



# STATE OF CONNECTICUT

## OFFICE OF POLICY AND MANAGEMENT

July 20, 2006

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

Dear Comptroller Wyman:

The following information on the State's General Fund for Fiscal Year 2005-2006 is provided in accordance with Section 4-66 of the General Statutes. In addition, an analysis of the Special Transportation Fund is included due to the significant nature of this fund. Estimates are as of June 30, 2006. The balance in the General Fund (prior to passage of Public Act 06-186) would have been projected at \$940.5 million. This number compares to last month's estimate of \$910.0 million and reflects projected increases in revenue of \$11.7 million over last month, and expenditure and lapse improvements of \$18.8 million.

Public Act 06-186, which was signed by Governor Rell on May 7, 2006, includes several actions which impact the projected FY'06 General Fund surplus. These include appropriating \$26.03 million to fund projected FY'06 deficiencies, continuing \$91 million for expenditure in FY'07, and appropriating \$394.46 million for a variety of items including \$245.65 million for Teachers Retirement pensions and \$85.5 million to Debt Service to pre-pay the remaining Economic Recovery Notes. The net impact of all of these changes is that the remaining un-appropriated surplus is now projected at \$455.1 million. This amount would be deposited into the Budget Reserve Fund. This letter has incorporated all of the changes to FY'06 included in Public Act 06-186 to the best of our ability.

This month's letter reflects an overall increase in General Fund projected revenue of \$11.7 million. We made minor adjustments to a number of projections to reflect final collection information in a number of revenue streams. A majority of these adjustments were positive. It should be noted that the revenue estimates for fiscal year 2006 are not final, as we are currently in the accrual period for several revenue streams.

A deficiency appropriation to the DAS-Workers Compensation Claims account for the Special Transportation Fund of \$920,000 was included in Public Act 06-186. The Special Transportation Fund is projected to have an overall balance in the fund of \$134.0 million on June 30, 2006.

Sincerely,

Robert L. Genuario  
Secretary

RLG:dd  
Attachments

Statement 1  
July 20, 2006

State of Connecticut  
General Fund  
Statement of Revenues, Expenditures, and Results of Operations  
Projected to June 30, 2006  
As of June 30, 2006  
(In Millions)

	General Assembly Budget Plan <sup>1.</sup>	Revised Estimates OPM <sup>2., 3.</sup>	Over/ (Under)
<b>REVENUE</b>			
Taxes	\$11,236.4	\$11,981.0	\$744.6
Less: Refunds	(781.0)	(737.5)	43.5
Taxes - Net	10,455.4	11,243.5	788.1
Other Revenue	1,107.2	1,214.7	107.5
Other Sources	2,571.1	2,514.2	(56.9)
<b>TOTAL Revenue</b>	<b>\$14,133.7</b>	<b>\$14,972.4</b>	<b>\$838.7</b>
<b>EXPENDITURES</b>			
Appropriations	\$14,237.1	\$14,660.6	\$423.5
Net Additional Requirements	0.0	0.0	0.0
Less: Estimated Lapses	(105.4)	(174.2)	(68.8)
<b>TOTAL Expenditures</b>	<b>\$14,131.7</b>	<b>\$14,486.4</b>	<b>\$354.7</b>
Balance from Operations	\$2.0	\$486.0	\$484.0
Miscellaneous Adjustments	0.0	(30.9)	(30.9)
<b>Estimated Balance 6/30/06</b>	<b><u>\$2.0</u></b>	<b><u>\$455.1</u></b>	<b><u>\$453.1</u></b>

1. PA 05-251

2. Includes P.A. 05-2, October 25 Special Session appropriations.

3. Includes P.A. 06-186.

State of Connecticut  
General Fund  
Revenue Estimates  
Projected to June 30, 2006  
As of June 30, 2006  
(In Millions)

