

## Section III

### APPROPRIATIONS

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## APPROPRIATIONS

### The Connecticut State Budget for the 2009 - 2011 Biennium

#### *FY 10 - FY 11 Budget Overview*

The biennial budget approved by the 2009 General Assembly included \$18.6 billion for FY 10 and \$18.9 billion for FY 11. The General Fund appropriation was \$17.4 billion for FY 10 and \$17.6 billion for FY 11, while the Transportation Fund was \$1.1 billion for FY 10 and \$1.2 billion for FY 11. These two major funds, the General Fund and the Transportation Fund, together represent 99% of all expenditures. Other appropriated funds account for the remaining balance of \$160.0 million in FY 10 and \$163.4 million in FY 11. The budget act, PA 09-3 of the June Special Session, "AAC Expenditures and Revenue for the Biennium Ending June 30, 2011," as amended by various budget implementer bills from the September Special Session (PA 09-5, PA 09-6 and PA 09-7) reflects state agency appropriations that are summarized in Section VI. The following table shows the FY 10 and FY 11 all funds appropriation (net of budgeted lapse).

| Fund                                      | Net FY 10<br>Appropriation | Net FY 11<br>Appropriation |
|---|----------------------------|----------------------------|
| General Fund                              | \$17,370,320,536           | \$17,594,672,764           |
| Special Transportation Fund               | 1,114,651,442              | 1,180,566,084              |
| Mashantucket Pequot & Mohegan             | 61,779,907                 | 61,779,907                 |
| Soldiers, Sailors and Marines'            | 2,978,468                  | 2,997,543                  |
| Regional Market Operation                 | 928,942                    | 957,073                    |
| Banking                                   | 19,641,148                 | 20,573,086                 |
| Insurance                                 | 25,652,871                 | 26,617,652                 |
| Consumer Counsel & Public Utility Control | 23,229,776                 | 23,957,386                 |
| Workers' Compensation                     | 22,614,564                 | 23,072,391                 |
| Criminal Injuries Compensation            | 3,132,410                  | 3,408,598                  |
| <b>Grand Total</b>                        | <b>\$18,644,930,064</b>    | <b>\$18,938,602,484</b>    |

## Budget Adjusted Growth Rate

The following table shows that the budget adjusted growth rate for all appropriated funds is -0.6% for FY 10 and 1.5% for FY 11. The growth rates account for the use of carry forward funding anticipated to be expended in each fiscal year, shifting of costs to and from other funds, and shifting of Medicaid payments from FY 11 into FY 12.

| Budget Growth Rates (Based on OFA Adjustments)  |   |                      |                        |                                 |                      |                        |                                 |
|---|---|----------------------|------------------------|---------------------------------|----------------------|------------------------|---------------------------------|
|   | FY 09<br>Estimated<br>Expenditures <sup>[1]</sup> | FY 10 <sup>[2]</sup> | Amount<br>of<br>Change | Percent<br>Change<br>(Adjusted) | FY 11 <sup>[2]</sup> | Amount<br>of<br>Change | Percent<br>Change<br>(Adjusted) |
| <b>General Fund</b>   |   |                      |                        |                                 |                      |                        |                                 |
| Base  | 16,960.8  | 17,370.3             | 409.5                  | 2.4%                            | 17,594.7             | 224.4                  | 1.3%                            |
| Adjustments <sup>[3]</sup>  | 504.1   | 24.2                 |                        |                                 | 56.1                 |                        |                                 |
| <b>Subtotal</b>   | <b>\$17,464.9</b>                                 | <b>\$17,394.5</b>    | <b>-\$70.4</b>         | <b>-0.4%</b>                    | <b>\$17,650.7</b>    | <b>\$256.2</b>         | <b>1.5%</b>                     |
| <b>Transportation Fund</b>  |   |                      |                        |                                 |                      |                        |                                 |
| Base  | 1,144.2   | 1,114.7              | -29.5                  | -2.6%                           | 1,180.6              | 65.9                   | 5.9%                            |
| Adjustments <sup>[3]</sup>  | 38.7  | 64.3                 |                        |                                 | 27.0                 |                        |                                 |
| <b>Subtotal</b>   | <b>\$1,182.9</b>                                  | <b>\$1,179.0</b>     | <b>-\$3.9</b>          | <b>-0.3%</b>                    | <b>\$1,207.6</b>     | <b>\$28.6</b>          | <b>2.4%</b>                     |
| <b>Other Appropriated Funds [4]</b>   |   |                      |                        |                                 |                      |                        |                                 |
| Base  | 203.3   | 160.0                | -43.4                  | -21.3%                          | 163.4                | 3.5                    | 2.2%                            |
| Adjustments <sup>[3]</sup>  | 2.2   | 0.7                  |                        |                                 | -0.8                 |                        |                                 |
| <b>Subtotal</b>   | <b>\$205.5</b>                                    | <b>\$160.7</b>       | <b>-\$44.9</b>         | <b>-21.8%</b>                   | <b>\$162.6</b>       | <b>\$2.0</b>           | <b>1.2%</b>                     |
| <b>Total All Appropriated Funds</b>   |   |                      |                        |                                 |                      |                        |                                 |
| Base  | 18,308.3  | 18,645.0             | 336.7                  | 1.8%                            | 18,938.6             | 293.7                  | 1.6%                            |
| Adjustments <sup>[3]</sup>  | 545.0   | 89.2                 |                        |                                 | 82.3                 |                        |                                 |
| <b>Total</b>  | <b>\$18,853.3</b>                                 | <b>\$18,734.2</b>    | <b>-\$119.2</b>        | <b>-0.6%</b>                    | <b>\$19,020.9</b>    | <b>\$286.8</b>         | <b>1.5%</b>                     |
| <p>[1] General Fund and Transportation Fund estimates are as of February 2, 2009 (a fixed date baseline is maintained throughout the budgetary process for comparative purposes). These estimates reflect deficiencies and unachieved lapses, and exclude expenditures from carry forwards.</p> <p>[2] The budget act (PA 09-3 JSS), as amended by the September Special Session Implementers (PA 09-5, PA 09-6 and PA 09-7).</p> <p>[3] Adjustments include carry forward funding anticipated to be expended in each fiscal year, shifting of costs to and from other funds and shifting of Medicaid payments from FY 11.</p> <p>[4] Includes the following: Banking; Insurance; DPUC/Consumer Counsel; Workers' Compensation; Regional Market; Soldiers, Sailors and Marines'; Criminal Injuries Compensation; and Mashantucket Pequot and Mohegan.</p> |   |                      |                        |                                 |                      |                        |                                 |

## Spending Cap

The amount by which total appropriations are under the spending cap is based on appropriations for the ten appropriated funds. The final FY 09 budget was under the spending cap by \$4.9 million, which takes into account a number of deficit mitigation efforts and appropriations changes. The 2009 - 2011 biennial budget is under the spending cap by \$840.9 million and \$589.9 million in FY 10 and FY 11, respectively, based on a growth factor of 5.9% in FY 10 and 5.3% in FY 11 for appropriations subject to the cap.

