



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

July 20, 2009

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

Dear Comptroller Wyman:

The following information on the State's General Fund for fiscal year 2008-2009 is provided in accordance with Section 4-66 of the General Statutes. In addition, an analysis of the Special Transportation Fund is included due to the significant nature of this fund. Estimates are as of June 30, 2009. This letter reflects the passage of Public Acts 08-01 and 08-02 from the August Special Session, P.A. 08-01 from the November Special Session and P.A. 09-1, P.A. 09-2 and P.A. 09-111 of the 2009 Regular Session and P.A. 09-2 of the June Special Session.

The General Fund is now projected to end the year with a deficit of \$941.9 million, a modest decrease of \$25.7 million over last month. These figures are subject to change as certain revenue sources for the month of July are still being tallied for FY 2009.

This month's letter contains numerous changes to the revenue schedule which net to a positive \$24.5 million, the largest of which is Federal Grants which ended the year \$17.0 million higher than previously projected. We are also revising upward the Corporation Tax projection by \$15.0 million, to reflect the cumulative year-to-date positive variance.

In the General Fund, we are estimating that due to the Governor's four rescission programs, actions taken by the General Assembly and other surpluses available in select accounts, statewide lapses are estimated to reach \$450.0 million, assuming that \$20.0 million in carry forwards, including \$17 million in collective bargaining costs that require legislative approval will be eventually approved. The estimated statewide lapses are itemized in Statement 4 of the attached report.

Within the Transportation Fund, revenues have been revised downward by a total of \$3.1 million this month. Offsetting this reduction is an increase in identified lapses of \$3.0 million. For the fiscal year, revenues were below budgeted amounts by \$121.6 million, while expenditures were \$36.6 million less than budgeted. We estimate that the Special Transportation Fund will have a year end balance of \$96.1 million. In absence of a final budget, we have assumed that \$10.1 million will be carried forward for collective bargaining costs per past practice.

It should be noted that while these projections are the best that can be made at this time, and that some adjustments are expected in the year end closing process.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Genuario".

Robert L. Genuario
Secretary

RLG:dd
Attachments

Summary
July 20, 2009

State of Connecticut
Summary of Changes
General Fund and Special Transportation Fund
Projected to June 30, 2009
As of June 30, 2009
(In Millions)

General Fund

Balance - June 22, 2009		\$	(967.6)
Revenues			
Corporation Tax	15.0		
Miscellaneous Revenue	6.0		
Federal Grants	17.0		
Transfers to the Resources of the General Fund	(7.0)		
All Other	(6.5)		24.5
Expenditures			
PA 09-2, June Special Session	(29.4)		
Additional Requirements	86.0		
Estimated Lapses	(48.7)		
Miscellaneous Adjustments/Rounding	(6.8)		1.2
Balance - July 20, 2009		\$	<u>(941.9)</u>

Special Transportation Fund

Carry Forward FY 2008-09 Surplus		\$	178.3
Balance - June 22, 2009			(82.1)
Revenues			
Motor Fuels Tax	(2.0)		
Sales Tax- DMV	1.6		
Motor Vehicle Receipts	(2.5)		
All Other	(0.2)		(3.1)
Expenditures			
Estimated Lapses	3.0		3.0
Balance - July 20, 2009		\$	<u>96.1</u>

State of Connecticut
General Fund
Statement of Revenues, Expenditures, and Results of Operations
Projected to June 30, 2009
As of June 30, 2009
(In Millions)

	General Assembly <u>Budget Plan</u> ^{1.}	Revised Estimates <u>OPM</u> ^{2., 3., 4., 5., 6., 7.}	Over/ (Under)
REVENUE			
Taxes	\$13,851.7	\$11,763.9	(\$2,087.8)
Less: Refunds	<u>(880.6)</u>	<u>(1,060.7)</u>	<u>(180.1)</u>
Taxes - Net	12,971.1	10,703.2	(2,267.9)
Other Revenue	1,208.4	1,104.3	(104.1)
Other Sources	<u>2,898.0</u>	<u>4,073.4</u>	<u>1,175.4</u>
TOTAL Revenue	\$17,077.5	\$15,880.9	(\$1,196.6)
EXPENDITURES			
Appropriations	\$17,200.5	\$17,228.8	\$28.3
Net Additional Requirements	0.0	0.0	0.0
Less: Estimated Lapses	<u>(117.5)</u>	<u>(450.0)</u>	<u>(332.5)</u>
TOTAL Expenditures	\$17,083.0	\$16,778.8	(\$304.2)
Balance from Operations	(\$5.5)	(\$897.9)	(\$892.4)
Miscellaneous Adjustments	<u>0.0</u>	<u>(44.0)</u>	<u>(44.0)</u>
Estimated Balance 6/30/09	<u>(\$5.5)</u>	<u>(\$941.9)</u>	<u>(\$936.4)</u>