TAXES	
Personal Income	\$6,170.0
Sales and Use	3,414.0
Corporation	781.3
Public Service Corporations	232.0
Inheritance and Estate	196.3
Insurance Companies	269.9
Cigarettes	275.0
Real Estate Conveyance	205.0
Oil Companies	212.5
Alcoholic Beverages	45.0
Admissions and Dues	35.0
Miscellaneous	145.0
TOTAL - TAXES	<u>\$11,981.0</u>
Less: Refunds of Taxes	(730.8)
R & D Credit Exchange	<u>(6.7)</u>
TOTAL - TAXES - NET	<u>\$11,243.5</u>
OTHER REVENUE	
Transfers - Special Revenue	\$289.9
Indian Gaming Payments	427.5
Licenses, Permits, Fees	158.3
Sales of Commodities and Services	34.8
Rents, Fines, Escheats	91.5
Investment Income	50.0
Miscellaneous	163.1
Refunds of Payments	<u>(0.4)</u>
TOTAL - OTHER REVENUE	<u>\$1,214.7</u>
OTHER SOURCES	
Federal Grants	\$2,552.1
Transfer from Tobacco Settlement Fund	89.4
Transfers to Other Funds	<u>(127.3)</u>
TOTAL - OTHER SOURCES	<u>\$2,514.2</u>
TOTAL - GENERAL FUND REVENUE	\$14,972.4

State of Connecticut - General Fund  
Appropriation Adjustments - Net Additional Requirements  
Projected to June 30, 2006  
As of June 30, 2006

Additional Requirements

\$0

State of Connecticut  
General Fund  
Estimated Lapses  
Projected to June 30, 2006  
As of June 30, 2006

Legislative Unallocated Lapses	\$2,200,000
Estimated Unallocated Lapses	38,440,000
Debt Service	37,400,000
Department of Social Services	86,100,000
General Personal Services Reduction	5,900,000
General Other Expenses Reductions	3,160,000
Centralize Business Operations	1,000,000
Total	<u>\$174,200,000</u>

State of Connecticut  
2005-06 General Fund  
Summary of Operations Per Letter to the Comptroller  
(In Millions)

	Budget Plan <sup>1</sup> .	July 2005	August 2005	September 2005	October 2005 <sup>2</sup> .	November 2005	December 2005	January 2006	February 2006	March 2006	April 2006 <sup>3</sup> .	May 2006	June 2006
REVENUE	\$14,133.7	\$14,133.7	\$14,164.6	\$14,302.3	\$14,458.5	\$14,482.9	\$14,606.1	\$14,660.8	\$14,687.6	\$14,710.6	\$14,856.7	\$14,960.7	\$14,972.4
Appropriations	14,237.1	14,237.1	14,237.1	14,237.1	14,240.1	14,240.1	14,240.1	14,240.1	14,240.1	14,240.1	14,660.6	14,660.6	14,660.6
Additional Requirements	0.0	0.0	0.0	30.6	34.9	35.5	38.1	38.1	43.4	43.5	0.0	0.0	0.0
Less: Estimated Lapses	<u>(105.4)</u>	<u>(105.4)</u>	<u>(105.4)</u>	<u>(105.4)</u>	<u>(130.3)</u>	<u>(130.3)</u>	<u>(196.1)</u>	<u>(209.6)</u>	<u>(201.1)</u>	<u>(193.6)</u>	<u>(132.7)</u>	<u>(150.7)</u>	<u>(174.2)</u>
TOTAL - Estimated Expenditures	14,131.7	14,131.7	14,131.7	14,162.3	14,144.7	14,145.3	14,082.1	14,068.6	14,082.4	14,090.0	14,527.9	14,509.9	14,486.4
Balance from Operations	2.0	2.0	32.9	140.0	313.8	337.6	524.0	592.2	605.4	620.6	328.8	450.8	486.0
Compt.'s Misc. Adjustments/Rounding	<u>0.0</u>	<u>(0.8)</u>	<u>(3.8)</u>	<u>(4.6)</u>	<u>(7.4)</u>	<u>(9.8)</u>	<u>(12.2)</u>	<u>(15.2)</u>	<u>(19.1)</u>	<u>(22.7)</u>	<u>(23.7)</u>	<u>(26.2)</u>	<u>(30.9)</u>
Estimated Balance 6/30/06	\$2.0	\$1.2	\$29.1	\$135.4	\$306.4	\$327.8	\$511.8	\$577.0	\$586.3	\$597.9	\$305.1	\$424.6	\$455.1

