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|                |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| Insurance Fund | 159             | 159             | 159                    | 151                  | 150   | 151         | 150   |

### Budget Summary

| Account                                  | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|--|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|  |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                        | 14,049,227        | 14,217,831        | 14,537,472             | 13,942,472           | 13,796,046        | 13,942,472        | 13,796,046        |
| Other Expenses                           | 2,178,860         | 2,228,919         | 1,899,807              | 1,727,807            | 1,727,807         | 1,727,807         | 1,727,807         |
| Equipment                                | 52,484            | 95,000            | 52,500                 | 52,500               | 52,500            | 52,500            | 52,500            |
| <b>Other Current Expenses</b>            |                   |                   |                        |                      |                   |                   |                   |
| Fringe Benefits                          | 10,348,215        | 10,950,982        | 11,510,498             | 11,055,498           | 10,938,946        | 11,055,498        | 10,938,946        |
| Indirect Overhead                        | 237,762           | 248,930           | 532,887                | 466,740              | 466,740           | 466,740           | 466,740           |
| Nonfunctional - Change to Accruals       | 145,385           | -                 | -                      | -                    | -                 | -                 | -                 |
| <b>Agency Total - Insurance Fund</b>     | <b>27,011,933</b> | <b>27,741,661</b> | <b>28,533,164</b>      | <b>27,245,017</b>    | <b>26,982,039</b> | <b>27,245,017</b> | <b>26,982,039</b> |
| <b>Additional Funds Available</b>        |                   |                   |                        |                      |                   |                   |                   |
| Private Contributions & Other Restricted | -                 | 390,719           | 404,000                | -                    | -                 | -                 | -                 |
| Private Contributions                    | -                 | 4,665             | 5,000                  | -                    | -                 | -                 | -                 |
| <b>Agency Grand Total</b>                | <b>27,011,933</b> | <b>28,137,045</b> | <b>28,942,164</b>      | <b>27,245,017</b>    | <b>26,982,039</b> | <b>27,245,017</b> | <b>26,982,039</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Transfer Funding to the Office of Health Strategy

|                                   |   |                  |   |                  |   |   |
|-----------------------------------|---|------------------|---|------------------|---|---|
| Personal Services                 | - | (146,426)        | - | (146,426)        | - | - |
| Fringe Benefits                   | - | (116,552)        | - | (116,552)        | - | - |
| <b>Total - Insurance Fund</b>     | - | <b>(262,978)</b> | - | <b>(262,978)</b> | - | - |
| <b>Positions - Insurance Fund</b> | - | <b>(1)</b>       | - | <b>(1)</b>       | - | - |

#### Background

The Office of Health Strategy is a new agency starting in FY 19 which combines programs from three agencies: the Department of Public Health, Department of Insurance and the Office of the Healthcare Advocate.

#### Governor

Transfer one position and associated funding of \$262,978 in FY 19 to the newly established Office of Health Strategy.

#### Legislative

Same as Governor

### Reduce Funds for Information Technology Contract with UConn

|                               |                  |                  |                  |                  |   |   |
|-------------------------------|------------------|------------------|------------------|------------------|---|---|
| Other Expenses                | (150,000)        | (150,000)        | (150,000)        | (150,000)        | - | - |
| <b>Total - Insurance Fund</b> | <b>(150,000)</b> | <b>(150,000)</b> | <b>(150,000)</b> | <b>(150,000)</b> | - | - |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Reduce funding for the information technology contract with UConn by \$150,000 in FY 18 and FY 19.

**Legislative**

Same as Governor

**Reduce Funding for Lease Costs**

|                               |                 |                 |                 |                 |          |          |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Other Expenses                | (22,000)        | (22,000)        | (22,000)        | (22,000)        | -        | -        |
| <b>Total - Insurance Fund</b> | <b>(22,000)</b> | <b>(22,000)</b> | <b>(22,000)</b> | <b>(22,000)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$22,000 in FY 18 and FY 19 to reflect a new lease cost.

**Legislative**

Same as Governor

**Eliminate Vacant Positions**

|                                   |                    |                    |                    |                    |          |          |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Personal Services                 | (595,000)          | (595,000)          | (595,000)          | (595,000)          | -        | -        |
| Fringe Benefits                   | (455,000)          | (455,000)          | (455,000)          | (455,000)          | -        | -        |
| <b>Total - Insurance Fund</b>     | <b>(1,050,000)</b> | <b>(1,050,000)</b> | <b>(1,050,000)</b> | <b>(1,050,000)</b> | <b>-</b> | <b>-</b> |
| <b>Positions - Insurance Fund</b> | <b>(8)</b>         | <b>(8)</b>         | <b>(8)</b>         | <b>(8)</b>         | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$1,050,000 in FY 18 and FY 19 to reflect the elimination of eight positions that are currently vacant.

**Legislative**

Same as Governor

**Current Services****Adjust Indirect Overhead**

|                               |                 |                 |                 |                 |          |          |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Indirect Overhead             | (66,147)        | (66,147)        | (66,147)        | (66,147)        | -        | -        |
| <b>Total - Insurance Fund</b> | <b>(66,147)</b> | <b>(66,147)</b> | <b>(66,147)</b> | <b>(66,147)</b> | <b>-</b> | <b>-</b> |

**Background**

Non-General Fund agencies are budgeted directly for employee fringe benefits and indirect overhead.

**Governor**

Reduce funding by \$66,147 in FY 18 and FY 19 to reflect required funding for indirect overhead.

**Legislative**

Same as Governor

## Totals

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |       |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|-------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19 |
| FY 17 Appropriation - IF      | 28,533,164           | 28,533,164        | 28,533,164        | 28,533,164        | -                        | -     |
| Policy Revisions              | (1,222,000)          | (1,484,978)       | (1,222,000)       | (1,484,978)       | -                        | -     |
| Current Services              | (66,147)             | (66,147)          | (66,147)          | (66,147)          | -                        | -     |
| <b>Total Recommended - IF</b> | <b>27,245,017</b>    | <b>26,982,039</b> | <b>27,245,017</b> | <b>26,982,039</b> | -                        | -     |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |       |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|-------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19 |
| FY 17 Appropriation - IF      | 159                  | 159        | 159         | 159        | -                        | -     |
| Policy Revisions              | (8)                  | (9)        | (8)         | (9)        | -                        | -     |
| <b>Total Recommended - IF</b> | <b>151</b>           | <b>150</b> | <b>151</b>  | <b>150</b> | -                        | -     |

### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Labor Concessions Savings of \$153,771. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account           | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|-------------------|------------------|---------------------|------------------|-------------|
| Personal Services | 13,942,472       | (153,771)           | 13,788,701       | 1.1%        |

## Office of Consumer Counsel

### DCC38100

#### Permanent Full-Time Positions

| Fund   | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|  |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| Consumer Counsel and Public Utility Control Fund | 14              | 15              | 15                     | 12                   | 12    | 12          | 12    |

#### Budget Summary

| Account  | Actual<br>FY 15  | Actual<br>FY 16  | Appropriation<br>FY 17 | Governor Recommended |                  | Legislative      |                  |
|--|------------------|------------------|------------------------|----------------------|------------------|------------------|------------------|
|  |                  |                  |                        | FY 18                | FY 19            | FY 18            | FY 19            |
| Personal Services  | 1,125,917        | 1,246,956        | 1,488,306              | 1,288,453            | 1,288,453        | 1,288,453        | 1,288,453        |
| Other Expenses   | 283,415          | 489,230          | 502,907                | 332,907              | 332,907          | 332,907          | 332,907          |
| Equipment  | 2,200            | -                | 2,200                  | 2,200                | 2,200            | 2,200            | 2,200            |
| <b>Other Current Expenses</b>  |                  |                  |                        |                      |                  |                  |                  |
| Fringe Benefits  | 856,484          | 969,551          | 1,221,728              | 1,056,988            | 1,056,988        | 1,056,988        | 1,056,988        |
| Indirect Overhead  | (49,789)         | 97,613           | 66,419                 | 100                  | 100              | 100              | 100              |
| <b>Nonfunctional - Change to Accruals</b>                              | <b>7,128</b>     | <b>-</b>         | <b>-</b>               | <b>-</b>             | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>Agency Total - Consumer Counsel and Public Utility Control Fund</b> | <b>2,225,355</b> | <b>2,803,350</b> | <b>3,281,560</b>       | <b>2,680,648</b>     | <b>2,680,648</b> | <b>2,680,648</b> | <b>2,680,648</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Policy Revisions

#### Eliminate Funding for the Office of State Broadband

|   |                  |                  |                  |                  |          |          |
|---|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services   | (75,000)         | (75,000)         | (75,000)         | (75,000)         | -        | -        |
| Other Expenses  | (170,000)        | (170,000)        | (170,000)        | (170,000)        | -        | -        |
| Fringe Benefits   | (62,250)         | (62,250)         | (62,250)         | (62,250)         | -        | -        |
| <b>Total - Consumer Counsel and Public Utility Control Fund</b>     | <b>(307,250)</b> | <b>(307,250)</b> | <b>(307,250)</b> | <b>(307,250)</b> | <b>-</b> | <b>-</b> |
| <b>Positions - Consumer Counsel and Public Utility Control Fund</b> | <b>(1)</b>       | <b>(1)</b>       | <b>(1)</b>       | <b>(1)</b>       | <b>-</b> | <b>-</b> |

#### Background

PA 15-5 JSS established the Office of State Broadband within the Office of Consumer Counsel (OCC).

#### Governor

Reduce funding by \$307,250 in both FY 18 and FY 19 and one position to reflect elimination of funding for the Office of State Broadband.

#### Legislative

Same as Governor

#### Adjust Indirect Overhead

|   |                 |                 |                 |                 |          |          |
|---|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Indirect Overhead   | (66,319)        | (66,319)        | (66,319)        | (66,319)        | -        | -        |
| <b>Total - Consumer Counsel and Public Utility Control Fund</b> | <b>(66,319)</b> | <b>(66,319)</b> | <b>(66,319)</b> | <b>(66,319)</b> | <b>-</b> | <b>-</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Background**

This agency is charged indirect overhead costs by the State Comptroller for utilizing certain centralized state agency services.

**Governor**

Reduce funding by \$66,319 in both FY 18 and FY 19 to reflect required funding for indirect overhead.

**Legislative**

Same as Governor

**Reduce Funding for Vacant Positions & Fringe Benefits**

|   |                  |                  |                  |                  |   |   |
|---|------------------|------------------|------------------|------------------|---|---|
| Personal Services   | (124,853)        | (124,853)        | (124,853)        | (124,853)        | - | - |
| Fringe Benefits   | (102,490)        | (102,490)        | (102,490)        | (102,490)        | - | - |
| <b>Total - Consumer Counsel and Public Utility Control Fund</b>     | <b>(227,343)</b> | <b>(227,343)</b> | <b>(227,343)</b> | <b>(227,343)</b> | - | - |
| <b>Positions - Consumer Counsel and Public Utility Control Fund</b> | <b>(2)</b>       | <b>(2)</b>       | <b>(2)</b>       | <b>(2)</b>       | - | - |

**Governor**

Reduce funding by \$227,343 in both FY 18 and FY 19 to reflect the elimination of two vacant positions (\$124,853 in Personal Services) and their associated fringe benefits (\$102,490). The two vacant positions are an Assistant Rate Specialist and an Administrative Hearing Specialist.

**Legislative**

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                  | Legislative      |                  | Difference from Governor |       |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------------|-------|
|                               | FY 18                | FY 19            | FY 18            | FY 19            | FY 18                    | FY 19 |
| FY 17 Appropriation - PF      | 3,281,560            | 3,281,560        | 3,281,560        | 3,281,560        | -                        | -     |
| Policy Revisions              | (600,912)            | (600,912)        | (600,912)        | (600,912)        | -                        | -     |
| <b>Total Recommended - PF</b> | <b>2,680,648</b>     | <b>2,680,648</b> | <b>2,680,648</b> | <b>2,680,648</b> | -                        | -     |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |       |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|-------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19 |
| FY 17 Appropriation - PF      | 15                   | 15        | 15          | 15        | -                        | -     |
| Policy Revisions              | (3)                  | (3)       | (3)         | (3)       | -                        | -     |
| <b>Total Recommended - PF</b> | <b>12</b>            | <b>12</b> | <b>12</b>   | <b>12</b> | -                        | -     |

**PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Labor Concessions Savings of \$12,127. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account           | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|-------------------|------------------|---------------------|------------------|-------------|
| Personal Services | 1,288,453        | (12,127)            | 1,276,326        | 0.9%        |

## Office of the Healthcare Advocate

### MCO39400

#### Permanent Full-Time Positions

| Fund           | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|----------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|                |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| Insurance Fund | 29              | 29              | 29                     | 29                   | 22    | 27          | 22    |

#### Budget Summary

| Account                              | Actual<br>FY 15  | Actual<br>FY 16  | Appropriation<br>FY 17 | Governor Recommended |                  | Legislative      |                  |
|--------------------------------------|------------------|------------------|------------------------|----------------------|------------------|------------------|------------------|
|                                      |                  |                  |                        | FY 18                | FY 19            | FY 18            | FY 19            |
| Personal Services                    | 1,557,297        | 1,874,765        | 2,488,457              | 2,263,457            | 1,683,355        | 2,097,714        | 1,683,355        |
| Other Expenses                       | 2,113,527        | 1,342,541        | 2,691,767              | 2,691,767            | 164,500          | 2,691,767        | 305,000          |
| Equipment                            | 14,770           | 14,883           | 15,000                 | 15,000               | 15,000           | 15,000           | 15,000           |
| <b>Other Current Expenses</b>        |                  |                  |                        |                      |                  |                  |                  |
| Fringe Benefits                      | 1,150,671        | 1,548,749        | 2,256,227              | 1,788,131            | 1,329,851        | 1,644,481        | 1,329,851        |
| Indirect Overhead                    | 142,055          | 142,055          | 142,055                | 106,630              | 106,630          | 106,630          | 106,630          |
| Nonfunctional - Change to Accruals   | 46,651           | -                | -                      | -                    | -                | -                | -                |
| <b>Agency Total - Insurance Fund</b> | <b>5,024,971</b> | <b>4,922,993</b> | <b>7,593,506</b>       | <b>6,864,985</b>     | <b>3,299,336</b> | <b>6,555,592</b> | <b>3,439,836</b> |
| <b>Additional Funds Available</b>    |                  |                  |                        |                      |                  |                  |                  |
| Federal Funds                        | -                | 3,839,769        | 2,770,501              | 2,915,750            | 225,750          | 2,915,750        | 225,750          |
| Private Contributions                | -                | 133,870          | 86,480                 | 86,480               | -                | 86,480           | -                |
| <b>Agency Grand Total</b>            | <b>5,024,971</b> | <b>8,896,632</b> | <b>10,450,487</b>      | <b>9,867,215</b>     | <b>3,525,086</b> | <b>9,557,822</b> | <b>3,665,586</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Policy Revisions

#### Eliminate Vacant Positions

|                                   |          |          |                  |                  |                  |                  |
|-----------------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Personal Services                 | -        | -        | (165,743)        | (165,743)        | (165,743)        | (165,743)        |
| Fringe Benefits                   | -        | -        | (143,650)        | (143,650)        | (143,650)        | (143,650)        |
| <b>Total - Insurance Fund</b>     | <b>-</b> | <b>-</b> | <b>(309,393)</b> | <b>(309,393)</b> | <b>(309,393)</b> | <b>(309,393)</b> |
| <b>Positions - Insurance Fund</b> | <b>-</b> | <b>-</b> | <b>(2)</b>       | <b>(2)</b>       | <b>(2)</b>       | <b>(2)</b>       |

#### Legislative

Eliminate funding of \$309,393 for two vacant positions in both FY 18 and FY 19.

#### Transfer SIM Program to Office of Health Strategy

|                                   |          |                    |          |                    |          |                |
|-----------------------------------|----------|--------------------|----------|--------------------|----------|----------------|
| Personal Services                 | -        | (580,102)          | -        | (414,359)          | -        | 165,743        |
| Other Expenses                    | -        | (2,527,267)        | -        | (2,386,767)        | -        | 140,500        |
| Fringe Benefits                   | -        | (458,280)          | -        | (314,630)          | -        | 143,650        |
| <b>Total - Insurance Fund</b>     | <b>-</b> | <b>(3,565,649)</b> | <b>-</b> | <b>(3,115,756)</b> | <b>-</b> | <b>449,893</b> |
| <b>Positions - Insurance Fund</b> | <b>-</b> | <b>(7)</b>         | <b>-</b> | <b>(5)</b>         | <b>-</b> | <b>2</b>       |

#### Background

The Office of Health Strategy is a new agency starting in FY 19 which combines programs from three agencies: the Department of Public Health, Department of Insurance and the Office of the Healthcare Advocate.

The State Innovation Model (SIM) Program was initiated under the federal Affordable Care Act, through the Center for Medicare and Medicaid Innovation (CMMI). The state received a planning grant in March of 2013 to develop SIM. SIM's purpose is to align all

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

health care payers in the state (e.g. Medicaid, the state employee and retiree health plan, Medicare, commercial and self-funded plans) around a value-based payment methodology, which focuses reimbursement on quality metrics, as opposed to simply volume and cost reduction measures, through various means.

#### Governor

Transfer funding of \$3,565,649 and seven positions in FY 19 to the new Office of Health Strategy for the SIM program.

#### Legislative

Transfer funding of \$3,115,756 and five positions in FY 19 to the new Office of Health Strategy for the SIM program.

## Current Services

### Reduce Personal Services Account

|                               |                  |                  |                  |                  |          |          |
|-------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services             | (225,000)        | (225,000)        | (225,000)        | (225,000)        | -        | -        |
| <b>Total - Insurance Fund</b> | <b>(225,000)</b> | <b>(225,000)</b> | <b>(225,000)</b> | <b>(225,000)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce the Personal Services account by \$225,000 in both FY 18 and FY 19 to align payroll funding with current requirements.

#### Legislative

Same as Governor

### Adjust Fringe Benefits and Indirect Overhead

|                               |                  |                  |                  |                  |          |          |
|-------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Fringe Benefits               | (468,096)        | (468,096)        | (468,096)        | (468,096)        | -        | -        |
| Indirect Overhead             | (35,425)         | (35,425)         | (35,425)         | (35,425)         | -        | -        |
| <b>Total - Insurance Fund</b> | <b>(503,521)</b> | <b>(503,521)</b> | <b>(503,521)</b> | <b>(503,521)</b> | <b>-</b> | <b>-</b> |

#### Background

The fringe benefit costs for employees supported by funds other than the General Fund are budgeted for within their respective agencies, as opposed to the fringe benefit accounts within the Office of the State Comptroller. In addition, this agency is charged indirect overhead costs by the State Comptroller for utilizing certain centralized state agency services.

#### Governor

Reduce funding by \$503,521 in both FY 18 and FY 19 to reflect required funding for fringe benefits and indirect overhead.

#### Legislative

Same as Governor

## Totals

| Budget Components             | Governor Recommended |                  | Legislative      |                  | Difference from Governor |                |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------------|----------------|
|                               | FY 18                | FY 19            | FY 18            | FY 19            | FY 18                    | FY 19          |
| FY 17 Appropriation - IF      | 7,593,506            | 7,593,506        | 7,593,506        | 7,593,506        | -                        | -              |
| Policy Revisions              | -                    | (3,565,649)      | (309,393)        | (3,425,149)      | (309,393)                | 140,500        |
| Current Services              | (728,521)            | (728,521)        | (728,521)        | (728,521)        | -                        | -              |
| <b>Total Recommended - IF</b> | <b>6,864,985</b>     | <b>3,299,336</b> | <b>6,555,592</b> | <b>3,439,836</b> | <b>(309,393)</b>         | <b>140,500</b> |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - IF      | 29                   | 29        | 29          | 29        | -                        | -        |
| Policy Revisions              | -                    | (7)       | (2)         | (7)       | (2)                      | -        |
| <b>Total Recommended - IF</b> | <b>29</b>            | <b>22</b> | <b>27</b>   | <b>22</b> | <b>(2)</b>               | <b>-</b> |

**PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Labor Concessions Savings of \$18,704. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| <b>Account</b>    | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|-------------------|-------------------------|----------------------------|-------------------------|--------------------|
| Personal Services | 2,097,714               | (18,704)                   | 2,079,010               | 0.9%               |

## Department of Consumer Protection

### DCP39500

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 235             | 239             | 241                    | 218                  | 218   | 218         | 218   |

#### Budget Summary

| Account                                   | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|   |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                         | 14,232,639        | 14,359,405        | 14,549,545             | 12,872,845           | 12,872,845        | 12,749,297        | 12,749,297        |
| Other Expenses                            | 977,508           | 1,144,687         | 1,297,487              | 1,258,563            | 1,258,563         | 1,193,685         | 1,193,685         |
| <b>Nonfunctional - Change to Accruals</b> | <b>80,602</b>     | -                 | -                      | -                    | -                 | -                 | -                 |
| <b>Agency Total - General Fund</b>        | <b>15,290,749</b> | <b>15,504,091</b> | <b>15,847,032</b>      | <b>14,131,408</b>    | <b>14,131,408</b> | <b>13,942,982</b> | <b>13,942,982</b> |
| <b>Additional Funds Available</b>         |                   |                   |                        |                      |                   |                   |                   |
| Federal Funds                             | -                 | 325,684           | 292,729                | 48,158               | 26,380            | 48,158            | 26,380            |
| Private Contributions & Other Restricted  | -                 | 7,224,236         | 7,874,036              | 7,874,036            | 7,874,036         | 7,874,036         | 7,874,036         |
| Private Contributions                     | -                 | 671,036           | 621,288                | 600,565              | 600,565           | 600,565           | 600,565           |
| <b>Agency Grand Total</b>                 | <b>15,290,749</b> | <b>23,725,047</b> | <b>24,635,085</b>      | <b>22,654,167</b>    | <b>22,632,389</b> | <b>22,465,741</b> | <b>22,443,963</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Policy Revisions

#### Eliminate Regulation On Various Licenses

|                             |   |   |           |           |           |           |
|-----------------------------|---|---|-----------|-----------|-----------|-----------|
| Personal Services           | - | - | (123,548) | (123,548) | (123,548) | (123,548) |
| <b>Total - General Fund</b> | - | - | (123,548) | (123,548) | (123,548) | (123,548) |

#### Background

Several occupational licensure, registration, and certification categories were eliminated under PA 17-75.

#### Legislative

Reduce the Personal Services account by \$123,548 in both FY 18 and FY 19 to reflect anticipated vacancies that will be left unfilled as agency workload reductions are expected due to the regulatory changes described above.

#### Eliminate Vacant Positions

|                                 |             |             |             |             |   |   |
|---------------------------------|-------------|-------------|-------------|-------------|---|---|
| Personal Services               | (1,167,466) | (1,167,466) | (1,167,466) | (1,167,466) | - | - |
| <b>Total - General Fund</b>     | (1,167,466) | (1,167,466) | (1,167,466) | (1,167,466) | - | - |
| <b>Positions - General Fund</b> | (23)        | (23)        | (23)        | (23)        | - | - |

#### Governor

Reduce funding by \$1,167,466 in both FY 18 and FY 19 to reflect the elimination of 23 positions that are currently vacant.

#### Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Annualize FY 17 Holdbacks

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | (509,234)        | (509,234)        | (509,234)        | (509,234)        | -        | -        |
| Other Expenses              | (38,924)         | (38,924)         | (38,924)         | (38,924)         | -        | -        |
| <b>Total - General Fund</b> | <b>(548,158)</b> | <b>(548,158)</b> | <b>(548,158)</b> | <b>(548,158)</b> | <b>-</b> | <b>-</b> |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$548,158 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

### Annualize FY 17 Rescissions

|                             |          |          |                 |                 |                 |                 |
|-----------------------------|----------|----------|-----------------|-----------------|-----------------|-----------------|
| Other Expenses              | -        | -        | (64,878)        | (64,878)        | (64,878)        | (64,878)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>(64,878)</b> | <b>(64,878)</b> | <b>(64,878)</b> | <b>(64,878)</b> |

#### Background

The Governor implemented General Fund rescissions totaling \$70.5 million across state agencies.

#### Legislative

Reduce funding by \$64,878 in both FY 18 and FY 19 to reflect the rollout of the Governor's FY 17 rescissions.

## Totals

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |                  |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|------------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19            |
| FY 17 Appropriation - GF      | 15,847,032           | 15,847,032        | 15,847,032        | 15,847,032        | -                        | -                |
| Policy Revisions              | (1,715,624)          | (1,715,624)       | (1,904,050)       | (1,904,050)       | (188,426)                | (188,426)        |
| <b>Total Recommended - GF</b> | <b>14,131,408</b>    | <b>14,131,408</b> | <b>13,942,982</b> | <b>13,942,982</b> | <b>(188,426)</b>         | <b>(188,426)</b> |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |          |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|----------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 241                  | 241        | 241         | 241        | -                        | -        |
| Policy Revisions              | (23)                 | (23)       | (23)        | (23)       | -                        | -        |
| <b>Total Recommended - GF</b> | <b>218</b>           | <b>218</b> | <b>218</b>  | <b>218</b> | <b>-</b>                 | <b>-</b> |

***Other Significant Legislation***

**PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$28,062, a Labor Concessions Savings of \$498,121, and a Targeted Savings of \$59,684. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| <b>Account</b>    | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|-------------------|-------------------------|----------------------------|-------------------------|--------------------|
| Personal Services | 12,749,297              | (526,183)                  | 12,223,114              | 4.1%               |
| Other Expenses    | 1,193,685               | (59,684)                   | 1,134,001               | 5.0%               |

# Labor Department

## DOL40000

### Permanent Full-Time Positions

| Fund                       | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|----------------------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|                            |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund               | 191             | 191             | 191                    | 191                  | 191   | 191         | 191   |
| Workers' Compensation Fund | -               | 2               | 2                      | 2                    | 2     | 2           | 2     |

### Budget Summary

| Account                                       | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|   |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                             | 9,115,871         | 9,480,620         | 8,836,099              | 8,747,739            | 8,747,739         | 8,747,739         | 8,747,739         |
| Other Expenses                                | 1,002,932         | 1,231,539         | 1,050,851              | 1,080,343            | 1,080,343         | 1,080,343         | 1,080,343         |
| <b>Other Current Expenses</b>                 |                   |                   |                        |                      |                   |                   |                   |
| CETC Workforce                                | 723,773           | 584,594           | 658,845                | 619,591              | 619,591           | 619,591           | 619,591           |
| Workforce Investment Act                      | 28,084,237        | 32,518,662        | 34,149,177             | 34,149,177           | 34,149,177        | 36,758,476        | 36,758,476        |
| Job Funnels Projects                          | 799,712           | 213,828           | 197,379                | -                    | -                 | 108,656           | 108,656           |
| Connecticut's Youth<br>Employment Program     | 5,418,718         | 5,149,042         | 5,225,000              | 2,500,000            | 2,500,000         | 1,000,000         | 4,000,000         |
| Jobs First Employment Services                | 17,834,079        | 15,145,904        | 15,169,606             | 14,869,606           | 14,869,606        | 13,869,606        | 13,869,606        |
| STRIDE  | 554,285           | 490,768           | 438,033                | -                    | -                 | -                 | -                 |
| Apprenticeship Program                        | 544,379           | 544,048           | 502,842                | 465,342              | 465,342           | 465,342           | 465,342           |
| Spanish-American Merchants<br>Association     | 541,500           | 474,426           | 423,184                | 400,489              | 400,489           | 400,489           | 400,489           |
| Connecticut Career Resource<br>Network        | 158,859           | 147,125           | 157,848                | 153,113              | 153,113           | 153,113           | 153,113           |
| 21st Century Jobs                             | 1,983             | -                 | -                      | -                    | -                 | -                 | -                 |
| Incumbent Worker Training                     | 788,762           | 663,588           | 587,976                | -                    | -                 | -                 | -                 |
| STRIVE  | 256,500           | 224,788           | 200,456                | -                    | -                 | 108,655           | 108,655           |
| Customized Services                           | 475,000           | 395,157           | 371,215                | -                    | -                 | -                 | -                 |
| Intensive Support Services                    | 288,800           | -                 | -                      | -                    | -                 | -                 | -                 |
| Opportunities for Long Term<br>Unemployed     | 2,427,900         | 3,023,025         | 2,370,261              | 1,753,994            | 1,753,994         | 1,753,994         | 1,753,994         |
| Veterans' Opportunity Pilot                   | 193,860           | 301,230           | 385,106                | 227,606              | 227,606           | 227,606           | 227,606           |
| Second Chance Initiative                      | -                 | 1,004,783         | 1,330,750              | 1,270,828            | 1,270,828         | 444,861           | 444,861           |
| Cradle To Career                              | -                 | 191,980           | 198,000                | -                    | -                 | 100,000           | 100,000           |
| 2Gen - TANF                                   | -                 | 739,245           | 1,262,252              | -                    | -                 | -                 | -                 |
| ConnectiCorps                                 | -                 | 74,000            | 125,458                | -                    | -                 | -                 | -                 |
| New Haven Jobs Funnel                         | -                 | 406,853           | 444,241                | 344,241              | 344,241           | 344,241           | 344,241           |
| Healthcare Apprenticeship<br>Initiative       | -                 | -                 | -                      | -                    | -                 | 500,000           | 1,000,000         |
| Manufacturing Pipeline<br>Initiative          | -                 | -                 | -                      | -                    | -                 | 500,000           | 1,000,000         |
| <b>Nonfunctional - Change to<br/>Accruals</b> | <b>(78,223)</b>   | -                 | -                      | -                    | -                 | -                 | -                 |
| <b>Agency Total - General Fund</b>            | <b>69,132,927</b> | <b>73,005,206</b> | <b>74,084,579</b>      | <b>66,582,069</b>    | <b>66,582,069</b> | <b>67,182,712</b> | <b>71,182,712</b> |
| Opportunity Industrial Centers                | 500,000           | 475,000           | 475,000                | 475,000              | 475,000           | 475,000           | 475,000           |
| Individual Development<br>Accounts            | 200,000           | 190,000           | 190,000                | -                    | -                 | -                 | -                 |
| Customized Services                           | 1,000,000         | 950,000           | 950,000                | 950,000              | 950,000           | 950,000           | 950,000           |
| <b>Agency Total - Banking Fund</b>            | <b>1,700,000</b>  | <b>1,615,000</b>  | <b>1,615,000</b>       | <b>1,425,000</b>     | <b>1,425,000</b>  | <b>1,425,000</b>  | <b>1,425,000</b>  |
| Occupational Health Clinics                   | 668,396           | 661,693           | 687,148                | 687,148              | 687,148           | 687,148           | 687,148           |

| Account  | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |             | Legislative |             |
|--|-----------------|-----------------|------------------------|----------------------|-------------|-------------|-------------|
|  |                 |                 |                        | FY 18                | FY 19       | FY 18       | FY 19       |
| <b>Nonfunctional - Change to Accruals</b>        | 2,134           | -               | -                      | -                    | -           | -           | -           |
| <b>Agency Total - Workers' Compensation Fund</b> | 670,530         | 661,693         | 687,148                | 687,148              | 687,148     | 687,148     | 687,148     |
| <b>Total - Appropriated Funds</b>                | 71,503,457      | 75,281,899      | 76,386,727             | 68,694,217           | 68,694,217  | 69,294,860  | 73,294,860  |
| <b>Additional Funds Available</b>                |                 |                 |                        |                      |             |             |             |
| Carry Forward Funding                            | -               | -               | -                      | -                    | -           | 11,825,723  | -           |
| Employment Security Administration               | -               | 92,933,115      | 96,782,359             | 96,375,239           | 96,602,459  | 96,375,239  | 96,602,459  |
| Federal Funds                                    | -               | 221,045         | 127,917                | 124,000              | 124,000     | 124,000     | 124,000     |
| Private Contributions & Other Restricted         | -               | 1,601,171       | 2,332,262              | 2,023,421            | 2,024,905   | 2,023,421   | 2,024,905   |
| Private Contributions                            | -               | 1,260,354       | 642,060                | 642,060              | 642,060     | 642,060     | 642,060     |
| <b>Agency Grand Total</b>                        | 71,503,457      | 171,297,584     | 176,271,325            | 167,858,937          | 168,087,641 | 180,285,303 | 172,688,284 |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Eliminate Funding for Various Line Items

|                                 |                    |                    |                  |                  |                  |                  |
|---------------------------------|--------------------|--------------------|------------------|------------------|------------------|------------------|
| Job Funnels Projects            | (150,000)          | (150,000)          | -                | -                | 150,000          | 150,000          |
| STRIDE                          | (414,892)          | (414,892)          | -                | -                | 414,892          | 414,892          |
| Incumbent Worker Training       | (570,337)          | (570,337)          | (570,337)        | (570,337)        | -                | -                |
| STRIVE                          | (189,443)          | (189,443)          | -                | -                | 189,443          | 189,443          |
| Cradle To Career                | (100,000)          | (100,000)          | -                | -                | 100,000          | 100,000          |
| 2Gen - TANF                     | (750,000)          | (750,000)          | -                | -                | 750,000          | 750,000          |
| ConnectiCorps                   | (82,839)           | (82,839)           | (82,839)         | (82,839)         | -                | -                |
| <b>Total - General Fund</b>     | <b>(2,257,511)</b> | <b>(2,257,511)</b> | <b>(653,176)</b> | <b>(653,176)</b> | <b>1,604,335</b> | <b>1,604,335</b> |
| Individual Development Accounts | (190,000)          | (190,000)          | (190,000)        | (190,000)        | -                | -                |
| <b>Total - Banking Fund</b>     | <b>(190,000)</b>   | <b>(190,000)</b>   | <b>(190,000)</b> | <b>(190,000)</b> | <b>-</b>         | <b>-</b>         |

### Background

The Job Funnels Projects program works with the Workforce Investment Boards, community-based organizations, and labor unions in urban centers to place qualified individuals into careers in specific industries, such as construction.

The STRIDE program supports a reentry transitional support workforce development program for people released from the York Correctional Institution and New Haven, Corrigan, Radgowski, and Bridgeport Correctional Centers.

The Incumbent Worker Training program provides training for currently employed workers whose employers have determined that the workers require training in order to keep their skills competitive.

The STRIVE program, which is run by community-based organizations in Bridgeport, New Haven, and Hartford, is an intensive job-readiness program that includes training, orientation, case management, workplace preparation, personalized job search assistance, and subsequent support services.

The Cradle to Career program supports local educational services in Bridgeport, Stamford, Norwalk, and Waterbury to support children and youth from birth through college and career.

The 2Gen-TANF program utilizes a two-generational approach to social services that focuses on the family by, among other things, linking the employment-related services that adults need with the early-childhood assistance that their children need. The program operates within New Haven, Greater Hartford, Norwalk, Meriden, Colchester, and Bridgeport.

The ConnectiCorps program is administered by the Quinebaug Valley Community College and Three Rivers Community College in collaboration with Serve Here Connecticut.

Individual Development Accounts (IDA) assist and support low-income wage earners and their families to save money to purchase specific allowable assets.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Reduce funding by \$2,447,511 in both FY 18 and FY 19 to reflect the elimination of various programs.

**Legislative**

Reduce funding by \$843,176 in both FY 18 and FY 19 to reflect the elimination of various programs.

**Reduce Funding for Various Line Items**

|  |                    |                    |                    |                    |                  |                  |
|--|--------------------|--------------------|--------------------|--------------------|------------------|------------------|
| Job Funnels Projects                   | -                  | -                  | (41,344)           | (41,344)           | (41,344)         | (41,344)         |
| Connecticut's Youth Employment Program | (2,672,750)        | (2,672,750)        | (1,172,750)        | (1,172,750)        | 1,500,000        | 1,500,000        |
| Jobs First Employment Services         | (59,822)           | (59,822)           | (1,059,822)        | (1,059,822)        | (1,000,000)      | (1,000,000)      |
| STRIDE                                 | -                  | -                  | (306,236)          | (306,236)          | (306,236)        | (306,236)        |
| Apprenticeship Program                 | (22,415)           | (22,415)           | (22,415)           | (22,415)           | -                | -                |
| STRIVE                                 | -                  | -                  | (80,788)           | (80,788)           | (80,788)         | (80,788)         |
| Veterans' Opportunity Pilot            | (125,947)          | (125,947)          | (125,947)          | (125,947)          | -                | -                |
| Second Chance Initiative               | -                  | -                  | (825,967)          | (825,967)          | (825,967)        | (825,967)        |
| New Haven Jobs Funnel                  | (66,673)           | (66,673)           | (66,673)           | (66,673)           | -                | -                |
| <b>Total - General Fund</b>            | <b>(2,947,607)</b> | <b>(2,947,607)</b> | <b>(3,701,942)</b> | <b>(3,701,942)</b> | <b>(754,335)</b> | <b>(754,335)</b> |

**Background**

The Youth Employment Program provides job opportunities and work experiences for economically disadvantaged youth from ages 14-21 whose family income is below 185% of the federal poverty level.

The Jobs First Employment Services program provides employment services to time-limited recipients of Temporary Aid to Needy Families (TANF)-funded state assistance. These services assist TANF recipients in preparing for, finding, and keeping employment so that they can become independent.

The Apprenticeship Program is a long-term (1-4 years) training strategy that prepares skilled workers for Connecticut industry. The Apprenticeship Program account supports the administration of the apprenticeship system for employers and labor/management organizations.

The Veterans' Opportunity Pilot assists veterans seeking job opportunities.

The New Haven Jobs Funnel account is provided to New Haven Works in order to connect New Haven resident job applicants with employers, including for employment in construction.

**Governor**

Reduce funding by \$2,947,607 in both FY 18 and FY 19 to achieve savings.

**Legislative**

Reduce funding by \$3,701,942 in both FY 18 and FY 19 to achieve savings.

**Reduce FY 18 Funding for Youth Employment**

|  |          |          |                    |          |                    |          |
|--|----------|----------|--------------------|----------|--------------------|----------|
| Connecticut's Youth Employment Program | -        | -        | (3,000,000)        | -        | (3,000,000)        | -        |
| <b>Total - General Fund</b>            | <b>-</b> | <b>-</b> | <b>(3,000,000)</b> | <b>-</b> | <b>(3,000,000)</b> | <b>-</b> |

**Background**

The Youth Employment Program provides job opportunities and work experiences for economically disadvantaged youth from ages 14-21 whose family income is below 185% of the federal poverty level.

**Legislative**

Reduce funding by \$3 million in FY 18 only to reflect savings due to not funding youth employment in the summer of 2017. Section 251 of PA 17-2 JSS, the biennial budget act, specifies that the remaining \$1 million in funding available for this program in FY 18 be distributed to the Wilson-Gray YMCA (\$500,000), the Capital Region Workforce Investment Board (\$350,000), and the City of Hartford Department of Families, Children, Youth and Recreation (\$150,000).

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Adjust Funding for WIA to Reflect Federal Appropriation

|                             |   |   |                  |                  |                  |                  |
|-----------------------------|---|---|------------------|------------------|------------------|------------------|
| Workforce Investment Act    | - | - | 2,609,299        | 2,609,299        | 2,609,299        | 2,609,299        |
| <b>Total - General Fund</b> | - | - | <b>2,609,299</b> | <b>2,609,299</b> | <b>2,609,299</b> | <b>2,609,299</b> |

#### Legislative

Increase funding for the Workforce Investment Act (WIA) by \$2,609,299 in both FY 18 and FY 19 to reflect an increase in the federal WIA grant.

### Provide Funding for Apprenticeship Initiative

|                                      |   |   |                |                  |                |                  |
|--------------------------------------|---|---|----------------|------------------|----------------|------------------|
| Healthcare Apprenticeship Initiative | - | - | 500,000        | 1,000,000        | 500,000        | 1,000,000        |
| <b>Total - General Fund</b>          | - | - | <b>500,000</b> | <b>1,000,000</b> | <b>500,000</b> | <b>1,000,000</b> |

#### Background

In September 2015 the Connecticut Labor Department was awarded a \$5 million American Apprenticeship Initiative grant to be disbursed between October 2015 and September 2020 to enroll and serve 1,000 apprentices and pre-apprentices statewide in the high demand industries of advanced manufacturing, healthcare and business services.

#### Legislative

Provide funding of \$500,000 in FY 18 and \$1 million in FY 19 to supplement federal American Apprenticeship Initiative funding. This funding is provided to support apprenticeships and pre-apprenticeships statewide in the healthcare field.

### Provide Funding for the Manufacturing Pipeline Initiative

|                                   |   |   |                |                  |                |                  |
|-----------------------------------|---|---|----------------|------------------|----------------|------------------|
| Manufacturing Pipeline Initiative | - | - | 500,000        | 1,000,000        | 500,000        | 1,000,000        |
| <b>Total - General Fund</b>       | - | - | <b>500,000</b> | <b>1,000,000</b> | <b>500,000</b> | <b>1,000,000</b> |

#### Background

The Eastern CT Manufacturing Pipeline is a program funded by the US Department of Labor-Workforce Innovation Fund in partnership with the Connecticut Labor Department and the Eastern Connecticut Workforce Investment Board (EWIB) that provides no-cost training to address the hiring needs of Electric Boat, members of the Eastern Advanced Manufacturing Alliance, and other manufacturers.

#### Legislative

Provide funding of \$500,000 in FY 18 and \$1 million in FY 19 to the EWIB to supplement federal funding for the Eastern CT Manufacturing Pipeline.

### Transfer Funding for 2Gen-TANF to OEC

|                             |   |   |                  |                  |                  |                  |
|-----------------------------|---|---|------------------|------------------|------------------|------------------|
| 2Gen - TANF                 | - | - | (750,000)        | (750,000)        | (750,000)        | (750,000)        |
| <b>Total - General Fund</b> | - | - | <b>(750,000)</b> | <b>(750,000)</b> | <b>(750,000)</b> | <b>(750,000)</b> |

#### Background

The 2Gen-TANF program utilizes a two-generational approach to social services that focuses on the family by, among other things, linking the employment-related services that adults need with the early-childhood assistance that their children need.

#### Legislative

Transfer funding of \$750,000 in both FY 18 and FY 19 from the Labor Department to the Office of Early Childhood (OEC) to reflect OEC as the coordinating agency for the two-generational initiative. Section 141 of PA 17-2 JSS, the biennial budget act, implements this policy.

### Transfer Funding for STRIDE to DOC

|                             |   |   |                  |                  |                  |                  |
|-----------------------------|---|---|------------------|------------------|------------------|------------------|
| STRIDE                      | - | - | (108,656)        | (108,656)        | (108,656)        | (108,656)        |
| <b>Total - General Fund</b> | - | - | <b>(108,656)</b> | <b>(108,656)</b> | <b>(108,656)</b> | <b>(108,656)</b> |

#### Background

The STRIDE program supports a reentry transitional support workforce development program for people released from the York Correctional Institution and New Haven, Corrigan, Radgowski, and Bridgeport Correctional Centers.

#### Legislative

Transfer funding of \$108,656 in both FY 18 and FY 19 from the Labor Department to the Department of Correction (DOC) to reflect DOC as the administrative agency for the STRIDE program.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Increase Arbitrator Compensation for Written Decisions

|                             |               |               |               |               |          |          |
|-----------------------------|---------------|---------------|---------------|---------------|----------|----------|
| Other Expenses              | 40,000        | 40,000        | 40,000        | 40,000        | -        | -        |
| <b>Total - General Fund</b> | <b>40,000</b> | <b>40,000</b> | <b>40,000</b> | <b>40,000</b> | <b>-</b> | <b>-</b> |

#### Background

CGS Sec. 31-98 establishes the compensation paid to members of the State Board of Mediation and Arbitration (SBMA) for providing mediation and arbitration services for disputes between employers and employees.

#### Governor

Increase, from \$175 to \$500, the additional compensation paid to arbitrators of the SBMA for preparing a written decision. This is estimated to increase expenditures in the Other Expenses account by \$40,000 annually.

#### Legislative

Same as Governor

### Annualize FY 17 Holdbacks

|  |                    |                    |                    |                    |          |          |
|--|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Personal Services                      | (88,360)           | (88,360)           | (88,360)           | (88,360)           | -        | -        |
| Other Expenses                         | (10,508)           | (10,508)           | (10,508)           | (10,508)           | -        | -        |
| CETC Workforce                         | (39,254)           | (39,254)           | (39,254)           | (39,254)           | -        | -        |
| Job Funnels Projects                   | (47,379)           | (47,379)           | (47,379)           | (47,379)           | -        | -        |
| Connecticut's Youth Employment Program | (52,250)           | (52,250)           | (52,250)           | (52,250)           | -        | -        |
| Jobs First Employment Services         | (240,178)          | (240,178)          | (240,178)          | (240,178)          | -        | -        |
| STRIDE                                 | (23,141)           | (23,141)           | (23,141)           | (23,141)           | -        | -        |
| Apprenticeship Program                 | (15,085)           | (15,085)           | (15,085)           | (15,085)           | -        | -        |
| Spanish-American Merchants Association | (22,695)           | (22,695)           | (22,695)           | (22,695)           | -        | -        |
| Connecticut Career Resource Network    | (4,735)            | (4,735)            | (4,735)            | (4,735)            | -        | -        |
| Incumbent Worker Training              | (17,639)           | (17,639)           | (17,639)           | (17,639)           | -        | -        |
| STRIVE                                 | (11,013)           | (11,013)           | (11,013)           | (11,013)           | -        | -        |
| Customized Services                    | (371,215)          | (371,215)          | (371,215)          | (371,215)          | -        | -        |
| Opportunities for Long Term Unemployed | (616,267)          | (616,267)          | (616,267)          | (616,267)          | -        | -        |
| Veterans' Opportunity Pilot            | (31,553)           | (31,553)           | (31,553)           | (31,553)           | -        | -        |
| Second Chance Initiative               | (59,922)           | (59,922)           | (59,922)           | (59,922)           | -        | -        |
| Cradle To Career                       | (98,000)           | (98,000)           | (98,000)           | (98,000)           | -        | -        |
| 2Gen - TANF                            | (512,252)          | (512,252)          | (512,252)          | (512,252)          | -        | -        |
| ConnectiCorps                          | (42,619)           | (42,619)           | (42,619)           | (42,619)           | -        | -        |
| New Haven Jobs Funnel                  | (33,327)           | (33,327)           | (33,327)           | (33,327)           | -        | -        |
| <b>Total - General Fund</b>            | <b>(2,337,392)</b> | <b>(2,337,392)</b> | <b>(2,337,392)</b> | <b>(2,337,392)</b> | <b>-</b> | <b>-</b> |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$2,337,392 in FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Carry Forward

### Carry Forward Workforce Investment Act Funds

|                                      |   |   |                   |   |                   |   |
|--------------------------------------|---|---|-------------------|---|-------------------|---|
| Workforce Investment Act             | - | - | 11,825,723        | - | 11,825,723        | - |
| <b>Total - Carry Forward Funding</b> | - | - | <b>11,825,723</b> | - | <b>11,825,723</b> | - |

### Legislative

Pursuant to CGS Sec. 4-89(h) funding of \$11,825,723 is carried forward from FY 17 into FY 18 in the Workforce Investment Act (WIA) account. This amount represents the portion of federal funds provided under the WIA grant that were appropriated but unspent in FY 17; CGS Sec. 4-89(h) specifies that unspent WIA grant funds are automatically carried forward into subsequent fiscal years.

## Totals

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |                  |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|------------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19            |
| FY 17 Appropriation - GF      | 74,084,579           | 74,084,579        | 74,084,579        | 74,084,579        | -                        | -                |
| Policy Revisions              | (7,502,510)          | (7,502,510)       | (6,901,867)       | (2,901,867)       | 600,643                  | 4,600,643        |
| <b>Total Recommended - GF</b> | <b>66,582,069</b>    | <b>66,582,069</b> | <b>67,182,712</b> | <b>71,182,712</b> | <b>600,643</b>           | <b>4,600,643</b> |
| FY 17 Appropriation - BF      | 1,615,000            | 1,615,000         | 1,615,000         | 1,615,000         | -                        | -                |
| Policy Revisions              | (190,000)            | (190,000)         | (190,000)         | (190,000)         | -                        | -                |
| <b>Total Recommended - BF</b> | <b>1,425,000</b>     | <b>1,425,000</b>  | <b>1,425,000</b>  | <b>1,425,000</b>  | -                        | -                |
| FY 17 Appropriation - WF      | 687,148              | 687,148           | 687,148           | 687,148           | -                        | -                |
| <b>Total Recommended - WF</b> | <b>687,148</b>       | <b>687,148</b>    | <b>687,148</b>    | <b>687,148</b>    | -                        | -                |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |       |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|-------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19 |
| FY 17 Appropriation - GF      | 191                  | 191        | 191         | 191        | -                        | -     |
| <b>Total Recommended - GF</b> | <b>191</b>           | <b>191</b> | <b>191</b>  | <b>191</b> | -                        | -     |
| FY 17 Appropriation - WF      | 2                    | 2          | 2           | 2          | -                        | -     |
| <b>Total Recommended - WF</b> | <b>2</b>             | <b>2</b>   | <b>2</b>    | <b>2</b>   | -                        | -     |

## Other Significant Legislation

### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Delayed Start Savings of \$1,796,434. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account                                | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|--|------------------|---------------------|------------------|-------------|
| Personal Services                      | 8,747,739        | (329,709)           | 8,418,030        | 3.8%        |
| Other Expenses                         | 1,080,343        | (54,017)            | 1,026,326        | 5.0%        |
| CETC Workforce                         | 619,591          | (62,791)            | 556,800          | 10.1%       |
| Workforce Investment Act               | 36,758,476       | (132,129)           | 36,626,347       | 0.4%        |
| Job Funnels Projects                   | 108,656          | (35,314)            | 73,342           | 32.5%       |
| Connecticut's Youth Employment Program | 1,000,000        | (1,000,000)         | -                | 100.0%      |
| Jobs First Employment Services         | 13,869,606       | (1,392,383)         | 12,477,223       | 10.0%       |
| Apprenticeship Program                 | 465,342          | (6,894)             | 458,448          | 1.5%        |
| Spanish-American Merchants Association | 400,489          | (100,122)           | 300,367          | 25.0%       |
| Connecticut Career Resource Network    | 153,113          | (2,050)             | 151,063          | 1.3%        |
| STRIVE                                 | 108,655          | (32,597)            | 76,058           | 30.0%       |
| Opportunities for Long Term Unemployed | 1,753,994        | (438,499)           | 1,315,495        | 25.0%       |
| Veterans' Opportunity Pilot            | 227,606          | (3,699)             | 223,907          | 1.6%        |
| Second Chance Initiative               | 444,861          | (133,458)           | 311,403          | 30.0%       |
| Cradle To Career                       | 100,000          | (100,000)           | -                | 100.0%      |
| New Haven Jobs Funnel                  | 344,241          | (142,310)           | 201,931          | 41.3%       |
| Healthcare Apprenticeship Initiative   | 500,000          | (500,000)           | -                | 100.0%      |
| Manufacturing Pipeline Initiative      | 500,000          | (500,000)           | -                | 100.0%      |
| Occupational Health Clinics            | 687,148          | (848)               | 686,300          | 0.1%        |

## Commission on Human Rights and Opportunities HRO41100

### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 79              | 85              | 85                     | 74                   | 74    | 82          | 82    |

### Budget Summary

| Account                                       | Actual<br>FY 15  | Actual<br>FY 16  | Appropriation<br>FY 17 | Governor Recommended |                  | Legislative      |                  |
|---|------------------|------------------|------------------------|----------------------|------------------|------------------|------------------|
|   |                  |                  |                        | FY 18                | FY 19            | FY 18            | FY 19            |
| Personal Services                             | 5,614,357        | 6,154,994        | 6,409,092              | 5,629,364            | 5,497,637        | 5,916,770        | 5,880,844        |
| Other Expenses                                | 309,808          | 318,292          | 352,640                | 302,061              | 302,061          | 302,061          | 302,061          |
| <b>Other Current Expenses</b>                 |                  |                  |                        |                      |                  |                  |                  |
| Martin Luther King, Jr.<br>Commission         | 4,365            | 4,582            | 6,161                  | 5,977                | 5,977            | 5,977            | 5,977            |
| <b>Nonfunctional - Change to<br/>Accruals</b> | 26,087           | -                | -                      | -                    | -                | -                | -                |
| <b>Agency Total - General Fund</b>            | <b>5,954,617</b> | <b>6,477,869</b> | <b>6,767,893</b>       | <b>5,937,402</b>     | <b>5,805,675</b> | <b>6,224,808</b> | <b>6,188,882</b> |
| <b>Additional Funds Available</b>             |                  |                  |                        |                      |                  |                  |                  |
| Federal Funds                                 | -                | 35,760           | 56,348                 | 37,364               | 38,410           | 37,364           | 38,410           |
| Private Contributions                         | -                | 6,194            | 6,380                  | 6,571                | 6,768            | 6,571            | 6,768            |
| <b>Agency Grand Total</b>                     | <b>5,954,617</b> | <b>6,519,823</b> | <b>6,830,621</b>       | <b>5,981,337</b>     | <b>5,850,853</b> | <b>6,268,743</b> | <b>6,234,060</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

## Policy Revisions

### Adjust Funding for the Municipal Set-Aside Program

|                                 |                  |                  |                  |                  |                |                |
|---------------------------------|------------------|------------------|------------------|------------------|----------------|----------------|
| Personal Services               | (395,183)        | (526,910)        | (107,777)        | (143,703)        | 287,406        | 383,207        |
| <b>Total - General Fund</b>     | <b>(395,183)</b> | <b>(526,910)</b> | <b>(107,777)</b> | <b>(143,703)</b> | <b>287,406</b> | <b>383,207</b> |
| <b>Positions - General Fund</b> | <b>(11)</b>      | <b>(11)</b>      | <b>(3)</b>       | <b>(3)</b>       | <b>8</b>       | <b>8</b>       |

#### Background

PA 15-5 JSS established contract set-aside requirements for certain municipal and quasi-public agency contracts funded at least partially by the state. The Commission on Human Rights and Opportunities (CHRO) is the administering agency for this program.

#### Governor

Reduce funding by \$395,183 in FY 18 (nine months) and \$526,910 in FY 19 and eliminate 11 positions to reflect the suspension of the Municipal Set-Aside Program

#### Legislative

Reduce funding by \$107,777 in FY 18 (nine months) and \$143,703 in FY 19 to reflect the elimination of three vacant positions.

### Annualize FY 17 Holdbacks

|                                    |                  |                  |                  |                  |          |          |
|------------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services                  | (384,545)        | (384,545)        | (384,545)        | (384,545)        | -        | -        |
| Other Expenses                     | (10,579)         | (10,579)         | (10,579)         | (10,579)         | -        | -        |
| Martin Luther King, Jr. Commission | (184)            | (184)            | (184)            | (184)            | -        | -        |
| <b>Total - General Fund</b>        | <b>(395,308)</b> | <b>(395,308)</b> | <b>(395,308)</b> | <b>(395,308)</b> | <b>-</b> | <b>-</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

**Governor**

Reduce funding by \$395,308 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

**Legislative**

Same as Governor

**Reduce Funding for Various Accounts**

|                             |                 |                 |                 |                 |          |          |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Other Expenses              | (40,000)        | (40,000)        | (40,000)        | (40,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(40,000)</b> | <b>(40,000)</b> | <b>(40,000)</b> | <b>(40,000)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$40,000 in both FY 18 and FY 19 to achieve savings.

**Legislative**

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                  | Legislative      |                  | Difference from Governor |                |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------------|----------------|
|                               | FY 18                | FY 19            | FY 18            | FY 19            | FY 18                    | FY 19          |
| FY 17 Appropriation - GF      | 6,767,893            | 6,767,893        | 6,767,893        | 6,767,893        | -                        | -              |
| Policy Revisions              | (830,491)            | (962,218)        | (543,085)        | (579,011)        | 287,406                  | 383,207        |
| <b>Total Recommended - GF</b> | <b>5,937,402</b>     | <b>5,805,675</b> | <b>6,224,808</b> | <b>6,188,882</b> | <b>287,406</b>           | <b>383,207</b> |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 85                   | 85        | 85          | 85        | -                        | -        |
| Policy Revisions              | (11)                 | (11)      | (3)         | (3)       | 8                        | 8        |
| <b>Total Recommended - GF</b> | <b>74</b>            | <b>74</b> | <b>82</b>   | <b>82</b> | <b>8</b>                 | <b>8</b> |

**Other Significant Legislation****PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account           | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|-------------------|------------------|---------------------|------------------|-------------|
| Personal Services | 5,916,770        | (239,016)           | 5,677,754        | 4.0%        |
| Other Expenses    | 302,061          | (15,103)            | 286,958          | 5.0%        |

## Protection and Advocacy for Persons with Disabilities

### OPA41200

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 31              | 31              | 31                     | -                    | -     | -           | -     |

#### Budget Summary

| Account                                   | Actual<br>FY 15  | Actual<br>FY 16  | Appropriation<br>FY 17 | Governor Recommended |       | Legislative    |       |
|---|------------------|------------------|------------------------|----------------------|-------|----------------|-------|
|   |                  |                  |                        | FY 18                | FY 19 | FY 18          | FY 19 |
| Personal Services                         | 2,207,844        | 2,264,067        | 2,047,881              | -                    | -     | -              | -     |
| Other Expenses                            | 178,461          | 177,684          | 178,760                | -                    | -     | -              | -     |
| <b>Nonfunctional - Change to Accruals</b> | <b>4,657</b>     | -                | -                      | -                    | -     | -              | -     |
| <b>Agency Total - General Fund</b>        | <b>2,390,962</b> | <b>2,441,751</b> | <b>2,226,641</b>       | -                    | -     | -              | -     |
| <b>Additional Funds Available</b>         |                  |                  |                        |                      |       |                |       |
| Carry Forward Funding                     | -                | -                | -                      | -                    | -     | 255,722        | -     |
| Federal Funds                             | -                | 1,689,259        | 1,743,655              | -                    | -     | -              | -     |
| <b>Agency Grand Total</b>                 | <b>2,390,962</b> | <b>4,131,010</b> | <b>3,970,296</b>       | -                    | -     | <b>255,722</b> | -     |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

#### Current Services

##### Reduce Funding for Privatization of Protection & Advocacy

|                                 |                    |                    |                    |                    |   |   |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|---|---|
| Personal Services               | (1,086,044)        | (1,086,044)        | (1,086,044)        | (1,086,044)        | - | - |
| Other Expenses                  | (131,419)          | (131,419)          | (131,419)          | (131,419)          | - | - |
| <b>Total - General Fund</b>     | <b>(1,217,463)</b> | <b>(1,217,463)</b> | <b>(1,217,463)</b> | <b>(1,217,463)</b> | - | - |
| <b>Positions - General Fund</b> | <b>(19)</b>        | <b>(19)</b>        | <b>(19)</b>        | <b>(19)</b>        | - | - |

#### Background

PA 16-66, "AAC Various Revisions to the Public Health Statutes," eliminates the Office of Protection and Advocacy for Persons with Disabilities (OPA) effective July 1, 2017. The protection and advocacy ("P&A") functions of the agency will be re-designated as a non-profit entity, using federal funds.

#### Governor

Reduce funding by \$1,217,463 (\$1,086,044 in Personal Services and \$131,419 in Other Expenses) and 19 positions in both FY 18 and FY 19 to reflect the privatization of the protection and advocacy ("P&A") function of OPA.

#### Legislative

Same as Governor

##### Transfer Abuse Investigation Division to DORS

|                                 |                    |                    |                    |                    |   |   |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|---|---|
| Personal Services               | (961,837)          | (961,837)          | (961,837)          | (961,837)          | - | - |
| Other Expenses                  | (47,341)           | (47,341)           | (47,341)           | (47,341)           | - | - |
| <b>Total - General Fund</b>     | <b>(1,009,178)</b> | <b>(1,009,178)</b> | <b>(1,009,178)</b> | <b>(1,009,178)</b> | - | - |
| <b>Positions - General Fund</b> | <b>(12)</b>        | <b>(12)</b>        | <b>(12)</b>        | <b>(12)</b>        | - | - |

#### Background

PA 16-66 includes provisions to transfer OPA's Abuse Investigation Division (AID) to the Department of Rehabilitation Services (DORS).

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Transfer funding of \$1,009,178 (\$961,837 in Personal Services and \$47,341 in Other Expenses) in both FY 18 and FY 19 to reflect the transfer of AID and its 12 positions from OPA to DORS.

**Legislative**

Same as Governor

**Carry Forward****Carry Forward Funds into FY 18**

|                                      |   |   |                |   |                |   |
|--------------------------------------|---|---|----------------|---|----------------|---|
| Personal Services                    | - | - | 248,244        | - | 248,244        | - |
| Other Expenses                       | - | - | 7,478          | - | 7,478          | - |
| <b>Total - Carry Forward Funding</b> | - | - | <b>255,722</b> | - | <b>255,722</b> | - |

**Legislative**

Carry forward funding of \$255,722 from FY 17 into FY 18.

**Totals**

| Budget Components             | Governor Recommended |             | Legislative |             | Difference from Governor |       |
|-------------------------------|----------------------|-------------|-------------|-------------|--------------------------|-------|
|                               | FY 18                | FY 19       | FY 18       | FY 19       | FY 18                    | FY 19 |
| FY 17 Appropriation - GF      | 2,226,641            | 2,226,641   | 2,226,641   | 2,226,641   | -                        | -     |
| Current Services              | (2,226,641)          | (2,226,641) | (2,226,641) | (2,226,641) | -                        | -     |
| <b>Total Recommended - GF</b> | -                    | -           | -           | -           | -                        | -     |

| Positions                     | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|-------------------------------|----------------------|-------|-------------|-------|--------------------------|-------|
|                               | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
| FY 17 Appropriation - GF      | 31                   | 31    | 31          | 31    | -                        | -     |
| Current Services              | (31)                 | (31)  | (31)        | (31)  | -                        | -     |
| <b>Total Recommended - GF</b> | -                    | -     | -           | -     | -                        | -     |

## Workers' Compensation Commission

### WCC42000

#### Permanent Full-Time Positions

| Fund                       | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|----------------------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|                            |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| Workers' Compensation Fund | 117             | 117             | 117                    | 109                  | 109   | 117         | 117   |

#### Budget Summary

| Account  | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|--|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|  |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                                | 9,338,005         | 9,313,544         | 10,240,361             | 9,905,669            | 9,905,669         | 10,268,099        | 10,240,361        |
| Other Expenses                                   | 2,183,416         | 2,922,910         | 3,819,747              | 2,111,669            | 2,449,666         | 2,321,765         | 2,659,765         |
| Equipment  | 124,891           | -                 | 41,000                 | 1                    | 1                 | 1                 | 1                 |
| <b>Other Current Expenses</b>                    |                   |                   |                        |                      |                   |                   |                   |
| Fringe Benefits                                  | 6,944,247         | 7,209,830         | 8,192,289              | 7,931,229            | 7,931,229         | 8,214,479         | 8,192,289         |
| Indirect Overhead                                | 244,904           | 464,028           | 398,322                | 291,637              | 291,637           | 291,637           | 291,637           |
| Nonfunctional - Change to Accruals               | 65,038            | -                 | -                      | -                    | -                 | -                 | -                 |
| <b>Agency Total - Workers' Compensation Fund</b> | <b>18,900,501</b> | <b>19,910,312</b> | <b>22,691,719</b>      | <b>20,240,205</b>    | <b>20,578,202</b> | <b>21,095,981</b> | <b>21,384,053</b> |
| <b>Additional Funds Available</b>                |                   |                   |                        |                      |                   |                   |                   |
| Carry Forward Workers' Compensation Fund         | -                 | -                 | -                      | -                    | -                 | 1,040,770         | -                 |
| Private Contributions                            | -                 | 102,963           | 103,072                | 103,072              | 103,072           | 103,072           | 103,072           |
| <b>Agency Grand Total</b>                        | <b>18,900,501</b> | <b>20,013,275</b> | <b>22,794,791</b>      | <b>20,343,277</b>    | <b>20,681,274</b> | <b>22,239,823</b> | <b>21,487,125</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Policy Revisions

#### Close the Stamford District Office

|   |                  |                  |          |          |                |                |
|---|------------------|------------------|----------|----------|----------------|----------------|
| Other Expenses                            | (210,096)        | (210,099)        | -        | -        | 210,096        | 210,099        |
| <b>Total - Workers' Compensation Fund</b> | <b>(210,096)</b> | <b>(210,099)</b> | <b>-</b> | <b>-</b> | <b>210,096</b> | <b>210,099</b> |

#### Background

The Workers' Compensation Commission currently operates eight district offices in addition to the Central Office in Hartford. The eight district offices are located in Hartford, Norwich, New Haven, Bridgeport, Waterbury, New Britain, Middletown and Stamford. The Stamford office currently has the lowest caseload of any district office.

#### Governor

Eliminate funding of approximately \$210,100 in both FY 18 and FY 19 in the Other Expenses account to reflect the closure of the Stamford District Office effective July 1, 2017. The funding reflects the cost of rent and utilities. Employees of the office will refill vacancies within one of the remaining seven district offices.

#### Legislative

Do not eliminate funding for the Stamford District Office.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Eliminate Funding for Commissioners' Salary increases

|   |                  |                  |                  |                  |               |          |
|---|------------------|------------------|------------------|------------------|---------------|----------|
| Personal Services                         | (110,950)        | (110,950)        | (83,212)         | (110,950)        | 27,738        | -        |
| Fringe Benefits                           | (88,760)         | (88,760)         | (66,570)         | (88,760)         | 22,190        | -        |
| <b>Total - Workers' Compensation Fund</b> | <b>(199,710)</b> | <b>(199,710)</b> | <b>(149,782)</b> | <b>(199,710)</b> | <b>49,928</b> | <b>-</b> |

#### Governor

Eliminate funding of \$199,710 in both FY 18 and FY 19 to reflect delaying the 3% Workers' Compensation Commissioners' salary increases for the biennium. The increases were effective July 1, 2017 (FY 18) and will be delayed until July 1, 2019 (FY 20).

#### Legislative

Eliminate funding of \$149,782 in FY 18 and \$199,710 in FY 19 to reflect delaying the 3% Workers' Compensation Commissioners' salary increases for the biennium. The increases were effective July 1, 2017 (FY 18) and will be delayed until July 1, 2019 (FY 20). Funding is provided for the period July through October FY 18, when the final budget was passed. Sections 254 - 257 of PA 17-2 JSS, the biennial budget act implements the delay.

### Reduce Funding for eCourt to Reflect Use of Carryforward

|   |                    |          |                    |          |          |          |
|---|--------------------|----------|--------------------|----------|----------|----------|
| Other Expenses                            | (1,040,770)        | -        | (1,040,770)        | -        | -        | -        |
| <b>Total - Workers' Compensation Fund</b> | <b>(1,040,770)</b> | <b>-</b> | <b>(1,040,770)</b> | <b>-</b> | <b>-</b> | <b>-</b> |

#### Background

Funding was provided in PA 13-184 to facilitate the implementation of E-File at the Workers' Compensation Commission (WCC) and to complete the commission's computer data conversion project. The project has been delayed due to vendor changes. The WCC is in the process of implementing the eCourt system currently utilized by the Division of Criminal Justice.

#### Governor

Reduce funding by \$1,040,770 in FY 18 to reflect the use of carryforward funds for the eCourt Migration Project in FY 18.

#### Legislative

Same as Governor

### Eliminate Vacant Positions

|   |                  |                  |          |          |                |                |
|---|------------------|------------------|----------|----------|----------------|----------------|
| Personal Services                             | (334,692)        | (334,692)        | -        | -        | 334,692        | 334,692        |
| Fringe Benefits                               | (261,060)        | (261,060)        | -        | -        | 261,060        | 261,060        |
| <b>Total - Workers' Compensation Fund</b>     | <b>(595,752)</b> | <b>(595,752)</b> | <b>-</b> | <b>-</b> | <b>595,752</b> | <b>595,752</b> |
| <b>Positions - Workers' Compensation Fund</b> | <b>(8)</b>       | <b>(8)</b>       | <b>-</b> | <b>-</b> | <b>8</b>       | <b>8</b>       |

#### Governor

Reduce funding by \$595,752 in both FY 18 and FY 19 to reflect the elimination of eight positions that are currently vacant.

#### Legislative

Same as Governor

## Current Services

### Provide Funding for Commissioners' Salary Increases

|   |                |                |                |                |          |          |
|---|----------------|----------------|----------------|----------------|----------|----------|
| Personal Services                         | 110,950        | 110,950        | 110,950        | 110,950        | -        | -        |
| Fringe Benefits                           | 88,760         | 88,760         | 88,760         | 88,760         | -        | -        |
| <b>Total - Workers' Compensation Fund</b> | <b>199,710</b> | <b>199,710</b> | <b>199,710</b> | <b>199,710</b> | <b>-</b> | <b>-</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Provide funding of \$199,710 in both FY 18 and FY 19 for Workers' Compensation Commissioners' salary increases. The salary increases are delayed for both FY 18 and FY 19 in a separate policy write-up.

**Legislative**

Same as Governor

**Adjust Funding for eCourt Migration Project**

|   |                  |                    |                  |                    |          |          |
|---|------------------|--------------------|------------------|--------------------|----------|----------|
| Other Expenses                            | (502,212)        | (1,262,982)        | (502,212)        | (1,262,982)        | -        | -        |
| <b>Total - Workers' Compensation Fund</b> | <b>(502,212)</b> | <b>(1,262,982)</b> | <b>(502,212)</b> | <b>(1,262,982)</b> | <b>-</b> | <b>-</b> |

**Background**

Funding was provided in PA 13-184 to facilitate the implementation of E-File at the Workers' Compensation Commission (WCC) and to complete the commission's computer data conversion project. The project has been delayed due to vendor changes. The WCC is in the process of implementing the eCourt system currently utilized by the Division of Criminal Justice.

**Governor**

Reduce funding by \$502,212 in FY 18 and \$1,262,982 in FY 19 for the eCourt project to reflect an updated cost estimate and delayed implementation. Total program costs for FY 18 of \$1,040,770 will be funded out of carryforward originally appropriated for the eCourt project. This adjustment is reflected in a separate policy write-up. Total project funding for FY 19 is \$280,000.

**Legislative**

Same as Governor

**Adjust Funding for Other Expenses and Equipment**

|   |              |               |              |               |          |          |
|---|--------------|---------------|--------------|---------------|----------|----------|
| Other Expenses                            | 45,000       | 103,000       | 45,000       | 103,000       | -        | -        |
| Equipment                                 | (40,999)     | (40,999)      | (40,999)     | (40,999)      | -        | -        |
| <b>Total - Workers' Compensation Fund</b> | <b>4,001</b> | <b>62,001</b> | <b>4,001</b> | <b>62,001</b> | <b>-</b> | <b>-</b> |

**Governor**

Eliminate funding of \$40,999 in both FY 18 and FY 19 in the Equipment account to reflect the agency not requiring any small equipment funding for the biennium. Provide funding of \$45,000 in FY 18 and \$103,000 in FY 19 in the Other Expenses account for replacement and new equipment. To support the eCourt project, the WCC will need to purchase ten production scanners in FY 18 which have the capacity to scan and catalogue large volumes of documents (each scanner is approximately \$4,200). The WCC computers are scheduled for their five year upgrade at a cost of \$103,000 in FY 19.

**Legislative**

Same as Governor

**Adjust Indirect Overhead**

|   |                  |                  |                  |                  |          |          |
|---|------------------|------------------|------------------|------------------|----------|----------|
| Indirect Overhead                         | (106,685)        | (106,685)        | (106,685)        | (106,685)        | -        | -        |
| <b>Total - Workers' Compensation Fund</b> | <b>(106,685)</b> | <b>(106,685)</b> | <b>(106,685)</b> | <b>(106,685)</b> | <b>-</b> | <b>-</b> |

**Background**

The fringe benefit costs for employees supported by funds other than the General Fund are budgeted for within their respective agencies, as opposed to the fringe benefit accounts within the Office of the State Comptroller. In addition, this agency is charged indirect overhead costs by the State Comptroller for utilizing certain centralized state agency services.

**Governor**

Reduce funding by \$106,685 in both FY 18 and FY 19 to reflect required funding for indirect overhead.

**Legislative**

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Carry Forward

### Carry Forward Funding for IT Project Expenses

|   |          |          |                  |          |                  |          |
|---|----------|----------|------------------|----------|------------------|----------|
| Other Expenses  | -        | -        | 1,040,770        | -        | 1,040,770        | -        |
| <b>Total - Carry Forward Workers' Compensation Fund</b> | <b>-</b> | <b>-</b> | <b>1,040,770</b> | <b>-</b> | <b>1,040,770</b> | <b>-</b> |

### Legislative

Pursuant to CGS 4-89(c), funding of \$1,040,770 is carried forward in the Other Expenses account for the IT conversion project, whose implementation has been delayed due to a change in vendor.

## Totals

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |                |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|----------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19          |
| FY 17 Appropriation - WF      | 22,691,719           | 22,691,719        | 22,691,719        | 22,691,719        | -                        | -              |
| Policy Revisions              | (2,046,328)          | (1,005,561)       | (1,190,552)       | (199,710)         | 855,776                  | 805,851        |
| Current Services              | (405,186)            | (1,107,956)       | (405,186)         | (1,107,956)       | -                        | -              |
| <b>Total Recommended - WF</b> | <b>20,240,205</b>    | <b>20,578,202</b> | <b>21,095,981</b> | <b>21,384,053</b> | <b>855,776</b>           | <b>805,851</b> |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |          |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|----------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19    |
| FY 17 Appropriation - WF      | 117                  | 117        | 117         | 117        | -                        | -        |
| Policy Revisions              | (8)                  | (8)        | -           | -          | 8                        | 8        |
| <b>Total Recommended - WF</b> | <b>109</b>           | <b>109</b> | <b>117</b>  | <b>117</b> | <b>8</b>                 | <b>8</b> |

## Other Significant Legislation

### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Labor Concessions Savings of \$109,289. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account           | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|-------------------|------------------|---------------------|------------------|-------------|
| Personal Services | 10,268,099       | (109,289)           | 10,158,810       | 1.1%        |

## Department of Agriculture DAG42500

### Permanent Full-Time Positions

| Fund                           | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------------------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|                                |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund                   | 49              | 50              | 50                     | 50                   | 50    | 50          | 50    |
| Regional Market Operation Fund | 7               | 7               | 7                      | 7                    | 7     | 7           | 7     |

### Budget Summary

| Account  | Actual<br>FY 15  | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|--|------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|  |                  |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                                    | 3,778,637        | 3,647,578         | 3,742,495              | 3,610,221            | 3,610,221         | 3,610,221         | 3,610,221         |
| Other Expenses                                       | 848,477          | 811,457           | 687,038                | 637,038              | 637,038           | 845,038           | 845,038           |
| <b>Other Current Expenses</b>                        |                  |                   |                        |                      |                   |                   |                   |
| Senior Food Vouchers                                 | 363,014          | 361,037           | 361,280                | 350,442              | 350,442           | 350,442           | 350,442           |
| <b>Other Than Payments to Local Governments</b>      |                  |                   |                        |                      |                   |                   |                   |
| Tuberculosis and Brucellosis Indemnity               | -                | -                 | 100                    | 97                   | 97                | 97                | 97                |
| WIC Coupon Program for Fresh Produce                 | 174,886          | 135,209           | 173,132                | 167,938              | 167,938           | 167,938           | 167,938           |
| <b>Nonfunctional - Change to Accruals</b>            | <b>(13,830)</b>  | -                 | -                      | -                    | -                 | -                 | -                 |
| <b>Agency Total - General Fund</b>                   | <b>5,151,184</b> | <b>4,955,281</b>  | <b>4,964,045</b>       | <b>4,765,736</b>     | <b>4,765,736</b>  | <b>4,973,736</b>  | <b>4,973,736</b>  |
| <b>Additional Funds Available</b>                    |                  |                   |                        |                      |                   |                   |                   |
| Personal Services                                    | 365,636          | 408,192           | 430,138                | 430,138              | 430,138           | 430,138           | 430,138           |
| Other Expenses                                       | 408,873          | 310,825           | 273,007                | 273,007              | 273,007           | 273,007           | 273,007           |
| Fringe Benefits                                      | 294,466          | 323,957           | 361,316                | 361,316              | 361,316           | 361,316           | 361,316           |
| <b>Nonfunctional - Change to Accruals</b>            | <b>3,549</b>     | -                 | -                      | -                    | -                 | -                 | -                 |
| <b>Agency Total - Regional Market Operation Fund</b> | <b>1,072,524</b> | <b>1,042,974</b>  | <b>1,064,461</b>       | <b>1,064,461</b>     | <b>1,064,461</b>  | <b>1,064,461</b>  | <b>1,064,461</b>  |
| <b>Total - Appropriated Funds</b>                    | <b>6,223,708</b> | <b>5,998,255</b>  | <b>6,028,506</b>       | <b>5,830,197</b>     | <b>5,830,197</b>  | <b>6,038,197</b>  | <b>6,038,197</b>  |
| <b>Additional Funds Available</b>                    |                  |                   |                        |                      |                   |                   |                   |
| Federal Funds  | -                | 1,327,590         | 1,703,159              | 1,068,500            | 1,068,500         | 1,068,500         | 1,068,500         |
| Private Contributions & Other Restricted             | -                | 901,236           | 1,053,000              | 1,053,000            | 1,053,000         | 1,053,000         | 1,053,000         |
| Private Contributions                                | -                | 9,806,712         | 3,146,750              | 3,296,750            | 3,496,750         | 3,296,750         | 3,496,750         |
| <b>Agency Grand Total</b>                            | <b>6,223,708</b> | <b>18,033,793</b> | <b>11,931,415</b>      | <b>11,248,447</b>    | <b>11,448,447</b> | <b>11,456,447</b> | <b>11,656,447</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Policy Revisions

#### Provide Funding for Shellfish Testing at Avery Point

|                             |          |          |                |                |                |                |
|-----------------------------|----------|----------|----------------|----------------|----------------|----------------|
| Other Expenses              | -        | -        | 138,000        | 138,000        | 138,000        | 138,000        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>138,000</b> | <b>138,000</b> | <b>138,000</b> | <b>138,000</b> |

#### Legislative

Provide funding of \$138,000 in both FY 18 and FY 19 for shellfish testing at Avery Point.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Provide Funding for Franklin 4H Camp

|                             |          |          |               |               |               |               |
|-----------------------------|----------|----------|---------------|---------------|---------------|---------------|
| Other Expenses              | -        | -        | 40,000        | 40,000        | 40,000        | 40,000        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>40,000</b> | <b>40,000</b> | <b>40,000</b> | <b>40,000</b> |

#### Legislative

Provide funding of \$40,000 in both FY 18 and FY 19 for military children to attend a 4H camp in Franklin.

### Provide Funding for CT 4H Development Fund

|                             |          |          |               |               |               |               |
|-----------------------------|----------|----------|---------------|---------------|---------------|---------------|
| Other Expenses              | -        | -        | 30,000        | 30,000        | 30,000        | 30,000        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>30,000</b> | <b>30,000</b> | <b>30,000</b> | <b>30,000</b> |

#### Legislative

Provide funding of \$30,000 in both FY 18 and FY 19 for the Connecticut 4H Development Fund.

### Reduce Funding for Second Chance Large Animal Rehab.

|                             |                 |                 |                 |                 |          |          |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Other Expenses              | (29,389)        | (29,389)        | (29,389)        | (29,389)        | -        | -        |
| <b>Total - General Fund</b> | <b>(29,389)</b> | <b>(29,389)</b> | <b>(29,389)</b> | <b>(29,389)</b> | <b>-</b> | <b>-</b> |

#### Background

Located at York Correctional Facility in Niantic, "Second Chance" is a collaboration between the Department of Agriculture (DoAg) and the Department of Corrections where inmates can volunteer to rehabilitate large animals such as horses, goats, pigs that have been seized by DoAg for abuse and neglect.

#### Governor

Reduce funding by \$29,389 in both FY 18 and FY 19 to reflect the actual costs associated with the "Second Chance" Large Animal Rescue and Rehabilitation program.

#### Legislative

Same as Governor

### Reduce Funding for Personal Services

|                             |                 |                 |                 |                 |          |          |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Personal Services           | (20,000)        | (20,000)        | (20,000)        | (20,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(20,000)</b> | <b>(20,000)</b> | <b>(20,000)</b> | <b>(20,000)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding by \$20,000 in Personal Services in both FY 18 and FY 19 to achieve savings.

#### Legislative

Same as Governor

### Annualize FY 17 Holdbacks

|  |                  |                  |                  |                  |          |          |
|--|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services                      | (112,274)        | (112,274)        | (112,274)        | (112,274)        | -        | -        |
| Other Expenses                         | (20,611)         | (20,611)         | (20,611)         | (20,611)         | -        | -        |
| Senior Food Vouchers                   | (10,838)         | (10,838)         | (10,838)         | (10,838)         | -        | -        |
| Tuberculosis and Brucellosis Indemnity | (3)              | (3)              | (3)              | (3)              | -        | -        |
| WIC Coupon Program for Fresh Produce   | (5,194)          | (5,194)          | (5,194)          | (5,194)          | -        | -        |
| <b>Total - General Fund</b>            | <b>(148,920)</b> | <b>(148,920)</b> | <b>(148,920)</b> | <b>(148,920)</b> | <b>-</b> | <b>-</b> |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$148,920 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                  | Legislative      |                  | Difference from Governor |                |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------------|----------------|
|                               | FY 18                | FY 19            | FY 18            | FY 19            | FY 18                    | FY 19          |
| FY 17 Appropriation - GF      | 4,964,045            | 4,964,045        | 4,964,045        | 4,964,045        | -                        | -              |
| Policy Revisions              | (198,309)            | (198,309)        | 9,691            | 9,691            | 208,000                  | 208,000        |
| <b>Total Recommended - GF</b> | <b>4,765,736</b>     | <b>4,765,736</b> | <b>4,973,736</b> | <b>4,973,736</b> | <b>208,000</b>           | <b>208,000</b> |
| FY 17 Appropriation - RF      | 1,064,461            | 1,064,461        | 1,064,461        | 1,064,461        | -                        | -              |
| <b>Total Recommended - RF</b> | <b>1,064,461</b>     | <b>1,064,461</b> | <b>1,064,461</b> | <b>1,064,461</b> | <b>-</b>                 | <b>-</b>       |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 50                   | 50        | 50          | 50        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>50</b>            | <b>50</b> | <b>50</b>   | <b>50</b> | <b>-</b>                 | <b>-</b> |
| FY 17 Appropriation - RF      | 7                    | 7         | 7           | 7         | -                        | -        |
| <b>Total Recommended - RF</b> | <b>7</b>             | <b>7</b>  | <b>7</b>    | <b>7</b>  | <b>-</b>                 | <b>-</b> |

**PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$7,946, a Labor Concessions Savings of \$128,188, a Targeted Savings of \$42,349, and a Delayed Start Savings of \$87,611. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account                                | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|--|------------------|---------------------|------------------|-------------|
| Personal Services                      | 4,040,359        | (136,134)           | 3,904,225        | 4.2%        |
| Other Expenses                         | 845,038          | (42,252)            | 802,786          | 5.0%        |
| Senior Food Vouchers                   | 350,442          | (87,611)            | 262,831          | 25.0%       |
| Tuberculosis and Brucellosis Indemnity | 97               | (97)                | -                | 100.0%      |

# Department of Energy and Environmental Protection

## DEP43000

### Permanent Full-Time Positions

| Fund  | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|---|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|   |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund  | 670             | 644             | 642                    | 618                  | 618   | 618         | 618   |
| Special Transportation Fund                         | -               | 28              | 29                     | 29                   | 29    | 29          | 29    |
| Consumer Counsel and Public<br>Utility Control Fund | 127             | 127             | 127                    | 122                  | 122   | 122         | 122   |

### Budget Summary

| Account   | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|   |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                                     | 30,812,314        | 29,688,841        | 28,697,939             | 25,884,099           | 25,884,099        | 23,162,728        | 22,144,784        |
| Other Expenses  | 4,543,254         | 3,685,187         | 2,957,606              | 2,340,478            | 2,340,478         | 1,408,267         | 527,266           |
| <b>Other Current Expenses</b>                         |                   |                   |                        |                      |                   |                   |                   |
| Mosquito Control                                      | 262,547           | 235,969           | 239,671                | 237,275              | 237,275           | 224,243           | 221,097           |
| State Superfund Site<br>Maintenance                   | 418,544           | 404,599           | 411,935                | 399,577              | 399,577           | 399,577           | 399,577           |
| Laboratory Fees                                       | 153,705           | 140,073           | 133,005                | 129,015              | 129,015           | 129,015           | 129,015           |
| Dam Maintenance                                       | 138,760           | 157,906           | 123,974                | 122,735              | 122,735           | 120,486           | 113,740           |
| Emergency Spill Response                              | 6,631,772         | 6,409,311         | 6,006,921              | 6,481,921            | 6,481,921         | 6,481,921         | 6,481,921         |
| Solid Waste Management                                | 3,144,936         | 3,853,407         | 3,164,792              | 3,613,792            | 3,613,792         | 3,613,792         | 3,613,792         |
| Underground Storage Tank                              | 942,501           | 803,418           | 910,471                | 901,367              | 901,367           | 855,844           | 855,844           |
| Clean Air   | 4,322,700         | 3,964,671         | 3,965,552              | 3,925,897            | 3,925,897         | 3,925,897         | 3,925,897         |
| Environmental Conservation                            | 8,947,121         | 8,461,462         | 8,261,232              | 8,089,569            | 8,089,569         | 5,263,481         | 4,950,803         |
| Environmental Quality                                 | 9,516,336         | 9,508,772         | 8,845,938              | 8,692,700            | 8,692,700         | 8,434,764         | 8,410,957         |
| Pheasant Stocking Account                             | 152,000           | -                 | -                      | -                    | -                 | -                 | -                 |
| Greenways Account                                     | -                 | -                 | 2                      | 2                    | 2                 | 2                 | 2                 |
| Conservation Districts & Soil and<br>Water Councils   | 285,000           | 252,938           | -                      | -                    | -                 | -                 | -                 |
| Fish Hatcheries                                       | -                 | -                 | -                      | -                    | -                 | 2,079,562         | 2,079,562         |
| <b>Other Than Payments to Local Governments</b>       |                   |                   |                        |                      |                   |                   |                   |
| Interstate Environmental<br>Commission                | 48,783            | 48,052            | 44,937                 | 44,937               | 44,937            | 44,937            | 44,937            |
| New England Interstate Water<br>Pollution Commission  | 28,827            | 28,395            | 26,554                 | 26,554               | 26,554            | 26,554            | 26,554            |
| Northeast Interstate Forest Fire<br>Compact           | 3,295             | 3,295             | 3,082                  | 3,082                | 3,082             | 3,082             | 3,082             |
| Connecticut River Valley Flood<br>Control Commission  | 32,395            | 32,395            | 30,295                 | 30,295               | 30,295            | 30,295            | 30,295            |
| Thames River Valley Flood<br>Control Commission       | 48,281            | 48,281            | 45,151                 | 45,151               | 45,151            | 45,151            | 45,151            |
| <b>Nonfunctional - Change to<br/>Accruals</b>         | <b>410,722</b>    | <b>-</b>          | <b>-</b>               | <b>-</b>             | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Agency Total - General Fund</b>                    | <b>70,843,793</b> | <b>67,726,973</b> | <b>63,869,057</b>      | <b>60,968,446</b>    | <b>60,968,446</b> | <b>56,249,598</b> | <b>54,004,276</b> |
| Personal Services                                     | -                 | 1,869,322         | 2,060,488              | 2,060,488            | 2,060,488         | 2,060,488         | 2,060,488         |
| Other Expenses  | -                 | 680,411           | 738,920                | 738,920              | 738,920           | 701,974           | 701,974           |
| <b>Agency Total - Special<br/>Transportation Fund</b> | <b>-</b>          | <b>2,549,733</b>  | <b>2,799,408</b>       | <b>2,799,408</b>     | <b>2,799,408</b>  | <b>2,762,462</b>  | <b>2,762,462</b>  |
| Personal Services                                     | 10,716,316        | 11,683,195        | 12,110,378             | 11,834,823           | 11,834,823        | 11,834,823        | 11,834,823        |
| Other Expenses  | 1,697,461         | 1,592,850         | 1,479,367              | 1,479,367            | 1,479,367         | 1,479,367         | 1,479,367         |

| Account  | Actual<br>FY 15   | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|--|-------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|  |                   |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| Equipment  | 276,937           | 359,381            | 19,500                 | 19,500               | 19,500             | 19,500             | 19,500             |
| Fringe Benefits  | 7,926,274         | 8,992,349          | 9,688,302              | 9,467,858            | 9,467,858          | 9,467,858          | 9,467,858          |
| Indirect Overhead  | 261,986           | 392,736            | 639,720                | 100                  | 100                | 100                | 100                |
| <b>Nonfunctional - Change to Accruals</b>                              | <b>69,215</b>     | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Agency Total - Consumer Counsel and Public Utility Control Fund</b> | <b>20,948,189</b> | <b>23,020,512</b>  | <b>23,937,267</b>      | <b>22,801,648</b>    | <b>22,801,648</b>  | <b>22,801,648</b>  | <b>22,801,648</b>  |
| <b>Total - Appropriated Funds</b>                                      | <b>91,791,982</b> | <b>93,297,217</b>  | <b>90,605,732</b>      | <b>86,569,502</b>    | <b>86,569,502</b>  | <b>81,813,708</b>  | <b>79,568,386</b>  |
| <b>Additional Funds Available</b>                                      |                   |                    |                        |                      |                    |                    |                    |
| Siting Council   | -                 | -                  | -                      | 2,141,011            | 2,295,542          | 2,141,011          | 2,295,542          |
| Passport to Parks Fund   | -                 | -                  | -                      | -                    | -                  | 6,084,067          | 11,515,132         |
| Federal Funds  | -                 | 38,558,137         | 47,394,904             | 42,122,197           | 39,090,370         | 42,122,197         | 39,090,370         |
| Private Contributions & Other Restricted                               | -                 | 47,444,527         | 48,427,516             | 46,792,360           | 47,686,207         | 46,792,360         | 47,686,207         |
| Private Contributions  | -                 | 202,722,243        | 207,122,460            | 211,084,409          | 215,230,652        | 211,084,409        | 215,230,652        |
| <b>Agency Grand Total</b>  | <b>91,791,982</b> | <b>382,022,124</b> | <b>393,550,612</b>     | <b>388,709,479</b>   | <b>390,872,273</b> | <b>390,037,752</b> | <b>395,386,289</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Establish Passport to Parks Program

|  |          |          |                    |                    |                    |                    |
|--|----------|----------|--------------------|--------------------|--------------------|--------------------|
| Personal Services                                | -        | -        | (1,710,384)        | (2,728,328)        | (1,710,384)        | (2,728,328)        |
| Other Expenses                                   | -        | -        | (928,820)          | (1,809,821)        | (928,820)          | (1,809,821)        |
| Mosquito Control                                 | -        | -        | (1,049)            | (4,195)            | (1,049)            | (4,195)            |
| Dam Maintenance                                  | -        | -        | (2,249)            | (8,995)            | (2,249)            | (8,995)            |
| Environmental Conservation                       | -        | -        | (1,290,336)        | (1,603,014)        | (1,290,336)        | (1,603,014)        |
| Environmental Quality                            | -        | -        | (7,936)            | (31,743)           | (7,936)            | (31,743)           |
| <b>Total - General Fund</b>                      | <b>-</b> | <b>-</b> | <b>(3,940,774)</b> | <b>(6,186,096)</b> | <b>(3,940,774)</b> | <b>(6,186,096)</b> |
| Personal Services                                | -        | -        | 2,050,962          | 4,101,924          | 2,050,962          | 4,101,924          |
| Other Expenses                                   | -        | -        | 2,057,439          | 4,114,877          | 2,057,439          | 4,114,877          |
| Fringe Benefits                                  | -        | -        | 1,322,666          | 2,645,331          | 1,322,666          | 2,645,331          |
| Conservation Districts & Soil and Water Councils | -        | -        | 653,000            | 653,000            | 653,000            | 653,000            |
| <b>Total - Passport to Parks Fund</b>            | <b>-</b> | <b>-</b> | <b>6,084,067</b>   | <b>11,515,132</b>  | <b>6,084,067</b>   | <b>11,515,132</b>  |

#### Background

The Passport to Parks program establishes a \$10 biennial surcharge on certain registrations (passenger, motorcycle, motor home, combination, and antique), and \$5 for individuals over age 65, effective January 1, 2018, resulting in annualized revenue of approximately \$16 million. The Passport to Parks program allows in-state registered vehicles to enter state parks free of charge. Out-of-state park visitors would continue to pay for parking and camping.

#### Legislative

Reduce the General Fund by \$3,940,774 in FY 18 and \$6,186,096 in FY 19 to transfer resources in various accounts from the General Fund to the Passport to Parks account. Provide funding of \$6,084,067 in FY 18 and \$11,515,132 in FY 19 in the Passport to Parks account to provide for the care, maintenance, operation, and improvement of state parks and campgrounds.

Sections 325-331 of PA 17-2, JSS, the FY 18 and FY 19 biennial budget, establish the surcharge and separate non-lapsing account of the General Fund to be used for state parks and campgrounds; funding soil and water conservation districts and environmental review teams (ERT's); and, beginning with FY 19, paying the expenses of the Council on Environmental Quality (CEQ). Section 557 of PA 17-2, JSS, specifies that \$400,000 is provided for soil and water conservation districts, and \$253,000 is provided for environmental review teams (ERT's) coordinated by the CT Council on Soil and Water Conservation, from the Passport to Parks account in both FY 18 and FY 19.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Transfer Old State House to Office of Legislative Management

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Other Expenses              | (400,000)        | (400,000)        | (400,000)        | (400,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(400,000)</b> | <b>(400,000)</b> | <b>(400,000)</b> | <b>(400,000)</b> | <b>-</b> | <b>-</b> |

#### Background

PA 16-3 MSS, the FY 17 budget implementer, transferred care and control of the Old State House from the Office of Legislative Management (OLM) to the Department of Energy and Environmental Protection (DEEP).

#### Governor

Reduce funding by \$400,000 in both FY 18 and FY 19 to reflect the transfer of care and control of the Old State House from DEEP back to OLM.

#### Legislative

Same as Governor

### Reduce Funding for Automobiles and Other Expenses

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Other Expenses              | (187,552)        | (187,552)        | (187,552)        | (187,552)        | -        | -        |
| Environmental Conservation  | (89,051)         | (89,051)         | (89,051)         | (89,051)         | -        | -        |
| Environmental Quality       | (115,455)        | (115,455)        | (115,455)        | (115,455)        | -        | -        |
| <b>Total - General Fund</b> | <b>(392,058)</b> | <b>(392,058)</b> | <b>(392,058)</b> | <b>(392,058)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding by \$392,058 in various accounts in both FY 18 and FY 19 to achieve savings. Of this amount, approximately 65% is associated with savings from reduced motor vehicle rentals, repairs, fuel, and vehicle maintenance. The balance of the savings is associated with reductions to general office operations, such as cellular communication services, general office supplies, and printing.

#### Legislative

Same as Governor

### Reduce Funding for Personal Services

|                             |          |          |                  |                  |                  |                  |
|-----------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Personal Services           | -        | -        | (570,568)        | (570,568)        | (570,568)        | (570,568)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>(570,568)</b> | <b>(570,568)</b> | <b>(570,568)</b> | <b>(570,568)</b> |

#### Legislative

Reduce funding by \$570,568 in Personal Services to achieve savings.

### Annualize Rescissions

|  |          |          |                  |                  |                  |                  |
|--|----------|----------|------------------|------------------|------------------|------------------|
| Mosquito Control                           | -        | -        | (11,983)         | (11,983)         | (11,983)         | (11,983)         |
| Underground Storage Tank                   | -        | -        | (45,523)         | (45,523)         | (45,523)         | (45,523)         |
| Environmental Quality                      | -        | -        | (250,000)        | (250,000)        | (250,000)        | (250,000)        |
| <b>Total - General Fund</b>                | <b>-</b> | <b>-</b> | <b>(307,506)</b> | <b>(307,506)</b> | <b>(307,506)</b> | <b>(307,506)</b> |
| Other Expenses                             | -        | -        | (36,946)         | (36,946)         | (36,946)         | (36,946)         |
| <b>Total - Special Transportation Fund</b> | <b>-</b> | <b>-</b> | <b>(36,946)</b>  | <b>(36,946)</b>  | <b>(36,946)</b>  | <b>(36,946)</b>  |

#### Background

The Governor implemented General Fund rescissions totaling \$70.5 million across state agencies.

#### Legislative

Reduce funding by \$344,452 in both FY 18 and FY 19 to reflect the rollout of the Governor's FY 17 rescissions. Of this amount, \$307,506 is General Fund, and \$36,946 is Special Transportation Fund.

### Establish Fish Hatcheries as a Non-Lapsing Account

|                             |          |          |             |             |             |             |
|-----------------------------|----------|----------|-------------|-------------|-------------|-------------|
| Personal Services           | -        | -        | (440,419)   | (440,419)   | (440,419)   | (440,419)   |
| Other Expenses              | -        | -        | (103,391)   | (103,391)   | (103,391)   | (103,391)   |
| Environmental Conservation  | -        | -        | (1,535,752) | (1,535,752) | (1,535,752) | (1,535,752) |
| Fish Hatcheries             | -        | -        | 2,079,562   | 2,079,562   | 2,079,562   | 2,079,562   |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Reduce funding by \$2,079,562 in various accounts and provide funding of \$2,079,562 in a newly established account for fish hatcheries in both FY 18 and FY 19.

**Eliminate General Fund Vacant Positions**

|                                 |                    |                    |                    |                    |   |   |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|---|---|
| Personal Services               | (1,276,000)        | (1,276,000)        | (1,276,000)        | (1,276,000)        | - | - |
| <b>Total - General Fund</b>     | <b>(1,276,000)</b> | <b>(1,276,000)</b> | <b>(1,276,000)</b> | <b>(1,276,000)</b> | - | - |
| <b>Positions - General Fund</b> | <b>(24)</b>        | <b>(24)</b>        | <b>(24)</b>        | <b>(24)</b>        | - | - |

**Governor**

Reduce funding by \$1,276,000 in both FY 18 and FY 19 to reflect the elimination of 24 positions that are currently vacant in the General Fund.

**Legislative**

Same as Governor

**Eliminate Public Utility Control Vacant Positions**

|   |                  |                  |                  |                  |   |   |
|---|------------------|------------------|------------------|------------------|---|---|
| Personal Services   | (275,555)        | (275,555)        | (275,555)        | (275,555)        | - | - |
| Fringe Benefits   | (220,444)        | (220,444)        | (220,444)        | (220,444)        | - | - |
| <b>Total - Consumer Counsel and Public Utility Control Fund</b>     | <b>(495,999)</b> | <b>(495,999)</b> | <b>(495,999)</b> | <b>(495,999)</b> | - | - |
| <b>Positions - Consumer Counsel and Public Utility Control Fund</b> | <b>(5)</b>       | <b>(5)</b>       | <b>(5)</b>       | <b>(5)</b>       | - | - |

**Governor**

Reduce funding by \$495,999 in both FY 18 and FY 19 to reflect the elimination of five vacant positions (\$275,555 in Personal Services) and their associated fringe benefits (\$220,444) in the Public Utility Control (PUC) Fund.

**Legislative**

Same as Governor

**Annualize FY 17 Holdbacks**

|   |                    |                    |                    |                    |   |   |
|---|--------------------|--------------------|--------------------|--------------------|---|---|
| Personal Services                                 | (1,537,840)        | (1,537,840)        | (1,537,840)        | (1,537,840)        | - | - |
| Other Expenses                                    | (29,576)           | (29,576)           | (29,576)           | (29,576)           | - | - |
| Mosquito Control                                  | (2,396)            | (2,396)            | (2,396)            | (2,396)            | - | - |
| State Superfund Site Maintenance                  | (12,358)           | (12,358)           | (12,358)           | (12,358)           | - | - |
| Laboratory Fees                                   | (3,990)            | (3,990)            | (3,990)            | (3,990)            | - | - |
| Dam Maintenance                                   | (1,239)            | (1,239)            | (1,239)            | (1,239)            | - | - |
| Emergency Spill Response                          | (60,069)           | (60,069)           | (60,069)           | (60,069)           | - | - |
| Solid Waste Management                            | (31,647)           | (31,647)           | (31,647)           | (31,647)           | - | - |
| Underground Storage Tank                          | (9,104)            | (9,104)            | (9,104)            | (9,104)            | - | - |
| Clean Air   | (39,655)           | (39,655)           | (39,655)           | (39,655)           | - | - |
| Environmental Conservation                        | (82,612)           | (82,612)           | (82,612)           | (82,612)           | - | - |
| Environmental Quality                             | (37,783)           | (37,783)           | (37,783)           | (37,783)           | - | - |
| Interstate Environmental Commission               | (1,348)            | (1,348)            | (1,348)            | (1,348)            | - | - |
| New England Interstate Water Pollution Commission | (796)              | (796)              | (796)              | (796)              | - | - |
| Northeast Interstate Forest Fire Compact          | (92)               | (92)               | (92)               | (92)               | - | - |
| Connecticut River Valley Flood Control Commission | (908)              | (908)              | (908)              | (908)              | - | - |
| Thames River Valley Flood Control Commission      | (1,354)            | (1,354)            | (1,354)            | (1,354)            | - | - |
| <b>Total - General Fund</b>                       | <b>(1,852,767)</b> | <b>(1,852,767)</b> | <b>(1,852,767)</b> | <b>(1,852,767)</b> | - | - |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Reduce funding by \$1,852,767 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

**Legislative**

Same as Governor

**Provide Funding for West River Watershed**

|                             |          |          |                |                |                |                |
|-----------------------------|----------|----------|----------------|----------------|----------------|----------------|
| Other Expenses              | -        | -        | 100,000        | 100,000        | 100,000        | 100,000        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>100,000</b> | <b>100,000</b> | <b>100,000</b> | <b>100,000</b> |

**Legislative**

Provide funding of \$100,000 in both FY 18 and FY 19 for the West River Watershed. The Connecticut Fund for the Environment (CFE) and its program "Save the Sound" will carry out projects focused around youth involvement and restoration in the West River Watershed, including education and implementation of projects identified through the Watershed Management Plan, with the help of various partners.

**Current Services****Provide Funding to Reflect FY 17 Estimated Level**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Emergency Spill Response    | 535,069          | 535,069          | 535,069          | 535,069          | -        | -        |
| Solid Waste Management      | 480,647          | 480,647          | 480,647          | 480,647          | -        | -        |
| <b>Total - General Fund</b> | <b>1,015,716</b> | <b>1,015,716</b> | <b>1,015,716</b> | <b>1,015,716</b> | <b>-</b> | <b>-</b> |

**Background**

PA 13-247, requires DEEP to enter into a memorandum of understanding (MOU) with CRRA, now called the Materials Innovation and Recycling Authority, to assume the legal obligation of the state's landfills, primarily ongoing maintenance and monitoring. Additionally, PA 13-247, transferred \$31 million in FY 14 from CRRA to the General Fund for this purpose.

**Governor**

Provide total funding of \$1,015,716 in both FY 18 and FY 19 to reflect the estimated FY 17 expenditure level in the Emergency Spill Response and Solid Waste Management accounts. Of this amount, \$535,069 is provided for the Emergency Spill Response account and \$480,647 is provided for the Solid Waste Management account in both FY 18 and FY 19.

**Legislative**

Same as Governor

**Adjust Indirect Overhead**

|   |                  |                  |                  |                  |          |          |
|---|------------------|------------------|------------------|------------------|----------|----------|
| Indirect Overhead   | (639,620)        | (639,620)        | (639,620)        | (639,620)        | -        | -        |
| <b>Total - Consumer Counsel and Public Utility Control Fund</b> | <b>(639,620)</b> | <b>(639,620)</b> | <b>(639,620)</b> | <b>(639,620)</b> | <b>-</b> | <b>-</b> |

**Background**

This agency is charged indirect overhead costs by the State Comptroller for utilizing certain centralized state agency services.

**Governor**

Reduce funding by \$639,620 in both FY 18 and FY 19 to reflect required funding for Indirect Overhead.

**Legislative**

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Adjust Funding for Various Dues

|   |              |              |              |              |          |          |
|---|--------------|--------------|--------------|--------------|----------|----------|
| Interstate Environmental Commission               | 1,348        | 1,348        | 1,348        | 1,348        | -        | -        |
| New England Interstate Water Pollution Commission | 796          | 796          | 796          | 796          | -        | -        |
| Northeast Interstate Forest Fire Compact          | 92           | 92           | 92           | 92           | -        | -        |
| Connecticut River Valley Flood Control Commission | 908          | 908          | 908          | 908          | -        | -        |
| Thames River Valley Flood Control Commission      | 1,354        | 1,354        | 1,354        | 1,354        | -        | -        |
| <b>Total - General Fund</b>                       | <b>4,498</b> | <b>4,498</b> | <b>4,498</b> | <b>4,498</b> | <b>-</b> | <b>-</b> |

#### Governor

Provide funding of \$4,498 in both FY 18 and FY 19 for various compacts and commissions.

#### Legislative

Same as Governor

### Totals

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |                    |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|--------------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19              |
| FY 17 Appropriation - GF      | 63,869,057           | 63,869,057        | 63,869,057        | 63,869,057        | -                        | -                  |
| Policy Revisions              | (3,920,825)          | (3,920,825)       | (8,639,673)       | (10,884,995)      | (4,718,848)              | (6,964,170)        |
| Current Services              | 1,020,214            | 1,020,214         | 1,020,214         | 1,020,214         | -                        | -                  |
| <b>Total Recommended - GF</b> | <b>60,968,446</b>    | <b>60,968,446</b> | <b>56,249,598</b> | <b>54,004,276</b> | <b>(4,718,848)</b>       | <b>(6,964,170)</b> |
| FY 17 Appropriation - TF      | 2,799,408            | 2,799,408         | 2,799,408         | 2,799,408         | -                        | -                  |
| Policy Revisions              | -                    | -                 | (36,946)          | (36,946)          | (36,946)                 | (36,946)           |
| <b>Total Recommended - TF</b> | <b>2,799,408</b>     | <b>2,799,408</b>  | <b>2,762,462</b>  | <b>2,762,462</b>  | <b>(36,946)</b>          | <b>(36,946)</b>    |
| FY 17 Appropriation - PF      | 23,937,267           | 23,937,267        | 23,937,267        | 23,937,267        | -                        | -                  |
| Policy Revisions              | (495,999)            | (495,999)         | (495,999)         | (495,999)         | -                        | -                  |
| Current Services              | (639,620)            | (639,620)         | (639,620)         | (639,620)         | -                        | -                  |
| <b>Total Recommended - PF</b> | <b>22,801,648</b>    | <b>22,801,648</b> | <b>22,801,648</b> | <b>22,801,648</b> | <b>-</b>                 | <b>-</b>           |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |          |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|----------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 642                  | 642        | 642         | 642        | -                        | -        |
| Policy Revisions              | (24)                 | (24)       | (24)        | (24)       | -                        | -        |
| <b>Total Recommended - GF</b> | <b>618</b>           | <b>618</b> | <b>618</b>  | <b>618</b> | <b>-</b>                 | <b>-</b> |
| FY 17 Appropriation - TF      | 29                   | 29         | 29          | 29         | -                        | -        |
| <b>Total Recommended - TF</b> | <b>29</b>            | <b>29</b>  | <b>29</b>   | <b>29</b>  | <b>-</b>                 | <b>-</b> |
| FY 17 Appropriation - PF      | 127                  | 127        | 127         | 127        | -                        | -        |
| Policy Revisions              | (5)                  | (5)        | (5)         | (5)        | -                        | -        |
| <b>Total Recommended - PF</b> | <b>122</b>           | <b>122</b> | <b>122</b>  | <b>122</b> | <b>-</b>                 | <b>-</b> |

**PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$96,062, a Labor Concessions Savings of \$1,753,719, and a Targeted Savings of \$270,415. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| <b>Account</b>             | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|----------------------------|-------------------------|----------------------------|-------------------------|--------------------|
| Personal Services          | 37,058,039              | (973,124)                  | 36,084,915              | 5.4%               |
| Other Expenses             | 1,408,267               | (70,413)                   | 1,337,854               | 5.0%               |
| Mosquito Control           | 224,243                 | (1,807)                    | 222,436                 | 0.8%               |
| Dam Maintenance            | 120,486                 | (302)                      | 120,184                 | 0.3%               |
| Emergency Spill Response   | 6,481,921               | (227,894)                  | 6,254,027               | 3.5%               |
| Solid Waste Management     | 3,613,792               | (85,785)                   | 3,528,007               | 2.4%               |
| Underground Storage Tank   | 855,844                 | (11,260)                   | 844,584                 | 1.3%               |
| Clean Air                  | 3,925,897               | (113,398)                  | 3,812,499               | 2.9%               |
| Environmental Conservation | 5,263,481               | (142,272)                  | 5,121,209               | 2.7%               |
| Environmental Quality      | 8,434,764               | (293,939)                  | 8,140,825               | 3.5%               |
| Greenways Account          | 2                       | (2)                        | -                       | 100.0%             |
| Fish Hatcheries            | 2,079,562               | (200,000)                  | 1,879,562               | 9.6%               |

## Council on Environmental Quality

### CEQ45000

#### Permanent Full-Time Positions

| Fund                   | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|------------------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|                        |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund           | 2               | 2               | 2                      | -                    | -     | 2           | -     |
| Passport to Parks Fund | -               | -               | -                      | -                    | -     | -           | 2     |

#### Budget Summary

| Account                                   | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |          | Legislative    |                |
|---|-----------------|-----------------|------------------------|----------------------|----------|----------------|----------------|
|   |                 |                 |                        | FY 18                | FY 19    | FY 18          | FY 19          |
| Personal Services                         | 171,064         | 171,987         | 171,781                | -                    | -        | 173,190        | -              |
| Other Expenses                            | 1,712           | 739             | 632                    | -                    | -        | 613            | -              |
| <b>Nonfunctional - Change to Accruals</b> | <b>988</b>      | <b>-</b>        | <b>-</b>               | <b>-</b>             | <b>-</b> | <b>-</b>       | <b>-</b>       |
| <b>Agency Total - General Fund</b>        | <b>173,764</b>  | <b>172,725</b>  | <b>172,413</b>         | <b>-</b>             | <b>-</b> | <b>173,803</b> | <b>-</b>       |
| <b>Additional Funds Available</b>         |                 |                 |                        |                      |          |                |                |
| Passport to Parks Fund                    | -               | -               | -                      | -                    | -        | -              | 327,942        |
| <b>Agency Grand Total</b>                 | <b>173,764</b>  | <b>172,725</b>  | <b>172,413</b>         | <b>-</b>             | <b>-</b> | <b>173,803</b> | <b>327,942</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

## Policy Revisions

### Adjust Funding for the Council on Environmental Quality

|   |                  |                  |          |                  |                |                |
|---|------------------|------------------|----------|------------------|----------------|----------------|
| Personal Services                         | (173,190)        | (173,190)        | -        | (173,190)        | 173,190        | -              |
| Other Expenses                            | (613)            | (613)            | -        | (613)            | 613            | -              |
| <b>Total - General Fund</b>               | <b>(173,803)</b> | <b>(173,803)</b> | <b>-</b> | <b>(173,803)</b> | <b>173,803</b> | <b>-</b>       |
| <b>Positions - General Fund</b>           | <b>(2)</b>       | <b>(2)</b>       | <b>-</b> | <b>(2)</b>       | <b>2</b>       | <b>-</b>       |
| Personal Services                         | -                | -                | -        | 173,190          | -              | 173,190        |
| Other Expenses                            | -                | -                | -        | 613              | -              | 613            |
| Fringe Benefits                           | -                | -                | -        | 154,139          | -              | 154,139        |
| <b>Total - Passport to Parks Fund</b>     | <b>-</b>         | <b>-</b>         | <b>-</b> | <b>327,942</b>   | <b>-</b>       | <b>327,942</b> |
| <b>Positions - Passport to Parks Fund</b> | <b>-</b>         | <b>-</b>         | <b>-</b> | <b>2</b>         | <b>-</b>       | <b>2</b>       |

#### Background

Passport to Parks is a program that establishes a new \$10 biennial fee on certain motor vehicle registrations to be used for the care, maintenance, operation, and improvement of state parks and campgrounds; funding soil and water conservation districts and environmental review teams; and, beginning with FY 19, paying the expenses of the Council on Environmental Quality.

#### Governor

Reduce funding by \$173,803 (\$173,190 in Personal Services and \$613 in Other Expenses) and two positions in both FY 18 and FY 19 to reflect the elimination of the Council on Environmental Quality (CEQ).

#### Legislative

Maintain funding for CEQ in FY 18 in the General Fund. In FY 19, CEQ funding of \$173,803 and two positions will be provided by the Passport to Parks account.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Annualize FY 2017 Holdbacks

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Personal Services           | (1,717)        | (1,717)        | (1,717)        | (1,717)        | -        | -        |
| Other Expenses              | (19)           | (19)           | (19)           | (19)           | -        | -        |
| <b>Total - General Fund</b> | <b>(1,736)</b> | <b>(1,736)</b> | <b>(1,736)</b> | <b>(1,736)</b> | <b>-</b> | <b>-</b> |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$1,736 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

## Current Services

### Annualize FY 17 Funding for Current Payroll

|                             |              |              |              |              |          |          |
|-----------------------------|--------------|--------------|--------------|--------------|----------|----------|
| Personal Services           | 3,126        | 3,126        | 3,126        | 3,126        | -        | -        |
| <b>Total - General Fund</b> | <b>3,126</b> | <b>3,126</b> | <b>3,126</b> | <b>3,126</b> | <b>-</b> | <b>-</b> |

#### Governor

Provide funding of \$3,126 to annualize current year funding for two positions through June 30, 2017.

#### Legislative

Same as Governor

## Totals

| Budget Components             | Governor Recommended |           | Legislative    |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|----------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18          | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 172,413              | 172,413   | 172,413        | 172,413   | -                        | -        |
| Policy Revisions              | (175,539)            | (175,539) | (1,736)        | (175,539) | 173,803                  | -        |
| Current Services              | 3,126                | 3,126     | 3,126          | 3,126     | -                        | -        |
| <b>Total Recommended - GF</b> | <b>-</b>             | <b>-</b>  | <b>173,803</b> | <b>-</b>  | <b>173,803</b>           | <b>-</b> |

| Positions                     | Governor Recommended |          | Legislative |          | Difference from Governor |          |
|-------------------------------|----------------------|----------|-------------|----------|--------------------------|----------|
|                               | FY 18                | FY 19    | FY 18       | FY 19    | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 2                    | 2        | 2           | 2        | -                        | -        |
| Policy Revisions              | (2)                  | (2)      | -           | (2)      | 2                        | -        |
| <b>Total Recommended - GF</b> | <b>-</b>             | <b>-</b> | <b>2</b>    | <b>-</b> | <b>2</b>                 | <b>-</b> |

**PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Labor Concessions Savings of \$789 and a Targeted Savings of \$31. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| <b>Account</b>    | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|-------------------|-------------------------|----------------------------|-------------------------|--------------------|
| Personal Services | 173,190                 | (789)                      | 172,401                 | 0.5%               |
| Other Expenses    | 613                     | (31)                       | 582                     | 5.1%               |

# Department of Economic and Community Development

## ECD46000

### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 91              | 89              | 89                     | 89                   | 89    | 89          | 89    |

### Budget Summary

| Account   | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |           | Legislative |           |
|---|-----------------|-----------------|------------------------|----------------------|-----------|-------------|-----------|
|   |                 |                 |                        | FY 18                | FY 19     | FY 18       | FY 19     |
| Personal Services                               | 7,781,562       | 7,156,252       | 7,792,889              | 7,145,317            | 7,145,317 | 7,145,317   | 7,145,317 |
| Other Expenses                                  | 1,524,012       | 800,345         | 543,644                | 527,335              | 527,335   | 527,335     | 527,335   |
| <b>Other Current Expenses</b>                   |                 |                 |                        |                      |           |             |           |
| Statewide Marketing                             | 11,286,656      | 6,576,068       | 6,500,000              | 8,300,000            | 8,300,000 | 6,435,000   | -         |
| Small Business Incubator Program                | 367,739         | 320,918         | 310,810                | -                    | -         | -           | -         |
| Hartford Urban Arts Grant                       | 380,000         | 374,578         | 358,386                | -                    | -         | 242,371     | -         |
| New Britain Arts Council                        | 68,359          | 59,429          | 58,230                 | -                    | -         | 39,380      | -         |
| Main Street Initiatives                         | 153,700         | 143,816         | 138,278                | -                    | -         | 100,000     | -         |
| Office of Military Affairs                      | 218,620         | 191,804         | 193,376                | 187,575              | 187,575   | 187,575     | 187,575   |
| Hydrogen/Fuel Cell Economy                      | 166,250         | 145,010         | 150,254                | -                    | -         | -           | -         |
| CCAT-CT Manufacturing Supply Chain              | 695,644         | 777,103         | 715,634                | 347,082              | 173,541   | 497,082     | -         |
| Capital Region Development Authority            | 8,364,370       | 6,899,291       | 6,413,253              | 6,149,121            | 6,149,121 | 6,261,621   | 6,299,121 |
| Neighborhood Music School                       | 142,500         | 119,842         | 114,921                | -                    | -         | 80,540      | -         |
| Arts and Historic Preservation Grants           | -               | -               | -                      | 3,085,264            | 2,849,378 | -           | -         |
| Tourism Grants                                  | -               | -               | -                      | 1,525,100            | 1,343,976 | -           | -         |
| Municipal Regional Development Authority        | -               | -               | -                      | -                    | -         | -           | 610,500   |
| <b>Other Than Payments to Local Governments</b> |                 |                 |                        |                      |           |             |           |
| Nutmeg Games                                    | 70,300          | 60,763          | 58,244                 | -                    | -         | 40,000      | -         |
| Discovery Museum                                | 341,788         | 299,597         | 291,141                | -                    | -         | 196,895     | -         |
| National Theatre of the Deaf                    | 136,715         | 119,585         | 116,456                | -                    | -         | 78,758      | -         |
| CONNSTEP  | 558,963         | 466,218         | 447,275                | 390,471              | 390,471   | 390,471     | -         |
| Development Research and Economic Assistance    | -               | -               | 112,591                | -                    | -         | -           | -         |
| CT Trust for Historic Preservation              | 189,883         | -               | -                      | -                    | -         | -           | -         |
| Connecticut Science Center                      | 569,120         | 514,456         | 492,810                | -                    | -         | 446,626     | -         |
| CT Flagship Producing Theaters Grant            | 451,248         | 395,544         | 384,382                | -                    | -         | 259,951     | -         |
| Women's Business Center                         | 475,000         | 275,627         | 358,445                | 173,846              | 86,923    | -           | -         |
| Performing Arts Centers                         | 1,367,148       | 1,198,377       | 1,164,559              | -                    | -         | 787,571     | -         |
| Performing Theaters Grant                       | 506,215         | 467,187         | 453,586                | -                    | -         | 306,753     | -         |
| Arts Commission                                 | 1,675,741       | 1,490,691       | 1,543,606              | 2,097,823            | 2,097,823 | 1,497,298   | -         |
| Art Museum Consortium                           | 498,750         | 425,867         | 424,842                | -                    | -         | 287,313     | -         |
| CT Invention Convention                         | 23,750          | 18,671          | 17,924                 | -                    | -         | -           | -         |
| Litchfield Jazz Festival                        | 47,500          | 44,452          | 42,560                 | -                    | -         | 29,000      | -         |
| Connecticut River Museum                        | -               | 23,707          | 22,384                 | -                    | -         | -           | -         |
| Arte Inc.                                       | -               | 23,707          | 22,384                 | -                    | -         | 20,735      | -         |
| CT Virtuosi Orchestra                           | -               | 19,500          | 22,384                 | -                    | -         | 15,250      | -         |
| Barnum Museum                                   | -               | 23,707          | 22,384                 | -                    | -         | 20,735      | -         |

| Account                                    | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|--|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|  |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Various Grants                             | -                 | -                 | -                      | -                    | -                 | 130,000           | -                 |
| <b>Grant Payments to Local Governments</b> |                   |                   |                        |                      |                   |                   |                   |
| Greater Hartford Arts Council              | 85,446            | 84,090            | 81,739                 | -                    | -                 | 74,079            | -                 |
| Stepping Stones Museum for Children        | 39,976            | 35,041            | 34,053                 | -                    | -                 | 30,863            | -                 |
| Maritime Center Authority                  | 527,202           | 462,121           | 449,079                | -                    | -                 | 303,705           | -                 |
| Tourism Districts                          | 1,363,984         | 1,165,348         | 1,133,345              | -                    | -                 | -                 | -                 |
| Connecticut Humanities Council             | -                 | -                 | -                      | -                    | -                 | 850,000           | -                 |
| Amistad Committee for the Freedom Trail    | 42,750            | 37,471            | 36,414                 | -                    | -                 | 36,414            | -                 |
| Amistad Vessel                             | 326,788           | 299,535           | 291,140                | -                    | -                 | 263,856           | -                 |
| New Haven Festival of Arts and Ideas       | 719,552           | 630,725           | 612,926                | -                    | -                 | 414,511           | -                 |
| New Haven Arts Council                     | 85,446            | 74,900            | 72,786                 | -                    | -                 | 52,000            | -                 |
| Beardsley Zoo                              | 353,913           | 310,224           | 301,469                | -                    | -                 | 253,879           | -                 |
| Mystic Aquarium                            | 559,651           | 490,564           | 476,719                | -                    | -                 | 322,397           | -                 |
| Quinebaug Tourism                          | 37,485            | 32,825            | 31,931                 | -                    | -                 | -                 | -                 |
| Northwestern Tourism                       | 37,485            | 32,825            | 31,931                 | -                    | -                 | 400,000           | -                 |
| Eastern Tourism                            | 37,485            | 32,825            | 31,931                 | -                    | -                 | 400,000           | -                 |
| Central Tourism                            | 37,485            | 32,825            | 31,931                 | -                    | -                 | 400,000           | -                 |
| Twain/Stowe Homes                          | 86,346            | 93,367            | 89,591                 | -                    | -                 | 81,196            | -                 |
| Cultural Alliance of Fairfield             | 85,446            | 61,607            | 72,786                 | -                    | -                 | 52,000            | -                 |
| <b>Nonfunctional - Change to Accruals</b>  | <b>3,528</b>      | <b>-</b>          | <b>-</b>               | <b>-</b>             | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Agency Total - General Fund</b>         | <b>42,491,501</b> | <b>33,308,404</b> | <b>33,067,403</b>      | <b>29,928,934</b>    | <b>29,251,460</b> | <b>29,958,477</b> | <b>14,769,848</b> |
| Statewide Marketing                        | -                 | -                 | -                      | -                    | -                 | -                 | 4,130,912         |
| Hartford Urban Arts Grant                  | -                 | -                 | -                      | -                    | -                 | -                 | 242,371           |
| New Britain Arts Council                   | -                 | -                 | -                      | -                    | -                 | -                 | 39,380            |
| Main Street Initiatives                    | -                 | -                 | -                      | -                    | -                 | -                 | 100,000           |
| Neighborhood Music School                  | -                 | -                 | -                      | -                    | -                 | -                 | 80,540            |
| Nutmeg Games                               | -                 | -                 | -                      | -                    | -                 | -                 | 40,000            |
| Discovery Museum                           | -                 | -                 | -                      | -                    | -                 | -                 | 196,895           |
| National Theatre of the Deaf               | -                 | -                 | -                      | -                    | -                 | -                 | 78,758            |
| Connecticut Science Center                 | -                 | -                 | -                      | -                    | -                 | -                 | 446,626           |
| CT Flagship Producing Theaters Grant       | -                 | -                 | -                      | -                    | -                 | -                 | 259,951           |
| Performing Arts Centers                    | -                 | -                 | -                      | -                    | -                 | -                 | 787,571           |
| Performing Theaters Grant                  | -                 | -                 | -                      | -                    | -                 | -                 | 306,753           |
| Arts Commission                            | -                 | -                 | -                      | -                    | -                 | -                 | 1,497,298         |
| Art Museum Consortium                      | -                 | -                 | -                      | -                    | -                 | -                 | 287,313           |
| Litchfield Jazz Festival                   | -                 | -                 | -                      | -                    | -                 | -                 | 29,000            |
| Arte Inc.                                  | -                 | -                 | -                      | -                    | -                 | -                 | 20,735            |
| CT Virtuosi Orchestra                      | -                 | -                 | -                      | -                    | -                 | -                 | 15,250            |
| Barnum Museum                              | -                 | -                 | -                      | -                    | -                 | -                 | 20,735            |
| Various Grants                             | -                 | -                 | -                      | -                    | -                 | -                 | 393,856           |
| Greater Hartford Arts Council              | -                 | -                 | -                      | -                    | -                 | -                 | 74,079            |
| Stepping Stones Museum for Children        | -                 | -                 | -                      | -                    | -                 | -                 | 30,863            |
| Maritime Center Authority                  | -                 | -                 | -                      | -                    | -                 | -                 | 303,705           |
| Connecticut Humanities Council             | -                 | -                 | -                      | -                    | -                 | -                 | 850,000           |
| Amistad Committee for the Freedom Trail    | -                 | -                 | -                      | -                    | -                 | -                 | 36,414            |
| New Haven Festival of Arts and Ideas       | -                 | -                 | -                      | -                    | -                 | -                 | 414,511           |
| New Haven Arts Council                     | -                 | -                 | -                      | -                    | -                 | -                 | 52,000            |
| Beardsley Zoo                              | -                 | -                 | -                      | -                    | -                 | -                 | 253,879           |
| Mystic Aquarium                            | -                 | -                 | -                      | -                    | -                 | -                 | 322,397           |

| Account                                     | Actual<br>FY 15   | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---|-------------------|--------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|   |                   |                    |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Northwestern Tourism                        | -                 | -                  | -                      | -                    | -                 | -                 | 400,000           |
| Eastern Tourism                             | -                 | -                  | -                      | -                    | -                 | -                 | 400,000           |
| Central Tourism                             | -                 | -                  | -                      | -                    | -                 | -                 | 400,000           |
| Twain/Stowe Homes                           | -                 | -                  | -                      | -                    | -                 | -                 | 81,196            |
| Cultural Alliance of Fairfield              | -                 | -                  | -                      | -                    | -                 | -                 | 52,000            |
| <b>Agency Total - Tourism Fund</b>          | -                 | -                  | -                      | -                    | -                 | -                 | <b>12,644,988</b> |
| <b>Total - Appropriated Funds</b>           | <b>42,491,501</b> | <b>33,308,404</b>  | <b>33,067,403</b>      | <b>29,928,934</b>    | <b>29,251,460</b> | <b>29,958,477</b> | <b>27,414,836</b> |
| <b>Additional Funds Available</b>           |                   |                    |                        |                      |                   |                   |                   |
| Federal Funds                               | -                 | 9,977,847          | 10,136,026             | 2,185,328            | 1,485,328         | 2,185,328         | 1,485,328         |
| Private Contributions & Other<br>Restricted | -                 | 71,886,577         | 129,369,132            | 52,407,000           | 51,841,739        | 52,407,000        | 51,841,739        |
| Private Contributions                       | -                 | 5,196,407          | 4,090,000              | 4,100,000            | 4,100,000         | 4,100,000         | 4,100,000         |
| <b>Agency Grand Total</b>                   | <b>42,491,501</b> | <b>120,369,235</b> | <b>176,662,561</b>     | <b>88,621,262</b>    | <b>86,678,527</b> | <b>88,650,805</b> | <b>84,841,903</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Transfer Arts, Culture, Tourism Accounts from General Fund

|   |   |   |   |                     |   |                     |
|---|---|---|---|---------------------|---|---------------------|
| Statewide Marketing                     | - | - | - | (6,435,000)         | - | (6,435,000)         |
| Hartford Urban Arts Grant               | - | - | - | (242,371)           | - | (242,371)           |
| New Britain Arts Council                | - | - | - | (39,380)            | - | (39,380)            |
| Main Street Initiatives                 | - | - | - | (102,326)           | - | (102,326)           |
| Neighborhood Music School               | - | - | - | (80,540)            | - | (80,540)            |
| Discovery Museum                        | - | - | - | (196,895)           | - | (196,895)           |
| National Theatre of the Deaf            | - | - | - | (78,758)            | - | (78,758)            |
| Connecticut Science Center              | - | - | - | (446,626)           | - | (446,626)           |
| CT Flagship Producing Theaters<br>Grant | - | - | - | (259,951)           | - | (259,951)           |
| Performing Arts Centers                 | - | - | - | (787,571)           | - | (787,571)           |
| Performing Theaters Grant               | - | - | - | (306,753)           | - | (306,753)           |
| Arts Commission                         | - | - | - | (1,497,298)         | - | (1,497,298)         |
| Art Museum Consortium                   | - | - | - | (287,313)           | - | (287,313)           |
| Litchfield Jazz Festival                | - | - | - | (29,000)            | - | (29,000)            |
| Arte Inc.                               | - | - | - | (20,735)            | - | (20,735)            |
| CT Virtuosi Orchestra                   | - | - | - | (15,250)            | - | (15,250)            |
| Barnum Museum                           | - | - | - | (20,735)            | - | (20,735)            |
| Greater Hartford Arts Council           | - | - | - | (74,079)            | - | (74,079)            |
| Stepping Stones Museum for<br>Children  | - | - | - | (30,863)            | - | (30,863)            |
| Maritime Center Authority               | - | - | - | (303,705)           | - | (303,705)           |
| Amistad Vessel                          | - | - | - | (263,856)           | - | (263,856)           |
| New Haven Festival of Arts and<br>Ideas | - | - | - | (414,511)           | - | (414,511)           |
| New Haven Arts Council                  | - | - | - | (52,000)            | - | (52,000)            |
| Beardsley Zoo                           | - | - | - | (203,879)           | - | (203,879)           |
| Mystic Aquarium                         | - | - | - | (322,397)           | - | (322,397)           |
| Twain/Stowe Homes                       | - | - | - | (81,196)            | - | (81,196)            |
| Cultural Alliance of Fairfield          | - | - | - | (52,000)            | - | (52,000)            |
| <b>Total - General Fund</b>             | - | - | - | <b>(12,644,988)</b> | - | <b>(12,644,988)</b> |

### Background

Sections 637 and 639 of PA 17-2 JSS, the biennial budget, establish the Tourism Fund as a new appropriated fund and capitalize it with 10% of the revenue generated by the room occupancy tax beginning in FY 19.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Transfer all marketing, arts, culture, and tourism accounts from the General Fund into the Tourism Fund in FY 19.