1. PA 07-1, June Special Session, PA 07-1, September Special Session, PA 08-02, June 11 Special Session and PA 08-51.
2. PA 08-01 and PA 08-02, August Special Session.
3. PA 08-01, November Special Session.
4. P.A. 09-1
5. P.A. 09-2
6. P.A. 09-111
7. P.A. 09-2, June 19 Special Session

State of Connecticut
General Fund
Revenue Estimates
Projected to June 30, 2009
As of June 30, 2009
(In Millions)

TAXES

Personal Income	\$6,405.0
Sales and Use	3,320.7
Corporation	612.6
Public Service Corporations	270.0
Inheritance and Estate	238.3
Insurance Companies	202.2
Cigarettes	313.6
Real Estate Conveyance	85.0
Oil Companies	91.0
Alcoholic Beverages	47.5
Admissions and Dues	36.0
Miscellaneous	142.0
TOTAL - TAXES	<u>\$11,763.9</u>
Less: Refunds of Taxes	(1,052.3)
R & D Credit Exchange	<u>(8.4)</u>
TOTAL - TAXES - NET	<u>\$10,703.2</u>

OTHER REVENUE

Transfers - Special Revenue	\$287.2
Indian Gaming Payments	377.9
Licenses, Permits, Fees	157.2
Sales of Commodities and Services	32.6
Rents, Fines, Escheats	70.1
Investment Income	17.0
Miscellaneous	163.0
Refunds of Payments	<u>(0.7)</u>
TOTAL - OTHER REVENUE	<u>\$1,104.3</u>

OTHER SOURCES

Federal Grants	\$3,623.1
Transfers to the Resources of the General Fund	420.8
Transfer from Tobacco Settlement Fund	115.8
Transfers to Other Funds	<u>(86.3)</u>
TOTAL - OTHER SOURCES	<u>\$4,073.4</u>

TOTAL - GENERAL FUND REVENUE	\$15,880.9
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State of Connecticut - General Fund
Appropriation Adjustments - Net Additional Requirements
Projected to June 30, 2009
As of June 30, 2009

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

State of Connecticut
General Fund
Estimated Lapses
Projected to June 30, 2009
As of June 30, 2009

Legislative Management	\$6,300,000
State Comptroller	1,600,000
Department of Revenue Services	3,800,000
State Insurance and Risk Management Board	1,700,000
Office of Policy and Management	13,000,000
Department of Veterans Affairs	1,600,000
Department of Administrative Services	1,700,000
Department of Information Technology	2,800,000
Department of Public Works	1,700,000
Attorney General	1,800,000
Department of Criminal Justice	1,900,000
Department of Public Safety	5,800,000
Department of Labor	2,600,000
Department of Environmental Protection	2,600,000
Commission on Culture and Tourism	1,700,000
Department of Economic and Community Development	6,400,000
Department of Public Health	4,300,000
Department of Developmental Services	22,000,000
Department of Mental Health and Addiction Services	9,500,000
Department of Social Services	39,300,000
Department of Education	12,600,000
Department of Higher Education	1,300,000
University of Connecticut	11,300,000
Teachers' Retirement Board	2,800,000
Regional Community-Technical Colleges	7,600,000
Connecticut State University System	7,700,000
Department of Correction	4,300,000
Department of Children and Families	54,800,000
Children's Trust Fund Council	1,200,000
Judicial Department	20,000,000
Public Defender Services Commission	1,200,000
Debt Service	67,500,000
State Comptroller-Fringe Benefits	117,600,000
All Other	8,000,000
Total	<u><u>\$450,000,000</u></u>

State of Connecticut
2008-09 General Fund
Summary of Operations Per Letter to the Comptroller
(In Millions)

