STATE COMPTROLLER
SEAN SCANLON

FOR IMMEDIATE RELEASE

REGISTER TO ATTEND 9/8 1PM MONTHLY AVAIL

September 1, 2026

COMPTROLLER SEAN SCANLON PROJECTS $451.8 MILLION SURPLUS,

Economic Update examines special education spending and funding policies

(HARTFORD, CT) – Comptroller Sean Scanlon today, in his monthly financial and economic update, projected a Fiscal Year 2027 General Fund surplus of $451.8 million and a Special Transportation Fund surplus of $209.6 million, both in general agreement with the Office of Policy and Management's projections.

This month's Economic Update examines how, despite significant additional State investment, rising student needs and rapidly rising costs are straining town education budgets. The in-depth report covers Connecticut's special education funding model and recent reforms, how that compares to other states, and what initiatives are underway to rethink how Connecticut provides and pays for K-12 education.

"Connecticut is starting off the new fiscal year on great footing, and I hope the same goes for all our students and teachers returning to school," **said Comptroller Scanlon.** "How we fund our schools – and specifically special education – is the subject of this month's Economic Update. While state funding for education has increased, the underlying system is truly broken. The good news is that, whether through the Citizens' Assembly I'm working with or the Governor's Blue Ribbon Commission, there is real momentum to finally replace this broken system with the true, structural change we need to reform how education is funded in Connecticut."

In a letter to Governor Ned Lamont, Comptroller Scanlon noted that the surplus projection reflects revenue estimates increasing by $63.6 million, despite the surplus being slightly lower than what was built into the budget as enacted. This is largely due to legislative and administrative changes to revenue totaling -$78.6 million made after the legislature adopted the General Fund revenue schedule, as well as an increase in expenditures totaling $71.5 million.

The Budget Reserve Fund (BRF), also known as the "Rainy Day Fund," is currently at its legal cap of $4.48 billion, or 18% of net General Fund appropriations for FY 2027. The BRF is projected to receive an additional $1.53 billion from the FY 2027 volatility cap deposit, temporarily bringing the balance to $6.01 billion, or 24.2% of FY 2027 General Fund appropriations. Comptroller Scanlon expects additional transfers to be made to reduce pension debt for any excess above the 18% cap.

###

Contact: Madi Csejka
Director of Communications
madi.csejka@ct.gov
C: 203-506-0191