

## NON-FUNCTIONAL

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# NON-FUNCTIONAL

## MISCELLANEOUS APPROPRIATION TO THE GOVERNOR

### Statutory Reference

C.G.S. Section 4-84.

### Program Description

A contingency appropriation is made available to the Governor to meet any emergency which warrants an expenditure and is deemed in the best interest of the public. A minimal amount is recommended to keep the account active.

<b>Financial Summary</b> <b>(Net of Reimbursements)</b>	FY 2012 <u>Actual</u>	FY 2013 <u>Estimated</u>	FY 2014 <u>Requested</u>	Current <u>Services</u>	FY 2014 <u>Recommended</u>	FY 2015 <u>Requested</u>	Current <u>Services</u>	FY 2015 <u>Recommended</u>
General Fund								
<u>Other Current Expenses</u>								
Governor's Contingency Account	0	1	1	1	1	1	1	1
<b>TOTAL</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

## DEBT SERVICE - STATE TREASURER

### Statutory Reference

C.G.S. Sections 3-19 through 3-23.

### Program Description

Funds are provided for the payment of debt service. The servicing of all state debt obligations is performed by the State Treasurer.

## RECOMMENDED SIGNIFICANT CHANGES

### Reductions to Current Services

	<b>FY 2014</b>	<b>FY 2015</b>
• Restructure Debt Service	-150,000,000	-150,000,000
<i>Savings achieved as a result of the plan to eliminate the state's GAAP deficit through the issuance of up to \$750 million in GAAP deficit bonds in FY 2014 and disciplined appropriations to amortize the remaining deficit, as well as restructuring of the FY 2009 economic recovery notes.</i>		
• Reduce Debt Service in Anticipation of Premium Income	-20,000,000	-20,000,000

### Technical Adjustments

• Revise GAAP Accrual Amounts	-7,068	8,281
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<b>Financial Summary</b> <b>(Net of Reimbursements)</b>	FY 2012 <u>Actual</u>	FY 2013 <u>Estimated</u>	FY 2014 <u>Requested</u>	Current <u>Services</u>	FY 2014 <u>Recommended</u>	FY 2015 <u>Requested</u>	Current <u>Services</u>	FY 2015 <u>Recommended</u>
General Fund								
<u>Other Current Expenses</u>								
Debt Service	1,611,604,469	1,626,307,248	1,717,527,507	1,665,000,853	1,495,000,853	1,815,509,866	1,785,881,403	1,615,881,403
UConn 2000 - Debt Service	116,703,248	117,729,372	135,251,409	135,251,409	135,251,409	156,037,386	156,037,386	156,037,386
CHEFA Day Care Security	4,248,133	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Pension Obligation Bonds - TRB	80,894,031	121,386,576	145,076,576	145,076,576	145,076,576	133,922,226	133,922,226	133,922,226
<u>Nonfunctional - Change to Accruals</u>	0	0	0	7,068	0	0	3,040	11,321
<b>TOTAL-General Fund</b>	<b>1,813,449,881</b>	<b>1,870,923,196</b>	<b>2,003,355,492</b>	<b>1,950,835,906</b>	<b>1,780,828,838</b>	<b>2,110,969,478</b>	<b>2,081,344,055</b>	<b>1,911,352,336</b>
Special Transportation Fund								
<u>Other Current Expenses</u>								
Debt Service	439,965,712	457,974,187	476,759,515	473,814,137	473,814,137	499,400,798	493,218,293	493,218,293
Regional Market Operation Fund								
<u>Other Current Expenses</u>								
Debt Service	38,338	7,147	0	0	0	0	0	0
<b>TOTAL</b>	<b>2,253,453,931</b>	<b>2,328,904,530</b>	<b>2,480,115,007</b>	<b>2,424,650,043</b>	<b>2,254,642,975</b>	<b>2,610,370,276</b>	<b>2,574,562,348</b>	<b>2,404,570,629</b>

## RESERVE FOR SALARY ADJUSTMENTS

### Program Description

Funds are provided to finance collective bargaining and related costs that were not included in individual agency budgets at the time the recommended budget was formulated.