**Transfer Arts, Culture, Tourism Accounts to Tourism Fund**

|   |          |          |          |                   |          |                   |
|---|----------|----------|----------|-------------------|----------|-------------------|
| Statewide Marketing                     | -        | -        | -        | 4,130,912         | -        | 4,130,912         |
| Hartford Urban Arts Grant               | -        | -        | -        | 242,371           | -        | 242,371           |
| New Britain Arts Council                | -        | -        | -        | 39,380            | -        | 39,380            |
| Main Street Initiatives                 | -        | -        | -        | 100,000           | -        | 100,000           |
| Neighborhood Music School               | -        | -        | -        | 80,540            | -        | 80,540            |
| Nutmeg Games                            | -        | -        | -        | 40,000            | -        | 40,000            |
| Discovery Museum                        | -        | -        | -        | 196,895           | -        | 196,895           |
| National Theatre of the Deaf            | -        | -        | -        | 78,758            | -        | 78,758            |
| Connecticut Science Center              | -        | -        | -        | 446,626           | -        | 446,626           |
| CT Flagship Producing Theaters Grant    | -        | -        | -        | 259,951           | -        | 259,951           |
| Performing Arts Centers                 | -        | -        | -        | 787,571           | -        | 787,571           |
| Performing Theaters Grant               | -        | -        | -        | 306,753           | -        | 306,753           |
| Arts Commission                         | -        | -        | -        | 1,497,298         | -        | 1,497,298         |
| Art Museum Consortium                   | -        | -        | -        | 287,313           | -        | 287,313           |
| Litchfield Jazz Festival                | -        | -        | -        | 29,000            | -        | 29,000            |
| Arte Inc.                               | -        | -        | -        | 20,735            | -        | 20,735            |
| CT Virtuosi Orchestra                   | -        | -        | -        | 15,250            | -        | 15,250            |
| Barnum Museum                           | -        | -        | -        | 20,735            | -        | 20,735            |
| Various Grants                          | -        | -        | -        | 393,856           | -        | 393,856           |
| Greater Hartford Arts Council           | -        | -        | -        | 74,079            | -        | 74,079            |
| Stepping Stones Museum for Children     | -        | -        | -        | 30,863            | -        | 30,863            |
| Maritime Center Authority               | -        | -        | -        | 303,705           | -        | 303,705           |
| Connecticut Humanities Council          | -        | -        | -        | 850,000           | -        | 850,000           |
| Amistad Committee for the Freedom Trail | -        | -        | -        | 36,414            | -        | 36,414            |
| New Haven Festival of Arts and Ideas    | -        | -        | -        | 414,511           | -        | 414,511           |
| New Haven Arts Council                  | -        | -        | -        | 52,000            | -        | 52,000            |
| Beardsley Zoo                           | -        | -        | -        | 253,879           | -        | 253,879           |
| Mystic Aquarium                         | -        | -        | -        | 322,397           | -        | 322,397           |
| Northwestern Tourism                    | -        | -        | -        | 400,000           | -        | 400,000           |
| Eastern Tourism                         | -        | -        | -        | 400,000           | -        | 400,000           |
| Central Tourism                         | -        | -        | -        | 400,000           | -        | 400,000           |
| Twain/Stowe Homes                       | -        | -        | -        | 81,196            | -        | 81,196            |
| Cultural Alliance of Fairfield          | -        | -        | -        | 52,000            | -        | 52,000            |
| <b>Total - Tourism Fund</b>             | <b>-</b> | <b>-</b> | <b>-</b> | <b>12,644,988</b> | <b>-</b> | <b>12,644,988</b> |

**Background**

Sections 637 and 639 of PA 17-2 JSS, the biennial budget, establish the Tourism Fund as a new appropriated fund and capitalize it with 10% of the revenue generated by the room occupancy tax beginning in FY 19.

**Legislative**

Transfer all marketing, arts, culture, and tourism accounts from the General Fund into the Tourism Fund in FY 19.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Increase Funding for Certain Arts/Culture/Tourism Grants

|   |   |   |                  |   |                  |   |
|---|---|---|------------------|---|------------------|---|
| Nutmeg Games                            | - | - | 40,000           | - | 40,000           | - |
| Connecticut Humanities Council          | - | - | 850,000          | - | 850,000          | - |
| Amistad Committee for the Freedom Trail | - | - | 36,414           | - | 36,414           | - |
| Beardsley Zoo                           | - | - | 50,000           | - | 50,000           | - |
| Northwestern Tourism                    | - | - | 400,000          | - | 400,000          | - |
| Eastern Tourism                         | - | - | 400,000          | - | 400,000          | - |
| Central Tourism                         | - | - | 400,000          | - | 400,000          | - |
| <b>Total - General Fund</b>             | - | - | <b>2,176,414</b> | - | <b>2,176,414</b> | - |

#### Background

As required by PA 16-2, the revised FY 17 budget, the Office of Policy and Management applied targeted lapses against the regional tourism district accounts that effectively eliminated funding for the three regional tourism districts. Pursuant to Section 14 of PA 17-2 JSS, the biennial budget, which requires the Office of Policy and Management to achieve targeted savings of \$111.8 million in FY 18, the appropriations for the three regional tourism districts are eliminated for FY 18.

#### Legislative

Provide funding of \$2,176,414 in both FY 18 and FY 19 for the three regional districts, CT Humanities Council, Beardsley Zoo, Amistad Committee for the Freedom Trail, Nutmeg Games and the regional tourism districts.

### Provide Funding for OpSail and New Haven Symphony

|                             |   |   |                |   |                |   |
|-----------------------------|---|---|----------------|---|----------------|---|
| Various Grants              | - | - | 130,000        | - | 130,000        | - |
| <b>Total - General Fund</b> | - | - | <b>130,000</b> | - | <b>130,000</b> | - |

#### Background

Operation Sail (also known as OpSail) is a national non-profit organization whose mission is to advance sail training and promote goodwill among nations. OpSail has received a direct state grant appropriation of \$100,000 in FY 15 and FY 16 and a \$60,000 in FY 17. The New Haven Symphony received a direct state grant appropriation of \$10,000 in FY 15 and \$27,500 in FY 16.

#### Legislative

Provide funding of \$130,000 to support the following grants: \$80,000 for OpSail and \$50,000 for the New Haven Symphony.

### Provide Funding for CCAT-CT Manufacturing

|                                    |   |   |                |   |                |   |
|------------------------------------|---|---|----------------|---|----------------|---|
| CCAT-CT Manufacturing Supply Chain | - | - | 150,000        | - | 150,000        | - |
| <b>Total - General Fund</b>        | - | - | <b>150,000</b> | - | <b>150,000</b> | - |

#### Legislative

Provide additional funding of \$150,000 in FY 18 for the Connecticut Center for Advanced Technology, Inc. (CCAT).

### Reduce Funding for Economic Development Grants

|                                      |                  |                    |                  |                    |               |               |
|--------------------------------------|------------------|--------------------|------------------|--------------------|---------------|---------------|
| Main Street Initiatives              | (51,163)         | (76,745)           | (2,326)          | -                  | 48,837        | 76,745        |
| CCAT-CT Manufacturing Supply Chain   | (347,083)        | (520,624)          | (347,083)        | (520,624)          | -             | -             |
| Capital Region Development Authority | (200,000)        | (200,000)          | (200,000)        | (200,000)          | -             | -             |
| CONNSTEP                             | (43,386)         | (43,386)           | (43,386)         | (43,386)           | -             | -             |
| Women's Business Center              | (173,846)        | (260,769)          | (173,846)        | (260,769)          | -             | -             |
| <b>Total - General Fund</b>          | <b>(815,478)</b> | <b>(1,101,524)</b> | <b>(766,641)</b> | <b>(1,024,779)</b> | <b>48,837</b> | <b>76,745</b> |

#### Governor

Reduce funding by \$815,478 in FY 18 and \$1,101,524 in FY 19 for the various economic development grants to achieve savings.

#### Legislative

Reduce funding by \$766,641 in FY 18 and \$1,024,779 in FY 19 for the various economic development grants to achieve savings.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Eliminate Economic Development Grants in FY 19**

|                                    |   |   |   |                  |   |                  |
|------------------------------------|---|---|---|------------------|---|------------------|
| CCAT-CT Manufacturing Supply Chain | - | - | - | (173,541)        | - | (173,541)        |
| CONNSTEP                           | - | - | - | (390,471)        | - | (390,471)        |
| <b>Total - General Fund</b>        | - | - | - | <b>(564,012)</b> | - | <b>(564,012)</b> |

**Background**

The Connecticut Center for Advanced Technology (CCAT) assist at-risk small and medium-sized manufacturers in the state that are suppliers for defense and aerospace manufacturers.

CONNSTEP provides technical services that enhance the operational efficiency and competitiveness of Connecticut's small and medium-size manufacturing companies.

**Legislative**

Eliminate funding for CCAT and CONNSTEP in FY 19 to achieve savings. It should be noted that PA 17-2 JSS, the biennial budget, provides \$3.5 million in FY 18 and \$1.5 million in FY 19 in bond funds to CCAT.

**Shift Women's Business Dev. Center Grant to CT Innovations**

|                             |   |   |                  |                 |                  |                 |
|-----------------------------|---|---|------------------|-----------------|------------------|-----------------|
| Women's Business Center     | - | - | (173,846)        | (86,923)        | (173,846)        | (86,923)        |
| <b>Total - General Fund</b> | - | - | <b>(173,846)</b> | <b>(86,923)</b> | <b>(173,846)</b> | <b>(86,923)</b> |

**Background**

The mission of the Women's Business Development Council, Inc.'s (WBDC) Women's Business Centers is to help women achieve economic self-reliance by educating and counseling them to start and grow businesses, resulting in job creation and community vitality. Through their services that promote microenterprise as a viable option for personal economic stability, especially for low/moderate income women in Connecticut, WBDC's Women's Business Center programs provide resources for business development training and counseling services in Connecticut.

Since FY 14, the budget provided a state appropriated grant to the WBDC to support its operations.

**Legislative**

Eliminate funding of \$173,846 in FY 18 and \$86,923 in FY 19 for a grant to the WBDC to achieve savings. In lieu of a General Fund appropriation, require Connecticut Innovations, Inc., a quasi-public state agency, to provide \$350,000 in FY 18 and FY 19 to the WBDC. Section 130 of PA 17-2 JSS, the biennial budget, implements this requirement.

**Provide Funding for Municipal Regional Development Authority**

|  |   |   |                |                |                |                |
|--|---|---|----------------|----------------|----------------|----------------|
| Capital Region Development Authority     | - | - | 112,500        | 150,000        | 112,500        | 150,000        |
| Municipal Regional Development Authority | - | - | -              | 610,500        | -              | 610,500        |
| <b>Total - General Fund</b>              | - | - | <b>112,500</b> | <b>760,500</b> | <b>112,500</b> | <b>760,500</b> |

**Legislative**

Provide funding of \$112,500 in FY 18 and \$760,000 in FY 19 to support a Municipal Regional Development Authority. It should be noted that PA 17-2 JSS, the biennial budget, does not provide implementing provisions for the Municipal Regional Development Authority.

**Adjust Funding for Main Street Initiatives**

|                             |                 |                 |   |   |               |               |
|-----------------------------|-----------------|-----------------|---|---|---------------|---------------|
| Main Street Initiatives     | (51,163)        | (25,581)        | - | - | 51,163        | 25,581        |
| <b>Total - General Fund</b> | <b>(51,163)</b> | <b>(25,581)</b> | - | - | <b>51,163</b> | <b>25,581</b> |

**Background**

The Main Street Initiatives account provides operating grants to the Westville Village Renaissance Alliance and the Ansonia Nature Center.

**Governor**

Eliminate funding of \$51,163 in FY 18 and \$25,581 in FY 19 to achieve savings.

**Legislative**

Maintain funding for the Main Street Initiatives account at \$100,000 in FY 18 (under the General Fund) and FY 19 (under the new Tourism Fund). Dedicate 100% of these appropriations to the Westville Village Renaissance Alliance.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Reduce Funding for Personal Services

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | (180,000)        | (180,000)        | (180,000)        | (180,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(180,000)</b> | <b>(180,000)</b> | <b>(180,000)</b> | <b>(180,000)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding by \$180,000 in both FY 18 and in FY 19 to achieve savings.

#### Legislative

Same as Governor

### Annualize FY 17 Holdbacks

|  |             |             |             |             |   |   |
|--|-------------|-------------|-------------|-------------|---|---|
| Personal Services                            | (467,572)   | (467,572)   | (467,572)   | (467,572)   | - | - |
| Other Expenses                               | (16,309)    | (16,309)    | (16,309)    | (16,309)    | - | - |
| Statewide Marketing                          | (65,000)    | (65,000)    | (65,000)    | (65,000)    | - | - |
| Small Business Incubator Program             | (310,810)   | (310,810)   | (310,810)   | (310,810)   | - | - |
| Hartford Urban Arts Grant                    | (116,015)   | (116,015)   | (116,015)   | (116,015)   | - | - |
| New Britain Arts Council                     | (18,850)    | (18,850)    | (18,850)    | (18,850)    | - | - |
| Main Street Initiatives                      | (35,952)    | (35,952)    | (35,952)    | (35,952)    | - | - |
| Office of Military Affairs                   | (5,801)     | (5,801)     | (5,801)     | (5,801)     | - | - |
| Hydrogen/Fuel Cell Economy                   | (150,254)   | (150,254)   | (150,254)   | (150,254)   | - | - |
| CCAT-CT Manufacturing Supply Chain           | (21,469)    | (21,469)    | (21,469)    | (21,469)    | - | - |
| Capital Region Development Authority         | (64,132)    | (64,132)    | (64,132)    | (64,132)    | - | - |
| Neighborhood Music School                    | (34,381)    | (34,381)    | (34,381)    | (34,381)    | - | - |
| Nutmeg Games                                 | (58,244)    | (58,244)    | (58,244)    | (58,244)    | - | - |
| Discovery Museum                             | (94,246)    | (94,246)    | (94,246)    | (94,246)    | - | - |
| National Theatre of the Deaf                 | (37,698)    | (37,698)    | (37,698)    | (37,698)    | - | - |
| CONNSTEP                                     | (13,418)    | (13,418)    | (13,418)    | (13,418)    | - | - |
| Development Research and Economic Assistance | (112,591)   | (112,591)   | (112,591)   | (112,591)   | - | - |
| Connecticut Science Center                   | (46,184)    | (46,184)    | (46,184)    | (46,184)    | - | - |
| CT Flagship Producing Theaters Grant         | (124,431)   | (124,431)   | (124,431)   | (124,431)   | - | - |
| Women's Business Center                      | (10,753)    | (10,753)    | (10,753)    | (10,753)    | - | - |
| Performing Arts Centers                      | (376,988)   | (376,988)   | (376,988)   | (376,988)   | - | - |
| Performing Theaters Grant                    | (146,833)   | (146,833)   | (146,833)   | (146,833)   | - | - |
| Arts Commission                              | (46,308)    | (46,308)    | (46,308)    | (46,308)    | - | - |
| Art Museum Consortium                        | (137,529)   | (137,529)   | (137,529)   | (137,529)   | - | - |
| CT Invention Convention                      | (17,924)    | (17,924)    | (17,924)    | (17,924)    | - | - |
| Litchfield Jazz Festival                     | (13,560)    | (13,560)    | (13,560)    | (13,560)    | - | - |
| Connecticut River Museum                     | (22,384)    | (22,384)    | (22,384)    | (22,384)    | - | - |
| Arte Inc.                                    | (1,649)     | (1,649)     | (1,649)     | (1,649)     | - | - |
| CT Virtuosi Orchestra                        | (7,134)     | (7,134)     | (7,134)     | (7,134)     | - | - |
| Barnum Museum                                | (1,649)     | (1,649)     | (1,649)     | (1,649)     | - | - |
| Greater Hartford Arts Council                | (7,660)     | (7,660)     | (7,660)     | (7,660)     | - | - |
| Stepping Stones Museum for Children          | (3,190)     | (3,190)     | (3,190)     | (3,190)     | - | - |
| Maritime Center Authority                    | (145,374)   | (145,374)   | (145,374)   | (145,374)   | - | - |
| Tourism Districts                            | (1,133,345) | (1,133,345) | (1,133,345) | (1,133,345) | - | - |
| Amistad Committee for the Freedom Trail      | (36,414)    | (36,414)    | (36,414)    | (36,414)    | - | - |
| Amistad Vessel                               | (27,284)    | (27,284)    | (27,284)    | (27,284)    | - | - |
| New Haven Festival of Arts and Ideas         | (198,415)   | (198,415)   | (198,415)   | (198,415)   | - | - |
| New Haven Arts Council                       | (20,786)    | (20,786)    | (20,786)    | (20,786)    | - | - |
| Beardsley Zoo                                | (97,590)    | (97,590)    | (97,590)    | (97,590)    | - | - |
| Mystic Aquarium                              | (154,322)   | (154,322)   | (154,322)   | (154,322)   | - | - |

| Account                        | Governor Recommended |                    | Legislative        |                    | Difference from Governor |          |
|--------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|----------|
|                                | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19    |
| Quinebaug Tourism              | (31,931)             | (31,931)           | (31,931)           | (31,931)           | -                        | -        |
| Northwestern Tourism           | (31,931)             | (31,931)           | (31,931)           | (31,931)           | -                        | -        |
| Eastern Tourism                | (31,931)             | (31,931)           | (31,931)           | (31,931)           | -                        | -        |
| Central Tourism                | (31,931)             | (31,931)           | (31,931)           | (31,931)           | -                        | -        |
| Twain/Stowe Homes              | (8,395)              | (8,395)            | (8,395)            | (8,395)            | -                        | -        |
| Cultural Alliance of Fairfield | (20,786)             | (20,786)           | (20,786)           | (20,786)           | -                        | -        |
| <b>Total - General Fund</b>    | <b>(4,557,353)</b>   | <b>(4,557,353)</b> | <b>(4,557,353)</b> | <b>(4,557,353)</b> | <b>-</b>                 | <b>-</b> |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

**Governor**

Reduce funding by \$4,557,353 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

**Legislative**

Same as Governor

**Adjust Funding for Statewide Marketing**

|                             |                  |                  |          |          |                    |                    |
|-----------------------------|------------------|------------------|----------|----------|--------------------|--------------------|
| Statewide Marketing         | 1,865,000        | 1,865,000        | -        | -        | (1,865,000)        | (1,865,000)        |
| <b>Total - General Fund</b> | <b>1,865,000</b> | <b>1,865,000</b> | <b>-</b> | <b>-</b> | <b>(1,865,000)</b> | <b>(1,865,000)</b> |

**Background**

The Statewide Marketing account funds the state's tourism marketing activities including the "Still Revolutionary" campaign and marketing challenge grants available to local organizations to promote tourism.

**Governor**

Provide additional funding of \$1,865,000 in both FY 18 and FY 19 to the Statewide Marketing account.

**Legislative**

Do not provide additional funding to the Statewide Marketing account.

**Consolidate Funding for Arts/Historic Preservation Grants**

|                                       |           |           |          |          |             |             |
|---------------------------------------|-----------|-----------|----------|----------|-------------|-------------|
| Hartford Urban Arts Grant             | (242,371) | (242,371) | -        | -        | 242,371     | 242,371     |
| New Britain Arts Council              | (39,380)  | (39,380)  | -        | -        | 39,380      | 39,380      |
| Neighborhood Music School             | (80,540)  | (80,540)  | -        | -        | 80,540      | 80,540      |
| Arts and Historic Preservation Grants | 3,085,264 | 3,085,264 | -        | -        | (3,085,264) | (3,085,264) |
| National Theatre of the Deaf          | (78,758)  | (78,758)  | -        | -        | 78,758      | 78,758      |
| CT Flagship Producing Theaters Grant  | (259,951) | (259,951) | -        | -        | 259,951     | 259,951     |
| Performing Arts Centers               | (787,571) | (787,571) | -        | -        | 787,571     | 787,571     |
| Performing Theaters Grant             | (306,753) | (306,753) | -        | -        | 306,753     | 306,753     |
| Art Museum Consortium                 | (287,313) | (287,313) | -        | -        | 287,313     | 287,313     |
| Litchfield Jazz Festival              | (29,000)  | (29,000)  | -        | -        | 29,000      | 29,000      |
| Arte Inc.                             | (20,735)  | (20,735)  | -        | -        | 20,735      | 20,735      |
| CT Virtuosi Orchestra                 | (15,250)  | (15,250)  | -        | -        | 15,250      | 15,250      |
| Greater Hartford Arts Council         | (74,079)  | (74,079)  | -        | -        | 74,079      | 74,079      |
| Amistad Vessel                        | (263,856) | (263,856) | -        | -        | 263,856     | 263,856     |
| New Haven Festival of Arts and Ideas  | (414,511) | (414,511) | -        | -        | 414,511     | 414,511     |
| New Haven Arts Council                | (52,000)  | (52,000)  | -        | -        | 52,000      | 52,000      |
| Twain/Stowe Homes                     | (81,196)  | (81,196)  | -        | -        | 81,196      | 81,196      |
| Cultural Alliance of Fairfield        | (52,000)  | (52,000)  | -        | -        | 52,000      | 52,000      |
| <b>Total - General Fund</b>           | <b>-</b>  | <b>-</b>  | <b>-</b> | <b>-</b> | <b>-</b>    | <b>-</b>    |

**Governor**

Consolidate funding for direct line-item arts and historic preservation accounts into the new Arts and Historic Preservation Grants account. The distribution of this funding is unspecified.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Maintain existing appropriated accounts.

**Reduce Funding for Arts/Historic Preserv. Grants in FY 19**

|                                       |   |                  |   |   |   |                |
|---------------------------------------|---|------------------|---|---|---|----------------|
| Arts and Historic Preservation Grants | - | (235,886)        | - | - | - | 235,886        |
| <b>Total - General Fund</b>           | - | <b>(235,886)</b> | - | - | - | <b>235,886</b> |

**Governor**

Reduce funding by \$235,886 in FY 19 for the Arts and Historic Preservation Grants account to achieve savings.

**Legislative**

Do not establish the Arts and Historic Preservation Grants account; therefore, no reduction is included in FY 19.

**Adjust Funding for Arts Commission**

|                             |                |                |   |   |                  |                  |
|-----------------------------|----------------|----------------|---|---|------------------|------------------|
| Arts Commission             | 600,525        | 600,525        | - | - | (600,525)        | (600,525)        |
| <b>Total - General Fund</b> | <b>600,525</b> | <b>600,525</b> | - | - | <b>(600,525)</b> | <b>(600,525)</b> |

**Background**

The Arts Commission account funds competitive grants available to arts and cultural institutions in the state in conjunction with federal funding provided through the National Endowment of the Arts and other private funding sources.

**Governor**

Provide additional funding of \$600,525 in both FY 18 and FY 19 to support competitive arts grants.

**Legislative**

Do not provide additional funds to the Arts Commission account.

**Consolidate Funding for Tourism Grants**

|                                     |           |           |   |   |             |             |
|-------------------------------------|-----------|-----------|---|---|-------------|-------------|
| Tourism Grants                      | 1,525,100 | 1,525,100 | - | - | (1,525,100) | (1,525,100) |
| Discovery Museum                    | (196,895) | (196,895) | - | - | 196,895     | 196,895     |
| Connecticut Science Center          | (446,626) | (446,626) | - | - | 446,626     | 446,626     |
| Barnum Museum                       | (20,735)  | (20,735)  | - | - | 20,735      | 20,735      |
| Stepping Stones Museum for Children | (30,863)  | (30,863)  | - | - | 30,863      | 30,863      |
| Maritime Center Authority           | (303,705) | (303,705) | - | - | 303,705     | 303,705     |
| Beardsley Zoo                       | (203,879) | (203,879) | - | - | 203,879     | 203,879     |
| Mystic Aquarium                     | (322,397) | (322,397) | - | - | 322,397     | 322,397     |
| <b>Total - General Fund</b>         | -         | -         | - | - | -           | -           |

**Governor**

Consolidate funding for direct line-item tourism accounts into the new "Tourism Grants" account. The distribution of this funding is unspecified.

**Legislative**

Maintain existing appropriated accounts.

**Reduce Funding for Tourism Grants in FY 19**

|                             |   |                  |   |   |   |                |
|-----------------------------|---|------------------|---|---|---|----------------|
| Tourism Grants              | - | (181,124)        | - | - | - | 181,124        |
| <b>Total - General Fund</b> | - | <b>(181,124)</b> | - | - | - | <b>181,124</b> |

**Governor**

Reduce funding by \$181,124 in FY 19 for the Tourism Grants account to achieve savings.

**Legislative**

Do not establish Tourism Grants account; therefore, no reduction is included in FY 19.

### Totals

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |                     |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|---------------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19               |
| FY 17 Appropriation - GF      | 33,067,403           | 33,067,403        | 33,067,403        | 33,067,403        | -                        | -                   |
| Policy Revisions              | (3,138,469)          | (3,815,943)       | (3,108,926)       | (18,297,555)      | 29,543                   | (14,481,612)        |
| <b>Total Recommended - GF</b> | <b>29,928,934</b>    | <b>29,251,460</b> | <b>29,958,477</b> | <b>14,769,848</b> | <b>29,543</b>            | <b>(14,481,612)</b> |
| FY 17 Appropriation - ED      | -                    | -                 | -                 | -                 | -                        | -                   |
| Policy Revisions              | -                    | -                 | -                 | 12,644,988        | -                        | 12,644,988          |
| <b>Total Recommended - ED</b> | <b>-</b>             | <b>-</b>          | <b>-</b>          | <b>12,644,988</b> | <b>-</b>                 | <b>12,644,988</b>   |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 89                   | 89        | 89          | 89        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>89</b>            | <b>89</b> | <b>89</b>   | <b>89</b> | <b>-</b>                 | <b>-</b> |

### Other Significant Legislation

#### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$15,727, a Labor Concessions Savings of \$259,671, a Targeted Savings of \$926,367, and a Delayed Start Savings of \$1,754,619. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account                              | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|--------------------------------------|------------------|---------------------|------------------|-------------|
| Personal Services                    | 7,145,317        | (275,398)           | 6,869,919        | 3.9%        |
| Other Expenses                       | 527,335          | (26,367)            | 500,968          | 5.0%        |
| Hartford Urban Arts Grant            | 242,371          | (48,474)            | 193,897          | 20.0%       |
| New Britain Arts Council             | 39,380           | (7,876)             | 31,504           | 20.0%       |
| Main Street Initiatives              | 100,000          | (20,000)            | 80,000           | 20.0%       |
| CCAT-CT Manufacturing Supply Chain   | 497,082          | (99,416)            | 397,666          | 20.0%       |
| Capital Region Development Authority | 6,261,621        | (50,000)            | 6,211,621        | 0.8%        |
| Neighborhood Music School            | 80,540           | (16,108)            | 64,432           | 20.0%       |
| Nutmeg Games                         | 40,000           | (8,000)             | 32,000           | 20.0%       |
| Discovery Museum                     | 196,895          | (39,379)            | 157,516          | 20.0%       |
| National Theatre of the Deaf         | 78,758           | (15,752)            | 63,006           | 20.0%       |
| CONNSTEP                             | 390,471          | (78,094)            | 312,377          | 20.0%       |
| Connecticut Science Center           | 446,626          | (89,325)            | 357,301          | 20.0%       |
| CT Flagship Producing Theaters Grant | 259,951          | (51,990)            | 207,961          | 20.0%       |
| Performing Arts Centers              | 787,571          | (157,514)           | 630,057          | 20.0%       |
| Performing Theaters Grant            | 306,753          | (61,351)            | 245,402          | 20.0%       |
| Arts Commission                      | 1,497,298        | (74,865)            | 1,422,433        | 5.0%        |
| Art Museum Consortium                | 287,313          | (57,463)            | 229,850          | 20.0%       |
| Litchfield Jazz Festival             | 29,000           | (5,800)             | 23,200           | 20.0%       |
| Arte Inc.                            | 20,735           | (4,147)             | 16,588           | 20.0%       |
| CT Virtuosi Orchestra                | 15,250           | (3,050)             | 12,200           | 20.0%       |
| Barnum Museum                        | 20,735           | (4,147)             | 16,588           | 20.0%       |

|   |         |           |         |        |
|---|---------|-----------|---------|--------|
| Various Grants                          | 130,000 | (26,000)  | 104,000 | 20.0%  |
| Greater Hartford Arts Council           | 74,079  | (3,704)   | 70,375  | 5.0%   |
| Stepping Stones Museum for Children     | 30,863  | (6,173)   | 24,690  | 20.0%  |
| Maritime Center Authority               | 303,705 | (60,741)  | 242,964 | 20.0%  |
| Connecticut Humanities Council          | 850,000 | (170,000) | 680,000 | 20.0%  |
| Amistad Committee for the Freedom Trail | 36,414  | (7,283)   | 29,131  | 20.0%  |
| Amistad Vessel                          | 263,856 | (52,771)  | 211,085 | 20.0%  |
| New Haven Festival of Arts and Ideas    | 414,511 | (82,902)  | 331,609 | 20.0%  |
| New Haven Arts Council                  | 52,000  | (10,400)  | 41,600  | 20.0%  |
| Beardsley Zoo                           | 253,879 | (50,776)  | 203,103 | 20.0%  |
| Mystic Aquarium                         | 322,397 | (64,479)  | 257,918 | 20.0%  |
| Northwestern Tourism                    | 400,000 | (400,000) | -       | 100.0% |
| Eastern Tourism                         | 400,000 | (400,000) | -       | 100.0% |
| Central Tourism                         | 400,000 | (400,000) | -       | 100.0% |
| Twain/Stowe Homes                       | 81,196  | (16,239)  | 64,957  | 20.0%  |
| Cultural Alliance of Fairfield          | 52,000  | (10,400)  | 41,600  | 20.0%  |

## Department of Housing DOH46900

### Permanent Full-Time Positions

| Fund           | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|----------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|                |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund   | 21              | 23              | 23                     | 23                   | 23    | 23          | 23    |
| Insurance Fund | -               | -               | -                      | -                    | -     | 1           | 1     |

### Budget Summary

| Account   | Actual<br>FY 15   | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|---|-------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|   |                   |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| Personal Services                               | 1,870,549         | 2,002,589          | 2,003,013              | 1,853,013            | 1,853,013          | 1,853,013          | 1,853,013          |
| Other Expenses                                  | 173,266           | 171,794            | 180,052                | 162,047              | 162,047            | 162,047            | 162,047            |
| <b>Other Current Expenses</b>                   |                   |                    |                        |                      |                    |                    |                    |
| Elderly Rental Registry and Counselors          | 1,188,638         | 1,107,398          | 1,045,889              | 1,035,431            | 1,035,431          | 1,035,431          | 1,035,431          |
| Homeless Youth                                  | -                 | -                  | -                      | 2,329,087            | 2,329,087          | 2,329,087          | 2,329,087          |
| <b>Other Than Payments to Local Governments</b> |                   |                    |                        |                      |                    |                    |                    |
| Subsidized Assisted Living Demonstration        | 2,345,000         | 2,251,114          | 2,181,051              | 2,325,370            | 2,534,220          | 2,084,241          | 2,084,241          |
| Congregate Facilities Operation Costs           | 7,517,398         | 7,681,166          | 7,359,331              | 7,336,204            | 7,336,204          | 7,336,204          | 7,336,204          |
| Housing Assistance and Counseling Program       | 304,560           | 384,123            | 366,503                | -                    | -                  | -                  | -                  |
| Elderly Congregate Rent Subsidy                 | 1,732,854         | 2,043,242          | 2,002,085              | 1,982,065            | 1,982,065          | 1,982,065          | 1,982,065          |
| Housing/Homeless Services                       | 60,636,303        | 65,090,466         | 66,995,503             | 73,731,471           | 78,336,053         | 74,024,210         | 78,628,792         |
| <b>Grant Payments to Local Governments</b>      |                   |                    |                        |                      |                    |                    |                    |
| Tax Abatement                                   | 1,372,414         | -                  | 1,078,993              | -                    | -                  | -                  | -                  |
| Payment In Lieu Of Taxes                        | 1,779,730         | -                  | -                      | -                    | -                  | -                  | -                  |
| Housing/Homeless Services - Municipality        | 640,398           | 632,458            | 592,893                | 586,965              | 586,965            | 586,965            | 586,965            |
| <b>Nonfunctional - Change to Accruals</b>       | <b>16,986</b>     | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Agency Total - General Fund</b>              | <b>79,578,096</b> | <b>81,364,350</b>  | <b>83,805,313</b>      | <b>91,341,653</b>    | <b>96,155,085</b>  | <b>91,393,263</b>  | <b>95,997,845</b>  |
| <b>Fair Housing</b>                             |                   |                    |                        |                      |                    |                    |                    |
| Fair Housing                                    | 500,000           | 670,000            | 670,000                | 603,000              | 603,000            | 670,000            | 670,000            |
| Crumbling Foundations                           | -                 | -                  | -                      | 2,700,000            | 2,700,000          | -                  | -                  |
| <b>Agency Total - Banking Fund</b>              | <b>500,000</b>    | <b>670,000</b>     | <b>670,000</b>         | <b>3,303,000</b>     | <b>3,303,000</b>   | <b>670,000</b>     | <b>670,000</b>     |
| <b>Crumbling Foundations</b>                    |                   |                    |                        |                      |                    |                    |                    |
| Crumbling Foundations                           | -                 | -                  | -                      | -                    | -                  | 110,844            | 110,844            |
| <b>Agency Total - Insurance Fund</b>            | <b>-</b>          | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>110,844</b>     | <b>110,844</b>     |
| <b>Total - Appropriated Funds</b>               | <b>80,078,096</b> | <b>82,034,350</b>  | <b>84,475,313</b>      | <b>94,644,653</b>    | <b>99,458,085</b>  | <b>92,174,107</b>  | <b>96,778,689</b>  |
| <b>Additional Funds Available</b>               |                   |                    |                        |                      |                    |                    |                    |
| Federal Funds                                   | -                 | 189,286,052        | 174,223,266            | 169,400,920          | 154,529,325        | 169,400,920        | 154,529,325        |
| Private Contributions & Other Restricted        | -                 | 5,204,514          | 1,312,000              | 1,500,000            | 1,500,000          | 1,500,000          | 1,500,000          |
| Private Contributions                           | -                 | 50,914,871         | 80,773,850             | 122,822,925          | 107,622,925        | 122,822,925        | 107,622,925        |
| <b>Agency Grand Total</b>                       | <b>80,078,096</b> | <b>327,439,787</b> | <b>340,784,429</b>     | <b>388,368,498</b>   | <b>363,110,335</b> | <b>385,897,952</b> | <b>360,430,939</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Provide Funding to Support Crumbling Foundations

|                                   |                  |                  |                |                |                    |                    |
|-----------------------------------|------------------|------------------|----------------|----------------|--------------------|--------------------|
| Crumbling Foundations             | 2,700,000        | 2,700,000        | -              | -              | (2,700,000)        | (2,700,000)        |
| <b>Total - Banking Fund</b>       | <b>2,700,000</b> | <b>2,700,000</b> | <b>-</b>       | <b>-</b>       | <b>(2,700,000)</b> | <b>(2,700,000)</b> |
| Crumbling Foundations             | -                | -                | 110,844        | 110,844        | 110,844            | 110,844            |
| <b>Total - Insurance Fund</b>     | <b>-</b>         | <b>-</b>         | <b>110,844</b> | <b>110,844</b> | <b>110,844</b>     | <b>110,844</b>     |
| <b>Positions - Insurance Fund</b> | <b>-</b>         | <b>-</b>         | <b>1</b>       | <b>1</b>       | <b>1</b>           | <b>1</b>           |

#### Background

Crumbling foundations resulting from the presence of pyrrhotite have impacted homes in more than thirty towns in northcentral and northeastern Connecticut.

#### Governor

Provide funding of \$2.7 million in both FY 18 and FY 19 for a new program that will subsidize interest rates paid by impacted homeowners on loans that support the remediation of crumbling foundation issues.

#### Legislative

Provide funding of \$110,844 in FY 18 and FY 19 to support a special homeowner advocate position within the department to provide advice and assistance and coordinate state programs related to the crumbling foundations issue.

### Provide TANF/SSBG Funding to CCDF

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Housing/Homeless Services   | 3,495,579        | 4,660,772        | 3,495,579        | 4,660,772        | -        | -        |
| <b>Total - General Fund</b> | <b>3,495,579</b> | <b>4,660,772</b> | <b>3,495,579</b> | <b>4,660,772</b> | <b>-</b> | <b>-</b> |

#### Background

Connecticut receives \$266.8 million per year under the Temporary Assistance for Needy Families (TANF) block grant and transfers 10% of this amount to the Social Services Block Grant (SSBG). Currently, TANF/SSBG funding is granted to the Departments of Social Services (DSS), Housing (DOH), and Children and Families (DCF), as well as the Office of Early Childhood (OEC). The accounting period for the federal government begins on October 1 and ends on September 30.

#### Governor

Shift funding of \$7,735,567 in FY 18 and \$10,314,089 in FY 19 from the current TANF/SSBG recipient agencies (DSS, DOH and DCF) to the Child Care and Development Fund (CCDF) under OEC. This shift will have no net impact on revenue, or General Fund appropriations, and will not result in any reduction in services. Provide General Fund support to the former TANF/SSBG recipient agencies of \$7,735,567 in FY 18 and \$10,314,089 in FY 19 and decrease OEC General Fund support by equal amounts. This includes funding of \$2,407,211 (partial year due to federal accounting period) and \$3,209,614 (full-year) to DCF. (See the table below for further details.) The purpose of this shift is to simplify administrative activities related to provision of block grant-funded services for all agencies involved.

### General Fund Appropriations Related to TANF/SSBG Shift

| Agency                              | FY 18       | FY 19        |
|-------------------------------------|-------------|--------------|
| Department of Housing               | 3,495,579   | 4,660,772    |
| Department of Social Services       | 1,832,777   | 2,443,703    |
| Department of Children and Families | 2,407,211   | 3,209,614    |
| Office of Early Childhood           | (7,735,567) | (10,314,089) |
| <b>TOTAL</b>                        | <b>-</b>    | <b>-</b>     |

#### Legislative

Same as Governor

### Reduce Funding for Residences for Persons with AIDS

|                             |                  |                  |                  |                  |                |                |
|-----------------------------|------------------|------------------|------------------|------------------|----------------|----------------|
| Housing/Homeless Services   | (526,930)        | (526,930)        | (234,191)        | (234,191)        | 292,739        | 292,739        |
| <b>Total - General Fund</b> | <b>(526,930)</b> | <b>(526,930)</b> | <b>(234,191)</b> | <b>(234,191)</b> | <b>292,739</b> | <b>292,739</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Background**

The Department of Housing provides grants for housing and services to low income households that have a member diagnosed with HIV or AIDS.

**Governor**

Reduce funding by \$526,930 in both FY 18 and FY 19 for the Residences for Persons with AIDS program to achieve savings.

**Legislative**

Reduce funding by \$234,191 in both FY 18 and FY 19 for the Residences for Persons with AIDS program to achieve savings.

**Reduce Funding for Various Line Items**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | (129,970)        | (129,970)        | (129,970)        | (129,970)        | -        | -        |
| Other Expenses              | (16,205)         | (16,205)         | (16,205)         | (16,205)         | -        | -        |
| <b>Total - General Fund</b> | <b>(146,175)</b> | <b>(146,175)</b> | <b>(146,175)</b> | <b>(146,175)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$146,175 in both FY 18 and FY 19 to achieve savings in the Personal Services and Other Expenses accounts.

**Legislative**

Same as Governor

**Dedicate Funding for the Katie Blair House**

**Background**

The Katie Blair House offers a supportive home environment for homeless women with no children for up to two years. On-site staff provide assistance with personal goal development and linkage to community services while residents prepare for independent living.

**Legislative**

Dedicate \$145,000 in FY 18 and FY 19 from the Housing/Homeless Services line item for a grant-in-aid to Bethsaida Community, Inc. for the Katie Blair House in Norwich.

**Reduce Funding for Assisted Living Demonstration Program**

|  |          |          |                 |                 |                 |                 |
|--|----------|----------|-----------------|-----------------|-----------------|-----------------|
| Subsidized Assisted Living Demonstration | -        | -        | (75,000)        | (75,000)        | (75,000)        | (75,000)        |
| <b>Total - General Fund</b>              | <b>-</b> | <b>-</b> | <b>(75,000)</b> | <b>(75,000)</b> | <b>(75,000)</b> | <b>(75,000)</b> |

**Background**

The Assisted Living Demonstration program provides grants to owners/managers of affordable housing units in the program which help offset the cost of rent for the low or very-low income elderly residents. Pursuant to CGS 17b-347e, the Department of Economic and Community Development (as the predecessor agency to the Department of Housing) joined a Memorandum of Agreement with the Office of Policy and Management, the Department of Public Health, and the Connecticut Housing Finance Authority to fund the Subsidized Assisted Living Demonstration program.

**Legislative**

Reduce funding by \$75,000 in both FY 18 and FY 19 to achieve savings.

**Adjust Funding for Fair Housing**

|                             |                 |                 |          |          |               |               |
|-----------------------------|-----------------|-----------------|----------|----------|---------------|---------------|
| Fair Housing                | (67,000)        | (67,000)        | -        | -        | 67,000        | 67,000        |
| <b>Total - Banking Fund</b> | <b>(67,000)</b> | <b>(67,000)</b> | <b>-</b> | <b>-</b> | <b>67,000</b> | <b>67,000</b> |

**Background**

The Fair Housing Center works to ensure that all people have equal access to housing opportunities in Connecticut. The state provides a grant to the Fair Housing Center to support fair housing and foreclosure prevention activities.

**Governor**

Reduce funding by \$67,000 in both FY 18 and FY 19 for the grant to the CT Fair Housing Center.

**Legislative**

Maintain funding for the grant to the CT Fair Housing Center.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Reduce Funding for the Security Deposit Guarantee Program

|                             |                 |                 |                 |                 |          |          |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Housing/Homeless Services   | (60,000)        | (60,000)        | (60,000)        | (60,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(60,000)</b> | <b>(60,000)</b> | <b>(60,000)</b> | <b>(60,000)</b> | <b>-</b> | <b>-</b> |

#### Background

The Security Deposit Guarantee Program provides a guarantee to landlords of up to two month's rent instead of an actual payment.

#### Governor

Reduce funding by \$60,000 in both FY 18 and FY 19 to achieve savings.

#### Legislative

Same as Governor

### Annualize FY 17 Holdbacks

|  |                    |                    |                    |                    |          |          |
|--|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Personal Services                        | (20,030)           | (20,030)           | (20,030)           | (20,030)           | -        | -        |
| Other Expenses                           | (1,800)            | (1,800)            | (1,800)            | (1,800)            | -        | -        |
| Elderly Rental Registry and Counselors   | (10,458)           | (10,458)           | (10,458)           | (10,458)           | -        | -        |
| Subsidized Assisted Living Demonstration | (21,810)           | (21,810)           | (21,810)           | (21,810)           | -        | -        |
| Congregate Facilities Operation Costs    | (73,593)           | (73,593)           | (73,593)           | (73,593)           | -        | -        |
| Elderly Congregate Rent Subsidy          | (20,020)           | (20,020)           | (20,020)           | (20,020)           | -        | -        |
| Tax Abatement                            | (1,078,993)        | (1,078,993)        | (1,078,993)        | (1,078,993)        | -        | -        |
| Housing/Homeless Services - Municipality | (5,928)            | (5,928)            | (5,928)            | (5,928)            | -        | -        |
| <b>Total - General Fund</b>              | <b>(1,232,632)</b> | <b>(1,232,632)</b> | <b>(1,232,632)</b> | <b>(1,232,632)</b> | <b>-</b> | <b>-</b> |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$1,232,632 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

## Current Services

### Transfer Homeless Youth Program to Department of Housing

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Homeless Youth              | 2,329,087        | 2,329,087        | 2,329,087        | 2,329,087        | -        | -        |
| <b>Total - General Fund</b> | <b>2,329,087</b> | <b>2,329,087</b> | <b>2,329,087</b> | <b>2,329,087</b> | <b>-</b> | <b>-</b> |

#### Background

The Start program, currently funded under DCF's Homeless Youth account, is run by a non-profit provider, The Connection, Inc., to provide an array of outreach and survival support services for homeless youth, or youth who have unstable housing, between the ages of 16 and 24 in the Hartford area. Sections 418 and 419 of PA 15-5 JSS transfer the homeless youth program under DCF to DOH.

#### Governor

Transfer funding of \$2,329,087 in both FY 18 and FY 19 for homeless youth from DCF to DOH to reflect the transfer outlined in PA 15-5 JSS.

#### Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Provide Funding for Caseload for Money Follows the Person**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Housing/Homeless Services   | 1,779,951        | 5,219,340        | 1,779,951        | 5,219,340        | -        | -        |
| <b>Total - General Fund</b> | <b>1,779,951</b> | <b>5,219,340</b> | <b>1,779,951</b> | <b>5,219,340</b> | <b>-</b> | <b>-</b> |

**Background**

The federal Money Follows the Person (MFP) Rebalancing Demonstration Grant encourages states to reduce their reliance on institutional care for Medicaid recipients by transitioning individuals out of institutional settings and into community settings with appropriate supports.

**Governor**

Provide funding of \$1,779,951 in FY 18 and \$5,219,340 in FY 19 to support rental assistance for new MFP transitions that are projected to occur in FY 18 and FY 19.

**Legislative**

Same as Governor

**Annualize FY 17 Funding for Money Follows the Person**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Housing/Homeless Services   | 2,047,368        | 2,047,368        | 2,047,368        | 2,047,368        | -        | -        |
| <b>Total - General Fund</b> | <b>2,047,368</b> | <b>2,047,368</b> | <b>2,047,368</b> | <b>2,047,368</b> | <b>-</b> | <b>-</b> |

**Background**

Annualization refers to providing the amount of resources necessary for a 12 month period of operation.

**Governor**

Provide funding of \$2,047,368 in both FY 18 and FY 19 to reflect full year funding for new transitions to the MFP program occurring in the current fiscal year.

**Legislative**

Same as Governor

**Eliminate Funding for Housing Assistance and Counseling**

|   |                  |                  |                  |                  |          |          |
|---|------------------|------------------|------------------|------------------|----------|----------|
| Housing Assistance and Counseling Program | (366,503)        | (366,503)        | (366,503)        | (366,503)        | -        | -        |
| <b>Total - General Fund</b>               | <b>(366,503)</b> | <b>(366,503)</b> | <b>(366,503)</b> | <b>(366,503)</b> | <b>-</b> | <b>-</b> |

**Background**

The Departments of Housing and Social Services with the Office of Policy and Management developed and implemented a demonstration program to bring assisted living services to residents of two federally-funded facilities and encourage participation in the state's Connecticut Home Care Program for Elders. The state began a phase down of the program in FY 17 due to budget constraints.

**Governor**

Eliminate funding of \$366,503 in both FY 18 and FY 19 to complete the phase out of the demonstration program.

**Legislative**

Same as Governor

**Provide Funding for Assisted Living Demonstration Program**

|  |                |                |          |          |                  |                  |
|--|----------------|----------------|----------|----------|------------------|------------------|
| Subsidized Assisted Living Demonstration | 166,129        | 374,979        | -        | -        | (166,129)        | (374,979)        |
| <b>Total - General Fund</b>              | <b>166,129</b> | <b>374,979</b> | <b>-</b> | <b>-</b> | <b>(166,129)</b> | <b>(374,979)</b> |

**Background**

The Assisted Living Demonstration program provides grants to owners/managers of affordable housing units in the program which help offset the cost of rent for the low or very-low income elderly residents. Pursuant to CGS 17b-347e, DECD (as the predecessor agency to the Department of Housing) joined a Memorandum of Agreement with the Office of Policy and Management, the Department of Public Health, and the Connecticut Housing Finance Authority to fund the Subsidized Assisted Living Demonstration program.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Provide funding of \$166,129 in FY 18 and \$374,979 in FY 19 for the Connecticut Housing Finance Authority to finance the payment of debt service on mortgage loans and bonds in support of the Assisted Living Demonstration program.

**Legislative**

Do not provide funding of \$166,129 in FY 18 and \$374,979 in FY 18 and FY 19 in order to achieve savings.

**Annualize Funding for Congregate Program**

|                                       |               |               |               |               |          |          |
|---------------------------------------|---------------|---------------|---------------|---------------|----------|----------|
| Congregate Facilities Operation Costs | 50,466        | 50,466        | 50,466        | 50,466        | -        | -        |
| <b>Total - General Fund</b>           | <b>50,466</b> | <b>50,466</b> | <b>50,466</b> | <b>50,466</b> | <b>-</b> | <b>-</b> |

**Background**

The Congregate Housing for the Elderly program provides grants, interim loans, permanent loans, deferred loans or any combination thereof for the development of congregate housing for frail elderly persons.

**Governor**

Provide funding of \$50,466 in both FY 18 and FY 19 to annualize the cost of the Greenwich congregate facility that expanded in FY 17.

**Legislative**

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |                    |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|--------------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19              |
| FY 17 Appropriation - GF      | 83,805,313           | 83,805,313        | 83,805,313        | 83,805,313        | -                        | -                  |
| Policy Revisions              | 1,529,842            | 2,695,035         | 1,747,581         | 2,912,774         | 217,739                  | 217,739            |
| Current Services              | 6,006,498            | 9,654,737         | 5,840,369         | 9,279,758         | (166,129)                | (374,979)          |
| <b>Total Recommended - GF</b> | <b>91,341,653</b>    | <b>96,155,085</b> | <b>91,393,263</b> | <b>95,997,845</b> | <b>51,610</b>            | <b>(157,240)</b>   |
| FY 17 Appropriation - BF      | 670,000              | 670,000           | 670,000           | 670,000           | -                        | -                  |
| Policy Revisions              | 2,633,000            | 2,633,000         | -                 | -                 | (2,633,000)              | (2,633,000)        |
| <b>Total Recommended - BF</b> | <b>3,303,000</b>     | <b>3,303,000</b>  | <b>670,000</b>    | <b>670,000</b>    | <b>(2,633,000)</b>       | <b>(2,633,000)</b> |
| FY 17 Appropriation - IF      | -                    | -                 | -                 | -                 | -                        | -                  |
| Policy Revisions              | -                    | -                 | 110,844           | 110,844           | 110,844                  | 110,844            |
| <b>Total Recommended - IF</b> | <b>-</b>             | <b>-</b>          | <b>110,844</b>    | <b>110,844</b>    | <b>110,844</b>           | <b>110,844</b>     |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 23                   | 23        | 23          | 23        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>23</b>            | <b>23</b> | <b>23</b>   | <b>23</b> | <b>-</b>                 | <b>-</b> |
| FY 17 Appropriation - IF      | -                    | -         | -           | -         | -                        | -        |
| Policy Revisions              | -                    | -         | 1           | 1         | 1                        | 1        |
| <b>Total Recommended - IF</b> | <b>-</b>             | <b>-</b>  | <b>1</b>    | <b>1</b>  | <b>1</b>                 | <b>1</b> |

***Other Significant Legislation***

**PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$4,079, a Labor Concessions Savings of \$66,627, and a Targeted Savings of \$1,753,981. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account                                  | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|--|------------------|---------------------|------------------|-------------|
| Personal Services                        | 1,853,013        | (70,706)            | 1,782,307        | 3.8%        |
| Other Expenses                           | 162,047          | (8,102)             | 153,945          | 5.0%        |
| Elderly Rental Registry and Counselors   | 1,035,431        | (20,709)            | 1,014,722        | 2.0%        |
| Homeless Youth                           | 2,329,087        | (46,582)            | 2,282,505        | 2.0%        |
| Congregate Facilities Operation Costs    | 7,336,204        | (146,724)           | 7,189,480        | 2.0%        |
| Elderly Congregate Rent Subsidy          | 1,982,065        | (39,641)            | 1,942,424        | 2.0%        |
| Housing/Homeless Services                | 74,024,210       | (1,480,484)         | 72,543,726       | 2.0%        |
| Housing/Homeless Services - Municipality | 586,965          | (11,739)            | 575,226          | 2.0%        |

## Agricultural Experiment Station AES48000

### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 70              | 69              | 69                     | 69                   | 69    | 69          | 69    |

### Budget Summary

| Account                                   | Actual<br>FY 15  | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---|------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|   |                  |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                         | 5,995,609        | 5,829,498         | 5,888,047              | 5,636,399            | 5,636,399         | 5,636,399         | 5,636,399         |
| Other Expenses                            | 996,484          | 943,146           | 779,858                | 910,560              | 910,560           | 910,560           | 910,560           |
| Equipment                                 | -                | 8,787             | 8,238                  | -                    | -                 | -                 | -                 |
| <b>Other Current Expenses</b>             |                  |                   |                        |                      |                   |                   |                   |
| Mosquito Control                          | 462,030          | 475,004           | 446,779                | 502,312              | 502,312           | 502,312           | 502,312           |
| Wildlife Disease Prevention               | 92,965           | 94,318            | 89,724                 | 92,701               | 92,701            | 92,701            | 92,701            |
| <b>Nonfunctional - Change to Accruals</b> | 25,337           | -                 | -                      | -                    | -                 | -                 | -                 |
| <b>Agency Total - General Fund</b>        | <b>7,572,425</b> | <b>7,350,753</b>  | <b>7,212,646</b>       | <b>7,141,972</b>     | <b>7,141,972</b>  | <b>7,141,972</b>  | <b>7,141,972</b>  |
| <b>Additional Funds Available</b>         |                  |                   |                        |                      |                   |                   |                   |
| Federal Funds                             | -                | 3,781,019         | 4,003,000              | 4,018,000            | 4,018,000         | 4,018,000         | 4,018,000         |
| Private Contributions & Other Restricted  | -                | 74,821            | 55,000                 | 55,000               | 55,000            | 55,000            | 55,000            |
| Private Contributions                     | -                | 631,634           | 790,000                | 800,000              | 800,000           | 800,000           | 800,000           |
| <b>Agency Grand Total</b>                 | <b>7,572,425</b> | <b>11,838,227</b> | <b>12,060,646</b>      | <b>12,014,972</b>    | <b>12,014,972</b> | <b>12,014,972</b> | <b>12,014,972</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

## Policy Revisions

### Provide Funding for a Nursery Inspector

|                             |               |               |               |               |          |          |
|-----------------------------|---------------|---------------|---------------|---------------|----------|----------|
| Personal Services           | 45,055        | 45,055        | 45,055        | 45,055        | -        | -        |
| <b>Total - General Fund</b> | <b>45,055</b> | <b>45,055</b> | <b>45,055</b> | <b>45,055</b> | <b>-</b> | <b>-</b> |

#### Background

The Agricultural Experiment Station (AES) registers and issues certifications of various plant material to all sellers of nursery stock hardy trees, shrubs, and vines grown outdoors.

#### Governor

Provide funding of \$45,055 in both FY 18 and FY 19 for a Nursery Inspector (Technician II) position.

#### Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Reduce Funding for Vacant Position**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | (117,323)        | (117,323)        | (117,323)        | (117,323)        | -        | -        |
| <b>Total - General Fund</b> | <b>(117,323)</b> | <b>(117,323)</b> | <b>(117,323)</b> | <b>(117,323)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$117,323 in both FY 18 and FY 19 for a vacant position (an Associate Agricultural Scientist in the Entomology Department). While funding for the position is removed, the agency position count is unchanged.

**Legislative**

Same as Governor

**Annualize FY 17 Holdbacks**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | (179,380)        | (179,380)        | (179,380)        | (179,380)        | -        | -        |
| Other Expenses              | (7,798)          | (7,798)          | (7,798)          | (7,798)          | -        | -        |
| Equipment                   | (8,238)          | (8,238)          | (8,238)          | (8,238)          | -        | -        |
| Mosquito Control            | (4,467)          | (4,467)          | (4,467)          | (4,467)          | -        | -        |
| Wildlife Disease Prevention | (897)            | (897)            | (897)            | (897)            | -        | -        |
| <b>Total - General Fund</b> | <b>(200,780)</b> | <b>(200,780)</b> | <b>(200,780)</b> | <b>(200,780)</b> | <b>-</b> | <b>-</b> |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

**Governor**

Reduce funding by \$200,780 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

**Legislative**

Same as Governor

**Current Services**

**Provide Funding for Mosquito Surveillance & Virus Testing**

|                             |               |               |               |               |          |          |
|-----------------------------|---------------|---------------|---------------|---------------|----------|----------|
| Mosquito Control            | 60,000        | 60,000        | 60,000        | 60,000        | -        | -        |
| <b>Total - General Fund</b> | <b>60,000</b> | <b>60,000</b> | <b>60,000</b> | <b>60,000</b> | <b>-</b> | <b>-</b> |

**Background**

The Agricultural Experiment Station (AES) maintains mosquito trapping sites at 91 sites statewide to test for encephalitis, West Nile, and the newly emerging Zika virus.

**Governor**

Provide funding of \$60,000 for mosquito testing.

**Legislative**

Same as Governor

**Provide Funding for Laboratory Utility & Operating Costs**

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Other Expenses              | 138,500        | 138,500        | 138,500        | 138,500        | -        | -        |
| <b>Total - General Fund</b> | <b>138,500</b> | <b>138,500</b> | <b>138,500</b> | <b>138,500</b> | <b>-</b> | <b>-</b> |

**Governor**

Provide funding of \$138,500 in both FY 18 and FY 19 to meet current requirements for utility and operating expenses of various agency laboratories, including the newly established Jenkins Laboratory.

**Legislative**

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Annualize FY 17 Funding for Wildlife Disease Prevention

|                             |              |              |              |              |          |          |
|-----------------------------|--------------|--------------|--------------|--------------|----------|----------|
| Wildlife Disease Prevention | 3,874        | 3,874        | 3,874        | 3,874        | -        | -        |
| <b>Total - General Fund</b> | <b>3,874</b> | <b>3,874</b> | <b>3,874</b> | <b>3,874</b> | <b>-</b> | <b>-</b> |

#### Background

Annualization refers to providing the amount of resources necessary for a 12 month period of operation.

#### Governor

Provide funding of \$3,874 in both FY 18 and FY 19 to reflect full year funding for salaries within the Wildlife Disease Prevention Program.

#### Legislative

Same as Governor

### Totals

| Budget Components             | Governor Recommended |                  | Legislative      |                  | Difference from Governor |          |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------------|----------|
|                               | FY 18                | FY 19            | FY 18            | FY 19            | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 7,212,646            | 7,212,646        | 7,212,646        | 7,212,646        | -                        | -        |
| Policy Revisions              | (273,048)            | (273,048)        | (273,048)        | (273,048)        | -                        | -        |
| Current Services              | 202,374              | 202,374          | 202,374          | 202,374          | -                        | -        |
| <b>Total Recommended - GF</b> | <b>7,141,972</b>     | <b>7,141,972</b> | <b>7,141,972</b> | <b>7,141,972</b> | <b>-</b>                 | <b>-</b> |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 69                   | 69        | 69          | 69        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>69</b>            | <b>69</b> | <b>69</b>   | <b>69</b> | <b>-</b>                 | <b>-</b> |

### Other Significant Legislation

#### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$12,406, a Labor Concessions Savings of \$211,989, and a Targeted Savings of \$45,528. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account                     | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|-----------------------------|------------------|---------------------|------------------|-------------|
| Personal Services           | 5,636,399        | (218,365)           | 5,418,034        | 3.9%        |
| Other Expenses              | 910,560          | (45,528)            | 865,032          | 5.0%        |
| Mosquito Control            | 502,312          | (4,635)             | 497,677          | 0.9%        |
| Wildlife Disease Prevention | 92,701           | (1,395)             | 91,306           | 1.5%        |

## Department of Public Health DPH48500

### Permanent Full-Time Positions

| Fund           | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|----------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|                |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund   | 481             | 479             | 481                    | 495                  | 480   | 495         | 480   |
| Insurance Fund | 3               | 5               | 5                      | 5                    | 5     | 5           | 5     |

### Budget Summary

| Account  | Actual<br>FY 15    | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|--|--------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|  |                    |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| Personal Services                                  | 33,342,266         | 34,814,486         | 35,367,382             | 36,079,225           | 34,805,177         | 35,454,225         | 34,180,177         |
| Other Expenses                                     | 6,592,083          | 6,682,899          | 6,741,702              | 7,649,552            | 7,758,041          | 7,799,552          | 7,908,041          |
| <b>Other Current Expenses</b>                      |                    |                    |                        |                      |                    |                    |                    |
| Needle and Syringe Exchange Program                | 436,446            | -                  | -                      | -                    | -                  | -                  | -                  |
| Children's Health Initiatives                      | 2,432,012          | 2,228,871          | -                      | 3,058,748            | 3,058,748          | -                  | -                  |
| Childhood Lead Poisoning                           | 18,908             | 63,655             | -                      | -                    | -                  | -                  | -                  |
| AIDS Services                                      | 4,917,558          | -                  | -                      | -                    | -                  | -                  | -                  |
| Breast and Cervical Cancer Detection and Treatment | 2,052,096          | -                  | -                      | -                    | -                  | -                  | -                  |
| Children with Special Health Care Needs            | 1,159,480          | 978,884            | -                      | -                    | -                  | -                  | -                  |
| Medicaid Administration                            | 2,669,673          | -                  | -                      | -                    | -                  | -                  | -                  |
| Maternal Mortality Review                          | 93,253             | -                  | 1                      | -                    | -                  | -                  | -                  |
| <b>Other Than Payments to Local Governments</b>    |                    |                    |                        |                      |                    |                    |                    |
| Community Health Services                          | 5,902,672          | 1,801,585          | 2,008,515              | 1,478,104            | 1,478,104          | 1,689,268          | 1,900,431          |
| Rape Crisis  | 622,008            | 610,838            | 558,104                | 539,966              | 539,966            | 558,104            | 558,104            |
| X-Ray Screening and Tuberculosis Care              | 998,449            | -                  | -                      | -                    | -                  | -                  | -                  |
| Genetic Diseases Programs                          | 795,219            | 235,516            | -                      | -                    | -                  | -                  | -                  |
| <b>Grant Payments to Local Governments</b>         |                    |                    |                        |                      |                    |                    |                    |
| Local and District Departments of Health           | 4,685,778          | 4,367,839          | 4,083,916              | 3,684,078            | 3,684,078          | 4,144,588          | 4,144,588          |
| Venereal Disease Control                           | 187,313            | -                  | -                      | -                    | -                  | -                  | -                  |
| School Based Health Clinics                        | 11,446,280         | 11,597,078         | 11,280,633             | 10,152,570           | 10,152,570         | 11,039,012         | 11,039,012         |
| <b>Nonfunctional - Change to Accruals</b>          | <b>(202,865)</b>   | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Agency Total - General Fund</b>                 | <b>78,148,629</b>  | <b>63,381,650</b>  | <b>60,040,253</b>      | <b>62,642,243</b>    | <b>61,476,684</b>  | <b>60,684,749</b>  | <b>59,730,353</b>  |
| <b>Agency Total - Insurance Fund</b>               |                    |                    |                        |                      |                    |                    |                    |
| Needle and Syringe Exchange Program                | -                  | 455,105            | 459,416                | 459,416              | 459,416            | 459,416            | 459,416            |
| Children's Health Initiatives                      | -                  | -                  | -                      | -                    | -                  | 2,935,769          | 2,935,769          |
| AIDS Services                                      | -                  | 4,857,414          | 4,975,686              | 4,975,686            | 4,975,686          | 4,975,686          | 4,975,686          |
| Breast and Cervical Cancer Detection and Treatment | -                  | 2,111,168          | 2,150,565              | 2,150,565            | 2,150,565          | 2,150,565          | 2,150,565          |
| Immunization Services                              | 31,507,574         | 32,728,049         | 34,000,718             | 45,382,653           | 46,508,326         | 43,216,992         | 48,018,326         |
| X-Ray Screening and Tuberculosis Care              | -                  | 803,047            | 1,115,148              | 1,115,148            | 1,115,148          | 965,148            | 965,148            |
| Venereal Disease Control                           | -                  | 197,171            | 197,171                | 197,171              | 197,171            | 197,171            | 197,171            |
| <b>Nonfunctional - Change to Accruals</b>          | <b>75,603</b>      | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Agency Total - Insurance Fund</b>               | <b>31,583,177</b>  | <b>41,151,954</b>  | <b>42,898,704</b>      | <b>54,280,639</b>    | <b>55,406,312</b>  | <b>54,900,747</b>  | <b>59,702,081</b>  |
| <b>Total - Appropriated Funds</b>                  | <b>109,731,806</b> | <b>104,533,604</b> | <b>102,938,957</b>     | <b>116,922,882</b>   | <b>116,882,996</b> | <b>115,585,496</b> | <b>119,432,434</b> |

| Account                                     | Actual<br>FY 15    | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|---|--------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|   |                    |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| <b>Additional Funds Available</b>           |                    |                    |                        |                      |                    |                    |                    |
| Federal Funds                               | -                  | 111,153,593        | 123,001,182            | 121,021,504          | 118,347,231        | 121,021,504        | 118,347,231        |
| Private Contributions & Other<br>Restricted | -                  | 4,615,029          | 4,810,194              | 1,327,000            | 1,327,000          | 1,327,000          | 1,327,000          |
| Private Contributions                       | -                  | 42,571,436         | 43,299,023             | 43,251,805           | 43,256,047         | 43,251,805         | 43,256,047         |
| <b>Agency Grand Total</b>                   | <b>109,731,806</b> | <b>262,873,662</b> | <b>274,049,356</b>     | <b>282,523,191</b>   | <b>279,813,274</b> | <b>281,185,805</b> | <b>282,362,712</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Provide Funding for Children's HPV Vaccination

|                               |                  |                  |                  |                   |                    |                  |
|-------------------------------|------------------|------------------|------------------|-------------------|--------------------|------------------|
| Immunization Services         | 9,617,802        | 9,517,802        | 7,452,141        | 11,027,802        | (2,165,661)        | 1,510,000        |
| <b>Total - Insurance Fund</b> | <b>9,617,802</b> | <b>9,517,802</b> | <b>7,452,141</b> | <b>11,027,802</b> | <b>(2,165,661)</b> | <b>1,510,000</b> |

#### Background

A **Health and Welfare Fee** is imposed on domestic health insurance entities to fully fund DPH's **Immunization Services** account. The assessment is calculated based on the number of insured/enrolled lives in Connecticut for which health insurance was provided during the previous year by each entity, multiplied by a factor necessary to recoup the entirety of the Immunization Services account's appropriation.

The Centers for Disease Control and Prevention recommend that all children who are 11 or 12 years old get two shots of the human papillomavirus (HPV) vaccine six to twelve months apart.

#### Governor

Provide funding of \$9,617,802 in FY 18 and \$9,517,802 in FY 19 to make the HPV vaccine universally available to privately insured children. Included in the FY 18 funding total is \$100,000 to support a related educational campaign.

#### Legislative

Provide funding of \$7,452,141 in FY 18 and \$11,027,802 in FY 19 to make the HPV vaccine universally available to privately insured children. Included in the FY 18 funding total is \$100,000 to support a related educational campaign.

### Transfer Children's Health Initiatives to Insurance Fund

|                               |          |          |                    |                    |                    |                    |
|-------------------------------|----------|----------|--------------------|--------------------|--------------------|--------------------|
| Children's Health Initiatives | -        | -        | (2,935,769)        | (2,935,769)        | (2,935,769)        | (2,935,769)        |
| <b>Total - General Fund</b>   | <b>-</b> | <b>-</b> | <b>(2,935,769)</b> | <b>(2,935,769)</b> | <b>(2,935,769)</b> | <b>(2,935,769)</b> |
| Children's Health Initiatives | -        | -        | 2,935,769          | 2,935,769          | 2,935,769          | 2,935,769          |
| <b>Total - Insurance Fund</b> | <b>-</b> | <b>-</b> | <b>2,935,769</b>   | <b>2,935,769</b>   | <b>2,935,769</b>   | <b>2,935,769</b>   |

#### Background

The Children's Health Initiatives account supports a variety of programs and staff (a combined 4.15 FTEs in FY 17) working to improve children's health in the state:

- Local health departments for lead poisoning prevention and control** - Formula grants are paid to local health departments and districts per CGS 19a-111j to help finance lead poisoning prevention and control activities. Grants are based on the local health departments'/districts' confirmed childhood lead poisoning cases in the prior calendar year.
- Regional Childhood Lead Treatment Centers** - Hospital-based regional treatment centers in New Haven (Yale-New Haven Hospital) and Hartford (Connecticut Children's Medical Center or CCMC) provide lead screening, clinical case management, and medical follow-up for lead poisoned children who are underinsured statewide.
- Child Sexual Abuse Clinics** - Hospital based clinics in New Haven (Yale-New Haven) and Hartford (Saint Francis) provide medical evaluations, interviews, referrals and other support services for children suspected of being victims of sexual abuse and their families.
- Case Management to Pregnant and Parenting Women** (provided through the Waterbury Health Department) - Serves women at risk for use of illegal drugs or alcohol, domestic violence (including coercion or intimate partner violence), and child welfare system involvement or history.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

5. **Asthma Programs** - CCMC's Easy Breathing program provides community-based support to children, families, and physicians in the management of childhood asthma. Bridgeport Hospital operates an Easy Breathing program for adults, which is a professional education program that trains internal medicine residents in evidenced-based as well as systems-based medicine.

6. **Treatment of Newborns** - Grants for regional and sickle cell disease treatment centers for newborns.

7. **Children with Special Health Care Needs** - Supports regional medical homes that provide coordinated health care services for children with special health care needs and their families, as well as respite care.

**Legislative**

Transfer support totaling \$2,935,769 in both FY 18 and FY 19 for the Children's Health Initiatives account from the General Fund to the Insurance Fund (IF).

The **Public Health Fee** will be increased in concert with this change. Currently, six DPH accounts are funded under the IF. One, the Immunization Services account, is funded under a Health and Welfare Fee. The rest are funded through the Public Health Fee: (1) Needle and Syringe Exchange, (2) AIDS Services, (3) Breast and Cervical Cancer Detection, (4) X-ray Screening and Tuberculosis Care, and (5) Venereal Disease Control. The Public Health Fee is imposed on domestic health insurance entities, with the exception of third-party administrators and exempt insurers, to fully fund the appropriations of the accounts listed above. The fee is calculated based on the number of insured/enrolled lives in Connecticut for which health insurance was provided during the previous year by each entity, multiplied by a factor necessary to recoup the entirety of the appropriations.

**Provide General Fund Support for Newborn Screening**

|                                 |                  |                  |                  |                  |   |   |
|---------------------------------|------------------|------------------|------------------|------------------|---|---|
| Personal Services               | 1,056,304        | 1,056,304        | 1,056,304        | 1,056,304        | - | - |
| Other Expenses                  | 1,188,417        | 1,188,417        | 1,188,417        | 1,188,417        | - | - |
| Children's Health Initiatives   | 599,177          | 599,177          | 599,177          | 599,177          | - | - |
| <b>Total - General Fund</b>     | <b>2,843,898</b> | <b>2,843,898</b> | <b>2,843,898</b> | <b>2,843,898</b> | - | - |
| <b>Positions - General Fund</b> | <b>5</b>         | <b>5</b>         | <b>5</b>         | <b>5</b>         | - | - |

**Background**

CGS Sec. 19a-55 requires that all newborns delivered in Connecticut are screened for selected genetic and metabolic disorders. Section 346 of PA 15-5 JSS increased the fee per infant screened, starting in FY 16, from \$56 to \$98. In 2017 the fee was increased from \$98 to \$110 under the Governor's Executive Order Budget. Revenue generated from this fee is deposited into a separate, non-lapsing account, which is made available to DPH for newborn screening expenditures.

**Governor**

Provide funding of \$2,843,898 and five positions in both FY 18 and FY 19 to support newborn screening and treatment. This reflects Personal Services account funding of \$1,056,304 and Other Expenses account funding of \$1,188,417 to cover the costs of screening, and \$599,177 in the Children's Health Initiatives account for grants to newborn regional and sickle cell disease treatment centers. Section 678 of PA 17-2 JSS redirects newborn screening revenue to the General Fund to be made available to DPH for newborn screening expenditures.

**Legislative**

Same as Governor

**Provide General Fund Support for the CHI Account**

|                               |                  |                  |                  |                  |                  |                  |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Children's Health Initiatives | 2,459,571        | 2,459,571        | 2,336,592        | 2,336,592        | (122,979)        | (122,979)        |
| <b>Total - General Fund</b>   | <b>2,459,571</b> | <b>2,459,571</b> | <b>2,336,592</b> | <b>2,336,592</b> | <b>(122,979)</b> | <b>(122,979)</b> |

**Background**

The Children's Health Initiatives (CHI) account was provided \$2,339,428 in FY 17 from the Biomedical Research Trust Fund. Historically, the majority of funding for this account has been provided from the General Fund.

**Governor**

Provide funding of \$2,459,571 in both FY 18 and FY 19 to support children's health initiatives.

**Legislative**

Provide funding of \$2,336,592 in both FY 18 and FY 19 to support children's health initiatives.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Transfer OHCA to the New Office of Health Strategy

|                                 |   |                    |   |                    |   |   |
|---------------------------------|---|--------------------|---|--------------------|---|---|
| Personal Services               | - | (1,937,390)        | - | (1,937,390)        | - | - |
| Other Expenses                  | - | (38,042)           | - | (38,042)           | - | - |
| <b>Total - General Fund</b>     | - | <b>(1,975,432)</b> | - | <b>(1,975,432)</b> | - | - |
| <b>Positions - General Fund</b> | - | <b>(23)</b>        | - | <b>(23)</b>        | - | - |

#### Background

The Governor proposes to enhance coordination and consolidate accountability for the implementation of the state's health care reform strategies through the Office of Health Strategy. The Office is created through the transfer of funds totaling \$5,353,896 and 31 positions from across three agencies and two appropriated funds as follows:

1. **DPH - General Fund** - \$1,975,432 and 23 positions,
2. **Insurance Department - Insurance Fund** - \$262,978 (including fringe benefits) and one position, and
3. **Office of the Healthcare Advocate - Insurance Fund** - \$3,565,649 (including fringe benefits) and seven positions.

#### Governor

Transfer funding of \$1,975,432 and 23 positions in FY 19 from DPH to the Office of Health Strategy.

#### Legislative

Same as Governor

### Annualize FY 17 Holdbacks

|                             |                    |                    |                    |                    |               |               |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|---------------|---------------|
| Personal Services           | (709,065)          | (709,065)          | (709,065)          | (709,065)          | -             | -             |
| Other Expenses              | (413,182)          | (413,182)          | (413,182)          | (413,182)          | -             | -             |
| Community Health Services   | (108,084)          | (108,084)          | (108,084)          | (108,084)          | -             | -             |
| Rape Crisis                 | (18,138)           | (18,138)           | -                  | -                  | 18,138        | 18,138        |
| School Based Health Clinics | (366,621)          | (366,621)          | (366,621)          | (366,621)          | -             | -             |
| <b>Total - General Fund</b> | <b>(1,615,090)</b> | <b>(1,615,090)</b> | <b>(1,596,952)</b> | <b>(1,596,952)</b> | <b>18,138</b> | <b>18,138</b> |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$1,615,090 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Reduce funding by \$1,596,952 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

### Reduce Funding for Local and District Health Departments

|  |                  |                  |                  |                  |                |                |
|--|------------------|------------------|------------------|------------------|----------------|----------------|
| Local and District Departments of Health | (921,020)        | (921,020)        | (460,510)        | (460,510)        | 460,510        | 460,510        |
| <b>Total - General Fund</b>              | <b>(921,020)</b> | <b>(921,020)</b> | <b>(460,510)</b> | <b>(460,510)</b> | <b>460,510</b> | <b>460,510</b> |

#### Background

Pursuant to CGS Sec. 19a-207a, each district department of health and municipal health department shall provide a basic health program that includes, but is not limited to, the provision of ten services for each community served. Services include the monitoring of health status to identify and solve community health problems and investigating and diagnosing health problems and health hazards in the community. PA 09-3 SSS restructured the DPH per capita subsidy for local and district health departments by: (1) eliminating the per capita subsidy for part-time health departments, (2) providing a \$1.18 per capita subsidy for full-time health departments that serve at least 50,000 people (CGS Sec. 19a-245), and (3) providing a \$1.85 per capita subsidy for district health departments that serve at least 50,000 people and/or at least three municipalities (CGS Sec. 19a-202).

#### Governor

Reduce funding by \$921,020 in both FY 18 and FY 19 for local and district health departments.

#### Legislative

Reduce funding by \$460,510 in both FY 18 and FY 19 for local and district health departments.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Maintain Funding for School Based Health Centers

|                             |                  |                  |          |          |                |                |
|-----------------------------|------------------|------------------|----------|----------|----------------|----------------|
| School Based Health Clinics | (761,442)        | (761,442)        | -        | -        | 761,442        | 761,442        |
| <b>Total - General Fund</b> | <b>(761,442)</b> | <b>(761,442)</b> | <b>-</b> | <b>-</b> | <b>761,442</b> | <b>761,442</b> |

#### Background

School Based Health Centers (SBHCs) are comprehensive primary healthcare facilities located within or on the grounds of schools. They are licensed as outpatient facilities or hospital satellite clinics. Services they offer address medical, mental, and oral health needs of students in grades pre-K through grade 12.

#### Governor

Reduce funding by \$761,442 in both FY 18 and FY 19 for SBHCs, which is a decrease in support of approximately 6.8% from FY 17 funding levels.

#### Legislative

Maintain funding of \$761,442 in both FY 18 and FY 19 to support School Based Health Centers.

### Rollout of FY 17 Rescissions

|                             |          |          |                  |                  |                  |                  |
|-----------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Personal Services           | -        | -        | (625,000)        | (625,000)        | (625,000)        | (625,000)        |
| Other Expenses              | -        | -        | (100,000)        | (100,000)        | (100,000)        | (100,000)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>(725,000)</b> | <b>(725,000)</b> | <b>(725,000)</b> | <b>(725,000)</b> |

#### Background

The Governor implemented General Fund rescissions totaling \$70.5 million across state agencies.

#### Legislative

Reduce funding by \$725,000 in both FY 18 and FY 19 to reflect the rollout of the Governor's FY 17 rescissions.

### Adjust Funding for Community Health Centers

|                             |                  |                  |                  |          |                |                |
|-----------------------------|------------------|------------------|------------------|----------|----------------|----------------|
| Community Health Services   | (422,327)        | (422,327)        | (211,163)        | -        | 211,164        | 422,327        |
| <b>Total - General Fund</b> | <b>(422,327)</b> | <b>(422,327)</b> | <b>(211,163)</b> | <b>-</b> | <b>211,164</b> | <b>422,327</b> |

#### Background

The FY 16 and FY 17 Biennial Budget transferred Community Health Center (CHC) funding of \$3,894,157 in both FY 16 and FY 17 from DPH's Community Health Services account to the Department of Social Services' Medicaid account. Due to net budgeting, \$1,550,000 was appropriated to DSS in each fiscal year to reflect this transfer, which assumed a federal reimbursement rate of approximately 60%. Pursuant to Section 402(b) of PA 15-5 JSS, \$422,327 in each fiscal year remained with DPH, so that the agency could continue to provide grants to CHCs. Other entities funded under DPH's Community Health Services account are Planned Parenthood of Southern New England, Inc., the Waterbury Health Access Program, and the New Haven Health Access Program.

#### Governor

Reduce funding by \$422,327 in both FY 18 and FY 19 for CHCs.

#### Legislative

Reduce funding by \$211,163 in FY 18 and maintain funding in FY 19 for CHCs.

### Provide Support to the Drinking Water Section

|                                 |                |                  |                |                  |          |          |
|---------------------------------|----------------|------------------|----------------|------------------|----------|----------|
| Personal Services               | 254,350        | 896,004          | 254,350        | 896,004          | -        | -        |
| Other Expenses                  | 62,018         | 206,432          | 62,018         | 206,432          | -        | -        |
| <b>Total - General Fund</b>     | <b>316,368</b> | <b>1,102,436</b> | <b>316,368</b> | <b>1,102,436</b> | <b>-</b> | <b>-</b> |
| <b>Positions - General Fund</b> | <b>6</b>       | <b>14</b>        | <b>6</b>       | <b>14</b>        | <b>-</b> | <b>-</b> |

#### Background

DPH's Drinking Water Section (DWS) is responsible for ensuring the adequacy and purity of Connecticut's public drinking water statewide through the administration and enforcement of state and federal laws, including the Safe Drinking Water Act. In addition to other responsibilities, it oversees and regulates over 2,500 public water systems, inspects approximately 600 public water systems annually, processes over 500,000 drinking water quality tests results annually, reviews and approves engineering plans for public water system infrastructure, and provides technical assistance to the public water systems and the communities they serve. The staff of the DWS is comprised of sanitary engineers, environmental analysts, and health program personnel. In 1995, the DWS had 63 full-time equivalent positions (FTEs) filled. Of these, 45 FTEs were funded by the state and 18 were federally funded. In 2017, there were 57 FTEs in the DWS comprised of 19 state-funded FTEs and 38 federally-funded FTEs.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Provide funding of \$316,368 and six positions in FY 18 and funding of \$1,102,436 and 14 positions in FY 19 to support the DWS.

**Legislative**

Same as Governor

**Provide Funding for Easy Breathing**

|                             |   |   |                |                |                |                |
|-----------------------------|---|---|----------------|----------------|----------------|----------------|
| Other Expenses              | - | - | 250,000        | 250,000        | 250,000        | 250,000        |
| <b>Total - General Fund</b> | - | - | <b>250,000</b> | <b>250,000</b> | <b>250,000</b> | <b>250,000</b> |

**Background**

Connecticut Children's Medical Center's Easy Breathing program provides community-based support to children, families, and physicians in the management of childhood asthma.

**Legislative**

Provide funding of \$250,000 in both FY 18 and FY 19 to support CCMC's Easy Breathing program.

**Provide Funding for a SBHC in East Hartford**

|                             |   |   |                |                |                |                |
|-----------------------------|---|---|----------------|----------------|----------------|----------------|
| School Based Health Clinics | - | - | 125,000        | 125,000        | 125,000        | 125,000        |
| <b>Total - General Fund</b> | - | - | <b>125,000</b> | <b>125,000</b> | <b>125,000</b> | <b>125,000</b> |

**Legislative**

Provide funding of \$125,000 in both FY 18 and FY 19 to support a School Based Health Center in East Hartford.

**Provide Two Health Care Analysts for OHCA**

|                                 |                |                |                |                |   |   |
|---------------------------------|----------------|----------------|----------------|----------------|---|---|
| Personal Services               | 133,299        | 144,407        | 133,299        | 144,407        | - | - |
| <b>Total - General Fund</b>     | <b>133,299</b> | <b>144,407</b> | <b>133,299</b> | <b>144,407</b> | - | - |
| <b>Positions - General Fund</b> | <b>2</b>       | <b>2</b>       | <b>2</b>       | <b>2</b>       | - | - |

**Background**

The major functions of the Office of Health Care Access (OHCA), within DPH, are the administration of the Certificate of Need (CON) program, the *Statewide Health Care Facilities and Services Plan*, health care data collection, and hospital financial review and reporting. Each hospital annually pays to DPH, for deposit in the General Fund, an amount equal to its share of the actual expenditures made by OHCA during each fiscal year, including the cost of fringe benefits for office personnel as estimated by the Comptroller, pursuant to CGS Sec. 19a-631 and 632.

**Governor**

Provide funding of \$133,299 in FY 18 (partial year) and \$144,407 in FY 19 (annualized) to support two Health Care Analyst positions within OHCA to accommodate the expansion of monitoring and oversight over health care mergers and acquisitions (including enhanced post-transfer compliance) and to emphasize increased access and health equity. These changes implement findings of the CON task force.

**Legislative**

Same as Governor

**Provide Funding for the Licensure of Urgent Care Centers**

|                                 |                |                |                |                |   |   |
|---------------------------------|----------------|----------------|----------------|----------------|---|---|
| Personal Services               | 126,955        | 137,535        | 126,955        | 137,535        | - | - |
| <b>Total - General Fund</b>     | <b>126,955</b> | <b>137,535</b> | <b>126,955</b> | <b>137,535</b> | - | - |
| <b>Positions - General Fund</b> | <b>1</b>       | <b>1</b>       | <b>1</b>       | <b>1</b>       | - | - |

**Governor**

Provide funding of \$126,995 (partial year) in FY 18 and \$137,534 (annualized) in FY 19 to support one full-time and two half-time positions to establish a licensure category for urgent care centers. This reflects funding for a full-time Health Program Associate, a half-time Supervising Nurse Consultant and a half-time Processing Technician.

**Legislative**

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Eliminate Funding for Maternal Mortality Review**

|                             |            |            |            |            |          |          |
|-----------------------------|------------|------------|------------|------------|----------|----------|
| Maternal Mortality Review   | (1)        | (1)        | (1)        | (1)        | -        | -        |
| <b>Total - General Fund</b> | <b>(1)</b> | <b>(1)</b> | <b>(1)</b> | <b>(1)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$1 in both FY 18 and FY 19 to reflect the elimination of the Maternal Mortality Review account.

**Legislative**

Same as Governor

**Current Services**

**Adjust Funding to Reflect Current Requirements**

|  |                  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Personal Services                        | (150,000)        | (150,000)        | (150,000)        | (150,000)        | -                | -                |
| Other Expenses                           | 70,597           | 72,714           | 70,597           | 72,714           | -                | -                |
| Local and District Departments of Health | 521,182          | 521,182          | 521,182          | 521,182          | -                | -                |
| <b>Total - General Fund</b>              | <b>441,779</b>   | <b>443,896</b>   | <b>441,779</b>   | <b>443,896</b>   | <b>-</b>         | <b>-</b>         |
| Immunization Services                    | 1,764,133        | 2,989,806        | 1,764,133        | 2,989,806        | -                | -                |
| X-Ray Screening and Tuberculosis Care    | -                | -                | (150,000)        | (150,000)        | (150,000)        | (150,000)        |
| <b>Total - Insurance Fund</b>            | <b>1,764,133</b> | <b>2,989,806</b> | <b>1,614,133</b> | <b>2,839,806</b> | <b>(150,000)</b> | <b>(150,000)</b> |

**Governor**

Provide net funding of \$441,779 in FY 18 and \$443,896 in FY 19 from the General Fund, which includes:

1. Increase funding by \$521,182 in both FY 18 and FY 19 for the Local and District Departments of Health account to reflect updated population estimates,
2. Increase funding by \$70,597 in FY 18 and \$72,714 in FY 19 for the Other Expenses account to reflect anticipated on-going maintenance expenses for the Katherine A. Kelley State Public Health Laboratory, and
3. Reduce funding by \$150,000 in both FY 18 and FY 19 for Personal Services to reflect anticipated current requirements in the account.

Provide funding from the Insurance Fund of 1,764,133 in FY 18 and \$2,989,806 in FY 19 to reflect anticipated vaccine price increases.

**Legislative**

Same as Governor, with the addition of a reduction of \$150,000 in both FY 18 and FY 19 in the X-Ray Screening and Tuberculosis Care account to reflect current requirements.

**Totals**

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |                    |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|--------------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19              |
| FY 17 Appropriation - GF      | 60,040,253           | 60,040,253        | 60,040,253        | 60,040,253        | -                        | -                  |
| Policy Revisions              | 2,160,211            | 992,535           | 202,717           | (753,796)         | (1,957,494)              | (1,746,331)        |
| Current Services              | 441,779              | 443,896           | 441,779           | 443,896           | -                        | -                  |
| <b>Total Recommended - GF</b> | <b>62,642,243</b>    | <b>61,476,684</b> | <b>60,684,749</b> | <b>59,730,353</b> | <b>(1,957,494)</b>       | <b>(1,746,331)</b> |
| FY 17 Appropriation - IF      | 42,898,704           | 42,898,704        | 42,898,704        | 42,898,704        | -                        | -                  |
| Policy Revisions              | 9,617,802            | 9,517,802         | 10,387,910        | 13,963,571        | 770,108                  | 4,445,769          |
| Current Services              | 1,764,133            | 2,989,806         | 1,614,133         | 2,839,806         | (150,000)                | (150,000)          |
| <b>Total Recommended - IF</b> | <b>54,280,639</b>    | <b>55,406,312</b> | <b>54,900,747</b> | <b>59,702,081</b> | <b>620,108</b>           | <b>4,295,769</b>   |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |          |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|----------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 481                  | 481        | 481         | 481        | -                        | -        |
| Policy Revisions              | 14                   | (1)        | 14          | (1)        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>495</b>           | <b>480</b> | <b>495</b>  | <b>480</b> | <b>-</b>                 | <b>-</b> |
| FY 17 Appropriation - IF      | 5                    | 5          | 5           | 5          | -                        | -        |
| <b>Total Recommended - IF</b> | <b>5</b>             | <b>5</b>   | <b>5</b>    | <b>5</b>   | <b>-</b>                 | <b>-</b> |

### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$78,037, a Labor Concessions Savings of \$1,341,669, and a Targeted Savings of \$855,705. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account  | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|--|------------------|---------------------|------------------|-------------|
| Personal Services                                  | 35,454,225       | (1,415,402)         | 34,038,823       | 4.0%        |
| Other Expenses                                     | 7,799,552        | (389,978)           | 7,409,574        | 5.0%        |
| Community Health Services                          | 1,689,268        | (33,785)            | 1,655,483        | 2.0%        |
| Rape Crisis  | 558,104          | (11,162)            | 546,942          | 2.0%        |
| School Based Health Clinics                        | 11,039,012       | (420,780)           | 10,618,232       | 3.8%        |
| Breast and Cervical Cancer Detection and Treatment | 2,150,565        | (2,207)             | 2,148,358        | 0.1%        |
| Immunization Services                              | 43,216,992       | (2,097)             | 43,214,895       | 0.0%        |

## Office of Health Strategy OHS49100

### Permanent Full-Time Positions

| Fund           | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|----------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|                |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund   | -               | -               | -                      | -                    | 23    | -           | 23    |
| Insurance Fund | -               | -               | -                      | -                    | 8     | -           | 6     |

### Budget Summary

| Account                              | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |                  | Legislative |                  |
|--------------------------------------|-----------------|-----------------|------------------------|----------------------|------------------|-------------|------------------|
|                                      |                 |                 |                        | FY 18                | FY 19            | FY 18       | FY 19            |
| Personal Services                    | -               | -               | -                      | -                    | 1,937,390        | -           | 1,937,390        |
| Other Expenses                       | -               | -               | -                      | -                    | 38,042           | -           | 38,042           |
| <b>Agency Total - General Fund</b>   | -               | -               | -                      | -                    | <b>1,975,432</b> | -           | <b>1,975,432</b> |
| Personal Services                    | -               | -               | -                      | -                    | 729,528          | -           | 560,785          |
| Other Expenses                       | -               | -               | -                      | -                    | 2,527,267        | -           | 2,386,767        |
| <b>Other Current Expenses</b>        |                 |                 |                        |                      |                  |             |                  |
| Fringe Benefits                      | -               | -               | -                      | -                    | 574,832          | -           | 430,912          |
| <b>Agency Total - Insurance Fund</b> | -               | -               | -                      | -                    | <b>3,831,627</b> | -           | <b>3,378,464</b> |
| <b>Total - Appropriated Funds</b>    | -               | -               | -                      | -                    | <b>5,807,059</b> | -           | <b>5,353,896</b> |
| <b>Additional Funds Available</b>    |                 |                 |                        |                      |                  |             |                  |
| Federal Funds                        | -               | -               | -                      | -                    | 2,690,000        | -           | 2,690,000        |
| Private Contributions                | -               | -               | -                      | -                    | 86,400           | -           | 86,400           |
| <b>Agency Grand Total</b>            | -               | -               | -                      | -                    | <b>8,583,459</b> | -           | <b>8,130,296</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

## Policy Revisions

### Transfer Funding & Positions from OHA

|                                   |   |                  |   |                  |   |                  |
|-----------------------------------|---|------------------|---|------------------|---|------------------|
| Personal Services                 | - | 580,102          | - | 414,359          | - | (165,743)        |
| Other Expenses                    | - | 2,527,267        | - | 2,386,767        | - | (140,500)        |
| Fringe Benefits                   | - | 458,280          | - | 314,360          | - | (143,920)        |
| <b>Total - Insurance Fund</b>     | - | <b>3,565,649</b> | - | <b>3,115,486</b> | - | <b>(450,163)</b> |
| <b>Positions - Insurance Fund</b> | - | <b>7</b>         | - | <b>5</b>         | - | <b>(2)</b>       |

#### Background

The Governor proposes to enhance coordination and consolidate accountability for the implementation of the state's health care reform strategies through the creation of a new Office of Health Strategy (OHS). He recommends the transfer of \$5,807,059 and 31 positions from across three agencies and two appropriated funds as follows to establish OHS:

1. **Department of Public Health (DPH)** - General Fund - \$1,975,432 and 23 positions,
2. **Department of Insurance (DOI)** - Insurance Fund - \$265,978 (including fringe benefits) and one position, and
3. **Office of the Healthcare Advocate (OHA)** - Insurance Fund - \$3,565,649 (including fringe benefits) and seven positions.

#### Governor

Transfer seven positions and associated funding of \$3,565,649, including fringe benefits, from OHA to OHS in FY 19.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Transfer five positions and associated funding of \$3,115,486, including fringe benefits, from OHA to OHS in FY 19.

**Transfer Funding & Positions from DPH**

|                                 |   |                  |   |                  |   |   |
|---------------------------------|---|------------------|---|------------------|---|---|
| Personal Services               | - | 1,937,390        | - | 1,937,390        | - | - |
| Other Expenses                  | - | 38,042           | - | 38,042           | - | - |
| <b>Total - General Fund</b>     | - | <b>1,975,432</b> | - | <b>1,975,432</b> | - | - |
| <b>Positions - General Fund</b> | - | <b>23</b>        | - | <b>23</b>        | - | - |

**Background**

The major functions of the Office of Health Care Access (OHCA), within DPH, are the administration of the Certificate of Need (CON) program, the *Statewide Health Care Facilities and Services Plan*, health care data collection, and hospital financial review and reporting. The CON program strives to ensure accessibility for needed services while limiting duplication or excess capacity of facilities and services.

**Governor**

Transfer OHCA funding of \$1,975,432 and 23 positions from DPH to OHS in FY 19.

**Legislative**

Same as Governor

**Transfer Funding & Positions from DOI**

|                                   |   |                |   |                |   |                |
|-----------------------------------|---|----------------|---|----------------|---|----------------|
| Personal Services                 | - | 149,426        | - | 146,426        | - | (3,000)        |
| Fringe Benefits                   | - | 116,552        | - | 116,552        | - | -              |
| <b>Total - Insurance Fund</b>     | - | <b>265,978</b> | - | <b>262,978</b> | - | <b>(3,000)</b> |
| <b>Positions - Insurance Fund</b> | - | <b>1</b>       | - | <b>1</b>       | - | -              |

**Governor**

Transfer funding of \$265,978, including fringe benefits, and one position from DOI to OHS in FY 19.

**Legislative**

Transfer funding of \$262,978, including fringe benefits, and one position from DOI to OHS in FY 19.

**Totals**

| Budget Components             | Governor Recommended |                  | Legislative |                  | Difference from Governor |                  |
|-------------------------------|----------------------|------------------|-------------|------------------|--------------------------|------------------|
|                               | FY 18                | FY 19            | FY 18       | FY 19            | FY 18                    | FY 19            |
| FY 17 Appropriation - GF      | -                    | -                | -           | -                | -                        | -                |
| Policy Revisions              | -                    | 1,975,432        | -           | 1,975,432        | -                        | -                |
| <b>Total Recommended - GF</b> | -                    | <b>1,975,432</b> | -           | <b>1,975,432</b> | -                        | -                |
| FY 17 Appropriation - IF      | -                    | -                | -           | -                | -                        | -                |
| Policy Revisions              | -                    | 3,831,627        | -           | 3,378,464        | -                        | (453,163)        |
| <b>Total Recommended - IF</b> | -                    | <b>3,831,627</b> | -           | <b>3,378,464</b> | -                        | <b>(453,163)</b> |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |            |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|------------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19      |
| FY 17 Appropriation - GF      | -                    | -         | -           | -         | -                        | -          |
| Policy Revisions              | -                    | 23        | -           | 23        | -                        | -          |
| <b>Total Recommended - GF</b> | -                    | <b>23</b> | -           | <b>23</b> | -                        | -          |
| FY 17 Appropriation - IF      | -                    | -         | -           | -         | -                        | -          |
| Policy Revisions              | -                    | 8         | -           | 6         | -                        | (2)        |
| <b>Total Recommended - IF</b> | -                    | <b>8</b>  | -           | <b>6</b>  | -                        | <b>(2)</b> |

**PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$66,743, a Labor Concessions Savings of \$978,213, and a Targeted Savings of \$48,445. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| <b>Account</b>    | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|-------------------|-------------------------|----------------------------|-------------------------|--------------------|
| Personal Services | 30,323,304              | (1,044,956)                | 29,278,348              | 3.4%               |
| Other Expenses    | 968,906                 | (48,445)                   | 920,461                 | 5.0%               |

## Office of the Chief Medical Examiner

### CME49500

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 50              | 50              | 50                     | 50                   | 50    | 50          | 50    |

#### Budget Summary

| Account                                   | Actual<br>FY 15  | Actual<br>FY 16  | Appropriation<br>FY 17 | Governor Recommended |                  | Legislative      |                  |
|---|------------------|------------------|------------------------|----------------------|------------------|------------------|------------------|
|   |                  |                  |                        | FY 18                | FY 19            | FY 18            | FY 19            |
| Personal Services                         | 4,319,977        | 4,924,396        | 4,601,690              | 4,736,809            | 4,736,809        | 4,926,809        | 4,926,809        |
| Other Expenses                            | 1,227,516        | 1,526,104        | 1,263,167              | 1,435,536            | 1,435,536        | 1,435,536        | 1,435,536        |
| Equipment                                 | 18,272           | 18,938           | 16,824                 | 26,400               | 23,310           | 26,400           | 23,310           |
| <b>Other Current Expenses</b>             |                  |                  |                        |                      |                  |                  |                  |
| Medicolegal Investigations                | 23,700           | 23,528           | 22,835                 | 22,150               | 22,150           | 22,150           | 22,150           |
| <b>Nonfunctional - Change to Accruals</b> | <b>114,910</b>   | -                | -                      | -                    | -                | -                | -                |
| <b>Agency Total - General Fund</b>        | <b>5,704,375</b> | <b>6,492,967</b> | <b>5,904,516</b>       | <b>6,220,895</b>     | <b>6,217,805</b> | <b>6,410,895</b> | <b>6,407,805</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

## Policy Revisions

### Annualize FY 17 Holdbacks

|                             |                 |                 |                 |                 |   |   |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---|---|
| Personal Services           | (46,016)        | (46,016)        | (46,016)        | (46,016)        | - | - |
| Other Expenses              | (12,631)        | (12,631)        | (12,631)        | (12,631)        | - | - |
| Equipment                   | (504)           | (504)           | (504)           | (504)           | - | - |
| Medicolegal Investigations  | (685)           | (685)           | (685)           | (685)           | - | - |
| <b>Total - General Fund</b> | <b>(59,836)</b> | <b>(59,836)</b> | <b>(59,836)</b> | <b>(59,836)</b> | - | - |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$59,836 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

## Current Services

### Adjust Funding to Reflect the FY 16 Deficiency

|                             |                |                |                |                |   |   |
|-----------------------------|----------------|----------------|----------------|----------------|---|---|
| Personal Services           | 181,135        | 181,135        | 181,135        | 181,135        | - | - |
| Other Expenses              | 175,000        | 175,000        | 175,000        | 175,000        | - | - |
| <b>Total - General Fund</b> | <b>356,135</b> | <b>356,135</b> | <b>356,135</b> | <b>356,135</b> | - | - |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Provide funding of \$356,135 (\$181,135 in Personal Services and \$175,000 in Other Expenses) in both FY 18 and FY 19 for the annualization of the agency's FY 16 deficiency.

**Legislative**

Same as Governor

**Provide Funding to Reflect Anticipated Requirements**

|                             |               |              |                |                |                |                |
|-----------------------------|---------------|--------------|----------------|----------------|----------------|----------------|
| Personal Services           | -             | -            | 190,000        | 190,000        | 190,000        | 190,000        |
| Equipment                   | 10,080        | 6,990        | 10,080         | 6,990          | -              | -              |
| <b>Total - General Fund</b> | <b>10,080</b> | <b>6,990</b> | <b>200,080</b> | <b>196,990</b> | <b>190,000</b> | <b>190,000</b> |

**Governor**

Provide funding of \$10,080 in FY 18 and \$6,990 in FY 19 to reflect anticipated equipment requirements.

**Legislative**

Provide funding of \$200,080 in FY 18 and \$196,990 in FY 19 to reflect anticipated agency requirements, which includes \$190,000 in both FY 18 and FY 19 in the Personal Services account and \$10,080 in FY 18 and \$6,990 in FY 19 in the Equipment account.

**Provide Funding for Lodox X-Ray Service Costs**

|                             |               |               |               |               |          |          |
|-----------------------------|---------------|---------------|---------------|---------------|----------|----------|
| Other Expenses              | 10,000        | 10,000        | 10,000        | 10,000        | -        | -        |
| <b>Total - General Fund</b> | <b>10,000</b> | <b>10,000</b> | <b>10,000</b> | <b>10,000</b> | <b>-</b> | <b>-</b> |

**Governor**

Provide funding of \$10,000 in both FY 18 and FY 19 to support service costs associated with the Lodox full-body X-ray system.

**Legislative**

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                  | Legislative      |                  | Difference from Governor |                |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------------|----------------|
|                               | FY 18                | FY 19            | FY 18            | FY 19            | FY 18                    | FY 19          |
| FY 17 Appropriation - GF      | 5,904,516            | 5,904,516        | 5,904,516        | 5,904,516        | -                        | -              |
| Policy Revisions              | (59,836)             | (59,836)         | (59,836)         | (59,836)         | -                        | -              |
| Current Services              | 376,215              | 373,125          | 566,215          | 563,125          | 190,000                  | 190,000        |
| <b>Total Recommended - GF</b> | <b>6,220,895</b>     | <b>6,217,805</b> | <b>6,410,895</b> | <b>6,407,805</b> | <b>190,000</b>           | <b>190,000</b> |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 50                   | 50        | 50          | 50        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>50</b>            | <b>50</b> | <b>50</b>   | <b>50</b> | <b>-</b>                 | <b>-</b> |

**PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency’s FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$10,844 and a Labor Concessions Savings of \$173,217. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| <b>Account</b>    | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|-------------------|-------------------------|----------------------------|-------------------------|--------------------|
| Personal Services | 4,926,809               | (184,061)                  | 4,742,748               | 3.7%               |

## Department of Developmental Services

### DDS50000

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 3,327           | 3,318           | 3,098                  | 2,948                | 2,948 | 2,980       | 2,980 |

#### Budget Summary

| Account   | Actual<br>FY 15      | Actual<br>FY 16      | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|---|----------------------|----------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|   |                      |                      |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| Personal Services                               | 250,746,378          | 244,132,052          | 214,679,415            | 193,424,946          | 193,424,946        | 207,943,136        | 206,888,083        |
| Other Expenses                                  | 20,464,974           | 19,590,283           | 17,335,354             | 15,744,113           | 15,744,113         | 16,665,111         | 16,590,769         |
| <b>Other Current Expenses</b>                   |                      |                      |                        |                      |                    |                    |                    |
| Human Resource Development                      | 188,443              | -                    | -                      | -                    | -                  | -                  | -                  |
| Housing Supports and Services                   | -                    | -                    | -                      | -                    | 350,000            | -                  | 350,000            |
| Family Support Grants                           | 3,459,364            | 3,700,808            | 3,738,222              | 3,330,756            | 3,330,756          | 3,700,840          | 3,700,840          |
| Cooperative Placements<br>Program               | 23,296,100           | 23,925,741           | -                      | -                    | -                  | -                  | -                  |
| Clinical Services                               | 3,729,678            | 3,397,700            | 2,630,408              | 2,298,934            | 2,298,934          | 2,372,737          | 2,365,359          |
| Birth to Three                                  | 42,086,804           | -                    | -                      | -                    | -                  | -                  | -                  |
| Community Temporary Support<br>Services         | 57,716               | -                    | -                      | -                    | -                  | -                  | -                  |
| Community Respite Care<br>Programs              | 558,135              | -                    | -                      | -                    | -                  | -                  | -                  |
| Workers' Compensation Claims                    | 15,099,162           | 14,646,756           | 14,508,429             | 13,823,176           | 13,823,176         | 13,823,176         | 13,823,176         |
| Autism Services                                 | 1,737,787            | 3,100,244            | -                      | -                    | -                  | -                  | -                  |
| Behavioral Services Program                     | 31,083,304           | 30,980,166           | 25,303,421             | 21,126,656           | 21,126,656         | 22,478,496         | 22,478,496         |
| Supplemental Payments for<br>Medical Services   | 4,849,481            | 4,365,926            | 4,262,613              | 3,881,425            | 3,881,425          | 3,761,425          | 3,761,425          |
| ID Partnership Initiatives                      | -                    | -                    | -                      | 3,300,000            | 3,800,000          | 1,400,000          | 1,900,000          |
| <b>Other Than Payments to Local Governments</b> |                      |                      |                        |                      |                    |                    |                    |
| Rent Subsidy Program                            | 5,130,212            | 4,854,494            | 5,030,212              | 4,979,910            | 4,979,910          | 4,879,910          | 4,879,910          |
| Family Reunion Program                          | 78,232               | -                    | -                      | -                    | -                  | -                  | -                  |
| Employment Opportunities and<br>Day Services    | 215,982,341          | 225,349,898          | 237,650,362            | 238,439,275          | 239,987,753        | 242,551,827        | 251,900,305        |
| Community Residential Services                  | 463,611,013          | 481,171,677          | -                      | -                    | -                  | -                  | -                  |
| <b>Nonfunctional - Change to<br/>Accruals</b>   | <b>15,428,249</b>    | <b>-</b>             | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Agency Total - General Fund</b>              | <b>1,097,587,373</b> | <b>1,059,215,744</b> | <b>525,138,436</b>     | <b>500,349,191</b>   | <b>502,747,669</b> | <b>519,576,658</b> | <b>528,638,363</b> |
| <b>Additional Funds Available</b>               |                      |                      |                        |                      |                    |                    |                    |
| Federal Funds                                   | -                    | 955,721              | 800,000                | 2,800,000            | 2,800,000          | 2,800,000          | 2,800,000          |
| Private Contributions                           | -                    | 2,016,828            | 40,000                 | 40,000               | 40,000             | 40,000             | 40,000             |
| <b>Agency Grand Total</b>                       | <b>1,097,587,373</b> | <b>1,062,188,293</b> | <b>525,978,436</b>     | <b>503,189,191</b>   | <b>505,587,669</b> | <b>522,416,658</b> | <b>531,478,363</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Fully Fund Employment and Day Service for High School Grads

|   |          |          |                  |                   |                  |                   |
|---|----------|----------|------------------|-------------------|------------------|-------------------|
| Employment Opportunities and Day Services | -        | -        | 6,300,000        | 14,100,000        | 6,300,000        | 14,100,000        |
| <b>Total - General Fund</b>               | <b>-</b> | <b>-</b> | <b>6,300,000</b> | <b>14,100,000</b> | <b>6,300,000</b> | <b>14,100,000</b> |

#### Background

DDS funds programs in community-based settings that give individuals an opportunity to perform work, or pursue skill-building and community activities. Each year individuals graduating from special education programs are in need of day programs supported by the Department.

#### Legislative

Provide funding of \$6.3 million in FY 18 and \$14.1 million in FY 19 to fund day programs for new high school graduates. Funding supports 335 high school graduates in FY 18 and 355 high school graduates in FY 19. FY 19 funding includes \$6.6 million for new graduates and the fully annualized cost (\$7.5 million) of placements started in FY 18. The state receives 50% federal reimbursement for this Medicaid waived program.

### Provide Funding for ID Partnership

|                             |                  |                  |                  |                  |                    |                    |
|-----------------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|
| ID Partnership Initiatives  | 3,300,000        | 3,800,000        | 1,400,000        | 1,900,000        | (1,900,000)        | (1,900,000)        |
| <b>Total - General Fund</b> | <b>3,300,000</b> | <b>3,800,000</b> | <b>1,400,000</b> | <b>1,900,000</b> | <b>(1,900,000)</b> | <b>(1,900,000)</b> |

#### Background

The new Intellectual Disability (ID) Partnership - a collaboration between DDS, Department of Social Services (DSS), and the Office of Policy and Management (OPM) met during the past year to develop a methodology to convert payments to providers from DDS grants to Medicaid fee-for-service payments. Additionally, the ID Partnership plans to undertake the following actions: (1) examine regulations in terms of consumer choice and independence, (2) study group home capacity, and (3) provide family education to support long term family support through the recently established ABLE (Achieving a Better Life Experience Act) savings account and special needs trust options.

#### Governor

Provide funding of \$3.3 million in FY 18 and \$3.8 million in FY 19 for the ID Partnership Initiative with the following distribution: (1) \$750,000 in FY 18 and \$1 million in FY 19 to reduce the waiting list with support for placements in vacancies in Community Companion Homes, (2) \$750,000 in FY 18 and \$1 million in FY 19 for pilot programs to explore best practices, and (3) \$1.8 in both FY 18 and FY 19 to support rate equalization for lower rate providers.

#### Legislative

Provide funding of \$1.4 million in FY 18 and \$1.9 million in FY 19 for the ID Partnership Initiative with the following distribution: (1) \$750,000 in FY 18 and \$1 million in FY 19 to reduce the waiting list with support for placements in vacancies in Community Companion Homes, with preference given to individuals with high levels of need, and (2) \$650,000 in FY 18 and \$900,000 in FY 19 to support rate equalization for lower rate providers.

### Maintain Funds for Behavioral Services Program Age Outs

|                             |                    |                    |          |          |                  |                  |
|-----------------------------|--------------------|--------------------|----------|----------|------------------|------------------|
| Behavioral Services Program | (1,451,840)        | (1,451,840)        | -        | -        | 1,451,840        | 1,451,840        |
| <b>Total - General Fund</b> | <b>(1,451,840)</b> | <b>(1,451,840)</b> | <b>-</b> | <b>-</b> | <b>1,451,840</b> | <b>1,451,840</b> |

#### Background

The Behavioral Services Program (BSP) supports children and adolescents who are eligible for DDS services and have emotional, behavioral, or mental health needs that substantially interfere with or limit the child's functioning in the family or in community activities. DDS BSP has been primarily designed as an in-home support program that assists families to receive the support they need to raise their children at home. This program was formerly called the Voluntary Services Program.

#### Governor

Reduce funding by \$1,451,840 in both FY 18 and FY 19 to reflect individuals aging out of the BSP.

#### Legislative

Maintain funding for the BSP, which will allow for new BSP participants as individuals age out of the program.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Transfer Abuse Investigations Division from DORS**

|                                 |                  |                  |                  |                  |          |          |
|---------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services               | 961,837          | 961,837          | 961,837          | 961,837          | -        | -        |
| Other Expenses                  | 47,341           | 47,341           | 47,341           | 47,341           | -        | -        |
| <b>Total - General Fund</b>     | <b>1,009,178</b> | <b>1,009,178</b> | <b>1,009,178</b> | <b>1,009,178</b> | <b>-</b> | <b>-</b> |
| <b>Positions - General Fund</b> | <b>12</b>        | <b>12</b>        | <b>12</b>        | <b>12</b>        | <b>-</b> | <b>-</b> |

**Background**

PA 16-66 includes provisions to transfer the Office of Protection and Advocacy's (OPA) Abuse Investigation Division to the Department of Rehabilitation Services (DORS).

**Governor**

Transfer funding of \$1,009,178 and 12 positions in both FY 18 and FY 19 from DORS to DDS to reflect the transfer of the Abuse Investigation Division.

**Legislative**

Same as Governor

**Maintain Southbury Training School Fire Department**

|                                 |                    |                    |          |          |                  |                  |
|---------------------------------|--------------------|--------------------|----------|----------|------------------|------------------|
| Personal Services               | (1,577,491)        | (1,577,491)        | -        | -        | 1,577,491        | 1,577,491        |
| Other Expenses                  | (57,288)           | (57,288)           | -        | -        | 57,288           | 57,288           |
| <b>Total - General Fund</b>     | <b>(1,634,779)</b> | <b>(1,634,779)</b> | <b>-</b> | <b>-</b> | <b>1,634,779</b> | <b>1,634,779</b> |
| <b>Positions - General Fund</b> | <b>(13)</b>        | <b>(13)</b>        | <b>-</b> | <b>-</b> | <b>13</b>        | <b>13</b>        |

**Background**

The Southbury Training School (STS) Fire Department provides both emergency services and non-emergency transportation for the residents of STS and assists Southbury and neighboring towns. STS officials have been working with town of Southbury officials to transition the responsibility for STS to the town.

**Governor**

Reduce funding by \$1,634,779 and eliminate 13 positions in both FY 18 and FY 19 to reflect the closure of the STS Fire Department.

**Legislative**

Funding and positions are maintained to reflect the no layoff provisions of the 2017 SEBAC agreement.

**Maintain Transitional Unit on Meriden Regional Center Campus**

|                                 |                    |                    |          |          |                  |                  |
|---------------------------------|--------------------|--------------------|----------|----------|------------------|------------------|
| Personal Services               | (1,463,829)        | (1,463,829)        | -        | -        | 1,463,829        | 1,463,829        |
| Other Expenses                  | (33,971)           | (33,971)           | -        | -        | 33,971           | 33,971           |
| Clinical Services               | (7,396)            | (7,396)            | -        | -        | 7,396            | 7,396            |
| <b>Total - General Fund</b>     | <b>(1,505,196)</b> | <b>(1,505,196)</b> | <b>-</b> | <b>-</b> | <b>1,505,196</b> | <b>1,505,196</b> |
| <b>Positions - General Fund</b> | <b>(19)</b>        | <b>(19)</b>        | <b>-</b> | <b>-</b> | <b>19</b>        | <b>19</b>        |

**Background**

The Transitional Unit on the Meriden Regional Center Campus currently serves two individuals under court-ordered placements. The Governor's FY 18 and FY 19 Budget includes funding in the DDS Community Residential Services account to support current consumers through private providers when the Unit is closed.

**Governor**

Reduce funding by \$1,505,196 and eliminate 19 positions in both FY 18 and FY 19 to reflect the closure of the Transitional Unit on the Meriden Regional Center Campus.

**Legislative**

Maintain funding and positions to reflect the no layoff provisions of the 2017 SEBAC agreement.

**Transfer Funding for Specialized Services to DSS**

|   |                    |                    |                    |                    |          |          |
|---|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Employment Opportunities and Day Services | (1,812,731)        | (2,719,097)        | (1,812,731)        | (2,719,097)        | -        | -        |
| <b>Total - General Fund</b>               | <b>(1,812,731)</b> | <b>(2,719,097)</b> | <b>(1,812,731)</b> | <b>(2,719,097)</b> | <b>-</b> | <b>-</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Transfer funding of \$1,812,731 in FY 18 and \$2,719,097 in FY 19 to the Department of Social Services (DSS) Medicaid account in order to claim federal reimbursement for day services provided to DDS consumers in nursing home settings, which currently receive no federal reimbursement.