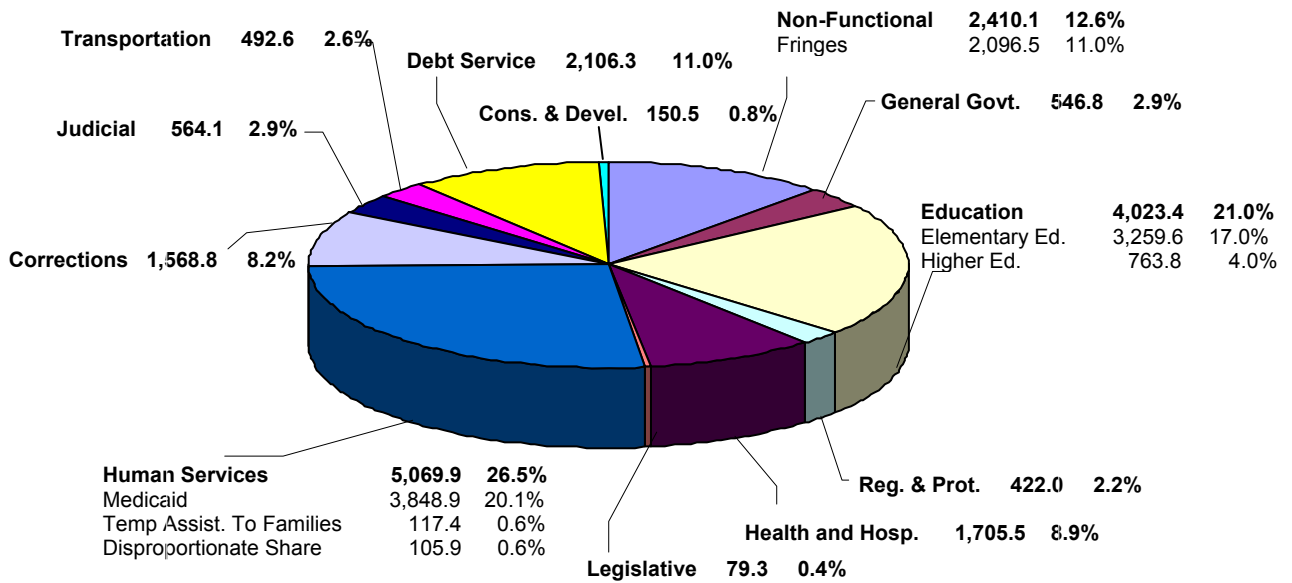
|  |
|--|
| <b><i>Estimated Lapse and Other Built-in Savings</i></b> |
|--|

The budget anticipates that the following sums will remain unexpended, either through normal spending patterns (most agencies do not spend their full appropriation), or through “mandated” savings. The 2009 - 2011 biennial budget reflects the following lapse (savings) adjustments:

| Estimated Lapse/Savings  | FY 10                  | FY 11                  |
|--|------------------------|------------------------|
| <b>General Fund:</b>   |                        |                        |
| Reduce Outside Consultant Contracts <sup>[1]</sup>   | (95,000,000)           | (95,000,000)           |
| Estimated Unallocated Lapses <sup>[2]</sup>  | (87,780,000)           | (87,780,000)           |
| General Personal Services Reduction <sup>[3]</sup>   | (14,000,000)           | (14,000,000)           |
| General Other Expenses Reductions <sup>[3]</sup>   | (11,000,000)           | (11,000,000)           |
| Personal Services Reductions <sup>[4]</sup>  | (190,977,440)          | (193,664,492)          |
| Legislative Unallocated Lapses <sup>[5]</sup>  | (2,700,000)            | (2,700,000)            |
| DoIT Lapses <sup>[6]</sup>   | (30,836,354)           | (31,718,598)           |
| Enhance Agency Outcomes <sup>[7]</sup>   | (3,000,000)            | (50,000,000)           |
| Management Reduction <sup>[8]</sup>  | (10,000,000)           | (12,500,000)           |
| Reduce Other Expense to FY 07 Levels <sup>[9]</sup>  | (28,000,000)           | (32,000,000)           |
| <b>Total General Fund</b>  | <b>(\$473,293,794)</b> | <b>(\$530,363,090)</b> |
| <b>Transportation Fund:</b>  |                        |                        |
| Estimated Unallocated Lapses <sup>[2]</sup>  | (11,000,000)           | (11,000,000)           |
| Personal Services Reductions <sup>[4]</sup>  | (10,227,979)           | (10,413,528)           |
| <b>Total Transportation Fund</b>   | <b>(\$21,227,979)</b>  | <b>(\$21,413,528)</b>  |
| <p>[1] Savings attributed to reducing state agencies' outside consultant contracts.</p> <p>[2] Estimated lapse through normal spending patterns.</p> <p>[3] OPM prorates the General Personal Services Reduction and General Other Expenses Reductions among agencies and has shown these amounts as targets to be achieved as agencies plan their spending in FY 10.</p> <p>[4] Savings from the Retirement Incentive Program (RIP), furlough days, and various health and pension SEBAC agreement savings.</p> <p>[5] Target for the legislative agencies to achieve in FY 10.</p> <p>[6] Funding for state agencies' information technology is consolidated within the Department of Information Technology (DoIT).</p> <p>[7] Estimated lapse from achieving efficiencies and economies in state agencies' spending.</p> <p>[8] Reduce Personal Services funding for management level positions.</p> <p>[9] Reduce various agencies Other Expenses to FY 07 spending levels.</p> |                        |                        |

**Appropriations by Major Function of Government**

Of the \$19.1 billion FY 10 gross appropriation for all funds, \$5.1 billion, 26.5% of the total, has been designated for social service needs such as health care, cash assistance, and childcare. Education is the second highest area of expenditure, representing 21.0% of the budget at \$4.0 billion. Debt service, ongoing payments of principal and interest on state bonds, accounts for 11.0% of the state budget. The net appropriation for FY 10 of \$18.6 billion reflects the subtraction of \$494.5 million for the estimated lapse. The amounts shown below for each function of government represent their share of the gross appropriation of \$19.1 billion.



|   |
|---|
| <p><b><i>Significant Changes of a General Policy Nature</i></b></p> |
|---|

Below is a select list of major policy changes included in the budget (as amended by Implementers) related to spending. These are presented for purposes of highlighting significant policy changes and should not be considered all inclusive.

