
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 12, 2008

SUMMARY

THIS REPORT INDICATES THE FOLLOWING:

- The state is projected to experience deficits at the end of 2009–10, 2010–11 and 2011–12 that are unprecedented in our history based on current services requests.
- The use of one-time revenues to support on-going programs and projects adds nearly \$500 million to these projected deficits.
- Projections indicate that spending will exceed available room under the expenditure cap in fiscal years 2009–10, 2010–11 and 2011–12.
- Current Services requests for FY2009–10 and FY2010–11, and FY2011–12 projections indicate that spending will exceed available revenue without further action.
- The budget reserve fund balance is below the statutorily required 10% for 2007–08, putting the state at risk in the current economic climate.
- Debt service will continue to grow and consume a significant portion of the budget despite Governor Rell's efforts to maintain general obligation allocations and issuances at the current level.
- The state faces significant long-term obligations including debt, unfunded pension liabilities and unfunded post-employment retirement benefits which are estimated to exceed \$57 billion in total.

MAJOR ISSUES AND TRENDS IMPACTING THE STATE'S FISCAL SITUATION

- The performance of the income tax is significantly influenced by events in the financial markets which have shown themselves to be extremely volatile, thereby increasing the uncertainty of this revenue source.
- Significant cost drivers which include: costs of personnel benefits including post-employment benefits, funding required for unfunded pension liabilities, and expenditures related to the Department of Social Services and the Department of Education.
- Estimated State grants to local governments increase significantly from FY 2008–09 through FY 2011–12.
- Energy costs have risen 135% between FY 2000 and FY 2008.

The Office of Policy and Management believes that all surplus funds should be deposited into the budget reserve fund. A study of alternative uses such as debt reduction or reduction of unfunded pension and other long-term liabilities may prove to be appropriate uses of surplus once the budget reserve fund has achieved its required level of 10 percent. Addressing identified long term liabilities would appear to be a prudent use of any additional surplus and would position the state to withstand the effects of the current economic downturn.

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 2007-2009 biennium.

Financial Summary of Funds

(in millions)

	Estimated	Requested Current Services ⁽¹⁾		Projected
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
General Fund				
Revenues	\$ 16,949.1	\$ 16,472.5	\$ 16,925.6	\$ 17,678.9
Expenditures	17,047.4	19,131.6	20,230.1	21,051.5
Miscellaneous Adjustment	<u>(9.6)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Surplus/(Deficit)	\$ (107.9)	\$ (2,659.1)	\$ (3,304.5)	\$ (3,372.6)
Special Transportation Fund				
Revenues	\$ 1,084.0	\$ 1,089.9	\$ 1,124.3	\$ 1,135.9
Expenditures	<u>1,145.6</u>	<u>1,211.8</u>	<u>1,261.7</u>	<u>1,302.0</u>
Surplus/(Deficit)	\$ (61.6)	\$ (121.9)	\$ (137.4)	\$ (166.1)
Other Funds ⁽²⁾				
Revenues	\$ 206.0	\$ 245.3	\$ 245.1	\$ 250.1
Expenditures	<u>203.9</u>	<u>245.0</u>	<u>244.6</u>	<u>249.8</u>
Surplus/(Deficit)	\$ 2.1	\$ 0.3	\$ 0.5	\$ 0.3
Total All Appropriated Funds				
Revenues	\$ 18,239.1	\$ 17,807.7	\$ 18,295.0	\$ 19,064.9
Expenditures	18,396.9	20,588.3	21,736.4	22,603.3
Surplus Adjustment	<u>(9.6)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Surplus/(Deficit)	\$ (167.4)	\$ (2,780.6)	\$ (3,441.4)	\$ (3,538.4)
Expenditure Cap Results				
Total All Appropriated Funds		\$ 20,588.3	\$ 21,736.4	\$ 22,603.3
Allowed Appropriations per Cap		<u>19,764.8</u>	<u>20,766.6</u>	<u>21,689.9</u>
Over/(Under) the Cap		\$ 823.5	\$ 969.8	\$ 913.4
Revenues and the Expenditure Cap ⁽³⁾				
Revenues – All Funds		\$ 17,807.7	\$ 18,295.0	\$ 19,064.9
Allowed Appropriations per Cap		<u>19,764.8</u>	<u>20,766.6</u>	<u>21,689.9</u>
Revenues Less Allowed Approps.		\$ (1,957.1)	\$ (2,471.6)	\$ (2,625.0)

(1) FY 2010 & 2011 agency requests as modified per the notable exceptions and FY 2012 is projected.

(2) 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.

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

SECTION 1
ESTIMATE OF STATE REVENUES, EXPENDITURES
AND ENDING BALANCE

ASSUMPTIONS

SOURCE OF EXPENDITURE DATA USED IN THIS REPORT

The *Estimated 2008–2009* column shows the original appropriation (PA01–1JSS, PA 07–3JSS, PA07–5JSS, PA07–208JSS, PA07–1SSS, PA08–52, PA08–176, PA08–1 AugSS, PA08–2 AugSS), adjusted to reflect estimated deficiencies and lapses and do not include prior year surplus appropriations. *Requested 2009–2010* and *Requested 2010–2011* columns show the original agency current services requests, adjusted to reflect a preliminary roll-out of FY2009 estimated deficiencies, and other changes as noted. Figures for *Raise the Age of Juvenile Jurisdiction* are based on the best current data available. *Projected 2011–2012* figures are based on the *Requested 2010–2011*, increased by the following inflation rates:

Projected standard inflation rate	2011–2012	1.6%
Medical inflation rate (used where appropriate and noted below)	2011–2012	3.9%

Expenditures increased by these inflation rates include: Other Expenses, Other Current Expenses, and Grants. Personal Services was inflated by 4.75% consistent with the average increase across all contracts; this does not represent a future funding commitment. Equipment costs are not inflated and reflect the FY2011 Requested.

NOTABLE EXCEPTIONS

Listed below are significant items that require further explanation.

ASIAN PACIFIC AMERICAN AFFAIRS COMMISSION

- *Flat-Fund Asian Pacific American Affairs Commission* – As of October 30, 2008, the Office of Legislative Management had not submitted a budget request for the Asian Pacific American Affairs Commission. Funding is shown flat-funded from FY 2009 Estimated Expenditures.

CONTRACTING STANDARDS BOARD

- *Annualize Agency Operations* – The State Contracting Standards Board is to begin operations as a newly created agency on January 1, 2009. The FY2010 Budget Request reflects the annualization of the half year costs reflected in FY2009.

STATE TREASURER – DEBT SERVICE

- *Debt Service– State Treasurer* – Debt Service reflects actual and projected issuance schedules. See page 37 for the projected issuance schedule.

STATE COMPTROLLER– MISCELLANEOUS

- *Equal Grants to Non-Profit Hospitals* – Reflects level funding.
- *Loss of Taxes on State Property* – Reflects level funding.
- *Loss of Taxes on Private Tax-Exempt Property* – Reflects level funding.
- *Mashantucket Pequot and Mohegan Fund* – Reflects level funding.

STATE COMPTROLLER – FRINGE BENEFITS

- *Higher Ed Alternate Retirement System* – FY 2012 includes the costs for 27 pay periods.
- *Employers Social Security Tax* – FY 2012 includes social security for 27 pay periods.
- *State Employee Health Service Costs* – Reflects medical inflation.
- *Retired Employee Health Service Costs* – Reflects medical inflation.
- *Employers Social Security Tax* – FY 2012 includes social security for 27 pay periods.

DIVISION OF CRIMINAL JUSTICE

- *Juvenile Jurisdiction Change* – Additional full-year staffing estimated costs beginning in FY10 are included in Personal Services – \$1,989,207, Other Expenses – \$144,544, Equipment – \$318,420, and Training and Education – \$55,500. No additional Equipment cost in FY11. These costs will accommodate the anticipated 37 positions needed beginning with effective date of 1/1/10.

DEPARTMENT OF LABOR

- *Workforce Investment Act* – WIA funds are allocated by the federal government and are anticipated to be \$22,957,988 for FY 2009. It is anticipated that the allocation amount will remain the same for FYs 2010, 2011 and 2012.

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

- *Tax Abatement and PILOT Grants* – The agency included these two accounts in their request but there was no appropriation for FY 2009 so there should be no funding shown for FY 2010 through 2012.

DEPARTMENT OF PUBLIC HEALTH

- *Medical Inflation* – All DPH accounts are provided medical inflation with the exception of Personal Services, Other Expenses, Medicaid Administration, Nursing Student Loan Forgiveness Program, Emergency Medical Services Training, Emergency Medical Services Regional Offices, Loan Repayment Program and Local & District Departments of Health; these accounts are provided regular inflation.

DEPARTMENT OF DEVELOPMENTAL SERVICES

- *Community Residential Services* – FY2012 reflects \$4,215,721 to annualize 67 residential age outs during FY2011.
- *Money Follows the Person* – FY2012 reflects \$786,606 to support the annualization of 13 clients anticipated to transition into waiver services during FY2011 from the Money Follows the Person program, and \$1,214,739 to support the transition of 17 new clients onto the Comprehensive Waiver in FY2012.
- *Leap Year* – FY2012 includes estimated leap year costs for the Cooperative Placements Program (\$19,456) and the Community Residential Services account (\$1,468,476).
- FY2012 maintains caseload levels from FY2011

DEPT MENTAL HEALTH & ADDICTION SVS

- *Personal Services* – FYs 2010, 2011, and 2012 adjustments include inflation on the Disproportionate Share amount of \$75,040,000 which is budgeted under the Department of Social Services – DMHAS/Disproportionate Share account.
- *Other Expenses* – FYs 2010, 2011, and 2012 adjustments include inflation on the Disproportionate Share amount of \$2,600,000 which is budgeted under the Department of Social Services – DMHAS/Disproportionate Share account.
- *General Assistance Managed Care* – FY 2012 assumes 5% caseload growth over FY 2011; an increase of \$3,924,580. 83% of account is subject to leap year expenditures – \$235,386.
- *TBI Community Services* – FY2012 reflects the annualization of 7 FY 2011 placements for individuals with Traumatic Brain Injury – \$1,007,250.
- *Home and Community Based Waiver* – FY 2012 reflects annualization for FY 2011 housing subsidies for 72 waiver clients – \$229,950.
- *Raise the Age of Juvenile Jurisdiction* – The Managed Service System account reflects adjustments in each year of the report for the agency's projections related to implementing this initiative – FY 2010 \$9,670,000; FY2011 \$19,340,000; FY2012 \$24,340,000.

DEPARTMENT OF SOCIAL SERVICES

- State Food Stamp Supplement, HUSKY Program, Medicaid, Old Age Assistance, Aid to the Blind, Aid to the Disabled, Temporary Assistance to Families, ConnPACE, Connecticut Home Care Program, Child Care – TANF/CCDBG, State Administered General Assistance, Medicare Part D Supplemental Needs Fund – Reflects rate and volume changes based on current trends.
- *HUSKY Program, Charter Oak Health Plan, Medicaid* – Reflects annualization of initiatives to increase access to health care.
- *Medicaid, Old Age Assistance, Aid to the Blind, Aid to the Disabled* – Reflects leap year payments in FY 2012.
- *Medicaid and Housing/Homeless Services* – Reflects transition of additional clients under the Money Follows the Person initiative. A total of 700 individuals are expected to transition to the community by FY 2012.

TEACHERS' RETIREMENT BOARD

- *Retirement Contributions* – Retirement Contributions reflect the actuarial estimates for FYs 2010 and 2011. A 4% increase was applied to FY 2012.
- *Retirees Health Services Costs* – Reflects medical inflation.
- *Municipal Retirees Health Insurance Cost* – Reflects medical inflation.

DEPARTMENT OF CORRECTION

- *Juvenile Jurisdiction Implementation* – As 16 and 17 year olds will be treated as juveniles beginning January 1, 2010, it is estimated that 300 inmates in this age range currently in the Department of Correction at the Manson Youth Institution will be transferred to other state agencies. The savings associated with this change in jurisdiction is estimated at \$775,000 in PS and \$225,000 in Other Expenses in FY10 and \$1,626,753 in PS and \$450,000 in Other Expenses in FY11.

DEPARTMENT OF CHILDREN AND FAMILIES

- *Leap Year* – FY 2012 – Additional funds are anticipated in various accounts to pay the extra day per diem costs due to leap year: Family Support Services –\$2,990, Adoption – \$255,500, Foster Care – \$255,400, and Residential – \$300,000.
- *Single Cost Accounting* – Provisions are made in each year of the report to reflect rates under the Single Cost Accounting system regulations: Board and Care Residential (\$2,454,000); No Nexus Special Education (\$650,000). Rates paid to out-of-state residential treatment facilities are set by the host state; the report assumes 5% rate increases for out of state facilities (\$1,200,000).
- *Caseload Growth* – An increase in caseload is anticipated in each year of the report in the Board and Care accounts based on trends: Adoption (\$5,600,000); Foster Care (\$3,000,000).
- *Raise the Age of Juvenile Jurisdiction* – The impact of this change is estimated to have a significant cost to DCF. DCF anticipates opening a secure facility for girls, reconfiguring and expanding the Connecticut Juvenile Training School, and expanding contracts for residential and community services. Increases are estimated for FY 2010 of \$5,919,184, FY 2011 of \$30,164,243 and FY 2012 of \$35,161,338. Increases are shown in Personal Services, Other Expenses, Juvenile Justice Outreach Services and Board and Care – Residential.

JUDICIAL DEPARTMENT

- *New Courthouse Location* – The estimated occupancy date of the new Torrington Courthouse Complex is January 2012. An additional \$652,000 in Other Expenses in FY2012 represents the additional operating expenses for that fiscal year. This amount will be annualized in FY2013 to \$1,020,000.
- *Foreclosure Mediation Sunset* – This program is statutorily due to expire 6/30/10.

PUBLIC DEFENDER SERVICES COMMISSION

- *Juvenile Jurisdiction Change* – Additional full-year staffing estimated costs beginning in FY10 are included in Personal Services – \$1,334,606, Other Expenses – \$111,150, Equipment – \$72,000, and Training and Education – \$13,800. There is no Equipment cost in FY11. These costs will accommodate the anticipated 24 positions needed beginning with effective date of 1/1/10.

CHILD PROTECTION COMMISSION

- *Juvenile Jurisdiction Change* – \$80,000 in funding is provided in the Contracted Attorneys account in anticipation of the population the Commission might have to represent as a result of the Raise the Age legislation effective 1/1/10.

Fiscal Accountability Report
SUMMARY OF 2009 ESTIMATED, 2010-2011 REQUESTED* AND 2012 PROJECTED
By Character and Fund

	Estimated 2008-2009	Requested 2009-2010	Requested 2010-2011	Projected 2011-2012
GENERAL FUND				
<u>LEGISLATIVE</u>				
LEGISLATIVE MANAGEMENT				
Personal Services	44,570,566	45,706,079	48,539,411	50,845,033
Other Expenses	16,906,885	16,890,317	17,636,024	17,918,200
CAPITAL OUTLAY				
Equipment	807,200	3,384,500	983,000	983,000
OTHER CURRENT EXPENSES				
Flag Restoration	50,000	50,000	50,000	50,800
Minor Capitol Improvements	1,100,000	1,200,000	1,200,000	1,219,200
Interim Salary/Caucus Offices	437,500	567,500	461,000	468,376
Redistricting	50,000	300,000	500,000	508,000
Old State House	500,000	600,000	608,400	618,134
TOTAL OTHER CURRENT EXPENSES	2,137,500	2,717,500	2,819,400	2,864,510
PMTS TO OTHER THAN LOCAL GOVTS				
Interstate Conference Fund	375,000	382,875	388,235	394,447
TOTAL FIXED CHARGES	375,000	382,875	388,235	394,447
AGENCY TOTAL	64,797,151	69,081,271	70,366,070	73,005,190
AUDITORS OF PUBLIC ACCOUNTS				
Personal Services	11,343,936	12,017,107	12,569,724	13,166,786
Other Expenses	780,994	883,900	896,274	910,614
CAPITAL OUTLAY				
Equipment	100,000	50,000	50,000	50,000
AGENCY TOTAL	12,224,930	12,951,007	13,515,998	14,127,400
COMMISSION ON AGING				
Personal Services	375,849	420,803	452,414	473,904
Other Expenses	89,200	94,839	99,728	101,324
CAPITAL OUTLAY				
Equipment	2,500	2,500	2,500	2,500
AGENCY TOTAL	467,549	518,142	554,642	577,728
COMMISSION ON THE STATUS OF WOMEN				
Personal Services	732,257	751,554	798,435	836,361
Other Expenses	341,687	348,797	353,635	359,293
CAPITAL OUTLAY				
Equipment	3,000	3,000	3,000	3,000
AGENCY TOTAL	1,076,944	1,103,351	1,155,070	1,198,654
COMMISSION ON CHILDREN				
Personal Services	841,228	886,528	935,490	979,926
Other Expenses	212,880	217,324	220,350	223,876
CAPITAL OUTLAY				
Equipment	2,500	2,500	2,500	2,500
AGENCY TOTAL	1,056,608	1,106,352	1,158,340	1,206,302
LATINO & PUERTO RICAN AFFAIRS COMM				
Personal Services	494,179	546,780	581,595	609,221
Other Expenses	103,440	106,501	107,988	109,716
CAPITAL OUTLAY				
Equipment	2,500	2,500	2,500	2,500
AGENCY TOTAL	600,119	655,781	692,083	721,437
AFRICAN-AMERICAN AFFAIRS COMMISSION				
Personal Services	357,059	362,190	380,422	398,492
Other Expenses	76,386	77,969	79,049	80,314
CAPITAL OUTLAY				
Equipment	2,500	2,500	2,500	2,500
AGENCY TOTAL	435,945	442,659	461,971	481,306
ASIAN PACIFIC AMERICAN AFFAIRS COMMISSION				
Other Expenses	25,000	25,000	25,000	25,000
AGENCY TOTAL	25,000	25,000	25,000	25,000

* as adjusted

Fiscal Accountability Report
SUMMARY OF 2009 ESTIMATED, 2010-2011 REQUESTED* AND 2012 PROJECTED
By Character and Fund

	Estimated 2008-2009	Requested 2009-2010	Requested 2010-2011	Projected 2011-2012
TOTAL LEGISLATIVE	80,684,246	85,883,563	87,929,174	91,343,017
<u>GENERAL GOVERNMENT</u>				
GOVERNOR'S OFFICE				
Personal Services	3,244,000	3,251,941	3,251,941	3,406,408
Other Expenses	379,116	446,861	453,804	461,065
CAPITAL OUTLAY				
Equipment	100	1,100	1,100	1,100
PMTS TO OTHER THAN LOCAL GOVTS				
New England Governors' Conference	90,500	94,967	100,692	102,303
National Governors' Association	112,600	115,300	119,900	121,818
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	203,100	210,267	220,592	224,121
TOTAL FIXED CHARGES	203,100	210,267	220,592	224,121
AGENCY TOTAL	3,826,316	3,910,169	3,927,437	4,092,694
SECRETARY OF THE STATE				
Personal Services	1,700,000	1,898,598	1,924,935	2,016,369
Other Expenses	1,600,000	897,025	909,561	924,114
CAPITAL OUTLAY				
Equipment	100	46,047	54,000	54,000
AGENCY TOTAL	3,300,100	2,841,670	2,888,496	2,994,483
LIEUTENANT GOVERNOR'S OFFICE				
Personal Services	505,177	507,393	507,393	531,494
Other Expenses	87,070	108,872	110,408	112,175
CAPITAL OUTLAY				
Equipment	100	1,100	1,100	1,100
AGENCY TOTAL	592,347	617,365	618,901	644,769
ELECTIONS ENFORCEMENT COMMISSION				
Personal Services	1,601,174	1,671,631	1,632,885	1,710,447
Other Expenses	265,726	294,058	301,396	306,218
CAPITAL OUTLAY				
Equipment	15,400	24,985	0	0
OTHER CURRENT EXPENSES				
Commission's Per Diems	17,000	20,000	25,000	25,000
AGENCY TOTAL	1,899,300	2,010,674	1,959,281	2,041,665
OFFICE OF STATE ETHICS				
Personal Services	1,561,773	1,669,526	1,811,700	1,897,756
Other Expenses	183,882	239,017	245,796	249,729
CAPITAL OUTLAY				
Equipment	2,500	16,500	15,000	15,000
OTHER CURRENT EXPENSES				
Judge Trial Referee Fees	25,000	25,000	25,000	25,000
Reserve for Attorney Fees	50,000	50,000	50,000	50,000
Information Technology Initiatives	400,000	50,000	50,000	50,000
TOTAL OTHER CURRENT EXPENSES	475,000	125,000	125,000	125,000
AGENCY TOTAL	2,223,155	2,050,043	2,197,496	2,287,485
FREEDOM OF INFORMATION COMMISSION				
Personal Services	1,911,312	2,048,200	2,121,870	2,222,659
Other Expenses	200,000	269,918	278,445	282,900
CAPITAL OUTLAY				
Equipment	30,000	44,800	48,500	48,500
AGENCY TOTAL	2,141,312	2,362,918	2,448,815	2,554,059
JUDICIAL SELECTION COMMISSION				
Personal Services	95,959	76,699	77,053	80,713
Other Expenses	21,691	22,136	22,513	22,873
CAPITAL OUTLAY				
Equipment	100	1,200	0	0
AGENCY TOTAL	117,750	100,035	99,566	103,586

* as adjusted

Fiscal Accountability Report
SUMMARY OF 2009 ESTIMATED, 2010-2011 REQUESTED* AND 2012 PROJECTED
By Character and Fund

	Estimated 2008-2009	Requested 2009-2010	Requested 2010-2011	Projected 2011-2012
STATE PROPERTIES REVIEW BOARD				
Personal Services	325,702	308,583	314,414	329,349
Other Expenses	189,244	195,669	196,601	199,747
CAPITAL OUTLAY				
Equipment	100	4,000	1,000	1,000
AGENCY TOTAL	<u>515,046</u>	<u>508,252</u>	<u>512,015</u>	<u>530,096</u>
CONTRACTING STANDARDS BOARD				
OTHER CURRENT EXPENSES				
Contracting Standards Board	700,000	1,465,608	1,538,888	1,563,510
AGENCY TOTAL	<u>700,000</u>	<u>1,465,608</u>	<u>1,538,888</u>	<u>1,563,510</u>
STATE TREASURER				
Personal Services	4,471,817	4,737,895	4,948,509	5,183,563
Other Expenses	338,388	345,452	350,253	355,857
CAPITAL OUTLAY				
Equipment	100	13,200	13,200	13,200
AGENCY TOTAL	<u>4,810,305</u>	<u>5,096,547</u>	<u>5,311,962</u>	<u>5,552,620</u>
STATE COMPTROLLER				
Personal Services	20,415,618	21,825,740	22,360,077	23,422,181
Other Expenses	6,008,110	5,983,861	6,287,547	6,388,148
CAPITAL OUTLAY				
Equipment	100	153,500	258,000	258,000
PMTS TO OTHER THAN LOCAL GOVTS				
Governmental Accounting Standards Bd	19,570	19,570	19,570	19,883
TOTAL FIXED CHARGES	19,570	19,570	19,570	19,883
AGENCY TOTAL	<u>26,443,398</u>	<u>27,982,671</u>	<u>28,925,194</u>	<u>30,088,212</u>
DEPARTMENT OF REVENUE SERVICES				
Personal Services	59,503,371	68,027,152	70,633,069	73,988,140
Other Expenses	10,821,216	11,615,618	11,768,185	11,956,476
CAPITAL OUTLAY				
Equipment	100	760,921	619,053	360,000
OTHER CURRENT EXPENSES				
Collection and Litigation Contingency	425,767	434,708	440,794	447,847
AGENCY TOTAL	<u>70,750,454</u>	<u>80,838,399</u>	<u>83,461,101</u>	<u>86,752,463</u>
DIVISION OF SPECIAL REVENUE				
Personal Services	6,123,939	6,173,564	6,630,580	6,945,533
Other Expenses	1,532,217	1,239,296	1,256,063	1,276,160
CAPITAL OUTLAY				
Equipment	100	170,362	288,107	150,000
AGENCY TOTAL	<u>7,656,256</u>	<u>7,583,222</u>	<u>8,174,750</u>	<u>8,371,693</u>
STATE INSURANCE AND RISK MANAGEMENT				
Personal Services	268,096	294,130	303,004	317,397
Other Expenses	14,163,704	13,856,150	14,858,113	15,095,843
CAPITAL OUTLAY				
Equipment	100	2,000	2,250	2,000
OTHER CURRENT EXPENSES				
Surety Bonds State Officials & Emps	21,700	95,200	74,400	75,590
AGENCY TOTAL	<u>14,453,600</u>	<u>14,247,480</u>	<u>15,237,767</u>	<u>15,490,830</u>
GAMING POLICY BOARD				
Other Expenses	2,903	2,963	3,005	3,053
AGENCY TOTAL	<u>2,903</u>	<u>2,963</u>	<u>3,005</u>	<u>3,053</u>
OFFICE OF POLICY AND MANAGEMENT				
Personal Services	16,406,474	16,841,935	17,134,865	17,948,771
Other Expenses	3,838,273	3,928,131	3,993,054	4,056,943
CAPITAL OUTLAY				
Equipment	100	36,000	258,500	250,000
OTHER CURRENT EXPENSES				
Automated Budget Sys & Database Lnk	63,610	64,946	65,855	66,909
Leadership, Educ, Athletics-Partnership	850,000	867,850	880,000	894,080

* as adjusted

Fiscal Accountability Report
SUMMARY OF 2009 ESTIMATED, 2010-2011 REQUESTED* AND 2012 PROJECTED
By Character and Fund

	Estimated 2008-2009	Requested 2009-2010	Requested 2010-2011	Projected 2011-2012
Cash Management Improvement Act	100	0	0	100
Justice Assistance Grants	2,963,182	3,025,409	3,067,765	3,116,849
Neighborhood Youth Centers	1,250,930	1,277,200	1,295,080	1,315,801
Land Use Education	150,000	153,150	155,295	157,780
Office of Property Rights Ombudsman	214,667	219,175	222,243	225,799
Office of Business Advocate	599,271	611,856	620,422	630,349
Water Planning Council	200,000	204,200	207,059	210,372
Urban Youth Violence Prevention	1,000,000	1,021,000	1,035,294	1,051,859
CT Impaired Driving Records Info Sys	1,000,000	1,021,000	1,035,294	1,051,859
Furnace Rebate Program	3,000,000	0	0	0
Furnace Repair and Upgrade	2,000,000	0	0	0
Energy Contingency PA08-2	35,000,000	0	0	0
Energy Audit Subsidy PA08-2	7,000,000	0	0	0
Juvenile Jurisdiction Prevention Grants	0	1,825,000	3,650,000	3,650,000
TOTAL OTHER CURRENT EXPENSES	55,291,760	10,290,786	12,234,307	12,371,757
PMTS TO OTHER THAN LOCAL GOVTS				
Tax Relief for Elderly Renters	18,622,979	22,000,000	24,000,000	24,384,000
Private Providers	39,000,000	0	0	0
Regional Planning Agencies	1,000,000	1,021,000	1,035,294	1,051,859
Operation Fuel 200%FPL PA08-1	8,500,000	0	0	0
Operation Fuel Median PA08-1	5,000,000	0	0	0
Heating Assist. Age 65 PA08-1	4,000,000	0	0	0
Operation Fuel Admin. PA08-1	500,000	0	0	0
Heating Non-profits PA08-1	3,500,000	0	0	0
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	80,122,979	23,021,000	25,035,294	25,435,859
PMTS TO LOCAL GOVERNMENTS				
Reimb Property Tax-Disability Exempt	576,142	588,241	596,476	606,020
Distressed Municipalities	7,800,000	7,963,800	8,075,293	8,204,498
Prop Tax Relief Elder-Circuit Breaker	20,505,899	21,000,000	22,000,000	22,352,000
Prop Tax Relief Elderly Freeze Program	900,000	700,000	650,000	660,400
Property Tax Relief for Veterans	2,970,099	3,033,390	3,075,857	3,125,071
P.I.L.O.T. New Mfg Machine & Equip	104,930,000	107,133,530	108,633,400	110,371,534
Capital City Economic Development	7,900,000	8,065,900	8,178,823	8,309,684
Property Tax Exemption for Hybrid Vehicles	900,000	918,900	931,765	946,673
Heating Assist. Schools PA08-1	6,500,000	0	0	0
TOTAL PMTS TO LOCAL GOVERNMENTS	152,982,140	149,403,761	152,141,614	154,575,880
TOTAL FIXED CHARGES	233,105,119	172,424,761	177,176,908	180,011,739
AGENCY TOTAL	308,641,726	203,521,613	210,797,634	214,639,210
DEPARTMENT OF VETERANS AFFAIRS				
Personal Services	25,806,728	26,856,235	27,583,237	28,893,441
Other Expenses	7,598,860	8,499,358	8,687,747	8,826,751
CAPITAL OUTLAY				
Equipment	1,000	570,749	371,000	371,000
OTHER CURRENT EXPENSES				
Support Services for Veterans	200,000	450,000	450,000	450,000
PMTS TO OTHER THAN LOCAL GOVTS				
Burial Expenses	7,200	7,200	7,200	7,200
Headstones	370,000	370,000	370,000	370,000
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	377,200	377,200	377,200	377,200
TOTAL FIXED CHARGES	377,200	377,200	377,200	377,200
AGENCY TOTAL	33,983,788	36,753,542	37,469,184	38,918,392
OFFICE OF WORKFORCE COMPETITIVENESS				
Personal Services	475,029	511,207	517,907	542,508
Other Expenses	301,824	308,161	312,475	317,475
CAPITAL OUTLAY				
Equipment	1,000	15,000	5,000	5,000
OTHER CURRENT EXPENSES				
CETC Workforce	2,096,139	2,590,158	2,695,120	2,738,242
Jobs Funnel Projects	1,000,000	1,271,000	1,535,294	1,559,859
Connecticut Career Choices	800,000	1,016,800	1,103,235	1,120,887
Nanotechnology Study	300,000	506,300	520,588	528,917
SBIR Initiative	250,000	505,250	558,824	567,765
Career Ladder Pilot Programs	500,000	510,500	517,647	525,929
Spanish American Merchant Association	300,000	306,300	310,588	315,557
Film Industry Equipment	0	510,500	517,647	525,929