**Legislative**

Same as Governor

**Provide Funding for Housing Supports**

|                               |   |                |   |                |   |   |
|-------------------------------|---|----------------|---|----------------|---|---|
| Housing Supports and Services | - | 350,000        | - | 350,000        | - | - |
| <b>Total - General Fund</b>   | - | <b>350,000</b> | - | <b>350,000</b> | - | - |

**Background**

The Department of Housing (DOH), DDS and DSS issued a notice of funding availability to owners of either existing affordable rental developments, or developers of proposed new affordable multifamily rental developments, seeking funding from DOH that are also interested in creating housing for individuals with intellectual disabilities or individuals with an autism. This multi-agency effort is called the Intellectual Disabilities and Autism Spectrum Disorder Housing (IDASH) Program.

Approximately \$20 million in capital funding is anticipated to be made available for IDASH. Capital funding available may, at DOH's discretion, include bond proceeds authorized through PA16-4, the Housing Trust Fund Program funds, Affordable Housing Program funds, federal HOME Investment Partnership Program funds, and/or other available sources.

DDS funding may provide case management to individuals with developmental disabilities on one of three ID/DD Waivers. DOH, DDS, and DSS expect applicants to partner with social service agencies with experience serving this population to provide the proper support for tenants in units created by this program.

**Governor**

Provide partial year funding of \$350,000 (\$1.4 million annualized) in FY 19 for wrap-around services for 70 individuals with intellectual disability or an autism diagnosis residing in new supportive housing units anticipated to open in late FY 19.

**Legislative**

Same as Governor

**Annualize FY 17 Rescissions**

|  |   |   |                    |                    |                    |                    |
|--|---|---|--------------------|--------------------|--------------------|--------------------|
| Behavioral Services Program                | - | - | (100,000)          | (100,000)          | (100,000)          | (100,000)          |
| Supplemental Payments for Medical Services | - | - | (120,000)          | (120,000)          | (120,000)          | (120,000)          |
| Rent Subsidy Program                       | - | - | (100,000)          | (100,000)          | (100,000)          | (100,000)          |
| Employment Opportunities and Day Services  | - | - | (1,000,000)        | (1,000,000)        | (1,000,000)        | (1,000,000)        |
| <b>Total - General Fund</b>                | - | - | <b>(1,320,000)</b> | <b>(1,320,000)</b> | <b>(1,320,000)</b> | <b>(1,320,000)</b> |

**Background**

The Governor implemented General Fund rescissions totaling \$70.5 million across state agencies

**Legislative**

Reduce funding by \$1,320,000 in both FY 18 and FY 19 to annualize FY 17 rescissions.

**Reduce Funding for Various Line Items**

|                              |                  |                  |                  |                  |                |                |
|------------------------------|------------------|------------------|------------------|------------------|----------------|----------------|
| Personal Services            | -                | -                | -                | -                | -              | -              |
| Family Support Grants        | (370,084)        | (370,084)        | -                | -                | 370,084        | 370,084        |
| Workers' Compensation Claims | (250,000)        | (250,000)        | (250,000)        | (250,000)        | -              | -              |
| <b>Total - General Fund</b>  | <b>(620,084)</b> | <b>(620,084)</b> | <b>(250,000)</b> | <b>(250,000)</b> | <b>370,084</b> | <b>370,084</b> |

**Governor**

Reduce funding by \$620,084 in both FY 18 and FY 19 to achieve savings.

**Legislative**

Reduce funding by \$250,000 for Workers' Compensation Claims in both FY 18 and FY 19 to achieve savings.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Annualize FY 17 Holdbacks**

|  |                    |                    |                    |                    |          |          |
|--|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Personal Services                          | (2,668,869)        | (2,668,869)        | (2,668,869)        | (2,668,869)        | -        | -        |
| Other Expenses                             | (173,353)          | (173,353)          | (173,353)          | (173,353)          | -        | -        |
| Family Support Grants                      | (37,382)           | (37,382)           | (37,382)           | (37,382)           | -        | -        |
| Clinical Services                          | (78,912)           | (78,912)           | (78,912)           | (78,912)           | -        | -        |
| Workers' Compensation Claims               | (435,253)          | (435,253)          | (435,253)          | (435,253)          | -        | -        |
| Behavioral Services Program                | (759,102)          | (759,102)          | (759,102)          | (759,102)          | -        | -        |
| Supplemental Payments for Medical Services | (127,878)          | (127,878)          | (127,878)          | (127,878)          | -        | -        |
| Rent Subsidy Program                       | (50,302)           | (50,302)           | (50,302)           | (50,302)           | -        | -        |
| Employment Opportunities and Day Services  | (2,376,503)        | (2,376,503)        | (2,376,503)        | (2,376,503)        | -        | -        |
| <b>Total - General Fund</b>                | <b>(6,707,554)</b> | <b>(6,707,554)</b> | <b>(6,707,554)</b> | <b>(6,707,554)</b> | <b>-</b> | <b>-</b> |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

**Governor**

Reduce funding by \$6,707,554 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

**Legislative**

Same as Governor

**Annualize FY 17 Privatization of Day Services & Home Support**

|   |          |          |                |                |                |                |
|---|----------|----------|----------------|----------------|----------------|----------------|
| Personal Services                         | -        | -        | 1,981,392      | 1,981,392      | 1,981,392      | 1,981,392      |
| Other Expenses                            | -        | -        | 160,672        | 160,672        | 160,672        | 160,672        |
| Employment Opportunities and Day Services | -        | -        | (1,187,448)    | (1,187,448)    | (1,187,448)    | (1,187,448)    |
| <b>Total - General Fund</b>               | <b>-</b> | <b>-</b> | <b>954,616</b> | <b>954,616</b> | <b>954,616</b> | <b>954,616</b> |

**Background**

DDS employees provide day service and in-home support to a small number of DDS clients. The FY 17 Agency Spending Plan calls for the privatization of these services. Funding for private providers is appropriated in the Employment and Day Services account.

**Governor**

Reduce funding by \$945,616 and eliminate 92 positions in both FY 18 and FY 19 to reflect the net DDS savings from privatization of DDS day services and in-home supports. This includes savings in Personal Services of \$1,981,392 and Other Expenses of \$160,672 and a cost in Employment and Day Services of \$1,187,448 in both FY 18 and FY 19.

**Legislative**

Same as Governor

**Current Services**

**Provide Employment and Day Service Funding for Age Outs**

|   |                  |                  |                  |                  |          |          |
|---|------------------|------------------|------------------|------------------|----------|----------|
| Employment Opportunities and Day Services | 2,023,900        | 4,478,744        | 2,023,900        | 4,478,744        | -        | -        |
| <b>Total - General Fund</b>               | <b>2,023,900</b> | <b>4,478,744</b> | <b>2,023,900</b> | <b>4,478,744</b> | <b>-</b> | <b>-</b> |

**Background**

In accordance with interagency agreements, DDS is responsible for developing residential placements and day services for individuals with developmental disabilities who are aging out of the Department of Children and Families (DCF) and residential schools. The state receives 50% federal reimbursement for these Medicaid waived programs.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Provide funding of \$2,023,900 in FY 18 and \$4,478,744 in FY 19 to fund day programs for individuals aging out of DCF and residential schools. Funding will support day programs for 93 individuals in FY 18 and an additional 99 individuals in FY 19.

**Legislative**

Same as Governor

**Annualize FY 17 Funding for Employment and Day Services**

|   |                  |                  |                  |                  |          |          |
|---|------------------|------------------|------------------|------------------|----------|----------|
| Employment Opportunities and Day Services | 1,766,799        | 1,766,799        | 1,766,799        | 1,766,799        | -        | -        |
| <b>Total - General Fund</b>               | <b>1,766,799</b> | <b>1,766,799</b> | <b>1,766,799</b> | <b>1,766,799</b> | <b>-</b> | <b>-</b> |

**Background**

Annualization refers to providing the amount of resources necessary for a 12 month period of operation.

**Governor**

Provide funding of \$1,766,799 in both FY 18 and FY 19 to reflect full-year funding for employment and day services that were initiated in FY 17 for age outs and high school graduates.

**Legislative**

Same as Governor

**Annualize FY 17 Residential Closures and Conversions**

|                                 |                     |                     |                    |                    |                   |                  |
|---------------------------------|---------------------|---------------------|--------------------|--------------------|-------------------|------------------|
| Personal Services               | (13,452,475)        | (13,452,475)        | (3,956,997)        | (5,012,050)        | 9,495,478         | 8,440,425        |
| Other Expenses                  | (1,213,298)         | (1,213,298)         | (544,231)          | (618,573)          | 669,067           | 594,725          |
| Clinical Services               | (245,166)           | (245,166)           | (178,759)          | (186,137)          | 66,407            | 59,029           |
| <b>Total - General Fund</b>     | <b>(14,910,939)</b> | <b>(14,910,939)</b> | <b>(4,679,987)</b> | <b>(5,816,760)</b> | <b>10,230,952</b> | <b>9,094,179</b> |
| <b>Positions - General Fund</b> | <b>(8)</b>          | <b>(8)</b>          | <b>(8)</b>         | <b>(8)</b>         | <b>-</b>          | <b>-</b>         |

**Background**

The FY 17 Agency Spending Plan included the closure of Ella Grasso Regional Center in Stratford and the Meriden Regional Center and the conversion of 40 DDS run group homes to private provider group homes. The Ella Grasso Regional Center and the Meriden Regional Center residential units have been closed and residents transferred to other settings. Additionally, in FY 17 ten DDS group homes were converted to private providers and two DDS homes were closed, while the remaining 28 were placed on hold. The agency plans to proceed with the conversion of 10 homes in FY 18. The state receives a 50% federal reimbursement for Medicaid waived programs and ICF/IID beds.

**Governor**

Reduced funding by \$14.9 million and eliminate eight positions in both FY 18 and FY 19 to reflect savings anticipated from Regional Center closures and group home conversions in FY 17.

**Legislative**

Reduced funding by \$4.7 million in FY 18 and \$5.8 million in FY 19 to reflect the revised savings anticipated from Regional Center closures and group home conversions initiated in FY 17.

**Annualize FY 17 Privatization of Day Services & Home Support**

|   |                  |                  |                  |                  |          |          |
|---|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services                         | (1,981,392)      | (1,981,392)      | (1,981,392)      | (1,981,392)      | -        | -        |
| Other Expenses                            | (160,672)        | (160,672)        | (160,672)        | (160,672)        | -        | -        |
| Employment Opportunities and Day Services | 1,187,448        | 1,187,448        | 1,187,448        | 1,187,448        | -        | -        |
| <b>Total - General Fund</b>               | <b>(954,616)</b> | <b>(954,616)</b> | <b>(954,616)</b> | <b>(954,616)</b> | <b>-</b> | <b>-</b> |
| <b>Positions - General Fund</b>           | <b>(92)</b>      | <b>(92)</b>      | <b>(92)</b>      | <b>(92)</b>      | <b>-</b> | <b>-</b> |

**Background**

DDS employees provide day service and in-home support to a small number of DDS clients. The FY 17 Agency Spending Plan calls for the privatization of these services. Funding for private providers is appropriated in the Employment and Day Services account.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Reduce funding by \$945,616 and eliminate 92 positions in both FY 18 and FY 19 to reflect the net DDS savings from privatization of DDS day services and in-home supports. This includes savings in Personal Services of \$1,981,392 and Other Expenses of \$160,672 and a cost in Employment and Day Services of \$1,187,448 in both FY 18 and FY 19.

**Legislative**

Same as Governor

**Reduce BSP Funding to Reflect Current Requirement**

|                             |                    |                    |                    |                    |          |          |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Behavioral Services Program | (1,965,823)        | (1,965,823)        | (1,965,823)        | (1,965,823)        | -        | -        |
| <b>Total - General Fund</b> | <b>(1,965,823)</b> | <b>(1,965,823)</b> | <b>(1,965,823)</b> | <b>(1,965,823)</b> | <b>-</b> | <b>-</b> |

**Background**

The Behavioral Services Program (BSP) supports children and adolescents who are eligible for DDS services and have emotional, behavioral, or mental health needs. (See Policy Revision write-up.) In FY 17, BSP funding for individuals enrolled in the Autism Waiver was transferred to DSS. Subsequently, several individuals were determined to be DDS consumers and therefore should be funded in DDS.

**Governor**

Reduce funding by \$1,965,823 to reflect the net result of a \$2,180,223 reduction to reflect FY 17 age outs and an increase of \$214,400 to reflect individuals who transferred back to BSP from DSS Autism Waiver.

**Legislative**

Same as Governor

**Reduce Personal Service to Reflect Retirements**

|                                 |                  |                  |                  |                  |          |          |
|---------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services               | (572,250)        | (572,250)        | (572,250)        | (572,250)        | -        | -        |
| <b>Total - General Fund</b>     | <b>(572,250)</b> | <b>(572,250)</b> | <b>(572,250)</b> | <b>(572,250)</b> | <b>-</b> | <b>-</b> |
| <b>Positions - General Fund</b> | <b>(30)</b>      | <b>(30)</b>      | <b>(30)</b>      | <b>(30)</b>      | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$572,250 and eliminate 30 positions in both FY 18 and FY 19 to reflect anticipated retirements.

**Legislative**

Same as Governor

**Close Southbury Training School (STS) Cottage**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | (500,000)        | (500,000)        | (500,000)        | (500,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(500,000)</b> | <b>(500,000)</b> | <b>(500,000)</b> | <b>(500,000)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$500,000 in both FY 18 and FY 19 to reflect lower Personal Services costs from the consolidation of residential settings at STS due to the declining residential census.

**Legislative**

Same as Governor

**Reduce Funding to Reflect Current Requirement for Payments**

|  |                  |                  |                  |                  |          |          |
|--|------------------|------------------|------------------|------------------|----------|----------|
| Supplemental Payments for Medical Services | (253,310)        | (253,310)        | (253,310)        | (253,310)        | -        | -        |
| <b>Total - General Fund</b>                | <b>(253,310)</b> | <b>(253,310)</b> | <b>(253,310)</b> | <b>(253,310)</b> | <b>-</b> | <b>-</b> |

**Background**

Since FY 12 the Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) User Fee is assessed by, and paid to, the Department of Revenue Services from the DDS Supplemental Payments for Medical Services account. DSS claims revenue on the DDS payments. The agency's Campus ICF/IID setting are comprised of Southbury Training School (STS) and the regional centers. The total cost of the fee is lower due to the declining residential census at DDS operated institutional settings.

**Governor**

Reduce funding by \$253,310 in both FY 18 and FY19 due to a declining residential census at STS and the Regional Centers.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                    | Legislative        |                    | Difference from Governor |                   |
|-------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|-------------------|
|                               | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19             |
| FY 17 Appropriation - GF      | 525,138,436          | 525,138,436        | 525,138,436        | 525,138,436        | -                        | -                 |
| Policy Revisions              | (9,423,006)          | (9,479,372)        | (426,491)          | 7,317,143          | 8,996,515                | 16,796,515        |
| Current Services              | (15,366,239)         | (12,911,395)       | (5,135,287)        | (3,817,216)        | 10,230,952               | 9,094,179         |
| <b>Total Recommended - GF</b> | <b>500,349,191</b>   | <b>502,747,669</b> | <b>519,576,658</b> | <b>528,638,363</b> | <b>19,227,467</b>        | <b>25,890,694</b> |

| Positions                     | Governor Recommended |              | Legislative  |              | Difference from Governor |           |
|-------------------------------|----------------------|--------------|--------------|--------------|--------------------------|-----------|
|                               | FY 18                | FY 19        | FY 18        | FY 19        | FY 18                    | FY 19     |
| FY 17 Appropriation - GF      | 3,098                | 3,098        | 3,098        | 3,098        | -                        | -         |
| Policy Revisions              | (20)                 | (20)         | 12           | 12           | 32                       | 32        |
| Current Services              | (130)                | (130)        | (130)        | (130)        | -                        | -         |
| <b>Total Recommended - GF</b> | <b>2,948</b>         | <b>2,948</b> | <b>2,980</b> | <b>2,980</b> | <b>32</b>                | <b>32</b> |

**Holdbacks****PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$457,695, a Labor Concessions Savings of \$8,228,453, a Targeted Savings of \$5,053,712, and a Delayed Start Savings of \$343,000. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account                                    | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|--|------------------|---------------------|------------------|-------------|
| Personal Services                          | 207,943,136      | (8,686,148)         | 199,256,988      | 4.2%        |
| Other Expenses                             | 16,665,111       | (833,256)           | 15,831,855       | 5.0%        |
| Behavioral Services Program                | 22,478,496       | (449,570)           | 22,028,926       | 2.0%        |
| Supplemental Payments for Medical Services | 3,761,425        | (75,229)            | 3,686,196        | 2.0%        |
| ID Partnership Initiatives                 | 1,400,000        | (371,000)           | 1,029,000        | 26.5%       |
| Rent Subsidy Program                       | 4,879,910        | (97,598)            | 4,782,312        | 2.0%        |
| Employment Opportunities and Day Services  | 242,551,827      | (3,570,059)         | 238,981,768      | 1.5%        |

## Department of Mental Health and Addiction Services

### MHA53000

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 3,309           | 3,438           | 3,438                  | 3,438                | 3,438 | 3,438       | 3,438 |

#### Budget Summary

| Account   | Actual<br>FY 15    | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|---|--------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|   |                    |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| Personal Services                               | 192,293,361        | 198,059,084        | 186,945,340            | 179,564,867          | 174,661,310        | 185,075,887        | 185,075,887        |
| Other Expenses                                  | 29,052,504         | 29,846,720         | 25,130,571             | 23,856,850           | 23,301,328         | 24,412,372         | 24,412,372         |
| <b>Other Current Expenses</b>                   |                    |                    |                        |                      |                    |                    |                    |
| Housing Supports and Services                   | 20,701,987         | 22,933,817         | 23,989,361             | 23,269,681           | 23,269,681         | 23,269,681         | 23,269,681         |
| Managed Service System                          | 57,994,136         | 61,561,999         | 58,186,901             | 62,254,697           | 67,004,362         | 56,505,032         | 56,505,032         |
| Legal Services                                  | 946,029            | 983,886            | 921,947                | 505,999              | 505,999            | 700,144            | 700,144            |
| Connecticut Mental Health Center                | 8,422,435          | 8,314,230          | 8,140,204              | 6,949,153            | 6,949,153          | 7,848,323          | 7,848,323          |
| Professional Services                           | 12,371,335         | 12,193,072         | 10,636,632             | 11,200,697           | 11,200,697         | 11,200,697         | 11,200,697         |
| General Assistance Managed Care                 | 40,404,814         | 40,938,498         | 41,270,499             | 41,804,966           | 42,515,958         | 41,449,129         | 42,160,121         |
| Workers' Compensation Claims                    | 12,386,901         | 11,628,890         | 10,752,101             | 11,405,512           | 11,405,512         | 11,405,512         | 11,405,512         |
| Nursing Home Screening                          | 591,645            | 584,618            | 547,757                | 636,352              | 636,352            | 636,352            | 636,352            |
| Young Adult Services                            | 74,235,304         | 75,992,269         | 80,902,861             | 76,868,024           | 74,876,079         | 76,859,968         | 76,859,968         |
| TBI Community Services                          | 10,197,099         | 8,289,788          | 9,611,291              | -                    | -                  | 8,779,723          | 8,779,723          |
| Jail Diversion                                  | 4,438,632          | 4,435,863          | 4,260,411              | -                    | -                  | 95,000             | 190,000            |
| Behavioral Health Medications                   | 5,553,779          | 6,894,318          | 5,785,488              | 6,720,754            | 6,720,754          | 6,720,754          | 6,720,754          |
| Prison Overcrowding                             | 6,519,080          | 6,171,404          | 5,860,963              | -                    | -                  | -                  | -                  |
| Medicaid Adult Rehabilitation Option            | 4,803,175          | 4,687,974          | 4,401,704              | 4,269,653            | 4,269,653          | 4,269,653          | 4,269,653          |
| Discharge and Diversion Services                | 20,025,903         | 22,907,487         | 25,346,328             | 25,128,181           | 25,128,181         | 24,533,818         | 24,533,818         |
| Home and Community Based Services               | 12,216,653         | 15,016,225         | 24,021,880             | -                    | -                  | 22,168,382         | 24,173,942         |
| Persistent Violent Felony Offenders Act         | 669,496            | 666,805            | 625,145                | -                    | -                  | -                  | -                  |
| Nursing Home Contract                           | 409,897            | 457,297            | 430,879                | 417,953              | 417,953            | 417,953            | 417,953            |
| Pre-Trial Account                               | 736,250            | 680,891            | 639,538                | -                    | -                  | 620,352            | 620,352            |
| Forensic Services                               | -                  | -                  | -                      | 10,329,125           | 10,234,125         | 10,235,895         | 10,140,895         |
| Community Based Services                        | -                  | -                  | -                      | 33,110,999           | 35,116,559         | -                  | -                  |
| Katie Blair House                               | -                  | -                  | -                      | -                    | -                  | 15,000             | 15,000             |
| <b>Other Than Payments to Local Governments</b> |                    |                    |                        |                      |                    |                    |                    |
| Grants for Substance Abuse Services             | 17,567,435         | 22,180,312         | 20,967,047             | -                    | -                  | 17,788,229         | 17,788,229         |
| Grants for Mental Health Services               | 58,909,708         | 71,433,803         | 66,738,020             | -                    | -                  | 65,874,535         | 65,874,535         |
| Employment Opportunities                        | 10,327,403         | 9,714,888          | 9,460,957              | -                    | -                  | 8,901,815          | 8,901,815          |
| Grants for Behavioral Health Services           | -                  | -                  | -                      | 87,843,014           | 87,843,014         | -                  | -                  |
| <b>Nonfunctional - Change to Accruals</b>       | <b>1,850,000</b>   | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Agency Total - General Fund</b>              | <b>603,624,961</b> | <b>636,574,137</b> | <b>625,573,825</b>     | <b>606,136,477</b>   | <b>606,056,670</b> | <b>609,784,206</b> | <b>612,500,758</b> |
| Managed Service System                          | 435,000            | 397,299            | 408,924                | 408,924              | 408,924            | 408,924            | 408,924            |

| Account                                     | Actual<br>FY 15    | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|---|--------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|   |                    |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| <b>Agency Total - Insurance Fund</b>        | <b>435,000</b>     | <b>397,299</b>     | <b>408,924</b>         | <b>408,924</b>       | <b>408,924</b>     | <b>408,924</b>     | <b>408,924</b>     |
| <b>Total - Appropriated Funds</b>           | <b>604,059,961</b> | <b>636,971,436</b> | <b>625,982,749</b>     | <b>606,545,401</b>   | <b>606,465,594</b> | <b>610,193,130</b> | <b>612,909,682</b> |
| <b>Additional Funds Available</b>           |                    |                    |                        |                      |                    |                    |                    |
| Federal Funds                               | -                  | 52,777,446         | 57,397,828             | 50,416,579           | 46,846,179         | 50,416,579         | 46,846,179         |
| Private Contributions & Other<br>Restricted | -                  | 5,568,189          | 6,734,207              | 6,734,207            | 6,734,207          | 6,734,207          | 6,734,207          |
| Private Contributions                       | -                  | 13,318,162         | 7,444,950              | 7,488,906            | 7,488,906          | 7,488,906          | 7,488,906          |
| <b>Agency Grand Total</b>                   | <b>604,059,961</b> | <b>708,635,233</b> | <b>697,559,734</b>     | <b>671,185,093</b>   | <b>667,534,886</b> | <b>674,832,822</b> | <b>673,978,974</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Adjust Funding for Regional MH Boards and RACs

|                                   |                    |                    |          |          |                  |                  |
|-----------------------------------|--------------------|--------------------|----------|----------|------------------|------------------|
| Pre-Trial Account                 | (620,352)          | (620,352)          | -        | -        | 620,352          | 620,352          |
| Grants for Mental Health Services | (584,673)          | (584,673)          | -        | -        | 584,673          | 584,673          |
| <b>Total - General Fund</b>       | <b>(1,205,025)</b> | <b>(1,205,025)</b> | <b>-</b> | <b>-</b> | <b>1,205,025</b> | <b>1,205,025</b> |

#### Background

Regional Mental Health Boards are located in the five mental health regions across the state. They are known as the Southwest (Norwalk), South Central (Middletown), Eastern (Norwich), North Central (Newington), and Northwest (Waterbury) Regional Mental Health Boards. The boards involve community members in determining and monitoring mental health services provided by DMHAS.

The 13 Regional Action Councils (RACs) provide advocacy and prevention services including community mobilization, grant collaboration, substance abuse awareness, education and prevention initiatives, media advocacy, program development, legislative advocacy, support to leverage funds for local initiatives, and community needs assessments through surveys, data collection and training. RACs do not provide direct services. State funds support core administrative functions and the coordination of prevention initiatives. The non-appropriated Pre-Trial account supports the RACs as well as alcohol and drug education programs, and the Governor's Partnership to Protect Connecticut's Workforce. The General Fund line item was created in the FY 14 - FY 15 budget to supplement the non-appropriated account.

#### Governor

Reduce funding by \$1,205,025 in both FY 18 and FY 19 to reflect the elimination of General Fund support for the regional mental health boards and regional action councils (RACs).

#### Legislative

Maintain funding for Regional Action Councils and the Regional Mental Health Boards.

### Privatize Certain DMHAS Operated Service

|                             |                    |                    |          |          |                  |                  |
|-----------------------------|--------------------|--------------------|----------|----------|------------------|------------------|
| Personal Services           | (4,599,827)        | (9,199,653)        | -        | -        | 4,599,827        | 9,199,653        |
| Other Expenses              | (555,522)          | (1,111,044)        | -        | -        | 555,522          | 1,111,044        |
| Managed Service System      | 4,749,665          | 9,499,330          | -        | -        | (4,749,665)      | (9,499,330)      |
| Young Adult Services        | (1,991,944)        | (3,983,889)        | -        | -        | 1,991,944        | 3,983,889        |
| Jail Diversion              | (95,000)           | (190,000)          | -        | -        | 95,000           | 190,000          |
| <b>Total - General Fund</b> | <b>(2,492,628)</b> | <b>(4,985,256)</b> | <b>-</b> | <b>-</b> | <b>2,492,628</b> | <b>4,985,256</b> |

#### Governor

Reduce funding by \$2,492,628 in FY 18 and \$4,985,256 in FY 19 to reflect reducing DMHAS provided services and reallocating funding to private providers, resulting in a net savings to the state. The proposal includes privatizing 22 Young Adult Services residential beds, 21 substance abuse rehab beds at Blue Hills, and local mental health authority services. This assumes DMHAS staff currently associated with these services will be relocated to fill agency vacancies.

#### Legislative

Maintain funding for DMHAS operated services.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Relocate Blue Hills Detox Beds**

|                             |                  |                    |          |          |                |                  |
|-----------------------------|------------------|--------------------|----------|----------|----------------|------------------|
| Personal Services           | (911,193)        | (1,214,924)        | -        | -        | 911,193        | 1,214,924        |
| <b>Total - General Fund</b> | <b>(911,193)</b> | <b>(1,214,924)</b> | <b>-</b> | <b>-</b> | <b>911,193</b> | <b>1,214,924</b> |

**Background**

Located in Hartford, Blue Hills Hospital currently supports substance abuse treatment services through 21 detoxification beds and 21 rehabilitation beds.

**Governor**

Reduce funding by \$911,193 in FY 18 and \$1,214,924 in FY 19 to reflect relocating 21 detox beds from Blue Hills to Connecticut Valley Hospital (CVH). Savings assume a reduction in DMHAS overtime.

**Legislative**

Maintain funding for and the location of Blue Hills detox beds.

**Adjust Funding for Connecticut Mental Health Center**

|                                  |                  |                  |          |          |                |                |
|----------------------------------|------------------|------------------|----------|----------|----------------|----------------|
| Connecticut Mental Health Center | (946,845)        | (946,845)        | -        | -        | 946,845        | 946,845        |
| <b>Total - General Fund</b>      | <b>(946,845)</b> | <b>(946,845)</b> | <b>-</b> | <b>-</b> | <b>946,845</b> | <b>946,845</b> |

**Background**

Funds support a contract with Yale University for management and operation of the Connecticut Mental Health Center (CMHC).

**Governor**

Reduce funding by \$946,845 in both FY 18 and FY 19 to reflect a reduction of funding to CMHC for Ribicoff Research Labs (\$743,484) and an additional general contract reduction (\$203,361).

**Legislative**

Maintain funding for the Connecticut Mental Health Center.

**Provide Funding for Connecticut Mental Health Center**

|                                  |          |          |                |                |                |                |
|----------------------------------|----------|----------|----------------|----------------|----------------|----------------|
| Connecticut Mental Health Center | -        | -        | 218,478        | 218,478        | 218,478        | 218,478        |
| <b>Total - General Fund</b>      | <b>-</b> | <b>-</b> | <b>218,478</b> | <b>218,478</b> | <b>218,478</b> | <b>218,478</b> |

**Legislative**

Provide funding of \$218,478 in both FY 18 and FY 19 for the Connecticut Mental Health Center (CMHC).

**Reduce Funding for Various Line Items**

|                                     |                    |                    |                  |                  |                  |                  |
|-------------------------------------|--------------------|--------------------|------------------|------------------|------------------|------------------|
| Other Expenses                      | (69,844)           | (69,844)           | (69,844)         | (69,844)         | -                | -                |
| Managed Service System              | (100,000)          | (100,000)          | (100,000)        | (100,000)        | -                | -                |
| TBI Community Services              | (93,230)           | (93,230)           | (93,230)         | (93,230)         | -                | -                |
| Home and Community Based Services   | (272,068)          | (272,068)          | (272,068)        | (272,068)        | -                | -                |
| Grants for Substance Abuse Services | (1,468,686)        | (1,468,686)        | -                | -                | 1,468,686        | 1,468,686        |
| Grants for Mental Health Services   | (2,915,620)        | (2,915,620)        | -                | -                | 2,915,620        | 2,915,620        |
| Employment Opportunities            | (275,314)          | (275,314)          | (275,314)        | (275,314)        | -                | -                |
| <b>Total - General Fund</b>         | <b>(5,194,762)</b> | <b>(5,194,762)</b> | <b>(810,456)</b> | <b>(810,456)</b> | <b>4,384,306</b> | <b>4,384,306</b> |

**Governor**

Reduce funding by \$5,194,762 in both FY 18 and FY 19 to achieve savings.

**Legislative**

Reduce funding by \$810,456 in both FY 18 and FY 19 to achieve savings. Maintain funding for grant accounts.

**Reduce Funding for Legal Services**

|                             |                  |                  |                  |                  |                |                |
|-----------------------------|------------------|------------------|------------------|------------------|----------------|----------------|
| Legal Services              | (388,290)        | (388,290)        | (194,145)        | (194,145)        | 194,145        | 194,145        |
| <b>Total - General Fund</b> | <b>(388,290)</b> | <b>(388,290)</b> | <b>(194,145)</b> | <b>(194,145)</b> | <b>194,145</b> | <b>194,145</b> |

**Background**

Funding is provided to the Connecticut Legal Rights Project, Inc., as a result of a consent order to provide legal advocacy services to the Department's inpatient facilities.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Reduce funding by \$388,290 in both FY 18 and FY 19 to reflect funding the Connecticut Legal Rights Project at consent decree levels.

**Legislative**

Reduce funding by \$194,145 in both FY 18 and FY 19 to achieve savings.

**Provide Funding for Katie Blair House**

|                             |          |          |               |               |               |               |
|-----------------------------|----------|----------|---------------|---------------|---------------|---------------|
| Katie Blair House           | -        | -        | 15,000        | 15,000        | 15,000        | 15,000        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>15,000</b> | <b>15,000</b> | <b>15,000</b> | <b>15,000</b> |

**Legislative**

Provide funding of \$15,000 in both FY 18 and FY 19 to establish the Katie Blair House line item.

**Annualize FY 17 Holdbacks**

|   |                     |                     |                     |                     |          |          |
|---|---------------------|---------------------|---------------------|---------------------|----------|----------|
| Personal Services                       | (1,869,453)         | (1,869,453)         | (1,869,453)         | (1,869,453)         | -        | -        |
| Other Expenses                          | (753,916)           | (753,916)           | (753,916)           | (753,916)           | -        | -        |
| Housing Supports and Services           | (719,680)           | (719,680)           | (719,680)           | (719,680)           | -        | -        |
| Managed Service System                  | (581,869)           | (581,869)           | (581,869)           | (581,869)           | -        | -        |
| Legal Services                          | (27,658)            | (27,658)            | (27,658)            | (27,658)            | -        | -        |
| Connecticut Mental Health Center        | (244,206)           | (244,206)           | (244,206)           | (244,206)           | -        | -        |
| Professional Services                   | (319,099)           | (319,099)           | (319,099)           | (319,099)           | -        | -        |
| General Assistance Managed Care         | (412,704)           | (412,704)           | (412,704)           | (412,704)           | -        | -        |
| Workers' Compensation Claims            | (322,563)           | (322,563)           | (322,563)           | (322,563)           | -        | -        |
| Nursing Home Screening                  | (16,432)            | (16,432)            | (16,432)            | (16,432)            | -        | -        |
| Young Adult Services                    | (2,427,085)         | (2,427,085)         | (2,427,085)         | (2,427,085)         | -        | -        |
| TBI Community Services                  | (288,338)           | (288,338)           | (288,338)           | (288,338)           | -        | -        |
| Jail Diversion                          | (127,812)           | (127,812)           | (127,812)           | (127,812)           | -        | -        |
| Behavioral Health Medications           | (173,564)           | (173,564)           | (173,564)           | (173,564)           | -        | -        |
| Prison Overcrowding                     | (175,828)           | (175,828)           | (175,828)           | (175,828)           | -        | -        |
| Medicaid Adult Rehabilitation Option    | (132,051)           | (132,051)           | (132,051)           | (132,051)           | -        | -        |
| Discharge and Diversion Services        | (760,390)           | (760,390)           | (760,390)           | (760,390)           | -        | -        |
| Home and Community Based Services       | (720,656)           | (720,656)           | (720,656)           | (720,656)           | -        | -        |
| Persistent Violent Felony Offenders Act | (18,754)            | (18,754)            | (18,754)            | (18,754)            | -        | -        |
| Nursing Home Contract                   | (12,926)            | (12,926)            | (12,926)            | (12,926)            | -        | -        |
| Pre-Trial Account                       | (19,186)            | (19,186)            | (19,186)            | (19,186)            | -        | -        |
| Grants for Substance Abuse Services     | (3,127,509)         | (3,127,509)         | (3,127,509)         | (3,127,509)         | -        | -        |
| Grants for Mental Health Services       | (667,380)           | (667,380)           | (667,380)           | (667,380)           | -        | -        |
| Employment Opportunities                | (283,828)           | (283,828)           | (283,828)           | (283,828)           | -        | -        |
| <b>Total - General Fund</b>             | <b>(14,202,887)</b> | <b>(14,202,887)</b> | <b>(14,202,887)</b> | <b>(14,202,887)</b> | <b>-</b> | <b>-</b> |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

**Governor**

Reduce funding by \$14,202,887 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

**Legislative**

Same as Governor

**Annualize FY 17 Rescissions**

|                                  |   |   |             |             |             |             |
|----------------------------------|---|---|-------------|-------------|-------------|-------------|
| Managed Service System           | - | - | (1,000,000) | (1,000,000) | (1,000,000) | (1,000,000) |
| Connecticut Mental Health Center | - | - | (266,153)   | (266,153)   | (266,153)   | (266,153)   |
| General Assistance Managed Care  | - | - | (355,837)   | (355,837)   | (355,837)   | (355,837)   |
| Young Adult Services             | - | - | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) |
| Discharge and Diversion Services | - | - | (594,363)   | (594,363)   | (594,363)   | (594,363)   |

| Account                             | Governor Recommended |       | Legislative        |                    | Difference from Governor |                    |
|-------------------------------------|----------------------|-------|--------------------|--------------------|--------------------------|--------------------|
|                                     | FY 18                | FY 19 | FY 18              | FY 19              | FY 18                    | FY 19              |
| Home and Community Based Services   | -                    | -     | (1,212,894)        | (1,212,894)        | (1,212,894)              | (1,212,894)        |
| Forensic Services                   | -                    | -     | (93,230)           | (93,230)           | (93,230)                 | (93,230)           |
| Grants for Substance Abuse Services | -                    | -     | (51,309)           | (51,309)           | (51,309)                 | (51,309)           |
| Grants for Mental Health Services   | -                    | -     | (196,105)          | (196,105)          | (196,105)                | (196,105)          |
| <b>Total - General Fund</b>         | -                    | -     | <b>(5,769,891)</b> | <b>(5,769,891)</b> | <b>(5,769,891)</b>       | <b>(5,769,891)</b> |

**Background**

The Governor implemented General Fund rescissions totaling \$70.5 million across state agencies.

**Legislative**

Reduce funding by \$5,769,891 in both FY 18 and FY 19 to reflect the rollout of the Governor's FY 17 rescissions.

**Consolidate Funding for Forensic Services**

|   |             |             |             |             |   |   |
|---|-------------|-------------|-------------|-------------|---|---|
| Jail Diversion                          | (4,037,599) | (3,942,599) | (4,037,599) | (3,942,599) | - | - |
| Prison Overcrowding                     | (5,685,135) | (5,685,135) | (5,685,135) | (5,685,135) | - | - |
| Persistent Violent Felony Offenders Act | (606,391)   | (606,391)   | (606,391)   | (606,391)   | - | - |
| Forensic Services                       | 10,329,125  | 10,234,125  | 10,329,125  | 10,234,125  | - | - |
| <b>Total - General Fund</b>             | -           | -           | -           | -           | - | - |

**Governor**

Reallocate funding of \$10,329,125 in FY 18 and \$10,234,125 in FY 19 to reflect the consolidation of the Jail Diversion, Prison Overcrowding and Persistent Violent Felony Offenders Act line items into the new Forensic Services line item to better reflect the purpose of such funding.

**Legislative**

Reallocate funding of \$10,329,125 in FY 18 and \$10,234,125 in FY 19 to reflect the consolidation of various line items into the new Forensic Services line item. The agency is required to continue to separately track expenditures associated with the Jail Diversion, Prison Overcrowding and Persistent Violent Felony Offenders Act accounts and submit quarterly reports to the Appropriations Committee and the Office of Fiscal Analysis.

**Consolidate Community Services Line Items**

|                                   |              |              |   |   |              |              |
|-----------------------------------|--------------|--------------|---|---|--------------|--------------|
| TBI Community Services            | (9,229,723)  | (9,229,723)  | - | - | 9,229,723    | 9,229,723    |
| Home and Community Based Services | (23,881,276) | (25,886,836) | - | - | 23,881,276   | 25,886,836   |
| Community Based Services          | 33,110,999   | 35,116,559   | - | - | (33,110,999) | (35,116,559) |
| <b>Total - General Fund</b>       | -            | -            | - | - | -            | -            |

**Governor**

Reallocate funding of \$33,110,999 in FY 18 and \$35,116,559 in FY 19 to reflect the consolidation of TBI Community Services and Home and Community Based Services into the new Community Based Services line item.

**Legislative**

Maintain current funding structure for TBI and Home and Community Based Services.

**Consolidate Grant Funding**

|                                       |              |              |   |   |              |              |
|---------------------------------------|--------------|--------------|---|---|--------------|--------------|
| Grants for Substance Abuse Services   | (16,370,852) | (16,370,852) | - | - | 16,370,852   | 16,370,852   |
| Grants for Mental Health Services     | (62,570,347) | (62,570,347) | - | - | 62,570,347   | 62,570,347   |
| Employment Opportunities              | (8,901,815)  | (8,901,815)  | - | - | 8,901,815    | 8,901,815    |
| Grants for Behavioral Health Services | 87,843,014   | 87,843,014   | - | - | (87,843,014) | (87,843,014) |
| <b>Total - General Fund</b>           | -            | -            | - | - | -            | -            |

**Governor**

Reallocate funding of \$87,843,014 in both FY 18 and FY 19 to reflect the consolidation of Grants for Mental Health and Substance Abuse Services, and Employment Opportunities into the new Grants for Behavioral Health Services line item.

**Legislative**

Maintain current funding structure for grant accounts.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Current Services

### Update Current Services Requirements for Various Line Items

|                                  |                  |                  |                  |                  |   |   |
|----------------------------------|------------------|------------------|------------------|------------------|---|---|
| Other Expenses                   | 105,561          | 105,561          | 105,561          | 105,561          | - | - |
| Professional Services            | 883,164          | 883,164          | 883,164          | 883,164          | - | - |
| Workers' Compensation Claims     | 975,974          | 975,974          | 975,974          | 975,974          | - | - |
| Nursing Home Screening           | 105,027          | 105,027          | 105,027          | 105,027          | - | - |
| Young Adult Services             | 384,192          | 384,192          | 384,192          | 384,192          | - | - |
| Behavioral Health Medications    | 1,108,830        | 1,108,830        | 1,108,830        | 1,108,830        | - | - |
| Discharge and Diversion Services | 542,243          | 542,243          | 542,243          | 542,243          | - | - |
| <b>Total - General Fund</b>      | <b>4,104,991</b> | <b>4,104,991</b> | <b>4,104,991</b> | <b>4,104,991</b> | - | - |

#### Governor

Provide funding of \$4,104,991 in both FY 18 and FY 19 to reflect current services expenditure requirements.

#### Legislative

Same as Governor

### Update Current Services- General Assistance Managed Care

|                                 |                |                  |                |                  |   |   |
|---------------------------------|----------------|------------------|----------------|------------------|---|---|
| General Assistance Managed Care | 947,171        | 1,658,163        | 947,171        | 1,658,163        | - | - |
| <b>Total - General Fund</b>     | <b>947,171</b> | <b>1,658,163</b> | <b>947,171</b> | <b>1,658,163</b> | - | - |

#### Background

Through a collaboration among the Department of Mental Health and Addiction Services and the Department of Social Services, recipients of General Assistance are assessed by behavioral health professionals for psychiatric illnesses and/or substance abuse problems and are referred to appropriate treatment. The agencies collaboratively manage all of the mental health and substance abuse care for these clients, including providing authorization and utilization review of the treatment as well as working with local providers to provide accessible services. Prior to the de-appropriation of funding associated with the Medicaid Coverage for the Lowest Income Populations (MCLIP) program, formerly referred to as Medicaid for Low Income Adults (MLIA), approximately 80% of the appropriation supported the low-income Medicaid adult population.

#### Governor

Provide funding of \$947,171 in FY 18 and \$1,658,163 in FY 19 to reflect current services requirements in the GA line item. Additional funding reflects 4% growth in FY 18 and an additional 2% in FY 19.

#### Legislative

Same as Governor

### Update Current Services- Home & Community Based Services

|                                   |                |                  |                |                  |                  |                  |
|-----------------------------------|----------------|------------------|----------------|------------------|------------------|------------------|
| Home and Community Based Services | 852,120        | 2,857,680        | 352,120        | 2,357,680        | (500,000)        | (500,000)        |
| <b>Total - General Fund</b>       | <b>852,120</b> | <b>2,857,680</b> | <b>352,120</b> | <b>2,357,680</b> | <b>(500,000)</b> | <b>(500,000)</b> |

#### Background

Home and Community Based Services assist individuals transitioning out of institutional settings and into community settings with appropriate supports. DMHAS, which receives a transfer from the Department of Social Services, provides housing subsidies to Money Follows the Person clients as part of these services.

#### Governor

Provide funding of \$852,120 in FY 18 and \$2,857,680 in FY 19 to reflect caseload and annualization of 44 individuals in FY 18 and an additional 54 in FY 19.

#### Legislative

Provide funding of \$352,120 in FY 18 and \$2,357,680 in FY 19 based on FY 17 expenditure requirements.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Update Current Services- Reduce TBI Community Services**

|                             |   |   |                  |                  |                  |                  |
|-----------------------------|---|---|------------------|------------------|------------------|------------------|
| TBI Community Services      | - | - | (450,000)        | (450,000)        | (450,000)        | (450,000)        |
| <b>Total - General Fund</b> | - | - | <b>(450,000)</b> | <b>(450,000)</b> | <b>(450,000)</b> | <b>(450,000)</b> |

**Legislative**

Reduce funding by \$450,000 in both FY 18 and FY 19 based on FY 17 expenditure requirements.

**Totals**

| Budget Components             | Governor Recommended |                    | Legislative        |                    | Difference from Governor |                  |
|-------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|------------------|
|                               | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19            |
| FY 17 Appropriation - GF      | 625,573,825          | 625,573,825        | 625,573,825        | 625,573,825        | -                        | -                |
| Policy Revisions              | (25,341,630)         | (28,137,989)       | (20,743,901)       | (20,743,901)       | 4,597,729                | 7,394,088        |
| Current Services              | 5,904,282            | 8,620,834          | 4,954,282          | 7,670,834          | (950,000)                | (950,000)        |
| <b>Total Recommended - GF</b> | <b>606,136,477</b>   | <b>606,056,670</b> | <b>609,784,206</b> | <b>612,500,758</b> | <b>3,647,729</b>         | <b>6,444,088</b> |
| FY 17 Appropriation - IF      | 408,924              | 408,924            | 408,924            | 408,924            | -                        | -                |
| <b>Total Recommended - IF</b> | <b>408,924</b>       | <b>408,924</b>     | <b>408,924</b>     | <b>408,924</b>     | -                        | -                |

| Positions                     | Governor Recommended |              | Legislative  |              | Difference from Governor |       |
|-------------------------------|----------------------|--------------|--------------|--------------|--------------------------|-------|
|                               | FY 18                | FY 19        | FY 18        | FY 19        | FY 18                    | FY 19 |
| FY 17 Appropriation - GF      | 3,438                | 3,438        | 3,438        | 3,438        | -                        | -     |
| <b>Total Recommended - GF</b> | <b>3,438</b>         | <b>3,438</b> | <b>3,438</b> | <b>3,438</b> | -                        | -     |

## Other Significant Legislation

### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$482,323, a Labor Concessions Savings of \$9,004,367, and a Targeted Savings of \$9,135,945. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account                              | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|--------------------------------------|------------------|---------------------|------------------|-------------|
| Personal Services                    | 185,075,887      | (8,151,652)         | 176,924,235      | 4.4%        |
| Other Expenses                       | 24,412,372       | (1,220,619)         | 23,191,753       | 5.0%        |
| Housing Supports and Services        | 23,269,681       | (465,394)           | 22,804,287       | 2.0%        |
| Managed Service System               | 56,505,032       | (1,253,858)         | 55,251,174       | 2.2%        |
| Connecticut Mental Health Center     | 7,848,323        | (656,966)           | 7,191,357        | 8.4%        |
| General Assistance Managed Care      | 41,449,129       | (821,944)           | 40,627,185       | 2.0%        |
| Nursing Home Screening               | 636,352          | (12,727)            | 623,625          | 2.0%        |
| Young Adult Services                 | 76,859,968       | (2,025,539)         | 74,834,429       | 2.6%        |
| TBI Community Services               | 8,779,723        | (196,654)           | 8,583,069        | 2.2%        |
| Jail Diversion                       | 95,000           | (95,000)            | -                | 100.0%      |
| Medicaid Adult Rehabilitation Option | 4,269,653        | (85,393)            | 4,184,260        | 2.0%        |
| Discharge and Diversion Services     | 24,533,818       | (490,676)           | 24,043,142       | 2.0%        |
| Home and Community Based Services    | 22,168,382       | (433,207)           | 21,735,175       | 2.0%        |
| Nursing Home Contract                | 417,953          | (8,359)             | 409,594          | 2.0%        |
| Pre-Trial Account                    | 620,352          | (620,352)           | -                | 100.0%      |
| Katie Blair House                    | 15,000           | (15,000)            | -                | 100.0%      |
| Forensic Services                    | 10,235,895       | (218,003)           | 10,017,892       | 2.1%        |
| Grants for Substance Abuse Services  | 17,788,229       | (355,765)           | 17,432,464       | 2.0%        |
| Grants for Mental Health Services    | 65,874,535       | (1,317,491)         | 64,557,044       | 2.0%        |
| Employment Opportunities             | 8,901,815        | (178,036)           | 8,723,779        | 2.0%        |

## Psychiatric Security Review Board

### PSR56000

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 3               | 3               | 3                      | 3                    | 3     | 3           | 3     |

#### Budget Summary

| Account                                   | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |                | Legislative    |                |
|---|-----------------|-----------------|------------------------|----------------------|----------------|----------------|----------------|
|   |                 |                 |                        | FY 18                | FY 19          | FY 18          | FY 19          |
| Personal Services                         | 243,498         | 250,627         | 266,610                | 271,444              | 271,444        | 271,444        | 271,444        |
| Other Expenses                            | 29,314          | 28,389          | 27,203                 | 26,387               | 26,387         | 26,387         | 26,387         |
| <b>Nonfunctional - Change to Accruals</b> | <b>(1,334)</b>  | -               | -                      | -                    | -              | -              | -              |
| <b>Agency Total - General Fund</b>        | <b>271,478</b>  | <b>279,015</b>  | <b>293,813</b>         | <b>297,831</b>       | <b>297,831</b> | <b>297,831</b> | <b>297,831</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

#### Policy Revisions

##### Annualize FY 17 Holdbacks

|                             |                |                |                |                |   |   |
|-----------------------------|----------------|----------------|----------------|----------------|---|---|
| Personal Services           | (2,666)        | (2,666)        | (2,666)        | (2,666)        | - | - |
| Other Expenses              | (816)          | (816)          | (816)          | (816)          | - | - |
| <b>Total - General Fund</b> | <b>(3,482)</b> | <b>(3,482)</b> | <b>(3,482)</b> | <b>(3,482)</b> | - | - |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$3,482 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

#### Current Services

##### Update Current Services- Personal Services

|                             |              |              |              |              |   |   |
|-----------------------------|--------------|--------------|--------------|--------------|---|---|
| Personal Services           | 7,500        | 7,500        | 7,500        | 7,500        | - | - |
| <b>Total - General Fund</b> | <b>7,500</b> | <b>7,500</b> | <b>7,500</b> | <b>7,500</b> | - | - |

#### Governor

Provide funding of \$7,500 to reflect anticipated Personal Services expenditure requirements.

#### Legislative

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                | Legislative    |                | Difference from Governor |          |
|-------------------------------|----------------------|----------------|----------------|----------------|--------------------------|----------|
|                               | FY 18                | FY 19          | FY 18          | FY 19          | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 293,813              | 293,813        | 293,813        | 293,813        | -                        | -        |
| Policy Revisions              | (3,482)              | (3,482)        | (3,482)        | (3,482)        | -                        | -        |
| Current Services              | 7,500                | 7,500          | 7,500          | 7,500          | -                        | -        |
| <b>Total Recommended - GF</b> | <b>297,831</b>       | <b>297,831</b> | <b>297,831</b> | <b>297,831</b> | <b>-</b>                 | <b>-</b> |

| Positions                     | Governor Recommended |          | Legislative |          | Difference from Governor |          |
|-------------------------------|----------------------|----------|-------------|----------|--------------------------|----------|
|                               | FY 18                | FY 19    | FY 18       | FY 19    | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 3                    | 3        | 3           | 3        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>3</b>             | <b>3</b> | <b>3</b>    | <b>3</b> | <b>-</b>                 | <b>-</b> |

## Department of Transportation

### DOT57000

#### Permanent Full-Time Positions

| Fund                        | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|-----------------------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|                             |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| Special Transportation Fund | 3,188           | 3,279           | 3,352                  | 3,439                | 3,444 | 3,357       | 3,362 |

#### Budget Summary

| Account   | Actual<br>FY 15    | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|---|--------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|   |                    |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| Personal Services                                 | 171,685,540        | 165,034,410        | 177,091,980            | 179,415,811          | 179,615,870        | 175,824,829        | 175,874,964        |
| Other Expenses                                    | 64,638,344         | 56,038,739         | 52,314,223             | 54,807,023           | 54,807,023         | 53,727,023         | 53,214,223         |
| Equipment   | 1,342,216          | 1,614,999          | 1,341,329              | 1,374,329            | 1,374,329          | 1,341,329          | 1,341,329          |
| Minor Capital Projects                            | 238,514            | 415,766            | 449,639                | 449,639              | 449,639            | 449,639            | 449,639            |
| Highway and Bridge Renewal-Equipment              | 1,480              | -                  | -                      | -                    | -                  | -                  | -                  |
| <b>Other Current Expenses</b>                     |                    |                    |                        |                      |                    |                    |                    |
| Highway Planning And Research                     | 2,819,330          | 3,058,974          | 3,060,131              | 3,060,131            | 3,060,131          | 3,060,131          | 3,060,131          |
| Rail Operations                                   | 152,040,409        | 183,563,844        | 166,249,813            | 173,370,701          | 198,225,900        | 173,370,701        | 198,225,900        |
| Bus Operations                                    | 143,699,279        | 157,601,445        | 154,842,551            | 158,352,699          | 170,421,676        | 156,352,699        | 168,421,676        |
| Tweed-New Haven Airport Grant                     | 1,500,000          | 1,500,000          | -                      | -                    | -                  | -                  | -                  |
| ADA Para-transit Program                          | 35,088,726         | 36,228,025         | 37,041,190             | 38,039,446           | 38,039,446         | 38,039,446         | 38,039,446         |
| Non-ADA Dial-A-Ride Program                       | 569,819            | 576,361            | 576,361                | -                    | -                  | 1,576,361          | 1,576,361          |
| Pay-As-You-Go Transportation Projects             | 15,921,964         | 21,203,036         | 14,589,106             | 14,589,106           | 14,589,106         | 13,629,769         | 13,629,769         |
| CAA Related Funds                                 | 3,272,322          | 3,272,322          | -                      | -                    | -                  | -                  | -                  |
| Port Authority                                    | -                  | 119,506            | 400,000                | 400,000              | 400,000            | 400,000            | 400,000            |
| Airport Operations                                | -                  | -                  | 3,750,000              | -                    | -                  | -                  | -                  |
| <b>Other Than Payments to Local Governments</b>   |                    |                    |                        |                      |                    |                    |                    |
| Transportation to Work                            | -                  | -                  | -                      | 2,370,629            | 2,370,629          | 2,370,629          | 2,370,629          |
| <b>Nonfunctional - Change to Accruals</b>         | <b>(424,648)</b>   | -                  | -                      | -                    | -                  | -                  | -                  |
| <b>Agency Total - Special Transportation Fund</b> | <b>592,393,295</b> | <b>630,227,426</b> | <b>611,706,323</b>     | <b>626,229,514</b>   | <b>663,353,749</b> | <b>620,142,556</b> | <b>656,604,067</b> |
| <b>Additional Funds Available</b>                 |                    |                    |                        |                      |                    |                    |                    |
| Carry Forward Transportation Fund                 | -                  | -                  | -                      | -                    | -                  | 8,348,287          | -                  |
| <b>Agency Grand Total</b>                         | <b>592,393,295</b> | <b>630,227,426</b> | <b>611,706,323</b>     | <b>626,229,514</b>   | <b>663,353,749</b> | <b>628,490,843</b> | <b>656,604,067</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Reduce Funding for CTfastrak

|  |          |          |                    |                    |                    |                    |
|--|----------|----------|--------------------|--------------------|--------------------|--------------------|
| Bus Operations                             | -        | -        | (1,500,000)        | (1,500,000)        | (1,500,000)        | (1,500,000)        |
| <b>Total - Special Transportation Fund</b> | <b>-</b> | <b>-</b> | <b>(1,500,000)</b> | <b>(1,500,000)</b> | <b>(1,500,000)</b> | <b>(1,500,000)</b> |

#### Legislative

Reducing funding of \$1.5 million in FY 18 and FY 19 for CT Fastrak.

### Annualize Rescissions

|  |          |          |                    |                    |                    |                    |
|--|----------|----------|--------------------|--------------------|--------------------|--------------------|
| Personal Services                          | -        | -        | (2,000,000)        | (2,000,000)        | (2,000,000)        | (2,000,000)        |
| Other Expenses                             | -        | -        | (700,000)          | (700,000)          | (700,000)          | (700,000)          |
| Pay-As-You-Go Transportation Projects      | -        | -        | (959,337)          | (959,337)          | (959,337)          | (959,337)          |
| <b>Total - Special Transportation Fund</b> | <b>-</b> | <b>-</b> | <b>(3,659,337)</b> | <b>(3,659,337)</b> | <b>(3,659,337)</b> | <b>(3,659,337)</b> |

#### Legislative

Reduce several accounts by \$3,659,337 in both FY 18 and FY 19 to annualize FY 17 rescissions.

### Provide Funding for Water Taxi

|  |          |          |                |                |                |                |
|--|----------|----------|----------------|----------------|----------------|----------------|
| Other Expenses                             | -        | -        | 100,000        | 100,000        | 100,000        | 100,000        |
| <b>Total - Special Transportation Fund</b> | <b>-</b> | <b>-</b> | <b>100,000</b> | <b>100,000</b> | <b>100,000</b> | <b>100,000</b> |

#### Legislative

Provide funding of \$100,000 in both FY 18 and FY 19 for operating expenses to connect the cities of Groton and New London at the Thames River Heritage Park.

### Adjust Funding for 86 Positions

|  |                  |                  |          |          |                    |                    |
|--|------------------|------------------|----------|----------|--------------------|--------------------|
| Personal Services                              | 1,674,960        | 1,674,960        | -        | -        | (1,674,960)        | (1,674,960)        |
| Other Expenses                                 | 80,000           | 80,000           | -        | -        | (80,000)           | (80,000)           |
| Equipment                                      | 33,000           | 33,000           | -        | -        | (33,000)           | (33,000)           |
| <b>Total - Special Transportation Fund</b>     | <b>1,787,960</b> | <b>1,787,960</b> | <b>-</b> | <b>-</b> | <b>(1,787,960)</b> | <b>(1,787,960)</b> |
| <b>Positions - Special Transportation Fund</b> | <b>86</b>        | <b>86</b>        | <b>-</b> | <b>-</b> | <b>(86)</b>        | <b>(86)</b>        |

#### Background

Let's Go CT! is the Governor's proposed 30 year initiative for the future of transportation infrastructure in Connecticut. Included in this initiative is a ramp up transportation capital plan totaling \$2.8 billion over five years.

#### Governor

Provide funding of \$1,787,960 in both FY 18 and FY 19 to hire 86 new positions for the Let's Go CT! initiative. These positions consist of 50 engineers, 16 rail officers, 10 maintainers, eight planners and two transit oriented development planning analysts.

#### Legislative

Do not provide funding in FY 18 and FY 19 for 86 new positions for the Let's Go CT! initiative.

### Adjust Funding for the Non-ADA Transit Program

|  |                  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Non-ADA Dial-A-Ride Program                | (576,361)        | (576,361)        | 1,000,000        | 1,000,000        | 1,576,361        | 1,576,361        |
| <b>Total - Special Transportation Fund</b> | <b>(576,361)</b> | <b>(576,361)</b> | <b>1,000,000</b> | <b>1,000,000</b> | <b>1,576,361</b> | <b>1,576,361</b> |

#### Background

The Non-ADA Dial-A-Ride Program provides funding to the Middletown, Hartford, New Haven and Milford transit districts. This program was operated by the Federal Transit Administration until 1999 when it was eliminated and the State of Connecticut incurred the cost of operation.

#### Legislative

Increase funding by \$1 million in both FY 18 and FY 19 for Non-ADA Dial-A-Ride services.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Adjust Funding for Rest Areas

|  |                  |                  |          |          |                |                |
|--|------------------|------------------|----------|----------|----------------|----------------|
| Personal Services                              | (533,750)        | (533,750)        | -        | -        | 533,750        | 533,750        |
| <b>Total - Special Transportation Fund</b>     | <b>(533,750)</b> | <b>(533,750)</b> | <b>-</b> | <b>-</b> | <b>533,750</b> | <b>533,750</b> |
| <b>Positions - Special Transportation Fund</b> | <b>(12)</b>      | <b>(12)</b>      | <b>-</b> | <b>-</b> | <b>12</b>      | <b>12</b>      |

#### Background

As of October 1, 2016, operation of all seven rest areas was reduced to a single shift, covered by 12 Rest Area Attendant positions. The seven rest areas are in Danbury, Southington, West Willington, East Willington, Wallingford, Middletown and North Stonington.

#### Governor

Reduce funding by \$533,750 in both FY 18 and FY 19 and 12 positions to reflect the closing of the seven rest areas.

#### Legislative

Provide funding of \$533,750 in both FY 18 and FY 19 and 12 positions to reflect keeping each of the seven rest areas open.

### Eliminate Appropriation to Reflect Federal Policy

|  |                    |                    |                    |                    |          |          |
|--|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Airport Operations                         | (3,750,000)        | (3,750,000)        | (3,750,000)        | (3,750,000)        | -        | -        |
| <b>Total - Special Transportation Fund</b> | <b>(3,750,000)</b> | <b>(3,750,000)</b> | <b>(3,750,000)</b> | <b>(3,750,000)</b> | <b>-</b> | <b>-</b> |

#### Background

In 1982, the Federal Aviation Administration (FAA) enacted the Airport and Airway Improvement Act. The act required that revenue generated from state and local taxation of aviation fuel must be used for the operation and maintenance of the state's airports, aviation programs, and noise mitigation programs. On November 7, 2014, the FAA clarified that any new and existing taxes on the sales of aviation fuel are required to be used for airport-related purposes. The State of Connecticut's Petroleum Gross Receipts (PGET) was imposed in 1980, prior to the 1982 ruling, at a tax rate of 2%. This amount is considered to be grandfathered and does not apply to the November 2014 FAA clarification ruling. Currently, the PGET tax rate is 8.1%.

Section 23 of SB 787, AAC Revenue Items to Implement the Governor's Budget, creates the Connecticut Airport and Aviation account which is a separate, non-lapsing account within the Department of Transportation (DOT) and will be used for purposes of airport and aviation-related costs. Projections for this account are approximately \$7 million in FY 18 and \$7.8 million in FY 19.

#### Governor

Eliminate funding of \$3,750,000 in both FY 18 and FY 19. The operating costs for the Connecticut Airport Authority will be funded out of the Connecticut Airport and Aviation account.

#### Legislative

Same as Governor

### Eliminate Funding for Infrastructure Program

|  |                |                |          |          |                  |                  |
|--|----------------|----------------|----------|----------|------------------|------------------|
| Personal Services                              | 449,772        | 599,696        | -        | -        | (449,772)        | (599,696)        |
| <b>Total - Special Transportation Fund</b>     | <b>449,772</b> | <b>599,696</b> | <b>-</b> | <b>-</b> | <b>(449,772)</b> | <b>(599,696)</b> |
| <b>Positions - Special Transportation Fund</b> | <b>8</b>       | <b>8</b>       | <b>-</b> | <b>-</b> | <b>(8)</b>       | <b>(8)</b>       |

#### Background

The establishment of an Infrastructure Program within the Bureau of Highway Operations will administer various programs through competitively procured Department of Administrative contracts in lieu of the design-bid-build process. The infrastructure programs suitable for this alternative process include: pavement preservation, the Americans with Disability Act ramp program, roadside safety programs and the epoxy markings program.

#### Governor

Provide funding of \$449,772 in FY 18 and \$599,696 in FY 19 to hire eight new positions for the establishment of an Infrastructure program. These positions consist of four planner managers and four transportation engineers. The FY 18 funding reflects the positions beginning on October 1, 2017.

#### Legislative

Do not provide funding for the establishment of an Infrastructure Program.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Fund Transit District Equipment Through the Capital Program

|  |                    |                    |                    |                    |          |          |
|--|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Bus Operations                             | (1,509,749)        | (1,509,749)        | (1,509,749)        | (1,509,749)        | -        | -        |
| <b>Total - Special Transportation Fund</b> | <b>(1,509,749)</b> | <b>(1,509,749)</b> | <b>(1,509,749)</b> | <b>(1,509,749)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding by \$1,509,749 in both FY 18 and FY 19 to reflect funding the transit districts equipment costs through the Department of Transportation's capital program.

#### Legislative

Same as Governor

### Transfer Funding for Transportation to Work Program

|  |                  |                  |                  |                  |          |          |
|--|------------------|------------------|------------------|------------------|----------|----------|
| Transportation to Work                     | 2,370,629        | 2,370,629        | 2,370,629        | 2,370,629        | -        | -        |
| <b>Total - Special Transportation Fund</b> | <b>2,370,629</b> | <b>2,370,629</b> | <b>2,370,629</b> | <b>2,370,629</b> | <b>-</b> | <b>-</b> |

#### Background

The Transportation to Work program is intended to assist Temporary Family Assistance (TFA) and other TFA eligible adults with transportation services needed to reach self-sufficiency through work and work-related activities. The Department of Social Services (DSS) is currently appropriated the funding for this program which is administered by DOT.

#### Governor

Provide funding of \$2,370,629 in both FY 18 and FY 19 to reflect transferring the Transportation to Work program to DOT from DSS. There is a corresponding reduction to the DSS appropriation.

#### Legislative

Same as Governor

### Increase Funding for Public Transportation Marketing

|  |                |                |          |          |                  |                  |
|--|----------------|----------------|----------|----------|------------------|------------------|
| Bus Operations                             | 500,000        | 500,000        | -        | -        | (500,000)        | (500,000)        |
| <b>Total - Special Transportation Fund</b> | <b>500,000</b> | <b>500,000</b> | <b>-</b> | <b>-</b> | <b>(500,000)</b> | <b>(500,000)</b> |

#### Governor

Provide funding of \$500,000 in both FY 18 and FY 19 to reflect an increase in public transportation marketing.

#### Legislative

Do not provide funding in FY 18 and FY 19 for public transportation marketing.

### Acquire Ownership of Building from DAS

|  |                |                |                |          |                  |                  |
|--|----------------|----------------|----------------|----------|------------------|------------------|
| Other Expenses                             | 912,800        | 912,800        | 512,800        | -        | (400,000)        | (912,800)        |
| <b>Total - Special Transportation Fund</b> | <b>912,800</b> | <b>912,800</b> | <b>512,800</b> | <b>-</b> | <b>(400,000)</b> | <b>(912,800)</b> |

#### Governor

Provide funding of \$912,800 in FY 18 to reflect the transfer of the 25 Sigourney street building from the Department of Administrative Services to DOT. The building shall be demolished in FY 19.

#### Legislative

Provide funding of \$512,800 in both FY 18 to reflect the transfer of ownership of the 25 Sigourney street building from the Department of Administrative Services to DOT.

## Current Services

### Increase Funding for Rail Operations

|  |                  |                   |                  |                   |          |          |
|--|------------------|-------------------|------------------|-------------------|----------|----------|
| Rail Operations                            | 7,120,888        | 31,976,087        | 7,120,888        | 31,976,087        | -        | -        |
| <b>Total - Special Transportation Fund</b> | <b>7,120,888</b> | <b>31,976,087</b> | <b>7,120,888</b> | <b>31,976,087</b> | <b>-</b> | <b>-</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Background**

The Rail Operations account represents the State of Connecticut subsidy for the Metro North rail line, Shoreline East rail line and the New Haven-Hartford-Springfield rail line.

**Governor**

Provide funding of \$7,120,888 in FY 18 and \$31,976,087 in FY 19 to reflect an increase in operational costs.

**Legislative**

Same as Governor

**Increase Funding for Bus Operations**

|  |                  |                   |                  |                   |          |          |
|--|------------------|-------------------|------------------|-------------------|----------|----------|
| Bus Operations                             | 4,519,897        | 16,588,874        | 4,519,897        | 16,588,874        | -        | -        |
| <b>Total - Special Transportation Fund</b> | <b>4,519,897</b> | <b>16,588,874</b> | <b>4,519,897</b> | <b>16,588,874</b> | <b>-</b> | <b>-</b> |

**Background**

The Bus Operations account represents the subsidy for CT Transit and CT Fastrak transit services.

**Governor**

Provide funding of \$4,519,897 in FY 18 and \$16,588,874 in FY 19 to reflect an increase in operational costs.

**Legislative**

Same as Governor

**Provide Funding for Bridge Safety and Inspection**

|  |               |               |               |               |          |          |
|--|---------------|---------------|---------------|---------------|----------|----------|
| Personal Services                              | 30,081        | 80,216        | 30,081        | 80,216        | -        | -        |
| <b>Total - Special Transportation Fund</b>     | <b>30,081</b> | <b>80,216</b> | <b>30,081</b> | <b>80,216</b> | <b>-</b> | <b>-</b> |
| <b>Positions - Special Transportation Fund</b> | <b>5</b>      | <b>10</b>     | <b>5</b>      | <b>10</b>     | <b>-</b> | <b>-</b> |

**Governor**

Provide funding of \$30,081 in FY 18 and \$80,216 in FY 19 to reflect hiring three Transportation Engineers and two Transportation Bridge Safety Inspectors. The FY 18 funding reflects the positions beginning on October 1, 2017.

**Legislative**

Same as Governor

**Adjust Funding for Road Salt**

|  |                  |                  |                  |                  |          |          |
|--|------------------|------------------|------------------|------------------|----------|----------|
| Other Expenses                             | 1,500,000        | 1,500,000        | 1,500,000        | 1,500,000        | -        | -        |
| <b>Total - Special Transportation Fund</b> | <b>1,500,000</b> | <b>1,500,000</b> | <b>1,500,000</b> | <b>1,500,000</b> | <b>-</b> | <b>-</b> |

**Background**

DOT road salt funding level is determined based on the tons required for an average winter multiplied by the current price per ton. FY 17 estimated expenditures for road salt is \$10,238,168.

**Governor**

Provide funding of \$1.5 million in both FY 18 and FY 19 to reflect an annual 14.7% growth in road salt funding.

**Legislative**

Same as Governor

**Annualize FY 17 Funding for 36 Positions**

|  |                |                |                |                |          |          |
|--|----------------|----------------|----------------|----------------|----------|----------|
| Personal Services                          | 702,768        | 702,768        | 702,768        | 702,768        | -        | -        |
| <b>Total - Special Transportation Fund</b> | <b>702,768</b> | <b>702,768</b> | <b>702,768</b> | <b>702,768</b> | <b>-</b> | <b>-</b> |

**Background**

Annualization refers to providing the amount of resources necessary for a 12 month period of operation.

**Governor**

Provide funding of \$702,768 in both FY 18 and FY 19 to reflect full year funding for 36 positions. These positions were provided funding on January 1, 2017 and consist of 18 engineers, 17 maintenance staff and one property agent.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Same as Governor

**Increase Funding for ADA Para-Transit**

|  |                |                |                |                |          |          |
|--|----------------|----------------|----------------|----------------|----------|----------|
| ADA Para-transit Program                   | 998,256        | 998,256        | 998,256        | 998,256        | -        | -        |
| <b>Total - Special Transportation Fund</b> | <b>998,256</b> | <b>998,256</b> | <b>998,256</b> | <b>998,256</b> | <b>-</b> | <b>-</b> |

**Background**

The Americans with Disability Act (ADA) Para-Transit Program is designed to meet the ADA service criteria established by the Federal government to provide transportation services for disabled persons in all areas with local fixed transit routes. Service is provided only to individuals found eligible by a Connecticut regional ADA service provider.

**Governor**

Provide funding of \$998,256 in both FY 18 and FY 19 to reflect an annual 2.7% growth in ADA Para-Transit expenditures.

**Legislative**

Same as Governor

**Carry Forward****Carry Forward Funding for Various Projects**

|  |          |          |                  |          |                  |          |
|--|----------|----------|------------------|----------|------------------|----------|
| Equipment  | -        | -        | 14,783           | -        | 14,783           | -        |
| Minor Capital Projects                           | -        | -        | 110,417          | -        | 110,417          | -        |
| Highway Planning And Research                    | -        | -        | 1,473,582        | -        | 1,473,582        | -        |
| Pay-As-You-Go Transportation Projects            | -        | -        | 5,877,713        | -        | 5,877,713        | -        |
| Emergency Relief - Town Repairs                  | -        | -        | 871,792          | -        | 871,792          | -        |
| <b>Total - Carry Forward Transportation Fund</b> | <b>-</b> | <b>-</b> | <b>8,348,287</b> | <b>-</b> | <b>8,348,287</b> | <b>-</b> |

**Legislative**

Pursuant to CGS 4-89(b) and (e) and 13a-175j funding of \$8,348,287 is carried forward from FY 17 into FY 18 for ongoing Department of Transportation (DOT) operations.

**Totals**

| Budget Components             | Governor Recommended |                    | Legislative        |                    | Difference from Governor |                    |
|-------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|--------------------|
|                               | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19              |
| FY 17 Appropriation - TF      | 611,706,323          | 611,706,323        | 611,706,323        | 611,706,323        | -                        | -                  |
| Policy Revisions              | (348,699)            | (198,775)          | (6,435,657)        | (6,948,457)        | (6,086,958)              | (6,749,682)        |
| Current Services              | 14,871,890           | 51,846,201         | 14,871,890         | 51,846,201         | -                        | -                  |
| <b>Total Recommended - TF</b> | <b>626,229,514</b>   | <b>663,353,749</b> | <b>620,142,556</b> | <b>656,604,067</b> | <b>(6,086,958)</b>       | <b>(6,749,682)</b> |

| Positions                     | Governor Recommended |              | Legislative  |              | Difference from Governor |             |
|-------------------------------|----------------------|--------------|--------------|--------------|--------------------------|-------------|
|                               | FY 18                | FY 19        | FY 18        | FY 19        | FY 18                    | FY 19       |
| FY 17 Appropriation - TF      | 3,352                | 3,352        | 3,352        | 3,352        | -                        | -           |
| Policy Revisions              | 82                   | 82           | -            | -            | (82)                     | (82)        |
| Current Services              | 5                    | 10           | 5            | 10           | -                        | -           |
| <b>Total Recommended - TF</b> | <b>3,439</b>         | <b>3,444</b> | <b>3,357</b> | <b>3,362</b> | <b>(82)</b>              | <b>(82)</b> |

## Department of Social Services

### DSS60000

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 1,982           | 1,975           | 1,986                  | 1,991                | 1,991 | 2,009       | 2,009 |

#### Budget Summary

| Account  | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |               | Legislative   |               |
|--|-----------------|-----------------|------------------------|----------------------|---------------|---------------|---------------|
|  |                 |                 |                        | FY 18                | FY 19         | FY 18         | FY 19         |
| Personal Services                                      | 131,055,940     | 130,009,841     | 115,246,776            | 121,143,478          | 121,143,478   | 122,536,340   | 122,536,340   |
| Other Expenses   | 134,950,660     | 149,965,328     | 144,502,439            | 151,773,905          | 151,918,341   | 143,029,224   | 146,570,860   |
| <b>Other Current Expenses</b>                          |                 |                 |                        |                      |               |               |               |
| HUSKY Performance Monitoring                           | 156,040         | 134,979         | 158,143                | -                    | -             | -             | -             |
| Birth to Three   | -               | -               | -                      | 14,186,804           | 14,186,804    | -             | -             |
| Genetic Tests in Paternity Actions                     | 87,420          | 76,388          | 84,439                 | 81,906               | 81,906        | 81,906        | 81,906        |
| State-Funded Supplemental Nutrition Assistance Program | 645,063         | 512,338         | 430,926                | 186,816              | 72,021        | 31,205        | -             |
| HUSKY B Program  | 29,122,731      | 5,928,386       | 4,350,000              | 5,060,000            | 5,320,000     | 5,060,000     | 5,320,000     |
| Charter Oak Health Plan                                | 100,000         | -               | -                      | -                    | -             | -             | -             |
| <b>Other Than Payments to Local Governments</b>        |                 |                 |                        |                      |               |               |               |
| Medicaid   | 2,347,719,375   | 2,391,092,663   | 2,447,241,261          | 2,723,072,000        | 2,811,932,000 | 2,570,840,000 | 2,616,365,000 |
| Old Age Assistance                                     | 37,320,760      | 37,815,756      | 38,833,056             | 38,492,929           | 38,011,302    | 38,506,679    | 38,026,302    |
| Aid To The Blind                                       | 724,861         | 618,526         | 627,276                | 577,715              | 584,005       | 577,715       | 584,005       |
| Aid To The Disabled                                    | 59,932,638      | 60,543,460      | 61,941,968             | 61,598,214           | 60,344,980    | 60,874,851    | 59,707,546    |
| Temporary Family Assistance - TANF                     | 102,478,267     | 90,077,812      | 89,936,233             | 79,609,273           | 79,607,523    | 70,131,712    | 70,131,712    |
| Emergency Assistance                                   | -               | -               | 1                      | 1                    | 1             | 1             | 1             |
| Food Stamp Training Expenses                           | 7,038           | 5,583           | 10,136                 | 9,832                | 9,832         | 9,832         | 9,832         |
| Healthy Start  | 1,352,463       | 1,186,026       | -                      | -                    | -             | -             | -             |
| DMHAS-Disproportionate Share                           | 108,935,000     | 108,935,000     | 108,935,000            | 108,935,000          | 108,935,000   | 108,935,000   | 108,935,000   |
| Connecticut Home Care Program                          | 43,113,894      | 43,537,058      | 40,190,000             | 39,180,000           | 37,930,000    | 42,090,000    | 46,530,000    |
| Human Resource Development-Hispanic Programs           | 945,739         | 839,539         | 798,748                | -                    | -             | 697,307       | 697,307       |
| Community Residential Services                         | -               | -               | 536,616,053            | 563,313,242          | 579,816,803   | 553,929,013   | 571,064,720   |
| Protective Services to the Elderly                     | 324,737         | 448,521         | 478,300                | 772,320              | 785,204       | -             | 785,204       |
| Safety Net Services                                    | 2,564,191       | 2,405,354       | 2,108,684              | -                    | -             | 1,840,882     | 1,840,882     |
| Transportation for Employment Independence Program     | 2,402,237       | -               | -                      | -                    | -             | -             | -             |
| Refunds Of Collections                                 | 98,987          | 87,301          | 97,628                 | 94,699               | 94,699        | 94,699        | 94,699        |
| Services for Persons With Disabilities                 | 535,807         | 486,105         | 477,130                | 370,253              | 370,253       | 370,253       | 370,253       |
| Care4Kids TANF/CCDF                                    | 5,000,000       | -               | -                      | -                    | -             | -             | -             |
| Nutrition Assistance                                   | 455,683         | 356,101         | 400,911                | 647,223              | 759,262       | 725,000       | 837,039       |
| Housing/Homeless Services                              | 5,210,676       | -               | -                      | -                    | -             | -             | -             |
| State Administered General Assistance                  | 22,702,018      | 22,449,707      | 22,816,579             | 20,411,807           | 20,267,722    | 19,431,557    | 19,334,722    |
| Connecticut Children's Medical Center                  | 25,579,200      | 13,963,390      | 13,048,630             | 12,657,171           | 12,657,171    | 11,391,454    | 10,125,737    |
| Community Services                                     | 825,272         | 952,322         | 1,004,208              | -                    | -             | 688,676       | 688,676       |
| Human Service Infrastructure Community Action Program  | 3,270,516       | 3,190,614       | 2,736,957              | 7,141,735            | 7,356,756     | 2,994,488     | 3,209,509     |

| Account  | Actual<br>FY 15      | Actual<br>FY 16      | Appropriation<br>FY 17 | Governor Recommended |                      | Legislative          |                      |
|--|----------------------|----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|
|  |                      |                      |                        | FY 18                | FY 19                | FY 18                | FY 19                |
| Teen Pregnancy Prevention  | 1,745,510            | 1,511,245            | 1,456,227              | -                    | -                    | 1,271,286            | 1,271,286            |
| Fatherhood Initiative  | 538,320              | -                    | -                      | -                    | -                    | -                    | -                    |
| Programs for Senior Citizens                                       | -                    | -                    | -                      | -                    | -                    | 7,895,383            | 7,895,383            |
| Family Programs - TANF   | -                    | 513,086              | 362,927                | -                    | -                    | 316,835              | 316,835              |
| Domestic Violence Shelters   | -                    | 5,158,570            | 5,158,570              | 5,149,758            | 5,198,406            | 5,304,514            | 5,353,162            |
| Hospital Supplemental<br>Payments                                  | -                    | -                    | 40,042,700             | -                    | -                    | 598,440,138          | 496,340,138          |
| <b>Grant Payments to Local Governments</b>                         |                      |                      |                        |                      |                      |                      |                      |
| Human Resource Development-<br>Hispanic Programs -<br>Municipality | 5,364                | 4,964                | 4,719                  | -                    | -                    | 4,120                | 4,120                |
| Teen Pregnancy Prevention -<br>Municipality                        | 130,935              | 118,778              | 114,876                | -                    | -                    | 100,287              | 100,287              |
| Community Services -<br>Municipality                               | 79,573               | 74,309               | 70,742                 | -                    | -                    | -                    | -                    |
| <b>Nonfunctional - Change to<br/>Accruals</b>                      | <b>(4,378,578)</b>   | -                    | -                      | -                    | -                    | -                    | -                    |
| <b>Agency Total - General Fund</b>                                 | <b>3,065,738,337</b> | <b>3,072,999,049</b> | <b>3,680,282,243</b>   | <b>3,954,466,081</b> | <b>4,057,383,469</b> | <b>4,368,200,357</b> | <b>4,335,128,463</b> |
| Family Programs - TANF   | -                    | 2,177,383            | 2,370,629              | -                    | -                    | -                    | -                    |
| <b>Agency Total - Special<br/>Transportation Fund</b>              | <b>-</b>             | <b>2,177,383</b>     | <b>2,370,629</b>       | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>             |
| Fall Prevention  | -                    | -                    | -                      | -                    | -                    | 376,023              | 376,023              |
| <b>Agency Total - Insurance Fund</b>                               | <b>-</b>             | <b>-</b>             | <b>-</b>               | <b>-</b>             | <b>-</b>             | <b>376,023</b>       | <b>376,023</b>       |
| <b>Total - Appropriated Funds</b>                                  | <b>3,065,738,337</b> | <b>3,075,176,432</b> | <b>3,682,652,872</b>   | <b>3,954,466,081</b> | <b>4,057,383,469</b> | <b>4,368,576,380</b> | <b>4,335,504,486</b> |
| <b>Additional Funds Available</b>                                  |                      |                      |                        |                      |                      |                      |                      |
| Carry Forward Funding  | -                    | -                    | -                      | -                    | -                    | 6,922,606            | -                    |
| Federal Funds  | -                    | 4,105,078,023        | 4,205,192,552          | 4,358,770,717        | 4,501,474,099        | 4,377,619,560        | 4,520,322,942        |
| Private Contributions & Other<br>Restricted                        | -                    | 330,227              | 364,608                | 364,608              | 364,608              | 364,608              | 364,608              |
| Private Contributions  | -                    | 2,361,650            | 2,677,753              | 1,516,065            | 1,543,586            | 1,519,065            | 1,546,586            |
| <b>Agency Grand Total</b>  | <b>3,065,738,337</b> | <b>7,182,946,332</b> | <b>7,890,887,785</b>   | <b>8,315,117,471</b> | <b>8,560,765,762</b> | <b>8,755,002,219</b> | <b>8,857,738,622</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Reduce Eligibility for Medicare Savings Program

|                             |                     |                     |                     |                     |                  |                     |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|------------------|---------------------|
| Other Expenses              | 150,000             | -                   | 150,000             | -                   | -                | -                   |
| Medicaid                    | (29,600,000)        | (39,500,000)        | (20,500,000)        | (61,500,000)        | 9,100,000        | (22,000,000)        |
| <b>Total - General Fund</b> | <b>(29,450,000)</b> | <b>(39,500,000)</b> | <b>(20,350,000)</b> | <b>(61,500,000)</b> | <b>9,100,000</b> | <b>(22,000,000)</b> |

#### Background

The federal Medicare Savings Program (MSP) consists of three separate components: the Qualified Medicare Beneficiary (QMB), the Specified Low-Income Beneficiary (SLMB), and the Qualified Individual (QI) (also known as the Additional Low-Income Medicare Beneficiary (ALMB)). The QI program is fully federally funded. To qualify, individuals must be enrolled in Medicare Part A. Program participants get help from the state's Medicaid program with their Medicare cost sharing. Under federal rules, impacted individuals on MSP can retain the "Extra Help" they are receiving to assist with Medicare Part D drug costs for the balance of 2017, allowing them to participate in the open enrollment period (October 15 - December 7, 2017) and to choose the Part D plan that best meets their needs effective January 1, 2018.

The CHOICES program is managed by the State Department on Aging through a partnership with the Center for Medicare Advocacy and Connecticut's Area Agencies on Aging. Certified counselors across the state provide objective, free person-centered assistance so Medicare recipients can make informed choices about their benefits.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Reduce funding by \$29.6 million in FY 18 and \$39.5 million in FY 19 in the Medicaid account to reflect reducing the income disregard used to determine eligibility to a range of \$352 to \$437 (the current disregard is between \$1,116 and \$1,502). The reduction will effectively reduce MSP eligibility from 211% to 246% FPL to between 135% and 170% FPL. The reduction is anticipated to impact 39,000 individuals; effective August 1, 2017. Impacted individuals will be responsible for Medicare Part B premiums, which are currently \$134 a month, and, for those enrolled in a QMB program, cost sharing requirements, which are estimated at \$111 a month. Total state savings (state and federal share) including revenue and adjustments is \$66.4 million in FY 18 and \$81.6 million in FY 19.

Funding of \$150,000 is provided in the Other Expenses account in FY 18 for the CHOICES program to assist individuals with transitioning.

**Legislative**

Reduce funding by \$20.5 million in FY 18 and \$61.5 million in FY 19 (with a corresponding revenue gain of \$33.4 million in FY 18 and \$68.5 million in FY 19) to reflect reducing income eligibility for the Medicare Savings Program (MSP) to the federal minimum. The reduction will effectively reduce MSP eligibility from 211% to 246%, to 100% to 135% FPL. The change could impact over 100,000 individuals; effective January 1, 2018. Sec. 50 of PA 17-2 JSS, the biennial budget act, is related to this change.

Funding of \$150,000 is provided in the Other Expenses account in FY 18 for the CHOICES program to assist individuals with transitioning.

**Reduce Medicaid to Achieve Savings**

|                             |   |   |                     |                     |                     |                     |
|-----------------------------|---|---|---------------------|---------------------|---------------------|---------------------|
| Medicaid                    | - | - | (26,830,000)        | (42,200,000)        | (26,830,000)        | (42,200,000)        |
| <b>Total - General Fund</b> | - | - | <b>(26,830,000)</b> | <b>(42,200,000)</b> | <b>(26,830,000)</b> | <b>(42,200,000)</b> |

**Legislative**

Reduce funding by \$26,830,000 in FY 18 and \$42,200,000 million in FY 19 in the Medicaid account to achieve savings.

**Reduce Income Eligibility for HUSKY A Adults**

|                             |                  |                     |                  |                     |          |          |
|-----------------------------|------------------|---------------------|------------------|---------------------|----------|----------|
| Medicaid                    | (500,000)        | (11,300,000)        | (500,000)        | (11,300,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(500,000)</b> | <b>(11,300,000)</b> | <b>(500,000)</b> | <b>(11,300,000)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$500,000 in FY 18 and \$11.3 million in FY 19 to reflect reducing income eligibility for HUSKY A adults from 155% FPL to 138% FPL. This is anticipated to impact approximately 400 individuals in FY 18 (effective August 2017) and an additional 8,800 individuals in FY 19 (effective August 2018). Total savings (both state and federal share) is estimated at \$1 million in FY 18 and \$22.6 million in FY 19. This does not impact pregnant women or children currently enrolled in HUSKY A.

**Legislative**

Same as Governor

**Adjust Funding for New Hospital Supplemental Payment Pools**

|                             |                   |                   |          |          |                     |                     |
|-----------------------------|-------------------|-------------------|----------|----------|---------------------|---------------------|
| Medicaid                    | 87,603,400        | 87,603,400        | -        | -        | (87,603,400)        | (87,603,400)        |
| <b>Total - General Fund</b> | <b>87,603,400</b> | <b>87,603,400</b> | <b>-</b> | <b>-</b> | <b>(87,603,400)</b> | <b>(87,603,400)</b> |

**Background**

The state currently provides general acute care hospitals with Medicaid supplemental payments based on the hospital's pro-rated share of total Medicaid inpatient net revenue, which is capped at \$50 million per hospital, for the purposes of determining the distribution of payments across eligible hospitals.

The proposal will provide Medicaid supplemental payments to all general acute care hospitals currently receiving supplemental payments, as well as specialty hospitals not eligible for the existing pool. These additional facilities include: Connecticut Children's Medical Center, Natchaug, Gaylord, Mount Sinai, Hospital for Special Care, Hebrew Home, and Connecticut Hospice. Total Medicaid revenue for these institutions is capped at \$15 million per facility, for the purposes of determining the distribution of payments across eligible hospitals

**Governor**

Provide funding of \$87,603,400 in both FY 18 and FY 19 to establish new hospital supplemental payment pools with payments distributed via the same distribution methodology as the existing inpatient supplemental payment pool. Total funding (state and federal share) is approximately \$250.3 million each year of the biennium; approximately \$239 million for general acute care hospitals and \$11.3 million for certain specialty hospitals. A separate proposal eliminates hospitals' existing exemption from municipal tax on real property.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Legislative

Maintain current supplemental pool and implement new hospital supplemental pools reflected in separate policy write-up pursuant to sections 11, 13-14 and 28 of PA 17-4 JSS.

### Eliminate Funding for Small Hospital Supplemental Pool

|                                |                    |                    |          |          |                  |                  |
|--------------------------------|--------------------|--------------------|----------|----------|------------------|------------------|
| Hospital Supplemental Payments | (3,863,673)        | (3,863,673)        | -        | -        | 3,863,673        | 3,863,673        |
| <b>Total - General Fund</b>    | <b>(3,863,673)</b> | <b>(3,863,673)</b> | <b>-</b> | <b>-</b> | <b>3,863,673</b> | <b>3,863,673</b> |

### Background

The FY 16 - FY 17 Budget included funding of approximately \$14.8 million (\$4.9 million state, \$9.9 million federal) for small independent hospitals under the following criteria: (1) have 180 or fewer beds, (2) are not part of a hospital group, and (3) are not located in contiguous towns with another hospital. Six hospitals initially met the criteria: Bristol, Charlotte Hungerford, Day Kimball, Griffin, Johnson Memorial and Milford. Under the Medicaid state plan amendment submitted to the Centers for Medicare and Medicaid Services (CMS), hospitals become ineligible for funding from the small hospital pool following the completion of a merger or affiliation with another hospital group or an increase in the number of licensed beds to greater than 180. In the event a hospital becomes ineligible, the funding the hospital would have received is not redistributed to the remaining eligible hospitals. Johnson Memorial's distribution of the small hospital pool was subsequently eliminated due to the hospital being acquired by Trinity Health - New England. The Revised FY 17 Budget reflected the roll-out of a 5% reduction from PA 15-1 DSS and an elimination of Johnson Memorial's allocation. The resulting pool is approximately \$11.8 million (approximately \$3.9 million state, \$7.9 million federal) (which includes a 1% holdback).

### Governor

Reduce funding by \$3,863,673 in both FY 18 and FY 19 to reflect elimination of the small hospital supplemental pool.

### Legislative

Maintain funding for current supplemental pool.

### Transfer Hospital Supplemental Funding to Medicaid Account

|                                |              |              |          |          |              |              |
|--------------------------------|--------------|--------------|----------|----------|--------------|--------------|
| Medicaid                       | 35,778,600   | 35,778,600   | -        | -        | (35,778,600) | (35,778,600) |
| Hospital Supplemental Payments | (35,778,600) | (35,778,600) | -        | -        | 35,778,600   | 35,778,600   |
| <b>Total - General Fund</b>    | <b>-</b>     | <b>-</b>     | <b>-</b> | <b>-</b> | <b>-</b>     | <b>-</b>     |

### Background

The Revised FY 17 Budget appropriated hospital inpatient supplemental payments, previously funded out of the Medicaid account into a separate account, the Hospital Supplemental Payments account.

### Governor

Transfer funding of \$35,778,600 in both FY 18 and FY 19 from the Hospital Supplemental Payments account to the Medicaid account. Funding in the Medicaid account is maintained at the FY 17 level.

### Legislative

Maintain hospital supplemental funding in the Hospital Supplemental Payments account.

### Provide Funding for Increased Hospital Payments

|                                |          |          |                    |                    |                    |                    |
|--------------------------------|----------|----------|--------------------|--------------------|--------------------|--------------------|
| Medicaid                       | -        | -        | 24,400,000         | 58,400,000         | 24,400,000         | 58,400,000         |
| Hospital Supplemental Payments | -        | -        | 561,800,000        | 459,700,000        | 561,800,000        | 459,700,000        |
| <b>Total - General Fund</b>    | <b>-</b> | <b>-</b> | <b>586,200,000</b> | <b>518,100,000</b> | <b>586,200,000</b> | <b>518,100,000</b> |

### Legislative

Provide funding of \$24.4 million in FY 18 and \$58.4 million in FY 19 for Medicaid provider rate increases effective January 1, 2018, which results in an increase of \$73 million in FY 18 and \$175.1 million in FY 19 after accounting for the federal match. Section 12 of PA 17-4 JSS implements the rate increase.

Provide funding of \$561.8 million in FY 18 and \$459.7 million in FY 19 for Hospital Supplemental Payments which reflects the state and federal share of hospital supplemental payments. Sections 11, 13-14 and 28 of PA 17-4 JSS implement the supplemental payment pools.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Provide Additional Small Hospital Funding

|                                |          |          |                  |                  |                  |                  |
|--------------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Hospital Supplemental Payments | -        | -        | 1,000,000        | 1,000,000        | 1,000,000        | 1,000,000        |
| <b>Total - General Fund</b>    | <b>-</b> | <b>-</b> | <b>1,000,000</b> | <b>1,000,000</b> | <b>1,000,000</b> | <b>1,000,000</b> |

#### Legislative

Provide \$1 million in both FY 18 and FY 19 for the Small Hospital Supplemental Payment Pool, after accounting for federal reimbursement, the total supplemental pool for small hospitals in both FY 18 and FY 19 is \$12.8 million. Sections 11, 13-14 and 28 of PA 17-4 JSS are related to the hospital supplemental payments, including the small hospital pool.

### Supplemental Physician Rate to Dempsey

|                             |          |          |                  |                  |                  |                  |
|-----------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Medicaid                    | -        | -        | 3,200,000        | 3,200,000        | 3,200,000        | 3,200,000        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>3,200,000</b> | <b>3,200,000</b> | <b>3,200,000</b> | <b>3,200,000</b> |

#### Background

Effective for dates of service on or after July 1, 2017, DSS will make supplemental payments to the state-owned and operated University of Connecticut (UConn) Health Center's Physician Group for services provided by physicians employed or under contract to UConn. Supplemental payments will be made to UConn's physician group for eligible services for the difference, if any, between Medicaid payments already made to these providers and payments at applicable Medicare rates.

#### Legislative

Provide funding of \$3.2 million in both FY 18 and FY 19 to support a supplemental physician rate.

### Reduce Enhanced Reimbursement for Primary Care Providers

|                             |          |          |                    |                    |                    |                    |
|-----------------------------|----------|----------|--------------------|--------------------|--------------------|--------------------|
| Medicaid                    | -        | -        | (2,750,000)        | (3,800,000)        | (2,750,000)        | (3,800,000)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>(2,750,000)</b> | <b>(3,800,000)</b> | <b>(2,750,000)</b> | <b>(3,800,000)</b> |

#### Legislative

Reduce funding by \$2,750,000 in FY 18 and \$3,800,000 in FY 19 to reflect a reduction in the reimbursement rate for primary care providers.

### Cap Annual Benefit Amount for Medicaid Adult Dental Services

|                             |                    |                    |                    |                    |          |          |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Medicaid                    | (2,000,000)        | (2,500,000)        | (2,000,000)        | (2,500,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(2,000,000)</b> | <b>(2,500,000)</b> | <b>(2,000,000)</b> | <b>(2,500,000)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding by \$2 million in FY 18 and \$2.5 million in FY 19 to reflect establishing an annual dental benefit of \$1,000 for Medicaid adults. This change will reduce total Medicaid expenditures (both the state and federal share) by \$6.4 million in FY 18 and \$7.9 million in FY 19 and is anticipated to impact approximately 16,200 Medicaid enrollees or 2.2% of the total average membership in FY 16. The cap does not apply to denture related costs and other services determined to be medically necessary.

#### Legislative

Same as Governor. Section 49 of PA 17-2 JSS, the biennial budget act, implements this change.

### Reduce Home Health Add-On Services

|                             |          |          |                    |                    |                    |                    |
|-----------------------------|----------|----------|--------------------|--------------------|--------------------|--------------------|
| Medicaid                    | -        | -        | (2,100,000)        | (1,700,000)        | (2,100,000)        | (1,700,000)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>(2,100,000)</b> | <b>(1,700,000)</b> | <b>(2,100,000)</b> | <b>(1,700,000)</b> |

#### Legislative

Reduce funding by \$2.1 million in FY 18 and \$1.7 million in FY 19 to reflect the elimination of enhanced reimbursement rates for certain home health services. Sections 558-572 of PA 17-2 JSS, the biennial budget act, are related to this change.

### Adjust Funding for Personal Needs Allowance

|                             |                    |                    |          |          |                  |                  |
|-----------------------------|--------------------|--------------------|----------|----------|------------------|------------------|
| Medicaid                    | (1,000,000)        | (1,100,000)        | -        | -        | 1,000,000        | 1,100,000        |
| <b>Total - General Fund</b> | <b>(1,000,000)</b> | <b>(1,100,000)</b> | <b>-</b> | <b>-</b> | <b>1,000,000</b> | <b>1,100,000</b> |

#### Background

Social Security and other income received by residents of long-term care facilities are applied towards the cost of care, except for a monthly personal needs allowance (PNA). The PNA is used for such things as clothing, a personal phone, entertainment outside of the facility, etc. Prior to FY 11 the PNA was increased annually each July 1 by an amount equal to the inflation adjustment in Social Security Income. PA 11-44 eliminated the annual increases. The current PNA is \$60 per month. The federal minimum is \$30 per month.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Reduce funding by \$1 million in FY 18 and \$1.1 million in FY 19 to reflect reducing the PNA from \$60 to \$50 per month. The total state impact, including the federal share, is \$2 million in FY 18 and \$2.2 million in FY 19.

**Legislative**

Maintain funding to reflect the current PNA of \$60 per month.

**Adjust Funding for Medicare Part D Copay**

|                             |                 |                 |          |          |               |               |
|-----------------------------|-----------------|-----------------|----------|----------|---------------|---------------|
| Medicaid                    | (80,000)        | (90,000)        | -        | -        | 80,000        | 90,000        |
| <b>Total - General Fund</b> | <b>(80,000)</b> | <b>(90,000)</b> | <b>-</b> | <b>-</b> | <b>80,000</b> | <b>90,000</b> |

**Background**

Section 43 of PA 16-3 MSS, established a maximum copay of \$17 per month for Medicare Part D prescription drugs for certain dually-eligible beneficiaries (those clients eligible for both Medicare and Medicaid), and made the Department of Social Services responsible for any copayments exceeding the cap.

**Governor**

Eliminate funding of \$80,000 in FY 18 and \$90,000 in FY 19 to reflect elimination of the copay cap for dually-eligible individuals.

**Legislative**

Maintain funding to reflect the current copay cap of \$17 per month.

**Reduce Excess Capacity in Nursing Homes**

|                             |          |          |          |                  |          |                  |
|-----------------------------|----------|----------|----------|------------------|----------|------------------|
| Medicaid                    | -        | -        | -        | (800,000)        | -        | (800,000)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>(800,000)</b> | <b>-</b> | <b>(800,000)</b> |

**Legislative**

Reduce funding by \$800,000 in FY 19 associated with reducing excess capacity in nursing homes.

**Support Nursing Homes in Receivership**

|                             |          |          |                  |                  |                  |                  |
|-----------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Medicaid                    | -        | -        | 2,400,000        | 2,400,000        | 2,400,000        | 2,400,000        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>2,400,000</b> | <b>2,400,000</b> | <b>2,400,000</b> | <b>2,400,000</b> |

**Legislative**

Provide funding of \$2.4 million in both FY 18 and FY 19 to support certain nursing homes in receivership.

**Claim Medicaid Reimbursement for DDS Specialized Services**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Medicaid                    | 1,100,000        | 1,600,000        | 1,100,000        | 1,600,000        | -        | -        |
| <b>Total - General Fund</b> | <b>1,100,000</b> | <b>1,600,000</b> | <b>1,100,000</b> | <b>1,600,000</b> | <b>-</b> | <b>-</b> |

**Governor**

Transfer funding of \$1.1 million in FY 18 and \$1.6 million in FY 19 from the Department of Development Services (DDS) to claim federal reimbursement for specialized nursing home services currently provided with state funds (\$2.7 million).

**Legislative**

Same as Governor

**Eliminate Rate Increases**

|                             |                     |                     |                     |                     |          |          |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|----------|----------|
| Medicaid                    | (28,360,000)        | (44,760,000)        | (28,360,000)        | (44,760,000)        | -        | -        |
| Old Age Assistance          | (593,565)           | (1,196,545)         | (593,565)           | (1,196,545)         | -        | -        |
| Aid To The Blind            | (9,763)             | (20,257)            | (9,763)             | (20,257)            | -        | -        |
| Aid To The Disabled         | (875,650)           | (1,774,093)         | (875,650)           | (1,774,093)         | -        | -        |
| <b>Total - General Fund</b> | <b>(29,838,978)</b> | <b>(47,750,895)</b> | <b>(29,838,978)</b> | <b>(47,750,895)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$29,838,978 in FY 18 and \$47,750,895 in FY 19 to reflect the elimination of rate increases for nursing homes, intermediate care facilities and boarding homes.

**Legislative**

Same as Governor. Sections 41-47 of PA 17-2 JSS, the biennial budget act, implement the policy.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Suspend Funding for Cost of Living Adjustments**

|                                       |                    |                    |                    |                    |          |          |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Old Age Assistance                    | (84,159)           | (248,576)          | (84,159)           | (248,576)          | -        | -        |
| Aid To The Blind                      | (660)              | (1,808)            | (660)              | (1,808)            | -        | -        |
| Aid To The Disabled                   | (176,408)          | (500,558)          | (176,408)          | (500,558)          | -        | -        |
| Temporary Family Assistance - TANF    | (1,035,171)        | (3,051,763)        | (1,035,171)        | (3,051,763)        | -        | -        |
| State Administered General Assistance | (232,268)          | (681,036)          | (232,268)          | (681,036)          | -        | -        |
| <b>Total - General Fund</b>           | <b>(1,528,666)</b> | <b>(4,483,741)</b> | <b>(1,528,666)</b> | <b>(4,483,741)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$1,528,666 in FY 18 and \$4,483,741 in FY 19 to reflect suspending cost of living adjustments (COLA) for the following programs: Old Age Assistance, Aid to the Blind, Aid to the Disabled, Temporary Family Assistance, and State Administered General Assistance.

**Legislative**

Same as Governor. Sections 40 and 569 of PA 17-2 JSS, the biennial budget act, are related to this change.

**Eliminate COLA Pass Through for State Supplemental Accounts**

|                             |                    |                    |                    |                    |          |          |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Old Age Assistance          | (385,000)          | (838,000)          | (385,000)          | (838,000)          | -        | -        |
| Aid To The Blind            | (5,000)            | (10,000)           | (5,000)            | (10,000)           | -        | -        |
| Aid To The Disabled         | (826,000)          | (1,749,000)        | (826,000)          | (1,749,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(1,216,000)</b> | <b>(2,597,000)</b> | <b>(1,216,000)</b> | <b>(2,597,000)</b> | <b>-</b> | <b>-</b> |

**Background**

Currently, any cost of living adjustments (COLA) received as part of a client's Social Security benefit are retained by a client without a concurrent reduction in their state benefit. In the past, any COLA received was considered an increase in income and applied to the client's cost of care. This includes clients with support from the following state supplemental accounts: Old Age Assistance, Aid to the Blind, and Aid to the Disabled.

**Governor**

Reduce funding by \$1,216,000 in FY 18 and \$2,597,000 in FY 19 to reflect reinstating the state's prior policy of applying any federal COLA to offset the cost of care.

**Legislative**

Same as Governor. Section 569 of PA 17-2 JSS, the biennial budget act, is related to this change.

**Reflect Savings due to Licensure of Urgent Care Centers**

|                             |          |          |                  |                  |                  |                  |
|-----------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Medicaid                    | -        | -        | (200,000)        | (800,000)        | (200,000)        | (800,000)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>(200,000)</b> | <b>(800,000)</b> | <b>(200,000)</b> | <b>(800,000)</b> |

**Legislative**

Reduce funding by \$200,000 in FY 18 and \$800,000 in FY 19 to reflect savings associated with the licensure of urgent care centers. Sections 674-675 of PA 17-2 JSS, the biennial budget act, are related to this initiative.

**Reduce Funding for CCMC**

|                                       |          |          |                    |                    |                    |                    |
|---------------------------------------|----------|----------|--------------------|--------------------|--------------------|--------------------|
| Connecticut Children's Medical Center | -        | -        | (1,265,717)        | (2,531,434)        | (1,265,717)        | (2,531,434)        |
| <b>Total - General Fund</b>           | <b>-</b> | <b>-</b> | <b>(1,265,717)</b> | <b>(2,531,434)</b> | <b>(1,265,717)</b> | <b>(2,531,434)</b> |

**Legislative**

Reduce funding by \$1,265,717 in FY 18 and \$2,531,434 in FY 19 for the Connecticut Children's Medical Center to achieve savings.

**Adjust Funding for CHCPE Category 1**

|                               |                    |                    |          |          |                  |                  |
|-------------------------------|--------------------|--------------------|----------|----------|------------------|------------------|
| Connecticut Home Care Program | (2,180,000)        | (6,290,000)        | -        | -        | 2,180,000        | 6,290,000        |
| <b>Total - General Fund</b>   | <b>(2,180,000)</b> | <b>(6,290,000)</b> | <b>-</b> | <b>-</b> | <b>2,180,000</b> | <b>6,290,000</b> |

**Background**

PA 15-5 closed Category 1 of the Connecticut Home Care Program for Elders (CHCPE) to new applicants in FY 16 and FY 17.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Reduce funding by \$2,180,000 in FY 18 and \$6,290,000 in FY 19 to reflect continuing to freeze intake to Category 1 under the state-funded home care program. This change assumes the denial of 25 individuals per month in FY 18 and 15 per month in FY 19 at an average monthly cost of \$825 per person.

**Legislative**

Maintain funding to support Category 1 participants.

**Adjust Funding for CHCPE Category 2**

|                               |                  |                    |          |          |                |                  |
|-------------------------------|------------------|--------------------|----------|----------|----------------|------------------|
| Connecticut Home Care Program | (730,000)        | (2,310,000)        | -        | -        | 730,000        | 2,310,000        |
| <b>Total - General Fund</b>   | <b>(730,000)</b> | <b>(2,310,000)</b> | <b>-</b> | <b>-</b> | <b>730,000</b> | <b>2,310,000</b> |

**Governor**

Reduce funding by \$730,000 in FY 18 and \$2,310,000 in FY 19 to reflect limiting intake to Category 2 under the state-funded home care program to June 2017 levels. This change assumes denying 10 individuals per month at an average monthly cost of \$1,100 per person.

**Legislative**

Maintain funding to support Category 2 participants.

**Transfer Funds from DDS to Reflect Unit Closure**

|                                |                |                |          |          |                  |                  |
|--------------------------------|----------------|----------------|----------|----------|------------------|------------------|
| Community Residential Services | 900,000        | 900,000        | -        | -        | (900,000)        | (900,000)        |
| <b>Total - General Fund</b>    | <b>900,000</b> | <b>900,000</b> | <b>-</b> | <b>-</b> | <b>(900,000)</b> | <b>(900,000)</b> |

**Background**

The Transitional Unit on the Meriden Regional Center Campus currently serves two individuals under court-ordered placements. The DDS budget no longer includes closing the Transitional Unit and to provide for existing consumers through private providers, which are funded through the Community Residential Services account in DSS.

**Governor**

Provide funding of \$900,000 in both FY 18 and FY 19 in the Community Residential Services account to support individuals from the Transitional Unit through private providers.

**Legislative**

Maintain the Transitional Unit and do not convert services for existing consumers to private providers.

**Reduce Burial Benefit**

|                                       |                  |                  |          |          |                |                |
|---------------------------------------|------------------|------------------|----------|----------|----------------|----------------|
| Old Age Assistance                    | (13,750)         | (15,000)         | -        | -        | 13,750         | 15,000         |
| Aid To The Disabled                   | (27,500)         | (30,000)         | -        | -        | 27,500         | 30,000         |
| Temporary Family Assistance - TANF    | (19,250)         | (21,000)         | -        | -        | 19,250         | 21,000         |
| State Administered General Assistance | (519,750)        | (567,000)        | -        | -        | 519,750        | 567,000        |
| <b>Total - General Fund</b>           | <b>(580,250)</b> | <b>(633,000)</b> | <b>-</b> | <b>-</b> | <b>580,250</b> | <b>633,000</b> |

**Background**

The Department of Social Services provides up to \$1,200 for funeral and burial expenses of indigent persons who pass away without the ability to pay for the cost of a funeral and burial. Sections 44 and 45 of PA 16-3 MSS reduced the burial benefit under the State Administered General Assistance, State Supplemental and Temporary Family Assistance programs from \$1,400 to \$1,200.

**Governor**

Reduce funding by \$580,250 in FY 18 and \$633,000 in FY 19 to reflect reducing the burial benefit from \$1,200 to \$900 for funeral, burial and cremation expenses.

**Legislative**

Maintain funding to reflect the current burial benefit of \$1,200.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Reallocate & Reduce Funding for New HSI Account**

|   |                    |                    |                  |                  |                |                |
|---|--------------------|--------------------|------------------|------------------|----------------|----------------|
| Human Resource Development-Hispanic Programs                | (774,786)          | (774,786)          | (77,479)         | (77,479)         | 697,307        | 697,307        |
| Safety Net Services   | (2,045,424)        | (2,045,424)        | (204,542)        | (204,542)        | 1,840,882      | 1,840,882      |
| Community Services  | (765,196)          | (765,196)          | (76,520)         | (76,520)         | 688,676        | 688,676        |
| Human Service Infrastructure Community Action Program       | 3,841,825          | 3,841,825          | (265,485)        | (265,485)        | (4,107,310)    | (4,107,310)    |
| Teen Pregnancy Prevention                                   | (1,412,540)        | (1,412,540)        | (141,254)        | (141,254)        | 1,271,286      | 1,271,286      |
| Family Programs - TANF                                      | (352,039)          | (352,039)          | (35,204)         | (35,204)         | 316,835        | 316,835        |
| Human Resource Development-Hispanic Programs - Municipality | (4,578)            | (4,578)            | (458)            | (458)            | 4,120          | 4,120          |
| Teen Pregnancy Prevention - Municipality                    | (111,430)          | (111,430)          | (11,143)         | (11,143)         | 100,287        | 100,287        |
| <b>Total - General Fund</b>                                 | <b>(1,624,168)</b> | <b>(1,624,168)</b> | <b>(812,085)</b> | <b>(812,085)</b> | <b>812,083</b> | <b>812,083</b> |

**Governor**

Reallocate funding for various programs to the Human Service Infrastructure Community Action Program account, and reduce funding by \$1,624,168 in both FY 18 and FY 19.

**Legislative**

Maintain current funding structure and reduce funding by \$812,085 in both FY 18 and FY 19 to reflect a 10% reduction to community programs.

**Eliminate Funding for State-Funded SNAP**

|  |          |          |                  |                 |                  |                 |
|--|----------|----------|------------------|-----------------|------------------|-----------------|
| State-Funded Supplemental Nutrition Assistance Program | -        | -        | (155,611)        | (72,021)        | (155,611)        | (72,021)        |
| <b>Total - General Fund</b>                            | <b>-</b> | <b>-</b> | <b>(155,611)</b> | <b>(72,021)</b> | <b>(155,611)</b> | <b>(72,021)</b> |

**Background**

The State Funded Supplemental Nutrition Assistance Program (SNAP), provides state-funded benefits for documented non-citizen adults who are not eligible for the federal SNAP, formerly known as the Food Stamp program, solely because of their citizenship status. Benefit levels under the state-funded program are equal to 75% of what the individual would have received under the federal program. After an eligible non-citizen is in the country for five years, they are eligible for benefits under the federal SNAP.

**Legislative**

Eliminate funding of \$155,611 in FY 18 and \$72,021 in FY 19 to reflect the elimination of state-funded SNAP.

**Eliminate Funding for HUSKY Performance Monitoring Account**

|                              |                  |                  |                  |                  |          |          |
|------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| HUSKY Performance Monitoring | (109,119)        | (109,119)        | (109,119)        | (109,119)        | -        | -        |
| <b>Total - General Fund</b>  | <b>(109,119)</b> | <b>(109,119)</b> | <b>(109,119)</b> | <b>(109,119)</b> | <b>-</b> | <b>-</b> |

**Background**

The HUSKY Performance monitoring account funded a contract to provide analysis of trends in HUSKY enrollment, access to care and utilization of services. This level of program analysis is currently provided by the state Medicaid program's administrative services organization (ASO). The contractor funded through this account terminated their services in FY 17.

**Governor**

Eliminate funding of \$109,119 in both FY 18 and FY 19 for the HUSKY Performance Monitoring account.

**Legislative**

Same as Governor

**Achieve Efficiencies in Other Expenses**

|                             |          |          |                  |                  |                  |                  |
|-----------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Other Expenses              | -        | -        | (302,800)        | (605,600)        | (302,800)        | (605,600)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>(302,800)</b> | <b>(605,600)</b> | <b>(302,800)</b> | <b>(605,600)</b> |

**Legislative**

Reduce funding by \$302,800 in FY 18 and \$605,600 in FY 19 in the Other Expenses account to achieve efficiencies.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Reduce Funding for Various Programs

|  |                  |                  |                 |                 |               |               |
|--|------------------|------------------|-----------------|-----------------|---------------|---------------|
| Services for Persons With Disabilities | (92,563)         | (92,563)         | (92,563)        | (92,563)        | -             | -             |
| Nutrition Assistance                   | (77,777)         | (77,777)         | -               | -               | 77,777        | 77,777        |
| <b>Total - General Fund</b>            | <b>(170,340)</b> | <b>(170,340)</b> | <b>(92,563)</b> | <b>(92,563)</b> | <b>77,777</b> | <b>77,777</b> |

#### Background

The Nutrition Assistance account provides funding for nutritional assistance to needy families and individuals through food pantries, outreach activities, and the Connecticut Food Bank, which provides high protein foods to food banks, food pantries and soup kitchens statewide.

The Services for the Disabled account includes funding for the following programs: Gaylord Farms Rehab Center, Brain Injury Alliance of CT, and Ability Beyond Disability.

#### Governor

Reduce funding by \$92,563 in both FY 18 and FY 19 for Services for Persons with Disabilities program. Reduce funding by \$77,777 in both FY 18 and FY 19 for the Nutrition Assistance program.

#### Legislative

Reduce funding by \$92,563 in both FY 18 and FY19 for Services for Persons with Disabilities. Maintain funding for Nutrition Assistance.

### Annualize FY 17 Rescissions

|   |          |          |                     |                     |                     |                     |
|---|----------|----------|---------------------|---------------------|---------------------|---------------------|
| Other Expenses  | -        | -        | (4,855,238)         | (4,855,238)         | (4,855,238)         | (4,855,238)         |
| Temporary Family Assistance - TANF                    | -        | -        | (4,496,811)         | (4,496,811)         | (4,496,811)         | (4,496,811)         |
| Human Service Infrastructure Community Action Program | -        | -        | (39,937)            | (39,937)            | (39,937)            | (39,937)            |
| Hospital Supplemental Payments                        | -        | -        | (2,002,135)         | (2,002,135)         | (2,002,135)         | (2,002,135)         |
| <b>Total - General Fund</b>                           | <b>-</b> | <b>-</b> | <b>(11,394,121)</b> | <b>(11,394,121)</b> | <b>(11,394,121)</b> | <b>(11,394,121)</b> |

#### Background

The Governor implemented General Fund rescissions totaling \$70.5 million across state agencies.

#### Legislative

Reduce funding by \$11,394,121 in both FY 18 and FY 19 to reflect the rollout of the Governor's FY 17 rescissions.

### Reduce Funding Based on FY 17 Expenditure Trends

|                                       |          |          |                     |                     |                     |                     |
|---------------------------------------|----------|----------|---------------------|---------------------|---------------------|---------------------|
| Medicaid                              | -        | -        | (32,200,000)        | (51,125,000)        | (32,200,000)        | (51,125,000)        |
| Temporary Family Assistance - TANF    | -        | -        | (5,000,000)         | (5,000,000)         | (5,000,000)         | (5,000,000)         |
| State Administered General Assistance | -        | -        | (1,000,000)         | (1,000,000)         | (1,000,000)         | (1,000,000)         |
| Hospital Supplemental Payments        | -        | -        | (2,000,000)         | (2,000,000)         | (2,000,000)         | (2,000,000)         |
| <b>Total - General Fund</b>           | <b>-</b> | <b>-</b> | <b>(40,200,000)</b> | <b>(59,125,000)</b> | <b>(40,200,000)</b> | <b>(59,125,000)</b> |

#### Legislative

Reduce funding by \$40,200,000 in FY 18 and \$59,125,000 in FY 19 in various accounts to reflect expenditure trends.

### Annualize FY 17 Holdbacks

|  |             |             |             |             |   |   |
|--|-------------|-------------|-------------|-------------|---|---|
| Personal Services                                      | (1,152,467) | (1,152,467) | (1,152,467) | (1,152,467) | - | - |
| Other Expenses   | (1,445,024) | (1,445,024) | (1,445,024) | (1,445,024) | - | - |
| HUSKY Performance Monitoring                           | (49,024)    | (49,024)    | (49,024)    | (49,024)    | - | - |
| Genetic Tests in Paternity Actions                     | (2,533)     | (2,533)     | (2,533)     | (2,533)     | - | - |
| State-Funded Supplemental Nutrition Assistance Program | (150,824)   | (150,824)   | (150,824)   | (150,824)   | - | - |
| Food Stamp Training Expenses                           | (304)       | (304)       | (304)       | (304)       | - | - |
| Human Resource Development-Hispanic Programs           | (23,962)    | (23,962)    | (23,962)    | (23,962)    | - | - |
| Safety Net Services                                    | (63,260)    | (63,260)    | (63,260)    | (63,260)    | - | - |
| Refunds Of Collections                                 | (2,929)     | (2,929)     | (2,929)     | (2,929)     | - | - |

| Account   | Governor Recommended |                    | Legislative        |                    | Difference from Governor |                |
|---|----------------------|--------------------|--------------------|--------------------|--------------------------|----------------|
|   | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19          |
| Services for Persons With Disabilities                      | (14,314)             | (14,314)           | (14,314)           | (14,314)           | -                        | -              |
| Nutrition Assistance  | (12,027)             | (12,027)           | (12,027)           | (12,027)           | -                        | -              |
| Connecticut Children's Medical Center                       | (391,459)            | (391,459)          | (391,459)          | (391,459)          | -                        | -              |
| Community Services  | (239,012)            | (239,012)          | (239,012)          | (239,012)          | -                        | -              |
| Human Service Infrastructure Community Action Program       | (82,108)             | (82,108)           | (82,108)           | (82,108)           | -                        | -              |
| Teen Pregnancy Prevention                                   | (43,687)             | (43,687)           | (43,687)           | (43,687)           | -                        | -              |
| Family Programs - TANF                                      | (10,888)             | (10,888)           | (10,888)           | (10,888)           | -                        | -              |
| Domestic Violence Shelters                                  | (154,756)            | (154,756)          | -                  | -                  | 154,756                  | 154,756        |
| Hospital Supplemental Payments                              | (400,427)            | (400,427)          | (400,427)          | (400,427)          | -                        | -              |
| Human Resource Development-Hispanic Programs - Municipality | (141)                | (141)              | (141)              | (141)              | -                        | -              |
| Teen Pregnancy Prevention - Municipality                    | (3,446)              | (3,446)            | (3,446)            | (3,446)            | -                        | -              |
| Community Services - Municipality                           | (70,742)             | (70,742)           | (70,742)           | (70,742)           | -                        | -              |
| <b>Total - General Fund</b>                                 | <b>(4,313,334)</b>   | <b>(4,313,334)</b> | <b>(4,158,578)</b> | <b>(4,158,578)</b> | <b>154,756</b>           | <b>154,756</b> |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of the FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

**Governor**

Reduce funding by \$4,313,334 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

**Legislative**

Reduce funding by \$4,158,578 in both FY 18 and FY 19 to annualize FY 17 holdbacks. Funding for Domestic Violence Shelters is maintained.

**Transfer State Dept. of Aging to DSS**

|                                 |          |          |                  |                  |                  |                  |
|---------------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Personal Services               | -        | -        | 1,922,031        | 1,922,031        | 1,922,031        | 1,922,031        |
| Other Expenses                  | -        | -        | 113,357          | 113,357          | 113,357          | 113,357          |
| Programs for Senior Citizens    | -        | -        | 7,895,383        | 7,895,383        | 7,895,383        | 7,895,383        |
| <b>Total - General Fund</b>     | <b>-</b> | <b>-</b> | <b>9,930,771</b> | <b>9,930,771</b> | <b>9,930,771</b> | <b>9,930,771</b> |
| <b>Positions - General Fund</b> | <b>-</b> | <b>-</b> | <b>23</b>        | <b>23</b>        | <b>23</b>        | <b>23</b>        |
| Fall Prevention                 | -        | -        | 376,023          | 376,023          | 376,023          | 376,023          |
| <b>Total - Insurance Fund</b>   | <b>-</b> | <b>-</b> | <b>376,023</b>   | <b>376,023</b>   | <b>376,023</b>   | <b>376,023</b>   |

**Legislative**

Transfer funding of \$9,930,771 and 23 positions in the General Fund and \$376,023 in the Insurance Fund in both FY 18 and FY 19 to reflect the transfer of the State Department of Aging to the Department of Social Services. Sections 278-319 and 732 of PA 17-2 JSS, the biennial budget act, are related to the transfer.

**Transfer Medicaid Birth to Three Funding from OEC**

|                                 |                   |                   |                  |                  |                     |                     |
|---------------------------------|-------------------|-------------------|------------------|------------------|---------------------|---------------------|
| Personal Services               | 529,169           | 529,169           | -                | -                | (529,169)           | (529,169)           |
| Birth to Three                  | 14,186,804        | 14,186,804        | -                | -                | (14,186,804)        | (14,186,804)        |
| Medicaid                        | 5,250,000         | 5,250,000         | 5,250,000        | 5,250,000        | -                   | -                   |
| <b>Total - General Fund</b>     | <b>19,965,973</b> | <b>19,965,973</b> | <b>5,250,000</b> | <b>5,250,000</b> | <b>(14,715,973)</b> | <b>(14,715,973)</b> |
| <b>Positions - General Fund</b> | <b>5</b>          | <b>5</b>          | <b>-</b>         | <b>-</b>         | <b>(5)</b>          | <b>(5)</b>          |

**Governor**

Transfer funding of \$19,965,973 in both FY 18 and FY 19 to reflect the transfer of the Birth to Three program from the Office of Early Childhood (OEC) to the Department of Social Services (DSS). Funding reflects program staff, provider contracts, as well as Medicaid-related service funding. Total funding of \$25,215,973 is transferred out of Birth to Three, while \$20 million is transferred into DSS due to the net appropriation of the Medicaid account (the transfer shows Medicaid funding of \$5.25 million transferred into the DSS General Fund account, while full Medicaid funding of \$10.5 million will be distributed to providers).

