
REPORT TO
THE APPROPRIATIONS COMMITTEE AND
THE FINANCE, REVENUE AND BONDING COMMITTEE

AN ACT CONCERNING
FISCAL ACCOUNTABILITY
OF STATE GOVERNMENT

OFFICE OF POLICY AND MANAGEMENT
ROBERT L. GENUARIO, SECRETARY

NOVEMBER 15, 2006

SUMMARY

THIS REPORT INDICATES THE FOLLOWING:

- A surplus will result in FY2006–07 if expenditures are controlled consistent with the spending cap
- The state is projected to experience deficits at the end of FY2007–08, 2008–09 and 2009–10 based on current services requests.
- By fully extinguishing remaining cap room in fiscal year 2006–07, requested current services expenditures in FY 2007–08 will be \$800.3 million over the spending cap.
- Projections indicate that spending will exceed available room under the expenditure cap in fiscal years 2007–08 and forward.
- Beginning in fiscal year 2007–08 the state will experience significant deficits based on requested current services.
- The budget reserve fund fails to reach the statutorily required 10% over the 2007–08 through 2009–10 projection period, putting the state at risk in the event of a recession.
- Even with the projected surplus from fiscal year 2006–07 deposited into the budget reserve fund, and expenditures reduced to remain below the spending cap in FY 2007–08 through 2009–10, further expenditure reductions will be required to achieve a balanced budget, or funds will still need to be withdrawn from the budget reserve fund as early as fiscal year 2008–09.
- Without further action, expenditures are expected to outpace the growth in revenues.
- Debt service as a percent of budget expenditures, in the short term, will continue to grow despite

maintaining general obligation allocations and issuances fixed at the current level.

- In order to achieve a significant reduction in debt service as a percent of budget expenditures, reductions in bond issuances would be required such that the State could not even meet the ongoing commitment to local school construction.
- The state faces significant long-term obligations including debt, unfunded pension liabilities and unfunded post-employment retirement benefits which are estimated to exceed \$49 billion in total.

MAJOR ISSUES AND TRENDS IMPACTING THE STATE'S FISCAL SITUATION

- Significant cost drivers which include: costs of personnel benefits including post-employment benefits, funding required for unfunded pension liabilities, pharmacy costs, expenditures related to the Department of Children and Families, the Department of Correction, Department of Education, and Department of Mental Retardation.
- Estimated State grants to local governments increase significantly from FY 2006–07 through FY 2009–10.
- Energy costs have risen almost 100% between FY 2000 and FY 2007.

The Office of Policy and Management remains committed to depositing all surplus funds into the budget reserve fund, although a study of alternative uses, such as debt reduction or reduction of unfunded pension and other liabilities, may have merit.

SECTION 1
ESTIMATE OF STATE REVENUES, EXPENDITURES
AND ENDING BALANCE

INTRODUCTION

The Fiscal Accountability Report has been prepared in accordance with Section 2-36b of the Connecticut General Statutes. It contains the estimated revenues and projected expenditures for the three fiscal years next ensuing the 2005-2007 biennium.

Financial Summary of Funds

(in millions)

| | Estimated ⁽¹⁾ | Requested Current Services ⁽²⁾ | | |
|--|--------------------------|---|-----------------|-----------------|
| | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> |
| General Fund | | | | |
| Revenues | \$ 15,344.3 | \$ 15,713.3 | \$ 16,350.6 | \$ 16,989.5 |
| Expenditures | 14,846.9 | 16,408.4 | 17,250.3 | 17,838.4 |
| Surplus Adjustment | <u>(10.9)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Surplus/(Deficit) | \$ 486.5 | \$ (695.1) | \$ (899.7) | \$ (848.9) |
| Special Transportation Fund | | | | |
| Revenues | \$ 1,087.5 | \$ 1,123.4 | \$ 1,152.8 | \$ 1,167.9 |
| Expenditures | <u>1,056.2</u> | <u>1,144.6</u> | <u>1,196.5</u> | <u>1,234.2</u> |
| Surplus/(Deficit) | \$ 31.3 | \$ (21.2) | \$ (43.7) | \$ (66.3) |
| Other Funds ⁽³⁾ | | | | |
| Revenues | \$ 175.1 | \$ 182.7 | \$ 181.9 | \$ 183.9 |
| Expenditures | <u>174.6</u> | <u>182.3</u> | <u>181.6</u> | <u>183.5</u> |
| Surplus/(Deficit) | \$ 0.5 | \$ 0.4 | \$ 0.3 | \$ 0.4 |
| Total All Appropriated Funds | | | | |
| Revenues | \$ 16,606.9 | \$ 17,019.4 | \$ 17,685.3 | \$ 18,341.3 |
| Expenditures | 16,077.7 | 17,735.4 | 18,628.4 | 19,256.2 |
| Surplus Adjustment | <u>(10.9)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Surplus/(Deficit) | \$ 518.3 | \$ (716.0) | \$ (943.1) | \$ (914.9) |
| Expenditure Cap Results | | | | |
| Total All Appropriated Funds | \$ 16,077.7 | \$ 17,735.4 | \$ 18,628.4 | \$ 19,256.2 |
| Allowed Appropriations per Cap | <u>16,077.7</u> | <u>16,935.1</u> | <u>17,730.4</u> | <u>18,681.3</u> |
| Over/(Under) the Cap | \$ 0.0 | \$ 800.3 | \$ 898.0 | \$ 574.9 |
| Revenues and the Expenditure Cap ⁽⁴⁾ | | | | |
| Revenues – All Funds | | \$ 17,019.4 | \$ 17,685.3 | \$ 18,341.3 |
| Allowed Appropriations per Cap | | <u>16,935.1</u> | <u>17,730.4</u> | <u>18,681.3</u> |
| Revenues Less Allowed Approps. | | \$ 84.3 | \$ (45.1) | \$ (340.0) |

(1) Assumes deficiency appropriations and transfers to fully extinguish remaining room under the cap.

(2) FY 2008 & 2009 agency requests as modified per the notable exceptions and FY 2010 is projected.

(3) Other funds include the: a) Mashantucket Pequot and Mohegan Fund, b) Soldiers', Sailors' and Marines' Fund, c) Regional Market Operating Fund, d) Banking Fund, e) Insurance Fund, f) Consumer Counsel and Public Utility Fund, g) Workers' Compensation Fund, h) Criminal Injuries Compensation Fund.

(4) Article 3, section 18 of the State Constitution requires a balanced budget.

ASSUMPTIONS

SOURCE OF EXPENDITURE DATA USED IN THIS REPORT

The *Estimated 2006-2007* column shows the original appropriation (PA06-186; PA06-187), adjusted to reflect estimated deficiencies and lapses. *Requested 2007-2008* and *Requested 2008-2009* columns show the original agency current services requests, adjusted to reflect a preliminary roll-out of FY2007 estimated deficiencies, and other changes as noted. *Projected 2009-2010* figures are based on the *Requested 2008-2009*, increased by the following inflation rates:

| | | |
|---|-----------|------|
| Projected standard inflation rate | 2009-2010 | 2.1% |
| Medical inflation rate (used where appropriate and noted below) | 2009-2010 | 4.6% |

Expenditures increased by these inflation rates include: Personal Services, Other Expenses, Equipment, Other Current Expenses, and Grants.

FOOTNOTES – EXPLANATION OF ADJUSTMENTS

Listed below are significant items that require further explanation.

STATE TREASURER - DEBT SERVICE

- *Debt Service-State Treasurer* - Debt Service reflects actual and projected issuance schedules.

STATE COMPTROLLER- MISCELLANEOUS

- *Equal Grants to Non-Profit General Hospitals* - FY 2010 Projected amount adjusted to project level funding.
- *Reimbursement to Towns for Loss of Taxes on State Property* - FY 2010 Projected amount adjusted to project level funding.
- *Reimbursement to Towns for Loss of Taxes on Tax-Exempt Property* - FY 2010 Projected amount adjusted to project level funding.
- *Mashantucket Pequot and Mohegan Fund Gant* - FY 2010 Projected amount adjusted to project level funding.

STATE COMPTROLLER - FRINGE BENEFITS

- *State Employees Retirement Contributions* - FYs 2008, 2009 and 2010 adjusted to reflect the estimated General Fund portion of the actuarial estimates. Agency requested amounts incorrectly included the total gross contribution for all funds in the requested General Fund SERS account.
- *Judges and Compensation Commissioners' Retirement* - FY 2010 adjusted to reflect actuarial estimate.
- *State Employee Health Service Costs* - FYs 2008, 2009 and 2010 adjusted to reflect the estimated General Fund portion of the estimated active employee health costs. Agency requested amounts incorrectly included the total gross contribution for all funds in the requested General Fund active health account. FY 2010 amount adjusted to reflect medical inflation.
- *Retired Employee Health Service Costs* - FYs 2008, 2009 and 2010 adjusted to reflect requested amounts minus an estimate for the Medicare Part D Employer Subsidy. FY 2010 amount adjusted to reflect medical inflation.
- *State Employees Retirement Contributions* - FYs 2008, 2009 and 2010 adjusted to reflect the estimated Special Transportation Fund portion of the actuarial estimates. Agency requested amounts for FYs 2008 and 2009 were \$0. They incorrectly included the total gross contribution for all funds in the requested General Fund SERS account.
- *State Employee Health Service Costs* - FYs 2008 and 2009 adjusted to reflect the Special Transportation Fund portion of the estimated active employee health costs. Agency requested amounts for FYs 2008 and 2009 were \$0. They incorrectly included the total gross costs for all funds in the requested General Fund health account. FY 2010 amount reflects medical inflation.

OFFICE OF POLICY & MANAGEMENT - RESERVE FOR SALARY ADJUSTMENTS

- *Reserve For Salary Adjustments* - Non-ERIP accruals are included in the agency requests.

DIVISION OF CRIMINAL JUSTICE

- FY2007 Estimated adjusted to recognize \$75,000 transferred from the Judicial Department in PA06-43, Section 10.

DEPARTMENT OF MOTOR VEHICLES

- *FY2008 and FY2009 Current Services Request adjusted to remove Real Time Online Registration* - This item is bond-funded in the current Biennium. Agency also submitted request for additional bonding in this amount.
- *FY2008 and FY2009 Current Services Request adjusted to remove Emissions Fund Shortage* - This shortfall should be addressed as a revenue transfer.

DEPARTMENT OF PUBLIC HEALTH

- *DPH - Immunization Services* - Pursuant to C.G.S. 19a-7f, the Department of Public Health is to operate, within available appropriations, an immunization program. As a part of the current services submission for the biennium DPH requested an additional \$17.8 million in FY2008 and \$18.6 million in FY2009. As this proposed expansion does not represent current service funding requirements, it was removed from the request.

DEPARTMENT OF MENTAL HEALTH & ADDICTION SERVICES

- FY2007 Estimated adjusted to recognize deficiencies in the Personal Services and Behavioral Health Medication accounts.

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- FY2008 and 2009 Current Services Request adjusted for 2007 deficiencies in the Personal Services and Behavioral Health Medications account.
- FY2009 includes inflationary increases in Personal Services and Other Expenses on the portion of Disproportionate Share Hospital funds anticipated to be appropriated to the Department of Social Services.

DEPARTMENT OF SOCIAL SERVICES

- *Medicaid, Old Age Assistance, Aid to the Blind, Aid to the Disabled* - - FY2008 Current Services Request adjusted to reflect leap year payments.

UNIVERSITY OF CONNECTICUT HEALTH CENTER

- *FY2008 and FY2009 Current Services Requests adjusted to eliminate deficiency request* - The UCHC Requested funds within Current Services to meet projected differences between revenue and UCHC expenses for education, research, institutional support and the University Medical Group.
- *FY2010 Projected budget was changed to reflect the change to 2009 base* - FY 2010 had to be changed due to the change in the FY 2009 base plus inflation

TEACHERS' RETIREMENT BOARD

- *Retirement Contributions* - FY 2010 Projected adjusted to reflect last actuarial estimate.
- *Retirees Health Service Cost* - FY 2010 Projected amount adjusted to reflect medical inflation and a growth in membership.
- *Municipal Retiree Health Insurance Costs* - FY 2010 Projected amount adjusted to reflect a membership growth of 5% per year.

DEPARTMENT OF CORRECTION

- *FY2007 Estimated adjusted to recognize a deficiency for increased prison population* - Personal Services is adjusted \$3 million to reflect unanticipated costs in Overtime, Other Expenses is adjusted by \$2.3 million to reflect unanticipated costs due to higher than expected prison population, and Inmate Medical Expenses is adjusted by \$1.5 million to reflect unanticipated costs due to higher than expected prison population.

DEPARTMENT OF CHILDREN AND FAMILIES

- *Individual Family Supports* - FY 2007 Estimated adjusted to recognize a deficiency of \$5.5 million for individualized and emergency services. The rollout of this deficiency was included in DCF's requested funding for FY 2008 and 2009.

JUDICIAL DEPARTMENT

- *Victim Security Account* - FY2007 Estimated adjusted to recognize \$75,000 transferred to the Division of Criminal Justice in PA06-43 Section 10.

PUBLIC DEFENDER SERVICES COMMISSION

- FY2007 Estimated and subsequent Fiscal Years adjusted to recognize a deficiency for Special Public Defenders – NonContractual.

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SUMMARY OF 2007 ESTIMATED, 2008-2009 REQUESTED* AND 2010 PROJECTED
By Character and Fund

| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|---|------------------------|------------------------|------------------------|------------------------|
| GENERAL FUND | | | | |
| LEGISLATIVE | | | | |
| LEGISLATIVE MANAGEMENT | | | | |
| Personal Services | 39,852,239 | 40,896,855 | 43,855,266 | 44,776,227 |
| Other Expenses | 16,732,794 | 15,746,573 | 16,856,885 | 17,210,880 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,263,700 | 818,200 | 807,200 | 824,151 |
| OTHER CURRENT EXPENSES | | | | |
| Flag Restoration | 50,000 | 50,000 | 50,000 | 51,050 |
| Minor Capital Improvements | 1,200,000 | 1,100,000 | 1,100,000 | 1,123,100 |
| Interim Committee Staffing | 506,000 | 655,000 | 535,000 | 546,235 |
| Interim Salary/Caucus Offices | 399,000 | 535,000 | 437,500 | 446,687 |
| Redistricting | 0 | 100,000 | 50,000 | 51,050 |
| TOTAL OTHER CURRENT EXPENSES | 2,155,000 | 2,440,000 | 2,172,500 | 2,218,122 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Interstate Conference Fund | 325,000 | 350,000 | 375,000 | 382,875 |
| TOTAL FIXED CHARGES | 325,000 | 350,000 | 375,000 | 382,875 |
| AGENCY TOTAL | 60,328,733 | 60,251,628 | 64,066,851 | 65,412,255 |
| AUDITORS OF PUBLIC ACCOUNTS | | | | |
| Personal Services | 10,226,208 | 10,854,479 | 11,343,936 | 11,582,159 |
| Other Expenses | 750,969 | 764,934 | 780,994 | 797,395 |
| CAPITAL OUTLAY | | | | |
| Equipment | 131,478 | 100,000 | 100,000 | 102,100 |
| AGENCY TOTAL | 11,108,655 | 11,719,413 | 12,224,930 | 12,481,654 |
| COMMISSION ON AGING | | | | |
| Personal Services | 242,847 | 284,787 | 375,849 | 383,742 |
| Other Expenses | 231,000 | 174,000 | 89,200 | 91,073 |
| CAPITAL OUTLAY | | | | |
| Equipment | 4,400 | 9,500 | 2,500 | 2,552 |
| AGENCY TOTAL | 478,247 | 468,287 | 467,549 | 477,367 |
| COMMISSION ON THE STATUS OF WOMEN | | | | |
| Personal Services | 591,194 | 699,199 | 732,257 | 747,634 |
| Other Expenses | 136,618 | 334,657 | 341,687 | 348,862 |
| CAPITAL OUTLAY | | | | |
| Equipment | 2,500 | 4,500 | 3,000 | 3,063 |
| AGENCY TOTAL | 730,312 | 1,038,356 | 1,076,944 | 1,099,559 |
| COMMISSION ON CHILDREN | | | | |
| Personal Services | 652,360 | 797,453 | 841,228 | 858,894 |
| Other Expenses | 162,729 | 208,520 | 212,880 | 217,350 |
| CAPITAL OUTLAY | | | | |
| Equipment | 2,500 | 5,000 | 2,500 | 2,552 |
| AGENCY TOTAL | 817,589 | 1,010,973 | 1,056,608 | 1,078,796 |
| LATINO & PUERTO RICAN AFFAIRS COMM | | | | |
| Personal Services | 388,220 | 465,776 | 494,179 | 504,557 |
| Other Expenses | 95,526 | 103,360 | 103,440 | 105,612 |
| CAPITAL OUTLAY | | | | |
| Equipment | 2,500 | 2,500 | 2,500 | 2,552 |
| AGENCY TOTAL | 486,246 | 571,636 | 600,119 | 612,721 |
| AFRICAN-AMERICAN AFFAIRS COMMISSION | | | | |
| Personal Services | 312,377 | 335,775 | 357,059 | 364,557 |
| Other Expenses | 58,563 | 75,161 | 76,386 | 77,990 |
| CAPITAL OUTLAY | | | | |
| Equipment | 2,500 | 2,500 | 2,500 | 2,552 |
| AGENCY TOTAL | 373,440 | 413,436 | 435,945 | 445,099 |
| TOTAL LEGISLATIVE | 74,323,222 | 75,473,729 | 79,928,946 | 81,607,451 |

* as adjusted

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SUMMARY OF 2007 ESTIMATED, 2008-2009 REQUESTED* AND 2010 PROJECTED
By Character and Fund

| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|--|------------------------|------------------------|------------------------|------------------------|
| <u>GENERAL GOVERNMENT</u> | | | | |
| GOVERNOR'S OFFICE | | | | |
| Personal Services | 2,886,509 | 2,963,974 | 3,128,505 | 3,194,204 |
| Other Expenses | 379,116 | 387,028 | 395,104 | 403,401 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 50,000 | 18,000 | 18,378 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| New England Governors' Conference | 92,000 | 85,500 | 90,500 | 92,400 |
| National Governors' Association | 102,600 | 107,600 | 112,600 | 114,965 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 194,600 | 193,100 | 203,100 | 207,365 |
| TOTAL FIXED CHARGES | 194,600 | 193,100 | 203,100 | 207,365 |
| AGENCY TOTAL | 3,460,325 | 3,594,102 | 3,744,709 | 3,823,348 |
| SECRETARY OF THE STATE | | | | |
| Personal Services | 2,024,872 | 1,712,331 | 1,771,100 | 1,808,293 |
| Other Expenses | 1,277,389 | 3,260,902 | 1,990,819 | 2,032,626 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 87,000 | 30,000 | 30,630 |
| AGENCY TOTAL | 3,302,361 | 5,060,233 | 3,791,919 | 3,871,549 |
| LIEUTENANT GOVERNOR'S OFFICE | | | | |
| Personal Services | 430,598 | 485,547 | 505,177 | 515,786 |
| Other Expenses | 87,070 | 88,876 | 90,717 | 92,622 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 12,500 | 8,000 | 8,168 |
| AGENCY TOTAL | 517,768 | 586,923 | 603,894 | 616,576 |
| ELECTIONS ENFORCEMENT COMMISSION | | | | |
| Personal Services | 1,163,905 | 1,579,422 | 1,687,921 | 1,723,367 |
| Other Expenses | 223,973 | 261,406 | 265,726 | 271,306 |
| CAPITAL OUTLAY | | | | |
| Equipment | 7,500 | 31,150 | 15,400 | 15,723 |
| OTHER CURRENT EXPENSES | | | | |
| Commission's Per Diems | 9,000 | 16,000 | 17,000 | 17,357 |
| AGENCY TOTAL | 1,404,378 | 1,887,978 | 1,986,047 | 2,027,753 |
| OFFICE OF STATE ETHICS | | | | |
| Personal Services | 1,359,928 | 1,305,575 | 1,317,728 | 1,345,400 |
| Other Expenses | 135,395 | 192,110 | 179,682 | 183,455 |
| CAPITAL OUTLAY | | | | |
| Equipment | 50,000 | 31,600 | 2,500 | 2,552 |
| OTHER CURRENT EXPENSES | | | | |
| Judge Trial Referee Fees | 25,000 | 25,000 | 25,000 | 25,525 |
| Reserve for Attorney Fees | 50,000 | 50,000 | 50,000 | 51,050 |
| Information Technology Initiatives | 166,258 | 400,000 | 350,000 | 357,350 |
| TOTAL OTHER CURRENT EXPENSES | 241,258 | 475,000 | 425,000 | 433,925 |
| AGENCY TOTAL | 1,786,581 | 2,004,285 | 1,924,910 | 1,965,332 |
| FREEDOM OF INFORMATION COMMISSION | | | | |
| Personal Services | 1,685,046 | 1,748,557 | 1,801,547 | 1,839,379 |
| Other Expenses | 183,692 | 190,091 | 221,362 | 226,011 |
| CAPITAL OUTLAY | | | | |
| Equipment | 42,200 | 29,000 | 30,000 | 30,630 |
| AGENCY TOTAL | 1,910,938 | 1,967,648 | 2,052,909 | 2,096,020 |
| JUDICIAL SELECTION COMMISSION | | | | |
| Personal Services | 85,395 | 136,570 | 95,959 | 97,974 |
| Other Expenses | 21,691 | 22,147 | 22,612 | 23,087 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 2,500 | 0 | 0 |
| AGENCY TOTAL | 107,186 | 161,217 | 118,571 | 121,061 |
| STATE PROPERTIES REVIEW BOARD | | | | |
| Personal Services | 289,824 | 312,952 | 325,702 | 332,542 |
| Other Expenses | 183,294 | 187,390 | 188,061 | 192,010 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 1,000 | 1,000 | 1,021 |
| AGENCY TOTAL | 474,118 | 501,342 | 514,763 | 525,573 |

* as adjusted

Fiscal Accountability Report
SUMMARY OF 2007 ESTIMATED, 2008-2009 REQUESTED* AND 2010 PROJECTED
By Character and Fund

| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|--|------------------------|------------------------|------------------------|------------------------|
| CONTRACTING STANDARDS BOARD | | | | |
| Personal Services | 669,988 | 0 | 0 | 0 |
| Other Expenses | 325,000 | 0 | 0 | 0 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 0 | 0 | 0 |
| AGENCY TOTAL | <u>995,988</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| STATE TREASURER | | | | |
| Personal Services | 4,072,214 | 4,709,889 | 4,831,786 | 4,933,254 |
| Other Expenses | 338,388 | 345,301 | 352,352 | 359,751 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 377,500 | 11,500 | 11,741 |
| AGENCY TOTAL | <u>4,410,702</u> | <u>5,432,690</u> | <u>5,195,638</u> | <u>5,304,746</u> |
| STATE COMPTROLLER | | | | |
| Personal Services | 19,417,566 | 20,373,127 | 20,988,116 | 21,428,866 |
| Other Expenses | 5,206,806 | 5,712,495 | 5,532,771 | 5,648,959 |
| CAPITAL OUTLAY | | | | |
| Equipment | 0 | 73,000 | 102,000 | 104,142 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Governmental Accounting Standards Bd | 19,570 | 19,570 | 19,570 | 19,981 |
| TOTAL FIXED CHARGES | <u>19,570</u> | <u>19,570</u> | <u>19,570</u> | <u>19,981</u> |
| AGENCY TOTAL | <u>24,643,942</u> | <u>26,178,192</u> | <u>26,642,457</u> | <u>27,201,948</u> |
| DEPARTMENT OF REVENUE SERVICES | | | | |
| Personal Services | 55,706,404 | 58,290,076 | 59,061,930 | 60,302,231 |
| Other Expenses | 10,788,931 | 11,013,223 | 11,242,194 | 11,478,280 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 398,132 | 348,834 | 356,160 |
| OTHER CURRENT EXPENSES | | | | |
| Collection and Litigation Contingency | 425,767 | 438,540 | 451,696 | 461,182 |
| AGENCY TOTAL | <u>66,921,202</u> | <u>70,139,971</u> | <u>71,104,654</u> | <u>72,597,853</u> |
| DIVISION OF SPECIAL REVENUE | | | | |
| Personal Services | 5,932,897 | 6,132,364 | 6,307,970 | 6,440,437 |
| Other Expenses | 1,357,965 | 1,334,489 | 2,026,667 | 2,069,227 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 391,440 | 273,440 | 279,182 |
| AGENCY TOTAL | <u>7,290,962</u> | <u>7,858,293</u> | <u>8,608,077</u> | <u>8,788,846</u> |
| STATE INSURANCE AND RISK MANAGEMENT | | | | |
| Personal Services | 262,696 | 264,523 | 268,096 | 273,726 |
| Other Expenses | 13,181,352 | 13,207,340 | 14,179,981 | 14,477,761 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 2,000 | 2,500 | 2,552 |
| OTHER CURRENT EXPENSES | | | | |
| Surety Bonds State Officials & Emps | 92,750 | 69,350 | 21,700 | 22,156 |
| AGENCY TOTAL | <u>13,536,898</u> | <u>13,543,213</u> | <u>14,472,277</u> | <u>14,776,195</u> |
| GAMING POLICY BOARD | | | | |
| Other Expenses | 2,903 | 2,962 | 3,024 | 3,088 |
| AGENCY TOTAL | <u>2,903</u> | <u>2,962</u> | <u>3,024</u> | <u>3,088</u> |
| OFFICE OF POLICY AND MANAGEMENT | | | | |
| Personal Services | 15,031,558 | 15,534,132 | 16,066,829 | 16,404,232 |
| Other Expenses | 3,010,325 | 3,918,964 | 4,008,565 | 4,092,745 |
| CAPITAL OUTLAY | | | | |
| Equipment | 18,100 | 100,000 | 0 | 0 |
| OTHER CURRENT EXPENSES | | | | |
| Automated Budget Sys & Data Base Link | 63,612 | 64,948 | 66,312 | 67,705 |
| Leadership, Educ, Athletics-Partnership | 850,000 | 867,850 | 886,075 | 904,683 |
| Cash Management Improvement Act | 100 | 100 | 100 | 102 |
| Justice Assistance Grants | 3,514,514 | 3,588,319 | 3,663,674 | 3,740,611 |
| Neighborhood Youth Centers | 1,200,000 | 1,225,200 | 1,250,930 | 1,277,200 |
| Licensing and Permitting Fees | 500,000 | 0 | 0 | 0 |
| Regional Planning Agency | 640,000 | 0 | 0 | 0 |
| Land Use Education | 100,000 | 102,100 | 104,244 | 106,433 |
| Office of Property Rights Ombudsman | 200,000 | 205,224 | 214,667 | 219,175 |