<b>Financial Summary</b> <b>(Net of Reimbursements)</b>	FY 2012 <u>Actual</u>	FY 2013 <u>Estimated</u>	FY 2014 <u>Requested</u>	Current <u>Services</u>	FY 2014 <u>Recommended</u>	FY 2015 <u>Requested</u>	Current <u>Services</u>	FY 2015 <u>Recommended</u>
General Fund								
<u>Other Current Expenses</u>								
Reserve for Salary Adjustments	0	44,121,463	51,245,957	51,245,957	51,245,957	60,249,658	60,249,658	60,249,658
Special Transportation Fund								
<u>Other Current Expenses</u>								
Reserve for Salary Adjustments	0	3,031,683	3,558,297	3,558,297	3,558,297	3,661,897	3,661,897	3,661,897
<b>TOTAL</b>	<b>0</b>	<b>47,153,146</b>	<b>54,804,254</b>	<b>54,804,254</b>	<b>54,804,254</b>	<b>63,911,555</b>	<b>63,911,555</b>	<b>63,911,555</b>

## WORKERS' COMPENSATION CLAIMS - DEPARTMENT OF ADMINISTRATIVE SERVICES

### Statutory Reference

C.G.S. Section 4-77a.

### Program Description

Funds are provided through this central account to pay Workers' Compensation Claims for all state agencies, except the Departments of Emergency Services and Public Protection, Developmental Services, Mental Health and Addiction Services, Correction and Children and Families.

## RECOMMENDED SIGNIFICANT CHANGES

### Reductions to Current Services

- Remove or Limit Inflation

<b>FY 2014</b>	<b>FY 2015</b>
-1,419,649	-2,900,379

<b>Financial Summary</b> <b>(Net of Reimbursements)</b>	FY 2012 <u>Actual</u>	FY 2013 <u>Estimated</u>	FY 2014 <u>Requested</u>	Current <u>Services</u>	FY 2014 <u>Recommended</u>	FY 2015 <u>Requested</u>	Current <u>Services</u>	FY 2015 <u>Recommended</u>
General Fund								
<u>Other Current Expenses</u>								
Workers' Compensation Claims	26,718,094	26,964,041	28,681,853	28,333,598	27,187,707	29,528,984	29,528,984	27,187,707
Special Transportation Fund								
<u>Other Current Expenses</u>								
Workers' Compensation Claims	5,764,187	6,544,481	6,805,548	6,818,239	6,544,481	7,039,500	7,103,583	6,544,481
<b>TOTAL</b>	<b>32,482,281</b>	<b>33,508,522</b>	<b>35,487,401</b>	<b>35,151,837</b>	<b>33,732,188</b>	<b>36,568,484</b>	<b>36,632,567</b>	<b>33,732,188</b>

## MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER

### Program Description

The following accounts are administered by the State Comptroller. These accounts include the adjudicated claims and state employee fringe benefit accounts.

## STATE COMPTROLLER – MISCELLANEOUS

### Statutory Reference

C.G.S. Section 3-7c and 4-162.

### Program Description

Through Connecticut General Statute, the Office of the State Comptroller is charged with the payment of claims settled with or

judicially decided against the State of Connecticut. Once presented with the required judicial order or settlement agreement, payments are processed against this appropriation, the amount of which is determined by the state legislature.

