

PRELIMINARY FISCAL NOTES

HB 5031 and HB 5032

Appropriations Committee Meeting

March 31, 2026



OFFICE OF FISCAL ANALYSIS

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1. HB 5031 - AN ACT MAKING DEFICIENCY APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 2026

The bill appropriates \$228,435,000 in deficiency appropriations to agencies across two appropriated funds and de-appropriates \$77,121,190 across seven appropriated funds.

Spending Cap Impact

The deficiency bill leaves the FY 26 budget \$0.2 million under the spending cap, inclusive of the \$500 million declared exempt, in FY 26 only, per SA 25-1 NSS and accompanying Governor’s declaration of extraordinary circumstances.

HB 5031 (Deficiency Bill) Impacts

Fund	Appropriation Increase \$	Appropriation Decrease \$	Balance \$
General Fund	220,010,000	71,497,990	(148,512,010)
Special Transportation Fund	8,425,000	1,650,000	(6,775,000)
Banking Fund	-	1,600,000	1,600,000
Insurance Fund	-	680,000	680,000
Consumer Counsel & Public Utility Control Fund	-	245,000	245,000
Workers' Compensation Fund	-	898,200	898,200
Cannabis Regulatory Fund	-	550,000	550,000
TOTAL	228,435,000	77,121,190	(151,313,810)

2. HB 5032 - AN ACT ADJUSTING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2027.

Sections 1-8 include revised appropriations for the 12 appropriated funds totaling \$28.9 billion in FY 27, as summarized in the table below.

Fund Summary

Fund Summary	FY 26 \$	FY 27 \$
General Fund	24,130,780,244	25,690,627,553
Special Transportation Fund	2,291,210,908	2,427,181,298
Municipal Revenue Sharing Fund	559,409,674	551,799,145
Banking Fund	36,301,539	33,395,890
Insurance Fund	118,397,912	116,262,754
Consumer Counsel and Public Utility Control Fund	37,235,150	38,365,138
Workers' Compensation Fund	27,287,983	27,174,687
Mashantucket Pequot and Mohegan Fund	52,541,796	54,291,796
Criminal Injuries Compensation Fund	2,934,088	2,934,088
Tourism Fund	17,884,502	18,709,502
Cannabis Prevention and Recovery Services Fund	3,365,268	3,365,268
Cannabis Regulatory Fund	9,374,453	9,374,453
Subtotal	27,286,723,517	28,973,481,572
General Fund Lapses		
Unallocated Lapse	(63,710,570)	(73,710,570)
Unallocated Lapse - Judicial	(5,000,000)	(5,000,000)
Targeted Savings	(25,518,692)	(15,000,000)
Subtotal	(94,229,262)	(93,710,570)
Special Transportation Fund Lapses		
Unallocated Lapse	(12,000,000)	(12,000,000)
Subtotal	(12,000,000)	(12,000,000)
Net Appropriations		
General Fund	24,036,550,982	25,596,916,983
Special Transportation Fund	2,279,210,908	2,415,181,298
Municipal Revenue Sharing Fund	559,409,674	551,799,145
Banking Fund	36,301,539	33,395,890
Insurance Fund	118,397,912	116,262,754
Consumer Counsel and Public Utility Control Fund	37,235,150	38,365,138
Workers' Compensation Fund	27,287,983	27,174,687
Mashantucket Pequot and Mohegan Fund	52,541,796	54,291,796
Criminal Injuries Compensation Fund	2,934,088	2,934,088
Tourism Fund	17,884,502	18,709,502
Cannabis Prevention and Recovery Services Fund	3,365,268	3,365,268
Cannabis Regulatory Fund	9,374,453	9,374,453
TOTAL NET APPROPRIATIONS	27,180,494,255	28,867,771,002

Spending Cap

The budget is calculated to be under the spending cap by \$0.2 million in FY 26 and \$16.1 million in FY 27, which assumes passage of sHB 5031, An Act Making Deficiency Appropriations for the Fiscal Year Ending June 30, 2026. The FY 26 calculation incorporates the appropriations contained in SA 25-1 NSS, AAC Temporary Adjustments to The Budget Reserve Fund and Appropriating Funds to Address Reductions in Federal Funding, as well as the associated Governor's Declaration of the Existence of Extraordinary Circumstances dated November 12, 2025 exempting \$500 million in appropriations contained in the Special Act from the spending cap. Per the Declaration, appropriations in excess of the cap in FY 26 are not carried forwarded into the subsequent year's spending cap calculation base.