* as adjusted

Fiscal Accountability Report
SUMMARY OF 2007 ESTIMATED, 2008-2009 REQUESTED* AND 2010 PROJECTED
By Character and Fund

| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|--|------------------------|------------------------|------------------------|------------------------|
| Office of Business Advocate | 535,000 | 573,510 | 599,271 | 611,856 |
| TOTAL OTHER CURRENT EXPENSES | 7,603,226 | 6,627,251 | 6,785,273 | 6,927,765 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Tax Relief for Elderly Renters | 16,891,590 | 17,736,170 | 18,622,979 | 19,014,062 |
| Regional Planning Agencies | 0 | 653,440 | 667,162 | 681,172 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 16,891,590 | 18,389,610 | 19,290,141 | 19,695,234 |
| PMTS TO LOCAL GOVERNMENTS | | | | |
| Reimb Property Tax-Disability Exempt | 576,142 | 588,241 | 600,594 | 613,206 |
| Distressed Municipalities | 7,800,000 | 8,000,000 | 8,500,000 | 8,678,500 |
| Prop Tax Relief Elder-Circuit Breaker | 20,505,899 | 23,700,000 | 24,885,000 | 25,407,585 |
| Prop Tax Relief Elderly Freeze Program | 1,200,000 | 1,000,000 | 900,000 | 918,900 |
| Property Tax Relief for Veterans | 2,970,099 | 3,300,000 | 3,500,000 | 3,573,500 |
| P.I.L.O.T. New Mfg Machine & Equipment | 46,729,721 | 80,630,000 | 109,930,000 | 139,630,000 |
| Capital City Economic Development | 7,900,000 | 8,065,900 | 8,235,284 | 8,408,225 |
| TOTAL PMTS TO LOCAL GOVERNMENTS | 87,681,861 | 125,284,141 | 156,550,878 | 187,229,916 |
| TOTAL FIXED CHARGES | 104,573,451 | 143,673,751 | 175,841,019 | 206,925,150 |
| AGENCY TOTAL | 130,236,660 | 169,854,098 | 202,701,686 | 234,349,892 |
| | | | | |
| DEPARTMENT OF VETERANS AFFAIRS | | | | |
| Personal Services | 23,287,677 | 26,349,776 | 27,652,320 | 28,233,019 |
| Other Expenses | 7,157,280 | 7,887,190 | 8,149,559 | 8,320,700 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 613,450 | 117,000 | 119,457 |
| OTHER CURRENT EXPENSES | | | | |
| Support Services for Veterans | 200,000 | 204,511 | 208,806 | 213,191 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Burial Expenses | 900 | 12,500 | 25,000 | 25,525 |
| Headstones | 250,000 | 370,000 | 475,000 | 484,975 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 250,900 | 382,500 | 500,000 | 510,500 |
| TOTAL FIXED CHARGES | 250,900 | 382,500 | 500,000 | 510,500 |
| AGENCY TOTAL | 30,896,857 | 35,437,427 | 36,627,685 | 37,396,867 |
| | | | | |
| OFFICE OF WORKFORCE COMPETITIVENESS | | | | |
| Personal Services | 443,978 | 603,408 | 630,031 | 643,262 |
| Other Expenses | 301,824 | 308,115 | 314,524 | 321,129 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 5,000 | 5,000 | 5,105 |
| OTHER CURRENT EXPENSES | | | | |
| CETC Workforce | 2,096,139 | 2,700,000 | 3,200,000 | 3,267,200 |
| Jobs Funnel Projects | 1,000,000 | 1,200,000 | 1,500,000 | 1,531,500 |
| Connecticut Career Choices | 800,000 | 1,200,000 | 1,500,000 | 1,531,500 |
| Nanotechnology Study | 500,000 | 500,000 | 500,000 | 510,500 |
| SBIR Initiative | 250,000 | 400,000 | 500,000 | 510,500 |
| Career Ladder Pilot Programs | 500,000 | 500,000 | 500,000 | 510,500 |
| Spanish American Merchant Association | 300,000 | 350,000 | 400,000 | 408,400 |
| TOTAL OTHER CURRENT EXPENSES | 5,446,139 | 6,850,000 | 8,100,000 | 8,270,100 |
| AGENCY TOTAL | 6,192,041 | 7,766,523 | 9,049,555 | 9,239,596 |
| | | | | |
| BOARD OF ACCOUNTANCY | | | | |
| Personal Services | 280,000 | 313,160 | 325,075 | 331,902 |
| Other Expenses | 79,682 | 106,308 | 108,497 | 110,775 |
| AGENCY TOTAL | 359,682 | 419,468 | 433,572 | 442,677 |
| | | | | |
| DEPARTMENT OF ADMINISTRATIVE SERVICES | | | | |
| Personal Services | 19,610,948 | 21,246,045 | 21,858,879 | 22,317,915 |
| Other Expenses | 1,059,351 | 1,381,852 | 1,449,719 | 1,480,163 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 461,500 | 290,000 | 296,090 |
| OTHER CURRENT EXPENSES | | | | |
| Tuition Reimburs Training, Travel | 1 | 0 | 0 | 0 |
| Loss Control Risk Management | 278,241 | 500,000 | 500,000 | 510,500 |
| Employees' Review Board | 52,630 | 55,000 | 55,000 | 56,155 |
| Quality of Work-Life | 350,000 | 350,000 | 350,000 | 357,350 |
| Refunds of Collections | 30,000 | 30,000 | 30,000 | 30,630 |
| W. C. Administrator | 5,291,316 | 5,450,055 | 6,000,000 | 6,126,000 |
| Hospital Billing System | 101,005 | 150,000 | 150,000 | 153,150 |
| Correctional Ombudsman | 299,000 | 320,000 | 320,000 | 326,720 |
| TOTAL OTHER CURRENT EXPENSES | 6,402,193 | 6,855,055 | 7,405,000 | 7,560,505 |
| AGENCY TOTAL | 27,073,492 | 29,944,452 | 31,003,598 | 31,654,673 |

* as adjusted

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By Character and Fund

| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|---|------------------------|------------------------|------------------------|------------------------|
| DEPARTMENT OF INFORMATION TECHNOLOGY | | | | |
| Personal Services | 8,767,919 | 8,823,871 | 9,177,708 | 9,370,440 |
| Other Expenses | 7,661,753 | 7,812,368 | 7,963,665 | 8,130,902 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 1,500 | 1,500 | 1,531 |
| OTHER CURRENT EXPENSES | | | | |
| Connecticut Education Network | 3,239,119 | 3,307,140 | 3,376,590 | 3,447,498 |
| AGENCY TOTAL | 19,668,891 | 19,944,879 | 20,519,463 | 20,950,371 |
| DEPARTMENT OF PUBLIC WORKS | | | | |
| Personal Services | 6,663,325 | 7,793,001 | 7,997,908 | 8,165,864 |
| Other Expenses | 22,750,026 | 24,440,346 | 24,788,945 | 25,309,513 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 483,900 | 446,900 | 456,285 |
| OTHER CURRENT EXPENSES | | | | |
| Management Services | 4,213,683 | 4,300,573 | 4,355,427 | 4,446,891 |
| Rents and Moving | 9,665,624 | 10,562,766 | 10,312,766 | 10,529,334 |
| Capitol Day Care Center | 114,250 | 116,649 | 119,099 | 121,600 |
| Facilities Design Expenses | 5,215,854 | 5,370,188 | 5,434,228 | 5,548,347 |
| TOTAL OTHER CURRENT EXPENSES | 19,209,411 | 20,350,176 | 20,221,520 | 20,646,172 |
| AGENCY TOTAL | 48,622,862 | 53,067,423 | 53,455,273 | 54,577,834 |
| ATTORNEY GENERAL | | | | |
| Personal Services | 28,895,493 | 30,626,291 | 31,920,549 | 32,590,881 |
| Other Expenses | 1,522,574 | 1,691,447 | 1,702,598 | 1,738,353 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 300,000 | 60,000 | 61,260 |
| AGENCY TOTAL | 30,418,167 | 32,617,738 | 33,683,147 | 34,390,494 |
| OFFICE OF THE CLAIMS COMMISSIONER | | | | |
| Personal Services | 264,453 | 280,605 | 294,583 | 300,769 |
| Other Expenses | 51,258 | 37,079 | 38,284 | 39,088 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 0 | 0 | 0 |
| OTHER CURRENT EXPENSES | | | | |
| Adjudicated Claims | 93,496 | 85,000 | 85,000 | 86,785 |
| AGENCY TOTAL | 409,307 | 402,684 | 417,867 | 426,642 |
| DIVISION OF CRIMINAL JUSTICE | | | | |
| Personal Services | 41,295,648 | 42,656,396 | 43,645,585 | 44,562,142 |
| Other Expenses | 2,594,566 | 2,668,958 | 2,718,017 | 2,775,095 |
| CAPITAL OUTLAY | | | | |
| Equipment | 34,947 | 1,147,333 | 768,743 | 784,887 |
| OTHER CURRENT EXPENSES | | | | |
| Forensic Sex Evidence Exams | 1,200,000 | 1,100,000 | 1,133,000 | 1,156,793 |
| Witness Protection | 447,913 | 462,000 | 475,000 | 484,975 |
| Training and Education | 85,351 | 115,000 | 118,450 | 120,937 |
| Expert Witnesses | 236,643 | 236,643 | 236,643 | 241,613 |
| Medicaid Fraud Control | 545,058 | 631,706 | 660,737 | 674,612 |
| TOTAL OTHER CURRENT EXPENSES | 2,514,965 | 2,545,349 | 2,623,830 | 2,678,930 |
| AGENCY TOTAL | 46,440,126 | 49,018,036 | 49,756,175 | 50,801,054 |
| CRIMINAL JUSTICE COMMISSION | | | | |
| Other Expenses | 500 | 1,550 | 1,581 | 1,614 |
| AGENCY TOTAL | 500 | 1,550 | 1,581 | 1,614 |
| STATE MARSHAL COMMISSION | | | | |
| Personal Services | 279,689 | 308,933 | 316,355 | 322,998 |
| Other Expenses | 113,801 | 161,818 | 163,375 | 166,806 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 10,000 | 5,000 | 5,105 |
| AGENCY TOTAL | 393,590 | 480,751 | 484,730 | 494,909 |
| TOTAL GENERAL GOVERNMENT | 471,478,427 | 537,874,078 | 578,898,181 | 618,446,511 |

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| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|--|------------------------|------------------------|------------------------|------------------------|
| <u>REGULATION AND PROTECTION</u> | | | | |
| DEPARTMENT OF PUBLIC SAFETY | | | | |
| Personal Services | 125,845,042 | 126,698,701 | 128,297,805 | 130,992,059 |
| Other Expenses | 30,288,130 | 31,458,541 | 31,574,769 | 32,237,839 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 7,408,670 | 5,802,562 | 5,924,416 |
| OTHER CURRENT EXPENSES | | | | |
| Stress Reduction | 53,354 | 54,474 | 55,618 | 56,786 |
| Fleet Purchase | 6,706,233 | 7,972,524 | 8,635,757 | 8,817,108 |
| Workers' Compensation Claims | 3,385,774 | 4,907,245 | 5,981,932 | 6,107,553 |
| COLLECT | 51,500 | 52,581 | 53,685 | 54,812 |
| Urban Violence Task Force | 300,000 | 315,000 | 330,750 | 337,696 |
| TOTAL OTHER CURRENT EXPENSES | 10,496,861 | 13,301,824 | 15,057,742 | 15,373,955 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Civil Air Patrol | 36,758 | 37,530 | 38,318 | 39,123 |
| PMTS TO LOCAL GOVERNMENTS | | | | |
| SNTF Local Officer Incentive Program | 238,800 | 243,815 | 248,935 | 254,163 |
| TOTAL FIXED CHARGES | 275,558 | 281,345 | 287,253 | 293,286 |
| AGENCY TOTAL | 166,906,591 | 179,149,081 | 181,020,131 | 184,821,555 |
| POLICE STANDARDS & TRAINING COUNCIL | | | | |
| Personal Services | 1,875,194 | 2,014,891 | 2,069,603 | 2,113,065 |
| Other Expenses | 988,847 | 1,051,614 | 1,072,210 | 1,094,726 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 25,200 | 89,000 | 90,869 |
| AGENCY TOTAL | 2,865,041 | 3,091,705 | 3,230,813 | 3,298,660 |
| BOARD OF FIREARMS PERMIT EXAMINERS | | | | |
| Personal Services | 79,513 | 84,161 | 89,197 | 91,070 |
| Other Expenses | 9,751 | 9,956 | 10,165 | 10,378 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 2,000 | 1,700 | 1,736 |
| AGENCY TOTAL | 89,364 | 96,117 | 101,062 | 103,184 |
| MILITARY DEPARTMENT | | | | |
| Personal Services | 3,115,980 | 3,464,791 | 3,744,327 | 3,822,958 |
| Other Expenses | 2,720,962 | 3,383,191 | 3,561,642 | 3,636,436 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 347,150 | 495,150 | 505,548 |
| OTHER CURRENT EXPENSES | | | | |
| Firing Squads | 306,803 | 326,209 | 333,059 | 340,053 |
| Veterans' Service Bonuses | 500,000 | 250,000 | 250,000 | 255,250 |
| TOTAL OTHER CURRENT EXPENSES | 806,803 | 576,209 | 583,059 | 595,303 |
| AGENCY TOTAL | 6,644,745 | 7,771,341 | 8,384,178 | 8,560,245 |
| COMM ON FIRE PREVENTION & CONTROL | | | | |
| Personal Services | 1,559,523 | 1,637,884 | 1,693,025 | 1,728,579 |
| Other Expenses | 834,104 | 899,196 | 913,502 | 932,686 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 315,300 | 334,300 | 341,320 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Fire Training School - Willimantic | 160,537 | 160,537 | 160,537 | 163,908 |
| Fire Training School - Torrington | 84,250 | 84,250 | 84,250 | 86,019 |
| Fire Training School - New Haven | 43,127 | 43,127 | 43,127 | 44,033 |
| Fire Training School - Derby | 36,850 | 36,850 | 36,850 | 37,624 |
| Fire Training School - Wolcott | 59,643 | 59,643 | 59,643 | 60,896 |
| Fire Training School - Fairfield | 66,850 | 66,850 | 66,850 | 68,254 |
| Fire Training School - Hartford | 80,965 | 80,965 | 80,965 | 82,665 |
| Fire Training School - Middletown | 49,260 | 49,260 | 49,260 | 50,294 |
| Payments to Volunteer Fire Companies | 100,000 | 100,000 | 100,000 | 102,100 |
| Fire Training School - Stamford | 55,000 | 55,000 | 55,000 | 56,155 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 736,482 | 736,482 | 736,482 | 751,948 |
| TOTAL FIXED CHARGES | 736,482 | 736,482 | 736,482 | 751,948 |
| AGENCY TOTAL | 3,130,209 | 3,588,862 | 3,677,309 | 3,754,533 |
| DEPARTMENT OF CONSUMER PROTECTION | | | | |
| Personal Services | 9,833,226 | 10,540,840 | 10,702,139 | 10,926,884 |
| Other Expenses | 1,508,407 | 1,582,537 | 1,663,419 | 1,698,351 |

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| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|---|------------------------|------------------------|------------------------|------------------------|
| CAPITAL OUTLAY | | | | |
| Equipment | 6,350 | 306,250 | 148,090 | 151,200 |
| OTHER CURRENT EXPENSES | | | | |
| Child Protection Registration | 50,000 | 0 | 0 | 0 |
| AGENCY TOTAL | 11,397,983 | 12,429,627 | 12,513,648 | 12,776,435 |
| DEPARTMENT OF LABOR | | | | |
| Personal Services | 7,929,716 | 8,514,900 | 8,753,739 | 8,937,568 |
| Other Expenses | 1,192,659 | 1,542,155 | 1,573,931 | 1,606,984 |
| CAPITAL OUTLAY | | | | |
| Equipment | 2,000 | 230,636 | 235,567 | 240,514 |
| OTHER CURRENT EXPENSES | | | | |
| Workforce Investment Act | 27,287,659 | 26,492,463 | 27,094,460 | 27,663,444 |
| Jobs First Employment Services | 16,088,098 | 16,495,314 | 16,896,212 | 17,251,032 |
| Opportunity Industrial Centers | 500,000 | 510,500 | 521,220 | 532,166 |
| Individual Development Accounts | 250,000 | 255,250 | 260,610 | 266,083 |
| STRIDE | 150,000 | 153,150 | 156,366 | 159,650 |
| Apprenticeship Program | 516,176 | 634,274 | 656,057 | 669,834 |
| Urban Youth Employment | 4,000,000 | 4,084,000 | 4,169,764 | 4,257,329 |
| Connecticut Career Resource Network | 150,000 | 162,319 | 166,613 | 170,112 |
| 21st Century Jobs | 1,000,000 | 1,020,482 | 1,042,276 | 1,064,164 |
| TANF Job Reorganization | 6,500,000 | 8,867,940 | 9,059,220 | 9,249,464 |
| Incumbent Worker Training | 500,000 | 510,500 | 521,220 | 532,166 |
| TOTAL OTHER CURRENT EXPENSES | 56,941,933 | 59,186,192 | 60,544,018 | 61,815,444 |
| AGENCY TOTAL | 66,066,308 | 69,473,883 | 71,107,255 | 72,600,510 |
| OFFICE OF VICTIM ADVOCATE | | | | |
| Personal Services | 296,821 | 312,519 | 325,272 | 332,103 |
| Other Expenses | 51,912 | 53,011 | 54,130 | 55,267 |
| CAPITAL OUTLAY | | | | |
| Equipment | 500 | 0 | 0 | 0 |
| AGENCY TOTAL | 349,233 | 365,530 | 379,402 | 387,370 |
| COMMISSION ON HUMAN RIGHTS & OPPORTUNITIES | | | | |
| Personal Services | 6,794,037 | 7,225,575 | 7,539,360 | 7,697,687 |
| Other Expenses | 711,887 | 561,244 | 572,500 | 584,523 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 1,000 | 3,000 | 3,063 |
| OTHER CURRENT EXPENSES | | | | |
| Martin Luther King, Jr. Commission | 6,650 | 6,650 | 6,650 | 6,790 |
| AGENCY TOTAL | 7,513,574 | 7,794,469 | 8,121,510 | 8,292,063 |
| OFFICE OF PROTECTION AND ADVOCACY | | | | |
| Personal Services | 2,116,702 | 2,291,721 | 2,389,302 | 2,439,477 |
| Other Expenses | 392,882 | 400,989 | 409,268 | 417,863 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 14,493 | 22,260 | 22,727 |
| AGENCY TOTAL | 2,509,684 | 2,707,203 | 2,820,830 | 2,880,067 |
| OFFICE OF THE CHILD ADVOCATE | | | | |
| Personal Services | 779,817 | 976,610 | 1,021,598 | 1,043,052 |
| Other Expenses | 128,264 | 131,411 | 134,110 | 136,926 |
| CAPITAL OUTLAY | | | | |
| Equipment | 500 | 8,000 | 5,100 | 5,207 |
| OTHER CURRENT EXPENSES | | | | |
| Child Fatality Review Panel | 79,509 | 81,494 | 83,796 | 85,556 |
| AGENCY TOTAL | 988,090 | 1,197,515 | 1,244,604 | 1,270,741 |
| EMERGENCY MANAGEMENT & HOMELAND SECURITY | | | | |
| Personal Services | 3,956,128 | 4,317,370 | 4,364,971 | 4,456,635 |
| Other Expenses | 570,511 | 582,176 | 594,123 | 606,600 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 166,310 | 120,250 | 122,775 |
| AGENCY TOTAL | 4,526,739 | 5,065,856 | 5,079,344 | 5,186,010 |
| TOTAL | 272,987,561 | 292,731,189 | 297,680,086 | 303,931,373 |
| REGULATION AND PROTECTION | | | | |

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|--|------------------------|------------------------|------------------------|------------------------|
| <u>CONSERVATION AND DEVELOPMENT</u> | | | | |
| DEPARTMENT OF AGRICULTURE | | | | |
| Personal Services | 3,571,796 | 3,845,272 | 3,942,423 | 4,025,214 |
| Other Expenses | 918,396 | 967,143 | 972,415 | 992,836 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 35,000 | 13,500 | 13,783 |
| OTHER CURRENT EXPENSES | | | | |
| Oyster Program | 0 | 100,000 | 100,000 | 102,100 |
| CT Seafood Advisory Council | 47,500 | 47,500 | 47,500 | 48,497 |
| Food Council | 25,000 | 25,000 | 25,000 | 25,525 |
| Vibrio Bacterium Program | 10,000 | 10,000 | 10,000 | 10,210 |
| Connecticut Wine Council | 47,500 | 47,500 | 47,500 | 48,497 |
| TOTAL OTHER CURRENT EXPENSES | 130,000 | 230,000 | 230,000 | 234,829 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| WIC Pgm for Fresh Produce for Seniors | 88,267 | 110,000 | 110,000 | 112,310 |
| Collection of Agricultural Statistics | 1,200 | 1,200 | 1,200 | 1,225 |
| Tuberculosis and Brucellosis Indemnity | 1,000 | 1,000 | 1,000 | 1,021 |
| Exhibits and Demonstrations | 5,600 | 5,600 | 5,600 | 5,718 |
| Connecticut Grown Product Promotion | 15,000 | 15,000 | 15,000 | 15,315 |
| WIC Coupon Program for Fresh Produce | 84,090 | 84,090 | 84,090 | 85,856 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 195,157 | 216,890 | 216,890 | 221,445 |
| TOTAL FIXED CHARGES | 195,157 | 216,890 | 216,890 | 221,445 |
| AGENCY TOTAL | 4,815,449 | 5,294,305 | 5,375,228 | 5,488,107 |
| DEPARTMENT OF ENVIRONMENTAL PROTECTION | | | | |
| Personal Services | 31,667,304 | 32,865,513 | 33,924,297 | 34,636,707 |
| Other Expenses | 1,907,300 | 1,944,532 | 1,982,100 | 2,023,724 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 3,111,950 | 2,832,400 | 2,891,880 |
| OTHER CURRENT EXPENSES | | | | |
| Stream Gaging | 157,600 | 184,392 | 195,456 | 199,561 |
| Mosquito Control | 352,717 | 373,844 | 381,813 | 389,831 |
| State Superfund Site Maintenance | 391,000 | 399,211 | 407,594 | 416,153 |
| Laboratory Fees | 275,875 | 281,668 | 287,583 | 293,622 |
| Dam Maintenance | 131,091 | 138,731 | 140,408 | 143,357 |
| TOTAL OTHER CURRENT EXPENSES | 1,308,283 | 1,377,846 | 1,412,854 | 1,442,524 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Agree USGS-Geology Investigation | 47,000 | 47,987 | 48,995 | 50,024 |
| Agreement USGS-Hydrological Study | 122,770 | 143,641 | 152,259 | 155,456 |
| N E Interstate Water Pollution Comm | 8,400 | 8,576 | 8,756 | 8,940 |
| Northeast Interstate Forest Fire Comp | 2,040 | 2,083 | 2,127 | 2,172 |
| Conn River Valley Flood Control Comm | 40,200 | 41,044 | 41,906 | 42,786 |
| Thames River Valley Flood Control Comm | 50,200 | 51,254 | 52,330 | 53,429 |
| Agree USGS Quality Stream Monitoring | 170,119 | 199,039 | 210,981 | 215,412 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 440,729 | 493,624 | 517,354 | 528,219 |
| TOTAL FIXED CHARGES | 440,729 | 493,624 | 517,354 | 528,219 |
| AGENCY TOTAL | 35,323,716 | 39,793,465 | 40,669,005 | 41,523,054 |
| COUNCIL ON ENVIRONMENTAL QUALITY | | | | |
| Personal Services | 119,228 | 155,612 | 162,620 | 166,035 |
| Other Expenses | 9,500 | 9,698 | 9,902 | 10,110 |
| AGENCY TOTAL | 128,728 | 165,310 | 172,522 | 176,145 |
| COMMISSION ON CULTURE AND TOURISM | | | | |
| Personal Services | 3,818,890 | 3,873,852 | 3,968,279 | 4,051,613 |
| Other Expenses | 1,048,949 | 1,069,794 | 1,091,252 | 1,114,168 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 192,202 | 22,000 | 22,462 |
| OTHER CURRENT EXPENSES | | | | |
| Statewide Marketing | 4,200,000 | 4,284,000 | 4,369,680 | 4,461,443 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Discovery Museum | 500,000 | 500,000 | 500,000 | 510,500 |
| Old State House | 200,000 | 200,000 | 200,000 | 204,200 |
| National Theatre for the Deaf | 200,000 | 200,000 | 200,000 | 204,200 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 900,000 | 900,000 | 900,000 | 918,900 |
| PMTS TO LOCAL GOVERNMENTS | | | | |
| Greater Hartford Arts Council | 125,000 | 125,000 | 125,000 | 127,625 |
| Stamford Center for the Arts | 1,200,000 | 1,100,000 | 1,100,000 | 1,123,100 |