**Labor Concessions - SEBAC Agreement**

Special Act 09-6 “An Act Concerning State Personnel Cost Savings” incorporated the terms of an agreement between the State and the State Employees Bargaining Agent Coalition (SEBAC), which resulted in labor concessions that will yield an estimated \$630.1 million in General Fund and Transportation Fund savings over the 2009 - 2011 biennial budget (FY 09 savings were estimated at \$71.8 million). The major sources of the SEBAC savings are as follows:

- Wage freeze for the agreed upon bargaining units in FY 10 (or FY 11 for those bargaining units that took a soft wage freeze);
- Furlough days (1 in FY 09, 3 days in each of FY 10 and FY 11) for all state employees;
- Retirement Incentive Program (RIP) estimated to save \$106 million in FY 10 and \$102 million in FY 11 (as reflected in the 5/14/09 fiscal note to SA 09-6). Retired employees received three years of credit added to the retirement benefit, but would also defer payouts for unused leave until 2012, when it will begin to be paid in three annual installments;
- Active state employees’ share of health care costs increased by \$350 a year and co-payments for prescription drugs increased. Employees pay \$5 for generic medications, \$10 for brand name drugs and \$25 for drugs not on the list of preferred brands;
- Establishment of a “Rule of 75” governing entitlement to health benefits for state employees who leave state service with vested pension rights but do not immediately begin collecting a pension. Currently, these individuals qualify for retiree health benefits when they reach retirement age with at least 10 years of state service. Under the “Rule of 75,” the combination of a retiree’s age and years of service must equal or exceed 75 before he or she can begin receiving health benefits, even if qualified for a pension at an earlier date;
- Current employees with less than 5 years of service and all future employees will be required to contribute 3% of their earnings annually to fund retiree health care during the first 10 years of their employment;
- Defer the State’s contribution to the State Employee Retirement System (SERS) by \$50 million in FY 09 and \$64.5 million in FY 10, and Other Post Employment Benefits (OPEB) by \$14.5 million in FY 09.

In PA 09-3 JSS (the budget bill), the SEBAC agreement savings are primarily reflected in budgeted bottom-line lapses and in wage and benefit reductions to the Reserve for Salary Adjustments accounts.

### **Justice and Public Safety**

**Partial Implementation of “Raise the Age”** - Approximately \$29 million is provided over the biennium to partially implement this policy change; note that corresponding reductions of approximately \$24 million are made in agencies’ budgets in order to make these funds available.

Public Act 07-4 of the June Special Session would have increased the age of juvenile jurisdiction to include 16 and 17 year olds, effective January 1, 2010. However, Public Act 09-7 of the September Special Session postpones until July 1, 2012 increasing the age of juvenile jurisdiction to include 17 year olds. As a consequence, “raise the age” is to include 16 year olds only during the 2010-2011 biennium.

**Expansion of Family Support Centers** - Funding, in the amount of \$3.0 million over the biennium, is provided to the Judicial Department to expand these centers, which provide services to juvenile status offenders in order to divert them from detention. It is uncertain whether or not these funds will be spent for this purpose since the Judicial Department has indicated that \$12.8 million in reductions to its Other Expenses line item requires the Department to shift these new funds to support ongoing operations instead.<sup>1</sup>

**Provide Alternative Funding to Support Legal Aid** - In addition to the estimated \$7.7 million annual revenue from raising court fees provided under PA 09-152, the budget increases the General Fund subsidy (which is passed through the Judicial Department to the Connecticut Bar Foundation) from \$1.0 to \$1.5 million. It is uncertain whether or not the \$0.5 million increase will be spent for this purpose due to the Judicial Department shortfall (as indicated in the footnote below). These funding alternatives partially offset the drop in other revenues (from approximately \$20 million in 2007 to \$3 million projected in 2010) for legal aid.

**Decreased Funding for Court Operations** - Funding is reduced by \$7.5 million over the biennium as follows: (1) \$2.6 million is the equivalent of closing the Bristol Geographic Area Court; and (2) \$4.9 million in eliminated funding for purchasing new law library materials.

**Reform of the Probate Court System** - PA 09-114 and PA 09-1 (SSS) make various reforms to the Connecticut probate court system, including a reduction in the number of courts statewide from 117 to 54, effective January 5, 2011. Savings to the Probate Court Administration Fund (PCAF) are estimated to be \$4.0 million in FY 11 and \$7.9 million annually thereafter. The budget includes \$5.5 million in FY 10 and \$11.25 million in FY 11 from the General Fund (through the Judicial Department) to enable solvency of the PCAF until the reforms are enacted.

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<sup>1</sup> In a letter dated October 1, 2009, from the Chief Court Administrator to Legislative Leaders and Chairs/Ranking Members of the Appropriations and Judiciary Committees, the Judicial Department indicated that it will be unable to implement an expansion of this program due to budgetary shortfalls in the Department’s Other Expense line item.

**Public Safety Task Force Funding** - In order to obtain savings of approximately \$1.9 million over the biennium, the Statewide Narcotics Task Force is eliminated and the following are suspended: (1) payments for the Urban Violence Task Force; and (2) the Gun Law Enforcement Task Force.

**Urban Youth Violence Prevention** - Funding of \$1.0 million is eliminated from the budget of the Office of Policy and Management in both FY 10 and FY 11.

**Correction Policies / Prison Savings** - The budget includes a reduction in the Department of Correction's operational funding of \$20.7 million in FY 10 and \$43.2 million in FY 11 to reflect savings associated with the implementation of various policies including the potential closure of facilities or portions thereof.

These policies/programs include: (1) restoring the restriction on reentry furloughs that was eliminated by PA 08-1 (January Special Session) and expanding it to 45 days (Sec. 35 of PA 09-7 SSS); (2) changing from two to one the number of full-time parole board members that are required at parole hearings and allowing part-time members to be used, which could increase the number of hearings that can be held when full-time members are not available (Sec. 36 of PA 09-7); (3) allowing DOC to transfer, to the Federal Immigrations and Customs Enforcement agency, incarcerated aliens that have been sentenced to a prison term of five years or less and have served at least 50% of the sentence (Sec. 94 of PA 09-7 SSS); and (4) requiring DOC and DCF to develop a program to reunify incarcerated women with their children in the community (Sec. 180 of PA 09-7 SSS).

### **Environment and Economic Development**

**Environmental Funds** - The budget shifts \$46.4 million in FY 10 (\$46.5 million in FY 11) and 332 associated positions within the Department of Environmental Protection from the Conservation Fund and the Environmental Quality Fund to the General Fund. The boating account, in the amount of \$5.9 million in FY 10 (\$6.0 in FY 11) which supports 29 associated positions, remains as a separate, non-lapsing account of the General Fund.

**Grants to Dairy Farmers** - The budget provides \$10.0 million in FY 10 for grants to dairy farmers. These grants are for the purpose of offsetting the difference between the minimum sustainable monthly cost of milk production on the farm and the federal price farmers receive for their product for the period 1/1/09 through 6/30/09. The Department of Agriculture may use up to \$100,000 for administration of grants and they must be distributed by 11/1/09.

**Grants to Regional Planning Agencies** - Funding of \$800,000 is eliminated from the budget of the Office of Policy and Management in both FY 10 and FY 11.