	Budget Plan ^{1.}	July 2008	August ^{2.} 2008	September 2008	October 2008	November ^{3.} 2008	December ^{4.} 2008	January 2009	February ^{5.} 2009	March 2009	April 2009	May ^{6.} 2009	June ^{7.} 2009
REVENUE	\$17,077.5	\$16,858.4	\$16,785.6	\$16,949.1	\$16,709.6	\$16,824.9	\$16,098.0	\$16,065.0	\$16,229.8	\$15,832.8	\$15,846.1	\$15,856.4	\$15,880.9
Appropriations	17,200.5	17,200.5	17,228.8	17,279.5	17,279.5	17,270.4	17,231.2	17,231.2	17,222.3	17,222.3	17,222.3	17,199.4	17,228.8
Additional Requirements	0.0	18.3	19.8	19.8	29.8	29.8	85.8	77.4	77.0	79.3	76.1	86.0	0.0
Less: Estimated Lapses	<u>(117.5)</u>	<u>(217.5)</u>	<u>(217.5)</u>	<u>(251.9)</u>	<u>(257.5)</u>	<u>(300.8)</u>	<u>(320.2)</u>	<u>(324.4)</u>	<u>(430.8)</u>	<u>(443.9)</u>	<u>(518.9)</u>	<u>(498.7)</u>	<u>(450.0)</u>
TOTAL - Estimated Expenditures	17,083.0	17,001.3	17,031.1	17,047.4	17,051.8	16,999.4	16,996.9	16,984.2	16,868.5	16,857.8	16,779.6	16,786.7	16,778.8
Balance from Operations	(5.5)	(142.9)	(245.5)	(98.3)	(342.2)	(174.5)	(898.8)	(919.2)	(638.7)	(1,025.0)	(933.5)	(930.3)	(897.9)
Compt.'s Misc. Adjustments/Rounding	<u>0.0</u>	<u>(2.8)</u>	<u>(6.2)</u>	<u>(9.6)</u>	<u>(14.1)</u>	<u>(18.5)</u>	<u>(22.9)</u>	<u>(25.0)</u>	<u>(28.7)</u>	<u>(31.3)</u>	<u>(34.7)</u>	<u>(37.2)</u>	<u>(44.0)</u>
Estimated Balance 6/30/09	(\$5.5)	(\$145.7)	(\$251.7)	(\$107.9)	(\$356.3)	(\$193.0)	(\$921.7)	(\$944.2)	(\$667.4)	(\$1,056.3)	(\$968.2)	(\$967.6)	(\$941.9)

1. PA 07-1, June Special Session, PA 07-1, September Special Session, PA 08-2, June 11 Special Session and PA 08-51.

2. PA 08-01 and PA 08-02, August Special Session.

3. PA 08-01, November Special Session.

4. P.A. 09-1

5. P.A. 09-2

6. P.A. 09-111

7. P.A. 09-2, June 19 Special Session

State of Connecticut
Special Transportation Fund
Analysis of Budget Plan
Projected to June 30, 2009
As of June 30, 2009
(In Millions)

	General Assembly <u>Budget Plan</u> ^{1.}	Revised Estimates <u>OPM</u> ^{3.,4.}	Over/ (Under)
Surplus Carried Forward from 2007-08 ^{2.}	\$215.5	\$178.3	(\$37.2)
REVENUE			
Taxes	\$739.5	\$693.7	(\$45.8)
Less: Refunds of Taxes	<u>(9.0)</u>	<u>(6.1)</u>	<u>2.9</u>
Taxes - Net	730.5	687.6	(42.9)
Other Revenue	<u>426.5</u>	<u>347.8</u>	<u>(78.7)</u>
TOTAL - Revenue	\$1,157.0	\$1,035.4	(\$121.6)
EXPENDITURES			
Appropriations	\$1,165.2	\$1,158.7	(\$6.5)
Additional Appropriations	0.0	0.0	0.0
Less: Estimated Lapses	<u>(11.0)</u>	<u>(41.1)</u>	<u>(30.1)</u>
TOTAL - Expenditures	\$1,154.2	\$1,117.6	(\$36.6)
Balance from Operations	\$2.8	(\$82.2)	(\$85.0)
Miscellaneous Adjustments	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Estimated Balance 6/30/09	<u>\$218.3</u>	<u>\$96.1</u>	<u>(\$122.2)</u>

1. P.A. 07-1, June Special Session

2. The Budget Plan assumed \$215.5 million would be carried forward from FY 2008.
The Comptroller's 9/2/08 final unaudited was \$178.3 million.