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|---|------------------------|------------------------|------------------------|------------------------|
| Stepping Stones Museum for Children | 50,000 | 50,000 | 50,000 | 51,050 |
| Maritime Center Authority | 675,000 | 675,000 | 675,000 | 689,175 |
| Basic Cultural Resources Grant | 2,400,000 | 2,450,400 | 2,501,858 | 2,554,397 |
| Tourism Districts | 4,500,000 | 4,594,500 | 4,690,984 | 4,789,495 |
| Connecticut Humanities Council | 2,150,000 | 2,150,000 | 2,150,000 | 2,195,150 |
| Amistad Committee for the Freedom Trail | 45,000 | 45,000 | 45,000 | 45,945 |
| Amistad Vessel | 500,000 | 90,000 | 90,000 | 91,890 |
| New Haven Festival of Arts and Ideas | 1,000,000 | 1,000,000 | 1,000,000 | 1,021,000 |
| New Haven Arts Council | 125,000 | 125,000 | 125,000 | 127,625 |
| Palace Theater | 810,000 | 810,000 | 810,000 | 827,010 |
| Beardsley Zoo | 400,000 | 400,000 | 400,000 | 408,400 |
| Mystic Aquarium | 900,000 | 900,000 | 900,000 | 918,900 |
| Quinebaug Tourism | 100,000 | 102,100 | 104,244 | 106,433 |
| Northwestern Tourism | 100,000 | 102,100 | 104,244 | 106,433 |
| Eastern Tourism | 100,000 | 102,100 | 104,244 | 106,433 |
| Central Tourism | 100,000 | 102,100 | 104,244 | 106,433 |
| Twain/Stowe Homes | 120,000 | 120,000 | 120,000 | 122,520 |
| Stratford Festival Theatre | 200,000 | 200,000 | 200,000 | 204,200 |
| TOTAL PMTS TO LOCAL GOVERNMENTS | 15,600,000 | 15,243,300 | 15,399,818 | 15,723,214 |
| TOTAL FIXED CHARGES | 16,500,000 | 16,143,300 | 16,299,818 | 16,642,114 |
| AGENCY TOTAL | 25,568,839 | 25,563,148 | 25,751,029 | 26,291,800 |
| DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT | | | | |
| Personal Services | 7,104,681 | 7,304,844 | 7,437,204 | 7,593,385 |
| Other Expenses | 1,702,314 | 1,738,136 | 1,771,371 | 1,808,570 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 93,000 | 104,800 | 107,001 |
| OTHER CURRENT EXPENSES | | | | |
| Elderly Rental Registry and Counselors | 617,654 | 646,831 | 659,364 | 673,211 |
| Connecticut Research Institute | 500,000 | 510,500 | 521,220 | 532,166 |
| Research Based Technology | 40,000 | 40,840 | 41,698 | 42,574 |
| Small Business Incubator Program | 1,000,000 | 1,021,000 | 1,042,441 | 1,064,332 |
| Fuel Cell Economic Plan | 375,000 | 382,875 | 390,915 | 399,124 |
| CCAT | 450,000 | 459,450 | 469,099 | 478,950 |
| TOTAL OTHER CURRENT EXPENSES | 2,982,654 | 3,061,496 | 3,124,737 | 3,190,357 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Entrepreneurial Centers | 142,500 | 145,493 | 148,548 | 151,668 |
| Subsidized Assisted Living Demonstration | 1,445,400 | 1,900,000 | 2,100,000 | 2,144,100 |
| Congregate Facilities Operation Costs | 6,137,701 | 6,345,205 | 7,391,296 | 7,546,513 |
| Housing Assistance and Counseling Pgm | 588,903 | 947,668 | 967,569 | 987,888 |
| Elderly Congregate Rent Subsidy | 1,523,004 | 2,888,612 | 3,389,926 | 3,461,114 |
| CONNSTEP | 1,000,000 | 1,021,000 | 1,042,441 | 1,064,332 |
| Micro Loans | 50,000 | 51,050 | 52,122 | 53,217 |
| Development Research and Economic Assistan | 250,000 | 255,250 | 260,610 | 266,083 |
| SAMA Bus | 100,000 | 102,100 | 104,244 | 106,433 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 11,237,508 | 13,656,378 | 15,456,756 | 15,781,348 |
| TOTAL FIXED CHARGES | 11,237,508 | 13,656,378 | 15,456,756 | 15,781,348 |
| AGENCY TOTAL | 23,028,157 | 25,853,854 | 27,894,868 | 28,480,661 |
| AGRICULTURAL EXPERIMENT STATION | | | | |
| Personal Services | 5,485,848 | 6,060,789 | 6,299,434 | 6,431,722 |
| Other Expenses | 646,258 | 700,445 | 708,906 | 723,793 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 222,620 | 288,700 | 294,763 |
| OTHER CURRENT EXPENSES | | | | |
| Mosquito Control | 209,463 | 219,897 | 226,265 | 231,017 |
| Wildlife Disease Prevention | 74,000 | 84,622 | 87,564 | 89,403 |
| IPM | 300,000 | 0 | 0 | 0 |
| TOTAL OTHER CURRENT EXPENSES | 583,463 | 304,519 | 313,829 | 320,420 |
| AGENCY TOTAL | 6,715,669 | 7,288,373 | 7,610,869 | 7,770,698 |
| TOTAL CONSERVATION AND DEVELOPMENT | 95,580,558 | 103,958,455 | 107,473,521 | 109,730,465 |
| <u>HEALTH AND HOSPITALS</u> | | | | |
| DEPARTMENT OF PUBLIC HEALTH | | | | |
| Personal Services | 30,263,394 | 33,707,215 | 34,681,674 | 35,409,989 |

* as adjusted

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By Character and Fund

| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|--|------------------------|------------------------|------------------------|------------------------|
| Other Expenses | 5,502,136 | 5,533,125 | 5,650,180 | 5,768,834 |
| CAPITAL OUTLAY | | | | |
| Equipment | 5,500 | 2,552,000 | 871,400 | 889,699 |
| OTHER CURRENT EXPENSES | | | | |
| Needle and Syringe Exchange Program | 488,526 | 514,418 | 539,110 | 563,909 |
| Comm Svs Support Persons w/ AIDS | 198,210 | 208,715 | 218,733 | 228,795 |
| Children's Health Initiatives | 1,066,466 | 2,058,253 | 2,160,690 | 2,260,082 |
| Childhood Lead Poisoning | 336,840 | 354,693 | 371,718 | 388,817 |
| AIDS Services | 4,664,690 | 4,911,919 | 5,147,691 | 5,384,485 |
| Breast & Cervical Cancer Detectn/Treatment | 2,343,251 | 2,467,443 | 2,585,881 | 2,704,832 |
| Services for Children Affected by AIDS | 263,042 | 276,983 | 290,278 | 303,631 |
| Children w/Special Hlth Care Needs | 1,365,283 | 1,437,643 | 1,506,650 | 1,575,956 |
| Medicaid Administration | 3,462,246 | 3,744,093 | 3,932,722 | 4,015,309 |
| TOTAL OTHER CURRENT EXPENSES | 14,188,554 | 15,974,160 | 16,753,473 | 17,425,816 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Community Health Services | 6,679,621 | 7,030,991 | 7,368,479 | 7,707,429 |
| Emergency Medical Services Training | 85,485 | 87,280 | 89,113 | 90,984 |
| Emergency Med Svcs Regional Offices | 675,028 | 689,204 | 703,677 | 736,046 |
| Rape Crisis | 424,805 | 447,321 | 468,792 | 490,356 |
| X-Ray Screening and Tuberculosis Care | 702,656 | 839,897 | 880,212 | 898,696 |
| Genetic Diseases Programs | 892,793 | 940,111 | 985,236 | 1,030,557 |
| Loan Repayment Program | 124,460 | 127,074 | 129,743 | 132,468 |
| Immunization Services | 9,044,950 | 9,234,894 | 9,428,827 | 9,626,832 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 18,629,798 | 19,396,772 | 20,054,079 | 20,713,368 |
| PMTS TO LOCAL GOVERNMENTS | | | | |
| Local & District Departments of Health | 4,331,550 | 4,422,513 | 4,515,386 | 4,610,209 |
| Venereal Disease Control | 215,847 | 227,287 | 238,197 | 249,154 |
| School Based Health Clinics | 7,676,462 | 8,083,314 | 8,471,314 | 8,860,994 |
| TOTAL PMTS TO LOCAL GOVERNMENTS | 12,223,859 | 12,733,114 | 13,224,897 | 13,720,357 |
| TOTAL FIXED CHARGES | 30,853,657 | 32,129,886 | 33,278,976 | 34,433,725 |
| AGENCY TOTAL | 80,813,241 | 89,896,386 | 91,235,703 | 93,928,063 |
| | | | | |
| OFFICE OF HEALTH CARE ACCESS | | | | |
| Personal Services | 1,982,943 | 2,001,026 | 2,048,136 | 2,091,147 |
| Other Expenses | 232,418 | 238,007 | 242,194 | 247,280 |
| CAPITAL OUTLAY | | | | |
| Equipment | 100 | 17,000 | 17,357 | 17,721 |
| AGENCY TOTAL | 2,215,461 | 2,256,033 | 2,307,687 | 2,356,148 |
| | | | | |
| OFFICE OF THE CHIEF MEDICAL EXAMINER | | | | |
| Personal Services | 4,344,404 | 4,915,741 | 5,023,416 | 5,128,908 |
| Other Expenses | 674,548 | 734,027 | 767,758 | 783,881 |
| CAPITAL OUTLAY | | | | |
| Equipment | 10,797 | 257,300 | 67,300 | 68,713 |
| OTHER CURRENT EXPENSES | | | | |
| Medicolegal Investigations | 587,190 | 621,210 | 655,230 | 668,990 |
| AGENCY TOTAL | 5,616,939 | 6,528,278 | 6,513,704 | 6,650,492 |
| | | | | |
| DEPARTMENT OF MENTAL RETARDATION | | | | |
| Personal Services | 283,705,089 | 309,190,231 | 318,203,016 | 324,885,279 |
| Other Expenses | 26,717,887 | 30,201,636 | 29,123,221 | 29,734,809 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 3,958,407 | 2,342,857 | 2,392,057 |
| OTHER CURRENT EXPENSES | | | | |
| Human Resource Development | 231,358 | 236,217 | 241,178 | 246,243 |
| Family Support Grants | 3,280,095 | 3,348,977 | 3,419,306 | 3,491,111 |
| Pilot Program for Client Services | 2,390,115 | 2,440,307 | 2,491,553 | 2,543,876 |
| Cooperative Placements Program | 19,463,819 | 20,890,785 | 22,927,610 | 23,409,090 |
| Clinical Services | 4,828,373 | 5,084,277 | 5,328,322 | 5,573,425 |
| Early Intervention | 24,761,492 | 26,579,010 | 27,137,168 | 28,385,478 |
| Community Temporary Support Services | 67,315 | 68,729 | 70,172 | 71,646 |
| Community Respite Care Programs | 330,345 | 337,282 | 344,365 | 351,597 |
| Workers' Compensation Claims | 13,782,446 | 14,214,994 | 14,638,054 | 14,945,453 |
| New Placements | 6,000,000 | 6,126,000 | 6,254,646 | 6,385,994 |
| Pilot Program for Autism Services | 1,000,000 | 1,327,300 | 1,355,173 | 1,383,632 |
| TOTAL OTHER CURRENT EXPENSES | 76,135,358 | 80,653,878 | 84,207,547 | 86,787,545 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Rent Subsidy Program | 3,256,126 | 4,692,355 | 6,399,856 | 6,534,253 |
| Family Reunion Program | 137,900 | 140,796 | 143,753 | 146,772 |

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| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|---|------------------------|------------------------|------------------------|------------------------|
| Employment Opportunities & Day Svcs | 144,090,289 | 159,775,887 | 172,668,901 | 176,294,948 |
| Family Placements | 1,959,303 | 2,000,448 | 2,042,458 | 2,085,350 |
| Emergency Placements | 3,869,751 | 3,951,016 | 4,033,987 | 4,118,701 |
| Community Residential Services | 325,633,891 | 361,190,110 | 392,222,216 | 400,458,883 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 478,947,260 | 531,750,612 | 577,511,171 | 589,638,907 |
| TOTAL FIXED CHARGES | 478,947,260 | 531,750,612 | 577,511,171 | 589,638,907 |
| AGENCY TOTAL | 865,506,594 | 955,754,764 | 1,011,387,812 | 1,033,438,597 |
| DEPARTMENT OF MENTAL HEALTH & ADDICTION SERVICES | | | | |
| Personal Services | 169,634,385 | 192,961,324 | 203,312,908 | 209,158,319 |
| Other Expenses | 29,778,864 | 30,780,900 | 31,401,572 | 32,115,605 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 2,990,567 | 2,891,185 | 2,951,900 |
| OTHER CURRENT EXPENSES | | | | |
| Housing Supports and Services | 7,916,327 | 8,409,894 | 8,787,919 | 8,972,465 |
| Managed Service System | 29,119,172 | 30,953,242 | 32,350,124 | 33,029,477 |
| Legal Services | 470,139 | 484,276 | 493,091 | 503,446 |
| Connecticut Mental Health Center | 8,102,614 | 8,532,052 | 8,941,592 | 9,129,365 |
| Capitol Region Mental Health Center | 340,408 | 347,556 | 354,855 | 362,307 |
| Professional Services | 10,543,898 | 9,312,625 | 9,759,631 | 9,964,583 |
| Regional Action Councils | 150,000 | 153,150 | 156,366 | 159,650 |
| General Assistance Managed Care | 74,635,100 | 82,804,422 | 91,219,489 | 93,135,098 |
| Workers' Compensation Claims | 9,617,541 | 10,759,071 | 11,275,506 | 11,512,292 |
| Nursing Home Screening | 489,474 | 548,694 | 572,167 | 584,183 |
| Young Adult Services | 26,013,114 | 31,287,398 | 32,842,992 | 33,532,695 |
| TBI Community Services | 5,413,755 | 5,962,806 | 6,240,772 | 6,371,828 |
| Jail Diversion | 4,122,574 | 4,486,631 | 4,708,632 | 4,807,513 |
| Behavioral Health Medications | 9,989,095 | 10,543,296 | 11,015,998 | 11,522,733 |
| Prison Overcrowding | 2,417,500 | 4,167,740 | 6,635,000 | 6,774,335 |
| Community Mental Health Strategy Board | 9,329,672 | 12,177,987 | 12,735,030 | 13,002,466 |
| Medicaid Adult Rehabilitation Option | 3,880,988 | 4,126,134 | 4,312,342 | 4,402,901 |
| Discharge and Diversion Services | 1,804,228 | 1,918,193 | 2,004,759 | 2,046,859 |
| TOTAL OTHER CURRENT EXPENSES | 204,355,599 | 226,975,167 | 244,406,265 | 249,814,196 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Grants for Substance Abuse Services | 22,780,942 | 24,948,043 | 26,073,919 | 26,621,471 |
| Gov's Partnership-Protect CT Workforce | 474,200 | 485,484 | 494,321 | 504,702 |
| Grants for Mental Health Services | 75,744,808 | 80,666,850 | 84,307,246 | 86,077,698 |
| Employment Opportunities | 10,201,975 | 10,516,342 | 10,707,768 | 10,932,631 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 109,201,925 | 116,616,719 | 121,583,254 | 124,136,502 |
| TOTAL FIXED CHARGES | 109,201,925 | 116,616,719 | 121,583,254 | 124,136,502 |
| AGENCY TOTAL | 512,971,773 | 570,324,677 | 603,595,184 | 618,176,522 |
| PSYCHIATRIC SECURITY REVIEW BOARD | | | | |
| Personal Services | 304,829 | 305,129 | 320,684 | 327,418 |
| Other Expenses | 50,522 | 51,170 | 52,514 | 53,617 |
| CAPITAL OUTLAY | | | | |
| Equipment | 0 | 2,500 | 1,200 | 1,225 |
| AGENCY TOTAL | 355,351 | 358,799 | 374,398 | 382,260 |
| TOTAL HEALTH AND HOSPITALS | 1,467,479,359 | 1,625,118,937 | 1,715,414,488 | 1,754,932,082 |

HUMAN SERVICES

| | | | | |
|--------------------------------------|-------------|-------------|-------------|-------------|
| DEPARTMENT OF SOCIAL SERVICES | | | | |
| Personal Services | 106,876,430 | 115,493,923 | 119,320,663 | 121,826,397 |
| Other Expenses | 87,579,158 | 92,055,557 | 92,575,990 | 94,520,086 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 3,445,900 | 870,500 | 888,780 |
| OTHER CURRENT EXPENSES | | | | |
| Children's Health Council | 217,565 | 222,134 | 226,799 | 231,562 |
| HUSKY Outreach | 702,989 | 717,752 | 732,825 | 748,214 |
| Genetic Tests in Paternity Actions | 198,875 | 209,415 | 219,467 | 229,562 |
| State Food Stamp Supplement | 237,287 | 233,012 | 251,420 | 256,700 |
| Day Care Projects | 465,353 | 475,125 | 485,103 | 495,290 |
| HUSKY Program | 29,220,000 | 40,743,544 | 45,215,151 | 47,295,048 |
| Department on Aging | 450,000 | 450,000 | 450,000 | 450,000 |
| TOTAL OTHER CURRENT EXPENSES | 31,492,069 | 43,050,982 | 47,580,765 | 49,706,376 |

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| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|---|------------------------|------------------------|------------------------|------------------------|
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Vocational Rehabilitation | 7,349,563 | 7,503,904 | 7,661,486 | 7,822,377 |
| Medicaid | 3,198,510,128 | 3,482,153,079 | 3,666,050,436 | 3,834,688,756 |
| Lifestar Helicopter | 1,381,385 | 1,454,598 | 1,524,419 | 1,556,432 |
| Old Age Assistance | 30,488,730 | 34,169,175 | 37,119,429 | 37,898,937 |
| Aid to the Blind | 615,058 | 581,432 | 588,603 | 600,964 |
| Aid to the Disabled | 55,494,693 | 59,840,639 | 64,121,152 | 65,467,696 |
| Temporary Assistance to Families - TANF | 120,433,712 | 114,610,972 | 119,006,189 | 121,505,319 |
| Emergency Assistance | 500 | 500 | 500 | 500 |
| Food Stamp Training Expenses | 32,397 | 33,077 | 33,772 | 34,481 |
| Conn Pharmaceutical Assist to Elderly | 54,017,190 | 65,857,437 | 69,665,617 | 72,870,235 |
| Healthy Start | 1,434,131 | 1,510,140 | 1,582,627 | 1,615,862 |
| DMHAS – Disproportionate Share | 105,935,000 | 105,935,000 | 105,935,000 | 105,935,000 |
| Connecticut Home Care Program | 50,588,000 | 56,668,376 | 60,737,788 | 62,013,282 |
| Human Resource Dev-Hispanic Programs | 1,003,712 | 1,024,790 | 1,046,311 | 1,068,284 |
| Services to the Elderly | 5,554,856 | 5,753,494 | 5,917,567 | 6,041,836 |
| Safety Net Services | 1,541,653 | 1,574,028 | 1,607,082 | 1,640,831 |
| Transportation for Employment Independence | 3,194,011 | 3,261,085 | 3,329,568 | 3,399,489 |
| Transitional Rental Assistance | 1,180,863 | 1,205,661 | 1,230,980 | 1,256,831 |
| Refunds of Collections | 187,150 | 191,080 | 195,093 | 199,190 |
| Services for Persons with Disabilities | 736,855 | 752,329 | 768,128 | 784,259 |
| Child Care Services - TANF/CCDBG | 71,220,228 | 102,455,941 | 109,919,545 | 112,227,855 |
| Nutrition Assistance | 345,129 | 352,377 | 359,777 | 367,332 |
| Housing/Homeless Services | 29,227,182 | 33,624,503 | 34,330,617 | 35,051,560 |
| Employment Opportunities | 1,225,343 | 1,251,075 | 1,277,348 | 1,304,172 |
| Human Resource Development | 35,078 | 35,815 | 36,567 | 37,335 |
| Child Day Care | 5,699,579 | 5,819,270 | 5,941,475 | 6,066,246 |
| Independent Living Centers | 635,337 | 648,679 | 662,301 | 676,209 |
| AIDS Drug Assistance | 606,678 | 606,678 | 606,678 | 634,585 |
| Disproportionate Share-Med Emer Assist | 53,725,000 | 53,725,000 | 53,725,000 | 53,725,000 |
| DSH-Urban Hospitals/Distressed | 31,550,000 | 31,550,000 | 31,550,000 | 31,550,000 |
| State Administered General Assistance | 154,020,496 | 170,945,279 | 178,573,040 | 186,378,478 |
| School Readiness | 5,449,594 | 5,564,035 | 5,680,880 | 5,800,178 |
| Connecticut Children's Medical Center | 11,415,000 | 12,019,995 | 12,596,955 | 12,861,491 |
| Community Services | 1,979,450 | 2,123,118 | 2,167,704 | 2,213,226 |
| Alzheimer Respite Care | 1,288,043 | 1,315,092 | 1,342,709 | 1,370,906 |
| Family Grants | 467,795 | 477,619 | 487,649 | 497,890 |
| Human Svcs Infrastructure Community Action | 3,257,114 | 3,325,513 | 3,395,349 | 3,466,651 |
| Teen Pregnancy Prevention | 1,379,214 | 1,408,177 | 1,437,749 | 1,467,942 |
| Medicare Part D Supplemental Needs Fund | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 4,018,205,847 | 4,376,328,962 | 4,597,213,090 | 4,787,097,617 |
| PMTS TO LOCAL GOVERNMENTS | | | | |
| Child Day Care | 4,918,896 | 5,022,193 | 5,127,659 | 5,235,340 |
| Human Resource Development | 29,522 | 30,142 | 30,775 | 31,421 |
| Human Resource Dev-Hispanic Programs | 5,062 | 5,168 | 5,277 | 5,388 |
| Teen Pregnancy Prevention | 844,154 | 861,881 | 879,981 | 898,461 |
| Services to the Elderly | 42,907 | 43,808 | 44,728 | 45,667 |
| Housing/Homeless Services | 663,075 | 677,000 | 691,217 | 705,733 |
| Community Services | 85,080 | 86,867 | 88,691 | 90,554 |
| TOTAL PMTS TO LOCAL GOVERNMENTS | 6,588,696 | 6,727,059 | 6,868,328 | 7,012,564 |
| TOTAL FIXED CHARGES | 4,024,794,543 | 4,383,056,021 | 4,604,081,418 | 4,794,110,181 |
| AGENCY TOTAL | 4,250,743,200 | 4,637,102,383 | 4,864,429,336 | 5,061,051,820 |
| TOTAL | 4,250,743,200 | 4,637,102,383 | 4,864,429,336 | 5,061,051,820 |
| HUMAN SERVICES | | | | |

EDUCATION, LIBRARIES AND MUSEUMS

| | | | | |
|--|-------------|-------------|-------------|-------------|
| DEPARTMENT OF EDUCATION | | | | |
| Personal Services | 131,297,940 | 133,903,995 | 135,959,070 | 138,814,210 |
| Other Expenses | 16,929,712 | 18,566,006 | 18,844,526 | 19,240,261 |
| CAPITAL OUTLAY | | | | |
| Equipment | 57,475 | 2,800,300 | 3,224,500 | 3,292,214 |
| OTHER CURRENT EXPENSES | | | | |
| Institutes for Educators | 135,914 | 138,768 | 141,682 | 144,657 |
| Basic Skills Exam Teachers in Training | 1,353,936 | 1,419,222 | 1,466,243 | 1,497,034 |
| Teachers' Standards Implementation Pgm | 3,032,102 | 3,105,235 | 3,172,926 | 3,239,557 |
| Early Childhood Program | 4,895,548 | 5,537,548 | 5,537,548 | 5,653,837 |

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| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|---|------------------------|------------------------|------------------------|------------------------|
| Develop of Mastery Exams Grades 4,6&8 | 12,638,432 | 13,865,766 | 14,748,189 | 15,057,901 |
| Primary Mental Health | 499,610 | 510,102 | 520,814 | 531,751 |
| Adult Education Action | 266,689 | 272,289 | 278,007 | 283,845 |
| Vocational Technical School Textbooks | 750,000 | 765,750 | 781,831 | 798,249 |
| Repair of Instructional Equipment | 387,995 | 396,143 | 404,462 | 412,956 |
| Minor Repairs to Plant | 390,213 | 398,407 | 406,774 | 415,316 |
| Connecticut Pre-Engineering Program | 336,870 | 343,944 | 351,167 | 358,542 |
| Connecticut Writing Project | 60,000 | 61,260 | 62,546 | 63,859 |
| Jobs for Connecticut Graduates | 200,000 | 204,200 | 208,488 | 212,866 |
| Resource Equity Assessment | 463,000 | 486,543 | 505,631 | 516,249 |
| Readers as Leaders | 65,000 | 66,365 | 67,759 | 69,182 |
| Early Childhood Advisory Cabinet | 450,000 | 459,450 | 469,098 | 478,949 |
| High School Technology Initiative | 1,000,000 | 1,500,000 | 1,500,000 | 1,531,500 |
| Future Math and Science Scholars | 125,000 | 127,625 | 130,305 | 133,041 |
| Generation Next | 125,000 | 127,625 | 130,305 | 133,041 |
| Farm to Schools | 100,000 | 102,100 | 104,244 | 106,433 |
| Best Practices | 500,000 | 510,500 | 521,221 | 532,167 |
| Math/Science Challenge | 350,000 | 357,350 | 364,854 | 372,516 |
| Pre-K Data Collection | 0 | 1,541,000 | 160,000 | 163,360 |
| TOTAL OTHER CURRENT EXPENSES | 28,125,309 | 32,297,192 | 32,034,094 | 32,706,808 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| American School for the Deaf | 8,594,202 | 10,968,202 | 11,717,202 | 11,963,263 |
| RESC Leases | 800,000 | 1,454,285 | 1,484,825 | 1,516,006 |
| Regional Education Services | 1,700,000 | 2,166,954 | 2,212,460 | 2,258,922 |
| Omnibus Education Grants State Support | 6,154,000 | 7,903,417 | 8,093,750 | 8,263,719 |
| Head Start Services | 2,748,150 | 3,100,000 | 3,165,100 | 3,231,567 |
| Head Start Enhancement | 1,773,000 | 2,000,000 | 2,000,000 | 2,042,000 |
| Family Resource Centers | 6,359,461 | 6,493,010 | 6,629,363 | 6,768,580 |
| Charter Schools | 29,832,500 | 33,488,000 | 36,848,000 | 37,621,808 |
| CT Public Television | 150,000 | 0 | 0 | 0 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 58,111,313 | 67,573,868 | 72,150,700 | 73,665,865 |
| PMTS TO LOCAL GOVERNMENTS | | | | |
| Vocational Agriculture | 2,413,578 | 3,096,858 | 3,189,764 | 3,256,749 |
| Transportation of School Children | 47,964,000 | 70,402,037 | 75,330,180 | 76,912,114 |
| Adult Education | 19,596,400 | 22,842,000 | 24,098,527 | 24,604,596 |
| Health Serv for Pupils Private Schools | 4,750,000 | 5,404,516 | 5,674,742 | 5,793,912 |
| Education Equalization Grants | 1,595,156,000 | 1,650,000,000 | 1,670,000,000 | 1,705,070,000 |
| Bilingual Education | 2,129,033 | 2,192,903 | 2,258,690 | 2,306,122 |
| Priority School Districts | 117,261,862 | 130,550,617 | 136,037,300 | 138,894,083 |
| Young Parents Program | 229,330 | 234,146 | 239,063 | 244,083 |
| Interdistrict Cooperation | 14,127,369 | 14,674,044 | 14,982,198 | 15,296,824 |
| School Breakfast Program | 1,634,103 | 1,668,419 | 1,703,455 | 1,739,228 |
| Excess Cost - Student Based | 106,596,500 | 124,550,187 | 133,891,451 | 136,703,171 |
| Excess Cost - Equity | 4,000,000 | 4,084,000 | 4,169,764 | 4,257,329 |
| Non-Public School Transportation | 3,995,000 | 4,559,910 | 4,651,108 | 4,748,781 |
| School to Work Opportunities | 213,750 | 218,239 | 222,822 | 227,501 |
| Youth Service Bureaus | 2,930,598 | 2,992,141 | 3,054,976 | 3,119,130 |
| OPEN Choice Program | 12,133,000 | 12,507,879 | 13,578,310 | 13,863,455 |
| Early Reading Success | 2,194,289 | 2,553,646 | 2,553,646 | 2,607,273 |
| Magnet Schools | 94,897,889 | 104,855,127 | 121,856,558 | 124,415,546 |
| After School Program | 3,100,000 | 3,165,100 | 3,231,567 | 3,299,430 |
| Young Adult Learners | 500,000 | 510,500 | 521,221 | 532,167 |
| TOTAL PMTS TO LOCAL GOVERNMENTS | 2,035,822,701 | 2,161,062,269 | 2,221,245,342 | 2,267,891,494 |
| TOTAL FIXED CHARGES | 2,093,934,014 | 2,228,636,137 | 2,293,396,042 | 2,341,557,359 |
| AGENCY TOTAL | 2,270,344,450 | 2,416,203,630 | 2,483,458,232 | 2,535,610,852 |
| BOARD OF EDUCATION & SERVICES FOR THE BLIND | | | | |
| Personal Services | 4,140,473 | 4,292,604 | 4,473,028 | 4,566,962 |
| Other Expenses | 786,638 | 885,167 | 894,548 | 913,334 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 36,000 | 24,000 | 24,504 |
| OTHER CURRENT EXPENSES | | | | |
| Educ Aid Blind/Visually Handicapped Child | 7,103,099 | 7,259,491 | 7,437,144 | 7,593,324 |
| Enhanced Employment Opportunities | 673,000 | 900,000 | 925,000 | 944,425 |
| TOTAL OTHER CURRENT EXPENSES | 7,776,099 | 8,159,491 | 8,362,144 | 8,537,749 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Supplementary Relief and Services | 115,425 | 200,000 | 225,000 | 229,725 |
| Vocational Rehabilitation | 989,454 | 1,010,233 | 1,260,233 | 1,286,698 |
| Special Training for the Deaf Blind | 331,761 | 338,728 | 345,841 | 353,104 |

