

# OFFICE OF FISCAL ANALYSIS

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sHB-5032

AN ACT ADJUSTING THE STATE BUDGET FOR THE BIENNIUM  
ENDING JUNE 30, 2027.

## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
All	App Fund - Cost	\$28.8 billion	See Below

Note: App Fund=All Appropriated Funds

### **Municipal Impact:**

Municipalities	Effect	FY 27 \$	FY 28 \$
Various Municipalities	Revenue Gain	Significant	See Below

### **Explanation**

Sections 1 - 8 amends PA 25-168 and authorizes revised appropriations for the General and Special Transportation Funds as well as six other appropriated funds. Total appropriations of \$28.9 billion are authorized in FY 27, as summarized in the table below.

### **Fund Summary**

Fund Summary	FY 26 \$	FY 27 \$
General Fund	24,130,780,244	25,690,627,553
Special Transportation Fund	2,291,210,908	2,427,181,298
Municipal Revenue Sharing Fund	559,409,674	551,799,145
Banking Fund	36,301,539	33,395,890
Insurance Fund	118,397,912	116,262,754
Consumer Counsel and Public Utility Control Fund	37,235,150	38,365,138
Workers' Compensation Fund	27,287,983	27,174,687
Mashantucket Pequot and Mohegan Fund	52,541,796	54,291,796
Criminal Injuries Compensation Fund	2,934,088	2,934,088

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Reviewer: PR

4/14/26

<b>Fund Summary</b>	<b>FY 26 \$</b>	<b>FY 27 \$</b>
Tourism Fund	17,884,502	18,709,502
Cannabis Prevention and Recovery Services Fund	3,365,268	3,365,268
Cannabis Regulatory Fund	9,374,453	9,374,453
<b>Subtotal</b>	<b>27,286,723,517</b>	<b>28,973,481,572</b>
<b>General Fund Lapses</b>		
Unallocated Lapse	(63,710,570)	(73,710,570)
Unallocated Lapse - Judicial	(5,000,000)	(5,000,000)
Targeted Savings	(25,518,692)	(15,000,000)
<b>Subtotal</b>	<b>(94,229,262)</b>	<b>(93,710,570)</b>
<b>Special Transportation Fund Lapses</b>		
Unallocated Lapse	(12,000,000)	(12,000,000)
<b>Subtotal</b>	<b>(12,000,000)</b>	<b>(12,000,000)</b>
<b>Net Appropriations</b>		
General Fund	24,036,550,982	25,596,916,983
Special Transportation Fund	2,279,210,908	2,415,181,298
Municipal Revenue Sharing Fund	559,409,674	551,799,145
Banking Fund	36,301,539	33,395,890
Insurance Fund	118,397,912	116,262,754
Consumer Counsel and Public Utility Control Fund	37,235,150	38,365,138
Workers' Compensation Fund	27,287,983	27,174,687
Mashantucket Pequot and Mohegan Fund	52,541,796	54,291,796
Criminal Injuries Compensation Fund	2,934,088	2,934,088
Tourism Fund	17,884,502	18,709,502
Cannabis Prevention and Recovery Services Fund	3,365,268	3,365,268
Cannabis Regulatory Fund	9,374,453	9,374,453
<b>TOTAL NET APPROPRIATIONS</b>	<b>27,180,494,255</b>	<b>28,867,771,002</b>

### Spending Cap

The budget is calculated to be under the spending cap by \$0.2 million in FY 26 and \$16.1 million in FY 27, which assumes passage of sHB 5031, An Act Making Deficiency Appropriations for the Fiscal Year Ending June 30, 2026. The FY 26 calculation incorporates the appropriations contained in SA 25-1 NSS, AAC Temporary Adjustments to The Budget Reserve Fund and Appropriating Funds to Address Reductions in Federal Funding, as well as the associated Governor's Declaration of the

Existence of Extraordinary Circumstances dated November 12, 2025 exempting \$500 million in appropriations contained in the Special Act from the spending cap. Per the Declaration, appropriations in excess of the cap in FY 26 are not carried forwarded into the subsequent year's spending cap calculation base.

### Growth Rate

The FY 27 growth rate for all appropriated funds is 6.2% over FY 26 appropriations. The FY 27 growth rate is 0.8% over FY 27 original appropriations. See the table below for details.

