



State of Connecticut Budgeting



THE BUDGET PROCESS

1. Development vs. Execution
2. Budget Development
 1. Timeline
 2. Constraints & Important Factors
 3. Key Documents
3. Budget Execution
 1. Executive Branch Role
 2. Legislature's Role
4. Understanding OFA Budget Sheets

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BUDGET DEVELOPMENT

TIMING Biennial budget cycle with
midterm revisions
Next biennium is Fiscal
Years 2020 and 2021 (FY 20 -
FY 21)

ROLES Executive Branch provides
recommendations
Connecticut General
Assembly (CGA) determines
final appropriations

2



BUDGET EXECUTION

State Fiscal Year (FY) runs July
1st to June 30th
Currently in FY 19 (end of
budget cycle)

Executive Branch administers
Office of Policy and
Management (OPM) exercises
control through quarterly
allotments
CGA oversees

BUDGET DEVELOPMENT TIMELINE

OPM sends budget proposal to Governor:

- Agency needs
- Statewide budget priorities, constraints

December Prior to Session

OFA provides synopsis of the Governor's budget

February



Fall Prior to Session

State Agencies send requests to OPM:

- Current Services
- Budget Options

February

Governor recommends budget that is the basis for subsequent changes

BUDGET DEVELOPMENT TIMELINE II

Appropriations Committee work, including

- Agency Public Hearings
- Subcommittee meetings & reports to Chairpersons
- Committee Budget

February to April

Legislature passes budget-related legislation

- Budget Bill
- Other bills appropriating funds
- Implementer bills
- Bond Authorization Bill (bond package)

May to June



Prior to Budget Vote

Finance, Revenue & Bonding (FRB) Committee approve revenue schedule

July to August

OFA compiles State Budget Book

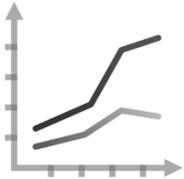
BUDGET DEVELOPMENT CONSTRAINTS & FACTORS



Balanced budget



Spending cap



Projected revenue growth or changes



Long-term liabilities and fixed costs

BUDGET DEVELOPMENT KEY DOCUMENTS



Governor's
Recommended
Budget

PRODUCED BY
OPM



Appropriations
Committee
Budget

PRODUCED BY
OFA



Connecticut
Budget Book

PRODUCED BY
OFA

BUDGET EXECUTION

EXECUTIVE BRANCH MANAGEMENT

1. Allotment holdbacks

What is a budgeted lapse?

OPM can withhold from an agency a portion of its appropriations in accordance with the Budget Act to achieve savings

2. Allotment rescissions

OPM can reduce agency allotments to deal with a budget deficit

Pursuant to statute: CGS 4-85(b)

3. Lapses

Unspent funds at the end of a fiscal year

BUDGET EXECUTION

LEGISLATIVE ROLE

1. Provide Oversight

OFA independently monitors agency budgets

2. Authorize Within-Agency Transfers

Finance Advisory Committee (FAC)

Threshold requiring approval is \$175,000 or 10% of any specific appropriation

3. Provide Deficiency Appropriations

Deficit Mitigation Plan (DMP) or Deficiency Bill

UNDERSTANDING OFA BUDGET SHEETS

Insurance Department DOI37500

Permanent Full-Time Positions

Fund	Actual FY 16	Actual FY 17	Governor Estimated FY 18	Original Appropriation FY 19	Governor Revised FY 19	Final FY 19	Difference Fin-Gov FY 19
Insurance Fund	159	159	151	150	150	150	-

Budget Summary

Account	Actual FY 16	Actual FY 17	Governor Estimated FY 18	Original Appropriation FY 19	Governor Revised FY 19	Final FY 19	Difference Fin-Gov FY 19
Personal Services	14,217,831	13,753,332	13,788,701	13,796,046	13,796,046	13,796,046	-
Other Expenses	2,228,919	2,124,801	1,727,807	1,727,807	1,774,279	1,727,807	(46,472)
Equipment	95,000	52,423	52,500	52,500	52,500	52,500	-
Other Current Expenses							
Fringe Benefits	10,950,982	10,899,326	11,055,498	10,938,946	11,312,758	10,938,946	(373,812)
Indirect Overhead	248,930	532,887	466,740	466,740	271,839	466,740	194,901
Agency Total - Insurance Fund	27,741,661	27,362,769	27,091,246	26,982,039	27,207,422	26,982,039	(225,383)

Knowing your way around a budget sheet is the key to understanding the budget.