* as adjusted

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| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|--|------------------------|------------------------|------------------------|------------------------|
| Connecticut Radio Information Service | 92,253 | 94,190 | 96,168 | 98,188 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 1,528,893 | 1,643,151 | 1,927,242 | 1,967,715 |
| TOTAL FIXED CHARGES | 1,528,893 | 1,643,151 | 1,927,242 | 1,967,715 |
| AGENCY TOTAL | 14,233,103 | 15,016,413 | 15,680,962 | 16,010,264 |
| COMMISSION ON THE DEAF & HEARING IMPAIRED | | | | |
| Personal Services | 667,086 | 688,405 | 702,584 | 717,338 |
| Other Expenses | 155,508 | 177,197 | 181,064 | 184,866 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 6,100 | 5,000 | 5,105 |
| OTHER CURRENT EXPENSES | | | | |
| Part-Time Interpreters | 164,301 | 222,165 | 327,152 | 334,022 |
| AGENCY TOTAL | 987,895 | 1,093,867 | 1,215,800 | 1,241,331 |
| STATE LIBRARY | | | | |
| Personal Services | 5,681,813 | 5,946,024 | 6,025,169 | 6,151,698 |
| Other Expenses | 812,660 | 940,391 | 938,214 | 957,916 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 866,500 | 396,000 | 404,316 |
| OTHER CURRENT EXPENSES | | | | |
| State-Wide Digital Library | 1,894,322 | 2,894,322 | 2,894,322 | 2,955,103 |
| Interlibrary Loan Delivery Service | 251,722 | 319,792 | 315,579 | 322,206 |
| Legal/Legislative Library Materials | 890,000 | 1,272,180 | 1,380,090 | 1,409,072 |
| State-Wide Data Base Program | 710,206 | 749,220 | 744,600 | 760,237 |
| TOTAL OTHER CURRENT EXPENSES | 3,746,250 | 5,235,514 | 5,334,591 | 5,446,618 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Support Cooperating Library Serv Units | 300,000 | 300,000 | 300,000 | 306,300 |
| PMTS TO LOCAL GOVERNMENTS | | | | |
| Grants to Public Libraries | 347,109 | 354,400 | 361,850 | 369,449 |
| Connecticard Payments | 976,028 | 1,464,042 | 2,196,063 | 2,242,180 |
| TOTAL PMTS TO LOCAL GOVERNMENTS | 1,323,137 | 1,818,442 | 2,557,913 | 2,611,629 |
| TOTAL FIXED CHARGES | 1,623,137 | 2,118,442 | 2,857,913 | 2,917,929 |
| AGENCY TOTAL | 11,864,860 | 15,106,871 | 15,551,887 | 15,878,477 |
| DEPARTMENT OF HIGHER EDUCATION | | | | |
| Personal Services | 2,434,368 | 2,777,062 | 2,829,134 | 2,888,546 |
| Other Expenses | 172,569 | 227,230 | 231,983 | 236,855 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 23,950 | 22,950 | 23,432 |
| OTHER CURRENT EXPENSES | | | | |
| Minority Advancement Program | 2,267,021 | 2,314,628 | 2,363,236 | 2,412,864 |
| Alternate Route to Certification | 77,033 | 78,651 | 80,303 | 81,989 |
| National Service Act | 345,647 | 352,906 | 360,317 | 367,884 |
| International Initiatives | 70,000 | 100,000 | 102,100 | 104,244 |
| Minority Teacher Incentive Program | 481,374 | 612,500 | 612,500 | 625,363 |
| Higher Educ State Matching Grant Fd | 0 | 8,650,000 | 0 | 0 |
| Education and Health Initiatives | 550,000 | 550,000 | 550,000 | 561,550 |
| Loan Forgiveness Program | 500,000 | 0 | 0 | 0 |
| TOTAL OTHER CURRENT EXPENSES | 4,291,075 | 12,658,685 | 4,068,456 | 4,153,894 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Capitol Scholarship Program | 8,838,510 | 9,000,000 | 9,150,000 | 9,342,150 |
| Awards Children Deceased/Disabled Vets | 4,000 | 4,000 | 4,000 | 4,084 |
| CT Independent College Student Grant | 15,800,626 | 29,372,408 | 29,372,408 | 29,989,229 |
| CT Aid for Public College Students | 16,520,920 | 49,199,006 | 49,199,006 | 50,232,185 |
| New England Board of Higher Education | 175,000 | 175,000 | 175,000 | 178,675 |
| Connecticut Aid to Charter Oak | 37,393 | 49,035 | 49,035 | 50,065 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 41,376,449 | 87,799,449 | 87,949,449 | 89,796,388 |
| TOTAL FIXED CHARGES | 41,376,449 | 87,799,449 | 87,949,449 | 89,796,388 |
| AGENCY TOTAL | 48,275,461 | 103,486,376 | 95,101,972 | 97,099,115 |
| UNIVERSITY OF CONNECTICUT | | | | |
| OTHER CURRENT EXPENSES | | | | |
| Operating Expenses | 205,657,116 | 209,909,695 | 212,035,073 | 216,189,669 |
| Tuition Freeze | 4,741,885 | 4,803,530 | 4,847,563 | 4,949,362 |
| Regional Campus Enhancement | 7,245,683 | 7,493,635 | 7,536,057 | 7,694,314 |
| Veterinary Diagnostic Laboratory | 50,000 | 0 | 0 | 0 |
| TOTAL OTHER CURRENT EXPENSES | 217,694,684 | 222,206,860 | 224,418,693 | 228,833,345 |
| AGENCY TOTAL | 217,694,684 | 222,206,860 | 224,418,693 | 228,833,345 |

* as adjusted

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| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|---|------------------------|------------------------|------------------------|------------------------|
| UNIV OF CONNECTICUT HEALTH CENTER | | | | |
| OTHER CURRENT EXPENSES | | | | |
| Operating Expenses | 76,514,538 | 93,122,807 | 102,796,099 | 84,529,846 |
| AHEC for Bridgeport | 405,707 | 405,707 | 405,707 | 414,227 |
| TOTAL OTHER CURRENT EXPENSES | <u>76,920,245</u> | <u>93,528,514</u> | <u>103,201,806</u> | <u>84,944,073</u> |
| AGENCY TOTAL | 76,920,245 | 93,528,514 | 103,201,806 | 84,944,073 |
| CHARTER OAK STATE COLLEGE | | | | |
| OTHER CURRENT EXPENSES | | | | |
| Operating Expenses | 1,718,732 | 1,867,953 | 1,978,014 | 2,019,552 |
| Distance Learning Consortium | 602,928 | 645,690 | 683,472 | 697,825 |
| TOTAL OTHER CURRENT EXPENSES | <u>2,321,660</u> | <u>2,513,643</u> | <u>2,661,486</u> | <u>2,717,377</u> |
| AGENCY TOTAL | 2,321,660 | 2,513,643 | 2,661,486 | 2,717,377 |
| TEACHERS' RETIREMENT BOARD | | | | |
| Personal Services | | | | |
| Personal Services | 1,688,658 | 1,807,242 | 1,866,532 | 1,905,729 |
| Other Expenses | 780,122 | 816,615 | 837,704 | 855,296 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 48,000 | 0 | 0 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Retirement Contributions | 236,572,958 | 432,703,499 | 454,338,673 | 477,055,000 |
| Retirees Health Service Cost | 14,721,000 | 16,193,100 | 17,812,410 | 19,593,651 |
| Municipal Retiree Health Insurance Costs | 8,400,000 | 8,561,136 | 8,989,193 | 9,438,653 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 259,693,958 | 457,457,735 | 481,140,276 | 506,087,304 |
| TOTAL FIXED CHARGES | <u>259,693,958</u> | <u>457,457,735</u> | <u>481,140,276</u> | <u>506,087,304</u> |
| AGENCY TOTAL | 262,163,738 | 460,129,592 | 483,844,512 | 508,848,329 |
| REGIONAL COMMUNITY-TECHNICAL COLLEGES | | | | |
| OTHER CURRENT EXPENSES | | | | |
| Operating Expenses | 135,291,855 | 149,707,929 | 153,903,183 | 156,161,871 |
| Tuition Freeze | 2,160,925 | 2,292,309 | 2,431,682 | 2,482,747 |
| TOTAL OTHER CURRENT EXPENSES | <u>137,452,780</u> | <u>152,000,238</u> | <u>156,334,865</u> | <u>158,644,618</u> |
| AGENCY TOTAL | 137,452,780 | 152,000,238 | 156,334,865 | 158,644,618 |
| CONNECTICUT STATE UNIVERSITY | | | | |
| OTHER CURRENT EXPENSES | | | | |
| Operating Expenses | 141,671,926 | 144,454,414 | 147,285,793 | 150,378,795 |
| Tuition Freeze | 6,561,971 | 6,699,772 | 6,840,467 | 6,984,117 |
| Waterbury-Based Degree Programs | 930,475 | 944,095 | 947,387 | 967,282 |
| TOTAL OTHER CURRENT EXPENSES | <u>149,164,372</u> | <u>152,098,281</u> | <u>155,073,647</u> | <u>158,330,194</u> |
| AGENCY TOTAL | 149,164,372 | 152,098,281 | 155,073,647 | 158,330,194 |
| TOTAL EDUCATION, LIBRARIES AND MUSEUMS | 3,191,423,248 | 3,633,384,285 | 3,736,543,862 | 3,808,157,975 |
| <u>CORRECTIONS</u> | | | | |
| DEPARTMENT OF CORRECTION | | | | |
| Personal Services | | | | |
| Personal Services | 398,684,286 | 434,632,480 | 442,686,478 | 451,982,894 |
| Other Expenses | 73,513,072 | 75,532,342 | 76,786,456 | 78,398,972 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 2,347,590 | 2,916,403 | 2,977,647 |
| OTHER CURRENT EXPENSES | | | | |
| Workers' Compensation Claims | 23,240,368 | 24,250,722 | 24,898,513 | 25,421,382 |
| Inmate Medical Services | 92,177,037 | 104,281,721 | 109,132,600 | 114,152,700 |
| Board of Pardons and Paroles | 4,279,548 | 4,718,593 | 4,859,967 | 4,962,026 |
| Mental Health AIC | 500,000 | 510,500 | 521,220 | 532,166 |
| TOTAL OTHER CURRENT EXPENSES | 120,196,953 | 133,761,536 | 139,412,300 | 145,068,274 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Aid to Paroled and Discharged Inmates | 9,500 | 9,699 | 9,903 | 10,111 |
| Legal Services to Prisoners | 768,595 | 784,735 | 801,214 | 818,039 |
| Volunteer Services | 170,758 | 174,344 | 178,005 | 181,743 |
| Community Support Services | 30,788,588 | 33,051,088 | 33,051,088 | 33,745,161 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 31,737,441 | 34,019,866 | 34,040,210 | 34,755,054 |
| TOTAL FIXED CHARGES | <u>31,737,441</u> | <u>34,019,866</u> | <u>34,040,210</u> | <u>34,755,054</u> |
| AGENCY TOTAL | 624,132,752 | 680,293,814 | 695,841,847 | 713,182,841 |
| DEPARTMENT OF CHILDREN AND FAMILIES | | | | |
| Personal Services | | | | |
| Personal Services | 252,603,008 | 269,582,165 | 282,061,908 | 287,985,208 |

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| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|---|------------------------|------------------------|------------------------|------------------------|
| Other Expenses | 47,332,118 | 53,325,624 | 54,862,356 | 56,014,465 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 5,122,167 | 3,747,150 | 3,825,840 |
| OTHER CURRENT EXPENSES | | | | |
| Short Term Residential Treatment | 684,246 | 722,695 | 737,871 | 753,366 |
| Substance Abuse Screening | 1,749,636 | 1,844,272 | 1,883,002 | 1,922,545 |
| Workers' Compensation Claims | 9,189,598 | 11,343,596 | 12,380,401 | 12,640,389 |
| Local Systems of Care | 1,930,054 | 2,062,262 | 2,131,669 | 2,176,434 |
| Family Support Services | 16,947,286 | 17,303,879 | 18,996,453 | 19,395,379 |
| Emergency Needs | 1,008,049 | 4,134,755 | 4,221,585 | 4,310,238 |
| TOTAL OTHER CURRENT EXPENSES | 31,508,869 | 37,411,459 | 40,350,981 | 41,198,351 |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Health Assessment and Consultation | 986,177 | 956,882 | 976,976 | 997,492 |
| Gts Psychiatric Clinics for Children | 13,627,033 | 14,382,638 | 14,684,674 | 14,993,052 |
| Day Treatment Centers for Children | 5,562,816 | 5,846,466 | 5,969,241 | 6,094,595 |
| Juvenile Justice Outreach Services | 11,154,287 | 11,942,800 | 12,193,598 | 12,449,664 |
| Child Abuse and Neglect Intervention | 5,954,421 | 6,273,974 | 6,405,727 | 6,540,247 |
| Community Emergency Services | 190,288 | 196,586 | 200,715 | 204,930 |
| Community Based Prevention Services | 5,058,663 | 4,692,827 | 4,791,377 | 4,891,996 |
| Family Violence Outreach and Counseling | 700,893 | 1,795,514 | 1,833,220 | 1,871,718 |
| Support for Recovering Families | 6,451,055 | 7,366,366 | 7,521,060 | 7,679,002 |
| No Nexus Special Education | 7,943,711 | 8,697,312 | 8,879,955 | 9,066,434 |
| Family Preservation Services | 5,167,279 | 5,440,281 | 5,554,527 | 5,671,172 |
| Substance Abuse Treatment | 4,233,085 | 4,447,781 | 4,541,185 | 4,636,550 |
| Child Welfare Support Services | 2,631,499 | 3,064,697 | 3,129,056 | 3,194,766 |
| Board and Care for Children - Adoption | 62,896,819 | 71,776,673 | 77,236,134 | 78,858,093 |
| Board and Care for Children - Foster | 106,470,992 | 119,731,804 | 128,710,665 | 131,413,589 |
| Board & Care - Residential | 183,188,698 | 217,589,729 | 226,810,031 | 231,573,042 |
| Individualized Family Supports | 15,347,264 | 16,750,724 | 17,102,489 | 17,461,641 |
| Community KidCare | 24,190,985 | 25,277,622 | 25,808,452 | 26,350,429 |
| Covenant to Care | 159,771 | 165,061 | 168,527 | 172,066 |
| Neighborhood Center | 106,515 | 110,041 | 112,352 | 114,711 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 462,022,251 | 526,505,778 | 552,629,961 | 564,235,189 |
| TOTAL FIXED CHARGES | 462,022,251 | 526,505,778 | 552,629,961 | 564,235,189 |
| AGENCY TOTAL | 793,467,246 | 891,947,193 | 933,652,356 | 953,259,053 |
| | | | | |
| COUNCIL TO ADMINISTER CHILDREN'S TRUST | | | | |
| Personal Services | 798,786 | 1,240,009 | 1,315,341 | 1,342,963 |
| Other Expenses | 205,000 | 75,146 | 76,320 | 77,923 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 0 | 0 | 0 |
| OTHER CURRENT EXPENSES | | | | |
| Children's Trust Fund | 10,109,916 | 12,751,202 | 13,018,977 | 13,292,376 |
| Safe Harbor Respite | 200,000 | 200,000 | 200,000 | 204,200 |
| TOTAL OTHER CURRENT EXPENSES | 10,309,916 | 12,951,202 | 13,218,977 | 13,496,576 |
| AGENCY TOTAL | 11,314,702 | 14,266,357 | 14,610,638 | 14,917,462 |
| | | | | |
| TOTAL CORRECTIONS | 1,428,914,700 | 1,586,507,364 | 1,644,104,841 | 1,681,359,356 |
| | | | | |
| <u>JUDICIAL</u> | | | | |
| JUDICIAL DEPARTMENT | | | | |
| Personal Services | 267,018,452 | 309,498,738 | 322,287,126 | 329,055,156 |
| Other Expenses | 64,956,092 | 70,074,339 | 78,320,569 | 79,965,301 |
| CAPITAL OUTLAY | | | | |
| Equipment | 2,110,364 | 5,105,248 | 5,314,018 | 5,425,612 |
| OTHER CURRENT EXPENSES | | | | |
| Alternative Incarceration Program | 44,205,802 | 46,052,426 | 47,019,527 | 48,006,937 |
| Justice Education Center, Inc. | 270,371 | 276,049 | 281,846 | 287,765 |
| Juvenile Alternative Incarceration | 24,642,342 | 27,215,505 | 28,387,999 | 28,984,147 |
| Juvenile Justice Centers | 3,132,245 | 3,235,611 | 3,303,559 | 3,372,934 |
| Youthful Offender Services | 1,405,089 | 1,434,596 | 1,464,722 | 1,495,481 |
| Victim Security Account | 25,000 | 25,525 | 26,061 | 26,608 |
| TOTAL OTHER CURRENT EXPENSES | 73,680,849 | 78,239,712 | 80,483,714 | 82,173,872 |
| AGENCY TOTAL | 407,765,757 | 462,918,037 | 486,405,427 | 496,619,941 |
| | | | | |
| PUBLIC DEFENDER SERVICES COMMISSION | | | | |
| Personal Services | 31,460,146 | 33,257,133 | 34,210,458 | 34,928,878 |

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| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|---|------------------------|------------------------|------------------------|------------------------|
| Other Expenses | 1,287,026 | 1,329,343 | 1,360,008 | 1,388,568 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 557,985 | 493,485 | 503,848 |
| OTHER CURRENT EXPENSES | | | | |
| Special Public Defenders - Contractual | 2,715,867 | 3,101,500 | 3,101,500 | 3,166,631 |
| Spec Public Defenders - NonContractual | 5,134,229 | 6,408,111 | 6,803,879 | 6,937,310 |
| Expert Witnesses | 1,575,904 | 1,975,000 | 2,016,475 | 2,058,821 |
| Training and Education | 80,283 | 155,000 | 158,200 | 161,522 |
| Contract Attorneys for Civil Matters | 9,200,000 | 9,556,632 | 9,757,322 | 9,962,226 |
| TOTAL OTHER CURRENT EXPENSES | 18,706,283 | 21,196,243 | 21,837,376 | 22,286,510 |
| AGENCY TOTAL | 51,454,455 | 56,340,704 | 57,901,327 | 59,107,804 |
| TOTAL | 459,220,212 | 519,258,741 | 544,306,754 | 555,727,745 |
| JUDICIAL | | | | |
| <u>NON-FUNCTIONAL</u> | | | | |
| MISC APPROPRIATION TO THE GOVERNOR | | | | |
| OTHER CURRENT EXPENSES | | | | |
| Governor's Contingency Account | 15,000 | 15,315 | 15,637 | 15,965 |
| AGENCY TOTAL | 15,000 | 15,315 | 15,637 | 15,965 |
| STATE TREASURER - DEBT SERVICE | | | | |
| OTHER CURRENT EXPENSES | | | | |
| Debt Service | 1,275,639,452 | 1,369,255,206 | 1,454,150,213 | 1,545,226,191 |
| UConn 2000 - Debt Service | 90,761,345 | 99,411,999 | 114,018,431 | 121,226,239 |
| CHEFA Day Care Security | 4,500,000 | 4,500,000 | 4,500,000 | 4,500,000 |
| TOTAL OTHER CURRENT EXPENSES | 1,370,900,797 | 1,473,167,205 | 1,572,668,644 | 1,670,952,430 |
| AGENCY TOTAL | 1,370,900,797 | 1,473,167,205 | 1,572,668,644 | 1,670,952,430 |
| OPM - RESERVE FOR SALARY ADJUSTMENTS | | | | |
| OTHER CURRENT EXPENSES | | | | |
| Reserve for Salary Adjustments | 66,615,520 | 73,728,400 | 73,066,400 | 74,600,794 |
| AGENCY TOTAL | 66,615,520 | 73,728,400 | 73,066,400 | 74,600,794 |
| WORKERS' COMPENSATION CLAIMS - DAS | | | | |
| OTHER CURRENT EXPENSES | | | | |
| Workers' Compensation Claims | 19,121,954 | 22,676,994 | 25,845,223 | 26,387,973 |
| AGENCY TOTAL | 19,121,954 | 22,676,994 | 25,845,223 | 26,387,973 |
| MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER | | | | |
| JUDICIAL REVIEW COUNCIL | | | | |
| Personal Services | 129,700 | 140,101 | 142,160 | 145,145 |
| Other Expenses | 29,933 | 33,462 | 34,103 | 34,819 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,000 | 0 | 0 | 0 |
| AGENCY TOTAL | 160,633 | 173,563 | 176,263 | 179,964 |
| STATE COMPTROLLER- MISCELLANEOUS | | | | |
| PMTS TO OTHER THAN LOCAL GOVTS | | | | |
| Maintenance of County Base Fire Radio | 21,850 | 25,176 | 25,176 | 25,705 |
| Maint of State-Wide Fire Radio Network | 14,570 | 16,756 | 16,756 | 17,108 |
| Equal Grants to Non-Profit Hospitals | 31 | 31 | 31 | 31 |
| Police Association of Connecticut | 166,000 | 190,000 | 190,000 | 193,990 |
| Connecticut State Firefighter's Assoc | 194,711 | 194,711 | 194,711 | 198,800 |
| Interstate Environmental Commission | 84,956 | 96,880 | 102,700 | 104,857 |
| TOTAL PMTS TO OTHER THAN LOCAL GOVTS | 482,118 | 523,554 | 529,374 | 540,491 |
| PMTS TO LOCAL GOVERNMENTS | | | | |
| Loss of Taxes on State Property | 73,019,215 | 73,019,215 | 73,019,215 | 73,019,215 |
| Loss Taxes Private Tax-Exempt Property | 115,431,737 | 115,431,737 | 115,431,737 | 115,431,737 |
| TOTAL PMTS TO LOCAL GOVERNMENTS | 188,450,952 | 188,450,952 | 188,450,952 | 188,450,952 |
| TOTAL FIXED CHARGES | 188,933,070 | 188,974,506 | 188,980,326 | 188,991,443 |
| AGENCY TOTAL | 188,933,070 | 188,974,506 | 188,980,326 | 188,991,443 |
| STATE COMPTROLLER - FRINGE BENEFITS | | | | |
| OTHER CURRENT EXPENSES | | | | |
| Unemployment Compensation | 4,840,000 | 4,462,358 | 4,667,627 | 4,765,647 |

* as adjusted

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| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|--|------------------------|------------------------|------------------------|------------------------|
| Employee Retirement Contribution | 477,219,351 | 486,943,000 | 514,648,000 | 542,557,000 |
| Higher Ed Alternative Ret System | 28,626,000 | 34,518,214 | 36,559,307 | 37,327,052 |
| Pension & Ret Other Statutory | 1,797,000 | 1,818,787 | 1,846,676 | 1,885,456 |
| Judges & Comp Commissioner Ret | 12,375,172 | 13,300,000 | 14,031,000 | 14,803,000 |
| Group Life Insurance | 5,679,000 | 6,667,062 | 6,787,064 | 6,929,592 |
| Employers Social Security Tax | 213,306,400 | 212,430,996 | 216,892,047 | 221,446,780 |
| State Employees Health Serv Cost | 429,935,600 | 473,501,500 | 521,236,200 | 545,213,100 |
| Retired Employee Health Serv Cost | 436,409,000 | 458,110,000 | 505,710,000 | 528,972,660 |
| Tuition Reimburs Training, Travel | 605,000 | 2,744,500 | 2,384,500 | 2,434,575 |
| TOTAL OTHER CURRENT EXPENSES | <u>1,610,792,523</u> | <u>1,694,496,417</u> | <u>1,824,762,421</u> | <u>1,906,334,862</u> |
| AGENCY TOTAL | 1,610,792,523 | 1,694,496,417 | 1,824,762,421 | 1,906,334,862 |
| TOTAL MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER | 1,799,886,226 | 1,883,644,486 | 2,013,919,010 | 2,095,506,269 |
| TOTAL NON-FUNCTIONAL | 3,256,539,497 | 3,453,232,400 | 3,685,514,914 | 3,867,463,431 |
| TOTAL - GENERAL FUND | 14,968,689,984 | 16,464,641,561 | 17,254,294,929 | 17,842,408,209 |
| Legislative Unallocated Lapses | -2,200,000 | -2,200,000 | -2,200,000 | -2,200,000 |
| Estimated Unallocated Lapses | -17,780,000 | -85,000,000 | -85,000,000 | -85,000,000 |
| General Personal Services Reduction | -14,000,000 | -14,000,000 | -14,000,000 | -14,000,000 |
| General Other Expenses Reductions | -11,000,000 | -11,000,000 | -11,000,000 | -11,000,000 |
| Statewide GAAP Implementation | | 56,000,000 | 108,200,000 | 108,200,000 |
| Department of Social Services | -39,600,000 | | | |
| State Employees Health Services | -15,000,000 | | | |
| Debt Service | -22,200,000 | | | |
| NET - General Fund | 14,846,909,984 | 16,408,441,561 | 17,250,294,929 | 17,838,408,209 |
| SPECIAL TRANSPORTATION FUND | | | | |
| <u>GENERAL GOVERNMENT</u> | | | | |
| STATE INSURANCE AND RISK MANAGEMENT | | | | |
| Other Expenses | <u>2,770,000</u> | <u>2,375,200</u> | <u>2,517,540</u> | <u>2,570,408</u> |
| AGENCY TOTAL | 2,770,000 | 2,375,200 | 2,517,540 | 2,570,408 |
| TOTAL GENERAL GOVERNMENT | 2,770,000 | 2,375,200 | 2,517,540 | 2,570,408 |
| <u>REGULATION AND PROTECTION</u> | | | | |
| DEPARTMENT OF MOTOR VEHICLES | | | | |
| Personal Services | 40,228,881 | 43,144,015 | 44,217,606 | 45,146,176 |
| Other Expenses | 15,984,313 | 16,644,685 | 16,968,409 | 17,324,746 |
| CAPITAL OUTLAY | | | | |
| Equipment | 996,425 | 935,267 | 1,014,636 | 1,035,943 |
| OTHER CURRENT EXPENSES | | | | |
| Insurance Enforcement | 659,785 | 712,541 | 734,333 | 749,754 |
| Commercial Veh Info Sys & Networks Prj | 283,000 | 383,000 | 383,000 | 391,043 |
| Vision Screening Program | 0 | 1,108,421 | 1,121,561 | 1,145,114 |
| Driving Under the Influence - DUI | 0 | 105,622 | 105,622 | 107,840 |
| TOTAL OTHER CURRENT EXPENSES | <u>942,785</u> | <u>2,309,584</u> | <u>2,344,516</u> | <u>2,393,751</u> |
| AGENCY TOTAL | <u>58,152,404</u> | <u>63,033,551</u> | <u>64,545,167</u> | <u>65,900,616</u> |
| TOTAL REGULATION AND PROTECTION | 58,152,404 | 63,033,551 | 64,545,167 | 65,900,616 |
| <u>TRANSPORTATION</u> | | | | |
| DEPARTMENT OF TRANSPORTATION | | | | |
| Personal Services | 136,184,396 | 151,718,735 | 154,411,774 | 157,654,421 |
| Other Expenses | 47,386,094 | 52,042,865 | 51,278,360 | 52,355,206 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,425,000 | 2,489,881 | 2,476,559 | 2,476,559 |

