



INVESTOR PRESENTATION

\$800,000,000*

STATE OF CONNECTICUT

SPECIAL TAX OBLIGATION BONDS

TRANSPORTATION INFRASTRUCTURE PURPOSES

2018 SERIES A

**Preliminary, subject to change.*



DISCLAIMER

This investor presentation that you are about to view is provided as of January 17, 2018 for a proposed offering of the State of Connecticut (the "Issuer") of its Special Tax Obligation Bonds Transportation Infrastructure Purposes, 2018 Series A (the "Bonds"). This presentation has been prepared for information purposes only and for your sole and exclusive use in connection with the proposed transaction. The information contained herein is subject to completion and amendment. Any offer or solicitation with respect to the Bonds will be made by means of a final official statement. If you are viewing this investor presentation after the date stated above, events may have occurred that have a material adverse effect on the financial information presented.

This presentation does not constitute nor does it form part of an offer to sell or purchase, or the solicitation of an offer to sell or purchase, any securities or an offer or recommendation to enter into any transaction described herein nor does this presentation constitute an offer, commitment or obligation on the part of the issuer, underwriter or any of its affiliates to provide, issue, arrange or underwrite any financing or enter into any other transaction. You will be responsible for making your own independent investigation and appraisal of the risks, benefits, appropriateness and suitability of the proposed transaction and any other transactions contemplated by this presentation and neither the issuer nor the underwriter is making any recommendation (personal or otherwise) or giving any investment advice and will have no liability with respect thereto.

Neither the issuer nor the underwriter makes a representation or warranty as to the (i) accuracy, adequacy or completeness of any information in this investor presentation or (ii) legal, tax or accounting treatment of any purchase of Bonds by you or any other effects such purchase may have on you and your affiliates.

This investor presentation contains "forward-looking" statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results may differ materially from those expressed or implied by such forward-looking statements. Accordingly, we caution you not to place undue reliance on these statements. All statements other than the statements of historical fact could be deemed forward-looking. All opinions, estimates, projections, forecasts and valuations are preliminary, indicative and are subject to change without notice.

THE PRINTING, DUPLICATING, DOWNLOADING, SCREEN CAPTURING, ELECTRONIC STORING, RECORDING, PUBLISHING OR DISTRIBUTING OF THIS INVESTOR PRESENTATION IN ANY MANNER IS STRICTLY PROHIBITED.

By viewing this investor presentation you acknowledge that you understand and agree to the provisions of this page.



TRANSACTION SUMMARY

\$800,000,000* Special Tax Obligation Bonds Transportation Infrastructure Purposes, 2018 Series A

Structure*:	Serial Bonds maturing January 1, 2019 through January 1, 2038
Interest Payments:	January 1 st and July 1 st , commencing July 1, 2018
Purpose:	<ul style="list-style-type: none">• To fund a portion of the costs of various purposes of the Infrastructure Program• To fund additional required deposit to the Debt Service Reserve Account
Security:	Special obligations of the State payable solely from the Pledged Revenues and other receipts, funds or moneys pledged therefor pursuant to the Act and the Indentures
Debt Service Reserve Account:	The 2018 Series A Bonds are secured by a Debt Service Reserve Account – funded at maximum annual debt service (MADS) of the combined Senior and Second Lien Bonds
Tax Status of Interest**:	<ul style="list-style-type: none">• Exempt from Federal income tax• Exempt from Connecticut income taxes• Not an item of tax preference for purposes of the federal alternative minimum tax
Optional Redemption*:	The 2018 Series A Bonds will be subject to optional redemption prior to maturity
Ratings:	<ul style="list-style-type: none">• S&P: AA (Stable)• Kroll: AA+ (Stable)• Fitch: A+ (Stable)
Expected Pricing*:	<ul style="list-style-type: none">• Retail Only Order Period: Tuesday, January 23, 2018• Institutional Pricing: Wednesday, January 24, 2018
Expected Closing*:	Thursday, February 8, 2018

*Preliminary, subject to change.