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Transfer funding of \$5,250,000 in both FY 18 and FY 19 from the Office of Early Childhood (OEC) to reflect Medicaid related Birth to Three funding in the DSS Medicaid account. Due to net budgeting, the OEC budget reflects a transfer of \$10.5 million (the full cost) in both years.

**Transfer Transportation to Work Funding to DOT**

|  |                    |                    |                    |                    |          |          |
|--|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Family Programs - TANF                     | (2,370,629)        | (2,370,629)        | (2,370,629)        | (2,370,629)        | -        | -        |
| <b>Total - Special Transportation Fund</b> | <b>(2,370,629)</b> | <b>(2,370,629)</b> | <b>(2,370,629)</b> | <b>(2,370,629)</b> | <b>-</b> | <b>-</b> |

**Governor**

Transfer funding of \$2,370,629 in both FY 18 and FY 19 to reflect transferring the Transportation to Work program to the Department of Transportation, who currently administers the program.

**Legislative**

Same as Governor

**Provide TANF/SSBG Funding to CCDF**

|                              |                  |                  |                  |                  |          |          |
|------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Nutrition Assistance         | 336,116          | 448,155          | 336,116          | 448,155          | -        | -        |
| Human Service Infrastructure | 1,350,717        | 1,800,956        | 1,350,717        | 1,800,956        | -        | -        |
| Community Action Program     |                  |                  |                  |                  |          |          |
| Domestic Violence Shelters   | 145,944          | 194,592          | 145,944          | 194,592          | -        | -        |
| <b>Total - General Fund</b>  | <b>1,832,777</b> | <b>2,443,703</b> | <b>1,832,777</b> | <b>2,443,703</b> | <b>-</b> | <b>-</b> |

**Background**

Connecticut receives \$266.8 million per year under the Temporary Assistance for Needy Families (TANF) block grant and transfers 10% of this amount to the Social Services Block Grant (SSBG). Currently, SSBG/TANF funding is allocated to the Departments of Social Services (DSS), Housing (DOH), and Children and Families (DCF), as well as the Office of Early Childhood (OEC). The accounting period for the federal government begins on October 1 and ends on September 30.

**Governor**

Shift SSBG/TANF funding of \$7,735,567 in FY 18 and \$10,314,089 in FY 19 from the current SSBG/TANF recipient agencies (DSS, DOH and DCF) to the Child Care and Development Fund (CCDF) under OEC. This shift will have no net impact on revenue, or General Fund appropriations, and will not result in any reduction in services. Provide General Fund support to the former SSBG/TANF recipient agencies of \$7,735,567 in FY 18 and \$10,314,089 in FY 19 and decrease OEC General Fund support by equal amounts. This includes funding of \$1,832,777 (partial year due to federal accounting period) and \$2,443,703 (full-year) to DSS. (See the General Fund accounts in the table below for further detail.) The purpose of this shift is to simplify administrative activities related to provision of block grant-funded services for all agencies involved.

**General Fund Appropriations Related to SSBG/TANF Shift**

| Agency                              | FY 18       | FY 19        |
|-------------------------------------|-------------|--------------|
| Department of Housing               | 3,495,579   | 4,660,772    |
| Department of Social Services       | 1,832,777   | 2,443,703    |
| Department of Children and Families | 2,407,211   | 3,209,614    |
| Office of Early Childhood           | (7,735,567) | (10,314,089) |
| <b>TOTAL</b>                        | <b>-</b>    | <b>-</b>     |

**Legislative**

Same as Governor

**Utilize SSBG to Fund Protective Services for the Elderly**

|                                    |          |          |                  |          |                  |          |
|------------------------------------|----------|----------|------------------|----------|------------------|----------|
| Protective Services to the Elderly | -        | -        | (772,320)        | -        | (772,320)        | -        |
| <b>Total - General Fund</b>        | <b>-</b> | <b>-</b> | <b>(772,320)</b> | <b>-</b> | <b>(772,320)</b> | <b>-</b> |

**Legislative**

Reduce funding by \$772,320 in FY 18 to reflect supporting the Protective Services for the Elderly program with Social Services Block Grant (SSBG) funding.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Shift Funding to Social Services Block Grant (SSBG)**

|                              |                  |                  |                  |                  |          |          |
|------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Human Service Infrastructure | (422,673)        | (563,564)        | (422,673)        | (563,564)        | -        | -        |
| Community Action Program     |                  |                  |                  |                  |          |          |
| <b>Total - General Fund</b>  | <b>(422,673)</b> | <b>(563,564)</b> | <b>(422,673)</b> | <b>(563,564)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$422,673 in FY 18 and \$563,564 in FY 19 to reflect Social Services Block Grant (SSBG) support for the HSI program. This reflects a 5% reduction to existing SSBG funding.

**Legislative**

Same as Governor

**Reallocate Funding for the 211 Infoline Contract**

|                              |           |           |           |           |          |          |
|------------------------------|-----------|-----------|-----------|-----------|----------|----------|
| Other Expenses               | 282,983   | 377,310   | 282,983   | 377,310   | -        | -        |
| Human Service Infrastructure | (282,983) | (377,310) | (282,983) | (377,310) | -        | -        |
| Community Action Program     |           |           |           |           |          |          |
| <b>Total - General Fund</b>  | <b>-</b>  | <b>-</b>  | <b>-</b>  | <b>-</b>  | <b>-</b> | <b>-</b> |

**Governor**

Reallocate funding of \$282,983 in FY 18 and \$377,310 in FY 19 to consolidate funding for the 211 Infoline Contract in the Other Expenses account.

**Legislative**

Same as Governor

**Current Services**

**Update Current Services- Medicaid**

|                             |                   |                    |                   |                    |          |          |
|-----------------------------|-------------------|--------------------|-------------------|--------------------|----------|----------|
| Medicaid                    | 98,645,939        | 159,135,939        | 98,645,939        | 159,135,939        | -        | -        |
| <b>Total - General Fund</b> | <b>98,645,939</b> | <b>159,135,939</b> | <b>98,645,939</b> | <b>159,135,939</b> | <b>-</b> | <b>-</b> |

**Background**

DSS' Medicaid program provides remedial, preventive, and long-term medical care for income eligible aged, blind or disabled individuals, low-income adults and families with children. Payment is made directly to health care providers, by the department, for services delivered to eligible individuals. The program complies with federal Medicaid law (Title XIX of the Social Security Act) and regulations.

**Governor**

Provide funding of \$98,645,939 in FY 18 and \$159,135,939 in FY 19 to reflect current services requirements for the Medicaid program. This update reflects caseload, utilization and associated costs, as well as processing and contractual-related savings.

**Legislative**

Same as Governor

**Provide Funding for HUSKY D Reimbursement Changes**

|                             |                   |                   |                   |                   |          |          |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|----------|----------|
| Medicaid                    | 59,120,000        | 87,240,000        | 59,120,000        | 87,240,000        | -        | -        |
| <b>Total - General Fund</b> | <b>59,120,000</b> | <b>87,240,000</b> | <b>59,120,000</b> | <b>87,240,000</b> | <b>-</b> | <b>-</b> |

**Background**

Under the Affordable Care Act, reimbursement for the Medicaid expansion population (HUSKY D ) was reduced from 100% in calendar year 2016, to 95% in 2017. This reimbursement rate is scheduled to be further reduced to 94% in 2018 and 93% in 2019.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Provide funding of \$59,120,000 in FY 18 and \$87,240,000 in FY 19 to reflect additional funding requirements due to changes in federal reimbursement for the HUSKY D population. This reflects the phasing down of the federal reimbursement from 95% in calendar year 2017 to 93% in 2019. Funding is also increased to reflect the percentage of HUSKY D enrollees who are estimated not to be considered newly eligible for the enhanced match, per federal law.

**Legislative**

Same as Governor

**Provide Funding for Medicare Part D Clawback Payment**

|                             |                   |                   |                   |                   |                    |                     |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|---------------------|
| Medicaid                    | 18,690,000        | 33,990,000        | 14,090,000        | 19,790,000        | (4,600,000)        | (14,200,000)        |
| <b>Total - General Fund</b> | <b>18,690,000</b> | <b>33,990,000</b> | <b>14,090,000</b> | <b>19,790,000</b> | <b>(4,600,000)</b> | <b>(14,200,000)</b> |

**Background**

The Medicare Part D clawback payment is the monthly cost-sharing payment to the federal government for the Medicare Part D prescription drug program for dually-eligible beneficiaries. A state's monthly clawback amount is calculated by multiplying its monthly Part D dual-eligible enrollment by CMS's estimate of the state's share of its per capita expenditure (PCE) for Medicaid-covered drugs for dual-eligible persons. Part D expenditures have increased in recent years with the availability of new specialty drugs (such as those for Hepatitis C), growth in prescription drug utilization, and rising drug prices overall.

**Governor**

Provide funding of \$18,690,000 in FY 18 and \$33,990,000 in FY 19 for increases in the Medicare Part D clawback payment.

**Legislative**

Provide funding of \$14,090,000 in FY 18 and \$19,790,000 in FY 19 for increases in the Medicare Part D clawback payment.

**Update Current Services- Autism Services**

|                             |                  |                   |                  |                   |          |          |
|-----------------------------|------------------|-------------------|------------------|-------------------|----------|----------|
| Medicaid                    | 6,312,800        | 12,102,800        | 6,312,800        | 12,102,800        | -        | -        |
| <b>Total - General Fund</b> | <b>6,312,800</b> | <b>12,102,800</b> | <b>6,312,800</b> | <b>12,102,800</b> | <b>-</b> | <b>-</b> |

**Governor**

Provide funding of \$6,312,800 in FY 18 and \$12,102,800 in FY 19 to reflect the annualization of costs for coverage of autism services under the Medicaid state plan.

**Legislative**

Same as Governor

**Annualize FY 17 Savings Related to Children Dental Rates**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Medicaid                    | (620,000)        | (620,000)        | (620,000)        | (620,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(620,000)</b> | <b>(620,000)</b> | <b>(620,000)</b> | <b>(620,000)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$620,000 in both FY 18 and FY 19 to reflect the annualization of the savings related to changes in children's dental health rates, including a 2% reduction to the pediatric dental fee schedule and reductions to rates for sealants, crowns, and periodic orthodontia care.

**Legislative**

Same as Governor

**Reflect Savings from Electronic Visit Verification (EVV)**

|                             |                    |                    |                    |                    |          |          |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Medicaid                    | (3,630,000)        | (4,930,000)        | (3,630,000)        | (4,930,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(3,630,000)</b> | <b>(4,930,000)</b> | <b>(3,630,000)</b> | <b>(4,930,000)</b> | <b>-</b> | <b>-</b> |

**Background**

DSS has contracted with Hewlett Packard Enterprise and Sandata Technologies, LLC. to implement Electronic Visit Verification (EVV). EVV is a telephonic and computer-based system designed to allow in-home scheduling, tracking and billing for home-based care. Implementation for non-medical home-care providers was effective January 1, 2017, while implementation for medical home-health providers will be effective April 1, 2017.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Reduce funding by \$3,630,000 in FY 18 and \$4,930,000 in FY 19 to reflect the full implementation of EVV.

**Legislative**

Same as Governor

**Provide Funding for PCMH+ Quality Payments**

|                             |                  |                  |                  |                  |                  |                  |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Medicaid                    | 1,700,000        | 2,100,000        | 1,350,000        | 1,350,000        | (350,000)        | (750,000)        |
| <b>Total - General Fund</b> | <b>1,700,000</b> | <b>2,100,000</b> | <b>1,350,000</b> | <b>1,350,000</b> | <b>(350,000)</b> | <b>(750,000)</b> |

**Background**

In January 2017, DSS began implementing a new program called Person-Centered Medical Home Plus or PCMH+. PCMH+ provides person-centered, comprehensive and coordinated care for Medicaid beneficiaries. Federally Qualified Health Centers (FQHCs) and advanced network lead entities (on behalf of advanced networks) were asked to participate via an RFP issued in June of 2016. Selected FQHCs and Advanced Networks are required to provide care coordination activities to improve the quality, efficiency, and effectiveness of care delivered to Medicaid beneficiaries. Shared savings payments as well as add-on quality payments are provided to participating entities who achieve the quality outcome measures required of the program as well as primary care case management services. The PCMH+ Program came out of the initiatives of the State Innovation Model Program (SIM).

The SIM was initiated under the federal Affordable Care Act, through the Center for Medicare and Medicaid Innovation (CMMI). The state received a planning grant in March of 2013 to develop SIM. SIM's purpose is to align all health care payers in the state (e.g. Medicaid, the state employee and retiree health plan, Medicare, commercial and self-funded plans) around a value-based payment methodology, which focuses reimbursement on quality metrics, as opposed to simply volume and cost reduction measures, through various means.

**Governor**

Provide funding of \$1.7 million in FY 18 and \$2.1 million in FY 19 for PCMH+ quality payments.

**Legislative**

Provide funding of \$1,350,000 in both FY 18 and FY 19 for PCMH+ quality payments.

**Adjust Funding for Nursing Home Fair Rent**

|                             |                  |                 |                  |                 |          |          |
|-----------------------------|------------------|-----------------|------------------|-----------------|----------|----------|
| Medicaid                    | (940,000)        | (70,000)        | (940,000)        | (70,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(940,000)</b> | <b>(70,000)</b> | <b>(940,000)</b> | <b>(70,000)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$940,000 in FY 18 and \$70,000 in FY 19 to reflect both fair rent additions and the annualization of adjustments.

**Legislative**

Same as Governor

**Update Current Services- CT Home Care Program for Elders**

|                               |                  |                  |                  |                  |          |          |
|-------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Connecticut Home Care Program | 1,900,000        | 6,340,000        | 1,900,000        | 6,340,000        | -        | -        |
| <b>Total - General Fund</b>   | <b>1,900,000</b> | <b>6,340,000</b> | <b>1,900,000</b> | <b>6,340,000</b> | <b>-</b> | <b>-</b> |

**Background**

The state-funded Connecticut Home Care Program for Elders (CHCPE) provides home and community-based services to elderly who are at risk of nursing home placement and meet the program's financial eligibility criteria. Category 1 is targeted to individuals who are at risk of hospitalization or short-term nursing facility placement if preventive home care services are not provided. Category 2 is targeted to individuals who are frail enough to require nursing facility care, but have resources that would prevent them from qualifying for Medicaid upon admission to a nursing facility.

**Governor**

Provide funding by \$1.9 million in FY 18 and \$6,340,000 in FY 19 to reflect anticipated expenditure requirements under the CHCPE. This assumes average monthly caseload of 3,435 in FY 18 and 3,790 in FY 19, up from an estimated 3,250 in FY 17.

**Legislative**

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Update Current Services-Protective Services for the Elderly

|                                    |                |                |                |                |          |          |
|------------------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Protective Services to the Elderly | 294,020        | 306,904        | 294,020        | 306,904        | -        | -        |
| <b>Total - General Fund</b>        | <b>294,020</b> | <b>306,904</b> | <b>294,020</b> | <b>306,904</b> | <b>-</b> | <b>-</b> |

#### Background

The Protective Services for the Elderly Program is designed to safeguard people 60 years and older from physical, mental and emotional abuse, neglect and abandonment and/or financial abuse and exploitation. The Department of Social Services social workers devise a plan of care aimed at assuring an elder's safety while preserving the person's right of self-determination. Staff may help the person remain in the living situation he or she prefers, safeguard legal rights, prevent bodily injury or harm, determine service needs and then mobilize resources to provide necessary services.

#### Governor

Provide funding of \$294,020 in FY 18 and \$306,904 in FY 19 for the Protective Services for the Elderly current requirements.

#### Legislative

Same as Governor

### Update Current Services-State Supplemental Programs

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Old Age Assistance          | 58,623           | 31,246           | 58,623           | 31,246           | -        | -        |
| Aid To The Blind            | (44,561)         | (33,271)         | (44,561)         | (33,271)         | -        | -        |
| Aid To The Disabled         | (491,405)        | (819,139)        | (491,405)        | (819,139)        | -        | -        |
| <b>Total - General Fund</b> | <b>(477,343)</b> | <b>(821,164)</b> | <b>(477,343)</b> | <b>(821,164)</b> | <b>-</b> | <b>-</b> |

#### Background

State Supplemental programs consist of Old Age Assistance, Aid to the Blind, Aid to the Disabled. These programs provide monthly financial assistance to low-income individuals. These programs are entirely state funded, but operate under both state and federal guidelines. In order to receive benefits, an individual must have another source of income to supplement, such as federal Social Security, Supplemental Security Income, or Veteran's Benefits. All recipients are automatically eligible for health care benefits under the state's Medicaid program.

#### Governor

Reduce funding by \$477,343 in FY 18 and \$821,164 in FY 19 based on current requirements.

#### Legislative

Same as Governor

### Provide Funding for Statutory Rate Increases

|                             |                   |                   |                   |                   |          |          |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|----------|----------|
| Medicaid                    | 28,360,000        | 44,760,000        | 28,360,000        | 44,760,000        | -        | -        |
| Old Age Assistance          | 593,565           | 1,196,545         | 593,565           | 1,196,545         | -        | -        |
| Aid To The Blind            | 9,763             | 20,257            | 9,763             | 20,257            | -        | -        |
| Aid To The Disabled         | 875,650           | 1,774,093         | 875,650           | 1,774,093         | -        | -        |
| <b>Total - General Fund</b> | <b>29,838,978</b> | <b>47,750,895</b> | <b>29,838,978</b> | <b>47,750,895</b> | <b>-</b> | <b>-</b> |

#### Governor

Provide funding of \$29,838,978 in FY 18 and \$47,750,895 in FY 19 to reflect rate increases. This funding is eliminated in a separate policy action.

#### Legislative

Same as Governor

### Provide Funding for Cost of Living Adjustments

|                                       |                  |                  |                  |                  |          |          |
|---------------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Old Age Assistance                    | 84,159           | 248,576          | 84,159           | 248,576          | -        | -        |
| Aid To The Blind                      | 660              | 1,808            | 660              | 1,808            | -        | -        |
| Aid To The Disabled                   | 176,408          | 500,558          | 176,408          | 500,558          | -        | -        |
| Temporary Family Assistance - TANF    | 1,035,171        | 3,051,763        | 1,035,171        | 3,051,763        | -        | -        |
| State Administered General Assistance | 232,268          | 681,036          | 232,268          | 681,036          | -        | -        |
| <b>Total - General Fund</b>           | <b>1,528,666</b> | <b>4,483,741</b> | <b>1,528,666</b> | <b>4,483,741</b> | <b>-</b> | <b>-</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Provide funding of \$1,528,666 in FY 18 and \$4,483,741 in FY 19 for cost of living adjustments (COLA) effective 7/1/17 and 7/1/18 for the following programs: Old Age Assistance, Aid to the Blind, Aid to the Disabled, Temporary Family Assistance, State Administered General Assistance. This funding is eliminated in a separate policy action.

**Legislative**

Same as Governor

**Annualize FY 17 Funding For Community Residential Services**

|                                |                  |                  |                  |                  |                    |                    |
|--------------------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|
| Community Residential Services | 7,178,743        | 7,178,743        | 6,178,743        | 6,178,743        | (1,000,000)        | (1,000,000)        |
| <b>Total - General Fund</b>    | <b>7,178,743</b> | <b>7,178,743</b> | <b>6,178,743</b> | <b>6,178,743</b> | <b>(1,000,000)</b> | <b>(1,000,000)</b> |

**Background**

Annualization refers to providing the amount of resources necessary for a 12 month period of operation.

Community Residential Services are provided for certain Department of Developmental Services (DDS) consumers including: (1) those aging out of services provided by Department of Children and Families, Local Education Agencies and the DDS Behavioral Services Program, (2) long-term care community placements under Money Follows the Person, (3) Southbury Training School community placements and (4) court-ordered placements.

**Governor**

Provide funding of \$7,178,743 in both FY 18 and FY 19 to reflect full year funding for residential services initiated in FY 17 and supported through the Community Residential Services account.

**Legislative**

Provide funding of \$6,178,743 in both FY 18 and FY 19 to reflect updated full year funding for residential services initiated in FY 17 and supported through the Community Residential Services account.

**Provide Funds for New Community Residential Services**

|                                |                  |                   |                  |                   |          |          |
|--------------------------------|------------------|-------------------|------------------|-------------------|----------|----------|
| Community Residential Services | 9,237,783        | 25,741,344        | 9,237,783        | 25,741,344        | -        | -        |
| <b>Total - General Fund</b>    | <b>9,237,783</b> | <b>25,741,344</b> | <b>9,237,783</b> | <b>25,741,344</b> | <b>-</b> | <b>-</b> |

**Background**

Community Residential Services are provided for certain DDS consumers including : (1) those aging out of services provided by Department of Children and Families, Local Education Agencies and the DDS Behavioral Services Program, (2) long-term care community placements under Money Follows the Person, (3) Southbury Training School community placements and (4) court-ordered placements.

**Governor**

Provide funding of \$9,237,783 in FY 18 and \$25,741,344 in FY 19 to support 166 new individuals in FY 18 and 153 additional individuals in FY 19 in Community Residential Placements.

**Legislative**

Same as Governor

**Annualize FY 17 Funding for DDS Closures and Conversions**

|                                |                   |                   |                  |                  |                    |                    |
|--------------------------------|-------------------|-------------------|------------------|------------------|--------------------|--------------------|
| Aid To The Disabled            | 1,001,151         | 1,001,151         | 250,288          | 333,717          | (750,863)          | (667,434)          |
| Community Residential Services | 9,380,663         | 9,380,663         | 1,896,434        | 2,528,580        | (7,484,229)        | (6,852,083)        |
| <b>Total - General Fund</b>    | <b>10,381,814</b> | <b>10,381,814</b> | <b>2,146,722</b> | <b>2,862,297</b> | <b>(8,235,092)</b> | <b>(7,519,517)</b> |

**Background**

Annualization refers to providing the amount of resources necessary for a 12 month period of operation.

The FY 17 Agency Spending Plan included the closure of Ella Grasso Regional Center in Stratford and the Meriden Regional Center and the conversion of 40 DDS run group homes to private provider group homes. The Ella Grasso Regional Center and the Meriden Regional Center residential units have been closed and residents transferred to other settings. Additionally, in FY 17 ten DDS group homes were converted to private providers and two DDS homes were closed, while the remaining 28 were placed on hold. The agency plans to proceed with the conversion of 10 homes in FY 18. The state receives a 50% federal reimbursement for Medicaid waived programs and ICF/IID beds

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Provide funding of \$9,380,663 in both FY 18 and FY 19 in the Community Residential Services account and \$1,001,151 in both FY 18 and FY 19 in the Aid to the Disabled account to support room and board costs. This funding supports DDS consumers moving from public to private provider settings as a result of closures and conversions initiated in FY 17.

**Legislative**

Provide funding of \$1,896,434 in FY 18 and \$2,528,580 FY 19 in the Community Residential Services account and \$250,288 in FY 18 and \$333,717 in FY 19 in the Aid to the Disabled account to support room and board costs. This funding supports DDS consumers moving from public to private provider settings as a result of closures and conversions initiated in FY 17.

**Update Current Services-SAGA**

|                                       |                    |                    |                    |                    |                  |                  |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------------|
| State Administered General Assistance | (1,885,022)        | (1,981,857)        | (2,385,022)        | (2,481,857)        | (500,000)        | (500,000)        |
| <b>Total - General Fund</b>           | <b>(1,885,022)</b> | <b>(1,981,857)</b> | <b>(2,385,022)</b> | <b>(2,481,857)</b> | <b>(500,000)</b> | <b>(500,000)</b> |

**Background**

The State Administered General Assistance (SAGA) program provides limited cash assistance to individuals who are unable to work for medical or other prescribed reasons. Enrollees receive an average of \$219 a month.

**Governor**

Reduce funding by \$1,885,022 in FY 18 and \$1,981,857 in FY 19 for the SAGA program based on updated caseload requirements.

**Legislative**

Reduce funding by \$2,385,022 in FY 18 and \$2,481,857 in FY 19 for the SAGA program based on updated caseload requirements.

**Update Current Services- Temporary Family Assistance**

|                                    |                     |                     |                     |                     |          |          |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|----------|----------|
| Temporary Family Assistance - TANF | (10,307,710)        | (10,307,710)        | (10,307,710)        | (10,307,710)        | -        | -        |
| <b>Total - General Fund</b>        | <b>(10,307,710)</b> | <b>(10,307,710)</b> | <b>(10,307,710)</b> | <b>(10,307,710)</b> | <b>-</b> | <b>-</b> |

**Background**

The Temporary Family Assistance (TFA) program provides cash assistance to eligible low-income families. The TFA program limits assistance to 21 months for non-exempt cases, with possible six month extensions for good cause. Individuals in the TFA program are usually eligible for health care services provided under the state's Medicaid program. The average monthly caseload under this (and its predecessor) program has declined from over 60,000 families in FY 95 to approximately 15,600 in FY 16 with an average cost per case of \$481. For December 2017, caseload totaled 13,781 with an average cost per case of \$477.

**Governor**

Reduce funding by \$10,307,710 in both FY 18 and FY 19 to reflect anticipated expenditure requirements in the TFA program.

**Legislative**

Same as Governor

**Update Current Services- HUSKY B**

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| HUSKY B Program             | 710,000        | 970,000        | 710,000        | 970,000        | -        | -        |
| <b>Total - General Fund</b> | <b>710,000</b> | <b>970,000</b> | <b>710,000</b> | <b>970,000</b> | <b>-</b> | <b>-</b> |

**Background**

The HUSKY B Program provides health coverage for children of families with incomes in excess of 201% of the Federal Poverty Level (FPL) up to 323% FPL. HUSKY program expenditures typically receive 65% federal reimbursement. From October 1, 2015 through September 30, 2019, the reimbursement rate is increased to 88%.

**Governor**

Provide funding of \$710,000 in FY 18 and \$970,000 in FY 19 to reflect updated cost and caseload requirements.

**Legislative**

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Update Current Services- State Funded SNAP**

|  |                 |                  |                 |                  |          |          |
|--|-----------------|------------------|-----------------|------------------|----------|----------|
| State-Funded Supplemental Nutrition Assistance Program | (93,286)        | (208,081)        | (93,286)        | (208,081)        | -        | -        |
| <b>Total - General Fund</b>                            | <b>(93,286)</b> | <b>(208,081)</b> | <b>(93,286)</b> | <b>(208,081)</b> | <b>-</b> | <b>-</b> |

**Background**

The State Funded Supplemental Nutrition Assistance Program (SNAP), provides state-funded benefits for documented non-citizen adults who are not eligible for the federal SNAP, formerly known as the Food Stamp program, solely because of their citizenship status. Benefit levels under the state-funded program are equal to 75% of what the individual would have received under the federal program. After an eligible non-citizen is in the country for five years, they are eligible for benefits under the federal SNAP.

**Governor**

Reduce funding by \$93,286 in FY 18 and \$208,081 in FY 19 for the state-funded SNAP program based on current requirements.

**Legislative**

Same as Governor

**Update Current Services-Other Expenses and Personal Services**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | 6,520,000        | 6,520,000        | 6,520,000        | 6,520,000        | -        | -        |
| Other Expenses              | (3,092,239)      | (2,443,284)      | (3,092,239)      | (2,443,284)      | -        | -        |
| <b>Total - General Fund</b> | <b>3,427,761</b> | <b>4,076,716</b> | <b>3,427,761</b> | <b>4,076,716</b> | <b>-</b> | <b>-</b> |

**Governor**

Provide funding of \$6,520,000 in both FY 18 and FY 19 in the Personal Services account predominately due to staff costs related to the timely processing of Medicaid application requirements. Reduce funding by \$3,092,239 in FY 18 and \$2,443,284 in FY 19 in the Other Expenses account predominately due to reductions in contractual expenses.

**Legislative**

Same as Governor

**Provide Funding for Continued Operation of ImpaCT**

|                             |                   |                   |                  |                   |                    |          |
|-----------------------------|-------------------|-------------------|------------------|-------------------|--------------------|----------|
| Other Expenses              | 11,375,746        | 10,926,900        | 7,675,746        | 10,926,900        | (3,700,000)        | -        |
| <b>Total - General Fund</b> | <b>11,375,746</b> | <b>10,926,900</b> | <b>7,675,746</b> | <b>10,926,900</b> | <b>(3,700,000)</b> | <b>-</b> |

**Background**

ImpaCT is the new web-based eligibility system for the Department of Social Services (DSS), piloted in October 2016.

**Governor**

Provide funding of \$11,375,746 in FY 18 and \$10,926,900 in FY 19 to continue support for the operation and maintenance of ImpaCT.

**Legislative**

Provide funding of \$7,675,746 in FY 18 and \$10,926,900 in FY 19 to continue support for the operation and maintenance of ImpaCT.

**Carry Forward**

**Carry Forward for Community Residential Services**

|                                      |          |          |                  |          |                  |          |
|--------------------------------------|----------|----------|------------------|----------|------------------|----------|
| Community Residential Services       | -        | -        | 3,400,000        | -        | 3,400,000        | -        |
| <b>Total - Carry Forward Funding</b> | <b>-</b> | <b>-</b> | <b>3,400,000</b> | <b>-</b> | <b>3,400,000</b> | <b>-</b> |

**Legislative**

Pursuant to CGS 4-89(c), funding of \$3.4 million is carried forward in the Community Residential Services account to support one-time start-up costs related to CLA conversions that were slated for FY 17 but will now occur in FY 18.

**Carry Forward for Other Expenses**

|                                      |          |          |                  |          |                  |          |
|--------------------------------------|----------|----------|------------------|----------|------------------|----------|
| Other Expenses                       | -        | -        | 3,522,606        | -        | 3,522,606        | -        |
| <b>Total - Carry Forward Funding</b> | <b>-</b> | <b>-</b> | <b>3,522,606</b> | <b>-</b> | <b>3,522,606</b> | <b>-</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Pursuant to CGS 4-89(c), funding of \$3,522,606 is carried forward in the Other Expenses account to fund: (1) \$2,704,122 in potential costs related to AHCT's call center (DSS' share of the FY 17 costs are still under negotiation); and (2) \$818,484 to cover project delays (\$524,432 for completion of the universal assessment tool under the Balancing Incentive Program and \$294,052 for SNAP reinvestment, which is federally required).

**Totals**

| Budget Components             | Governor Recommended |                      | Legislative          |                      | Difference from Governor |                    |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|--------------------------|--------------------|
|                               | FY 18                | FY 19                | FY 18                | FY 19                | FY 18                    | FY 19              |
| FY 17 Appropriation - GF      | 3,680,282,243        | 3,680,282,243        | 3,680,282,243        | 3,680,282,243        | -                        | -                  |
| Policy Revisions              | 31,794,949           | (16,685,758)         | 463,914,317          | 285,028,753          | 432,119,368              | 301,714,511        |
| Current Services              | 242,388,889          | 393,786,984          | 224,003,797          | 369,817,467          | (18,385,092)             | (23,969,517)       |
| <b>Total Recommended - GF</b> | <b>3,954,466,081</b> | <b>4,057,383,469</b> | <b>4,368,200,357</b> | <b>4,335,128,463</b> | <b>413,734,276</b>       | <b>277,744,994</b> |
| FY 17 Appropriation - TF      | 2,370,629            | 2,370,629            | 2,370,629            | 2,370,629            | -                        | -                  |
| Policy Revisions              | (2,370,629)          | (2,370,629)          | (2,370,629)          | (2,370,629)          | -                        | -                  |
| <b>Total Recommended - TF</b> | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>                 | <b>-</b>           |
| FY 17 Appropriation - IF      | -                    | -                    | -                    | -                    | -                        | -                  |
| Policy Revisions              | -                    | -                    | 376,023              | 376,023              | 376,023                  | 376,023            |
| <b>Total Recommended - IF</b> | <b>-</b>             | <b>-</b>             | <b>376,023</b>       | <b>376,023</b>       | <b>376,023</b>           | <b>376,023</b>     |

| Positions                     | Governor Recommended |              | Legislative  |              | Difference from Governor |           |
|-------------------------------|----------------------|--------------|--------------|--------------|--------------------------|-----------|
|                               | FY 18                | FY 19        | FY 18        | FY 19        | FY 18                    | FY 19     |
| FY 17 Appropriation - GF      | 1,986                | 1,986        | 1,986        | 1,986        | -                        | -         |
| Policy Revisions              | 5                    | 5            | 23           | 23           | 18                       | 18        |
| <b>Total Recommended - GF</b> | <b>1,991</b>         | <b>1,991</b> | <b>2,009</b> | <b>2,009</b> | <b>18</b>                | <b>18</b> |

## Other Significant Legislation

### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$269,710, a Labor Concessions Savings of \$4,629,260, a Targeted Savings of \$22,907,745, and a Delayed Start Savings of \$2,000,000. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account   | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|---|------------------|---------------------|------------------|-------------|
| Personal Services   | 122,536,340      | (4,898,970)         | 117,637,370      | 4.0%        |
| Other Expenses  | 143,029,224      | (7,151,461)         | 135,877,763      | 5.0%        |
| Connecticut Home Care Program                               | 42,090,000       | (2,180,000)         | 39,910,000       | 5.2%        |
| Human Resource Development-Hispanic Programs                | 697,307          | (663,756)           | 33,551           | 95.2%       |
| Community Residential Services                              | 553,929,013      | (11,078,580)        | 542,850,433      | 2.0%        |
| Safety Net Services   | 1,840,882        | (514,561)           | 1,326,321        | 28.0%       |
| Services for Persons With Disabilities                      | 370,253          | (96,356)            | 273,897          | 26.0%       |
| Nutrition Assistance  | 725,000          | (93,944)            | 631,056          | 13.0%       |
| Connecticut Children's Medical Center                       | 11,391,454       | (227,829)           | 11,163,625       | 2.0%        |
| Community Services  | 688,676          | (298,320)           | 390,356          | 43.3%       |
| Human Service Infrastructure Community Action Program       | 2,994,488        | (59,890)            | 2,934,598        | 2.0%        |
| Teen Pregnancy Prevention                                   | 1,271,286        | (25,426)            | 1,245,860        | 2.0%        |
| Programs for Senior Citizens                                | 7,895,383        | (2,117,908)         | 5,777,475        | 26.8%       |
| Family Programs - TANF                                      | 316,835          | (287,498)           | 29,337           | 90.7%       |
| Domestic Violence Shelters                                  | 5,304,514        | (106,090)           | 5,198,424        | 2.0%        |
| Human Resource Development-Hispanic Programs - Municipality | 4,120            | (4,120)             | -                | 100.0%      |
| Teen Pregnancy Prevention - Municipality                    | 100,287          | (2,006)             | 98,281           | 2.0%        |

**Estimated FY 18 - FY 19 Gross Medicaid Account Expenditures \$**  
By Category of Service

| Category of Service                             | FY 18 \$             | FY 19 \$             |
|---|----------------------|----------------------|
| <b>Hospital Services<sup>1</sup></b>            |                      |                      |
| Inpatient & Outpatient Hospital Services        | 1,899,828,872        | 2,001,328,872        |
| <b>Total Expenditures</b>                       | <b>1,888,118,872</b> | <b>1,989,018,872</b> |
| <b>Professional Medical Care</b>                |                      |                      |
| Physician                                       | 457,129,900          | 455,029,900          |
| Clinic  | 454,159,924          | 454,159,924          |
| Dental  | 223,010,004          | 222,010,004          |
| Vision  | 43,604,068           | 43,604,068           |
| Other Practitioner                              | 125,295,124          | 125,295,124          |
| <b>Total Expenditures</b>                       | <b>1,303,199,020</b> | <b>1,300,099,020</b> |
| <b>Other Medical Services</b>                   |                      |                      |
| Pharmacy  | 1,182,911,643        | 1,182,911,643        |
| Pharmacy Rebates                                | (661,244,819)        | (661,244,819)        |
| Medicare Part D Clawback                        | 185,359,655          | 196,759,655          |
| Transportation                                  | 32,948,828           | 32,948,828           |
| Non-Emergency Transportation (NEMT)             | 50,454,149           | 50,454,149           |
| Lab & X-Ray                                     | 53,062,827           | 53,062,827           |
| Durable Medical Equipment                       | 98,160,312           | 98,160,312           |
| Alcohol & Drug Services                         | 19,700,301           | 19,700,301           |
| <b>Total Expenditures</b>                       | <b>961,352,896</b>   | <b>972,752,896</b>   |
| <b>Home and Community Based/Waiver Services</b> |                      |                      |
| Home Health                                     | 251,924,532          | 250,124,532          |
| Mental Health Waiver                            | 1,680,000            | 1,680,000            |
| CHC / PCA Assessments                           | 1,752,928            | 1,752,928            |
| CT Home Care (CHC) Waiver Services              | 304,082,817          | 304,082,817          |
| Acquired Brain Injury (ABI) Waiver              | 74,016,273           | 74,016,273           |
| Personal Care Assistance (PCA) Waiver Services  | 40,831,079           | 40,831,079           |
| Katie Beckett Waiver                            | 61,319               | 61,319               |
| Other Waiver Related Services                   | 6,733,890            | 6,733,890            |
| Hospice Services                                | 3,300,684            | 3,300,684            |
| Autism Services                                 | 15,543,811           | 27,123,811           |
| <b>Total Expenditures</b>                       | <b>699,927,333</b>   | <b>709,707,333</b>   |

| Category of Service                  | FY 18 \$             | FY 19 \$             |
|--------------------------------------|----------------------|----------------------|
| <b>Long-Term Care Facilities</b>     |                      |                      |
| Nursing Home - Chronic Care          | 1,242,205,613        | 1,243,345,613        |
| Nursing Home - Rest Home             | 8,174,689            | 8,174,689            |
| ICF/IID                              | 62,701,787           | 62,701,787           |
| Chronic Disease Hospital             | 70,931,682           | 70,931,682           |
| Hospice Services                     | 32,789,693           | 32,789,693           |
| <b>Total Expenditures</b>            | <b>1,416,803,465</b> | <b>1,417,943,465</b> |
| <b>Administrative Services</b>       |                      |                      |
| Waiver Administration                | 3,203,376            | 3,203,376            |
| Behavioral Health Partnership ASO    | 15,588,077           | 15,588,077           |
| Medical ASO                          | 88,064,845           | 88,064,845           |
| Dental ASO                           | 8,695,680            | 8,695,680            |
| NEMT Broker                          | 7,022,267            | 7,022,267            |
| TPL Admin Fees                       | 1,320,000            | 1,320,000            |
| Other CoreCT Medicaid Expenditures   | (26,842,598)         | (26,842,598)         |
| <b>Total Expenditures</b>            | <b>97,051,647</b>    | <b>97,051,647</b>    |
| <b>Medicare Premiums and Offsets</b> |                      |                      |
| Medicare Part B Premiums             | 223,797,402          | 223,797,402          |
| Medicare Premiums Offsets            | (212,016,389)        | (217,916,389)        |
| School Based Child Health (SBCH)     | (15,819,252)         | (15,819,252)         |
| <b>Total Expenditures</b>            | <b>(4,038,239)</b>   | <b>(9,938,239)</b>   |
| <b>Other Policy Adjustments</b>      | <b>(41,855,961)</b>  | <b>45,174,039</b>    |
| <b>Medicaid Total (Gross)</b>        | <b>6,320,559,033</b> | <b>6,521,809,033</b> |
| <b>Federal Share</b>                 | <b>3,749,719,033</b> | <b>3,905,444,033</b> |
| <b>General Fund Total (Net)</b>      | <b>2,570,840,000</b> | <b>2,616,365,000</b> |

## State Department on Aging SDA62500

### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 30              | 28              | 27                     | 25                   | 25    | -           | -     |

### Budget Summary

| Account   | Actual<br>FY 15  | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative |       |
|---|------------------|-------------------|------------------------|----------------------|-------------------|-------------|-------|
|   |                  |                   |                        | FY 18                | FY 19             | FY 18       | FY 19 |
| Personal Services                               | 2,136,329        | 2,265,003         | 2,281,378              | 2,107,125            | 2,107,125         | -           | -     |
| Other Expenses                                  | 162,575          | 98,111            | 123,213                | 119,517              | 119,517           | -           | -     |
| <b>Other Than Payments to Local Governments</b> |                  |                   |                        |                      |                   |             |       |
| Programs for Senior Citizens                    | 6,240,432        | 6,045,526         | 5,895,383              | 5,716,273            | 5,716,273         | -           | -     |
| Nonfunctional - Change to Accruals              | 7,644            | -                 | -                      | -                    | -                 | -           | -     |
| <b>Agency Total - General Fund</b>              | <b>8,546,980</b> | <b>8,408,641</b>  | <b>8,299,974</b>       | <b>7,942,915</b>     | <b>7,942,915</b>  | -           | -     |
| <b>Other Current Expenses</b>                   |                  |                   |                        |                      |                   |             |       |
| Fall Prevention                                 | 475,000          | 475,000           | 376,023                | 376,023              | 376,023           | -           | -     |
| <b>Agency Total - Insurance Fund</b>            | <b>475,000</b>   | <b>475,000</b>    | <b>376,023</b>         | <b>376,023</b>       | <b>376,023</b>    | -           | -     |
| <b>Total - Appropriated Funds</b>               | <b>9,021,980</b> | <b>8,883,641</b>  | <b>8,675,997</b>       | <b>8,318,938</b>     | <b>8,318,938</b>  | -           | -     |
| <b>Additional Funds Available</b>               |                  |                   |                        |                      |                   |             |       |
| Federal Funds                                   | -                | 18,980,817        | 19,018,582             | 18,848,843           | 18,848,843        | -           | -     |
| Private Contributions                           | -                | 2,000             | 3,000                  | 3,000                | 3,000             | -           | -     |
| <b>Agency Grand Total</b>                       | <b>9,021,980</b> | <b>27,866,458</b> | <b>27,697,579</b>      | <b>27,170,781</b>    | <b>27,170,781</b> | -           | -     |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Provide Additional Funding for Elderly Nutrition

|                              |   |   |                  |                  |                  |                  |
|------------------------------|---|---|------------------|------------------|------------------|------------------|
| Programs for Senior Citizens | - | - | 2,000,000        | 2,000,000        | 2,000,000        | 2,000,000        |
| <b>Total - General Fund</b>  | - | - | <b>2,000,000</b> | <b>2,000,000</b> | <b>2,000,000</b> | <b>2,000,000</b> |

#### Legislative

Provide funding of \$2 million in both FY 18 and FY 19 to support elderly nutrition programs.

### Eliminate Regional Long Term Care Ombudsman

|                                 |                 |                 |                 |                 |   |   |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|---|---|
| Personal Services               | (90,466)        | (90,466)        | (90,466)        | (90,466)        | - | - |
| <b>Total - General Fund</b>     | <b>(90,466)</b> | <b>(90,466)</b> | <b>(90,466)</b> | <b>(90,466)</b> | - | - |
| <b>Positions - General Fund</b> | <b>(1)</b>      | <b>(1)</b>      | <b>(1)</b>      | <b>(1)</b>      | - | - |

#### Background

The Long Term Care Ombudsman program supports residents of skilled nursing facilities, residential care homes and assisted living facilities, through direct consultation, outreach, education and advocacy. The agency currently supports nine regional ombudsman serving Bridgeport, Hartford, New Haven, Norwich and Waterbury.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Reduce funding by \$90,466 and one position in both FY 18 and FY 19 to reflect the retirement of a Hartford Regional Long Term Care Ombudsman.

**Legislative**

Same as Governor

**Reallocate Federal Funding to Support Research Analyst**

|                                 |                 |                 |                 |                 |          |          |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Personal Services               | (35,595)        | (35,595)        | (35,595)        | (35,595)        | -        | -        |
| <b>Total - General Fund</b>     | <b>(35,595)</b> | <b>(35,595)</b> | <b>(35,595)</b> | <b>(35,595)</b> | <b>-</b> | <b>-</b> |
| <b>Positions - General Fund</b> | <b>(1)</b>      | <b>(1)</b>      | <b>(1)</b>      | <b>(1)</b>      | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$35,595 and one position in both FY 18 and FY 19 to reflect federal support for a research analyst position.

**Legislative**

Same as Governor

**Annualize FY 17 Holdbacks**

|                              |                  |                  |                 |                 |                |                |
|------------------------------|------------------|------------------|-----------------|-----------------|----------------|----------------|
| Personal Services            | (48,192)         | (48,192)         | (48,192)        | (48,192)        | -              | -              |
| Other Expenses               | (3,696)          | (3,696)          | (3,696)         | (3,696)         | -              | -              |
| Programs for Senior Citizens | (179,110)        | (179,110)        | -               | -               | 179,110        | 179,110        |
| <b>Total - General Fund</b>  | <b>(230,998)</b> | <b>(230,998)</b> | <b>(51,888)</b> | <b>(51,888)</b> | <b>179,110</b> | <b>179,110</b> |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

**Governor**

Reduce funding by \$230,998 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

**Legislative**

Reduce funding by \$51,888 in both FY 18 and FY 19 to annualize FY 17 holdbacks to Personal Services and Other Expenses.

**Annualize FY 17 Rescissions**

|                             |          |          |                |                |                |                |
|-----------------------------|----------|----------|----------------|----------------|----------------|----------------|
| Other Expenses              | -        | -        | (6,160)        | (6,160)        | (6,160)        | (6,160)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>(6,160)</b> | <b>(6,160)</b> | <b>(6,160)</b> | <b>(6,160)</b> |

**Background**

The Governor implemented General Fund rescissions totaling \$70.5 million across state agencies.

**Legislative**

Reduce funding by \$6,160 in both FY 18 and FY 19 to reflect the rollout of the Governor's FY 17 rescissions.

**Transfer SDA to DSS**

|                                 |          |          |                    |                    |                    |                    |
|---------------------------------|----------|----------|--------------------|--------------------|--------------------|--------------------|
| Personal Services               | -        | -        | (1,922,031)        | (1,922,031)        | (1,922,031)        | (1,922,031)        |
| Other Expenses                  | -        | -        | (113,357)          | (113,357)          | (113,357)          | (113,357)          |
| Programs for Senior Citizens    | -        | -        | (7,895,383)        | (7,895,383)        | (7,895,383)        | (7,895,383)        |
| <b>Total - General Fund</b>     | <b>-</b> | <b>-</b> | <b>(9,930,771)</b> | <b>(9,930,771)</b> | <b>(9,930,771)</b> | <b>(9,930,771)</b> |
| <b>Positions - General Fund</b> | <b>-</b> | <b>-</b> | <b>(23)</b>        | <b>(23)</b>        | <b>(23)</b>        | <b>(23)</b>        |
| Fall Prevention                 | -        | -        | (376,023)          | (376,023)          | (376,023)          | (376,023)          |
| <b>Total - Insurance Fund</b>   | <b>-</b> | <b>-</b> | <b>(376,023)</b>   | <b>(376,023)</b>   | <b>(376,023)</b>   | <b>(376,023)</b>   |

**Legislative**

Transfer funding of \$10,306,794 and 23 positions in both FY 18 and FY 19 to reflect the consolidation of the State Department on Aging (SDA) under the Department of Social Services (DSS). Sections 278-319 and 732 of PA 17-2 JSS, the biennial budget act, are related to the transfer.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Reduce Funding to SDA based on Consolidation

|                                 |   |   |                  |                  |                  |                  |
|---------------------------------|---|---|------------------|------------------|------------------|------------------|
| Personal Services               | - | - | (185,094)        | (185,094)        | (185,094)        | (185,094)        |
| <b>Total - General Fund</b>     | - | - | <b>(185,094)</b> | <b>(185,094)</b> | <b>(185,094)</b> | <b>(185,094)</b> |
| <b>Positions - General Fund</b> | - | - | <b>(2)</b>       | <b>(2)</b>       | <b>(2)</b>       | <b>(2)</b>       |

#### Legislative

Reduce funding by \$185,094 and 2 positions to reflect savings associated with the consolidation of the agency with the Department of Social Services (DSS).

### Totals

| Budget Components             | Governor Recommended |                  | Legislative |             | Difference from Governor |                    |
|-------------------------------|----------------------|------------------|-------------|-------------|--------------------------|--------------------|
|                               | FY 18                | FY 19            | FY 18       | FY 19       | FY 18                    | FY 19              |
| FY 17 Appropriation - GF      | 8,299,974            | 8,299,974        | 8,299,974   | 8,299,974   | -                        | -                  |
| Policy Revisions              | (357,059)            | (357,059)        | (8,299,974) | (8,299,974) | (7,942,915)              | (7,942,915)        |
| <b>Total Recommended - GF</b> | <b>7,942,915</b>     | <b>7,942,915</b> | -           | -           | <b>(7,942,915)</b>       | <b>(7,942,915)</b> |
| FY 17 Appropriation - IF      | 376,023              | 376,023          | 376,023     | 376,023     | -                        | -                  |
| Policy Revisions              | -                    | -                | (376,023)   | (376,023)   | (376,023)                | (376,023)          |
| <b>Total Recommended - IF</b> | <b>376,023</b>       | <b>376,023</b>   | -           | -           | <b>(376,023)</b>         | <b>(376,023)</b>   |

| Positions                     | Governor Recommended |           | Legislative |       | Difference from Governor |             |
|-------------------------------|----------------------|-----------|-------------|-------|--------------------------|-------------|
|                               | FY 18                | FY 19     | FY 18       | FY 19 | FY 18                    | FY 19       |
| FY 17 Appropriation - GF      | 27                   | 27        | 27          | 27    | -                        | -           |
| Policy Revisions              | (2)                  | (2)       | (27)        | (27)  | (25)                     | (25)        |
| <b>Total Recommended - GF</b> | <b>25</b>            | <b>25</b> | -           | -     | <b>(25)</b>              | <b>(25)</b> |

## Department of Rehabilitation Services

### SDR63500

#### Permanent Full-Time Positions

| Fund                       | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|----------------------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|                            |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund               | 118             | 118             | 118                    | 113                  | 113   | 113         | 113   |
| Workers' Compensation Fund | 6               | 6               | 6                      | 6                    | 6     | 6           | 6     |

#### Budget Summary

| Account   | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|   |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services   | 6,388,528         | 4,986,889         | 4,758,165              | 4,843,781            | 4,843,781         | 4,843,781         | 4,843,781         |
| Other Expenses  | 1,570,357         | 1,480,015         | 1,447,495              | 1,433,021            | 1,433,021         | 1,398,021         | 1,398,021         |
| <b>Other Current Expenses</b>                               |                   |                   |                        |                      |                   |                   |                   |
| Part-Time Interpreters                                      | 211,760           | 246,867           | 1,423                  | -                    | -                 | -                 | -                 |
| Educational Aid for Blind and Visually Handicapped Children | 3,601,428         | 4,181,870         | 4,040,237              | 3,799,835            | 3,799,835         | 4,040,237         | 4,040,237         |
| Employment Opportunities - Blind & Disabled                 | 556,207           | 1,246,878         | 1,032,521              | 627,076              | 627,076           | 1,032,521         | 1,032,521         |
| <b>Other Than Payments to Local Governments</b>             |                   |                   |                        |                      |                   |                   |                   |
| Vocational Rehabilitation - Disabled                        | 7,460,892         | 6,784,749         | 7,354,087              | 7,280,547            | 7,280,547         | 7,354,087         | 7,354,087         |
| Supplementary Relief and Services                           | 94,762            | 79,676            | 88,618                 | 50,192               | 50,192            | 45,762            | 45,762            |
| Vocational Rehabilitation - Blind                           | 899,402           | 817,894           | -                      | -                    | -                 | -                 | -                 |
| Special Training for the Deaf Blind                         | 282,520           | 257,889           | 268,003                | 104,584              | 104,584           | 268,003           | 268,003           |
| Connecticut Radio Information Service                       | 79,096            | 66,505            | 50,724                 | 27,474               | 27,474            | 27,474            | 27,474            |
| Employment Opportunities                                    | 753,170           | -                 | -                      | -                    | -                 | -                 | -                 |
| Independent Living Centers                                  | 502,246           | 465,900           | 372,967                | -                    | -                 | 420,962           | 420,962           |
| <b>Nonfunctional - Change to Accruals</b>                   | <b>(756,722)</b>  | <b>-</b>          | <b>-</b>               | <b>-</b>             | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Agency Total - General Fund</b>                          | <b>21,643,646</b> | <b>20,615,132</b> | <b>19,414,240</b>      | <b>18,166,510</b>    | <b>18,166,510</b> | <b>19,430,848</b> | <b>19,430,848</b> |
| <b>Additional Funds Available</b>                           |                   |                   |                        |                      |                   |                   |                   |
| Personal Services   | 493,774           | 520,830           | 534,113                | 514,113              | 514,113           | 514,113           | 514,113           |
| Other Expenses  | 52,889            | 53,497            | 503,822                | 53,822               | 53,822            | 53,822            | 53,822            |
| Rehabilitative Services                                     | 1,238,266         | 1,085,527         | 1,261,913              | 1,111,913            | 1,111,913         | 1,111,913         | 1,111,913         |
| Fringe Benefits   | 389,858           | 414,163           | 410,485                | 430,485              | 430,485           | 430,485           | 430,485           |
| <b>Nonfunctional - Change to Accruals</b>                   | <b>82,736</b>     | <b>-</b>          | <b>-</b>               | <b>-</b>             | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Agency Total - Workers' Compensation Fund</b>            | <b>2,257,523</b>  | <b>2,074,017</b>  | <b>2,710,333</b>       | <b>2,110,333</b>     | <b>2,110,333</b>  | <b>2,110,333</b>  | <b>2,110,333</b>  |
| <b>Total - Appropriated Funds</b>                           | <b>23,901,169</b> | <b>22,689,149</b> | <b>22,124,573</b>      | <b>20,276,843</b>    | <b>20,276,843</b> | <b>21,541,181</b> | <b>21,541,181</b> |
| <b>Additional Funds Available</b>                           |                   |                   |                        |                      |                   |                   |                   |
| Federal Funds   | -                 | 64,466,310        | 64,345,963             | 64,297,882           | 64,297,882        | 64,297,882        | 64,297,882        |
| Private Contributions & Other Restricted                    | -                 | 1,954,852         | 1,954,852              | 1,954,852            | 1,954,852         | 1,954,852         | 1,954,852         |
| Private Contributions                                       | -                 | 43,899            | 43,899                 | 43,899               | 43,899            | 43,899            | 43,899            |
| <b>Agency Grand Total</b>                                   | <b>23,901,169</b> | <b>89,154,210</b> | <b>88,469,287</b>      | <b>86,573,476</b>    | <b>86,573,476</b> | <b>87,837,814</b> | <b>87,837,814</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Annualize Rescissions

|                                   |   |   |                 |                 |                 |                 |
|-----------------------------------|---|---|-----------------|-----------------|-----------------|-----------------|
| Other Expenses                    | - | - | (35,000)        | (35,000)        | (35,000)        | (35,000)        |
| Supplementary Relief and Services | - | - | (4,430)         | (4,430)         | (4,430)         | (4,430)         |
| <b>Total - General Fund</b>       | - | - | <b>(39,430)</b> | <b>(39,430)</b> | <b>(39,430)</b> | <b>(39,430)</b> |

#### Background

The Governor implemented General Fund rescissions totaling \$70.5 million across state agencies.

#### Legislative

Reduce funding by \$39,430 in both FY 18 and FY 19 to reflect the annualization of FY 17 rescissions.

### Transfer Abuse Investigations Division from DORS to DDS

|                                 |                    |                    |                    |                    |   |   |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|---|---|
| Personal Services               | (961,837)          | (961,837)          | (961,837)          | (961,837)          | - | - |
| Other Expenses                  | (47,341)           | (47,341)           | (47,341)           | (47,341)           | - | - |
| <b>Total - General Fund</b>     | <b>(1,009,178)</b> | <b>(1,009,178)</b> | <b>(1,009,178)</b> | <b>(1,009,178)</b> | - | - |
| <b>Positions - General Fund</b> | <b>(12)</b>        | <b>(12)</b>        | <b>(12)</b>        | <b>(12)</b>        | - | - |

#### Background

PA 16-66 includes provisions to transfer the Office of Protection and Advocacy's (OPA) Abuse Investigation Division (AID) to the Department of Rehabilitation Services (DORS).

#### Governor

Transfer funding of \$1,009,178 and 12 positions in both FY 18 and FY 19 from DORS to the Department of Developmental Services (DDS) to reflect the transfer of AID.

#### Legislative

Same as Governor

### Adjust Funding for Independent Living Centers

|                             |                  |                  |               |               |                |                |
|-----------------------------|------------------|------------------|---------------|---------------|----------------|----------------|
| Independent Living Centers  | (202,005)        | (202,005)        | 47,995        | 47,995        | 250,000        | 250,000        |
| <b>Total - General Fund</b> | <b>(202,005)</b> | <b>(202,005)</b> | <b>47,995</b> | <b>47,995</b> | <b>250,000</b> | <b>250,000</b> |

#### Background

The Independent Living Centers are non-residential, non-profit organizations which provide comprehensive services including peer counseling, skills training, and case management to persons with disabilities. Connecticut has five community-based Independent Living Centers located in Naugatuck, West Haven, Stratford, Hartford, and Norwich that assist individuals throughout the state.

#### Governor

Eliminate funding of \$202,005 for Independent Living Centers to reflect the end of state funding for each of the five centers.

#### Legislative

Provide funding \$47,995 for Independent Living Centers, which results in total funding of \$250,000 for all five centers and \$50,000 for each center.

### Reduce Funding for Various Line Items

|   |                  |                  |                 |                 |                |                |
|---|------------------|------------------|-----------------|-----------------|----------------|----------------|
| Personal Services   | (66,803)         | (66,803)         | (66,803)        | (66,803)        | -              | -              |
| Educational Aid for Blind and Visually Handicapped Children | (200,000)        | (200,000)        | -               | -               | 200,000        | 200,000        |
| Employment Opportunities - Blind & Disabled                 | (395,120)        | (395,120)        | -               | -               | 395,120        | 395,120        |
| <b>Total - General Fund</b>                                 | <b>(661,923)</b> | <b>(661,923)</b> | <b>(66,803)</b> | <b>(66,803)</b> | <b>595,120</b> | <b>595,120</b> |

#### Background

The Educational Aid for Blind and Visually Handicapped Children account funds adaptive equipment, devices, and staff in the Department's Bureau of Education and Services for the Blind (BESB). BESB provides consultation services to classroom teachers, paraprofessionals, and parents to maximize access to learning through the provision of teaching strategies.

The Employment Opportunities account funds support to blind and disabled individuals in order for them to engage in and retain integrated, competitive employment. The program currently serves 18 persons who are blind and 220 persons with disabilities.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Reduce funding by \$661,923 in both FY 18 and FY 19 to achieve savings.

**Legislative**

Reduce funding for Personal Service by \$66,803 in both FY 18 and FY 19 to achieve savings.

**Reduce Program Funding to Reflect FY 17 Estimated Level**

|   |                  |                  |                  |                  |          |          |
|---|------------------|------------------|------------------|------------------|----------|----------|
| Rehabilitative Services                   | (150,000)        | (150,000)        | (150,000)        | (150,000)        | -        | -        |
| <b>Total - Workers' Compensation Fund</b> | <b>(150,000)</b> | <b>(150,000)</b> | <b>(150,000)</b> | <b>(150,000)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$150,000 in both FY 18 and FY 19 to reflect the estimated FY 17 expenditure level in the Workers' Compensation Fund Rehabilitative Services account.

**Legislative**

Same as Governor

**Annualize FY 17 Holdbacks**

|   |                  |                  |                  |                  |                |                |
|---|------------------|------------------|------------------|------------------|----------------|----------------|
| Personal Services   | (47,581)         | (47,581)         | (47,581)         | (47,581)         | -              | -              |
| Other Expenses  | (14,474)         | (14,474)         | (14,474)         | (14,474)         | -              | -              |
| Educational Aid for Blind and Visually Handicapped Children | (40,402)         | (40,402)         | -                | -                | 40,402         | 40,402         |
| Employment Opportunities - Blind & Disabled                 | (10,325)         | (10,325)         | -                | -                | 10,325         | 10,325         |
| Vocational Rehabilitation - Disabled                        | (73,540)         | (73,540)         | -                | -                | 73,540         | 73,540         |
| Supplementary Relief and Services                           | (38,426)         | (38,426)         | (38,426)         | (38,426)         | -              | -              |
| Special Training for the Deaf Blind                         | (163,419)        | (163,419)        | -                | -                | 163,419        | 163,419        |
| Connecticut Radio Information Service                       | (23,250)         | (23,250)         | (23,250)         | (23,250)         | -              | -              |
| Independent Living Centers                                  | (170,962)        | (170,962)        | -                | -                | 170,962        | 170,962        |
| <b>Total - General Fund</b>                                 | <b>(582,379)</b> | <b>(582,379)</b> | <b>(123,731)</b> | <b>(123,731)</b> | <b>458,648</b> | <b>458,648</b> |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

**Governor**

Reduce funding by \$582,379 in both FY 18 and in FY 19 to annualize FY 17 holdbacks.

**Legislative**

Reduce funding by \$123,731 in both FY 18 and FY 19 to partially annualize FY 17 holdbacks

**Current Services**

**Transfer Abuse Investigation Division from OPA to DORS**

|                                 |                  |                  |                  |                  |          |          |
|---------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services               | 961,837          | 961,837          | 961,837          | 961,837          | -        | -        |
| Other Expenses                  | 47,341           | 47,341           | 47,341           | 47,341           | -        | -        |
| <b>Total - General Fund</b>     | <b>1,009,178</b> | <b>1,009,178</b> | <b>1,009,178</b> | <b>1,009,178</b> | <b>-</b> | <b>-</b> |
| <b>Positions - General Fund</b> | <b>12</b>        | <b>12</b>        | <b>12</b>        | <b>12</b>        | <b>-</b> | <b>-</b> |

**Background**

PA 16-66 includes provisions to transfer the Office of Protection and Advocacy's (OPA) Abuse Investigation Division (AID) to the Department of Rehabilitation Services (DORS).

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Transfer funding of \$1,009,178 and 12 positions in both FY 18 and FY 19 from OPA to DORS to reflect the transfer of AID. (Subsequently transferred to DDS; See Policy Revision write-up.)

**Legislative**

Same as Governor

**Annualize FY 17 Funding for Personal Services**

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Personal Services           | 200,000        | 200,000        | 200,000        | 200,000        | -        | -        |
| <b>Total - General Fund</b> | <b>200,000</b> | <b>200,000</b> | <b>200,000</b> | <b>200,000</b> | <b>-</b> | <b>-</b> |

**Background**

Annualization refers to providing the amount of resources necessary for a 12 month period of operation. PA 16-2 MSS reduced DORS' Personal Services account by \$200,000 in FY 17 and carried forward \$200,000 from the Part-Time Interpreters account to the Personal Services account.

**Governor**

Provide funding of \$200,000 in both FY 18 and FY 19 to reflect full-year funding for Personal Services.

**Legislative**

Same as Governor

**Eliminate Funding to Reflect Program Closure**

|                                 |                |                |                |                |          |          |
|---------------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Part-Time Interpreters          | (1,423)        | (1,423)        | (1,423)        | (1,423)        | -        | -        |
| <b>Total - General Fund</b>     | <b>(1,423)</b> | <b>(1,423)</b> | <b>(1,423)</b> | <b>(1,423)</b> | <b>-</b> | <b>-</b> |
| <b>Positions - General Fund</b> | <b>(5)</b>     | <b>(5)</b>     | <b>(5)</b>     | <b>(5)</b>     | <b>-</b> | <b>-</b> |

**Background**

The DORS Sign Language Interpreting Services Program was closed as of July 15, 2016. Individuals in need of interpreting services are directed to access the state's 2-1-1 system for available resources.

**Governor**

Reduce funding by \$1,423 in the Part-Time Interpreters account and reduce agency position count by five to reflect the positions which were eliminated with the program closure.

**Legislative**

Same as Governor

**Adjust Accounts to Reflect Current Requirement**

|   |                  |                  |                  |                  |          |          |
|---|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services                         | (20,000)         | (20,000)         | (20,000)         | (20,000)         | -        | -        |
| Other Expenses                            | (450,000)        | (450,000)        | (450,000)        | (450,000)        | -        | -        |
| Fringe Benefits                           | 20,000           | 20,000           | 20,000           | 20,000           | -        | -        |
| <b>Total - Workers' Compensation Fund</b> | <b>(450,000)</b> | <b>(450,000)</b> | <b>(450,000)</b> | <b>(450,000)</b> | <b>-</b> | <b>-</b> |

**Background**

The Worker's Compensation Fund supports six positions in DORS Workers' Rehabilitation Services (WRS), which assists the eligible injured worker in returning to employment by providing vocational counseling services. The Revised FY 17 Budget provided \$450,000 in Other Expenses to support the Workers' Compensation Commission (WCC) project to modernize the claims process, which include a Workers' Rehabilitation module dedicated to DORS.

**Governor**

Reduce funding by \$450,000 in Other Expenses to adjust for one-time funding that was provided in FY 17 for the WCC computer upgrade. Funding is also reduced by \$20,000 in Personal Services and increased by \$20,000 in Fringe Benefits in both FY 18 and FY 19 to reflect the current funding requirement.

**Legislative**

Same as Governor

## Totals

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |                  |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|------------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19            |
| FY 17 Appropriation - GF      | 19,414,240           | 19,414,240        | 19,414,240        | 19,414,240        | -                        | -                |
| Policy Revisions              | (2,455,485)          | (2,455,485)       | (1,191,147)       | (1,191,147)       | 1,264,338                | 1,264,338        |
| Current Services              | 1,207,755            | 1,207,755         | 1,207,755         | 1,207,755         | -                        | -                |
| <b>Total Recommended - GF</b> | <b>18,166,510</b>    | <b>18,166,510</b> | <b>19,430,848</b> | <b>19,430,848</b> | <b>1,264,338</b>         | <b>1,264,338</b> |
| FY 17 Appropriation - WF      | 2,710,333            | 2,710,333         | 2,710,333         | 2,710,333         | -                        | -                |
| Policy Revisions              | (150,000)            | (150,000)         | (150,000)         | (150,000)         | -                        | -                |
| Current Services              | (450,000)            | (450,000)         | (450,000)         | (450,000)         | -                        | -                |
| <b>Total Recommended - WF</b> | <b>2,110,333</b>     | <b>2,110,333</b>  | <b>2,110,333</b>  | <b>2,110,333</b>  | -                        | -                |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |       |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|-------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19 |
| FY 17 Appropriation - GF      | 118                  | 118        | 118         | 118        | -                        | -     |
| Policy Revisions              | (12)                 | (12)       | (12)        | (12)       | -                        | -     |
| Current Services              | 7                    | 7          | 7           | 7          | -                        | -     |
| <b>Total Recommended - GF</b> | <b>113</b>           | <b>113</b> | <b>113</b>  | <b>113</b> | -                        | -     |
| FY 17 Appropriation - WF      | 6                    | 6          | 6           | 6          | -                        | -     |
| <b>Total Recommended - WF</b> | <b>6</b>             | <b>6</b>   | <b>6</b>    | <b>6</b>   | -                        | -     |

*Other Significant Legislation**Holdbacks***PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$17,585, a Labor Concessions Savings of \$304,977, a Targeted Savings of \$252,876, and a Delayed Start Savings of \$109,867. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account   | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|---|------------------|---------------------|------------------|-------------|
| Personal Services   | 5,357,894        | (190,846)           | 5,167,048        | 5.1%        |
| Other Expenses  | 1,398,021        | (69,901)            | 1,328,120        | 5.0%        |
| Educational Aid for Blind and Visually Handicapped Children | 4,040,237        | (131,716)           | 3,908,521        | 3.3%        |
| Employment Opportunities - Blind & Disabled                 | 1,032,521        | (20,650)            | 1,011,871        | 2.0%        |
| Vocational Rehabilitation - Disabled                        | 7,354,087        | (147,082)           | 7,207,005        | 2.0%        |
| Supplementary Relief and Services                           | 45,762           | (915)               | 44,847           | 2.0%        |
| Special Training for the Deaf Blind                         | 268,003          | (5,360)             | 262,643          | 2.0%        |
| Connecticut Radio Information Service                       | 27,474           | (7,280)             | 20,194           | 26.5%       |
| Independent Living Centers                                  | 420,962          | (111,555)           | 309,407          | 26.5%       |

## Department of Education

### SDE64000

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 1,779           | 1,806           | 1,815                  | 1,811                | 1,811 | 1,819       | 1,819 |

#### Budget Summary

| Account   | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |             | Legislative |             |
|---|-----------------|-----------------|------------------------|----------------------|-------------|-------------|-------------|
|   |                 |                 |                        | FY 18                | FY 19       | FY 18       | FY 19       |
| Personal Services   | 18,316,349      | 18,019,383      | 18,965,022             | 15,614,240           | 15,614,240  | 16,264,240  | 16,264,240  |
| Other Expenses  | 4,049,669       | 3,823,476       | 3,624,378              | 3,261,940            | 3,261,940   | 3,261,940   | 3,261,940   |
| <b>Other Current Expenses</b>                                     |                 |                 |                        |                      |             |             |             |
| Admin - Magnet Schools  | 238,975         | 246,063         | -                      | -                    | -           | -           | -           |
| Admin - Adult Education   | 1,024,749       | 1,029,833       | -                      | -                    | -           | -           | -           |
| Development of Mastery Exams<br>Grades 4, 6, and 8                | 14,164,955      | 11,503,431      | 13,343,315             | -                    | -           | 10,443,016  | 10,443,016  |
| Admin-Interdistrict Cooperation                                   | 92,424          | 71,649          | -                      | -                    | -           | -           | -           |
| Primary Mental Health   | 426,581         | 371,794         | 395,518                | -                    | -           | 383,653     | 383,653     |
| Admin - Youth Service Bureaus                                     | 59,785          | 56,796          | -                      | -                    | -           | -           | -           |
| Leadership, Education, Athletics<br>in Partnership (LEAP)         | 690,413         | 647,263         | 625,045                | -                    | -           | 462,534     | 462,534     |
| Adult Education Action  | 172,551         | 142,200         | 222,834                | -                    | -           | 216,149     | 216,149     |
| Connecticut Pre-Engineering<br>Program                            | 262,500         | 221,486         | 225,758                | -                    | -           | -           | -           |
| Connecticut Writing Project                                       | 47,500          | 65,248          | 63,360                 | -                    | -           | 30,000      | 30,000      |
| Resource Equity Assessments                                       | 159,661         | 85,699          | 149,310                | 134,379              | -           | 134,379     | -           |
| Neighborhood Youth Centers  | 1,292,810       | 1,036,264       | 1,048,664              | -                    | -           | 650,172     | 650,172     |
| Longitudinal Data Systems   | 1,196,330       | 1,128,883       | 1,347,717              | -                    | -           | 1,212,945   | 1,212,945   |
| School Accountability   | 1,641,848       | 1,332,114       | -                      | -                    | -           | -           | -           |
| Sheff Settlement  | 9,818,981       | 9,440,038       | 11,368,413             | 9,027,361            | 9,027,361   | 11,027,361  | 11,027,361  |
| Admin - After School Programs                                     | 193,200         | 190,349         | -                      | -                    | -           | -           | -           |
| CommPACT Schools  | -               | 329,175         | 350,000                | -                    | -           | -           | -           |
| Parent Trust Fund Program   | 475,000         | 421,069         | 439,823                | -                    | -           | 395,841     | 395,841     |
| Regional Vocational-Technical<br>School System                    | 154,932,230     | 162,624,943     | 163,367,535            | -                    | -           | 133,875,227 | 133,918,454 |
| Science Program for Educational<br>Reform Districts               | 432,250         | -               | -                      | -                    | -           | -           | -           |
| Wrap Around Services  | 427,498         | -               | -                      | -                    | -           | -           | -           |
| Parent Universities   | 407,500         | -               | -                      | -                    | -           | -           | -           |
| School Health Coordinator Pilot                                   | 180,500         | -               | -                      | -                    | -           | -           | -           |
| Commissioner's Network  | 13,602,307      | 10,646,338      | 12,121,553             | 10,909,398           | 10,909,398  | 10,009,398  | 10,009,398  |
| Local Charter Schools   | 192,000         | 306,000         | 388,015                | -                    | -           | 480,000     | 540,000     |
| Bridges to Success  | 571,570         | 189,643         | 188,500                | -                    | -           | 40,000      | 40,000      |
| K-3 Reading Assessment Pilot                                      | 2,555,444       | 2,592,793       | 2,646,200              | -                    | -           | 2,461,580   | 2,461,940   |
| Talent Development  | 10,388,086      | 7,542,731       | 6,095,115              | 3,000,000            | 3,000,000   | 650,000     | 650,000     |
| Common Core   | 5,966,308       | 4,291,609       | 4,126,767              | -                    | -           | -           | -           |
| Alternative High School and<br>Adult Reading Incentive<br>Program | 1,140,000       | 174,688         | 188,500                | -                    | -           | -           | -           |
| Special Master  | 1,961,461       | 1,356,083       | 903,614                | -                    | -           | -           | -           |
| School-Based Diversion Initiative                                 | -               | 288,740         | 942,500                | -                    | -           | 1,000,000   | 1,000,000   |
| Technical High Schools Personal                                   | -               | -               | -                      | 133,875,227          | 132,214,174 | -           | -           |

| Account  | Actual<br>FY 15      | Actual<br>FY 16      | Appropriation<br>FY 17 | Governor Recommended |                      | Legislative          |                      |
|--|----------------------|----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|
|  |                      |                      |                        | FY 18                | FY 19                | FY 18                | FY 19                |
| Services   |                      |                      |                        |                      |                      |                      |                      |
| Technical High Schools Other Expenses                | -                    | -                    | -                      | 23,861,660           | 23,861,660           | 23,861,660           | 23,861,660           |
| Student Assessment and Accountability                | -                    | -                    | -                      | 18,037,541           | 18,037,901           | -                    | -                    |
| Division of Higher Education                         | -                    | -                    | -                      | 4,054,434            | 4,054,434            | -                    | -                    |
| <b>Other Than Payments to Local Governments</b>      |                      |                      |                        |                      |                      |                      |                      |
| American School For The Deaf                         | 10,659,030           | 9,889,412            | 9,543,829              | 9,257,514            | 9,257,514            | 8,257,514            | 8,257,514            |
| Regional Education Services                          | 1,107,725            | 1,005,062            | 606,172                | -                    | -                    | 350,000              | 350,000              |
| Family Resource Centers                              | 8,051,914            | 7,990,104            | 7,894,843              | -                    | -                    | 5,802,710            | 5,802,710            |
| Charter Schools                                      | -                    | -                    | 110,835,808            | -                    | -                    | 109,821,500          | 116,964,132          |
| Youth Service Bureau Enhancement                     | 620,300              | 577,606              | 668,927                | -                    | -                    | 648,859              | 648,859              |
| Child Nutrition State Match                          | 2,354,173            | 2,348,741            | 2,201,390              | -                    | -                    | 2,354,000            | 2,354,000            |
| Health Foods Initiative                              | 4,151,065            | 4,364,951            | 3,985,367              | -                    | -                    | 4,101,463            | 4,151,463            |
| Roberta B. Willis Scholarship Fund                   | -                    | -                    | -                      | 35,123,826           | 32,923,826           | -                    | -                    |
| Student Support Services                             | -                    | -                    | -                      | 7,979,217            | 7,979,217            | -                    | -                    |
| State Charter Schools                                | -                    | -                    | -                      | 112,759,500          | 119,627,100          | -                    | -                    |
| Child Nutrition Programs                             | -                    | -                    | -                      | 8,614,363            | 8,664,363            | -                    | -                    |
| Youth Service Bureaus and Diversion Initiatives      | -                    | -                    | -                      | 4,095,595            | 4,095,595            | -                    | -                    |
| <b>Grant Payments to Local Governments</b>           |                      |                      |                        |                      |                      |                      |                      |
| Vocational Agriculture                               | 11,017,600           | 11,017,600           | 10,544,937             | 9,490,443            | 9,423,507            | 10,228,589           | 10,228,589           |
| Transportation of School Children                    | 24,884,748           | 22,336,353           | -                      | -                    | -                    | -                    | -                    |
| Adult Education                                      | 20,003,812           | 19,999,328           | 20,383,960             | 20,383,960           | 20,383,960           | 20,383,960           | 20,383,960           |
| Health and Welfare Services Pupils Private Schools   | 4,297,500            | 3,618,668            | 3,526,579              | 3,526,579            | 3,526,579            | 3,526,579            | 3,526,579            |
| Education Equalization Grants                        | 2,122,676,702        | 2,150,764,753        | 2,027,587,120          | 1,580,003,953        | 1,580,003,953        | 1,986,183,701        | 2,017,131,405        |
| Bilingual Education                                  | 1,882,794            | 2,930,273            | 3,164,800              | 2,848,320            | 2,848,320            | 2,848,320            | 2,848,320            |
| Priority School Districts                            | 46,947,022           | 42,031,867           | 42,337,171             | 38,103,454           | 38,103,454           | 38,103,454           | 38,103,454           |
| Young Parents Program                                | 229,330              | 216,462              | 212,318                | -                    | -                    | 106,159              | 106,159              |
| Interdistrict Cooperation                            | 9,112,199            | 6,810,849            | 6,353,391              | 4,000,000            | 4,000,000            | 3,050,000            | 3,050,000            |
| School Breakfast Program                             | 2,376,884            | 2,378,038            | 2,225,669              | -                    | -                    | 2,158,900            | 2,158,900            |
| Excess Cost - Student Based                          | 139,830,460          | 139,843,559          | 135,555,731            | -                    | -                    | 142,542,860          | 142,119,782          |
| Non-Public School Transportation                     | 3,595,500            | 3,416,985            | -                      | -                    | -                    | -                    | -                    |
| School To Work Opportunities                         | 213,750              | -                    | -                      | -                    | -                    | -                    | -                    |
| Youth Service Bureaus                                | 2,929,483            | 2,769,009            | 2,651,516              | -                    | -                    | 2,598,486            | 2,598,486            |
| Open Choice Program                                  | 32,989,873           | 35,160,537           | 40,258,605             | 40,090,639           | 42,090,639           | 38,090,639           | 40,090,639           |
| Magnet Schools                                       | 310,660,393          | 318,723,292          | 313,058,158            | 313,058,158          | 313,058,158          | 328,058,158          | 326,508,158          |
| After School Program                                 | 6,180,086            | 5,095,123            | 4,866,695              | -                    | -                    | 4,720,695            | 4,720,695            |
| Special Education                                    | -                    | -                    | -                      | 597,582,615          | 597,582,615          | -                    | -                    |
| <b>Nonfunctional - Change to Accruals</b>            | <b>728,700</b>       | <b>-</b>             | <b>-</b>               | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>             |
| <b>Agency Total - General Fund</b>                   | <b>3,014,582,478</b> | <b>3,033,464,355</b> | <b>2,991,600,442</b>   | <b>3,008,694,316</b> | <b>3,013,549,908</b> | <b>2,930,796,641</b> | <b>2,968,933,107</b> |
| Education Equalization Grants                        | -                    | -                    | -                      | 10,000,000           | 10,000,000           | -                    | -                    |
| <b>Agency Total - Municipal Revenue Sharing Fund</b> | <b>-</b>             | <b>-</b>             | <b>-</b>               | <b>10,000,000</b>    | <b>10,000,000</b>    | <b>-</b>             | <b>-</b>             |
| <b>Total - Appropriated Funds</b>                    | <b>3,014,582,478</b> | <b>3,033,464,355</b> | <b>2,991,600,442</b>   | <b>3,018,694,316</b> | <b>3,023,549,908</b> | <b>2,930,796,641</b> | <b>2,968,933,107</b> |
| <b>Additional Funds Available</b>                    |                      |                      |                        |                      |                      |                      |                      |
| Federal Funds  | -                    | 481,037,731          | 490,736,000            | 503,681,450          | 516,253,950          | 503,681,450          | 516,253,950          |
| Private Contributions & Other Restricted             | -                    | 1,432,065            | 1,461,000              | 1,489,000            | 1,526,000            | 1,489,000            | 1,526,000            |
| Private Contributions                                | -                    | 11,833,014           | 12,070,000             | 12,692,000           | 13,007,000           | 12,692,000           | 13,007,000           |

| Account                   | Actual<br>FY 15      | Actual<br>FY 16      | Appropriation<br>FY 17 | Governor Recommended |                      | Legislative          |                      |
|---------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|
|                           |                      |                      |                        | FY 18                | FY 19                | FY 18                | FY 19                |
| <b>Agency Grand Total</b> | <b>3,014,582,478</b> | <b>3,527,767,165</b> | <b>3,495,867,442</b>   | <b>3,536,556,766</b> | <b>3,554,336,858</b> | <b>3,448,659,091</b> | <b>3,499,720,057</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Adjust Funding for ECS

|   |                   |                   |                     |                     |                     |                     |
|---|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Education Equalization Grants                 | -                 | -                 | (41,403,419)        | (10,455,715)        | (41,403,419)        | (10,455,715)        |
| <b>Total - General Fund</b>                   | <b>-</b>          | <b>-</b>          | <b>(41,403,419)</b> | <b>(10,455,715)</b> | <b>(41,403,419)</b> | <b>(10,455,715)</b> |
| Education Equalization Grants                 | 10,000,000        | 10,000,000        | -                   | -                   | (10,000,000)        | (10,000,000)        |
| <b>Total - Municipal Revenue Sharing Fund</b> | <b>10,000,000</b> | <b>10,000,000</b> | <b>-</b>            | <b>-</b>            | <b>(10,000,000)</b> | <b>(10,000,000)</b> |

### Legislative

The ECS formula has been revised in the following ways:

- Additional student weights are included: (1) 15 percent for English Language Learners, and (2) 5 percent for students that put a town above 75 percent Free and Reduced Price Lunch eligibility.
- The property portion of the state aid ratio is weighted at 70 percent and the income portion at 30 percent, from the previous respective weights of 90 percent and 10 percent.
- The statewide guaranteed wealth level has been reduced from 1.5 to 1.35, which effectively reduces base aid ratios.
- The base aid ratio is adjusted upward by between three and six percentage points for towns with a Public Investment Community index above 300, based on the town's precise index.

In FY 18, Alliance district towns receive the same grants as in FY 17 (post-MORE Commission lapse) and all others are reduced five percent from FY 17.

In FY 19, implementation of the revised ECS formula begins. Towns that need additional money to reach full funding from FY 17 receive a grant equal to FY 17 plus 4.1 percent of the additional money needed to reach full funding (from FY 17). Towns that received more in FY 17 than the new formula calculates, receive a grant equal to FY 17 less 25 percent of the difference between FY 17 and full funding; however, Alliance districts are held harmless from any reduction.

### Establish New Account for Special Education Funding

|                               |                  |                  |          |          |                    |                    |
|-------------------------------|------------------|------------------|----------|----------|--------------------|--------------------|
| Education Equalization Grants | (447,583,167)    | (447,583,167)    | -        | -        | 447,583,167        | 447,583,167        |
| Excess Cost - Student Based   | (140,000,000)    | (140,000,000)    | -        | -        | 140,000,000        | 140,000,000        |
| Special Education             | 597,582,615      | 597,582,615      | -        | -        | (597,582,615)      | (597,582,615)      |
| <b>Total - General Fund</b>   | <b>9,999,448</b> | <b>9,999,448</b> | <b>-</b> | <b>-</b> | <b>(9,999,448)</b> | <b>(9,999,448)</b> |

### Background

The Excess Cost account provides grants to local and regional boards of education for current year excess costs associated with the provision of special education services. The state pays the following amounts depending upon who is responsible for the education of the child: (1) state agency placed - no-nexus (on state-owned property) - the state pays 100% of the cost, (2) locally placed students - the state will pay costs in excess of four-and-a-half times the prior year current net expenditures per pupil, and (3) state agency placed (where nexus is known) - the state will pay costs in excess of one times the prior year net current expenditures per pupil.

The Excess Cost account is currently the only budget line item that directly assists boards of education with special education costs.

### Governor

Transfer funding of \$447,583,167 in both FY 18 and FY 19 from the ECS grant and \$140 million in both FY 18 and FY 19 from the Excess Cost grant, to establish a new Special Education account. The transfer will eliminate the Excess Cost account.

Funding for the new Special Education account will be based on a sliding wealth-based scale, ranging from 0-53.93%. The wealth-based sliding scale is calculated using equalized net grand list per capita and reimbursement based on previous year special education expenditures.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Do not create a new Special Education account.

**Provide Additional Funding for State Charter Schools**

|                             |                  |                  |                  |                  |                    |                    |
|-----------------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|
| Charter Schools             | -                | -                | 2,500,000        | 2,871,032        | 2,500,000          | 2,871,032          |
| State Charter Schools       | 5,000,000        | 5,000,000        | -                | -                | (5,000,000)        | (5,000,000)        |
| <b>Total - General Fund</b> | <b>5,000,000</b> | <b>5,000,000</b> | <b>2,500,000</b> | <b>2,871,032</b> | <b>(2,500,000)</b> | <b>(2,128,968)</b> |

**Background**

In FY 16, the number of state funded state and local charter school students totaled 9,573. The state provides a per pupil reimbursement grant of \$11,000 to students attending state charter schools and \$3,000 per pupil for students attending local charter schools.

**Governor**

Provide additional funding of \$5 million in both FY 18 and FY 19 to increase the state per pupil reimbursement rate from \$11,000 to \$11,500.

**Legislative**

Provide additional funding of \$2.5 million in FY 18 and \$2,871,032 in FY 19 to increase the state per pupil reimbursement rate from \$11,000 to \$11,250.

**Consolidate State and Local Charter School Accounts**

|                             |               |               |          |          |               |               |
|-----------------------------|---------------|---------------|----------|----------|---------------|---------------|
| Local Charter Schools       | (438,000)     | (534,000)     | -        | -        | 438,000       | 534,000       |
| Charter Schools             | (107,321,500) | (114,093,100) | -        | -        | 107,321,500   | 114,093,100   |
| State Charter Schools       | 107,759,500   | 114,627,100   | -        | -        | (107,759,500) | (114,627,100) |
| <b>Total - General Fund</b> | <b>-</b>      | <b>-</b>      | <b>-</b> | <b>-</b> | <b>-</b>      | <b>-</b>      |

**Background**

In FY 16, the number of state funded state and local charter school students totaled 9,573. The state provides a per pupil reimbursement grant of \$11,000 to students attending state charter schools and \$3,000 per pupil for students attending local charter schools.

**Governor**

Transfer local charter school funding of \$438,000 in FY 18 and \$534,000 in FY 19 and state charter school funding of \$107,321,500 in FY 18 and \$114,093,100 in FY 19 to establish a new State and Local Charter Schools account.

**Legislative**

Do not consolidate accounts. Rename New and Replicated Schools, the Local Charter School account.

**Reduce Funding for Various School Choice Programs**

|                             |                     |                     |                     |                     |                  |                  |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|------------------|------------------|
| Local Charter Schools       | (84,360)            | (84,360)            | (42,360)            | (78,360)            | 42,000           | 6,000            |
| Charter Schools             | (2,323,426)         | (2,679,826)         | (2,323,426)         | (2,679,826)         | -                | -                |
| Vocational Agriculture      | (738,146)           | (805,082)           | -                   | -                   | 738,146          | 805,082          |
| Interdistrict Cooperation   | (2,162,790)         | (2,162,790)         | (162,790)           | (162,790)           | 2,000,000        | 2,000,000        |
| Open Choice Program         | (3,220,689)         | (3,707,189)         | (3,220,689)         | (3,707,189)         | -                | -                |
| Magnet Schools              | (47,941,842)        | (56,941,842)        | (47,941,842)        | (56,941,842)        | -                | -                |
| <b>Total - General Fund</b> | <b>(56,471,253)</b> | <b>(66,381,089)</b> | <b>(53,691,107)</b> | <b>(63,570,007)</b> | <b>2,780,146</b> | <b>2,811,082</b> |

**Background**

- The New or Replicated Schools account funds local charter schools, through a \$3,000 per pupil grant.
- Charter Schools provide an \$11,000 per pupil state reimbursement for each student attending a state charter school.
- Vocational Agriculture provides training for students planning a career in agriculture fields, including aquaculture and marine related employment. The State Board of Education has approved regional vocational agriculture centers in 19 comprehensive high schools throughout the state.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

- The Interdistrict Cooperative Program serves elementary and secondary students in prekindergarten through Grade 12. This competitive grant program funds interdistrict programs designed to promote a greater understanding and appreciation of cultural diversity and to advance student achievement through these activities. Eligibility for a grant is dependent upon a cooperative arrangement involving two or more local or regional boards of education or a regional educational service center. Grant awards are based on the number of students involved, the number of face-to-face meetings between students, and the quality of the interaction and student experiences.
- The Open Choice program allows public school students from Hartford, New London, New Haven or Bridgeport to attend school in another school district in the region. It also allows students who live in school districts in those regions to attend school in the urban centers. The program is designed to reduce racial and economic isolation while providing improved educational choices for students and their parents. The program is administered by the regional education service centers serving Hartford, New London, New Haven and Bridgeport.
- The Interdistrict Magnet Schools grant is designed to support racial, ethnic and economic diversity through a high-quality curriculum. Magnet Schools provide a range of themes including performing arts, math, science and technology, international studies, early childhood and multicultural education. The program also provides transportation to interdistrict school students who reside outside the district in which the school is located. Eligibility for a grant is dependent upon a cooperative arrangement involving two or more local or regional boards of education or a regional educational service center and approval of the operations plan by the State Department of Education.

#### Governor

Reduce funding by \$56,471,253 in FY 18 and \$66,381,089 in FY 19 associated with various school choice programs. The reduction will result in fewer seats and slots for eligible students and/or reduced grants to local school districts. Additionally, it is anticipated that the impact to the Magnet School account will result in a 3-5% decrease in provider operating grants.

#### Legislative

Reduce funding by \$53,691,107 in FY 18 and \$63,570,007 in FY 19 associated with various school choice programs, including a reduction of \$162,790 in both FY 18 and FY 19 for the Interdistrict Cooperation grant. Funding of \$2 million in FY 18 and FY 19 is maintained for the Interdistrict Cooperation grant.

### Transfer the Office of Higher Education to SDE

|                                    |                   |                   |   |   |                     |                     |
|------------------------------------|-------------------|-------------------|---|---|---------------------|---------------------|
| Division of Higher Education       | 4,054,434         | 4,054,434         | - | - | (4,054,434)         | (4,054,434)         |
| Roberta B. Willis Scholarship Fund | 35,123,826        | 32,923,826        | - | - | (35,123,826)        | (32,923,826)        |
| <b>Total - General Fund</b>        | <b>39,178,260</b> | <b>36,978,260</b> | - | - | <b>(39,178,260)</b> | <b>(36,978,260)</b> |
| <b>Positions - General Fund</b>    | <b>27</b>         | <b>27</b>         | - | - | <b>(27)</b>         | <b>(27)</b>         |

#### Background

The Office of Higher Education seeks to advance the promise of postsecondary education for all state residents. Key state responsibilities, in addition to student financial aid administration, include: the licensure and accreditation of Connecticut's independent colleges and universities (programmatic and institutional; non-profit and for-profit), licensure of in-state academic programs offered by out-of-state institutions, regulation of more than 150 postsecondary schools and operation of the Alternate Route to Certification. The office also serves as the portal agency in the administration of Connecticut's State Authorization Reciprocity Agreements (SARA). Major federal responsibilities include AmeriCorps, Veterans Program Approval, and the Teacher Quality Partnership Grant Program.

#### Governor

Transfer the Office of Higher Education, along with twenty-seven positions, and corresponding funding of \$39,178,260 in FY 18 and \$36,978,260 in FY 19 to the State Department of Education.

#### Legislative

Do not transfer the Office of Higher Education.

### Provide Additional Funding for Magnet Schools

|                             |          |          |                   |                   |                   |                   |
|-----------------------------|----------|----------|-------------------|-------------------|-------------------|-------------------|
| Magnet Schools              | -        | -        | 15,000,000        | 13,450,000        | 15,000,000        | 13,450,000        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>15,000,000</b> | <b>13,450,000</b> | <b>15,000,000</b> | <b>13,450,000</b> |

#### Legislative

Provide \$15 million in FY 18 and \$13.45 million in FY 19 for magnet schools.

In FY 19, funding is decreased by \$1.35 million to implement a means test for preschool tuition, and \$200,000 to eliminate the transportation reimbursement for preschool parents.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Adjust Funding for Vocational Technical High Schools

|   |                    |                    |                    |                    |               |                  |
|---|--------------------|--------------------|--------------------|--------------------|---------------|------------------|
| Personal Services                           | (1,704,280)        | (1,704,280)        | (1,704,280)        | (1,704,280)        | -             | -                |
| Regional Vocational-Technical School System | (158,732,607)      | (158,775,834)      | (24,857,380)       | (24,857,380)       | 133,875,227   | 133,918,454      |
| Technical High Schools Personal Services    | 133,875,227        | 132,214,174        | -                  | -                  | (133,875,227) | (132,214,174)    |
| Technical High Schools Other Expenses       | 23,861,660         | 23,861,660         | 23,861,660         | 23,861,660         | -             | -                |
| <b>Total - General Fund</b>                 | <b>(2,700,000)</b> | <b>(4,404,280)</b> | <b>(2,700,000)</b> | <b>(2,700,000)</b> | <b>-</b>      | <b>1,704,280</b> |
| <b>Positions - General Fund</b>             | <b>(35)</b>        | <b>(35)</b>        | <b>-</b>           | <b>-</b>           | <b>35</b>     | <b>35</b>        |

#### Governor

Transfer funding of \$155,138,607 in FY 18 and \$155,181,834 in FY 19 from the Regional Vocational-Technical School System account, into two new accounts, Technical High Schools Personal Services and Technical High Schools Other Expenses.

#### Legislative

Provide \$1,704,280 and 35 corresponding positions in both FY 18 and FY 19 for the Vocational Technical High Schools.

### Consolidate YSBs and Diversion Initiatives

|   |             |             |          |          |             |             |
|---|-------------|-------------|----------|----------|-------------|-------------|
| School-Based Diversion Initiative               | (848,250)   | (848,250)   | -        | -        | 848,250     | 848,250     |
| Youth Service Bureau Enhancement                | (648,859)   | (648,859)   | -        | -        | 648,859     | 648,859     |
| Youth Service Bureaus and Diversion Initiatives | 4,095,595   | 4,095,595   | -        | -        | (4,095,595) | (4,095,595) |
| Youth Service Bureaus                           | (2,598,486) | (2,598,486) | -        | -        | 2,598,486   | 2,598,486   |
| <b>Total - General Fund</b>                     | <b>-</b>    | <b>-</b>    | <b>-</b> | <b>-</b> | <b>-</b>    | <b>-</b>    |

#### Background

- Youth Service Bureaus (YSB) assist municipalities and private youth-serving agencies, designated to act as agents for such municipalities, in establishing, maintaining, or expanding youth services. Direct services which may be provided by YSBs include: individual and group counseling, parent training and family therapy, employment assistance, alternative and special educational opportunities, outreach programs, teen pregnancy services, suspension and expulsion services, diversion from juvenile justice services, preventive programs including youth pregnancy, youth suicide, violence, and alcohol and drug prevention. Ninety-nine Youth Service Bureaus participate in the grant program, serving 126 towns.
- An enhancement to the Youth Service Bureau (YSB) budget line was approved by the Connecticut General Assembly to support the core unit functions of Youth Service Bureaus in existence prior to June 2007. Grants are based on the population of town(s) served by each bureau.
- The School-Based Diversion Initiative, part of the Second Chance Society Initiative, has a goal of reducing the rates of in-school arrests, expulsions, and out-of-school arrests.

#### Governor

Transfer funding of \$4,095,595 from School-Based Diversion Account (\$848,250), Youth Service Bureau Enhancement (\$648,859), and Youth Service Bureaus (\$2,598,486) in both FY 18 and FY 19 to create the Youth Service Bureaus and Diversion Initiatives Account.

#### Legislative

Do not consolidate accounts.

### Consolidate Child Nutrition Programs

|                             |             |             |          |          |             |             |
|-----------------------------|-------------|-------------|----------|----------|-------------|-------------|
| Child Nutrition State Match | (2,354,000) | (2,354,000) | -        | -        | 2,354,000   | 2,354,000   |
| Health Foods Initiative     | (4,101,463) | (4,151,463) | -        | -        | 4,101,463   | 4,151,463   |
| Child Nutrition Programs    | 8,614,363   | 8,664,363   | -        | -        | (8,614,363) | (8,664,363) |
| School Breakfast Program    | (2,158,900) | (2,158,900) | -        | -        | 2,158,900   | 2,158,900   |
| <b>Total - General Fund</b> | <b>-</b>    | <b>-</b>    | <b>-</b> | <b>-</b> | <b>-</b>    | <b>-</b>    |

#### Background

- Child Nutrition State Match provides funds for a mandated state matching grant to maintain eligibility for federal child nutrition funds. Each of the 217 national school lunch sponsors in Connecticut, including private schools, shares proportionately in this grant according to the percentage of total meals served. Prior to FY 11, this grant was one of three grants that made up the Omnibus Education Grants for State Supported Services. PA 10-179 separated the programs into three individual accounts in order to provide more transparency in the budgeting process.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

- Health Foods Initiative provides for an additional grant of \$.10 per lunch for schools that adhere to the healthy school food initiative.
- The state School Breakfast Program is directed toward the student population in schools where 40 percent or more of the children receive a free or reduced-priced lunch. Breakfast is available to children at the beginning of each school day.

#### Governor

Transfer funding of \$18,037,541 in FY 18 and \$18,037,901 in FY 19 from Child Nutrition State Match (\$2,354,000 in both FY 18 and FY 19), Health Foods Initiative (\$4,101,463 in FY 18 and \$4,151,463 in FY 19) and State School Breakfast Program (\$2,158,900 in both FY 18 and FY 19) to establish a new Child Nutrition Program Account.

#### Legislative

Do not consolidate accounts.

### Consolidate Student Assessment and Accountability Programs

|  |              |              |   |   |              |              |
|--|--------------|--------------|---|---|--------------|--------------|
| Development of Mastery Exams<br>Grades 4, 6, and 8 | (12,943,016) | (12,943,016) | - | - | 12,943,016   | 12,943,016   |
| Longitudinal Data Systems                          | (1,212,945)  | (1,212,945)  | - | - | 1,212,945    | 1,212,945    |
| K-3 Reading Assessment Pilot                       | (2,381,580)  | (2,381,940)  | - | - | 2,381,580    | 2,381,940    |
| Common Core  | (1,500,000)  | (1,500,000)  | - | - | 1,500,000    | 1,500,000    |
| Student Assessment and<br>Accountability           | 18,037,541   | 18,037,901   | - | - | (18,037,541) | (18,037,901) |
| <b>Total - General Fund</b>                        | -            | -            | - | - | -            | -            |

#### Background

- The Development of Mastery Exams account provides testing and scoring of statewide exams, as well as test development. The Connecticut Master Test (CMT) is administered to students in grades 3 to 8 and the Connecticut Academic Performance Test (CAPT) is administered to 10th graders. Approximately 15,000 additional special education and bilingual education students are now being assessed. Contract funding is provided for outside professional services.
- The Longitudinal Data System tracks individual students over time. The components of the system include: (1) a teachers certification system, (2) the Public School Information System, and (3) the data warehouse.
- The Early Literacy Pilot Study (assessment pilot), established in July 2011, studies the impact of using an alternative reading assessment system in Grades K-3. The primary purpose of the assessment pilot is to compare the results of the alternative assessment system to the current reading assessment, the Developmental Reading Assessment Second Edition (DRA2), and to ensure best practice in reading assessment and intervention.
- Common Core provides a set of K-12 education standards for English language arts and mathematics developed by the National Governors Association and the Council of Chief State School Officers. The implementation of the standards seeks to raise student achievement and provide more uniform curricula and instruction among states. The Common Core standards were adopted by the State Board of Education in July 2010.

#### Governor

Transfer funding of \$18,037,541 in FY 18 and \$18,037,901 in FY 19, from the Development of Mastery Exams (\$12,943,016 in both FY 18 and 19), Longitudinal Data Systems (\$1,212,945 in both FY 18 and FY 19), K-3 Reading Assessment Pilot (\$2,381,580 in FY 18 and \$2,381,940 in FY 19), and Common Core (\$1,500,000 in both FY 18 and FY 19) to establish the Student Assessment and Accountability Account.

#### Legislative

Do not consolidate accounts.

### Consolidate Student Support Services

|                             |             |             |   |   |             |             |
|-----------------------------|-------------|-------------|---|---|-------------|-------------|
| Primary Mental Health       | (355,966)   | (355,966)   | - | - | 355,966     | 355,966     |
| Adult Education Action      | (216,149)   | (216,149)   | - | - | 216,149     | 216,149     |
| Neighborhood Youth Centers  | (524,332)   | (524,332)   | - | - | 524,332     | 524,332     |
| Sheff Settlement            | (2,000,000) | (2,000,000) | - | - | 2,000,000   | 2,000,000   |
| Parent Trust Fund Program   | (395,841)   | (395,841)   | - | - | 395,841     | 395,841     |
| Talent Development          | 350,000     | 350,000     | - | - | (350,000)   | (350,000)   |
| Regional Education Services | (350,000)   | (350,000)   | - | - | 350,000     | 350,000     |
| Family Resource Centers     | (3,947,423) | (3,947,423) | - | - | 3,947,423   | 3,947,423   |
| Student Support Services    | 7,979,217   | 7,979,217   | - | - | (7,979,217) | (7,979,217) |
| Young Parents Program       | (106,159)   | (106,159)   | - | - | 106,159     | 106,159     |

| Account                     | Governor Recommended |             | Legislative |       | Difference from Governor |             |
|-----------------------------|----------------------|-------------|-------------|-------|--------------------------|-------------|
|                             | FY 18                | FY 19       | FY 18       | FY 19 | FY 18                    | FY 19       |
| Open Choice Program         | 2,000,000            | 2,000,000   | -           | -     | (2,000,000)              | (2,000,000) |
| After School Program        | (2,433,347)          | (2,433,347) | -           | -     | 2,433,347                | 2,433,347   |
| <b>Total - General Fund</b> | -                    | -           | -           | -     | -                        | -           |

**Background**

- The Primary Mental Health Program (PMHP) is a school-based early intervention program. It serves at-risk kindergarten through grade 3 children through the detection and prevention of emotional, behavioral and learning problems. PMHP serves approximately 1,200 children in 25 to 30 school districts, annually. Funding pays for a portion of the costs of counselor assistants (Supervised Mental Health Professionals). Funding is supplemented with federal IDEA Part B funds.
- The Adult Education account assists in defraying the cost of the GED exams. The largest user of these exams is the Department of Corrections.
- The Neighborhood Youth Center Program is composed of two initiatives. One is the Boys & Girls Clubs Program funded at \$1 million. The purpose of the Boys & Girls Clubs Program is to continue to expand and provide safe haven programming to the youth of Connecticut through the addition of staff, services and innovative programming at the 16 Boys & Girls Clubs across Connecticut. This program requires a 100% cash match from the clubs. The second initiative is the Neighborhood Youth Center State Grant Program which supports specific local initiatives to increase positive experiences for youth ages 12 through 18 years in high need neighborhoods, primarily in New Haven. This program requires a 50% cash or in-kind match. The Neighborhood Youth Center Program provides funds to support neighborhood youth centers in Connecticut's seven largest cities: Bridgeport, Hartford, New Britain, New Haven, Norwalk, Stamford and Waterbury.
- The Sheff Settlement account represents the amount of funding using current statutory language necessary to allow the state to achieve the goals set forth in the court order and stipulation for Sheff v. O'Neill. Funds are spent to increase the participation of Hartford minority students in reduced isolation educational settings as defined by the agreement. The agreement allows the state to utilize the following programs to meet the goals outlined in the stipulation: Interdistrict Magnet Schools, CT State Technical Schools, Charter Schools, Open Choice, Regional Vocational-Agricultural programs, and Interdistrict Cooperative grants.
- The Parent Trust Fund is a family involved initiative focused on training parents in civic leadership skills to improve the health, safety and learning of children. The agency administers the program through the State Education and Resource Center (SERC).
- The Talent Development Account is used to develop and deploy talent management and human capital development strategies to districts and schools state-wide so that the most effective educators are in every school and classroom and all students are prepared for college, career and life. Programs supported by this account, include: professional learning for teachers, website development, teacher evaluation system, and technical assistance for educators.
- The six regional educational service centers (RESCs) assist the local school systems in their efforts on behalf of school and student achievement. The RESCs provide high-quality, cost-effective programs to improve teaching and learning throughout Connecticut. The RESCs also provide technical assistance and support to their member school districts. Each of the six centers provides regional programs driven by local demand - often including special education, professional development, school-to-career transition, interdistrict quality and diversity activities, magnet schools, cooperative purchasing and other services.
- Family Resource Centers help communities prevent an array of childhood and adolescent problems. This is accomplished by strengthening effective family management practices and establishing a continuum of childcare and support services. By using public school buildings, Family Resource Centers are able to take advantage of the geographic area served by the school. All families residing in the school's attendance area are eligible for services offered by the center. The components of the family resource centers are as follows: (1) child care, (2) adult education, (3) families in training, (4) school-age child care, (5) positive youth development/teen pregnancy prevention, (6) support and training to home day-care providers, (7) and resource and referral.
- The Young Parents' program provides funding to help school districts maintain or establish programs with daycare components for students who are parents and need additional support in the public schools to continue their education. Teenage mothers and fathers have unique educational needs and the babies of young parents are at risk of handicaps, health disorders and developmental delays. This program allows teen parents to complete their high school education while their babies receive quality child care. The state allocations are matched by local funding.
- The Open Choice program allows public school students from Hartford, New London, New Haven, or Bridgeport to attend school in another school district in the region. It also allows students who live in school districts in those regions to attend school in the urban centers. The program is designed to reduce racial and economic isolation while providing improved educational choices for students and their parents. The program is administered by the regional educational service centers serving Hartford, New London, New Haven, and Bridgeport.
- The After School Program provides grants for after school programs to local and regional boards of education, municipalities, and not-for-profit organizations to model best practices for after school programming with the goals of improving student achievement, school attendance, and behavior in school.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Transfer funding of \$7,979,217 in both FY 18 and FY 19 from various accounts, into a new Student Support Services account.

**Legislative**

Do not consolidate accounts.

**Eliminate Various Grant Programs**

|   |                    |                    |                  |                    |                |                |
|---|--------------------|--------------------|------------------|--------------------|----------------|----------------|
| Leadership, Education, Athletics in Partnership (LEAP)      | (462,534)          | (462,534)          | -                | -                  | 462,534        | 462,534        |
| Connecticut Writing Project                                 | (30,000)           | (30,000)           | -                | -                  | 30,000         | 30,000         |
| Resource Equity Assessments                                 | (10,452)           | (144,831)          | (10,452)         | (144,831)          | -              | -              |
| CommPACT Schools  | (339,500)          | (339,500)          | (339,500)        | (339,500)          | -              | -              |
| Bridges to Success  | (139,490)          | (139,490)          | (139,490)        | (139,490)          | -              | -              |
| Alternative High School and Adult Reading Incentive Program | (182,845)          | (182,845)          | (182,845)        | (182,845)          | -              | -              |
| Regional Education Services                                 | (237,988)          | (237,988)          | (237,988)        | (237,988)          | -              | -              |
| <b>Total - General Fund</b>                                 | <b>(1,402,809)</b> | <b>(1,537,188)</b> | <b>(910,275)</b> | <b>(1,044,654)</b> | <b>492,534</b> | <b>492,534</b> |

**Background**

- The Leadership, Education, and Athletics in Partnership (LEAP) program is a model mentoring program which matches children, ages 7-14, from high poverty urban neighborhoods in the City of New Haven with trained high school and college student counselors. LEAP provides programs and services to help children develop their academic skills and self-esteem, improve their ability to succeed in school, and be involved in their community. LEAP also provides its college and high school counselors with opportunities to teach and mentor children. It also offers counselors training and other experiences to develop their leadership skills and refine their career goals.
- The Connecticut Writing Project (CWP) provides opportunities for growth and professional development for teachers in the areas of reading and writing.
- Resource Equity Assessments is used for the state's implementation of the PJ Settlement (also known as Developmentally Disabled Settlement), which requires communities to place children with disabilities in the least restrictive educational environments.
- The CommPact Community Schools Collaborative provides resources, materials, technical assistance, and evaluation frameworks to guide the establishment of community schools.
- Bridges to Success provides funding to support at risk high school students to successfully transition to college.
- The Alternative High School and Adult Reading Incentive program serves Adult Education students without a high school diploma who require additional instruction. Types of Services include: literacy and numeracy instruction, training in technology and technical skills, counseling, professional development and classroom interventions for teachers with a special emphasis on reading.
- The Regional Education Services account provides state funding to the six regional educational service centers (RESCs), which assist the local school systems in their efforts on behalf of school and student achievement. The RESCs play an active role in providing high-quality, cost-effective programs to improve teaching and learning throughout Connecticut. The RESCs provide technical assistance and support to their member school districts. Each of the six centers provides regional programs driven by local demand - often including special education, professional development, school-to-career transition, interdistrict quality and diversity activities and magnet schools, cooperative purchasing and other services.

**Governor**

Eliminate funding of \$1,402,809 in FY 18 and \$1,537,188 in FY 19 associated with various grant programs.

**Legislative**

Eliminate funding of \$910,275 in FY 18 and \$1,044,654 in FY 19 associated with various grant programs.

**Provide Funding to Diversion Initiatives**

|                                   |          |          |                |                |                |                |
|-----------------------------------|----------|----------|----------------|----------------|----------------|----------------|
| School-Based Diversion Initiative | -        | -        | 151,750        | 151,750        | 151,750        | 151,750        |
| <b>Total - General Fund</b>       | <b>-</b> | <b>-</b> | <b>151,750</b> | <b>151,750</b> | <b>151,750</b> | <b>151,750</b> |

**Legislative**

Provide funding of \$151,750 in both FY 18 and FY 19 for the School Diversion Initiative.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Reduce Funding for Various Accounts by 50%**

|                             |                    |                    |                    |                    |                  |                  |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------------|
| Neighborhood Youth Centers  | (251,680)          | (251,680)          | (125,840)          | (125,840)          | 125,840          | 125,840          |
| Family Resource Centers     | (3,710,575)        | (3,710,575)        | (1,855,288)        | (1,855,288)        | 1,855,287        | 1,855,287        |
| Young Parents Program       | (99,790)           | (99,790)           | (99,790)           | (99,790)           | -                | -                |
| After School Program        | (2,287,348)        | (2,287,348)        | -                  | -                  | 2,287,348        | 2,287,348        |
| <b>Total - General Fund</b> | <b>(6,349,393)</b> | <b>(6,349,393)</b> | <b>(2,080,918)</b> | <b>(2,080,918)</b> | <b>4,268,475</b> | <b>4,268,475</b> |

**Background**

- The Neighborhood Youth Center Program is composed of two initiatives. One is the Boys & Girls Clubs Program funded at \$1 million. The purpose of the Boys & Girls Clubs Program is to continue to expand and provide safe haven programming to the youth of Connecticut through the addition of staff, services and innovative programming at the 16 Boys & Girls Clubs across Connecticut. This program requires a 100% cash match from the clubs. The second initiative is the Neighborhood Youth Center State Grant Program which supports specific local initiatives to increase positive experiences for youth ages 12 through 18 years in high need neighborhoods, primarily in New Haven. This program requires a 50% cash or in-kind match. The Neighborhood Youth Center Program provides funds to support neighborhood youth centers in Connecticut's seven largest cities: Bridgeport, Hartford, New Britain, New Haven, Norwalk, Stamford and Waterbury.
- Family Resource Centers help communities prevent an array of childhood and adolescent problems. This is accomplished by strengthening effective family management practices and establishing a continuum of childcare and support services. By using public school buildings, Family Resource Centers are able to take advantage of the geographic area served by the school. All families residing in the school's attendance area are eligible for services offered by the center. The components of the family resource centers are as follows: (1) child care, (2) adult education, (3) families in training, (4) school-age child care, (5) positive youth development/teen pregnancy prevention, (6) support and training to home day-care providers, (7) and resource and referral.
- The Young Parents program provides funding to help school districts maintain or establish programs with day-care components for students who are parents and need additional support in the public schools to continue their education. Teenage mothers and fathers have unique educational needs and the babies of young parents are at risk of handicaps, health disorders and developmental delays. This program allows teen parents to complete their high school education while their babies receive quality child care. The state allocations are matched by local funding.
- The After School Program provides grants for after school programs to local and regional boards of education, municipalities and not-for-profit organizations to model best practices for after school programming to improve student achievement, school attendance and behavior in school.

**Governor**

Reduce funding by \$6,349,393 in both FY 18 and FY 19 to reflect a 50% reduction across accounts.

**Legislative**

Reduce funding by \$2,080,918 in both FY 18 and FY 19.

**Reduce Funding for Various Accounts**

|                                   |                    |                    |                    |                    |                  |                  |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------------|
| Other Expenses                    | (253,707)          | (253,707)          | (253,707)          | (253,707)          | -                | -                |
| Primary Mental Health             | (27,687)           | (27,687)           | -                  | -                  | 27,687           | 27,687           |
| Longitudinal Data Systems         | (94,341)           | (94,341)           | (94,341)           | (94,341)           | -                | -                |
| Parent Trust Fund Program         | (30,788)           | (30,788)           | (30,788)           | (30,788)           | -                | -                |
| Commissioner's Network            | (848,509)          | (848,509)          | (1,748,509)        | (1,748,509)        | (900,000)        | (900,000)        |
| K-3 Reading Assessment Pilot      | (185,234)          | (184,874)          | (185,234)          | (184,874)          | -                | -                |
| School-Based Diversion Initiative | (65,975)           | (65,975)           | (65,975)           | (65,975)           | -                | -                |
| Health Foods Initiative           | (278,977)          | (278,977)          | (278,977)          | (278,977)          | -                | -                |
| Bilingual Education               | (221,536)          | (221,536)          | (221,536)          | (221,536)          | -                | -                |
| Priority School Districts         | (4,233,717)        | (4,233,717)        | (4,233,717)        | (4,233,717)        | -                | -                |
| <b>Total - General Fund</b>       | <b>(6,240,471)</b> | <b>(6,240,111)</b> | <b>(7,112,784)</b> | <b>(7,112,424)</b> | <b>(872,313)</b> | <b>(872,313)</b> |

**Governor**

Reduce funding by \$6,240,471 in FY 18 and \$6,240,111 in FY 19 to reflect a 10% reduction across various accounts.

**Legislative**

Reduce funding by \$7,112,784 in FY 18 and FY 19.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Extend Cap on Various Statutory Grants

|   |                     |                     |                     |                     |          |          |
|---|---------------------|---------------------|---------------------|---------------------|----------|----------|
| Adult Education                                       | (2,752,114)         | (3,024,946)         | (2,752,114)         | (3,024,946)         | -        | -        |
| Health and Welfare Services Pupils<br>Private Schools | (2,990,569)         | (3,123,028)         | (2,990,569)         | (3,123,028)         | -        | -        |
| Excess Cost - Student Based                           | (51,348,832)        | (57,242,376)        | (51,348,832)        | (57,242,376)        | -        | -        |
| <b>Total - General Fund</b>                           | <b>(57,091,515)</b> | <b>(63,390,350)</b> | <b>(57,091,515)</b> | <b>(63,390,350)</b> | <b>-</b> | <b>-</b> |

#### Background

Various formulaic grants are established within statute, and these same grants can also be capped in statute. If the grants are capped, funding is distributed based on a proration of the anticipated formula. In FY 03, various grants administered by the State Department of Education were capped. For FY 09 the caps were lifted, which resulted in higher grant payments to some municipalities. However, since FY 10 the grants have been capped.

#### Governor

Reduce funding by \$57,091,515 in FY 18 and \$63,390,350 in FY 19 to reflect an extension of caps on various statutory formula grants for FY 18 and FY 19.

#### Legislative

Same as Governor

### Reduce Funding for Talent Development and Common Core

|                             |                    |                    |                    |                    |                    |                    |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Personal Services           | -                  | -                  | 650,000            | 650,000            | 650,000            | 650,000            |
| Talent Development          | (3,262,262)        | (3,262,262)        | (5,262,262)        | (5,262,262)        | (2,000,000)        | (2,000,000)        |
| Common Core                 | (2,502,965)        | (2,502,965)        | (4,002,965)        | (4,002,965)        | (1,500,000)        | (1,500,000)        |
| <b>Total - General Fund</b> | <b>(5,765,227)</b> | <b>(5,765,227)</b> | <b>(8,615,227)</b> | <b>(8,615,227)</b> | <b>(2,850,000)</b> | <b>(2,850,000)</b> |

#### Background

The Talent Development account is used to develop and deploy talent management and human capital development strategies to districts and schools state-wide so that: (1) the most effective educators are in every school and classroom, and (2) all students are prepared for college, career, and life. Programs supported by this account, include: (1) professional learning for teachers, (2) website development, (3) the teacher evaluation system, and (4) technical assistance for educators.

Common Core provides a set of K-12 education standards for English language arts and mathematics developed by the National Governors Association and the Council of Chief State School Officers that seek to raise student achievement and provide more uniform curricula and instruction among states. The Common Core was adopted by the State Board of Education in July 2010.

#### Governor

Reduce funding by \$5,765,227 in both FY 18 and FY 19 to achieve savings. This reduction will result in fewer services and supports for local and regional school districts.

#### Legislative

Reduce funding by \$8,615,227 in both FY 18 and FY 19 to achieve savings. This reduction will result in the elimination and fewer services and supports for local and regional school districts.

### Reduce Funding for Personal Services

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | (698,251)        | (698,251)        | (698,251)        | (698,251)        | -        | -        |
| <b>Total - General Fund</b> | <b>(698,251)</b> | <b>(698,251)</b> | <b>(698,251)</b> | <b>(698,251)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding for Personal Services (PS) by \$698,251 in both FY 18 and FY 19 to achieve savings. This account reduction will result in a reduction in staff.

#### Legislative

Same as Governor

### Provide Additional Funding for Various Programs

|                              |          |          |                |                |                |                |
|------------------------------|----------|----------|----------------|----------------|----------------|----------------|
| Bridges to Success           | -        | -        | 40,000         | 40,000         | 40,000         | 40,000         |
| K-3 Reading Assessment Pilot | -        | -        | 80,000         | 80,000         | 80,000         | 80,000         |
| <b>Total - General Fund</b>  | <b>-</b> | <b>-</b> | <b>120,000</b> | <b>120,000</b> | <b>120,000</b> | <b>120,000</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Provide funding of \$120,000 in both FY 18 and FY 19 for two programs:

- 1) \$80,000 in K-3 Reading in both FY 18 and FY 19 for New Haven Reads, and
- 2) \$40,000 in Bridges to Success in both FY 18 and FY 19 for the Bridges Family Center in West Hartford.

**Provide Funding for Excess Cost - Student Based**

|                             |          |          |                  |                  |                  |                  |
|-----------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Excess Cost - Student Based | -        | -        | 2,542,860        | 2,119,782        | 2,542,860        | 2,119,782        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>2,542,860</b> | <b>2,119,782</b> | <b>2,542,860</b> | <b>2,119,782</b> |

**Legislative**

Provide funding of \$2,542,860 in FY 18 and \$2,119,782 in FY 19 for Excess Cost, to meet the federal maintenance of effort requirements.

**Reduce Development of Mastery Exams**

|  |          |          |                    |                    |                    |                    |
|--|----------|----------|--------------------|--------------------|--------------------|--------------------|
| Development of Mastery Exams<br>Grades 4, 6, and 8 | -        | -        | (2,500,000)        | (2,500,000)        | (2,500,000)        | (2,500,000)        |
| <b>Total - General Fund</b>                        | <b>-</b> | <b>-</b> | <b>(2,500,000)</b> | <b>(2,500,000)</b> | <b>(2,500,000)</b> | <b>(2,500,000)</b> |

**Legislative**

Reduce funding by \$2.5 million in FY 18 and FY 19 for the Development of Mastery Exams.

**Reduce funding for Interdistrict Cooperation**

|                             |          |          |                    |                    |                    |                    |
|-----------------------------|----------|----------|--------------------|--------------------|--------------------|--------------------|
| Interdistrict Cooperation   | -        | -        | (2,950,000)        | (2,950,000)        | (2,950,000)        | (2,950,000)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>(2,950,000)</b> | <b>(2,950,000)</b> | <b>(2,950,000)</b> | <b>(2,950,000)</b> |

**Legislative**

Reduce funding by \$2.95 million in FY 18 and FY 19 for Interdistrict Cooperation.

**Reduce Funding for American School for the Deaf**

|                              |          |          |                    |                    |                    |                    |
|------------------------------|----------|----------|--------------------|--------------------|--------------------|--------------------|
| American School For The Deaf | -        | -        | (1,000,000)        | (1,000,000)        | (1,000,000)        | (1,000,000)        |
| <b>Total - General Fund</b>  | <b>-</b> | <b>-</b> | <b>(1,000,000)</b> | <b>(1,000,000)</b> | <b>(1,000,000)</b> | <b>(1,000,000)</b> |

**Legislative**

Reduce funding by \$1 million in FY 18 and FY 19 for the American School for the Deaf.