3. P.A. 09-1

4. P.A. 09-111

Statement 2T
July 20, 2009

State of Connecticut
Special Transportation Fund
Revenue Estimates
Projected to June 30, 2009
As of June 30, 2009
(In Millions)

TAXES	
Motor Fuels	\$494.7
Oil Companies	141.9
Sales Tax DMV	57.1
TOTAL - TAXES	<u>693.7</u>
Less: Refunds of Taxes	<u>(6.1)</u>
TOTAL - TAXES - NET	\$687.6
OTHER REVENUE	
Motor Vehicle Receipts	\$220.8
Licenses, Permits, Fees	143.6
Interest Income	15.6
Transfers to Other Funds	(29.8)
Refunds of Payments	<u>(2.4)</u>
TOTAL - OTHER REVENUE	\$347.8
TOTAL - SPECIAL TRANSPORTATION FUND REVENUE	\$1,035.4

Statement 3T
July 20, 2009

State of Connecticut
Special Transportation Fund
Appropriation Adjustments - Additional Appropriations
Projected to June 30, 2009
As of June 30, 2009

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

Statement 4T
July 20, 2009

State of Connecticut
Special Transportation Fund
Estimated Lapse
Projected to June 30, 2009
As of June 30, 2009

Department of Motor Vehicles	\$3,100,000
Department of Transportation	5,300,000
Debt Service	20,800,000
State Comptroller- Fringe Benefits	11,200,000
All Other	700,000
Total	\$41,100,000

State of Connecticut
2008-09 Special Transportation Fund
Summary of Operations Per Letter to the Comptroller
(In Millions)

	Budget Plan ^{1.}	July 2008	August 2008	September 2008	October 2008	November 2008	December ^{3.} 2008	January 2009	February 2009	March 2009	April 2009	May ^{4.} 2009	June 2009
Beginning Balance ^{2.}	\$215.5	\$176.2	\$178.3	\$178.3	\$178.3	\$178.3	\$178.3	\$178.3	\$178.3	\$178.3	\$178.3	\$178.3	\$178.3
Revenue	<u>1,157.0</u>	<u>1,103.7</u>	<u>1,103.7</u>	<u>1,103.7</u>	<u>1,084.0</u>	<u>1,077.0</u>	<u>1,078.5</u>	<u>1,078.5</u>	<u>1,058.7</u>	<u>1,053.7</u>	<u>1,051.0</u>	<u>1,038.5</u>	<u>1,035.4</u>
Total Available	1,372.5	1,279.9	1,282.0	1,282.0	1,262.3	1,255.3	1,256.8	1,256.8	1,237.0	1,232.0	1,229.3	1,216.8	1,213.7
Appropriations	1,165.2	1,165.2	1,165.2	1,165.2	1,165.2	1,165.2	1,165.2	1,165.2	1,165.2	1,165.2	1,165.2	1,158.7	1,158.7
Additional Appropriations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.8	4.1	0.0	0.0	0.0
Less: Estimated Lapses	<u>(11.0)</u>	<u>(18.8)</u>	<u>(18.8)</u>	<u>(19.6)</u>	<u>(19.6)</u>	<u>(21.0)</u>	<u>(21.0)</u>	<u>(21.0)</u>	<u>(28.3)</u>	<u>(28.3)</u>	<u>(36.8)</u>	<u>(38.1)</u>	<u>(41.1)</u>
TOTAL - Estimated Expenditures	1,154.2	1,146.4	1,146.4	1,145.6	1,145.6	1,144.2	1,144.2	1,144.2	1,141.7	1,141.0	1,128.4	1,120.6	1,117.6
Balance from Operations	2.8	(42.7)	(42.7)	(41.9)	(61.6)	(67.2)	(65.7)	(65.7)	(83.0)	(87.3)	(77.4)	(82.1)	(82.2)
Compt's Misc. Adjustments/Rounding	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Estimated Balance 6/30/09	\$218.3	\$133.5	\$135.6	\$136.4	\$116.7	\$111.1	\$112.6	\$112.6	\$95.3	\$91.0	\$100.9	\$96.2	\$96.1

1. PA 07-1, June Special Session

2. The Budget Plan assumed \$215.5 million would be carried forward from FY 2008.

OPM's 8/20/08 estimate is \$176.2 million. The Comptroller's 9/2/08 final unaudited was \$178.3 million.

3. P.A. 09-1

4. P.A. 09-111