**Prospective purchasers of the 2018 Series A Bonds should consult their tax advisors regarding the Federal, state and local tax consequences of owning and disposing of the 2018 Series A Bonds



SUMMARY OF THE STO'S CREDIT STRENGTHS

Transportation is Demonstrably a State Priority

- Long-term commitment to invest in the transportation needs of the State
- Continued steps that solidify a dedicated and secure transportation funding source
- STF virtually unaffected through FY2017 budget process despite State general fund experience

Strong Statutory Framework & Legal Provisions

- First priority lien for Senior Bonds
- 2x Pledged Revenue rate covenant
- Balanced budget requirement
- 2x Senior and Second Lien Additional Bonds Test
- Cash funded DSRF at MADS
- Perpetual Fund

Diverse & Stable Revenue Source

- Broad base of taxes and fees collected statewide
- No revenue source greater than 36% of Pledged Revenues
- Sales and Use Tax on new car sales to STF begins in 2021
- Monthly collection process for most Pledged Revenues
- Pledged Revenues provide coverage significantly higher than minimum debt service coverage requirements

Strong Management Team

- Comprehensive and conservative management of STO program
- Multi-agency collaboration and consensus
- Monthly revenue and expense updates by OPM and OSC
- Long track record of success at managing the program



RECENT LEGISLATIVE CHANGES CONTINUE TO STRENGTHEN THE STF

	2015	2016	2017
Statutory “Lockbox”:	<ul style="list-style-type: none"> ■ Approved statutory language making the STF a “Perpetual Fund” <ul style="list-style-type: none"> — Requires that STF resources be expended <u>solely</u> for transportation purposes, in effect prohibiting transfers from the STF to the General Fund 		<ul style="list-style-type: none"> ■ Approved legislation proposing a constitutional amendment that solidifies the STF statutory “lockbox” <ul style="list-style-type: none"> — Amendment would align the Constitution to the stated policy goals with support of the voters — Voter referendum in November 2018 for final approval
New Revenues:	<ul style="list-style-type: none"> ■ Pledged a portion of the general retail sales and use tax as a new source of revenue to the STF, to be phased in over 3 years, beginning at 0.30% in 2016 and reaching 0.50% in 2018 		<ul style="list-style-type: none"> ■ Provided that sales and use tax on new car sales be moved from the General Fund to the STF beginning in 2021 (five year phase-in)
Enhancements to Revenue Stream:	<ul style="list-style-type: none"> ■ Modified the flow of funds for the Oil Companies Tax so that funds flow <u>directly</u> into the STF, eliminating the transfers between the General Fund and the STF 	<ul style="list-style-type: none"> ■ Increased fees to oversize/overweight vehicles ■ Expanded definition of vehicles subject to permit fees to include self-propelled vehicles 	
Ongoing Program Authorizations:	<ul style="list-style-type: none"> ■ \$706.9 million in FY2014 and \$588.8 million in FY2015 	<ul style="list-style-type: none"> ■ \$681.4 million in FY2016 and \$763.6 million in FY2017 	<ul style="list-style-type: none"> ■ \$820.3 million in FY2018 and \$824.6 million in FY2019



THE SERIES 2018 BONDS WILL CONTINUE TO FUND INVESTMENTS IN THE STATE'S TRANSPORTATION INITIATIVE

Capital Funding for New and Ongoing Projects

Project Category	Bond Authorizations*	
	FY 2018 (\$ in millions)	FY 2019 (\$ in millions)
Highway/Bridges	\$207.8	\$206.6
Public Transportation	\$236.3	\$246.0
Fix-It-First Program	\$166.1	\$154.8
Local Transportation Capital Improvement Programs	\$92.0	\$118.0
Other	\$118.1	\$99.2
Let's GO CT!	\$551.7	\$749.8
Total	\$1,372.0	\$1,574.4



I-95 New Haven Harbor Crossing Corridor Improvement Program

This goal of this program is to increase capacity and reduce congestion in the Greater New Haven area. Construction of the Pearl Harbor Memorial (Q) Bridge was completed and opened to traffic in September 2015.



Hartford Line

The 62-mile Hartford Line Rail Program will improve the high speed and passenger rail system serving the Northeast, expand intermodal transportation options, encourage economic development and create more livable communities.



New Haven Rail Yard Master Complex

DOT is revitalizing and expanding the existing New Haven Rail Yard into a state-of-the-art, coordinated facility that provides efficient and effective storage, dispatching, inspection, maintenance, and cleaning of rail cars.



Rocky Hill Repair Facility

The new DOT Rocky Hill Repair Facility is located on Brook Street in Rocky Hill. This will be the premier repair facility for District 1. The main building is approximately 82,000 square feet and will be used to repair the DOT highway maintenance vehicle fleet.