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	Estimated 2008-2009	Requested 2009-2010	Requested 2010-2011	Projected 2011-2012
Film Industry Study	0	255,250	258,823	262,964
Adult Literacy Council	176,784	180,496	183,023	185,951
Film Industry Training Program	1,000,000	1,021,000	1,035,294	1,051,859
SBIR Matching Grants	250,000	455,250	468,824	476,325
TOTAL OTHER CURRENT EXPENSES	<u>6,672,923</u>	<u>9,128,804</u>	<u>9,704,907</u>	<u>9,860,184</u>
AGENCY TOTAL	7,450,776	9,963,172	10,540,289	10,725,167
BOARD OF ACCOUNTANCY				
Personal Services	325,075	340,711	345,306	361,708
Other Expenses	105,157	207,990	129,698	131,773
CAPITAL OUTLAY				
Equipment	0	9,082	0	1,500
AGENCY TOTAL	<u>430,232</u>	<u>557,783</u>	<u>475,004</u>	<u>494,981</u>
DEPARTMENT OF ADMINISTRATIVE SERVICES				
Personal Services	21,649,417	22,984,223	23,347,464	24,456,469
Other Expenses	1,121,739	1,257,869	1,274,917	1,295,316
CAPITAL OUTLAY				
Equipment	100	121,200	112,200	112,200
OTHER CURRENT EXPENSES				
Tuition Reimburs Training, Travel	382,000	382,000	382,000	382,000
Loss Control Risk Management	278,241	500,000	500,000	508,000
Employees' Review Board	52,630	55,000	55,000	55,880
Quality of Work-Life	350,000	350,000	350,000	350,000
Refunds of Collections	30,000	30,000	30,000	30,480
W. C. Administrator	5,450,055	5,613,554	5,613,554	5,703,371
Hospital Billing System	101,005	135,000	140,000	142,240
Correctional Ombudsman	299,000	363,550	383,800	389,941
TOTAL OTHER CURRENT EXPENSES	<u>6,942,931</u>	<u>7,429,104</u>	<u>7,454,354</u>	<u>7,561,912</u>
AGENCY TOTAL	29,714,187	31,792,396	32,188,935	33,425,897
DEPARTMENT OF INFORMATION TECHNOLOGY				
Personal Services	9,801,197	11,157,299	11,207,662	11,740,026
Other Expenses	7,674,753	7,885,539	8,175,707	8,306,518
CAPITAL OUTLAY				
Equipment	100	0	0	0
OTHER CURRENT EXPENSES				
Connecticut Education Network	3,239,119	4,993,077	5,149,632	5,232,026
Internet and E-Mail Services	7,400,000	7,250,894	7,319,367	7,436,477
TOTAL OTHER CURRENT EXPENSES	<u>10,639,119</u>	<u>12,243,971</u>	<u>12,468,999</u>	<u>12,668,503</u>
AGENCY TOTAL	28,115,169	31,286,809	31,852,368	32,715,047
DEPARTMENT OF PUBLIC WORKS				
Personal Services	7,448,015	7,887,697	7,991,027	8,370,601
Other Expenses	26,476,580	27,602,319	27,987,781	28,435,585
CAPITAL OUTLAY				
Equipment	100	602,650	499,675	300,000
OTHER CURRENT EXPENSES				
Management Services	4,220,675	4,357,366	4,408,825	4,479,366
Rents and Moving	10,862,767	14,668,196	14,438,196	14,669,207
Capitol Day Care Center	114,250	130,557	132,013	134,125
Facilities Design Expenses	5,101,178	5,474,989	5,533,375	5,621,909
TOTAL OTHER CURRENT EXPENSES	<u>20,298,870</u>	<u>24,631,108</u>	<u>24,512,409</u>	<u>24,904,607</u>
AGENCY TOTAL	54,223,565	60,723,774	60,990,892	62,010,793
ATTORNEY GENERAL				
Personal Services	30,994,185	32,525,886	33,738,892	35,341,489
Other Expenses	1,629,091	1,663,692	1,685,326	1,712,291
CAPITAL OUTLAY				
Equipment	100	425,700	318,750	318,750
AGENCY TOTAL	<u>32,623,376</u>	<u>34,615,278</u>	<u>35,742,968</u>	<u>37,372,530</u>
OFFICE OF THE CLAIMS COMMISSIONER				
Personal Services	294,583	297,741	302,024	316,370
Other Expenses	37,506	36,881	37,909	38,516
CAPITAL OUTLAY				
Equipment	100	0	0	0

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	Estimated 2008-2009	Requested 2009-2010	Requested 2010-2011	Projected 2011-2012
OTHER CURRENT EXPENSES				
Adjudicated Claims	85,000	85,000	85,000	86,360
AGENCY TOTAL	417,189	419,622	424,933	441,246
DIVISION OF CRIMINAL JUSTICE				
Personal Services	43,503,403	51,997,109	51,941,068	54,408,269
Other Expenses	2,800,550	3,258,383	3,337,533	3,390,934
CAPITAL OUTLAY				
Equipment	100	1,450,627	805,500	805,500
OTHER CURRENT EXPENSES				
Forensic Sex Evidence Exams	1,074,800	1,097,631	1,112,994	1,130,802
Witness Protection	447,913	426,013	426,013	432,829
Training and Education	120,908	175,500	175,500	176,920
Expert Witnesses	236,643	241,613	244,995	248,915
Medicaid Fraud Control	660,737	763,313	793,810	806,511
Persistent Violent Felony Offenders Act	681,000	798,039	814,253	827,281
TOTAL OTHER CURRENT EXPENSES	3,222,001	3,502,109	3,567,565	3,623,258
AGENCY TOTAL	49,526,054	60,208,228	59,651,666	62,227,961
CRIMINAL JUSTICE COMMISSION				
Other Expenses	1,000	1,200	1,200	1,200
AGENCY TOTAL	1,000	1,200	1,200	1,200
STATE MARSHAL COMMISSION				
Personal Services	313,630	316,710	334,302	350,181
Other Expenses	161,374	164,717	166,848	169,518
CAPITAL OUTLAY				
Equipment	25,100	2,400	2,400	2,400
AGENCY TOTAL	500,104	483,827	503,550	522,099
TOTAL GENERAL GOVERNMENT	685,059,408	621,945,260	637,943,297	656,565,741
<u>REGULATION AND PROTECTION</u>				
DEPARTMENT OF PUBLIC SAFETY				
Personal Services	126,752,434	148,997,431	151,816,352	159,027,629
Other Expenses	30,132,509	34,856,114	35,598,854	36,168,436
CAPITAL OUTLAY				
Equipment	100	5,248,607	3,598,743	3,598,743
OTHER CURRENT EXPENSES				
Stress Reduction	53,354	23,354	23,354	23,354
Fleet Purchase	8,351,138	9,075,351	9,665,718	9,820,369
Gun Law Enforcement Task Force	400,000	408,400	414,118	420,744
Workers' Compensation Claims	3,619,776	3,800,765	3,990,803	4,054,656
COLLECT	51,500	52,582	53,318	54,171
Urban Violence Task Force	318,018	324,696	329,242	334,510
Persistent Violent Felony Offenders Act	514,000	0	0	0
TOTAL OTHER CURRENT EXPENSES	13,307,786	13,685,148	14,476,553	14,707,804
PMTS TO OTHER THAN LOCAL GOVTS				
Civil Air Patrol	36,758	37,530	38,055	38,664
PMTS TO LOCAL GOVERNMENTS				
SNTF Local Officer Incentive Program	238,800	243,815	247,228	251,184
TOTAL FIXED CHARGES	275,558	281,345	285,283	289,848
AGENCY TOTAL	170,468,387	203,068,645	205,775,785	213,792,460
POLICE STANDARDS & TRAINING COUNCIL				
Personal Services	2,071,448	2,192,413	2,246,679	2,353,396
Other Expenses	1,029,219	1,093,764	1,098,367	1,115,941
CAPITAL OUTLAY				
Equipment	15,100	194,355	103,105	100
AGENCY TOTAL	3,115,767	3,480,532	3,448,151	3,469,437
BOARD OF FIREARMS PERMIT EXAMINERS				
Personal Services	89,197	91,619	93,967	98,430

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Other Expenses	14,751	15,057	15,265	15,509
CAPITAL OUTLAY				
Equipment	100	4,582	4,074	4,074
AGENCY TOTAL	<u>104,048</u>	<u>111,258</u>	<u>113,306</u>	<u>118,013</u>
 MILITARY DEPARTMENT				
Personal Services	3,493,752	3,739,878	3,873,225	4,057,203
Other Expenses	3,273,537	3,996,604	4,489,104	4,560,930
CAPITAL OUTLAY				
Equipment	1,000	399,600	323,500	300,000
OTHER CURRENT EXPENSES				
Firing Squads	319,500	424,200	459,000	459,000
Veterans' Service Bonuses	250,000	480,000	480,000	480,000
TOTAL OTHER CURRENT EXPENSES	569,500	904,200	939,000	939,000
AGENCY TOTAL	<u>7,337,789</u>	<u>9,040,282</u>	<u>9,624,829</u>	<u>9,857,133</u>
 COMM ON FIRE PREVENTION & CONTROL				
Personal Services	1,687,862	1,755,067	1,814,045	1,900,212
Other Expenses	832,092	880,693	903,133	917,583
CAPITAL OUTLAY				
Equipment	100	586,000	617,500	500,000
OTHER CURRENT EXPENSES				
Firefighter Training I	795,000	811,695	823,059	836,228
PMTS TO OTHER THAN LOCAL GOVTS				
Fire Training School - Willimantic	170,314	177,126	184,211	187,158
Fire Training School - Torrington	85,650	94,215	97,985	99,553
Fire Training School - New Haven	50,910	52,946	55,064	55,945
Fire Training School - Derby	39,094	40,658	42,284	42,961
Fire Training School - Wolcott	105,434	133,434	138,771	140,991
Fire Training School - Fairfield	74,100	77,064	80,147	81,429
Fire Training School - Hartford	178,248	187,160	196,518	199,662
Fire Training School - Middletown	62,161	86,778	86,778	88,166
Fire Training School - Stamford	3,350	3,483	3,623	3,681
Payments to Volunteer Fire Companies	100,000	102,100	103,529	105,185
Fire Training School - Stamford	55,000	57,200	59,488	60,440
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	924,261	1,012,164	1,048,398	1,065,171
TOTAL FIXED CHARGES	924,261	1,012,164	1,048,398	1,065,171
AGENCY TOTAL	<u>4,239,315</u>	<u>5,045,619</u>	<u>5,206,135</u>	<u>5,219,194</u>
 DEPARTMENT OF CONSUMER PROTECTION				
Personal Services	10,307,942	11,227,480	11,530,540	12,078,241
Other Expenses	1,378,409	1,418,086	1,368,860	1,390,762
CAPITAL OUTLAY				
Equipment	100	205,475	150,000	150,000
AGENCY TOTAL	<u>11,686,451</u>	<u>12,851,041</u>	<u>13,049,400</u>	<u>13,619,003</u>
 DEPARTMENT OF LABOR				
Personal Services	8,512,443	9,046,371	9,158,636	9,593,671
Other Expenses	1,524,500	1,573,045	1,594,294	1,619,803
CAPITAL OUTLAY				
Equipment	1,000	90,961	80,396	80,396
OTHER CURRENT EXPENSES				
Workforce Investment Act	25,895,848	22,957,988	22,957,988	22,957,988
Connecticut's Youth Employment Program	5,000,000	5,105,000	5,176,470	5,259,294
Jobs First Employment Services	16,337,976	16,970,590	17,162,014	17,436,606
Opportunity Industrial Centers	500,000	510,500	517,647	525,929
Individual Development Accounts	600,000	612,600	621,176	631,115
STRIDE	300,000	306,300	310,588	315,557
Apprenticeship Program	654,700	657,683	658,432	668,967
Connecticut Career Resource Network	164,752	166,706	173,530	176,306
21st Century Jobs	1,001,957	1,022,063	1,035,713	1,052,284
TANF Job Reorganization	6,500,000	6,631,523	6,719,838	6,827,355
Incumbent Worker Training	500,000	510,500	517,647	525,929
STRIVE	300,000	306,300	310,588	315,557
Unemployment Benefits for Military Spouses	175,000	175,000	175,000	175,000
TOTAL OTHER CURRENT EXPENSES	57,930,233	55,932,753	56,336,631	56,867,887
AGENCY TOTAL	<u>67,968,176</u>	<u>66,643,130</u>	<u>67,169,957</u>	<u>68,161,757</u>

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OFFICE OF VICTIM ADVOCATE				
Personal Services	325,272	345,879	352,497	369,241
Other Expenses	51,912	52,998	53,740	54,600
CAPITAL OUTLAY				
Equipment	100	7,500	2,000	2,000
AGENCY TOTAL	377,284	406,377	408,237	425,841
COMM-HUMAN RIGHTS & OPPORTUNITIES				
Personal Services	7,491,052	7,577,189	7,599,507	7,960,484
Other Expenses	551,617	1,079,710	871,552	885,497
CAPITAL OUTLAY				
Equipment	1,000	475,000	125,097	125,097
OTHER CURRENT EXPENSES				
Martin Luther King, Jr. Commission	6,650	6,790	6,885	6,995
AGENCY TOTAL	8,050,319	9,138,689	8,603,041	8,978,073
OFFICE OF PROTECTION AND ADVOCACY				
Personal Services	2,354,956	2,424,680	2,430,681	2,546,138
Other Expenses	392,882	401,124	406,635	413,141
CAPITAL OUTLAY				
Equipment	1,000	39,018	37,932	37,932
AGENCY TOTAL	2,748,838	2,864,822	2,875,248	2,997,211
OFFICE OF THE CHILD ADVOCATE				
Personal Services	826,699	912,364	921,834	965,621
Other Expenses	144,264	188,488	191,037	194,094
CAPITAL OUTLAY				
Equipment	1,000	2,296	3,078	3,000
OTHER CURRENT EXPENSES				
Child Fatality Review Panel	84,917	90,619	90,619	92,069
AGENCY TOTAL	1,056,880	1,193,767	1,206,568	1,254,784
EMERGENCY MGMT/HOMELAND SECURITY				
Personal Services	4,115,403	4,245,259	4,336,078	4,542,042
Other Expenses	511,511	523,594	532,042	540,555
CAPITAL OUTLAY				
Equipment	100	314,350	407,900	407,900
OTHER CURRENT EXPENSES				
American Red Cross	225,000	229,725	232,941	236,668
AGENCY TOTAL	4,852,014	5,312,928	5,508,961	5,727,165
TOTAL	282,005,268	319,157,090	322,989,618	333,620,071
REGULATION AND PROTECTION				

CONSERVATION AND DEVELOPMENT

DEPARTMENT OF AGRICULTURE				
Personal Services	3,860,000	4,059,633	4,179,448	4,377,972
Other Expenses	797,601	828,738	853,933	867,596
CAPITAL OUTLAY				
Equipment	100	18,000	38,000	38,000
OTHER CURRENT EXPENSES				
Oyster Program	0	100,000	100,000	101,600
CT Seafood Advisory Council	47,500	47,500	47,500	48,260
Food Council	25,000	25,000	25,000	25,400
Vibrio Bacterium Program	10,000	10,000	10,000	10,160
Connecticut Wine Council	47,500	47,500	47,500	48,260
Senior Food Vouchers	400,000	400,000	400,000	406,400
TOTAL OTHER CURRENT EXPENSES	530,000	630,000	630,000	640,080
PMTS TO OTHER THAN LOCAL GOVTS				
WIC Pgm for Fresh Produce for Seniors	110,000	110,000	110,000	111,760
Collection of Agricultural Statistics	1,200	1,200	1,200	1,219
Tuberculosis and Brucellosis Indemnity	1,000	1,000	1,000	1,016
Exhibits and Demonstrations	5,600	5,717	5,797	5,890

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	Estimated	Requested	Requested	Projected
	2008-2009	2009-2010	2010-2011	2011-2012
Connecticut Grown Product Promotion	15,000	15,000	15,000	15,240
WIC Coupon Program for Fresh Produce	84,090	185,856	187,058	190,051
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	216,890	318,773	320,055	325,176
TOTAL FIXED CHARGES	216,890	318,773	320,055	325,176
AGENCY TOTAL	5,404,591	5,855,144	6,021,436	6,248,824
DEPARTMENT OF ENVIRONMENTAL PROTECTION				
Personal Services	33,758,800	35,038,614	35,861,347	37,564,761
Other Expenses	3,726,900	3,832,981	3,870,404	3,932,330
CAPITAL OUTLAY				
Equipment	100	2,692,800	2,859,800	100
OTHER CURRENT EXPENSES				
Stream Gaging	195,456	199,561	202,355	205,593
Mosquito Control	375,203	380,353	383,054	389,183
State Superfund Site Maintenance	391,000	399,211	404,800	411,277
Laboratory Fees	275,875	281,668	285,611	290,181
Dam Maintenance	138,809	143,919	153,078	155,527
Storm Drain Filters	500,000	0	0	0
Invasive Plants Council	500,000	510,910	519,333	527,642
TOTAL OTHER CURRENT EXPENSES	2,376,343	1,915,622	1,948,231	1,979,403
PMTS TO OTHER THAN LOCAL GOVTS				
Agree USGS-Geology Investigation	47,000	47,987	48,659	49,438
Agreement USGS-Hydrological Study	152,259	155,456	157,632	160,154
N E Interstate Water Pollution Comm	8,400	8,576	8,696	8,835
Northeast Interstate Forest Fire Comp	2,040	2,083	2,112	2,146
Conn River Valley Flood Control Comm	40,200	41,044	41,619	42,285
Thames River Valley Flood Control Comm	50,200	51,254	51,972	52,804
Agree USGS Quality Stream Monitoring	210,981	215,412	218,428	221,923
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	511,080	521,812	529,118	537,585
TOTAL FIXED CHARGES	511,080	521,812	529,118	537,585
AGENCY TOTAL	40,373,223	44,001,829	45,068,900	44,014,179
COUNCIL ON ENVIRONMENTAL QUALITY				
Personal Services	162,620	162,711	163,756	171,534
Other Expenses	14,500	14,805	15,011	15,251
CAPITAL OUTLAY				
Equipment	100	0	0	0
AGENCY TOTAL	177,220	177,516	178,767	186,785
COMMISSION ON CULTURE AND TOURISM				
Personal Services	3,873,749	4,191,523	4,329,274	4,534,915
Other Expenses	1,048,949	1,234,891	1,251,525	1,271,549
CAPITAL OUTLAY				
Equipment	1,000	50,429	5,000	5,000
OTHER CURRENT EXPENSES				
Statewide Marketing	4,300,000	4,386,000	4,473,720	4,545,300
CT Asso Performing Arts/Schubert Theater	500,000	500,000	500,000	508,000
Hartford Urban Arts Grant	500,000	500,000	500,000	508,000
New Britain Arts Council	100,000	100,000	100,000	101,600
Ivoryton Playhouse	50,000	50,000	50,000	50,800
TOTAL OTHER CURRENT EXPENSES	5,450,000	5,536,000	5,623,720	5,713,700
PMTS TO OTHER THAN LOCAL GOVTS				
Discovery Museum	500,000	500,000	500,000	508,000
National Theatre for the Deaf	200,000	200,000	200,000	203,200
Culture, Tourism and Art Grant	4,000,000	4,000,000	4,000,000	4,064,000
CT Trust for Historic Preservation	250,000	250,000	250,000	254,000
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	4,950,000	4,950,000	4,950,000	5,029,200
PMTS TO LOCAL GOVERNMENTS				
Greater Hartford Arts Council	125,000	125,000	125,000	127,000
Stamford Center for the Arts	500,000	500,000	500,000	508,000
Stepping Stones Museum for Children	50,000	50,000	50,000	50,800
Maritime Center Authority	675,000	675,000	675,000	685,800
Basic Cultural Resources Grant	2,400,000	2,400,000	2,400,000	2,438,400
Tourism Districts	4,500,000	4,500,000	4,500,000	4,572,000
Connecticut Humanities Council	2,500,000	2,500,000	2,500,000	2,540,000
Amistad Committee for the Freedom Trail	45,000	45,000	45,000	45,720
Amistad Vessel	500,000	500,000	500,000	508,000

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	Estimated 2008-2009	Requested 2009-2010	Requested 2010-2011	Projected 2011-2012
New Haven Festival of Arts and Ideas	1,000,000	1,000,000	1,000,000	1,016,000
New Haven Arts Council	125,000	125,000	125,000	127,000
Palace Theater	500,000	500,000	500,000	508,000
Beardsley Zoo	400,000	400,000	400,000	406,400
Mystic Aquarium	750,000	750,000	750,000	762,000
Quinebaug Tourism	100,000	100,000	100,000	101,600
Northwestern Tourism	100,000	100,000	100,000	101,600
Eastern Tourism	100,000	100,000	100,000	101,600
Central Tourism	100,000	100,000	100,000	101,600
Twain/Stowe Homes	120,000	120,000	120,000	121,920
TOTAL PMTS TO LOCAL GOVERNMENTS	14,590,000	14,590,000	14,590,000	14,823,440
TOTAL FIXED CHARGES	19,540,000	19,540,000	19,540,000	19,852,640
AGENCY TOTAL	29,913,698	30,552,843	30,749,519	31,377,804
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT				
Personal Services	7,430,874	7,900,586	8,045,031	8,427,170
Other Expenses	1,352,314	1,376,668	1,393,123	1,415,413
CAPITAL OUTLAY				
Equipment	1,000	100,500	85,000	85,000
OTHER CURRENT EXPENSES				
Elderly Rental Registry and Counselors	629,654	642,877	651,877	662,307
Connecticut Research Institute	0	454,656	461,022	468,398
Small Business Incubator Program	1,000,000	1,021,000	1,035,294	1,051,859
Fair Housing	350,000	357,350	362,353	368,151
BioFuels Production Account	100,000	102,100	103,529	105,185
CCAT-Energy Application Research	225,000	229,725	232,941	236,668
Main Street Initiatives	80,000	0	0	0
Residential Service Coordinators	1,000,000	1,021,000	1,035,294	1,051,859
Office of Military Affairs	200,000	204,200	207,059	210,372
Hydrogen/Fuel Cell Economy	250,000	255,250	258,824	262,965
Southeast CT Incubator	500,000	510,500	517,647	525,929
Southeast CT Marketing Plan	200,000	0	0	0
CCAT-CT Manufacturing Supply Chain	1,000,000	1,021,000	1,035,294	1,051,859
Energy Device Loan Program	2,000,000	0	0	0
TOTAL OTHER CURRENT EXPENSES	7,534,654	5,819,658	5,901,134	5,995,552
PMTS TO OTHER THAN LOCAL GOVTS				
Entrepreneurial Centers	142,500	145,493	147,529	149,889
Subsidized Assisted Living Demo	2,068,000	1,850,000	2,170,000	2,204,720
Congregate Facilities Operation Costs	6,884,547	6,872,600	7,456,771	7,576,079
Housing Assistance & Counseling Pgm	588,903	947,668	960,935	976,310
Elderly Congregate Rent Subsidy	1,823,004	2,752,936	3,560,056	3,617,017
CONNSTEP	1,000,000	1,021,000	1,035,294	1,051,859
Dev Research & Economic Assistnce	250,000	255,250	258,824	262,965
SAMA Bus Windham	300,000	306,300	310,588	315,557
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	13,056,954	14,151,247	15,899,997	16,154,396
PMTS TO LOCAL GOVERNMENTS				
Tax Abatement	0	1,735,700	1,760,000	0
Payment in Lieu of Taxes	0	2,246,200	2,277,649	0
TOTAL PMTS TO LOCAL GOVERNMENTS	0	3,981,900	4,037,649	0
TOTAL FIXED CHARGES	13,056,954	18,133,147	19,937,646	16,154,396
AGENCY TOTAL	29,375,796	33,330,559	35,361,934	32,077,531
AGRICULTURAL EXPERIMENT STATION				
Personal Services	6,300,651	6,410,974	6,452,631	6,759,131
Other Expenses	713,495	965,728	975,749	991,361
CAPITAL OUTLAY				
Equipment	100	207,285	222,200	222,200
OTHER CURRENT EXPENSES				
Mosquito Control	221,869	230,164	232,514	236,234
Wildlife Disease Prevention	79,746	85,091	87,091	88,484
TOTAL OTHER CURRENT EXPENSES	301,615	315,255	319,605	324,718
AGENCY TOTAL	7,315,861	7,899,242	7,970,185	8,297,410
TOTAL CONSERVATION AND DEVELOPMENT	112,560,389	121,817,133	125,350,741	122,202,533

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	Estimated 2008-2009	Requested 2009-2010	Requested 2010-2011	Projected 2011-2012
HEALTH AND HOSPITALS				
DEPARTMENT OF PUBLIC HEALTH				
Personal Services	35,174,223	37,922,563	38,099,287	39,909,003
Other Expenses	7,533,002	6,396,510	6,462,509	6,565,909
CAPITAL OUTLAY				
Equipment	9,600	1,913,520	3,796,967	1,913,520
OTHER CURRENT EXPENSES				
Needle and Syringe Exchange Program	490,909	532,435	556,395	578,094
Comm Svs Support Persons w/ AIDS	199,177	216,026	225,747	234,551
Children's Health Initiatives	1,609,658	1,720,402	1,786,558	1,856,234
Childhood Lead Poisoning	713,032	1,136,500	1,187,643	1,233,961
AIDS Services	7,906,553	8,325,600	8,700,252	9,039,562
Breast & Cervical Cancer Detectn/Treatment	2,351,494	2,538,801	2,638,959	2,741,878
Services for Children Affected by AIDS	264,325	286,683	299,584	311,268
Children w/Special Hlth Care Needs	1,371,764	1,487,803	1,554,754	1,615,389
Medicaid Administration	3,927,702	3,983,829	3,989,446	4,053,277
Fetal and Infant Mortality Review	300,000	306,300	310,588	322,701
Nursing Student Loan Forgiveness Program	125,000	127,625	129,412	131,483
TOTAL OTHER CURRENT EXPENSES	19,259,614	20,662,004	21,379,338	22,118,398
PMTS TO OTHER THAN LOCAL GOVTS				
Community Health Services	9,284,758	9,988,813	10,438,309	10,845,403
Emergency Medical Services Training	68,171	69,603	70,577	71,706
Emergency Med Svcs Regional Offices	677,477	691,704	701,388	712,610
Rape Crisis	426,877	448,917	455,202	472,955
X-Ray Screening and Tuberculosis Care	820,761	859,554	871,588	905,580
Genetic Diseases Programs	895,323	941,548	954,730	991,964
Loan Repayment Program	125,067	127,693	129,481	131,553
Immunization Services	9,044,950	9,524,332	9,952,927	10,341,091
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	21,343,384	22,652,164	23,574,202	24,472,862
PMTS TO LOCAL GOVERNMENTS				
Local & District Departments of Health	5,352,419	5,571,063	5,789,706	5,882,341
Venereal Disease Control	216,900	228,396	238,674	247,982
School Based Health Clinics	10,209,364	10,994,000	11,488,730	11,936,790
TOTAL PMTS TO LOCAL GOVERNMENTS	15,778,683	16,793,459	17,517,110	18,067,113
TOTAL FIXED CHARGES	37,122,067	39,445,623	41,091,312	42,539,975
AGENCY TOTAL	99,098,506	106,340,220	110,829,413	113,046,805
OFFICE OF HEALTH CARE ACCESS				
Personal Services	2,074,854	2,255,476	2,306,819	2,416,393
Other Expenses	236,218	256,142	259,713	263,868
CAPITAL OUTLAY				
Equipment	100	14,500	0	0
AGENCY TOTAL	2,311,172	2,526,118	2,566,532	2,680,261
OFFICE OF THE CHIEF MEDICAL EXAMINER				
Personal Services	5,089,450	5,438,182	5,789,975	6,064,999
Other Expenses	746,205	824,432	861,748	875,536
CAPITAL OUTLAY				
Equipment	8,500	117,500	171,500	171,500
OTHER CURRENT EXPENSES				
Medicolegal Investigations	100,039	100,039	100,039	100,039
AGENCY TOTAL	5,944,194	6,480,153	6,923,262	7,212,074
DEPARTMENT OF DEVELOPMENTAL SERVICES				
Personal Services	317,197,629	323,624,823	324,733,201	340,158,028
Other Expenses	27,922,237	28,959,020	29,390,078	29,860,319
CAPITAL OUTLAY				
Equipment	1,000	2,791,077	2,144,808	2,144,808
OTHER CURRENT EXPENSES				
Human Resource Development	231,358	236,217	239,524	243,356
Family Support Grants	3,280,095	3,348,977	3,395,863	3,450,197
Cooperative Placements Program	20,090,604	21,666,809	22,391,474	22,769,194
Clinical Services	4,828,372	5,084,276	5,313,068	5,520,278
Early Intervention	28,213,749	36,748,003	39,716,475	40,351,939
Community Temporary Support Services	67,315	68,729	69,691	70,806
Community Respite Care Programs	330,345	337,282	342,004	347,476

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	Estimated 2008-2009	Requested 2009-2010	Requested 2010-2011	Projected 2011-2012
Workers' Compensation Claims	14,246,035	16,770,395	18,213,138	18,504,548
Pilot Program for Autism Services	1,500,000	1,557,205	1,579,006	1,604,270
TOTAL OTHER CURRENT EXPENSES	72,787,873	85,817,893	91,260,243	92,862,064
PMTS TO OTHER THAN LOCAL GOVTS				
Rent Subsidy Program	4,537,554	4,757,411	4,824,040	4,901,225
Family Reunion Program	137,900	140,796	142,767	145,051
Employment Opportunities & Day Svcs	167,548,588	186,404,469	199,239,425	202,427,256
Community Residential Services	383,924,747	423,320,700	443,623,247	458,388,761
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	556,148,789	614,623,376	647,829,479	665,862,293
TOTAL FIXED CHARGES	556,148,789	614,623,376	647,829,479	665,862,293
AGENCY TOTAL	974,057,528	1,055,816,189	1,095,357,809	1,130,887,512
DEPT MENTAL HEALTH & ADDICTION SVS				
Personal Services	197,104,779	214,906,052	218,206,506	232,135,715
Other Expenses	32,032,281	33,291,137	33,938,766	34,523,386
CAPITAL OUTLAY				
Equipment	1,000	2,986,813	2,979,277	2,979,277
OTHER CURRENT EXPENSES				
Housing Supports and Services	12,598,532	13,504,577	14,107,805	14,658,009
Managed Service System	29,855,820	42,034,238	53,160,631	60,233,896
Legal Services	536,085	561,831	569,696	578,811
Connecticut Mental Health Center	8,842,614	9,311,272	9,730,278	10,109,759
Capitol Region Mental Health Center	340,408	347,555	352,419	358,058
Professional Services	8,683,898	9,144,651	9,556,592	9,929,299
Regional Action Councils	325,000	331,825	336,471	341,855
General Assistance Managed Care	81,240,508	89,383,252	97,716,854	103,769,654
Workers' Compensation Claims	13,244,566	13,946,528	14,574,121	15,142,512
Nursing Home Screening	618,934	650,669	675,599	686,409
Young Adult Services	39,433,118	40,736,219	41,686,469	43,312,241
TBI Community Services	5,559,318	6,012,115	6,240,619	7,491,253
Jail Diversion	4,362,006	4,563,053	4,681,501	4,864,080
Behavioral Health Medications	8,989,095	9,466,233	9,892,826	10,278,646
Prison Overcrowding	6,306,821	6,582,086	6,828,186	7,094,485
Community Mental Health Strategy Board	11,397,910	12,188,869	12,706,226	13,201,769
Medicaid Adult Rehabilitation Option	3,927,000	4,258,578	4,450,214	4,623,772
Discharge and Diversion Services	3,025,618	3,243,362	3,389,313	3,521,496
Home and Community Based Services	2,304,976	2,423,801	2,505,165	2,832,816
Persistent Violent Felony Offenders Act	910,000	1,213,000	1,267,585	1,317,021
TOTAL OTHER CURRENT EXPENSES	242,502,227	269,903,714	294,428,570	314,345,841
PMTS TO OTHER THAN LOCAL GOVTS				
Grants for Substance Abuse Services	25,657,045	27,741,373	28,989,735	30,120,335
Gov's Partnership-Protect CT Workforce	501,000	511,521	518,682	526,981
Grants for Mental Health Services	77,306,334	83,812,724	87,584,296	91,000,084
Employment Opportunities	10,322,196	10,853,590	11,005,541	11,181,630
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	113,786,575	122,919,208	128,098,254	132,829,030
TOTAL FIXED CHARGES	113,786,575	122,919,208	128,098,254	132,829,030
AGENCY TOTAL	585,426,862	644,006,924	677,651,373	716,813,249
PSYCHIATRIC SECURITY REVIEW BOARD				
Personal Services	334,977	323,309	323,809	339,190
Other Expenses	50,022	53,676	55,790	56,683
CAPITAL OUTLAY				
Equipment	0	13,000	8,500	8,500
AGENCY TOTAL	384,999	389,985	388,099	404,373
TOTAL HEALTH AND HOSPITALS	1,667,223,261	1,815,559,589	1,893,716,488	1,971,044,274
<u>HUMAN SERVICES</u>				
DEPARTMENT OF SOCIAL SERVICES				
Personal Services	120,046,574	124,605,163	126,350,361	132,352,003
Other Expenses	92,555,196	104,510,962	105,531,280	107,219,780
CAPITAL OUTLAY				
Equipment	1,000	9,009,138	4,321,699	4,000,000
OTHER CURRENT EXPENSES				
Children's Health Council	218,317	222,902	226,022	229,638