**Annualize FY 17 Holdbacks**

|   |             |             |             |             |   |   |
|---|-------------|-------------|-------------|-------------|---|---|
| Personal Services   | (948,251)   | (948,251)   | (948,251)   | (948,251)   | - | - |
| Other Expenses  | (108,731)   | (108,731)   | (108,731)   | (108,731)   | - | - |
| Development of Mastery Exams<br>Grades 4, 6, and 8        | (400,299)   | (400,299)   | (400,299)   | (400,299)   | - | - |
| Primary Mental Health                                     | (11,865)    | (11,865)    | (11,865)    | (11,865)    | - | - |
| Leadership, Education, Athletics in<br>Partnership (LEAP) | (162,511)   | (162,511)   | (162,511)   | (162,511)   | - | - |
| Adult Education Action                                    | (6,685)     | (6,685)     | (6,685)     | (6,685)     | - | - |
| Connecticut Pre-Engineering<br>Program                    | (225,758)   | (225,758)   | (225,758)   | (225,758)   | - | - |
| Connecticut Writing Project                               | (33,360)    | (33,360)    | (33,360)    | (33,360)    | - | - |
| Resource Equity Assessments                               | (4,479)     | (4,479)     | (4,479)     | (4,479)     | - | - |
| Neighborhood Youth Centers                                | (272,652)   | (272,652)   | (272,652)   | (272,652)   | - | - |
| Longitudinal Data Systems                                 | (40,431)    | (40,431)    | (40,431)    | (40,431)    | - | - |
| Sheff Settlement  | (341,052)   | (341,052)   | (341,052)   | (341,052)   | - | - |
| CommPACT Schools  | (10,500)    | (10,500)    | (10,500)    | (10,500)    | - | - |
| Parent Trust Fund Program                                 | (13,194)    | (13,194)    | (13,194)    | (13,194)    | - | - |
| Regional Vocational-Technical<br>School System            | (4,901,026) | (4,901,026) | (4,901,026) | (4,901,026) | - | - |
| Commissioner's Network                                    | (363,646)   | (363,646)   | (363,646)   | (363,646)   | - | - |
| Local Charter Schools                                     | (11,640)    | (11,640)    | (11,640)    | (11,640)    | - | - |
| Bridges to Success  | (49,010)    | (49,010)    | (49,010)    | (49,010)    | - | - |

| Account   | Governor Recommended |                     | Legislative         |                     | Difference from Governor |          |
|---|----------------------|---------------------|---------------------|---------------------|--------------------------|----------|
|   | FY 18                | FY 19               | FY 18               | FY 19               | FY 18                    | FY 19    |
| K-3 Reading Assessment Pilot                                | (79,386)             | (79,386)            | (79,386)            | (79,386)            | -                        | -        |
| Talent Development  | (182,853)            | (182,853)           | (182,853)           | (182,853)           | -                        | -        |
| Common Core   | (123,802)            | (123,802)           | (123,802)           | (123,802)           | -                        | -        |
| Alternative High School and Adult Reading Incentive Program | (5,655)              | (5,655)             | (5,655)             | (5,655)             | -                        | -        |
| School-Based Diversion Initiative                           | (28,275)             | (28,275)            | (28,275)            | (28,275)            | -                        | -        |
| American School For The Deaf                                | (286,315)            | (286,315)           | (286,315)           | (286,315)           | -                        | -        |
| Regional Education Services                                 | (18,184)             | (18,184)            | (18,184)            | (18,184)            | -                        | -        |
| Family Resource Centers                                     | (236,845)            | (236,845)           | (236,845)           | (236,845)           | -                        | -        |
| Charter Schools   | (3,325,074)          | (3,325,074)         | (3,325,074)         | (3,325,074)         | -                        | -        |
| Youth Service Bureau Enhancement                            | (20,068)             | (20,068)            | (20,068)            | (20,068)            | -                        | -        |
| Child Nutrition State Match                                 | (66,041)             | (66,041)            | (66,041)            | (66,041)            | -                        | -        |
| Health Foods Initiative                                     | (119,560)            | (119,560)           | (119,560)           | (119,560)           | -                        | -        |
| Vocational Agriculture                                      | (316,348)            | (316,348)           | (316,348)           | (316,348)           | -                        | -        |
| Health and Welfare Services Pupils Private Schools          | (105,797)            | (105,797)           | (105,797)           | (105,797)           | -                        | -        |
| Bilingual Education   | (94,944)             | (94,944)            | (94,944)            | (94,944)            | -                        | -        |
| Young Parents Program                                       | (6,369)              | (6,369)             | (6,369)             | (6,369)             | -                        | -        |
| Interdistrict Cooperation                                   | (190,601)            | (190,601)           | (190,601)           | (190,601)           | -                        | -        |
| School Breakfast Program                                    | (66,769)             | (66,769)            | (66,769)            | (66,769)            | -                        | -        |
| Youth Service Bureaus                                       | (53,030)             | (53,030)            | (53,030)            | (53,030)            | -                        | -        |
| Open Choice Program   | (805,172)            | (805,172)           | (805,172)           | (805,172)           | -                        | -        |
| After School Program  | (146,000)            | (146,000)           | (146,000)           | (146,000)           | -                        | -        |
| <b>Total - General Fund</b>                                 | <b>(14,182,178)</b>  | <b>(14,182,178)</b> | <b>(14,182,178)</b> | <b>(14,182,178)</b> | <b>-</b>                 | <b>-</b> |

### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

### Governor

Reduce funding by \$14,182,178 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

### Legislative

Same as Governor

## Current Services

### Fund Various Grants at Statutorily Required Level

|  |                   |                   |                   |                   |          |          |
|--|-------------------|-------------------|-------------------|-------------------|----------|----------|
| Adult Education                                    | 2,752,114         | 3,024,946         | 2,752,114         | 3,024,946         | -        | -        |
| Health and Welfare Services Pupils Private Schools | 3,096,366         | 3,228,825         | 3,096,366         | 3,228,825         | -        | -        |
| Excess Cost - Student Based                        | 55,793,101        | 61,686,645        | 55,793,101        | 61,686,645        | -        | -        |
| <b>Total - General Fund</b>                        | <b>61,641,581</b> | <b>67,940,416</b> | <b>61,641,581</b> | <b>67,940,416</b> | <b>-</b> | <b>-</b> |

### Governor

Provide funding of \$61,641,581 in FY 18 and \$67,940,416 in FY 19 to fund various formula based grants at statutorily required levels.

### Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Provide Funding for Various School Choice Programs**

|                             |                   |                   |                   |                   |   |   |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|---|---|
| Local Charter Schools       | 145,985           | 241,985           | 145,985           | 241,985           | - | - |
| Charter Schools             | 2,134,192         | 9,262,192         | 2,134,192         | 9,262,192         | - | - |
| Open Choice Program         | 1,857,895         | 4,344,395         | 1,857,895         | 4,344,395         | - | - |
| Magnet Schools              | 47,941,842        | 56,941,842        | 47,941,842        | 56,941,842        | - | - |
| <b>Total - General Fund</b> | <b>52,079,914</b> | <b>70,790,414</b> | <b>52,079,914</b> | <b>70,790,414</b> | - | - |

**Governor**

Provide funding of \$52,079,914 in FY 18 and \$70,790,414 in FY 19 to increase funding in various choice programs.

**Legislative**

Same as Governor

**Provide Additional Positions for JM Wright Technical School**

|   |                |                |                |                |   |   |
|---|----------------|----------------|----------------|----------------|---|---|
| Regional Vocational-Technical School System | 266,098        | 309,325        | 266,098        | 309,325        | - | - |
| <b>Total - General Fund</b>                 | <b>266,098</b> | <b>309,325</b> | <b>266,098</b> | <b>309,325</b> | - | - |
| <b>Positions - General Fund</b>             | <b>4</b>       | <b>4</b>       | <b>4</b>       | <b>4</b>       | - | - |

**Governor**

Provide funding of \$266,098 in FY 18 and \$309,325 in FY 19 for four positions at JM Wright Technical School. The four new positions, include: an (1) English, (2) Mathematics, and (3) Social Studies instructor, and (4) a custodian.

**Legislative**

Same as Governor

**Eliminate Special Master Funding**

|                             |                  |                  |                  |                  |   |   |
|-----------------------------|------------------|------------------|------------------|------------------|---|---|
| Special Master              | (903,614)        | (903,614)        | (903,614)        | (903,614)        | - | - |
| <b>Total - General Fund</b> | <b>(903,614)</b> | <b>(903,614)</b> | <b>(903,614)</b> | <b>(903,614)</b> | - | - |

**Background**

This account funds the person(s) appointed by the State Board of Education (SBE) to collaborate with the board of education and school superintendent of a low-performing school district to: (1) implement the district's improvement plan developed under the state education accountability law, (2) manage and allocate the district's federal, state, and local funds, and (3) report regularly to the SBE on the (a) district's progress in implementing its improvement plan, and (b) effectiveness of its school board and superintendent. Appointments last for one year unless extended by SBE. Windham and New London have each been appointed a Special Master.

**Governor**

Eliminate funding for the Special Master account by \$903,614 in both FY 18 and FY 19.

**Legislative**

Same as Governor

**Provide Additional Funding for Health and Nutrition Programs**

|                             |                |                |                |                |   |   |
|-----------------------------|----------------|----------------|----------------|----------------|---|---|
| Child Nutrition State Match | 218,651        | 218,651        | 218,651        | 218,651        | - | - |
| Health Foods Initiative     | 514,633        | 564,633        | 514,633        | 564,633        | - | - |
| <b>Total - General Fund</b> | <b>733,284</b> | <b>783,284</b> | <b>733,284</b> | <b>783,284</b> | - | - |

**Governor**

Provide funding of \$218,651 in both FY 18 and FY 19 to the Child Nutrition State Match program and \$514,633 in FY 18 and \$564,633 in FY 19 to Health Foods Initiative to maintain federal maintenance of effort requirements.

**Legislative**

Same as Governor

## Totals

| Budget Components             | Governor Recommended |                      | Legislative          |                      | Difference from Governor |                     |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|--------------------------|---------------------|
|                               | FY 18                | FY 19                | FY 18                | FY 19                | FY 18                    | FY 19               |
| FY 17 Appropriation - GF      | 2,991,600,442        | 2,991,600,442        | 2,991,600,442        | 2,991,600,442        | -                        | -                   |
| Policy Revisions              | (96,723,389)         | (116,970,359)        | (174,621,064)        | (161,587,160)        | (77,897,675)             | (44,616,801)        |
| Current Services              | 113,817,263          | 138,919,825          | 113,817,263          | 138,919,825          | -                        | -                   |
| <b>Total Recommended - GF</b> | <b>3,008,694,316</b> | <b>3,013,549,908</b> | <b>2,930,796,641</b> | <b>2,968,933,107</b> | <b>(77,897,675)</b>      | <b>(44,616,801)</b> |
| FY 17 Appropriation - MU      | -                    | -                    | -                    | -                    | -                        | -                   |
| Policy Revisions              | 10,000,000           | 10,000,000           | -                    | -                    | (10,000,000)             | (10,000,000)        |
| <b>Total Recommended - MU</b> | <b>10,000,000</b>    | <b>10,000,000</b>    | <b>-</b>             | <b>-</b>             | <b>(10,000,000)</b>      | <b>(10,000,000)</b> |

| Positions                     | Governor Recommended |              | Legislative  |              | Difference from Governor |          |
|-------------------------------|----------------------|--------------|--------------|--------------|--------------------------|----------|
|                               | FY 18                | FY 19        | FY 18        | FY 19        | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 1,815                | 1,815        | 1,815        | 1,815        | -                        | -        |
| Policy Revisions              | (8)                  | (8)          | -            | -            | 8                        | 8        |
| Current Services              | 4                    | 4            | 4            | 4            | -                        | -        |
| <b>Total Recommended - GF</b> | <b>1,811</b>         | <b>1,811</b> | <b>1,819</b> | <b>1,819</b> | <b>8</b>                 | <b>8</b> |

*Other Significant Legislation***PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account  | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|--|------------------|---------------------|------------------|-------------|
| Personal Services                                      | 16,264,240       | (638,287)           | 15,625,953       | 3.9%        |
| Other Expenses   | 3,261,940        | (163,097)           | 3,098,843        | 5.0%        |
| Development of Mastery Exams Grades 4, 6, and 8        | 10,443,016       | (50,299)            | 10,392,717       | 0.5%        |
| Primary Mental Health                                  | 383,653          | (38,365)            | 345,288          | 10.0%       |
| Leadership, Education, Athletics in Partnership (LEAP) | 462,534          | (150,323)           | 312,211          | 32.5%       |
| Adult Education Action                                 | 216,149          | (21,615)            | 194,534          | 10.0%       |
| Connecticut Writing Project                            | 30,000           | (9,750)             | 20,250           | 32.5%       |
| Resource Equity Assessments                            | 134,379          | (13,438)            | 120,941          | 10.0%       |
| Neighborhood Youth Centers                             | 650,172          | (211,306)           | 438,866          | 32.5%       |
| Longitudinal Data Systems                              | 1,212,945        | (122,769)           | 1,090,176        | 10.1%       |
| Sheff Settlement                                       | 11,027,361       | (9,969)             | 11,017,392       | 0.1%        |
| Parent Trust Fund Program                              | 395,841          | (128,648)           | 267,193          | 32.5%       |
| Regional Vocational-Technical School System            | 133,875,227      | (5,521,171)         | 128,354,056      | 4.1%        |
| New or Replicated Schools                              | 480,000          | (48,000)            | 432,000          | 10.0%       |
| Bridges to Success                                     | 40,000           | (13,000)            | 27,000           | 32.5%       |
| K-3 Reading Assessment Pilot                           | 2,461,580        | (246,158)           | 2,215,422        | 10.0%       |
| Talent Development                                     | 650,000          | (5,967)             | 644,033          | 0.9%        |
| School-Based Diversion Initiative                      | 1,000,000        | (100,000)           | 900,000          | 10.0%       |

|  |               |              |               |       |
|--|---------------|--------------|---------------|-------|
| Technical High Schools Other Expenses              | 23,861,660    | (1,193,083)  | 22,668,577    | 5.0%  |
| American School For The Deaf                       | 8,257,514     | (825,000)    | 7,432,514     | 10.0% |
| Regional Education Services                        | 350,000       | (87,500)     | 262,500       | 25.0% |
| Youth Service Bureau Enhancement                   | 648,859       | (64,886)     | 583,973       | 10.0% |
| Vocational Agriculture                             | 10,228,589    | (255,715)    | 9,972,874     | 2.5%  |
| Adult Education                                    | 20,383,960    | (509,599)    | 19,874,361    | 2.5%  |
| Health and Welfare Services Pupils Private Schools | 3,526,579     | (88,164)     | 3,438,415     | 2.5%  |
| Education Equalization Grants                      | 1,986,183,701 | (57,939,706) | 1,928,243,995 | 2.9%  |
| Bilingual Education                                | 2,848,320     | (71,208)     | 2,777,112     | 2.5%  |
| Priority School Districts                          | 38,103,454    | (952,586)    | 37,150,868    | 2.5%  |
| Young Parents Program                              | 106,159       | (34,502)     | 71,657        | 32.5% |
| Interdistrict Cooperation                          | 3,050,000     | (1,512,500)  | 1,537,500     | 49.6% |
| School Breakfast Program                           | 2,158,900     | (53,973)     | 2,104,927     | 2.5%  |
| Excess Cost - Student Based                        | 142,542,860   | (3,563,572)  | 138,979,288   | 2.5%  |
| Youth Service Bureaus                              | 2,598,486     | (64,962)     | 2,533,524     | 2.5%  |
| Open Choice Program                                | 38,090,639    | (952,266)    | 37,138,373    | 2.5%  |
| Magnet Schools                                     | 328,058,158   | (18,548,222) | 309,509,936   | 5.7%  |
| After School Program                               | 4,720,695     | (118,017)    | 4,602,678     | 2.5%  |

## Office of Early Childhood

### OEC64800

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 109             | 116             | 116                    | 114                  | 114   | 118         | 118   |

#### Budget Summary

| Account   | Actual<br>FY 15    | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|---|--------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|   |                    |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| Personal Services                               | 5,771,689          | 7,792,358          | 8,289,321              | 7,262,793            | 7,262,793          | 7,791,962          | 7,791,962          |
| Other Expenses                                  | 8,819,274          | 970,423            | 321,367                | 411,727              | 411,727            | 411,727            | 411,727            |
| <b>Other Current Expenses</b>                   |                    |                    |                        |                      |                    |                    |                    |
| Children's Trust Fund                           | 11,302,845         | 11,092,651         | 11,320,721             | -                    | -                  | -                  | -                  |
| Early Childhood Program                         | 9,759,569          | 10,396,082         | -                      | -                    | -                  | -                  | -                  |
| Birth to Three                                  | -                  | 30,930,270         | 24,686,804             | -                    | -                  | 21,446,804         | 21,446,804         |
| Early Childhood Advisory Cabinet                | 76                 | -                  | -                      | -                    | -                  | -                  | -                  |
| Community Plans for Early Childhood             | 712,476            | 659,540            | 659,734                | -                    | -                  | -                  | -                  |
| Improving Early Literacy                        | 142,500            | 133,302            | 142,500                | -                    | -                  | -                  | -                  |
| Child Care Services                             | 17,304,300         | 16,999,688         | -                      | -                    | -                  | -                  | -                  |
| Evenstart                                       | 451,250            | 438,938            | 451,250                | -                    | -                  | 437,713            | 437,713            |
| 2Gen - TANF                                     | -                  | -                  | -                      | -                    | -                  | 750,000            | 750,000            |
| Nurturing Families Network                      | -                  | -                  | -                      | 10,230,303           | 10,230,303         | 10,230,303         | 10,230,303         |
| <b>Other Than Payments to Local Governments</b> |                    |                    |                        |                      |                    |                    |                    |
| Head Start Services                             | 2,706,743          | 5,609,002          | 5,744,162              | 5,186,978            | 5,186,978          | 5,186,978          | 5,186,978          |
| Head Start Enhancement                          | 1,734,350          | -                  | -                      | -                    | -                  | -                  | -                  |
| Care4Kids TANF/CCDF                             | 104,776,111        | 123,830,082        | 122,130,084            | 114,730,084          | 109,530,084        | 124,981,059        | 130,032,034        |
| Child Care Quality Enhancements                 | 2,582,381          | 2,624,268          | 2,894,114              | 6,855,033            | 6,855,033          | 6,855,033          | 6,855,033          |
| Head Start - Early Childhood Link               | 1,985,500          | 648,824            | -                      | -                    | -                  | -                  | -                  |
| Early Head Start-Child Care Partnership         | -                  | 732,937            | 1,165,721              | 1,130,750            | 1,130,750          | 1,130,750          | 1,130,750          |
| Early Care and Education                        | -                  | -                  | 111,821,921            | 104,086,354          | 101,507,832        | 104,086,354        | 101,507,832        |
| Smart Start                                     | -                  | -                  | -                      | -                    | -                  | -                  | 3,325,000          |
| <b>Grant Payments to Local Governments</b>      |                    |                    |                        |                      |                    |                    |                    |
| School Readiness Quality Enhancement            | 4,733,178          | 3,654,271          | 4,172,930              | -                    | -                  | -                  | -                  |
| School Readiness                                | 77,958,418         | 81,612,123         | -                      | -                    | -                  | -                  | -                  |
| <b>Nonfunctional - Change to Accruals</b>       | <b>11,720,136</b>  | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Agency Total - General Fund</b>              | <b>262,460,796</b> | <b>298,124,759</b> | <b>293,800,629</b>     | <b>249,894,022</b>   | <b>242,115,500</b> | <b>283,308,683</b> | <b>289,106,136</b> |
| <b>Additional Funds Available</b>               |                    |                    |                        |                      |                    |                    |                    |
| Federal Funds                                   | -                  | 51,110,604         | 52,392,716             | 46,000,729           | 49,381,642         | 46,000,729         | 49,381,642         |
| Private Contributions & Other Restricted        | -                  | 1,970,248          | 2,962,406              | 5,218,000            | 10,218,000         | 5,218,000          | 10,218,000         |
| Private Contributions                           | -                  | 8,665,849          | 7,402,327              | 127,000              | -                  | 127,000            | -                  |
| <b>Agency Grand Total</b>                       | <b>262,460,796</b> | <b>359,871,460</b> | <b>356,558,078</b>     | <b>301,239,751</b>   | <b>301,715,142</b> | <b>334,654,412</b> | <b>348,705,778</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Provide Funding to Open Care4Kids to New Applicants

|                             |          |          |                   |                   |                   |                   |
|-----------------------------|----------|----------|-------------------|-------------------|-------------------|-------------------|
| Care4Kids TANF/CCDF         | -        | -        | 10,250,975        | 20,501,950        | 10,250,975        | 20,501,950        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>10,250,975</b> | <b>20,501,950</b> | <b>10,250,975</b> | <b>20,501,950</b> |

#### Legislative

Provide funding of \$10,250,975 in FY 18 and \$20,501,950 in FY 19 to reflect phasing in the current wait list for all priority groups in the Care4Kids program. OEC must report to the Appropriations Committee regarding the status of enrollees and anticipated funding requirements for FY 19 by January 2018.

### Appropriate Smart Start

|                             |          |          |          |                  |          |                  |
|-----------------------------|----------|----------|----------|------------------|----------|------------------|
| Smart Start                 | -        | -        | -        | 3,325,000        | -        | 3,325,000        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>3,325,000</b> | <b>-</b> | <b>3,325,000</b> |

#### Background

Established by PA 14-217, the Smart Start competitive grant program provides funding to local and regional boards of education to establish or expand public Pre-K. Tobacco Settlement Funds of \$5 million were transferred in FY 16 and FY 17 to support Smart Start grantees' operating costs. PA 17-2, JSS eliminates the transfer of Tobacco Settlement funding for this program.

#### Legislative

Provide funding of \$3,250,000 in FY 19 to reflect General Fund support for Smart Start. FY 18 funding is supported by the remaining balance of Tobacco Settlement funds available for the program.

### Fund 2Gen in OEC

|                             |          |          |                |                |                |                |
|-----------------------------|----------|----------|----------------|----------------|----------------|----------------|
| 2Gen - TANF                 | -        | -        | 750,000        | 750,000        | 750,000        | 750,000        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>750,000</b> | <b>750,000</b> | <b>750,000</b> | <b>750,000</b> |

#### Background

The 2Gen-TANF program utilizes a two-generational approach to social services that focuses on the family by, among other things, linking the employment-related services that adults need with the early-childhood assistance that their children need.

#### Legislative

Transfer funding of \$750,000 in both FY 18 and FY 19 from the Department of Labor (DOL) to reflect Office of Early Childhood (OEC) as the coordinating agency for the two-generational initiative. Section 141 of PA 17-2 JSS, the biennial budget act, is related to this change.

### Annualize FY 17 Holdbacks

|   |                    |                    |                    |                    |          |          |
|---|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Personal Services                       | (497,359)          | (497,359)          | (497,359)          | (497,359)          | -        | -        |
| Other Expenses                          | (9,640)            | (9,640)            | (9,640)            | (9,640)            | -        | -        |
| Children's Trust Fund                   | (113,207)          | (113,207)          | (113,207)          | (113,207)          | -        | -        |
| Birth to Three                          | (740,604)          | (740,604)          | (740,604)          | (740,604)          | -        | -        |
| Community Plans for Early Childhood     | (107,981)          | (107,981)          | (107,981)          | (107,981)          | -        | -        |
| Improving Early Literacy                | (142,500)          | (142,500)          | (142,500)          | (142,500)          | -        | -        |
| Evenstart                               | (13,537)           | (13,537)           | (13,537)           | (13,537)           | -        | -        |
| Head Start Services                     | (172,324)          | (172,324)          | (172,324)          | (172,324)          | -        | -        |
| Child Care Quality Enhancements         | (86,823)           | (86,823)           | (86,823)           | (86,823)           | -        | -        |
| Early Head Start-Child Care Partnership | (34,971)           | (34,971)           | (34,971)           | (34,971)           | -        | -        |
| School Readiness Quality Enhancement    | (125,188)          | (125,188)          | (125,188)          | (125,188)          | -        | -        |
| <b>Total - General Fund</b>             | <b>(2,044,134)</b> | <b>(2,044,134)</b> | <b>(2,044,134)</b> | <b>(2,044,134)</b> | <b>-</b> | <b>-</b> |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$2,044,134 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Same as Governor

**Eliminate Funding for Various Programs**

|                                     |                    |                    |                    |                    |                |                |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|----------------|----------------|
| Children's Trust Fund               | (977,211)          | (977,211)          | (977,211)          | (977,211)          | -              | -              |
| Community Plans for Early Childhood | (551,753)          | (551,753)          | (551,753)          | (551,753)          | -              | -              |
| Evenstart                           | (437,713)          | (437,713)          | -                  | -                  | 437,713        | 437,713        |
| <b>Total - General Fund</b>         | <b>(1,966,677)</b> | <b>(1,966,677)</b> | <b>(1,528,964)</b> | <b>(1,528,964)</b> | <b>437,713</b> | <b>437,713</b> |

**Background**

Evenstart is a state-funded, two-generational program, focusing on family literacy. Eligible families include a parent lacking a high school diploma and/or basic reading skills or needing English-as-a-second-language skills and have a child under the age of eight. Total funding of \$438,938 was distributed to Middletown, New London and Torrington (\$146,312 to each town) in FY 16.

Community Plans for Early Childhood provides matching funds to approximately 36 partnership grants for 40 Discovery communities to support their local early childhood councils or collaboratives. Funding of \$659,540 was distributed in FY 16 to 26 entities.

The Help Me Grow and Healthy Start programs are funded under the Children's Trust Fund.

- Help Me Grow is a prevention initiative that identifies and refers young children with behavioral health, development and psychosocial needs to community-based services. The program serves children who may not be eligible for the state's Birth to Three or Preschool Special Education programs, yet are still at risk for developmental issues.
- Healthy Start provides case management and assistance with obtaining Medicaid/HUSKY coverage for eligible pregnant women and their children who are under three years old and at or below 185% FPL. The program also assists undocumented pregnant immigrants, not eligible for HUSKY, to find resources in their communities to help cover the cost of prenatal care. The program is administered through five Office of Early Childhood contracts with community providers that in turn sub-contract with local providers for a total of 15 providers statewide.

**Governor**

Funding is reduced by \$1,966,677 in both FY 18 and FY 19 to reflect the elimination of Community Plans for Early Childhood, Evenstart and the Healthy Start and Help Me Grow programs under the Children's Trust Fund. Remaining funds in the Children's Trust Fund account will support Nurturing Families Network.

**Legislative**

Reduce funding by \$1,528,964 in both FY 18 and FY 19 to reflect the elimination of support for Community Plans for Early Childhood, Help Me Grown, and Healthy Start. Maintain funding for Evenstart.

**Reduce Funding for Head Start Services**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Head Start Services         | (384,860)        | (384,860)        | (384,860)        | (384,860)        | -        | -        |
| <b>Total - General Fund</b> | <b>(384,860)</b> | <b>(384,860)</b> | <b>(384,860)</b> | <b>(384,860)</b> | <b>-</b> | <b>-</b> |

**Background**

Head Start is a child development program that services children from birth to age five and their families. The purpose of the state program is to establish or expand extended-day, full-day, year-round Head Start program spaces; enhance program quality, and increase the number of children served. State Head Start funds can only be used to supplement and not to supplant, federal, state and/or local funds. All Head Start programs that receive State Head Start funding must be in compliance with Federal Head Start Performance Standards. Connecticut programs are administered by community action agencies, local education agencies and other nonprofit agencies.

**Governor**

Reduce funding by \$384,860 in both FY 18 and FY 19 for Head Start Services.

**Legislative**

Same as Governor

**Realign TANF, SSBG and CCDF Funds to Streamline Programs**

|                             |                    |                     |                    |                     |          |          |
|-----------------------------|--------------------|---------------------|--------------------|---------------------|----------|----------|
| Early Care and Education    | (7,735,567)        | (10,314,089)        | (7,735,567)        | (10,314,089)        | -        | -        |
| <b>Total - General Fund</b> | <b>(7,735,567)</b> | <b>(10,314,089)</b> | <b>(7,735,567)</b> | <b>(10,314,089)</b> | <b>-</b> | <b>-</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Background

Connecticut receives \$266.8 million per year under the Temporary Assistance for Needy Families (TANF) block grant and transfers 10% of this amount to the Social Services Block Grant (SSBG). Currently, TANF/SSBG funding is granted to Departments of Social Services (DSS), Housing (DOH), and Children and Families (DCF), as well as the Office of Early Childhood (OEC). The accounting period for the federal government begins on October 1 and ends on September 30.

### Governor

Reduce funding by \$7,735,567 in FY 18 and \$10,314,089 in FY 19 to reflect the shifting of funds from the current TANF/SSBG recipient agencies (DSS, DOH and DCF) to the Child Care and Development Fund (CCDF) under OEC. This shift will have no net impact on revenue, or General Fund appropriations, and will not result in any reduction in services. This change provides General Fund support to former TANF/SSBG recipient agencies. (See the table below for further detail.) The purpose of this shift is to simplify administrative activities related to provision of block grant-funded services for all agencies involved.

### General Fund Appropriations Related to TANF/SSBG Shift

| Agency                              | FY 18       | FY 19        |
|-------------------------------------|-------------|--------------|
| Department of Housing               | 3,495,579   | 4,660,772    |
| Department of Social Services       | 1,832,777   | 2,443,703    |
| Department of Children and Families | 2,407,211   | 3,209,614    |
| Office of Early Childhood           | (7,735,567) | (10,314,089) |
| <b>TOTAL</b>                        | -           | -            |

### Legislative

Same as Governor

### Transfer Medicaid Birth to Three Funding to DSS

|                                 |                     |                     |                     |                     |                   |                   |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|
| Personal Services               | (529,169)           | (529,169)           | -                   | -                   | 529,169           | 529,169           |
| Birth to Three                  | (24,686,804)        | (24,686,804)        | (10,500,000)        | (10,500,000)        | 14,186,804        | 14,186,804        |
| <b>Total - General Fund</b>     | <b>(25,215,973)</b> | <b>(25,215,973)</b> | <b>(10,500,000)</b> | <b>(10,500,000)</b> | <b>14,715,973</b> | <b>14,715,973</b> |
| <b>Positions - General Fund</b> | <b>(5)</b>          | <b>(5)</b>          | -                   | -                   | 5                 | 5                 |

### Governor

Transfer funding of \$19,965,973 in both FY 18 and FY 19 to reflect the transfer of the Birth to Three program from the Office of Early Childhood (OEC) to the Department of Social Services (DSS). Funding reflects program staff, provider contracts, as well as Medicaid-related service funding. Total funding of \$25,215,973 is transferred out of Birth to Three, while \$20 million is transferred into DSS due to the net appropriation of the Medicaid account (the transfer shows Medicaid funding of \$5.25 million transferred into the DSS General Fund account, while full Medicaid funding of \$10.5 million will be distributed to providers).

### Legislative

Transfer funding of \$10.5 million in both FY 18 and FY 19 to the Department of Social Services (DSS) to reflect Medicaid related Birth to Three funding in the DSS Medicaid account. Due to net budgeting, the DSS budget reflects a transfer of \$5,250,000 in both years.

### Reallocate CTF Funding to Nurturing Families Network

|                             |              |              |              |              |   |   |
|-----------------------------|--------------|--------------|--------------|--------------|---|---|
| Children's Trust Fund       | (10,230,303) | (10,230,303) | (10,230,303) | (10,230,303) | - | - |
| Nurturing Families Network  | 10,230,303   | 10,230,303   | 10,230,303   | 10,230,303   | - | - |
| <b>Total - General Fund</b> | -            | -            | -            | -            | - | - |

### Governor

Reallocate funding of \$10,230,303 in both FY 18 and FY 19 from Children's Trust Fund to the new Nurturing Families Network (NFN) account. NFN is the only remaining program under the Children's Trust Fund as policy actions eliminate the other previously funded programs.

### Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Reallocate School Readiness Quality Enhancement Funding

|                                      |             |             |             |             |   |   |
|--------------------------------------|-------------|-------------|-------------|-------------|---|---|
| Child Care Quality Enhancements      | 4,047,742   | 4,047,742   | 4,047,742   | 4,047,742   | - | - |
| School Readiness Quality Enhancement | (4,047,742) | (4,047,742) | (4,047,742) | (4,047,742) | - | - |
| <b>Total - General Fund</b>          | -           | -           | -           | -           | - | - |

#### Governor

Reallocate funding of \$4,047,742 in both FY 18 and FY 19 from School Readiness Quality Enhancement to Child Care Quality Enhancements to consolidate quality enhancement funding.

#### Legislative

Same as Governor

### Reallocate Personal Services to Other Expenses

|                             |           |           |           |           |   |   |
|-----------------------------|-----------|-----------|-----------|-----------|---|---|
| Personal Services           | (100,000) | (100,000) | (100,000) | (100,000) | - | - |
| Other Expenses              | 100,000   | 100,000   | 100,000   | 100,000   | - | - |
| <b>Total - General Fund</b> | -         | -         | -         | -         | - | - |

#### Governor

Reallocate funding of \$100,000 in both FY 18 and FY 19 from Personal Services to Other Expenses for anticipated expenditure requirements.

#### Legislative

Same as Governor

## Current Services

### Update Current Services- Birth to Three

|                             |                |                |                  |                  |                  |                  |
|-----------------------------|----------------|----------------|------------------|------------------|------------------|------------------|
| Birth to Three              | 740,604        | 740,604        | 8,000,604        | 8,000,604        | 7,260,000        | 7,260,000        |
| <b>Total - General Fund</b> | <b>740,604</b> | <b>740,604</b> | <b>8,000,604</b> | <b>8,000,604</b> | <b>7,260,000</b> | <b>7,260,000</b> |

#### Background

The Birth to Three account is projecting a shortfall of \$8.1 million in FY 17. This is primarily due to a continuation of the FY 16 deficiency (\$6.3 million) as well as an increase in enrollment and the number of children who require more intensive services (\$1.8 million).

#### Governor

Provide funding of \$740,604 in both FY 18 and FY 19 to reflect anticipated expenditure requirements under the Birth to Three program.

#### Legislative

Provide funding of \$8,000,604 in both FY 18 and FY 19 to reflect anticipated requirements under the Birth to Three program based on FY 17 expenditures.

### Increase Staff for Federal Background Check Requirements

|                                 |                |                |                |                |            |            |
|---------------------------------|----------------|----------------|----------------|----------------|------------|------------|
| Personal Services               | 100,000        | 100,000        | 100,000        | 100,000        | -          | -          |
| <b>Total - General Fund</b>     | <b>100,000</b> | <b>100,000</b> | <b>100,000</b> | <b>100,000</b> | <b>-</b>   | <b>-</b>   |
| <b>Positions - General Fund</b> | <b>3</b>       | <b>3</b>       | <b>2</b>       | <b>2</b>       | <b>(1)</b> | <b>(1)</b> |

#### Governor

Provide funding of \$100,000 and two positions in both FY 18 and FY 19 associated with child care provider background checks.

#### Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Maintain Closure of Care4Kids Priority Groups to new Apps

|                             |                    |                     |                    |                     |          |          |
|-----------------------------|--------------------|---------------------|--------------------|---------------------|----------|----------|
| Care4Kids TANF/CCDF         | (7,400,000)        | (12,600,000)        | (7,400,000)        | (12,600,000)        | -        | -        |
| <b>Total - General Fund</b> | <b>(7,400,000)</b> | <b>(12,600,000)</b> | <b>(7,400,000)</b> | <b>(12,600,000)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding by \$7.4 million in FY 18 and \$12.6 million in FY 19 to reflect annualizing savings associated with closing priority groups 2 and 4 of the Care4Kids program to new applicants. Priority group 4 (working families) closed to new applicants in August 2016. Priority Group 2 (former TANF recipients) closed to new applicants as of January 2017.

#### Legislative

Same as Governor. Funding is provided to re-open the program under a separate policy adjustment.

### Totals

| Budget Components             | Governor Recommended |                    | Legislative        |                    | Difference from Governor |                   |
|-------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|-------------------|
|                               | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19             |
| FY 17 Appropriation - GF      | 293,800,629          | 293,800,629        | 293,800,629        | 293,800,629        | -                        | -                 |
| Policy Revisions              | (37,347,211)         | (39,925,733)       | (11,192,550)       | (195,097)          | 26,154,661               | 39,730,636        |
| Current Services              | (6,559,396)          | (11,759,396)       | 700,604            | (4,499,396)        | 7,260,000                | 7,260,000         |
| <b>Total Recommended - GF</b> | <b>249,894,022</b>   | <b>242,115,500</b> | <b>283,308,683</b> | <b>289,106,136</b> | <b>33,414,661</b>        | <b>46,990,636</b> |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |          |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|----------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 116                  | 116        | 116         | 116        | -                        | -        |
| Policy Revisions              | (5)                  | (5)        | -           | -          | 5                        | 5        |
| Current Services              | 3                    | 3          | 2           | 2          | (1)                      | (1)      |
| <b>Total Recommended - GF</b> | <b>114</b>           | <b>114</b> | <b>118</b>  | <b>118</b> | <b>4</b>                 | <b>4</b> |

### Other Significant Legislation

#### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$17,151, a Labor Concessions Savings of \$288,888, a Targeted Savings of \$368,097, and a Delayed Start Savings of \$235,986. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account             | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|---------------------|------------------|---------------------|------------------|-------------|
| Personal Services   | 7,791,962        | (306,039)           | 7,485,923        | 3.9%        |
| Other Expenses      | 411,727          | (20,586)            | 391,141          | 5.0%        |
| Evenstart           | 437,713          | (142,257)           | 295,456          | 32.5%       |
| 2Gen - TANF         | 750,000          | (337,500)           | 412,500          | 45.0%       |
| Head Start Services | 5,186,978        | (103,740)           | 5,083,238        | 2.0%        |

## State Library CSL66000

### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 55              | 55              | 55                     | 55                   | 55    | 55          | 55    |

### Budget Summary

| Account   | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|   |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                               | 5,039,774         | 5,154,892         | 5,070,637              | 5,019,931            | 5,019,931         | 5,019,931         | 5,019,931         |
| Other Expenses                                  | 650,230           | 598,845           | 439,868                | 426,673              | 426,673           | 426,673           | 426,673           |
| <b>Other Current Expenses</b>                   |                   |                   |                        |                      |                   |                   |                   |
| State-Wide Digital Library                      | 1,890,358         | 1,697,270         | 1,767,871              | 1,750,193            | 1,750,193         | 1,750,193         | 1,750,193         |
| Interlibrary Loan Delivery Service              | 267,017           | 279,431           | 284,774                | 276,232              | 276,232           | 276,232           | 276,232           |
| Legal/Legislative Library Materials             | 747,251           | 671,062           | 747,263                | 638,378              | 638,378           | 638,378           | 638,378           |
| Computer Access                                 | 171,475           | 152,637           | 90,000                 | -                    | -                 | -                 | -                 |
| <b>Other Than Payments to Local Governments</b> |                   |                   |                        |                      |                   |                   |                   |
| Support Cooperating Library Service Units       | 315,875           | 185,844           | 190,000                | 184,300              | 184,300           | 184,300           | 184,300           |
| <b>Grant Payments to Local Governments</b>      |                   |                   |                        |                      |                   |                   |                   |
| Grants To Public Libraries                      | 193,391           | 179,396           | -                      | -                    | -                 | -                 | -                 |
| Connecticard Payments                           | 965,217           | 837,540           | 806,000                | -                    | -                 | 781,820           | 781,820           |
| Connecticut Humanities Council                  | 1,947,265         | 1,762,129         | -                      | -                    | -                 | -                 | -                 |
| <b>Nonfunctional - Change to Accruals</b>       | <b>17,644</b>     | <b>-</b>          | <b>-</b>               | <b>-</b>             | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Agency Total - General Fund</b>              | <b>12,205,497</b> | <b>11,519,046</b> | <b>9,396,413</b>       | <b>8,295,707</b>     | <b>8,295,707</b>  | <b>9,077,527</b>  | <b>9,077,527</b>  |
| <b>Additional Funds Available</b>               |                   |                   |                        |                      |                   |                   |                   |
| Carry Forward Funding                           | -                 | -                 | -                      | -                    | -                 | 36,544            | -                 |
| Federal Funds                                   | -                 | 2,073,845         | 2,117,000              | 2,117,000            | 2,117,000         | 2,117,000         | 2,117,000         |
| Private Contributions & Other Restricted        | -                 | 803,988           | 825,000                | 825,000              | 825,000           | 825,000           | 825,000           |
| Private Contributions                           | -                 | 155,494           | 180,000                | 180,000              | 180,000           | 180,000           | 180,000           |
| <b>Agency Grand Total</b>                       | <b>12,205,497</b> | <b>14,552,373</b> | <b>12,518,413</b>      | <b>11,417,707</b>    | <b>11,417,707</b> | <b>12,236,071</b> | <b>12,199,527</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Policy Revisions

#### Maintain Funding for the Connecticard Program

|                             |                  |                  |          |          |                |                |
|-----------------------------|------------------|------------------|----------|----------|----------------|----------------|
| Connecticard Payments       | (781,820)        | (781,820)        | -        | -        | 781,820        | 781,820        |
| <b>Total - General Fund</b> | <b>(781,820)</b> | <b>(781,820)</b> | <b>-</b> | <b>-</b> | <b>781,820</b> | <b>781,820</b> |

#### Background

The Connecticard program, now known as "borrowIT CT," allows Connecticut residents to borrow materials from any of the 192 participating public libraries. Grant payments are made annually. One-half of the total funds appropriated is used to reimburse participating libraries for all reported borrowIT CT loans. The other half is used to make an additional payment to those libraries that loaned more items to non-residents than their resident card holders borrowed from public libraries in other towns.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Eliminate funding of \$781,820 in both FY 18 and FY 19.

**Legislative**

Maintain funding of \$781,820 in both FY 18 and FY 19.

**Annualize FY 17 Holdbacks**

|   |                  |                  |                  |                  |          |          |
|---|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services                         | (50,706)         | (50,706)         | (50,706)         | (50,706)         | -        | -        |
| Other Expenses                            | (13,195)         | (13,195)         | (13,195)         | (13,195)         | -        | -        |
| State-Wide Digital Library                | (17,678)         | (17,678)         | (17,678)         | (17,678)         | -        | -        |
| Interlibrary Loan Delivery Service        | (8,542)          | (8,542)          | (8,542)          | (8,542)          | -        | -        |
| Legal/Legislative Library Materials       | (108,885)        | (108,885)        | (108,885)        | (108,885)        | -        | -        |
| Computer Access                           | (90,000)         | (90,000)         | (90,000)         | (90,000)         | -        | -        |
| Support Cooperating Library Service Units | (5,700)          | (5,700)          | (5,700)          | (5,700)          | -        | -        |
| Connecticard Payments                     | (24,180)         | (24,180)         | (24,180)         | (24,180)         | -        | -        |
| <b>Total - General Fund</b>               | <b>(318,886)</b> | <b>(318,886)</b> | <b>(318,886)</b> | <b>(318,886)</b> | <b>-</b> | <b>-</b> |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

**Governor**

Reduce funding by \$318,886 in both FY 18 and FY 19 to annualize FY 17 holdbacks. The FY 17 holdbacks included elimination of the Computer Access account, which provided for refurbishment of computers given to low-income families.

**Legislative**

Same as Governor

**Carry Forward****Carry Forward for Support Cooperating Library Services**

|   |          |          |               |          |               |          |
|---|----------|----------|---------------|----------|---------------|----------|
| Support Cooperating Library Service Units | -        | -        | 36,544        | -        | 36,544        | -        |
| <b>Total - Carry Forward Funding</b>      | <b>-</b> | <b>-</b> | <b>36,544</b> | <b>-</b> | <b>36,544</b> | <b>-</b> |

**Legislative**

Pursuant to CGS 4-89(c), funding of \$36,544 from the Support Cooperating Library Services account is carried forward into FY 18. This account funds a grant to the Connecticut Library Consortium. The consortium is a nonprofit that for its member libraries provides discounted purchasing prices, statewide contracts for certain items, and professional development.

**Totals**

| Budget Components             | Governor Recommended |                  | Legislative      |                  | Difference from Governor |                |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------------|----------------|
|                               | FY 18                | FY 19            | FY 18            | FY 19            | FY 18                    | FY 19          |
| FY 17 Appropriation - GF      | 9,396,413            | 9,396,413        | 9,396,413        | 9,396,413        | -                        | -              |
| Policy Revisions              | (1,100,706)          | (1,100,706)      | (318,886)        | (318,886)        | 781,820                  | 781,820        |
| <b>Total Recommended - GF</b> | <b>8,295,707</b>     | <b>8,295,707</b> | <b>9,077,527</b> | <b>9,077,527</b> | <b>781,820</b>           | <b>781,820</b> |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 55                   | 55        | 55          | 55        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>55</b>            | <b>55</b> | <b>55</b>   | <b>55</b> | <b>-</b>                 | <b>-</b> |

### *Other Significant Legislation*

#### **PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$11,049, a Labor Concessions Savings of \$196,879, a Targeted Savings of \$377,326, and a Delayed Start Savings of \$48,568. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account                                   | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|---|------------------|---------------------|------------------|-------------|
| Personal Services                         | 5,019,931        | (204,172)           | 4,815,759        | 4.1%        |
| Other Expenses                            | 426,673          | (21,334)            | 405,339          | 5.0%        |
| State-Wide Digital Library                | 1,750,193        | (175,019)           | 1,575,174        | 10.0%       |
| Interlibrary Loan Delivery Service        | 276,232          | (31,379)            | 244,853          | 11.4%       |
| Legal/Legislative Library Materials       | 638,378          | (63,838)            | 574,540          | 10.0%       |
| Support Cooperating Library Service Units | 184,300          | (59,898)            | 124,402          | 32.5%       |
| Connecticard Payments                     | 781,820          | (78,182)            | 703,638          | 10.0%       |

## Office of Higher Education DHE66500

### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 27              | 27              | 27                     | -                    | -     | 27          | 27    |

### Budget Summary

| Account   | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |       | Legislative       |                   |
|---|-------------------|-------------------|------------------------|----------------------|-------|-------------------|-------------------|
|   |                   |                   |                        | FY 18                | FY 19 | FY 18             | FY 19             |
| Personal Services                               | 1,962,687         | 2,053,774         | 1,634,530              | -                    | -     | 1,428,180         | 1,428,180         |
| Other Expenses                                  | 135,243           | 75,770            | 77,738                 | -                    | -     | 69,964            | 69,964            |
| <b>Other Current Expenses</b>                   |                   |                   |                        |                      |       |                   |                   |
| Minority Advancement Program                    | 2,219,797         | 2,690,972         | 1,845,041              | -                    | -     | 1,789,690         | 1,789,690         |
| Alternate Route to Certification                | 86,181            | 53,489            | 47,883                 | -                    | -     | -                 | -                 |
| National Service Act                            | 297,780           | 272,522           | 268,964                | -                    | -     | 260,896           | 260,896           |
| International Initiatives                       | 64,917            | -                 | -                      | -                    | -     | -                 | -                 |
| Minority Teacher Incentive Program              | 422,068           | 362,544           | 366,705                | -                    | -     | 355,704           | 355,704           |
| English Language Learner Scholarship            | 12,500            | -                 | -                      | -                    | -     | -                 | -                 |
| <b>Other Than Payments to Local Governments</b> |                   |                   |                        |                      |       |                   |                   |
| Roberta B. Willis Scholarship Fund              | 40,992,544        | 41,603,960        | 37,363,944             | -                    | -     | 35,345,804        | 33,388,637        |
| <b>Nonfunctional - Change to Accruals</b>       | <b>(90,874)</b>   | -                 | -                      | -                    | -     | -                 | -                 |
| <b>Agency Total - General Fund</b>              | <b>46,102,843</b> | <b>47,113,031</b> | <b>41,604,805</b>      | -                    | -     | <b>39,250,238</b> | <b>37,293,071</b> |
| <b>Additional Funds Available</b>               |                   |                   |                        |                      |       |                   |                   |
| Federal Funds                                   | -                 | 3,027,419         | 3,075,950              | -                    | -     | -                 | -                 |
| Private Contributions & Other Restricted        | -                 | 19,863            | 25,000                 | -                    | -     | -                 | -                 |
| Private Contributions                           | -                 | 554,573           | 375,000                | -                    | -     | -                 | -                 |
| <b>Agency Grand Total</b>                       | <b>46,102,843</b> | <b>50,714,886</b> | <b>45,080,755</b>      | -                    | -     | <b>39,250,238</b> | <b>37,293,071</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Transfer the Office of Higher Education

|                                    |                     |                     |   |   |                   |                   |
|------------------------------------|---------------------|---------------------|---|---|-------------------|-------------------|
| Personal Services                  | (1,578,180)         | (1,578,180)         | - | - | 1,578,180         | 1,578,180         |
| Other Expenses                     | (69,964)            | (69,964)            | - | - | 69,964            | 69,964            |
| Minority Advancement Program       | (1,789,690)         | (1,789,690)         | - | - | 1,789,690         | 1,789,690         |
| National Service Act               | (260,896)           | (260,896)           | - | - | 260,896           | 260,896           |
| Minority Teacher Incentive Program | (355,704)           | (355,704)           | - | - | 355,704           | 355,704           |
| Roberta B. Willis Scholarship Fund | (35,123,826)        | (32,923,826)        | - | - | 35,123,826        | 32,923,826        |
| <b>Total - General Fund</b>        | <b>(39,178,260)</b> | <b>(36,978,260)</b> | - | - | <b>39,178,260</b> | <b>36,978,260</b> |
| <b>Positions - General Fund</b>    | <b>(27)</b>         | <b>(27)</b>         | - | - | <b>27</b>         | <b>27</b>         |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Background

The Office of Higher Education seeks to advance the promise of postsecondary education for all state residents. Key state responsibilities, in addition to student financial aid administration, include: the licensure and accreditation of Connecticut's independent colleges and universities (programmatic and institutional; non-profit and for-profit), licensure of in-state academic programs offered by out-of-state institutions, regulation of more than 150 postsecondary career schools and operation of the Alternate Route to Certification. The Office also serves as the portal agency in the administration of Connecticut's State Authorization Reciprocity Agreements (SARA). Major federal responsibilities include AmeriCorps, Veterans Program Approval, and the Teacher Quality Partnership Grant Program.

### Governor

Transfer the Office of Higher Education, along with twenty-seven positions and corresponding funding of \$39,178,260 in FY 18 and \$36,978,260 in FY 19, to the State Department of Education.

### Legislative

Do not transfer the Office of Higher Education to the State Department of Education.

### Reduce Funding for the Roberta B. Willis Scholarship Program

|                                    |                    |                    |                  |                    |                |                |
|------------------------------------|--------------------|--------------------|------------------|--------------------|----------------|----------------|
| Roberta B. Willis Scholarship Fund | (1,119,200)        | (3,319,200)        | (897,222)        | (2,854,389)        | 221,978        | 464,811        |
| <b>Total - General Fund</b>        | <b>(1,119,200)</b> | <b>(3,319,200)</b> | <b>(897,222)</b> | <b>(2,854,389)</b> | <b>221,978</b> | <b>464,811</b> |

### Background

PA 13-247 established the Governor's Scholarship Program as a single, consolidated state financial aid program for Connecticut residents who are undergraduates at in-state public and private higher education institutions. The program replaced the state's previous undergraduate student aid programs: Connecticut Aid to Public College Students (CAPCS), Connecticut Independent College Student Grant (CICSG), the Capitol Scholarship, and Connecticut Aid to Charter Oak State College. PA 16-179 changed the name of the account to the Roberta B. Willis Scholarship.

In FY 16 the Roberta B. Willis Scholarship awarded approximately \$10.8 million in need-merit based aid, to 2,400 students, with an average award of \$4,500. Additionally, the program awarded approximately \$29.5 million in need based aid, to 14,900 students, with an average award of \$2,000.

### Governor

Reduce funding for the Roberta B. Willis Scholarship Program by \$1,119,200 in FY 18 and \$3,319,200 in FY 19.

The reduction in funding will result in fewer scholarships awarded.

### Legislative

Reduce funding for the Roberta B. Willis Scholarship Program by \$897,222 in FY 18 and \$2,854,389 in FY 19.

### Annualize FY 17 Holdbacks

|                                    |                    |                    |                    |                    |          |          |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Personal Services                  | (49,036)           | (49,036)           | (49,036)           | (49,036)           | -        | -        |
| Other Expenses                     | (2,332)            | (2,332)            | (2,332)            | (2,332)            | -        | -        |
| Minority Advancement Program       | (55,351)           | (55,351)           | (55,351)           | (55,351)           | -        | -        |
| Alternate Route to Certification   | (1,436)            | (1,436)            | (1,436)            | (1,436)            | -        | -        |
| National Service Act               | (8,068)            | (8,068)            | (8,068)            | (8,068)            | -        | -        |
| Minority Teacher Incentive Program | (11,001)           | (11,001)           | (11,001)           | (11,001)           | -        | -        |
| Roberta B. Willis Scholarship Fund | (1,120,918)        | (1,120,918)        | (1,120,918)        | (1,120,918)        | -        | -        |
| <b>Total - General Fund</b>        | <b>(1,248,142)</b> | <b>(1,248,142)</b> | <b>(1,248,142)</b> | <b>(1,248,142)</b> | <b>-</b> | <b>-</b> |

### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

### Governor

Reduce funding by \$1,248,142 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

### Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Reduce Funding for Various Line Items

|                                  |                 |                 |                 |                 |          |          |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Personal Services                | (7,314)         | (7,314)         | (7,314)         | (7,314)         | -        | -        |
| Other Expenses                   | (5,442)         | (5,442)         | (5,442)         | (5,442)         | -        | -        |
| Alternate Route to Certification | (46,447)        | (46,447)        | (46,447)        | (46,447)        | -        | -        |
| <b>Total - General Fund</b>      | <b>(59,203)</b> | <b>(59,203)</b> | <b>(59,203)</b> | <b>(59,203)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding by \$59,203 in both FY 18 and FY 19 to achieve savings.

#### Legislative

Same as Governor

### Reduce Funding for Personal Services

|                             |          |          |                  |                  |                  |                  |
|-----------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Personal Services           | -        | -        | (150,000)        | (150,000)        | (150,000)        | (150,000)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>(150,000)</b> | <b>(150,000)</b> | <b>(150,000)</b> | <b>(150,000)</b> |

#### Legislative

Reduce funding for Personal Services by \$150,000 in both FY 18 and FY 19.

### Totals

| Budget Components             | Governor Recommended |              | Legislative       |                   | Difference from Governor |                   |
|-------------------------------|----------------------|--------------|-------------------|-------------------|--------------------------|-------------------|
|                               | FY 18                | FY 19        | FY 18             | FY 19             | FY 18                    | FY 19             |
| FY 17 Appropriation - GF      | 41,604,805           | 41,604,805   | 41,604,805        | 41,604,805        | -                        | -                 |
| Policy Revisions              | (41,604,805)         | (41,604,805) | (2,354,567)       | (4,311,734)       | 39,250,238               | 37,293,071        |
| <b>Total Recommended - GF</b> | <b>-</b>             | <b>-</b>     | <b>39,250,238</b> | <b>37,293,071</b> | <b>39,250,238</b>        | <b>37,293,071</b> |

| Positions                     | Governor Recommended |          | Legislative |           | Difference from Governor |           |
|-------------------------------|----------------------|----------|-------------|-----------|--------------------------|-----------|
|                               | FY 18                | FY 19    | FY 18       | FY 19     | FY 18                    | FY 19     |
| FY 17 Appropriation - GF      | 27                   | 27       | 27          | 27        | -                        | -         |
| Policy Revisions              | (27)                 | (27)     | -           | -         | 27                       | 27        |
| <b>Total Recommended - GF</b> | <b>-</b>             | <b>-</b> | <b>27</b>   | <b>27</b> | <b>27</b>                | <b>27</b> |

## *Other Significant Legislation*

### **PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$3,144, a Labor Concessions Savings of \$60,706, and a Targeted Savings of \$244,127. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| <b>Account</b>                     | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|------------------------------------|-------------------------|----------------------------|-------------------------|--------------------|
| Personal Services                  | 1,428,180               | (62,564)                   | 1,365,616               | 4.4%               |
| Other Expenses                     | 69,964                  | (3,498)                    | 66,466                  | 5.0%               |
| Minority Advancement Program       | 1,789,690               | (179,569)                  | 1,610,121               | 10.0%              |
| National Service Act               | 260,896                 | (26,776)                   | 234,120                 | 10.3%              |
| Minority Teacher Incentive Program | 355,704                 | (35,570)                   | 320,134                 | 10.0%              |

## University of Connecticut

### UOC67000

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 2,413           | 2,413           | 2,413                  | 2,413                | 2,413 | 2,413       | 2,413 |

#### Budget Summary

| Account   | Actual<br>FY 15    | Actual<br>FY 16      | Appropriation<br>FY 17 | Governor Recommended |                      | Legislative          |                      |
|---|--------------------|----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|
|   |                    |                      |                        | FY 18                | FY 19                | FY 18                | FY 19                |
| <b>Other Current Expenses</b>                   |                    |                      |                        |                      |                      |                      |                      |
| Operating Expenses                              | 221,360,440        | 218,081,088          | 207,699,685            | 192,839,983          | 192,839,983          | 179,422,908          | 176,494,509          |
| Workers' Compensation Claims                    | -                  | 2,080,095            | 3,045,682              | 2,827,782            | 2,827,782            | 2,299,505            | 2,271,228            |
| CommPACT Schools                                | 451,250            | -                    | -                      | -                    | -                    | -                    | -                    |
| Next Generation Connecticut                     | -                  | 19,104,214           | 19,072,546             | 17,708,016           | 17,708,016           | 17,530,936           | 17,353,856           |
| <b>Other Than Payments to Local Governments</b> |                    |                      |                        |                      |                      |                      |                      |
| Kirklyn M. Kerr Grant Program                   | 400,000            | 400,000              | 100,000                | -                    | -                    | -                    | -                    |
| <b>Agency Total - General Fund</b>              | <b>222,211,690</b> | <b>239,665,397</b>   | <b>229,917,913</b>     | <b>213,375,781</b>   | <b>213,375,781</b>   | <b>199,253,349</b>   | <b>196,119,593</b>   |
| <b>Additional Funds Available</b>               |                    |                      |                        |                      |                      |                      |                      |
| University of Connecticut<br>Operating Fd       | -                  | 937,228,604          | 933,096,867            | 1,008,915,638        | 1,054,630,251        | 1,008,915,638        | 1,054,630,251        |
| UCONN Research Foundation                       | -                  | 35,849,764           | 35,617,513             | 35,682,125           | 36,695,748           | 35,682,125           | 36,695,748           |
| Federal Funds                                   | -                  | 105,731,232          | 120,771,965            | 123,587,500          | 126,469,358          | 123,587,500          | 126,469,358          |
| <b>Agency Grand Total</b>                       | <b>222,211,690</b> | <b>1,318,474,997</b> | <b>1,319,404,258</b>   | <b>1,381,561,044</b> | <b>1,431,171,138</b> | <b>1,367,438,612</b> | <b>1,413,914,950</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Policy Revisions

#### Reduce Funding for Various Line Items

|                               |                    |                    |                     |                     |                     |                     |
|-------------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Operating Expenses            | (8,628,712)        | (8,628,712)        | (20,117,388)        | (21,117,388)        | (11,488,676)        | (12,488,676)        |
| Workers' Compensation Claims  | (126,530)          | (126,530)          | (126,530)           | (126,530)           | -                   | -                   |
| Next Generation Connecticut   | (792,354)          | (792,354)          | (792,354)           | (792,354)           | -                   | -                   |
| Kirklyn M. Kerr Grant Program | (4,154)            | (4,154)            | (4,154)             | (4,154)             | -                   | -                   |
| <b>Total - General Fund</b>   | <b>(9,551,750)</b> | <b>(9,551,750)</b> | <b>(21,040,426)</b> | <b>(22,040,426)</b> | <b>(11,488,676)</b> | <b>(12,488,676)</b> |

#### Background

Agency funding has four line items: (1) Operating Expenses which for this agency is the block grant, (2) Workers' Compensation Claims, (3) Next Generation Connecticut, and (4) the Kirklyn M. Kerr Grant Program. Next Generation Connecticut is a multi-year initiative to improve facilities, increase the numbers of students and faculty, and raise academic quality. See below for information on the Kerr grant program.

#### Governor

Reduce funding by \$9,551,750 in both FY 18 and FY 19 to achieve savings.

#### Legislative

Reduce funding by \$21,040,426 in FY 18 and \$22,040,426 in FY 19 to achieve savings.

#### Eliminate the Kirklyn M. Kerr Veterinary Scholarship Program

|                               |                 |                 |                 |                 |          |          |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Kirklyn M. Kerr Grant Program | (92,846)        | (92,846)        | (92,846)        | (92,846)        | -        | -        |
| <b>Total - General Fund</b>   | <b>(92,846)</b> | <b>(92,846)</b> | <b>(92,846)</b> | <b>(92,846)</b> | <b>-</b> | <b>-</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Background

The Kirklyn M. Kerr Program provides slots for Connecticut veterinary students at Iowa State University. The program was established by PA 11-70.

Program funding was reduced from \$400,000 to \$100,000 in FY 17. In prior fiscal years, the program provided five students in each incoming class with \$20,000 annually for the four-year veterinary program. In FY 17, program funding was split among three incoming students, who received funding for their first year of study and part of the second.

### Governor

Repeal C.G.S. Sec. 10a-19g and h to eliminate the program and achieve savings of \$92,846 in both FY 18 and FY 19.

### Legislative

Eliminate the program and achieve cost savings of \$92,846 in both FY 18 and FY 19.

### Reduce Funding for Workers' Compensation Claims

|                              |   |   |                  |                  |                  |                  |
|------------------------------|---|---|------------------|------------------|------------------|------------------|
| Workers' Compensation Claims | - | - | (500,000)        | (500,000)        | (500,000)        | (500,000)        |
| <b>Total - General Fund</b>  | - | - | <b>(500,000)</b> | <b>(500,000)</b> | <b>(500,000)</b> | <b>(500,000)</b> |

### Background

In both FY 16 and FY 17, Workers' Compensation Claims expenditures did not exceed \$2.1 million.

### Legislative

Reduce funding for Workers' Compensation Claims by \$500,000 in both FY 18 and FY 19 to reflect recent spending trends.

### Annualize FY 17 Holdbacks

|                               |                    |                    |                    |                    |   |   |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|---|---|
| Operating Expenses            | (6,230,990)        | (6,230,990)        | (6,230,990)        | (6,230,990)        | - | - |
| Workers' Compensation Claims  | (91,370)           | (91,370)           | (91,370)           | (91,370)           | - | - |
| Next Generation Connecticut   | (572,176)          | (572,176)          | (572,176)          | (572,176)          | - | - |
| Kirklyn M. Kerr Grant Program | (3,000)            | (3,000)            | (3,000)            | (3,000)            | - | - |
| <b>Total - General Fund</b>   | <b>(6,897,536)</b> | <b>(6,897,536)</b> | <b>(6,897,536)</b> | <b>(6,897,536)</b> | - | - |

### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

### Governor

Reduce funding by \$6,897,536 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

### Legislative

Same as Governor

### Annualize FY 17 Rescissions

|                              |   |   |                    |                    |                    |                    |
|------------------------------|---|---|--------------------|--------------------|--------------------|--------------------|
| Operating Expenses           | - | - | (1,928,399)        | (3,856,798)        | (1,928,399)        | (3,856,798)        |
| Workers' Compensation Claims | - | - | (28,277)           | (56,554)           | (28,277)           | (56,554)           |
| Next Generation Connecticut  | - | - | (177,080)          | (354,160)          | (177,080)          | (354,160)          |
| <b>Total - General Fund</b>  | - | - | <b>(2,133,756)</b> | <b>(4,267,512)</b> | <b>(2,133,756)</b> | <b>(4,267,512)</b> |

### Background

The Governor implemented General Fund rescissions totaling \$70.5 million across state agencies.

### Legislative

Reduce funding by \$2,133,756 in FY 18 and \$4,267,512 in FY 19 to reflect the rollout of the Governor's FY 17 rescissions.

## Totals

| Budget Components             | Governor Recommended |                    | Legislative        |                    | Difference from Governor |                     |
|-------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|---------------------|
|                               | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19               |
| FY 17 Appropriation - GF      | 229,917,913          | 229,917,913        | 229,917,913        | 229,917,913        | -                        | -                   |
| Policy Revisions              | (16,542,132)         | (16,542,132)       | (30,664,564)       | (33,798,320)       | (14,122,432)             | (17,256,188)        |
| <b>Total Recommended - GF</b> | <b>213,375,781</b>   | <b>213,375,781</b> | <b>199,253,349</b> | <b>196,119,593</b> | <b>(14,122,432)</b>      | <b>(17,256,188)</b> |

| Positions                     | Governor Recommended |              | Legislative  |              | Difference from Governor |          |
|-------------------------------|----------------------|--------------|--------------|--------------|--------------------------|----------|
|                               | FY 18                | FY 19        | FY 18        | FY 19        | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 2,413                | 2,413        | 2,413        | 2,413        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>2,413</b>         | <b>2,413</b> | <b>2,413</b> | <b>2,413</b> | <b>-</b>                 | <b>-</b> |

*Other Significant Legislation***PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$433,507 and a Labor Concessions Savings of \$7,488,909. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account                     | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|-----------------------------|------------------|---------------------|------------------|-------------|
| Operating Expenses          | 179,422,908      | (7,433,927)         | 171,988,981      | 4.1%        |
| Next Generation Connecticut | 17,530,936       | (488,489)           | 17,042,447       | 2.8%        |

## University of Connecticut Health Center

### UHC72000

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 1,698           | 1,698           | 1,698                  | 1,698                | 1,698 | 1,698       | 1,698 |

#### Budget Summary

| Account                                   | Actual<br>FY 15    | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|---|--------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|   |                    |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| <b>Other Current Expenses</b>             |                    |                    |                        |                      |                    |                    |                    |
| Operating Expenses                        | 130,992,004        | 123,032,783        | 115,911,785            | 107,846,204          | 107,850,120        | 106,746,887        | 106,746,848        |
| AHEC                                      | 456,401            | 399,546            | 406,723                | 378,349              | 378,349            | 374,566            | 374,566            |
| Workers' Compensation Claims              | -                  | 7,982,024          | 6,910,804              | 7,721,978            | 7,964,811          | 4,320,855          | 4,324,771          |
| Bioscience                                | -                  | 12,458,333         | 11,310,000             | 11,095,801           | 14,209,275         | 10,984,843         | 11,567,183         |
| <b>Nonfunctional - Change to Accruals</b> | <b>772,822</b>     | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Agency Total - General Fund</b>        | <b>132,221,227</b> | <b>143,872,686</b> | <b>134,539,312</b>     | <b>127,042,332</b>   | <b>130,402,555</b> | <b>122,427,151</b> | <b>123,013,368</b> |
| <b>Additional Funds Available</b>         |                    |                    |                        |                      |                    |                    |                    |
| Private Contributions & Other Restricted  | -                  | 765,718,731        | 802,352,004            | 821,418,028          | 837,547,251        | 821,418,028        | 837,547,251        |
| <b>Agency Grand Total</b>                 | <b>132,221,227</b> | <b>909,591,417</b> | <b>936,891,316</b>     | <b>948,460,360</b>   | <b>967,949,806</b> | <b>943,845,179</b> | <b>960,560,619</b> |

| Account                      | Governor Recommended |                    | Legislative        |                    | Difference from Governor |                |
|------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|----------------|
|                              | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19          |
| Operating Expenses           | (4,609,083)          | (4,609,083)        | (4,609,083)        | (4,609,083)        | -                        | -              |
| AHEC                         | (16,173)             | (16,173)           | (32,157)           | (32,157)           | (15,984)                 | (15,984)       |
| Workers' Compensation Claims | (274,799)            | (274,799)          | (274,799)          | (274,799)          | -                        | -              |
| Bioscience                   | (449,728)            | (449,728)          | -                  | -                  | 449,728                  | 449,728        |
| <b>Total - General Fund</b>  | <b>(5,349,783)</b>   | <b>(5,349,783)</b> | <b>(4,916,039)</b> | <b>(4,916,039)</b> | <b>433,744</b>           | <b>433,744</b> |

## Policy Revisions

### Reduce Funding for Various Line Items

|                              |                    |                    |                    |                    |                |                |
|------------------------------|--------------------|--------------------|--------------------|--------------------|----------------|----------------|
| Operating Expenses           | (4,609,083)        | (4,609,083)        | (4,609,083)        | (4,609,083)        | -              | -              |
| AHEC                         | (16,173)           | (16,173)           | (32,157)           | (32,157)           | (15,984)       | (15,984)       |
| Workers' Compensation Claims | (274,799)          | (274,799)          | (274,799)          | (274,799)          | -              | -              |
| Bioscience                   | (449,728)          | (449,728)          | -                  | -                  | 449,728        | 449,728        |
| <b>Total - General Fund</b>  | <b>(5,349,783)</b> | <b>(5,349,783)</b> | <b>(4,916,039)</b> | <b>(4,916,039)</b> | <b>433,744</b> | <b>433,744</b> |

#### Background

The agency budget includes: (1) Operating Expenses which for this agency is the block grant, (2) Workers' Compensation Claims, (3) Bioscience, and (4) Area Health Education Centers (AHEC). AHECs recruit minority students into health professions, provide continuing education, and work on health issues in Bridgeport, Hartford, Waterbury, and Willimantic. See below for information on Bioscience.

#### Governor

Reduce funding by \$5,349,783 in both FY 18 and FY 19 to achieve savings.

#### Legislative

Reduce funding by \$4,916,039 in both FY 18 and FY 19 to achieve savings.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Annualize FY 17 Holdbacks

|                              |                    |                    |                    |                    |                |                |
|------------------------------|--------------------|--------------------|--------------------|--------------------|----------------|----------------|
| Operating Expenses           | (3,477,353)        | (3,477,353)        | (3,477,353)        | (3,477,353)        | -              | -              |
| AHEC                         | (12,201)           | (12,201)           | -                  | -                  | 12,201         | 12,201         |
| Workers' Compensation Claims | (207,324)          | (207,324)          | (207,324)          | (207,324)          | -              | -              |
| Bioscience                   | (339,300)          | (339,300)          | -                  | -                  | 339,300        | 339,300        |
| <b>Total - General Fund</b>  | <b>(4,036,178)</b> | <b>(4,036,178)</b> | <b>(3,684,677)</b> | <b>(3,684,677)</b> | <b>351,501</b> | <b>351,501</b> |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$4,036,178 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Reduce funding by \$3,684,677 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

### Annualize FY 17 Rescissions

|                             |          |          |                    |                    |                    |                    |
|-----------------------------|----------|----------|--------------------|--------------------|--------------------|--------------------|
| Operating Expenses          | -        | -        | (1,078,462)        | (1,078,501)        | (1,078,462)        | (1,078,501)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>(1,078,462)</b> | <b>(1,078,501)</b> | <b>(1,078,462)</b> | <b>(1,078,501)</b> |

#### Background

The Governor implemented General Fund rescissions totaling \$70.5 million across state agencies.

#### Legislative

Reduce funding by \$1,078,462 in FY 18 and \$1,078,501 in FY 19 to reflect the rollout of the Governor's FY 17 rescissions.

## Current Services

### Adjust Funding for Workers' Compensation Claims

|                              |                  |                  |                    |                    |                    |                    |
|------------------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Expenses           | 20,855           | 24,771           | -                  | -                  | (20,855)           | (24,771)           |
| Workers' Compensation Claims | 1,293,297        | 1,536,130        | (2,107,826)        | (2,103,910)        | (3,401,123)        | (3,640,040)        |
| <b>Total - General Fund</b>  | <b>1,314,152</b> | <b>1,560,901</b> | <b>(2,107,826)</b> | <b>(2,103,910)</b> | <b>(3,421,978)</b> | <b>(3,664,811)</b> |

#### Background

In FY 17, \$6,910,804 was appropriated for Workers' Compensation Claims at the UConn Health Center, and actual spending was \$7,357,671. The agency anticipates needing additional funding for FY 18 and FY 19, compared to FY 17 appropriation.

#### Governor

Increase funding for Workers' Compensation Claims by \$1,314,152 in FY 18 and \$1,560,901 in FY 19.

#### Legislative

Reduce funding for Workers' Compensation Claims by \$2,107,826 in FY 18 and \$2,103,910 in FY 19. It is anticipated this reduction will be more than offset by additional federal revenue to the Health Center, totaling approximately \$3.2 million in both FY 18 and FY 19.

### Adjust Funding for Bioscience Initiative

|                             |                |                  |                  |                |                  |                    |
|-----------------------------|----------------|------------------|------------------|----------------|------------------|--------------------|
| Bioscience                  | 574,829        | 3,688,303        | (325,157)        | 257,183        | (899,986)        | (3,431,120)        |
| <b>Total - General Fund</b> | <b>574,829</b> | <b>3,688,303</b> | <b>(325,157)</b> | <b>257,183</b> | <b>(899,986)</b> | <b>(3,431,120)</b> |

#### Background

The Bioscience Initiative is a multi-year effort, begun in 2011, to support the bioscience industry and the health center. The initiative involves construction, hiring, equipment, and community programs. The Governor's budget recommends Bioscience increases in FY 18 and FY 19. However, holdbacks and reductions result in a \$214,199 net decrease in FY 18 and a \$2,899,275 net increase in FY 19 to Bioscience funding.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Increase funding by \$574,829 in FY 18 and \$3,688,303 in FY 19.

**Legislative**

Reduce funding for Bioscience by \$325,157 in FY 18 and increase it by \$257,183 in FY 19.

**Totals**

| Budget Components             | Governor Recommended |                    | Legislative        |                    | Difference from Governor |                    |
|-------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|--------------------|
|                               | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19              |
| FY 17 Appropriation - GF      | 134,539,312          | 134,539,312        | 134,539,312        | 134,539,312        | -                        | -                  |
| Policy Revisions              | (9,385,961)          | (9,385,961)        | (9,679,178)        | (9,679,217)        | (293,217)                | (293,256)          |
| Current Services              | 1,888,981            | 5,249,204          | (2,432,983)        | (1,846,727)        | (4,321,964)              | (7,095,931)        |
| <b>Total Recommended - GF</b> | <b>127,042,332</b>   | <b>130,402,555</b> | <b>122,427,151</b> | <b>123,013,368</b> | <b>(4,615,181)</b>       | <b>(7,389,187)</b> |

| Positions                     | Governor Recommended |              | Legislative  |              | Difference from Governor |          |
|-------------------------------|----------------------|--------------|--------------|--------------|--------------------------|----------|
|                               | FY 18                | FY 19        | FY 18        | FY 19        | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 1,698                | 1,698        | 1,698        | 1,698        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>1,698</b>         | <b>1,698</b> | <b>1,698</b> | <b>1,698</b> | <b>-</b>                 | <b>-</b> |

**Other Significant Legislation****PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$259,134 and a Labor Concessions Savings of \$4,485,142. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account            | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|--------------------|------------------|---------------------|------------------|-------------|
| Operating Expenses | 106,746,887      | (4,437,991)         | 102,308,896      | 4.2%        |
| AHEC               | 374,566          | (199)               | 374,367          | 0.1%        |
| Bioscience         | 10,984,843       | (306,086)           | 10,678,757       | 2.8%        |

# Teachers' Retirement Board

## TRB77500

### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 27              | 27              | 27                     | 27                   | 27    | 27          | 27    |

### Budget Summary

| Account   | Actual<br>FY 15      | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative          |                      |
|---|----------------------|--------------------|------------------------|----------------------|--------------------|----------------------|----------------------|
|   |                      |                    |                        | FY 18                | FY 19              | FY 18                | FY 19                |
| Personal Services                               | 1,671,275            | 1,686,764          | 1,691,365              | 1,606,365            | 1,606,365          | 1,606,365            | 1,606,365            |
| Other Expenses                                  | 342,412              | 378,944            | 490,868                | 480,060              | 480,060            | 468,134              | 468,134              |
| <b>Other Than Payments to Local Governments</b> |                      |                    |                        |                      |                    |                      |                      |
| Retirement Contributions                        | 984,110,000          | 975,578,000        | 1,012,162,000          | 882,785,617          | 911,476,189        | 1,290,429,000        | 1,332,368,000        |
| Retirees Health Service Cost                    | 13,675,316           | 14,566,860         | 14,566,860             | 25,354,500           | 29,075,250         | 14,554,500           | 14,575,250           |
| Municipal Retiree Health Insurance Costs        | 5,154,045            | 5,392,897          | 5,392,897              | 4,644,673            | 4,644,673          | 4,644,673            | 4,644,673            |
| <b>Nonfunctional - Change to Accruals</b>       | <b>20,217</b>        | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>             | <b>-</b>             |
| <b>Agency Total - General Fund</b>              | <b>1,004,973,265</b> | <b>997,603,465</b> | <b>1,034,303,990</b>   | <b>914,871,215</b>   | <b>947,282,537</b> | <b>1,311,702,672</b> | <b>1,353,662,422</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

## Policy Revisions

### Adjust Funding to Provide Full Pension Contribution

|                             |                      |                      |          |          |                    |                    |
|-----------------------------|----------------------|----------------------|----------|----------|--------------------|--------------------|
| Retirement Contributions    | (407,643,383)        | (420,891,811)        | -        | -        | 407,643,383        | 420,891,811        |
| <b>Total - General Fund</b> | <b>(407,643,383)</b> | <b>(420,891,811)</b> | <b>-</b> | <b>-</b> | <b>407,643,383</b> | <b>420,891,811</b> |

#### Background

The June 30, 2106 actuarial valuation set the Actuarially Determined Employer Contribution (ADEC) for the Teachers' Retirement System (TRS) of \$1,290,429,000 in FY 18 and \$1,332,368,000 FY 19. Payment of the full contribution is required by both statute (CGS 10-183z) and the Bond Covenant for the Pension Obligation Bonds, issued pursuant to PA 07-186.

#### Governor

Reduce funding by \$407,643,383 in FY 18 and \$420,891,811 in FY 19 to reflect the requirement that towns contribute one-third of the cost of the municipal share of the ADEC for the Teachers' Retirement System.

#### Legislative

Maintain full state funding for the TRS retirement contribution. PA 17-2, JSS Section 586 increases the teachers' mandatory regular contribution by 1% point from 6% to 7% on and after January 1, 2018. The teachers' mandatory contributions are deposited to the Teachers' Retirement Fund. Section 587 requires the Teachers' Retirement Board to: (1) request a revised actuarial valuation establishing the state's annual required contribution for FY 18 and FY 19 based on the 1% point increase in the mandatory contribution required in Section 586 and (2) certify to the General Assembly the revised retirement contribution for FY 18 and FY 19. Savings of \$18 million in FY 18 and \$38 million in FY 19 associated with this provision have been reflected in the FY 18 and FY 19 budget as "targeted savings" lapse. The revised actuarial valuation, completed in November, resulted in a state retirement contribution savings of \$19.4 million in FY 18 and \$40.1 million in FY 19. The revised actuarial valuation results in additional savings over the budgeted targeted savings by \$1.4 million in FY 18 and \$2.1 in FY 19.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Reduce State Share of Retiree Health Service Cost

|                              |                    |                    |                     |                     |                     |                     |
|------------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Retirees Health Service Cost | (8,451,500)        | (9,691,750)        | (19,251,500)        | (24,191,750)        | (10,800,000)        | (14,500,000)        |
| <b>Total - General Fund</b>  | <b>(8,451,500)</b> | <b>(9,691,750)</b> | <b>(19,251,500)</b> | <b>(24,191,750)</b> | <b>(10,800,000)</b> | <b>(14,500,000)</b> |

#### Background

The Teachers' Retirement Board (TRB) is required to offer one or more health plans to retired Teachers' Retirement System members who are participating in Medicare. The TRB health plan is funded on a self-insured basis. CGS Sec. 10-183t provides a cost sharing arrangement which requires that retirees, the state, and the TRB health fund each pay one-third of the total cost for the basic plan. The TRB health fund is funded through active teachers' 1.25% contributions. For FY 16 and FY 17 the state share of the municipal subsidy was reduced to the FY 15 level of appropriation. This resulted in a state share of approximately 17% in FY 16.

#### Governor

Reduce funding by \$8,451,500 in FY 18 and \$9,691,750 in FY 19 for the Retirees Health Service Cost account to reflect a state share of 25%.

#### Legislative

Reduce funding by \$18,951,000 in FY 18 and \$24,191,750 in FY 19 for the Retiree Health service Cost account to reflect a state share at approximately the FY 17 level.

### Reduce State Share of Health Insurance Subsidy

|  |                    |                    |                    |                    |          |          |
|--|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Municipal Retiree Health Insurance Costs | (1,548,224)        | (1,548,224)        | (1,548,224)        | (1,548,224)        | -        | -        |
| <b>Total - General Fund</b>              | <b>(1,548,224)</b> | <b>(1,548,224)</b> | <b>(1,548,224)</b> | <b>(1,548,224)</b> | <b>-</b> | <b>-</b> |

#### Background

The municipal subsidy is provided to those retirees and dependents with health insurance through their last employing board of education. The amount that eligible retirees receive is statutorily set at \$110 per month for most members and \$220 per month for members who are 65 or older, not Medicare eligible and paying more than \$220 per month for health insurance. The state is required to pay one-third of the cost of the subsidy according to CGS Sec.10 - 183t. For FY 16 and FY 17 the state share of the municipal subsidy was reduced to the FY 15 level of appropriation. This resulted in a state share of approximately 29% in FY 16.

#### Governor

Reduce funding by \$1,548,224 in both FY 18 and FY 19 to reflect a state contribution equal to 25%. The balance of the subsidy (75%) is paid from the TRB health fund.

#### Legislative

Same as Governor

### Annualize FY 17 Holdbacks

|                             |                 |                 |                 |                 |          |          |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Personal Services           | (54,657)        | (54,657)        | (54,657)        | (54,657)        | -        | -        |
| Other Expenses              | (10,808)        | (10,808)        | (10,808)        | (10,808)        | -        | -        |
| <b>Total - General Fund</b> | <b>(65,465)</b> | <b>(65,465)</b> | <b>(65,465)</b> | <b>(65,465)</b> | <b>-</b> | <b>-</b> |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$65,465 in both FY 18 and in FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

### Eliminate Funding for Vacant Position

|                             |                 |                 |                 |                 |          |          |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| Personal Services           | (30,343)        | (30,343)        | (30,343)        | (30,343)        | -        | -        |
| <b>Total - General Fund</b> | <b>(30,343)</b> | <b>(30,343)</b> | <b>(30,343)</b> | <b>(30,343)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding by \$30,343 in both FY 18 and FY 19 to reflect the elimination of funding for one position that is currently vacant.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Same as Governor

**Annualize FY 17 Rescissions**

|                             |   |   |                 |                 |                 |                 |
|-----------------------------|---|---|-----------------|-----------------|-----------------|-----------------|
| Other Expenses              | - | - | (11,926)        | (11,926)        | (11,926)        | (11,926)        |
| <b>Total - General Fund</b> | - | - | <b>(11,926)</b> | <b>(11,926)</b> | <b>(11,926)</b> | <b>(11,926)</b> |

**Background**

The Governor implemented General Fund rescissions totaling \$70.5 million across state agencies.

**Legislative**

Reduce funding by \$11,926 in both FY 18 and FY 19 to partially annualize the FY 17 rescissions.

**Current Services****Fully Fund Pension at Actuarially Determined Level**

|                             |                    |                    |                    |                    |          |          |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Retirement Contributions    | 278,267,000        | 320,206,000        | 278,267,000        | 320,206,000        | -        | -        |
| <b>Total - General Fund</b> | <b>278,267,000</b> | <b>320,206,000</b> | <b>278,267,000</b> | <b>320,206,000</b> | <b>-</b> | <b>-</b> |

**Background**

The Teachers' Retirement System (TRS) is funded on an actuarial basis and requires full funding of the annual required contribution. Based on the 6/30/16 valuation, the system has assets of \$16.7 billion and liabilities of \$29.8 billion resulting in an unfunded liability of \$13.2 billion and a funded ratio of 56%.

**Governor**

Provide funding of \$278,267,000 in FY 18 and \$320,206,000 in FY 19 to fully fund the state's annual required contribution to the TRS.

**Legislative**

Same as Governor

**Adjust Operating Expenses to Reflect Current Requirements**

|  |                   |                   |                   |                   |          |          |
|--|-------------------|-------------------|-------------------|-------------------|----------|----------|
| Retirees Health Service Cost             | 19,239,140        | 24,200,140        | 19,239,140        | 24,200,140        | -        | -        |
| Municipal Retiree Health Insurance Costs | 800,000           | 800,000           | 800,000           | 800,000           | -        | -        |
| <b>Total - General Fund</b>              | <b>20,039,140</b> | <b>25,000,140</b> | <b>20,039,140</b> | <b>25,000,140</b> | <b>-</b> | <b>-</b> |

**Governor**

Provide funding of \$20,039,140 in FY 18 and \$25,000,140 in FY 19 in the TRB health accounts to reflect anticipated expenditure requirements. These costs reflect projected healthcare costs, enrollment trends, and the statutory requirement of a 33% state share.

**Legislative**

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                    | Legislative          |                      | Difference from Governor |                    |
|-------------------------------|----------------------|--------------------|----------------------|----------------------|--------------------------|--------------------|
|                               | FY 18                | FY 19              | FY 18                | FY 19                | FY 18                    | FY 19              |
| FY 17 Appropriation - GF      | 1,034,303,990        | 1,034,303,990      | 1,034,303,990        | 1,034,303,990        | -                        | -                  |
| Policy Revisions              | (417,738,915)        | (432,227,593)      | (20,907,458)         | (25,847,708)         | 396,831,457              | 406,379,885        |
| Current Services              | 298,306,140          | 345,206,140        | 298,306,140          | 345,206,140          | -                        | -                  |
| <b>Total Recommended - GF</b> | <b>914,871,215</b>   | <b>947,282,537</b> | <b>1,311,702,672</b> | <b>1,353,662,422</b> | <b>396,831,457</b>       | <b>406,379,885</b> |

| Positions                     | Governor Recommended |           | Legislative |           | Difference from Governor |          |
|-------------------------------|----------------------|-----------|-------------|-----------|--------------------------|----------|
|                               | FY 18                | FY 19     | FY 18       | FY 19     | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 27                   | 27        | 27          | 27        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>27</b>            | <b>27</b> | <b>27</b>   | <b>27</b> | <b>-</b>                 | <b>-</b> |

### *Other Significant Legislation*

#### **PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Section 59 establishes the Teachers Retirement System (TRS) Viability Commission and charges it with developing and implementing a plan to maintain the system's financial viability. The commission membership consists of the members of the Teachers' Retirement Board and requires OPM or OLM, within available appropriations, to contract with a global consulting firm with significant experience. The commission, in developing the plan, is required to give significance to the state's financial capability, which includes the state's : (1) fiscal health; (2) Budget Reserve Fund balance; (3) long and short-term liabilities, including the ability to meet minimum funding levels required by law, contract, or court order; (4) initial budgeted revenue vs. actual revenue received for the last five fiscal years; (5) revenue projections; (6) economic outlook; and (7) access to capital markets. Within 90 days after a contract is entered with the consulting firm, the commission must submit the plan and any proposed legislation to the Appropriations and Education committees.

### *Holdbacks*

#### **PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$3,536, a Labor Concessions Savings of \$60,676, and a Targeted Savings of \$23,407. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account           | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|-------------------|------------------|---------------------|------------------|-------------|
| Personal Services | 1,606,365        | (64,212)            | 1,542,153        | 4.0%        |
| Other Expenses    | 468,134          | (23,407)            | 444,727          | 5.0%        |

## Connecticut State Colleges and Universities

### BOR77700

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 4,617           | 4,625           | 4,633                  | 4,633                | 4,633 | 4,633       | 4,633 |

#### Budget Summary

| Account                                     | Actual<br>FY 15    | Actual<br>FY 16      | Appropriation<br>FY 17 | Governor Recommended |                      | Legislative          |                      |
|---|--------------------|----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|
|   |                    |                      |                        | FY 18                | FY 19                | FY 18                | FY 19                |
| <b>Other Current Expenses</b>               |                    |                      |                        |                      |                      |                      |                      |
| Operating Expenses                          | -                  | -                    | -                      | 306,701,286          | 306,701,286          | -                    | -                    |
| Workers' Compensation Claims                | -                  | 3,737,996            | 3,571,674              | 3,322,501            | 3,322,501            | 3,289,276            | 3,289,276            |
| Charter Oak State College                   | 2,532,166          | 2,689,233            | 2,424,330              | -                    | -                    | 2,263,617            | 2,263,617            |
| Community Tech College System               | 155,307,974        | 161,936,816          | 161,446,565            | -                    | -                    | 150,743,937          | 138,243,937          |
| Connecticut State University                | 152,665,084        | 162,485,587          | 153,640,756            | -                    | -                    | 140,932,908          | 142,230,435          |
| Board of Regents                            | 629,770            | 524,777              | 446,390                | -                    | -                    | 366,875              | 366,875              |
| Transform CSCU                              | 19,018,383         | 19,291,569           | -                      | -                    | -                    | -                    | -                    |
| Developmental Services                      | -                  | -                    | 9,469,836              | -                    | -                    | 9,168,168            | 9,168,168            |
| Outcomes-Based Funding Incentive            | -                  | -                    | 1,662,925              | -                    | -                    | 1,236,481            | 1,236,481            |
| Institute for Municipal and Regional Policy | -                  | -                    | -                      | -                    | -                    | 994,650              | 994,650              |
| <b>Nonfunctional - Change to Accruals</b>   | <b>479,439</b>     | -                    | -                      | -                    | -                    | -                    | -                    |
| <b>Agency Total - General Fund</b>          | <b>330,632,816</b> | <b>350,665,978</b>   | <b>332,662,476</b>     | <b>310,023,787</b>   | <b>310,023,787</b>   | <b>308,995,912</b>   | <b>297,793,439</b>   |
| <b>Additional Funds Available</b>           |                    |                      |                        |                      |                      |                      |                      |
| Federal Funds                               | -                  | 144,930,499          | 136,841,881            | 135,831,958          | 135,574,325          | 135,831,958          | 135,574,325          |
| Private Contributions & Other Restricted    | -                  | 771,576,714          | 792,409,618            | 806,315,195          | 819,305,131          | 806,315,195          | 819,305,131          |
| Private Contributions                       | -                  | 156,342              | 5,400                  | 5,400                | 5,400                | 5,400                | 5,400                |
| <b>Agency Grand Total</b>                   | <b>330,632,816</b> | <b>1,267,329,533</b> | <b>1,261,919,375</b>   | <b>1,252,176,340</b> | <b>1,264,908,643</b> | <b>1,251,148,465</b> | <b>1,252,678,295</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Policy Revisions

#### Reduce Funding for Various Line Items

|                                  |                     |                     |                     |                     |                    |                     |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| Workers' Compensation Claims     | (142,024)           | (142,024)           | (175,249)           | (175,249)           | (33,225)           | (33,225)            |
| Charter Oak State College        | (112,227)           | (112,227)           | (112,227)           | (112,227)           | -                  | -                   |
| Community Tech College System    | (7,473,697)         | (7,473,697)         | (7,473,697)         | (19,973,697)        | -                  | (12,500,000)        |
| Connecticut State University     | (6,109,326)         | (6,109,326)         | (7,103,976)         | (5,806,449)         | (994,650)          | 302,877             |
| Board of Regents                 | (66,124)            | (66,124)            | (66,124)            | (66,124)            | -                  | -                   |
| Developmental Services           | (17,573)            | (17,573)            | (17,573)            | (17,573)            | -                  | -                   |
| Outcomes-Based Funding Incentive | (376,556)           | (376,556)           | (376,556)           | (376,556)           | -                  | -                   |
| <b>Total - General Fund</b>      | <b>(14,297,527)</b> | <b>(14,297,527)</b> | <b>(15,325,402)</b> | <b>(26,527,875)</b> | <b>(1,027,875)</b> | <b>(12,230,348)</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Background**

The agency budget includes multiple line items for public colleges and universities, the Board of Regents for Higher Education, Workers' Compensation Claims, and two additional line items: (1) the Developmental Services line item provides the community technical colleges and Connecticut State Universities with dedicated funding to provide enhanced remedial education and (2) the Outcomes-Based Funding Incentive line item was established in the final FY 17 budget to support the goals of the Planning Commission for Higher Education.

**Governor**

Reduce funding by \$14,297,527 in both FY 18 and FY 19 to achieve savings.

**Legislative**

Reduce funding by \$15,325,402 in FY 18 and \$26,527,875 in FY 19 to achieve savings.

**Reallocate Funding to the Public Policy Institute at CCSU**

|   |   |   |           |           |           |           |
|---|---|---|-----------|-----------|-----------|-----------|
| Connecticut State University                | - | - | (994,650) | (994,650) | (994,650) | (994,650) |
| Institute for Municipal and Regional Policy | - | - | 994,650   | 994,650   | 994,650   | 994,650   |
| <b>Total - General Fund</b>                 | - | - | -         | -         | -         | -         |

**Background**

The Institute for Municipal and Regional Policy at Central Connecticut State University provides public policy analysis and development, research, and evaluation.

**Legislative**

Transfer \$994,650 in both FY 18 and FY 19 to the Institute for Municipal and Regional Policy account, from the Connecticut State University account.

**Consolidate Appropriations for Agency Operations**

|                                  |               |               |   |   |               |               |
|----------------------------------|---------------|---------------|---|---|---------------|---------------|
| Operating Expenses               | 306,701,286   | 306,701,286   | - | - | (306,701,286) | (306,701,286) |
| Charter Oak State College        | (2,263,617)   | (2,263,617)   | - | - | 2,263,617     | 2,263,617     |
| Community Tech College System    | (150,743,937) | (150,743,937) | - | - | 150,743,937   | 150,743,937   |
| Connecticut State University     | (142,922,208) | (142,922,208) | - | - | 142,922,208   | 142,922,208   |
| Board of Regents                 | (366,875)     | (366,875)     | - | - | 366,875       | 366,875       |
| Developmental Services           | (9,168,168)   | (9,168,168)   | - | - | 9,168,168     | 9,168,168     |
| Outcomes-Based Funding Incentive | (1,236,481)   | (1,236,481)   | - | - | 1,236,481     | 1,236,481     |
| <b>Total - General Fund</b>      | -             | -             | - | - | -             | -             |

**Background**

Currently, state appropriations for Connecticut State Colleges and Universities are distributed among multiple line items. The Governor's FY 18 and FY 19 budget collapses all line items except Workers' Compensation Claims into a single Operating Expenses item.

**Governor**

Consolidate multiple agency appropriations into one account.

**Legislative**

Maintain agency appropriations in separate accounts.

**Annualize FY 17 Holdbacks**

|                                  |                    |                    |                    |                    |   |   |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|---|---|
| Workers' Compensation Claims     | (107,149)          | (107,149)          | (107,149)          | (107,149)          | - | - |
| Charter Oak State College        | (48,486)           | (48,486)           | (48,486)           | (48,486)           | - | - |
| Community Tech College System    | (3,228,931)        | (3,228,931)        | (3,228,931)        | (3,228,931)        | - | - |
| Connecticut State University     | (4,609,222)        | (4,609,222)        | (4,609,222)        | (4,609,222)        | - | - |
| Board of Regents                 | (13,391)           | (13,391)           | (13,391)           | (13,391)           | - | - |
| Developmental Services           | (284,095)          | (284,095)          | (284,095)          | (284,095)          | - | - |
| Outcomes-Based Funding Incentive | (49,888)           | (49,888)           | (49,888)           | (49,888)           | - | - |
| <b>Total - General Fund</b>      | <b>(8,341,162)</b> | <b>(8,341,162)</b> | <b>(8,341,162)</b> | <b>(8,341,162)</b> | - | - |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

### Governor

Reduce funding by \$8,341,162 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

### Legislative

Same as Governor

### Totals

| Budget Components             | Governor Recommended |                    | Legislative        |                    | Difference from Governor |                     |
|-------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|---------------------|
|                               | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19               |
| FY 17 Appropriation - GF      | 332,662,476          | 332,662,476        | 332,662,476        | 332,662,476        | -                        | -                   |
| Policy Revisions              | (22,638,689)         | (22,638,689)       | (23,666,564)       | (34,869,037)       | (1,027,875)              | (12,230,348)        |
| <b>Total Recommended - GF</b> | <b>310,023,787</b>   | <b>310,023,787</b> | <b>308,995,912</b> | <b>297,793,439</b> | <b>(1,027,875)</b>       | <b>(12,230,348)</b> |

| Positions                     | Governor Recommended |              | Legislative  |              | Difference from Governor |          |
|-------------------------------|----------------------|--------------|--------------|--------------|--------------------------|----------|
|                               | FY 18                | FY 19        | FY 18        | FY 19        | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 4,633                | 4,633        | 4,633        | 4,633        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>4,633</b>         | <b>4,633</b> | <b>4,633</b> | <b>4,633</b> | <b>-</b>                 | <b>-</b> |

### Other Significant Legislation

#### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$669,881, a Labor Concessions Savings of \$13,380,987, and a Targeted Savings of \$994,650. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account                                     | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|---|------------------|---------------------|------------------|-------------|
| Charter Oak State College                   | 2,263,617        | (77,861)            | 2,185,756        | 3.4%        |
| Community Tech College System               | 150,743,937      | (6,904,764)         | 143,839,173      | 4.6%        |
| Connecticut State University                | 140,932,908      | (6,773,688)         | 134,159,220      | 4.8%        |
| Board of Regents                            | 366,875          | (4,635)             | 362,240          | 1.3%        |
| Developmental Services                      | 9,168,168        | (255,466)           | 8,912,702        | 2.8%        |
| Outcomes-Based Funding Incentive            | 1,236,481        | (34,454)            | 1,202,027        | 2.8%        |
| Institute for Municipal and Regional Policy | 994,650          | (994,650)           | -                | 100.0%      |

## Department of Correction

### DOC88000

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 6,352           | 6,216           | 6,117                  | 6,117                | 6,117 | 6,117       | 6,117 |

#### Budget Summary

| Account   | Actual<br>FY 15    | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|---|--------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|   |                    |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| Personal Services                               | 444,431,489        | 433,255,563        | 399,926,993            | 383,406,998          | 382,105,228        | 383,924,663        | 382,622,893        |
| Other Expenses                                  | 77,718,060         | 74,327,692         | 71,015,325             | 67,151,773           | 66,906,331         | 66,973,023         | 66,727,581         |
| <b>Other Current Expenses</b>                   |                    |                    |                        |                      |                    |                    |                    |
| Stress Management                               | 9,234              | 24,280             | -                      | -                    | -                  | -                  | -                  |
| Workers' Compensation Claims                    | 28,218,144         | 26,454,667         | 23,677,850             | 26,871,594           | 26,871,594         | 26,871,594         | 26,871,594         |
| Inmate Medical Services                         | 85,967,101         | 86,746,265         | 85,297,457             | 80,426,658           | 80,426,658         | 80,426,658         | 72,383,992         |
| Board of Pardons and Paroles                    | 5,226,840          | 5,613,997          | 7,165,288              | 6,950,330            | 6,950,330          | 6,415,288          | 6,415,288          |
| STRIDE  | -                  | -                  | -                      | -                    | -                  | 108,656            | 108,656            |
| Program Evaluation                              | 39,516             | 91,546             | 254,669                | 75,000               | 75,000             | 75,000             | 75,000             |
| <b>Other Than Payments to Local Governments</b> |                    |                    |                        |                      |                    |                    |                    |
| Aid to Paroled and Discharged Inmates           | 2,738              | 3,102              | 7,623                  | 3,000                | 3,000              | 3,000              | 3,000              |
| Legal Services To Prisoners                     | 827,065            | 815,986            | 773,446                | 797,000              | 797,000            | 797,000            | 797,000            |
| Volunteer Services                              | 121,500            | 127,500            | 137,180                | 129,460              | 129,460            | 129,460            | 129,460            |
| Community Support Services                      | 41,275,776         | 39,443,375         | 34,803,726             | 33,759,614           | 33,759,614         | 33,909,614         | 33,909,614         |
| <b>Nonfunctional - Change to Accruals</b>       | <b>(129,162)</b>   | -                  | -                      | -                    | -                  | -                  | -                  |
| <b>Agency Total - General Fund</b>              | <b>683,708,301</b> | <b>666,903,974</b> | <b>623,059,557</b>     | <b>599,571,427</b>   | <b>598,024,215</b> | <b>599,633,956</b> | <b>590,044,078</b> |
| <b>Additional Funds Available</b>               |                    |                    |                        |                      |                    |                    |                    |
| Carry Forward Funding                           | -                  | -                  | -                      | -                    | -                  | 337,536            | -                  |
| Federal Funds                                   | -                  | 2,481,168          | 2,410,943              | 2,393,500            | 2,303,500          | 2,393,500          | 2,303,500          |
| Private Contributions & Other Restricted        | -                  | 25,250,385         | 25,160,000             | 25,105,000           | 25,050,000         | 25,105,000         | 25,050,000         |
| Private Contributions                           | -                  | 402,297            | 502,000                | 552,000              | 552,000            | 552,000            | 552,000            |
| <b>Agency Grand Total</b>                       | <b>683,708,301</b> | <b>695,037,824</b> | <b>651,132,500</b>     | <b>627,621,927</b>   | <b>625,929,715</b> | <b>628,021,992</b> | <b>617,949,578</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Policy Revisions

#### Modify Administration of Inmate Medical Services to Achieve Savings

|                             |   |   |   |                    |   |                    |
|-----------------------------|---|---|---|--------------------|---|--------------------|
| Inmate Medical Services     | - | - | - | (8,042,666)        | - | (8,042,666)        |
| <b>Total - General Fund</b> | - | - | - | <b>(8,042,666)</b> | - | <b>(8,042,666)</b> |

#### Background

The Department of Correction contracts inmate medical services with an outside provider. The current contract is with the University of Connecticut Health Center.

#### Legislative

Funding is reduced by \$8.0 million beginning in FY 19 due to modifying the administration of inmate medical services.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Reduce Funding based on Facility and Unit Closures

|                             |                     |                     |                     |                     |           |           |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|-----------|-----------|
| Personal Services           | (10,134,626)        | (11,436,396)        | (9,955,876)         | (11,257,646)        | 178,750   | 178,750   |
| Other Expenses              | (1,734,642)         | (1,980,084)         | (1,913,392)         | (2,158,834)         | (178,750) | (178,750) |
| Inmate Medical Services     | (3,000,000)         | (3,000,000)         | (3,000,000)         | (3,000,000)         | -         | -         |
| <b>Total - General Fund</b> | <b>(14,869,268)</b> | <b>(16,416,480)</b> | <b>(14,869,268)</b> | <b>(16,416,480)</b> | <b>-</b>  | <b>-</b>  |

#### Background

Based on projected decreases in the state's prison population and additional Second Chance Society Initiatives contained in Public Act No. 17-145 the budget includes savings related to the closure of a full prison facility, a 250 bed housing unit, a 120 bed housing unit, and two additional housing units of unspecified size. Based on current population and facility utilization, a reduction of approximately 1,200 inmates would be necessary to achieve the closure of a facility and four housing units. Both the FY 16 -17 Budget and the FY 17 budget revisions contained savings related to a prison closure. The last full prison facility closure was completed in 2011.

#### Governor

Reduce funding by \$14,869,268 in FY 18 and \$16,416,480 in FY 19 to reflect the closure of a prison facility and four housing units and associated reductions to costs for inmate health care.

#### Legislative

Reduce funding by \$14,869,268 in FY 18 and \$16,416,480 in FY 19 to reflect the closure of a prison facility and four housing units and associated reductions to costs for inmate health care.

### Provide Funding for EMERGE CT

|                             |          |          |                |                |                |                |
|-----------------------------|----------|----------|----------------|----------------|----------------|----------------|
| Community Support Services  | -        | -        | 150,000        | 150,000        | 150,000        | 150,000        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>150,000</b> | <b>150,000</b> | <b>150,000</b> | <b>150,000</b> |

#### Background

EMERGE Connecticut is a nonprofit corporation committed to helping formerly incarcerated persons make a successful return to their families as responsible members, and to their communities as law-abiding, contributing citizens.

#### Legislative

Increase funding by \$150,000 in Community Support Services in FY 18 and FY 19 for EMERGE Connecticut.

### Transfer STRIDE from DOL

|                             |          |          |                |                |                |                |
|-----------------------------|----------|----------|----------------|----------------|----------------|----------------|
| STRIDE                      | -        | -        | 108,656        | 108,656        | 108,656        | 108,656        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>108,656</b> | <b>108,656</b> | <b>108,656</b> | <b>108,656</b> |

#### Background

The STRIDE program supports a reentry transitional support workforce development program for people released from the York Correctional Institution and New Haven, Corrigan, Radgowski, and Bridgeport Correctional Centers.

#### Legislative

Transfers STRIDE from the Department of Labor to the Department of Correction at the funding level of \$108,656 for FY 18 and FY 19.

### Reduce Funding for the Board of Pardons and Parole

|                              |                  |                  |                  |                  |                  |                  |
|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Personal Services            | (285,042)        | (285,042)        | -                | -                | 285,042          | 285,042          |
| Board of Pardons and Paroles | -                | -                | (535,042)        | (535,042)        | (535,042)        | (535,042)        |
| <b>Total - General Fund</b>  | <b>(285,042)</b> | <b>(285,042)</b> | <b>(535,042)</b> | <b>(535,042)</b> | <b>(250,000)</b> | <b>(250,000)</b> |

#### Background

The Board of Pardons and Parole lapsed approximately \$100,000 in FY 14 and \$200,000 in FY 15. In FY 16, the combined actions of a Finance Advisory Committee transfer, holdbacks, and two deficit mitigation plans reduced the agency's available appropriation by approximately \$1.5 million.

#### Governor

Reduce funding by \$285,042 in both FY 18 and FY 19 for the Board of Pardons and Parole.

#### Legislative

Reduce funding by \$535,042 in both FY 18 and FY 19 for the Board of Pardons and Parole. The Governor's budget misattributed the cut to the Personal Services account instead of the Board of Pardons and Parole account.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Reduce Overtime Training for Tactical Operations Squad

|                             |                 |                 |          |          |               |               |
|-----------------------------|-----------------|-----------------|----------|----------|---------------|---------------|
| Personal Services           | (53,873)        | (53,873)        | -        | -        | 53,873        | 53,873        |
| <b>Total - General Fund</b> | <b>(53,873)</b> | <b>(53,873)</b> | <b>-</b> | <b>-</b> | <b>53,873</b> | <b>53,873</b> |

#### Background

Training for the agency's Tactical Operations Squad is conducted by utilizing overtime hours in excess of the officer's regular schedule. The agency is currently evaluating several options that will allow training to occur while reducing overtime usage.

#### Governor

Reduce funding by \$53,873 in both FY 18 and 19 to reflect overtime savings.

#### Legislative

Funding is maintained for the tactical operations squad.

### Annualize FY 17 Holdbacks

|                                       |                     |                     |                     |                     |          |          |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|----------|----------|
| Personal Services                     | (3,999,269)         | (3,999,269)         | (3,999,269)         | (3,999,269)         | -        | -        |
| Other Expenses                        | (1,950,430)         | (1,950,430)         | (1,950,430)         | (1,950,430)         | -        | -        |
| Workers' Compensation Claims          | (710,335)           | (710,335)           | (710,335)           | (710,335)           | -        | -        |
| Inmate Medical Services               | (2,558,923)         | (2,558,923)         | (2,558,923)         | (2,558,923)         | -        | -        |
| Board of Pardons and Paroles          | (214,958)           | (214,958)           | (214,958)           | (214,958)           | -        | -        |
| Program Evaluation                    | (179,669)           | (179,669)           | (179,669)           | (179,669)           | -        | -        |
| Aid to Paroled and Discharged Inmates | (4,623)             | (4,623)             | (4,623)             | (4,623)             | -        | -        |
| Legal Services To Prisoners           | (23,203)            | (23,203)            | (23,203)            | (23,203)            | -        | -        |
| Volunteer Services                    | (7,720)             | (7,720)             | (7,720)             | (7,720)             | -        | -        |
| Community Support Services            | (1,044,112)         | (1,044,112)         | (1,044,112)         | (1,044,112)         | -        | -        |
| <b>Total - General Fund</b>           | <b>(10,693,242)</b> | <b>(10,693,242)</b> | <b>(10,693,242)</b> | <b>(10,693,242)</b> | <b>-</b> | <b>-</b> |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$10,693,242 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

## Current Services

### Adjust Funding to Reflect the FY 17 Deficiency

|                              |                  |                  |                  |                  |          |          |
|------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Workers' Compensation Claims | 3,904,079        | 3,904,079        | 3,904,079        | 3,904,079        | -        | -        |
| <b>Total - General Fund</b>  | <b>3,904,079</b> | <b>3,904,079</b> | <b>3,904,079</b> | <b>3,904,079</b> | <b>-</b> | <b>-</b> |

#### Background

HB 7026, the Governor's deficiency bill, results in no net increase to the General Fund. Increases of \$28.4 million are offset by funding reductions in various accounts. The bill includes \$3.5 million in deficiency funding in FY 17 for this agency in the Workers' Compensation Claims account. This funding is required due to unachieved budgeted savings. Expenditures through January 2017 are down 0.65% from last fiscal year, while the adjusted appropriation is 10.65% lower than the previous fiscal year.

#### Governor

Provide funding of \$3,904,079 in both FY 18 and FY 19 to reflect the annualization of the agency's FY 17 deficiency.

#### Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Annualize Various FY 17 Agency Operation Changes**

|                             |                    |                    |                    |                    |          |          |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Personal Services           | (2,047,185)        | (2,047,185)        | (2,047,185)        | (2,047,185)        | -        | -        |
| Other Expenses              | (178,480)          | (178,480)          | (178,480)          | (178,480)          | -        | -        |
| <b>Total - General Fund</b> | <b>(2,225,665)</b> | <b>(2,225,665)</b> | <b>(2,225,665)</b> | <b>(2,225,665)</b> | <b>-</b> | <b>-</b> |

**Background**

Annualization refers to providing the amount of resources necessary for a 12 month period of operation.

**Governor**

Reduce funding of \$2,225,665 in both FY 18 and FY 19 to reflect full year funding for the closure of a unit at Osborne Correctional Institute based on population reductions, a memorandum of agreement between NP-4 and the agency for Correctional Maintenance Supervisors, and the net staff changes from FY 17.

**Legislative**

Same as Governor

**Provide Funding for Projected Pharmaceutical Cost Growth**

|                             |                |                |                |                |          |          |
|-----------------------------|----------------|----------------|----------------|----------------|----------|----------|
| Inmate Medical Services     | 688,124        | 688,124        | 688,124        | 688,124        | -        | -        |
| <b>Total - General Fund</b> | <b>688,124</b> | <b>688,124</b> | <b>688,124</b> | <b>688,124</b> | <b>-</b> | <b>-</b> |

**Background**

The Correctional Managed Health Care system is projecting drug cost increases for drugs including those that treat Hepatitis C, HIV, other autoimmune disorders, chemotherapy drugs and antipsychotic drugs. Total drug costs for FY 17 are projected to total \$12.5 million.

**Governor**

Provide funding of \$688,124 in both FY 18 and 19 for projected drug cost increases.

**Legislative**

Same as Governor

**Provide Funding for Legal Services to Prisoners Contract**

|                             |               |               |               |               |          |          |
|-----------------------------|---------------|---------------|---------------|---------------|----------|----------|
| Legal Services To Prisoners | 46,757        | 46,757        | 46,757        | 46,757        | -        | -        |
| <b>Total - General Fund</b> | <b>46,757</b> | <b>46,757</b> | <b>46,757</b> | <b>46,757</b> | <b>-</b> | <b>-</b> |

**Background**

The Legal Services to Prisoners account provides prisoners access to the judicial system and legal counsel/assistance for civil matters through a contract with an outside law firm.

**Governor**

Provide funding of \$46,575 in both FY 18 and 19 to reflect projected costs based on the current contract.

**Legislative**

Same as Governor

**Carry Forward**

**Carry Forward for Community Support Services**

|                                      |          |          |                |          |                |          |
|--------------------------------------|----------|----------|----------------|----------|----------------|----------|
| Community Support Services           | -        | -        | 295,606        | -        | 295,606        | -        |
| <b>Total - Carry Forward Funding</b> | <b>-</b> | <b>-</b> | <b>295,606</b> | <b>-</b> | <b>295,606</b> | <b>-</b> |

**Background**

The Community Support Services account provides funding to various programs designed to help offenders re-enter society and to prevent recidivism.

**Legislative**

Pursuant to CGS Sec. 4-89(c), \$295,606 is carried forward into FY 18 in the Community Support Services account.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Carry Forward for Stress Management

|                                      |   |   |               |   |               |   |
|--------------------------------------|---|---|---------------|---|---------------|---|
| Stress Management                    | - | - | 41,930        | - | 41,930        | - |
| <b>Total - Carry Forward Funding</b> | - | - | <b>41,930</b> | - | <b>41,930</b> | - |

#### Background

The stress management account is contractually mandated and provides funding for stress management programs and/or procedures for correctional officers.

#### Legislative

Pursuant to Article 29 of the NP-4 Contract Section 3, \$41,930 is carried forward into FY 18 in the Stress Management account.

### Totals

| Budget Components             | Governor Recommended |                    | Legislative        |                    | Difference from Governor |                    |
|-------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|--------------------|
|                               | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19              |
| FY 17 Appropriation - GF      | 623,059,557          | 623,059,557        | 623,059,557        | 623,059,557        | -                        | -                  |
| Policy Revisions              | (25,901,425)         | (27,448,637)       | (25,838,896)       | (35,428,774)       | 62,529                   | (7,980,137)        |
| Current Services              | 2,413,295            | 2,413,295          | 2,413,295          | 2,413,295          | -                        | -                  |
| <b>Total Recommended - GF</b> | <b>599,571,427</b>   | <b>598,024,215</b> | <b>599,633,956</b> | <b>590,044,078</b> | <b>62,529</b>            | <b>(7,980,137)</b> |

| Positions                     | Governor Recommended |              | Legislative  |              | Difference from Governor |       |
|-------------------------------|----------------------|--------------|--------------|--------------|--------------------------|-------|
|                               | FY 18                | FY 19        | FY 18        | FY 19        | FY 18                    | FY 19 |
| FY 17 Appropriation - GF      | 6,117                | 6,117        | 6,117        | 6,117        | -                        | -     |
| <b>Total Recommended - GF</b> | <b>6,117</b>         | <b>6,117</b> | <b>6,117</b> | <b>6,117</b> | -                        | -     |

### Other Significant Legislation

#### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$857,276, a Labor Concessions Savings of \$11,052,686, a Targeted Savings of \$3,428,713, and a Delayed Start Savings of \$72,327. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account                      | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|------------------------------|------------------|---------------------|------------------|-------------|
| Personal Services            | 383,924,663      | (11,734,179)        | 372,190,484      | 3.1%        |
| Other Expenses               | 66,973,023       | (3,348,651)         | 63,624,372       | 5.0%        |
| Board of Pardons and Paroles | 6,415,288        | (175,783)           | 6,239,505        | 2.7%        |
| STRIDE                       | 108,656          | (35,314)            | 73,342           | 32.5%       |
| Program Evaluation           | 75,000           | (75,000)            | -                | 100.0%      |
| Volunteer Services           | 129,460          | (42,075)            | 87,385           | 32.5%       |

## Department of Children and Families

### DCF91000

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 3,240           | 3,240           | 3,240                  | 3,235                | 3,235 | 3,240       | 3,240 |

#### Budget Summary

| Account  | Actual<br>FY 15    | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|--|--------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|  |                    |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| Personal Services  | 275,916,401        | 278,017,624        | 273,254,796            | 272,940,437          | 272,940,437        | 273,254,796        | 273,254,796        |
| Other Expenses   | 34,573,498         | 34,672,070         | 30,636,026             | 30,876,026           | 30,876,026         | 30,576,026         | 30,416,026         |
| <b>Other Current Expenses</b>                            |                    |                    |                        |                      |                    |                    |                    |
| Workers' Compensation Claims                             | 10,551,940         | 12,966,989         | 10,650,996             | 12,578,720           | 12,578,720         | 12,578,720         | 12,578,720         |
| Family Support Services                                  | 937,082            | 916,268            | 913,974                | 983,377              | 983,377            | 867,677            | 867,677            |
| Homeless Youth   | 2,515,707          | 2,278,767          | 2,329,087              | -                    | -                  | -                  | -                  |
| Differential Response System                             | 8,246,817          | 8,065,069          | 7,748,997              | 8,346,386            | 8,346,386          | 7,809,192          | 7,764,046          |
| Regional Behavioral Health Consultation                  | 1,487,473          | 1,615,294          | 1,592,156              | 1,826,968            | 1,826,968          | 1,699,624          | 1,619,023          |
| <b>Other Than Payments to Local Governments</b>          |                    |                    |                        |                      |                    |                    |                    |
| Health Assessment and Consultation                       | 868,298            | 976,549            | 949,199                | 1,402,046            | 1,402,046          | 1,349,199          | 1,082,532          |
| Grants for Psychiatric Clinics for Children              | 14,972,924         | 15,360,515         | 14,956,541             | 15,933,208           | 15,933,208         | 15,046,541         | 14,979,041         |
| Day Treatment Centers for Children                       | 6,783,292          | 6,855,876          | 6,740,978              | 7,208,293            | 7,208,293          | 6,815,978          | 6,759,728          |
| Juvenile Justice Outreach Services                       | 10,546,301         | 10,229,197         | 12,318,836             | 11,634,473           | 11,865,723         | 5,443,769          | -                  |
| Child Abuse and Neglect Intervention                     | 8,598,548          | 8,614,550          | 9,199,620              | 13,575,122           | 13,575,122         | 11,949,620         | 10,116,287         |
| Community Based Prevention Programs                      | 7,793,791          | 7,562,153          | 7,631,690              | 8,004,587            | 8,004,587          | 7,945,305          | 7,637,305          |
| Family Violence Outreach and Counseling                  | 1,372,634          | 2,019,660          | 2,316,969              | 3,458,610            | 3,458,610          | 3,061,579          | 2,547,289          |
| Supportive Housing                                       | 13,931,363         | 16,446,504         | 18,479,526             | 20,099,070           | 20,099,070         | 18,479,526         | 18,479,526         |
| No Nexus Special Education                               | 1,780,771          | 1,804,042          | 1,662,733              | 2,151,861            | 2,151,861          | 2,151,861          | 2,151,861          |
| Family Preservation Services                             | 5,613,084          | 5,496,503          | 5,808,601              | 6,049,574            | 6,049,574          | 6,133,574          | 6,070,574          |
| Substance Abuse Treatment                                | 9,222,146          | 9,823,248          | 9,696,273              | 9,816,296            | 9,816,296          | 9,913,559          | 9,840,612          |
| Child Welfare Support Services                           | 2,310,730          | 2,406,841          | 2,339,675              | 1,918,775            | 1,918,775          | 1,757,237          | 1,757,237          |
| Board and Care for Children - Adoption                   | 91,616,524         | 94,274,631         | 96,346,170             | 97,105,408           | 98,735,921         | 97,105,408         | 98,735,921         |
| Board and Care for Children - Foster                     | 125,895,821        | 125,650,355        | 128,733,472            | 138,087,832          | 139,275,326        | 134,738,432        | 135,345,435        |
| Board and Care for Children - Short-term and Residential | 111,326,748        | 104,790,087        | 102,579,761            | 96,101,210           | 96,903,613         | 92,819,051         | 90,339,295         |
| Individualized Family Supports                           | 8,382,176          | 7,560,171          | 9,696,350              | 6,523,616            | 6,552,680          | 6,523,616          | 6,552,680          |
| Community Kidcare  | 35,275,657         | 37,379,824         | 37,912,186             | 41,041,905           | 41,041,905         | 38,268,191         | 37,968,191         |
| Covenant to Care   | 151,824            | 145,432            | 140,487                | 155,600              | 155,600            | 136,273            | 136,273            |
| Neighborhood Center                                      | 237,667            | 232,784            | 207,047                | -                    | -                  | -                  | -                  |
| <b>Nonfunctional - Change to Accruals</b>                | <b>2,135,557</b>   | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Agency Total - General Fund</b>                       | <b>793,044,774</b> | <b>796,161,004</b> | <b>794,842,146</b>     | <b>807,819,400</b>   | <b>811,700,124</b> | <b>786,424,754</b> | <b>777,000,075</b> |
| <b>Additional Funds Available</b>                        |                    |                    |                        |                      |                    |                    |                    |

| Account                   | Actual<br>FY 15    | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|---------------------------|--------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|                           |                    |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| Federal Funds             | -                  | 15,363,147         | 18,030,746             | 11,166,233           | 8,947,310          | 11,166,233         | 8,947,310          |
| Private Contributions     | -                  | 3,398,743          | 1,626,918              | 1,548,121            | 1,548,121          | 1,548,121          | 1,548,121          |
| <b>Agency Grand Total</b> | <b>793,044,774</b> | <b>814,922,894</b> | <b>814,499,810</b>     | <b>820,533,754</b>   | <b>822,195,555</b> | <b>799,139,108</b> | <b>787,495,506</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Provide Funding to Support Juan F. Compliance

|   |                   |                   |                  |                  |                    |                     |
|---|-------------------|-------------------|------------------|------------------|--------------------|---------------------|
| Other Expenses                              | 240,000           | 240,000           | 240,000          | 80,000           | -                  | (160,000)           |
| Family Support Services                     | 69,403            | 69,403            | -                | -                | (69,403)           | (69,403)            |
| Differential Response System                | 597,389           | 597,389           | 60,195           | 15,049           | (537,194)          | (582,340)           |
| Regional Behavioral Health Consultation     | 234,812           | 234,812           | 107,468          | 26,867           | (127,344)          | (207,945)           |
| Health Assessment and Consultation          | 452,847           | 452,847           | 400,000          | 133,333          | (52,847)           | (319,514)           |
| Grants for Psychiatric Clinics for Children | 976,667           | 976,667           | 90,000           | 22,500           | (886,667)          | (954,167)           |
| Day Treatment Centers for Children          | 467,315           | 467,315           | 75,000           | 18,750           | (392,315)          | (448,565)           |
| Juvenile Justice Outreach Services          | 150,386           | 150,386           | 150,386          | 50,129           | -                  | (100,257)           |
| Child Abuse and Neglect Intervention        | 4,375,502         | 4,375,502         | 2,750,000        | 916,667          | (1,625,502)        | (3,458,835)         |
| Community Based Prevention Programs         | 372,897           | 372,897           | 462,000          | 154,000          | 89,103             | (218,897)           |
| Family Violence Outreach and Counseling     | 1,141,641         | 1,141,641         | 744,610          | 230,320          | (397,031)          | (911,321)           |
| Supportive Housing                          | 1,619,544         | 1,619,544         | -                | -                | (1,619,544)        | (1,619,544)         |
| Family Preservation Services                | 240,973           | 240,973           | 324,973          | 261,973          | 84,000             | 21,000              |
| Substance Abuse Treatment                   | 120,023           | 120,023           | 217,286          | 144,339          | 97,263             | 24,316              |
| Child Welfare Support Services              | 161,538           | 161,538           | -                | -                | (161,538)          | (161,538)           |
| Community Kidcare                           | 3,223,714         | 3,223,714         | 450,000          | 150,000          | (2,773,714)        | (3,073,714)         |
| Covenant to Care                            | 19,327            | 19,327            | -                | -                | (19,327)           | (19,327)            |
| <b>Total - General Fund</b>                 | <b>14,463,978</b> | <b>14,463,978</b> | <b>6,071,918</b> | <b>2,203,927</b> | <b>(8,392,060)</b> | <b>(12,260,051)</b> |

### Background

DCF operates under a federal consent decree resulting from the 1989 *Juan F.* lawsuit. The lawsuit charged that DCF's predecessor agency was failing to provide necessary services for children and youth who had been, or who could become, abused or neglected. The consent decree called for a number of reforms and a court monitor to oversee them. The court approved the 2006 *Juan F.* Exit Plan to enable DCF to end monitoring if it achieved 22 benchmarks for at least six months. DCF maintained compliance with 13 measures during the 4th quarter of 2016 and 15 measures for the 1st quarter of 2017.

### Governor

Provide funding of \$14,463,978 in both FY 18 and FY 19 to support the fulfillment of currently-unmet performance benchmarks included in the 2006 *Juan F.* Exit Plan. This amount reflects the partial restoration of previous cuts to various accounts totaling \$8,280,592. It also reflects new funding of \$6,183,386 to increase the service capacity and geographic reach of an array of existing programs including: Cognitive Behavioral Intervention for Trauma in Schools, Intensive Family Preservation, Extended Day Treatment, and Emergency Mobile Psychiatric Services.