Walk Bridge Program

DOT will replace the existing 120-year old swing bridge over the Norwalk River in Norwalk, CT with a redundant structure with two independent movable spans, designed and constructed to be resilient to extreme weather events.



I-84 Waterbury Improvement Program

This 5-year project will improve safety, operations and capacity of the expressway. A third lane will be added while bridges, ramps and culverts are reconstructed.

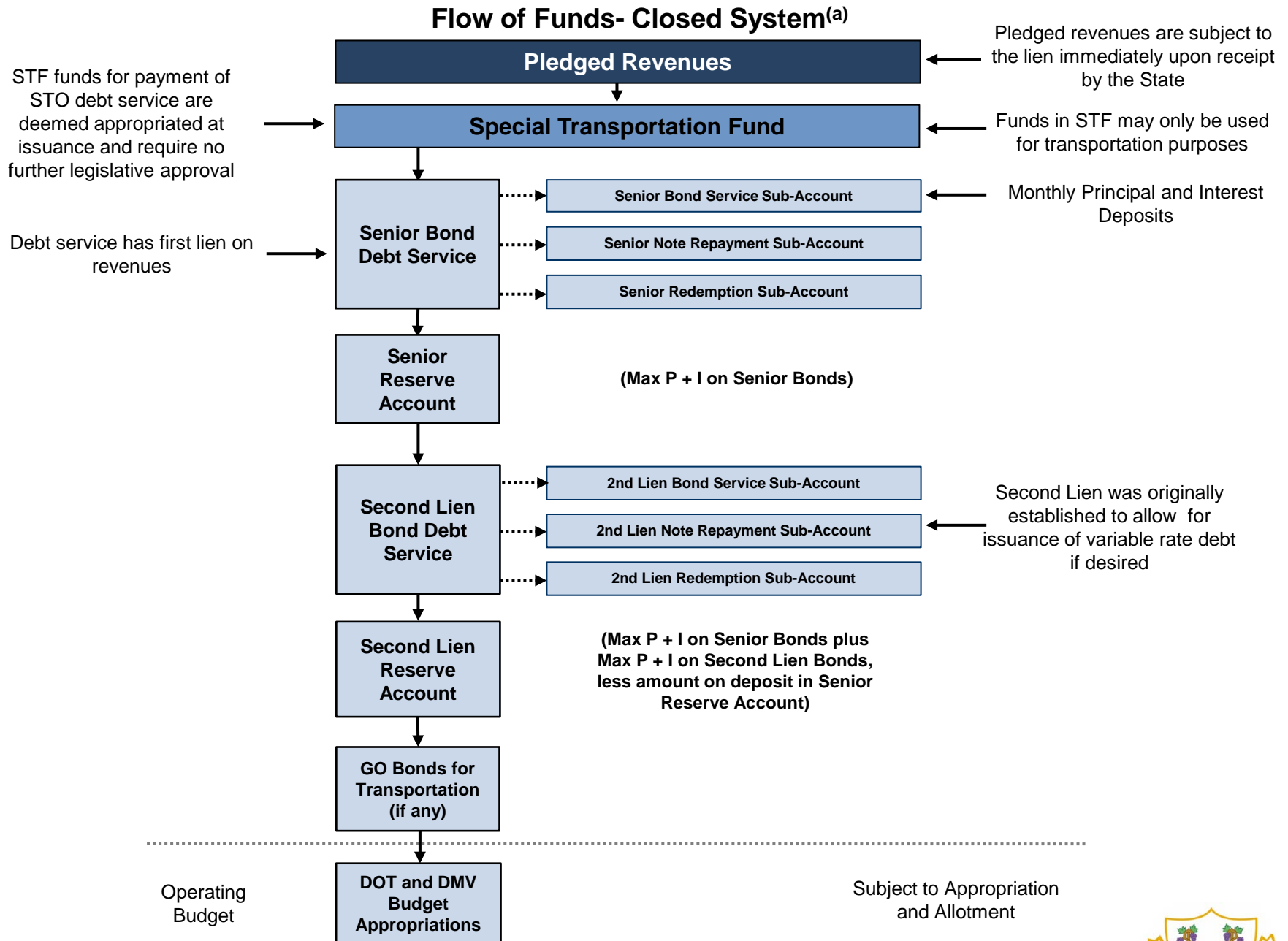


KEY LEGAL PROVISIONS PROVIDE MULTIPLE LAYERS OF BONDHOLDER PROTECTION

- **Pledged Revenues** include: motor fuels taxes; oil companies tax payments; a portion of the sales and use tax; sales tax – DMV payments; motor vehicle licenses, permits, and fees; motor vehicle fines, penalties, and other charges; Federal BAB subsidy payments; and investment earnings
- **Debt Service Priority Covenant** – The Indenture provides that the State shall at all times assure that Pledged Revenues be applied first to Debt Service
- **Pledged Revenue Coverage Requirement (aka, Rate Covenant)** – State covenants to provide Pledged Revenues annually of at least 2.0x aggregate Senior and Second Lien Debt Service