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HUSKY Outreach	1,706,452	1,742,287	1,766,680	1,794,947
Genetic Tests in Paternity Actions	201,202	211,866	221,400	230,035
State Food Stamp Supplement	276,517	266,225	281,830	301,900
Day Care Projects	465,353	488,875	495,719	503,651
HUSKY Program	52,306,416	36,552,654	38,830,247	40,900,000
Weatherization Program	2,000,000	0	0	0
Charter Oak Health Plan	0	25,636,424	43,033,742	58,700,000
TOTAL OTHER CURRENT EXPENSES	57,174,257	65,121,233	84,855,640	102,660,171
PMTS TO OTHER THAN LOCAL GOVTS				
Vocational Rehabilitation	7,385,768	7,541,788	7,647,373	7,769,731
Medicaid	3,723,963,566	4,161,563,078	4,494,832,609	4,711,188,500
Lifestar Helicopter	1,388,190	1,461,764	1,527,543	1,551,984
Old Age Assistance	32,821,026	37,451,833	40,579,697	43,826,000
Aid to the Blind	609,452	695,573	729,630	766,100
Aid to the Disabled	59,251,104	64,514,187	69,433,382	74,293,700
Temporary Assist to Families - TANF	115,857,403	119,829,651	124,932,404	128,680,376
Emergency Assistance	500	500	500	500
Food Stamp Training Expenses	32,397	33,077	33,540	34,077
Conn Pharmaceutical Assist to Elderly	56,460,251	31,606,704	33,011,192	35,487,000
Healthy Start	1,441,196	1,569,202	1,639,816	1,666,053
DMHAS – Disproportionate Share	105,935,000	105,935,000	105,935,000	105,935,000
Connecticut Home Care Program	63,057,625	71,907,469	77,305,178	82,700,000
Human Resource Dev-Hispanic Pgms	1,007,671	1,062,213	1,077,084	1,094,317
Services to the Elderly	5,965,455	5,255,527	5,318,870	5,403,972
Safety Net Services	2,049,247	2,145,016	2,175,046	2,209,847
Transportation for Employment Indep	3,209,745	3,391,367	3,438,846	3,493,868
Transitory Rental Assistance	1,186,680	1,200,737	1,279,036	1,299,501
Refunds of Collections	187,150	191,080	193,755	196,855
Services for Persons with Disabilities	740,485	784,540	795,524	808,252
Child Care Services - TANF/CCDBG	93,118,727	118,726,938	127,721,158	137,305,695
Nutrition Assistance	446,829	482,589	489,345	497,175
Housing/Homeless Services	42,446,812	45,398,484	49,141,973	51,243,245
Employment Opportunities	1,231,379	1,257,238	1,274,839	1,295,236
Human Resource Development	35,251	37,591	38,117	38,727
Child Day Care	10,184,456	10,840,357	10,992,122	11,167,996
Independent Living Centers	638,467	679,911	689,430	700,461
AIDS Drug Assistance	606,678	606,678	606,678	606,678
Disproportionate Share-Med Emer Asst	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	183,393,217	200,061,403	208,422,090	221,308,900
School Readiness	4,955,500	5,116,559	5,188,191	5,271,202
Connecticut Children's Medical Center	11,020,000	11,020,000	11,020,000	11,020,000
Community Services	4,042,969	4,307,087	4,392,386	4,462,664
Alzheimer Respite Care	2,294,388	2,342,570	2,375,366	2,413,372
Family Grants	470,099	494,300	501,220	509,240
Human Svcs Infrastructure CAP	4,447,292	4,797,471	4,864,635	4,942,469
Teen Pregnancy Prevention	1,486,008	1,559,459	1,581,291	1,606,592
Medicare Part D Supplemental Needs	5,000,000	28,541,059	28,541,059	31,144,000
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	4,633,642,983	5,139,685,000	5,515,000,925	5,779,214,285
PMTS TO LOCAL GOVERNMENTS				
Child Day Care	4,943,127	5,374,244	5,449,483	5,536,675
Human Resource Development	29,667	31,686	32,129	32,643
Human Resource Dev-Hispanic Pgms	5,087	6,024	6,108	6,206
Teen Pregnancy Prevention	848,312	888,603	901,043	915,460
Services to the Elderly	43,118	45,338	45,972	46,708
Housing/Homeless Services	666,341	701,010	710,825	722,198
Community Services	160,499	195,377	198,112	201,282
TOTAL PMTS TO LOCAL GOVERNMENTS	6,696,151	7,242,282	7,343,672	7,461,172
TOTAL FIXED CHARGES	4,640,339,134	5,146,927,282	5,522,344,597	5,786,675,457
AGENCY TOTAL	4,910,116,161	5,450,173,778	5,843,403,577	6,132,907,411
STATE DEPARTMENT ON AGING				
Personal Services	330,750	340,673	350,893	367,560
Other Expenses	118,250	120,733	122,423	124,382
CAPITAL OUTLAY				
Equipment	1,000	1,000	1,000	1,000
AGENCY TOTAL	450,000	462,406	474,316	492,942

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TOTAL	4,910,566,161	5,450,636,184	5,843,877,893	6,133,400,353
HUMAN SERVICES				
<u>EDUCATION</u>				
DEPARTMENT OF EDUCATION				
Personal Services	135,171,412	156,227,039	162,178,636	169,882,121
Other Expenses	17,507,365	18,151,057	18,371,925	18,665,876
CAPITAL OUTLAY				
Equipment	57,475	2,465,000	1,858,000	1,858,000
OTHER CURRENT EXPENSES				
Institutes for Educators	135,914	138,768	140,711	142,962
Basic Skills Exam Teachers in Training	1,306,071	1,321,306	1,332,498	1,353,818
Teachers' Standards Implementation Pgm	3,048,558	3,110,584	3,152,525	3,202,965
Early Childhood Program	4,897,884	5,952,383	5,952,621	6,047,863
Develop of Mastery Exams Grades 4,6&8	15,224,921	20,022,895	21,275,930	21,616,345
Primary Mental Health	490,000	500,290	507,294	515,411
Adult Education Action	266,689	272,289	276,101	280,519
Vocational Technical School Textbooks	750,000	766,275	777,353	789,791
Repair of Instructional Equipment	387,995	396,143	401,689	408,116
Minor Repairs to Plant	390,213	398,407	403,985	410,449
Connecticut Pre-Engineering Program	400,000	408,400	414,118	420,744
Connecticut Writing Project	60,000	61,260	62,118	63,112
Resource Equity Assessment	499,126	602,132	608,021	617,749
Readers as Leaders	65,000	66,365	67,294	68,371
Early Childhood Advisory Cabinet	1,050,000	1,309,368	1,324,698	1,345,893
High School Technology Initiative	1,000,000	1,500,000	1,500,000	1,524,000
Best Practices	500,000	510,500	517,647	525,929
Longitudinal Data Systems	0	1,700,000	725,000	736,600
Amer-I-Can Program	250,000	0	0	0
Para Professional Development	150,000	151,325	152,290	154,727
School Readiness Staff Bonuses	150,000	153,150	155,294	157,779
School Accountability	1,925,000	2,161,737	2,189,253	2,224,281
Preschool Quality Rating System	2,500,000	2,552,500	2,588,235	2,629,647
Connecticut Science Center	500,000	510,500	517,647	525,929
Reach Out and Read	150,000	153,150	155,294	157,779
Sheff Settlement	9,952,505	13,849,510	27,732,844	28,176,570
TOTAL OTHER CURRENT EXPENSES	46,049,876	58,569,237	72,930,460	74,097,349
PMTS TO OTHER THAN LOCAL GOVTS				
American School for the Deaf	9,979,202	10,565,202	11,207,202	11,386,517
RESC Leases	800,000	1,350,000	1,360,000	1,381,760
Regional Education Services	1,730,000	1,766,330	1,791,059	1,819,716
Omnibus Education Grants State Support	7,945,417	8,044,315	8,111,631	8,241,417
Head Start Services	2,748,150	2,805,861	2,845,143	2,890,665
Head Start Enhancement	1,773,000	1,810,233	1,835,576	1,864,945
Family Resource Centers	6,359,461	6,493,010	6,583,912	6,689,255
Charter Schools	40,692,150	50,925,950	56,332,440	57,233,759
CT Public Television	150,000	153,150	155,294	157,779
Youth Service Bureau Enhancement	625,000	631,600	631,600	641,706
Head Start - Early Childhood Link	2,200,000	2,246,200	2,277,647	2,314,089
After School Enhancements	150,000	153,150	155,294	157,779
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	75,152,380	86,945,001	93,286,798	94,779,387
PMTS TO LOCAL GOVERNMENTS				
Vocational Agriculture	4,560,565	4,656,337	4,721,526	4,797,070
Transportation of School Children	47,964,000	78,600,000	83,700,000	85,039,200
Adult Education	20,596,400	22,631,579	23,157,895	23,528,421
Health Serv for Pupils Private Schools	4,775,000	5,960,000	6,250,000	6,350,000
Education Equalization Grants	1,889,182,288	1,928,855,116	1,955,859,088	1,987,152,833
Bilingual Education	2,129,033	2,173,743	2,204,175	2,239,442
Priority School Districts	124,246,970	126,008,678	132,886,532	135,012,717
Young Parents Program	229,330	234,146	237,424	241,223
Interdistrict Cooperation	14,127,369	14,424,043	14,625,980	14,859,996
School Breakfast Program	1,634,103	1,810,000	2,030,000	2,062,480
Excess Cost - Student Based	133,891,451	156,500,000	171,600,000	174,345,600
Non-Public School Transportation	3,995,000	4,620,000	4,620,000	4,693,920
School to Work Opportunities	213,750	218,239	221,294	224,835

* as adjusted

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	Estimated	Requested	Requested	Projected
	2008-2009	2009-2010	2010-2011	2011-2012
Youth Service Bureaus	2,944,598	3,035,606	3,078,105	3,127,355
OPEN Choice Program	14,115,002	14,411,417	14,613,177	14,846,988
Early Reading Success	2,403,646	2,446,696	2,475,999	2,515,615
Magnet Schools	121,509,285	143,875,925	166,615,207	169,281,050
After School Program	5,500,000	5,615,500	5,694,117	5,785,223
Young Adult Learners	500,000	510,500	517,647	525,929
TOTAL PMTS TO LOCAL GOVERNMENTS	2,394,517,790	2,516,587,525	2,595,108,166	2,636,629,897
TOTAL FIXED CHARGES	2,469,670,170	2,603,532,526	2,688,394,964	2,731,409,284
AGENCY TOTAL	2,668,456,298	2,838,944,859	2,943,733,985	2,995,912,630
BD OF EDUC & SERVICES FOR THE BLIND				
Personal Services	4,370,705	4,631,499	4,628,316	4,848,161
Other Expenses	870,205	888,443	900,357	914,763
CAPITAL OUTLAY				
Equipment	1,000	24,000	24,000	24,000
OTHER CURRENT EXPENSES				
Educ Aid Blind/Visually Handicap Child	7,156,842	7,266,348	7,340,885	7,458,339
Enhanced Employment Opportunities	673,000	687,133	696,753	707,901
TOTAL OTHER CURRENT EXPENSES	7,829,842	7,953,481	8,037,638	8,166,240
PMTS TO OTHER THAN LOCAL GOVTS				
Supplementary Relief and Services	115,425	117,849	119,499	121,411
Vocational Rehabilitation	989,454	1,010,233	1,024,376	1,040,766
Special Training for the Deaf Blind	331,761	338,728	343,470	348,966
Connecticut Radio Information Service	92,253	94,190	95,509	97,037
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	1,528,893	1,561,000	1,582,854	1,608,180
TOTAL FIXED CHARGES	1,528,893	1,561,000	1,582,854	1,608,180
AGENCY TOTAL	14,600,645	15,058,423	15,173,165	15,561,344
COMM ON THE DEAF & HEARING IMPAIRED				
Personal Services	704,218	677,596	683,614	716,086
Other Expenses	162,454	168,841	169,917	172,636
CAPITAL OUTLAY				
Equipment	1,000	5,976	4,980	4,980
OTHER CURRENT EXPENSES				
Part-Time Interpreters	316,200	415,686	425,457	432,264
AGENCY TOTAL	1,183,872	1,268,099	1,283,968	1,325,966
STATE LIBRARY				
Personal Services	5,856,069	6,321,077	6,469,770	6,777,084
Other Expenses	870,459	935,223	957,552	972,873
CAPITAL OUTLAY				
Equipment	1,000	833,700	709,600	709,600
OTHER CURRENT EXPENSES				
State-Wide Digital Library	2,067,485	2,152,130	2,240,012	2,275,852
Interlibrary Loan Delivery Service	262,097	281,179	281,514	286,018
Legal/Legislative Library Materials	1,200,000	1,308,000	1,425,720	1,448,532
State-Wide Data Base Program	710,206	725,120	735,275	747,039
Info Anytime	150,000	153,150	155,294	157,779
Computer Access	200,000	204,200	207,060	210,373
TOTAL OTHER CURRENT EXPENSES	4,589,788	4,823,779	5,044,875	5,125,593
PMTS TO OTHER THAN LOCAL GOVTS				
Support Cooperating Library Serv Units	350,000	357,350	362,350	368,148
PMTS TO LOCAL GOVERNMENTS				
Grants to Public Libraries	347,109	354,400	359,360	365,110
Connecticard Payments	1,226,028	1,251,775	1,269,300	1,289,609
TOTAL PMTS TO LOCAL GOVERNMENTS	1,573,137	1,606,175	1,628,660	1,654,719
TOTAL FIXED CHARGES	1,923,137	1,963,525	1,991,010	2,022,867
AGENCY TOTAL	13,240,453	14,877,304	15,172,807	15,608,017
DEPARTMENT OF HIGHER EDUCATION				
Personal Services	2,866,195	2,912,154	2,884,731	3,021,756
Other Expenses	172,569	190,026	195,829	198,962
CAPITAL OUTLAY				
Equipment	1,000	31,230	32,100	32,100
OTHER CURRENT EXPENSES				
Minority Advancement Program	2,405,666	2,456,185	2,490,572	2,530,421
Alternate Route to Certification	477,033	200,000	200,000	203,200

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	Estimated 2008-2009	Requested 2009-2010	Requested 2010-2011	Projected 2011-2012
National Service Act	345,647	352,906	357,847	363,573
International Initiatives	70,000	96,995	98,353	99,927
Minority Teacher Incentive Program	481,374	491,483	498,364	506,338
Higher Educ State Matching Grant Fd	0	9,173,988	0	0
Education and Health Initiatives	550,000	533,473	540,941	549,596
CommPACT Schools	750,000	0	0	0
ENDOWED CHAIRS	0	2,000,000	0	0
TOTAL OTHER CURRENT EXPENSES	5,079,720	15,305,030	4,186,077	4,253,055
PMTS TO OTHER THAN LOCAL GOVTS				
Capitol Scholarship Program	8,927,779	9,115,262	9,242,876	9,390,762
Awards Children Deceased/Disabled Vets	4,000	4,000	4,000	4,064
CT Independent College Student Grant	23,913,860	29,712,813	29,712,813	30,188,218
CT Aid for Public College Students	30,208,469	54,959,393	54,959,393	55,838,743
New England Board of Higher Education	183,750	183,750	183,750	186,690
Connecticut Aid to Charter Oak	59,393	77,145	77,145	78,379
Opportunities in Veterinary Medicine	0	300,000	400,000	406,400
Washington Center	25,000	0	0	0
ECE - Collaboration with Higher Ed	500,000	484,975	491,765	499,633
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	63,822,251	94,837,338	95,071,742	96,592,889
TOTAL FIXED CHARGES	63,822,251	94,837,338	95,071,742	96,592,889
AGENCY TOTAL	71,941,735	113,275,778	102,370,479	104,098,762
UNIVERSITY OF CONNECTICUT				
OTHER CURRENT EXPENSES				
Operating Expenses	217,199,850	246,820,430	258,688,928	262,827,951
Tuition Freeze	4,741,885	4,803,530	4,865,975	4,943,831
Regional Campus Enhancement	7,374,425	7,418,673	7,463,185	7,582,596
Veterinary Diagnostic Laboratory	100,000	103,000	106,090	107,787
TOTAL OTHER CURRENT EXPENSES	229,416,160	259,145,633	271,124,178	275,462,165
AGENCY TOTAL	229,416,160	259,145,633	271,124,178	275,462,165
UNIV OF CONNECTICUT HEALTH CENTER				
OTHER CURRENT EXPENSES				
Operating Expenses	101,457,891	117,269,512	125,130,177	127,132,260
AHEC for Bridgeport	505,707	505,707	505,707	513,798
TOTAL OTHER CURRENT EXPENSES	101,963,598	117,775,219	125,635,884	127,646,058
AGENCY TOTAL	101,963,598	117,775,219	125,635,884	127,646,058
CHARTER OAK STATE COLLEGE				
OTHER CURRENT EXPENSES				
Operating Expenses	2,175,936	2,281,482	2,311,051	2,348,028
Distance Learning Consortium	683,472	673,599	678,945	689,808
TOTAL OTHER CURRENT EXPENSES	2,859,408	2,955,081	2,989,996	3,037,836
AGENCY TOTAL	2,859,408	2,955,081	2,989,996	3,037,836
TEACHERS' RETIREMENT BOARD				
Personal Services	1,782,963	2,002,785	2,053,345	2,150,879
Other Expenses	778,633	794,953	806,068	818,965
CAPITAL OUTLAY				
Equipment	1,000	0	0	0
PMTS TO OTHER THAN LOCAL GOVTS				
Retirement Contributions	329,302,674	559,224,245	581,593,215	604,856,944
Retirees Health Service Cost	16,031,169	22,140,000	26,400,000	27,429,600
Municipal Retiree Health Insurance Costs	8,989,193	9,538,906	10,492,797	10,902,016
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	354,323,036	590,903,151	618,486,012	643,188,560
TOTAL FIXED CHARGES	354,323,036	590,903,151	618,486,012	643,188,560
AGENCY TOTAL	356,885,632	593,700,889	621,345,425	646,158,404
REGIONAL COMMUNITY-TECHNICAL COLLEGES				
OTHER CURRENT EXPENSES				
Operating Expenses	149,815,671	175,326,560	178,916,713	181,779,380
Tuition Freeze	2,160,925	2,299,224	2,434,878	2,473,836
Manufacturing Tech Pgm - Asnuntuck	345,000	362,250	362,250	368,046
Expand Manufacturing Technology Program	200,000	210,000	210,000	213,360
TOTAL OTHER CURRENT EXPENSES	152,521,596	178,198,034	181,923,841	184,834,622
AGENCY TOTAL	152,521,596	178,198,034	181,923,841	184,834,622

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	Estimated 2008-2009	Requested 2009-2010	Requested 2010-2011	Projected 2011-2012
CONNECTICUT STATE UNIVERSITY				
OTHER CURRENT EXPENSES				
Operating Expenses	152,884,620	169,784,311	177,254,247	180,090,315
Tuition Freeze	6,561,971	6,561,971	6,561,971	6,666,963
Waterbury-Based Degree Programs	997,703	1,030,441	1,070,609	1,087,739
TOTAL OTHER CURRENT EXPENSES	<u>160,444,294</u>	<u>177,376,723</u>	<u>184,886,827</u>	<u>187,845,017</u>
AGENCY TOTAL	160,444,294	177,376,723	184,886,827	187,845,017
TOTAL EDUCATION	3,773,513,691	4,312,576,042	4,465,640,555	4,557,490,821
<u>CORRECTIONS</u>				
DEPARTMENT OF CORRECTION				
Personal Services	435,196,070	458,985,932	462,730,148	484,709,830
Other Expenses	82,959,414	90,781,952	91,827,581	93,296,822
CAPITAL OUTLAY				
Equipment	100	7,632,094	5,421,595	5,421,595
OTHER CURRENT EXPENSES				
Stress Management	0	100,000	0	0
Workers' Compensation Claims	24,898,513	26,000,497	27,126,533	27,560,558
Inmate Medical Services	104,194,273	115,050,414	119,592,354	124,256,456
Board of Pardons and Paroles	5,126,361	5,949,321	5,964,725	6,060,161
Mental Health AIC	500,000	500,000	500,000	508,000
Persistent Violent Felony Offenders Act	2,147,000	2,164,813	2,176,814	2,211,643
TOTAL OTHER CURRENT EXPENSES	136,866,147	149,765,045	155,360,426	160,596,818
PMTS TO OTHER THAN LOCAL GOVTS				
Aid to Paroled and Discharged Inmates	9,500	9,500	9,500	9,652
Legal Services to Prisoners	768,595	870,595	870,595	884,525
Volunteer Services	170,758	174,344	176,785	179,614
Community Support Services	33,662,463	40,933,035	41,508,097	42,172,227
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	34,611,316	41,987,474	42,564,977	43,246,018
TOTAL FIXED CHARGES	<u>34,611,316</u>	<u>41,987,474</u>	<u>42,564,977</u>	<u>43,246,018</u>
AGENCY TOTAL	689,633,047	749,152,497	757,904,727	787,271,083
DEPARTMENT OF CHILDREN AND FAMILIES				
Personal Services	290,594,636	297,298,855	312,293,428	327,133,966
Other Expenses	50,426,054	57,939,447	60,980,533	61,956,222
CAPITAL OUTLAY				
Equipment	1,000	2,666,310	2,354,546	2,400,000
OTHER CURRENT EXPENSES				
Short Term Residential Treatment	692,358	728,105	738,298	750,111
Substance Abuse Screening	1,770,379	1,917,620	2,001,425	2,033,448
Workers' Compensation Claims	10,562,850	10,916,460	11,203,728	11,382,988
Local Systems of Care	2,090,265	2,148,291	2,161,658	2,196,245
Family Support Services	16,052,540	13,689,862	13,882,126	14,107,230
Emergency Needs	1,000,000	1,021,000	1,035,294	1,051,859
TOTAL OTHER CURRENT EXPENSES	32,168,392	30,421,338	31,022,529	31,521,881
PMTS TO OTHER THAN LOCAL GOVTS				
Health Assessment and Consultation	937,541	984,801	998,589	1,014,566
Gts Psychiatric Clinics for Children	13,788,591	14,500,496	14,703,504	14,938,760
Day Treatment Centers for Children	5,628,767	5,919,380	6,002,252	6,098,288
Juvenile Justice Outreach Services	12,358,095	14,559,964	18,002,560	19,924,610
Child Abuse and Neglect Intervention	6,020,272	6,358,647	6,447,668	6,550,831
Community Emergency Services	192,543	115,070	116,681	118,548
Community Based Prevention Services	4,713,620	4,952,388	5,021,722	5,102,070
Family Violence Outreach and Counseling	1,819,203	1,913,128	1,939,912	1,970,951
Support for Recovering Families	8,613,355	12,861,179	13,573,461	13,790,636
No Nexus Special Education	8,037,889	9,425,028	9,556,978	10,206,853
Family Preservation Services	5,228,540	5,498,488	5,575,467	5,664,674
Substance Abuse Treatment	4,358,271	4,573,334	4,637,361	4,711,559
Child Welfare Support Services	4,153,401	4,369,355	4,430,525	4,501,413
Board and Care for Children - Adoption	74,105,257	89,791,791	97,728,654	105,147,812
Board and Care for Children - Foster	119,996,026	131,864,943	137,193,898	142,644,400
Board & Care - Residential	216,037,287	217,809,763	229,795,041	239,925,220
Individualized Family Supports	17,014,615	17,804,970	17,885,740	18,171,912
Community KidCare	23,553,065	26,565,750	26,978,600	27,410,258

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Covenant to Care	161,666	170,013	172,393	175,151
Neighborhood Center	257,777	266,491	270,222	274,546
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	526,975,781	570,304,979	601,031,228	628,343,058
TOTAL FIXED CHARGES	526,975,781	570,304,979	601,031,228	628,343,058
AGENCY TOTAL	900,165,863	958,630,929	1,007,682,264	1,051,355,127
CHILDREN'S TRUST FUND COUNCIL				
Personal Services	1,397,385	1,462,961	1,514,355	1,586,287
Other Expenses	85,000	86,731	87,906	89,312
CAPITAL OUTLAY				
Equipment	1,000	0	20,000	5,000
OTHER CURRENT EXPENSES				
Children's Trust Fund	13,653,290	14,271,626	14,471,428	14,702,971
Safe Harbor Respite	200,000	204,200	207,059	210,372
TOTAL OTHER CURRENT EXPENSES	13,853,290	14,475,826	14,678,487	14,913,343
AGENCY TOTAL	15,336,675	16,025,518	16,300,748	16,593,942
TOTAL CORRECTIONS	1,605,135,585	1,723,808,944	1,781,887,739	1,855,220,152
JUDICIAL				
JUDICIAL DEPARTMENT				
Personal Services	322,384,767	339,651,540	342,726,709	359,006,228
Other Expenses	70,903,976	84,559,633	98,616,765	100,846,633
CAPITAL OUTLAY				
Equipment	3,705,023	5,308,532	4,685,641	4,685,641
OTHER CURRENT EXPENSES				
Alternative Incarceration Program	47,189,524	58,396,807	59,785,850	60,742,424
Justice Education Center, Inc.	300,000	314,581	318,985	324,089
Juvenile Alternative Incarceration	30,936,484	33,451,112	35,009,685	35,569,840
Juvenile Justice Centers	3,169,380	3,331,876	3,378,523	3,432,579
Probate Court	2,500,000	2,552,500	2,588,235	2,629,647
Youthful Offender Services	9,089,299	10,244,379	10,387,800	10,554,005
Victim Security Account	155,000	159,021	161,247	163,827
Persistent Violent Felony Offenders Act	434,700	0	0	0
TOTAL OTHER CURRENT EXPENSES	93,774,387	108,450,276	111,630,325	113,416,411
AGENCY TOTAL	490,768,153	537,969,981	557,659,440	577,954,913
PUBLIC DEFENDER SERVICES COMMISSION				
Personal Services	34,169,082	40,625,504	40,604,487	42,533,200
Other Expenses	1,456,446	1,748,599	1,718,914	1,746,417
CAPITAL OUTLAY				
Equipment	100	651,080	408,835	408,835
OTHER CURRENT EXPENSES				
Special Public Defenders - Contractual	3,044,467	3,671,000	3,671,000	3,729,736
Special Public Defenders - NonContractual	5,850,292	6,724,585	7,154,901	7,269,379
Expert Witnesses	1,615,646	1,975,000	2,016,475	2,048,739
Training and Education	126,114	184,600	187,184	190,179
Persistent Violent Felony Offenders Act	512,000	709,272	724,598	736,192
TOTAL OTHER CURRENT EXPENSES	11,148,519	13,264,457	13,754,158	13,974,225
AGENCY TOTAL	46,774,147	56,289,640	56,486,394	58,662,677
CHILD PROTECTION COMMISSION				
Personal Services	580,031	705,656	706,656	740,222
Other Expenses	184,674	379,204	278,904	283,366
OTHER CURRENT EXPENSES				
Training for Contracted Attorneys	45,000	183,500	183,500	186,436
Contracted Attorneys	11,612,135	11,304,898	11,731,155	11,918,853
Contracted Attorneys Related Expenses	114,435	158,600	158,600	161,138
FAMILY CONTRACTED ATTORNEYS/AMC	0	802,800	802,800	815,645
TOTAL OTHER CURRENT EXPENSES	11,771,570	12,449,798	12,876,055	13,082,072
AGENCY TOTAL	12,536,275	13,534,658	13,861,615	14,105,660
TOTAL JUDICIAL	550,078,575	607,794,279	628,007,449	650,723,250