## RECOMMENDED SIGNIFICANT CHANGES

<b>Reallocations or Transfers</b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	
<ul style="list-style-type: none"> <li>Transfer Claims Costs to the Comptroller <i>The payment of small claims against the state will be transferred from DAS to the Comptroller's adjudicated claims account.</i></li> </ul>	100,000	100,000	
<b>New or Expanded Services</b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>FY 2016</u></b>
<ul style="list-style-type: none"> <li>Appropriate Amounts Required to Amortize GAAP Deficit <i>Provides funding to support the amortization, over 15 years, of the estimated cumulative GAAP deficit as of June 30, 2013, which is anticipated to be reduced from approximately \$1.2 billion to \$447 million as a result of debt restructuring. For more information about the debt restructuring proposal, please see the "Restructure Debt Service" writeup under the Office of the Treasurer - Debt Service.</i></li> </ul>	29,800,000	29,800,000	29,800,000

<b>Financial Summary (Net of Reimbursements)</b>	FY 2012	FY 2013	FY 2014	Current	FY 2014	FY 2015	Current	FY 2015
	<u>Actual</u>	<u>Estimated</u>	<u>Requested</u>	<u>Services</u>	<u>Recommended</u>	<u>Requested</u>	<u>Services</u>	<u>Recommended</u>
General Fund								
<u>Other Current Expenses</u>								
Adjudicated Claims	7,638,961	4,000,000	6,000,000	4,000,000	4,100,000	6,000,000	4,000,000	4,100,000
Amortize GAAP Deficit	0	0	0	0	29,800,000	0	0	29,800,000
TOTAL-General Fund	<u>7,638,961</u>	<u>4,000,000</u>	<u>6,000,000</u>	<u>4,000,000</u>	<u>33,900,000</u>	<u>6,000,000</u>	<u>4,000,000</u>	<u>33,900,000</u>
TOTAL	7,638,961	4,000,000	6,000,000	4,000,000	33,900,000	6,000,000	4,000,000	33,900,000

## STATE COMPTROLLER - FRINGE BENEFITS

The Office of the State Comptroller is charged with administrative oversight over all statewide employee fringe benefit accounts in both the General Fund and Special Transportation Fund. These accounts cover employer contributions for state employee unemployment compensation, group life insurance, social security taxes, tuition

reimbursement, health insurance for state employees and retirees, and state employee, judicial, elected official and higher education retirement plans. Oversight of these accounts includes budgeting, analyzing, forecasting and processing payments against legislatively approved appropriations.

## RECOMMENDED SIGNIFICANT CHANGES

<b>Reductions to Current Services</b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	
<ul style="list-style-type: none"> <li>Reduce Pharmacy Costs</li> <li>Adjust for Net Impact of Position Changes - Reduction Adjustments to the General Fund</li> </ul>	-10,000,000 -62,100	-10,000,000 -196,700	
<b>Within Current Services</b>			
<ul style="list-style-type: none"> <li>Fund UCHC Fringe Benefit Cost Differential <i>Provides funding for the fringe benefit cost differential of the University of Connecticut Health Center pursuant to PA 12-1, June Special Session.</i></li> <li>Provide Additional Funds for Fees Associated with PPACA <i>The state employee and retired employee health plans will be impacted by various fees beginning January 1, 2014 that are associated with implementation of the Patient Protection and Affordable Care Act (PPACA).</i></li> </ul>	13,500,000 6,700,000	13,500,000 13,400,000	
<b>Reallocations or Transfers</b>			
<ul style="list-style-type: none"> <li>Reallocate Fringe Benefits for the Higher Education Units <i>Transfer fringe benefits from the General Fund fringe benefit accounts to the higher education block grants.</i></li> <li>Adjust for Net Impact of Position Changes - Reallocation Adjustments to the General Fund</li> <li>Adjust for Net Impact of Position Changes - Reallocation Adjustments to the Transportation Fund</li> </ul>	-337,516,186 380,600 400	-360,140,062 416,800 400	
<b>New or Expanded Services</b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>FY 2016</u></b>
<ul style="list-style-type: none"> <li>Adjust for Net Impact of Position Changes - Expansion Adjustments to the General Fund</li> <li>Adjust Fringe Benefits for Enhancements to UConn Stamford Campus and Storrs Main Campus</li> </ul>	354,400 0	381,700 5,604,406	408,400 5,604,406
<b>Technical Adjustments</b>			
<ul style="list-style-type: none"> <li>Revise GAAP Accrual Amounts - General Fund</li> <li>Revise GAAP Accrual Amounts - Special Transportation Fund</li> </ul>	662,813 -26,838	616,252 -26,198	