Growth Rate

The FY 27 growth rate for all appropriated funds is 6.2% over FY 26 appropriations. The FY 27 growth rate is 0.8% over FY 27 original appropriations. See the table below for details.

FY 27 Budget Growth Rates (by fund - in millions)

Fund	FY 26 Approp.	FY 27					
		Original Approp.	Change to Original	Approp.		Change from FY 26	
	\$	\$	\$	%	\$	\$	%
General	24,036.6	25,361.9	235.0	0.9%	25,596.9	1,560.4	6.5%
Transportation	2,279.2	2,405.2	10.0	0.4%	2,415.2	136.0	6.0%
Other Appropriated	864.7	868.0	(12.3)	-1.4%	855.7	(9.1)	1.0%
TOTAL	27,180.5	28,635.1	232.7	0.8%	28,867.8	1,687.3	6.2%

Section 13 suspends the statutory end-of-year transfer from the Probate Court Administration Fund to the General Fund, precluding General Fund revenue of about \$25 million in FY 27.

Section 14 changes the accounts within the Connecticut State Library through which funding is provided for various organizations in FY 27.

Section 15 changes the accounts within the State Department of Education through which funding is provided for various organizations in FY 27. The section does not change the amount of funding provided to the organizations.

Section 16 requires the Office of Legislative Management (OLM) to apply terms consistent with the collective bargaining agreement for the Connecticut Employees Union Independent, NP-2 bargaining unit to legislative employees resulting in a cost to OLM of approximately \$2.5 million in FY 27.

Section 17 carries forward \$100,000 in OLM to FY 27 for the removal of the John Mason statute from the state capitol building.

Section 18 provides \$100,000, in FY 27 to the three state-recognized tribes, The Schaghticoke, the Paucatuck Eastern Pequot and the Golden Hill Paugussett, for storm damage clean-up and hazardous tree removal on their reservations.

Section 19 provides \$50,000 in FY 27 to the Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of Connecticut and the three state-recognized tribes, The Schaghticoke, the Paucatuck Eastern Pequot and the Golden Hill Paugussett, for hunting and fishing license fees.

Section 20 makes \$3 million in FY 26 and \$4 million in FY 27 of funds appropriated to the Department of Transportation's Rail Operations account in PA 25-168 available for Shore Line East. As these funds have already been appropriated and are currently available for Shore Line East, this section does not have a net fiscal impact.

Section 21 carries forward \$850,000 from the amount appropriated to the Department of Emergency Services and Public Protection (DESPP) for Social Work Law Enforcement Training Partnership in FY 26 into FY 27.

Section 22 carries forward up to \$200,000 appropriated to the Department of Economic and Community Development for a grant to the American Legion Post 17 in Naugatuck.

Section 23 carries forward up to \$250,000 appropriated to the Department of Children and Families for a grant to the Thames River Community Services.

Section 24 requires DESPP, the Police Officer Standards and Training Council, and Southern Connecticut State University to jointly report on the status of the social work and law enforcement project established under CGS Sec. 29-11l. The report must be submitted by January 1, 2027, to the Appropriations and the Public Safety and Security Committees.

Section 25 requires the Student Loan Ombudsman to submit productivity reports for both CY 25 and CY 26 resulting in no fiscal impact.

Sections 26 - 27 rename the Governor's Guards account to the Governor's Foot Guard account and separate the Governor's Guards horse account into two subaccounts, resulting in no fiscal impact.

Section 28 makes a variety of procedural and clarifying changes to the Finish Line Scholars program that have no fiscal impact.

Section 29 results in a cost to the Department of Social Services (DSS) of approximately \$1.3 million annually associated with suspending the separate inflation cost limitation on direct care costs as reported in 2024 cost report filings and factoring such costs into FY 27 ICF rates.

Section 30 removes a provision that establishes a boundary on certain tribal property that qualifies for the Tiered PILOT grant. This results in a potential cost to the Office of Policy and Management for Tiered PILOT beginning in FY 27 and a corresponding revenue gain to certain towns to the extent more property qualifies for this grant.

Section 31 requires each intern in the Connecticut Legislative Intern Program to receive a stipend of \$1,500 and mileage reimbursement resulting in an annual cost to OLM of up to \$100,000. The exact cost is dependent on the number of interns and the amount of mileage reimbursement requested.