#### FY 27 Budget Growth Rates (by fund - in millions)

Fund	FY 26 Approp.	FY 27					
		Original Approp.	Change to Original	Approp.		Change from FY 26	
	\$	\$	\$	%	\$	\$	%
General	24,036.6	25,361.9	235.0	0.9%	25,596.9	1,560.4	6.5%
Transportation	2,279.2	2,405.2	10.0	0.4%	2,415.2	136.0	6.0%
Other Appropriated	864.7	868.0	(12.3)	-1.4%	855.7	(9.1)	1.0%
<b>TOTAL</b>	<b>27,180.5</b>	<b>28,635.1</b>	<b>232.7</b>	<b>0.8%</b>	<b>28,867.8</b>	<b>1,687.3</b>	<b>6.2%</b>

**Section 9** suspends the statutory end-of-year transfer from the Probate Court Administration Fund to the General Fund, precluding General Fund revenue of about \$25 million in FY 27.

**Section 10** changes the accounts within the Connecticut State Library through which funding is provided for various organizations in FY 27.

**Section 11** changes the accounts within the State Department of Education through which funding is provided for various organizations in FY 27. The section does not change the amount of funding provided to the organizations.

**Section 12** requires the Office of Legislative Management (OLM) to apply terms consistent with the collective bargaining agreement for the

Connecticut Employees Union Independent, NP-2 bargaining unit to legislative employees resulting in a cost to OLM of approximately \$2.5 million in FY 27.

**Section 13** carries forward \$100,000 in OLM to FY 27 for the removal of the John Mason statute from the state capitol building.

**Section 14** provides \$100,000, in FY 27 to the three state-recognized tribes, The Schaghticoke, the Paucatuck Eastern Pequot and the Golden Hill Paugussett, for storm damage clean-up and hazardous tree removal on their reservations.

**Section 15** provides \$50,000 in FY 27 to the Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of Connecticut and the three state-recognized tribes, The Schaghticoke, the Paucatuck Eastern Pequot and the Golden Hill Paugussett, for hunting and fishing license fees.

**Section 16** makes \$3 million in FY 26 and \$4 million in FY 27 of funds appropriated to the Department of Transportation's Rail Operations account in PA 25-168 available for Shore Line East. As these funds have already been appropriated and are currently available for Shore Line East, this section does not have a net fiscal impact.

**Section 17** carries forward \$850,000 from the amount appropriated to the Department of Emergency Services and Public Protection (DESPP) for Social Work Law Enforcement Training Partnership in FY 26 into FY 27.

**Section 18** carries forward up to \$200,000 appropriated to the Department of Economic and Community Development for a grant to the American Legion Post 17 in Naugatuck.

**Section 19** carries forward up to \$250,000 appropriated to the Department of Children and Families for a grant to the Thames River Community Services.

**Section 20** requires DESPP, the Police Officer Standards and Training Council, and Southern Connecticut State University to jointly report on

the status of the social work and law enforcement project established under CGS Sec. 29-11l. The report must be submitted by January 1, 2027, to the Appropriations and the Public Safety and Security Committees.

**Section 21** requires the Student Loan Ombudsman to submit productivity reports for both CY 25 and CY 26 resulting in no fiscal impact.

**Sections 22 - 23** rename the Governor's Guards account to the Governor's Foot Guard account and separate the Governor's Guards horse account into two subaccounts, resulting in no fiscal impact.

**Section 24** makes a variety of procedural and clarifying changes to the Finish Line Scholars program that have no fiscal impact.

**Section 25** results in a cost to the Department of Social Services (DSS) of approximately \$1.3 million annually associated with suspending the separate inflation cost limitation on direct care costs as reported in 2024 cost report filings and factoring such costs into FY 27 ICF rates.

**Section 26** removes a provision that establishes a boundary on certain tribal property that qualifies for the Tiered PILOT grant. This results in a potential cost to the Office of Policy and Management for Tiered PILOT beginning in FY 27 and a corresponding revenue gain to certain towns to the extent more property qualifies for this grant.

**Section 27** requires each intern in the Connecticut Legislative Intern Program to receive a stipend of \$1,500 and mileage reimbursement resulting in an annual cost to OLM of up to \$100,000. The exact cost is dependent on the number of interns and the amount of mileage reimbursement requested.

### ***The Out Years***

The fiscal impact is subject to future appropriations authorizations beginning in FY 28.