### Legislative

Provide funding of \$6,071,918 in FY 18 and \$2,203,927 in FY 19 to support the fulfillment of currently-unmet performance benchmarks included in the 2006 *Juan F.* Exit Plan.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Transfer Various Juvenile Justice Functions to CSSD**

|  |   |   |                    |                     |                    |                     |
|--|---|---|--------------------|---------------------|--------------------|---------------------|
| Juvenile Justice Outreach Services                       | - | - | (5,574,763)        | (11,149,525)        | (5,574,763)        | (11,149,525)        |
| Board and Care for Children - Short-term and Residential | - | - | (3,282,159)        | (6,564,318)         | (3,282,159)        | (6,564,318)         |
| <b>Total - General Fund</b>                              | - | - | <b>(8,856,922)</b> | <b>(17,713,843)</b> | <b>(8,856,922)</b> | <b>(17,713,843)</b> |

**Background**

The Juvenile Justice Outreach Services account supports a variety of juvenile justice related programs for children, youth, and their families. These include the Fostering Responsibility, Education, and Employment program, Multi-Dimensional Family Therapy - Family Substance Abuse Treatments Services, Juvenile Review Boards, Multisystemic Therapy for Transition Age Youth, Juvenile Justice Intermediate Evaluations, employment programs (e.g., Work to Learn), and Functional Family Therapy.

The Board and Care for Children - Short-Term and Residential account primarily supports private residential facilities for children and youth placed into congregate care by the agency, or the courts. Placements are made according to the specific needs of the individual and the treatment and expertise available at each facility. Types of placements include therapeutic group homes, Short-term Family Integrated Treatment homes, and substance abuse treatment homes.

**Legislative**

Transfer funding of \$8,856,922 in FY 18 (half-year) and \$17,713,843 in FY 19 (full-year) from DCF to the Court Support Services Division (CSSD) of the Judicial Branch. This reflects the reassignment of: (1) the entirety of the Juvenile Justice Outreach Services account (\$11,149,525 in FY 19), and (2) the funding in the Board and Care for Children - Short-Term and Residential account that supports juvenile justice individuals in residential care settings (\$6,564,318 in FY 19).

**Suspend SCAS Residential Treatment Center Rate Increases**

|  |                    |                    |                    |                    |          |          |
|--|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Board and Care for Children - Short-term and Residential | (3,632,959)        | (4,578,442)        | (3,632,959)        | (4,578,442)        | -        | -        |
| <b>Total - General Fund</b>                              | <b>(3,632,959)</b> | <b>(4,578,442)</b> | <b>(3,632,959)</b> | <b>(4,578,442)</b> | <b>-</b> | <b>-</b> |

**Background**

Pursuant to CGS Sec. 17a-17 and agency regulations, DCF's Single Cost Accounting System (SCAS) determines the per diem payment rates for in-state, private residential treatment centers. Under SCAS, increases in the allowable residential care components over the previous year rates are limited to the increase in the consumer price index plus 2%, or the actual increase in allowable costs, whichever is less.

**Governor**

Eliminate funding of \$3,632,959 in FY 18 and \$4,578,442 in FY 19 to reflect the suspension of SCAS per diem rate increases for in-state, private residential treatment centers. Section 26 of PA 17-2 JSS authorizes this change.

**Legislative**

Same as Governor

**Maintain Day Care Support**

|                                      |                  |                  |          |          |                    |                    |
|--------------------------------------|------------------|------------------|----------|----------|--------------------|--------------------|
| Board and Care for Children - Foster | 3,349,400        | 3,929,891        | -        | -        | (3,349,400)        | (3,929,891)        |
| <b>Total - General Fund</b>          | <b>3,349,400</b> | <b>3,929,891</b> | <b>-</b> | <b>-</b> | <b>(3,349,400)</b> | <b>(3,929,891)</b> |

**Background**

Care 4 Kids, within the Office of Early Childhood (OEC), helps low to moderate income families in Connecticut pay for child care costs. Effective 8/1/16, the Care 4 Kids program ceased to accept new applications from working families in priority group 4. This group includes families fostering DCF children and others whose household income is below 50% of the state median.

**Governor**

Provide funding of \$3,349,400 in FY 18 and \$3,929,891 in FY 19 to cover day care costs for DCF children and families that are no longer covered by Care 4 Kids.

**Legislative**

Do not provide funding of \$3,349,400 in FY 18 and \$3,929,891 in FY 19 in DCF as funding of \$10,250,975 in FY 18 and \$20,501,950 in FY 19 is provided to OEC to reflect the phasing-in of the current waitlist for all priority groups in the Care 4 Kids program.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Provide TANF/SSBG Funding to CCDF

|  |                  |                  |                  |                  |          |          |
|--|------------------|------------------|------------------|------------------|----------|----------|
| Board and Care for Children - Short-term and Residential | 2,407,211        | 3,209,614        | 2,407,211        | 3,209,614        | -        | -        |
| <b>Total - General Fund</b>                              | <b>2,407,211</b> | <b>3,209,614</b> | <b>2,407,211</b> | <b>3,209,614</b> | <b>-</b> | <b>-</b> |

#### Background

Connecticut receives \$266.8 million per year under the Temporary Assistance for Needy Families (TANF) block grant and transfers 10% of this amount to the Social Services Block Grant (SSBG). Currently, SSBG/TANF funding is granted to Departments of Social Services (DSS), Housing (DOH), and Children and Families (DCF), as well as the Office of Early Childhood (OEC). The accounting period for the federal government begins on October 1 and ends on September 30.

#### Governor

Shift funding of \$7,735,567 in FY 18 and \$10,314,089 in FY 19 from the current SSBG/TANF recipient agencies (DSS, DOH and DCF) to the Child Care and Development Fund (CCDF) under OEC. This shift will have no net impact on revenue, or General Fund appropriations, and will not result in any reduction in services. Provide General Fund support to the former SSBG/TANF recipient agencies of \$7,735,567 in FY 18 and \$10,314,089 in FY 19 and decrease OEC General Fund support by equal amounts. This includes funding of \$2,407,211 (partial year due to federal accounting period) and \$3,209,614 (full-year) to DCF. (See the General Fund accounts in the table below for further details.) The purpose of this shift is to simplify administrative activities related to provision of block grant-funded services for all agencies involved.

### General Fund Appropriations Related to SSBG/TANF Shift

| Agency                              | FY 18       | FY 19        |
|-------------------------------------|-------------|--------------|
| Department of Housing               | 3,495,579   | 4,660,772    |
| Department of Social Services       | 1,832,777   | 2,443,703    |
| Department of Children and Families | 2,407,211   | 3,209,614    |
| Office of Early Childhood           | (7,735,567) | (10,314,089) |
| <b>TOTAL</b>                        | <b>-</b>    | <b>-</b>     |

#### Legislative

Same as Governor

### Reduce Funding for Underutilized STAR Beds

|  |                    |                    |                    |                    |          |          |
|--|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Board and Care for Children - Short-term and Residential | (1,487,630)        | (1,487,630)        | (1,487,630)        | (1,487,630)        | -        | -        |
| <b>Total - General Fund</b>                              | <b>(1,487,630)</b> | <b>(1,487,630)</b> | <b>(1,487,630)</b> | <b>(1,487,630)</b> | <b>-</b> | <b>-</b> |

#### Background

A Short-Term Assessment and Respite home (STAR) is a temporary, congregate care setting that provides short-term care, assessment and a range of clinical and nursing services to children removed from their homes due to abuse, neglect or other high-risk circumstances. Youth receive assessment services, educational support, and care coordination related to family reunification, foster care, or other discharge planning as appropriate. STAR homes have six beds and are operated by one of three private providers: Bridge Family Center, Community Residences, and Waterford Country School. There were eight STARs in FY 17 provided with average funding of \$699,928 each.

#### Governor

Reduce funding by \$1,487,630 in both FY 18 and FY 19 for STAR homes to reflect below capacity utilization of beds.

#### Legislative

Same as Governor

### Rollout of FY 17 Rescissions

|                                    |          |          |                  |                  |                  |                  |
|------------------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Other Expenses                     | -        | -        | (300,000)        | (300,000)        | (300,000)        | (300,000)        |
| Juvenile Justice Outreach Services | -        | -        | (615,941)        | (615,941)        | (615,941)        | (615,941)        |
| <b>Total - General Fund</b>        | <b>-</b> | <b>-</b> | <b>(915,941)</b> | <b>(915,941)</b> | <b>(915,941)</b> | <b>(915,941)</b> |

#### Background

The Governor implemented General Fund rescissions totaling \$70.5 million across state agencies.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Reduce funding by \$915,941 in both FY 18 and FY 19 to reflect the rollout of the Governor's FY 17 rescissions.

**Annualize FY 17 Holdbacks**

|                                    |                  |                  |                  |                  |          |          |
|------------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Juvenile Justice Outreach Services | (369,565)        | (369,565)        | (369,565)        | (369,565)        | -        | -        |
| Covenant to Care                   | (4,214)          | (4,214)          | (4,214)          | (4,214)          | -        | -        |
| Neighborhood Center                | (207,047)        | (207,047)        | (207,047)        | (207,047)        | -        | -        |
| <b>Total - General Fund</b>        | <b>(580,826)</b> | <b>(580,826)</b> | <b>(580,826)</b> | <b>(580,826)</b> | <b>-</b> | <b>-</b> |

**Background**

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

**Governor**

Reduce funding by \$580,826 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

**Legislative**

Same as Governor

**Maintain Juvenile Justice (JJ) Social Workers**

|                                 |                  |                  |          |          |                |                |
|---------------------------------|------------------|------------------|----------|----------|----------------|----------------|
| Personal Services               | (314,359)        | (314,359)        | -        | -        | 314,359        | 314,359        |
| <b>Total - General Fund</b>     | <b>(314,359)</b> | <b>(314,359)</b> | <b>-</b> | <b>-</b> | <b>314,359</b> | <b>314,359</b> |
| <b>Positions - General Fund</b> | <b>(5)</b>       | <b>(5)</b>       | <b>-</b> | <b>-</b> | <b>5</b>       | <b>5</b>       |

**Background**

In 2017, there were 26 JJ Social Workers with 240 cases or an average of just over 9 cases per JJ Social Worker. Among its other responsibilities, DCF's Juvenile Justice Office:

- Assesses each juvenile's trauma history and its impact on functioning, as well as general mental health and substance abuse needs,
- Provides juveniles with effective treatment/rehabilitative services that meet their individualized behavioral health needs,
- Provides services in the community whenever possible,
- Involves youth and families in service planning, decision making, and behavioral health treatment if indicated, and
- Responds after hours to emergency and non-emergency situations involving juveniles.

**Governor**

Reduce funding by \$314,359 and eliminate five JJ Social Worker positions in both FY 18 and FY 19. This will increase the average caseload per JJ Social Worker to approximately 12 cases per JJ Social Worker.

**Legislative**

Maintain funding of \$314,359 in both fiscal years to support five JJ Social Workers.

**Eliminate Funding for Low Priority Contracts**

|                                     |          |          |                  |                  |                  |                  |
|-------------------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Family Support Services             | -        | -        | (46,297)         | (46,297)         | (46,297)         | (46,297)         |
| Community Based Prevention Programs | -        | -        | (148,385)        | (148,385)        | (148,385)        | (148,385)        |
| <b>Total - General Fund</b>         | <b>-</b> | <b>-</b> | <b>(194,682)</b> | <b>(194,682)</b> | <b>(194,682)</b> | <b>(194,682)</b> |

**Legislative**

Reduce funding by a total of \$194,682 in both FY 18 and FY 19 to reflect the elimination of support for low priority contracts under the Family Support Services account and the Community Based Prevention account. This includes: (1) \$46,297 for African Caribbean Family Parents under the Family Support Services account, (2) \$49,462 for the Children's Community Programs under the Community Based Prevention account, and (3) \$98,923 for the Klingberg Family Centers' Anna Grace Project.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Current Services

### Provide SCAS Residential Treatment Center Rate Increases

|  |                  |                  |                  |                  |          |          |
|--|------------------|------------------|------------------|------------------|----------|----------|
| Board and Care for Children - Short-term and Residential | 3,632,959        | 4,578,442        | 3,632,959        | 4,578,442        | -        | -        |
| <b>Total - General Fund</b>                              | <b>3,632,959</b> | <b>4,578,442</b> | <b>3,632,959</b> | <b>4,578,442</b> | <b>-</b> | <b>-</b> |

#### Background

Pursuant to CGS Sec. 17a-17 and agency regulations, the DCF single Cost Accounting System (SCAS) determines the per diem payment rates for in-state, private residential treatment centers. Under SCAS, increases in the allowable residential care components over the previous year rates are limited to the increase in the consumer price index plus 2%, or the actual increase in allowable costs, whichever is less.

#### Governor

Provide funding of \$3,632,959 in FY 18 and \$4,578,442 in FY 19 to reflect SCAS rate increases.

#### Legislative

Same as Governor

### Adjust Funding to Reflect Current Requirements and Caseloads

|  |                    |                 |                    |                 |          |          |
|--|--------------------|-----------------|--------------------|-----------------|----------|----------|
| Workers' Compensation Claims                             | 1,927,724          | 1,927,724       | 1,927,724          | 1,927,724       | -        | -        |
| Juvenile Justice Outreach Services                       | (465,184)          | (233,934)       | (465,184)          | (233,934)       | -        | -        |
| No Nexus Special Education                               | 489,128            | 489,128         | 489,128            | 489,128         | -        | -        |
| Board and Care for Children - Adoption                   | 759,238            | 2,389,751       | 759,238            | 2,389,751       | -        | -        |
| Board and Care for Children - Foster                     | 5,422,522          | 6,029,525       | 5,422,522          | 6,029,525       | -        | -        |
| Board and Care for Children - Short-term and Residential | (7,398,132)        | (7,398,132)     | (7,398,132)        | (7,398,132)     | -        | -        |
| Individualized Family Supports                           | (3,172,734)        | (3,143,670)     | (3,172,734)        | (3,143,670)     | -        | -        |
| Community Kidcare  | (93,995)           | (93,995)        | (93,995)           | (93,995)        | -        | -        |
| <b>Total - General Fund</b>                              | <b>(2,531,433)</b> | <b>(33,603)</b> | <b>(2,531,433)</b> | <b>(33,603)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding by a net \$2,531,433 in FY 18 and \$33,603 in FY 19 to reflect anticipated expenditure and caseload requirements. Net amounts include funding decreases to the following accounts:

- Board and Care for Children - Short-Term and Residential (\$7,398,132 in both FY 18 and FY 19),
- Individualized Family Supports (\$3,172,734 in FY 18 and \$3,143,670 in FY 19),
- Juvenile Justice Outreach Services (\$465,184 in FY 18 and \$233,934 in FY 19) and
- Community KidCare (\$93,995 in both FY 18 and FY 19).

Net amounts also include a funding increase of \$1,927,724 in both FY 18 and FY 19 to the Workers' Compensation account, \$489,128 in both FY 18 and FY 19 for the No Nexus Special Education account, \$759,238 in FY 18 and \$2,389,751 in FY 19 for the Board and Care for Children - Adoption account, and \$5,422,522 in FY 18 and \$6,029,525 in FY 19 for the Board and Care for Children - Foster account.

#### Legislative

Same as Governor

### Transfer Homeless Youth Program to DOH

|                             |                    |                    |                    |                    |          |          |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Homeless Youth              | (2,329,087)        | (2,329,087)        | (2,329,087)        | (2,329,087)        | -        | -        |
| <b>Total - General Fund</b> | <b>(2,329,087)</b> | <b>(2,329,087)</b> | <b>(2,329,087)</b> | <b>(2,329,087)</b> | <b>-</b> | <b>-</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Background**

The Start program, currently funded under DCF's Homeless Youth account, is run by a non-profit provider, The Connection, Inc., to provide an array of outreach and survival support services for homeless youth, or youth who have unstable housing, between the ages of 16 and 24 in the Hartford area. Sections 418 and 419 of PA 15-5 JSS transfer the homeless youth program under DCF to the Department of Housing (DOH).

**Governor**

Transfer funding of \$2,329,087 for homeless youth from DCF to DOH.

**Legislative**

Same as Governor

**Transfer Funding Between Accounts**

|                                      |           |           |           |           |   |   |
|--------------------------------------|-----------|-----------|-----------|-----------|---|---|
| Child Welfare Support Services       | (582,438) | (582,438) | (582,438) | (582,438) | - | - |
| Board and Care for Children - Foster | 582,438   | 582,438   | 582,438   | 582,438   | - | - |
| <b>Total - General Fund</b>          | -         | -         | -         | -         | - | - |

**Governor**

Transfer funding of \$582,438 in both FY 18 and FY 19 for community-based life skills programming from the Child Welfare Support Services account to the Board and Care for Children-Foster account to reflect the implementation of a credentialed, fee-for-service model.

**Legislative**

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                    | Legislative        |                    | Difference from Governor |                     |
|-------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|---------------------|
|                               | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19               |
| FY 17 Appropriation - GF      | 794,842,146          | 794,842,146        | 794,842,146        | 794,842,146        | -                        | -                   |
| Policy Revisions              | 14,204,815           | 14,642,226         | (7,189,831)        | (20,057,823)       | (21,394,646)             | (34,700,049)        |
| Current Services              | (1,227,561)          | 2,215,752          | (1,227,561)        | 2,215,752          | -                        | -                   |
| <b>Total Recommended - GF</b> | <b>807,819,400</b>   | <b>811,700,124</b> | <b>786,424,754</b> | <b>777,000,075</b> | <b>(21,394,646)</b>      | <b>(34,700,049)</b> |

| Positions                     | Governor Recommended |              | Legislative  |              | Difference from Governor |          |
|-------------------------------|----------------------|--------------|--------------|--------------|--------------------------|----------|
|                               | FY 18                | FY 19        | FY 18        | FY 19        | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 3,240                | 3,240        | 3,240        | 3,240        | -                        | -        |
| Policy Revisions              | (5)                  | (5)          | -            | -            | 5                        | 5        |
| <b>Total Recommended - GF</b> | <b>3,235</b>         | <b>3,235</b> | <b>3,240</b> | <b>3,240</b> | <b>5</b>                 | <b>5</b> |

**PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$601,450, a Labor Concessions Savings of \$10,352,453, and a Targeted Savings of \$1,640,401. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| <b>Account</b>                     | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|------------------------------------|-------------------------|----------------------------|-------------------------|--------------------|
| Personal Services                  | 273,254,796             | (10,953,903)               | 262,300,893             | 4.0%               |
| Other Expenses                     | 30,576,026              | (1,528,801)                | 29,047,225              | 5.0%               |
| Juvenile Justice Outreach Services | 5,443,769               | (108,875)                  | 5,334,894               | 2.0%               |
| Covenant to Care                   | 136,273                 | (2,725)                    | 133,548                 | 2.0%               |

# Judicial Department

## JUD95000

### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 4,329           | 4,329           | 4,329                  | 4,329                | 4,329 | 4,329       | 4,329 |
| Banking Fund | 51              | 51              | 51                     | 20                   | 20    | 20          | 20    |

### Budget Summary

| Account   | Actual<br>FY 15    | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|---|--------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|   |                    |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| Personal Services   | 335,057,239        | 344,116,163        | 350,277,435            | 327,305,520          | 327,305,520        | 326,270,877        | 325,432,553        |
| Other Expenses  | 65,253,424         | 64,532,101         | 62,021,594             | 62,880,702           | 62,833,144         | 61,067,995         | 60,639,025         |
| <b>Other Current Expenses</b>                             |                    |                    |                        |                      |                    |                    |                    |
| Forensic Sex Evidence Exams                               | 1,277,983          | 1,388,690          | 1,348,010              | 1,348,010            | 1,348,010          | 1,348,010          | 1,348,010          |
| Alternative Incarceration Program                         | 55,047,806         | 56,343,513         | 52,747,603             | 49,538,792           | 49,538,792         | 49,538,792         | 49,538,792         |
| Justice Education Center, Inc.                            | 545,828            | 491,714            | 466,217                | 466,217              | 466,217            | 466,217            | 466,217            |
| Juvenile Alternative Incarceration                        | 27,802,826         | 27,807,807         | 25,788,309             | 20,683,458           | 20,683,458         | 20,683,458         | 20,683,458         |
| Juvenile Justice Centers                                  | 3,095,671          | 2,940,338          | 2,786,379              | -                    | -                  | -                  | -                  |
| Probate Court   | 10,250,000         | -                  | 6,000,000              | 4,450,000            | 4,450,000          | 2,000,000          | 4,450,000          |
| Workers' Compensation Claims                              | -                  | 6,411,833          | 6,042,106              | 6,042,106            | 6,042,106          | 6,042,106          | 6,042,106          |
| Insurance Recovery  | -                  | 4,040              | -                      | -                    | -                  | -                  | -                  |
| Youthful Offender Services                                | 15,792,582         | 14,227,298         | 13,311,287             | 10,445,555           | 10,445,555         | 10,445,555         | 10,445,555         |
| Victim Security Account                                   | 4,329              | 2,142              | 8,792                  | 8,792                | 8,792              | 8,792              | 8,792              |
| Children of Incarcerated Parents                          | 516,625            | 582,250            | 544,503                | 544,503              | 544,503            | 544,503            | 544,503            |
| Legal Aid   | 1,500,000          | 1,660,000          | 1,552,382              | 1,552,382            | 1,552,382          | 1,552,382          | 1,552,382          |
| Youth Violence Initiative                                 | 2,187,499          | 2,030,663          | 1,925,318              | 1,925,318            | 1,925,318          | 1,925,318          | 1,925,318          |
| Youth Services Prevention                                 | -                  | 3,273,968          | 3,187,174              | 2,708,174            | 2,708,174          | 3,187,174          | 3,187,174          |
| Judge's Increases   | 3,612,434          | -                  | -                      | -                    | -                  | -                  | -                  |
| Children's Law Center                                     | 109,838            | 109,838            | 102,717                | 102,717              | 102,717            | 102,717            | 102,717            |
| Juvenile Planning   | -                  | 250,000            | 233,792                | 233,792              | 233,792            | 333,792            | 333,792            |
| <b>Other Than Payments to Local Governments</b>           |                    |                    |                        |                      |                    |                    |                    |
| Juvenile Justice Outreach Services                        | -                  | -                  | -                      | -                    | -                  | 5,574,763          | 11,149,525         |
| Board and Care for Children - Short-term and Residential  | -                  | -                  | -                      | -                    | -                  | 3,282,159          | 6,564,318          |
| <b>Nonfunctional - Change to Accruals</b>                 | <b>2,095,090</b>   | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Agency Total - General Fund</b>                        | <b>524,149,174</b> | <b>526,172,358</b> | <b>528,343,618</b>     | <b>490,236,038</b>   | <b>490,188,480</b> | <b>494,374,610</b> | <b>504,414,237</b> |
| <b>Foreclosure Mediation Program</b>                      |                    |                    |                        |                      |                    |                    |                    |
| Foreclosure Mediation Program                             | 5,647,479          | 5,938,239          | 6,350,389              | 3,610,565            | 3,610,565          | 3,610,565          | 3,610,565          |
| <b>Nonfunctional - Change to Accruals</b>                 | <b>42,310</b>      | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Agency Total - Banking Fund</b>                        | <b>5,689,789</b>   | <b>5,938,239</b>   | <b>6,350,389</b>       | <b>3,610,565</b>     | <b>3,610,565</b>   | <b>3,610,565</b>   | <b>3,610,565</b>   |
| <b>Criminal Injuries Compensation</b>                     |                    |                    |                        |                      |                    |                    |                    |
| Criminal Injuries Compensation                            | 2,383,747          | 2,764,350          | 2,934,088              | 2,934,088            | 2,934,088          | 2,934,088          | 2,934,088          |
| <b>Nonfunctional - Change to Accruals</b>                 | <b>61,119</b>      | <b>-</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Agency Total - Criminal Injuries Compensation Fund</b> | <b>2,444,866</b>   | <b>2,764,350</b>   | <b>2,934,088</b>       | <b>2,934,088</b>     | <b>2,934,088</b>   | <b>2,934,088</b>   | <b>2,934,088</b>   |
| <b>Total - Appropriated Funds</b>                         | <b>532,283,829</b> | <b>534,874,946</b> | <b>537,628,095</b>     | <b>496,780,691</b>   | <b>496,733,133</b> | <b>500,919,263</b> | <b>510,958,890</b> |

| Account                                     | Actual<br>FY 15    | Actual<br>FY 16    | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|---|--------------------|--------------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|   |                    |                    |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| <b>Additional Funds Available</b>           |                    |                    |                        |                      |                    |                    |                    |
| Federal Funds                               | -                  | 10,115,771         | 14,727,565             | 8,206,111            | 4,897,671          | 8,206,111          | 4,897,671          |
| Private Contributions & Other<br>Restricted | -                  | 8,697,023          | 5,966,000              | 5,966,000            | 5,966,000          | 5,966,000          | 5,966,000          |
| Private Contributions                       | -                  | 1,305,325          | 387,907                | 34,990               | 25,500             | 34,990             | 25,500             |
| <b>Agency Grand Total</b>                   | <b>532,283,829</b> | <b>554,993,065</b> | <b>558,709,567</b>     | <b>510,987,792</b>   | <b>507,622,304</b> | <b>515,126,364</b> | <b>521,848,061</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Delay Funding for Judges' Salary Increases

|                             |                    |                    |                    |                    |                |          |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|----------------|----------|
| Personal Services           | (1,480,333)        | (1,480,333)        | (1,110,250)        | (1,480,333)        | 370,083        | -        |
| <b>Total - General Fund</b> | <b>(1,480,333)</b> | <b>(1,480,333)</b> | <b>(1,110,250)</b> | <b>(1,480,333)</b> | <b>370,083</b> | <b>-</b> |

#### Background

Raises for judges were provided in the FY 14, FY 15, and FY 16 budget, as part of a four-year plan to increase the salary of judges. The fourth year, FY 17, was delayed to FY 18 pursuant to PA 16-3 MSS.

#### Governor

Reduce funding of Personal Services by \$1,480,333 in both FY 18 and FY 19 to reflect a delay to the 3% increase for judges' salaries.

#### Legislative

Reduce funding of Personal Services by \$1,110,250 in FY 18 and \$1,480,333 in FY 19 to reflect a delay, effective from the passage of the budget, to the 3% increase of judges' salaries to FY 20. Sections 254-257 of PA 17-2 JSS implement this change.

### Reduce Funding for the Probate Court Account

|                             |                    |                    |                    |                    |                    |          |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------|
| Probate Court               | (1,000,000)        | (1,000,000)        | (3,450,000)        | (1,000,000)        | (2,450,000)        | -        |
| <b>Total - General Fund</b> | <b>(1,000,000)</b> | <b>(1,000,000)</b> | <b>(3,450,000)</b> | <b>(1,000,000)</b> | <b>(2,450,000)</b> | <b>-</b> |

#### Background

The Probate Court Administration Fund (PCAF) provides funding for all Probate Court Administration and individual probate court costs. Funding for the PCAF comes from: 1) a General Fund appropriation 2) fees on decedent's estates that must go through the probate court system, and 3) other various probate court fees. The FY 17 Probate Administration budget of approximately \$44.5 million included approximately \$38.3 million from probate fees and a General Fund appropriation of \$6 million. As of February 1, 2017, the PCAF is anticipated to end FY 17 with a balance of approximately \$11 million.

#### Governor

Reduce funding of the Probate Court account by \$1 million in both FY 18 and FY 19 to reflect the growth of the PCAF balance.

#### Legislative

Reduce funding of the Probate Court account by \$3.45 million in FY 18 and \$1 million in FY 19 to reflect the growth of the PCAF balance.

### Annualize FY 2017 Holdback

|                                    |                     |                     |                     |                     |                |                |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------|----------------|
| Personal Services                  | (5,000,000)         | (5,000,000)         | (5,000,000)         | (5,000,000)         | -              | -              |
| Alternative Incarceration Program  | (3,208,811)         | (3,208,811)         | (3,208,811)         | (3,208,811)         | -              | -              |
| Juvenile Alternative Incarceration | (5,104,851)         | (5,104,851)         | (5,104,851)         | (5,104,851)         | -              | -              |
| Juvenile Justice Centers           | (2,786,379)         | (2,786,379)         | (2,786,379)         | (2,786,379)         | -              | -              |
| Probate Court                      | (550,000)           | (550,000)           | (550,000)           | (550,000)           | -              | -              |
| Youthful Offender Services         | (2,865,732)         | (2,865,732)         | (2,865,732)         | (2,865,732)         | -              | -              |
| Youth Services Prevention          | (479,000)           | (479,000)           | -                   | -                   | 479,000        | 479,000        |
| <b>Total - General Fund</b>        | <b>(19,994,773)</b> | <b>(19,994,773)</b> | <b>(19,515,773)</b> | <b>(19,515,773)</b> | <b>479,000</b> | <b>479,000</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

### Governor

Reduce funding by \$19,994,773 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

### Legislative

Reduce funding by \$19,515,773 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

### Transfer Juvenile Justice from DCF to CSSD

|  |   |   |                  |                   |                  |                   |
|--|---|---|------------------|-------------------|------------------|-------------------|
| Juvenile Justice Outreach Services                       | - | - | 5,574,763        | 11,149,525        | 5,574,763        | 11,149,525        |
| Board and Care for Children - Short-term and Residential | - | - | 3,282,159        | 6,564,318         | 3,282,159        | 6,564,318         |
| <b>Total - General Fund</b>                              | - | - | <b>8,856,922</b> | <b>17,713,843</b> | <b>8,856,922</b> | <b>17,713,843</b> |

### Background

The Department of Children and Families' (DCF) Juvenile Justice Outreach Services account supports a variety of juvenile justice related programs for children, youth, and their families. These include the Fostering Responsibility, Education, and Employment program, Multi-Dimensional Family Therapy - Family Substance Abuse Treatments Services, Juvenile Review Boards, Multisystemic Therapy for Transition Age Youth, Juvenile Justice Intermediate Evaluations, employment programs (e.g., Work to Learn), and Functional Family Therapy.

DCF's Board and Care for Children - Short-Term and Residential account primarily supports private residential facilities for children and youth placed into congregate care by the agency, or the courts. Placements are made according to the specific needs of the individual and the treatment and expertise available at each facility. Types of placements include therapeutic group homes, Short-term Family Integrated Treatment homes, and substance abuse treatment homes.

### Legislative

Transfer funding of \$8,856,922 in FY 18 (half-year) and \$17,713,843 in FY 19 (full-year) from DCF to the Court Support Services Division (CSSD) of the Judicial Branch, which reflects the reassignment of: (1) the entirety of DCF's Juvenile Justice Outreach Services account (\$11,149,525 in FY 19), and (2) the funding in DCF's Board and Care for Children - Short-Term and Residential account that supports juvenile justice individuals in residential care settings (\$6,564,318 in FY 19). Sections 321-323 of PA 17-2 JSS implements this change.

### Provide Funding for JJPOC

|                             |   |   |                |                |                |                |
|-----------------------------|---|---|----------------|----------------|----------------|----------------|
| Juvenile Planning           | - | - | 100,000        | 100,000        | 100,000        | 100,000        |
| <b>Total - General Fund</b> | - | - | <b>100,000</b> | <b>100,000</b> | <b>100,000</b> | <b>100,000</b> |

### Legislative

Provide funding of \$100,000 in FY 18 and FY 19 to continue to conduct juvenile justice research with the University of New Haven.

### Achieve Efficiencies

|                             |   |   |                    |                    |                    |                    |
|-----------------------------|---|---|--------------------|--------------------|--------------------|--------------------|
| Personal Services           | - | - | (1,404,726)        | (1,872,967)        | (1,404,726)        | (1,872,967)        |
| Other Expenses              | - | - | (141,527)          | (188,703)          | (141,527)          | (188,703)          |
| <b>Total - General Fund</b> | - | - | <b>(1,546,253)</b> | <b>(2,061,670)</b> | <b>(1,546,253)</b> | <b>(2,061,670)</b> |

### Legislative

Reduce funding by \$1,546,253 in FY 18 and \$2,061,670 in FY 19 to reflect savings.

### Achieve Savings Due to Consolidation

|                             |   |   |                    |                    |                    |                    |
|-----------------------------|---|---|--------------------|--------------------|--------------------|--------------------|
| Other Expenses              | - | - | (1,671,180)        | (2,005,416)        | (1,671,180)        | (2,005,416)        |
| <b>Total - General Fund</b> | - | - | <b>(1,671,180)</b> | <b>(2,005,416)</b> | <b>(1,671,180)</b> | <b>(2,005,416)</b> |

### Legislative

Reduce funding by \$1,671,180 in FY 18 and \$2,005,416 in FY 19 to reflect savings due to consolidation of juvenile justice functions from the Department of Children and Families to Judicial.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Redistribute Hartford's Youth Violence Initiative Grant

#### Legislative

Redistribute the Hartford portion of the Youth Violence Initiative account as follows: YMCA of Metropolitan Hartford - Wilson Gray \$200,000, Urban League \$120,000, Legacy Foundation of Hartford \$100,000, West Indian Foundation \$75,000, Upper Albany Collaborative \$50,000, Hartford Hurricanes \$38,773, Hartford Knights \$33,000, and Girls for Technology \$25,000.

## Current Services

### Reduce Funding for Personal Services

|                             |                     |                     |                     |                     |          |          |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|----------|----------|
| Personal Services           | (17,971,915)        | (17,971,915)        | (17,971,915)        | (17,971,915)        | -        | -        |
| <b>Total - General Fund</b> | <b>(17,971,915)</b> | <b>(17,971,915)</b> | <b>(17,971,915)</b> | <b>(17,971,915)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce funding by \$17,971,915 in both FY 18 and FY 19 to reflect current payroll costs.

#### Legislative

Same as Governor

### Provide Funding for Judges' Salary Increases

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | 1,480,333        | 1,480,333        | 1,480,333        | 1,480,333        | -        | -        |
| <b>Total - General Fund</b> | <b>1,480,333</b> | <b>1,480,333</b> | <b>1,480,333</b> | <b>1,480,333</b> | <b>-</b> | <b>-</b> |

#### Background

PA 16-3 MSS delayed the 3% raises for judges in FY 17 to FY 18.

#### Governor

Provide funding of \$1,480,333 in Personal Services in both FY 18 and FY 19 to reflect funding for the increases to judges' salaries. This funding is eliminated in a separate policy action.

#### Legislative

Same as Governor

### Annualize Savings from Opening the Torrington Courthouse

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Other Expenses              | (701,392)        | (748,950)        | (701,392)        | (748,950)        | -        | -        |
| <b>Total - General Fund</b> | <b>(701,392)</b> | <b>(748,950)</b> | <b>(701,392)</b> | <b>(748,950)</b> | <b>-</b> | <b>-</b> |

#### Background

The new Torrington Courthouse is anticipated to open April 2017. This new courthouse will consolidate the Judicial District Courthouse in Litchfield, Bantam Superior Court, a Family Services Office in Litchfield and the Juvenile Court in Torrington.

#### Governor

Reduce funding by \$701,392 in FY 18 and \$748,950 in FY 19 to reflect elimination of the lease costs as a result of the opening of the Torrington Courthouse.

#### Legislative

Same as Governor

### Annualize the Cost to Open the Torrington Courthouse

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Other Expenses              | 1,502,180        | 1,502,180        | 1,502,180        | 1,502,180        | -        | -        |
| <b>Total - General Fund</b> | <b>1,502,180</b> | <b>1,502,180</b> | <b>1,502,180</b> | <b>1,502,180</b> | <b>-</b> | <b>-</b> |

#### Background

The new Torrington Courthouse is anticipated to open April 2017. This new courthouse will consolidate the Judicial District Courthouse in Litchfield, Bantam Superior Court, a Family Services Office in Litchfield and the Juvenile Court in Torrington.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Provide funding of \$1,502,180 in both FY 18 and FY 19 for increased costs to operate the Torrington courthouse. These costs include operating expenses such as utilities and custodial/cleaning costs.

**Legislative**

Same as Governor

**Annualize FY 17 Funding for Lease Parking**

|                             |               |               |               |               |          |          |
|-----------------------------|---------------|---------------|---------------|---------------|----------|----------|
| Other Expenses              | 58,320        | 58,320        | 58,320        | 58,320        | -        | -        |
| <b>Total - General Fund</b> | <b>58,320</b> | <b>58,320</b> | <b>58,320</b> | <b>58,320</b> | <b>-</b> | <b>-</b> |

**Governor**

Provide funding of \$58,320 in both FY 18 and FY 19 for 50 parking spaces for the Marshal Transport Vans at 150 Sargent Drive, New Haven.

**Legislative**

Same as Governor

**Eliminate Vacant Positions in Foreclosure Mediation Program**

|                                 |                    |                    |                    |                    |          |          |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Foreclosure Mediation Program   | (2,739,824)        | (2,739,824)        | (2,739,824)        | (2,739,824)        | -        | -        |
| <b>Total - Banking Fund</b>     | <b>(2,739,824)</b> | <b>(2,739,824)</b> | <b>(2,739,824)</b> | <b>(2,739,824)</b> | <b>-</b> | <b>-</b> |
| <b>Positions - Banking Fund</b> | <b>(31)</b>        | <b>(31)</b>        | <b>(31)</b>        | <b>(31)</b>        | <b>-</b> | <b>-</b> |

**Background**

Under current law (PA 15-124, An Act Extending the Foreclosure Mediation Program), the Foreclosure Mediation Program is scheduled to be eliminated on June 30, 2019. The caseload for the program has been decreasing each year with 9,064 cases eligible and referred to the program in FY 10 to 3,458 in FY 16.

**Governor**

Reduce funding by \$2,739,824 in both FY 18 and FY 19 to reflect the elimination of 31 positions that are currently vacant.

**Legislative**

Same as Governor

**Totals**

| Budget Components              | Governor Recommended |                    | Legislative        |                    | Difference from Governor |                   |
|--------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|-------------------|
|                                | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19             |
| FY 17 Appropriation - GF       | 528,343,618          | 528,343,618        | 528,343,618        | 528,343,618        | -                        | -                 |
| Policy Revisions               | (22,475,106)         | (22,475,106)       | (18,336,534)       | (8,249,349)        | 4,138,572                | 14,225,757        |
| Current Services               | (15,632,474)         | (15,680,032)       | (15,632,474)       | (15,680,032)       | -                        | -                 |
| <b>Total Recommended - GF</b>  | <b>490,236,038</b>   | <b>490,188,480</b> | <b>494,374,610</b> | <b>504,414,237</b> | <b>4,138,572</b>         | <b>14,225,757</b> |
| FY 17 Appropriation - BF       | 6,350,389            | 6,350,389          | 6,350,389          | 6,350,389          | -                        | -                 |
| Current Services               | (2,739,824)          | (2,739,824)        | (2,739,824)        | (2,739,824)        | -                        | -                 |
| <b>Total Recommended - BF</b>  | <b>3,610,565</b>     | <b>3,610,565</b>   | <b>3,610,565</b>   | <b>3,610,565</b>   | <b>-</b>                 | <b>-</b>          |
| FY 17 Appropriation - CIF      | 2,934,088            | 2,934,088          | 2,934,088          | 2,934,088          | -                        | -                 |
| <b>Total Recommended - CIF</b> | <b>2,934,088</b>     | <b>2,934,088</b>   | <b>2,934,088</b>   | <b>2,934,088</b>   | <b>-</b>                 | <b>-</b>          |

| Positions                     | Governor Recommended |              | Legislative  |              | Difference from Governor |       |
|-------------------------------|----------------------|--------------|--------------|--------------|--------------------------|-------|
|                               | FY 18                | FY 19        | FY 18        | FY 19        | FY 18                    | FY 19 |
| FY 17 Appropriation - GF      | 4,329                | 4,329        | 4,329        | 4,329        | -                        | -     |
| <b>Total Recommended - GF</b> | <b>4,329</b>         | <b>4,329</b> | <b>4,329</b> | <b>4,329</b> | -                        | -     |
| FY 17 Appropriation - BF      | 51                   | 51           | 51           | 51           | -                        | -     |
| Current Services              | (31)                 | (31)         | (31)         | (31)         | -                        | -     |
| <b>Total Recommended - BF</b> | <b>20</b>            | <b>20</b>    | <b>20</b>    | <b>20</b>    | -                        | -     |

### Other Significant Legislation

#### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Hiring Reduction Savings of \$710,088, a Labor Concessions Savings of \$13,661,689, a Targeted Savings of \$8,075,823, an Unallocated Lapse of \$2,641,467, and a Delayed Start Savings of \$100,572. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account  | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|--|------------------|---------------------|------------------|-------------|
| Personal Services  | 326,270,877      | (19,476,672)        | 306,794,205      | 5.97%       |
| Other Expenses   | 61,067,995       | (800,000)           | 60,267,995       | 1.31%       |
| Alternative Incarceration Program                        | 49,538,792       | (85,955)            | 49,452,837       | 0.17%       |
| Justice Education Center, Inc.                           | 466,217          | (155,406)           | 310,811          | 33.33%      |
| Juvenile Alternative Incarceration                       | 20,683,458       | (764,172)           | 19,919,286       | 3.69%       |
| Probate Court  | 2,000,000        | (100,000)           | 1,900,000        | 5.00%       |
| Youthful Offender Services                               | 10,445,555       | (792,278)           | 9,653,277        | 7.58%       |
| Children of Incarcerated Parents                         | 544,503          | (54,450)            | 490,053          | 10.00%      |
| Legal Aid  | 1,552,382        | (155,238)           | 1,397,144        | 10.00%      |
| Youth Violence Initiative                                | 1,925,318        | (721,995)           | 1,203,323        | 37.50%      |
| Youth Services Prevention                                | 3,187,174        | (1,195,190)         | 1,991,984        | 37.50%      |
| Children's Law Center                                    | 102,717          | (10,272)            | 92,445           | 10.00%      |
| Juvenile Planning  | 333,792          | (125,172)           | 208,620          | 37.50%      |
| Juvenile Justice Outreach Services                       | 5,574,763        | (473,855)           | 5,100,908        | 8.50%       |
| Board and Care for Children - Short-term and Residential | 3,282,159        | (278,984)           | 3,003,175        | 8.50%       |

#### PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 150-151 provide \$200,000 in both FY 18 and FY 19 to the Judicial Department and the Public Defender Services Commission in FY 18 and FY 19 to establish a one-year pilot program, from July 1, 2018 to June 30, 2019. The purpose of the pilot program is to provide legal counsel in certain civil hearing proceedings for relief from abuse when the applicant is deemed indigent.

**PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Section 208 distributes the grants under the Youth Services Prevention accounts to the following organizations:

| <b>Organization</b>  | <b>Amount \$</b> |
|--|------------------|
| Advocacy Academy Accomplish Education Inc.                     | 8,000            |
| Archipelago Inc. Project Music                                 | 37,500           |
| Arte Inc.  | 80,000           |
| Artist Collective  | 10,000           |
| Artist Collective  | 10,000           |
| Beat the Street Community Center                               | 15,000           |
| BIMEC (Believe In Me Corp)                                     | 15,000           |
| Boys & Girls Club of Greater Waterbury                         | 18,333           |
| Boys & Girls Club of Greater Waterbury                         | 18,333           |
| Boys & Girls Club of Southeastern Connecticut                  | 5,000            |
| Boys and Girls Club of Lower Naugatuck Valley                  | 30,000           |
| Boys and Girls Club of Meriden                                 | 10,000           |
| Boys and Girls Club of Stamford                                | 37,500           |
| Boys and Girls Club/Chandler Street                            | 30,000           |
| Bregamos Theater   | 10,000           |
| Bridgeport CaribeYouth Leaders, Inc.                           | 25,000           |
| Bridgeport CaribeYouth League, Inc.                            | 85,000           |
| BSL Education Foundation                                       | 20,000           |
| Buddy Jordan Foundation  | 40,000           |
| C.U.R.E.T.   | 10,000           |
| C.U.R.E.T.   | 10,000           |
| Caribe Youth Leaders   | 55,000           |
| Central CT Coast YMCA/Hamden                                   | 40,000           |
| Central CT Coast YMCA/Valley                                   | 40,000           |
| CHAMP Community Hands in Action Mentoring Program              | 10,000           |
| Charter Oak Boxing   | 15,000           |
| Church of the Good Shepard                                     | 110,000          |
| Citadel of Love  | 20,000           |
| City of Meriden/Police Cadets                                  | 10,000           |
| Computer Center Pope Park                                      | 30,000           |
| Cross Street Training and Academic Center, Inc.                | 5,000            |
| East Hampton Youth and Family Services                         | 55,000           |
| Ebonyhorse Woman, Inc.   | 10,000           |
| Ebonyhorse Woman, Inc.   | 10,000           |
| Family Reentry Organization, Inc./Transition Mentoring Program | 10,000           |
| Friends of Pope Park Troop 105                                 | 35,000           |
| Garde Arts Center  | 15,000           |
| Girls, Inc.  | 10,000           |
| Goodworks, Inc.  | 10,000           |

| Organization   | Amount \$ |
|--|-----------|
| Goodworks, Inc.  | 10,000    |
| GVI  | 25,000    |
| Haitian Woman Association - Anacaona Youth Enrichment Program  | 25,000    |
| Hartford Drill, Drum and Dance Corp.   | 20,000    |
| Hartford Urban League  | 7,500     |
| Hartford Urban League  | 7,500     |
| Headquarters & Church Care of Kanaan Baptist Church  | 110,000   |
| Heavy Hitters USA  | 5,000     |
| Higher Heights Youth Empowerment Programs, Inc.  | 20,000    |
| Hispanic Coalition of Greater Waterbury, Inc.  | 18,333    |
| Hispanic Coalition of Greater Waterbury, Inc.  | 18,333    |
| Historically Black College Alumni, Inc.  | 5,000     |
| Human Resources Agency of New Britain, Inc.  | 65,000    |
| Kids Kook Association, Inc.  | 10,000    |
| M.G. LL  | 45,000    |
| McGivney Center  | 25,000    |
| Meriden Wallingford Chrysalis  | 15,000    |
| Meriden YMCA   | 10,000    |
| Mi Casa  | 40,000    |
| Middlesex United Way   | 85,000    |
| Mount Olive Ministries   | 15,000    |
| New Haven Reads Community Book Bank  | 50,000    |
| New London Babe Ruth League, Inc.  | 5,000     |
| New London Football League   | 15,000    |
| New London Little League, Inc.   | 10,000    |
| New London NAACP   | 5,000     |
| New Opportunities of Greater Meriden/Boys to Men Program   | 12,000    |
| NH Symphony Orchestra  | 25,000    |
| O.P.M. Afterschool Program   | 25,000    |
| Oddfellows Playhouse   | 20,000    |
| OIC  | 25,000    |
| Orcutt Boys and Girls Club   | 55,000    |
| Original Works, Inc.   | 10,000    |
| Our Piece of the Pie   | 10,000    |
| Our Piece of the Pie   | 10,000    |
| Pathways Sandero Center/Greater New Britain Teen Pregnancy Prevention, Inc.                                    | 20,000    |
| Patrons of the Trumbull Nature & Arts Center, Inc.   | 20,000    |
| Police Activity League of Waterbury C/O Waterbury Young Men's Christian Association dba Greater Waterbury YMCA | 18,333    |
| Police Activity League of Waterbury C/O Waterbury Young Men's Christian Association dba Greater Waterbury YMCA | 18,333    |

| Organization   | Amount \$ |
|--|-----------|
| Police Athletic League/NH PAL  | 45,000    |
| Project Overcome Inc.  | 20,000    |
| R' Kids, Inc.  | 35,000    |
| Riv Memorial Foundation, Inc.  | 18,333    |
| Riv Memorial Foundation, Inc.  | 18,333    |
| Rushford Hospital Youth Program  | 10,000    |
| Safe Futures, Inc.   | 20,000    |
| Solar Youth  | 40,000    |
| Sound Community Services, Inc.   | 10,000    |
| St. Margaret Willow Plaza NRZ, Assoc. Inc.                             | 18,333    |
| St. Margaret Willow Plaza NRZ, Assoc. Inc.                             | 18,333    |
| Stamford YMCA  | 10,000    |
| Stamford YMCA  | 40,000    |
| Stratford Police Athletic League                                       | 10,000    |
| Sullivan Basketball Academy, Inc.                                      | 20,000    |
| Supreme Athletes   | 15,000    |
| Take a Chance Foundation Inc.  | 20,000    |
| The Pillar   | 10,000    |
| The Village Initiative Project, Inc.                                   | 25,000    |
| The Walter E. Lockett Jr. Foundation                                   | 100,000   |
| Town of Clinton/Partner in Community                                   | 55,000    |
| Town of East Hartford: Youth Services/Youth Task Force                 | 55,000    |
| Town of Manchester   | 55,000    |
| United Mentoring Academy, Inc.   | 20,000    |
| Upper Albany Collaborative   | 12,500    |
| Upper Albany Collaborative   | 12,500    |
| Upper Albany Collaborative   | 32,500    |
| Upper Albany Collaborative   | 32,500    |
| VETTS, Inc.  | 65,000    |
| Village Initiative Project, Inc.                                       | 110,000   |
| Walnut Orange Walsh Neighborhood Revitalization Zone Association, Inc. | 18,333    |
| Walnut Orange Walsh Neighborhood Revitalization Zone Association, Inc. | 18,333    |
| William E. Edwards Academic College Tours, Inc.                        | 15,000    |
| Windsor Collaborative  | 10,000    |
| Windsor Collaborative  | 10,000    |
| Windsor Collaborative  | 5,000     |
| Windsor Collaborative  | 5,000     |
| With These Hands   | 70,000    |
| Women & Family Center  | 10,000    |
| Writer's Block Ink   | 15,000    |

## Public Defender Services Commission

### PDS98500

#### Permanent Full-Time Positions

| Fund         | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |       | Legislative |       |
|--------------|-----------------|-----------------|------------------------|----------------------|-------|-------------|-------|
|              |                 |                 |                        | FY 18                | FY 19 | FY 18       | FY 19 |
| General Fund | 447             | 447             | 447                    | 447                  | 447   | 447         | 447   |

#### Budget Summary

| Account                                   | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|   |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| Personal Services                         | 41,616,366        | 43,031,058        | 39,491,615             | 40,392,553           | 40,392,553        | 40,130,053        | 40,042,553        |
| Other Expenses                            | 1,491,477         | 1,237,753         | 1,336,440              | 1,185,863            | 1,185,863         | 1,176,487         | 1,173,363         |
| <b>Other Current Expenses</b>             |                   |                   |                        |                      |                   |                   |                   |
| Assigned Counsel - Criminal               | 22,647,884        | 23,891,496        | 21,454,202             | 22,442,284           | 22,442,284        | 22,442,284        | 22,442,284        |
| Expert Witnesses                          | 2,392,236         | 3,122,079         | 3,153,478              | 3,234,137            | 3,234,137         | 3,234,137         | 3,234,137         |
| Training And Education                    | 130,000           | 92,896            | 119,748                | 119,748              | 119,748           | 119,748           | 119,748           |
| Contracted Attorneys Related Expenses     | 54,882            | 39,999            | -                      | -                    | -                 | -                 | -                 |
| <b>Nonfunctional - Change to Accruals</b> | <b>832,279</b>    | <b>-</b>          | <b>-</b>               | <b>-</b>             | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Agency Total - General Fund</b>        | <b>69,165,124</b> | <b>71,415,281</b> | <b>65,555,483</b>      | <b>67,374,585</b>    | <b>67,374,585</b> | <b>67,102,709</b> | <b>67,012,085</b> |
| <b>Additional Funds Available</b>         |                   |                   |                        |                      |                   |                   |                   |
| Federal Funds                             | -                 | 7,695             | -                      | -                    | -                 | -                 | -                 |
| <b>Agency Grand Total</b>                 | <b>69,165,124</b> | <b>71,422,976</b> | <b>65,555,483</b>      | <b>67,374,585</b>    | <b>67,374,585</b> | <b>67,102,709</b> | <b>67,012,085</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

### Policy Revisions

#### Annualize FY 17 Holdbacks

|                             |                    |                    |                    |                    |          |          |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Personal Services           | (1,499,062)        | (1,499,062)        | (1,499,062)        | (1,499,062)        | -        | -        |
| Other Expenses              | (150,577)          | (150,577)          | (150,577)          | (150,577)          | -        | -        |
| Assigned Counsel - Criminal | (711,918)          | (711,918)          | (711,918)          | (711,918)          | -        | -        |
| Expert Witnesses            | (119,341)          | (119,341)          | (119,341)          | (119,341)          | -        | -        |
| <b>Total - General Fund</b> | <b>(2,480,898)</b> | <b>(2,480,898)</b> | <b>(2,480,898)</b> | <b>(2,480,898)</b> | <b>-</b> | <b>-</b> |

#### Background

The Governor implemented FY 17 holdbacks totaling \$149.5 million. The Governor's FY 18 and FY 19 Budget annualizes \$81.7 million of FY 17 holdbacks in FY 18 and \$81.8 million in FY 19 across various agencies.

#### Governor

Reduce funding by \$2,480,898 in both FY 18 and FY 19 to annualize FY 17 holdbacks.

#### Legislative

Same as Governor

#### Achieve Efficiencies

|                             |          |          |                  |                  |                  |                  |
|-----------------------------|----------|----------|------------------|------------------|------------------|------------------|
| Personal Services           | -        | -        | (262,500)        | (350,000)        | (262,500)        | (350,000)        |
| Other Expenses              | -        | -        | (9,376)          | (12,500)         | (9,376)          | (12,500)         |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>(271,876)</b> | <b>(362,500)</b> | <b>(271,876)</b> | <b>(362,500)</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Reducing funding by \$271,876 in FY 18 and \$362,500 in FY 19 to reflect savings that will be achieved.

**Current Services****Adjust Funding to Reflect the FY 17 Deficiency**

|                             |                  |                  |                  |                  |          |          |
|-----------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Personal Services           | 2,400,000        | 2,400,000        | 2,400,000        | 2,400,000        | -        | -        |
| Assigned Counsel - Criminal | 1,700,000        | 1,700,000        | 1,700,000        | 1,700,000        | -        | -        |
| Expert Witnesses            | 200,000          | 200,000          | 200,000          | 200,000          | -        | -        |
| <b>Total - General Fund</b> | <b>4,300,000</b> | <b>4,300,000</b> | <b>4,300,000</b> | <b>4,300,000</b> | <b>-</b> | <b>-</b> |

**Background**

HB 7026, the Governor's deficiency bill, results in no net increase to the General Fund. Increases of \$28.4 million are offset by funding reductions in various accounts. The bill includes \$4.3 million in deficiency funding in FY 17 for this agency in the Personal Services, Assigned Counsel - Criminal, and Expert Witnesses Account. This funding is required due to the agency's inability to meet reductions made in the FY 17 budget.

**Governor**

Provide funding of \$4.3 million in both FY 18 and FY 19 to reflect the annualization of the agency's FY 17 deficiency.

**Legislative**

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                   | Legislative       |                   | Difference from Governor |                  |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|--------------------------|------------------|
|                               | FY 18                | FY 19             | FY 18             | FY 19             | FY 18                    | FY 19            |
| FY 17 Appropriation - GF      | 65,555,483           | 65,555,483        | 65,555,483        | 65,555,483        | -                        | -                |
| Policy Revisions              | (2,480,898)          | (2,480,898)       | (2,752,774)       | (2,843,398)       | (271,876)                | (362,500)        |
| Current Services              | 4,300,000            | 4,300,000         | 4,300,000         | 4,300,000         | -                        | -                |
| <b>Total Recommended - GF</b> | <b>67,374,585</b>    | <b>67,374,585</b> | <b>67,102,709</b> | <b>67,012,085</b> | <b>(271,876)</b>         | <b>(362,500)</b> |

| Positions                     | Governor Recommended |            | Legislative |            | Difference from Governor |          |
|-------------------------------|----------------------|------------|-------------|------------|--------------------------|----------|
|                               | FY 18                | FY 19      | FY 18       | FY 19      | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 447                  | 447        | 447         | 447        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>447</b>           | <b>447</b> | <b>447</b>  | <b>447</b> | <b>-</b>                 | <b>-</b> |

## *Other Significant Legislation*

### **PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes an Unallocated Lapse of \$358,533 and a Delayed Start Savings of \$13,651. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| <b>Account</b>    | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|-------------------|-------------------------|----------------------------|-------------------------|--------------------|
| Personal Services | 40,130,053              | (2,606,227)                | 37,523,826              | -6.49%             |
| Expert Witnesses  | 3,234,137               | (358,533)                  | 2,875,604               | -11.09%            |

## Debt Service - State Treasurer

### OTT14100

#### Budget Summary

| Account   | Actual<br>FY 15      | Actual<br>FY 16      | Appropriation<br>FY 17 | Governor Recommended |                      | Legislative          |                      |
|---|----------------------|----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|
|   |                      |                      |                        | FY 18                | FY 19                | FY 18                | FY 19                |
| <b>Other Current Expenses</b>                         |                      |                      |                        |                      |                      |                      |                      |
| Debt Service  | 1,417,188,349        | 1,682,659,701        | 1,765,932,976          | 1,981,094,017        | 1,916,204,257        | 1,955,817,562        | 1,858,767,569        |
| UConn 2000 - Debt Service                             | 136,543,508          | 148,249,734          | 172,057,219            | 189,526,253          | 210,955,639          | 189,526,253          | 210,955,639          |
| CHEFA Day Care Security                               | 4,268,356            | 4,085,086            | 5,500,000              | 5,500,000            | 5,500,000            | 5,500,000            | 5,500,000            |
| Pension Obligation Bonds - TRB                        | 133,528,190          | 132,732,646          | 119,597,971            | 140,219,021          | 118,400,521          | 140,219,021          | 118,400,521          |
| <b>Grant Payments to Local Governments</b>            |                      |                      |                        |                      |                      |                      |                      |
| Municipal Restructuring                               | -                    | -                    | -                      | -                    | -                    | 20,000,000           | 20,000,000           |
| <b>Agency Total - General Fund</b>                    | <b>1,691,528,403</b> | <b>1,967,727,167</b> | <b>2,063,088,166</b>   | <b>2,316,339,291</b> | <b>2,251,060,417</b> | <b>2,311,062,836</b> | <b>2,213,623,729</b> |
|   |                      |                      |                        |                      |                      |                      |                      |
| Debt Service  | 460,022,123          | 493,938,883          | 562,993,251            | 614,679,938          | 680,223,716          | 614,679,938          | 680,223,716          |
| <b>Agency Total - Special<br/>Transportation Fund</b> | <b>460,022,123</b>   | <b>493,938,883</b>   | <b>562,993,251</b>     | <b>614,679,938</b>   | <b>680,223,716</b>   | <b>614,679,938</b>   | <b>680,223,716</b>   |
| <b>Total - Appropriated Funds</b>                     | <b>2,151,550,526</b> | <b>2,461,666,050</b> | <b>2,626,081,417</b>   | <b>2,931,019,229</b> | <b>2,931,284,133</b> | <b>2,925,742,774</b> | <b>2,893,847,445</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

### Policy Revisions

#### Make Miscellaneous Updates and Changes

|                             |          |          |                     |                     |                     |                     |
|-----------------------------|----------|----------|---------------------|---------------------|---------------------|---------------------|
| Debt Service                | -        | -        | (25,276,455)        | (32,978,355)        | (25,276,455)        | (32,978,355)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>(25,276,455)</b> | <b>(32,978,355)</b> | <b>(25,276,455)</b> | <b>(32,978,355)</b> |

#### Legislative

Adjust debt service related to the following programs:

- 1) Capital Region Development Authority (CRDA) - reflect expiration of debt (\$1.8 million each year in the CRDA program related to retirement of Series A bonds in 2016);
- 2) Connecticut Health and Educational Facilities (CHEFA) day care program - reflect net projected expenditures for the CHEFA day care program based on the current amortization schedule less anticipated reimbursements from day care providers (\$1.4 million each year); and
- 3) Department of Correction (DOC) - elimination of funding for the debt service component related to a potential DOC energy conservation capital lease (\$3.5 million in each year of the biennium).

In addition, adjust debt service to reflect possible savings due to several debt management and issuance strategies, along with updating expected borrowing costs to reflect market rates. Debt reduction strategies include pursuing bond refunding opportunities (and reflecting the impact of previous refundings), reassessing arbitrage rebates and fees, use of excess premiums, and updating interest rate projections for variable rate bonds.

#### Reduce Debt Service to Reflect General Obligation Bond Caps

|                             |          |          |          |                     |          |                     |
|-----------------------------|----------|----------|----------|---------------------|----------|---------------------|
| Debt Service                | -        | -        | -        | (24,458,333)        | -        | (24,458,333)        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>(24,458,333)</b> | <b>-</b> | <b>(24,458,333)</b> |

#### Background

The amount of funding provided for debt service depends on both existing outstanding debt and projections of the costs of repayment of newly issued debt. New debt issued is related to the recent and anticipated spending in bond-funded programs. Based on the Treasurer's estimates, the Governor's recommended budget assumes \$2.3 billion of General Obligation bond issuance each year of the biennium.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Legislative**

Reflect savings of \$24.45 million in FY 19 associated with the bond caps established in P.A. 17-2 (JSS). The new caps on General Obligation bond use are for bond allocation (\$2 billion), issuance (\$1.9 billion), and allotment (\$1.9 billion). Based on these caps, it is expected that bond spending will be reduced, leading to lower than expected bond issuances for the biennium and lower debt service payments necessary for FY 19.

**Establish Municipal Restructuring**

|                             |          |          |                   |                   |                   |                   |
|-----------------------------|----------|----------|-------------------|-------------------|-------------------|-------------------|
| Municipal Restructuring     | -        | -        | 20,000,000        | 20,000,000        | 20,000,000        | 20,000,000        |
| <b>Total - General Fund</b> | <b>-</b> | <b>-</b> | <b>20,000,000</b> | <b>20,000,000</b> | <b>20,000,000</b> | <b>20,000,000</b> |

**Legislative**

Provide \$20,000,000 in each of FY 18 and FY 19 for assistance for financially distressed municipalities.

**Current Services****Increase Debt Service**

|                             |                    |                    |                    |                    |          |          |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Debt Service                | 215,161,041        | 150,271,281        | 215,161,041        | 150,271,281        | -        | -        |
| <b>Total - General Fund</b> | <b>215,161,041</b> | <b>150,271,281</b> | <b>215,161,041</b> | <b>150,271,281</b> | <b>-</b> | <b>-</b> |

**Background**

Debt service reflects the state's obligation to make payments on services and goods provided in previous years. The State Bond Commission approved the allocation of \$2.4 billion in FY 15 and \$2.9 billion in FY 16 for capital projects.

In FY 18, approximately 95 percent of the general fund debt service payment is to repay bonds that were issued prior to FY 17. The payments for FY 18 and FY 19 include \$58 million towards the FY 13 GAAP Deficit Conversation Bonds in each year. The 2009 Economic Recovery Notes are scheduled to be retired after the FY 18 payment of \$179 million.

**Governor**

Provide funding of \$215 million in FY 18 and \$150 million in FY 19 to fund the increase in debt service due to increased bond spending in previous years. The decrease from FY 18 to FY 19 reflects retirement of 2009 Economic Recovery Notes in FY 18, which is partially offset by projected issuance of new bonds.

**Legislative**

Same as Governor

**Increase UConn 2000 Debt Service**

|                             |                   |                   |                   |                   |          |          |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|----------|----------|
| UConn 2000 - Debt Service   | 17,469,034        | 38,898,420        | 17,469,034        | 38,898,420        | -        | -        |
| <b>Total - General Fund</b> | <b>17,469,034</b> | <b>38,898,420</b> | <b>17,469,034</b> | <b>38,898,420</b> | <b>-</b> | <b>-</b> |

**Background**

The state first established a major bonding program for the University of Connecticut under PA 95-230 (UConn 2000). This program has been extended under the title UConn 21st Century and, most recently, as Next Generation Connecticut (PA 13-233). Since FY 11, over \$1.5 billion has been authorized for UConn bond projects. Under current law, another \$1.3 billion is scheduled to be authorized from FY 18 through FY 24, including \$295 million in FY 18 and \$251 million in FY 19. The Governor's proposal delays \$29.6 million of the previously scheduled FY 18 authorization and \$25.1 million of the FY 19 authorization until after the biennium.

**Governor**

Provide funding of \$17.5 million in FY 18 and \$38.9 million in FY 19 to fund the increase in debt service for UConn bond programs due to increased spending in previous years.

**Legislative**

Same as Governor

**Follow Pension Obligation Bond Repayment Schedule**

|                                |                   |                    |                   |                    |          |          |
|--------------------------------|-------------------|--------------------|-------------------|--------------------|----------|----------|
| Pension Obligation Bonds - TRB | 20,621,050        | (1,197,450)        | 20,621,050        | (1,197,450)        | -        | -        |
| <b>Total - General Fund</b>    | <b>20,621,050</b> | <b>(1,197,450)</b> | <b>20,621,050</b> | <b>(1,197,450)</b> | <b>-</b> | <b>-</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Background**

In 2008, \$2.3 billion in Pension Obligation Bonds (POBs) were issued by the state. Proceeds of the bond sale were added to the Teachers' Retirement Fund. A repayment schedule was developed when the bonds were issued that requires specific semi-annual payments until the bond is fully repaid in FY 32. While set by the bond covenant, the state's annual contribution to the debt service of the POBs varies from year to year.

**Governor**

Provide funding of \$20.6 million in FY 18 and reduce funding by \$1.2 million in FY 19 to meet POBs repayment schedule. The Governor's proposal follows the POB repayment schedule.

**Legislative**

Same as Governor

**Increase Special Transportation Fund Debt Service**

|  |                   |                    |                   |                    |          |          |
|--|-------------------|--------------------|-------------------|--------------------|----------|----------|
| Debt Service                               | 51,686,687        | 117,230,465        | 51,686,687        | 117,230,465        | -        | -        |
| <b>Total - Special Transportation Fund</b> | <b>51,686,687</b> | <b>117,230,465</b> | <b>51,686,687</b> | <b>117,230,465</b> | <b>-</b> | <b>-</b> |

**Background**

Debt service reflects the state's obligation to make payments on services and goods provided in previous years. Approximately 90 percent of the transportation fund FY 18 debt service payment is to repay bonds that were issued prior to FY 17. In FY 16, the state began a funding ramp up for capital transportation programs known as Let's Go! CT, including bond authorization for the program of over \$795 million.

**Governor**

Increase Special Transportation Fund debt service by \$51.7 million in FY 18 and \$117.2 million in FY 19 to reflect the increased STO bond issuance in FY 16 and FY 17, along with projected increase in issuances in FY 18 and FY 19.

**Legislative**

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                      | Legislative          |                      | Difference from Governor |                     |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|--------------------------|---------------------|
|                               | FY 18                | FY 19                | FY 18                | FY 19                | FY 18                    | FY 19               |
| FY 17 Appropriation - GF      | 2,063,088,166        | 2,063,088,166        | 2,063,088,166        | 2,063,088,166        | -                        | -                   |
| Policy Revisions              | -                    | -                    | (5,276,455)          | (37,436,688)         | (5,276,455)              | (37,436,688)        |
| Current Services              | 253,251,125          | 187,972,251          | 253,251,125          | 187,972,251          | -                        | -                   |
| <b>Total Recommended - GF</b> | <b>2,316,339,291</b> | <b>2,251,060,417</b> | <b>2,311,062,836</b> | <b>2,213,623,729</b> | <b>(5,276,455)</b>       | <b>(37,436,688)</b> |
| FY 17 Appropriation - TF      | 562,993,251          | 562,993,251          | 562,993,251          | 562,993,251          | -                        | -                   |
| Current Services              | 51,686,687           | 117,230,465          | 51,686,687           | 117,230,465          | -                        | -                   |
| <b>Total Recommended - TF</b> | <b>614,679,938</b>   | <b>680,223,716</b>   | <b>614,679,938</b>   | <b>680,223,716</b>   | <b>-</b>                 | <b>-</b>            |

## State Comptroller - Miscellaneous

## OSC15100

## Budget Summary

| Account  | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                  | Legislative      |                  |
|--|-------------------|-------------------|------------------------|----------------------|------------------|------------------|------------------|
|  |                   |                   |                        | FY 18                | FY 19            | FY 18            | FY 19            |
| <b>Other Current Expenses</b>  |                   |                   |                        |                      |                  |                  |                  |
| Adjudicated Claims   | 14,212,582        | 43,911,555        | -                      | -                    | -                | -                | -                |
| <b>Nonfunctional - Change to Accruals</b>                              | -                 | -                 | 13,392,147             | 546,139              | 2,985,705        | 546,139          | 2,985,705        |
| <b>Agency Total - General Fund</b>                                     | <b>14,212,582</b> | <b>43,911,555</b> | <b>13,392,147</b>      | <b>546,139</b>       | <b>2,985,705</b> | <b>546,139</b>   | <b>2,985,705</b> |
| <b>Nonfunctional - Change to Accruals</b>                              | -                 | 9,029,529         | 1,629,447              | 675,402              | 213,133          | 675,402          | 213,133          |
| <b>Agency Total - Special Transportation Fund</b>                      | -                 | 9,029,529         | 1,629,447              | 675,402              | 213,133          | 675,402          | 213,133          |
| <b>Nonfunctional - Change to Accruals</b>                              | -                 | 6,176             | 2,845                  | 2,845                | 2,845            | 2,845            | 2,845            |
| <b>Agency Total - Regional Market Operation Fund</b>                   | -                 | 6,176             | 2,845                  | 2,845                | 2,845            | 2,845            | 2,845            |
| <b>Nonfunctional - Change to Accruals</b>                              | -                 | 199,530           | 95,178                 | 95,178               | 95,178           | 95,178           | 95,178           |
| <b>Agency Total - Banking Fund</b>                                     | -                 | 199,530           | 95,178                 | 95,178               | 95,178           | 95,178           | 95,178           |
| <b>Nonfunctional - Change to Accruals</b>                              | -                 | 291,264           | 116,945                | 116,945              | 116,945          | 116,945          | 116,945          |
| <b>Agency Total - Insurance Fund</b>                                   | -                 | 291,264           | 116,945                | 116,945              | 116,945          | 116,945          | 116,945          |
| <b>Nonfunctional - Change to Accruals</b>                              | -                 | 266,964           | 89,658                 | 89,658               | 89,658           | 89,658           | 89,658           |
| <b>Agency Total - Consumer Counsel and Public Utility Control Fund</b> | -                 | 266,964           | 89,658                 | 89,658               | 89,658           | 89,658           | 89,658           |
| <b>Nonfunctional - Change to Accruals</b>                              | -                 | 29,886            | 72,298                 | 72,298               | 72,298           | 72,298           | 72,298           |
| <b>Agency Total - Workers' Compensation Fund</b>                       | -                 | 29,886            | 72,298                 | 72,298               | 72,298           | 72,298           | 72,298           |
| <b>Nonfunctional - Change to Accruals</b>                              | -                 | 63,293            | -                      | -                    | -                | -                | -                |
| <b>Agency Total - Criminal Injuries Compensation Fund</b>              | -                 | 63,293            | -                      | -                    | -                | -                | -                |
| <b>Total - Appropriated Funds</b>                                      | <b>14,212,582</b> | <b>53,798,196</b> | <b>15,398,518</b>      | <b>1,598,465</b>     | <b>3,575,762</b> | <b>1,598,465</b> | <b>3,575,762</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Current Services

### Reduce Funding for GAAP Accruals

|  |                     |                     |                     |                     |   |   |
|--|---------------------|---------------------|---------------------|---------------------|---|---|
| Nonfunctional - Change to Accruals         | (12,846,008)        | (10,406,442)        | (12,846,008)        | (10,406,442)        | - | - |
| <b>Total - General Fund</b>                | <b>(12,846,008)</b> | <b>(10,406,442)</b> | <b>(12,846,008)</b> | <b>(10,406,442)</b> | - | - |
| Nonfunctional - Change to Accruals         | (954,045)           | (1,416,314)         | (954,045)           | (1,416,314)         | - | - |
| <b>Total - Special Transportation Fund</b> | <b>(954,045)</b>    | <b>(1,416,314)</b>  | <b>(954,045)</b>    | <b>(1,416,314)</b>  | - | - |

#### Governor

Reduce funding by \$12,846,008 in FY 18 and \$10,406,442 in FY 19 in the General Fund for GAAP accrual payments to reflect current requirements. Reduce funding by \$954,045 in FY 18 and \$1,416,314 in FY 19 in the Special Transportation Fund for GAAP accrual payments to reflect current requirements.

#### Legislative

Same as Governor

## Totals

| Budget Components             | Governor Recommended |                  | Legislative    |                  | Difference from Governor |       |
|-------------------------------|----------------------|------------------|----------------|------------------|--------------------------|-------|
|                               | FY 18                | FY 19            | FY 18          | FY 19            | FY 18                    | FY 19 |
| FY 17 Appropriation - GF      | 13,392,147           | 13,392,147       | 13,392,147     | 13,392,147       | -                        | -     |
| Current Services              | (12,846,008)         | (10,406,442)     | (12,846,008)   | (10,406,442)     | -                        | -     |
| <b>Total Recommended - GF</b> | <b>546,139</b>       | <b>2,985,705</b> | <b>546,139</b> | <b>2,985,705</b> | -                        | -     |
| FY 17 Appropriation - TF      | 1,629,447            | 1,629,447        | 1,629,447      | 1,629,447        | -                        | -     |
| Current Services              | (954,045)            | (1,416,314)      | (954,045)      | (1,416,314)      | -                        | -     |
| <b>Total Recommended - TF</b> | <b>675,402</b>       | <b>213,133</b>   | <b>675,402</b> | <b>213,133</b>   | -                        | -     |
| FY 17 Appropriation - RF      | 2,845                | 2,845            | 2,845          | 2,845            | -                        | -     |
| <b>Total Recommended - RF</b> | <b>2,845</b>         | <b>2,845</b>     | <b>2,845</b>   | <b>2,845</b>     | -                        | -     |
| FY 17 Appropriation - BF      | 95,178               | 95,178           | 95,178         | 95,178           | -                        | -     |
| <b>Total Recommended - BF</b> | <b>95,178</b>        | <b>95,178</b>    | <b>95,178</b>  | <b>95,178</b>    | -                        | -     |
| FY 17 Appropriation - IF      | 116,945              | 116,945          | 116,945        | 116,945          | -                        | -     |
| <b>Total Recommended - IF</b> | <b>116,945</b>       | <b>116,945</b>   | <b>116,945</b> | <b>116,945</b>   | -                        | -     |
| FY 17 Appropriation - PF      | 89,658               | 89,658           | 89,658         | 89,658           | -                        | -     |
| <b>Total Recommended - PF</b> | <b>89,658</b>        | <b>89,658</b>    | <b>89,658</b>  | <b>89,658</b>    | -                        | -     |
| FY 17 Appropriation - WF      | 72,298               | 72,298           | 72,298         | 72,298           | -                        | -     |
| <b>Total Recommended - WF</b> | <b>72,298</b>        | <b>72,298</b>    | <b>72,298</b>  | <b>72,298</b>    | -                        | -     |

## State Comptroller - Fringe Benefits

### OSC15200

#### Budget Summary

| Account   | Actual<br>FY 15      | Actual<br>FY 16      | Appropriation<br>FY 17 | Governor Recommended |                      | Legislative          |                      |
|---|----------------------|----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|
|   |                      |                      |                        | FY 18                | FY 19                | FY 18                | FY 19                |
| <b>Other Current Expenses</b>                     |                      |                      |                        |                      |                      |                      |                      |
| Unemployment Compensation                         | 5,127,929            | 5,068,428            | 6,348,001              | 13,479,501           | 6,348,301            | 7,272,256            | 6,465,764            |
| State Employees Retirement Contributions          | 970,863,047          | 1,096,800,201        | 1,124,661,963          | 1,202,148,583        | 1,327,077,738        | 1,200,988,149        | 1,324,658,878        |
| Higher Education Alternative Retirement System    | 941,763              | (34,354)             | 4,924,234              | 500,000              | 500,000              | 1,000                | 1,000                |
| Pensions and Retirements - Other Statutory        | 1,638,996            | 1,602,498            | 1,760,804              | 1,706,796            | 1,757,248            | 1,606,796            | 1,657,248            |
| Judges and Compensation Commissioners Retirement  | 17,731,131           | 18,258,707           | 19,163,487             | 25,457,910           | 27,427,480           | 25,457,910           | 27,427,480           |
| Insurance - Group Life                            | 7,554,075            | 7,754,314            | 7,867,871              | 8,111,900            | 8,355,900            | 7,991,900            | 8,235,900            |
| Employers Social Security Tax                     | 225,966,607          | 228,290,741          | 227,723,020            | 213,998,720          | 213,886,020          | 198,812,550          | 197,818,172          |
| State Employees Health Service Cost               | 635,096,886          | 662,862,284          | 693,865,044            | 700,685,888          | 744,535,304          | 665,642,460          | 707,332,481          |
| Retired State Employees Health Service Cost       | 598,635,039          | 645,975,176          | 731,109,000            | 794,899,000          | 864,599,000          | 774,399,000          | 844,099,000          |
| Tuition Reimbursement - Training and Travel       | 3,302,800            | 2,961,860            | -                      | 115,000              | -                    | 115,000              | -                    |
| Death Benefits For St Employ                      | -                    | 16,200               | -                      | -                    | -                    | -                    | -                    |
| Other Post-Employment Benefits                    | -                    | -                    | -                      | 120,000,000          | 120,000,000          | 91,200,000           | 91,200,000           |
| <b>Nonfunctional - Change to Accruals</b>         | <b>13,941,239</b>    | <b>-</b>             | <b>-</b>               | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>             |
| <b>Agency Total - General Fund</b>                | <b>2,480,799,512</b> | <b>2,669,556,055</b> | <b>2,817,423,424</b>   | <b>3,081,103,298</b> | <b>3,314,486,991</b> | <b>2,973,487,021</b> | <b>3,208,895,923</b> |
| <b>Additional Funds Available</b>                 |                      |                      |                        |                      |                      |                      |                      |
| Unemployment Compensation                         | 255,946              | 287,591              | 305,000                | 305,000              | 305,000              | 203,548              | 203,548              |
| State Employees Retirement Contributions          | 130,144,053          | 122,166,623          | 129,227,978            | 134,130,000          | 146,268,000          | 132,842,942          | 144,980,942          |
| Insurance - Group Life                            | 264,721              | 268,204              | 285,063                | 275,000              | 279,000              | 273,357              | 277,357              |
| Employers Social Security Tax                     | 15,647,684           | 15,498,733           | 18,178,987             | 18,327,587           | 18,346,887           | 15,655,534           | 15,674,834           |
| State Employees Health Service Cost               | 44,606,243           | 46,708,551           | 56,549,838             | 53,544,606           | 57,652,322           | 46,110,687           | 50,218,403           |
| Other Post-Employment Benefits                    | -                    | -                    | -                      | -                    | -                    | 6,000,000            | 6,000,000            |
| <b>Nonfunctional - Change to Accruals</b>         | <b>1,182,574</b>     | <b>-</b>             | <b>-</b>               | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>             |
| <b>Agency Total - Special Transportation Fund</b> | <b>192,101,221</b>   | <b>184,929,702</b>   | <b>204,546,866</b>     | <b>206,582,193</b>   | <b>222,851,209</b>   | <b>201,086,068</b>   | <b>217,355,084</b>   |
| <b>Total - Appropriated Funds</b>                 | <b>2,672,900,733</b> | <b>2,854,485,757</b> | <b>3,021,970,290</b>   | <b>3,287,685,491</b> | <b>3,537,338,200</b> | <b>3,174,573,089</b> | <b>3,426,251,007</b> |
| <b>Additional Funds Available</b>                 |                      |                      |                        |                      |                      |                      |                      |
| Carry Forward Funding                             | -                    | -                    | -                      | -                    | -                    | 3,390,170            | -                    |
| <b>Agency Grand Total</b>                         | <b>2,672,900,733</b> | <b>2,854,485,757</b> | <b>3,021,970,290</b>   | <b>3,287,685,491</b> | <b>3,537,338,200</b> | <b>3,177,963,259</b> | <b>3,426,251,007</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Policy Revisions

### Eliminate Fringe Benefit Subsidy for CT Airport Authority

|  |   |   |                    |                    |                    |                    |
|--|---|---|--------------------|--------------------|--------------------|--------------------|
| Unemployment Compensation                  | - | - | (1,452)            | (1,452)            | (1,452)            | (1,452)            |
| State Employees Retirement Contributions   | - | - | (1,287,058)        | (1,287,058)        | (1,287,058)        | (1,287,058)        |
| Insurance - Group Life                     | - | - | (1,643)            | (1,643)            | (1,643)            | (1,643)            |
| Employers Social Security Tax              | - | - | (172,053)          | (172,053)          | (172,053)          | (172,053)          |
| State Employees Health Service Cost        | - | - | (433,919)          | (433,919)          | (433,919)          | (433,919)          |
| <b>Total - Special Transportation Fund</b> | - | - | <b>(1,896,125)</b> | <b>(1,896,125)</b> | <b>(1,896,125)</b> | <b>(1,896,125)</b> |

#### Background

PA 11-84 established the Connecticut Airport Authority (CAA) and transferred existing Department of Transportation staff over to the CAA. These employees retained their classification as state employees for the purposes of state administered benefits, including health and pension. The Special Transportation Fund (STF) has been providing a subsidy to the CAA since FY 12, which has historically been used to pay for salaries of CAA employees. In addition, the STF has provided fringe benefit support for those salaries charged to the STF subsidy. The fringe benefit support is paid for out of the State Comptroller's centralized fringe benefit accounts.

#### Legislative

Eliminate funding of \$1,896,125 in both FY 18 and FY 19 to reflect eliminating the fringe benefit subsidy for CAA employees. The budget eliminates the direct STF subsidy for the CAA. The elimination of the fringe benefit is a complement to the reduction within the Department of Transportation.

### Establish Passport to Parks Program

|  |   |   |                    |                    |                    |                    |
|--|---|---|--------------------|--------------------|--------------------|--------------------|
| Unemployment Compensation                | - | - | (5,333)            | (10,665)           | (5,333)            | (10,665)           |
| State Employees Retirement Contributions | - | - | (1,160,434)        | (2,418,860)        | (1,160,434)        | (2,418,860)        |
| Employers Social Security Tax            | - | - | (156,899)          | (327,046)          | (156,899)          | (327,046)          |
| State Employees Health Service Cost      | - | - | -                  | (42,899)           | -                  | (42,899)           |
| <b>Total - General Fund</b>              | - | - | <b>(1,322,666)</b> | <b>(2,799,470)</b> | <b>(1,322,666)</b> | <b>(2,799,470)</b> |

#### Background

The Passport to Parks program establishes a \$10 surcharge on certain motor vehicle registrations (passenger, motorcycle, motor home, combination, and antique) effective January 1, 2018. The surcharge will support a new Passport to Parks Fund, which must be used to operate state parks and campgrounds, fund soil and water conservation districts and environmental review teams, and beginning with FY 19, fund the Council on Environmental Quality.

#### Legislative

Eliminate funding of \$1,322,666 in FY 18 and \$2,799,470 in FY 19 from the General Fund which reflects the fringe benefit support for seasonal positions within the Department of Energy and Environmental Protection and two positions in FY 19 from the Council on Environmental Quality. These positions will be funded out of the new Passport to Parks Fund. Sections 325-331 of PA 17-2 JSS, the biennial budget act implement this change.

### Reduce Funding Based on FY 17 Expenditure Trends

|  |   |   |                     |                     |                     |                     |
|--|---|---|---------------------|---------------------|---------------------|---------------------|
| Higher Education Alternative Retirement System | - | - | (499,000)           | (499,000)           | (499,000)           | (499,000)           |
| Pensions and Retirements - Other Statutory     | - | - | (100,000)           | (100,000)           | (100,000)           | (100,000)           |
| Insurance - Group Life                         | - | - | (120,000)           | (120,000)           | (120,000)           | (120,000)           |
| Employers Social Security Tax                  | - | - | (14,000,000)        | (14,000,000)        | (14,000,000)        | (14,000,000)        |
| State Employees Health Service Cost            | - | - | (30,000,000)        | (30,000,000)        | (30,000,000)        | (30,000,000)        |
| Retired State Employees Health Service Cost    | - | - | (20,500,000)        | (20,500,000)        | (20,500,000)        | (20,500,000)        |
| <b>Total - General Fund</b>                    | - | - | <b>(65,219,000)</b> | <b>(65,219,000)</b> | <b>(65,219,000)</b> | <b>(65,219,000)</b> |
| Unemployment Compensation                      | - | - | (100,000)           | (100,000)           | (100,000)           | (100,000)           |
| Employers Social Security Tax                  | - | - | (2,500,000)         | (2,500,000)         | (2,500,000)         | (2,500,000)         |
| State Employees Health Service Cost            | - | - | (7,000,000)         | (7,000,000)         | (7,000,000)         | (7,000,000)         |

| Account                                    | Governor Recommended |       | Legislative |             | Difference from Governor |             |
|--|----------------------|-------|-------------|-------------|--------------------------|-------------|
|  | FY 18                | FY 19 | FY 18       | FY 19       | FY 18                    | FY 19       |
| <b>Total - Special Transportation Fund</b> | -                    | -     | (9,600,000) | (9,600,000) | (9,600,000)              | (9,600,000) |

**Legislative**

Reduce funding by \$65,219,000 million in both FY 18 and FY 19 in the General Fund and \$9.6 million in both FY 18 and FY 19 in the Special Transportation Fund to reflect expenditure trends.

**Reduce Fringe Benefits to Reflect Higher Education Funding**

|                                     |   |   |              |              |              |              |
|-------------------------------------|---|---|--------------|--------------|--------------|--------------|
| Employers Social Security Tax       | - | - | (4,663,375)  | (5,522,137)  | (4,663,375)  | (5,522,137)  |
| State Employees Health Service Cost | - | - | (15,300,746) | (18,118,384) | (15,300,746) | (18,118,384) |
| <b>Total - General Fund</b>         | - | - | (19,964,121) | (23,640,521) | (19,964,121) | (23,640,521) |

**Legislative**

Reduce funding by \$19,964,121 in FY 18 and \$23,640,521 in FY 19 to reflect the General Fund fringe benefit impact of block grant reductions to the constituent units of higher education.

**Adjust Fringe Benefits to Reflect Reduction of Positions**

|                                     |              |              |           |             |             |            |
|-------------------------------------|--------------|--------------|-----------|-------------|-------------|------------|
| Unemployment Compensation           | 6,890,600    | -            | 688,688   | 128,128     | (6,201,912) | 128,128    |
| Employers Social Security Tax       | (3,902,600)  | (4,063,300)  | (388,135) | (442,450)   | 3,514,465   | 3,620,850  |
| State Employees Health Service Cost | (10,489,900) | (11,712,400) | (293,142) | (1,117,060) | 10,196,758  | 10,595,340 |
| <b>Total - General Fund</b>         | (7,501,900)  | (15,775,700) | 7,411     | (1,431,382) | 7,509,311   | 14,344,318 |

**Governor**

Reduce funding by \$7,501,900 in FY 18 and \$15,775,700 in FY 19 to reflect the reduction of personnel and Personal Services accounts across state agencies.

**Legislative**

Provide funding by \$7,411 in FY 18 and reduce funding by \$1,431,382 in FY 19 to reflect the reduction of personnel and Personal Services accounts across state agencies.

**Adjust Fringe Benefits for the Transfer of Positions**

|  |           |         |           |         |   |   |
|--|-----------|---------|-----------|---------|---|---|
| Unemployment Compensation                | -         | 300     | -         | 300     | - | - |
| State Employees Retirement Contributions | (23,100)  | 245,600 | (23,100)  | 245,600 | - | - |
| Insurance - Group Life                   | (100)     | 900     | (100)     | 900     | - | - |
| Employers Social Security Tax            | (3,200)   | 34,200  | (3,200)   | 34,200  | - | - |
| State Employees Health Service Cost      | (124,500) | (5,500) | (124,500) | (5,500) | - | - |
| <b>Total - General Fund</b>              | (150,900) | 275,500 | (150,900) | 275,500 | - | - |

**Governor**

Reduce funding by \$150,900 in FY 18 and provide funding of \$275,000 in FY 19 to reflect the net impact to various fringe benefit accounts within the General Fund from the transfer of state personnel.

**Legislative**

Same as Governor

**Provide Funding for Fringe Benefits for Additional Positions**

|  |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Employers Social Security Tax              | 23,600         | 33,500         | 143,239        | 193,985        | 119,639        | 160,485        |
| State Employees Health Service Cost        | 79,800         | 124,600        | 140,360        | 487,720        | 60,560         | 363,120        |
| <b>Total - General Fund</b>                | <b>103,400</b> | <b>158,100</b> | <b>283,599</b> | <b>681,705</b> | <b>180,199</b> | <b>523,605</b> |
| Employers Social Security Tax              | -              | -              | -              | -              | -              | -              |
| State Employees Health Service Cost        | -              | -              | -              | -              | -              | -              |
| <b>Total - Special Transportation Fund</b> | -              | -              | -              | -              | -              | -              |

**Governor**

Provide funding of \$103,400 in FY 18 and \$158,100 in FY 19 to reflect the addition of positions across state agencies.

**Legislative**

Provide funding of \$283,599 in FY 18 and \$681,705 in FY 19 to reflect the addition of positions across state agencies.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

## Current Services

### Adjust Operating Expenses to Reflect Current Requirements

|  |                    |                    |                    |                    |   |   |
|--|--------------------|--------------------|--------------------|--------------------|---|---|
| Unemployment Compensation                      | 240,900            | -                  | 240,900            | -                  | - | - |
| Higher Education Alternative Retirement System | (4,424,234)        | (4,424,234)        | (4,424,234)        | (4,424,234)        | - | - |
| Pensions and Retirements - Other Statutory     | (54,008)           | (3,556)            | (54,008)           | (3,556)            | - | - |
| Insurance - Group Life                         | 244,129            | 487,129            | 244,129            | 487,129            | - | - |
| Employers Social Security Tax                  | (9,842,100)        | (9,841,400)        | (9,842,100)        | (9,841,400)        | - | - |
| State Employees Health Service Cost            | 17,355,444         | 62,263,560         | 17,355,444         | 62,263,560         | - | - |
| Retired State Employees Health Service Cost    | 63,790,000         | 133,490,000        | 63,790,000         | 133,490,000        | - | - |
| <b>Total - General Fund</b>                    | <b>67,310,131</b>  | <b>181,971,499</b> | <b>67,310,131</b>  | <b>181,971,499</b> | - | - |
| Insurance - Group Life                         | (10,063)           | (6,063)            | (10,063)           | (6,063)            | - | - |
| Employers Social Security Tax                  | 148,600            | 167,900            | 148,600            | 167,900            | - | - |
| State Employees Health Service Cost            | (3,005,232)        | 1,102,484          | (3,005,232)        | 1,102,484          | - | - |
| <b>Total - Special Transportation Fund</b>     | <b>(2,866,695)</b> | <b>1,264,321</b>   | <b>(2,866,695)</b> | <b>1,264,321</b>   | - | - |

#### Governor

Provide funding of \$67,310,131 in FY 18 and \$181,971,499 in FY 19 in the General Fund to reflected anticipated expenditure requirements. Reduce funding by \$2,866,695 in FY 18 and provide funding of \$1,264,321 in FY 19 in the Special Transportation Fund to reflect anticipated expenditures requirements.

#### Legislative

Same as Governor.

### Fund the Actuarial Determined Employer Contribution for SERS

|  |                   |                    |                   |                    |   |   |
|--|-------------------|--------------------|-------------------|--------------------|---|---|
| State Employees Retirement Contributions   | 77,509,720        | 202,170,175        | 77,509,720        | 202,170,175        | - | - |
| <b>Total - General Fund</b>                | <b>77,509,720</b> | <b>202,170,175</b> | <b>77,509,720</b> | <b>202,170,175</b> | - | - |
| State Employees Retirement Contributions   | 4,902,022         | 17,040,022         | 4,902,022         | 17,040,022         | - | - |
| <b>Total - Special Transportation Fund</b> | <b>4,902,022</b>  | <b>17,040,022</b>  | <b>4,902,022</b>  | <b>17,040,022</b>  | - | - |

#### Background

The State Employees' Retirement System (SERS) is the state's defined benefit plan for approximately 50,000 active state employees and 48,000 retired state employees. 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 actuarial determined employer contribution (ADEC, formerly known as the actuarially required contribution (ARC)) (CGS 5-156a). SERS is a collectively bargained benefit. The current agreement governing pension benefits was last revised in 2011 and is effective until 2022. On February 1, 2017, HR8/SR7, a *Resolution Proposing Approval of an Agreement Between the State of Connecticut and the State Employees' Bargaining Agency Coalition*, was approved in the House and the Senate. These resolutions made modifications to actuarial methodologies and assumptions. In addition, in a separate, but related action, on December 19, 2016, the state's Retirement Commission decreased the discount rate for SERS from 8% to 6.9%. These changes to the actuarial methods and assumptions impact the state's ADEC.

#### Governor

Provide funding of \$82,411,742 in FY 18 and \$219,210,197 in FY 19 to fund the General Fund and Special Transportation Fund's portion of the actuarial determined employer contribution in the biennium.

#### Legislative

Same as Governor

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

### Fund the Actuarial Determined Employer Contribution for JRS

|  |                  |                  |                  |                  |          |          |
|--|------------------|------------------|------------------|------------------|----------|----------|
| Judges and Compensation Commissioners Retirement | 6,294,423        | 8,263,993        | 6,294,423        | 8,263,993        | -        | -        |
| <b>Total - General Fund</b>                      | <b>6,294,423</b> | <b>8,263,993</b> | <b>6,294,423</b> | <b>8,263,993</b> | <b>-</b> | <b>-</b> |

#### Background

The Judges, Family Support Magistrates, and Compensation Commissioners' Retirement System (JRS) is the state's defined benefit plan for approximately 204 active and 250 retired Judges, Family Support Magistrates, and Compensation Commissioners. JRS 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 actuarial determined employer contribution (ADEC, formerly known as the actuarially required contribution (ARC)). On February 1, 2017, HR8/SR7, a *Resolution Proposing Approval of an Agreement Between the State of Connecticut and the State Employees' Bargaining Agency Coalition*, was approved in the House and the Senate. These resolutions made modifications to actuarial methodologies and assumptions for the State Employees' Retirement System. The majority of the changes were adopted by the Retirement Commission for JRS. In addition, in a separate, but related action, on December 19, 2016, the state's Retirement Commission decreased the discount rate for JRS from 8% to 6.9%. These changes to the actuarial methods and assumptions impact the state's ADEC.

#### Governor

Provide funding of \$6,294,423 in FY 18 and \$8,263,993 in FY 19 to fund the actuarial determined employer contribution for the biennium.

#### Legislative

Same as Governor

### Provide for Employer Matching Funds for OPEB

|  |                    |                    |                   |                   |                     |                     |
|--|--------------------|--------------------|-------------------|-------------------|---------------------|---------------------|
| Other Post-Employment Benefits             | 120,000,000        | 120,000,000        | 91,200,000        | 91,200,000        | (28,800,000)        | (28,800,000)        |
| <b>Total - General Fund</b>                | <b>120,000,000</b> | <b>120,000,000</b> | <b>91,200,000</b> | <b>91,200,000</b> | <b>(28,800,000)</b> | <b>(28,800,000)</b> |
| Other Post-Employment Benefits             | -                  | -                  | 6,000,000         | 6,000,000         | 6,000,000           | 6,000,000           |
| <b>Total - Special Transportation Fund</b> | <b>-</b>           | <b>-</b>           | <b>6,000,000</b>  | <b>6,000,000</b>  | <b>6,000,000</b>    | <b>6,000,000</b>    |

#### Background

The 2011 agreement between the state and the State Employees' Bargaining Agent Coalition governing pension and health benefits, including retiree health included a provision requiring all state employees to contribute 3% of their salary towards retiree health, for a period of 10 years. This was an expansion of the provision contained in the 2009 agreement, which only required new hires to make the 3% contribution. In addition, the 2011 agreement required the state to match employee contributions to retiree health in the Other Post Employment Benefit Fund (OPEB) beginning in FY 18.

#### Governor

Provide funding of \$120 million in both FY 18 and FY 19 to reflect the state's matching contribution to the OPEB Fund for retiree health pursuant to the SEBAC 2011 Agreement.

#### Legislative

Provide funding of \$91.2 million in both FY 18 and FY 19 in the General Fund and \$6 million in both FY 18 and FY 19 in the Special Transportation Fund to reflect the state's matching contribution to the OPEB Fund for retiree health pursuant to the SEBAC 2011 Agreement.

### Provide Tuition and Training Funds for Settled Contracts

|   |                |          |                |          |          |          |
|---|----------------|----------|----------------|----------|----------|----------|
| Tuition Reimbursement - Training and Travel | 115,000        | -        | 115,000        | -        | -        | -        |
| <b>Total - General Fund</b>                 | <b>115,000</b> | <b>-</b> | <b>115,000</b> | <b>-</b> | <b>-</b> | <b>-</b> |

#### Background

Pursuant to individual collective bargaining contracts, funding is provided for the Tuition Reimbursement - Training and Travel account. This is a non-lapsing account within the General Fund. Historically, this account is approximately \$3.1 million, with average annual expenditures of approximately an equivalent amount. For unsettled contracts, tuition and training funding is budgeted in the Reserve for Salary Adjustment (RSA) account under the purview of the Office of Policy and Management.

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Governor**

Provide funding of \$115,000 in FY 18 in the Tuition Reimbursement - Training and Travel account for the NP 1 - State Police bargaining unit, whose contract is effective until June 30, 2018 (end of FY 18). This funding was previously budgeted within the RSA account.

**Legislative**

Same as Governor

**Carry Forward****Carry Forward Tuition and Training Funds**

|   |   |   |                  |   |                  |   |
|---|---|---|------------------|---|------------------|---|
| Tuition Reimbursement - Training and Travel | - | - | 3,390,170        | - | 3,390,170        | - |
| <b>Total - Carry Forward Funding</b>        | - | - | <b>3,390,170</b> | - | <b>3,390,170</b> | - |

**Legislative**

Pursuant to individual collective bargaining contracts, \$3,390,170 is carried forward in the Tuition Reimbursement - Training and Travel account.

**Totals**

| Budget Components             | Governor Recommended |                      | Legislative          |                      | Difference from Governor |                      |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|--------------------------|----------------------|
|                               | FY 18                | FY 19                | FY 18                | FY 19                | FY 18                    | FY 19                |
| FY 17 Appropriation - GF      | 2,817,423,424        | 2,817,423,424        | 2,817,423,424        | 2,817,423,424        | -                        | -                    |
| Policy Revisions              | (7,549,400)          | (15,342,100)         | (86,365,677)         | (92,133,168)         | (78,816,277)             | (76,791,068)         |
| Current Services              | 271,229,274          | 512,405,667          | 242,429,274          | 483,605,667          | (28,800,000)             | (28,800,000)         |
| <b>Total Recommended - GF</b> | <b>3,081,103,298</b> | <b>3,314,486,991</b> | <b>2,973,487,021</b> | <b>3,208,895,923</b> | <b>(107,616,277)</b>     | <b>(105,591,068)</b> |
| FY 17 Appropriation - TF      | 204,546,866          | 204,546,866          | 204,546,866          | 204,546,866          | -                        | -                    |
| Policy Revisions              | -                    | -                    | (11,496,125)         | (11,496,125)         | (11,496,125)             | (11,496,125)         |
| Current Services              | 2,035,327            | 18,304,343           | 8,035,327            | 24,304,343           | 6,000,000                | 6,000,000            |
| <b>Total Recommended - TF</b> | <b>206,582,193</b>   | <b>222,851,209</b>   | <b>201,086,068</b>   | <b>217,355,084</b>   | <b>(5,496,125)</b>       | <b>(5,496,125)</b>   |

**PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Labor Concessions Savings of \$277,100,000. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| Account                                     | Appropriation \$ | Reduction Amount \$ | Net Remaining \$ | % Reduction |
|---|------------------|---------------------|------------------|-------------|
| State Employees Retirement Contributions    | 1,333,831,091    | (166,100,000)       | 1,167,731,091    | 24.8%       |
| State Employees Health Service Cost         | 711,753,147      | (46,000,000)        | 665,753,147      | 12.6%       |
| Retired State Employees Health Service Cost | 774,399,000      | (65,000,000)        | 709,399,000      | 8.4%        |

*Other Significant Legislation***SR 51 and HR 202, Resolution Proposing Approval of an Agreement Between the State of Connecticut and the State Employees' Bargaining Agent Coalition (SEBAC)**

SR 51 and HR 202 resulted in various labor concessions. PA 17-2 JSS, the budget, included bottom-line savings (lapses) of \$700 million in FY 18 and \$867.6 million in FY 19 related to labor-management/SEBAC savings. In FY 18, the Office of Policy and Management administratively allocated these savings targets to state agencies through reductions of funds available for expenditures (holdbacks). The FY 18 holdbacks allocated to the Office of the State Comptroller - Fringe Benefits for SEBAC are reflected in the table above and total \$277.1 million in FY 18 (\$257.9 million from the General Fund and \$19.2 million from the Special Transportation Fund).

## Reserve for Salary Adjustments OPM20100

### Budget Summary

| Account   | Actual<br>FY 15 | Actual<br>FY 16 | Appropriation<br>FY 17 | Governor Recommended |                    | Legislative        |                    |
|---|-----------------|-----------------|------------------------|----------------------|--------------------|--------------------|--------------------|
|   |                 |                 |                        | FY 18                | FY 19              | FY 18              | FY 19              |
| <b>Other Current Expenses</b>                         |                 |                 |                        |                      |                    |                    |                    |
| Reserve For Salary Adjustments                        | -               | -               | 18,473,255             | 317,050,763          | 484,497,698        | 317,050,763        | 484,497,698        |
| <b>Agency Total - General Fund</b>                    | -               | -               | <b>18,473,255</b>      | <b>317,050,763</b>   | <b>484,497,698</b> | <b>317,050,763</b> | <b>484,497,698</b> |
|   |                 |                 |                        |                      |                    |                    |                    |
| Reserve For Salary Adjustments                        | -               | -               | 7,301,186              | 2,301,186            | 2,301,186          | 2,301,186          | 2,301,186          |
| <b>Agency Total - Special<br/>Transportation Fund</b> | -               | -               | <b>7,301,186</b>       | <b>2,301,186</b>     | <b>2,301,186</b>   | <b>2,301,186</b>   | <b>2,301,186</b>   |
| <b>Total - Appropriated Funds</b>                     | -               | -               | <b>25,774,441</b>      | <b>319,351,949</b>   | <b>486,798,884</b> | <b>319,351,949</b> | <b>486,798,884</b> |
| <b>Additional Funds Available</b>                     |                 |                 |                        |                      |                    |                    |                    |
| Carry Forward Funding                                 | -               | -               | -                      | -                    | -                  | 33,462,326         | -                  |
| Carry Forward Transportation<br>Fund                  | -               | -               | -                      | -                    | -                  | 11,667,593         | -                  |
| <b>Agency Grand Total</b>                             | -               | -               | <b>25,774,441</b>      | <b>319,351,949</b>   | <b>486,798,884</b> | <b>364,481,868</b> | <b>486,798,884</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

### Current Services

#### Provide Funding for Wage Increases

|                                |                    |                    |                    |                    |          |          |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Reserve For Salary Adjustments | 300,591,650        | 468,216,721        | 300,591,650        | 468,216,721        | -        | -        |
| <b>Total - General Fund</b>    | <b>300,591,650</b> | <b>468,216,721</b> | <b>300,591,650</b> | <b>468,216,721</b> | <b>-</b> | <b>-</b> |

#### Background

All collective bargaining contracts, with the exception of the State Police (NP-1) contract, expired June 30, 2016.

#### Governor

Provide funding of \$300,591,650 in FY 18 and \$468,216,721 in FY 19 to reflect anticipated wage increases, primarily for unsettled collective bargaining contracts. The \$300.6 million in FY 18 funding is anticipated to cover collective bargaining wage increases in FY 17 (retroactive) and FY 18. The \$468.2 million in FY 19 includes the FY 17 and FY 18 wage increases, plus an additional \$167.2 million for anticipated wage increases in FY 19.

#### Legislative

Same as Governor

#### Provide Funding for General Fund Accrual Payouts

|                                |                  |                  |                  |                  |          |          |
|--------------------------------|------------------|------------------|------------------|------------------|----------|----------|
| Reserve For Salary Adjustments | 6,579,444        | 6,286,308        | 6,579,444        | 6,286,308        | -        | -        |
| <b>Total - General Fund</b>    | <b>6,579,444</b> | <b>6,286,308</b> | <b>6,579,444</b> | <b>6,286,308</b> | <b>-</b> | <b>-</b> |

#### Governor

Provide funding of \$6,579,444 in FY 18 and \$6,286,308 in FY 19 for General Fund accrual payouts.

#### Legislative

Same as Governor

#### Transfer Funding from RSA to DESPP for NP-1 Contract Costs

|                                |                    |                    |                    |                    |          |          |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Reserve For Salary Adjustments | (8,593,586)        | (8,478,586)        | (8,593,586)        | (8,478,586)        | -        | -        |
| <b>Total - General Fund</b>    | <b>(8,593,586)</b> | <b>(8,478,586)</b> | <b>(8,593,586)</b> | <b>(8,478,586)</b> | <b>-</b> | <b>-</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |

**Background**

In FY 17, \$8,478,586 was transferred from the Reserve for Salary Adjustment to the Department of Emergency Services and Public Protection (DESPP) for the settlement of the NP-1 contract.

**Governor**

Transfer funding of \$8,593,586 in FY 18 and \$8,478,586 in FY 19 to (DESPP) for the wage and compensation costs of the settled NP-1 contract.

**Legislative**

Same as Governor

**Reduce Funding for Transportation Fund Accrual Payouts**

|  |                    |                    |                    |                    |          |          |
|--|--------------------|--------------------|--------------------|--------------------|----------|----------|
| Reserve For Salary Adjustments             | (5,000,000)        | (5,000,000)        | (5,000,000)        | (5,000,000)        | -        | -        |
| <b>Total - Special Transportation Fund</b> | <b>(5,000,000)</b> | <b>(5,000,000)</b> | <b>(5,000,000)</b> | <b>(5,000,000)</b> | <b>-</b> | <b>-</b> |

**Governor**

Reduce funding by \$5 million in both FY 18 and FY 19 to reflect anticipated STF accrual payouts.

**Legislative**

Same as Governor

**Carry Forward****Carry Forward Funding for RSA**

|  |          |          |                   |          |                   |          |
|--|----------|----------|-------------------|----------|-------------------|----------|
| Reserve For Salary Adjustments                   | -        | -        | 33,462,326        | -        | 33,462,326        | -        |
| <b>Total - Carry Forward Funding</b>             | <b>-</b> | <b>-</b> | <b>33,462,326</b> | <b>-</b> | <b>33,462,326</b> | <b>-</b> |
| Reserve For Salary Adjustments                   | -        | -        | 11,667,593        | -        | 11,667,593        | -        |
| <b>Total - Carry Forward Transportation Fund</b> | <b>-</b> | <b>-</b> | <b>11,667,593</b> | <b>-</b> | <b>11,667,593</b> | <b>-</b> |

**Legislative**

Section 19 (a) of PA17-2 JSS, the FY 18 and FY 19 budget, carries forward funding of \$45,129,919 (\$33,462,326 in the GF and \$11,667,593 in the STF) for collective bargaining costs.

**Totals**

| Budget Components             | Governor Recommended |                    | Legislative        |                    | Difference from Governor |          |
|-------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------------|----------|
|                               | FY 18                | FY 19              | FY 18              | FY 19              | FY 18                    | FY 19    |
| FY 17 Appropriation - GF      | 18,473,255           | 18,473,255         | 18,473,255         | 18,473,255         | -                        | -        |
| Current Services              | 298,577,508          | 466,024,443        | 298,577,508        | 466,024,443        | -                        | -        |
| <b>Total Recommended - GF</b> | <b>317,050,763</b>   | <b>484,497,698</b> | <b>317,050,763</b> | <b>484,497,698</b> | <b>-</b>                 | <b>-</b> |
| FY 17 Appropriation - TF      | 7,301,186            | 7,301,186          | 7,301,186          | 7,301,186          | -                        | -        |
| Current Services              | (5,000,000)          | (5,000,000)        | (5,000,000)        | (5,000,000)        | -                        | -        |
| <b>Total Recommended - TF</b> | <b>2,301,186</b>     | <b>2,301,186</b>   | <b>2,301,186</b>   | <b>2,301,186</b>   | <b>-</b>                 | <b>-</b> |

***Other Significant Legislation*****PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019**

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Labor Concessions Savings of \$300,600,000. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

| <b>Account</b>                 | <b>Appropriation \$</b> | <b>Reduction Amount \$</b> | <b>Net Remaining \$</b> | <b>% Reduction</b> |
|--------------------------------|-------------------------|----------------------------|-------------------------|--------------------|
| Reserve For Salary Adjustments | 317,050,763             | (300,600,000)              | 16,450,763              | 94.8%              |

**SR 51 and HR 202, Resolution Proposing Approval of an Agreement Between the State of Connecticut and the State Employees' Bargaining Agent Coalition (SEBAC)**

SR 51 and HR 202 resulted in various labor concessions. PA 17-2 JSS, the budget, included bottom-line savings (lapses) of \$700 million in FY 18 and \$867.6 million in FY 19 related to labor-management/SEBAC savings. In FY 18, the Office of Policy and Management administratively allocated these savings targets to state agencies through reductions of funds available for expenditures (holdbacks). The FY 18 holdbacks allocated to the Reserve for Salary Adjustment account within the Office of Policy and Management for SEBAC are reflected in the table above and total \$300.6 million in FY 18 from the General Fund.

## Workers' Compensation Claims - Administrative Services

### DAS23100

#### Budget Summary

| Account   | Actual<br>FY 15   | Actual<br>FY 16   | Appropriation<br>FY 17 | Governor Recommended |                   | Legislative       |                   |
|---|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|-------------------|
|   |                   |                   |                        | FY 18                | FY 19             | FY 18             | FY 19             |
| <b>Other Current Expenses</b>                         |                   |                   |                        |                      |                   |                   |                   |
| Workers' Compensation Claims                          | 28,783,653        | 7,235,801         | 8,105,530              | 7,605,530            | 7,605,530         | 7,605,530         | 7,605,530         |
| <b>Agency Total - General Fund</b>                    | <b>28,783,653</b> | <b>7,235,801</b>  | <b>8,105,530</b>       | <b>7,605,530</b>     | <b>7,605,530</b>  | <b>7,605,530</b>  | <b>7,605,530</b>  |
|   |                   |                   |                        |                      |                   |                   |                   |
| Workers' Compensation Claims                          | 5,521,126         | 6,076,764         | 7,223,297              | 6,723,297            | 6,723,297         | 6,723,297         | 6,723,297         |
| <b>Agency Total - Special<br/>Transportation Fund</b> | <b>5,521,126</b>  | <b>6,076,764</b>  | <b>7,223,297</b>       | <b>6,723,297</b>     | <b>6,723,297</b>  | <b>6,723,297</b>  | <b>6,723,297</b>  |
| <b>Total - Appropriated Funds</b>                     | <b>34,304,779</b> | <b>13,312,565</b> | <b>15,328,827</b>      | <b>14,328,827</b>    | <b>14,328,827</b> | <b>14,328,827</b> | <b>14,328,827</b> |

| Account | Governor Recommended |       | Legislative |       | Difference from Governor |       |
|---------|----------------------|-------|-------------|-------|--------------------------|-------|
|         | FY 18                | FY 19 | FY 18       | FY 19 | FY 18                    | FY 19 |
|         |                      |       |             |       |                          |       |

### Policy Revisions

#### Reduce Claims Account to Reflect Expenditure Trends

|  |                  |                  |                  |                  |          |          |
|--|------------------|------------------|------------------|------------------|----------|----------|
| Workers' Compensation Claims               | (500,000)        | (500,000)        | (500,000)        | (500,000)        | -        | -        |
| <b>Total - General Fund</b>                | <b>(500,000)</b> | <b>(500,000)</b> | <b>(500,000)</b> | <b>(500,000)</b> | <b>-</b> | <b>-</b> |
| Workers' Compensation Claims               | (500,000)        | (500,000)        | (500,000)        | (500,000)        | -        | -        |
| <b>Total - Special Transportation Fund</b> | <b>(500,000)</b> | <b>(500,000)</b> | <b>(500,000)</b> | <b>(500,000)</b> | <b>-</b> | <b>-</b> |

#### Governor

Reduce Workers' Compensation Claims account in the General Fund and the Special Transportation Fund by \$500,000 in both FY 18 and FY 19 to reflect expenditure trends.