1. PA 05-251

2. Includes P.A. 05-2, October 25 Special Session appropriations.

3. Includes P.A. 06-186.

State of Connecticut  
Special Transportation Fund  
Analysis of Budget Plan  
Projected to June 30, 2006  
As of June 30, 2006  
(In Millions)

	General Assembly <u>Budget Plan</u> <sup>1.</sup>	Revised Estimates <u>OPM</u>	Over/ (Under)
Surplus Carried Forward from 2004-05 <sup>2.</sup>	\$126.1	\$132.0	\$5.9
<b>REVENUE</b>			
Taxes	\$604.5	\$593.9	(\$10.6)
Less: Refunds of Taxes	<u>(8.6)</u>	<u>(8.9)</u>	<u>(0.3)</u>
Taxes - Net	595.9	585.0	(10.9)
Other Revenue	<u>390.3</u>	<u>395.3</u>	<u>5.0</u>
<b>TOTAL - Revenue</b>	<b>\$986.2</b>	<b>\$980.3</b>	<b>(\$5.9)</b>
<b>EXPENDITURES</b>			
Appropriations	\$993.6	\$994.5	\$0.9
Additional Appropriations	0.0	0.0	0.0
Less: Estimated Lapses	<u>(11.0)</u>	<u>(15.8)</u>	<u>(4.8)</u>
<b>TOTAL - Expenditures</b>	<b>\$982.6</b>	<b>\$978.7</b>	<b>(\$3.9)</b>
Balance from Operations	\$3.6	\$1.6	(\$2.0)
Miscellaneous Adjustments	<u>0.0</u>	<u>0.4</u>	<u>0.4</u>
<b>Estimated Balance 6/30/06</b>	<b><u>\$129.7</u></b>	<b><u>\$134.0</u></b>	<b><u>\$4.3</u></b>

1. PA 05-251

2. At the time the General Assembly adopted the Budget Plan the Special Transportation Fund had an estimated year ending balance of \$126.1 million. Per OPM, the unaudited final balance of \$132.0 million is used in the Revised Estimates column.

3. Includes P.A. 06-186.

Statement 2T  
July 20, 2006

State of Connecticut  
Special Transportation Fund  
Revenue Estimates  
Projected to June 30, 2006  
As of June 30, 2006  
(In Millions)

TAXES	
Motor Fuels	\$482.0
Oil Companies	43.5
Sales Tax DMV	68.4
TOTAL - TAXES	<u>593.9</u>
Less: Refunds of Taxes	<u>(8.9)</u>
TOTAL - TAXES - NET	\$585.0
OTHER REVENUE	
Motor Vehicle Receipts	\$227.3
Licenses, Permits, Fees	160.4
Interest Income	40.2
Transfers to Other Funds	(29.9)
Refunds of Payments	<u>(2.7)</u>
TOTAL - OTHER REVENUE	\$395.3
TOTAL - SPECIAL TRANSPORTATION FUND REVENUE	\$980.3

Statement 3T  
July 20, 2006

State of Connecticut  
Special Transportation Fund  
Appropriation Adjustments - Additional Appropriations  
Projected to June 30, 2006  
As of June 30, 2006

Additional Appropriations

\$0

Statement 4T  
July 20, 2006

State of Connecticut  
Special Transportation Fund  
Estimated Lapse  
Projected to June 30, 2006  
As of June 30, 2006

Estimated Unallocated Lapses	\$7,150,000
Fringe Benefits	2,100,000
Insurance & Risk Management	900,000
Debt Service	<u>5,600,000</u>
Total	<u>\$15,750,000</u>

State of Connecticut  
2005-06 Special Transportation Fund  
Summary of Operations Per Letter to the Comptroller  
(In Millions)