* as adjusted

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| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|--|------------------------|------------------------|------------------------|------------------------|
| Highway & Bridge Renewal-Equipment | 8,000,000 | 13,204,933 | 13,160,574 | 13,160,574 |
| TOTAL CAPITAL OUTLAY | 9,425,000 | 15,694,814 | 15,637,133 | 15,637,133 |
| OTHER CURRENT EXPENSES | | | | |
| Minor Capital Projects | 350,000 | 750,000 | 750,000 | 750,000 |
| Highway Planning and Research | 2,715,206 | 3,086,641 | 3,192,843 | 3,259,893 |
| Hospital Transit for Dialysis | 100,000 | 100,000 | 100,000 | 100,000 |
| Rail Operations | 89,080,198 | 100,042,527 | 110,678,770 | 113,003,024 |
| Bus Operations | 100,075,221 | 120,339,826 | 127,334,718 | 130,008,747 |
| Highway and Bridge Renewal | 12,421,593 | 15,395,000 | 15,395,000 | 15,395,000 |
| Tweed-New Haven Airport Grant | 600,000 | 0 | 0 | 0 |
| ADA Para-transit Program | 19,025,687 | 20,542,934 | 22,223,606 | 22,690,302 |
| Non-ADA Dial-A-Ride Program | 576,361 | 576,361 | 576,361 | 576,361 |
| TOTAL OTHER CURRENT EXPENSES | 224,944,266 | 260,833,289 | 280,251,298 | 285,783,327 |
| PMTS TO LOCAL GOVERNMENTS | | | | |
| Town Aid Road Grants | 22,000,000 | 22,000,000 | 22,000,000 | 22,000,000 |
| TOTAL FIXED CHARGES | 22,000,000 | 22,000,000 | 22,000,000 | 22,000,000 |
| AGENCY TOTAL | 439,939,756 | 502,289,703 | 523,578,565 | 533,430,087 |
| TOTAL TRANSPORTATION | 439,939,756 | 502,289,703 | 523,578,565 | 533,430,087 |
| <u>NON-FUNCTIONAL</u> | | | | |
| STATE TREASURER - DEBT SERVICE | | | | |
| OTHER CURRENT EXPENSES | | | | |
| Debt Service | 442,210,790 | 459,624,096 | 478,370,057 | 498,603,853 |
| AGENCY TOTAL | 442,210,790 | 459,624,096 | 478,370,057 | 498,603,853 |
| OPM - RESERVE FOR SALARY ADJUSTMENTS | | | | |
| OTHER CURRENT EXPENSES | | | | |
| Reserve for Salary Adjustments | 8,298,400 | 4,655,300 | 7,221,500 | 7,373,152 |
| AGENCY TOTAL | 8,298,400 | 4,655,300 | 7,221,500 | 7,373,152 |
| WORKERS' COMPENSATION CLAIMS - DAS | | | | |
| OTHER CURRENT EXPENSES | | | | |
| Workers' Compensation Claims | 5,127,474 | 5,425,000 | 5,514,600 | 5,630,407 |
| AGENCY TOTAL | 5,127,474 | 5,425,000 | 5,514,600 | 5,630,407 |
| MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER | | | | |
| STATE COMPTROLLER - FRINGE BENEFITS | | | | |
| OTHER CURRENT EXPENSES | | | | |
| Unemployment Compensation | 306,000 | 335,876 | 351,327 | 358,705 |
| Employee Retirement Contribution | 63,819,000 | 67,874,000 | 71,735,000 | 75,625,000 |
| Group Life Insurance | 211,000 | 277,794 | 282,794 | 288,733 |
| Employers Social Security Tax | 14,788,200 | 15,007,679 | 15,322,840 | 15,644,620 |
| State Employees Health Serv Cost | 31,624,100 | 34,691,600 | 38,056,700 | 39,807,300 |
| TOTAL OTHER CURRENT EXPENSES | 110,748,300 | 118,186,949 | 125,748,661 | 131,724,358 |
| AGENCY TOTAL | 110,748,300 | 118,186,949 | 125,748,661 | 131,724,358 |
| TOTAL MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER | 110,748,300 | 118,186,949 | 125,748,661 | 131,724,358 |
| TOTAL NON-FUNCTIONAL | 566,384,964 | 587,891,345 | 616,854,818 | 643,331,770 |
| TOTAL - SPECIAL TRANSPORTATION FUND | 1,067,247,124 | 1,155,589,799 | 1,207,496,090 | 1,245,232,881 |
| Estimated Unallocated Lapses | -11,000,000 | -11,000,000 | -11,000,000 | -11,000,000 |
| NET - Special Transportation Fund | 1,056,247,124 | 1,144,589,799 | 1,196,496,090 | 1,234,232,881 |

BANKING FUND

REGULATION AND PROTECTION

DEPARTMENT OF BANKING

| | | | | |
|-------------------|-----------|------------|------------|------------|
| Personal Services | 9,620,427 | 10,203,881 | 10,304,646 | 10,521,044 |
|-------------------|-----------|------------|------------|------------|

* as adjusted

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| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|---|------------------------|------------------------|------------------------|------------------------|
| Other Expenses | 2,029,675 | 3,096,954 | 3,098,336 | 3,163,401 |
| CAPITAL OUTLAY | | | | |
| Equipment | 23,500 | 292,080 | 164,002 | 167,446 |
| OTHER CURRENT EXPENSES | | | | |
| Fringe Benefits | 4,928,421 | 5,471,193 | 5,558,761 | 5,675,495 |
| Indirect Overhead | 234,140 | 234,139 | 234,139 | 239,056 |
| TOTAL OTHER CURRENT EXPENSES | 5,162,561 | 5,705,332 | 5,792,900 | 5,914,551 |
| AGENCY TOTAL | 16,836,163 | 19,298,247 | 19,359,884 | 19,766,442 |
| TOTAL REGULATION AND PROTECTION | 16,836,163 | 19,298,247 | 19,359,884 | 19,766,442 |
| TOTAL - BANKING FUND | 16,836,163 | 19,298,247 | 19,359,884 | 19,766,442 |
| INSURANCE FUND | | | | |
| <u>REGULATION AND PROTECTION</u> | | | | |
| INSURANCE DEPARTMENT | | | | |
| Personal Services | 12,401,200 | 12,349,715 | 12,540,018 | 12,803,358 |
| Other Expenses | 2,380,570 | 2,641,881 | 2,427,394 | 2,478,369 |
| CAPITAL OUTLAY | | | | |
| Equipment | 135,500 | 167,050 | 150,050 | 153,201 |
| OTHER CURRENT EXPENSES | | | | |
| Fringe Benefits | 6,810,094 | 7,096,338 | 7,472,361 | 7,629,281 |
| Indirect Overhead | 76,960 | 150,000 | 175,000 | 178,675 |
| TOTAL OTHER CURRENT EXPENSES | 6,887,054 | 7,246,338 | 7,647,361 | 7,807,956 |
| AGENCY TOTAL | 21,804,324 | 22,404,984 | 22,764,823 | 23,242,884 |
| OFFICE OF THE HEALTHCARE ADVOCATE | | | | |
| Personal Services | 387,193 | 346,965 | 366,722 | 374,423 |
| Other Expenses | 141,971 | 152,937 | 150,381 | 153,539 |
| CAPITAL OUTLAY | | | | |
| Equipment | 1,200 | 3,999 | 0 | 0 |
| OTHER CURRENT EXPENSES | | | | |
| Fringe Benefits | 140,528 | 200,000 | 220,000 | 224,620 |
| Indirect Overhead | 19,643 | 23,000 | 25,000 | 25,525 |
| TOTAL OTHER CURRENT EXPENSES | 160,171 | 223,000 | 245,000 | 250,145 |
| AGENCY TOTAL | 690,535 | 726,901 | 762,103 | 778,107 |
| TOTAL REGULATION AND PROTECTION | 22,494,859 | 23,131,885 | 23,526,926 | 24,020,991 |
| TOTAL - INSURANCE FUND | 22,494,859 | 23,131,885 | 23,526,926 | 24,020,991 |
| CONSUMER COUNSEL/PUBLIC UTILITY FUND | | | | |
| <u>REGULATION AND PROTECTION</u> | | | | |
| OFFICE OF CONSUMER COUNSEL | | | | |
| Personal Services | 1,246,280 | 1,369,120 | 1,385,875 | 1,414,978 |
| Other Expenses | 501,652 | 722,350 | 706,977 | 721,824 |
| CAPITAL OUTLAY | | | | |
| Equipment | 34,750 | 25,200 | 22,700 | 23,177 |
| OTHER CURRENT EXPENSES | | | | |
| Fringe Benefits | 679,866 | 778,719 | 793,405 | 810,067 |
| Indirect Overhead | 173,912 | 173,912 | 173,912 | 177,564 |
| TOTAL OTHER CURRENT EXPENSES | 853,778 | 952,631 | 967,317 | 987,631 |
| AGENCY TOTAL | 2,636,460 | 3,069,301 | 3,082,869 | 3,147,610 |
| DEPARTMENT OF PUBLIC UTILITY CONTROL | | | | |
| Personal Services | 11,397,000 | 11,552,234 | 11,829,111 | 12,077,522 |
| Other Expenses | 1,702,115 | 1,832,385 | 1,870,180 | 1,909,454 |
| CAPITAL OUTLAY | | | | |
| Equipment | 113,212 | 117,500 | 130,500 | 133,241 |
| OTHER CURRENT EXPENSES | | | | |
| Fringe Benefits | 5,992,915 | 6,381,575 | 6,534,897 | 6,672,130 |

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| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|--|------------------------|------------------------|------------------------|------------------------|
| Indirect Overhead | 72,609 | 157,691 | 220,000 | 224,620 |
| Nuclear Energy Advisory Council | 2,200 | 2,500 | 2,500 | 2,552 |
| TOTAL OTHER CURRENT EXPENSES | <u>6,067,724</u> | <u>6,541,766</u> | <u>6,757,397</u> | <u>6,899,302</u> |
| AGENCY TOTAL | 19,280,051 | 20,043,885 | 20,587,188 | 21,019,519 |
| TOTAL REGULATION AND PROTECTION | 21,916,511 | 23,113,186 | 23,670,057 | 24,167,129 |
| TOTAL - CONSUMER COUNSEL/PUBLIC UTILITY FUND | 21,916,511 | 23,113,186 | 23,670,057 | 24,167,129 |
| WORKERS' COMPENSATION FUND | | | | |
| <u>REGULATION AND PROTECTION</u> | | | | |
| DEPARTMENT OF LABOR OTHER CURRENT EXPENSES | | | | |
| Occupational Health Clinics | 671,470 | 686,138 | 700,229 | 714,934 |
| AGENCY TOTAL | <u>671,470</u> | <u>686,138</u> | <u>700,229</u> | <u>714,934</u> |
| WORKERS' COMPENSATION COMMISSION | | | | |
| Personal Services | 8,919,320 | 9,503,923 | 9,637,388 | 9,839,773 |
| Other Expenses | 2,673,547 | 4,739,942 | 2,824,048 | 2,883,353 |
| CAPITAL OUTLAY | | | | |
| Equipment | 51,250 | 356,492 | 69,990 | 71,460 |
| OTHER CURRENT EXPENSES | | | | |
| Criminal Justice Fraud Unit | 530,837 | 603,815 | 604,467 | 617,161 |
| Rehabilitative Services | 2,061,704 | 2,661,704 | 2,717,600 | 2,774,670 |
| Fringe Benefits | 5,460,432 | 5,192,944 | 5,265,869 | 5,376,452 |
| Indirect Overhead | 338,613 | 345,724 | 352,985 | 360,398 |
| TOTAL OTHER CURRENT EXPENSES | <u>8,391,586</u> | <u>8,804,187</u> | <u>8,940,921</u> | <u>9,128,681</u> |
| AGENCY TOTAL | 20,035,703 | 23,404,544 | 21,472,347 | 21,923,267 |
| TOTAL REGULATION AND PROTECTION | 20,707,173 | 24,090,682 | 22,172,576 | 22,638,201 |
| TOTAL - WORKERS' COMPENSATION FUND | 20,707,173 | 24,090,682 | 22,172,576 | 22,638,201 |
| MASHANTUCKET PEQUOT AND MOHEGAN FUND | | | | |
| <u>NON-FUNCTIONAL</u> | | | | |
| MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER STATE COMPTROLLER- MISCELLANEOUS PMTS TO LOCAL GOVERNMENTS | | | | |
| Grants to Towns | 86,250,000 | 86,250,000 | 86,250,000 | 86,250,000 |
| TOTAL FIXED CHARGES | <u>86,250,000</u> | <u>86,250,000</u> | <u>86,250,000</u> | <u>86,250,000</u> |
| AGENCY TOTAL | 86,250,000 | 86,250,000 | 86,250,000 | 86,250,000 |
| TOTAL MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER | 86,250,000 | 86,250,000 | 86,250,000 | 86,250,000 |
| TOTAL NON-FUNCTIONAL | 86,250,000 | 86,250,000 | 86,250,000 | 86,250,000 |
| TOTAL - MASHANTUCKET PEQUOT AND MOHEGAN FUND | 86,250,000 | 86,250,000 | 86,250,000 | 86,250,000 |
| SOLDIERS', SAILORS' AND MARINES' FUND | | | | |
| <u>HUMAN SERVICES</u> | | | | |
| SOLDIERS', SAILORS' AND MARINES' FUND | | | | |
| Personal Services | 824,027 | 793,135 | 824,879 | 842,201 |
| Other Expenses | 98,145 | 66,398 | 67,660 | 69,081 |

* as adjusted

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By Character and Fund

| | Estimated 2006-2007 | Requested 2007-2008 | Requested 2008-2009 | Projected 2009-2010 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| CAPITAL OUTLAY | | | | |
| Equipment | 6,500 | 6,000 | 10,500 | 10,720 |
| OTHER CURRENT EXPENSES | | | | |
| Award Payments to Veterans | 1,979,800 | 1,990,000 | 2,080,000 | 2,123,680 |
| Fringe Benefits | 521,111 | 496,521 | 512,322 | 523,081 |
| TOTAL OTHER CURRENT EXPENSES | 2,500,911 | 2,486,521 | 2,592,322 | 2,646,761 |
| AGENCY TOTAL | 3,429,583 | 3,352,054 | 3,495,361 | 3,568,763 |
| TOTAL HUMAN SERVICES | 3,429,583 | 3,352,054 | 3,495,361 | 3,568,763 |
| TOTAL – SOLDIERS', SAILORS' AND MARINES' FUND | 3,429,583 | 3,352,054 | 3,495,361 | 3,568,763 |
| REGIONAL MARKET OPERATION FUND | | | | |
| <u>CONSERVATION AND DEVELOPMENT</u> | | | | |
| DEPARTMENT OF AGRICULTURE | | | | |
| Personal Services | 387,250 | 377,824 | 384,019 | 392,083 |
| Other Expenses | 173,539 | 260,253 | 264,753 | 270,313 |
| CAPITAL OUTLAY | | | | |
| Equipment | 25,000 | 79,900 | 0 | 0 |
| OTHER CURRENT EXPENSES | | | | |
| Fringe Benefits | 179,538 | 213,781 | 217,261 | 221,823 |
| AGENCY TOTAL | 765,327 | 931,758 | 866,033 | 884,219 |
| TOTAL CONSERVATION AND DEVELOPMENT | 765,327 | 931,758 | 866,033 | 884,219 |
| <u>NON-FUNCTIONAL</u> | | | | |
| STATE TREASURER - DEBT SERVICE | | | | |
| OTHER CURRENT EXPENSES | | | | |
| Debt Service | 135,577 | 100,446 | 122,067 | 64,415 |
| AGENCY TOTAL | 135,577 | 100,446 | 122,067 | 64,415 |
| TOTAL NON-FUNCTIONAL | 135,577 | 100,446 | 122,067 | 64,415 |
| TOTAL - REGIONAL MARKET OPERATION FUND | 900,904 | 1,032,204 | 988,100 | 948,634 |
| CRIMINAL INJURIES COMPENSATION FUND | | | | |
| <u>JUDICIAL</u> | | | | |
| JUDICIAL DEPARTMENT | | | | |
| OTHER CURRENT EXPENSES | | | | |
| Criminal Injuries Compensation Fund | 2,025,000 | 2,067,525 | 2,110,943 | 2,155,273 |
| AGENCY TOTAL | 2,025,000 | 2,067,525 | 2,110,943 | 2,155,273 |
| TOTAL JUDICIAL | 2,025,000 | 2,067,525 | 2,110,943 | 2,155,273 |
| TOTAL - CRIMINAL INJURIES COMPENSATION FUND | 2,025,000 | 2,067,525 | 2,110,943 | 2,155,273 |
| TOTAL ALL FUNDS | 16,077,717,301 | 17,735,367,143 | 18,628,364,866 | 19,256,156,523 |

* as adjusted

PROJECTED REVENUES

(IN MILLIONS)

| | General Fund | | | |
|--|------------------------------------|-------------|-------------|-------------|
| Taxes | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
| Personal Income Tax | \$ 6,625.0 | \$ 6,950.0 | \$ 7,300.0 | \$ 7,675.0 |
| Sales & Use Tax | 3,507.2 | 3,652.6 | 3,791.1 | 3,931.9 |
| Corporation Tax | 787.0 | 725.1 | 761.8 | 784.7 |
| Public Service Tax | 225.9 | 227.8 | 229.7 | 231.7 |
| Inheritance & Estate Tax | 158.8 | 162.0 | 165.3 | 168.6 |
| Insurance Companies Tax | 274.6 | 279.0 | 282.9 | 286.8 |
| Cigarettes Tax | 268.8 | 264.8 | 260.8 | 256.9 |
| Real Estate Conveyance Tax | 183.1 | 175.8 | 172.3 | 168.8 |
| Oil Companies Tax | 135.0 | 127.8 | 105.2 | 105.2 |
| Alcoholic Beverages Tax | 46.5 | 46.9 | 47.4 | 47.9 |
| Admissions & Dues Tax | 34.6 | 35.0 | 35.3 | 35.7 |
| Miscellaneous Tax | 138.1 | 141.6 | 145.1 | 148.8 |
| Total Taxes | \$ 12,384.6 | \$ 12,788.4 | \$ 13,296.9 | \$ 13,842.0 |
| Less Refunds of Tax | (876.0) | (910.0) | (946.0) | (983.0) |
| Less R&D Credit Exchange | (7.5) | (8.0) | (9.0) | (10.0) |
| Total - Taxes Less Refunds | \$ 11,501.1 | \$ 11,870.4 | \$ 12,341.9 | \$ 12,849.0 |
| Other Revenue | | | | |
| Transfers-Special Revenue | \$ 282.6 | \$ 285.4 | \$ 288.2 | \$ 291.1 |
| Indian Gaming Payments | 438.7 | 450.8 | 473.2 | 482.6 |
| Licenses, Permits, Fees | 144.7 | 159.0 | 146.1 | 160.6 |
| Sales of Commodities | 36.0 | 36.5 | 37.1 | 38.0 |
| Rents, Fines, Escheats | 46.0 | 48.1 | 49.0 | 49.9 |
| Investment Income | 100.0 | 100.0 | 100.0 | 100.0 |
| Miscellaneous | 140.6 | 140.6 | 140.4 | 140.7 |
| Less Refunds of Payments | (0.6) | (0.6) | (0.6) | (0.6) |
| Total - Other Revenue | \$ 1,188.0 | \$ 1,219.8 | \$ 1,233.4 | \$ 1,262.3 |
| Other Sources | | | | |
| Federal Grants | \$ 2,599.1 | \$ 2,604.5 | \$ 2,756.7 | \$ 2,860.7 |
| Transfers to the Resources of the G.F. | - | 17.0 | 17.0 | 17.0 |
| Transfer From Tobacco Settlement | 101.4 | 87.9 | 87.9 | 86.8 |
| Transfers From (To) Other Funds | (45.3) | (86.3) | (86.3) | (86.3) |
| Total - Other Sources | \$ 2,655.2 | \$ 2,623.1 | \$ 2,775.3 | \$ 2,878.2 |
| Total - General Fund Revenues | \$ 15,344.3 | \$ 15,713.3 | \$ 16,350.6 | \$ 16,989.5 |
| | Special Transportation Fund | | | |
| Taxes | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
| Motor Fuels Tax | \$ 478.4 | \$ 478.4 | \$ 480.8 | \$ 485.6 |
| Oil Companies Tax | 141.0 | 164.0 | 180.9 | 180.9 |
| Sales Tax - DMV | 71.6 | 74.9 | 78.3 | 81.9 |
| Total Taxes | \$ 691.0 | \$ 717.3 | \$ 740.0 | \$ 748.4 |
| Less Refunds of Taxes | (9.1) | (9.2) | (9.3) | (9.4) |
| Total - Taxes Less Refunds | \$ 681.9 | \$ 708.1 | \$ 730.7 | \$ 739.0 |
| Other Sources | | | | |
| Motor Vehicle Receipts | \$ 231.8 | \$ 236.5 | \$ 241.2 | \$ 246.0 |
| Licenses, Permits, Fees | 162.0 | 163.6 | 165.3 | 166.9 |
| Interest Income | 42.0 | 43.0 | 43.5 | 44.0 |
| Transfers From (To) Other Funds | (7.0) | (9.5) | (9.5) | (9.5) |
| Transfers To TSB | (20.3) | (15.3) | (15.3) | (15.3) |
| Less Refunds of Payments | (2.9) | (3.0) | (3.1) | (3.2) |
| Total - Other Sources | \$ 405.6 | \$ 415.3 | \$ 422.1 | \$ 428.9 |
| Total - STF Revenues | \$ 1,087.5 | \$ 1,123.4 | \$ 1,152.8 | \$ 1,167.9 |

PROJECTED REVENUES

(IN MILLIONS)

| | <u>2006-07</u> | | <u>2007-08</u> | | <u>2008-09</u> | | <u>2009-10</u> | |
|--|----------------|----------|----------------|----------|----------------|----------|----------------|----------|
| Mashantucket Pequot and Mohegan Fund | | | | | | | | |
| Transfers from the General Fund | \$ | 86.3 | | 86.3 | | 86.3 | | 86.3 |
| Total - Mashantucket Pequot and Mohegan Fund Revenues | \$ | 86.3 | | 86.3 | | 86.3 | | 86.3 |
| Soldiers', Sailors', and Marines' Fund | | | | | | | | |
| Investment Income | \$ | 3.5 | | 3.4 | | 3.5 | | 3.6 |
| Total - Soldiers', Sailors', and Marines' Fund Revenues | \$ | 3.5 | | 3.4 | | 3.5 | | 3.6 |
| Regional Market Operating Fund | | | | | | | | |
| Rentals | \$ | 1.0 | \$ | 1.1 | \$ | 1.0 | \$ | 1.0 |
| Total - Regional Market Operating Fund Revenues | \$ | 1.0 | \$ | 1.1 | \$ | 1.0 | \$ | 1.0 |
| Banking Fund | | | | | | | | |
| Fees and Assessments | \$ | 16.9 | \$ | 19.3 | \$ | 19.4 | \$ | 19.8 |
| Total - Banking Fund Revenues | \$ | 16.9 | \$ | 19.3 | \$ | 19.4 | \$ | 19.8 |
| Insurance Fund | | | | | | | | |
| Assessments | \$ | 22.5 | \$ | 23.2 | \$ | 23.6 | \$ | 24.1 |
| Total - Insurance Fund Revenues | \$ | 22.5 | \$ | 23.2 | \$ | 23.6 | \$ | 24.1 |
| Consumer Counsel & Public Utility Control Fund | | | | | | | | |
| Fees and Assessments | \$ | 22.0 | \$ | 23.2 | \$ | 23.7 | \$ | 24.2 |
| Total - Consumer Counsel & Public Utility Control Revenues | \$ | 22.0 | \$ | 23.2 | \$ | 23.7 | \$ | 24.2 |
| Workers' Compensation Fund | | | | | | | | |
| Fees and Assessments | \$ | 20.8 | \$ | 24.1 | \$ | 22.2 | \$ | 22.7 |
| Total - Workers' Compensation Fund Revenues | \$ | 20.8 | \$ | 24.1 | \$ | 22.2 | \$ | 22.7 |
| Criminal Injuries Compensation Fund | | | | | | | | |
| Fines | \$ | 2.1 | \$ | 2.1 | \$ | 2.2 | \$ | 2.2 |
| Total - Criminal Injuries Fund Revenues | \$ | 2.1 | \$ | 2.1 | \$ | 2.2 | \$ | 2.2 |
| Total - All Appropriated Funds Revenues | \$ | 16,606.9 | \$ | 17,019.4 | \$ | 17,685.3 | \$ | 18,341.3 |

NOTE:

FY 2005-06 amounts are preliminary and have not been audited.

ASSUMPTIONS USED TO DEVELOP REVENUE ESTIMATES

| | <u>FY2005-06</u> | <u>FY2006-07</u> | <u>FY2007-08</u> | <u>FY2008-09</u> | <u>FY2009-10</u> |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|
| <u>UNITED STATES</u> | | | | | |
| Gross Domestic Product | 6.7% | 6.2% | 5.6% | 5.3% | 5.2% |
| Real Gross Domestic Product | 3.4% | 2.9% | 3.0% | 3.0% | 3.1% |
| G.D.P. Deflator | 3.1% | 3.2% | 2.6% | 2.2% | 2.0% |
| Housing Starts (M) | 1.69 | 1.35 | 1.29 | 1.25 | 1.26 |
| Unemployment Rate | 4.8% | 4.8% | 4.9% | 4.7% | 4.5% |
| New Vehicle Sales (M) | 16.64 | 16.29 | 15.97 | 16.00 | 16.15 |
| Consumer Price Index | 3.8% | 2.9% | 2.2% | 2.1% | 2.1% |
| <u>CONNECTICUT</u> | | | | | |
| Personal Income | 5.6% | 5.7% | 5.1% | 4.7% | 4.7% |
| Nonagricultural Employment | 0.7% | 0.5% | 0.9% | 0.7% | 0.7% |
| Unemployment Rate | 4.6% | 3.8% | 3.9% | 3.7% | 3.7% |

M denotes millions.