**Funding for the Capital City Economic Development Authority** - Funding is reduced by \$1.85 million in both years of the biennium.

**Payment-in-lieu of Taxes for Manufacturing Machinery & Equipment** - Funding is held at FY 09 levels over the biennium, resulting in savings of approximately \$74.5 million during that period.

### **Health Insurance and Pensions**

**Teachers' Retirement Board (TRB) Retiree Health Insurance** - The budget eliminates the state contributions toward the retired teacher health insurance account within the TRB for FY 10 (\$28.9 million) and FY 11 (\$31.3 million) and allows the OPEB (Other Post Employment Benefits) Teacher Fund to pick-up the state share for this period. This change will not impact retired teachers. As of June 30, 2009, the fund balance in the OPEB Teacher Fund was \$77.5 million.

**Pension Contribution for Judges** - The budget includes savings of \$15.4 million for FY 10 and \$16.2 million for FY 11, which is achieved within the Judges, Family Support Magistrates, and Compensation Commissioners Retirement System. These savings represent the actuarially determined pension contribution being withheld for the biennium.

**Health Care Audit** - The budget includes \$5.0 million in FY 10 and \$10.0 million in FY 11 in anticipated savings resulting from a health care audit which has yet to be performed by the Office of the State Comptroller. These savings are based on discovering and rectifying cases of fraudulent coverage.

**Support Sustinet Planning** - Two positions and approximately \$143,000 are provided to the Office of the Healthcare Advocate for this purpose in each year of the biennium.

### **Mental Health and Addiction Services**

**Expand Various Services** - Additional funding, in the total amounts of \$11.8 million in FY 10 and \$28.5 million in FY 11, is provided to expand the following programs over the biennium: (1) 370 new Young Adult Services referrals; (2) 14 additional Traumatic Brain Injury placements; (3) a 5% caseload increase in the General Assistance program; and (4) 158 Home and Community Based Waiver slots.

**Reduce Various Services** - In order to obtain savings funding is reduced, in the total amounts of \$3.7 million in FY 10 and \$5.2 million in FY 11, for the following programs: (1) assertive community treatment (ACT) teams; (2) mental health case management services; and (3) Local Mental Health Authorities.

**Shift the Funding Source for Regional Action Councils** - Funding, in the amount of \$560,803 in each year of the biennium, for this purpose is shifted from the General Fund to the Pre-trial Alcohol and Drug Education Account (a non-appropriated account).

### **Developmental Services**

**Expand Various Services** - Additional funding, in the total amounts of \$17 million in FY 10 and \$34.8 million in FY 11, is provided to the Department of Developmental Services to: (1) expand support for day programs for anticipated high school graduates; and (2) provide additional residential & day services for individuals who are aging out of the Department of Children and Families.

**Annualize FY 09 Requirements for Certain Programs** - Funding, in the total amounts of \$15.7 million in each year of the biennium, is provided for the following: (1) Birth to Three Program; (2) Wait List Initiative; and (3) the Voluntary Services Program.

**Reduce Funding to Reflect Increasing Insurance Coverage** - Funding, in the amount of \$5.0 million in FY 10 and \$6.4 million in FY 11, is reduced for the Birth to Three Program as a result of increased revenue from increased insurance coverage.

**Obtain Savings by Restructuring Transportation Benefit** - Funding, in the amount of \$3.8 million over the biennium, is reduced as a result of savings to be achieved by restructuring the transportation benefit for private sector day programs.

### Education

**Education Cost Sharing Grant** - Funding is held at FY 09 levels (\$1.89 billion) in each year of the biennium.

**Sheff Magnet Transportation Increases** - Funding of \$2.5 million in FY 10 and \$7.7 million in FY 11 is included in the SDE.

**Operating Grant Increases for Hartford and CREC Magnets** - Funding of \$9.1 million in FY 10 and \$19.8 million in FY 11 is provided to the SDE. For Sheff host magnet schools, the out-of-district rate would be increased to \$13,054 and the \$3,000 rate for in-district students is eliminated. Additionally, the CREC-operated magnet schools would receive an increased per pupil grant of \$10,443.

**Suspension of Operations at the J.M. Wright Technical School** - A reduction of \$5.1 million is made to the SDE in each year of the biennium associated with the suspension of operations.

**Elimination of the Early Reading Success Program** - Savings of \$2.3 million in each year of the biennium are obtained within the budget of the SDE.

### State Government Administration

**Conversion of the State Health Plan** - The budget includes total savings of \$80 million in FY 11 in the State Employees Health Services account resulting from conversion of the state employee and retiree health plan from fully-insured to self-insured funding. This represents a one-year delay in converting to self-insured funding as previously planned.

**Agency Consolidations** - State offices are merged or eliminated in order to obtain savings of approximately \$4.6 million over the biennium. See the table below for details.

| <b>Agency Eliminations / Mergers with Savings</b>            |                   |  |
|--|-------------------|--|
|  | Positions Reduced | Appropriations Reduced over the Biennium |
| Eliminate the Office of Property Rights Ombudsman within OPM | 2                 | \$429,334                                |
| Merge the State Insurance and Risk Management Board into DAS | 1                 | 142,710                                  |
| Merge the State Properties Review Board into DAS             | 0                 | 100,000                                  |
| Merge the Office of the Claims Commissioner into DAS         | 1                 | 94,000                                   |
| Merge the State Marshal Commission into DAS                  | 1                 | 461,479                                  |
| Merge the Office of Health Care Access into DPH              | 6                 | 920,000                                  |
| Merge the Children's Trust Fund into DSS                     | 16                | 2,483,195                                |
| <b>Total</b>   | <b>27</b>         | <b>\$4,630,718</b>                       |

**Information Technology Operations / Accountability** - The budget shifts approximately \$30 million and 194 authorized positions in each year of the biennium from the Technical Services Revolving Fund to the General Fund. This shift appropriates funding directly to the Department of Information Technology rather than to individual state agencies in order to: (1) streamline operations (limiting agency charge backs) and obtain \$1 million in savings; and (2) enhance accountability for information technology initiatives in accordance with PA 09-3 of the September Special Session, which requires the DoIT to report annually to committees of the General Assembly concerning the status of technology projects.