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NON-FUNCTIONAL				
MISC APPROPRIATION TO THE GOVERNOR				
OTHER CURRENT EXPENSES				
Governor's Contingency Account	15,000	15,000	15,000	15,000
AGENCY TOTAL	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
STATE TREASURER - DEBT SERVICE				
OTHER CURRENT EXPENSES				
Debt Service	1,421,390,258	1,523,430,082	1,539,143,670	1,554,274,468
UConn 2000 - Debt Service	114,018,431	106,934,315	128,426,565	140,958,958
CHEFA Day Care Security	8,500,000	8,500,000	8,500,000	8,500,000
Pension Obligation Bonds	0	58,451,142	65,349,255	80,894,031
TOTAL OTHER CURRENT EXPENSES	1,543,908,689	1,697,315,539	1,741,419,490	1,784,627,457
AGENCY TOTAL	<u>1,543,908,689</u>	<u>1,697,315,539</u>	<u>1,741,419,490</u>	<u>1,784,627,457</u>
OPM - RESERVE FOR SALARY ADJUSTMENTS				
OTHER CURRENT EXPENSES				
Reserve for Salary Adjustments	92,803,621	124,144,809	246,356,448	250,298,151
AGENCY TOTAL	<u>92,803,621</u>	<u>124,144,809</u>	<u>246,356,448</u>	<u>250,298,151</u>
WORKERS' COMPENSATION CLAIMS - DAS				
OTHER CURRENT EXPENSES				
Workers' Compensation Claims	24,706,154	26,680,391	28,927,399	29,390,237
AGENCY TOTAL	<u>24,706,154</u>	<u>26,680,391</u>	<u>28,927,399</u>	<u>29,390,237</u>
MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER				
JUDICIAL REVIEW COUNCIL				
Personal Services	142,160	147,392	151,824	159,036
Other Expenses	29,933	30,562	30,990	31,486
CAPITAL OUTLAY				
Equipment	100	0	0	0
AGENCY TOTAL	<u>172,193</u>	<u>177,954</u>	<u>182,814</u>	<u>190,522</u>
STATE COMPTROLLER- MISCELLANEOUS				
PMTS TO OTHER THAN LOCAL GOVTS				
Maintenance of County Base Fire Radio	25,176	25,931	26,709	27,136
Maint of State-Wide Fire Radio Network	16,756	17,258	17,760	18,044
Equal Grants to Non-Profit Hospitals	31	31	31	31
Police Association of Connecticut	190,000	195,000	200,000	203,200
Connecticut State Firefighter's Assoc	194,711	205,000	205,000	208,280
Interstate Environmental Commission	102,700	102,700	106,800	108,509
TOTAL PMTS TO OTHER THAN LOCAL GOVTS	529,374	545,920	556,300	565,200
PMTS TO LOCAL GOVERNMENTS				
Loss of Taxes on State Property	73,019,215	112,500,000	113,600,000	113,600,000
Loss Taxes Private Tax-Exempt Property	115,431,737	180,100,000	198,000,000	198,000,000
TOTAL PMTS TO LOCAL GOVERNMENTS	188,450,952	292,600,000	311,600,000	311,600,000
TOTAL FIXED CHARGES	188,980,326	293,145,920	312,156,300	312,165,200
AGENCY TOTAL	<u>188,980,326</u>	<u>293,145,920</u>	<u>312,156,300</u>	<u>312,165,200</u>
STATE COMPTROLLER - FRINGE BENEFITS				
OTHER CURRENT EXPENSES				
Unemployment Compensation	4,667,627	4,862,535	5,144,562	5,226,875
Employee Retirement Contribution	504,776,174	629,666,000	657,679,000	668,201,864
Higher Ed Alternative Retirement Sys	31,516,000	35,525,976	35,576,935	37,536,403
Pension & Ret Other Statutory	1,884,000	1,795,862	1,807,834	1,836,759
Judges & Comp Commissioner Ret	14,172,454	15,548,317	16,403,480	16,665,936
Group Life Insurance	6,787,064	8,066,546	8,220,851	8,352,385
Employers Social Security Tax	232,188,340	246,119,640	260,886,819	275,255,662
State Employees Health Serv Cost	500,362,019	561,807,000	628,491,800	653,002,980
Retired Employee Health Serv Cost	484,235,000	542,000,000	614,000,000	637,946,000
Tuition Reimburs Training, Travel	2,002,500	1,070,000	950,000	965,200
TOTAL OTHER CURRENT EXPENSES	1,782,591,178	2,046,461,876	2,229,161,281	2,304,990,064
AGENCY TOTAL	<u>1,782,591,178</u>	<u>2,046,461,876</u>	<u>2,229,161,281</u>	<u>2,304,990,064</u>
TOTAL	1,971,743,697	2,339,785,750	2,541,500,395	2,617,345,786

* as adjusted

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	Estimated 2008-2009	Requested 2009-2010	Requested 2010-2011	Projected 2011-2012
MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER				
TOTAL NON-FUNCTIONAL	3,633,177,161	4,187,941,489	4,558,218,732	4,681,676,631
TOTAL - GENERAL FUND	17,300,003,745	19,247,119,573	20,345,561,686	21,053,286,843
Legislative Unallocated Lapses		-2,700,000	-2,700,000	-2,700,000
27th Payroll Cost				113,661,262
Estimated Unallocated Lapses		-87,780,000	-87,780,000	-87,780,000
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
Allotment Rescissions	-150,200,000			
Debt Service	-30,800,000			
Retired State Employees Health Insurance	-5,000,000			
OPM - PILOT Manufacturing & Equipment	-40,900,000			
Miscellaneous Adjustments	-700,000			
NET - General Fund	17,047,403,745	19,131,639,573	20,230,081,686	21,051,468,105
SPECIAL TRANSPORTATION FUND				
<u>GENERAL GOVERNMENT</u>				
STATE INSURANCE AND RISK MANAGEMENT				
Other Expenses	2,517,540	2,536,000	2,717,500	2,760,980
AGENCY TOTAL	2,517,540	2,536,000	2,717,500	2,760,980
TOTAL GENERAL GOVERNMENT	2,517,540	2,536,000	2,717,500	2,760,980
<u>REGULATION AND PROTECTION</u>				
DEPARTMENT OF MOTOR VEHICLES				
Personal Services	44,376,964	46,379,248	47,042,148	49,276,650
Other Expenses	16,178,125	17,584,040	17,821,637	18,106,783
CAPITAL OUTLAY				
Equipment	966,136	1,115,940	1,108,852	1,108,852
OTHER CURRENT EXPENSES				
Insurance Enforcement	659,785	657,092	676,804	687,633
Commercial Veh Info Sys & Networks Project	283,000	283,000	283,000	287,528
Vision Screening Program	0	2,118,671	2,057,757	2,090,681
TOTAL OTHER CURRENT EXPENSES	942,785	3,058,763	3,017,561	3,065,842
AGENCY TOTAL	62,464,010	68,137,991	68,990,198	71,558,127
TOTAL REGULATION AND PROTECTION	62,464,010	68,137,991	68,990,198	71,558,127
<u>TRANSPORTATION</u>				
DEPARTMENT OF TRANSPORTATION				
Personal Services	151,867,442	159,985,766	161,130,720	168,784,429
Other Expenses	47,038,056	58,698,808	59,077,664	60,022,907
CAPITAL OUTLAY				
Equipment	2,238,870	2,358,549	2,407,012	2,407,012
Highway & Bridge Renewal-Equipment	8,000,000	8,000,000	8,000,000	8,000,000
TOTAL CAPITAL OUTLAY	10,238,870	10,358,549	10,407,012	10,407,012
OTHER CURRENT EXPENSES				
Minor Capital Projects	350,000	350,000	350,000	350,000
Highway Planning and Research	3,192,843	3,211,385	3,360,753	3,414,525
Hospital Transit for Dialysis	100,000	100,000	100,000	100,000
Rail Operations	116,378,770	126,019,785	134,939,904	137,098,942
Bus Operations	116,865,218	119,987,712	125,725,182	128,020,182
Highway and Bridge Renewal	12,576,141	15,917,057	17,165,412	13,020,003
Tweed-New Haven Airport Grant	600,000	0	0	0

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ADA Para-transit Program	22,223,606	23,826,375	25,565,960	25,975,015
Non-ADA Dial-A-Ride Program	576,361	576,361	576,361	576,361
Southeast Tourism Transit System	3,000,000	0	0	0
Non Bondable Bus Capital Projects	250,000	250,000	250,000	250,000
TOTAL OTHER CURRENT EXPENSES	276,112,939	290,238,675	308,033,572	308,805,028
PMTS TO LOCAL GOVERNMENTS				
GF - 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	507,257,307	541,281,798	560,648,968	570,019,376
TOTAL TRANSPORTATION	507,257,307	541,281,798	560,648,968	570,019,376
<u>NON-FUNCTIONAL</u>				
STATE TREASURER - DEBT SERVICE				
OTHER CURRENT EXPENSES				
Debt Service	449,526,814	457,428,190	466,313,433	482,686,702
AGENCY TOTAL	449,526,814	457,428,190	466,313,433	482,686,702
OPM - RESERVE FOR SALARY ADJUSTMENTS				
OTHER CURRENT EXPENSES				
Reserve for Salary Adjustments	7,799,645	11,910,465	21,690,548	22,037,597
AGENCY TOTAL	7,799,645	11,910,465	21,690,548	22,037,597
WORKERS' COMPENSATION CLAIMS - DAS				
OTHER CURRENT EXPENSES				
Workers' Compensation Claims	5,345,089	6,899,002	7,485,417	7,605,184
AGENCY TOTAL	5,345,089	6,899,002	7,485,417	7,605,184
MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER				
STATE COMPTROLLER - FRINGE BENEFITS				
OTHER CURRENT EXPENSES				
Unemployment Compensation	242,000	365,997	387,225	393,421
Employee Retirement Contribution	71,426,000	77,436,000	82,363,000	83,680,808
Group Life Insurance	282,794	336,106	342,535	348,016
Employers Social Security Tax	19,960,600	21,158,236	22,427,730	23,662,980
State Employees Health Serv Cost	38,404,600	35,260,900	39,315,900	40,849,220
TOTAL OTHER CURRENT EXPENSES	130,315,994	134,557,239	144,836,390	148,934,445
AGENCY TOTAL	130,315,994	134,557,239	144,836,390	148,934,445
TOTAL MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER	130,315,994	134,557,239	144,836,390	148,934,445
TOTAL NON-FUNCTIONAL	592,987,542	610,794,896	640,325,788	661,263,928
TOTAL - SPECIAL TRANSPORTATION FUND	1,165,226,399	1,222,750,685	1,272,682,454	1,305,602,411
Estimated Unallocated Lapses		-11,000,000	-11,000,000	-11,000,000
27th Payroll Cost				7,406,156
Allotment Rescissions	-19,620,000			
NET - Special Transportation Fund	1,145,606,399	1,211,750,685	1,261,682,454	1,302,008,567
BANKING FUND				
<u>LEGISLATIVE</u>				
CT HOUSING FINANCE AUTHORITY				
OTHER CURRENT EXPENSES				
Implementation of Section 5-12	14,000,000	0	0	0
AGENCY TOTAL	14,000,000	0	0	0

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TOTAL LEGISLATIVE	14,000,000	0	0	0
<u>REGULATION AND PROTECTION</u>				
DEPARTMENT OF BANKING				
Personal Services	10,805,361	10,786,543	11,078,594	11,604,827
Other Expenses	1,841,792	2,319,149	2,240,735	2,276,587
CAPITAL OUTLAY				
Equipment	100	40,692	0	25,000
OTHER CURRENT EXPENSES				
Fringe Benefits	6,079,741	5,982,965	6,187,321	6,286,318
Indirect Overhead	234,139	879,332	905,711	920,202
TOTAL OTHER CURRENT EXPENSES	6,313,880	6,862,297	7,093,032	7,206,520
AGENCY TOTAL	18,961,133	20,008,681	20,412,361	21,112,934
DEPARTMENT OF LABOR				
OTHER CURRENT EXPENSES				
Customized Services	2,500,000	2,552,176	2,587,677	2,629,080
AGENCY TOTAL	2,500,000	2,552,176	2,587,677	2,629,080
TOTAL REGULATION AND PROTECTION	21,461,133	22,560,857	23,000,038	23,742,014
<u>JUDICIAL</u>				
JUDICIAL DEPARTMENT				
OTHER CURRENT EXPENSES				
Foreclosure Mediation Program	2,000,000	2,373,839	0	0
AGENCY TOTAL	2,000,000	2,373,839	0	0
TOTAL JUDICIAL	2,000,000	2,373,839	0	0
<u>NON-FUNCTIONAL</u>				
STATE TREASURER - DEBT SERVICE				
OTHER CURRENT EXPENSES				
GF Bond Debt Associated Costs	2,500,000	0	0	0
AGENCY TOTAL	2,500,000	0	0	0
TOTAL NON-FUNCTIONAL	2,500,000	0	0	0
TOTAL - BANKING FUND	39,961,133	24,934,696	23,000,038	23,742,014
27th Payroll Cost				485,036
Allotment Rescissions	-150,005			
NET - Banking Fund	39,811,128	24,934,696	23,000,038	24,227,050

INSURANCE FUND

REGULATION AND PROTECTION

INSURANCE DEPARTMENT				
Personal Services	13,206,743	13,498,921	13,940,962	14,603,158
Other Expenses	2,138,612	2,195,847	2,226,683	2,262,310
CAPITAL OUTLAY				
Equipment	134,500	131,100	111,100	120,000
OTHER CURRENT EXPENSES				
Fringe Benefits	7,398,610	7,784,395	8,216,348	8,347,810
Indirect Overhead	175,000	650,000	675,000	685,800

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	Estimated	Requested	Requested	Projected
	2008-2009	2009-2010	2010-2011	2011-2012
TOTAL OTHER CURRENT EXPENSES	7,573,610	8,434,395	8,891,348	9,033,610
AGENCY TOTAL	<u>23,053,465</u>	<u>24,260,263</u>	<u>25,170,093</u>	<u>26,019,078</u>
OFFICE OF THE HEALTHCARE ADVOCATE				
Personal Services	541,822	556,987	565,235	592,084
Other Expenses	144,781	147,801	149,859	152,257
CAPITAL OUTLAY				
Equipment	1,333	2,400	2,400	1,500
OTHER CURRENT EXPENSES				
Fringe Benefits	319,675	311,913	322,183	327,338
Indirect Overhead	25,000	20,000	24,000	24,384
TOTAL OTHER CURRENT EXPENSES	<u>344,675</u>	<u>331,913</u>	<u>346,183</u>	<u>351,722</u>
AGENCY TOTAL	<u>1,032,611</u>	<u>1,039,101</u>	<u>1,063,677</u>	<u>1,097,563</u>
TOTAL REGULATION AND PROTECTION	24,086,076	25,299,364	26,233,770	27,116,641
TOTAL - INSURANCE FUND	24,086,076	25,299,364	26,233,770	27,116,641
27th Payroll Cost				531,560
Allotment Rescissions	-264,264			
NET - Insurance Fund	23,821,812	25,299,364	26,233,770	27,648,201
CONSUMER CNSL & PUBLIC UTIL FUND				
<u>REGULATION AND PROTECTION</u>				
OFFICE OF CONSUMER COUNSEL				
Personal Services	1,482,485	1,468,251	1,515,639	1,587,632
Other Expenses	527,934	544,744	551,367	560,189
CAPITAL OUTLAY				
Equipment	22,700	15,000	14,500	15,000
OTHER CURRENT EXPENSES				
Fringe Benefits	817,666	866,726	918,729	933,429
Indirect Overhead	236,127	208,775	215,039	218,480
TOTAL OTHER CURRENT EXPENSES	<u>1,053,793</u>	<u>1,075,501</u>	<u>1,133,768</u>	<u>1,151,909</u>
AGENCY TOTAL	<u>3,086,912</u>	<u>3,103,496</u>	<u>3,215,274</u>	<u>3,314,730</u>
DEPARTMENT OF PUBLIC UTILITY CONTROL				
Personal Services	12,266,483	12,737,926	13,113,476	13,736,366
Other Expenses	1,702,115	1,782,940	1,788,512	1,817,128
CAPITAL OUTLAY				
Equipment	97,501	169,900	250,900	150,000
OTHER CURRENT EXPENSES				
Fringe Benefits	6,930,574	7,688,356	8,152,874	8,283,320
Indirect Overhead	149,575	387,526	410,780	417,352
Nuclear Energy Advisory Council	9,116	9,116	9,116	9,262
TOTAL OTHER CURRENT EXPENSES	<u>7,089,265</u>	<u>8,084,998</u>	<u>8,572,770</u>	<u>8,709,934</u>
AGENCY TOTAL	<u>21,155,364</u>	<u>22,775,764</u>	<u>23,725,658</u>	<u>24,413,428</u>
TOTAL REGULATION AND PROTECTION	24,242,276	25,879,260	26,940,932	27,728,158
TOTAL - CONSUMER CNSL & PUBLIC UTIL FUND	24,242,276	25,879,260	26,940,932	27,728,158
27th Payroll Cost				530,608
Allotment Rescissions	-727,268			
NET - Consumer Cnsl & Public Util Fund	23,515,008	25,879,260	26,940,932	28,258,766
WORKERS' COMPENSATION FUND				
<u>GENERAL GOVERNMENT</u>				
DIVISION OF CRIMINAL JUSTICE				
Personal Services	55,336	55,336	55,336	57,964

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AGENCY TOTAL	55,336	55,336	55,336	57,964
TOTAL GENERAL GOVERNMENT	55,336	55,336	55,336	57,964
 <u>REGULATION AND PROTECTION</u>				
DEPARTMENT OF LABOR OTHER CURRENT EXPENSES				
Occupational Health Clinics	674,587	688,837	697,840	709,005
AGENCY TOTAL	674,587	688,837	697,840	709,005
 WORKERS' COMPENSATION COMMISSION				
Personal Services	9,853,980	10,008,437	10,154,049	10,636,366
Other Expenses	3,311,885	5,181,679	4,462,231	4,533,627
CAPITAL OUTLAY				
Equipment	307,020	107,639	141,010	141,010
OTHER CURRENT EXPENSES				
Criminal Justice Fraud Unit	498,030	558,546	558,755	567,695
Rehabilitative Services	2,695,840	2,752,453	2,790,988	2,835,644
Fringe Benefits	5,622,685	5,604,725	5,686,268	5,777,248
Indirect Overhead	986,133	895,579	908,118	922,648
TOTAL OTHER CURRENT EXPENSES	9,802,688	9,811,303	9,944,129	10,103,235
AGENCY TOTAL	23,275,573	25,109,058	24,701,419	25,414,238
TOTAL REGULATION AND PROTECTION	23,950,160	25,797,895	25,399,259	26,123,243
TOTAL - WORKERS' COMPENSATION FUND	24,005,496	25,853,231	25,454,595	26,181,207
27th Payroll Cost				290,191
Allotment Rescissions	-440,638			
NET - Workers' Compensation Fund	23,564,858	25,853,231	25,454,595	26,471,398
 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	136,000,000	136,000,000	136,000,000
TOTAL FIXED CHARGES	86,250,000	136,000,000	136,000,000	136,000,000
AGENCY TOTAL	86,250,000	136,000,000	136,000,000	136,000,000
TOTAL MISCELLANEOUS APPROPRIATIONS ADMINISTERED BY THE COMPTROLLER	86,250,000	136,000,000	136,000,000	136,000,000
TOTAL NON-FUNCTIONAL	86,250,000	136,000,000	136,000,000	136,000,000
TOTAL - MASHANTUCKET PEQUOT AND MOHEGAN FUND	86,250,000	136,000,000	136,000,000	136,000,000
 SOLDIERS, SAILORS AND MARINES' FUND				
<u>HUMAN SERVICES</u>				
SOLDIERS, SAILORS AND MARINES' FUND				
Personal Services	770,774	724,657	727,009	761,542
Other Expenses	87,579	164,507	88,041	89,450

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CAPITAL OUTLAY				
Equipment	10,500	0	0	0
OTHER CURRENT EXPENSES				
Award Payments to Veterans	1,979,800	1,994,150	2,019,780	2,052,096
Fringe Benefits	470,322	437,100	438,082	445,091
TOTAL OTHER CURRENT EXPENSES	2,450,122	2,431,250	2,457,862	2,497,187
AGENCY TOTAL	3,318,975	3,320,414	3,272,912	3,348,179
TOTAL HUMAN SERVICES	3,318,975	3,320,414	3,272,912	3,348,179
TOTAL - SOLDIERS, SAILORS AND MARINES' FUND	3,318,975	3,320,414	3,272,912	3,348,179
27th Payroll Cost				27,536
NET - Soldiers, Sailors and Marines' Fund	3,318,975	3,320,414	3,272,912	3,375,715
REGIONAL MARKET OPERATION FUND				
<u>CONSERVATION AND DEVELOPMENT</u>				
DEPARTMENT OF AGRICULTURE				
Personal Services	395,248	396,740	411,023	430,547
Other Expenses	232,714	289,215	292,093	296,766
CAPITAL OUTLAY				
Equipment	100	0	0	0
OTHER CURRENT EXPENSES				
Fringe Benefits	263,011	262,006	277,726	282,170
AGENCY TOTAL	891,073	947,961	980,842	1,009,483
TOTAL CONSERVATION AND DEVELOPMENT	891,073	947,961	980,842	1,009,483
<u>NON-FUNCTIONAL</u>				
STATE TREASURER - DEBT SERVICE				
OTHER CURRENT EXPENSES				
Debt Service	122,067	64,350	65,524	38,338
AGENCY TOTAL	122,067	64,350	65,524	38,338
TOTAL NON-FUNCTIONAL	122,067	64,350	65,524	38,338
TOTAL - REGIONAL MARKET OPERATION FUND	1,013,140	1,012,311	1,046,366	1,047,821
27th Payroll Cost				14,348
Allotment Rescissions	-30,394			
NET - Regional Market Operation Fund	982,746	1,012,311	1,046,366	1,062,169
CRIMINAL INJURIES COMPENSATION FUND				
<u>JUDICIAL</u>				
JUDICIAL DEPARTMENT				
OTHER CURRENT EXPENSES				
Criminal Injuries Compensation Fund	2,625,000	2,680,125	2,717,647	2,761,129
AGENCY TOTAL	2,625,000	2,680,125	2,717,647	2,761,129
TOTAL JUDICIAL	2,625,000	2,680,125	2,717,647	2,761,129
TOTAL - CRIMINAL INJURIES COMPENSATION FUND	2,625,000	2,680,125	2,717,647	2,761,129
TOTAL ALL FUNDS	18,396,899,671	20,588,369,659	21,736,430,400	22,603,281,100

* as adjusted

PROJECTED REVENUES

(In Millions)

	General Fund			
Taxes	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Personal Income Tax	\$ 7,545.0	\$ 7,435.0	\$ 7,707.0	\$ 8,215.0
Sales & Use Tax	3,656.2	3,645.1	3,718.5	3,794.2
Corporation Tax	712.6	712.6	726.8	748.6
Public Service Tax	247.3	250.4	253.8	260.4
Inheritance & Estate Tax	185.1	188.8	192.6	196.4
Insurance Companies Tax	217.2	212.9	212.9	217.2
Cigarettes Tax	325.0	317.0	312.0	307.3
Real Estate Conveyance Tax	133.2	134.5	137.2	140.0
Oil Companies Tax	233.0	190.2	166.8	166.8
Alcoholic Beverages Tax	47.5	48.0	48.5	48.9
Admissions & Dues Tax	37.5	37.9	38.3	38.7
Miscellaneous Tax	141.0	140.3	140.0	139.9
Total Taxes	<u>\$ 13,480.6</u>	<u>\$ 13,312.7</u>	<u>\$ 13,654.4</u>	<u>\$ 14,273.4</u>
Less Refunds of Tax	(895.0)	(975.0)	(1,040.0)	(1,090.0)
Less R&D Credit Exchange	(11.9)	(12.4)	(12.9)	(13.4)
Total – Taxes Less Refunds	<u>\$ 12,573.7</u>	<u>\$ 12,325.3</u>	<u>\$ 12,601.5</u>	<u>\$ 13,170.0</u>
Other Revenue				
Transfers–Special Revenue	\$ 289.0	\$ 290.5	\$ 291.9	\$ 293.4
Indian Gaming Payments	391.4	382.1	389.7	397.5
Licenses, Permits, Fees	156.7	173.5	158.3	175.2
Sales of Commodities	31.0	31.8	32.6	33.4
Rents, Fines, Escheats ⁽¹⁾	104.2	60.1	61.3	62.5
Investment Income ⁽²⁾	50.0	50.0	50.0	50.0
Miscellaneous	141.0	142.6	143.1	143.4
Less Refunds of Payments	(0.6)	(0.6)	(0.6)	(0.6)
Total – Other Revenue	<u>\$ 1,162.7</u>	<u>\$ 1,130.0</u>	<u>\$ 1,126.3</u>	<u>\$ 1,154.8</u>
Other Sources				
Federal Grants	\$ 3,003.8	\$ 3,038.7	\$ 3,220.6	\$ 3,377.2
Transfers to the Resources of the G.F.	179.4	-	-	-
Transfer From Tobacco Settlement	115.8	114.5	113.2	112.9
Transfers From (To) Other Funds	(86.3)	(136.0)	(136.0)	(136.0)
Total – Other Sources	<u>\$ 3,212.7</u>	<u>\$ 3,017.2</u>	<u>\$ 3,197.8</u>	<u>\$ 3,354.1</u>
Total – General Fund Revenues	\$ 16,949.1	\$ 16,472.5	\$ 16,925.6	\$ 17,678.9
Special Transportation Fund				
Taxes	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Motor Fuels Tax	\$ 504.7	\$ 504.7	\$ 509.7	\$ 514.8
Oil Companies Tax	141.9	141.9	165.3	165.3
Sales Tax – DMV	62.5	63.1	63.8	64.4
Total Taxes	<u>\$ 709.1</u>	<u>\$ 709.7</u>	<u>\$ 738.8</u>	<u>\$ 744.5</u>
Less Refunds of Taxes	(7.4)	(7.5)	(7.6)	(7.7)
Total – Taxes Less Refunds	<u>\$ 701.7</u>	<u>\$ 702.2</u>	<u>\$ 731.2</u>	<u>\$ 736.8</u>
Other Sources				
Motor Vehicle Receipts	\$ 229.3	\$ 233.2	\$ 237.1	\$ 241.6
Licenses, Permits, Fees	155.8	157.4	159.0	160.6
Interest Income	25.0	25.0	25.0	25.0
Transfers From (To) Other Funds	(9.5)	(9.5)	(9.5)	(9.5)
Transfers To TSB	(15.3)	(15.3)	(15.3)	(15.3)
Less Refunds of Payments	(3.0)	(3.1)	(3.2)	(3.3)
Total – Other Sources	<u>\$ 382.3</u>	<u>\$ 387.7</u>	<u>\$ 393.1</u>	<u>\$ 399.1</u>
Total – STF Revenues	\$ 1,084.0	\$ 1,089.9	\$ 1,124.3	\$ 1,135.9

PROJECTED REVENUES

(In Millions)

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Mashantucket Pequot and Mohegan Fund				
Transfers from the General Fund	\$ 86.3	\$ 136.0	\$ 136.0	\$ 136.0
Total – Mashantucket Pequot and Mohegan Fund Revenues	\$ 86.3	\$ 136.0	\$ 136.0	\$ 136.0
Soldiers', Sailors', and Marines' Fund				
Investment Income	\$ 3.4	\$ 3.4	\$ 3.3	\$ 3.4
Total – Soldiers', Sailors', and Marines' Fund Revenues	\$ 3.4	\$ 3.4	\$ 3.3	\$ 3.4
Regional Market Operating Fund				
Rentals	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1
Total – Regional Market Operating Fund Revenues	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1
Banking Fund				
Fees and Assessments	\$ 19.0	\$ 25.0	\$ 23.1	\$ 24.3
Resources of the Fund	\$ 21.0	\$ –	\$ –	\$ –
Total – Banking Fund Revenues	\$ 40.0	\$ 25.0	\$ 23.1	\$ 24.3
Insurance Fund				
Assessments	\$ 24.1	\$ 25.3	\$ 26.3	\$ 27.7
Total – Insurance Fund Revenues	\$ 24.1	\$ 25.3	\$ 26.3	\$ 27.7
Consumer Counsel & Public Utility Control Fund				
Fees and Assessments	\$ 24.3	\$ 25.9	\$ 27.0	\$ 28.3
Total – Consumer Counsel & Public Utility Control Revenues	\$ 24.3	\$ 25.9	\$ 27.0	\$ 28.3
Workers' Compensation Fund				
Fees and Assessments	\$ 24.1	\$ 25.9	\$ 25.5	\$ 26.5
Total – Workers' Compensation Fund Revenues	\$ 24.1	\$ 25.9	\$ 25.5	\$ 26.5
Criminal Injuries Compensation Fund				
Fines	\$ 2.7	\$ 2.7	\$ 2.8	\$ 2.8
Total – Criminal Injuries Fund Revenues	\$ 2.7	\$ 2.7	\$ 2.8	\$ 2.8
Total – All Appropriated Funds Revenues	\$ 18,239.1	\$ 17,807.7	\$ 18,295.0	\$ 19,064.9

NOTES:

1. Includes one-time revenue of \$45 million in FY 2009
2. Assumes no depletion of the Rainy Day Fund

Fiscal Accountability Report

ASSUMPTIONS USED TO DEVELOP REVENUE ESTIMATES

	Fiscal <u>2008-09</u>	Fiscal <u>2009-10</u>	Fiscal <u>2010-11</u>	Fiscal <u>2011-12</u>
<u>UNITED STATES</u>				
Gross Domestic Product	3.3%	3.9%	5.9%	4.8%
Real Gross Domestic Product	0.6%	2.4%	4.2%	3.2%
G.D.P. Deflator	2.7%	1.5%	1.7%	1.5%
Housing Starts (M)	0.86	1.03	1.50	1.70
Unemployment Rate	6.5%	7.2%	6.3%	5.2%
New Vehicle Sales (M)	13.34	14.93	16.09	16.03
Consumer Price Index	3.8%	1.7%	1.2%	1.6%
<u>CONNECTICUT</u>				
Personal Income	1.9%	3.5%	4.7%	4.3%
Nonagricultural Employment	-0.9%	-0.4%	1.8%	1.5%
Unemployment Rate	6.6%	6.8%	6.1%	5.2%

M denotes millions.