ECONOMIC GROWTH RATES FOR PROJECTED TAX REVENUES

(PERCENT CHANGE)

| | General Fund | | | | |
|--------------------------------------|---------------------|----------------|----------------|----------------|----------------|
| <u>Taxes</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> |
| Personal Income Tax ¹ | 7.1,19.4 | 6.0,10.6 | 5.0,5.0 | 5.0,5.0 | 5.0,5.0 |
| Sales & Use Tax | 2.6 | 3.5 | 3.8 | 3.8 | 3.7 |
| Corporation Tax | 20.0 | 11.6 | 3.0 | 3.0 | 3.0 |
| Public Service Tax | 14.40 | 0.3 | 0.8 | 0.8 | 0.8 |
| Inheritance & Estate Tax | 0.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Insurance Companies Tax ² | 19.2,2.3,1.7 | 5.0,1.0,1.0 | 4.0,1.0,1.0 | 3.0,1.0,1.0 | 3.0,1.0,1.0 |
| Cigarettes Tax | -0.6 | -1.3 | -1.5 | -1.5 | -1.6 |
| Real Estate Conveyance Tax | -1.4 | -11.8 | -4.0 | -2.0 | -2.0 |
| Oil Companies Tax | 35.2 | -0.9 | -5.0 | -8.0 | 0.0 |
| Alcoholic Beverages Tax | 1.7 | 1.0 | 1.0 | 1.0 | 1.0 |
| Admissions & Dues Tax | 10.4 | 1.0 | 1.0 | 1.0 | 1.0 |

| | Special Transportation Fund | | | | |
|-----------------|------------------------------------|----------------|----------------|----------------|----------------|
| <u>Taxes</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> |
| Motor Fuels Tax | 0.0 | -0.5 | 0.0 | 0.5 | 1.0 |
| Sales Tax - DMV | -1.9 | 4.6 | 4.6 | 4.6 | 4.6 |

NOTES:

1. Rates for withholding and "estimates and final filings".
2. Rates for domestic insurers, foreign insurers, and HMOs.

SECTION 2
PROJECTED TAX CREDITS

PROJECTED TAX CREDITS

It should be noted that the basis for projections of tax credits claimed relies upon data from several years ago. This is due to the fact that information regarding tax credits is typically delayed as firms often request an extension to file their final returns. This delays the receipt of such data by the tax department which then must still have the return information data captured.

In calculating the expected amount of credits to be claimed, OPM examined the most recent relevant years available (income years 2000 to 2003 for business credits and income year 2003 for the personal income tax credit) for both the number of credits claimed and their corresponding dollar value. An average value was derived over that time period which then became the base for fiscal year 2006. From fiscal year 2006 and forward, the number of credits claimed and the dollar value of credits claimed was grown by appropriate growth rates.

PROJECTED TOTAL AMOUNTS OF TAX CREDITS CLAIMED

| | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> |
|---|----------------|----------------|----------------|----------------|----------------|
| <u>Personal Income Tax Credits</u> | | | | | |
| Property Tax | \$ 285,000 | \$ 390,000 | \$ 398,000 | \$ 406,000 | \$ 414,000 |
| Total Personal Income Tax | \$ 285,000 | \$ 390,000 | \$ 398,000 | \$ 406,000 | \$ 414,000 |
| <u>Business Tax Credits</u> | | | | | |
| Apprenticeship Training | 550 | 600 | 600 | 600 | 600 |
| Clean Alternative Fuels | 55 | 55 | 60 | 60 | 60 |
| Computer Donation | 20 | 20 | 20 | 20 | 20 |
| Displaced Electric Worker | 1 | 1 | 1 | 1 | 1 |
| Displaced Worker* | - | 4,500 | 4,500 | 4,500 | 4,500 |
| Donation of Open Space Land | 450 | 500 | 500 | 500 | 500 |
| Electronic Data Processing | 22,500 | 23,000 | 23,000 | 23,000 | 23,000 |
| Employer Assisted Housing** | 200 | - | - | - | - |
| Enterprise Zone or Entertainment District | 40 | 40 | 40 | 40 | 40 |
| Film Industry* | - | 37,500 | 50,000 | 50,000 | 50,000 |
| Financial Institutions | 30 | 30 | 30 | 30 | 30 |
| Fixed Capital | 49,000 | 49,500 | 50,000 | 51,000 | 52,000 |
| Hiring Incentive | 90 | 90 | 90 | 90 | 90 |
| Historic Homes Rehabilitation | 200 | 200 | 200 | 200 | 200 |
| Historic Structures* | - | - | 15,000 | 15,000 | 15,000 |
| Housing Program Contribution | 3,400 | 3,400 | 3,400 | 3,400 | 3,400 |
| Human Capital | 2,300 | 2,300 | 2,300 | 2,300 | 2,300 |
| Insurance Reinvestment*** | 25,400 | 25,700 | 25,100 | 14,100 | 5,700 |
| Job Creation* | - | 2,000 | 4,000 | 7,000 | 10,000 |
| Machinery and Equipment | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 |
| Manufacturing Facility in Targeted Investment Community or Enterprise Zone | 675 | 680 | 690 | 700 | 710 |
| Neighborhood Assistance | 1,500 | 1,500 | 1,500 | 2,000 | 2,000 |
| R&D Grants to Higher Education | 3 | 3 | 3 | 3 | 3 |
| Research and Development Expenditures | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Research and Experimental Exenditures | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Service Facility | 10 | 10 | 10 | 10 | 10 |
| Small Business Guaranty Fee | 20 | 20 | 20 | 20 | 20 |
| Traffic Reduction | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 |
| Urban and Industrial Reinvestment*** | - | 4,000 | 7,200 | 17,200 | 17,200 |
| Total Business Tax | \$ 141,044 | \$ 142,450 | \$ 222,864 | \$ 226,374 | \$ 221,985 |
| Total Amount Claimed | \$ 426,044 | \$ 532,450 | \$ 620,864 | \$ 632,374 | \$ 635,985 |

* New Tax Credits enacted during the 2006 Legislative Session

** Repealed per PA 06-189

*** Estimates are based on the DECD approved tax credits coming due in each fiscal year.

PROJECTED NUMBER OF TAX CREDITS CLAIMED

| | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> |
|---|----------------|----------------|----------------|----------------|----------------|
| Personal Income Tax Credits | | | | | |
| Property Tax | 945,000 | 954,000 | 964,000 | 974,000 | 984,000 |
| Total Personal Income Tax | 945,000 | 954,000 | 964,000 | 974,000 | 984,000 |
| Business Tax Credits | | | | | |
| Apprenticeship Training | 35 | 35 | 36 | 36 | 36 |
| Clean Alternative Fuels | 6 | 6 | 6 | 6 | 6 |
| Computer Donation | 1 | 1 | 1 | 1 | 1 |
| Displaced Electric Worker | 1 | 1 | 1 | 1 | 1 |
| Displaced Worker * | - | 5 | 5 | 5 | 5 |
| Donation of Open Space Land | 28 | 28 | 29 | 29 | 29 |
| Electronic Data Processing | 3,800 | 3,840 | 3,880 | 3,920 | 3,960 |
| Employer Assisted Housing ** | 8 | - | - | - | - |
| Enterprise Zone | 2 | 2 | 2 | 2 | 2 |
| Film Industry * | - | 10 | 10 | 10 | 10 |
| Financial Institutions | 5 | 5 | 5 | 5 | 5 |
| Fixed Capital | 4,400 | 4,440 | 4,480 | 4,520 | 4,570 |
| Hiring Incentive | 12 | 12 | 12 | 12 | 12 |
| Historic Homes Rehabilitation | 2 | 2 | 2 | 2 | 2 |
| Historic Structures * | - | - | 5 | 5 | 5 |
| Housing Program Contribution | 29 | 29 | 30 | 30 | 30 |
| Human Capital | 242 | 244 | 247 | 249 | 252 |
| Insurance Reinvestment | 5 | 5 | 5 | 5 | 5 |
| Job Creation * | - | 6 | 12 | 18 | 24 |
| Machinery and Equipment | 538 | 543 | 549 | 554 | 560 |
| Manufacturing Facility in Targeted Investment Community or Enterprise Zone | 71 | 72 | 72 | 73 | 74 |
| Neighborhood Assistance | 147 | 148 | 150 | 151 | 153 |
| R&D Grants to Higher Education | 1 | 1 | 1 | 1 | 1 |
| Research and Development Expenditures | 182 | 184 | 186 | 188 | 189 |
| Research and Experimental Exenditures | 131 | 132 | 134 | 135 | 136 |
| Service Facility | 1 | 1 | 1 | 1 | 1 |
| Small Business Guaranty Fee | 8 | 8 | 8 | 8 | 8 |
| Traffic Reduction | 6 | 6 | 6 | 6 | 6 |
| Urban and Industrial Reinvestment | 1 | 4 | 5 | 5 | 5 |
| Total Corporation Business Tax | 9,662 | 9,773 | 9,879 | 9,980 | 10,091 |
| Total Number of Credits Claimed | 954,662 | 963,773 | 973,879 | 983,980 | 994,091 |

* New Tax Credits enacted during the 2006 Legislative Session

** Repealed per PA 06-189

SECTION 3
SUMMARY OF ESTIMATED DEFICIENCIES

SUMMARY OF ESTIMATED DEFICIENCIES

(REASONS FOR DEFICIENCIES AND BASIS OF ASSUMPTIONS)

DEPARTMENT OF MENTAL HEALTH & ADDICTION SERVICES

A \$3.8 million shortfall is projected in the Department of Mental Health and Addiction Services. A deficiency of \$2.4 million in Personal Services is related to enhanced staffing and increased overtime resulting from recommendations by the Department of Justice in a June 2006 survey regarding operations at Connecticut Valley Hospital. The \$1.4 million in the Behavioral Health Medications account is due to increased utilization and higher pharmaceutical costs.

DEPARTMENT OF CORRECTION

A \$6.8 million shortfall is projected in the Department of Correction due to an increase in prisoner population. Of the deficiency, \$3 million is in Personal Services due to higher than expected overtime costs, \$2.3 million is in Other Expenses and \$1.5 million in Inmate Medical Services.

DEPARTMENT OF CHILDREN AND FAMILIES

The Department of Children and Families is anticipated to have a net deficiency of approximately \$5.5 million in the Individual Family Supports account due to increased utilization. These funds are used to pay for a wide variety of services and supports to children and families including counseling and therapy sessions, mentoring, emergency needs, heat and utility bills, and camp and recreation activities.

PUBLIC DEFENDER SERVICES COMMISSION

A \$450,000 shortfall is projected in the Public Defender Services Commission for Special Public Defenders - Non-Contractual account.

SECTION 4
PROJECTED BALANCE OF THE
BUDGET RESERVE FUND

BUDGET RESERVE FUND

PROJECTED FUND BALANCE

(Assumes Expenditure Reductions Are Made To Remain Below Spending Cap)

(In Millions)

Budget Reserve Fund Activity:

| | <u>2005-06</u> ⁽¹⁾ | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> |
|--|-------------------------------|-------------------|---------------------|-------------------|-------------------|
| Beginning Balance | \$ 666.1 ⁽²⁾ | \$ 1,112.3 | \$ 1,566.8 | \$ 1,612.5 | \$ 1,612.5 |
| Deposits/(Withdrawals) | 446.2 | 454.5 | 45.7 ⁽³⁾ | - ⁽³⁾ | - ⁽³⁾ |
| Ending Balance | <u>\$ 1,112.3</u> | <u>\$ 1,566.8</u> | <u>\$ 1,612.5</u> | <u>\$ 1,612.5</u> | <u>\$ 1,612.5</u> |
| Balance Over/(Under) Target | <u>\$ (373.5)</u> | <u>\$ -</u> | <u>\$ (22.6)</u> | <u>\$ (79.3)</u> | <u>\$ (145.5)</u> |
| Available Over BRF Target ⁽⁴⁾ | \$ - | \$ 32.0 | \$ - | \$ - | \$ - |

Calculation of Budget Reserve Fund Target Balance:

| | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|---------------------------|
| General Fund Appropriations | \$ 14,511.3 | \$ 14,857.8 | \$ 16,408.4 | \$ 17,250.3 | \$ 17,838.4 |
| G.F. Reductions to Remain Below Expenditure Cap | - | - | (740.8) | (832.0) | (532.9) |
| G.F. Reductions to Balance Budget | - | - | - | (67.7) | (316.0) |
| G.F. Reductions Due to Cap Change by Balancing Budget | - | - | - | - | (71.3) |
| Adjusted G.F. Appropriations | <u>\$ 14,511.3</u> | <u>\$ 14,857.8</u> | <u>\$ 15,667.6</u> | <u>\$ 16,350.6</u> | <u>\$ 16,918.2</u> |
| Target Balance ⁽⁵⁾ | \$ 1,485.8 | \$ 1,566.8 | \$ 1,635.1 | \$ 1,691.8 | \$ 1,758.0 ⁽⁶⁾ |
| Balance Over/(Under) Target | <u>\$ (373.5)</u> | <u>\$ -</u> | <u>\$ (22.6)</u> | <u>\$ (79.3)</u> | <u>\$ (145.5)</u> |

(1) FY2005-06 amounts are preliminary and have not been audited.

(2) Beginning balance in fiscal year 2005-06 includes the \$302.2 million deposit at the end of fiscal year 2003-04 and a \$363.9 million deposit at the end of fiscal year 2004-05.

(3) Deposited amounts assume expenditure reductions due to spending cap and balancing budget, and are not because Budget Reserve Fund targets have been met.

(4) Available for debt service and/or unfunded liabilities when BRF target of 10% has been reached.

(5) Target Balance is equal to ten percent of the next fiscal year's adjusted general fund appropriations.

(6) FY2009-10 Target Balance assumes average expenditure growth rate of previous four years.

SECTION 5
PROJECTED BOND AUTHORIZATIONS,
ALLOCATIONS AND ISSUANCES

FIVE YEAR BOND PROJECTIONS

| | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Bond Authorizations | | | | | |
| General Obligation Bonds | \$ 1,299,680,741 | \$ 1,100,000,000 | \$ 1,100,000,000 | \$ 1,100,000,000 | \$ 1,100,000,000 |
| Special Tax Obligation Bonds | 1,651,800,000 | 379,700,000 | 312,300,000 | 322,900,000 | 223,000,000 |
| Clean Water Fund Revenue Bonds | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 |
| UCONN 21st Century | 89,000,000 | 120,000,000 | 155,000,000 | 160,500,000 | 161,500,000 |
| Total Bond Authorizations | \$ 3,140,480,741 | \$ 1,699,700,000 | \$ 1,667,300,000 | \$ 1,683,400,000 | \$ 1,584,500,000 |
| Bond Allocations | | | | | |
| General Obligation Bonds | | | | | |
| School Construction Program | \$ 677,000,000 | \$ 675,000,000 | \$ 675,000,000 | \$ 560,000,000 | \$ 500,000,000 |
| Urban Action Grants | 50,000,000 | 50,000,000 | 25,000,000 | 75,000,000 | 75,000,000 |
| Small Town Economic Assistance Program | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 |
| Housing Trust Fund | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| Clean Water Grants | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 |
| Manufacturing Assistance Act | 45,000,000 | 35,000,000 | 25,000,000 | 40,000,000 | 40,000,000 |
| Local Capital Improvement Program | 30,000,000 | 30,000,000 | 30,000,000 | 30,000,000 | 30,000,000 |
| New Public Health Laboratory | - | - | 81,700,000 | - | - |
| Community College System | | | | | |
| Tunxis | - | 3,200,000 | - | 52,300,000 | - |
| Naugatuck Valley | - | 1,400,000 | - | - | - |
| Housatonic | 45,600,000 | - | 3,500,000 | - | 33,000,000 |
| Three Rivers | 75,000,000 | 900,000 | - | 10,000,000 | - |
| Norwalk | - | 18,300,000 | - | 3,500,000 | - |
| Gateway | - | 21,500,000 | 124,700,000 | - | 10,000,000 |
| Asnuntuck | 2,600,000 | 3,200,000 | - | 8,300,000 | - |
| Northwestern | - | 700,000 | - | - | 5,400,000 |
| Manchester | - | 2,600,000 | - | - | - |
| Capital | 4,400,000 | - | - | 5,400,000 | - |
| Various Projects | 5,000,000 | 18,000,000 | 18,000,000 | 20,000,000 | 20,000,000 |
| Sub-Total Community College System | \$ 132,600,000 | \$ 69,800,000 | \$ 146,200,000 | \$ 99,500,000 | \$ 68,400,000 |
| State University System | | | | | |
| Central | 6,000,000 | 32,000,000 | 10,000,000 | 15,000,000 | 55,000,000 |
| Western | 13,000,000 | 81,000,000 | 10,000,000 | 10,000,000 | 35,000,000 |
| Southern | 4,000,000 | 5,000,000 | 35,000,000 | 62,000,000 | 15,000,000 |
| Eastern | 20,000,000 | 5,000,000 | 15,000,000 | 72,000,000 | 15,000,000 |
| System wide Projects | 7,000,000 | 18,000,000 | 18,000,000 | 20,000,000 | 20,000,000 |
| Sub-Total State University System | \$ 50,000,000 | \$ 141,000,000 | \$ 88,000,000 | \$ 179,000,000 | \$ 140,000,000 |
| All other GO projects/programs | 100,400,000 | 84,200,000 | 14,100,000 | 101,500,000 | 231,600,000 |
| UCONN 21st Century | 89,000,000 | 120,000,000 | 155,000,000 | 160,500,000 | 161,500,000 |
| Total General Obligation Bonds | \$ 1,224,000,000 | \$ 1,255,000,000 | \$ 1,290,000,000 | \$ 1,295,500,000 | \$ 1,296,500,000 |
| Special Tax Obligation Bonds | 688,482,000 | 479,700,000 | 412,300,000 | 422,900,000 | 323,000,000 |
| Clean Water Fund Revenue Bonds | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 |
| Total Bond Allocations | \$ 2,012,482,000 | \$ 1,834,700,000 | \$ 1,802,300,000 | \$ 1,818,400,000 | \$ 1,719,500,000 |

| | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Bond Issuance | | | | | |
| General Obligation Bonds | \$ 1,135,000,000 | \$ 1,135,000,000 | \$ 1,135,000,000 | \$ 1,135,000,000 | \$ 1,135,000,000 |
| Special Tax Obligation Bonds | 345,800,000 | 384,400,000 | 473,000,000 | 460,000,000 | 359,000,000 |
| UCONN 21st Century | 89,000,000 | 120,000,000 | 155,000,000 | 160,500,000 | 161,500,000 |
| Total Bond Issuance | \$ 1,569,800,000 | \$ 1,639,400,000 | \$ 1,763,000,000 | \$ 1,755,500,000 | \$ 1,655,500,000 |
| Debt Service | | | | | |
| General Fund | \$ 1,370,900,797 | \$ 1,473,167,205 | \$ 1,572,668,644 | \$ 1,670,952,430 | \$ 1,675,449,281 |
| Transportation Fund | 442,210,790 | 459,624,096 | 478,370,057 | 498,603,853 | 497,867,540 |
| Total Debt Service | \$ 1,813,111,587 | \$ 1,932,791,301 | \$ 2,051,038,701 | \$ 2,169,556,283 | \$ 2,173,316,821 |
| Debt Service as a Percentage of Budget | | | | | |
| GO Debt Service as Percentage of General Fund | 9.24% | 9.40% | 9.64% | 9.93% | 9.48% |
| Total Debt Service | 11.41% | 11.53% | 11.73% | 12.05% | 11.50% |

Fiscal Accountability Report

ASSUMPTIONS

Bond Authorizations

Projected General Obligation Bond authorizations assume that authorizations continue at historical average levels.

Clean Water Program Revenue Bond authorizations based on projected allocations.

UCONN 21st Century authorizations in accordance with C.G.S. 10a-109g.

Bond Allocations

The projected bond allocations in no way represent a commitment to fund any of these programs or projects.

School Construction Program allocations based on September 2006 budget projections prepared by the Department of Education.

Community College and State University allocations are based on project status, available resources and the Capital budget submitted by the Department of Higher Education.

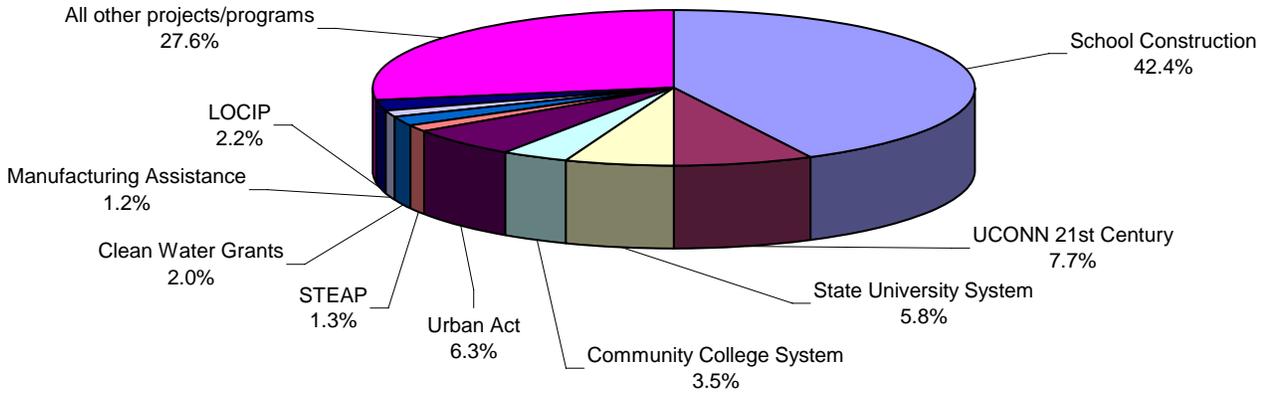
Debt Service

As projected by Treasurer for actual and future annual issuance.

Debt Service as Percentage of Budget assumes adherence to the expenditure cap.

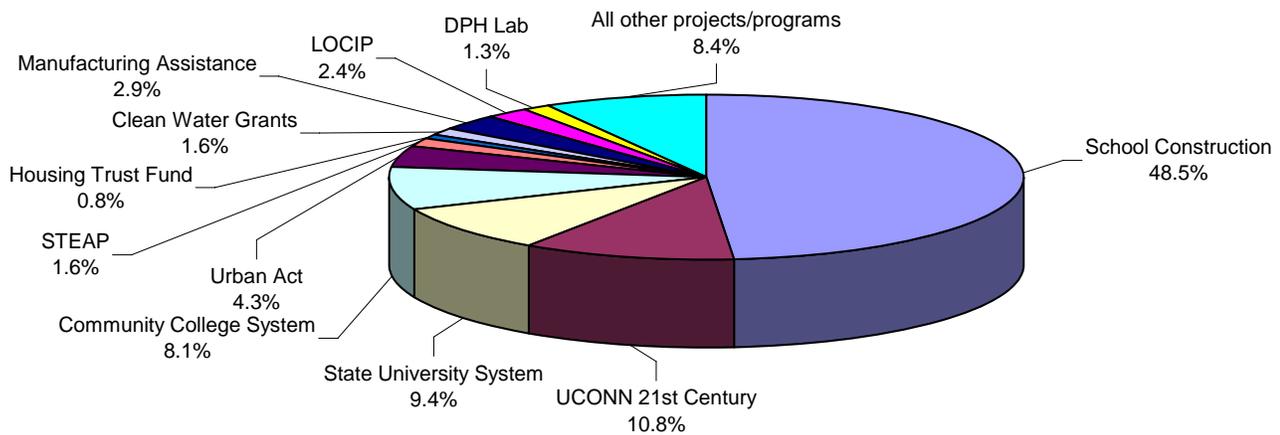
DISTRIBUTION OF GENERAL OBLIGATION BOND ALLOCATIONS

ACTUAL FY2002 – FY2006



- From FY2002 to FY2006 over 59% of bond allocations were education related.
- Over the next 5 years the percentage of bond allocations devoted to education jumps to almost 77%.

PROJECTED FY2007 – FY2011



SECTION 6
REVENUE AND EXPENDITURE TRENDS,
MAJOR COST DRIVERS

STRUCTURAL HOLES

CREATED BY FUNDING ONGOING EXPENDITURES WITH PRIOR YEAR SURPLUSES

IMPACT ON FISCAL 2008 – GENERAL FUND

(IN MILLIONS)

| <u>From the FY 2005 Surplus</u> | <u>Amount</u> |
|--|---------------|
| 1. Early Retirement Incentive Plan (ERIP) Accruals | \$ 22.0 |
| 2. Non-ERIP Accruals | 10.0 |
| 3. Education Cost Sharing Grant | 32.2 |
| 4. Priority School District Grant | 7.8 |
| 5. Magnet School Grant | 1.0 |
| 6. Teachers' Retirement Contributions | 50.0 |
| 7. Machinery & Equipment PILOT | 7.2 |
| 8. Medicaid | 4.2 |
| | |
| <u>From the FY 2006 Surplus</u> | |
| 9. Teachers' Retirement Contribution | 125.5 |
| 10. Medicaid Carry-forwards | 90.0 |
| 11. Fringe Benefits Carry-forward | 35.0 |
| 12. All Other Carry-forwards | 6.1 |
| 13. Revenue Transfer from FY 2006 to FY 2007 | <u>41.0</u> |
| | |
| Total | \$ 432.0 |

- Surplus Funds have been used for ongoing spending commitments over the past few years.
- Approximately \$432.0 M of projected FY2008 spending had been funded with surplus dollars in FY2007.
- These spending commitments, without ongoing revenue sources to pay for them, are contributing to our large FY2008 imbalance.