**Maintaining Certain FY 09 Budget Reductions**

**Maintain Various FY 09 Recisions** - Pursuant to her authority under CGS 4-85(b), the Governor reduced state agency allotments by a total of \$209.6 million (\$178.2 million in the General Fund and the balance from other appropriated funds) in FY 09. Approximately \$29 million of these recisions are continued as reductions to appropriations in each fiscal year of the biennium. (See the table below for a list of these reductions by agency.) This policy decision continues through the 2010-2011 biennium any diminishment to services in existing programs or delay in the implementation of new programs which are attributable to the FY 09 recisions.

| <b>Rollout of FY 09 Recisions</b>            |              |              |
|--|--------------|--------------|
| <b>Agency</b>                                | <b>FY 10</b> | <b>FY 11</b> |
| Governor's Office                            | (\$9,673)    | (\$9,673)    |
| Miscellaneous Appropriations to the Governor | (650)        | (650)        |
| Secretary of the State                       | (40,806)     | (40,806)     |
| Judicial Selection Commission                | (1,085)      | (1,085)      |
| State Treasurer                              | (8,630)      | (8,630)      |
| State Comptroller                            | (328,228)    | (328,228)    |
| State Comptroller – Miscellaneous            | (5,135)      | (5,135)      |

| Rollout of FY 09 Recisions                                      |             |             |
|---|-------------|-------------|
| Department of Revenue Services                                  | (221,288)   | (221,288)   |
| Division of Special Revenue                                     | (5,827)     | (5,827)     |
| Department of Veterans' Affairs                                 | (10,000)    | (10,000)    |
| Office of Workforce Competitiveness                             | (341,343)   | (341,343)   |
| Department of Administrative Services                           | (49,070)    | (49,070)    |
| Department of Information Technology                            | (225,037)   | (225,037)   |
| Department of Public Works                                      | (1,277)     | (1,277)     |
| Attorney General  | (41,547)    | (41,547)    |
| Office of the Claims Commissioner                               | (1,000)     | (1,000)     |
| Division of Criminal Justice                                    | (768,386)   | (768,386)   |
| Criminal Justice Commission                                     | (50)        | (50)        |
| State Marshal Commission  | (8,069)     | (8,069)     |
| Department of Public Safety                                     | (602,959)   | (602,959)   |
| Police Officer Standards and Training Council                   | (26,249)    | (26,249)    |
| Board of Firearms Permit Examiners                              | (738)       | (738)       |
| Commission on Fire Prevention and Control                       | (85,965)    | (85,965)    |
| Department of Consumer Protection                               | (143,154)   | (143,154)   |
| Labor Department  | (1,592,970) | (1,592,970) |
| Commission on Human Rights and Opportunities                    | (10,791)    | (10,791)    |
| Office of Protection and Advocacy for Persons with Disabilities | (10,020)    | (10,020)    |
| Office of the Child Advocate                                    | (71,747)    | (71,747)    |
| Department of Agriculture                                       | (45,842)    | (45,842)    |
| Department of Environmental Protection                          | (125,930)   | (125,930)   |
| Commission on Culture and Tourism                               | (1,236,112) | (1,236,112) |
| Department of Economic and Community Development                | (396,292)   | (396,292)   |
| Agricultural Experiment Station                                 | (25,361)    | (25,361)    |
| Department of Public Health                                     | (456,904)   | (456,904)   |
| Department of Developmental Services                            | (2,027,568) | (2,027,568) |
| Department of Mental Health and Addiction Services              | (83,706)    | (83,706)    |
| Psychiatric Security Review Board                               | (2,501)     | (2,501)     |
| Department of Social Services                                   | (4,892,122) | (4,892,122) |
| Department of Education   | (1,519,347) | (1,519,347) |
| Board of Education and Services for the Blind                   | (26,806)    | (26,806)    |
| Commission on the Deaf and Hearing Impaired                     | (1,727)     | (1,727)     |
| State Library   | (244,264)   | (244,264)   |
| Department of Higher Education                                  | (122,184)   | (122,184)   |
| Teachers' Retirement Board                                      | (667,460)   | (667,460)   |
| Department of Children and Families                             | (1,797,648) | (1,797,648) |
| Children's Trust Fund Council                                   | (101,079)   | (101,079)   |
| Judicial Department   | (6,172,702) | (5,506,502) |
| Public Defender Services Commission                             | (6,311)     | (6,311)     |

20 - Appropriations

| Rollout of FY 09 Recisions                               |                       |                       |
|--|-----------------------|-----------------------|
| Child Protection Commission                              | (593,289)             | (593,289)             |
| Judicial Review Council                                  | (1,497)               | (1,497)               |
| Department of Emergency Management and Homeland Security | (13,046)              | (13,046)              |
| <b>GENERAL FUND</b>                                      | <b>(\$25,171,392)</b> | <b>(\$24,505,192)</b> |
| State Comptroller - Fringe Benefits                      | (\$1,979,104)         | (\$1,979,104)         |
| Department of Motor Vehicles                             | (2,404,352)           | (2,404,352)           |
| Department of Transportation                             | (35,000)              | (35,000)              |
| <b>TRANSPORTATION FUND</b>                               | <b>(\$4,418,456)</b>  | <b>(\$4,418,456)</b>  |
| Department of Agriculture                                | (\$11,135)            | (\$11,135)            |
| <b>REGIONAL MARKET OPERATION FUND</b>                    | <b>(\$11,135)</b>     | <b>(\$11,135)</b>     |
| Insurance Department                                     | (\$6,725)             | (\$6,725)             |
| Office of the Healthcare Advocate                        | (4,000)               | (4,000)               |
| <b>INSURANCE FUND</b>                                    | <b>(10,725)</b>       | <b>(10,725)</b>       |
| <b>TOTAL</b>   | <b>(\$29,611,708)</b> | <b>(\$28,945,508)</b> |

***FY 09 Deficiencies***

Sections 1 and 2 of PA 09-2 of the June 19 Special Session make General Fund appropriations of \$110.8 million and reduce General Fund appropriations by \$81.4 million in FY 09 to various state agency accounts to cover deficiency needs. The table below identifies the various agencies' deficiency needs.

| <b>Increase in Appropriations</b>                            | <b>FY 09</b>         |
|--|----------------------|
| Department of Social Services                                | \$70,000,000         |
| Department of Correction                                     | 14,300,000           |
| Workers' Compensation Claims – DAS                           | 1,500,000            |
| Teachers' Retirement Board                                   | 188,661              |
| UConn Health Center  | 22,200,000           |
| Department of Education                                      | 2,600,000            |
| <b>Total Increase in Appropriations</b>                      | <b>\$110,788,661</b> |
| <b>Total Reduction in Appropriations to Various Agencies</b> | <b>\$81,390,571</b>  |

A further explanation of the FY 09 deficiencies is identified below:

**Department of Social Services - \$70,000,000**

A deficiency of \$70 million under the Medicaid program was primarily due to enrollment and cost growth under the HUSKY program. Enrollment grew from 322,000 in the beginning of the fiscal year to an estimated 345,000 by the end of the fiscal year. Additionally, the monthly capitated rates paid to the new managed care organizations were significantly higher than projected when the budget was adopted in 2007.

**Department of Correction - \$14,300,000**

The agency experienced a budget shortfall of \$14.3 million in Personal Services, which represents 2.1% of its FY 09 appropriation of \$671.3 million. This reflects the release of \$4.9 million in holdbacks by OPM.

The agency began the fiscal year with unbudgeted costs of \$26.2 million. This amount represents technical adjustments that were included in the Governor's Recommended Revised Budget for FY 09 but were not provided due to a lack of a budget agreement.