ECONOMIC GROWTH RATES FOR PROJECTED TAX REVENUES
(PERCENT CHANGE)

	General Fund			
<u>Taxes</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Personal Income Tax ¹	3.9, -1.1	3.5, -10.0	5.9, 0	5.9, 7.5
Sales & Use Tax	1.8	-0.3	2.0	2.0
Corporation Tax	2.4	0.0	2.0	3.0
Public Service Tax	3.8	1.2	1.2	2.6
Inheritance & Estate Tax	8.5	2.0	2.0	2.0
Insurance Companies Tax	-4.4	-2.0	0.0	2.0
Cigarettes Tax	-3.0	-2.5	-1.6	-1.5
Real Estate Conveyance Tax	-16.0	1.0	2.0	2.0
Oil Companies Tax	10.0	-10.6	0.0	0.0
Alcoholic Beverages Tax	0.9	1.0	1.0	1.0
Admissions & Dues Tax	1.0	1.0	1.0	1.0
Special Transportation Fund				
<u>Taxes</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Motor Fuels Tax	-2.0	0.0	1.0	1.0
Sales Tax - DMV	-3.7	1.0	1.0	1.0

NOTES:

1. Rates for withholding and "estimates and final filings".

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 2001 to 2005 for business credits and income year 2006 for the personal income tax credit) of 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 2009. From fiscal year 2010 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

(In Thousands)

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Personal Income Tax Credits				
Property Tax	\$ 377,000	\$ 385,000	\$ 393,000	\$ 401,000
Total Personal Income Tax	\$ 377,000	\$ 385,000	\$ 393,000	\$ 401,000
Business Tax Credits				
Apprenticeship Training	\$ 500	\$ 500	\$ 500	\$ 500
Computer Donation	10	10	10	10
Displaced Electric Worker	1	1	1	1
Displaced Worker	500	500	500	500
Donation of Open Space Land	500	500	500	500
Electronic Data Processing	20,000	20,000	20,000	20,000
Enterprise Zone	1	1	1	1
Film Industry	55,000	57,000	59,000	60,000
Film Industry Infrastructure*	5,000	5,000	5,000	5,000
Film Industry Digital Animation*	15,000	15,000	15,000	15,000
Financial Institutions	30	30	30	30
Fixed Capital	48,500	49,000	49,500	50,000
Hiring Incentive	50	50	50	50
Historic Homes Rehabilitation	200	200	200	200
Historic Rehabilitation- Mixed Use*	5,000	5,000	10,000	16,700
Historic Structures	2,500	5,000	7,500	10,000
Housing Program Contribution	2,800	2,800	2,800	2,800
Human Capital	2,000	2,000	2,000	2,000
Insurance Reinvestment**	14,100	5,700	5,500	4,100
Job Creation	2,000	4,000	5,000	7,000
Machinery and Equipment	2,000	2,000	2,000	2,000
Manufacturing Facility in Targeted Investment Community or Enterprise Zone	800	800	800	800
Neighborhood Assistance	1,000	1,000	1,000	1,000
R&D Grants to Higher Education	100	100	100	100
Research and Development Expenditures	10,100	10,200	10,000	10,000
Research and Experimental Expenditures	15,200	15,400	16,000	16,000
Service Facility	1	1	1	1
Small Business Guaranty Fee	100	100	100	100
Traffic Reduction	2	2	2	2
Urban and Industrial Reinvestment**	17,200	17,200	21,200	23,700
Total Business Tax	\$ 220,195	\$ 219,095	\$ 234,295	\$ 248,095
Total Amount Claimed	\$ 597,195	\$ 604,095	\$ 627,295	\$ 649,095

* New Tax Credits enacted during the 2007 Legislative Session

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

Fiscal Accountability Report

Projected Number of Tax Credits Claimed

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Personal Income Tax Credits				
Property Tax	940,000	949,000	958,000	968,000
Total Personal Income Tax	940,000	949,000	958,000	968,000
Business Tax Credits				
Apprenticeship Training	19	19	20	20
Computer Donation	3	3	3	3
Displaced Electric Worker	1	1	1	1
Displaced Worker	5	5	5	5
Donation of Open Space Land	5	5	5	5
Electronic Data Processing	1,410	1,420	1,430	1,440
Enterprise Zone	1	1	1	1
Film Industry	20	20	20	20
Film Industry Infrastructure*	1	1	1	1
Film Industry Digital Animation*	1	1	1	1
Financial Institutions	5	5	5	5
Fixed Capital	2,800	2,830	2,860	2,890
Hiring Incentive	5	5	5	5
Historic Homes Rehabilitation	2	2	2	2
Historic Rehabilitation- Mixed Use*	5	5	5	5
Historic Structures	3	3	3	3
Housing Program Contribution	20	20	21	21
Human Capital	191	193	195	197
Insurance Reinvestment	5	3	2	2
Job Creation	18	24	24	24
Machinery and Equipment	232	235	237	239
Manufacturing Facility in Targeted Investment Community or Enterprise Zone	45	46	46	47
Neighborhood Assistance	91	92	93	94
R&D Grants to Higher Education	1	1	1	1
Research and Development Expenditures	141	143	144	146
Research and Experimental Expenditures	126	128	129	130
Service Facility	1	1	1	1
Small Business Guaranty Fee	3	3	3	3
Traffic Reduction	6	6	6	6
Urban and Industrial Reinvestment	5	5	5	5
Total Business Tax	5,173	5,226	5,274	5,324
Total Number of Credits Claimed	945,173	954,226	963,274	973,324

* New Tax Credits enacted during the 2007 Legislative Session

SECTION 3
SUMMARY OF ESTIMATED DEFICIENCIES

SUMMARY OF ESTIMATED DEFICIENCIES

(REASONS FOR DEFICIENCIES AND BASIS OF ASSUMPTIONS)

DEPARTMENT OF CORRECTION

The Department of Correction (DOC) has an estimated deficiency of \$18.3 million due to increased prison population. \$8.3 million of the deficiency is in the agency's Personal Services account due to increased overtime costs. \$10 million of the deficiency is in Other Expenses mainly due to largely due to prisoner population levels and inflationary impacts to direct and indirect inmate care line items.

DEPARTMENT OF ADMINISTRATIVE SERVICES – WORKERS' COMPENSATION

A \$1.5 million shortfall is projected as no adjustments were made to compensate for the FY2008 deficiency of \$1.25 million, and due to increased medical inflation.

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 and to Balance Budget)

(In Millions)

Budget Reserve Fund Activity:

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Beginning Balance	\$ 1,381.7	\$ 1,381.7	\$ 1,381.7	\$ 1,381.7
Deposits/(Withdrawals)	- (1)	- (1)	- (1)	- (1)
Ending Balance	<u>\$ 1,381.7</u>	<u>\$ 1,381.7</u>	<u>\$ 1,381.7</u>	<u>\$ 1,381.7</u>
Balance as Percent of Budget	8.4%	8.2%	7.8%	7.7%
Balance Over/(Under) Target	<u>\$ -</u>	<u>\$ (310.8)</u>	<u>\$ (386.1)</u>	<u>\$ (421.0)</u>
Available Over BRF Target ⁽²⁾	\$ -	\$ -	\$ -	\$ -

Calculation of Budget Reserve Fund Target Balance:

General Fund Appropriations	\$ 19,131.6	\$ 20,230.1	\$ 21,051.5
G.F. Reductions to Remain Below Expenditure Cap	(768.4)	(906.5)	(854.3)
G.F. Reductions to Balance Budget	(1,890.7)	(404.6)	(4.5)
G.F. Reductions Due to Prior Year Budget Balancing Adjustment	-	(1,993.4)	(2,513.8)
Adjusted G.F. Appropriations	<u>\$ 16,472.5</u>	<u>\$ 16,925.6</u>	<u>\$ 17,678.9</u>
Target Balance ⁽³⁾	\$ 1,692.6	\$ 1,767.9	\$ 1,802.8 ⁽⁴⁾
Balance Over/(Under) Target	<u>\$ (310.8)</u>	<u>\$ (386.1)</u>	<u>\$ (421.0)</u>

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

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

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

(4) FY2011-12 Target Balance assumes average expenditure growth rate of previous four years.

SECTION 5
PROJECTED BOND AUTHORIZATIONS,
ALLOCATIONS AND ISSUANCES

FIVE YEAR BOND PROJECTIONS

	FY2009	FY2010	FY2011	FY2012	FY2013
Bond Authorizations					
General Obligation Bonds	\$ 1,317,947,438	\$ 1,125,000,000	\$ 1,105,000,000	\$ 1,105,000,000	\$ 1,105,000,000
Special Tax Obligation Bonds	407,300,000	487,000,000	229,000,000	204,000,000	204,000,000
Clean Water Fund Revenue Bonds	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000
UCONN 21st Century	140,000,000	140,500,000	146,500,000	123,100,000	114,500,000
CSUS 2020	95,000,000	95,000,000	95,000,000	95,000,000	95,000,000
Total Bond Authorizations	\$ 2,140,247,438	\$ 2,027,500,000	\$ 1,755,500,000	\$ 1,707,100,000	\$ 1,698,500,000
Bond Allocations					
General Obligation Bonds					
School Construction Program	\$ 623,000,000	\$ 687,000,000	\$ 642,000,000	\$ 620,000,000	\$ 620,000,000
Urban Action Grants	25,000,000	30,000,000	40,000,000	50,000,000	50,000,000
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	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000
Manufacturing Assistance Act	25,000,000	25,000,000	20,000,000	25,000,000	15,000,000
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	-	16,000,000	-	-	4,600,000
Naugatuck Valley	1,300,000	4,500,000	6,600,000	37,800,000	-
Housatonic	-	3,400,000	31,000,000	-	-
Three Rivers	-	900,000	11,600,000	-	-
Norwalk	19,000,000	-	3,000,000	-	54,600,000
Gateway	182,700,000	-	2,500,000	2,500,000	2,500,000
Asnuntuck	1,300,000	11,400,000	-	-	-
Northwestern	-	6,200,000	-	-	-
Manchester	400,000	2,200,000	500,000	-	3,400,000
Middlesex	-	425,000	1,400,000	-	-
Capital	-	-	5,300,000	-	-
Quinebaug	-	900,000	-	-	-
Various Projects	36,700,000	22,500,000	19,000,000	19,000,000	19,000,000
Sub-Total Community College System	\$ 241,400,000	\$ 68,425,000	\$ 80,900,000	\$ 59,300,000	\$ 84,100,000
Connecticut State University System - CSUS2020	\$ 95,000,000	\$ 95,000,000	\$ 95,000,000	\$ 95,000,000	\$ 95,000,000
All other GO projects/programs	100,600,000	47,375,000	75,600,000	102,600,000	96,400,000
UCONN 21st Century	140,000,000	140,500,000	146,500,000	123,100,000	114,500,000
Total General Obligation Bonds	\$ 1,400,000,000	\$ 1,325,000,000	\$ 1,250,000,000	\$ 1,225,000,000	\$ 1,225,000,000
Special Tax Obligation Bonds	425,000,000	500,000,000	500,000,000	325,000,000	325,000,000
Clean Water Fund Revenue Bonds	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000
Total Bond Allocations	\$ 2,005,000,000	\$ 2,005,000,000	\$ 1,930,000,000	\$ 1,730,000,000	\$ 1,730,000,000
Bond Issuance					
General Obligation Bonds	\$ 1,135,000,000	\$ 1,200,000,000	\$ 1,200,000,000	\$ 1,200,000,000	\$ 1,200,000,000
Special Tax Obligation Bonds	400,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Clean Water Revenue Bonds	200,000,000	250,000,000	300,000,000	300,000,000	300,000,000
UCONN 21st Century	140,000,000	140,500,000	146,500,000	123,100,000	114,500,000
Total Bond Issuance	\$ 1,875,000,000	\$ 2,090,500,000	\$ 2,146,500,000	\$ 2,123,100,000	\$ 2,114,500,000
Debt Service					
General Fund	\$ 1,498,108,689	\$ 1,697,315,540	\$ 1,741,419,490	\$ 1,784,627,457	\$ 1,825,398,674
Transportation Fund	435,406,030	457,428,190	466,313,433	482,686,702	476,877,831
Total Debt Service	\$ 1,933,514,719	\$ 2,154,743,730	\$ 2,207,732,923	\$ 2,267,314,159	\$ 2,302,276,505
Debt Service as a Percentage of Budget					
GO Debt Service as Percentage of General Fund	8.79%	8.87%	8.61%	8.48%	8.34%
Total Debt Service	10.63%	10.59%	10.27%	10.14%	9.90%

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 as amended.
CSUS2020 authorizations in accordance with P.A. 07-7, June Special Session.

Bond Allocations

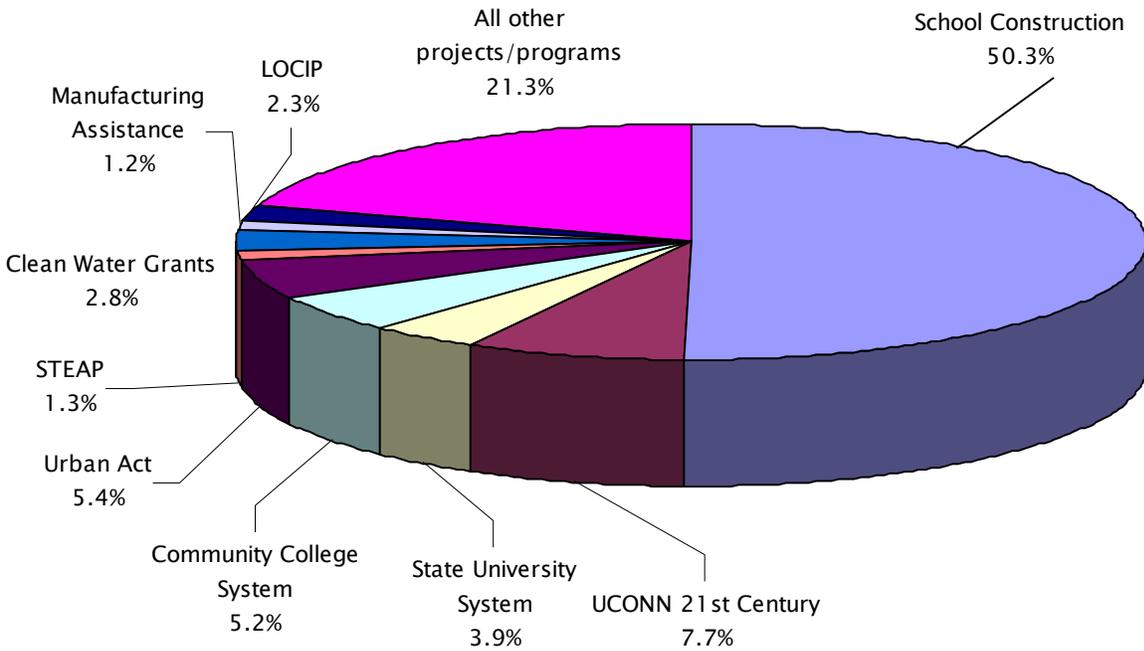
The projected bond allocations in no way represent a commitment to fund any of these programs or projects.
School Construction Program allocations based on budget projections prepared by the Department of Education.
Community College allocations are based on project status and available resources.

Debt Service

FY 2009- Includes estimated lapse and rescissions
As projected by Treasurer for actual and future annual issuance.

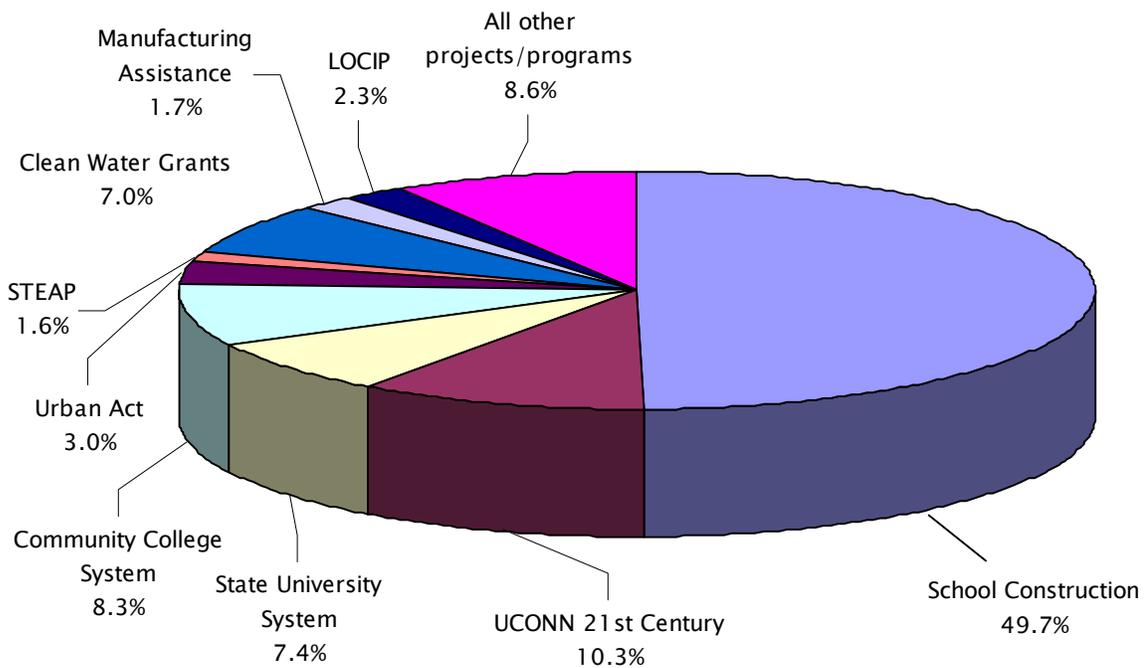
GENERAL OBLIGATION BOND ALLOCATIONS

ACTUAL FY2004 – FY2008



- From FY2004 to FY2008 over 66% of bond allocations were education related
- Over the next 5 years the percentage of bond allocations devoted to education jumps to almost 75%
- All other projects/programs includes; state facility improvements, environmental conservation, CORE-CT, housing, Capital City Economic Development Authority Projects, and state equipment

PROJECTED FY2009 – FY2013



SECTION 6
REVENUE AND EXPENDITURE TRENDS,
MAJOR COST DRIVERS

GOVERNOR RELL'S DEFICIT MITIGATION PLAN SUMMARY

AS SUBMITTED ON OCTOBER 21, 2008 PER SECTION 4-85, C.G.S.

(IN MILLIONS)

\$	(302.4)	Projected Deficit as of 9/22/08
\$	34.4	Second Round Rescissions Implemented 10/1/08

REVENUE

		Department of Developmental Services -
\$	157.0	Cost Settlement of State Facility Rates for 2002 - 2009
\$	13.8	Bottle Deposits
\$	40.0	Tax Amnesty
\$	2.0	Increased Disproportionate Share Hospital Revenue

CARRY-FORWARDS

\$	22.2	Carryforward Reductions
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APPROPRIATIONS

\$	4.8	Reductions in Appropriations
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DELAY NEW INITIATIVES

\$	3.2	New Initiatives - Delay
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OTHER ITEMS

\$	2.0	Governor's Contingency Fund
\$	1.2	Fleet Operations Vehicle Purchase Delay
\$	0.5	Connecticut Independent College Student Grant (Recapture Unused Funds)
\$	14.5	Other Post Employment Benefits Contractual Change
		Reserve for Salary Adjustment Reduction - Decreased Demand on Accrued
\$	3.1	Leave
\$	0.3	Arena Study Deferral
\$	1.5	Other Expenses - Across the Board Reductions
\$	2.0	Reduce Outside Consultant Contracts Statewide
\$	0.0	Balance*

* Net change included in the re-estimate for the 10/20/08 Comptroller's Letter would indicate a balance of \$1.1 million

WATCH LIST

FY2009 AREAS OF CONCERN

(In Millions)

<u>Agency</u>	<u>General Fund</u>	<u>Amount</u>
Department of Social Services		\$ 62.0
Department of Education – Magnet Schools		7.0
Department of Education – Special Education		6.5
Department of Mental Health and Addiction Services		19.2
University of Connecticut Health Center		11.5
Department of Developmental Services		12.6
Department of Public Safety		<u>5.0</u>
	Total	\$ 123.8

<u>Fund Balance</u>	<u>Special Transportation Fund</u>	<u>Amount</u>
Operating Deficit		<u>\$ 61.6</u>
	Total	\$ 61.6

STRUCTURAL HOLES

IMPACT ON FISCAL 2010– GENERAL FUND

(In Millions)

<u>From the FY 2007 Surplus</u>	<u>Amount</u>
1. Teachers' Retirement Contributions	\$ 210.0
2. Payment in Lieu of Taxes– State Property *	7.0
3. Payment in Lieu of Taxes– Private Property *	7.0
4. Debt Service– Supportive Housing	3.0
5. DOT– Town Aid Road *	8.0
6. DOT– Section 16 Projects *	2.3
7. Comptroller– Health Coverage up to age 26	24.0
8. Revenue Transferred from FY 2008 to FY 2009	16.0
9. Revenue Transfer– Used to Balance FY 2009	80.0
10. DECD– Housing Tax Abatement and PILOT grants *	3.9
<u>From the Tobacco and Health Trust Fund</u>	
1. DSS–Charter Oak Health Plan	25.5
<u>Other</u>	
1. Criminal Justice Reform PA08–1	17.1
2. PA08–176, Mortgage Assistance, ongoing costs for Judicial and Debt Service	4.5
3. Persistent Violent Offenders PA08–51	18.4
4. Juvenile Jurisdiction	<u>55.6</u>
Total	\$ 482.3

- Approximately \$482.3 M of projected FY 2010 spending will need to be funded that does not have an ongoing revenue source to pay for them
- These spending commitments, without ongoing revenue sources to pay for them, are contributing to our large projected FY 2010 imbalance
- The \$210.0M for Teachers' Retirement was the surplus amount used to fund the FY2009 required contribution of \$539.3M. The certified valuation for FY2010 and FY2011 will be issued later this month.
- With a statutory change, \$3.9 million from FY 2007 surplus originally set aside for housing maintenance will be made available to fund DECD's PILOT and Tax Abatement grants.
- The Comptroller's Office has submitted its projections for health coverage of dependents up to age 26.

* no statutory mandate to fund in FY2010

LONG-TERM OBLIGATIONS

- The state’s long-term obligations total \$57.6 billion, up 6.2% from last year’s reported amount of \$54.2 billion
- This equates to approximately \$16,626 for every man, woman and child in Connecticut, up \$1,126 from last year’s reported amount of \$15,500
- In comparison, total Personal Income Tax collections in FY 2009 will only be \$7.435 billion

LONG-TERM OBLIGATIONS

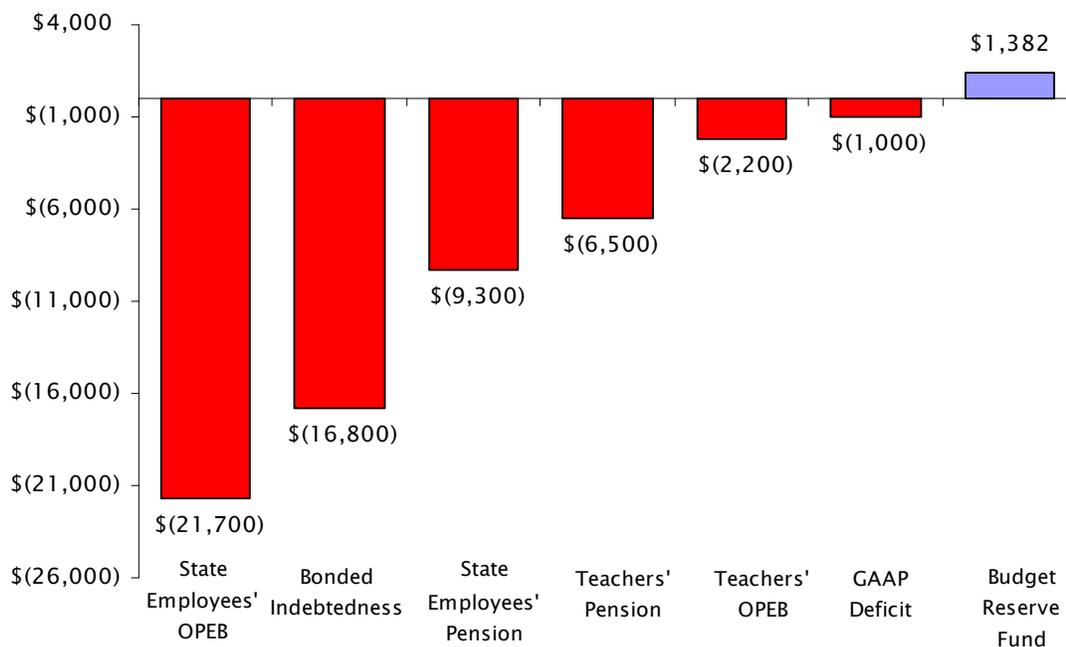
(In Billions)

Bonded Indebtedness – As of 8/31/08	\$ 16.8
State Employee Pensions – Unfunded 6/30/08 (estimate)*	9.3
Teachers' Pension – Unfunded 6/30/08	6.5
State Employee Post Retirement Health and Life – Unfunded	21.7
Teachers' Post Retirement Health and Life – Unfunded	2.3
GAAP Deficit	<u>1.0</u>
Total	\$ 57.6

* The 2008 certified valuation for the State Employee Pension Fund has not been issued.

LONG-TERM OBLIGATIONS DWARF THE BUDGET RESERVE FUND

(In Millions)



DEBT BURDEN

Ranked by Per Capita State Debt
Among the 50 States in 2006

Rank	State	PC debt
1	Massachusetts	\$10,150
2	Alaska	9,240
3	Connecticut	6,876
4	Rhode Island	6,560
5	New Hampshire	5,666
6	New Jersey	5,516
7	New York	5,461
8	Delaware	4,930
9	Vermont	4,804
10	Montana	4,598
14	Maine	3,803
	United States	\$ 2,902

Ranked by State Debt as a % of PI
Among the 50 States in 2006

Rank	State	Debt/PI
1	Alaska	24.9%
2	Massachusetts	22.5%
3	Rhode Island	17.8%
4	Montana	15.4%
5	New Hampshire	14.7%
6	Vermont	14.2%
7	Connecticut	13.9%
8	Delaware	12.9%
9	New York	12.8%
10	Hawaii	12.7%
	New Jersey	12.2%
13	Maine	12.1%
	United States	8.2%

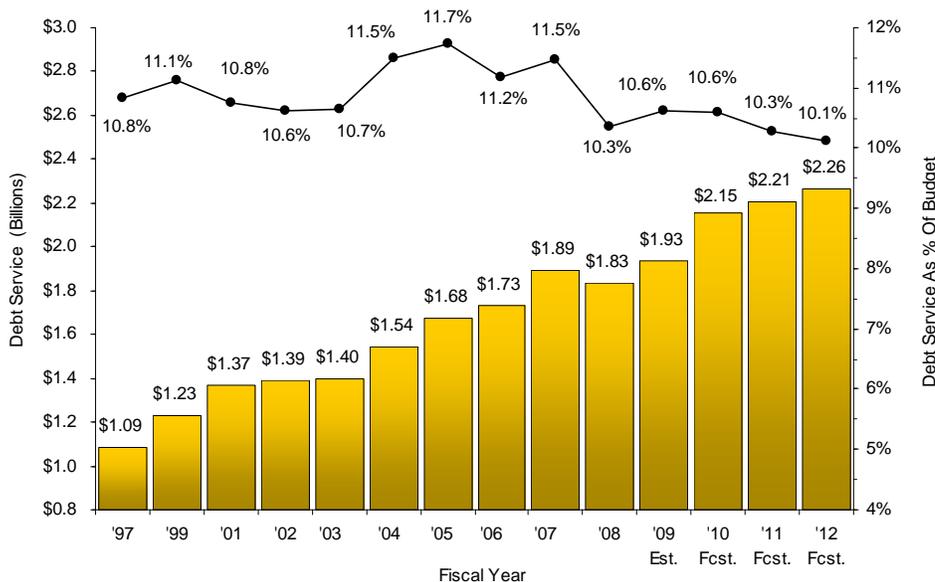
- Connecticut's debt burden in 2006 equals \$6,876 per person
- The state's burden is more than 2 times the national average, and higher than most of its neighboring states
- Even after adjusting for its high personal income, Connecticut would still rank 7th in the nation in 2006
- Even after adjusting for debt issued by counties and other political subdivisions, Connecticut would still rank 4th per capita in the nation or 27th on a personal income basis in 2006

Source: US Bureau of Census and Bureau of Economic Analysis

IMPACT OF DEBT EXPENSES

DEBT SERVICE EXPENDITURES

GENERAL & SPECIAL TRANSPORTATION FUNDS



- Debt Service expenditures have doubled since 1997
- The increase in debt service expenditures crowds out discretionary spending

CONNECTICUT'S BOND RATING

CURRENT GENERAL OBLIGATION BOND RATING

<u>Moody's</u>	<u>Standard & Poor's</u>	<u>Fitch</u>
Aa3	AA	AA

- Prior to 1975, Connecticut's General Obligation (GO) bonds had the highest rating possible: Aaa by Moody's and AAA by Standard & Poor's (S&P)
- The most recent change in Connecticut's bond rating was a downgrade by Moody's in July 2003

<u>Rating</u>	Number of States Rated		
	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
Better than CT	26	18	15
Equal to CT	10	15	13
Lower than CT	<u>2</u>	<u>5</u>	<u>8</u>
Total*	38	38	36

* 39 states issue GO bonds. All 39 states are rated by Moody's and Standard and Poor's. Fitch does not rate Arkansas and New Mexico

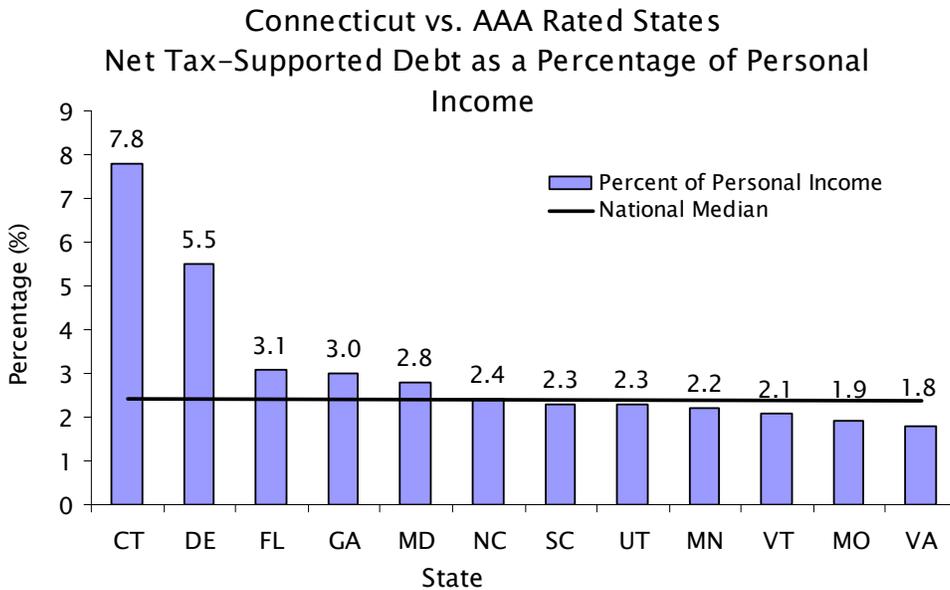
Neighboring States' Ratings

- Currently, neighboring states that are rated better or lower than Connecticut's Aa3 Moody's rating are:
 - Better than CT: Vermont (Aaa), Massachusetts (Aa2), and New Hampshire (Aa2)
 - Lower than CT: None
- Currently, neighboring states that are rated better or lower than Connecticut's AA Standard and Poor's rating are:
 - Better than CT: Vermont (AA+)
 - Lower than CT: None
- Currently, neighboring states that are rated better or lower than Connecticut's AA Fitch rating are:
 - Better than CT: Vermont (AA+)
 - Lower than CT: New Jersey (AA-), New York (AA-), and Rhode Island (AA-)

Importance of Bond Ratings

- The rating process informs investors about risk
- The rating process shows how we compare relative to other investments
- Connecticut is a high-debt state
- Low ratings will result in higher borrowing costs