DEBT BURDEN

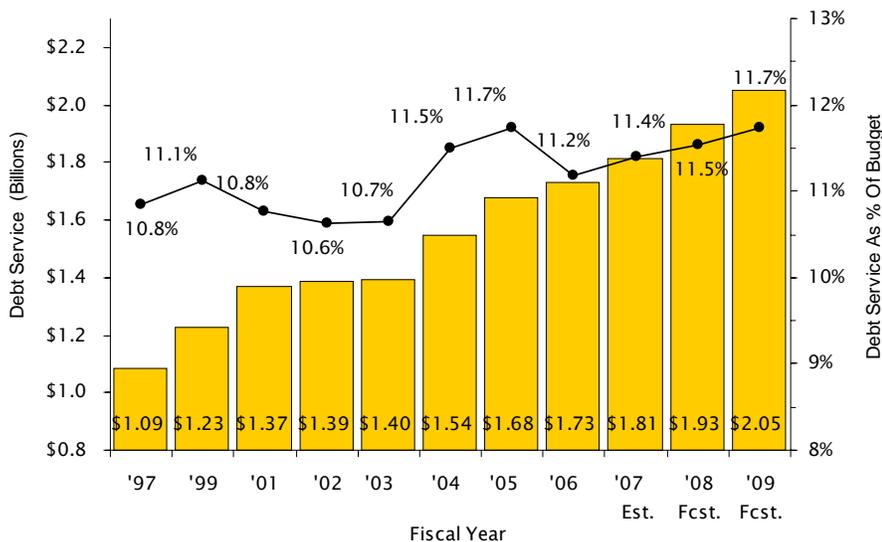
| Ranked by Per Capita State Debt | | | Ranked by State Debt As a % of Personal Income (PI) | | |
|---------------------------------|--------------------|--------------|--|--------------------|--------------|
| Rank | State | Amount (\$) | Rank | State | Debt/PI |
| 1 | ALASKA | 8,709 | 1 | ALASKA | 25.6% |
| 2 | MASSACHUSETTS | 7,957 | 2 | MASSACHUSETTS | 18.9% |
| 3 | CONNECTICUT | 6,452 | 3 | RHODE ISLAND | 17.6% |
| 4 | RHODE ISLAND | 6,010 | 4 | CONNECTICUT | 14.2% |
| 5 | DELAWARE | 5,010 | 5 | DELAWARE | 14.0% |
| 6 | NEW YORK | 4,964 | 6 | HAWAII | 14.0% |
| 7 | HAWAII | 4,553 | 7 | NEW YORK | 13.0% |
| 8 | NEW HAMPSHIRE | 4,537 | 8 | VERMONT | 12.9% |
| 9 | NEW JERSEY | 4,119 | 9 | NEW HAMPSHIRE | 12.4% |
| 10 | VERMONT | 4,086 | 10 | MONTANA | 11.9% |
| 11 | ILLINOIS | 3,833 | 11 | MAINE | 11.8% |
| 12 | MAINE | 3,532 | 17 | NEW JERSEY | 9.9% |
| | UNITED STATES | 2,560 | | UNITED STATES | 7.7% |

- Connecticut carries some of the highest debt levels in the nation.
- Connecticut's debt burden equals \$6,452 for every man, woman, and child in the state.
- The state's burden is more than 2 times the national average, and higher than most of its neighboring states.
- High debt levels impair the state's bond rating.
- Even after adjusting for Connecticut's high personal income, Connecticut would still rank 4th highest in the nation.

Source: U.S. Department of Commerce, Census & BEA

IMPACT OF DEBT EXPENSES

DEBT SERVICE EXPENDITURES GENERAL & SPECIAL TRANSPORTATION FUNDS



- Debt Service expenditures have almost doubled since 1997.
- It will have grown from 10.8% of the budget in fiscal 1997 to 11.7% by fiscal 2009.
- The increase in debt service expenditures crowds out discretionary spending.

INCREASING PHARMACY EXPENDITURES

(IN MILLIONS)

| | Actual FY2006 | Estimated FY2007 | Requested FY2008 | Requested FY2009 | % Increase FY2009 over FY2006 |
|--|------------------|---------------------|---------------------|---------------------|-------------------------------------|
| Dept of Social Services | \$499.20 | \$471.20 | \$545.60 | \$589.10 | 18.01% |
| Dept of Mental Retardation | 0.3 | 0.3 | 0.3 | 0.3 | 0.00% |
| Dept of Mental Health and Addiction Services | 9.7 | 10.4 | 10.9 | 11.4 | 17.53% |
| Dept of Correction | 14.6 | 17 | 18.3 | 19.8 | 35.62% |
| Dept of Children and Families | 1.0 | 1.1 | 1.3 | 1.4 | 40.00% |
| Dept of Veterans' Affairs | 1.0 | 0.9 | 0.9 | 0.9 | -10.00% |
| Workers' Compensation Claims | 2.4 | 2.7 | 3.1 | 3.5 | 45.83% |
| State Employees including Retirees | 267.2 | 294 | 322.5 | 353.8 | 32.41% |
| Teachers' Retirement | 20.1 | 24.2 | 26.6 | 29.3 | 45.77% |
| Grand Total | \$815.70 | \$821.70 | \$929.50 | \$1,009.50 | 23.76% |

MEDICARE PART D

The federal Medicare prescription drug program, Medicare Part D, began in January 2006. While this new federal pharmacy benefit offered significant net savings to the state, there are a number of factors that will influence cost and savings trends over the next several years as noted below.

Medicaid

- Clawback:** There are three factors that influence the state's clawback payments. By law, the clawback percentage—the state's share of Medicaid prescription costs of covered Part D drugs for full benefit dual eligibles—was set at 90% in 2006 and decreases 1.67% per year until it reaches 75% in 2015. The clawback is also based on the Per Capita Expenditure (PCE) as determined by the Centers of Medicare and Medicaid Services (CMS), which increased at 6.8%. Finally, the clawback is based on the number of full benefit dual eligibles, which is expected to increase 3% over the next fiscal year. As a result of these three factors, the state is anticipated to pay a greater amount to the federal government in FY 2008 than in FY 2007.
- Eligibility:** The number of dual eligibles is expected to increase 6% over the next two years. In addition to the impact on the clawback mentioned above, this will affect the state's costs of covering non-formulary drugs and co-payments.
- Manufacturer Rebate:** As Part D matures, it is likely that the state could expect a significant reduction in manufacturer drug rebates due to reduced negotiating power.

ConnPACE

To ensure that ConnPACE recipients enrolled in Medicare Part D pay no more for medications than their \$16.25 co-pay, the ConnPACE program covers premiums, co-insurance requirements above \$16.25 and drug costs in the "donut hole." For the program year ending December 31, 2006, the donut hole is the gap in Medicare coverage, when an individual's total drug costs are between \$2,250 and \$3,600. These levels are indexed each year based on the annual percentage increase in expenditures for Part D drugs and will increase 6.86% for 2007.

Medicare Part D Supplemental Needs Fund

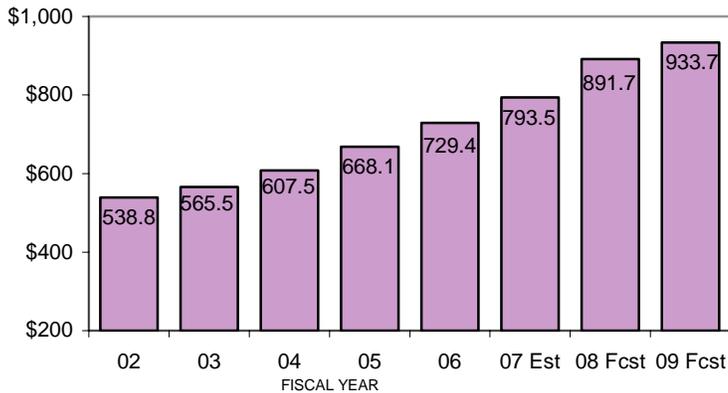
Coverage for non-formulary drugs is funded through this account. While the account is currently budgeted at \$5 million, significant budgetary pressure will likely result in additional cost as Part D plans adjust their formularies over time in order to contain their program cost growth.

State Employee Subsidy

This subsidy is based on 28 percent of the allowable costs for each qualifying retiree enrolled in the state's health plan. While the subsidy percentage is set in federal law, the actual amount of the subsidy received will fluctuate based on the number of qualifying retirees enrolled in the state's health plan.

DEPARTMENT OF CHILDREN & FAMILIES

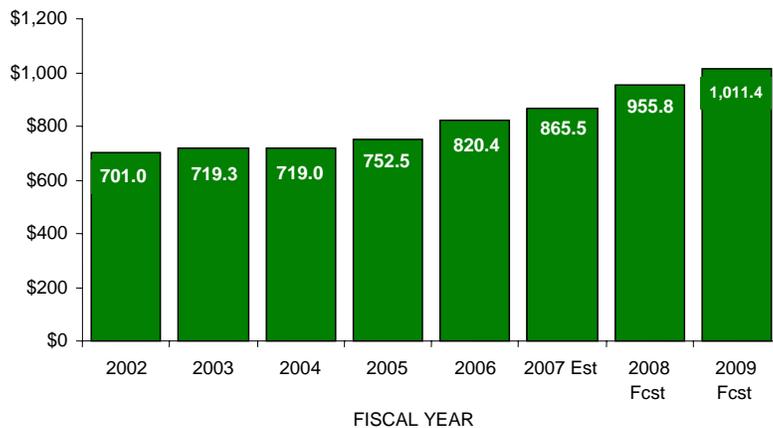
DCF EXPENDITURES (IN MILLIONS)



- Since 1991 DCF has been operating under the provisions of a federal court ordered Consent Decree in the Juan F. case.
- Since that time DCF's budget has increased five times over.
- In the fall of 2003, DCF entered into an Exit Plan for the Consent Decree.
- The Plan requires DCF to maintain a minimum level of staffing in addition to employing sufficient numbers of social workers to achieve caseload ratios.
- The Exit Plan also requires significant additional funds to implement specific provisions of the Plan.

DEPARTMENT OF MENTAL RETARDATION

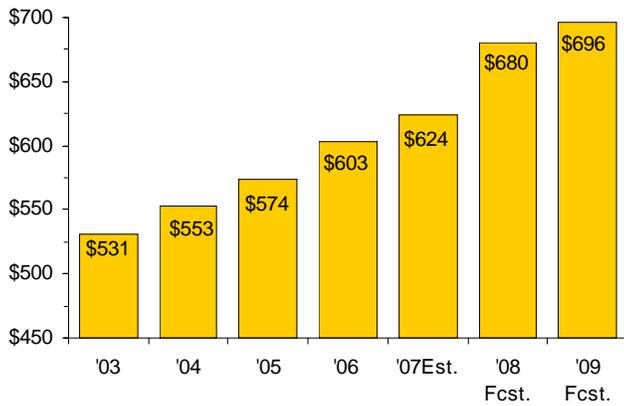
DMR EXPENDITURES (IN MILLIONS)



- Agency expenditures have grown significantly since settlement in 2005 of the Association for Retarded Citizens (ARC) v. CT lawsuit.
- Under terms of the settlement, DMR is committed to reducing its waiting list and providing services to an additional 150 clients per year through 2010.
- Other cost drivers include expenditures from serving additional clients "aging out" of current placements as well as services to children with mental retardation who enter the service system through DCF's voluntary services program.

DEPARTMENT OF CORRECTION

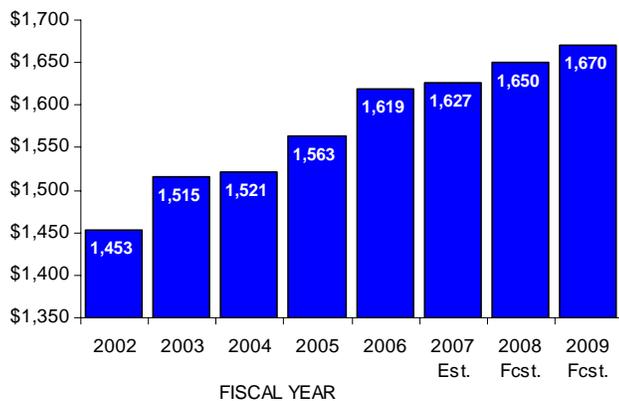
DOC EXPENDITURES (IN MILLIONS)



- The Department of Correction is experiencing a growth in their inmate population. The census is approaching the highest levels ever. This growth results in additional overtime being needed to cover non-conventional housing areas. More prisoners result in higher costs to the system.
- It is expected that over the next biennium re-entry strategies and alternatives to prison will result in a decreasing trend in the prisoner population.

DEPARTMENT OF EDUCATION

EDUCATION COST SHARING GRANT (IN MILLIONS)

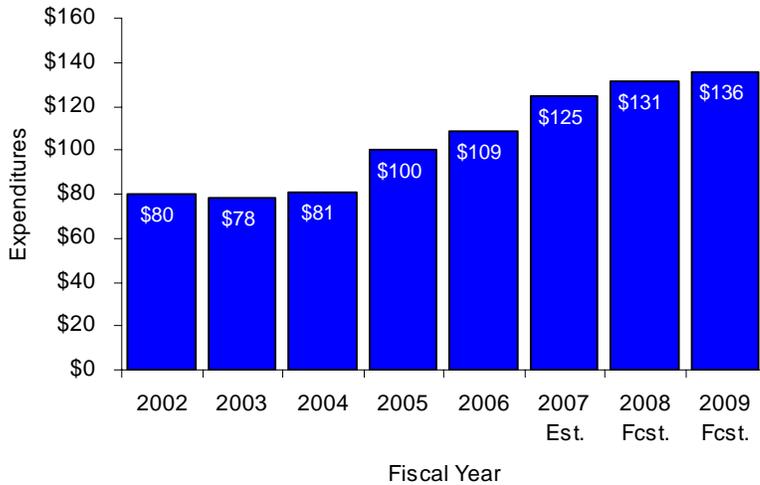


- The Education Cost Sharing Grant (ECS) is the state's major education grant, designed to equalize the ability of towns to finance local education costs.
- The expenditure for the current fiscal year is \$1.63 billion, which is a growth of 0.5% over FY 06. Average growth in ECS since 2002 has been 2.3%.
- The budget for FY 2006 & FY 2007 includes \$57M in surplus funds divided over the biennium.
- Even with this increase, the grant will not be fully funded.

EDUCATION GRANTS

PRIORITY SCHOOL DISTRICTS

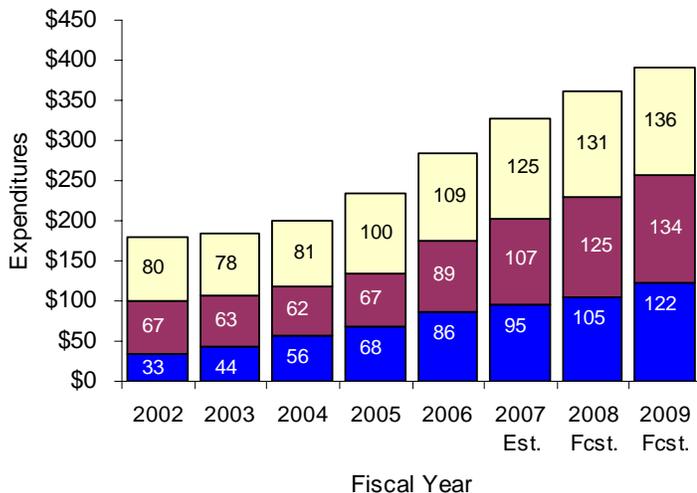
(IN MILLIONS)



- The Priority School Districts Grant (PSD) is one of the state's major grants, designed to target funds to the 16 neediest (mostly urban) communities based on population, mastery test scores and Temporary Family Assistance.
- The programs operated under the PSD Grant are: Priority School Districts, Early Childhood, Early Reading Success, Extended Day School Hours and School Accountability.

SDE GRANTS OVER \$100 MILLION

(IN MILLIONS)

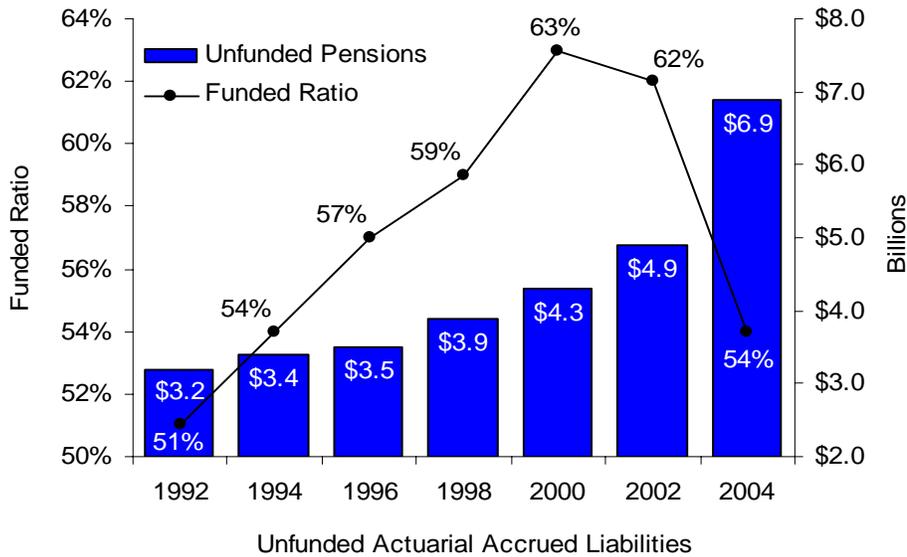


- Grants over \$100 million include: Priority School Districts Grant (PSD), Excess Cost – Student Based and the Magnet School Grants.
- Priority School expenditures for the current fiscal year are \$125 million, which is a growth of 14.7% over FY 06. Average growth in PSD since 2002 has been 9.7%.
- The Excess Cost – Student Based expenditure for the current fiscal year is \$107 million, which is a growth of 20.2% over FY 06. Average growth in the grant since 2002 has been 10.7%.
- The Magnet School expenditure for the current fiscal year is \$95 million, which is a growth of 10.5% over FY 06. Average growth in the grant since 2002 has been 23.8%.

■ Magnet Schools ■ Excess Cost - Student Based □ Priority School Districts

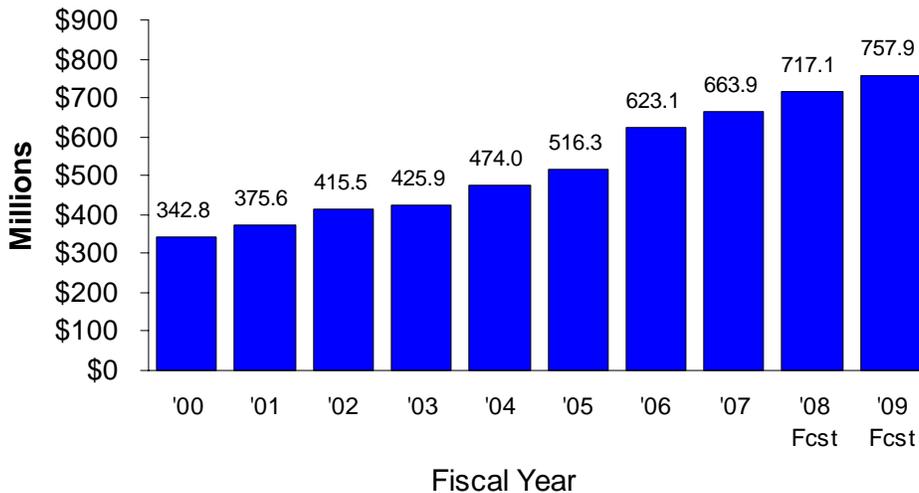
UNFUNDED PENSIONS

STATE EMPLOYEES RETIREMENT SYSTEM AS OF 6/30



- State employees unfunded pension liabilities continue to grow.
- State's obligations at the end of FY2004 total \$6.9 billion.
- This obligation represents roughly \$1,969 for every man, woman, and child in the state.

STATE EMPLOYEE RETIREMENT SYSTEM CONTRIBUTIONS

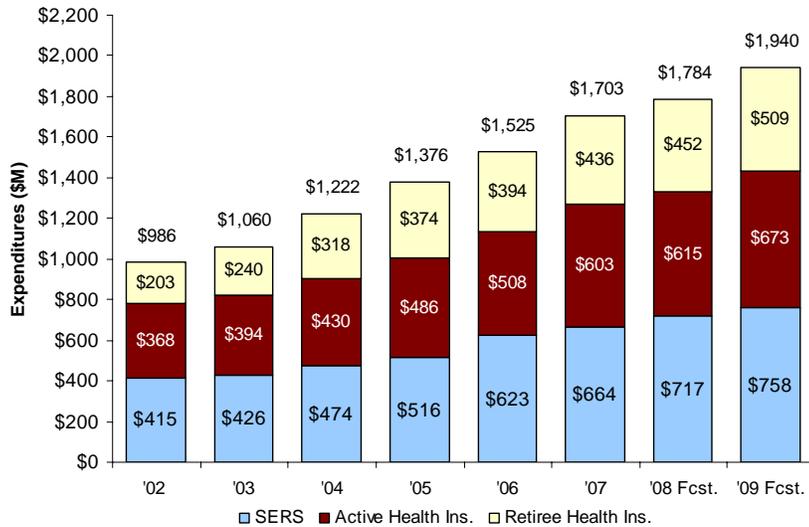


- This obligation rose even with the large increase in equity valuations that took place over the 1990s.
- The required contribution will rise by approximately \$50M per year over the next two years.

STATE EMPLOYEES PENSION & HEALTH INSURANCE

SERS & HEALTH INSURANCE EXPENDITURES

ALL FUNDS AS OF 6/30



- Fiscal 2007–09 pension costs are 15% higher than in prior biennium.
- Fiscal 2007–09 health insurance costs for active employees are estimated to be 15.9% higher than in the prior biennium.
- Fiscal 2007–09 health insurance costs for retirees are estimated to be 15.8% higher than in the prior biennium.
- Fiscal 2007–08 estimated average health insurance cost to the state is \$11,000 per active employee.

Note: FYs 07, 08 and 09 Retiree Health includes offsets for the anticipated Medicare Part D Employer Subsidy.

OTHER POST EMPLOYMENT BENEFITS

The Connecticut Office of the State Comptroller (OSC) engaged Deloitte Consulting LLP to provide an initial estimate of the liabilities and costs associated with the Other Post Employment Benefits (OPEB) for the State of Connecticut. The initial estimate is being followed up with a more comprehensive study to detail the estimated OPEB costs which will be reported in accordance with GASB 45. The Comptroller has engaged Milliman as its consultant to produce the final report. It is our expectation that the detailed actuarial study will be completed this calendar year.

The initial report from Deloitte, using the preliminary assumptions listed below has estimated the medical and dental actuarial accrued liability (AAL) to range from \$8.4 billion (advance-funded basis) to \$21.1 billion (unfunded basis).

- Unfunded Basis – the AAL is \$21.1 billion. (assumes a short term 3% discount rate)
- Funded Basis – the AAL is \$8.4 billion. (assumes a long term 8.5% discount rate)
- Health care trend is 11% graded down over 7 years to a rate of 5%; dental trend is 5%.
- A payroll growth rate of 5% was used.
- The projected unit credit cost method was used.
- A 30 year amortization period was used.

At the time the preliminary estimate was calculated, decisions on the major factors such as funding approach, assumed discount rate, amortization method, health care cost trends, plan design and cost method were not yet finalized. It has been calculated that each 1% change in the discount rate would result in a 10% change in the unfunded liability projection. The Comptroller is in the process of working with their current actuary (Milliman) to develop a more comprehensive study and final estimate of liability.

The OSC is taking the following steps to be in a position to refine the GASB 45 estimates:

- Building a database of both retirees and dependents in conjunction with Medicare Part D that will give a more refined estimate of retiree spouse and dependent health insurance costs.
- Conducting more detailed retiree modeling to get a better estimate of when employees will retire.

Recognizing that the time between retirement and Medicare eligibility is the most expensive time for retiree health, we are looking at whether certain features of employment or retirement plan design encourages employees to leave early, and may propose changes to address the issue. However, the State cannot unilaterally make any changes to Other Post Employment Benefits for state employees. The State and the State Employees Bargaining Agent Coalition (SEBAC) representing state employee unions have an agreement on pension and healthcare benefits which extends until 2017. The provision of Other Post Employment Benefits to state employees is governed by this agreement. So in order to implement any changes to the Other Post Retirement Benefits provided to state employees prior to 2017, state employee unions would have to agree to reopen the SEBAC V pension and healthcare agreement. Even in 2017 any changes would have to be agreed to by the parties or awarded through the arbitration process.

We are constantly exploring ways to influence cost trends regarding both healthcare and pharmacy costs, and hopefully we will be able to develop programs to influence cost trends.

Additionally, the State provides support for the post-retirement health insurance benefits to retirees covered by the Teachers' Retirement Board System (TRB) and their spouses/dependents. The State participates in the cost of premiums by providing one-third of the funding.

There are several differences in the plans which we expect will cause a significantly lower OPEB liability for the TRB retirees. Specifically, the design of the retirement benefit requires a longer period of service before becoming eligible for benefits resulting in a higher average age at retirement; the health benefit plan is not as rich as that of the State Employee Retirement System; and as indicated above, two-thirds of the cost is borne by active employee and retiree contributions. The TRB OPEB study is also expected to be completed this calendar year.

2005 STATE RETIREMENT SYSTEM STATISTICS

STATE EMPLOYEES & TEACHERS SYSTEMS COMBINED

| State | Actuarial Funding Ratio | Unfunded Liability (\$ millions) |
|-----------------------|-------------------------|----------------------------------|
| 1 North Carolina | 108.1% | -\$3,555.7 |
| 2 Florida | 107.3% | -\$7,621.9 |
| 3 Delaware | 101.6% | -\$87.3 |
| 4 Tennessee | 101.5% | -\$360.2 |
| 5 Georgia | 100.0% | -\$9.6 |
| 6 New York | 99.7% | \$560.5 |
| 7 Wisconsin | 99.4% | \$412.9 |
| 8 South Dakota | 96.6% | \$190.8 |
| 9 Oregon | 96.1% | \$1,751.2 |
| 10 Wyoming | 95.1% | \$247.9 |
| 11 Vermont | 93.8% | \$164.0 |
| 12 Idaho | 93.5% | \$570.5 |
| 13 Utah | 92.2% | \$1,101.0 |
| 14 Pennsylvania | 91.8% | \$7,086.5 |
| 15 Arizona | 90.4% | \$2,912.0 |
| 16 Virginia | 90.3% | \$4,267.0 |
| 17 Alabama | 89.6% | \$3,164.7 |
| 18 Minnesota | 88.9% | \$4,690.7 |
| 19 Iowa | 88.7% | \$2,288.6 |
| 20 Washington | 88.6% | \$4,600.0 |
| 21 Texas | 88.5% | \$14,330.2 |
| 22 Maryland | 88.3% | \$2,675.7 |
| 23 California | 86.6% | \$48,870.0 |
| 24 Nebraska | 85.6% | \$899.5 |
| 25 Michigan | 83.9% | \$9,388.0 |
| 26 New Jersey | 83.0% | \$16,465.8 |
| 27 North Dakota | 81.3% | \$620.6 |
| 28 Missouri | 81.3% | \$7,587.7 |
| 29 New Mexico | 81.2% | \$4,046.8 |
| 30 South Carolina | 81.1% | \$5,482.9 |
| 31 Arkansas | 80.8% | \$3,191.0 |
| 32 Ohio | 79.1% | \$32,097.2 |
| 33 Montana | 78.3% | \$1,496.3 |
| 34 Kentucky | 75.8% | \$6,570.1 |
| 35 Nevada | 75.8% | \$5,722.2 |
| 36 Massachusetts | 75.5% | \$10,809.4 |
| 37 Colorado | 72.9% | \$11,784.6 |
| 38 New Hampshire | 72.8% | \$1,454.2 |
| 39 Mississippi | 72.4% | \$6,546.4 |
| 40 Kansas | 69.8% | \$4,742.7 |
| 41 Hawaii | 68.6% | \$4,071.2 |
| 42 Maine | 68.3% | \$2,989.8 |
| 43 Alaska | 67.6% | \$5,691.7 |
| 44 Indiana | 64.8% | \$9,190.0 |
| 45 Louisiana | 63.5% | \$10,790.6 |
| 46 Illinois | 60.5% | \$37,799.9 |
| 47 Rhode Island | 59.4% | \$3,785.6 |
| 48 Connecticut | 59.1% | \$12,693.7 |
| 49 Oklahoma | 57.3% | \$9,224.5 |
| 50 West Virginia | 47.1% | \$5,658.3 |
| Mean | 82.5% | |
| Median | 83.9% | |

Source: National Association of State Retirement Administrators Public Fund Survey for FY 2005.