Budget-in-Detail

**Financial Summary**

**(Net of Reimbursements)**

	FY 2012	FY 2013	FY 2014	Current	FY 2014	FY 2015	Current	FY 2015
	<u>Actual</u>	<u>Estimated</u>	<u>Requested</u>	<u>Services</u>	<u>Recommended</u>	<u>Requested</u>	<u>Services</u>	<u>Recommended</u>
General Fund								
<i>Other Current Expenses</i>								
Unemployment Compensation	9,108,178	8,901,932	8,101,800	8,193,117	8,281,017	8,506,890	8,598,207	8,643,507
Employee Retirement Contribution	652,638,699	721,490,818	1,268,934,570	916,044,178	766,459,148	1,379,188,150	966,970,578	809,719,439
Higher Ed Alternative Retirement Sys	20,950,297	31,155,127	36,463,774	35,675,055	5,459,845	38,651,600	36,706,055	5,021,069
Pension & Ret Other Statutory	1,718,135	1,842,652	1,730,420	1,730,420	1,730,420	1,749,057	1,749,057	1,749,057
Judges & Comp Commissioner Ret	15,095,489	16,005,904	16,273,425	16,298,488	16,298,488	17,702,938	17,731,131	17,731,131
Group Life Insurance	8,555,731	8,754,807	8,790,410	8,808,780	8,200,382	9,323,083	9,341,453	8,702,069
Employers Social Security Tax	215,042,809	221,956,828	235,274,237	223,832,974	181,485,873	249,390,692	233,738,374	189,243,610
State Employees Health Serv Cost	518,350,613	568,012,615	836,000,000	571,966,787	452,791,340	891,000,000	615,130,987	490,222,104
Retired Employee Health Serv Cost	549,063,351	614,094,650	740,000,000	704,329,721	699,329,721	785,000,000	750,152,150	745,152,150
Tuition Reimburs Training, Travel	2,946,901	0	3,127,500	3,127,500	3,127,500	3,127,500	3,127,500	3,127,500
<i>Nonfunctional - Change to Accruals</i>	0	0	0	23,756,499	24,419,312	0	16,584,694	17,200,946
TOTAL-General Fund	1,993,470,203	2,192,215,333	3,154,696,136	2,513,763,519	2,167,583,046	3,383,639,910	2,659,830,186	2,296,512,582
Special Transportation Fund								
<i>Other Current Expenses</i>								
Unemployment Compensation	396,853	644,928	237,011	237,011	237,011	248,862	248,862	248,862
Employee Retirement Contribution	90,047,045	107,869,254	0	108,327,000	108,327,000	0	130,124,000	130,124,000
Group Life Insurance	246,197	334,000	366,297	286,000	286,000	372,923	292,000	292,000
Employers Social Security Tax	12,950,802	17,800,089	18,868,857	15,864,400	15,864,800	20,000,989	16,537,600	16,538,000
State Employees Health Serv Cost	33,263,330	36,416,890	0	39,748,900	39,748,900	0	42,363,700	42,363,700
<i>Nonfunctional - Change to Accruals</i>	0	0	0	682,441	655,603	0	1,902,866	1,876,668
TOTAL-Special Transportation Fund	136,904,227	163,065,161	19,472,165	165,145,752	165,119,314	20,622,774	191,469,028	191,443,230
TOTAL	2,130,374,430	2,355,280,494	3,174,168,301	2,678,909,271	2,332,702,360	3,404,262,684	2,851,299,214	2,487,955,812