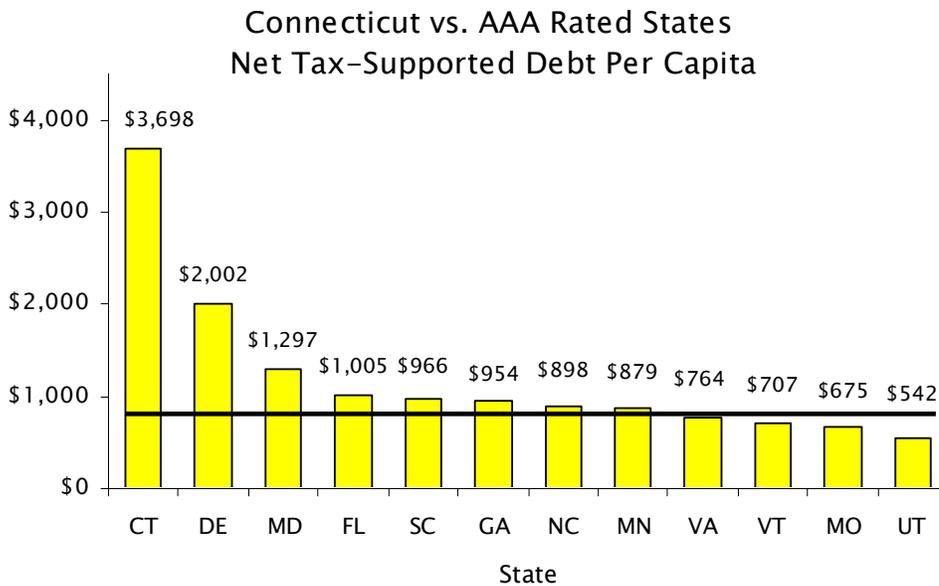
DEBT AS A PERCENTAGE OF PERSONAL INCOME



- Connecticut ranks third in net tax-supported debt as a percentage of personal income behind Hawaii and Massachusetts
- Connecticut's net tax-supported debt as a percentage of personal income is more than 3 times the national average of 2.4%
- Connecticut's net tax-supported debt as a percentage of personal income is more than 1 1/2 times the 4.8% average for neighboring states

Source: Moody's Investors Service Special Comment 2007 State Debt Medians April 2007

TAX-SUPPORTED DEBT PER CAPITA



- Connecticut ranks second behind Massachusetts in net tax-supported debt per capita
- Connecticut's net tax-supported debt per capita is about 5 times the national median of \$787 and the AAA median of \$898
- Connecticut's net tax-supported debt per capita is more than twice the median of \$1,687 for its neighboring states

Source: Moody's Investors Service

RETIREMENT SYSTEM STATISTICS

STATE EMPLOYEES & TEACHERS' SYSTEMS COMBINED

<u>State</u>	<u>Actuarial Funding Ratio</u>	<u>Unfunded Liability (\$ thousands)</u>	<u>State</u>	<u>Actuarial Funding Ratio</u>	<u>Unfunded Liability (\$ thousands)</u>
1 Oregon	110.5%	-\$5,363,600	26 Missouri *	82.5%	\$7,682,318
2 North Carolina *	106.1%	-\$3,028,901	27 Alabama	82.2%	\$6,294,000
3 Florida *	105.6%	-\$6,714,191	28 New Mexico	81.3%	\$4,555,114
4 Idaho	105.5%	-\$573,400	29 Virginia *	80.8%	\$10,153,000
5 Delaware *	103.7%	-\$229,891	30 Arizona	80.6%	\$7,261,864
6 New York	103.6%	-\$7,380,300	31 Nevada	77.2%	\$6,312,567
7 Utah *	100.8%	-\$124,434	32 Maryland *	77.0%	\$10,702,306
8 Wisconsin	99.5%	\$363,500	33 Massachusetts	76.9%	\$10,670,585
9 South Dakota	97.1%	\$192,300	34 New Jersey	76.0%	\$27,579,465
10 Tennessee	96.2%	\$1,025,156	35 Colorado	74.6%	\$12,340,274
11 Georgia *	96.1%	\$2,578,367	36 Alaska	74.3%	\$3,325,380
12 Wyoming	94.0%	\$361,962	37 Mississippi	73.7%	\$7,071,072
13 Vermont *	91.6%	\$263,746	38 Maine	71.1%	\$3,043,079
14 Nebraska	90.5%	\$673,972	39 South Carolina *	71.1%	\$10,255,513
15 Texas	90.3%	\$13,593,218	40 Louisiana	69.8%	\$10,036,444
16 Iowa	90.2%	\$2,266,486	41 Kentucky	69.4%	\$5,363,593
17 California	87.4%	\$49,808,000	42 West Virginia	68.8%	\$3,611,473
18 Michigan	87.0%	\$8,050,000	43 Kansas	67.6%	\$10,150,881
19 Arkansas	86.6%	\$2,486,000	44 Hawaii	67.5%	\$5,106,773
20 Washington	86.6%	\$5,622,000	45 New Hampshire	67.0%	\$2,397,469
21 Pennsylvania	86.4%	\$13,076,600	46 Indiana	64.9%	\$10,612,210
22 Ohio	85.8%	\$24,641,131	47 Illinois	62.9%	\$41,317,484
23 Montana	85.5%	\$1,177,341	48 Oklahoma	59.5%	\$9,905,518
24 North Dakota	85.2%	\$566,300	49 Connecticut	56.6%	\$15,065,493
25 Minnesota *	83.4%	\$8,119,017	50 Rhode Island	53.4%	\$4,924,784
* States with a AAA credit rating per S&P and Fitch					
Mean	82.8%				
Median	83.0%				

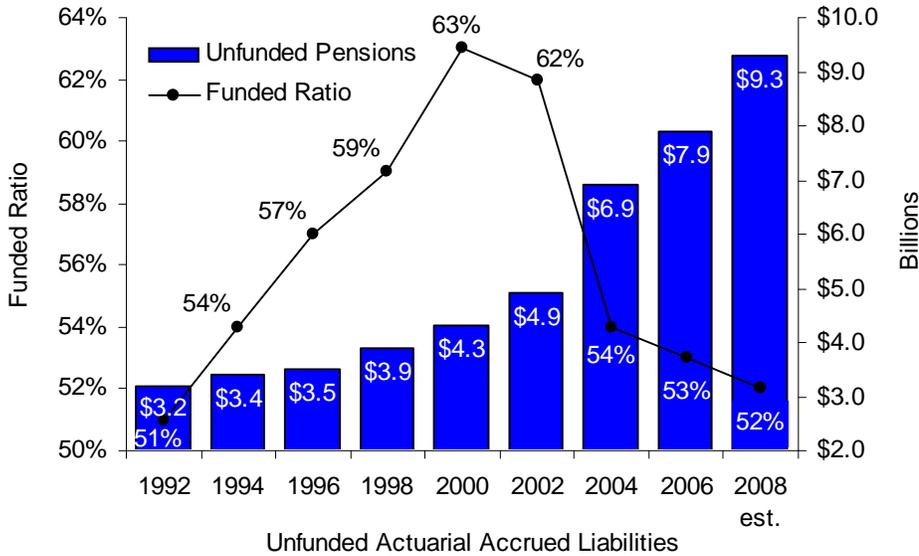
Source: National Association of State Retirement Administrators Public Fund Survey for FY 2007

The Impact of Pension Obligation Bonds Issued for the Teachers' System in CT is not reflected.

- Connecticut's unfunded pension liabilities are among the worst in the nation
- Connecticut's pension fund assets would cover only 56.6% of the liability
- This places Connecticut almost dead last in the nation

UNFUNDED PENSIONS

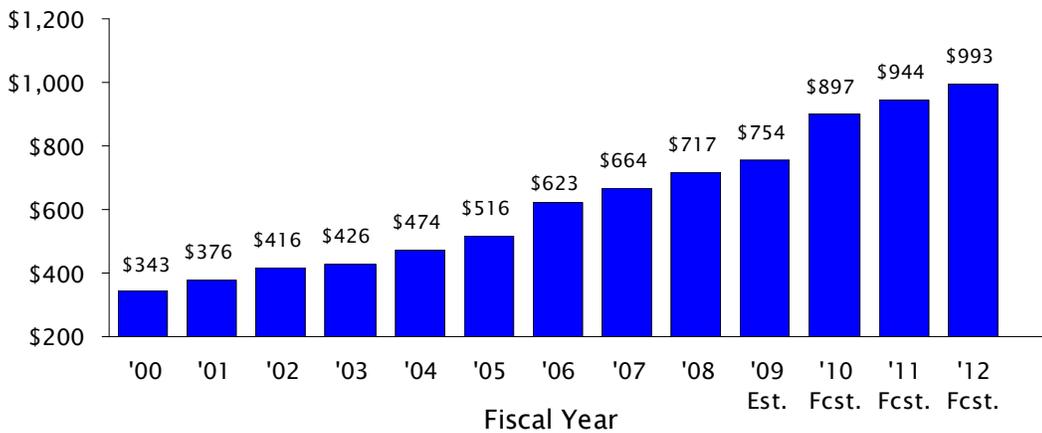
STATE EMPLOYEES RETIREMENT SYSTEM AS OF 6/30 *



- State Employees unfunded pension liabilities continue to grow
- The State's obligations at the end of FY2008 total \$9.3 billion
- This obligation represents roughly \$2,650 for every man, woman, and child in the State

STATE EMPLOYEES RETIREMENT SYSTEM CONTRIBUTIONS *

(In Millions)

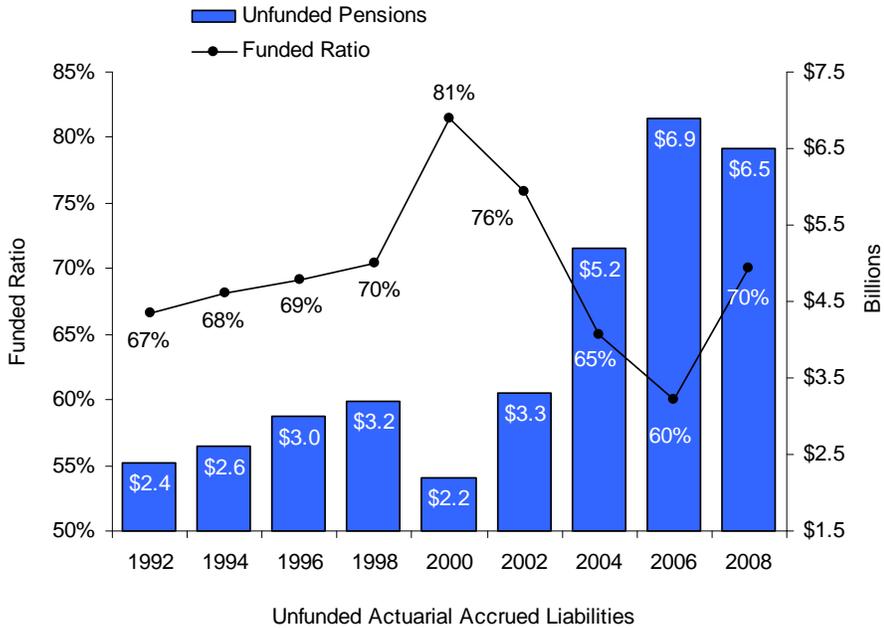


- This obligation rose even with the large increase in equity valuations that took place over the 1990s
- The required contribution will rise by approximately \$239M over the next three fiscal years

* the 2008 certified valuation has not been issued

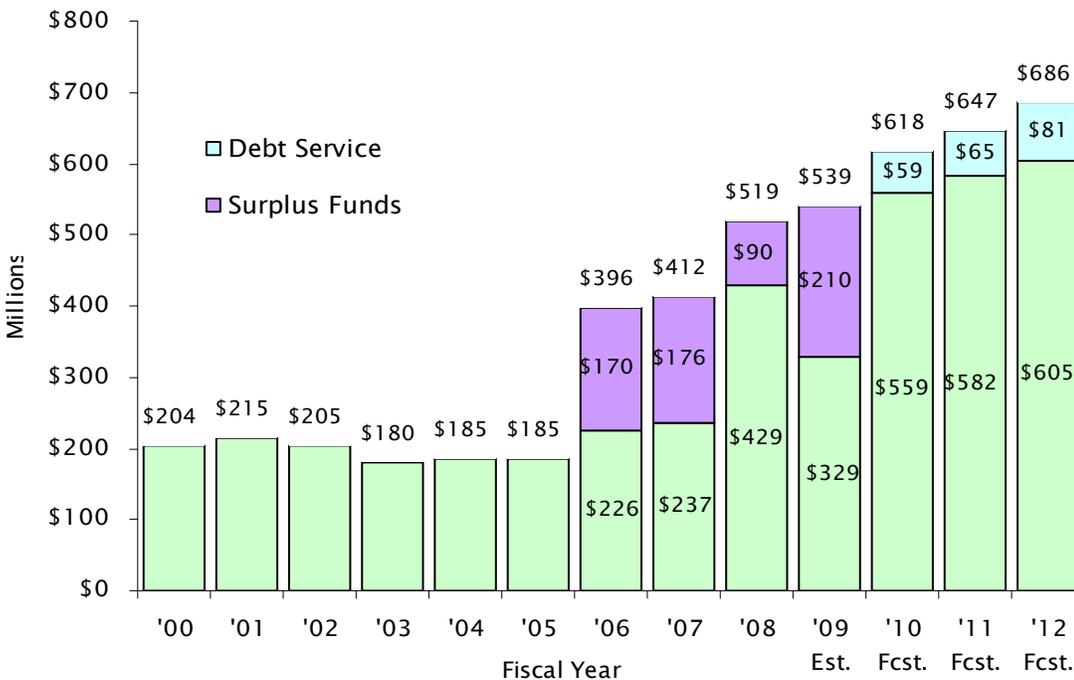
UNFUNDED PENSIONS

CONNECTICUT TEACHERS' RETIREMENT SYSTEM AS OF 6/30



- Teachers' unfunded pension liabilities continue to grow
- The State's obligations at the end of FY2008 total \$6.5 billion
- Contributions in FY2006, FY2007, FY2008 and FY 2009 were insufficient and were supplemented by the use of surplus funds
- The \$6.5 billion does include an increase in obligations due to the elimination of the cost of living adjustment reserve account (CLARA), and does include the impact of the issuance of Pension Obligation Bonds

TEACHERS' RETIREMENT SYSTEM CONTRIBUTIONS *

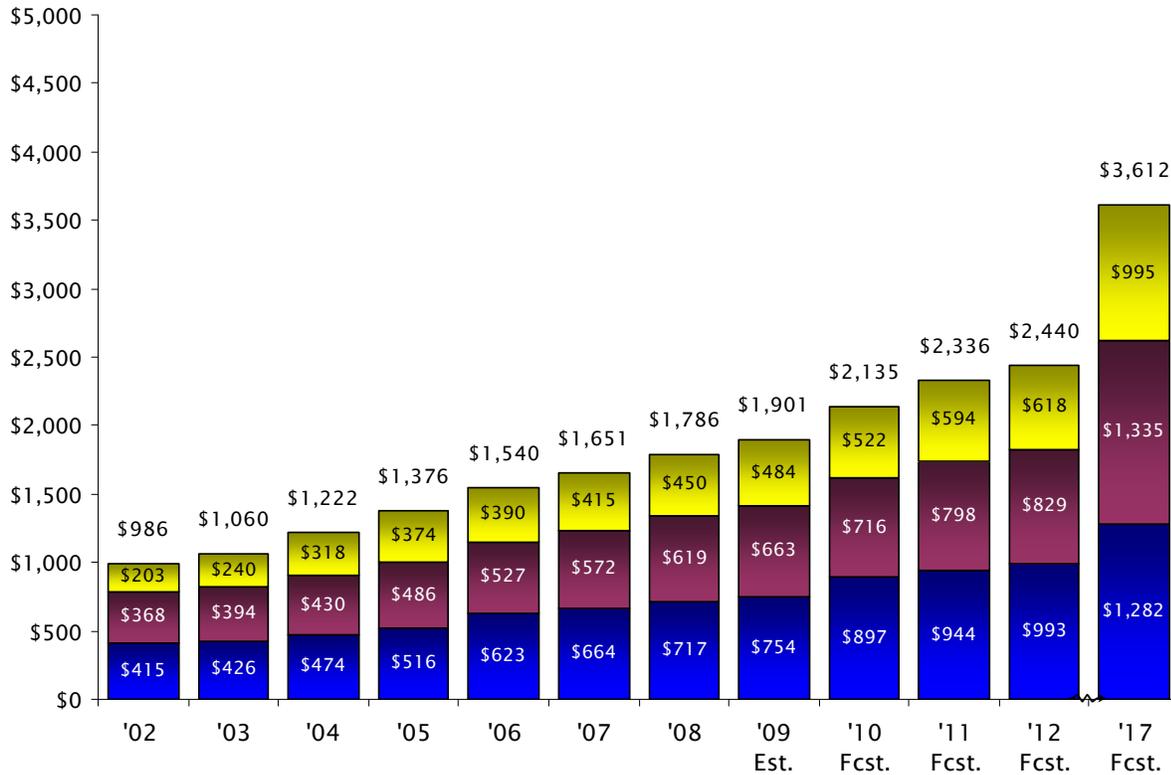


* FY06 and FY07 figures include \$170M and \$176M respectively from FY2005 and FY2006 surplus appropriations; FY08 includes \$90M and FY09 includes \$210M from FY2007 surplus appropriations. FY10 and beyond include debt service on the \$2.3 billion pension obligation bonds issued on April 30, 2008 on behalf of the Teachers' Retirement System.

STATE EMPLOYEES PENSION & HEALTH INSURANCE

ALL FUNDS – As of 6/30

(In Millions)



■ SERS ■ Active Health Insurance ■ Retiree Health Insurance

Note: Retiree Health includes offsets for the Medicare Part D Employer Subsidy starting in FY2007

- Fiscal 2009 – 11 pension costs are an estimated 25.2% higher than in prior biennium
- Fiscal 2009 – 11 health insurance costs for active employees are estimated to be 18.1% higher than in the prior biennium
- Fiscal 2009 – 11 health insurance costs for retirees are estimated to be 19.5% higher than in the prior biennium
- Fiscal 2008 – 09 estimated average health insurance cost to the state is \$11,000 per active employee

RETIREMENT SYSTEMS PORTFOLIO VALUES

(In Billions)

	Market Value as of		Change
	<u>6/30/2008</u>	<u>9/30/2008</u>	
State Employees' Retirement System	\$ 9.3	\$ 8.5	\$ (0.8)
Teachers' Retirement System	14.5	13.3	(1.2)
All Other	<u>2.1</u>	<u>1.8</u>	<u>(0.3)</u>
Total	\$ 25.9	\$ 23.6	\$ (2.3)

- Unfunded liabilities in the pension systems do not reflect the major declines in financial markets
- Roughly \$2.3 billion has been lost in the last 3 months; figures do not reflect the month of October
- The unfunded liability and resulting contribution will balloon if returns do not significantly improve over the next two years

OTHER POST EMPLOYMENT BENEFITS

- The Government Accounting Standards Board (GASB) now requires states to report on unfunded liabilities due to other post-employment benefits (OPEB), such as health, dental and life insurance for retirees.
- Current financial reporting methods fail to:
 - Recognize the cost of employee benefits in periods when the employees' perform services for the state.
 - Provide information about the actuarial accrued liabilities for promised benefits associated with past service and to what extent those benefits have been funded.
 - Provide information useful in assessing potential demands on the state's future cash flow.
- There is currently no requirement to fund OPEB liabilities
 - Required funding is expected within the next several years
 - Some states have already begun funding OPEB, which is looked upon favorably by rating agencies
- Under various measures, Connecticut consistently ranks among the states with the highest unfunded Other Post Employment Benefit levels.

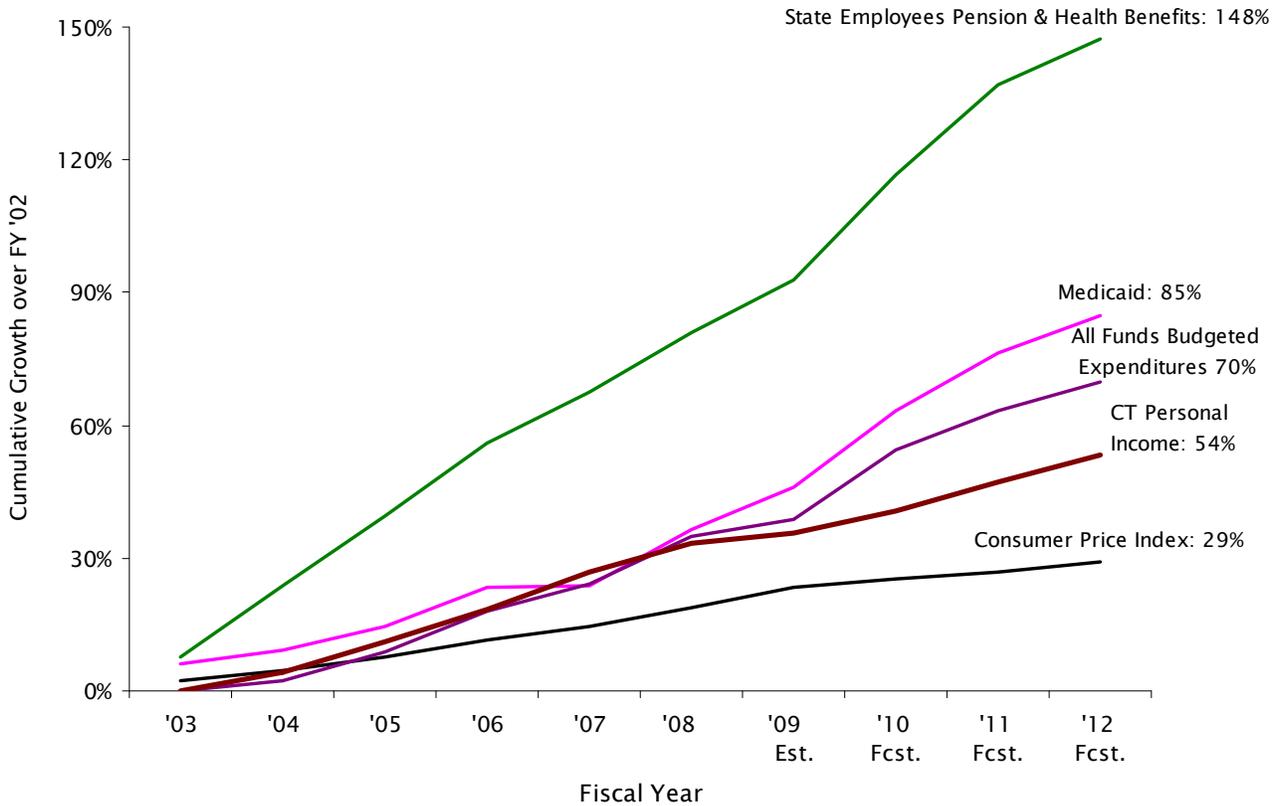
States With Highest Unfunded OPEB Liabilities (Millions of Dollars) Highest Ten States		States With Highest Per-Capita Unfunded OPEB Liabilities (Dollars) Highest Ten States	
<u>State</u>	<u>Amount</u>	<u>State</u>	<u>Amount</u>
California	\$ 70,000	Alaska	\$ 7,047
New Jersey	60,000	New Jersey	6,877
New York	54,000	<u>Connecticut</u>	<u>6,020</u>
Texas	26,817	Hawaii	4,398
North Carolina	23,786	Alabama	4,349
Maryland	22,903	West Virginia	4,279
Michigan	22,745	Maryland	4,078
<u>Connecticut</u>	<u>21,100</u>	Delaware	3,720
Alabama	20,000	Maine	3,599
Georgia	20,000	Kentucky	3,192

Source: Credit Suisse 3/22/2007

Source: Credit Suisse 3/22/2007

- Connecticut ranks third highest of all the states in total unfunded OPEB per-capita at \$6,020, compared to the median per-capita unfunded OPEB of \$1,581.
- Only four states appear in the top ten on both lists: Connecticut, New Jersey, Maryland and Alabama.
- Connecticut ranks eighth highest of all the states in total unfunded OPEB at \$21.1 billion, which was the preliminary estimate of the state's liability. A report has now been released estimating Connecticut's unfunded OPEB liability to be \$21.7 billion.

GROWTH IN SIGNIFICANT STATE EXPENDITURES



- The increase for State Employees Pension and Health Benefits is more than double that of the overall budget over this period and the rate of growth is accelerating relative to the other categories
- State Employees Pension and Health Benefits and Medicaid are the principal cost drivers during this period and show increasing growth trends over the Consumer Price Index (CPI), and the remaining budget
- The above figures assume no amortization of Other Post Employment Benefits (OPEB) obligations

DEPARTMENT OF SOCIAL SERVICES

MEDICAID EXPENDITURES

(In Millions)

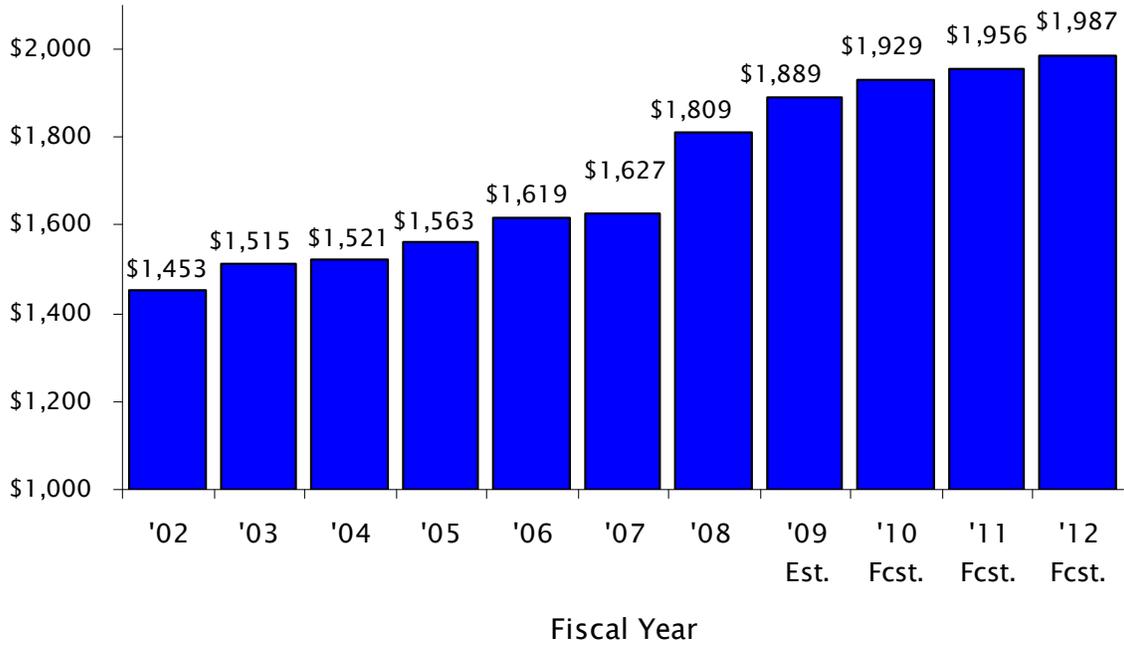


- With expenditures increasing 85% from FY 2002 to FY 2012, growth in the Medicaid program is the major cost driver in the Department of Social Services
- Medicaid accounts for approximately 75% of DSS' budget
- Medicaid growth since FY02 has been affected by the implementation of a nursing home provider tax that resulted in a 17% increase in rates, and increases in areas such as the HUSKY program and medical care under fee-for-service. Medicaid expenditures grew by only 3.5% from FY06 to FY07 due to the shift of pharmaceutical costs to the federal government under Medicare Part D. Other cost drivers include recent rate increases for hospitals, nursing homes, physicians and other providers in both managed care and fee-for-service
- Future growth will also be impacted by increased alternatives to nursing home care, recent expansions in enrollment due to the enrollment in schools and enrollment at birth initiatives and increased eligibility for HUSKY adults and pregnant women, as well as increased utilization due to the Governor's authorization of \$25.8 million in bond funds to expand community health centers

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 \$1.9 billion, which is a growth of 4.4% over FY 08. Average growth in ECS since 2002 has been 3.9%
- The budget for FY 2006 & FY 2007 included \$57 million in surplus funds divided over the biennium
- In the absence of a statutory formula beyond FY 2009, for FY 2010 through FY 2012, a nominal inflationary increase was used

STATUS OF COLLECTIVE BARGAINING AGREEMENTS

<u>Bargaining Unit</u>	<u>Full Time Employees</u>	<u>7/1/08 All Funds Full-Time Payroll</u>	<u>Expiration Date</u>
<u>Contract expires end of FY 2008</u>			
1 Service Maintenance (NP-2) ^a	4,136	\$ 193,571,220	6/30/2008
2 Corrections (NP-4) ^b	5,066	267,740,307	6/30/2008
3 Correctional Supervisors (NP-8)	<u>568</u>	<u>42,368,351</u>	6/30/2008
Total-6/30/08	9,770	\$ 503,679,878	
<u>Contract expires end of FY 2009</u>			
4 Administrative Clerical (NP-3)	4,531	\$ 221,709,804	6/30/2009
5 Health Care Para Professional (NP-6) ^c	3,851	208,303,772	6/30/2009
6 Health Care Professional (P-1) ^c	3,178	258,888,270	6/30/2009
7 Social & Human Services (P-2)	3,869	256,510,963	6/30/2009
8 Education – Administrators (P-3A) ^c	279	26,409,981	6/30/2009
9 Education – Educators (P3-B) ^c	824	59,588,673	6/30/2009
10 Engineering & Science Related (P-4) ^c	2,658	196,359,279	6/30/2009
11 DCJ Employees	144	7,510,326	6/30/2009
12 DCJ Inspectors	84	7,062,484	6/30/2009
13 Judicial Employees	1,381	76,796,653	6/30/2009
14 Judicial Professional Employees	<u>1,269</u>	<u>99,446,462</u>	6/30/2009
Total-6/30/09	22,068	\$ 1,418,586,667	
<u>Contract expires end of FY 2010</u>			
15 State Police (NP-1) ^d	1,142	\$ 85,295,403	6/30/2010
16 DCJ Prosecutors & Juvenile Prosecutors	259	27,697,414	6/30/2010
17 DHE Professional Employees	41	2,914,721	6/30/2010
18 Charter Oak State College Professionals	62	3,938,523	6/30/2010
19 Congress of Connecticut Community Colleges	1,216	84,606,493	6/30/2010
20 Technical College Administrators	71	4,937,469	6/30/2010
21 State Technical College Faculty	179	12,465,994	6/30/2010
22 UConn Health Center Non Faculty Professionals	1,911	119,371,962	6/30/2010
23 Judicial Marshals	<u>674</u>	<u>28,734,532</u>	6/30/2010
Total-6/30/10	5,555	\$ 369,962,511	
<u>Contract expires end of FY 2011</u>			
24 Protective Services (NP-5)	889	\$ 52,839,432	6/30/2011
25 Administrative & Residual (P-5)	3,281	242,381,187	6/30/2011
26 Vocational – Technical Faculty ^c	1,192	85,041,480	6/30/2011
27 Vocational – Technical Directors ^c	62	6,810,282	6/30/2011
28 Connecticut State University Faculty (AAUP)	1,390	107,110,008	6/30/2011
29 Connecticut State University Administrative Faculty	707	52,172,401	6/30/2011
30 University of Connecticut Faculty (AAUP)	1,532	147,615,015	6/30/2011
31 UConn Professional Employees Assoc (UCPEA)	<u>1,627</u>	<u>101,389,751</u>	6/30/2011
Total-6/30/11	10,680	\$ 795,359,556	
<u>Contract expires end of FY 2012</u>			
32 Supervising Judicial Marshals	<u>61</u>	<u>\$ 3,296,623</u>	6/30/2012
	61	\$ 3,296,623	
Total-All Contracts	<u>48,134</u>	<u>\$ 3,090,885,235</u>	

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

(a) Standard schedule is 37.5 hours per week.