	Budget Plan <sup>1</sup> .	July 2005	August 2005	September 2005	October 2005	November 2005	December 2005	January 2006	February 2006	March 2006	April <sup>3</sup> . 2006	May 2006	June 2006
Beginning Balance <sup>2</sup>	\$126.1	\$126.1	\$126.1	\$126.1	\$126.1	\$126.1	\$126.1	\$132.0	\$132.0	\$132.0	\$132.0	\$132.0	\$132.0
Revenue	<u>986.2</u>	<u>986.2</u>	<u>992.0</u>	<u>988.3</u>	<u>989.3</u>	<u>989.3</u>	<u>988.3</u>	<u>988.3</u>	<u>986.7</u>	<u>987.0</u>	<u>987.1</u>	<u>987.1</u>	<u>980.3</u>
Total Available	1,112.3	1,112.3	1,118.1	1,114.4	1,115.4	1,115.4	1,114.4	1,120.3	1,118.7	1,119.0	1,119.1	1,119.1	1,112.3
Appropriations	993.6	993.6	993.6	993.6	993.6	993.6	993.6	993.6	993.6	993.6	994.5	994.5	994.5
Additional Appropriations	0.0	0.0	3.0	3.7	3.7	3.7	7.2	7.2	0.9	0.9	0.0	0.0	0.0
Less: Estimated Lapses	<u>(11.0)</u>	<u>(11.0)</u>	<u>(11.0)</u>	<u>(11.0)</u>	<u>(11.0)</u>	<u>(11.0)</u>	<u>(11.0)</u>	<u>(11.0)</u>	<u>(11.0)</u>	<u>(11.0)</u>	<u>(11.0)</u>	<u>(11.0)</u>	<u>(15.8)</u>
TOTAL - Estimated Expenditures	982.6	982.6	985.6	986.3	986.3	986.3	989.8	989.8	983.5	983.5	983.5	983.5	978.7
Balance from Operations	3.6	3.6	6.4	2.0	3.0	3.0	(1.5)	(1.5)	3.2	3.5	3.6	3.6	1.6
Compt's Misc. Adjustments/Rounding	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>(0.4)</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>
Estimated Balance 6/30/06	\$129.7	\$129.7	\$132.5	\$128.1	\$129.1	\$129.1	\$124.6	\$130.5	\$135.2	\$135.1	\$136.0	\$136.0	\$134.0

1. PA 05-251  
2. At the time the General Assembly adopted the Budget Plan the Special Transportation Fund had an estimated year ending balance of \$126.1 million. Per OPM, the unaudited final balance of \$132.0 million is used in the Revised Estimates column in the February 21, 2006 letter.  
3. Includes P.A. 06-186.

Summary  
July 20, 2006

State of Connecticut  
Summary of Changes  
General Fund and Special Transportation Fund  
Projected to June 30, 2006  
(In Millions)

**General Fund**

Balance - June 20, 2006		\$	424.6
Revenues			
Sales & Use	12.0		
Public Service	3.1		
Inheritance & Estate	2.5		
Insurance Companies	4.6		
Miscellaneous - Taxes	6.7		
Refund of Taxes	(4.8)		
Licenses, Permits, Fees	(7.7)		
Rents, Fines, Escheats	(2.5)		
Miscellaneous - Miscellaneous	(6.9)		
Federal Grants	3.1		
All Other	1.6		11.7
Expenditures			
Additional Requirements - No Change	0.0		
Additional Lapses	23.5		
Miscellaneous Adjustments/Rounding	(4.7)		18.8
Balance - July 20, 2006		\$	<u>455.1</u>

**Special Transportation Fund**

Balance - June 20, 2006		\$	136.0
Revenues			
Sales Tax - DMV	(1.6)		
Motor Vehicle Receipts	(6.5)		
Interest Income	2.2		
Licenses, Permits, Fees	(1.1)		
All Other	0.2		(6.8)
Expenditures			
Additional Requirements - No Change	0.0		
Additional Lapses	4.8		
Miscellaneous Adjustments/Rounding - No Change	0.0		4.8
Balance - July 20, 2006		\$	<u>134.0</u>