The deficiency relates to operational costs (staffing and expenses) associated with inmate population costs over the budgeted level in FY 09. The current incarcerated population is about 19,000 - 19,100.

**Workers' Compensation Claims/Department of Administrative Services - \$1,500,000**

The Workers' Compensation Claims account incurred a net deficiency of \$1.5 million, which represents 6.5% of its FY 09 appropriation of \$23.2 million. The Department of Administrative Services' Workers' Compensation Claims account is responsible for the workers' compensation claims costs for 84 agencies that do not receive a direct workers' compensation appropriation.

The deficiency of \$1.5 million was driven by increases in medical costs and indemnity costs on older claims, as well as the roll-out of the FY 08 deficiency of \$1.3 million.

**Teachers' Retirement Board - \$188,661**

The Retiree Health Service Cost account experienced a deficiency of \$188,661, which represents 1.2% of its FY 09 appropriation of \$16.0 million. Funding in the amount of \$717,000 was transferred from other agency accounts to the Retiree Health Service Cost account by Finance Advisory Committee action in June. The deficiency is the result of higher than anticipated participation in the health plan offered by the Teacher's Retirement Board.

**University of Connecticut Health Center - \$22,200,000**

General Fund support for the University of Connecticut Health Center (UCHC) is traditionally limited to a block grant for the educational portion of the Health Center's budget. However, the UCHC experienced a significant overall deficit. The original FY 09 budget, adopted by the UCHC Board of Directors and the UConn Board of Trustees, projected an \$11.5 million deficit. However, certain revenue assumptions, including the level of Medicare reimbursement and collections for indirect costs of graduate medical education, were not realized. The deficiency thus increased to \$22.2 million.

**Department of Education - \$2,600,000**

The State Department of Education (SDE) experienced a projected deficiency of \$2.6 million, which represents less than 1% of its FY 09 appropriation of approximately \$2.7 billion. The \$2.6 million deficiency is attributable to a supplemental payment due to the Capitol Region Education Council (CREC) to meet FY 09 Sheff benchmarks. Approximately \$1.5 million of the \$2.6 million deficiency is associated with operation of magnet schools, while the remaining \$1.1 million is associated with magnet school transportation.

***Funding the FY 09 General Fund Deficit***

The state’s General Fund ended FY 09 with an estimated deficit of \$925.9 million. PA 09-2 (June Special Session) authorizes the State Treasurer to issue 7-year tax exempt, general obligation “Economic Recovery Notes” or ERNs. The act provides that the interest payments for FY 10 and FY 11 will be capitalized (i.e., included in the amount of principal issued) and that no principal payments will be made in FY 10 and FY 11.

It is estimated that \$1.019 billion in ERNs will be issued, which is a total is of: (1) the FY 09 General Fund deficit (approximately \$925.9 million), (2) capitalized interest for FY 10 and FY 11 (approximately \$78.1 million) and (3) issuance cost (approximately \$15 million). The total debt service cost to the General Fund is \$1.16 billion, which includes the principal indicated above plus \$142 million in interest. The figures assume a 4.5 percent interest rate over a 7-year term of issuance with level principal payments.

The Budget Reserve (Rainy Day) Fund (BRF) currently has a balance of approximately \$1,381.7 million. Issuance of ERNs to fund the FY 09 General Fund operating budget deficit precludes the automatic transfer of resources from the BRF to the General Fund when the State Comptroller officially certifies the deficit (CGS Sec. 4-30a(b)). Instead, PA 09-3 JSS, as amended by PA 09-8 SSS, transfers \$1,039.7 million from the BRF to the General Fund in FY 10 and \$342.0 million in FY 11.

***Carry Forward Provisions***

In addition to the appropriations in PA 09-3 of the June Special Session, numerous provisions are made in other sections of the act, PA 09-2, PA 09-2 of the June 19th Special Session, and existing statute to permit \$127.7 million of appropriations be carried forward from FY 09 into FY 10. This is composed of the following amounts by fund: \$88.8 million in General Fund, \$37.3 million in Transportation Fund, and \$1.5 million in other appropriated funds.

| <b>Legislative Authority</b>                                    | <b>Amount in Millions</b> |
|---|---------------------------|
| PA 09-3 June Special Session (budget bill)                      | \$49.72                   |
| PA 09-2 June 19 <sup>th</sup> Special Session (deficiency bill) | 10.54                     |
| PA 09-2 (FY 09 mitigation bill)                                 | 0.20                      |
| Existing Statute – Carry forward funding                        | 67.20                     |
| <b>Total</b>  | <b>\$127.66</b>           |

|  |
|--|
| <b>Impact of the 2009 - 2011 General Fund Biennial Budget on the Out-Years</b> |
|--|

Preliminary estimates indicate potential General Fund current services budget gaps of \$2,874.1 million in FY 12, \$2,837.8 million in FY 13 and \$3,076.9 million in FY 14.

| <b>Out-Year Projections for PA 09-3, JSS (as amended by implementers)<br/>Compared with Finance Committee Adopted Revenue Estimates<br/>(figures in \$ millions)</b> |              |              |                    |                    |                    |
|--|--------------|--------------|--------------------|--------------------|--------------------|
|  | <b>FY 10</b> | <b>FY 11</b> | <b>FY 12</b>       | <b>FY 13</b>       | <b>FY 14</b>       |
|  |              |              |                    |                    |                    |
| Revenues   | 17,372.4     | 17,596.8     | 15,959.8           | 16,920.5           | 17,650.7           |
| Expenditures   | 17,370.3     | 17,594.7     | 18,833.9           | 19,758.3           | 20,727.6           |
| <b>Balance</b>   | <b>\$2.1</b> | <b>\$2.1</b> | <b>(\$2,874.1)</b> | <b>(\$2,837.8)</b> | <b>(\$3,076.9)</b> |

These gaps are largely attributable to the following one-time measures utilized in FY 11: Increased debt service payments due to the issuance of Economic Recovery Notes (ERN's), and revenue intercepts due to securitization that will impact the out-years beginning in FY 12.

| <b>Factors Impacting FY 12 Budget (millions)</b>                              |                  |
|---|------------------|
| Federal Stimulus  | \$594.8          |
| Budget Reserve Fund (BRF)   | 342.0            |
| Securitization  | 1,290.7          |
| Reductions to Certain Funds (Sweeps)  | 45.3             |
| <b>Total - One-Time Measures Utilized in FY 11 and Not Available in FY 12</b> | <b>\$2,272.8</b> |
|   |                  |
| ERN's - Debt Service (principal and interest)                                 | \$238.0          |
| Securitization - Revenue Intercept  | 216.5            |
| <b>Total - Impact of ERN's and Securitization</b>                             | <b>\$454.5</b>   |
|   |                  |
| <b>Grand Total - One-Time Measures and Impact of ERN's and Securitization</b> | <b>\$2,727.3</b> |

|                                   |
|-----------------------------------|
| <b><i>Transportation Fund</i></b> |
|-----------------------------------|

The Transportation Fund is expected to have annual operating surpluses of \$1.0 million in FY 10 and \$1.1 million in FY 11. Out year projections indicate that the Transportation Fund will experience operating deficits in FY 12 and FY 13, which will reduce the cumulative surplus balance from \$95.7 million in FY 11 to \$69.9 million in FY 14. This is attributable to the cumulative effect of the growth rate in expenditures accelerating faster than the anticipated growth rate in revenues over the five year period from FY 10 through end of FY 14. Significant changes to the Transportation Fund are included below.