- **Balanced Budget Requirement** – State Constitution requires a balanced budget (i.e., general budget expenditures authorized for any fiscal year cannot exceed the estimated amount of revenue for such year).
 - The Act and the Indenture require that revenues in the STF meet or exceed expenses including debt service and the Pledged Revenue Coverage Requirement.
- **Additional Bonds Test** – Requires both 2.0x Senior debt service coverage and 2.0x aggregate Senior Lien and Second Lien debt service (from Pledged Revenues including current and all succeeding years on outstanding and additional bonds)
- **Reserve Account Requirement** – Maximum Annual Debt Service for combined Senior and Second Lien bonds. The Reserve Account is cash-funded, held with the trustee, and conservatively invested
- **Perpetual Fund** - 2015 statute established the STF as a perpetual fund, the resources of which shall be expended solely for transportation purposes (including debt service on Special Tax Obligation Bonds)



CLOSED FLOW OF FUNDS AND KEY LEGAL AND STRUCTURAL PROVISIONS ENHANCE CREDIT PROFILE

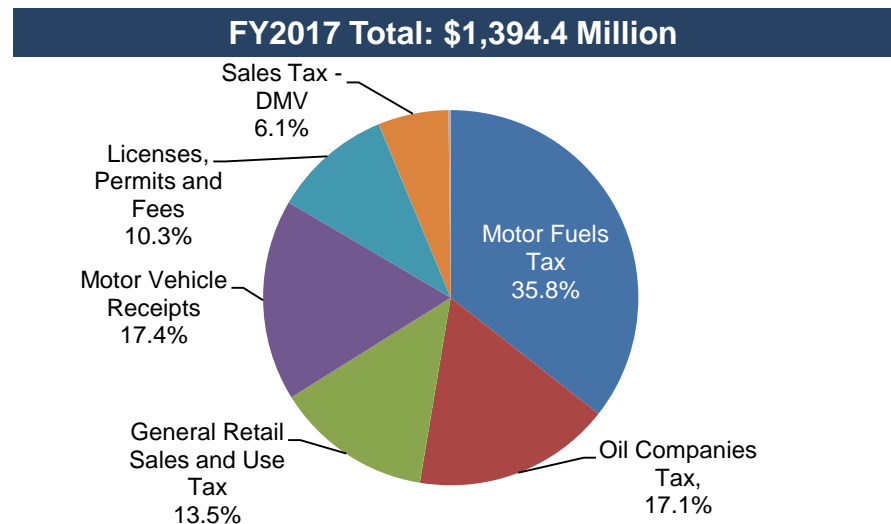


(a) See Article V of the Indenture of Trust for the Senior Lien and Second Lien Bonds for further detail.



THE STO CREDIT HAS A BROAD AND DIVERSE REVENUE PLEDGE

■ Diversification of revenues with no revenue source greater than 36% of Pledged Revenues