(b) Standard schedule is 36.25 hours per week.

(c) Standard schedule is 35 hours per week. In the health care units, some employees are on 40 hour

Full Time Salary Projected Increase from FY 2008 to FY 2009 For Settled Units

4.60%

Note: The costs of settled collective bargaining agreements were built into agency budgets for state fiscal years 2008 and 2009

SUMMARY OF LOCAL AID

ESTIMATED FORMULA GRANTS TO MUNICIPALITIES

(In Millions)

GRANT	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
State Owned PILOT	\$ 81.2	\$ 82.9	\$ 82.9	\$ 115.5	\$ 116.8	\$ 116.8
College & Hospital PILOT	120.7	122.4	122.4	180.1	198.0	198.0
Pequot Grant	91.1	93.0	93.0	136.0	136.0	136.0
Town Aid Road Grant	30.0	30.0	30.0	22.0	22.0	22.0
LoCIP	30.0	30.0	30.0	30.0	30.0	30.0
Miscellaneous General Grants	20.0	20.1	21.9	22.6	23.4	24.1
Machinery & Equipment	50.2	53.4	104.9	107.1	108.6	110.4
Subtotal – General Government	\$ 423.2	\$ 431.8	\$ 485.1	\$ 613.3	\$ 634.8	\$ 637.3
Public School Transportation	\$ 48.0	\$ 48.0	\$ 48.0	\$ 78.6	\$ 83.7	\$ 85.0
Non–Public School Transportation	4.0	4.0	4.0	4.6	4.6	4.7
Adult Education	18.6	19.6	20.6	22.6	23.2	23.5
Education Cost Sharing	1,626.9	1,808.8	1,889.2	1,928.9	1,955.9	1,987.2
Magnet Schools	98.6	109.8	121.5	143.9	166.6	169.3
Special Education – Student Based	106.6	129.8	133.9	156.5	171.6	174.3
Miscellaneous Education Grants	148.6	157.4	155.8	159.8	167.4	170.4
Subtotal – Education	\$ 2,051.3	\$ 2,277.4	\$ 2,373.0	\$ 2,494.9	\$ 2,573.0	\$ 2,614.4
Total – Formula Grants	\$ 2,474.5	\$ 2,709.2	\$ 2,858.1	\$ 3,108.2	\$ 3,207.8	\$ 3,251.7

Machinery & Equipment includes the recognized FY09 lapse of \$40.9 million.

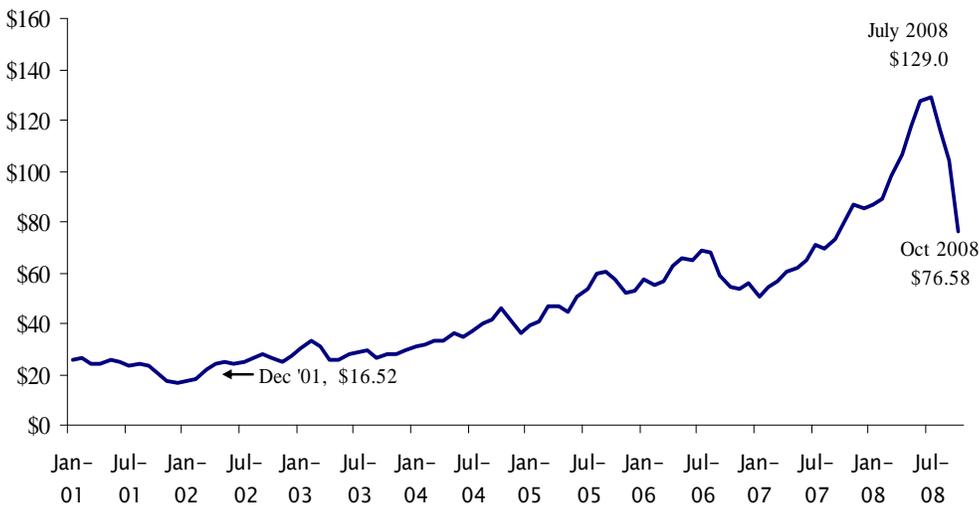
- In fiscal year 2009, grants to municipalities comprises 16.1% of the General Fund budget
- Grants to municipalities will be \$3.1 billion in FY 2012 which is a 25% increase over the fiscal year 2007 level
- Grants to municipalities will be \$3.2 billion in FY 2012 which is a 31% increase over FY 2007 funding level

VOLATILE ENERGY PRICES

- Changes in energy costs have been significant. A slowdown in the global economy has reduced demand for energy
- The resurgence of the U.S. dollar has also contributed to falling crude oil prices
- The long-term growth in demand for oil products in newly industrialized countries such as China and India as well as within the oil exporting countries continues to rise. World demand for energy is expected to grow at a brisk pace once the world economy recovers
- The increase in energy prices over the last few years has eroded purchasing power and dampened personal consumption. Accompanied with the weakening housing market, the unfavorable energy environment contributed in pushing the economy into recession
- High energy prices have affected the State of Connecticut:
 - By necessitating the provision of energy assistance to low income residents
 - By reducing consumption-induced revenues due to cuts in purchasing power

CRUDE OIL PRICES

PER BARREL, REFINER ACQUISITION COST



- Most recessions have been accompanied by higher energy prices
- Higher oil prices reduced purchasing power, retarding spending and economic activity
- On July 11, 2008, the price for light sweet crude for August delivery rose to a high of \$147.27 per barrel on the New York Mercantile Exchange

STATE AGENCY ENERGY COSTS

	2000 Actual	2008 Actual	2009 Estimated	2010 Requested	2011 Requested
General Fund					
Electricity & District Cooling	\$24,852,189	\$51,715,628	\$52,444,552	\$56,589,446	\$58,015,677
Natural Gas & District Heating	\$9,735,164	\$29,708,876	\$30,402,616	\$31,961,763	\$32,375,166
Motor Vehicle Fuel (gasoline)	\$5,500,307	\$15,214,744	\$14,842,816	\$17,431,174	\$17,434,219
Fuel Oil	<u>\$3,110,050</u>	<u>\$6,211,276</u>	<u>\$7,724,365</u>	<u>\$8,336,687</u>	<u>\$8,458,877</u>
Total	\$43,197,710	\$102,850,524	\$105,414,349	\$114,319,070	\$116,283,939
Special Transportation Fund					
Electricity & District Cooling	\$5,745,915	\$9,961,296	\$8,077,263	\$10,173,485	\$10,265,047
Natural Gas & District Heating	\$196,326	\$502,947	\$562,545	\$588,422	\$593,717
Motor Vehicle Fuel (gasoline)	\$2,062,444	\$7,064,911	\$6,515,861	\$9,963,054	\$9,963,054
Fuel Oil	<u>\$502,960</u>	<u>\$1,361,779</u>	<u>\$944,090</u>	<u>\$1,571,921</u>	<u>\$1,586,069</u>
Total	\$8,507,645	\$18,890,933	\$16,099,759	\$22,296,882	\$22,407,887
Total GF and STF Expenditures	\$51,705,355	\$121,741,457	\$121,514,108	\$136,615,952	\$138,691,826

- State agency energy costs have risen 135% from FY2000 to FY2008; this additional cost is over \$70M.
- Anticipated savings from the reverse auction for electricity procurement are not reflected in FY2010 and FY2011 figures above
- Final FY2008 expenditures are not yet available; the amounts shown above may not agree with official figures to be published in the Comptroller's Annual Report

EFFORTS TO OBTAIN FEDERAL FUNDS

The administration continues to make revenue maximization efforts a priority. Numerous Medicaid state plan amendments and waivers have been submitted or are in the process of being submitted to the federal government, and tens of millions of dollars could be gained in new federal revenue due to these initiatives, above and beyond normal growth in federal revenue resulting from caseload and inflation growth.

The most significant revenue item is an estimated \$157 million Medicaid cost settlement with the federal government related to billing for intermediate care facilities and group homes operated by the Department of Developmental Services. Medicaid billing for these facilities has been based on interim per diem rates since 2002, with an expectation that revised rates reflecting actual costs would be promulgated and any revenue differential collected once the revised rates were in place. The cost settlement will result in one time revenues in FY2009 estimated at \$157 million, but it is anticipated that there will be an ongoing revenue increase into the upcoming biennium based on updated rates reflecting current costs.

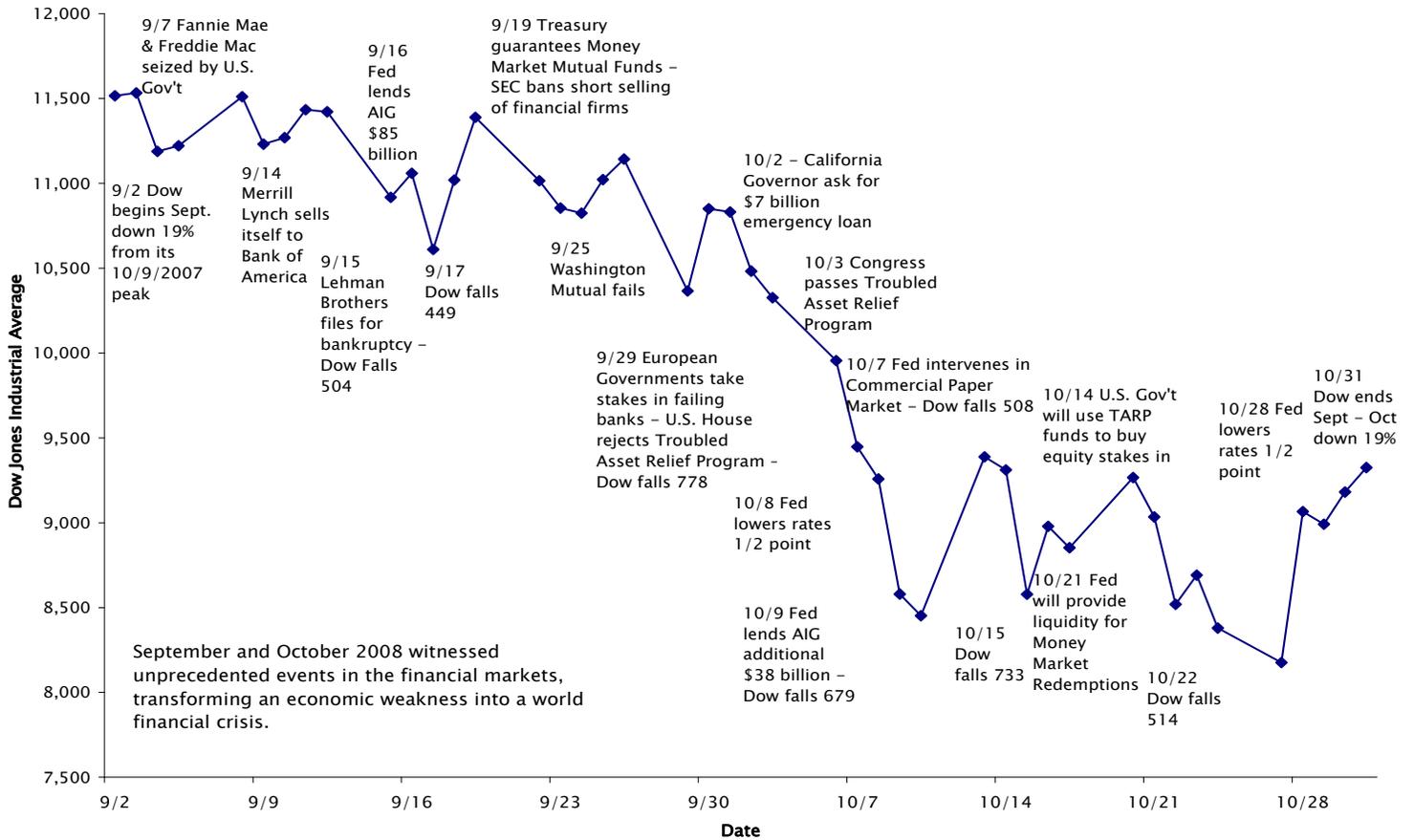
In addition, significant efforts were undertaken to ensure the maximization of revenue related to the funds appropriated for Medicaid provider rate increases. These efforts included developing and negotiating multiple Medicaid state plan amendments with the federal government:

- Mental Health Clinics – Evaluation Services
- Nursing Homes and ICF–MR Rates
- SAGA–DSH Budget Adjustment
- Inpatient Hospital Care – Methods and standards for establishing payment rates
- Dept of Veteran’s Affairs – DSH calculation for public chronic disease hospitals
- Supplemental Payments – Physicians, Clinic and Vision
- Supplemental Payments – Hospital DSH
- Targeted Case Management
- Increase to Dental Payments
- Identification of DSS as the CT Single State Agency

In addition to efforts to maximize federal revenues, it should also be noted that new initiatives funded during the FY2007–09 biennium are expected to generate significant federal reimbursement of state expenditures, including:

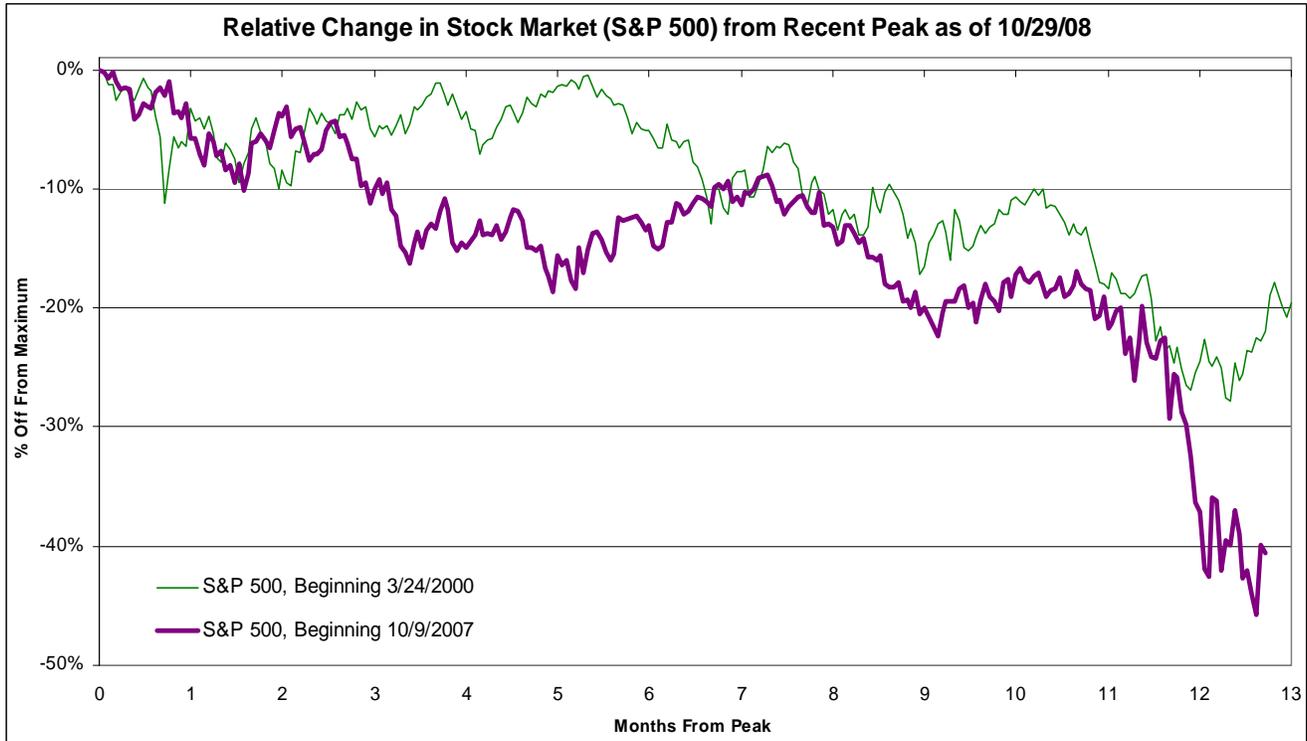
- Eligibility expansion for HUSKY Adults from 150% to 185% of the federal poverty level.
- Eligibility expansion for pregnant women under Medicaid to 250% of the federal poverty level.
- Medicaid rate increases of over \$122 million which should generate 50% reimbursement.
- Increased access to the HUSKY program through the enrollment at birth, school enrollment, and other outreach initiatives.

A SERIES OF UNFORTUNATE ECONOMIC EVENTS



- September and October 2008 witnessed unprecedented events in the financial markets, transforming an economic weakness into a world-wide financial crisis

STOCK MARKET DECLINES



- The stock market has fallen further than in 2000
- S&P Peak Dates: March 24, 2000 and October 9, 2007

CAPITAL GAINS WILL DROP

CAPITAL GAINS REALIZATIONS REPORTED BY CT RESIDENTS AND RETURN ON THE S&P

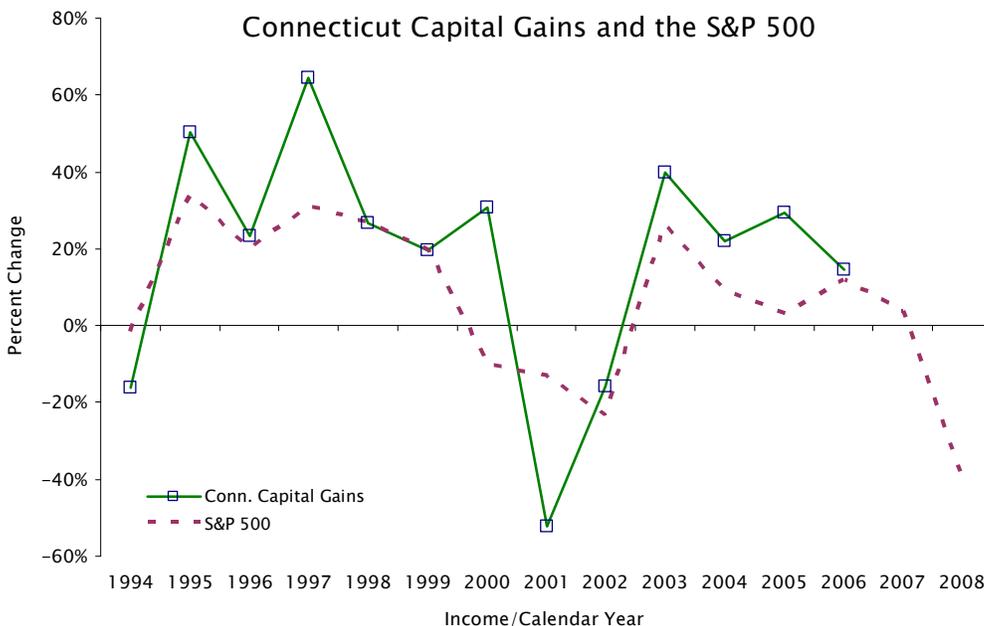
(In Millions)

Income Year	Conn. Capital Gains	Percent Change	S&P 500 Percent Change
1994	\$2,547	-16%	-2%
1995	\$3,832	50%	34%
1996	\$4,732	23%	20%
1997	\$7,787	65%	31%
1998	\$9,867	27%	27%
1999	\$11,800	20%	20%
2000	<u>\$15,435</u>	31%	-10%
2001	\$7,391	-52%	-13%
2002	\$6,231	-16%	-23%
2003	\$8,723	40%	26%
2004	\$10,626	22%	9%
2005	\$13,765	30%	3%
2006	<u>\$15,784</u>	15%	12%
2007			4%
2008			-40% YTD

- In 2006, Capital Gains reached a record high of \$15.8 billion, surpassing the level reached in 2000
- Income year 2007 likely pushed the total up even higher as markets reached a peak in October of 2007
- Now with the equity markets down over 40% it looks like a repeat of 2001-02 and alarmingly it has fallen much quicker this time

Sources: Department of Revenue Services and Internal Revenue Service various years
YTD through 10/24/2008

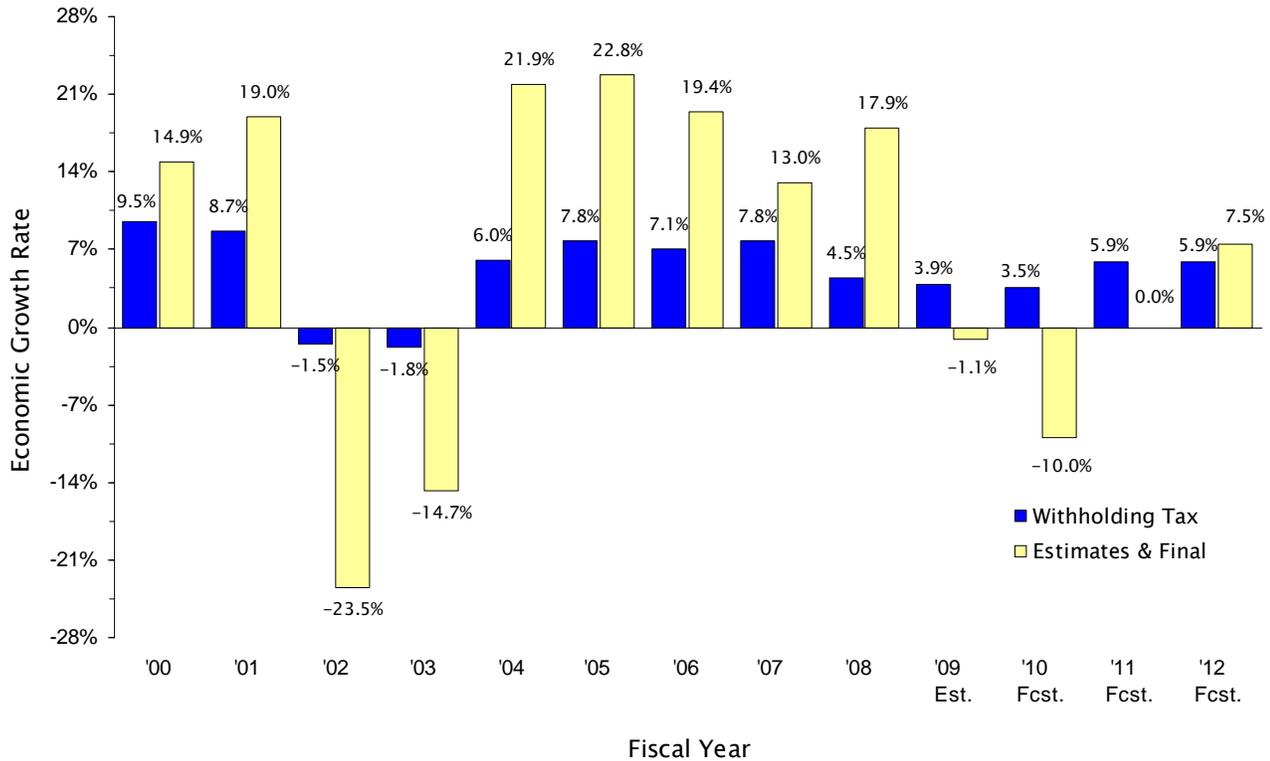
INCOME TAX GROWTH WILL SLOW



- It's just a matter of time for this drop to show up in Connecticut's revenue collections
- Every 1% drop in Estimates and Finals equals \$30.0 million

PERSONAL INCOME TAX TRENDS

ECONOMIC GROWTH RATES OF THE PERSONAL INCOME TAX

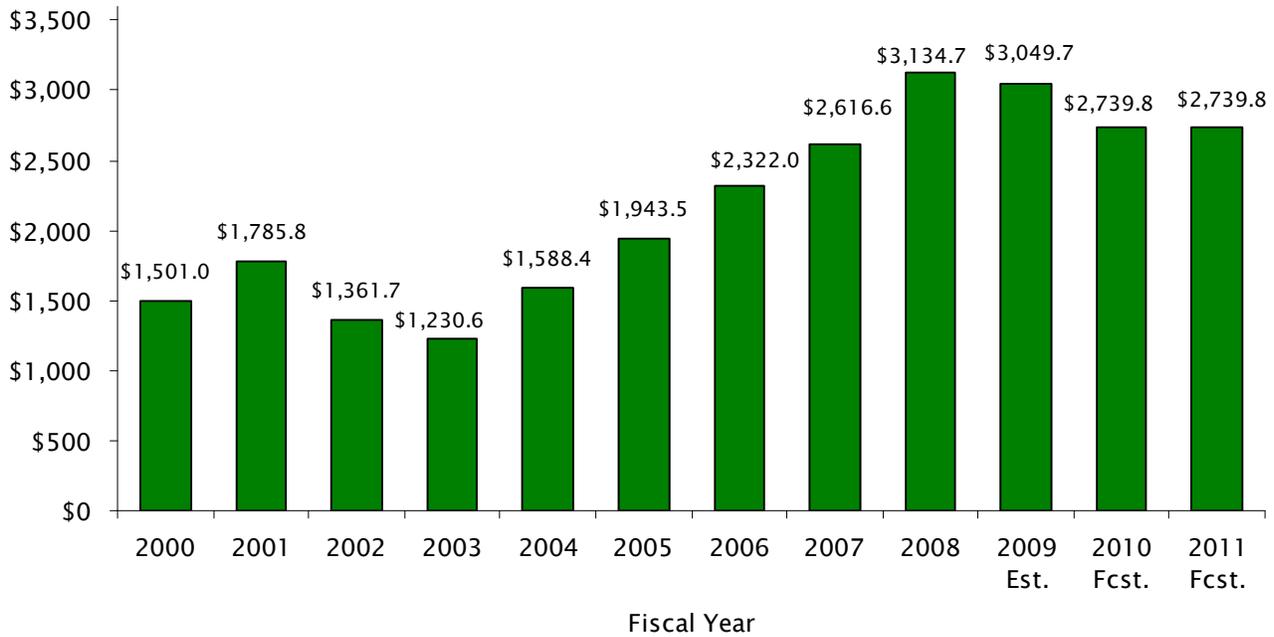


- Over the past decade Connecticut’s income tax revenue has fluctuated dramatically.
- This was due to the performance of the stock market and a recession.
- Although the tax has performed better since fiscal 2004, the volatility of this revenue source dictates caution when forecasting future revenues.
- Performance in the financial markets significantly influences the growth in this revenue source
- With the stock market down approximately 40% from last year, this does not bode well for revenue growth in the near term

ESTIMATES AND FINALS INCOME TAX

ESTIMATES AND FINALS PERSONAL INCOME TAX COLLECTIONS

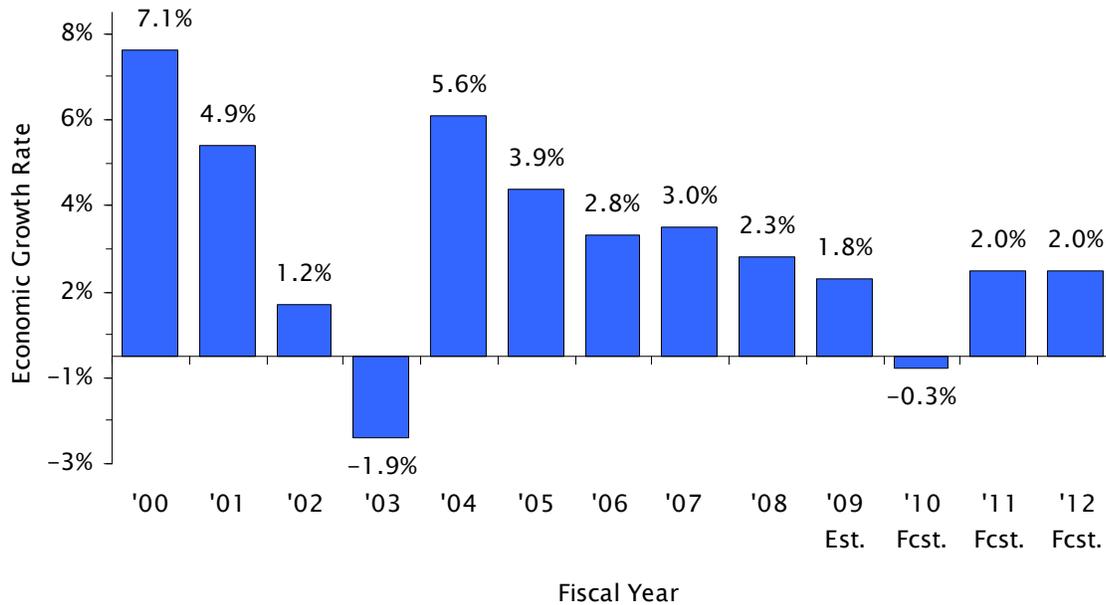
(In Millions)



- In FY 2002, estimates and finals fell by \$424.1 million
- In FY 2003, they fell by an additional \$131.1 million
- In FY 2010, OPM is currently projecting they will fall by \$309.9 million even though Estimates and Finals has a much larger base than during FY 2001

SALES TAX TRENDS

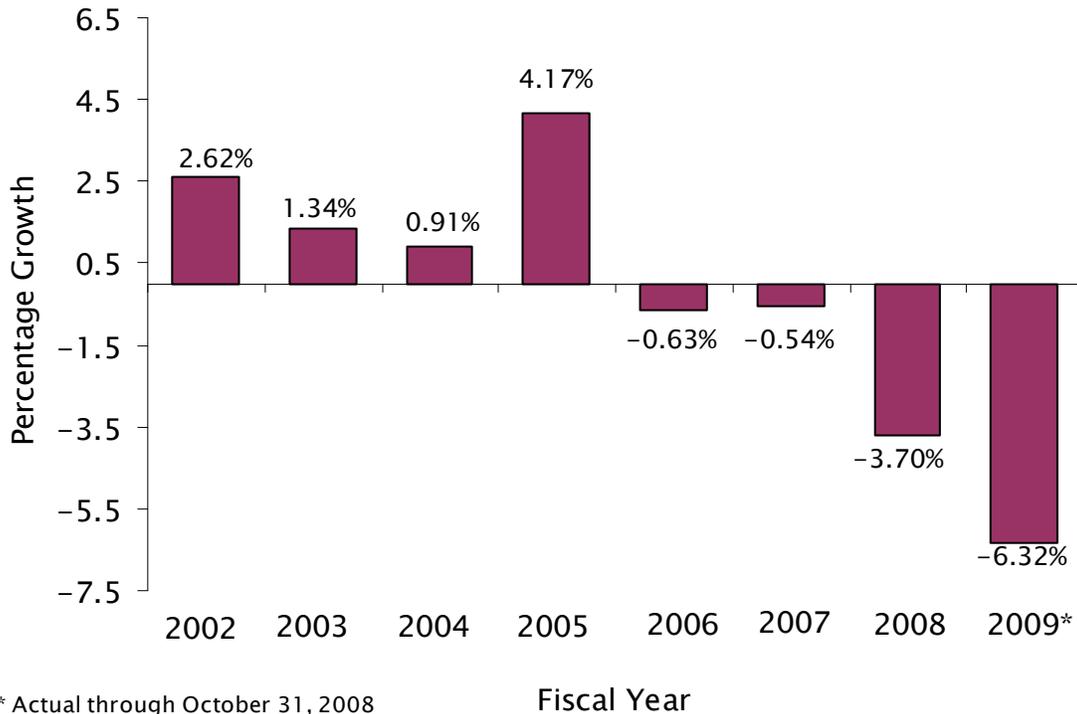
ECONOMIC GROWTH RATES OF THE SALES AND USE TAX