### **Expenditures**

#### **Department of Motor Vehicles**

- Postpone implementation of the Vision Screening Program until the next biennium
- Defer equipment purchases
- Eliminate vacant positions
- Defer new lease for the Norwich Branch
- Rollout FY 09 rescissions into FY 10 and FY 11
- Reduce the Other Expenses account to achieve general savings
- Provide funding for 6 additional Motor Vehicle Inspectors positions
- Close part-time Photo License Centers
- Keep Stamford Satellite Branch open
- Shift Customer Service hours back by 1.5 hours 3 days per week
- Increase Personal Services account

#### **Department of Transportation**

- Eliminate grants for Rail Freight Improvement and Hospital Transit Dialysis
- Rollout FY 09 rescissions into FY 10 and FY 11
- Eliminate vacant positions
- Reduce Other Expenses account to achieve general savings
- Eliminate funding for Joint Highway Research Council
- Eliminate Non-Bondable Bus Capital Projects account due to lack of activity
- Reduce funding for Highway & Bridge Renewal (Pay-as-You-Go)
- Transfer FY 10 and FY 11 funding for Town Aid Road Grant (TAR) from General Fund and Special Transportation Fund to bond funds
- Restore funding for Demand Responsive Matching Grant (Dial-A-Ride) Program
- Increase grant-in-aid to Tweed New Haven Airport
- Increase Personal Services account

### **Revenues**

- Transfer \$81.2 million from the General Fund in FY 10, \$126.0 million in FY 11 and FY 12, \$172.8 million in FY 13 and thereafter
- Eliminate transfer to Conservation Fund

**Transportation Fund Projections (\$ Millions) FY 10 - FY 14**  
**FY 10 and FY 11 Based on Consensus Revenue Estimates**  
**Budget Act (PA 09-3 JSS) and Implementers (PA 09-7 SSS and PA 09-8 SSS)**

|  | -----Budget Act----- |                  | ---Consensus Out-Year Projections--- |                  |                  |
|--|----------------------|------------------|--------------------------------------|------------------|------------------|
|  | FY 10                | FY 11            | FY 12                                | FY 13            | FY 14            |
| <b>Beginning Balance as of July 1st</b>      | <b>\$93.6</b>        | <b>\$94.6</b>    | <b>\$95.7</b>                        | <b>\$54.7</b>    | <b>\$53.0</b>    |
| <b>REVENUES</b>                              |                      |                  |                                      |                  |                  |
| <b>Taxes</b>                                 |                      |                  |                                      |                  |                  |
| Motor Fuels Tax                              | 494.7                | 489.7            | 494.6                                | 499.5            | 504.5            |
| Petroleum Products Tax                       | 141.9                | 165.3            | 165.3                                | 165.3            | 179.2            |
| Sales Tax – DMV                              | 54.8                 | 53.8             | 55.6                                 | 56.7             | 57.8             |
| Refund of Taxes                              | (6.6)                | (6.9)            | (7.0)                                | (7.1)            | (7.2)            |
| <b>Total - Taxes less Refunds</b>            | <b>\$684.8</b>       | <b>\$701.9</b>   | <b>\$708.5</b>                       | <b>\$714.4</b>   | <b>\$734.3</b>   |
| <b>Other Revenue</b>                         |                      |                  |                                      |                  |                  |
| Motor Vehicle Receipts                       | 224.5                | 228.2            | 232.5                                | 236.5            | 240.6            |
| License, Permits and Fees                    | 136.1                | 136.5            | 137.8                                | 139.2            | 142.6            |
| Interest Income                              | 16.5                 | 16.5             | 20.0                                 | 22.0             | 22.0             |
| Transfers to/from Other Funds <sup>[1]</sup> | 71.7                 | 116.5            | 119.5                                | 166.3            | 166.3            |
| Release from Debt Service Reserves           | 0.0                  | 0.0              | 0.0                                  | 0.0              | 0.0              |
| <b>Total - Other Revenue</b>                 | <b>\$448.8</b>       | <b>\$497.7</b>   | <b>\$509.8</b>                       | <b>\$564.0</b>   | <b>\$571.5</b>   |
| Less Refunds of Payments                     | (2.6)                | (2.6)            | (2.7)                                | (2.8)            | (2.9)            |
| Less Transfers to TSB Account <sup>[2]</sup> | (15.3)               | (15.3)           | (15.3)                               | (15.3)           | (15.3)           |
| <b>TOTAL REVENUES</b>                        | <b>\$1,115.7</b>     | <b>\$1,181.7</b> | <b>\$1,200.3</b>                     | <b>\$1,260.3</b> | <b>\$1,287.6</b> |
| <b>EXPENDITURES</b>                          |                      |                  |                                      |                  |                  |
| Debt Service                                 | 444.0                | 467.2            | 485.9                                | 487.4            | 473.9            |
| DOT Budgeted Expenses                        | 492.6                | 512.9            | 544.8                                | 563.9            | 577.5            |
| DMV Budgeted Expenses                        | 59.4                 | 60.1             | 64.7                                 | 67.2             | 69.7             |
| Other Budgeted Expenses <sup>[3]</sup>       | 139.9                | 161.8            | 167.3                                | 164.9            | 171.0            |
| <b>Subtotal - Expenditures</b>               | <b>\$1,135.9</b>     | <b>\$1,202.0</b> | <b>\$1,262.7</b>                     | <b>\$1,283.4</b> | <b>\$1,292.1</b> |
| Less Unallocated Lapses                      | (11.0)               | (11.0)           | (11.0)                               | (11.0)           | (11.0)           |
| Less Personal Services Reductions            | (10.2)               | (10.4)           | (10.4)                               | (10.4)           | (10.4)           |
| <b>TOTAL EXPENDITURES</b>                    | <b>\$1,114.7</b>     | <b>\$1,180.6</b> | <b>\$1,241.3</b>                     | <b>\$1,262.0</b> | <b>\$1,270.7</b> |
| <b>NET OPERATING SURPLUS/(DEFICIT)</b>       | <b>\$1.0</b>         | <b>\$1.1</b>     | <b>(\$41.0)</b>                      | <b>(\$1.7)</b>   | <b>\$16.9</b>    |
| <b>Ending Balance as of June 30th</b>        | <b>\$94.6</b>        | <b>\$95.7</b>    | <b>\$54.7</b>                        | <b>\$53.0</b>    | <b>\$69.9</b>    |
| <b>DEBT SERVICE RATIO (4)</b>                | <b>2.5</b>           | <b>2.6</b>       | <b>2.5</b>                           | <b>2.6</b>       | <b>2.7</b>       |

[1] PA 09-8 SSS (SB 2052) increased the transfers from the General Fund to the Transportation Fund to \$81.2 million in FY 10 and \$126.0 million in FY 11 & FY 12 and \$172.8 million in FY 13 and thereafter.