FY 19

Current Services

Provide Funding to Reflect New Lease Cost

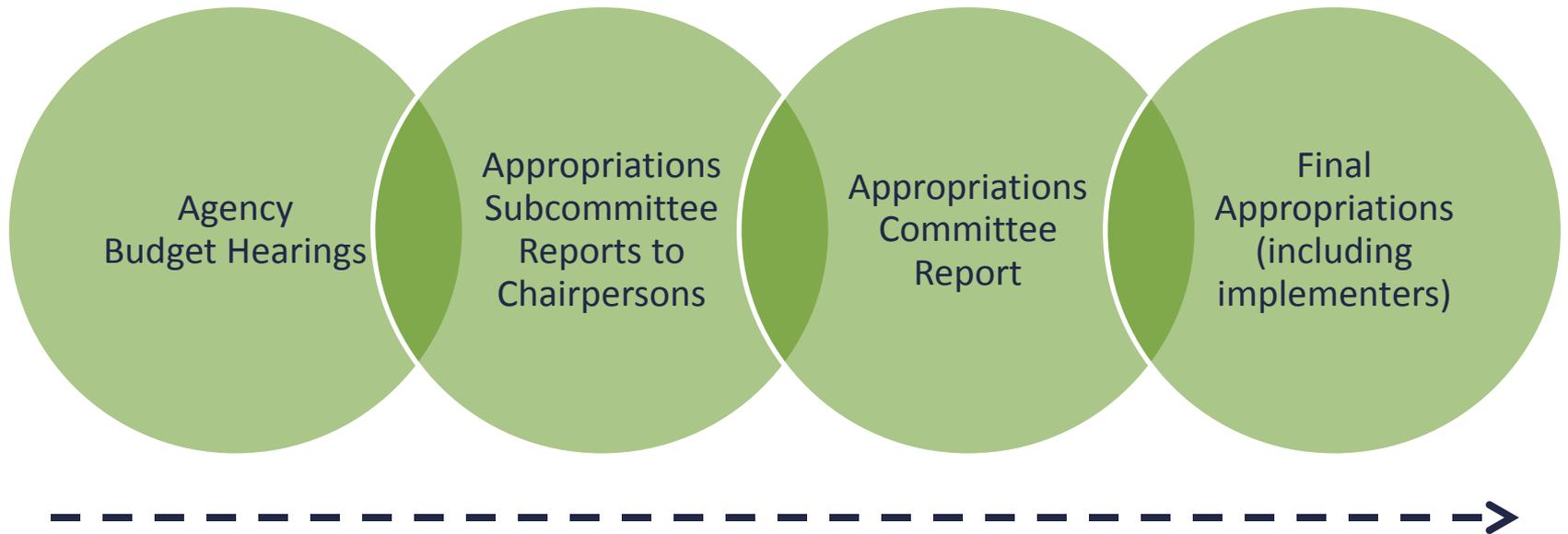
Other Expenses	46,472	-	(46,472)
Total - Insurance Fund	46,472	-	(46,472)

BUDGET SHEETS REFLECT LEGISLATIVE INTENT

1. Authorized position counts
2. Budget change explanations
3. Other significant legislation affecting agencies' budgets



BUDGET SHEETS PROVIDE A RECORD



BUDGET SUMMARY SECTION

1. **Four-year perspective on expenditures**
2. **Position count**
3. **Appropriated Funds funding by line item (PS, OE, Equipment, OCE, Grants)**
4. **Other sources of funding for agencies**

Please note: Data within the following example budget sheet was created solely for this training.

AUTHORIZED POSITION COUNT

Account	Actual FY 16	Governor Estimated FY 17	Governor Recommended		Legislative	
			FY 18	FY 19	FY 18	FY 19
Permanent Full-Time - GF	284	288	298	298	298	298
Permanent Full-Time - OF	14	14	14	14	14	14

GF = General Fund; OF = Other Funds

Budget Summary

Account	Actual FY 16	Governor Estimated FY 17	Governor Recommended		Legislative	
			FY 18	FY 19	FY 18	FY 19
Personal Services	27,835,723	28,116,892	29,740,544	28,623,386	27,910,873	26,793,715
Other Expenses	1,018,253	1,019,272	1,017,272	1,015,272	942,920	940,920
Equipment	0	0	0	0	0	0
Agency Total - GF	28,853,976	29,136,165	30,757,817	29,638,659	28,853,794	27,734,636
Additional Funds Available						
Federal & Other Restricted Act	75,000	80,000	80,000	80,000	80,000	80,000
Second Injury Fund	1,848,150	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000
Agency Grand Total	30,777,126	31,066,165	32,687,817	31,568,659	30,783,794	29,664,636

ACTUAL POSITIONS & EXPENDITURES FROM THE PREVIOUS FISCAL YEAR

Account	Actual FY 16	Governor Estimated FY 17	Governor Recommended		Legislative	
			FY 18	FY 19	FY 18	FY 19
Permanent Full-Time - GF	284	288	298	298	298	298
Permanent Full-Time - OF	14	14	14	14	14	14

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Budget Summary

Account	Actual FY 16	Governor Estimated FY 17	Governor Recommended		Legislative	
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Agency Grand Total	30,777,126	31,066,165	32,687,817	31,568,659	30,783,794	29,664,636