- The sales tax recovered in fiscal 2004 from the recessionary lows experienced in 2002 and 2003
- Beginning in Fiscal 2006 collections were weaker due to a spike in energy prices which robbed consumers' discretionary spending
- Fiscal 2009 collections are likely optimistic given the recent chaos in the financial markets and the contraction in credit
- Without this past year's federal stimulus package FY 2008 and FY 2009 would have been worse
- A 1% drop in the sales and use tax growth rate results in a revenue loss of \$35 million

MOTOR FUELS TAX TRENDS AND THE SPECIAL TRANSPORTATION FUND

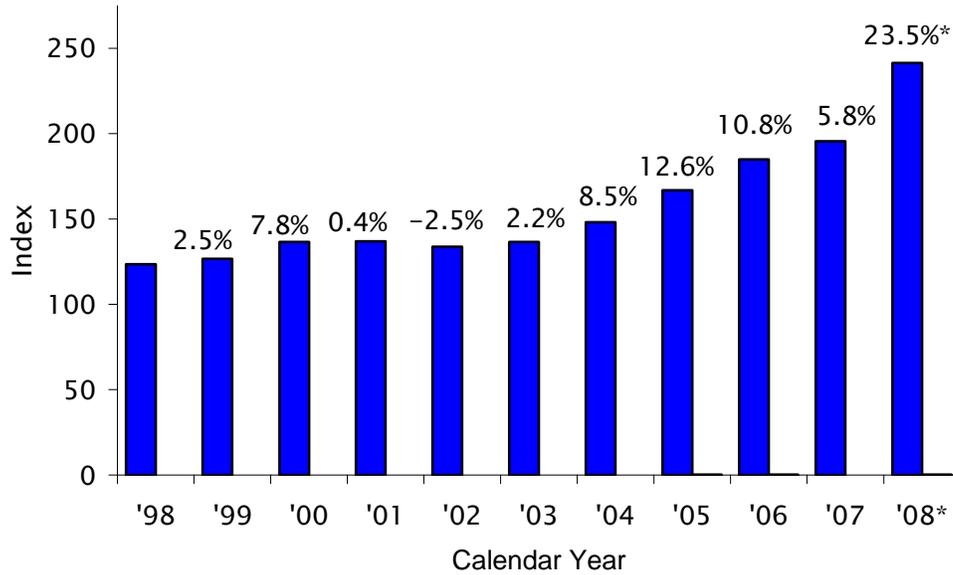
ECONOMIC GROWTH RATES OF THE MOTOR FUELS TAX



- In FY 2008, Motor Fuels tax revenue equaled 44% of the total revenue of the Special Transportation Fund
- Consumers have responded to the record high gasoline prices by significantly altering their driving habits and/or mode of transportation in an effort to reduce their gasoline bill
- The dramatic reduction in consumption results in a significant revenue loss and an unbalanced Transportation Fund operating budget
- The Special Transportation Fund ran an operating deficit in FY 2008 of \$14.6 million. On-going annual operating deficits are projected and will rise to more than \$160 million by FY 2012 or approximately 12% of the fund

ESCALATING COSTS OF HIGHWAY CONSTRUCTION

PRODUCER PRICE INDEX- BRIDGE AND HIGHWAY CONSTRUCTION



*Through September

Source: Bureau of Labor Statistics

- Between 2003 and 2007 the Consumer Price Index (CPI-U) increased 12%.
- Between 2003 and 2007 the PPI for Bridge and Highway Construction increased 43% or 3.5 times CPI-U
- The September 2008 PPI for Bridge and Highway Construction increased 22.7% over the September 2007 level
- Increases are the result of escalating costs of commodities used in highway projects such as steel, asphalt and cement

SIGNIFICANT DEMOGRAPHIC TRENDS

PROJECTIONS OF THE POPULATION IN CONNECTICUT

(Mid-Year Resident Population In Thousands)

<u>Age Group</u>	1990	2000	<u>Projections</u>			<u>% Change</u>
	<u>Census</u>	<u>Census</u>	<u>2010</u>	<u>2020</u>	<u>2030</u>	<u>2000-2030</u>
Total	3,287.1	3,405.6	3,577.5	3,675.7	3,688.6	8.3%
0-17	737.6	841.7	814.0	816.3	823.4	(2.2%)
18-64	2,103.6	2,093.7	2,247.9	2,216.7	2,070.8	(0.1%)
65 & Over	445.9	470.2	515.6	642.5	794.4	68.9%
85 & Over	47.1	64.3	93.7	105.6	132.4	105.9%
Median Age	34.4	37.4	39.6	39.7	41.1	9.9%

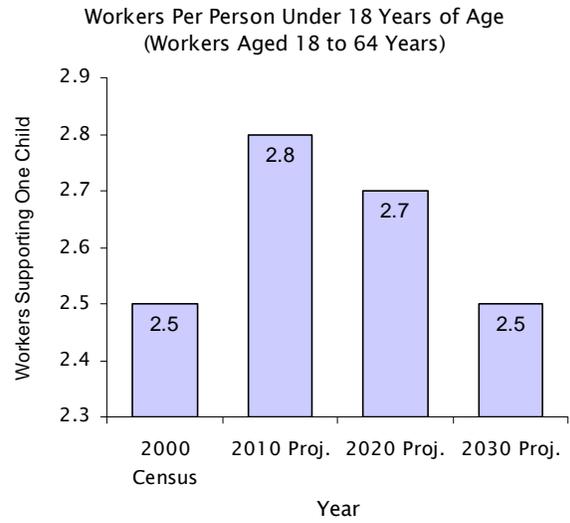
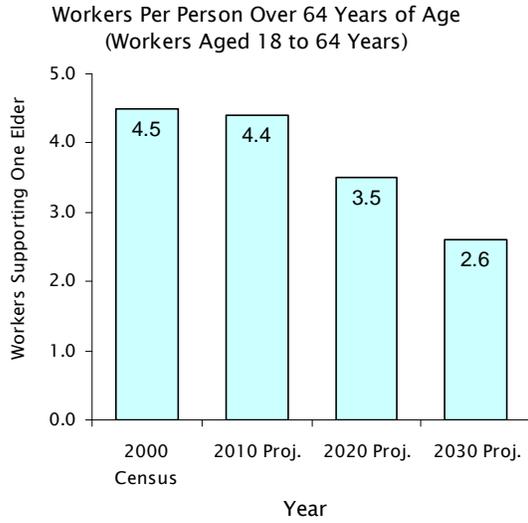
Source: U.S. Department of Commerce, Bureau of the Census, April 2005.

The state is projected to undergo major demographic changes, if current trends continue without some corrective action, with significant impact on our economic and social infrastructures. While many of these trends are also affecting the nation in total, Connecticut is a state that will be impacted particularly hard by these trends.

- The total population in Connecticut is expected to grow only 8.3% between 2000 and 2030, while the nation will grow by 29.2%
- While the older population, which uses services, will be growing significantly, the population between 18 and 64, those who will be working and will be asked to pay for those services with their taxes, will shrink in size by 0.1%
- The older population, those over 65, who are high users of various health and social services, will increase almost 70% between 2000 and 2030
- The very old and frail population, those over 85, who are very intense users of health and social services, will more than double in size from 2000 to 2030
- The school-aged population, those under 18, will stay about the same size or decrease slightly
- The median age of the state will increase to 41.1 years by 2030, while the nation's median age will increase to only 39.0 years

SIGNIFICANT DEMOGRAPHIC TRENDS

SHIFTING SOCIAL NEEDS



- Currently, there are 4.5 workers for every retiree in the State. This ratio will drop by 42% to 2.6 workers per retiree by 2030
- The number of workers relative to the population under age 18 is projected to remain constant

SIGNIFICANT DEMOGRAPHIC TRENDS

MIGRATION INTO AND OUT OF CONNECTICUT FROM 2002 TO 2007

Based on federal tax return data from the IRS, during the five-year period, Connecticut has lost:

- 30,617 households (net)
 - 189,770 households moved into the state
 - 220,387 households moved out of the state
- 49,313 individual residents (net)
 - 338,506 residents moved into the state
 - 387,819 residents moved out of the state
- \$1,999,143,000 (net) in Federal AGI of its residents
 - \$13,024,286,000 was brought into the state
 - \$15,023,429,000 was taken out of the state

Assuming an average tax rate of 3.5%, over the five-year period the state has lost a total of approximately \$70.0 million in personal income tax revenue alone due to migration. Of that total, \$26.9 million was lost in the last year, due to the acceleration of the losses.

The losses appear to be accelerating:

<u>Calendar Year</u>	<u>Net Gain/(Loss)</u>	<u>Net Gain/(Loss)</u>	<u>Net Gain/(Loss)</u>
	<u>Households</u>	<u>Residents</u>	<u>Federal AGI (\$ millions)</u>
2002 to 2003	(1,677)	(893)	7.5
2003 to 2004	(6,888)	(10,800)	(405.3)
2004 to 2005	(6,647)	(11,102)	(311.9)
2005 to 2006	(7,394)	(12,823)	(519.8)
2006 to 2007	<u>(8,011)</u>	<u>(13,695)</u>	<u>(769.7)</u>
2002 to 2007	(30,617)	(49,313)	(1,999.1)

The states most impacting Connecticut over the five years with regard to migration into and out of Connecticut were:

<u>State Moved From/To</u>	<u>Net Gain/(Loss)</u>	<u>Net Gain/(Loss)</u>	<u>Net Gain/(Loss)</u>
	<u>Households</u>	<u>Residents</u>	<u>Federal AGI (\$ millions)</u>
Florida	(19,032)	(37,363)	(1,818.8)
New York	14,404	38,555	2,116.0
North Carolina *	(4,847)	(10,341)	(361.0)
Virginia	(3,471)	(6,180)	(239.4)
Georgia	(3,012)	(5,541)	(133.3)
California *	(2,675)	(2,533)	(125.0)
Texas *	(1,575)	(3,500)	(169.1)
New Jersey	1,282	2,782	190.4
Pennsylvania *	(1,270)	(3,338)	(78.4)
Massachusetts *	<u>(914)</u>	<u>1,631</u>	<u>(166.0)</u>
SubTotal	(21,110)	(25,828)	(784.6)
Other States	<u>(9,507)</u>	<u>(23,485)</u>	<u>(1,214.6)</u>
Total Migration	(30,617)	(49,313)	(1,999.1)

* Trend is accelerating.

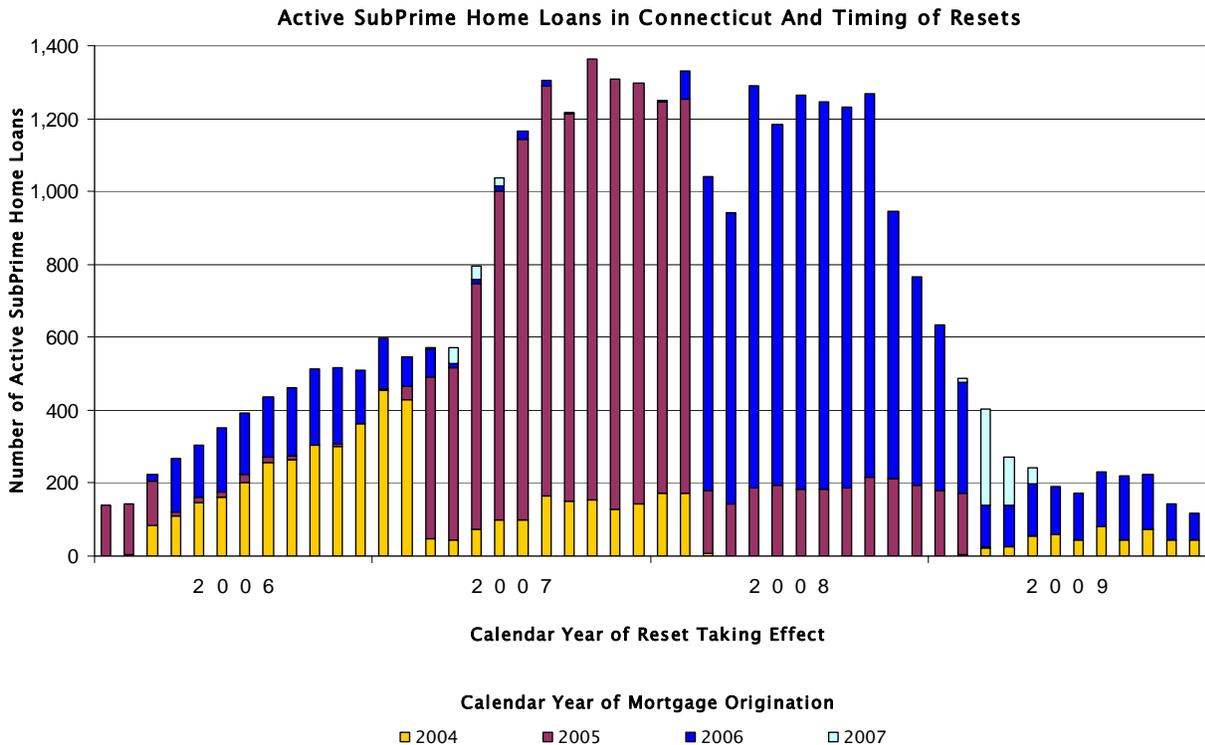
HOUSING, MORTGAGES, AND CREDIT QUALITY

Nationwide:

- Home prices have fallen fourteen of the last twenty months
- Prices of sold homes have fallen 13.1% since peaking in October of 2005
- The median sales price in August of 2008 was 9.7% less than in August of 2007
- Foreclosure actions were initiated on 300,000 home loans in 2005, and more than 750,000 so far in 2008

In Connecticut:

- Housing starts declined in FY 2008 for the third year in a row
- Housing permits in 2007 were down 16.1% compared to 2006, which was down 22.3% compared to 2005
- Subprime loans are currently about 11.0% of all mortgage loans outstanding, down from 13.0% in the first quarter of 2006, compared to 12.2% for the nation, down from a peak of 14.0%
- New foreclosures appear to have eased slightly, but foreclosure actions may follow resets by several months
 - Foreclosure activity for the first nine months of 2008 is 4.0% lower than the same period in 2007
 - Foreclosure activity for the third quarter of 2008 was down 9.4% from 2007 but still up 94.8% over 2006
 - Foreclosure activity in September of 2008 was down 4.1% from September of 2007



HEALTH CARE ACCESS EXPANSIONS

The FY2007–09 biennium saw substantial investments in health care, including increased reimbursement rates, new programs, eligibility expansions, and enrollment initiatives. These initiatives will result in budget growth that will continue into the upcoming biennium. Key among these initiatives are the implementation of the Charter Oak Health Plan, eligibility expansions for the HUSKY managed care program, and increased reimbursement for Medicaid providers.

- The Charter Oak Health Plan offers affordable health coverage to uninsured adults of all incomes (including childless adults who might otherwise be eligible for HUSKY coverage if they had children under 19) who don't have medical benefits through work and don't qualify for a public program. The program began in FY2009 and will annualize in the upcoming biennium.

Since the program began accepting applications in August 2008, through late October 2008, over 3,800 persons have submitted completed applications and have had their eligibility assessed by DSS, with about 1,750 of those applicants enrolling in Charter Oak. In addition, over 490 applicants have been referred to other state programs, and 266 applicants were either determined to be ineligible or eventually declined enrollment. By the end of FY2011, it is estimated that 37,000 persons will be served under the program.

- Eligibility for the state's health care program for low income children and families—the HUSKY program—has been expanded in several ways, all leading to increased HUSKY caseloads during the upcoming biennium:
 - Coverage for parents of children in the HUSKY program was increased from 150% to 185% of the Federal poverty level.
 - Enrollment initiatives were enacted to cover all children who are not otherwise insured by enrolling them at birth, with the state paying any premiums for the first four months, as well as annual enrollment efforts through schools.
 - Eligibility for low-income pregnant women was increased from 185% to 250% of the Federal poverty level.

Indeed, HUSKY caseloads have experienced a significant increase—from 309,000 in November 2007, to over 330,000 in October 2008. This enrollment growth is a reflection of these initiatives to increase eligibility and will drive expenditures during the upcoming biennium.

- Provider participation in the Charter Oak Health Plan and the recently re-procured HUSKY managed care networks is ongoing and growing.
 - Hospitals – As of late October 2008, fourteen hospitals have signed agreements participating in Charter Oak, and thirty hospitals are under contract with one or more HUSKY MCOs. Negotiations are continuing with hospitals not yet under contract.
 - Physicians – As of late October 2008, the combined physician networks totaled 9,308 participating providers, with 3,621 primary care providers and 5,687 specialists. This does not include existing providers under the Anthem network, which will not be part of the HUSKY program after the transition to the new MCOs. Efforts are ongoing to expand the network of physicians.

AGE OF JURISDICTION FOR 16 AND 17 YEAR OLDS

PA 07-4 June Special Session extends the juvenile justice system and the Families with Service Needs (FWSN) program to include 16 and 17 year olds as of January 1, 2010.

Connecticut is one of three states that include 16 and 17 year olds as adults for criminal justice purposes. A juvenile jurisdiction planning and implementation committee was charged with developing a plan for the implementation of changes in the juvenile justice system to extend jurisdiction in delinquency matters and proceedings to sixteen- and seventeen-year-olds within the Superior Court for Juvenile Matters. On February 8, 2007 the committee submitted findings and recommendations for legislation during the 2007 legislative session.

Public Act 07-4 also created the Juvenile Jurisdiction Policy and Operations Coordinating Council (JJPOCC) which shall monitor "the development and implementation of a comprehensive system of community-based services and residential services for juveniles." The JJPOCC, whose final report on these matters is due no later than January 1, 2009, is currently meeting. Therefore, costs associated with the passage of PA 07-4 are currently the state's best estimates. These figures are expected to be modified as the change in the age of jurisdiction is studied in more detail by the JJPOCC. At this time, there has been no final determination of the service delivery method or the level of the services to be provided. Many issues have yet to be resolved that will impact the funding requirements associated with the provisions of the Public Act.

The updated estimated costs associated with implementing the provisions of PA07-4 of the June Special Session are outlined in the chart below. The chart reflects preliminary estimates provided by the impacted agencies and have not yet been vetted by the JJPOCC. It is likely that the figures reported below will change once the responsibilities of the agencies are determined and the services and service levels are identified. FY 08 and FY 09 amounts provided in the FY 07-09 Biennial Budget (PA 07-1 JSS) are noted below; these are continued as current services in the out-years.

Preliminary Cost Estimate – Age of Jurisdiction Bills (in millions)

Operating Funds	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>
<u>Judicial</u> *				
Costs for Positions and Services – In PA07-1 JSS	\$ 5.00	\$ 10.60	\$ 10.60	\$ 10.60
Annualization Costs for Positions and Services	-	-	7.15	16.18
Additional Family Support Centers	-	-	1.02	2.04
FWSN – In PA07-1 JSS	3.50	3.50	3.50	3.50
 <u>Division Criminal Justice & Public Defenders</u>				
Court Support	-	0.50	4.35	3.85
Guardians ad litem	-	-	0.08	0.08
 <u>Department of Children and Families</u>				
Adjudicated Youth	-	-	5.92	30.16
Families with Service Needs	-	-	0.80	9.32
 <u>Office of Policy and Management</u>				
Juvenile Jurisdiction Prevention Grants	-	-	1.83	3.65

* figures reflect annualized existing services; Judicial has not submitted options because no approved plan exists

Fiscal Accountability Report

	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>
<u>Department of Mental Health and Addiction Services</u>				
Psychiatric Hospitalization	-	-	1.83	3.65
Highly Specialized Residential Treatment	-	-	2.50	5.00
Specialized Residential Treatment	-	-	2.50	5.00
Intensive/Intermediate Substance Abuse Residential Treatment	-	-	0.90	1.80
Young Adult Services for clients over age 18	-	-	0.19	0.38
Transitional Services	-	-	1.52	3.04
<u>Comptroller's Fringe Benefit Accounts</u>				
Judicial	-	0.81	1.41	1.52
Department of Children and Families	-	-	0.14	4.03
Criminal Justice & Public Defenders	-	-	0.95	1.07
Total - Operating Funds	8.50	15.41	47.19	104.87
Less Budgeted In PA07-1 JSS	(8.50)	(14.10)	(14.10)	(14.10)
Less Savings to DOC	-	-	(1.00)	(2.10)
Unbudgeted - Additional Operating Needs	\$ -	\$ 1.31	\$ 32.09	\$ 88.67
Bond Funds				
Judicial	\$ -	\$ 4.00	\$ -	\$ -
Criminal Justice	-	-	0.80	-
Department of Children and Families	5.00	6.00	8.00	-
Total Bond Funds	\$ 5.00	\$ 10.00	\$ 8.80	\$ -

The operating costs indicated in the chart above are significant and can be summarized as follows:

- When fully implemented, the Judicial Department will incur costs of \$5.5 million annually for expanded services for an estimated 1000 additional youth in families designated as FWSNs and various training materials.
- \$33.84 million has been identified in FY 2011 for increased court and probation staff, fringe benefit costs, contracted community-based services and expanded facilities.
- Effective July 1, 2009, the Division of Criminal Justice and the Public Defender Services Commission will require additional staffing and associated costs estimated at \$4.35 million in FY10 and \$3.85 million annually and additional annualized fringe benefit costs of \$1.1 million to support the court expansions and to engage in more time-intensive proceedings.
- Effective on July 1, 2009, the Commission on Child Protection would also incur costs, estimated to be less than \$50,000 annually, to appoint persons (guardians ad litem) to act on behalf of the interests of some of these juveniles in delinquency proceedings.
- The Department of Children and Families (DCF) would have significant costs to implement services for 16 and 17 year olds that would be charged to their custody or eligible for DCF services. DCF is assuming they will receive 200 additional delinquent commitments a year with the raise the age initiative. Current estimates assume youth will be committed to DCF for an average of 2 years. The department's plans anticipate expanding and reconfiguring the facility and programs at the Connecticut Juvenile Training School (CJTS) to accommodate additional capacity of 94 youth. A secure facility for 18 girls is presently in the early design phase. Current plans also assume the need for 78 additional beds in private residential facilities or new group homes. Up to 220 youth are anticipated to be served in their homes and communities. A small number of youth would also need the level

of services provided at Riverview Hospital. The annualized cost for DCF to serve these delinquent youth is projected to be about \$35.2 million a year.

- The Raise the Age bill also extended the Family with Service Needs program to 16 and 17 year olds. This will also have cost implications for DCF.
- The Department of Education (SDE) would incur some costs to partner with the Court Support Services Division and the FWSN Advisory Board to establish prevention initiatives for preventing and reducing truancy. \$350,000 would be needed in FY 2009 in order to hire a lead consultant dedicated to truancy and provide the five districts with grants of \$50,000 each.
- Because the issue of who will serve the 18 year old committed population has not been resolved, DMHAS is assuming that they will have responsibility for the youth who will be under supervision and require services beyond the age of 18. Based on the assumption that this group of young adults will have the highest levels of need, including secure and staff-secure inpatient and residential settings, DMHAS estimates their service and infrastructure needs for 110 youth per year as follows:
 - 10 will have serious mental illness and require psychiatric hospitalization at \$365,000 per client (\$3.65 million).
 - 20 clients will require highly specialized residential treatment at an average cost of \$250,000 per client (\$5.0 million).
 - 40 clients will require specialized residential treatment at \$125,000 per client (\$5.0 million).
 - 30 clients will require intensive/intermediate substance abuse residential treatment at \$60,000 per client (\$1.8 million).
 - 10 clients committed over age 18 will be served through the existing Young Adult Services program at \$38,000 per client (\$380,000).
 - Approximately 80% of the 100 clients who need residential/hospital level services will require transitional services, including after their commitment ends at \$38,000 (\$3.04 million).
- The Department of Correction estimates that 300 inmates currently at the Manson Youth Institution will be transferred as a result in the change in jurisdiction resulting in an annual savings of approximately \$2.1 million.

Additionally, affected agencies will require bond authorizations and allocations to finance necessary alterations and improvements which are required in order to comply with the juvenile jurisdiction change. The Judicial Department received a one-time \$4 million bond authorization for necessary repairs to current facilities. DCF also received a bond authorization of \$11 million for the construction of an 18 bed secure facility which will allow the agency to adequately manage the juvenile girl population. The State Bond Commission has allocated dollars towards the secure girls' facility and this project is underway. The Division of Criminal Justice and the Public Defender Services Commission will each require about \$400,000 through the Capital Equipment Purchase Fund for equipment for new personnel in the upcoming biennial bond package. In addition, DCF will require an \$8 million bond authorization for various renovations and improvements to the Connecticut Juvenile Training School in order to adequately and appropriately address the male juvenile population.

ENERGY ASSISTANCE

The FY 2009 Connecticut Energy Assistance Program (CEAP) includes a significant expansion of energy assistance benefits for families and vulnerable populations such as the elderly and disabled. The Governor's proposed allocation plan for the FY 2009 LIHEAP Block Grant (i.e., the CEAP plan) was projected to cost \$84.0 million, an increase of \$14.1 million over the \$69.9 million that was expended in FY 2008. With anticipated federal funding of only \$42.6 million, the Governor's plan would have required additional funding of \$41.4 million. However, in their review of the plan, the legislative committees of cognizance increased CEAP benefit levels by \$29.9 million beyond the Governor's proposal. At a cost of \$113.9 million, the revised allocation plan was expected to require \$71.3 million beyond projected federal funding of \$42.6 million.

On October 16, 2008, the federal government announced the state's allocation for FFY 2009 LIHEAP and related funding. Connecticut is very fortunate to receive an unprecedented level of federal energy assistance for FY 2009, as shown in the table. The total of \$134.8 million available for the CEAP plan may be sufficient for projected expenditures during FY 2009.

Connecticut's FY 2009 CEAP Funding

LIHEAP Block Grant	\$95,782,640
FFY 09 Contingency dollars	30,103,919
FFY 08 Contingency dollars	6,962,123
SFY 08 Carry Forward	1,700,000
FFY 09 Leveraging Funds	279,187
Funds Available	\$134,827,869

Projected expenditures are contingent upon oil pricing and program demand:

- The plan assumes oil prices of \$5 per gallon, although Connecticut retail heating oil prices began to decline from \$4.76 per gallon in July 2008 to \$2.93 per gallon at the end of October. Nevertheless, retail prices could still increase as a result of weather conditions, local supplies and other economic factors, and while it is unlikely that home heating oil will average \$5 per gallon this winter, it is possible that prices could reach this mark for some portion of the winter.
- The plan assumes benefits will be provided to 90,600 households this winter, a 5% increase over FY 2008. To the extent caseload and program demand are higher than planned, the \$20.9 million cushion may be needed to address the resulting costs.

While Connecticut is the recipient of an extraordinary level of federal energy assistance funding for FFY 2009, the expansion of CEAP benefit levels is of concern and could be a significant cost driver in the upcoming biennium. If federal funding in future years is at more historical levels, the state's fiscal situation for the upcoming biennium may require that CEAP benefit levels be scaled back.

FY2010 AND FY2011 BIENNIAL BUDGET CHALLENGES

- Worsening Economic Conditions
- Declining Revenue projections
- Structural Holes
- Volatile Energy Prices
- Increasing Expenditure requests
 - Raise the Age/Juvenile Jurisdiction
 - Pension Issues – Revaluation, Pension Obligation Bond Requirements
 - Health Care Worker Contracts expiration – Nursing Homes – Spring 2009
 - Private Providers
 - Medicaid
 - Debt Service for:
 - UCONN, CSU, School Construction, Pension Obligation Bonds
 - Department of Education–
 - Sunset of biennial caps on major education grants, like Adult Education and Transportation
- Special Transportation Fund
 - Declining Revenues
 - Increasing Expenditures
 - Construction Cost Escalation
 - Unknown Federal Commitments

SECTION 7

ANALYSIS OF POSSIBLE USES OF SURPLUS FUNDS

ANALYSIS OF POSSIBLE USES OF SURPLUS FUNDS

Current projections have essentially rendered the requirement of this section of the Fiscal Accountability Report moot, as the near term probability of a surplus is unlikely to occur.

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

There have been lost opportunities in recent years when surplus funds were appropriated to address needs which were perceived to be most pressing at the time, but in retrospect have proven to divert funds from what should have been considered a priority, paying down some of our long term obligations. Utilizing a higher portion of any of the previous year's surpluses to address our long term obligations certainly would have better positioned the state to weather the financial situation in which we find ourselves.

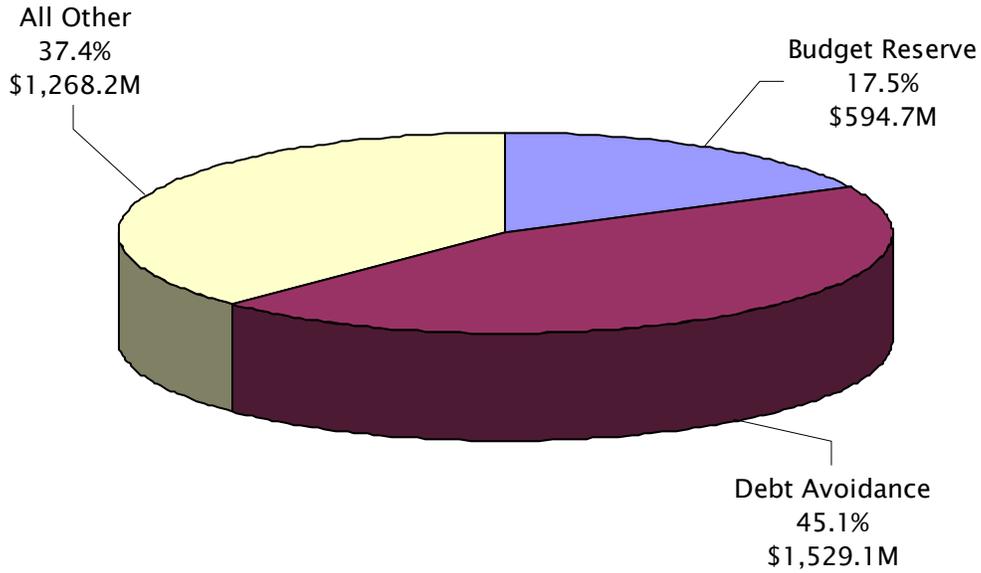
Possible Use of Surplus Funds upon meeting BRF 10% Balance:

- Reduce bonded indebtedness
- Provide funds for Higher Education Matching Grants as per sections 10a-77a, 10a-99a, 10a-109c, 10a-109i and 10a-143a of the general statutes
- Reduce unfunded liability in the State Employees Retirement Fund
- Reduce unfunded liability in the Teachers Retirement Fund
- 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, Higher Education matching grants, reducing the unfunded liabilities in our pension funds or establishing a formal 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.

USE OF GENERAL FUND SURPLUSES

ACTUAL FY1992 to FY2003 – \$3,392.0M



ACTUAL FY2004 to FY2008 – \$3,716.3M