- Connecticut's unfunded pension liabilities are among the worst in the nation
- Connecticut's pension fund assets would cover only 59.1% of the liability
- This places Connecticut almost dead last in the nation

STATUS OF COLLECTIVE BARGAINING AGREEMENTS

| <u>Bargaining Unit</u> | <u>Number of Full Time Employees</u> | <u>6/30/2007 All Funds Full Time Payroll (est)</u> | <u>Contract Expiration Date</u> |
|---|--------------------------------------|--|---------------------------------|
| Administrative & Residual (P-5) | 3,024 | \$ 211,771,048 | 6/30/07 |
| University of Connecticut Faculty (AAUP) | 1,531 | 146,428,285 | 6/30/07 |
| Connecticut State University Faculty (AAUP) | 1,354 | 100,623,741 | 6/30/07 |
| UConn Professional Employees Assoc (UCPEA) | 1,567 | 88,419,279 | 6/30/07 |
| Vocational – Technical Faculty | 1,200 | 83,826,166 | 6/30/07 |
| State Police (NP-1) | 1,137 | 80,145,857 | 6/30/07 |
| Congress of Connecticut Community Colleges | 1,190 | 78,135,753 | 6/30/07 |
| Connecticut State University Administrative Faculty | 656 | 44,991,443 | 6/30/07 |
| Judicial Marshals | 704 | 26,765,999 | 6/30/07 |
| DCJ Prosecutors & Juvenile Prosecutors | 246 | 23,002,280 | 6/30/07 |
| State Technical College Faculty | 162 | 10,572,747 | 6/30/07 |
| Vocational – Technical Directors | 62 | 6,055,736 | 6/30/07 |
| Technical College Administrators | 66 | 4,953,540 | 6/30/07 |
| Corrections (NP-4) | 4,827 | 247,123,972 | 6/30/08 |
| Service Maintenance (NP-2) | 3,998 | 184,290,955 | 6/30/08 |
| Protective Services (NP-5) | 851 | 48,662,529 | 6/30/08 |
| Correctional Supervisors (NP-8) | 342 | 22,743,066 | 6/30/08 |
| Social & Human Services (P-2) | 3,703 | 234,969,840 | 6/30/09 |
| Health Care Professional (P-1) | 2,944 | 226,865,665 | 6/30/09 |
| Administrative Clerical (NP-3) | 4,414 | 202,438,226 | 6/30/09 |
| Health Care Para Professional (NP-6) | 3,678 | 186,742,973 | 6/30/09 |
| Engineering & Science Related (P-4) | 2,416 | 174,555,642 | 6/30/09 |
| Judicial Professional Employees | 1,117 | 83,242,291 | 6/30/09 |
| Judicial Employees | 1,323 | 69,752,601 | 6/30/09 |
| Education – Educators (P3-B) | 800 | 55,356,305 | 6/30/09 |
| Education – Administrators (P-3A) | 267 | 23,735,558 | 6/30/09 |
| DCJ Employees | 141 | 6,790,798 | 6/30/09 |
| DCJ Inspectors | 79 | 6,184,038 | 6/30/09 |
| UConn Health Center Non Faculty Professionals | 1,689 | 99,193,606 | 6/30/10 |
| Charter Oak State College Professionals | 54 | 3,136,101 | 6/30/10 |
| DHE Professional Employees | 39 | 2,973,931 | 6/30/10 |

Note: The payroll numbers include all wages for full time employees excluding overtime.

There are also currently negotiations for first time contracts for three new units. These are units covering State Police Lieutenants & Captains, Correction Captains and Supervising Judicial Marshals.

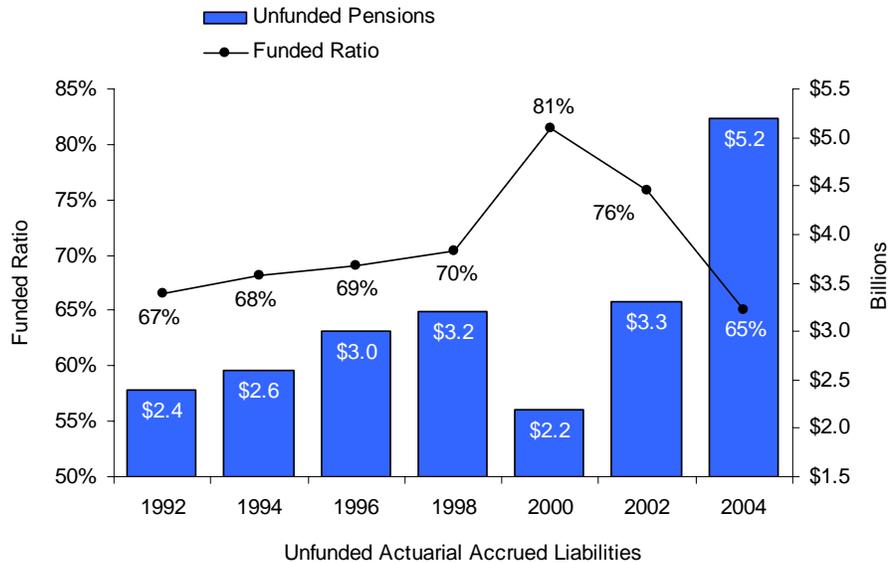
Full Time Salary Percentage Increase Over Previous Fiscal Year (Increase from FY 2006 to FY 2007) 4.87%

- The costs of settled collective bargaining agreements were built into the requested agency budgets for state fiscal years 2008 and 2009.
- The costs of collective bargaining agreements that will become unsettled over the biennium were built into the Reserve for Salary Adjustments account for fiscal years 2008 and 2009.

UNFUNDED PENSIONS

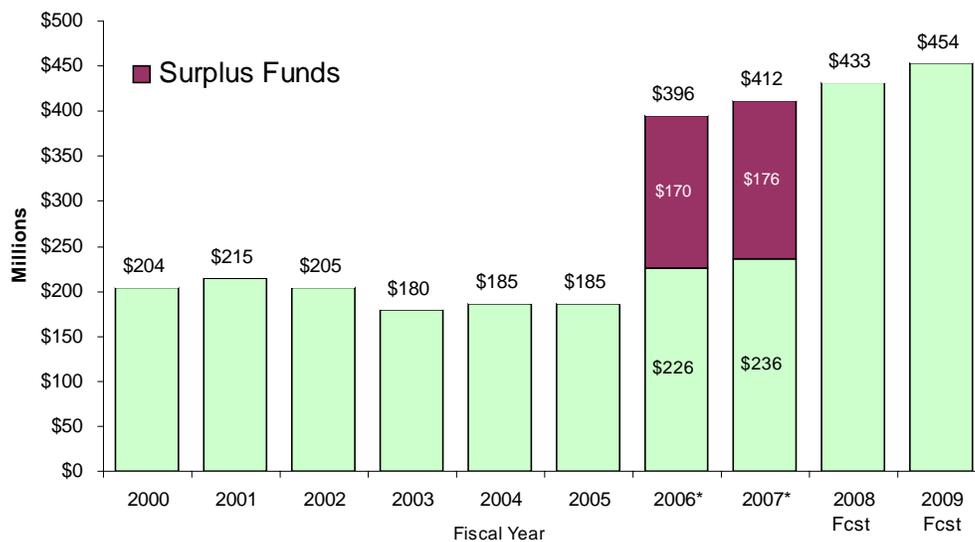
CONNECTICUT TEACHERS' RETIREMENT SYSTEM

AS OF 6/30



- Teachers' unfunded pension liabilities continue to grow.
- State's obligations at the end of FY2004 totals \$5.2 billion.
- Contributions in both FY2006 and FY2007 were enhanced by the use of surplus. The required contribution jumps from \$236M in FY2007 to \$433M in FY2008 – an increase of \$197M – without these resources.

TEACHERS' RETIREMENT SYSTEM CONTRIBUTIONS



* For FY06 and FY07 the figures are inclusive of \$170 million and \$176 million from the FY05 and FY06 Surplus Appropriation

SUMMARY OF LOCAL AID

ESTIMATED FORMULA GRANTS TO MUNICIPALITIES

(IN MILLIONS)

(In Millions)

| GRANT | <u>FY2007</u> | <u>FY2008</u> | <u>FY2009</u> | |
|--------------------------------------|-------------------|-------------------|-------------------|-----------|
| State Owned PILOT | \$ 81.2 | \$ 75.9 | \$ 75.9 | \$ |
| College & Hospital PILOT | 120.7 | 115.4 | 115.4 | |
| Pequot Grant | 91.1 | 86.3 | 86.3 | |
| Town Aid Road Grant | 30.0 | 22.0 | 22.0 | |
| LoCIP | 30.0 | 30.0 | 30.0 | |
| Machinery & Equipment | 53.9 | 80.6 | 109.9 | |
| Miscellaneous General Grants | 21.9 | 23.0 | 24.1 | |
| Subtotal – General Government | \$ 428.8 | \$ 433.2 | \$ 463.6 | \$ |
| Public School Transportation | \$ 48.0 | 70.4 | 75.3 | \$ |
| Non-Public School Transportation | 4.0 | 4.6 | 4.7 | |
| Adult Education | 19.6 | 22.8 | 24.1 | |
| Education Cost Sharing | 1,627.3 | 1,650.0 | 1,670.0 | |
| Magnet Schools | 95.9 | 104.9 | 121.9 | |
| Special Education – Student Based | 106.6 | 124.6 | 133.9 | |
| Special Education – Equity | 4.0 | 4.1 | 4.2 | |
| Miscellaneous Education Grants | 152.0 | 159.2 | 166.2 | |
| Subtotal – Education | \$ 2,057.4 | \$ 2,140.6 | \$ 2,200.3 | \$ |
| Total – Formula Grants | \$ 2,486.2 | \$ 2,573.8 | \$ 2,663.9 | \$ |

Notes

This *Summary of Local Aid* does not include non-recurring grants. As a result, the FY 07 Property Tax Relief Grant funded by \$33 million from the fiscal year 2006 surplus is not reflected.

State Owned PILOT amounts reflect estimated transfers of \$2.8 million per year from the Bradley International Airport Enterprise Fund pursuant to statutory requirements.

The use of the fiscal year 2005 surplus in FY 07 contributed \$30.6 million to general government grants and \$41.0 million to education grants.

Even with the use of this surplus, an infusion of an additional \$98.3 million would have been required to fully fund general government grants in FY 07 pursuant to statutory requirements.

RISING ENERGY COSTS

- Increases in energy costs for FY2006 were significant, but seem to have stabilized in FY07.
- The economy has faced rising inflationary pressures and the uncertainty of energy supplies may cause a further slowdown, depending on the geopolitical risks, unexpected supply restraints, and the behavior of consumers.
- The growth in newly industrialized countries such as China and India will continue to raise the demand for oil products.
- The State of Connecticut will be affected:
 - In the purchase of energy-related goods and services for its own use,
 - In the provision of energy assistance to low income residents,
 - In tax collections depending upon the volatile energy markets' overall impact on the economy of the nation and the state.

CRUDE OIL PRICES

(PER BARREL, REFINER ACQUISITION COST)



- Most recessions have been accompanied by higher energy prices.
- Latest developments in the oil market have improved since the summer months, yet remain elevated compared to just a few years ago.
- A higher oil price reduces purchasing power, holding down the demand for non-energy goods.

STATE AGENCY ENERGY COSTS

| | 2000 Actual | 2005 Actual | 2006 Actual ^{(1) (2)} | 2007 Estimated ^{(3) (4)} | 2008 Requested ⁽³⁾ | 2009 Requested ⁽³⁾ |
|--------------------------------------|--------------------|--------------------|--------------------------------|--------------------------------------|----------------------------------|----------------------------------|
| General Fund | | | | | | |
| Electricity & District Cooling | \$24,852,189 | \$28,838,266 | \$37,298,308 | \$40,242,266 | \$42,515,269 | \$43,353,011 |
| Natural Gas & District Heating | \$9,735,164 | \$20,051,979 | \$28,546,004 | \$29,999,685 | \$31,197,138 | \$31,695,520 |
| Motor Vehicle Fuel (gasoline) | \$5,500,307 | \$8,331,405 | \$11,336,507 | \$12,270,252 | \$12,355,522 | \$12,364,816 |
| Fuel Oil | <u>\$3,110,050</u> | <u>\$4,867,046</u> | <u>\$5,604,678</u> | <u>\$5,818,509</u> | <u>\$6,032,372</u> | <u>\$6,089,174</u> |
| Total | \$43,197,710 | \$62,088,696 | \$82,785,497 | \$88,330,712 | \$92,100,301 | \$93,502,521 |
| Special Transportation Fund | | | | | | |
| Electricity & District Cooling | \$5,745,915 | \$6,322,614 | \$7,627,065 | \$8,049,207 | \$8,146,941 | \$8,195,823 |
| Natural Gas & District Heating | \$196,326 | \$456,804 | \$538,844 | \$579,609 | \$589,739 | \$593,277 |
| Motor Vehicle Fuel (gasoline) | \$2,062,444 | \$3,803,096 | \$1,053,347 | \$1,541,482 | \$1,541,482 | \$1,541,482 |
| Fuel Oil | <u>\$502,960</u> | <u>\$830,115</u> | <u>\$881,642</u> | <u>\$956,700</u> | <u>\$965,310</u> | <u>\$971,103</u> |
| Total | \$8,507,645 | \$11,412,629 | \$10,100,898 | \$11,126,998 | \$11,243,472 | \$11,301,685 |
| Total GF and STF Expenditures | \$51,705,355 | \$73,501,325 | \$92,886,395 | \$99,457,710 | \$103,343,773 | \$104,804,206 |

⁽¹⁾ Final FY2006 expenditures are not yet available; the amounts shown above may not agree with official figures to be published in the Comptroller's Annual Report.

⁽²⁾ Includes \$4,425,000 in unpaid bills attributable to FY2005 operations.

⁽³⁾ Figures from agency FY2007 – FY2009 Current Service Budget Requests.

⁽⁴⁾ \$10M available in OPM Energy Contingency account to meet agency needs.

- State agency energy costs have risen almost 100% between FY2000 and FY2007.
- This additional cost is almost \$48M.

LONG-TERM OBLIGATIONS

- The state's long-term obligations total \$49.0 billion.
- This equates to approximately \$14,000 for every man, woman and child in Connecticut
- In comparison, total Personal Income Tax collections in FY06 will only be \$6.625 billion.

LONG-TERM OBLIGATIONS

(in billions)

| | |
|--|------------|
| Bonded Indebtedness | \$ 14.8 |
| State Employee Pensions – Unfunded 6/30/2004 | 6.9 |
| Teachers' Pension – Unfunded 6/30/2004 | 5.2 |
| State Employee Post Retirement Health and Life – Unfunded* | 21.1 |
| Teachers' Post Retirement Health and Life – Unfunded ** | - |
| GAAP Deficit | <u>1.0</u> |
| Total | \$ 49.0 |

* Per a draft report developed pursuant to requirements of Statement 45 of the Government Accounting Standards Board

** Yet to be quantified

PICK UP EXPIRING FEDERALLY FUNDED PROGRAMS

Requests totaling \$16 Million Have Been Received from State Agencies to Replace Expiring Federal Funds

Programs include:

- Violence Against Women Act Programs, to Health Care Quality Initiatives
- Juvenile Risk Reduction Center Funding, to Supportive Housing for Discharged Inmates with Behavioral Health Needs
- Grants to Encourage Arrest Policies, to Statewide Narcotics Task Force Local Officer Incentive Programs

EFFORTS TO OBTAIN FEDERAL FUNDS

- Governor's Washington Office Actively Tracks and Monitors the Federal Budget Process
- Recent Successes in Obtaining/Retaining Federal Funds Include:
 - Base Realignment and Closure Commission (BRAC)
 - Provider Tax
 - Medicare Part D
 - Other Revenue Enhancements

OTHER FEDERAL REVENUE ENHANCEMENTS

WAIT LIST SETTLEMENT

Beginning in SFY 05 funding was provided to enable the Department of Mental Retardation (DMR) to address the needs of some individuals who are on the “waiting list” for DMR services. The waiting list, which prioritizes the needs of each client, was developed due to the fact that funding had historically been inadequate to serve all the needs of the population requesting DMR funded services. The services requested by those on the waiting list include the need for residential placement and or day support services. The 2007 budget continues to support the establishment of 150 additional residential placements per year to address the waiting list. These services are eligible for federal reimbursement.

TRANSFER DCF VOLUNTARY SERVICES CLIENTS TO DMR

The Department of Children and Families (DCF) administers a Voluntary Services Program which serves children with behavioral health problems who may be at risk of commitment to DCF. Many of the individuals in the VSP are mentally retarded. Beginning in SFY 06, funds were transferred (reallocated) from DCF to DMR so that more appropriate services could be delivered to this population. As a result of the transfer, revenue can be realized as many of the individuals from the VSP system will be now eligible for services under the DMR Home and Community Based Waiver (Medicaid) program and eligible for federal reimbursement. These individuals had not been eligible for the HCBW Program while in the DCF service system.

MEDICAID ADMINISTRATIVE CLAIMING UNDER DMHAS

The Department of Social Services conducted an extensive review of the Department of Mental Health and Addiction Services’ ongoing administrative efforts. As a result of this review, certain administrative costs for community based providers are anticipated to be reimbursed under the federal Medicaid program by the Centers for Medicare and Medicaid Services. This revenue initiative began in June, 2005, covering the period from FY 04 through FY 06, and is expected to be ongoing.

OUT OF DISTRICT PLACEMENTS OF SPECIAL EDUCATION STUDENTS

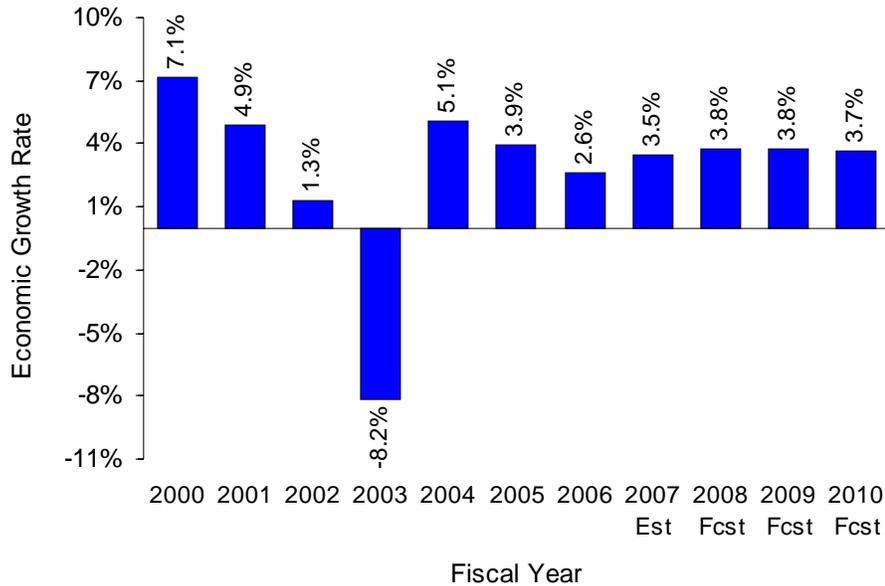
To maximize federal Medicaid revenue, the State Department of Education (SDE) and the Department of Social Services will work with local school districts to claim eligible costs for students who have special education needs and who are in out of district placements. This effort is a result of PA 06-188, which removed disincentives for communities to seek Medicaid reimbursement for eligible costs. Prior to the passage of this public act, any revenues communities received would have been deducted from the state’s main special education grant.

MEDICAID CLAIMING FOR THE NURTURING FAMILIES NETWORK

Efforts in the Children’s Trust Fund to claim federal financial participation for the Nurturing Families Network as a Medicaid program are projected to garner about \$3 million annually. The Children’s Trust Fund and DSS are actively developing the processes to support this claim. An annual appropriation of \$300,000 was budgeted to offset the loss of a categorical federal grant required by the shift to Medicaid.

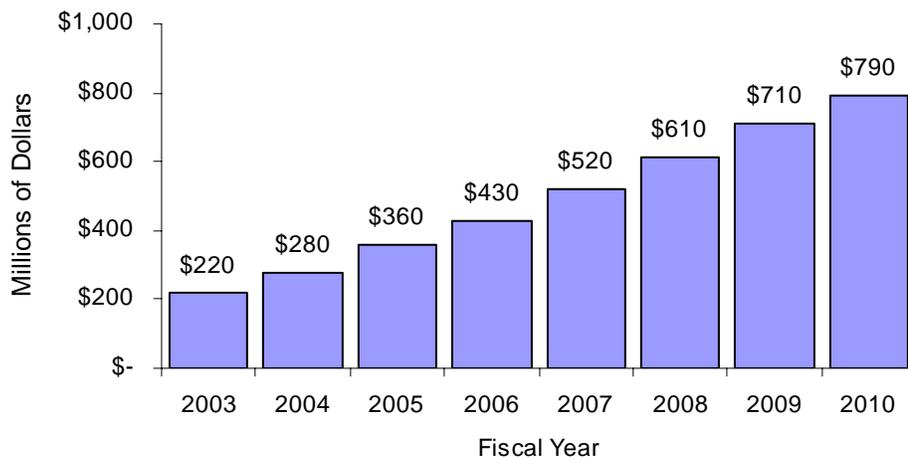
SALES TAX TRENDS

ECONOMIC GROWTH RATES OF THE SALES AND USE TAX



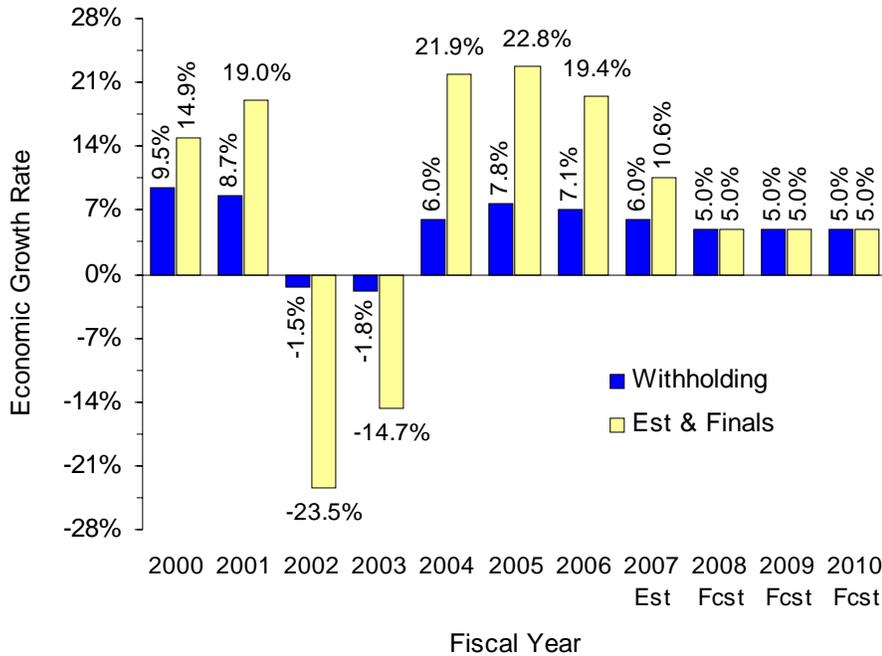
- The sales tax recovered in fiscal 2004 from the recessionary lows experienced in 2002 and 2003.
- Fiscal 2006 collections were weaker due to high energy prices which robbed consumers of discretionary spending.
- Moving forward, with a slowdown in the housing and housing goods markets and the growth in sales over the internet, the growth rate from this revenue source is expected to remain moderate.

ESTIMATED SALES TAX LOSSES DUE TO INTERNET AND MAIL ORDER SALES



PERSONAL INCOME TAX TRENDS

ECONOMIC GROWTH RATES OF THE PERSONAL INCOME TAX



- Over the past several years Connecticut's income tax has fluctuated dramatically.
- This was due to the stock market decline beginning in 2000 and the onset of the recession.
- Although the tax has performed better since fiscal 2004, the volatility of this revenue source dictates caution when forecasting future revenues.

SECTION 7

ANALYSIS OF POSSIBLE USES OF SURPLUS FUNDS

ANALYSIS OF POSSIBLE USES OF SURPLUS FUNDS

Article XXVIII of the Amendments to the State Constitution requires that any unappropriated surplus for the fiscal year shall be used to fund a budget reserve fund (BRF), to reduce bonded indebtedness or for any other purpose authorized by at least three-fifths of each house of the General Assembly. Sec. 4-30a of the Connecticut General Statutes provides that no further transfers to the BRF shall be made when the balance of the fund equals 10% of the net General Fund appropriations for the year in progress.

When the Comptroller certifies the surplus balance for FY'06, OPM expects that the balance of the Budget Reserve Fund will be slightly over \$1.1 billion. Ten percent of the FY'07 General Fund net appropriation would be \$1,485.8 million. The balance of the BRF would be approximately \$373.5 million less than the required 10% amount needed to provide minimal protection against any unforeseen downturns in the economy. It is the position of the Office of Policy and Management that a 10% balance in the Budget Reserve Fund is essential to the state's financial well-being. Only after this amount has been secured should any serious discussion of alternatives be entertained.

Under Article XXVIII of the Amendments to the State Constitution, any additional unappropriated surplus after the 10% Budget Reserve Fund balance has been achieved should be used to reduce bonded indebtedness or for any other purpose authorized by at least three-fifths of each house of the General Assembly. Contradicting that, CGS Sec. 4-30a, directs the

Treasurer first to transfer additional surplus to the State Employees Retirement Fund, in an amount not exceeding 5% of the unfunded past service liability.

Possible Use of Surplus Funds upon meeting BRF 10% Balance:

- Reduce bonded indebtedness.
- Reduce unfunded liability in the State Employees Retirement Fund.
- Reduce unfunded liability in the Teachers Retirement Fund.
- Begin to actuarially fund the unfunded Other Post Employment Benefits.

The Office of Policy and Management is receptive to the concept of an economic analysis of the relative merits of one approach versus the other. There is merit to utilizing any surplus, above that required to be deposited to the BRF, to pay down existing obligations. Whether that takes the form of reducing bonded indebtedness, reducing the unfunded liabilities in our pension funds or establishing a process to actuarially fund the unfunded Other Post Employment Benefits that have been earned by current and former employees, it will be a step in the right direction.

Although OPM remains committed to fully funding the BRF before any such alternatives are actually implemented, now that full funding of the BRF is within reach, serious consideration should be given to addressing our long-term obligations.