GOVERNOR ESTIMATED CURRENT YEAR POSITIONS & EXPENDITURES

Account	Actual FY 16	Governor Estimated FY 17	Governor Recommended		Legislative	
			FY 18	FY 19	FY 18	FY 19
Permanent Full-Time - GF	284	288	298	298	298	298
Permanent Full-Time - OF	14	14	14	14	14	14

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Budget Summary

Account	Actual FY 16	Governor Estimated FY 17	Governor Recommended		Legislative	
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Agency Grand Total	30,777,126	31,066,165	32,687,817	31,568,659	30,783,794	29,664,636

GOVERNOR'S RECOMMENDED BIENNIAL BUDGET

Account	Actual FY 16	Governor Estimated FY 17	Governor Recommended		Legislative	
			FY 18	FY 19	FY 18	FY 19
Permanent Full-Time - GF	284	288	298	298	298	298
Permanent Full-Time - OF	14	14	14	14	14	14

GF = General Fund; OF = Other Funds

Budget Summary

Account	Actual FY 16	Governor Estimated FY 17	Governor Recommended		Legislative	
			FY 18	FY 19	FY 18	FY 19
Personal Services	27,835,723	28,116,892	29,740,544	28,623,386	27,910,873	26,793,715
Other Expenses	1,018,253	1,019,272	1,017,272	1,015,272	942,920	940,920
Equipment	0	0	0	0	0	0
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Federal & Other Restricted Act	75,000	80,000	80,000	80,000	80,000	80,000
Second Injury Fund	1,848,150	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000
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LEGISLATIVE APPROPRIATION

Account	Actual FY 16	Governor Estimated FY 17	Governor Recommended		Legislative	
			FY 18	FY 19	FY 18	FY 19
Permanent Full-Time - GF	284	288	298	298	298	298
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Budget Summary

Account	Actual FY 16	Governor Estimated FY 17	Governor Recommended		Legislative	
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Second Injury Fund	1,848,150	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000
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SUMMARY OF APPROPRIATIONS BY LINE ITEMS

Account	Actual FY 16	Governor Estimated FY 17	Governor Recommended		Legislative	
			FY 18	FY 19	FY 18	FY 19
Permanent Full-Time - GF	284	288	298	298	298	298
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ADDITIONAL FUNDS AVAILABLE

Account	Actual FY 16	Governor Estimated FY 17	Governor Recommended		Legislative	
			FY 18	FY 19	FY 18	FY 19
Permanent Full-Time - GF	284	288	298	298	298	298
Permanent Full-Time - OF	14	14	14	14	14	14

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Equipment	0	0	0	0	0	0
Agency Total - GF	28,853,976	29,136,165	30,757,817	29,638,659	28,853,794	27,734,636

Additional Funds Available

Federal & Other Restricted Act	75,000	80,000	80,000	80,000	80,000	80,000
Second Injury Fund	1,848,150	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000
Agency Grand Total	30,777,126	31,066,165	32,687,817	31,568,659	30,783,794	29,664,636

BUDGET CHANGES SECTION

1. Organized by **Policy Revisions** and **Current Services Updates**
2. Each adjustment write-up includes
 - Title summarizing the action
 - Dollar amount and position changes by line item by fund
 - Background and text summaries of adjustments proposed and made
3. Totals table of budget adjustments

WRITE-UPS OF BUDGET CHANGES

Transfer Funding for Legal Services Provided by the OAG

Account	Legislative				Difference from Governor			
	FY 18		FY 19		FY 18		FY 19	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Personal Services	10	1,361,399	10	1,361,399	0	(46,500)	0	(46,500)
Total - General Fund	10	1,361,399	10	1,361,399	0	(46,500)	0	(46,500)

Background

The Office of the Attorney General Provides legal services to all state agencies.

Governor

Transfer \$1,407,839 from agencies currently reimbursing the Office of the Attorney General for assigned positions. These agencies include the Department of Social Services, Children and Families, Agriculture, Energy and Environmental Protection, Mental Health and Addiction Services, and Administrative Services. Additionally, increase the authorized count by 10 positions to reflect actual staffing.

Legislative

Transfer \$1,361,339 from agencies currently reimbursing the Office of the Attorney General for assigned positions. These agencies include the Department of Social Services, Children and Families, Agriculture, Energy and Environmental Protection, Mental Health and Addiction Services, and Administrative Services. Additionally, increase the authorized count by 10 positions to reflect actual staffing.

SUMMARY OF POLICY ADJUSTMENTS AND CURRENT SERVICES

Biennial Fiscal Years' Budget Components: Legislative vs. Governor

Totals

Budget Components	Governor Recommended		Legislative		Difference from Governor	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19
Governor Estimated - GF	815,057,739	815,057,739	815,057,739	815,057,739	-	-
Policy Revisions	100,962,830	101,153,010	(6,758,806)	(2,175,801)	(107,721,636)	(103,328,811)
Current Services	13,440,923	20,975,807	13,110,923	20,645,807	(330,000)	(330,000)
Total Recommended - GF	929,461,492	937,186,556	821,409,856	833,527,745	(108,051,636)	(103,658,811)

QUESTIONS?