#### Legislative

Same as Governor

**Totals**

| Budget Components             | Governor Recommended |                  | Legislative      |                  | Difference from Governor |       |
|-------------------------------|----------------------|------------------|------------------|------------------|--------------------------|-------|
|                               | FY 18                | FY 19            | FY 18            | FY 19            | FY 18                    | FY 19 |
| FY 17 Appropriation - GF      | 8,105,530            | 8,105,530        | 8,105,530        | 8,105,530        | -                        | -     |
| Policy Revisions              | (500,000)            | (500,000)        | (500,000)        | (500,000)        | -                        | -     |
| <b>Total Recommended - GF</b> | <b>7,605,530</b>     | <b>7,605,530</b> | <b>7,605,530</b> | <b>7,605,530</b> | -                        | -     |
| FY 17 Appropriation - TF      | 7,223,297            | 7,223,297        | 7,223,297        | 7,223,297        | -                        | -     |
| Policy Revisions              | (500,000)            | (500,000)        | (500,000)        | (500,000)        | -                        | -     |
| <b>Total Recommended - TF</b> | <b>6,723,297</b>     | <b>6,723,297</b> | <b>6,723,297</b> | <b>6,723,297</b> | -                        | -     |

## VI. REVENUE

### Revenue Impact of Policy Changes (in millions)

#### General Fund

| Enacting Authority  | Policy  | FY 18<br>\$ | FY 19<br>\$ | FY 20<br>\$   | FY 21<br>\$   | FY 22<br>\$   |
|---|---|-------------|-------------|---------------|---------------|---------------|
| <b>Personal Income Tax</b>                                    |   |             |             |               |               |               |
| Sec. 1 of PA 17-2 JSS   | Reflect Impact of Added Resources for Tax Enforcement       | 7.5         | 7.5         | 7.5           | 7.5           | 7.5           |
| Sec. 641 of PA 17-2 JSS, as amended by Sec. 18 of PA 17-4 JSS | Expand Social Security Exemption from Income Tax            | -           | (7.9)       | (16.3)        | (17.4)        | (18.4)        |
| Sec. 641 of PA 17-2 JSS                                       | Exempt Certain Pension and Annuity Income from Income Tax   | -           | (8.2)       | (24.6)        | (41.1)        | (57.5)        |
| Sec. 641 of PA 17-2 JSS                                       | Delay Increasing the Exemption for Teachers' Pension Income | 8.0         | 8.0         | -             | -             | -             |
| Secs. 642-643 of PA 17-2 JSS                                  | Establish Deduction for Expenses related to Organ Donation  | -           | -           | -             | -             | -             |
| Sec. 648 of PA 17-2 JSS                                       | Establish Income Tax Credit for STEM Graduates              | -           | -           | (3.9)         | (7.9)         | (11.8)        |
| Sec. 656 of PA 17-2 JSS                                       | Authorize DRS "Fresh Start" Tax Collection Initiative       | 15.0        | 10.0        | 2.0           | 2.0           | 2.0           |
| <b>Subtotal</b>   |   | <b>30.5</b> | <b>9.4</b>  | <b>(35.3)</b> | <b>(56.9)</b> | <b>(78.2)</b> |
| <b>Sales and Use Tax</b>                                      |   |             |             |               |               |               |
| Sec. 1 of PA 17-2 JSS   | Reflect Impact of Added Resources for Tax Enforcement       | 12.6        | 12.6        | 12.6          | 12.6          | 12.6          |
| Secs. 637-638 of PA 17-2 JSS                                  | Suspend Sales Tax Transfer to MRSA                          | 327.8       | 335.4       | -             | -             | -             |
| Secs. 637-638 of PA 17-2 JSS                                  | Suspend Transfer to Regional Performance Incentive Acct.    | 10.7        | 10.9        | -             | -             | -             |
| Secs. 637-638 of PA 17-2 JSS                                  | Transfer Certain Sales Tax Revenues to the STF              | -           | -           | -             | (66.9)        | (145.6)       |
| Secs. 637, 639 of PA 17-2 JSS                                 | Set aside a Portion of Hotel Tax to Support Tourism         | -           | (12.7)      | (13.1)        | (13.5)        | (13.9)        |

**General Fund**

| <b>Enacting Authority</b>                                   | <b>Policy</b>  | <b>FY 18<br/>\$</b> | <b>FY 19<br/>\$</b> | <b>FY 20<br/>\$</b> | <b>FY 21<br/>\$</b> | <b>FY 22<br/>\$</b> |
|---|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Sec. 640 of PA 17-2 JSS                                     | Expand Sales Tax Exemption for Affiliates  | -                   | -                   | (1.0)               | (1.0)               | (1.0)               |
| Sec. 653 of PA 17-2 JSS                                     | Replace the Rental Car Surcharge with Fees   | 0.7                 | 1.5                 | 1.5                 | 1.5                 | 1.5                 |
| Sec. 656 of PA 17-2 JSS                                     | Authorize DRS "Fresh Start" Tax Collection Initiative  | 25.0                | 8.0                 | 2.0                 | 2.0                 | 2.0                 |
| Secs. 628-631 of PA 17-2 JSS                                | Reflect Sales Tax Impact of Tobacco (Excise) Tax Changes   | 2.2                 | 3.5                 | 3.3                 | 3.2                 | 3.1                 |
| Sec. 12-14 of PA 17-174                                     | Impose a uniform occupancy tax rate on rent charged at bed and breakfast establishments - net neutral impact | -                   | -                   | -                   | -                   | -                   |
| <b>Subtotal</b>   |  | <b>379.0</b>        | <b>359.2</b>        | <b>5.3</b>          | <b>(62.1)</b>       | <b>(141.3)</b>      |
| <b>Corporation Tax</b>                                      |  |                     |                     |                     |                     |                     |
| Sec. 1 of PA 17-2 JSS                                       | Reflect Impact of Added Resources for Tax Enforcement  | 7.5                 | 7.5                 | 7.5                 | 7.5                 | 7.5                 |
| Sec. 626 of PA 17-2 JSS                                     | Expand Applicability of Certain Tax Credits at a Discount  | 12.7                | 32.0                | 32.0                | 32.0                | 32.0                |
| Sec. 646 of PA 17-2 JSS                                     | Keep the \$5 Million Cap on Neighbd. Assist. Act Tax Credits   | 5.0                 | 5.0                 | 5.0                 | 5.0                 | 5.0                 |
| Sec. 647 of PA 17-2 JSS                                     | Eliminate the Green Building Tax Credit  | 0.7                 | 0.7                 | 0.7                 | 0.7                 | -                   |
| Sec. 656 of PA 17-2 JSS                                     | Authorize DRS "Fresh Start" Tax Collection Initiative  | 15.0                | 7.0                 | 1.5                 | 1.5                 | 1.5                 |
| Sec. 661, Sec. 19 of PA 17-2 JSS, as amended by PA 17-4 JSS | Defer until 2021 and Extend "FAS 109" Corp. Tax Deduction  | 20.3                | 34.0                | 34.0                | 29.2                | 26.0                |
| <b>Subtotal</b>   |  | <b>61.2</b>         | <b>86.2</b>         | <b>80.7</b>         | <b>75.9</b>         | <b>72.0</b>         |
| <b>Public Service Companies Tax</b>                         |  |                     |                     |                     |                     |                     |
| Sec. 626 of PA 17-2 JSS                                     | Expand Applicability of Certain Tax Credits at a Discount  | (19.8)              | (50.3)              | (50.3)              | (50.3)              | (50.3)              |
| Sec. 662 of PA 17-2 JSS                                     | Reduce Funding for CT-N  | 1.6                 | 1.6                 | 1.6                 | 1.6                 | 1.6                 |
| Sec. 679 of PA 17-2 JSS                                     | Continue to Suspend the Muni. Video Competition Trust Acct.  | 2.0                 | 2.0                 | 2.0                 | 2.0                 | 2.0                 |

**General Fund**

| <b>Enacting Authority</b>   | <b>Policy</b>  | <b>FY 18<br/>\$</b> | <b>FY 19<br/>\$</b> | <b>FY 20<br/>\$</b> | <b>FY 21<br/>\$</b> | <b>FY 22<br/>\$</b> |
|---|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Sec. 680 of PA 17-2 JSS   | Continue to Retain PEGPETIA Surtax Revenue                 | 3.5                 | 3.5                 | 3.5                 | 3.5                 | 3.5                 |
| <b>Subtotal</b>   |  | <b>(12.7)</b>       | <b>(43.2)</b>       | <b>(43.2)</b>       | <b>(43.2)</b>       | <b>(43.2)</b>       |
| <b>Inheritance and Estate Tax</b>   |  |                     |                     |                     |                     |                     |
| Secs. 632-636 of PA 17-2 JSS  | Adopt Federal Exemption Levels for Estate and Gift Tax     | -                   | (15.6)              | (35.0)              | (57.8)              | (57.8)              |
| Secs. 632-636 of PA 17-2 JSS  | Lower Lifetime Cap on Gift and Estate Tax                  | -                   | -                   | (4.5)               | (4.5)               | (4.5)               |
| <b>Subtotal</b>   |  | <b>-</b>            | <b>(15.6)</b>       | <b>(39.5)</b>       | <b>(62.3)</b>       | <b>(62.3)</b>       |
| <b>Insurance Companies Tax</b>  |  |                     |                     |                     |                     |                     |
| Secs. 622-624 of PA 17-2 JSS  | Reduce Insurance Premiums Tax Rate                         | (11.0)              | (22.4)              | (22.9)              | (24.3)              | (25.7)              |
| Sec. 625 of PA 17-2 JSS   | Make 3-Tier Credit Cap on Insurance Premiums Tax Permanent | 17.4                | 16.0                | 16.0                | 16.0                | 16.0                |
| Sec. 626 of PA 17-2 JSS   | Expand Applicability of Certain Tax Credits at a Discount  | 8.5                 | 21.6                | 21.6                | 21.6                | 21.6                |
| Sec. 626 of PA 17-2 JSS   | Cease Issuing Tax Credits for Certain Motion Pictures      | 4.0                 | 4.0                 | 4.0                 | 4.0                 | 4.0                 |
| <b>Subtotal</b>   |  | <b>18.9</b>         | <b>19.2</b>         | <b>18.7</b>         | <b>17.3</b>         | <b>15.9</b>         |
| <b>Cigarette Tax</b>  |  |                     |                     |                     |                     |                     |
| Secs. 628-629 of PA 17-2 JSS  | Increase Cigarette Tax Rate                                | 22.9                | 38.9                | 37.0                | 35.2                | 33.4                |
| Sec. 630 of PA 17-2 JSS   | Impose Tax Changes on Existing Tobacco Inventory           | 5.0                 | -                   | -                   | -                   | -                   |
| Sec. 631 of PA 17-2 JSS   | Increase Tax Rate on Snuff                                 | 7.4                 | 11.1                | 11.3                | 11.5                | 11.8                |
| <b>Subtotal</b>   |  | <b>35.3</b>         | <b>50.0</b>         | <b>48.3</b>         | <b>46.7</b>         | <b>45.2</b>         |
| <b>Admissions and Dues Tax</b>  |  |                     |                     |                     |                     |                     |
| Sec. 627 of PA 17-2 JSS   | Repeal Admissions Tax Exemptions for Various Venues        | 2.0                 | 2.0                 | 2.0                 | 2.0                 | 2.0                 |
| <b>Subtotal</b>   |  | <b>2.0</b>          | <b>2.0</b>          | <b>2.0</b>          | <b>2.0</b>          | <b>2.0</b>          |
| <b>Health Provider Tax</b>  |  |                     |                     |                     |                     |                     |
| Secs. 601-621 of PA 17-2 JSS, as amended by Secs. 1-10, 28 of PA 17-4 JSS | Modify Hospital Tax  | 343.9               | 343.9               | (172.1)             | (172.1)             | (172.1)             |

**General Fund**

| <b>Enacting Authority</b>                 | <b>Policy</b>   | <b>FY 18<br/>\$</b> | <b>FY 19<br/>\$</b> | <b>FY 20<br/>\$</b> | <b>FY 21<br/>\$</b> | <b>FY 22<br/>\$</b> |
|---|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Subtotal</b>                           |   | <b>343.9</b>        | <b>343.9</b>        | <b>(172.1)</b>      | <b>(172.1)</b>      | <b>(172.1)</b>      |
| <b>Miscellaneous</b>                      |   |                     |                     |                     |                     |                     |
| Sec. 1 of PA 17-2 JSS                     | Reflect Impact of Added Resources for Tax Enforcement         | 2.4                 | 2.4                 | 2.4                 | 2.4                 | 2.4                 |
| Sec. 653 of PA 17-2 JSS                   | Replace the Rental Car Surcharge with Fees                    | (0.2)               | (0.4)               | (0.4)               | (0.4)               | (0.4)               |
| Sec. 656 of PA 17-2 JSS                   | Authorize DRS "Fresh Start" Tax Collection Initiative         | 5.0                 | -                   | -                   | -                   | -                   |
| Sec. 658 of PA 17-2 JSS                   | Re-examine Tax Expenditures                                   | -                   | 10.0                | 10.0                | 10.0                | 10.0                |
| <b>Subtotal</b>                           |   | <b>7.2</b>          | <b>12.0</b>         | <b>12.0</b>         | <b>12.0</b>         | <b>12.0</b>         |
| <b>Refunds / Earned Income Tax Credit</b> |   |                     |                     |                     |                     |                     |
| Sec. 644 of PA 17-2 JSS                   | Temporarily Reduce Eligibility for the \$200 Prop. Tax Credit | 55.3                | 55.3                | -                   | -                   | -                   |
| Sec. 645 of PA 17-2 JSS                   | Reduce Earned Income Tax Credit                               | 35.0                | 35.0                | 35.0                | 35.0                | 35.0                |
| <b>Subtotal</b>                           |   | <b>90.3</b>         | <b>90.3</b>         | <b>35.0</b>         | <b>35.0</b>         | <b>35.0</b>         |
| <b>Total Taxes</b>                        |   | <b>955.6</b>        | <b>913.4</b>        | <b>(88.1)</b>       | <b>(207.7)</b>      | <b>(315.0)</b>      |
| <b>Transfers-Special Revenue</b>          |   |                     |                     |                     |                     |                     |
| Secs. 649-652 of PA 17-2 JSS              | Authorize Daily Fantasy Sports Contests                       | -                   | -                   | 0.7                 | 0.7                 | 0.7                 |
| Sec. 660 of PA 17-2 JSS                   | Achieve Efficiencies at the CT Lottery Corporation            | 1.0                 | 1.0                 | -                   | -                   | -                   |
| <b>Subtotal</b>                           |   | <b>1.0</b>          | <b>1.0</b>          | <b>0.7</b>          | <b>0.7</b>          | <b>0.7</b>          |
| <b>Indian Gaming Payments</b>             |   |                     |                     |                     |                     |                     |
| Sec. 655 of PA 17-2 JSS                   | Reflect Advance Payment of Casino Gross Gaming Revenues       | -                   | -                   | (10.0)              | (10.0)              | (10.0)              |
| <b>Subtotal</b>                           |   | <b>-</b>            | <b>-</b>            | <b>(10.0)</b>       | <b>(10.0)</b>       | <b>(10.0)</b>       |
| <b>Licenses, Permits, Fees</b>            |   |                     |                     |                     |                     |                     |
| Secs. 326-331 of PA 17-2 JSS              | Assign Certain Fee Revenues to Passport to Parks Account      | (0.7)               | (2.9)               | (2.9)               | (2.9)               | (2.9)               |
| Secs. 649-652 of PA 17-2 JSS              | Authorize Daily Fantasy Sports Contests                       | -                   | 0.5                 | -                   | -                   | -                   |
| Sec. 654 of PA 17-2 JSS                   | Impose a 25 cent Fee on Ridesharing Services                  | 3.0                 | 5.0                 | 5.0                 | 5.0                 | 5.0                 |
| Sec. 655 of PA 17-2 JSS                   | Reflect Advance Payment of Casino Gross Gaming Revenues       | -                   | 30.0                | -                   | -                   | -                   |

**General Fund**

| <b>Enacting Authority</b>     | <b>Policy</b>   | <b>FY 18<br/>\$</b> | <b>FY 19<br/>\$</b> | <b>FY 20<br/>\$</b> | <b>FY 21<br/>\$</b> | <b>FY 22<br/>\$</b> |
|-------------------------------|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Sec. 659 of PA 17-2 JSS       | Increase State Fees to Cover Administrative Costs           | -                   | 20.0                | 20.2                | 20.4                | 20.6                |
| Sec. 665 of PA 17-2 JSS       | Increase the Document Recording Fee                         | 1.2                 | 1.7                 | 1.7                 | 1.7                 | 1.7                 |
| Sec. 666 of PA 17-2 JSS       | Increase the State Fee for Criminal History Record Checks   | 1.7                 | 2.6                 | 2.6                 | 2.6                 | 2.6                 |
| Sec. 667 of PA 17-2 JSS       | Establish a Fee for Auto Trade-Ins Payable by the Dealer    | 2.6                 | 5.3                 | 5.3                 | 5.3                 | 5.3                 |
| Secs. 674-675 of PA 17-2 JSS  | Implement Licensure of Urgent Care Centers                  | 0.4                 | -                   | -                   | 0.4                 | 0.1                 |
| Sec. 676-677 of PA 17-2 JSS   | Establish a Safe Drinking Water State "Primacy" Assessment  | -                   | 2.5                 | 2.5                 | 2.5                 | 2.5                 |
| Secs. 678, 728 of PA 17-2 JSS | Reallocate Support for the Newborn Screening Program        | 3.1                 | 3.1                 | 3.1                 | 3.1                 | 3.1                 |
| <b>Subtotal</b>               |   | <b>11.3</b>         | <b>67.8</b>         | <b>37.5</b>         | <b>38.1</b>         | <b>38.0</b>         |
| <b>Rents, Fines, Escheats</b> |   |                     |                     |                     |                     |                     |
| Secs. 234-235 of PA 17-2 JSS  | Increase Civil Penalties for Certain Healthcare Violations  | 0.3                 | 0.3                 | 0.3                 | 0.3                 | 0.3                 |
| Sec. 270 of PA 17-2 JSS       | Temporarily Freeze Inflation Adjustments for CEP Grants     | 1.4                 | -                   | -                   | -                   | -                   |
| <b>Subtotal</b>               |   | <b>1.7</b>          | <b>0.3</b>          | <b>0.3</b>          | <b>0.3</b>          | <b>0.3</b>          |
| <b>Miscellaneous</b>          |   |                     |                     |                     |                     |                     |
| Secs. 150-151 of PA 17-2 JSS  | Divert Settlement Revenues for Indigent Legal Counsel Pilot | (0.4)               | (0.4)               | -                   | -                   | -                   |
| N/A                           | Implement Auditor's Recommendations re: DAS Collections     | 4.5                 | 4.5                 | 4.5                 | 4.5                 | 4.5                 |
| N/A                           | Reflect PURA Settlement with PALMCO Power, CT               | 5.0                 | -                   | -                   | -                   | -                   |
| N/A                           | Reflect Settlement with General Motors Auto Co.             | 2.9                 | -                   | -                   | -                   | -                   |
| <b>Subtotal</b>               |   | <b>12.0</b>         | <b>4.1</b>          | <b>4.5</b>          | <b>4.5</b>          | <b>4.5</b>          |
| <b>Total Other Revenue</b>    |   | <b>26.0</b>         | <b>73.2</b>         | <b>33.0</b>         | <b>33.6</b>         | <b>33.5</b>         |
| <b>Federal Grants</b>         |   |                     |                     |                     |                     |                     |

### General Fund

| Enacting Authority                      | Policy   | FY 18<br>\$  | FY 19<br>\$  | FY 20<br>\$  | FY 21<br>\$  | FY 22<br>\$  |
|---|--|--------------|--------------|--------------|--------------|--------------|
| Sec. 1 of PA 17-2 JSS                   | Reflect the Federal Revenue Impact of State Appropriations | 483.8        | 519.0        | 519.0        | 519.0        | 519.0        |
| <b>Subtotal</b>                         |  | <b>483.8</b> | <b>519.0</b> | <b>519.0</b> | <b>519.0</b> | <b>519.0</b> |
| <b>Transfer from Tobacco Fund</b>       |  |              |              |              |              |              |
| Sec. 663 of PA 17-2 JSS                 | Suspend Tobacco Fund Transfer to Tobacco Health Trust Fund | 6.0          | 6.0          | -            | -            | -            |
| Sec. 664 of PA 17-2 JSS                 | Suspend Tobacco Fund Transfer to Smart Start Account       | 10.0         | 10.0         | -            | -            | -            |
| <b>Subtotal</b>                         |  | <b>16.0</b>  | <b>16.0</b>  | <b>-</b>     | <b>-</b>     | <b>-</b>     |
| <b>Transfers From/ (To) Other Funds</b> |  |              |              |              |              |              |
| Sec. 657 of PA 17-2 JSS                 | Identify Additional Fund Sweeps                            | -            | 20.0         | -            | -            | -            |
| Sec. 681 of PA 17-2 JSS                 | Transfer from Seat Belt Account                            | 2.0          | 2.0          | -            | -            | -            |
| Sec. 682 of PA 17-2 JSS                 | Transfer from Regional Greenhouse Gas Initiative Acct.     | 10.0         | 10.0         | -            | -            | -            |
| Sec. 683 of PA 17-2 JSS                 | Transfer from CT Energy Efficiency Fund                    | 63.5         | 63.5         | -            | -            | -            |
| Sec. 684 of PA 17-2 JSS                 | Transfer from Public Utility Control Fund to General Fund  | 2.5          | -            | -            | -            | -            |
| Secs. 685 of PA 17-2 JSS                | Transfer from Green Bank                                   | 14.0         | 14.0         | -            | -            | -            |
| Sec. 686 of PA 17-2 JSS                 | Suspend CHEFA Grants to Non-Profits                        | 0.9          | 0.9          | -            | -            | -            |
| Sec. 687 of PA 17-2 JSS                 | Transfer from Banking Fund to General Fund                 | 11.2         | 9.2          | -            | -            | -            |
| Sec. 688 of PA 17-2 JSS                 | Transfer from Emissions Enterprise Fund                    | 1.5          | -            | -            | -            | -            |
| Sec. 689 of PA 17-2 JSS                 | Transfer from Technical Services Revolving Fund            | 3.0          | -            | -            | -            | -            |
| Sec. 690 of PA 17-2 JSS                 | Transfer from Correctional Commissaries Account            | 1.0          | -            | -            | -            | -            |
| Sec. 691 of PA 17-2 JSS                 | Transfer from Correctional Industries Account              | 1.0          | -            | -            | -            | -            |
| Sec. 692 of PA 17-2 JSS                 | Transfer from EdNet Account                                | 1.0          | -            | -            | -            | -            |

### General Fund

| Enacting Authority              | Policy   | FY 18<br>\$    | FY 19<br>\$    | FY 20<br>\$    | FY 21<br>\$    | FY 22<br>\$    |
|---------------------------------|--|----------------|----------------|----------------|----------------|----------------|
| Sec. 693 of PA 17-2 JSS         | Transfer from Probation Transition-Technical Violation Acct. | 8.3            | -              | -              | -              | -              |
| Sec. 694 of PA 17-2 JSS         | Transfer from Tobacco Litigation Settlement Account          | 5.0            | -              | -              | -              | -              |
| Sec. 695 of PA 17-2 JSS         | Transfer from Judicial Department Technology Fund            | 0.1            | 0.1            | -              | -              | -              |
| Sec. 696 of PA 17-2 JSS         | Transfer from Passport to Parks Account                      | 2.6            | 5.0            | -              | -              | -              |
| Sec. 697 of PA 17-2 JSS         | Transfer from Community Investment Act Account               | 5.0            | 5.0            | -              | -              | -              |
| Sec. 698 of PA 17-2 JSS         | Transfer FY 2018 Resources to FY 2019                        | (17.8)         | 17.8           | -              | -              | -              |
| N/A                             | Reduce transfer to Pequot and Mohegan Fund                   | 0.5            | 8.1            | -              | -              | -              |
| N/A                             | Delay Amortization of Remaining FY 13 GAAP Deficit           | 57.5           | 57.5           | (17.9)         | (17.9)         | (17.9)         |
| <b>Subtotal</b>                 |  | <b>172.8</b>   | <b>213.1</b>   | <b>(17.9)</b>  | <b>(17.9)</b>  | <b>(17.9)</b>  |
| <b>Total Other Sources</b>      |  | <b>672.6</b>   | <b>748.1</b>   | <b>501.1</b>   | <b>501.1</b>   | <b>501.1</b>   |
| <b>Structural Reforms</b>       |  |                |                |                |                |                |
| Secs. 704-708 of PA 17-2 JSS    | Establish Budgeted Surplus Requirement                       | -              | -              | (90.2)         | (137.0)        | (184.9)        |
| Sec. 704 of PA 17-2 JSS         | Establish Revenue Volatility Cap                             | -              | -              | (64.6)         | (128.9)        | (194.5)        |
| <b>Total Structural Reforms</b> |  | <b>-</b>       | <b>-</b>       | <b>(154.8)</b> | <b>(265.9)</b> | <b>(379.4)</b> |
| <b>GRAND TOTAL</b>              |  | <b>1,654.2</b> | <b>1,734.7</b> | <b>291.2</b>   | <b>61.1</b>    | <b>(159.8)</b> |

### Special Transportation Fund

| Enacting Authority           | Policy  | FY 18<br>\$  | FY 19<br>\$  | FY 20<br>\$  | FY 21<br>\$  | FY 22<br>\$   |
|------------------------------|---|--------------|--------------|--------------|--------------|---------------|
| <b>Sales and Use Tax</b>     |   |              |              |              |              |               |
| Secs. 637-638 of PA 17-2 JSS | Transfer Certain Sales Tax Revenues to the STF            | -            | -            | -            | 66.9         | 145.6         |
| <b>Subtotal</b>              |   | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>66.9</b>  | <b>145.6</b>  |
| <b>Oil Companies Tax</b>     |   |              |              |              |              |               |
| Sec. 672 of PA 17-2 JSS      | Set Aside Petroleum Gross Earnings Taxes on Aviation Fuel | (7.0)        | (7.8)        | (8.7)        | (9.4)        | (10.1)        |
| <b>Subtotal</b>              |   | <b>(7.0)</b> | <b>(7.8)</b> | <b>(8.7)</b> | <b>(9.4)</b> | <b>(10.1)</b> |

### General Fund

| Enacting Authority                       | Policy  | FY 18<br>\$  | FY 19<br>\$  | FY 20<br>\$   | FY 21<br>\$   | FY 22<br>\$   |
|--|---|--------------|--------------|---------------|---------------|---------------|
| <b>Licenses, Permits, Fees</b>           |   |              |              |               |               |               |
| Sec. 673 of PA 17-2 JSS                  | Modify Fees for Highway Right-Of-Way Encroachment | 1.0          | 1.0          | 1.0           | 1.0           | 1.0           |
| <b>Subtotal</b>                          |   | <b>1.0</b>   | <b>1.0</b>   | <b>1.0</b>    | <b>1.0</b>    | <b>1.0</b>    |
| <b>Transfers From / (To) Other Funds</b> |   |              |              |               |               |               |
| Sec. 671 of PA 17-2 JSS                  | Update Transfer to the Emissions Enterprise Fund  | 1.0          | 1.0          | 1.0           | 1.0           | 1.0           |
| <b>Subtotal</b>                          |   | <b>1.0</b>   | <b>1.0</b>   | <b>1.0</b>    | <b>1.0</b>    | <b>1.0</b>    |
| <b>Revenue Cap Adjustment</b>            |   |              |              |               |               |               |
| Secs. 704-708 of PA 17-2 JSS             | Establish Budgeted Surplus Requirement            | -            | -            | (8.7)         | (14.0)        | (20.0)        |
| <b>Subtotal</b>                          |   | <b>-</b>     | <b>-</b>     | <b>(8.7)</b>  | <b>(14.0)</b> | <b>(20.0)</b> |
| <b>GRAND TOTAL</b>                       |   | <b>(5.0)</b> | <b>(5.8)</b> | <b>(15.4)</b> | <b>45.5</b>   | <b>117.5</b>  |

### Banking Fund

| Enacting Authority           | Policy  | FY 18<br>\$  | FY 19<br>\$  | FY 20<br>\$ | FY 21<br>\$ | FY 22<br>\$ |
|------------------------------|---|--------------|--------------|-------------|-------------|-------------|
| Secs. 668-670 of PA 17-2 JSS | Increase Reg. Fee for Broker-Dealers and Invest. Advisers | 5.2          | 5.2          | 5.2         | 5.2         | 5.2         |
| Sec. 687 of PA 17-2 JSS      | Transfer from Banking Fund to General Fund                | (11.2)       | (9.2)        | -           | -           | -           |
| <b>GRAND TOTAL</b>           |   | <b>(6.0)</b> | <b>(4.0)</b> | <b>5.2</b>  | <b>5.2</b>  | <b>5.2</b>  |

### Tourism Fund

| Enacting Authority            | Policy  | FY 18<br>\$ | FY 19<br>\$ | FY 20<br>\$ | FY 21<br>\$ | FY 22<br>\$ |
|-------------------------------|---|-------------|-------------|-------------|-------------|-------------|
| Secs. 637, 639 of PA 17-2 JSS | Set aside a Portion of Hotel Tax to Support Tourism | -           | 12.7        | 13.1        | 13.5        | 13.9        |
| <b>GRAND TOTAL</b>            |   | <b>-</b>    | <b>12.7</b> | <b>13.1</b> | <b>13.5</b> | <b>13.9</b> |

### Passport to Parks (Non-Appropriated)

| Enacting Authority           | Policy   | FY 18<br>\$ | FY 19<br>\$ | FY 20<br>\$ | FY 21<br>\$ | FY 22<br>\$ |
|------------------------------|--|-------------|-------------|-------------|-------------|-------------|
| Sec. 325 of PA 17-2 JSS      | Establish \$10 Surcharge on MV Reg. to Support Parks     | 8.0         | 16.0        | 16.0        | 16.0        | 16.0        |
| Secs. 326-331 of PA 17-2 JSS | Assign Certain Fee Revenues to Passport to Parks Account | 0.7         | 2.9         | 2.9         | 2.9         | 2.9         |

**General Fund**

| <b>Enacting Authority</b> | <b>Policy</b>  | <b>FY 18<br/>\$</b> | <b>FY 19<br/>\$</b> | <b>FY 20<br/>\$</b> | <b>FY 21<br/>\$</b> | <b>FY 22<br/>\$</b> |
|---------------------------|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Sec. 330 of PA 17-2 JSS   | Transfer Funding from the Maintenance, Repair, and Improvement account | 1.7                 | -                   | -                   | -                   | -                   |
| Sec. 696 of PA 17-2 JSS   | Transfer from Passport to Parks Account                                | (2.6)               | (5.0)               | -                   | -                   | -                   |
| <b>GRAND TOTAL</b>        |  | <b>7.8</b>          | <b>13.9</b>         | <b>18.9</b>         | <b>18.9</b>         | <b>18.9</b>         |

**Budget Reserve Fund**

| <b>Enacting Authority</b>    | <b>Policy</b>                          | <b>FY 18<br/>\$</b> | <b>FY 19<br/>\$</b> | <b>FY 20<br/>\$</b> | <b>FY 21<br/>\$</b> | <b>FY 22<br/>\$</b> |
|------------------------------|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Sec. 704 of PA 17-2 JSS      | Establish Revenue Volatility Cap       | -                   | -                   | 64.6                | 128.9               | 194.5               |
| Secs. 704-708 of PA 17-2 JSS | Establish Budgeted Surplus Requirement | -                   | -                   | 90.2                | 137.0               | 184.9               |
| <b>GRAND TOTAL</b>           |  | <b>-</b>            | <b>-</b>            | <b>154.8</b>        | <b>265.9</b>        | <b>379.4</b>        |

Please note that this table reflects FY 18-19 as passed by the Finance, Revenue, and Bonding Committee on October 25th.

|                        |  |                |                |              |              |              |
|------------------------|--|----------------|----------------|--------------|--------------|--------------|
| <b>ALL FUNDS TOTAL</b> |  | <b>1,649.3</b> | <b>1,751.5</b> | <b>467.8</b> | <b>410.1</b> | <b>375.1</b> |
|------------------------|--|----------------|----------------|--------------|--------------|--------------|

**FY 18 and FY 19 Revenue Schedule**  
(in thousands)

|                                  | January<br>Consensus<br>FY 18 | Governor<br>Policies | Governor<br>FY 18<br>Revenue | Consensus<br>Update<br>(April) | April<br>Consensus<br>FY 18 | Legislative<br>Policies | Legislative<br>FY 18<br>Revenue |
|----------------------------------|-------------------------------|----------------------|------------------------------|--------------------------------|-----------------------------|-------------------------|---------------------------------|
| <b>Taxes</b>                     |                               |                      |                              |                                |                             |                         |                                 |
| Personal Income                  | 9,739,200                     | 120,000              | 9,859,200                    | (642,500)                      | 9,096,700                   | 30,500                  | 9,127,200                       |
| Sales and Use                    | 3,884,100                     | 369,100              | 4,253,200                    | (42,600)                       | 3,841,500                   | 379,000                 | 4,220,500                       |
| Corporations                     | 870,000                       | 15,000               | 885,000                      | 2,100                          | 872,100                     | 61,200                  | 933,300                         |
| Public Service Corporations      | 292,300                       | -                    | 292,300                      | 5,300                          | 297,600                     | (12,700)                | 284,900                         |
| Inheritance and Estate           | 180,100                       | -                    | 180,100                      | -                              | 180,100                     | -                       | 180,100                         |
| Insurance Companies              | 227,000                       | 10,400               | 237,400                      | (15,300)                       | 211,700                     | 18,900                  | 230,600                         |
| Cigarettes                       | 354,100                       | 59,800               | 413,900                      | 4,800                          | 358,900                     | 35,300                  | 394,200                         |
| Real Estate Conveyance           | 213,500                       | -                    | 213,500                      | 2,100                          | 215,600                     | -                       | 215,600                         |
| Alcoholic Beverages              | 62,600                        | 1,900                | 64,500                       | -                              | 62,600                      | -                       | 62,600                          |
| Admissions and Dues              | 39,500                        | -                    | 39,500                       | -                              | 39,500                      | 2,000                   | 41,500                          |
| Health Provider                  | 701,100                       | (1,000)              | 700,100                      | -                              | 701,100                     | 343,900                 | 1,045,000                       |
| Miscellaneous Taxes              | 20,500                        | 5,000                | 25,500                       | -                              | 20,500                      | 7,200                   | 27,700                          |
| <b>Total Taxes</b>               | <b>16,584,000</b>             | <b>580,200</b>       | <b>17,164,200</b>            | <b>(686,100)</b>               | <b>15,897,900</b>           | <b>865,300</b>          | <b>16,763,200</b>               |
| Refunds of Taxes                 | (1,146,800)                   | -                    | (1,146,800)                  | -                              | (1,146,800)                 | 55,300                  | (1,091,500)                     |
| Earned Income Tax Credit         | (150,000)                     | 25,000               | (125,000)                    | -                              | (150,000)                   | 35,000                  | (115,000)                       |
| R & D Credit Exchange            | (8,800)                       | -                    | (8,800)                      | 1,500                          | (7,300)                     | -                       | (7,300)                         |
| <b>Taxes Less Refunds</b>        | <b>15,278,400</b>             | <b>605,200</b>       | <b>15,883,600</b>            | <b>(684,600)</b>               | <b>14,593,800</b>           | <b>955,600</b>          | <b>15,549,400</b>               |
| <b>Other Revenue</b>             |                               |                      |                              |                                |                             |                         |                                 |
| Transfer Special Revenue         | 363,600                       | -                    | 363,600                      | (25,300)                       | 338,300                     | 1,000                   | 339,300                         |
| Indian Gaming Payments           | 267,300                       | -                    | 267,300                      | -                              | 267,300                     | -                       | 267,300                         |
| Licenses, Permits and Fees       | 298,300                       | 18,739               | 317,039                      | -                              | 298,300                     | 11,300                  | 309,600                         |
| Sales of Commodities             | 43,800                        | -                    | 43,800                       | -                              | 43,800                      | -                       | 43,800                          |
| Rentals, Fines and Escheats      | 130,100                       | 300                  | 130,400                      | 11,200                         | 141,300                     | 1,700                   | 143,000                         |
| Investment Income                | 5,900                         | -                    | 5,900                        | -                              | 5,900                       | -                       | 5,900                           |
| Miscellaneous                    | 181,300                       | 409,300              | 590,600                      | 14,100                         | 195,400                     | 12,000                  | 207,400                         |
| Refunds of Payments              | (67,500)                      | -                    | (67,500)                     | 5,000                          | (62,500)                    | -                       | (62,500)                        |
| <b>Total Other Revenue</b>       | <b>1,222,800</b>              | <b>428,339</b>       | <b>1,651,139</b>             | <b>5,000</b>                   | <b>1,227,800</b>            | <b>26,000</b>           | <b>1,253,800</b>                |
| <b>Other Sources</b>             |                               |                      |                              |                                |                             |                         |                                 |
| Federal Grants                   | 1,199,900                     | 35,000               | 1,292,600                    | 82,600                         | 1,282,500                   | 483,850                 | 1,766,350                       |
| Transfer from Tobacco Settlement | 93,700                        | -                    | 108,500                      | -                              | 93,700                      | 16,000                  | 109,700                         |
| Transfers From/To Other Funds    | (112,700)                     | (747,700)            | (966,000)                    | -                              | (112,700)                   | 172,800                 | 60,100                          |
| <b>Total Other Sources</b>       | <b>1,180,900</b>              | <b>(712,700)</b>     | <b>435,100</b>               | <b>82,600</b>                  | <b>1,263,500</b>            | <b>672,650</b>          | <b>1,936,150</b>                |
| <b>Total General Fund</b>        | <b>17,682,100</b>             | <b>320,839</b>       | <b>17,969,839</b>            | <b>(597,000)</b>               | <b>17,085,100</b>           | <b>1,654,250</b>        | <b>18,739,350</b>               |

|                                  | January<br>Consensus<br>FY 19 | Governor<br>Policies | Governor<br>FY 19<br>Revenue | Consensus<br>Update<br>(April) | April<br>Consensus<br>FY 19 | Legislative<br>Policies | Legislative<br>FY 19<br>Revenue |
|----------------------------------|-------------------------------|----------------------|------------------------------|--------------------------------|-----------------------------|-------------------------|---------------------------------|
| <b>Taxes</b>                     |                               |                      |                              |                                |                             |                         |                                 |
| Personal Income                  | 10,067,300                    | 115,000              | 10,182,300                   | (819,800)                      | 9,247,500                   | 9,400                   | 9,256,900                       |
| Sales and Use                    | 4,007,700                     | 360,700              | 4,368,400                    | (78,800)                       | 3,928,900                   | 359,200                 | 4,288,100                       |
| Corporations                     | 900,300                       | 7,000                | 907,300                      | 2,200                          | 902,500                     | 86,200                  | 988,700                         |
| Public Service Corporations      | 301,200                       | -                    | 301,200                      | 5,700                          | 306,900                     | (43,200)                | 263,700                         |
| Inheritance and Estate           | 186,100                       | (20,100)             | 166,000                      | -                              | 186,100                     | (15,600)                | 170,500                         |
| Insurance Companies              | 230,500                       | (2,400)              | 228,100                      | (15,500)                       | 215,000                     | 19,200                  | 234,200                         |
| Cigarettes                       | 336,800                       | 52,900               | 389,700                      | 4,500                          | 341,300                     | 50,000                  | 391,300                         |
| Real Estate Conveyance           | 220,200                       | -                    | 220,200                      | 2,100                          | 222,300                     | -                       | 222,300                         |
| Alcoholic Beverages              | 63,000                        | 2,500                | 65,500                       | -                              | 63,000                      | -                       | 63,000                          |
| Admissions and Dues              | 39,800                        | -                    | 39,800                       | -                              | 39,800                      | 2,000                   | 41,800                          |
| Health Provider                  | 700,200                       | (1,000)              | 699,200                      | -                              | 700,200                     | 343,900                 | 1,044,100                       |
| Miscellaneous Taxes              | 21,000                        | -                    | 21,000                       | -                              | 21,000                      | 12,000                  | 33,000                          |
| <b>Total Taxes</b>               | <b>17,074,100</b>             | <b>514,600</b>       | <b>17,588,700</b>            | <b>(899,600)</b>               | <b>16,174,500</b>           | <b>823,100</b>          | <b>16,997,600</b>               |
| Refunds of Taxes                 | (1,201,000)                   | -                    | (1,201,000)                  | -                              | (1,201,000)                 | 55,300                  | (1,145,700)                     |
| Earned Income Tax Credit         | (155,600)                     | 26,000               | (129,600)                    | -                              | (155,600)                   | 35,000                  | (120,600)                       |
| R & D Credit Exchange            | (9,200)                       | -                    | (9,200)                      | 1,600                          | (7,600)                     | -                       | (7,600)                         |
| <b>Taxes Less Refunds</b>        | <b>15,708,300</b>             | <b>540,600</b>       | <b>16,248,900</b>            | <b>(898,000)</b>               | <b>14,810,300</b>           | <b>913,400</b>          | <b>15,723,700</b>               |
| <b>Other Revenue</b>             |                               |                      |                              |                                |                             |                         |                                 |
| Transfer Special Revenue         | 370,900                       | -                    | 370,900                      | (25,500)                       | 345,400                     | 1,000                   | 346,400                         |
| Indian Gaming Payments           | 199,000                       | -                    | 199,000                      | -                              | 199,000                     | -                       | 199,000                         |
| Licenses, Permits and Fees       | 275,900                       | 40,500               | 316,400                      | -                              | 275,900                     | 67,800                  | 343,700                         |
| Sales of Commodities             | 44,900                        | -                    | 44,900                       | -                              | 44,900                      | -                       | 44,900                          |
| Rentals, Fines and Escheats      | 132,100                       | 12,300               | 144,400                      | 11,300                         | 143,400                     | 300                     | 143,700                         |
| Investment Income                | 7,000                         | -                    | 7,000                        | -                              | 7,000                       | -                       | 7,000                           |
| Miscellaneous                    | 185,000                       | 422,600              | 607,600                      | -                              | 185,000                     | 4,100                   | 189,100                         |
| Refunds of Payments              | (68,900)                      | -                    | (68,900)                     | 5,000                          | (63,900)                    | -                       | (63,900)                        |
| <b>Total Other Revenue</b>       | <b>1,145,900</b>              | <b>475,400</b>       | <b>1,621,300</b>             | <b>(9,200)</b>                 | <b>1,136,700</b>            | <b>73,200</b>           | <b>1,209,900</b>                |
| <b>Other Sources</b>             |                               |                      |                              |                                |                             |                         |                                 |
| Federal Grants                   | 1,202,300                     | 40,300               | 1,292,600                    | 42,700                         | 1,245,000                   | 518,979                 | 1,763,979                       |
| Transfer from Tobacco Settlement | 94,200                        | 1,000                | 108,500                      | -                              | 94,200                      | 16,000                  | 110,200                         |
| Transfers From/To Other Funds    | (112,700)                     | (769,900)            | (966,000)                    | -                              | (112,700)                   | 213,100                 | 100,400                         |
| <b>Total Other Sources</b>       | <b>1,183,800</b>              | <b>(728,600)</b>     | <b>435,100</b>               | <b>42,700</b>                  | <b>1,226,500</b>            | <b>748,079</b>          | <b>1,974,579</b>                |
| <b>Total General Fund</b>        | <b>18,038,000</b>             | <b>287,400</b>       | <b>18,305,300</b>            | <b>(864,500)</b>               | <b>17,173,500</b>           | <b>1,734,679</b>        | <b>18,908,179</b>               |

## Policies Details - General Fund

### Personal Income

#### Policy Revisions

#### Authorize DRS "Fresh Start" Tax Collection Initiative

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 15,000,000        | 10,000,000        | 15,000,000           | 10,000,000           | -                   | -                   |

**Governor:** Implement a Fresh Start initiative by the Department of Revenue Services (DRS) to improve voluntary tax compliance is anticipated to generate \$85 million in aggregate over the FY 18 and FY 19 Biennium (\$60 million in FY 18 and \$25 million in FY 19). This is expected to impact collections of the Income, Sales and Use, Corporate and other taxes.

The initiative offers non-filers, under-reporters, or unregistered taxpayers incentives that include no penalties and interest discounted by 50% in exchange for self-reporting and paying their liability. The second component of the program is a compliance strategy that blends audit and collection activity that focuses on specific segments of the population with new tools and techniques to make it easier for taxpayers to become compliant.

Specifically, the initiative consists of the following activities: 1) extensive targeted taxpayer outreach and a limited general awareness promotional campaign; 2) transfer pricing recovery; 3) identification of non-filers; 4) compliance sweeps targeting unregistered and delinquent business taxpayers; 5) Sales and Use Tax desk audits driven by more frequent permit renewal; 6) expanded data matching and financial institutions records matching; and 7) tax resolution and payment under structured offers of compromise.

Section 2 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enacts provisions. Appropriations are provided to the DRS to carry out the initiative (\$1.65 million in FY 18 and \$350,000 in FY 19).

**Legislative:** Same as Governor. Section 656 of PA 17-2 JSS enacts this provision.

#### Exempt Certain Pension and Annuity Income from Income Tax

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | -                    | (8,200,000)          | -                   | (8,200,000)         |

**Legislative:** Eliminate the income tax on pension and annuity income for taxpayers with federal adjusted gross incomes (AGI) below (1) \$75,000 for single filers, married people filing separately, and heads of households and (2) \$100,000 for married people filing jointly. The exemption is implemented in equal portions over seven Income Years: 2019 through 2025. Once fully implemented, the revenue loss is \$115 million based on current estimates. The tax on pension and annuity income resumes in Income Year 2026. Section 641 of PA 17-2 JSS enacts this provision.

#### Expand Social Security Exemption from Income Tax

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | -                    | (7,900,000)          | -                   | (7,900,000)         |

**Background:** Current law allows a 100% Social Security income exemption for single filers and married people filing separately with federal AGIs of less than \$50,000 and joint filers and heads of household with federal AGIs of less than \$60,000. Taxpayers with AGIs equal to or greater than these thresholds qualify for a 75% exemption.

**Legislative:** Beginning in the 2019 Income Year, increase the income thresholds for the 100% Social Security income exemption to the following: 1) \$75,000 for single/married people filing separately; and 2) \$100,000 for joint filers/heads of household. Section 641 of PA 17-2 JSS, as amended by Section 18 of PA 17-4 JSS, enacts this provision.

## Reflect Impact of Added Resources for Tax Enforcement

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 7,500,000            | 7,500,000            | 7,500,000           | 7,500,000           |

**Background:** In testimony presented to the Appropriations Committee, the Commissioner of DRS indicated that an increase in appropriations above the Governor's recommended level would yield additional state revenue beyond the revenue assumptions included in the Governor's recommended budget.

**Legislative:** Recognize an aggregate \$30 million revenue gain associated with the restoration of funding for DRS personnel across the Income, Sales and Use, Corporate and other taxes. Additional appropriations of \$1.2 million are provided to re-fill vacant audit, collections, enforcement and operations & management staff.

## Delay Increasing the Exemption for Teachers' Pension Income

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 8,000,000            | 8,000,000            | 8,000,000           | 8,000,000           |

**Background:** There were approximately 36,300 retirees receiving pension benefits through the Teachers' Retirement System (TRS) in FY 17. The average benefit initiated during FY 17 was approximately \$52,100.

PA 14-47, the FY 15 Revised Budget, exempted a portion of teachers' pension income from the state Income Tax. It established an income tax exemption for teachers' pension income phased-in from 10% (Income Year 2015) to 25% (Income Year 2016) and up to 50% in Income Year 2017 and thereafter.

**Legislative:** Delay, by two years, the scheduled increase in the TRS income tax exemption from 25% to 50%. The exemption remains at 25% for the 2017 and 2018 Income Years. Section 641of PA 17-2 JSS enacts this provision.

## Sales and Use

### Policy Revisions

#### Authorize DRS "Fresh Start" Tax Collection Initiative

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 25,000,000        | 8,000,000         | 25,000,000           | 8,000,000            | -                   | -                   |

**Governor:** Implement a Fresh Start initiative by the Department of Revenue Services (DRS) to improve voluntary tax compliance is anticipated to generate \$85 million in aggregate over the 2018-2019 biennium (\$60 million in FY 18 and \$25 million in FY 19). This is expected to impact collections of the Income, Sales and Use, Corporate and other taxes.

The initiative offers non-filers, under-reporters, or unregistered taxpayers incentives that include no penalties and interest discounted by 50% in exchange for self-reporting and paying their liability. The second component of the program is a compliance strategy that blends audit and collection activity that focuses on specific segments of the population with new tools and techniques to make it easier for taxpayers to become compliant.

Specifically, the initiative consists of the following activities: 1) extensive targeted taxpayer outreach and a limited general awareness promotional campaign; 2) transfer pricing recovery; 3) identification of non-filers; 4) compliance sweeps targeting unregistered and delinquent business taxpayers; 5) Sales and Use Tax desk audits driven by more frequent permit renewal; 6) expanded data matching and financial institutions records matching; and 7) tax resolution and payment under structured offers of compromise.

Section 2 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enacts provisions. Appropriations are provided to the DRS to carry out the initiative (\$1.65 million in FY 18 and \$350,000 in FY 19).

**Legislative:** Same as Governor. Section 656 of PA 17-2 JSS enacts this provision.

### Increase Taxes on Tobacco Products

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 3,800,000         | 3,400,000         | 2,200,000            | 3,500,000            | (1,600,000)         | 100,000             |

**Background:** PA 15-244, the FY 16 and FY 17 budget, increased the Cigarette Tax rate from \$3.40 per pack to \$3.65 per pack in FY 16 and to \$3.90 per pack in FY 17.

**Governor:** Increase the excise tax rate on cigarettes from \$3.90 to \$4.35 per pack, effective July 1, 2017. This results in an aggregate revenue gain of \$44.7 million (FY 18) and \$42.3 million (FY 19) including the Cigarette Tax and the Sales and Use Tax. Additionally, implement a "floor tax" on all existing inventory of cigarettes to ensure all cigarettes are sold at the same tax rate. This results in a Cigarette Tax revenue gain of \$5.0 million in FY 18 only.

Increase the excise tax on snuff from \$1.00 per ounce to \$3.00 per ounce. This results in a revenue gain of \$11.1 million each year.

Increase the cap on the excise tax for cigars from \$0.50 to \$1.50 per cigar. This results in a revenue gain of \$2.8 million in FY 18 and \$2.9 million in FY 19.

Sections 13-16 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enact these provisions.

**Legislative:** Increase the excise tax rate on cigarettes from \$3.90 to \$4.35 per pack and the tax rate on snuff from \$1.00 per ounce to \$3.00 per ounce. Apply the Cigarette Tax rate increase to existing inventory as of November 30, 2017 (i.e., "floor tax"). Sections 628 - 631 of PA 17-2 JSS enact these provisions effective December 1, 2017, and applicable to sales on or after that date, except that the floor tax provisions are effective upon passage.

### Adjust Minimum Bottle Pricing

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 200,000           | 300,000           | -                    | -                    | (200,000)           | (300,000)           |

**Background:** CGS Sec. 30-68m establishes the minimum retail bottle price as the posted bottle price from the wholesaler.

**Governor:** Alter the basis for the minimum price per bottle to the actual cost paid by the retail permittee. It is anticipated that a reduction in prices will increase sales volume resulting in a net annualized state revenue gain estimated to be \$2.8 million (\$2.5 million under the Alcoholic Beverages Tax and \$300,000 under the Sales Tax). Section 21 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enacts this provision effective October 1, 2017.

**Legislative:** Do not revise minimum bottle pricing.

### Suspend Sales Tax Transfer to MRSA

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 340,100,000       | 349,000,000       | 327,800,000          | 335,400,000          | (12,300,000)        | (13,600,000)        |

**Background:** The Sales Tax diversion to the Municipal Revenue Sharing Account (MRSA) was reinstated under PA 15-244; however, subsequent legislation delayed the transfer to FY 16 (beginning May 2016) at a 0.3% transfer rate.

PA 16-2 MSS suspended the transfer for FY 17 and swept the balance of MRSA from the FY 16 transfers. Instead the Act provided a transfer out of the Resources of the General Fund to the temporary Municipal Revenue Sharing Fund for FY 17 only. Under the Act, the transfer to MRSA was to restart on July 1, 2017 at a 0.5% rate.

**Governor:** Permanently repeal the Sales Tax diversion equal to 0.5% to the Municipal Revenue Sharing Account. Instead, provide appropriations in amounts that are equivalent to the estimates of the 0.5% Sales Tax diversion contained in the consensus revenue projections of January 15, 2016. Sections 41, 50-60 of HB 7027, "AAC the State Budget for the Biennium Ending June 30, 2019, and Making Appropriations Therefor," enact these changes.

**Legislative:** Temporarily suspend the revenue diversion for FY 18 and FY 19. Sections 637-638 of PA 17-2 JSS enact this provision.

### Reflect Impact of Added Resources for Tax Enforcement

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 12,600,000           | 12,600,000           | 12,600,000          | 12,600,000          |

**Background:** In testimony presented to the Appropriations Committee, the Commissioner of DRS indicated that an increase in appropriations above the Governor's recommended level would yield additional state revenue beyond the revenue assumptions included in the Governor's recommended budget.

**Legislative:** Recognize an aggregate \$30 million revenue gain associated with the restoration of funding for DRS personnel across the Income, Sales and Use, Corporate and other taxes. Additional appropriations of \$1.2 million are provided to re-fill vacant audit, collections, enforcement and operations & management staff.

### Set aside a Portion of Hotel Tax to Support Tourism

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | -                    | (12,700,000)         | -                   | (12,700,000)        |

**Background:** The state's Room Occupancy (Sales) tax rate is 15%. The tax generated approximately \$120 million in state General Fund revenue in FY 16.

**Legislative:** Set aside 10% of the room occupancy tax to support tourism-related functions. (The set aside is equivalent to a stand-alone rate of 1.5%.) Sections 637 and 639 of PA 17-2 JSS enact this provision.

### Allow Rental Agreements to Include Itemized Charges or Fees

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 700,000              | 1,500,000            | 700,000             | 1,500,000           |

**Background:** Pursuant to CGS Sec. 12-692, the state imposes a surcharge on certain car, truck, and machinery rentals (3% for cars/trucks and 1.5% for machinery) and requires rental companies to remit the portion of the surcharge collected during the calendar year that exceeds the amount paid in personal property tax and titling/registration fees for the rented vehicles and equipment. State revenue from this surcharge was approximately \$324,000 in FY 17.

**Legislative:** Eliminate the 3% rental surcharge on car and truck rentals. Instead, authorize rental companies to charge lessees (i.e., renters) individually itemized charges or fees as part of a rental agreement, including a vehicle cost recovery, airport access, or airport concession fee. These fees would be subject to the rental car Sales Tax rate of 9.35%. The net state revenue gain is estimated to be \$1.1 million annually (\$1.5 million revenue gain from the Sales Tax less \$400,000 revenue loss from elimination of the surcharge). Section 653 of PA 17-2 JSS enacts these provisions.

## Suspend Transfer to Regional Planning Incentive Account

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 10,700,000           | 10,900,000           | 10,700,000          | 10,900,000          |

**Background:** PA 11-1 established the Regional Performance Incentive Account (later renamed the Regional Planning Incentive Account (RPIA) by PA 13-247). The law requires 1 percentage point of the 15% hotel tax rate and 1 percentage point of the 9.35% rental car tax to be deposited into the account. By law, the Secretary of the Office of Policy and Management (OPM) uses the account to fund: 1) annual grants to regional councils of government; and 2) grants awarded under the regional performance incentive program. PA 15-244 MSS suspended the transfer to the RPIA for FY 17.

**Legislative:** Suspend (during the 2018-2019 biennium) the diversion and allow the General Fund to retain the revenues. Sections 637-638 of PA 17-2 JSS enact this policy.

## Corporations

### *Policy Revisions*

#### Authorize DRS "Fresh Start" Tax Collection Initiative

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 15,000,000        | 7,000,000         | 15,000,000           | 7,000,000            | -                   | -                   |

**Governor:** Implement a Fresh Start initiative by the Department of Revenue Services (DRS) to improve voluntary tax compliance is anticipated to generate \$85 million in aggregate over the 2018-2019 biennium (\$60 million in FY 18 and \$25 million in FY 19). This is expected to impact collections of the Income, Sales and Use, Corporate and other taxes.

The initiative offers non-filers, under-reporters, or unregistered taxpayers incentives that include no penalties and interest discounted by 50% in exchange for self-reporting and paying their liability. The second component of the program is a compliance strategy that blends audit and collection activity that focuses on specific segments of the population with new tools and techniques to make it easier for taxpayers to become compliant.

Specifically, the initiative consists of the following activities: 1) extensive targeted taxpayer outreach and a limited general awareness promotional campaign; 2) transfer pricing recovery; 3) identification of non-filers; 4) compliance sweeps targeting unregistered and delinquent business taxpayers; 5) Sales and Use Tax desk audits driven by more frequent permit renewal; 6) expanded data matching and financial institutions records matching; and 7) tax resolution and payment under structured offers of compromise.

Section 2 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enacts provisions. Appropriations are provided to the DRS to carry out the initiative (\$1.65 million in FY 18 and \$350,000 in FY 19).

**Legislative:** Same as Governor. Section 656 of PA 17-2 JSS enacts this provision.

## Defer and Extend "FAS 109" Corp. Tax Deduction

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 20,300,000           | 34,000,000           | 20,300,000          | 34,000,000          |

**Background:** Sections 138-163 of PA 15-244 established mandatory unitary reporting under the Corporation Business Tax.

Section 141 of PA 15-244 includes a provision (the "FAS 109 deduction") for publicly traded companies that allows a deduction over seven years beginning in the 2018 Income Year if the implementation of mandatory unitary reporting resulted in an increase to those companies' net deferred tax liability or decrease to their net deferred tax asset. Any companies impacted are required to notify the DRS commissioner if that was the case. Based on that filing requirement, DRS has identified 115 filings for a total of approximately \$231M in tax liability.

**Legislative:** Defer the implementation date of the deduction to the 2021 Income Year, and provide the deduction over a 30 year period (rather than seven). Section 661 of PA 17-2 JSS, as amended by Section 19 of PA 17-4 JSS, enacts this provision.

## Eliminate the Green Building Tax Credit

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 700,000              | 700,000              | 700,000             | 700,000             |

**Background:** Up to \$25 million in tax credits are available for eligible construction, renovation, or rehabilitation projects that are designed to meet the applicable requirements for LEED Green Building Rating System gold or platinum certification or another equivalent certification determined by the Department of Energy and Environmental Protection. Credit percentages range between 5% and 11% and depend on the location and certification level of the project. Credits may be assigned to another taxpayer or taxpayers. Unused credits may be carried forward for five succeeding income years. Two credits were claimed on 2015 Corporation Business Tax returns totaling \$5,329,254.

**Legislative:** Eliminate the credit for income years beginning on or after December 1, 2017. Section 647 of PA 17-2 JSS enacts this provision.

## Expand Applicability of Certain Tax Credits at a Discount

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 12,700,000           | 32,000,000           | 12,700,000          | 32,000,000          |

**Background:** Current law allows film and digital media production tax credits to be taken against the Insurance Premium and Corporation Business taxes. Credits may be sold, assigned, or transferred in whole or in part no more than three times.

**Legislative:** Starting January 1, 2018, allow film and digital media production tax credits to be claimed against the gross receipts tax on cable, satellite, and competitive video services (i.e., the Public Service Companies Tax). Enact limitations for credit utilization under such tax as follows: 1) for the 2018 Income Year, transferred credits may be claimed (a) only if there is common ownership of at least 50% between the transferor and transferee and (b) at 92% of face value; and 2) for the 2019 and subsequent income years, transferred credits may be claimed (a) at 92% of face value if there is at least 50% common ownership between the transferee and transferor or (b) at 95% of face value if transfer is to another taxpayer.

This is anticipated to shift the usage of credits from the Corporation and Insurance Premium taxes to the Public Service Companies Tax. The net, bottom-line effect of this policy is a revenue gain estimated to be approximately \$1.4 million in FY 18 and \$3.3 million in FY 19 and annually thereafter due to credit utilization at a discount.

Section 626 of PA 17-2 JSS enacts these provisions.

## Lower the Cap on Neighborhood Assistance Act Tax Credits

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 5,000,000            | 5,000,000            | 5,000,000           | 5,000,000           |

**Background:** Pursuant to CGS Sec. 12-632(i), the total amount of credits available under the Connecticut Neighborhood Assistance Act (NAA) tax credit program is capped at \$5.0 million through June 301, 2017; the cap increases to \$10.0 million on and after July 1, 2017.

**Legislative:** Lower the NAA program cap from \$10.0 million to \$5.0 million. Section 646 of PA 17-2 JSS enacts this change.

## Reflect Impact of Added Resources for Tax Enforcement

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 7,500,000            | 7,500,000            | 7,500,000           | 7,500,000           |

**Background:** In testimony presented to the Appropriations Committee, the Commissioner of DRS indicated that an increase in appropriations above the Governor's recommended level would yield additional state revenue beyond the revenue assumptions included in the Governor's recommended budget.

**Legislative:** Recognize an aggregate \$30 million revenue gain associated with the restoration of funding for DRS personnel across the Income, Sales and Use, Corporate and other taxes. Additional appropriations of \$1.2 million are provided to re-fill vacant audit, collections, enforcement and operations & management staff.

## Public Service Corporations

### *Policy Revisions*

#### Permanently Retain PEGPETIA Surtax Revenue

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 3,500,000            | 3,500,000            | 3,500,000           | 3,500,000           |

**Background:** In accordance with CGS Sec. 16-331cc, the Public Educational and Governmental Programming and Education Technology Investment Account (PEGPETIA) provides grants to support public, educational and governmental (i.e., community access) programming and education technology initiatives.

The account is administered by the Public Utilities Regulatory Authority and is funded by a 0.25% tax on the gross earnings of cable-TV, satellite-TV, and certified competitive video (e.g., AT&T U-Verse) service providers.

The 0.25% surtax designated for PEGPETIA is in addition to the 5.0% tax (per CGS Sec. 12-258) on the gross earnings of cable-TV, satellite-TV, and certified competitive video service providers.

PEGPETIA revenues and fund balances have been used to help balance the General Fund in each year since FY 15. (No PEGPETIA expenditures have been made since FY 14.)

**Legislative:** Permanently divert \$3.5 million in revenue annually from PEGPETIA to the General Fund. Section 680 of PA 17-2 JSS enacts this provision.

#### Permanently Suspend the Muni. Video Competition Trust Acct.

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 2,000,000            | 2,000,000            | 2,000,000           | 2,000,000           |

**Background:** CGS Sec. 16-331bb diverts \$2.0 million annually from the Gross Earnings Tax established under CGS Sec. 12-256 on certified video service providers (i.e., certain cable T.V. companies). The amount is then distributed to municipalities in which such companies are located for the purposes of property tax relief.

Section 27 of PA 16-2 MSS (the Deficit Mitigation plan) suspended the diversion in FY 17.

FY 14 was the last year any payments were made through the account. In total, \$1.5 million was distributed to 134 towns with a minimum of \$4.00 (Barkhamsted), maximum of \$164,938 (Stamford), and average of \$11,194.

**Legislative:** Permanently suspend the diversion to the account; instead retain all revenue in the General Fund. Section 679 of PA 17-2 JSS enacts this provision.

## Expand Applicability of Certain Tax Credits at a Discount

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | (19,800,000)         | (50,300,000)         | (19,800,000)        | (50,300,000)        |

**Background:** Current law allows film and digital media production tax credits to be taken against the Insurance Premium and Corporation Business taxes. Credits may be sold, assigned, or transferred in whole or in part no more than three times.

**Legislative:** Starting January 1, 2018, allow film and digital media production tax credits to be claimed against the gross receipts tax on cable, satellite, and competitive video services (i.e., the Public Service Companies Tax). Enact limitations for credit utilization under such tax as follows: 1) for the 2018 Income Year, transferred credits may be claimed (a) only if there is common ownership of at least 50% between the transferor and transferee and (b) at 92% of face value; and 2) for the 2019 and subsequent income years, transferred credits may be claimed (a) at 92% of face value if there is at least 50% common ownership between the transferee and transferor or (b) at 95% of face value if transfer is to another taxpayer.

This is anticipated to shift the usage of credits from the Corporation and Insurance Premium taxes to the Public Service Companies Tax. The net, bottom-line effect of this policy is a revenue gain estimated to be approximately \$1.4 million in FY 18 and \$3.3 million in FY 19 and annually thereafter due to credit utilization at a discount.

Section 626 of PA 17-2 JSS enacts these provisions.

## Reduce Funding for CT-N

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 1,600,000            | 1,600,000            | 1,600,000           | 1,600,000           |

**Background:** CGS Sec. 2-71x provides for a \$3.2 million annual set-aside from the Public Service Companies Tax to fund television coverage of state government deliberations. PA 14-47 increased the set-aside from \$2.5 million to \$3.2 million beginning in FY 15.

**Legislative:** Reduce the annual set-aside to \$1.6 million. Section 662 of PA 17-2 JSS enacts this permanent reduction, effective upon passage (10/26/17).

## Inheritance and Estate

### Policy Revisions

#### Lower Lifetime Cap on Inheritance and Estate Tax

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | (4,500,000)       | -                    | -                    | -                   | 4,500,000           |

**Background:** The maximum amount of Inheritance and Estate Tax that will be paid on or after January 1, 2016 is capped at \$20.0 million. The \$20.0 million cap is reduced by the amount of any gift taxes paid on taxable gifts made by the decedent, the decedent's estate, or the decedent's spouse on or after January 1, 2016.

**Governor:** Lower lifetime Inheritance and Estate Tax cap from \$20.0 million to \$15.0 million beginning January 1, 2018. Sections 10-11 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enact this provision.

**Legislative:** Lower lifetime Inheritance and Estate Tax cap from \$20.0 million to \$15.0 million beginning January 1, 2019. Sections 632-636 of PA 17-2 JSS enact this provision.

## Adopt Federal Exemption Level for Inheritance and Estate Tax

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | (15,600,000)      | -                    | (15,600,000)         | -                   | -                   |

**Background:** Resident and non-resident estates of decedents are liable for the Connecticut Inheritance and Estate Tax on the amount of the Connecticut taxable estate that exceeds \$2.0 million. The federal exemption level was \$5.45 million in 2016, and is indexed to inflation.

**Governor:** Phase-in state Inheritance and Estate Tax exemption to the federal exemption level over three years. The exemption level increases to \$2.6 million on January 1, 2018, to \$3.6 million on January 1, 2019, and matches the federal exemption level on January 1, 2020. In addition to changing the exemption level, this proposal increases the tax rates for estate values between \$5.1 million and \$10.1 million from 9%-12% to 10%-12%. Sections 10-12 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enact these provisions.

**Legislative:** Same as Governor. Sections 632-636 of PA 17-2 JSS enact these provisions.

## Insurance Companies

### Policy Revisions

#### Cease Issuing Tax Credits for Certain Motion Pictures

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 4,000,000         | 4,000,000         | 4,000,000            | 4,000,000            | -                   | -                   |

**Background:** CGS Sec. 12-217jj allows a credit for qualified production expenses or eligible costs incurred during the production of a film in Connecticut. The credit percentage ranges from 10% to 30% depending on total eligible expenses. Credits may be claimed in the year the costs were incurred or the three succeeding years after the year the costs were incurred, and may be sold, assigned or transferred in whole or in part no more than three times.

PA 13-184, the FY 14 and FY 15 Budget, established a two-year moratorium on film production tax credits for motion pictures from the types of qualified productions that are eligible for the credits for those years, with certain exceptions. PA 15-244, the FY 16 and FY 17 Budget, delayed the scheduled expiration until FY 18.

**Governor:** Make the moratorium on film production tax credits permanent. Section 8 of SB 787, "AAC Revenue Items to Implement the Budget," enacts this provision.

**Legislative:** Same as Governor. Section 626 of PA 17-2 JSS enacts this provision.

#### Make 3-Tier Credit Cap on Insurance Premiums Tax Permanent

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 17,400,000        | 16,000,000        | 17,400,000           | 16,000,000           | -                   | -                   |

**Background:** CGS Sec. 12-211a(a) limits tax or other credits allowable against the Insurance Premiums Tax to 70% of the amount due prior to the application of any credit. In addition, CGS Sec. 12-211a(a)(5) temporarily establishes two lower caps (a three-tiered cap system) at 55% and 30% depending upon the mix of different types of credits, as defined in CGS Sec. 12-211a(a)(4), including the following: 1) Insurance Reinvestment Fund Tax Credit; 2) Digital Animation Production Tax Credit; 3) Film Production Tax Credit; 4) Film Production Infrastructure Tax Credit; and 5) any other credits.

PA 15-244, the FY 16 and FY 17 Budget, delayed until 2017 the scheduled expiration of the two lower tiers of caps on credit utilization against the Insurance Premiums Tax.

**Governor:** Make the 3-tiered system of caps permanent. Section 7 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enacts this provision.

**Legislative:** Same as Governor. Section 625 of PA 17-2 JSS enacts this change.

## Reduce the Insurance Premiums Tax Rate

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| (11,000,000)      | (22,400,000)      | (11,000,000)         | (22,400,000)         | -                   | -                   |

**Background:** Insurance companies, domestic and foreign, are taxed in Connecticut on the total net direct premiums received from policies written on property or risks within the state. Total net direct subscriber charges received on any new or renewal contract or policy by a health care center are also taxed. The state also imposes a tax on premiums for unauthorized insurance. Specifically, insureds who procure non-admitted insurance are required to remit tax on premiums paid to a non-admitted insurer. Additionally, risk retention groups are required to pay tax on premiums collected on coverages within the state. Captive insurance companies are now allowed to operate within Connecticut. A captive insurance company is a company that is created and wholly owned by one or more non-insurance companies to insure the risks of its owners as a type of self-insurance.

Bases and rates: 1) 1.75% of net direct premiums received by domestic and foreign insurance companies; 2) 4% of gross premiums charged by non-admitted and unauthorized insurers; and 3) 1.75% of net direct subscriber charges on health care centers. CGS Secs. 12-202, 12-202a(a) and 12-201(b) govern the rates for: 1) domestic insurance companies; 2) health care centers; and 3) foreign insurance companies, respectively.

**Governor:** Lower the rate from 1.75% to 1.50%. Sections 4-6 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enact these provisions effective January 1, 2018.

Nationwide, 49 states and Washington D.C. have some form of a premium tax on insurance policies, ranging from 0.5% to 4.35%. Most states also levy a "retaliatory tax" on insurance premiums when the insurance premium tax rate is different in the insurer's home state versus the state in which the insurer is writing a policy. In the case of an in-state insurer writing a policy within the state, the insurer would pay the in-state insurance premium rate to the state. In the case of an out-of-state insurer writing a policy within the state, the insurer would pay the higher insurance premium rate to the state (higher of out-of-state or in-state rate).

**Legislative:** Same as Governor. Sections 622-624 of PA 17-2 JSS enact these changes.

## Expand Applicability of Certain Tax Credits at a Discount

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 8,500,000            | 21,600,000           | 8,500,000           | 21,600,000          |

**Background:** Current law allows film and digital media production tax credits to be taken against the Insurance Premium and Corporation Business taxes. Credits may be sold, assigned, or transferred in whole or in part no more than three times.

**Legislative:** Starting January 1, 2018, allow film and digital media production tax credits to be claimed against the gross receipts tax on cable, satellite, and competitive video services (i.e., the Public Service Companies Tax). Enact limitations for credit utilization under such tax as follows: 1) for the 2018 Income Year, transferred credits may be claimed (a) only if there is common ownership of at least 50% between the transferor and transferee and (b) at 92% of face value; and 2) for the 2019 and subsequent income years, transferred credits may be claimed (a) at 92% of face value if there is at least 50% common ownership between the transferee and transferor or (b) at 95% of face value if transfer is to another taxpayer.

This is anticipated to shift the usage of credits from the Corporation and Insurance Premium taxes to the Public Service Companies Tax. The net, bottom-line effect of this policy is a revenue gain estimated to be approximately \$1.4 million in FY 18 and \$3.3 million in FY 19 and annually thereafter due to credit utilization at a discount.

Section 626 of PA 17-2 JSS enacts these provisions.

## Cigarettes

### Policy Revisions

#### Increase Taxes on Tobacco Products

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 59,800,000        | 52,900,000        | 35,300,000           | 50,000,000           | (24,500,000)        | (2,900,000)         |

**Background:** PA 15-244, the FY 16 and FY 17 budget, increased the Cigarette Tax rate from \$3.40 per pack to \$3.65 per pack in FY 16 and \$3.90 per pack in FY 17.

**Governor:** Increase the excise tax rate on cigarettes from \$3.90 to \$4.35 per pack, effective July 1, 2017. This results in an aggregate revenue gain of \$44.7 million (FY 18) and \$42.3 million (FY 19) including the Cigarette Tax and the Sales and Use Tax. Additionally, implement a "floor tax" on all existing inventory of cigarettes to ensure all cigarettes are sold at the same tax rate. This results in a Cigarette Tax revenue gain of \$5.0 million in FY 18 only.

Increase the excise tax on snuff from \$1.00 per ounce to \$3.00 per ounce. This results in a revenue gain of \$11.1 million each year.

Increase the cap on the excise tax for cigars from \$0.50 to \$1.50 per cigar. This results in a revenue gain of \$2.8 million in FY 18 and \$2.9 million in FY 19.

Sections 13-16 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enact these provisions.

**Legislative:** Increase the excise tax rate on cigarettes from \$3.90 to \$4.35 per pack and the tax rate on snuff from \$1.00 per ounce to \$3.00 per ounce. Apply the Cigarette Tax rate increase to existing inventory as of November 30, 2017 (i.e., "floor tax"). Sections 628 - 631 of PA 17-2 JSS enact these provisions effective December 1, 2017, and applicable to sales on or after that date, except that the floor tax provisions are effective upon passage.

## Alcoholic Beverages

### Policy Revisions

#### Adjust Minimum Bottle Pricing

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 1,900,000         | 2,500,000         | -                    | -                    | (1,900,000)         | (2,500,000)         |

**Background:** CGS Sec. 30-68m establishes the minimum retail bottle price as the posted bottle price from the wholesaler.

**Governor:** Alter the basis for the minimum price per bottle to the actual cost paid by the retail permittee. It is anticipated that a reduction in prices will increase sales volume resulting in a net annualized state revenue gain estimated to be \$2.8 million (\$2.5 million under the Alcoholic Beverages Tax and \$300,000 under the Sales Tax). Section 21 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enacts this provision effective October 1, 2017.

**Legislative:** Do not revise minimum bottle pricing.

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## Admissions and Dues

### *Policy Revisions*

#### Repeal Admissions Tax Exemptions for Various Venues

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 2,000,000            | 2,000,000            | 2,000,000           | 2,000,000           |

**Background:** The Admissions Tax is imposed at a rate of 6% of the admissions charge to motion picture shows and 10% of the admissions charge to any other place of amusement, entertainment or recreation. The Dues Tax is imposed at a rate of 10% of membership dues or initiation fees to any social, athletic or sporting club organization. Total Admissions and Dues taxes generated are approximately \$40 million annually distributed as follows: 1) \$5.6 million motion picture admission; 2) \$9.8 million other admissions; and 3) \$24.1 million dues.

**Legislative:** Eliminate state exemptions for XL Center, Webster Bank Arena in Bridgeport, Dunkin Donuts Park in Hartford, and New Britain Stadium. Section 627 of PA 17-2 JSS enacts this provision.

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## Health Provider

### *Policy Revisions*

#### Adjust Ambulatory Surgical Center Tax

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| (1,000,000)       | (1,000,000)       | -                    | -                    | 1,000,000           | 1,000,000           |

**Background:** A tax is imposed on the gross receipts of each ambulatory surgical center for each calendar quarter commencing on or after October 1, 2015. Gross receipts do not include net patient revenue of a hospital that is subject to the Hospitals Tax.

PA 15-244, the FY 16 and FY 17 budget, established the tax at a rate of 6% of total gross receipts but exempted the first one million dollars in gross receipts. In accordance with PA 16-3 of the May Special Session, the Office of Policy and Management conducted a study of the impact of the gross receipts tax on ambulatory surgical centers in consultation with the Department of Revenue Services. Included in this report, which was submitted February 1, 2017, the Secretary of the Office of Policy and Management recommended changes to the ambulatory surgical centers tax: 1) remove the current \$1 million exemption; 2) limit the tax to receipts from facility fees (as defined by federal regulations); and 3) disallow the use of URA tax credits against the tax.

**Governor:** Implement the recommendations of the Secretary of the Office of Policy and Management. Sections 42-51, 53 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enact these provisions. Repealing the exemption is estimated to result in a revenue gain of \$3 million, which is offset by a revenue loss of \$4 million due to the policy change of shifting the basis for the tax to 78% of net revenue the ambulatory surgical center receives from facility fees.

**Legislative:** Do not revise the Ambulatory Surgical Center Tax.

#### Modify Hospital Tax

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 343,900,000          | 343,900,000          | 343,900,000         | 343,900,000         |

**Background:** Federal law allows the state to levy a hospital user fee ( or hospital provider tax) on net patient revenue. Currently, the hospital user fee is levied at a rate of 6.0% on inpatient and outpatient net revenue in base year 2013. The fee applies to all non-governmental hospitals with the exception of the children's hospital, psychiatric hospitals and specialty hospitals. Certain financially distressed hospitals are also exempt from the fee on outpatient revenue. FY 17 total user fee assessed was approximately \$556 million.

In conjunction with the state's hospital user fee, Medicaid supplemental hospital payments have been made by the state to hospitals to partially offset the impact of the hospital user fee. The federal share is approximately 67% of the Medicaid supplemental payments; state Medicaid funding and the associated federal matching funds are used to support hospital supplemental payments. FY 17 total supplemental payments, including the small hospital pool were approximately \$117.5 million (state and federal share).

**Legislative:** Establish a formula for calculating the tax rate, based on the amount of tax revenue specified for the fiscal year. Sections 601-623 of PA 17-2 JSS as amended by Sections 1-10, 15 and 28 of PA 17-4 JSS, enact this change. PA 17-2 JSS assumes \$900 million in hospital provider tax revenue in both FY 18 and FY 19; an increase of \$343.9 million compared to FY 17.

## Miscellaneous Taxes

### Policy Revisions

#### Authorize DRS "Fresh Start" Tax Collection Initiative

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 5,000,000         | -                 | 5,000,000            | -                    | -                   | -                   |

**Governor:** Implement a Fresh Start initiative by the Department of Revenue Services (DRS) to improve voluntary tax compliance is anticipated to generate \$85 million in aggregate over the 2018-2019 biennium (\$60 million in FY 18 and \$25 million in FY 19). This is expected to impact collections of the Income, Sales and Use, Corporate and other taxes.

The initiative offers non-filers, under-reporters, or unregistered taxpayers incentives that include no penalties and interest discounted by 50% in exchange for self-reporting and paying their liability. The second component of the program is a compliance strategy that blends audit and collection activity that focuses on specific segments of the population with new tools and techniques to make it easier for taxpayers to become compliant.

Specifically, the initiative consists of the following activities: 1) extensive targeted taxpayer outreach and a limited general awareness promotional campaign; 2) transfer pricing recovery; 3) identification of non-filers; 4) compliance sweeps targeting unregistered and delinquent business taxpayers; 5) Sales and Use Tax desk audits driven by more frequent permit renewal; 6) expanded data matching and financial institutions records matching; and 7) tax resolution and payment under structured offers of compromise.

Section 2 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enacts provisions. Appropriations are provided to the DRS to carry out the initiative (\$1.65 million in FY 18 and \$350,000 in FY 19).

**Legislative:** Same as Governor. Section 656 of PA 17-2 JSS enacts this provision.

#### Re-examine Tax Expenditures

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | -                    | 10,000,000           | -                   | 10,000,000          |

**Background:** State law defines tax expenditures as any exemption, exclusion, deduction or credit created under the general statutes or a public act which results in less tax revenue to the state or municipalities than they would otherwise receive. Total tax expenditures across state funds and including municipalities are estimated to be approximately \$6.5 billion in FY 17.

**Legislative:** Require the Secretary of the Office of Policy and Management, in consultation with the revenue services and economic and community development commissioners to: 1) examine existing state tax expenditures; 2) identify priorities for such and other revenue sources the state can use to pay for these expenditures; and 3) by February 1, 2018, report their findings and recommendations to the Finance, Revenue and Bonding Committee. Section 658 of PA 17-2 JSS enacts this policy.

## Reflect Impact of Added Resources for Tax Enforcement

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 2,400,000            | 2,400,000            | 2,400,000           | 2,400,000           |

**Background:** In testimony presented to the Appropriations Committee, the Commissioner of DRS indicated that an increase in appropriations above the Governor's recommended level would yield additional state revenue beyond the revenue assumptions included in the Governor's recommended budget.

**Legislative:** Recognize an aggregate \$30 million revenue gain associated with the restoration of funding for DRS personnel across the Income, Sales and Use, Corporate and other taxes. Additional appropriations of \$1.2 million are provided to re-fill vacant audit, collections, enforcement and operations & management staff.

## Allow Rental Agreements to Include Itemized Charges or Fees

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | (200,000)            | (400,000)            | (200,000)           | (400,000)           |

**Background:** Pursuant to CGS Sec. 12-692, the state imposes a surcharge on certain car, truck, and machinery rentals (3% for cars/trucks and 1.5% for machinery) and requires rental companies to remit the portion of the surcharge collected during the calendar year that exceeds the amount paid in personal property tax and titling/registration fees for the rented vehicles and equipment. State revenue from this surcharge was approximately \$324,000 in FY 17.

**Legislative:** Eliminate the 3% rental surcharge on car and truck rentals. Instead, authorize rental companies to charge lessees (i.e., renters) individually itemized charges or fees as part of a rental agreement, including a vehicle cost recovery, airport access, or airport concession fee. These fees would be subject to the rental car Sales Tax rate of 9.35%. The net state revenue gain is estimated to be \$1.1 million annually (\$1.5 million revenue gain from the Sales Tax less \$400,000 revenue loss from elimination of the surcharge). Section 653 of PA 17-2 JSS enacts these provisions.

## Refunds of Taxes

### Policy Revisions

#### Adjust the \$200 Property Tax Credit

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 105,000,000       | 105,000,000       | 55,300,000           | 55,300,000           | (49,700,000)        | (49,700,000)        |

**Background:** CGS Sec. 12-704c provides a credit of up to \$200 against the Income Tax for personal and real property taxes paid by an eligible taxpayer on a primary residence or a motor vehicle. The credit is limited to two motor vehicles for joint filers and one motor vehicle for single, head of household, and married filing separate filers. The percentage value of the credit declines as income increases until it completely phases out.

The income level at which the percent reduction begins varies by filing status: single (\$49,501); married filing separately (\$35,251); head of household (\$54,501); and married filing jointly (\$70,501). The income levels at which tax payers are no longer eligible are as follows: single (\$109,500); married filing separately (\$65,250); head of household (\$114,500); and married filing jointly (\$130,500).

PA 06-186 increased the maximum property tax credit to \$500, which was subsequently reduced to \$300 by PA 11-6 and to \$200 by PA 15-244, along with changes to the income levels that qualified taxpayers for the credit.

The credit was claimed by 795,252 filers in 2016.

**Governor:** Eliminate the property tax credit starting from Income Year 2017. Section 60 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enacts this change.

**Legislative:** Temporarily (2017 and 2018 income years) limit eligibility for the \$200 property tax credit to people who (1) are age 65 or older before the end of the applicable income year or (2) validly claim at least one dependent on their federal income tax return for that year. Section 644 of PA 17-2 JSS enacts this provision.

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## Earned Income Tax Credit

### *Policy Revisions*

#### Reduce Earned Income Tax Credit

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 25,000,000        | 26,000,000        | 35,000,000           | 35,000,000           | 10,000,000          | 9,000,000           |

**Background:** CGS Sec. 12-214e provides a refundable state Earned Income Tax Credit (EITC) against the Personal Income Tax that is equal to a percentage of the federal credit.

PA 11-6, the FY 12 and FY 13 Budget, as amended by PA 11-1 JSS, established a refundable, state EITC against the Personal Income Tax that is equal to 30% of the federal EITC. This policy was effective upon passage and applicable to tax years starting on or after January 1, 2011. PA 13-184, the FY 14 and FY 15 Budget, temporarily reduced the state's EITC to 25% of the federal EITC in 2013 and 27.5% of the federal EITC in 2014. PA 15-244, the FY 16 and FY 17 Budget, extended the temporary rate of 27.5% of the federal EITC until the 2017 Income Year when it is scheduled to increase to 30%.

In 2016 the EITC was claimed by 193,593 filers.

**Governor:** Permanently reduce the EITC to 25% of the federal EITC beginning with the 2017 income year. Section 9 of SB 787, " AAC Revenue Items to Implement the Governor's Budget", enacts this provision.

**Legislative:** Permanently reduce the state EITC from 30% to 23% of the federal credit, applicable to tax years beginning on or after January 1, 2017. Section 645 of PA 17-2 JSS enacts this provision.

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## Transfer Special Revenue

### *Policy Revisions*

#### Achieve Efficiencies at the CT Lottery Corporation

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 1,000,000            | 1,000,000            | 1,000,000           | 1,000,000           |

**Background:** The Connecticut State Lottery Corporation (CLC) transfers net proceeds (total revenue less payouts for winning, commissions, administrative costs and statutory transfers) to the General Fund.

**Legislative:** Require the CLC to increase its transfer by \$1.0 million annually effectively through a reduction in administrative costs. Section 660 of PA 17-2 JSS enacts this requirement for the 2018-2019 biennium.

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# Licenses, Permits and Fees

## Policy Revisions

### Increase Municipal Recording Fee

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 1,739,264         | 1,739,264         | 1,200,000            | 1,739,264            | (539,264)           | -                   |

**Background:** Town clerks receive a \$3 fee for each document recorded in municipality land records - i.e., each time there is a transaction on a property record. Current law (CGS Sec. 7-34a) requires two-thirds of the fee to be given to the State Treasurer for deposit in the Historic Documents Preservation Account, which is separate from the General Fund. The preservation account funds the Historic Documents Preservation Program within the Connecticut State Library. The library then grants 70 percent of its fee share to municipalities.

The fee has remained at \$3 since its implementation with PA 00-146. In FY 16, there were 434,816 filings, which yielded \$260,980 in net revenue for the Historic Documents Preservation Account (after municipal grants were distributed) and \$1,043,559 for municipalities.

**Governor:** Increase the land records filing fee from \$3 to \$10, with \$4 of the fee transmitted to the General Fund. Of the remaining \$6, \$2 is directly retained by municipalities and \$4 is deposited within the Historic Documents Preservation Account. Seventy percent of preservation account revenue will continue to be granted to municipalities. Section 20 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enacts this change.

**Legislative:** Same as Governor. Section 665 of PA 17-2 JSS enacts this change, effective December 1, 2017.

### Increase State Fees to Cover Administrative Costs

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | 20,000,000        | -                    | 20,000,000           | -                   | -                   |

**Governor:** Require the Secretary of the Office of Policy and Management to recommend fee increases of up to 50% and not to exceed \$20 million in the aggregate, based on the costs of administering said fees according to analysis by department heads. Section 1 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enacts this provision.

**Legislative:** Same as Governor. Section 659 of PA 17-2 JSS enacts this provision.

### Adjust Gun Permit Fees

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 9,000,000         | 9,000,000         | -                    | -                    | (9,000,000)         | (9,000,000)         |

**Background:** CGS Sec. 29-30(a) establishes permit fees: 1) original issuance for the carrying of pistols and revolvers at \$140; 2) temporary state permit of \$70; and 3) renewal fee for the carrying of pistols and revolvers at \$70. The (non-temporary) permit fees are valid for five years.

**Governor:** Increase the state's gun permit fees for both initial and renewal to \$370 and \$300, respectively. the initial fee is increased from \$140 to \$370 and the renewal fee is increased from \$70 to \$300. Section 19 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enacts this provision.

**Legislative:** Do not revise gun permit fees.

## Adjust Cremation Certificate Fee

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 800,000           | 800,000           | -                    | -                    | (800,000)           | (800,000)           |

**Background:** CGS Sec. 19a-323(b) requires the estate of a deceased person to pay \$150 for a cremation certificate issued by the Office of the Chief Medical Examiner. This fee is anticipated to generate approximately \$2.4 million in FY 17.

**Governor:** Increase the cremation certificate fee from \$150 to \$200. Section 17 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enacts this provision.

**Legislative:** Do not revise cremation certificate fee.

## Implement Licensure of Urgent Care Centers

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 400,000           | -                 | 400,000              | -                    | -                   | -                   |

**Background:** The Department of Public Health (DPH) licenses Urgent Care Centers as "outpatient clinics" per CGS Sec. 19a-491(e), which is the same licensure category as a doctor's office, where the staff that operate the office are licensed individuals responsible for patient care. Every four years, DPH charges \$1,000 for the licensing and inspection of outpatient clinics that provide either medical or mental health services and well-child clinics, except those operated by municipal health departments, health districts, or licensed non-profit nursing or community health agencies. There are currently a total of 280 licensed outpatient clinics.

**Governor:** Define Urgent Care Centers in statute and require that they must all be licensed as outpatient clinics by 4/1/18. Allow the Department of Social Services (DSS) to establish payment rates for the Centers. Increase the timeline for outpatient clinic licensure and inspection from once every four (4) years to once every three (3) years. Associated revenue of approximately \$400,000 is anticipated in FY 18 and FY 21. Sections 3 and 4 of SB 797, "AA Implementing the Governor's Budget Recommendations for Public Health Programs," establish these provisions.

In parallel with this revenue item, General Fund support of \$126,995 (partial year) in FY 18 and \$137,534 (annualized) in FY 19 is provided within DPH for a full-time Health Program Associate, a half-time Supervising Nurse Consultant and a half-time Processing Technician to implement these changes. Associated fringe benefit support is provided under the State Comptroller.

**Legislative:** Same as Governor. Sections 674-675 of PA 17-2 JSS enact these changes.

## Establish a Safe Drinking Water State "Primacy" Assessment

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | 2,500,000         | -                    | 2,500,000            | -                   | -                   |

**Governor:** Require public water systems to become licensed, on or after July 1, 2018, in accordance with a staggered schedule promulgated by the Commissioner of Public Health.

Section 2 of SB 797, "AAC the Governor's Budget Recommendations for Public Health Programs," enacts this policy and defines public water systems as a water company that supplies drinking water to fifteen or more consumers or twenty-five or more persons daily at least sixty days of the year. The bill's provisions will apply to approximately 543 non-transient non community water systems and 523 community public water systems. The Commissioner must consult with the Secretary of the Office of Policy and Management (OPM) before adopting the schedule and establishing fees, both of which must be published on DPH's internet website. Community public water systems will be assessed based upon their number of service connections; they may collect the fee from their consumers on a pro-rata basis, based on the amount of water each consumes. Each community public water system and non-transient non-community public water system will be required to obtain a license that must be renewed every two years. State agencies would be exempted from this requirement.

The Governor's appropriations budget includes additional funding, approximately \$630,000 in FY 2018 and \$1.9 million in FY 2019, to address projected shortfalls in federal funds that support these efforts and implement the new license to operate program. Beginning in FY 2019, these costs will be offset by fee revenues. Connecticut will join the majority of other states that utilize fees and service charges to support public drinking water programs. Three positions have been added under DPH's budget to implement licensure of public water systems, and funding has been added under the Department of Administrative Services' budget to support costs of integrating this new program into the state's E-License system.

**Legislative:** Revenue same as Governor. Sections 676 and 677 of PA 17-2 JSS require that water companies that own community public water systems or non-transient non-community water systems to pay to DPH a "safe drinking water primacy assessment" in FY 19, exempting state agencies from the assessment and capping it at \$2.5 million. Community water system with 50 to 99 service connections will be assessed \$150, non-transient non-community water system and community water system with fewer than 50 service connections will be charged \$125, and community water system with 100 or more service will be assessed an amount set by the DPH commissioner, up to \$4 per service connection.

### Adjust Hospital Assessment to Support OCHA

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 100,000           | 100,000           | -                    | -                    | (100,000)           | (100,000)           |

**Background:** Per CGS Sec. 19a-631 and 632, each hospital annually pays to the Department of Public Health, for deposit in the General Fund, an amount equal to its share of the actual expenditures made by the Office of Health Care Access (OHCA) during each fiscal year, including the cost of fringe benefits for office personnel as estimated by the Comptroller.

The Governor's Executive Order No. 51, and later amended as No. 51A, established a Certificate of Need (CON) Task Force to undertake a review and analysis of the state's CON process and programs and determine if changes are necessary to ensure quality of care and access for all state residents and the preservation of an open and competitive health care market.

**Governor:** Revenue is associated with the recoupment of OHCA expenses through the hospital assessment.

The Governor's Recommended Budget provides new funding of \$133,299 in FY 18 (partial year) and \$144,407 in FY 19 (annualized) in the Department of Public Health to support two Health Care Analyst positions within OHCA to accommodate the expansion of monitoring and oversight over health care mergers and acquisitions (including enhanced post-transfer compliance) and to emphasize increased access and health equity. These changes implement findings of the CON task force included in SB 795, "An Act Establishing the Office of Health Strategy and Improving the Certificate of Need Program," (Sections 2-14 in particular).

**Legislative:** Do not reflect the revenue impact of changes in assessments.

### Reallocate Support for the Newborn Screening Program

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 3,100,000         | 3,100,000         | 3,100,000            | 3,100,000            | -                   | -                   |

**Background:** CGS Sec. 19a-55 requires that all newborns delivered in Connecticut be screened for selected genetic and metabolic disorders. PA 09-3 JSS increased the fee for newborn screening from \$28 per infant to \$56 per infant starting in FY 16. Historically, a portion of newborn screening revenue has been made available to DPH to cover the cost of screening (performed at the Katherine A. Kelley State Public Health Laboratory) pursuant to CGS Sec. 19a-55a. The remainder is deposited into the General Fund.

**Governor:** Shift program funding entirely to the General Fund. Redirect revenue from newborn screening fees from the non-appropriated Newborn Screening account to the General Fund. Section 37 of HB 7027, "AAC the State Budget for the Biennium Ending June 30, 2019, and Making Appropriations Therefor," enacts this provision. A corresponding increase of approximately \$2.9 million is made to appropriations in the Department of Public Health. The corresponding fringe benefit costs are approximately \$750,000 annually, and would be budgeted in the fringe benefit accounts of the Office of the State Comptroller.

**Legislative:** Same as Governor. Sections 678 and 728 of PA 17-2 JSS enact these changes.

## Adjust Transfer from Professional Assistance Program Account

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 1,000,000         | 700,000           | -                    | -                    | (1,000,000)         | (700,000)           |

**Background:** Sections 112 -135 of PA 15-244 increased the license renewal fees for various Department of Public Health (DPH)-licensed professionals by \$5 beginning in FY 16. The revenue generated by the increase was directed to a newly established professional assistance program account. Per CGS Sec. 19a-12c, moneys in the account were to be used by DPH for an assistance program (such as the one operated by the Health Assistance InterVention Education Network or HAVEN) for health care professionals who have a chemical dependency, emotional or behavioral disorder, or physical or mental illness. No such program has received this funding to date.

**Governor:** Eliminate revenue in the professional assistance program account. Section 36 of HB 7027, "AAC the State Budget for the Biennium Ending June 30, 2019, and Making Appropriations Therefor," transfers an estimated \$1 million FY 17 year-end balance from the professional assistance program account to the General Fund. Effective July 1, 2017 (FY 18), Section 68 of HB 7027 permanently repeals CGS Sec. 19a-12d, eliminating future deposits into the account from the \$5 increase in license renewal fees, estimated at approximately \$700,000 annually.

**Legislative:** Do not transfer funds from the professional assistance program account to the General Fund.

## Increase the State Fee for Criminal History Record Checks

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 2,600,000         | 2,600,000         | 1,700,000            | 2,600,000            | (900,000)           | -                   |

**Background:** Pursuant to CGS Sec. 29-11(c), the Commissioner of Emergency Services and Public Protection charges a \$50 fee for each of the following services: 1) fingerprint search; 2) personal record search; 3) letters of good conduct search; 4) bar association search; and 5) criminal history record information search. Separately, CGS Sec. 29-11(c) requires fees of \$36 for a name search and \$15 for fingerprinting. The provisions of this subsection shall not to any federal, state or municipal agency except for any costs incurred in conducting any name search and fingerprinting of applications for admission to the bar of the state, in which case payment must be made by the State Bar Examining Committee.

**Governor:** Section 18 of SB 787, " AAC Revenue Items to Implement the Governor's Budget," enacts these changes. Section 18 of SB 787, " AAC Revenue Items to Implement the Governor's Budget," enacts these changes.

**Legislative:** Same as Governor. Section 666 of PA 17-2 JSS enacts this change, effective December 1, 2017.

## Assign Certain Fee Revenues to Passport to Parks Account

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | (700,000)            | (2,900,000)          | (700,000)           | (2,900,000)         |

**Legislative:** Establish a non-appropriated account to fund the operation of state parks and campgrounds, soil and water conservation districts and environmental review teams, and beginning with FY 19, the Council on Environmental Quality. In order to provide revenue to the account, the following revenue streams are dedicated to it: 1) a new \$10 surcharge is established on motor vehicle registrations (passenger, motorcycle, motor home, combination, and antique), and \$5 for individuals over age 65; and 2) various revenue collected from state park operations, recreation-related services and campground and facility rentals. The Passport to Parks program allows in-state registered vehicles to enter state parks free of charge. Out-of-state park visitors would continue to pay for parking and camping. Sections 326-331 of PA 17-2 enact these changes, effective January 1, 2018.

Provided that the new \$10 surcharge on motor vehicle registrations is implemented effective January 1, 2018, the new Passport to Parks account is projected to have an operating surplus in both years of the 2018-2019 biennium that is sufficient to provide transfers to the General Fund in the amounts of \$2.6 million in FY 18 and \$5 million in FY 19. Section 696 of PA 17-2 JSS enacts these transfers.

## Authorize Daily Fantasy Sports Contests

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | -                    | 500,000              | -                   | 500,000             |

**Legislative:** Authorize fantasy sports contests, once (1) the current gaming agreements between the Mashantucket Pequot and Mohegan tribes and the state are amended to provide that conducting fantasy contests does not terminate the existing video facsimile (e.g., slots) moratorium or payments to the state, and (2) the amendments are approved by the state legislature and federal Department of the Interior.

Require fantasy sports operators to provide certain consumer protections to players and pay up to a \$15,000 registration fee and a 10.5% tax on gross receipts. Gross receipts means the total of all entry fees collected by an operator from all players, less the total amount paid out as prizes to players, attributable to Connecticut.

Sections 649-652 of PA 17-2 enact this policy.

## Establish a Fee for Auto Trade-Ins Payable by the Dealer

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 2,600,000            | 5,300,000            | 2,600,000           | 5,300,000           |

**Legislative:** Require the DMV commissioner to charge new and used car dealers \$35 for each used motor vehicle they accept as a trade-in when selling a new or used vehicle. The fee must be deposited in the General Fund. Section 667 of PA 17-2 JSS enacts this policy, effective December 1, 2017 and applicable to transactions occurring on or after that date.

## Impose a 25 cent Fee on Ridesharing Services

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 3,000,000            | 5,000,000            | 3,000,000           | 5,000,000           |

**Legislative:** Require Transportation Network Companies (TNC) such as Uber and Lyft to pay a 25-cent fee on each ride originating in Connecticut and requires that such fee revenue be deposited in the General Fund. Require TNCs to electronically file a return and remit the fees on a quarterly basis to the state Department of Revenue Services.

Section 654 of PA 17-2 JSS enacts this policy, effective January 1, 2018.

## Require Advance Payment of Casino Gross Gaming Revenues

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | -                    | 30,000,000           | -                   | 30,000,000          |

**Background:** PA 17-89 gave MMCT Venture LLC, a company jointly owned and operated by the Mashantucket Pequot and Mohegan tribes, the right to conduct authorized games at a new off-reservation commercial casino, once certain conditions are met (e.g., amending gaming agreements, with the amendments approved by the state legislature and federal Department of the Interior).

PA 17-89 also requires MMCT to pay the state 25% of its gross gaming revenue (e.g., slots and table games).

**Legislative:** Require MMCT Venture, LLC, by June 30, 2019, to provide an interest-free \$30 million advance to the state, which will be credited against required future monthly casino gross gaming revenue payments to the state. Such credit must be in an amount and manner as determined by an agreement between the OPM secretary and MMCT Venture, LLC. Section 655 of PA 07-2 JSS enacts this policy.

# Rentals, Fines and Escheats

## Policy Revisions

### Increase Deposit for Carbonated Bottles

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | 12,000,000        | -                    | -                    | -                   | (12,000,000)        |

**Background:** Pursuant to CGS Sec. 22a-244(a) every beverage container containing certain non-carbonated or carbonated beverages sold or offered for sale in the state must have a refund value of at least five cents.

**Governor:** Increase the bottle deposit for carbonated beverages only from five cents to ten cents. Section 3 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enacts this provision.

**Legislative:** Do not increase the bottle deposit.

### Increase Civil Penalties for Certain Healthcare Violations

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 300,000           | 300,000           | 300,000              | 300,000              | -                   | -                   |

**Background:** Per CGS Sec. 19a-527, a maximum fine of \$5,000 may now be imposed for a Class A violation, one deemed to present an immediate danger of death or serious harm to a patient. A maximum fine of \$3,000 may now be imposed for a Class B violation, which is associated with conditions other than Class A that are deemed to present a probability of death or serious harm in the reasonably foreseeable future to any patient. These amounts have not been adjusted in over 25 years.

**Governor:** Increase the maximum civil penalties that may be imposed upon a nursing home facility or a residential care home for serious violations of law or regulations. Section 1 of SB 797, "AA Implementing the Governor's Budget Recommendations for Public Health Programs," increases the maximum fines to \$20,000 and \$10,000, respectively, effective July 1, 2017. This will afford the commissioner of public health greater flexibility when responding to situations that place patients at risk. Increased annual revenues of approximately \$300,000 are expected.

**Legislative:** Same as Governor. Sections 234-235 of PA 17-2 JSS enact these provisions.

### Temporarily Freeze Inflation Adjustments for CEP Grants

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 1,400,000            | -                    | 1,400,000           | -                   |

**Background:** Chapter 157 of the CGS establishes the program, which provides grants to qualifying candidates for primary and general elections of statewide constitutional offices and the offices of state senator or representative. Revenue from the sale of abandoned property funds administration of the program and the grants themselves.

In accordance with CGS Sec. 3-69a, the annual amount of revenue diverted from the General Fund to support this program in FY 08 was \$17.3 million. In accordance with Public Act 11-6, the annual amount of revenue diverted from the General Fund to support this program in FY 12 was reduced to \$10.6 million. CGS Sec. 3-69a requires the diverted amounts in subsequent fiscal years to be adjusted for inflation: specifically, the Consumer Price Index for all urban consumers as published by the U.S. Department of Labor, Bureau of Labor Statistics.

In accordance with CGS Sec. 9-750, if funding pursuant to CGS Sec. 3-69a is insufficient to fully fund grants for qualifying candidates, then a portion of the revenues from the tax imposed under chapter 208 (the Corporation Business Tax) equal to the amount of the insufficiency, shall also be diverted from the General Fund to the Citizens' Election Fund.

**Legislative:** For elections held in 2018, freezes inflation adjustments to CEP grants, requiring that the State Elections Enforcement Commission (SEEC) resume adjustments in 2020 and 2022 for legislative and statewide office candidates, respectively. Section 270 of PA 17-2 JSS enacts this provision.

## Miscellaneous

### Policy Revisions

#### Adjust State Charge for Supervision of Constables

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 200,000           | 200,000           | -                    | -                    | (200,000)           | (200,000)           |

**Background:** Current law (CGS Sec. 29-5(a)) permits towns to contract for Resident State Police services that includes supervision of constabularies at no extra charge. Such town or towns and the Commissioner of Emergency Services and Public Protection are authorized to enter into agreements and contracts for such police services, with the approval of the Attorney General, for periods not exceeding two years.

**Governor:** Establish a surcharge of \$750 per constable supervised by a Resident State Trooper. Section 19 of HB 7051, "AA Implementing the Governor's Budget Recommendations for General Government," enacts this change.

**Legislative:** Do not adjust the state charge for supervision of constables.

#### Adjust Charge for Resident State Trooper Services

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 1,500,000         | 1,500,000         | -                    | -                    | (1,500,000)         | (1,500,000)         |

**Background:** Resident State Trooper services currently are billed to municipalities at 85% of total cost for the first two troopers and 100% for additional troopers and any overtime costs. CGS Sec. 29-5(a) governs the reimbursement rates for Resident State Troopers.

**Governor:** Increase the charge to towns for all Resident State Trooper services to 100% of the total cost per trooper. Section 19 of HB 7051, "AA Implementing the Governor's Budget Recommendations for General Government," enacts this change.

**Legislative:** Do not adjust the state charge to municipalities for Resident State Trooper services.

#### Adjust Funding to Provide Full Pension Contribution

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 407,600,000       | 420,900,000       | -                    | -                    | (407,600,000)       | (420,900,000)       |

**Background:** The Connecticut Teachers' Retirement System (TRS) provides retirement benefits for Connecticut public school teachers. Historically, the state has appropriated the "employer share" of the TRS annual required contribution in the Retirement Contribution account of the Teachers' Retirement Board agency budget. Additionally, debt service costs on the \$2.3 Billion Teachers' Pension Obligation Bonds issued in April 2008 are appropriated to an account in Debt Service - State Treasurer.

The June 30, 2106 actuarial valuation set the Actuarially Determined Employer Contribution (ADEC) for the Teachers' Retirement System (TRS) of \$1,290,429,000 in FY 18 and \$1,332,368,000 FY 19. Payment of the full contribution is required by both statute (CGS 10-183z) and the Bond Covenant for the Pension Obligation Bonds issued pursuant to PA 07-186.

**Governor:** Require towns to contribute one-third of the municipal cost for teachers' pensions. Towns must reimburse the state by December 31st annually. Section 27 of HB 7050, "AAC Enhancements to Municipal Finance and Accountability," enacts this change. Positive General Fund state revenues are recorded in the Miscellaneous other revenues category which are offset entirely by a Transfer

out of the General Fund to the Teachers' Retirement System. Corresponding reductions are made to the state General Fund appropriation to the Teachers' Retirement System.

**Legislative:** Do not charge municipalities. Instead, PA 17-2, JSS Section 586 increases the teachers' mandatory regular contribution by 1% point from 6% to 7% on and after January 1, 2018. The teachers' mandatory contributions are deposited into the Teachers' Retirement Fund. Section 587 requires the Teachers' Retirement Board to: (1) request a revised actuarial valuation establishing the state's annual required contribution for FY 18 and FY 19 based on the 1% point increase in the mandatory contribution required in Section 586 and (2) certify to the General Assembly the revised retirement contribution for FY 18 and FY 19. Savings of \$18 million in FY 18 and \$38 million in FY 19 associated with this provision have been reflected in the FY 18 and FY 19 budget as "targeted savings" lapse. The revised actuarial valuation, completed in November, resulted in a state retirement contribution savings of \$19.4 million in FY 18 and \$40.1 million in FY 19.

### Implement Auditor's Recommendations re: DAS Collections

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 4,500,000            | 4,500,000            | 4,500,000           | 4,500,000           |

**Legislative:** Reflect a plan by the state Department of Administrative Services (DAS) to collect more money owed to the state from decedent estates, recipients of unearned income from lawsuits, personal injury insurance claims and inheritances. In particular, the Auditor's report indicated DAS missed the opportunity to open an estimated 9,000 insurance claim cases. No additional resources are provided for implementation of this plan.

### Divert Settlement Revenues for Indigent Legal Counsel Pilot

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | (400,000)            | (400,000)            | (400,000)           | (400,000)           |

**Background:** Each year the Office of the Attorney General generates state revenue for the General Fund by entering into global civil settlements. On average between FY 11 and FY 16, approximately \$19 million annually from global civil settlements has been deposited as unrestricted revenues into the state's General Fund.

**Legislative:** Establish a one-year pilot program, from July 1, 2018 to June 30, 2019, in one judicial district selected by the chief court administrator to provide indigent individuals with access to legal counsel in civil proceedings involving an application for relief from abuse (i.e., civil restraining order). The program is limited to individuals who (1) successfully demonstrate indigence to the judicial branch's contracted provider or the Department of Public Defender Services (DPDS), as appropriate, and (2) have civil restraining order proceedings pending in the participating district. Require the attorney general, during each of FY 18 and FY 19, to transfer \$200,000 each to the judicial branch and the DPDS. Sections 150-151 of PA 17-2 JSS enact these changes.

### Reflect PURA Settlement with PALMCO Power, CT

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 5,000,000            | -                    | 5,000,000           | -                   |

**Background:** Under a settlement agreement announced by the Office of the Attorney General on August 17, 2017, the state Public Utilities Regulatory Authority (PURA) approved a settlement agreement with the electric supply company Palmco Power CT, LLC in which Palmco agreed to pay \$5.0 million to the state of Connecticut and relinquish its electric supplier license for a period of five years. The settlement resolves an investigation initiated in February 2015 regarding Palmco's business practices. PURA opened the investigative proceeding following a large number of consumer complaints against the company.

According to the AG's announcement, "Evidence from the PURA proceeding showed that, from January 2011 to October 2015, Palmco systematically and repeatedly deceived consumers by providing false and misleading information about the company's rates and engaged in a pattern of abusive sales tactics. Through door-to-door marketing and telemarketing efforts, sales agents often switched consumers to Palmco without authorization, impersonated utility employees and falsely guaranteed savings. In addition, sales agents inaccurately described how the customer's variable rate prices were determined."

Under the terms of the settlement, Palmco did not admit liability but has agreed to two voluntary payments totaling \$5 million to state of Connecticut.

**Legislative:** Reflect the Palmco Power CT settlement revenue as an additional amount beyond the baseline assumption for settlements included in the May 1, 2017 Consensus Revenue projections. No legislation is required.

## Reflect Settlement with General Motors Auto Co.

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 2,900,000            | -                    | 2,900,000           | -                   |

**Background:** On October 19, 2017, the Office of the Attorney General announced that Connecticut had joined with 48 other states and the District of Columbia in a \$120.0 million settlement with General Motors Company (GM) to resolve allegations that the company concealed safety issues related to ignition-switch defects in certain GM vehicles. On November 30, 2017, the state received \$3,206,587 in total, of which \$350,000 will be deposited into the Attorney General's Consumer Protection Fund and the remainder will go to the General Fund.

**Legislative:** Reflect the GM settlement revenue as an additional amount beyond the baseline assumption for civil settlements included in the May 1, 2017 Consensus Revenue projections. No legislation is required.

## Federal Grants

### *Policy Revisions*

#### Reflect the Federal Revenue Impact of State Appropriations

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| 35,000,000        | 40,300,000        | 483,800,000          | 519,000,000          | 448,800,000         | 478,700,000         |

**Background:** Changes to appropriations in certain line items impact federal reimbursements which are treated as General Fund revenues.

**Governor:** Reflect net appropriations changes to certain line items per Section 1 of HB 7027, "AAC the State Budget for the Biennium Ending June 30, 2019, and Making Appropriations Therefor," makes these changes to appropriations.

**Legislative:** Reflect net appropriations changes to certain line items.

## Transfer from Tobacco Settlement

### *Policy Revisions*

#### Adjust Tobacco Settlement Funds for the THTF

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | 1,000,000         | 6,000,000            | 6,000,000            | 6,000,000           | 5,000,000           |

**Background:** The purpose of the Tobacco Health Trust Fund (THTF) is to create a continuing significant source of money to: 1) support and encourage programs to reduce tobacco abuse through prevention, education and cessation, 2) support and encourage program development for substance abuse reduction; and 3) develop and implement programs to meet the state's unmet physical and mental health needs. A THTF Board of Trustees was established pursuant to Section 15 of PA 00-216 to select programs to receive money from the Fund. the Board's selection, per CGS Sec. 4-28f, must be submitted to the Appropriations and Public Health Committees for authorization. The THTF receives an annual, statutory disbursement from the Tobacco Settlement Fund (STF) as well as any TSF revenue that exceeds the total statutory disbursements from the TSF. PA 15-244, the FY 16 and FY 17 budget, temporarily suspended the scheduled statutory disbursements and permanently reduced the scheduled disbursements from \$12 million annually to \$6 million annually beginning in FY 18.

**Governor:** Divert from the THTF to the General Fund \$1 million of the scheduled \$6 million in FY 19. Section 34 of HB 7027, "AAC the State Budget for the Biennium Ending June 30, 2019, and Making Appropriations Therefor," enacts this policy.

**Legislative:** Suspend THTF deposits for the 2018-2019 biennium. Section 663 of PA 17-2 JSS enacts this provision.

## Suspend Tobacco Fund Transfer to Smart Start Account

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 10,000,000           | 10,000,000           | 10,000,000          | 10,000,000          |

**Background:** Beginning in FY 16 through FY 25, statute transfers \$10 million annually from the Tobacco Settlement Fund to the Smart Start non-appropriated account within the Office of Early Childhood to support the Smart Start program, which provides grants to towns for operational costs associated with preschool classrooms. The FY 17 year-end balance in the non-appropriated account was \$5.8 million. Of that total, \$2 million is to be transferred to the State Department of Education to fund implementation of the Kindergarten Entrance Inventory that Section 51 of PA 15-244 requires. It is estimated that the Smart Start program will cost approximately \$3.3 million to operate each year in FY 18 and FY 19.

**Legislative:** Section 664 of PA 17-2 JSS suspends the transfer to the Smart Start non-appropriated account during the 2018-2019 biennium. The remaining FY 17 year-end balance in the account is sufficient to fully fund the program in FY 18 but not FY 19. Instead, the 2018-2019 Biennial Budget provides a General Fund appropriation of \$3.25 million to the Office of Early Childhood in FY 19 to continue to operate the program.

## Transfers From/To Other Funds

### Policy Revisions

#### Adjust Funding to Provide Full Pension Contribution

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| (407,600,000)     | (420,900,000)     | -                    | -                    | 407,600,000         | 420,900,000         |

**Background:** The Connecticut Teachers' Retirement System (TRS) provides retirement benefits for Connecticut public school teachers. Historically, the state has appropriated the "employer share" of the TRS annual required contribution in the Retirement Contribution account of the Teachers' Retirement Board agency budget. Additionally, debt service costs on the \$2.3 Billion Teachers' Pension Obligation Bonds issued in April 2008 are appropriated to an account in Debt Service - State Treasurer.

The June 30, 2106 actuarial valuation set the Actuarially Determined Employer Contribution (ADEC) for the Teachers' Retirement System (TRS) of \$1,290,429,000 in FY 18 and \$1,332,368,000 FY 19. Payment of the full contribution is required by both statute (CGS 10-183z) and the Bond Covenant for the Pension Obligation Bonds issued pursuant to PA 07-186.

**Governor:** Require towns to contribute one-third of the municipal cost for teachers' pensions. Towns must reimburse the state by December 31st annually. Section 27 of HB 7050, "AAC Enhancements to Municipal Finance and Accountability," enacts this change. Positive General Fund state revenues are recorded in the Miscellaneous other revenues category which are offset entirely by a Transfer out of the General Fund to the Teachers' Retirement System. Corresponding reductions are made to the state General Fund appropriation to the Teachers' Retirement System.

**Legislative:** Do not charge municipalities. Instead, PA 17-2, JSS Section 586 increases the teachers' mandatory regular contribution by 1% point from 6% to 7% on and after January 1, 2018. The teachers' mandatory contributions are deposited into the Teachers' Retirement Fund. Section 587 requires the Teachers' Retirement Board to: (1) request a revised actuarial valuation establishing the state's annual required contribution for FY 18 and FY 19 based on the 1% point increase in the mandatory contribution required in Section 586 and (2) certify to the General Assembly the revised retirement contribution for FY 18 and FY 19. Savings of \$18 million in FY 18 and \$38 million in FY 19 associated with this provision have been reflected in the FY 18 and FY 19 budget as "targeted savings" lapse. The revised actuarial valuation, completed in November, resulted in a state retirement contribution savings of \$19.4 million in FY 18 and \$40.1 million in FY 19.

### Suspend Sales Tax Transfer to MRSA

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| (340,100,000)     | (349,000,000)     | -                    | -                    | 340,100,000         | 349,000,000         |

**Background:** The Sales Tax diversion to the Municipal Revenue Sharing Account (MRSA) was reinstated under PA 15-244; however, subsequent legislation delayed the transfer to FY 16 (beginning May 2016) at a 0.3% transfer rate.

PA 16-2 MSS suspended the transfer for FY 17 and swept the balance of MRSA from the FY 16 transfers. Instead the Act provided a transfer out of the Resources of the General Fund to the temporary Municipal Revenue Sharing Fund for FY 17 only. Under the Act, the transfer to MRSA was to restart on July 1, 2017 at a 0.5% rate.

**Governor:** Permanently repeal the Sales Tax diversion equal to 0.5% to the Municipal Revenue Sharing Account. Instead, provide appropriations in amounts that are equivalent to the estimates of the 0.5% Sales Tax diversion contained in the consensus revenue projections of January 15, 2016. Sections 41, 50-60 of HB 7027, "AAC the State Budget for the Biennium Ending June 30, 2019, and Making Appropriations Therefor," enact these changes.

**Legislative:** Temporarily suspend the revenue diversion for FY 18 and FY 19. Sections 637-638 of PA 17-2 JSS enact this change.

### Suspend Amortization of the Historical GAAP Deficit

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 57,500,000           | 57,500,000           | 57,500,000          | 57,500,000          |

**Background:** The historical Generally Accepted Accounting Principles (GAAP) deficit is \$727.5 million and must be extinguished by FY 28. In order to amortize the deficit, a portion of General Fund revenues is set aside each year. Based on the total amounts to be amortized and the separate amortization schedules for the FY 13 and FY 14 GAAP deficits, \$57.5 million must be set aside annually in order to amortize the deficit by FY 28 in equal increments.

Sections 5-6 of PA 17-51 changed how the state determines the amount it must amortize each year. Prior law required the state to amortize the GAAP deficits in equal increments so that they were fully paid by FY 28. The act instead requires the OPM secretary to annually publish recommended schedules to fully amortize the balances by the FY 28 deadline. But for FYs 17-19, the act deems that \$1 is appropriated for paying off the deficits.

**Legislative:** Suspend amortization of the historical GAAP deficit during the 2018-2019 biennium in accordance with PA 17-51. For illustrative purposes, in order to amortize the remaining debt in equal increments beginning in FY 20, the annual revenue set aside would need to be \$75.4 million rather than \$57.5 million.

### Authorize OPM to Implement Additional Fund Sweeps

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | -                    | 20,000,000           | -                   | 20,000,000          |

**Background:** The concept of "Fund Sweeps" generally encompasses non-recurring transfers of fund balance or revenue from non-appropriated accounts or other appropriated funds to the General Fund.

**Legislative:** Allow the Secretary of the Office of Policy and Management to transfer up to \$20 million to the General Fund's resources from the Fund's non-appropriated accounts that do not receive (1) gifts, grants, or donations from public or private sources or (2) other revenues from individuals to support a particular interest or purpose. Section 657 of PA 17-2 JSS enacts this policy.

### Reduce Transfer to Pequot and Mohegan Fund

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 500,000              | 8,100,000            | 500,000             | 8,100,000           |

**Background:** The Mashantucket Pequot Mohegan Fund receives a portion of casino gaming revenue received by the State. The Pequot Fund appropriation reduces the amount of casino revenues that are otherwise deposited into the General Fund. The appropriation provides grants to towns.

Funds are distributed to towns on the following basis: 1) \$20 million is distributed such that each municipality receives one-third of the additional amount a municipality would have received as a State-Owned Property PILOT payment had that grant been funded at \$85.3 million. No municipality may receive less than \$1,677 under this provision; 2) \$20.1 million, pro-rated based on each municipality's Colleges & Hospitals PILOT payment; and 3) \$35 million based on a statutory property tax relief formula.

The following provisions also effect distribution of Pequot payments: (1) \$5.5 million is distributed among the cities of Bridgeport, Hamden, Hartford, Meriden, New Britain, New Haven, New London, Norwalk, Norwich, Waterbury, and Windham, (2) "Host town" payments of \$750,000 each are made to Ledyard, Montville, Norwich, North Stonington and Preston, (3) \$1.6 million is distributed evenly to towns in the Southeastern Connecticut Council of Governments and to any distressed municipality in the Northeastern Connecticut Council of Governments or the Windham Area Council of Governments and (4) 28 towns receive an amount set by statute in lieu of an amount determined by formula.

**Legislative:** Reduce the transfer from the General Fund to the Pequot and Mohegan Fund in order to reflect spending policies to: 1) reduce funding to various town grants (PILOT & Pequot) in order to preclude any town from receiving an increase in state aid from any of these grants; and 2) distribute a municipal lapse (savings) target.

### Transfer from CHEFA

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 900,000              | 900,000              | 900,000             | 900,000             |

**Background:** The quasi-governmental state agency Connecticut Health and Educational Facilities Authority (CHEFA) provides non-profit institutions access to low cost financing in the public municipal markets. CHEFA currently has \$8.4 billion in bonds outstanding. CHEFA's operating revenues (derived primarily from administrative fees) have exceeded operating expenses by approximately \$4 million in each of the last three fiscal years through FY 17.

Operating surpluses have been used over time to build CHEFA's net position to \$14 million while supporting grants to approximately 40 CHEFA clients and other non-client social services agencies to provide shelter, food and healthcare-related services. Funding for these grants has been reduced as recent state budgets have included transfers from CHEFA to help balance the General Fund. Grants totaled \$3 million in FY 15 but have been reduced to \$1.1 million in FY 17 as transfers to the General Fund of \$3.5 million in FY 16 and \$4.375 million in FY 17 were put into place. The FY 17 transfers include a budgeted amount of \$3.5 million and an additional transfer of \$875,000 per Section 8 of the FY 17 Deficit Mitigation Act (PA 17-51).

**Legislative:** Transfer \$900,000 from CHEFA to the General Fund in each year of the 2018-2019 biennium. Section 686 of PA 17-2 JSS enacts this policy.

### Transfer from Banking Fund to General Fund

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 11,200,000           | 9,200,000            | 11,200,000          | 9,200,000           |

**Background:** The Banking Fund is supported by assessments and fees by depository institutions supervised by the Department of Banking. Funds are used primarily for the ongoing operation of the Department of Banking and also for programs in the Labor Department, Department of Housing and Judicial Department.

The fund had an operating surplus of approximately \$4 million in FY 17 and the fund balance at the close of FY 17 was approximately \$500,000: \$2 million less a carry forward appropriation of \$1.5 million. The 2016-2017 Biennial Budget included transfers of \$7 million each year from the Banking Fund to the General Fund. In addition, Section 52 of PA 17-51 (the FY 17 Deficit Mitigation Act) transferred \$4 million from the Banking Fund.

**Legislative:** Transfer \$11.2 million in FY 18 and \$9.2 million in FY 19 from the Banking Fund to the General Fund. Section 687 of PA 17-2 JSS enacts the transfers.

Additional Banking Fund revenue, estimated to be \$5.2 million annually, is attributable to a permanent fee increase of \$25 for broker-dealers, investment advisers, and their agents, who transact business in Connecticut. The fee is due upon application and renewals on 12/31. Sections 668-670 of PA 17-2 JSS enact these fee increases.

### Transfer from Community Investment Act Account

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 5,000,000            | 5,000,000            | 5,000,000           | 5,000,000           |

**Background:** The Community Investment Account (CIA) provides funding for: 1) agricultural sustainability; 2) historic preservation; 3) municipal Open Space grants; and 4) various other agricultural activities, including grants to non-profit organizations. The account is funded through land use recording fees (the account receives \$26 of every \$30 recording fee imposed with municipalities retaining \$4). The account was established by PA 05-3 and does not lapse funds. On a quarterly basis funds are distributed according to a schedule under CGS 4-66aa.

Total CIA program revenue in was \$19 million in FY 15 but declined to \$14.3 million in FY 16 and \$8.4 million in FY 17 as revenue was diverted to help balance the General Fund budget. Section 93 of PA 15-244, the FY 16 and FY 17 budget, diverted 50% of quarterly payments associated with the CIA from January 1, 2016 through June 30, 2017, estimated to be \$6.75 million in FY 16 and \$13.5 million in FY 17.

**Governor:** Transfer \$5.0 million in each year of the 2018-2019 biennium. Section 697 of PA 17-2 JSS enacts these transfers.

### Transfer from Correctional Enterprises Account

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 1,000,000            | -                    | 1,000,000           | -                   |

**Background:** Correction Enterprises of CT (CEC) is a self-sustaining fund that provides programs for inmate employment and vocational education skill development by offering a work setting within institutional walls that replicates private industries. CEC operates eight programs within four correctional facilities across the state. Products and services offered by CEC includes license plates, clothing and textiles, furniture refinishing and upholstery, custom metal fabrication, trash liners, graphic arts and printing. The CEC fund supports 41 full time employees and over 390 inmate workers. The FY 17 Deficit Mitigation Act (PA 17-51) transfers \$1.125 million from this fund to the General Fund.

**Legislative:** Transfer \$1 million from the correctional enterprises account, administered by the Department of Correction to the General Fund for FY 18. Section 691 of PA 17-2 JSS enacts this policy.

### Transfer from CT Energy Efficiency Fund

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 63,500,000           | 63,500,000           | 63,500,000          | 63,500,000          |

**Background:** The Energy Efficiency or Conservation and Load Fund helps residents, businesses, and institutions reduce the amount of energy they use. The state's electric utility companies administer the fund with approval of the state Department of Public Utility Control. Revenues of approximately \$162 million are generated annually by a 6-mil "Energy Efficiency" charge per kWh on electric bills.

**Legislative:** Transfer \$63.5 million from the Energy Conservation and Load Management Fund to the General Fund in each year of the 2018-2019 biennium. Section 683 of PA 17-2 JSS enacts this policy.

### Transfer from Correctional Commissaries Account

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 1,000,000            | -                    | 1,000,000           | -                   |

**Background:** The Commissary sells and delivers products each week to the Department of Correction inmates. The products sold include health and beauty aids, over the counter medications, snack and other food items, certain clothing, and footwear and electronic products. The sales from these products are designed to generate sufficient income to pay for the cost of goods, supplies and salaries directly related to this self-supporting program. This fund supports the salaries of fifty full time employees and over 120 inmate workers. The FY 17 Deficit Mitigation Act (PA 17-51) transfers \$1.125 million from this fund to the General Fund.

**Legislative:** Transfer \$1.0 million from the correctional commissaries account, administered by the Department of Correction to the General Fund for FY 18. Section 690 of PA 17-2 JSS enacts this policy.

### Transfer from EdNet Account

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 1,000,000            | -                    | 1,000,000           | -                   |

**Background:** The EdNet program was initiated in 2000 to help ensure that Connecticut's schools and libraries are prepared to meet the computer and information technology needs of the 21st Century. The Governor charged Lt. Governor M. Jodi Rell with making recommendations for inclusion in the Governor's Budget package for the 2000 legislative session. The Department of Administrative Services administers the program. Average annual revenues to the program were approximately \$1.5 million between Fiscal Years 2011 and 2016.

**Legislative:** Transfer to the General Fund. Section 692 of PA 17-2 JSS enacts the transfer.

### Transfer from Emissions Enterprise Fund

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 1,500,000            | -                    | 1,500,000           | -                   |

**Background:** This separate fund is used to operate the statewide system to enforce emissions standards. Revenues to support the program are derived primarily from a budgeted transfer from the Special Transportation Fund and inspection fees pursuant to CGS Sec. 14-164m. In FY 17, for example, Fund revenues were as follows: 1) \$1.7 million from inspection late fees, 2) \$6.5 million budgeted transfer in, and 3) \$24,000 fees and penalties per CGS Sec. 14-164c, and 4) \$51,000 investment income. The FY 18 beginning balance is approximately \$5 million. FY 17 total fund expenditures were \$6.8 million.

Section 53 of PA 17-51 (the Deficit Mitigation Act) transferred \$3 million from the Emissions Enterprise Fund to the General Fund in FY 17.

**Legislative:** Transfer \$1 million to the General Fund. Section 688 of PA 17-2 JSS enacts the transfer. In addition, reduce the STF transfer to the emissions fund by \$1 million each year. (This change reflected in a separate entry.)

## Transfer from Green Bank

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 14,000,000           | 14,000,000           | 14,000,000          | 14,000,000          |

**Background:** The Connecticut Green Bank ("the Green Bank"), formerly the Clean Energy Finance and Investment Authority ("CEFIA"), was established by the Governor and Connecticut's General Assembly on July 1, 2011, through Public Act 11-80 as a quasi-public agency that supersedes the former Connecticut Clean Energy Fund. As the nation's first state "Green Bank", the Connecticut Green Bank leverages public and private funds to accelerate the growth of green energy in Connecticut.

The 2014-2015 Biennial Budget included transfers from CEFIA to the General Fund in the amounts of \$6.2 million (FY 14) and \$19.2 (FY 15). CEFIA's net position at the end of FY 15 was \$109.4 million. The Green Bank's net position at the end of FY 16 was \$127.4 million with a cash balance of \$40 million.

Primary sources of revenue for the Green Bank include the 1 mill per kWh Renewables or "Clean Energy" charge on electric ratepayers' bills which generates approximately \$27.0 million annually, RGGI auction proceeds and energy system sales.

**Legislative:** Transfer \$14.0 million (approximately half the "Clean Energy" charge revenue) from the Green Bank to the General Fund in each year of the 2018-2019 biennium. Section 685 of PA 17-2 JSS enacts the transfers. In addition to this transfer, RGGI auction proceeds are transferred to the General Fund separately.

## Transfer from Passport to Parks Account

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 2,600,000            | 5,000,000            | 2,600,000           | 5,000,000           |

**Legislative:** Establish a non-appropriated account to fund the operation of state parks and campgrounds, soil and water conservation districts and environmental review teams, and beginning with FY 19, the Council on Environmental Quality. In order to provide revenue to the account, the following revenue streams are dedicated to it: 1) a new \$10 surcharge is established on motor vehicle registrations (passenger, motorcycle, motor home, combination, and antique), and \$5 for individuals over age 65; and 2) various revenue collected from state park operations, recreation-related services and campground and facility rentals. The Passport to Parks program allows in-state registered vehicles to enter state parks free of charge. Out-of-state park visitors would continue to pay for parking and camping. Sections 326-331 of PA 17-2 enact these changes, effective January 1, 2018.

Provided that the new \$10 surcharge on motor vehicle registrations is implemented effective January 1, 2018, the new Passport to Parks account is projected to have an operating surplus in both years of the 2018-2019 biennium that is sufficient to provide transfers to the General Fund in the amounts of \$2.6 million in FY 18 and \$5 million in FY 19. Section 696 of PA 17-2 JSS enacts these transfers.

## Transfer from Probation Transition-Technical Violation Acct.

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 8,300,000            | -                    | 8,300,000           | -                   |

**Background:** Revenue is generated by the phone system used by inmates in correctional facilities. Funds are used to support a specialized unit of probation officers who supervise probationers who are transitioning out of a correctional facility or have a technical violation. Over the last two completed fiscal years (FY 16 and FY 17), annual revenues are \$6.1 million and annual expenditures are \$3.25 million on average. Section 43 of PA 17-51 (the Deficit Mitigation Act) transferred \$4 from the account to the General Fund. The FY 18 beginning fund balance was \$7.8 million.

**Legislative:** Transfer \$8.3 million from the Probation Transition Technical Violation Account to the General Fund in FY 18. Section 693 of PA 17-2 JSS enacts this transfer.

## Transfer from Judicial Department Technology Fund

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 100,000              | 100,000              | 100,000             | 100,000             |

**Background:** The Judicial Department retains a portion (5%) of revenues generated by certain filing fees in order to partially support the Department's technological initiatives. Annual revenues retained by the Judicial Department are approximately \$500,000.

Transfers from the account to the General Fund have been made in FY 16 and FY 17 in the amounts of \$1 million and \$925,000, respectively. The FY 18 beginning balance is \$160,000.

**Legislative:** Transfer \$100,000 to the General Fund in each year of the 2018-2019 biennium. Section 695 of PA 17-2 JSS enacts the transfers.

## Transfer from Public Utility Control Fund to General Fund

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 2,500,000            | -                    | 2,500,000           | -                   |

**Background:** The Consumer Counsel and Public Utility Control Fund supports the operations of: (1) the Office of the Consumer Counsel, (2) the Connecticut Siting Council, and (3) the energy branch at the Department of Energy and Environmental Protection, including the Public Utilities Regulatory Authority. The revenue source is an assessment on regulated public utility entities (electric, gas, water and cable), based on the percentage of the public service companies' tax paid by the entity. The assessments are levied by each agency on the entities it regulates. In FY 17, fund revenues exceeded fund expenditures by \$3 million. Fund balance at the close of FY 17 was \$8.3 million. The last transfer (\$2.3 million) from the PUC Fund to the General Fund occurred in FY 13.