[2] Incremental revenue from the various DMV fee changes allocated to the Transportation Strategy Board (TSB) and deposited in the TSB projects account.

[3] The figure for FY 12 includes \$7.4 million for 27th payroll costs.

[4] Pledged revenues for reserves required under the Indentures in an amount at least two (2) times the aggregate Principal and Interest Requirements on all outstanding Bonds and Notes.

|   |
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| <p><b><i>The Governor's Budget Recommendations for the 2010-2011 Biennium</i></b></p> |
|---|

The Governor introduced her Biennial Budget on February 4, 2009 at a joint session of the Connecticut General Assembly. Revisions to the originally submitted budget were offered by the Governor on each of May 28, 2009 and July 30, 2009.

**Governor's Original Recommended Biennial Budget (February 4, 2009)**

The Governor's Original 2009 - 2011 Biennial Budget recommended \$18,846.6 million for FY 10 and \$19,532.7 million for FY 11 for all appropriated funds. The Governor projected an all funds growth rate of -0.1% and 3.6% respectively over each previous fiscal year.

**Adjusted Budget Growth Rates** - The OFA calculation of the growth rate of the budget for all appropriated funds in FY 10 was 0.1%, and 3.2% in FY 11.

**Summary of Changes to Grants to Towns and Education Funding** - The Governor's budget recommendations for statutory and other appropriated grants to municipalities for FY 10 decreased \$97.0 million, or 3.34%, from the FY 09 adjusted appropriated level. In FY 11, the Governor's budget recommendation increased \$10.6 million, or 0.38% over FY 10 recommended funding levels.

**Spending Cap Calculation** - The Governor's expenditure plan, based on her recommended all funds appropriations, placed the budget under the spending cap by \$648.8 million in FY 10 and under the cap by \$186.4 million in FY 11.

**The Out Years** - OFA projected higher deficits for FY 10 through FY 12 than the Governor largely due to OFA's revenue estimates being lower than those projected by the Governor.

**Transportation Fund** - Operating deficits were forecasted for the Transportation Fund from FY 09 through FY 14. Out year projections for the Transportation Fund are less favorable than the Governor's largely due to lower anticipated revenues.

**Governor's Revised Biennial Budget (May 28, 2009) - G2**

The Governor's May Revised 2009 - 2011 Biennial Budget recommended \$18,354.4 million for FY 10 and \$18,780.0 million for FY 11 for all appropriated funds. The Governor projected an all funds growth rate of -2.7% and 2.3% respectively over each previous fiscal year. The Governor's May Revised Budget (G2) was below the Governor's Original Recommended Budget by \$492.2 million in FY 10 and \$752.7 million in FY 11.

**Governor's Revised Biennial Budget (July 30, 2009) - G3**

The Governor's July Revised 2009 - 2011 Biennial Budget recommended \$18,357.9 million for FY 10 and \$18,624.9 million for FY 11 for all appropriated funds. The Governor projected an all funds growth rate of -2.7% and 1.5% respectively over each

previous fiscal year. The Governor's July Revised Budget (G3) was below the Governor's Original Recommended Budget by \$488.7 million in FY 10 and \$907.7 million in FY 11; however this was an increase of \$3.5 million in FY 10 from the Governor's May Revised Budget (G2).

The table below reflects the Governor's three recommended budgets for FY 10 and FY 11.

| <b>Governor's Recommendations</b>       |                         |                         |                         |                         |                          |                          |
|---|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|--------------------------|
|   | <b>Original</b>         | <b>Original</b>         | <b>May Revised (G2)</b> | <b>May Revised (G2)</b> | <b>July Revised (G3)</b> | <b>July Revised (G3)</b> |
| <b>Fund</b>                             | <b>FY 10</b>            | <b>FY 11</b>            | <b>FY 10</b>            | <b>FY 11</b>            | <b>FY 10</b>             | <b>FY 11</b>             |
| <b>Gross Totals:</b>                    |                         |                         |                         |                         |                          |                          |
| General Fund                            | 17,886,470,493          | 18,503,862,769          | 17,514,056,920          | 17,867,924,320          | 17,540,554,562           | 17,788,225,729           |
| Transportation Fund                     | 1,176,424,101           | 1,244,240,805           | 1,117,531,682           | 1,177,597,283           | 1,129,514,274            | 1,189,524,411            |
| Other Funds                             | 182,451,005             | 182,522,745             | 179,355,397             | 179,473,846             | 155,856,570              | 156,267,163              |
| <b>Gross Total - Appropriated Funds</b> | <b>\$19,245,345,599</b> | <b>\$19,930,626,319</b> | <b>\$18,810,943,999</b> | <b>\$19,224,995,449</b> | <b>\$18,825,925,406</b>  | <b>\$19,134,017,303</b>  |
| <b>Less Lapses:</b>                     |                         |                         |                         |                         |                          |                          |
| General Fund                            | (377,537,192)           | (376,560,470)           | (435,317,192)           | (423,622,470)           | (446,768,714)            | (487,696,406)            |
| Transportation Fund                     | (21,227,979)            | (21,413,528)            | (21,227,979)            | (21,413,528)            | (21,227,979)             | (21,413,528)             |
| <b>Total - Lapses</b>                   | <b>(\$398,765,171)</b>  | <b>(\$397,973,998)</b>  | <b>(\$456,545,171)</b>  | <b>(\$445,035,998)</b>  | <b>(\$467,996,693)</b>   | <b>(\$509,109,934)</b>   |
| <b>Net Totals:</b>                      |                         |                         |                         |                         |                          |                          |
| General Fund                            | 17,508,933,301          | 18,127,302,299          | 17,078,739,728          | 17,444,301,850          | 17,093,785,848           | 17,300,529,323           |
| Transportation Fund                     | 1,155,196,122           | 1,222,827,277           | 1,096,303,703           | 1,156,183,755           | 1,108,286,295            | 1,168,110,883            |
| Other Funds                             | 182,451,005             | 182,522,745             | 179,355,397             | 179,473,846             | 155,856,570              | 156,267,163              |
| <b>Net Total - Appropriated Funds</b>   | <b>\$18,846,580,428</b> | <b>\$19,532,652,321</b> | <b>\$18,354,398,828</b> | <b>\$18,779,959,451</b> | <b>\$18,357,928,713</b>  | <b>\$18,624,907,369</b>  |