**Legislative:** Transfer \$2.5 million to the General Fund in FY 18. Section 684 of PA 17-2 JSS enacts the transfer.

## Transfer from Regional Greenhouse Gas Initiative Acct.

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 10,000,000           | 10,000,000           | 10,000,000          | 10,000,000          |

**Background:** The Regional Greenhouse Gas Initiative (RGGI) is a regional interstate "cap and trade" program to reduce greenhouse gas emissions. The program subjects the region's power plants to a declining cap on the amount of CO<sub>2</sub> they can emit and requires them to purchase emission allowances at quarterly auctions. Those that exceed the cap may also buy credits from those that do not.

The proceeds from the auction sales fund energy efficiency and renewable energy programs. Quarterly auction proceeds are distributed approximately as follows: 69% to conservation and load management programs that the electric utilities administer; 23% for renewables programs that the CT Green Bank administers; and 7.5% to cover program dues and program administration by the CT DEEP. The FY 17 revised budget transferred \$3.3 million from the proceeds of the RGGI auction occurring on or after January 1, 2017. Annual RGGI auction proceeds have declined from a total of \$32.5 million in FY 14 to \$13.7 million in FY 17.

**Legislative:** Transfer \$10 million annually from the RGGI auction proceeds to the General Fund during the 2018-2019 biennium. Section 682 of PA 17-2 JSS enacts these transfers.

## Transfer from School Bus Seat Belt Account

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 2,000,000            | 2,000,000            | 2,000,000           | 2,000,000           |

**Background:** The School Seatbelt account was established under PA 10-83 which requires the Department of Motor Vehicles (DMV) to administer a program to help pay for school buses. The funding comes from a \$50 deposit of the total fee associated with restoring an operator's license or registration which is \$175. No expenditures have been made under the program since it was established, and it has been swept repeatedly. For example, Section 55 of PA 17-51 (the FY 17 Deficit Mitigation Act), transferred \$865,000 from the account. Annual revenues are approximately \$2 million.

**Legislative:** Section 52 of PA 17-2 JSS enacts the transfer. Section 52 of PA 17-2 JSS enacts the transfer.

### Transfer from Technical Services Revolving Fund

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 3,000,000            | -                    | 3,000,000           | -                   |

**Background:** The Technical Services Revolving Fund is administered by the state Department of Administrative Services (DAS) to manage statewide billing for IT services. The FY 17 year end cash balance of the fund was \$7.4 million.

**Legislative:** Transfer \$3 million to the General Fund. Section 689 of PA 17-2 JSS enacts the transfer.

### Transfer from Tobacco Litigation Settlement Account

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 5,000,000            | -                    | 5,000,000           | -                   |

**Background:** On May 29, 2013, the Office of the Attorney General (OAG) announced that Connecticut had joined 21 other states in a partial settlement with the major tobacco companies of a dispute dating from 2006 regarding payments to the states under the 1998 tobacco Master Settlement Agreement (MSA). The settlement fully resolves claims for sales years from 2003 through 2014. Highlights of the complex agreement include the following: 1) Connecticut would receive a percentage of future disputed payments in addition to its regular annual MSA payments; and 2) for sales years after 2014, Connecticut would accept somewhat broadened tobacco enforcement responsibilities under the MSA to include enforcement regarding certain illegal contraband cigarette sales which have been the subject of dispute between the manufacturers and the states. A portion of the settlement was transferred to a non-lapsing account to fund enforcement activity related to the agreement by the Department of Revenue Services and the OAG. The FY 18 beginning balance of the Tobacco Litigation Settlement Account was \$15.1 million.

**Legislative:** Transfer \$5.0 million from the Tobacco Litigation Settlement Account to the General Fund in FY 18. Section 694 of PA 17-2 JSS enacts the transfer.

### Transfer FY 2018 Resources to FY 2019

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | (17,800,000)         | 17,800,000           | (17,800,000)        | 17,800,000          |

**Legislative:** Credit FY 18 budgeted surplus to FY 19. Section 698 of public act 17-2 JSS enacts this provision.

**FY 18 and FY 19 Special Transportation Fund Revenue Schedule**  
(in thousands)

|  | January<br>Consensus<br>FY 18 \$ | Governor<br>Policies \$ | Governor<br>FY 18<br>Revenue<br>\$ | Consensus<br>Update<br>(April) \$ | April<br>Consensus<br>FY 18 \$ | Legislative<br>Policies \$ | Legislative<br>FY 18<br>Revenue \$ |
|--|----------------------------------|-------------------------|------------------------------------|-----------------------------------|--------------------------------|----------------------------|------------------------------------|
| <b>Taxes</b>                             |                                  |                         |                                    |                                   |                                |                            |                                    |
| Motor Fuels                              | 506,800                          | -                       | 503,700                            | (1,500)                           | 505,300                        | -                          | 505,300                            |
| Oil Companies                            | 278,800                          | (7,000)                 | 261,400                            | -                                 | 278,800                        | (7,000)                    | 271,800                            |
| Sales Tax - STF                          | 340,100                          | -                       | 59,002                             | (12,300)                          | 327,800                        | -                          | 327,800                            |
| Sales Tax DMV                            | 89,200                           | -                       | 90,300                             | (1,200)                           | 88,000                         | -                          | 88,000                             |
| Refunds of Taxes                         | (12,600)                         | -                       | (18,300)                           | -                                 | (12,600)                       | -                          | (12,600)                           |
| <b>Total Taxes</b>                       | <b>1,202,300</b>                 | <b>(7,000)</b>          | <b>896,102</b>                     | <b>(15,000)</b>                   | <b>1,187,300</b>               | <b>(7,000)</b>             | <b>1,180,300</b>                   |
| <b>Other Sources</b>                     |                                  |                         |                                    |                                   |                                |                            |                                    |
| Motor Vehicle Receipts                   | 254,000                          | -                       | 261,800                            | (2,200)                           | 251,800                        | -                          | 251,800                            |
| Licenses, Permits and Fees               | 143,400                          | -                       | 141,500                            | -                                 | 143,400                        | 1,000                      | 144,400                            |
| Interest Income                          | 9,500                            | -                       | 8,500                              | -                                 | 9,500                          | -                          | 9,500                              |
| Federal Grants                           | 12,100                           | -                       | 12,100                             | -                                 | 12,100                         | -                          | 12,100                             |
| Transfers From/To Other Funds            | (6,500)                          | -                       | (6,500)                            | -                                 | (6,500)                        | 1,000                      | (5,500)                            |
| Refunds of Payments                      | (3,900)                          | -                       | (6,500)                            | (200)                             | (4,100)                        | -                          | (4,100)                            |
| <b>Total Other Sources</b>               | <b>408,600</b>                   | <b>-</b>                | <b>410,900</b>                     | <b>(2,400)</b>                    | <b>406,200</b>                 | <b>2,000</b>               | <b>408,200</b>                     |
| <b>Total Special Transportation Fund</b> | <b>1,610,900</b>                 | <b>(7,000)</b>          | <b>1,307,002</b>                   | <b>(17,400)</b>                   | <b>1,593,500</b>               | <b>(5,000)</b>             | <b>1,588,500</b>                   |

|  | January<br>Consensus<br>FY 19 \$ | Governor<br>Policies \$ | Governor<br>FY 19<br>Revenue<br>\$ | Consensus<br>Update<br>(April) \$ | April<br>Consensus<br>FY 19 \$ | Legislative<br>Policies \$ | Legislative<br>FY 19<br>Revenue \$ |
|--|----------------------------------|-------------------------|------------------------------------|-----------------------------------|--------------------------------|----------------------------|------------------------------------|
| <b>Taxes</b>                                 |                                  |                         |                                    |                                   |                                |                            |                                    |
| Motor Fuels                                  | 507,600                          | -                       | 507,600                            | (1,500)                           | 506,100                        | -                          | 506,100                            |
| Oil Companies                                | 308,000                          | (7,800)                 | 300,200                            | -                                 | 308,000                        | (7,000)                    | 301,000                            |
| Sales Tax - STF                              | 349,000                          | -                       | 349,000                            | (13,600)                          | 335,400                        | -                          | 335,400                            |
| Sales Tax DMV                                | 90,100                           | -                       | 90,100                             | (1,300)                           | 88,800                         | -                          | 88,800                             |
| Refunds of Taxes                             | (14,100)                         | -                       | (14,100)                           | -                                 | (14,100)                       | -                          | (14,100)                           |
| <b>Total Taxes</b>                           | <b>1,240,600</b>                 | <b>(7,800)</b>          | <b>1,232,800</b>                   | <b>(16,400)</b>                   | <b>1,224,200</b>               | <b>(7,000)</b>             | <b>1,217,200</b>                   |
| <b>Other Sources</b>                         |                                  |                         |                                    |                                   |                                |                            |                                    |
| Motor Vehicle Receipts                       | 256,000                          | -                       | 256,000                            | (2,200)                           | 253,800                        | -                          | 253,800                            |
| Licenses, Permits and Fees                   | 144,200                          | -                       | 144,200                            | -                                 | 144,200                        | 1,000                      | 145,200                            |
| Interest Income                              | 10,400                           | -                       | 10,400                             | -                                 | 10,400                         | -                          | 10,400                             |
| Federal Grants                               | 12,100                           | -                       | 12,100                             | -                                 | 12,100                         | -                          | 12,100                             |
| Transfers From/To Other Funds                | (6,500)                          | -                       | (6,500)                            | -                                 | (6,500)                        | 1,000                      | (5,500)                            |
| Refunds of Payments                          | (4,100)                          | -                       | (4,100)                            | (200)                             | (4,300)                        | -                          | (4,300)                            |
| <b>Total Other Sources</b>                   | <b>412,100</b>                   | <b>-</b>                | <b>412,100</b>                     | <b>(2,400)</b>                    | <b>409,700</b>                 | <b>2,000</b>               | <b>411,700</b>                     |
| <b>Total Special Transportation<br/>Fund</b> | <b>1,652,700</b>                 | <b>(7,800)</b>          | <b>1,644,900</b>                   | <b>(18,800)</b>                   | <b>1,633,900</b>               | <b>(5,000)</b>             | <b>1,628,900</b>                   |

## Policies Details - Special Transportation Fund

### Oil Companies

#### *Policy Revisions*

#### Set Aside Petroleum Gross Earnings Taxes on Aviation Fuel

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| (7,000,000)       | (7,800,000)       | (7,000,000)          | (7,800,000)          | -                   | -                   |

**Background:** The Petroleum Products Gross Earnings (PGET or Oil Companies) Tax is levied at a statutory rate of 8.1% on the gross earnings from the first sale of companies distributing petroleum products in Connecticut. Petroleum products include but are not limited to gasoline, aviation fuel, kerosene, diesel fuel, number 2 heating oil, greases, lubricants, mineral oils and motor oil. Several exemptions exist. In addition, Since April 3, 2012, the Petroleum Products Gross Earnings Tax is capped at \$3.00 per gallon on the first sale of gasoline and gasohol. Petroleum products distributors are required to calculate the tax at a \$3.00 per gallon even if the price exceeds said amount and any consideration received by the distributor in excess of \$3.00 is exempt from tax.

Under current law 100% of collections under PGET are deposited into the Special Transportation Fund, which supports the state departments of transportation and motor vehicles. Through the State Department of Transportation and Office of the State Comptroller (Fringe Accounts), the state provides annual subsidies of approximately \$4.2 million to the Connecticut Aviation Authority, which is a system of airports including Bradley and five general aviation airports located as follows: 1) Danielson, 2) Brainard, 43) Oxford, 4) Groton and 5) Windham. The state subsidy covers annual operating losses by the system of approximately \$3.7 million. Approximately 14 state employees staff the general aviation airports with another 9 full-time equivalent positions at Bradley providing administrative and other support to the general aviation airports.

A clarification ruling in November 2014 by the Federal Aviation Administration requires the state to divert any tax revenues from aviation fuel above a certain level to support airport-related purposes. Specifically, any taxes above the state tax rate of 2% in effect upon passage of the federal Airport and Airway Improvement Act of 1982 must be diverted. As a result of this clarification, the state must remit 6.1% of future tax collections resulting from purchases of aviation fuel to airport-related purposes.

**Governor:** Establish the "Connecticut Airport and Aviation Account" as a separate, non-lapsing account within the Grants and Restricted Accounts Fund. To adhere to a Federal Aviation Association ruling which requires that any taxes on aviation fuel must be used for aviation purposes, a transfer of aviation related Oil Companies tax, above a grandfathered rate of 2%, will be deposited into the newly created Connecticut Airport and Aviation Account. Moneys within the fund can only be spent on airports and aviation related purposes. Section 23 of SB 787, "AAC Revenue Items to Implement the Governor's Budget," enacts this change.

**Legislative:** Same as Governor

## Licenses, Permits and Fees

### *Policy Revisions*

#### Modify Fees for Highway Right-Of-Way Encroachment

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 1,000,000            | 1,000,000            | 1,000,000           | 1,000,000           |

**Background:** Current law requires the commissioner to adopt regulations establishing "reasonable fees" for all state highway right-of-way encroachment permit applications. The commissioner may exempt municipalities from these fees. Existing law does not define what constitutes a major traffic generator, but state regulations specify that a development qualifies as such if it has (1) 200 or more parking spaces or (2) a gross floor area of at least 100,000 square feet (Conn. Agencies Regulations 14-312-1)

**Legislative:** Require the DOT commissioner, by January 1, 2018, to set fees for certain applications for highway right-of way encroachment permits to mirror the fees the Massachusetts DOT charges for similar permits; and eliminate the commissioner's authority to adopt regulations setting fees for other highway right-of-way encroachment permit applications. As under existing law, the commissioner may adopt regulations setting reasonable fees for certificates of operation for open air theaters, shopping centers, and other developments generating a large volume of traffic, provided the fees do not exceed 125% of the estimated administrative costs related to the application.

Section 673 of PA 17-2 JSS enacts this policy.

## Transfers From/To Other Funds

### *Policy Revisions*

#### Update Transfer to the Emissions Enterprise Fund

| Governor<br>FY 18 | Governor<br>FY 19 | Legislative<br>FY 18 | Legislative<br>FY 19 | Difference<br>FY 18 | Difference<br>FY 19 |
|-------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| -                 | -                 | 1,000,000            | 1,000,000            | 1,000,000           | 1,000,000           |

**Background:** This separate fund is used to operate the statewide system to enforce emissions standards. Revenues to support the program are derived primarily from a budgeted transfer from the Special Transportation Fund and inspection fees pursuant to CGS Sec. 14-164m. In FY 17, for example, Fund revenues were as follows: 1) \$1.7 million from inspection late fees, 2) \$6.5 million budgeted transfer in, and 3) \$24,000 fees and penalties per CGS Sec. 14-164c, and 4) \$51,000 investment income. The FY 18 beginning balance is approximately \$5 million. FY 17 total fund expenditures were \$6.8 million.

Section 53 of PA 17-51 (the Deficit Mitigation Act) transferred \$3 million from the Emissions Enterprise Fund to the General Fund in FY 17.

**Legislative:** Reduce the annual STF transfer to the emissions fund from \$6.5 million to \$5.5 million. Section 671 of PA 17-2 JSS enacts this permanent reduction. In addition, transfer \$1 million to the General Fund in FY 18. (This change reflected in a separate entry.)

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## VII. CAPITAL BUDGET

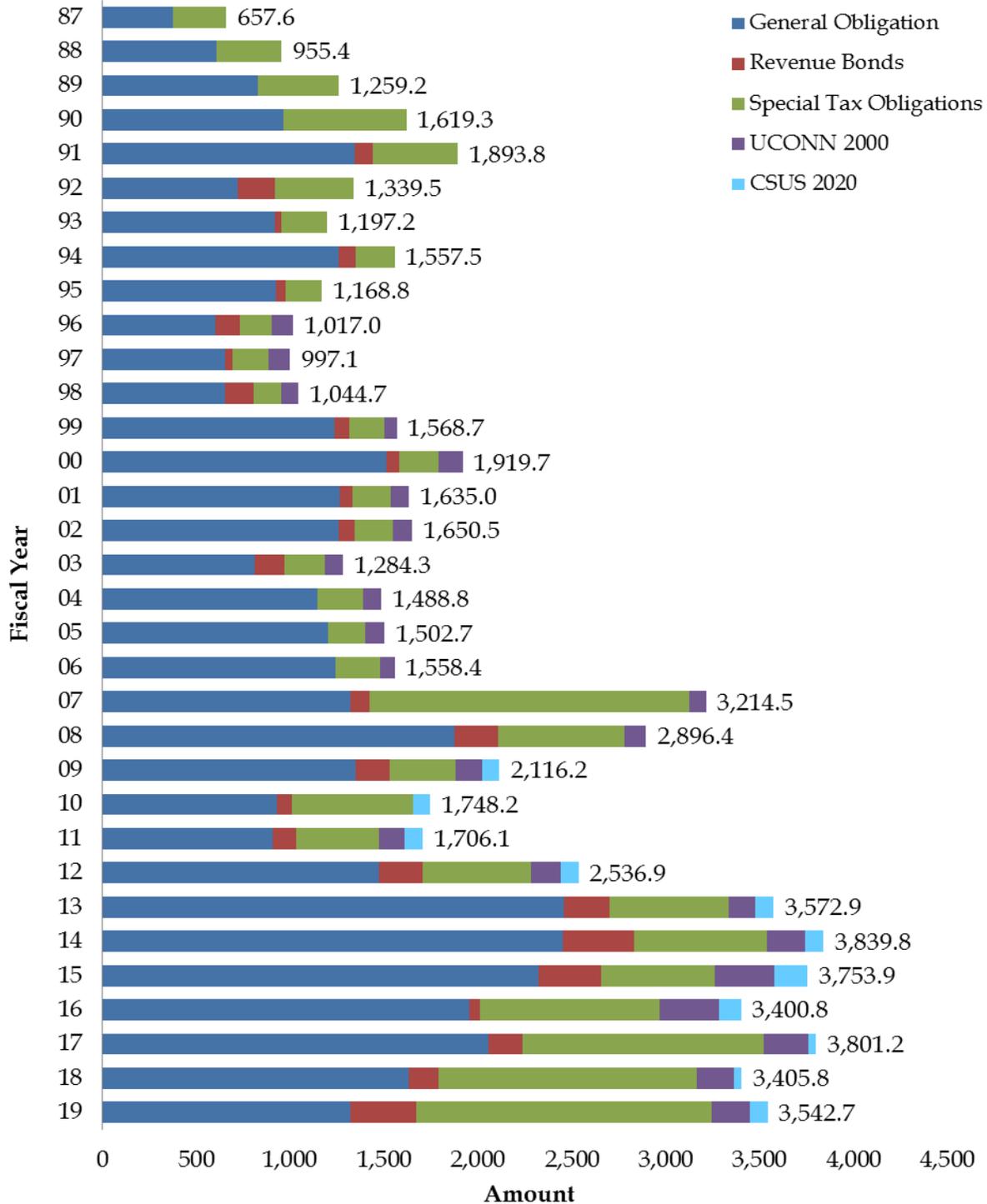
### Summary

The FY 18 and FY 19 budget includes a net increase of \$1,612.3 million of General Obligation (GO) bonds for FY 18 and \$1,618.0 million for FY 19, \$158.2 million of Clean Water Fund Revenue (CWF) bonds for FY 18 and \$350.3 million for FY 19, and \$1,372.0 million in Special Tax Obligation (STO) bonds for FY 18 and \$1,574.4 million for FY 19.

### Newly Effective Bond Authorizations (in millions)

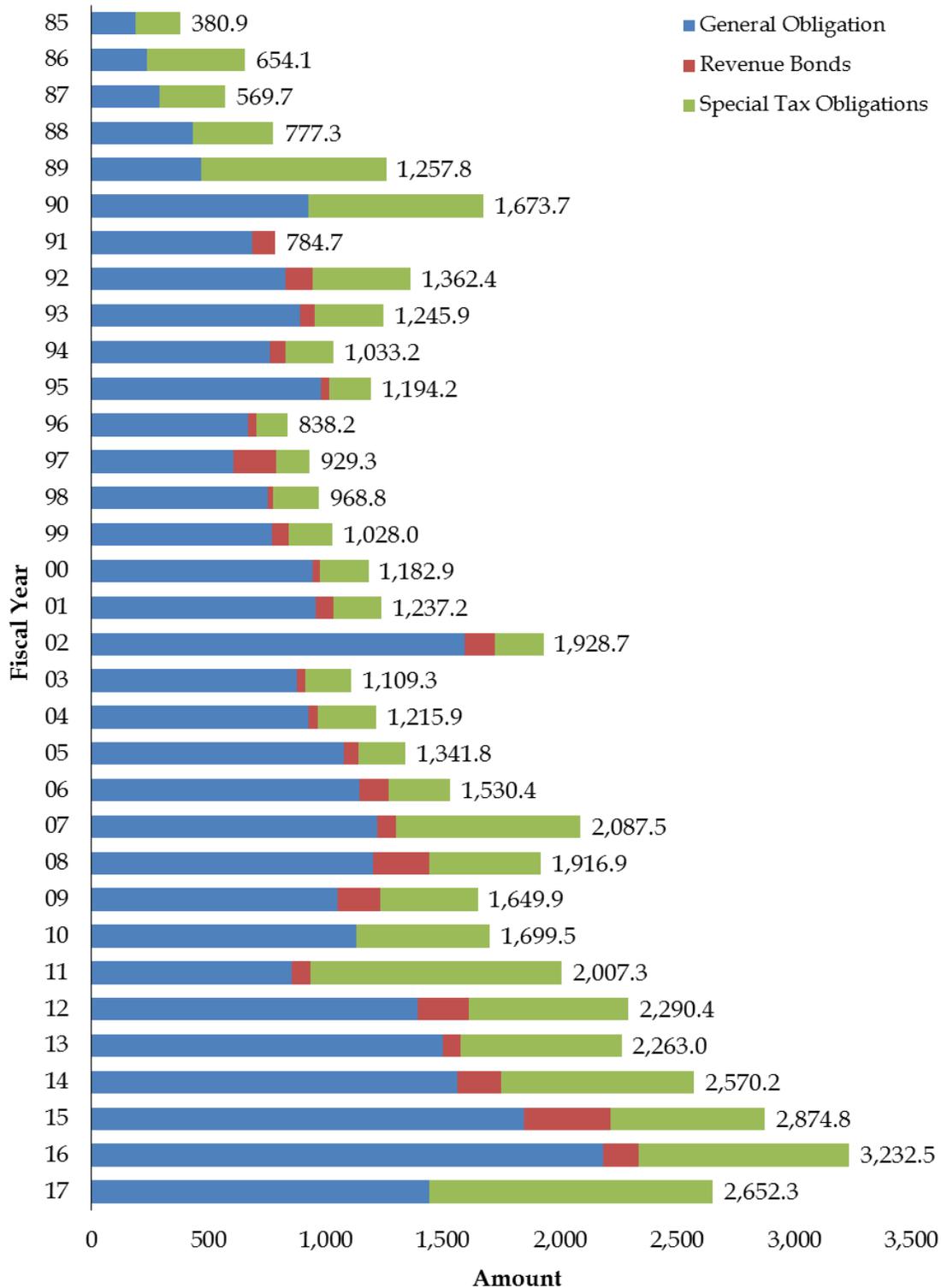
| Item   | FY 18 \$       | FY 19 \$       |
|--|----------------|----------------|
| <b>General Obligation (GO) Bonds (General Fund)</b>                      |                |                |
| New GO Authorizations  | 1,604.8        | 1,295.5        |
| Cancellations/Reductions   | (263.3)        | -              |
| <b>General Obligation Bonds Authorized in Prior Legislative Sessions</b> |                |                |
| <b>Prior Total</b>   | <b>506.3</b>   | <b>403.5</b>   |
| Revised General Obligation Bonds Authorizations                          |                |                |
| UConn 2000/Next Generation   | 200.0          | 200.0          |
| CSCU 2020  | 40.0           | 95.0           |
| Connecticut Bioscience Innovation Fund                                   | 15.0           | 15.0           |
| Connecticut Bioscience Collaboration Program (Jackson Lab)               | 15.8           | 12.5           |
| Smart Start Competitive Grant Program                                    | -              | -              |
| Regenerative Medicine Research Fund                                      | -              | -              |
| <b>Revised Total</b>   | <b>270.8</b>   | <b>322.5</b>   |
| <b>Reduction to Prior Authorizations</b>                                 | <b>(235.5)</b> | <b>(81.0)</b>  |
| <b>Net Total General Obligation Bonds Effective Per Year</b>             | <b>1,612.3</b> | <b>1,618.0</b> |
| <b>Revenue Bonds</b>   |                |                |
| Clean Water Fund Revenue Bonds   | 158.2          | 350.3          |
| <b>Special Tax Obligation Bonds (Transportation Fund)</b>                |                |                |
| New STO Authorizations   | 820.3          | 824.6          |
| STO Bonds Authorized in Prior Legislative Sessions                       | 551.7          | 749.8          |
| <b>Net STO Bonds (Transportation Fund)</b>                               | <b>1,372.0</b> | <b>1,574.4</b> |
| <b>NET TOTAL GO, STO, AND REVENUE BONDS</b>                              | <b>3,142.6</b> | <b>3,542.7</b> |

**FY 87 - FY 19 Legislative Bond Authorizations**  
(in millions)<sup>1</sup>



<sup>1</sup>Does not include cancellations of prior bond authorizations. The FY 94 total includes \$252.1 million authorized in September 1993 for the construction of a stadium in Hartford. This authorization was subsequently repealed by Section 101 of PA 94-2. The FY 99 total includes \$274.4 million authorized in December 1999 for the construction of the Patriots stadium in Hartford. The authorization was subsequently repealed by Section 65 of PA 99-241.

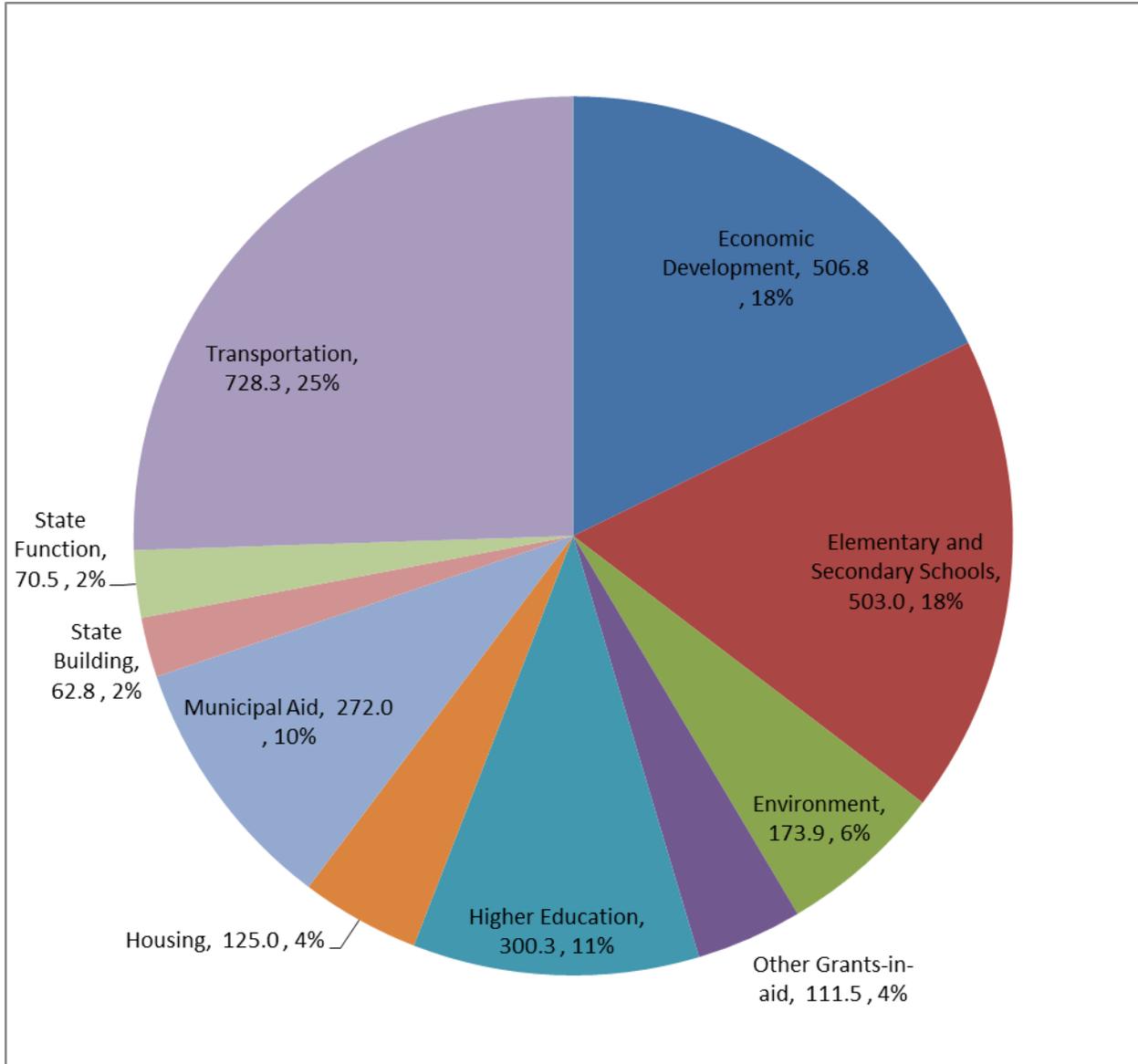
## FY 84 - FY 17 Bond Commission Allocations (in millions)<sup>1</sup>



<sup>1</sup>Bonds authorized for UConn 2000 and CSCU 2020 infrastructure improvement programs are only included in first year that the State Bond Commission allocated the funds because legislation only requires that the Commission approve the master resolution. The UConn 2000 program began in FY 96 and the CSCU 2020 program began in 2009.

**General, Revenue, and Special Tax Obligation  
Bond Authorizations**  
(in millions)

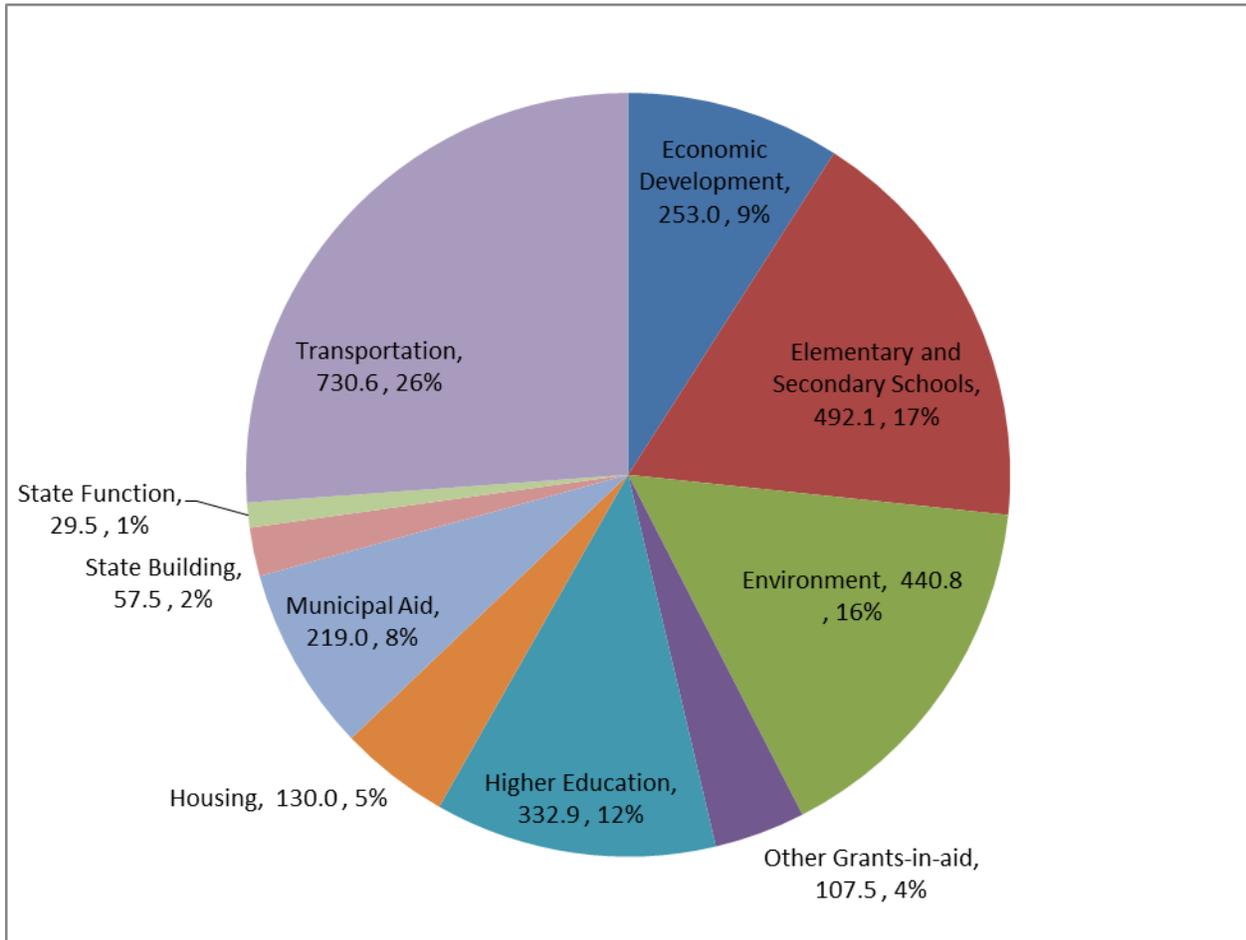
**FY 18 Increases: \$2,854.1<sup>1</sup>**



<sup>1</sup>Does not include cancellation of prior bond authorizations.

**General, Revenue, and Special Tax Obligation  
Bond Authorizations**  
(in millions)

**FY 19 Increases: \$2,792.9<sup>1</sup>**



<sup>1</sup>Does not include cancellation of prior bond authorizations.

### **Statutory Debt Limit**

The state's level of General Fund indebtedness for FY 18<sup>1</sup> was \$21.9 billion as of October 25, 2017, which is approximately 88.06% of the statutory limit. As the table on the following page shows, the range between 1998 and 2018 has been from 70.2% (FY 12) to 90% (FY 03). The FY 17 level of 88.06% is 1.94 percentage points or \$482 million away from the 90% level. If the 90% level is reached, a trigger provision in CGS Sec. 2-27b would require the Governor to review each bond authorization for which no obligations have yet been incurred and recommend priorities for repealing them to the Finance, Revenue and Bonding Committee. The committee would consider the recommendations and propose whatever legislation it concluded was necessary to repeal any of the authorizations.

### **Description of the Debt Limit**

CGS Sec. 3-21 imposes a ceiling<sup>2</sup> on the total amount of General Obligation bonds the General Assembly may authorize. The limit is 1.6 times total General Fund tax receipts (net of refunds) projected by the Finance, Revenue and Bonding Committee for the fiscal year in which the bonds are authorized (see calculation below). The statute prohibits the General Assembly from authorizing any additional General Fund-supported debt, except what is required to meet cash flow needs or emergencies resulting from natural disasters, when the aggregate amount of outstanding debt and authorized but unissued debt exceed this amount. Certain types of debt are excluded from the statutory debt limit calculation, including: (1) debts incurred for federally reimbursable public works projects, (2) assets in debt retirement funds, (3) debt incurred in anticipation of revenue, (4) debt incurred to fund General Fund budget deficits and (5) some other purposes. (Examples of excluded debt are tax incremental financing bonds, Special Transportation General Obligation bonds, Bradley Airport revenue bonds, Clean Water Fund revenue bonds, Connecticut Unemployment revenue bonds, Economic Recovery Notes and Teachers' Retirement Fund Pension Obligation Bonds).

The statute requires the Office of the State Treasurer to certify that any bill authorizing bonds does not violate the debt limit, before the General Assembly may vote on the bill. A similar certification is required before the state Bond Commission can authorize any new bonds to be issued. Under the provisions of CGS Sec. 2-27b, the State Treasurer is also required to compute the state's aggregate bonded indebtedness each January 1 and July 1.

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<sup>1</sup>The estimate is based on the FY 18 revenue estimates adopted by the Finance, Revenue and Bonding Committee on October 25, 2017.

<sup>2</sup>Between FY 75 and FY 92, the state debt limit was 4.5 times the net General Fund tax receipts received during the previous fiscal year that ended not less than three, or more than 15 calendar months prior to such issuance. The current calculation method has been used since FY 93.

The Certificate of State Indebtedness issued by the Office of the State Treasurer on October 25, 2017 indicated the following:

| <b>Certificate of State Indebtedness</b>                 | <b>Amount \$</b>   |
|--|--------------------|
| FY 18 limit on General Obligation bonds                  | 24,879,040,000     |
| FY 18 net General Obligation bond indebtedness           | 21,908,851,615     |
| Debt incurring margin                                    | 2,970,188,385      |
| <b>FY 18 net indebtedness as a percent of debt limit</b> | <b>88.06%</b>      |
| <b>Capacity remaining before 90% limit</b>               | <b>482,284,385</b> |

The table below shows the level of state indebtedness between FY 98 and FY 18.

**State Debt Limitation from FY 98 to FY 18**  
(in thousands)

| <b>Fiscal Year</b> | <b>Statutory Debt Limitation \$</b> | <b>Aggregate Indebtedness (Adjusted) \$</b> | <b>Debt Incurring Margin \$</b> | <b>Indebtedness as % of Debt Limitation</b> |
|--------------------|-------------------------------------|---|---------------------------------|---|
| 1998               | 10,905,280                          | 9,069,716                                   | 1,835,564                       | 83.2%                                       |
| 1999 <sup>1</sup>  | 11,578,400                          | 9,446,584                                   | 2,131,816                       | 81.6%                                       |
| 2000               | 12,521,280                          | 10,547,655                                  | 1,973,625                       | 84.2%                                       |
| 2001               | 12,967,840                          | 11,189,658                                  | 1,778,182                       | 86.3%                                       |
| 2002               | 14,006,720                          | 11,599,614                                  | 2,407,106                       | 82.8%                                       |
| 2003 <sup>1</sup>  | 13,116,000                          | 11,805,771                                  | 1,310,229                       | 90.0%                                       |
| 2004 <sup>1</sup>  | 13,116,000                          | 11,796,826                                  | 1,319,174                       | 89.9%                                       |
| 2005 <sup>2</sup>  | 15,105,760                          | 12,868,871                                  | 2,236,889                       | 85.2%                                       |
| 2006               | 16,728,640                          | 13,230,649                                  | 3,497,991                       | 79.1%                                       |
| 2007               | 17,411,520                          | 13,919,490                                  | 3,492,030                       | 79.9%                                       |
| 2008               | 19,925,120                          | 14,702,079                                  | 5,223,041                       | 73.8%                                       |
| 2009               | 20,753,760                          | 15,384,452                                  | 5,369,308                       | 74.1%                                       |
| 2010               | 17,484,160                          | 15,574,796                                  | 1,909,364                       | 89.1%                                       |
| 2011               | 17,477,440                          | 15,108,155                                  | 2,369,285                       | 86.4%                                       |
| 2012               | 22,430,560                          | 15,736,430                                  | 6,694,130                       | 70.2%                                       |
| 2013               | 23,408,800                          | 17,314,059                                  | 6,094,741                       | 74.0%                                       |
| 2014 <sup>2</sup>  | 22,934,400                          | 18,969,159                                  | 3,965,241                       | 82.7%                                       |
| 2015               | 23,865,440                          | 20,692,332                                  | 3,173,108                       | 86.7%                                       |
| 2016               | 25,138,504                          | 21,520,230                                  | 3,618,274                       | 85.6%                                       |
| 2017               | 24,831,840                          | 21,866,033                                  | 2,945,806                       | 88.1%                                       |
| 2018 <sup>3</sup>  | 24,879,040                          | 21,908,851                                  | 2,970,188                       | 88.1%                                       |

<sup>1</sup>The revenue estimates used in FY 03 and FY 04 were provided by the Office of Policy and Management because the legislature did not adopt revised FY 03 estimates.

<sup>2</sup>The FY 05 figure is based on revised revenue estimates adopted by the Finance, Revenue and Bonding Committee on June 28, 2004. The FY 14 figure is based on revised revenue estimates adopted on June 21, 2013.

<sup>3</sup>The FY 18 figure is based on revenue estimates adopted on October 25, 2017.

**FY 18 and FY 19 General Obligation Bond Authorizations by Agency**

| <b>Section (P.A. 17-2 (JSS))</b>             |              | <b>Agency/Description</b>   | <b>FY 18 \$</b>   | <b>FY 19 \$</b>   |
|--|--------------|---|-------------------|-------------------|
| <b>Board of Regents for Higher Education</b> |              |   |                   |                   |
| 378(i)(1)(C)                                 | 397(h)(1)(B) | Advanced manufacturing and emerging technology programs   | 2,750,000         | 2,875,000         |
| 378(i)(2)                                    | 397(h)(2)    | Community Colleges: Deferred maintenance, code compliance and infrastructure improvements                               | 14,000,000        | 14,000,000        |
| -  | 397(h)(4)    | Naugatuck Valley Community College: Alterations and improvements in compliance with the Americans with Disabilities Act | -                 | 5,000,000         |
| 378(i)(4)                                    | -            | Naugatuck Valley Community College: Upgrades to mechanical systems  | 6,000,000         | -                 |
| 378(i)(1)(A)                                 | -            | New and replacement instruction, research or laboratory equipment   | 3,000,000         | -                 |
| 378(i)(7)(B)                                 | -            | Northwestern Community College: Alterations, renovations and improvements to the Greenwoods Hall                        | 2,685,817         | -                 |
| 378(i)(7)(A)                                 | 397(h)(5)    | Northwestern Community College: Alterations, renovations and improvements to the White building                         | 825,000           | 2,021,250         |
| 378(i)(5)                                    | -            | Norwalk Community College: Alterations, renovations and improvements to the B wing building                             | 18,600,000        | -                 |
| 378(i)(6)                                    | -            | Quinebaug Valley Community College: New maintenance and office building   | 476,088           | -                 |
| 378(i)(1)(D)                                 | 397(h)(1)(C) | Security improvements   | 3,000,000         | 5,000,000         |
| 378(i)(1)(B)                                 | 397(h)(1)(A) | System telecommunications infrastructure upgrades, improvements and expansions  | 2,000,000         | 2,000,000         |
| 378(i)(3)                                    | 397(h)(3)    | Universities: Deferred maintenance, code compliance and infrastructure improvements                                     | 7,000,000         | 7,000,000         |
| <b>Subtotal</b>                              |              |   | <b>60,336,905</b> | <b>37,896,250</b> |
| <b>Capital Region Development Authority</b>  |              |   |                   |                   |
| 378(f)(2)                                    | 397(e)(1)    | Alterations, renovations and improvements at the Connecticut Convention Center and Rentschler Field                     | 1,500,000         | 1,500,000         |
| 378(f)(1)                                    | -            | Alterations, renovations and improvements to improve operational efficiency to the XL Center                            | 40,000,000        | -                 |
| 378(f)(3)                                    | 397(e)(2)    | Alterations, renovations and improvements to parking garages in Hartford  | 5,000,000         | 5,000,000         |
| 389(f)(1)                                    | 408(e)(1)    | For the purposes of encouraging development, as provided in section 32-602 of the general statutes                      | 40,000,000        | 40,000,000        |

**FY 18 and FY 19 General Obligation Bond Authorizations by Agency**

| <b>Section (P.A. 17-2 (JSS))</b>             |           | <b>Agency/Description</b>   | <b>FY 18 \$</b>    | <b>FY 19 \$</b>    |
|--|-----------|---|--------------------|--------------------|
| 389(f)(2)                                    | 408(e)(2) | Grant-in-aid to the municipality of East Hartford for the purposes of general economic development activities   | 10,000,000         | 10,000,000         |
| 378(f)(4)                                    | 397(e)(3) | Infrastructure renovations and improvements to the Front Street district in Hartford  | 3,000,000          | 7,000,000          |
| <b>Subtotal</b>                              |           |   | <b>99,500,000</b>  | <b>63,500,000</b>  |
| <b>CT Innovations Inc.</b>                   |           |   |                    |                    |
| 389(e)                                       | 408(d)    | For the purpose of recapitalizing the programs established in chapter 581 of the general statutes   | 20,000,000         | 20,000,000         |
| <b>Subtotal</b>                              |           |   | <b>20,000,000</b>  | <b>20,000,000</b>  |
| <b>Department of Administrative Services</b> |           |   |                    |                    |
| -  | 397(b)(1) | Alterations and improvements in compliance with the Americans with Disabilities Act   | -                  | 1,000,000          |
| 389(b)(1)                                    | 408(b)    | Grants-in-aid to alliance districts to assist in paying for general improvements to school buildings  | 30,000,000         | 30,000,000         |
| 389(b)(2)                                    | -         | Grants-in-aid to municipalities for the purpose of a regional school district incentive grant   | 5,000,000          | -                  |
| 378(b)(1)                                    | 397(b)(2) | Infrastructure repairs and improvements, including fire, safety and compliance with the Americans with Disabilities Act improvements, improvements to state-owned buildings and grounds | 10,000,000         | 10,000,000         |
| 378(b)(2)                                    | 397(b)(3) | Removal of encapsulation of asbestos and hazardous materials in state-owned buildings   | 5,000,000          | 5,000,000          |
| 436  |           | School construction grants-in-aid - interest payments   | 3,000,000          | 2,100,000          |
| 435  |           | School construction grants-in-aid - progress payments   | 450,000,000        | 450,000,000        |
| 378(b)(3)                                    | 397(b)(4) | Upgrade and replacement of technology infrastructure for the Connecticut Education Network  | 1,500,000          | 1,500,000          |
| <b>Subtotal</b>                              |           |   | <b>504,500,000</b> | <b>499,600,000</b> |
| <b>Department of Children and Families</b>   |           |   |                    |                    |
| 378(j)                                       | -         | Alterations, renovations and improvements to buildings and grounds, including new or revised juvenile justice facilities  | 3,750,000          | -                  |
| <b>Subtotal</b>                              |           |   | <b>3,750,000</b>   | <b>-</b>           |

**FY 18 and FY 19 General Obligation Bond Authorizations by Agency**

| <b>Section (P.A. 17-2 (JSS))</b>                        |           | <b>Agency/Description</b>   | <b>FY 18 \$</b>    | <b>FY 19 \$</b>   |
|---|-----------|---|--------------------|-------------------|
| <b>Department of Correction</b>                         |           |   |                    |                   |
| -   | 397(j)    | Renovations and improvements to existing state-owned buildings for inmate housing, programming and staff training space and additional inmate capacity, and for support facilities and off-site improvements  | -                  | 10,000,000        |
| <b>Subtotal</b>   |           |   | <b>-</b>           | <b>10,000,000</b> |
| <b>Department of Developmental Services</b>             |           |   |                    |                   |
| 378(g)  | 397(f)    | Fire, safety and environmental improvements to regional facilities  | 2,500,000          | 2,500,000         |
| <b>Subtotal</b>   |           |   | <b>2,500,000</b>   | <b>2,500,000</b>  |
| <b>Department of Economic and Community Development</b> |           |   |                    |                   |
| 389(d)(3)   | 408(c)(3) | Brownfield Remediation and Revitalization   | 30,000,000         | 10,000,000        |
| 389(d)(4)   | -         | Grants-in-aid to homeowners with homes located in the immediate vicinity of the West River in the Westville section of New Haven and Woodbridge for structurally damaged homes due to subsidence and to homeowners with homes abutting the Yale Golf Course in the Westville section of New Haven for damage due to subsidence          | 4,000,000          | -                 |
| -   | 408(c)(1) | Grants-in-aid to nonprofit organizations sponsoring cultural and historic sites   | -                  | 2,500,000         |
| 454   |           | Manufacturing Assistance Act  | 275,000,000        | 75,000,000        |
| 389(d)(1)   | -         | Small Business Express  | 5,000,000          | -                 |
| 389(d)(2)   | 408(c)(2) | Connecticut Manufacturing Fund established by section 32-7o of the general statutes, provided \$3.5 million of funds authorized in FY 18 and \$1.5 million in FY 19 shall be used as a grant-in-aid to the Connecticut Center for Advanced Technology for research and development to assist the Connecticut manufacturing supply chain | 8,500,000          | 6,500,000         |
| <b>Subtotal</b>   |           |   | <b>322,500,000</b> | <b>94,000,000</b> |
| <b>Department of Education</b>                          |           |   |                    |                   |
| 434   |           | Grants-in-aid to assist charter schools with capital expenses   | 5,000,000          | 5,000,000         |
| 389(g)  | 408(f)    | Grants-in-aid to assist targeted local and regional school districts for alterations, repairs, improvements, technology and equipment for low-performing schools  | 10,000,000         | 5,000,000         |
| <b>Subtotal</b>   |           |   | <b>15,000,000</b>  | <b>10,000,000</b> |

**FY 18 and FY 19 General Obligation Bond Authorizations by Agency**

| <b>Section (P.A. 17-2 (JSS))</b>                              |           | <b>Agency/Description</b>  | <b>FY 18 \$</b>    | <b>FY 19 \$</b>    |
|---|-----------|--|--------------------|--------------------|
| <b>Department of Emergency Services and Public Protection</b> |           |  |                    |                    |
| 378(c)(1)   | -         | Alterations and improvements to buildings and grounds, including utilities, mechanical systems and energy conservation projects  | 2,000,000          | -                  |
| 378(c)(2)   | -         | Planning and design for a new Forensic Science Laboratory  | 6,000,000          | -                  |
| 378(c)(3)   | -         | Upgrades to the Statewide Monitoring and Notification System   | 4,000,000          | -                  |
| <b>Subtotal</b>   |           |  | <b>12,000,000</b>  | <b>-</b>           |
| <b>Department of Energy and Environmental Protection</b>      |           |  |                    |                    |
| -   | 447       | Clean Water Fund - GO Bonds  | -                  | 85,000,000         |
| 378(e)(1)   | 397(d)(1) | Dam repairs, including state-owned dams  | 5,500,000          | 5,500,000          |
| 389(c)(1)   | -         | For a program to establish energy micro grids to support critical municipal infrastructure   | 5,000,000          | -                  |
| 378(e)(2)   | 397(d)(2) | For the purpose of funding any energy services project that results in increased efficiency measures in state buildings pursuant to section 16a-38l of the general statutes, or for any renewable energy or combined heat and power project in state buildings | 20,000,000         | 20,000,000         |
| 378(e)(3)   | -         | For water pollution control projects at state facilities   | 1,250,000          | -                  |
| 389(c)(3)   | -         | Grants-in-aid for containment, removal or mitigation of identified hazardous waste disposal sites  | 2,500,000          | -                  |
| 389(c)(2)   | -         | Grants-in-aid to municipalities and state agencies for improvements to incinerators and landfills, including but not limited to, bulky waste landfills and landfills formerly operated by the Connecticut Resources Recovery Authority                         | 1,450,000          | -                  |
| <b>Subtotal</b>   |           |  | <b>35,700,000</b>  | <b>110,500,000</b> |
| <b>Department of Housing</b>                                  |           |  |                    |                    |
| 553   |           | Crumbling Foundations Assistance Fund  | 20,000,000         | 20,000,000         |
| 385   | 404       | Flexible Housing   | 125,000,000        | 100,000,000        |
| 389(k)  | 408(j)    | Funding for the Department of Housing and Connecticut Children's Medical Center's Healthy Homes Program for the abatement of lead in homes in the state  | 10,000,000         | 10,000,000         |
| -   | 433       | Housing Trust Fund   | -                  | 30,000,000         |
| <b>Subtotal</b>   |           |  | <b>155,000,000</b> | <b>160,000,000</b> |

**FY 18 and FY 19 General Obligation Bond Authorizations by Agency**

| <b>Section (P.A. 17-2 (JSS))</b>                          |           | <b>Agency/Description</b>   | <b>FY 18 \$</b>   | <b>FY 19 \$</b>   |
|---|-----------|---|-------------------|-------------------|
| <b>Department of Mental Health and Addiction Services</b> |           |   |                   |                   |
| 378(h)  | 397(g)    | Fire, safety and environmental improvements to regional facilities  | 2,000,000         | 2,000,000         |
| <b>Subtotal</b>   |           |   | <b>2,000,000</b>  | <b>2,000,000</b>  |
| <b>Department of Transportation</b>                       |           |   |                   |                   |
| 389(i)  | 408(h)    | Grants-in-aid to municipalities for use in the manner set forth in, and in accordance with the provisions of, sections 13a-175a to 13a-175k, inclusive, of the general statutes | 30,000,000        | 30,000,000        |
| <b>Subtotal</b>   |           |   | <b>30,000,000</b> | <b>30,000,000</b> |
| <b>Judicial Department</b>                                |           |   |                   |                   |
| 378(k)(3)   | -         | Alterations and improvements in compliance with the Americans with Disabilities Act   | 1,000,000         | -                 |
| 378(k)(1)   | 397(i)(1) | Alterations, renovations and improvements to buildings and grounds at state-owned and maintained facilities   | 5,000,000         | 5,000,000         |
| 378(k)(2)   | 397(i)(2) | Exterior renovations and improvements at the superior courthouse in New Haven   | 2,000,000         | 3,000,000         |
| -   | -         | Implementation of the Technology Strategic Plan Project   | -                 | -                 |
| 378(k)(4)   | -         | Security improvements at various state-owned and maintained facilities  | 2,000,000         | -                 |
| <b>Subtotal</b>   |           |   | <b>10,000,000</b> | <b>8,000,000</b>  |
| <b>Labor Department</b>                                   |           |   |                   |                   |
| 389(j)  | 408(i)    | Workforce Training Authority Fund   | 10,000,000        | 20,000,000        |
| <b>Subtotal</b>   |           |   | <b>10,000,000</b> | <b>20,000,000</b> |
| <b>Military Department</b>                                |           |   |                   |                   |
| -   | 397(c)    | Acquisition of property for development of readiness centers in Litchfield county   | -                 | 2,000,000         |
| 378(d)(1)   | -         | Alterations, renovations and improvements to the drill shed at the William A. O'Neill Armory in Hartford  | 1,000,000         | -                 |
| 378(d)(2)   | -         | State matching funds for construction of a warehouse at Camp Hartell in Windsor Locks   | 500,000           | -                 |
| <b>Subtotal</b>   |           |   | <b>1,500,000</b>  | <b>2,000,000</b>  |
| <b>Office of Policy and Management</b>                    |           |   |                   |                   |
| 430   | -         | Capital Equipment Purchase Fund   | 15,000,000        | -                 |
| 552   |           | Grants-in-aid to hospitals for capital improvements   | 20,000,000        | 20,000,000        |
| 432   |           | Grants-in-aid to municipalities for the purposes set forth in subsection (a) of section 13a-175a of the general statutes  | 60,000,000        | 60,000,000        |

**FY 18 and FY 19 General Obligation Bond Authorizations by Agency**

| <b>Section (P.A. 17-2 (JSS))</b>      |           | <b>Agency/Description</b>   | <b>FY 18 \$</b>      | <b>FY 19 \$</b>      |
|---------------------------------------|-----------|---|----------------------|----------------------|
| 389(a)(1)                             | 408(a)(1) | Grants-in-aid to private, nonprofit health and human service organizations that are exempt under Section 501(c)(3) of the Internal Revenue Code of 1986 | 25,000,000           | 25,000,000           |
| 378(a)(2)                             | 397(a)(2) | Information technology capital investment program   | 50,000,000           | 25,000,000           |
| 431                                   |           | Local Capital Improvement Program   | 90,000,000           | 35,000,000           |
| 389(a)(2)                             | 408(a)(2) | Responsible Growth Incentive Fund   | 2,000,000            | 2,000,000            |
| 378(a)(1)                             | 397(a)(1) | Transit-oriented development and predevelopment activities  | 6,000,000            | 6,000,000            |
| 427                                   |           | Urban Act   | 50,000,000           | 50,000,000           |
| <b>Subtotal</b>                       |           |   | <b>318,000,000</b>   | <b>223,000,000</b>   |
| <b>State Library</b>                  |           |   |                      |                      |
| 389(h)                                | 408(g)    | Grants-in-aid to public libraries for construction, renovations, expansions, energy conservation and handicapped accessibility                          | 2,500,000            | 2,500,000            |
| <b>Subtotal</b>                       |           |   | <b>2,500,000</b>     | <b>2,500,000</b>     |
| <b>TOTAL General Obligation Bonds</b> |           |   | <b>1,604,786,905</b> | <b>1,295,496,250</b> |

**FY 18 and FY 19 Special Tax Obligation Bond Authorizations**

| <b>Act/Section</b>                  |            | <b>Description</b>   | <b>FY 18 \$</b> | <b>FY 19 \$</b> |
|-------------------------------------|------------|--|-----------------|-----------------|
| <b>Department of Transportation</b> |            |  |                 |                 |
| 416(a)(1)                           | 422(a)(1)  | Interstate Highway Program   | 13,000,000      | 13,000,000      |
| 416(a)(10)                          | 422(a)(10) | Grants-in-aid to municipalities for use in the manner set forth in, and in accordance with the provisions of, sections 13a-175a to 13a-175k, inclusive, of the general statutes  | 30,000,000      | 30,000,000      |
|                                     | 422(a)(11) | Local Bridge Program   |                 | 24,000,000      |
| 416(a)(11)                          | 422(a)(12) | Highway and bridge renewal equipment   | 10,400,000      | 10,400,000      |
| 416(a)(2)                           | 422(a)(2)  | Urban Systems Projects   | 14,776,250      | 16,217,392      |
| 416(a)(3)                           | 422(a)(3)  | Intrastate Highway Programs  | 44,000,000      | 44,000,000      |
| 416(a)(4)                           | 422(a)(4)  | Environmental compliance, soil and groundwater remediation, hazardous materials abatement, demolition, salt shed construction and renovation, storage tank replacement, and environmental emergency response at or in the vicinity of state-owned properties or related to Department of Transportation operations | 17,660,000      | 15,000,000      |

|                    |           |   |                    |                    |
|--------------------|-----------|---|--------------------|--------------------|
| 416(a)(5)          | 422(a)(5) | State bridge improvement, rehabilitation and replacement projects   | 33,000,000         | 33,000,000         |
| 416(a)(6)          | 422(a)(6) | Capital resurfacing and related reconstruction  | 75,000,000         | 75,000,000         |
| 416(a)(7)          | 422(a)(7) | Fix-it-First program to repair the state's bridges, provided not more than \$10,900,000 shall be made available for the Stratford Bridge carrying US1 over the Metro North Rail Line  | 111,115,000        | 99,760,000         |
| 416(a)(8)          | 422(a)(8) | Fix-it-First program to repair the state's roads  | 55,000,000         | 55,000,000         |
| 416(a)(9)          | 422(a)(9) | Local Transportation Capital Program  | 62,000,000         | 64,000,000         |
| 416(b)             | 422(b)    | Bus and rail facilities and equipment, including rights-of-way, other property acquisition and related projects, provided not more than \$10,000,000 shall be made available for service and equipment improvements to the Danbury Rail Line and note more than \$250,000 shall be made available for a feasibility study to explore possibilities for a new passenger rail station at the Wall Street location on the Danbury Rail Line in Norwalk | 236,250,000        | 246,000,000        |
| 416(c)(1)          | 422(c)(1) | Department facilities   | 63,132,500         | 44,247,000         |
| 416(c)(2)          | 422(c)(2) | Cost of issuance of special tax obligation bonds and debt service reserve   | 55,000,000         | 55,000,000         |
| <b>GRAND TOTAL</b> |           |   | <b>820,333,750</b> | <b>824,624,392</b> |

### General Obligation Bond Cancellations

| PA 17-2<br>Cancellation<br>Section           | Agency/Description  | Act                      | Cancellation<br>\$ |
|--|---|--------------------------|--------------------|
| <b>Board of Regents for Higher Education</b> |   |                          |                    |
| 475  | Manufacturing technology programs - Improvements at four campuses to design, construct and equip space for new manufacturing technology programs. | PA 11-1 32               | (970,500)          |
| 492  | Parking and site improvements.  | PA 13-239<br>2(l)(2)(A)  | (225,275)          |
| 493  | Heating, ventilating and air conditioning system improvements.  | PA 13-239<br>2(l)(2)(B)  | (145,000)          |
| 505  | Parking garage improvements.  | PA 13-239<br>21(l)(2)(A) | (233,281)          |
| 506  | Planning, design and construction of a new academic building.   | PA 13-239 21(l)(3)       | (35,200,000)       |
| 526  | Alterations, renovations and improvements to optimize space utilization.  | PA 15-1 2(n)(5)          | (5,000,000)        |

| <b>Capital Region Development Authority</b>  |   |                  |              |
|--|---|------------------|--------------|
| 502  | Connecticut Convention Center and Rentschler Field - Alterations, renovations and improvements at the Connecticut Convention Center and Rentschler Field.   | PA 13-239 21(h)  | (18,500)     |
| <b>CT Innovations Inc.</b>                   |   |                  |              |
| 453  | Regenerative Medicine Research Fund (formerly the Stem Cell Research Fund under DPH).   | PA 13-239 13(f)  | (10,000,000) |
| <b>Department of Administrative Services</b> |   |                  |              |
| 471  | Health Insurance Portability and Accountability Act compliance - Development and implementation of information technology systems for compliance with the Health Insurance Portability and Accountability Act (HIPAA).  | PA 07-7 21(c)    | (2,652,975)  |
| 516  | Acquisition and renovation of a building for the offices of the Probate Court.  | PA 14-98 2(f)(2) | (3,000,000)  |
| 524  | Acquisition and renovation of a building for the offices of the Probate Court.  | PA 15-1 2(f)(6)  | (1,000,000)  |
| <b>Department of Agriculture</b>             |   |                  |              |
| 497  | Farm Reinvestment Program - Grants-in-aid for a farm reinvestment program for the expansion of or improvements to working farms in accordance with a business plan to keep the farms on-going for at least ten years, grants-in-aid not exceeding \$40,000.   | PA 13-239 13(b)  | (500,000)    |
| 510  | Farm Reinvestment Program - Grants-in-aid for a farm reinvestment program for the expansion of or improvements to working farms in accordance with a business plan to keep the farms on-going for at least ten years, grants-in-aid not exceeding \$40,000.   | PA 13-239 32(b)  | (500,000)    |
| <b>Department of Children and Families</b>   |   |                  |              |
| 481  | Residential facilities, group homes, shelters and permanent family residences - Grants-in-aid for construction, alterations, repairs and improvements to residential facilities, group homes, shelters and permanent family residences, provided (A) \$1,000,000 shall be made available for development, including construction or acquisition of land in Middlesex County or Windham county for a residential facility, and (B) up to \$1,000,000 shall be made available for improvements to, alterations and construction of, residential facilities at the Klingberg Family Center in New Britain. | PA 11-57 13(i)   | (2,839,842)  |
| <b>Department of Developmental Services</b>  |   |                  |              |
| 483  | Departmental facilities - Fire, safety and environmental improvements to regional facilities for client and staff needs, including improvements in compliance with current codes, including intermediate care facilities and site improvements, handicapped access improvements, utilities, repair or replacement of roofs, air conditioning and other interior and exterior building renovations and additions at all state-owned facilities.  | PA 11-57 21(i)   | (428,000)    |

|   |  |                   |              |
|---|--|-------------------|--------------|
| 503   | Departmental facilities - Fire, safety and environmental improvements to regional facilities for client and staff needs, including improvements in compliance with current codes, including intermediate care facilities and site improvements, handicapped access improvements, utilities, repair or replacement of roofs, air conditioning and other interior and exterior building renovations and additions at all state-owned facilities. | PA 13-239 21(i)   | (253,248)    |
| <b>Department of Economic and Community Development</b>       |  |                   |              |
| 466   | New Haven: Henry Lee Institute - Grant-in-aid to University of New Haven for establishment of the Henry Lee Institute.   | SA 05-1 32(j)(9)  | (1,500,000)  |
| 547   | Program to offer payments to holders of certificates of eligibility issued pursuant to section 32-9t of the general statutes, to replace credits allowed to be claimed under said certificates of eligibility  | PA 16-49(c)       | (10,000,000) |
| <b>Department of Education</b>                                |  |                   |              |
| 489   | High quality schools - Grants-in-aid for alterations, repairs, improvements, technology, equipment and capital start-up costs including acquisition costs, to expand the availability of high quality school models.   | PA 12-189 9(e)(2) | (6,334,200)  |
| 504   | Regional Vocational-Technical Schools - Alterations and improvements to buildings and grounds, including new and replacement equipment, tools and supplies necessary to implement updated curricula, vehicles and technology upgrades at all Regional Vocational-Technical Schools.  | PA 13-239 21(k)   | (11,000,000) |
| 532   | Sheff settlement costs - Grants-in-aid for capital start-up costs related to the development of new interdistrict magnet school programs to assist the state in meeting the goals of the 2008 stipulation and order for Milo Sheff, et al. v. William A. O'Neill, et al., for the purpose of buying portable classrooms, leasing space, and purchasing equipment, including, but not limited to, computers and classroom furniture.            | PA 15-1 13(i)(1)  | (5,000,000)  |
| 533   | Grants-in-aid to the American School for the Deaf for alterations, renovations and improvements to the buildings and grounds   | PA 15-1 13(i)(3)  | (2,507,950)  |
| 539   | Sheff settlement costs - Grants-in-aid for capital start-up costs related to the development of new interdistrict magnet school programs to assist the state in meeting the goals of the 2008 stipulation and order for Milo Sheff, et al. v. William A. O'Neill, et al., for the purpose of buying portable classrooms, leasing space, and purchasing equipment, including, but not limited to, computers and classroom furniture.            | PA 15-1 32(k)(1)  | (5,750,000)  |
| <b>Department of Emergency Services and Public Protection</b> |  |                   |              |
| 449   | Buy-out program for homeowners and businesses who receive FEMA funding related to property damage due to weather events in 2011 and subsequent years.  | PA 12-189 40      | (800,000)    |

|  |   |                    |              |
|--|---|--------------------|--------------|
| 485  | Firearms training facility and vehicle operations training center - Design and construction of alterations, renovations and improvements for a firearms training facility and vehicle operations training center, including land acquisition.                                     | PA 12-189 2(c)(2)  | (3,000,000)  |
| 525  | Forensic Science Laboratory in Meriden - Alterations, renovations and improvements to the Forensic Science Laboratory in Meriden.   | PA 15-1 2(g)(2)    | (2,500,000)  |
| <b>Department of Energy and Environmental Protection</b> |   |                    |              |
| 462  | East Lyme: Oswegatchie Hills - Grant-in-aid to East Lyme for the purchase of Oswegatchie Hills for open space.  | SA 05-1 13(d)(19)  | (1,800,000)  |
| 465  | Stamford: Holly Pond - Grant-in-aid to Stamford for the Holly Pond Tidal Restoration project.   | SA 05-1 32(d)(19)  | (500,000)    |
| 468  | Norwalk: flood control - Grant-in-aid to Norwalk for improvements in the flood control system.  | PA 07-7 13(d)(33)  | (500,000)    |
| 469  | Fairfield: Rooster River - Grant-in-aid to Fairfield for the Rooster River flood control project.   | PA 07-7 13(d)(34)  | (2,000,000)  |
| 498  | Grants-in-aid to towns for open space (town open space program) - Grants-in-aid to municipalities for open space land acquisition and development for conservation or recreation purposes.  | PA 13-239 13(c)(1) | (10,000,000) |
| 501  | Recreation and Natural Heritage Trust Program (state open space program) - Recreation and natural heritage trust program for recreation, open space, resource protection and resource management.   | PA 13-239 21(g)(4) | (8,000,000)  |
| 528  | For a Long Island Sound Stewardship and resiliency program for protection of coastal marshes and other natural buffer areas and for grants-in-aid to increase the resilience of wastewater treatment facilities.  | PA 15-1 13(d)(1)   | (7,000,000)  |
| 529  | Grants-in-aid to municipalities for open space land acquisition and development for conservation or recreational purposes.  | PA 15-1 13(d)(2)   | (10,000,000) |
| <b>Department of Housing</b>                             |   |                    |              |
| 446  | Energy Conservation Loan Fund - low-cost loans for various energy efficiency and renewable energy measures in residential structures. Includes \$18 million for the Green Connecticut Loan Guaranty Fund program established under Clean Energy Finance and Investment Authority; | PA 07-242 2        | (4,000,000)  |
| 488  | Nursing homes - Grants-in-aid to nursing facilities for alterations, renovations and improvements for conversion to other uses in support of right-sizing.  | PA 12-189 9(c)(1)  | (4,430,767)  |
| 519  | Shoreline resiliency fund.  | PA 14-98 9(f)      | (5,000,000)  |
| 531  | Main Street Investment Fund.  | PA 15-1 13(f)      | (3,000,000)  |
| 538  | Main Street Investment Fund.  | PA 15-1 32(g)      | (3,000,000)  |
| 541  | Homelessness prevention and response fund.  | PA 15-1 57         | (5,125,000)  |

| <b>Department of Mental Health and Addiction Services</b> |   |                   |             |
|---|---|-------------------|-------------|
| 460   | Alterations, renovations, additions and improvements, including new construction in accordance with the Department of Mental Health and Addiction Services master campus plan   | SA 01-2 17(d)(2)  | (722,090)   |
| 480   | Community-based residential and outpatient facilities - Grants-in-aid to private non-profit organizations that are exempt under Section 501(c)(3) of the Internal Revenue Code for community-based residential and outpatient facilities for purchases, repairs, alterations and improvements.                        | PA 11-57 13(e)    | (1,043,836) |
| <b>Department of Public Health</b>                        |   |                   |             |
| 479   | Community health centers and primary care organizations - Grants-in-aid to community health centers and primary care organizations for the purchase of equipment, renovations, improvements, and expansion of facilities, including acquisition of land and/or buildings.   | PA 11-57 13(c)    | (1,750,000) |
| <b>Department of Rehabilitation Services</b>              |   |                   |             |
| 520   | Aging in place -Grants-in-aid to provide home modifications and assistive technology devices related to aging in place, which program may be run by a nonprofit entity with which said department shall contract.   | PA 14-98 9(i)     | (6,000,000) |
| <b>Department of Transportation</b>                       |   |                   |             |
| 445   | Commercial rail freight lines - Competitive grants for commercial rail freight lines operating in the state for improvements and repairs to, and the modernization of, existing rail, rail beds and related facilities.   | PA 07-7 56        | (2,500,000) |
| 540   | Grants-in-aid for improvements to ports, harbors and marinas, including dredging and navigational improvements, provided that not less than \$5 million shall be made available to the ports, harbors and marinas in the state other than the deep water ports in the cities of Bridgeport, New Haven and New London. | PA 15-1 13(h)(1)  | (6,750,000) |
| <b>Department of Veterans' Affairs</b>                    |   |                   |             |
| 515   | Planning and feasibility study for additional veterans housing at the Rocky Hill campus, including demolition of vacant buildings.  | PA14-98 2(e)(2)   | (500,000)   |
| <b>Judicial Department</b>                                |   |                   |             |
| 477   | Departmental facilities - Alterations, renovations and improvements to buildings and grounds at state-owned and maintained facilities, including Americans with Disabilities code compliance and other code improvements and energy conservation measures.  | PA 11-57 2(o)(1)  | (223,817)   |
| 486   | Development of a juvenile court building in Meriden or Middletown.  | PA 12-189 2(d)    | (1,000,000) |
| 494   | Development of a juvenile court building in Meriden or Middletown.  | PA 13-239 2(o)(2) | (2,000,000) |
| 495   | Mechanical upgrades and code-required improvements at the superior courthouse in New Haven.   | PA 13-239 2(o)(3) | (200,000)   |

|  |  |                       |              |
|--|--|-----------------------|--------------|
| 507  | Development of a juvenile court building in Meriden or Middletown.   | PA 13-239<br>21(o)(2) | (9,000,000)  |
| 508  | Mechanical upgrades and code-required improvements at the superior courthouse in New Haven.  | PA 13-239<br>21(o)(3) | (3,500,000)  |
| <b>Legislative Management</b>                |  |                       |              |
| 514  | Production and studio equipment for the Connecticut Network (CT-N)   | PA 14-98 2(a)(2)      | (2,230,000)  |
| <b>Office of Early Childhood</b>             |  |                       |              |
| 437  | Smart Start Competitive Grant program - Provide \$105 million over 10 years - \$15 million in FY 15 and \$10 million per year between FY 16 and FY 24.   | PA 14-98 25           | (16,480,851) |
| 499  | School readiness and day care - Grants-in-aid to municipalities and organizations exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, for facility improvements and minor capital repairs to that portion of facilities that house school readiness programs and state-funded day care centers operated by such municipalities and organizations. | PA 13-239<br>13(h)(2) | (5,641,832)  |
| 511  | School readiness and day care - Grants-in-aid to municipalities and organizations exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, for facility improvements and minor capital repairs to that portion of facilities that house school readiness programs and state-funded day care centers operated by such municipalities and organizations. | PA 13-239<br>32(g)(2) | (5,000,000)  |
| <b>Office of Governmental Accountability</b> |  |                       |              |
| 535  | Information technology improvements.   | PA 15-1 21(b)         | (500,000)    |
| <b>Office of Policy and Management</b>       |  |                       |              |
| 474  | Bridgeport economic development projects, including grants for (1) revitalization of the Hollow Neighborhood; (2) a feasibility study for the Congress Street Plaza urban renewal area; (3) planning and implementation of the Upper Reservoir Avenue Corridor Revitalization Initiative Project; (4) the Black Rock Gateway project; (5) the Madison Avenue Gateway Revitalization streetscape project; and (6) the purchase of development rights at Veterans' Memorial Park.            | PA 10-44 2(b)         | (950,000)    |
| 428  | Small Town Economic Assistance Program (STEAP).  | PA 15-1 52            | (9,000,000)  |
| 429  | Inter-town Capital Equipment Purchase Incentive Program. CGS Sec. 4-66m.   | PA 11-57 75           | (62,851)     |
| 542  | Regional dog pound grant program (50% local match)   | PA 15-1224            | (10,000,000) |
| 544  | Trout Brook Canal Rehab  | PA 16-42(a)(2)        | (700,000)    |
| 546  | West Hartford Wi-Fi  | PA 16-49(a)(2)        | (500,000)    |

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|     |   |               |                      |
|-----|---|---------------|----------------------|
| 518 | Grant-in-aid to the Connecticut Public Broadcasting Network for transmission, broadcast, production and information technology equipment. | PA 14-98 9(a) | (1,300,000)          |
|     | <b>GRAND TOTAL</b>  |               | <b>(263,269,815)</b> |

## VIII. MUNICIPAL

### Major Appropriated Grants and Other Municipal Aid

The FY 18 and FY 19 budget includes a net increase in municipal aid of about \$210.5 million in FY 18 and \$226.6 million in FY 19. This includes an increase in Teachers' Retirement Contributions on behalf of municipalities of \$278.3 million in FY 18 and \$320.2 million in FY 19. Without this, the budget includes a net decrease in municipal aid of \$67.7 million in FY 18 and \$93.6 million in FY 19.

### Significant Changes in Municipal Aid

- The Municipal Revenue Sharing Fund (MRSF) is eliminated, for a revenue loss to municipalities of \$185 million. Two grants previously funded via MRSF are instead funded via the General Fund:
  - \$35.2 million in FY 18 and \$36.8 million in FY 19 for Supplemental PILOT funding to towns with high levels of tax exempt property
  - \$36 million in FY 18 and \$15 million in FY 19 for grants to towns that lose revenue as a result of the motor vehicle mill rate cap. The budget increases the motor vehicle mill rate cap from 37 mills in FY 17 to 39 mills in FY 18 and 45 mills in FY 19.
- The State Property PILOT, College & Hospital PILOT, and Pequot grants are cumulatively reduced by \$29.6 million in FY 18 and \$27.9 million in FY 19.
- Funding of \$56.9 million in FY 18 and \$37.8 million in FY 19 is provided for the Municipal Stabilization Grant. This grant is intended to partially offset the elimination or reduction of other municipal grants.
- Funding of \$28 million is provided in FY 18 and FY 19 for certain financially distressed municipalities.
- The Elderly Circuit Breaker (\$19.2 million) and the Distressed Municipalities Grant (\$5.4 million) are each eliminated in FY 18 and FY 19.

### Municipal Aid Synopsis FY 15 to FY 17<sup>1</sup>

| Fund/Agency  | FY 17<br>Appropriated \$ | FY 18<br>Leg. Rec. \$ | FY 19<br>Leg. Rec. \$ | FY 18 -<br>FY 17 \$ | FY 19 -<br>FY 17 \$ |
|--|--------------------------|-----------------------|-----------------------|---------------------|---------------------|
| <b>Appropriated Funds</b>                            |                          |                       |                       |                     |                     |
| <b>Office of Policy and Management</b>               |                          |                       |                       |                     |                     |
| State Property PILOT                                 | 66,730,441               | 51,596,345            | 56,045,788            | (15,134,096)        | (10,684,653)        |
| College & Hospital PILOT                             | 114,950,770              | 100,900,058           | 105,889,432           | (14,050,712)        | (9,061,338)         |
| Reimbursement Property<br>Tax - Disability Exemption | 374,065                  | 374,065               | 374,065               | -                   | -                   |
| Distressed Municipalities                            | 5,423,986                | -                     | -                     | (5,423,986)         | (5,423,986)         |
| Property Tax Relief Elderly                          | 19,176,502               | -                     | -                     | (19,176,502)        | (19,176,502)        |

| <b>Fund/Agency</b>  | <b>FY 17<br/>Appropriated \$</b> | <b>FY 18<br/>Leg. Rec. \$</b> | <b>FY 19<br/>Leg. Rec. \$</b> | <b>FY 18 -<br/>FY 17 \$</b> | <b>FY 19 -<br/>FY 17 \$</b> |
|---|----------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Circuit Breaker   |                                  |                               |                               |                             |                             |
| Property Tax Relief Elderly Freeze Program                            | 112,221                          | 65,000                        | 65,000                        | (47,221)                    | (47,221)                    |
| Property Tax Relief for Veterans                                      | 2,777,546                        | 2,777,546                     | 2,777,546                     | -                           | -                           |
| Municipal Revenue Sharing (Supplemental PILOT)                        | -                                | 35,221,814                    | 36,819,135                    | 35,221,814                  | 36,819,135                  |
| Municipal Restructuring   | -                                | 28,000,000                    | 28,000,000                    | 28,000,000                  | 28,000,000                  |
| Municipal Transition (Motor Vehicle Car Tax Cap Reimbursement Grants) | -                                | 36,000,000                    | 15,000,000                    | 36,000,000                  | 15,000,000                  |
| Municipal Stabilization Grant   | -                                | 56,903,954                    | 37,753,335                    | 56,903,954                  | 37,753,335                  |
| Pequot Grants   | 58,076,612                       | 57,649,850                    | 49,942,796                    | (426,762)                   | (8,133,816)                 |
| Municipal Revenue Sharing (MRSF)                                      | 185,000,000                      | -                             | -                             | (185,000,000)               | (185,000,000)               |
| <b>State Department of Education</b>                                  |                                  |                               |                               |                             |                             |
| Vocational Agriculture  | 10,544,937                       | 10,228,589                    | 10,228,589                    | (316,348)                   | (316,348)                   |
| Adult Education   | 20,383,960                       | 20,383,960                    | 20,383,960                    | -                           | -                           |
| Health and Welfare Services Pupils Private Schools                    | 3,526,579                        | 3,526,579                     | 3,526,579                     | -                           | -                           |
| Education Equalization Grants <sup>2</sup>                            | 2,027,587,120                    | 1,986,183,701                 | 2,017,131,405                 | (41,403,419)                | (10,455,715)                |
| Bilingual Education   | 3,164,800                        | 2,848,320                     | 2,848,320                     | (316,480)                   | (316,480)                   |
| Priority School Districts   | 42,337,171                       | 38,103,454                    | 38,103,454                    | (4,233,717)                 | (4,233,717)                 |
| Young Parents Program   | 212,318                          | 106,159                       | 106,159                       | (106,159)                   | (106,159)                   |
| Interdistrict Cooperation   | 6,353,391                        | 3,050,000                     | 3,050,000                     | (3,303,391)                 | (3,303,391)                 |
| School Breakfast Program  | 2,225,669                        | 2,158,900                     | 2,158,900                     | (66,769)                    | (66,769)                    |
| Excess Cost - Student Based   | 135,555,731                      | 142,542,860                   | 142,119,782                   | 6,987,129                   | 6,564,051                   |
| Youth Service Bureaus   | 2,651,516                        | 2,598,486                     | 2,598,486                     | (53,030)                    | (53,030)                    |
| Open Choice Program   | 40,258,605                       | 38,090,639                    | 40,090,639                    | (2,167,966)                 | (167,966)                   |
| Magnet Schools  | 313,058,158                      | 328,058,158                   | 326,508,158                   | 15,000,000                  | 13,450,000                  |
| After School Program  | 4,866,695                        | 4,720,695                     | 4,720,695                     | (146,000)                   | (146,000)                   |
| <b>Teachers' Retirement Board</b>                                     |                                  |                               |                               |                             |                             |
| Retirement Contributions  | 1,012,162,000                    | 1,290,429,000                 | 1,332,368,000                 | 278,267,000                 | 320,206,000                 |
| Retirees Health Service Cost  | 14,566,860                       | 14,554,500                    | 14,575,250                    | (12,360)                    | 8,390                       |
| Municipal Retiree Health Insurance Costs                              | 5,392,897                        | 4,644,673                     | 4,644,673                     | (748,224)                   | (748,224)                   |
| <b>Other Appropriated Aid</b>   |                                  |                               |                               |                             |                             |
| Housing/Homeless  | 592,893                          | 586,965                       | 586,965                       | (5,928)                     | (5,928)                     |

| Fund/Agency   | FY 17<br>Appropriated \$ | FY 18<br>Leg. Rec. \$ | FY 19<br>Leg. Rec. \$ | FY 18 -<br>FY 17 \$ | FY 19 -<br>FY 17 \$ |
|---|--------------------------|-----------------------|-----------------------|---------------------|---------------------|
| Services- Municipality  |                          |                       |                       |                     |                     |
| Local and District<br>Departments of Health                       | 4,083,916                | 4,144,588             | 4,144,588             | 60,672              | 60,672              |
| School Based Health<br>Clinics                                    | 11,280,633               | 11,039,012            | 11,039,012            | (241,621)           | (241,621)           |
| Human Resource<br>Development-Hispanic<br>Programs - Municipality | 4,719                    | 4,120                 | 4,120                 | (599)               | (599)               |
| Teen Pregnancy Prevention<br>- Municipality                       | 114,876                  | 100,287               | 100,287               | (14,589)            | (14,589)            |
| Connecticard Payments   | 806,000                  | 781,820               | 781,820               | (24,180)            | (24,180)            |
| <b>Total Appropriated Funds</b>                                   | <b>4,114,353,587</b>     | <b>4,278,374,097</b>  | <b>4,314,486,938</b>  | <b>164,020,510</b>  | <b>200,133,351</b>  |
| <b>Bond Funds</b>   |                          |                       |                       |                     |                     |
| Town Aid Road   | 60,000,000               | 60,000,000            | 60,000,000            | -                   | -                   |
| LoCIP <sup>3</sup>  | -                        | 54,999,918            | 34,999,926            | 54,999,918          | 34,999,926          |
| Grants for Municipal<br>Projects                                  | 60,000,000               | 60,000,000            | 60,000,000            | -                   | -                   |
| <b>Total Bond Funds</b>   | <b>120,000,001</b>       | <b>174,999,919</b>    | <b>154,999,927</b>    | <b>54,999,918</b>   | <b>34,999,926</b>   |
| <b>GROSS TOTAL</b>  | <b>4,234,353,588</b>     | <b>4,453,374,016</b>  | <b>4,469,486,865</b>  | <b>219,020,428</b>  | <b>235,133,277</b>  |
| Municipal Aid Lapse   | -                        | (8,500,000)           | (8,500,000)           | (8,500,000)         | (8,500,000)         |
| <b>NET TOTAL</b>  | <b>4,234,353,588</b>     | <b>4,444,874,016</b>  | <b>4,460,986,865</b>  | <b>210,520,428</b>  | <b>226,633,277</b>  |

<sup>1</sup>Does not include municipal aid holdbacks announced by the Governor on November 17, 2017.

<sup>2</sup>In FY 18, the budget stipulates that ECS grants to: (1) Alliance districts equal the districts' FY 17 actual ECS grants, and (2) all other districts equal the FY 17 actual ECS grants minus five percent. In FY 19, a new ECS formula begins to be phased in: (1) districts that have higher formula amounts than FY 17 actual ECS grants, receive the FY 17 actual ECS grant plus 4.1 percent of the difference between the formula amount and FY 17; and (2) districts with lower formula amounts than FY 17 actual ECS grants, receive the FY 17 actual ECS grant minus 25 percent of the difference between the formula amount and FY 17. However, as the new formula begins to be implemented in FY 19, Alliance districts are held harmless from any reduction.

<sup>3</sup>The revised FY 17 budget included \$30 million for LoCIP. However, due to a cap on authorizations for LoCIP, funding for the program was not allocated in FY 17. Additional LoCIP funding is provided in FY 18 to offset the FY 17 revenue loss to municipalities that resulted from the authorization cap.

## Budgeted Lapses Impacting Municipal Aid

The FY 18 and FY 19 budget includes approximately \$881.6 million in bottom line lapses. On November 17, 2017, the Governor announced the rollout of those bottom line lapses, which includes a reduction in appropriated municipal aid of approximately \$91.2 million. The chart below shows the impact of those lapses.

| Fund/Agency  | FY 18<br>Leg. Rec. \$ | FY 18 Lapse<br>\$ | FY 18 Lapse<br>% |
|--|-----------------------|-------------------|------------------|
| <b>Appropriated Funds</b>                          |                       |                   |                  |
| <b>Office of Policy and Management</b>             |                       |                   |                  |
| State Property PILOT                               | 51,596,345            | (1,289,909)       | -2.5%            |
| College & Hospital PILOT                           | 100,900,058           | (2,522,501)       | -2.5%            |
| Reimbursement Property Tax - Disability Exemption  | 374,065               | (9,352)           | -2.5%            |
| Distressed Municipalities                          | -                     | -                 | 0.0%             |
| Property Tax Relief Elderly Circuit Breaker        | -                     | -                 | 0.0%             |
| Property Tax Relief Elderly Freeze Program         | 65,000                | -                 | 0.0%             |
| Property Tax Relief for Veterans                   | 2,777,546             | (69,439)          | -2.5%            |
| Municipal Revenue Sharing (Supplemental PILOT)     | 35,221,814            | -                 | 0.0%             |
| Municipal Restructuring                            | 28,000,000            | (700,000)         | -2.5%            |
| Municipal Transition                               | 36,000,000            | -                 | 0.0%             |
| Municipal Stabilization Grant                      | 56,903,954            | (1,422,599)       | -2.5%            |
| Municipal Revenue Sharing (MRSF)                   | -                     | -                 | 0.0%             |
| <b>State Department of Education</b>               |                       |                   |                  |
| Vocational Agriculture                             | 10,228,589            | (255,715)         | -2.5%            |
| Adult Education                                    | 20,383,960            | (509,599)         | -2.5%            |
| Health and Welfare Services Pupils Private Schools | 3,526,579             | (88,164)          | -2.5%            |
| Education Equalization Grants                      | 1,986,183,701         | (57,939,706)      | -2.9%            |
| Bilingual Education                                | 2,848,320             | (71,208)          | -2.5%            |
| Priority School Districts                          | 38,103,454            | (952,586)         | -2.5%            |
| Young Parents Program                              | 106,159               | (34,502)          | -32.5%           |
| Interdistrict Cooperation                          | 3,050,000             | (1,512,500)       | -49.6%           |
| School Breakfast Program                           | 2,158,900             | (53,973)          | -2.5%            |
| Excess Cost - Student Based                        | 142,542,860           | (3,563,572)       | -2.5%            |
| Youth Service Bureaus                              | 2,598,486             | (64,962)          | -2.5%            |
| Open Choice Program                                | 38,090,639            | (952,266)         | -2.5%            |
| Magnet Schools                                     | 328,058,158           | (18,548,222)      | -5.7%            |
| After School Program                               | 4,720,695             | (118,017)         | -2.5%            |
| <b>Teachers' Retirement Board</b>                  |                       |                   |                  |
| Retirement Contributions                           | 1,290,429,000         | -                 | -                |

| <b>Fund/Agency</b>   | <b>FY 18<br/>Leg. Rec. \$</b> | <b>FY 18 Lapse<br/>\$</b> | <b>FY 18 Lapse<br/>%</b> |
|--|-------------------------------|---------------------------|--------------------------|
| Retirees Health Service Cost                                   | 14,554,500                    | -                         | -                        |
| Municipal Retiree Health Insurance Costs                       | 4,644,673                     | -                         | -                        |
| <b>Other Appropriated Aid</b>                                  |                               |                           |                          |
| Housing/Homeless Services-<br>Municipality                     | 586,965                       | (11,739)                  | -2.0%                    |
| Local and District Departments of Health                       | 4,144,588                     | -                         | 0.0%                     |
| School Based Health Clinics                                    | 11,039,012                    | (420,780)                 | -3.8%                    |
| Human Resource Development-Hispanic<br>Programs - Municipality | 4,120                         | (4,120)                   | -100.0%                  |
| Teen Pregnancy Prevention - Municipality                       | 100,287                       | (2,006)                   | -2.0%                    |
| Connecticard Payments  | 781,820                       | (78,182)                  | -10.0%                   |
| <b>Total Appropriated Funds</b>                                | <b>4,220,724,247</b>          | <b>(91,195,619)</b>       | <b>-2.2%</b>             |

## IX. APPENDIX

### The State Budget Process

**Overview:** The State of Connecticut uses a biennial budget process. In odd-numbered years (2015, 2017), the Governor presents a recommended budget for the next two years at the beginning of February<sup>3</sup>. The Governor's budget recommendations are formulated by the Office of Policy and Management (OPM). In even-numbered years (2016, 2018), the Governor reports on the status of the biennial budget and makes recommendations for revisions and adjustments if they are needed. The state's fiscal year runs from July 1 through June 30.

**Budget Formulation:** The process begins in July when OPM sends instructions to agencies to prepare: (1) a current services funding level and (2) a list of options for expenditure or revenue changes above or below the current services level. From September through October, OPM budget analysts review requests and prepare recommendations. The Governor and the Secretary of OPM review the recommendations and make adjustments.

In February the Governor presents to the legislature: (1) a budget message; (2) recommendations for appropriations (spending) for every agency; (3) revenue projections; (4) drafts of the appropriations, bonding and revenue bills that implement the recommendations; and (5) a report on the state's economy.

**The General Assembly** (legislature) has the ultimate "power of the purse," which is to appropriate (authorize to spend) public funds and raise revenue. In February, the legislature's Appropriations Committee begins its review of the Governor's recommendations by holding public hearings on each agency's budget. This is followed by work sessions<sup>4</sup> with subcommittee members, agency heads and staff from the Office of Fiscal Analysis (OFA)<sup>5</sup>. The purpose of these sessions is to produce recommendations that are presented to the Appropriations chairs, who decide what will be included in the final version that is voted on by the committee.

Similar action is taken by the Finance, Revenue and Bonding Committee, which reviews the Governor's revenue-related and capital projects (bonding) recommendations.

**Passage:** After the Appropriations and Finance Committees approve a budget and tax package, the House and Senate leaders, usually in consultation with the Governor's Office and OPM, work to develop final versions of the budget, revenue and bonding

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<sup>3</sup>The Governor is responsible for: (1) recommending a balanced budget to the legislature and (2) executing the budget passed by the legislature.

<sup>4</sup>The Appropriations Committee has sub-committees that review the budgets of agencies grouped by function of government.

<sup>5</sup>The Office of Fiscal Analysis is the legislature's non-partisan budget office.

bills. Both chambers vote on the final versions and if they are approved by the legislature, such bills go to the Governor to be signed.

The budget bill is called the **appropriations act** after it is signed by the Governor. The legislature also passes enabling legislation called **implementer bills** that contain the policy provisions to put the state budget into effect. There are often three implementer bills: (1) general government, (2) human services and (3) education. Sometimes more implementer bills are needed.

The revenue bill or **tax package** contains all revenue-related provisions.

The bond bill(s), also known as the **bond package**, authorizes funds for capital projects<sup>6</sup>, financial assistance programs and transportation-related projects.

In some years, legislative leaders choose to combine the tax package, bond bills and appropriations bill into a single document.

**Budget Execution:** Agency appropriations are administered by OPM budget staff through quarterly allotments. The Governor may restrict allotments due to a change in circumstances, or when estimated budget resources will be insufficient to fully finance appropriations.

Bond funds are allocated or made available for expenditure by the State Bond Commission, a joint executive-legislative body. Bond authorizations continue to be available for allocation until they are canceled by the legislature.

**Spending Cap:** The cap on general budget expenditures, which was passed in 1991, specifies that expenditures may not exceed prior year spending by more than a given percentage<sup>7</sup>. The cap calculation exempts: (1) debt service expenditures, (2) grants to distressed municipalities in effect on July 1, 1991, (3) the first year of spending on court orders and federal mandates, and (3) transfers to the Budget Reserve Fund. The cap can only be exceeded if: (a) the Governor declares emergency or extraordinary circumstances and (b) a three-fifths vote of the General Assembly to do so.

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<sup>6</sup>Capital projects include new state-owned facilities and equipment, and improvements, repairs and additions to existing state-owned facilities. Financial assistance programs are administered by state agencies and provide funds to municipal and non-government entities through grants and/or loans.

<sup>7</sup>The percentage is the greater of: (1) the average percentage increase in personal income over the preceding five years as determined by the U.S. Bureau of Economic Analysis or (2) the percentage increase in inflation during the preceding twelve months as determined by the U.S. Bureau of Labor Statistics.

## Budget and Finance Related Legislation

| Public Act                        | Title/Description  |
|-----------------------------------|--|
| <b>Budget Act</b>                 |  |
| <b>PA 17-2, JSS<br/>(SB 1502)</b> | <p><b>AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2019, MAKING APPROPRIATIONS THEREFOR, AUTHORIZING AND ADJUSTING BONDS OF THE STATE AND IMPLEMENTING PROVISIONS OF THE BUDGET</b></p> <p>The bill includes: (1) General Fund appropriations of \$18.7 billion in FY 18 and \$18.9 billion in FY 19, (2) appropriations in nine funds totaling \$20.5 billion in FY 18, and appropriations in ten funds totaling \$20.8 billion in FY 19, (3) revenue estimates adopted by the Finance Committee on 10/25/17, as adjusted to reflect new policies in this amendment; and (4) various other provisions.</p> <p>The bill also authorizes up to \$1.723 billion for FY 18 and \$1.621 billion for FY 19 in state general obligation (GO) bonds for state capital projects and grant programs, including school construction, economic development, municipal capital improvement grants, and housing development and rehabilitation programs. The act also authorizes \$200 million in GO bonds for FYs 18 through 22 for grants to hospitals for capital improvements and for the Crumbling Foundations Assistance Fund (\$20 million per year for each purpose). It cancels or reduces approximately \$306.6 million in GO bond authorizations, and restores \$24 million in bonds cancelled or reduced in the 2016 bond act (PA 16-4, May Special Session).</p> <p>The act authorizes \$820.3 million for FY 18 and \$824.6 million for FY 19 in special tax obligation (STO) bonds for transportation projects, including \$482.3 million over the two years for bus and rail facilities and equipment.</p> |
| <b>Implementer Acts</b>           |  |
| <b>PA 17-4, JSS<br/>(SB 1503)</b> | <p><b>AN ACT MAKING MINOR AND TECHNICAL CHANGES TO THE STATE BUDGET AND RELATED IMPLEMENTING PROVISIONS FOR THE BIENNIUM ENDING JUNE 30, 2019.</b></p> <p>This act reduces the General Fund balance from \$6.2 million to \$0.8 million in FY 16 and increases the General Fund balance from \$2.1 million to \$2.5 million in FY 17 by making numerous changes to appropriations and revenue policies authorized in PA 15-244. The act reduces net appropriations by \$14 million in FY 16 and \$27 million in FY 17, and reduces anticipated revenue by \$19.4 million in FY 16 and \$26.6 million in FY 17. The act also includes various changes that implement the two year budget as well as other provisions.</p>   |
|                                   |  |

| Public Act                        | Title/Description  |
|-----------------------------------|--|
|                                   | <b>Bond Act</b>  |
| <b>PA 17-1, JSS<br/>(HB 7501)</b> | <p data-bbox="305 268 1523 409"><b>AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2019, APPROPRIATIONS AND IMPLEMENTING PROVISIONS THEREFOR AND AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR VARIOUS PURPOSES.</b></p> <p data-bbox="305 447 1523 625">The bill includes: (1) General Fund appropriations of \$18.4 billion in FY 18 and \$18.6 billion in FY 19, (2) appropriations in nine funds totaling \$20.5 billion in FY 18 and \$20.8 billion in FY 19, (3) various policy changes that yield net revenue increases of \$1.7 billion in FY 18 and \$1.8 billion in FY 19, (4) revenue estimates adopted by the Finance Committee on 9/14/17, as adjusted to reflect new policies in this bill; and (5) various other provisions.</p> <p data-bbox="305 663 1523 877">The act authorizes up to \$1.172 billion for FY 18 and \$1.457 billion for FY 19 in state general obligation (GO) bonds for state capital projects and grant programs, including school construction, economic development, municipal capital improvement grants, and housing development and rehabilitation programs. It cancels or reduces approximately \$305.4 million in GO bond authorizations, and restores \$24 million in bonds cancelled or reduced in the 2016 bond act (PA 16-4, May Special Session).</p> <p data-bbox="305 915 1523 1018">The act authorizes \$809.9 million for FY 18 and \$745.1 million for FY 19 in special tax obligation (STO) bonds for transportation projects, including \$482.3 million over the two years for bus and rail facilities and equipment.</p> |

## **Glossary of Budget Book Terms**

### **Account/Major Object**

The Connecticut budget appropriates agency funds by account. Within each account, categories of expenditures are called major objects. For example, Other Expenses (description below) is an account and Utilities-Fuel is a major object within the Other Expenses account. An agency generally has discretion to make expenditures within a major object as it sees fit unless it has been instructed to spend funds in a specific manner.

### **Act (also, Public Act or Special Act)**

The designation for a bill that has been passed by both chambers of the legislature and signed by the Governor. A public act (PA) amends the Connecticut General Statutes. A special act (SA) has limited application or is of limited duration and is not incorporated into the Connecticut General Statutes. Act numbers are assigned by the Legislative Commissioners' Office.

### **Adopted Budget**

See "Budget Act"

### **Agency Program**

A group of activities with a common element or theme that either: (1) achieve the same goal or serve the same purpose, (2) serve slightly different purposes but are performed by the same type of employees, or (3) provide similar services to the same target population. For example, the Department of Agriculture administers the Connecticut Grown Product Promotion Program, which provides funding to promote locally-grown products through several marketing venues.

### **Allotment**

A portion of an appropriation (description below) that is made available to pay an agency's encumbrances (description below) and expenditures (description below) for a certain period or purpose. The Office of Policy and Management (description below) usually allots appropriated funds to agencies on a quarterly basis (every three months).

### **Annualization of Partial Year Costs/Funding**

Partial year funding occurs in the first year of implementation of a program, when resources are provided for less than a 12-month period. Annualization of partial year costs or funding refers to providing the amount of resources necessary to fund a full 12-month period of the operation in the second year of the program.

### **Appropriation/Appropriated Fund**

An authorization by the General Assembly to spend and incur liabilities for a specific purpose. The General Assembly appropriates the following funds: (1) the General Fund; (2) the Special Transportation Fund; (3) the Mashantucket Pequot and Mohegan Fund; (4) the Regional Market Fund; (5) the Banking Fund; (6) the Insurance Fund; (7)

the Consumer Counsel and Public Utility Control Fund; (8) the Workers' Compensation Fund; and (9) the Criminal Injuries Compensation Fund.

### **Nonappropriated Account**

Expenditures from a nonappropriated account: (a) are for a specific, dedicated purpose, which may be defined in statute and (b) are not subject to the legislative appropriation process or to allotment through the Office of Policy and Management (description above). Sources of nonappropriated funds include: (1) the federal government, (2) private funds or donations, and (3) dedicated fees and fines. An example of a nonappropriated account is the federally funded Low Income Home Energy Assistance Account.

### **Appropriations Committee**

A legislative committee that is currently composed of 57 members of either the Senate or the House of Representatives. It is responsible for: (a) reviewing all expenditure-related matters and (b) producing a final committee budget to be voted on by both chambers and ultimately submitted to the Governor for signature. It also deals with: (c) state employees' salaries, benefits and retirement, (d) teachers' retirement, (e) collective bargaining agreements and (f) arbitration awards for all state employees. The committee is divided into 13 subcommittees that review individual agency budgets and make recommendations. The Appropriations subcommittees are:

1. Legislative,
2. General Government A,
3. General Government B,
4. Regulation and Protection,
5. Conservation and Development,
6. Health,
7. Transportation,
8. Human Services,
9. Higher Education,
10. Elementary and Secondary Education,
11. Judicial and Corrections,
12. Collective Bargaining and
13. Results Based Accountability.

### **Biennial Budget**

Connecticut changed from annual to biennial budgets in 1991. The change was enacted as part of a massive budget and tax bill that included the state income tax. The first year of the biennium is always the even-numbered year (i.e., the FY 16 and FY 17 biennium). The General Assembly is elected for a two-year term, which coincides with the two-year biennial budget cycle.

## **Bill**

A written proposal to change existing law or enact a new law prepared by the Legislative Commissioners' Office. Bills that pass both legislative chambers and are signed by the Governor are called acts (definition above).

## **Bond Allocation**

Bond authorizations must be allocated or approved by the State Bond Commission (description below) to actually commit funding to a specific capital project or financial assistance program. After bond funds are allocated: (1) they are available for expenditure by the agency, town or organization that received the allocation and (2) the state is prepared to issue General Obligation (GO) or Special Tax Obligation (STO) bonds (descriptions below) to support the allocation.

## **Bond Authorization**

The amount approved by the General Assembly in an act for a specific project or program. Authorizations can be thought of as enabling legislation. A bond authorization must be allocated through the State Bond Commission before an agency can actually expend funds for a specific project or program.

## **Bond Act**

A type of enabling legislation enacted by the General Assembly based on recommendations from the Finance, Revenue and Bonding Committee. The act contains new bond authorizations for capital projects and financial assistance programs and revisions to authorizations from prior years.

## **Bond Commission**

See "State Bond Commission (SBC)"

## **Budget Act (also, Adopted Budget)**

A budget act specifies appropriations for state agencies for a specific period of time, usually a biennium or a fiscal year. A budget act must be: (a) approved by both houses of the General Assembly and (b) signed by the Governor before it can be implemented by the Office of Policy and Management. Connecticut's budget act normally contains three sections: (1) the front of the budget, (2) revenue estimates for the period covered by the budget act and (3) the back of the budget language. The sections can be described as follows:

1. The front of the budget lists appropriations to finance state agency operations over a specific period of time.
2. The revenue estimates indicate the amount of financial resources that are estimated to be available to pay for the state's appropriations. By law, the legislature must pass a balanced budget in which appropriations are equal to estimated revenue. The estimates included in the budget act must first be adopted by the Finance, Revenue and Bonding Committee.
3. Back of the budget language authorizes a variety of expenditure-related provisions that are necessary to carry on state operations. These include the

redirection of previously appropriated funds, transfers between funds, carry forwards of funds from one fiscal year to another, changes to statutory language for spending programs like grant payments to towns, and any technical and conforming changes needed to enact the spending plan in the front of the budget.

### **Budget Options**

Funding requests that increase or decrease the current services level of spending for specific programs. Agencies are required to submit budget options to the Office of Policy and Management (description below) when they submit their biennial or revised budget request, usually in the fall of each year.

### **Budget Request**

An agency's itemized plan that shows the amount of funding required to carry out the specific functions assigned to it in state statute. The request includes: (1) a current services funding level (description below) that reflects the amount of funding needed to maintain the agency's current level of operations and (2) a list of budget options for expenditure changes above or below the current services level. The agency's biennial budget request covers a two year period and its revised budget request makes changes to the second year of the biennium.

### **Budget Reserve Fund (BRF – also, Rainy Day Fund)**

A contingency fund capitalized with unappropriated General Fund money that is designated as surplus by the Comptroller after the close of the fiscal year. The BRF provides a reserve that can be drawn upon when the General Fund ends a fiscal year in deficit. The maximum level of the BRF is 15% of net General Fund appropriations for the fiscal year in progress. It is authorized under CGS Sec. 4-30a.

### **Capital Budget**

The portion of the state budget that: (a) is separate from the operating budget, (b) usually uses borrowed funding, and (c) deals with proposed long-term expenditures and financial assistance programs. Long-term expenditures include: (1) the purchase of land, (2) construction of new state-owned facilities, (3) improvements, repairs and additions to existing state-owned facilities, (4) major equipment purchases and (5) transportation-related projects. Financial assistance programs are administered by state agencies and provide funds to municipal and non-government entities through grants and/or loans. Capital budget expenditures are normally covered with bond funds, which are paid off over a 20-year period.

### **Capital Projects Funds**

Funds established to account for grants and bond-issue proceeds that are used to: (1) acquire or construct major capital facilities for state agencies, (2) fund improvements to transportation infrastructure such as highways and bridges, (3) provide grants to municipalities and nonprofit organizations, and (4) encourage economic development.

**Carry Forward**

Appropriated funds that: (1) were not spent by an agency during a fiscal year and (2) the agency is permitted to "carry forward" for expenditure in the following fiscal year. The amount and use of the funds may be specified in an implementer bill (description below). If not otherwise indicated, the amount and use of carry forward funding is governed by Section 4-89 of the Connecticut General Statutes.

**Comptroller's Office (also, Office of the State Comptroller)**

The Office of the State Comptroller is the state's official bookkeeper. The agency is responsible for: (1) operating, maintaining, updating and expanding CORE, the state's central human resources management and financial accounting system, and (2) producing and distributing monthly and annual reports on the state's revenue, expenditures and other related financial information.

**Connecticut General Statutes (also, CGS or the Statutes)**

The codified body of laws of the state of Connecticut that are enacted by the General Assembly.

**CORE (also, CORE-CT)**

CORE is the state's central human resources management and financial accounting system that is overseen by the Comptroller's Office. It was implemented in 2003 to replace the incompatible legacy systems used by many state agencies with one system and a set of standardized reporting procedures that would be used by all state agencies.

**Current Services**

The amount of funding required by an agency to provide the same level of services in the succeeding fiscal year as in the current fiscal year, plus any: (1) scheduled or (2) required changes. Scheduled changes include annualization of partial year costs and increases based on current law. Required changes include an adjustment for: (a) inflation and (b) caseload increases.

**Debt Reserve Service Fund (also, Debt Service Fund or Sinking Fund)**

A reserve fund that is used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements. It may be: (1) funded with bond proceeds or by an accumulation of pledged revenues and (2) established when the bonds are issued or upon the occurrence of a specified event. Reserve funds provide repayment security for bond purchasers and may result in a higher rating for the bond issuance and a reduction in the interest rate at which the bonds are sold.

**Deficiency Appropriation**

A supplemental appropriation made for an agency based on a need for increased funding during a fiscal year.

**Deficiency Bill**

A bill making additional appropriations to state agencies that need more funds to complete a fiscal year.

**Deficit (also, Budget Deficit)**

A budget deficit occurs when an entity expends more money than it takes in. A projected deficit occurs during the fiscal year and an actual deficit occurs after the close of the fiscal year. The term deficiency is used to describe a shortfall in a specific account/agency. The opposite of a budget deficit is a budget surplus.

**Disbursements**

Payments made in cash or by check regardless of the purpose.

**Equipment**

One of the three major categories of accounts (the other two are Personal Services and Other Expenses). Equipment includes machinery, tools, furniture, vehicles, apparatus, etc., with: (1) a value greater than \$1,000 and (2) a useful life of more than one year. The category also includes all books, regardless of cost, that are purchased for the State Library or an agency library that is a separate operating division or unit of the agency.

**Employee Fringe Benefits**

Non-salary benefits for employees, including: (1) pensions, (2) unemployment compensation, (3) health and life insurance and (4) social security. For the General Fund and the Special Transportation Fund, fringe benefits are not included in an agency's budget but instead are appropriated to the Fringe Benefit accounts, which are administered by the Comptroller. For other appropriated funds, fringe benefit costs are budgeted to the specific accounts within the agency's budget and recovered by the Comptroller based on an actual-cost basis.

**Enabling Legislation**

See "Implementer Bills"

**Encumbrances**

Funds that have been committed for payment from an account via a requisition or purchase order, but have not yet been paid.

**Expenditure**

Funds committed to be paid for specific goods received or services rendered.

**Federal Grants**

Funds made available to the state by the federal government in order to reimburse the state for specific expenditures or to encourage specific programs or projects.

### **Fiduciary Funds**

Assets held by the state when it serves as an agent for individuals or government units. In the future, the assets within these funds will be transferred to other state funds or to sources outside the state (e.g., various retirement funds).

### **Finance Advisory Committee (FAC)**

A joint legislative–executive body whose main task is to approve fund transfers between accounts that are within the same agency. The committee is comprised of: (1) the Governor, (2) Lieutenant Governor, (3) Treasurer, (4) Comptroller, and (5) two Senate members and three House members of the Appropriations Committee. It meets on the first Thursday of every month, or as needed during the legislative session.

### **Finance, Revenue and Bonding Committee**

A legislative committee that is currently composed of 54 members of either the Senate or the House of Representatives. It has cognizance over matters relating to: (1) finance, (2) revenue, (3) taxation, (4) the capital budget (bonding), (5) the Department of Revenue Services and (6) the revenue aspects of the Division of Special Revenue. All bills related to these matters that are favorably reported (approved) by any other legislative committee are referred to this committee.

### **Fiscal Note**

A brief statement of costs/savings or the revenue impact of: (1) a favorably-reported bill or (2) any amendments to a bill, which is prepared by the Office of Fiscal Analysis (description below). All bills taken up by either chamber of the General Assembly are required to have a fiscal note.

### **Fiscal Year (FY)**

The twelve-month budget or financial year. Connecticut’s fiscal year runs from July 1<sup>st</sup> through June 30<sup>th</sup>. At the end of this period the Comptroller’s Office closes all accounts and determines: (1) the state’s financial condition and (2) the net results of its operations. The federal government’s fiscal year runs from October 1<sup>st</sup> through September 30<sup>th</sup>.

### **Fixed Charge or Grant**

Payments to: (a) institutions, agencies or individuals or (b) for undertakings that may or may not be directly under state control. Fixed charges are divided into either: (1) Payments to Other Than Local Governments (Grants - Other) or (2) Payments to Local Governments (Grants - Local or Town Grants).

### **Function of Government**

Categories of state government responsibilities and activities that are related to public interest. The categories are useful for budgeting purposes because they allow expenditure levels for different activities to be compared with other jurisdictions. Connecticut’s budget document is organized into eleven categories, including: (1) Legislative; (2) General Government; (3) Regulation and Protection; (4) Conservation

and Development, (5) Health; (6) Transportation; (7) Human Services; (8) Education, Museums and Libraries; (9) Corrections; (10) Judicial; and (11) Non-Functional. All state agencies or commissions are assigned to one of the ten function categories based on its mission. The Non-Functional category includes expenditures that do not easily fit into one of the other categories, such as Debt Service, the central Workers' Compensation account, and Fringe Benefits Administered by the Comptroller.

### **Fund**

An independent financial and accounting entity. Each fund is comprised of a self-balancing set of accounts and records, cash and other financial resources. Monies within a fund share a common purpose or objective in accordance with special regulations, restrictions, or limitations. The state has nine appropriated funds.

### **Funded Positions**

The number of full-time positions that could be filled by an agency during the fiscal year without incurring a deficit: (1) after turnover is taken into account, and (2) provided that all other personal services items were expended as budgeted.

### **General Assembly**

The official name of the Connecticut legislature.

### **Generally Accepted Accounting Practice (GAAP)**

GAAP is the standard framework of guidelines for financial accounting used in any given jurisdiction. The guidelines for state and local governments are set by the Government Accounting Standards Board (GASB). They include the standards, conventions, and rules that the state is required to follow in preparing its annual financial statements and its annual budget. GAAP requires the state to: (1) budget for expenses when they are incurred rather than when bills are actually paid and (2) recognize revenues when they are earned.

### **Accumulated GAAP Deficit**

The cumulative GAAP deficit refers to the aggregate amount of liabilities that exceed assets in the General Fund. The deficit accumulated prior to July 1, 2013, when the state changed to a modified accrual basis of accounting utilized under GAAP.

### **General Fund (GF)**

The main operating fund of the state government that is used to finance the majority of the state's operations. The fund receives income from taxes, federal aid, licenses, permits and fees. It is operated according to a budget plan adopted by the General Assembly and signed by the Governor.

### **General Obligation (GO) Bonds**

Nontaxable or taxable bonds issued by the state that pledge the revenue stream from the state's General Fund to pay debt service. They are used to finance: (1) the construction of state buildings, (2) capital improvements to state buildings and parks,

(3) school construction grants-in-aid to towns, and (4) grants and loans for housing, economic development, community care facilities, and open space. The General Assembly has also authorized the issuance of two specialized forms of GO bonds: (a) UConn 2000 Infrastructure Improvement Bonds and (b) Tax Incremental Financing (TIF) Bonds.

### **Governor's Bills**

Bills introduced by legislative leaders of the Governor's party at the request of the Governor. Governor's bills are generally introduced at the beginning of the legislative session.

### **Governor's Recommended Biennial Budget**

The financial recommendations of the Governor that are contained in a budget document and presented to the General Assembly for action each February in odd-numbered years. Since Connecticut uses a biennial budget process, the Governor's budget covers a two-year period in the first year.

### **Governor's Recommended Budget Revisions**

The Governor presents his recommendations for midterm (mid-biennial) adjustments for the second year of the biennial budget to the General Assembly for action each February in even-numbered years.

### **Grant Payments to Towns (also, Grant-in-aid Payments to Towns)**

Payments to Connecticut's municipalities (towns and cities) for a specified purpose or to reimburse expenses already incurred. Education grants make up the largest portion of these payments. Payments in this category are made to towns, not to a town's Board of Education or other local subsidiary body.

### **Grant Payments Other Than to Towns**

State obligations that are not part of an agency's direct operating budget (e.g., Temporary Assistance to Needy Families, Medicaid, and payments to the Teachers' Retirement Fund).

### **Holdback (also, Budgeted Lapse or Allotment Reduction)**

The amount of an agency's General Fund appropriation that is retained (i.e., held back) by the Office of Policy and Management (description below) in order to achieve the amount of overall savings assumed in the adopted budget.

### **Implementer Bills (also, Enabling Legislation)**

A bill or set of bills that contain the policy provisions needed to put into effect or "implement" the state budget. Implementer bills are necessary because the budget act often contains the funding necessary for a program but does not contain the statutory changes that enable the program to function as intended. Implementers are often referred to by the agency or department most affected, as in "Education Implementer."

Unlike most other bills, implementers don't go through legislative committees or public hearings.

### **Internal Service Funds**

Funds used to finance goods or services provided by one state agency to another state agency, on a cost-reimbursed basis. The state's Internal Service Funds include: (1) the Correction Industries Fund, (2) the Technical Services Fund, (3) the General Services Fund, and (4) the Capital Equipment Data Processing Fund.

### **Lapse**

Appropriated funds that: (1) an agency does not or cannot spend by the end of the fiscal year and (2) are not carried forward into the next fiscal year. A lapse may occur naturally because the funding available is more than is needed, or may be a budgeted lapse (holdback) that is programmed in the adopted budget to achieve savings.

### **Line Item**

A single account listed in the budget act that provides funding for a specific type of expenditure. Examples include Personal Services, Other Expenses and Equipment.

### **New or Expanded Services**

Changes that reflect policy decisions to expand current services or provide new services. Increases in revenue may or may not be associated with these changes.

### **Nonlapsing Account or Fund**

An account or fund with the statutory authority to carry forward its balance from one fiscal year to the next.

### **Office of Fiscal Analysis (OFA)**

A nonpartisan professional office of the Connecticut General Assembly established in 1973 that supports the legislature in both budget formulation and execution. Its primary function is to provide technical support to the Committee on Appropriations and the Committee on Finance, Revenue and Bonding, as well as the other committees and members of the legislature. OFA: (1) analyzes the Governor's budget recommendations, (2) determines fiscal impact of legislation by completing fiscal notes on bills and amendments and (3) responds to fiscal requests by legislators.

### **Office of Policy and Management (OPM)**

An executive branch budget office established in 1977. The agency: (a) develops the forms and instructions that are used by state agencies in preparing their budget requests, (b) works closely with the Governor to develop the budget for presentation to

the legislature, (c) prepares all proposed enabling legislation associated with the Governor's budget, and (d) implements and monitors the budget plan once it's been adopted. It is composed of seven divisions that report to the Secretary of OPM:

1. Administration,
2. Budget and Financial Management,
3. Criminal Justice Policy and Planning Division,
4. Finance,
5. Intergovernmental Policy,
6. Labor Relations, and
7. Policy Development and Planning.

### **Office of the State Comptroller**

See "Comptroller's Office"

### **Operating Budget**

An itemized summary of estimated funding needs for a given period of time that will allow an agency to carry out the specific functions assigned to it in the state statutes.

### **Other Current Expenses (OCE)**

A category of expenses that can be used for Personal Services, Other Expenses, Equipment or fixed charges directly associated with that program. Funds appropriated for a nonfunctional OCE account can be used for any category of expenditure as long as it is consistent with the purpose of the appropriation.

### **Other Expenses (OE)**

One of the three major categories of accounts (the other two are Personal Services and Equipment). OE is comprised of: (1) Contractual Services, (2) Commodities and (3) Sundry. (1) Contractual Services are considered compensation for services secured by contract. (2) Commodities refer to all supplies, materials and equipment not normally regarded as capital items. (3) Sundry charges include all expenditures not properly assignable to other standard accounts, for example: employee fringe benefits, lottery prizes, and student grants.

### **Personal Services (PS)**

One of the three major categories of accounts (the other two are Other Expenses and Equipment). PS is used for actual direct payroll costs. For example: full-time, part-time and temporary employee salaries, overtime, payments for vacation and sick leave, longevity and shift differential. Fringe benefits are not included in this category.

### **Personal Services (PS) Reduction**

A reduction in Personal Services that often reflects economies and efficiencies in an agency's operations.

**Policy Revision (also, Policy Change)**

A shift in the direction or set of principles that determine the course of action for: (1) an agency's program or (2) adopted legislation.

**Program Budget**

A method of budgeting expenditures to meet programmatic objectives rather than on a line-item basis. The program budget for an agency includes the objectives for each program, a description of each program, performance measures, and an explanation of significant program changes requested and recommended.

**Program and Outcome Measures**

The measures that quantify the key aspects of a program's performance such as workload, output, outcome, client/employee ratios, response times, etc.

**Rainy Day Fund**

See "Budget Reserve Fund"

**Reimbursement**

Cash or other assets paid by the state to another governmental unit, fund or department to repay that entity for an expenditure made on behalf of the state.

**Rescission**

Cancellation of the authority to expend money previously approved by the legislature and Governor. The Governor is permitted to reduce state agency allotments by up to: (1) 3% of the total appropriation from any fund or (2) 5% of any appropriation. As part of a deficit mitigation plan to address the Comptroller's projected deficit of more than 1% of General Fund appropriations, the Governor may seek Finance Advisory Committee (description above) approval to reduce total appropriations from any fund by up to 5%. The Governor is granted rescission authority under CGS Sec. 4-85.

**Results Based Accountability (RBA)**

A management tool can be used: (1) to facilitate collaboration among various agencies, (2) to decentralize services or (3) as a regulatory process. The term implies that expected results (also known as goals) are clearly articulated and that data are regularly collected and reported to address questions of whether results have been achieved.

**Revenue**

Cash paid to or collected by the state. Connecticut receives revenue from a variety of sources, including: (1) state taxes, such as the sales tax and the income tax, (2) federal grants and payments, (3) licenses, permits and fees, and (4) Indian Gaming Payments from Foxwoods and the Mohegan Sun casinos.

### **Special Revenue Fund**

Any fund that can only be used only in accordance with specific regulations. Special revenue funds are created by law to finance particular activities with revenue from specific taxes or other sources. Examples include the Special Transportation Fund, the Regional Market Operation Fund, and Higher Education Tuition Funds.

### **Special Tax Obligation (STO) Bonds**

Nontaxable bonds issued by the state to finance the state's share of the cost of highway and bridge construction and maintenance projects (the federal government finances the remainder of the cost). The bonds have also been used to provide grants to towns for local road improvement under the Town Aid Road program. The debt service costs for the bonds are funded by: (1) the motor fuels tax, (2) oil companies tax, (3) sales tax collected on motor vehicle sales, and (4) motor vehicle registrations, licenses and fees.

### **Special Transportation Fund (STF)**

The operating fund of the State Department of Transportation and the State Department of Motor Vehicles. The STF finances: (1) the ordinary, everyday operations of the two agencies, including fringe benefits for employees and (2) debt service costs for Special Tax Obligation (STO) bonds, which pay for road and bridge improvement projects.

### **State Bond Commission (SBC)**

A joint legislative-executive body that: (1) allocates General Obligation (GO) and Special Tax Obligation (STO) bond funds for capital budget projects and programs and (2) approves the amount and timing of bond sales requested by the State Treasurer. The agenda for SBC meetings is determined by the Governor. The ten-member commission includes six executive members (the Governor, the Treasurer, the Comptroller, the Attorney General, the Secretary of the Office of Policy and Management, the Commissioner of Administrative Services) and four legislative members (the House and Senate chairs and ranking members of the Finance, Revenue and Bonding Committee). SBC meetings are scheduled in every month except November.

### **Surplus**

A budget surplus occurs when an entity takes in more money than it expends. A projected surplus occurs during the fiscal year and an actual surplus occurs after the close of the fiscal year. The term lapse is used to describe a surplus in a specific account within an agency. The opposite of a budget surplus is a budget deficit.

### **Tax Expenditure**

A type of "off budget" spending through the tax code that is used to implement government policies. Tax expenditures include tax credits, deductions, exclusions, exemptions, deferrals, and preferential rates. They may be used to encourage: (1) people save for retirement, buy a home, or pay for college or (2) companies to invest in

green energy technologies or build new plants. Examples include the state personal income tax deduction for contributions to the Connecticut Higher Education Trust and the sales tax exemption for residential weatherization products that meet federal Energy Star standards.

**Transfers**

The movement of funds from one funding category to another, including: (1) the redirection of resources within an agency by the Finance Advisory Committee (FAC), (2) transfers from one agency to another by the deficiency bill, and (3) transfers from one fund to another by the budget act.

**Turnover**

A net adjustment made to the Personal Services account that reflects: (1) the natural reduction made to an agency's payroll due to the loss of employees through voluntary separation, retirements, deaths and transfers, and (2) payroll increases due to the hiring of new employees.

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