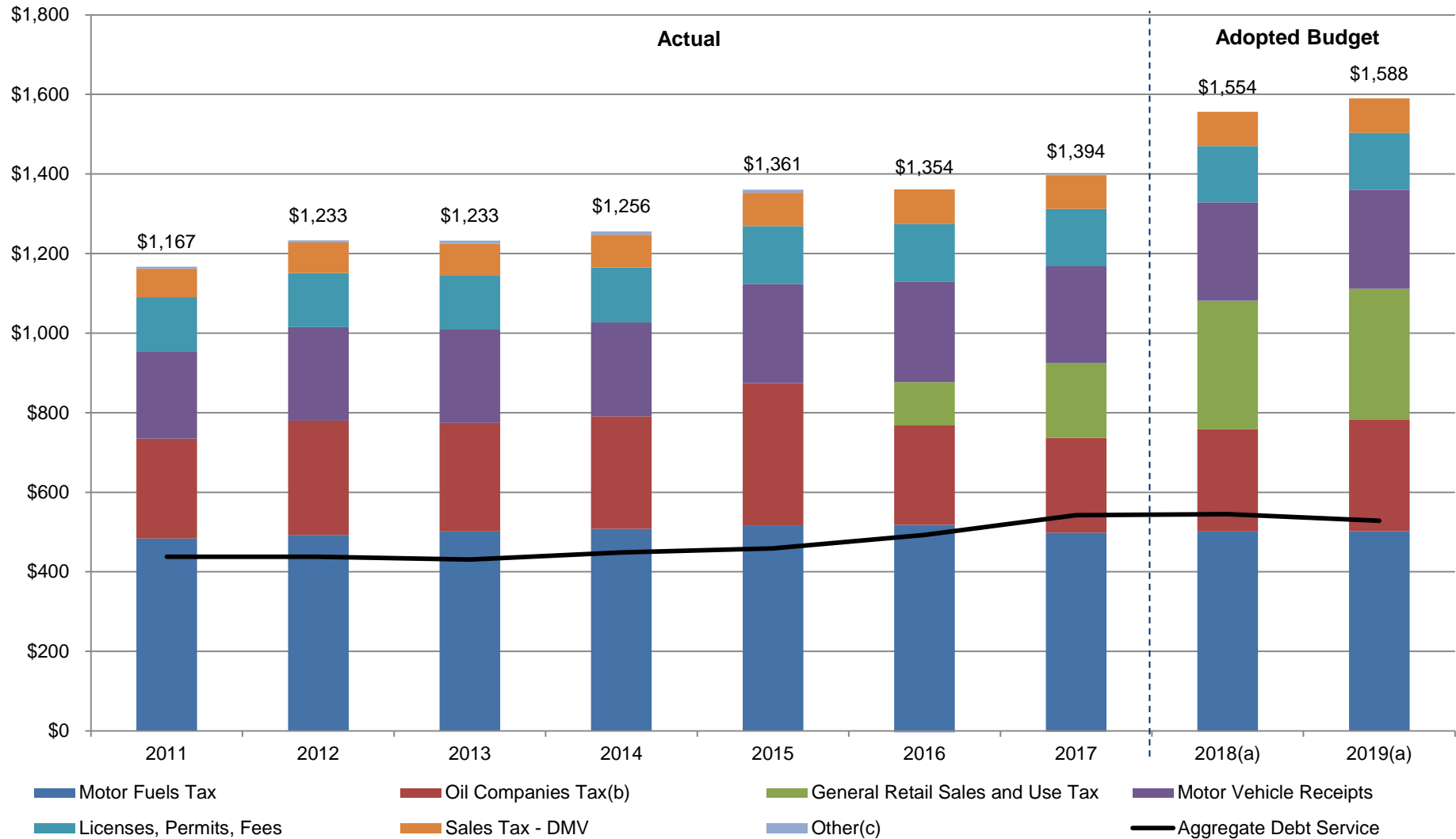
Revenue Source	Revenue Description	FY2017 (\$ in mils)
Motor Fuels Tax	<ul style="list-style-type: none"> Gasoline Tax, Special Fuels Tax and Motor Carrier Road Tax Distributors required to pay on the 25th calendar day of each month based on gallons of fuel used or sold during the preceding month 	\$ 498.5
Oil Companies Tax	<ul style="list-style-type: none"> 8.1% of the gross earnings from petroleum sales 	238.4
Retail Sales and Use Tax^(a)	<ul style="list-style-type: none"> Portion of General Retail Sales and Use Tax imposed under Sections 12-411(1)(A) and 12-408(1)(A) of the Connecticut General Statutes 	188.4
Motor Vehicle Receipts	<ul style="list-style-type: none"> Fees collected for licenses and services provided by the DMV 	242.9
Licenses, Permits and Fees	<ul style="list-style-type: none"> Fees levied for certain permits issued and services provided by the State for transportation purposes Certain traffic fines 	144.0
Sales Tax – DMV	<ul style="list-style-type: none"> The tax imposed on casual sales of motor vehicles, vessels, snowmobiles and aircraft 	85.0
Other	<ul style="list-style-type: none"> Interest income and Federal Build America Bond Subsidy receipts Transfers to and from other Funds and Refunds 	21.2 (23.8)
TOTAL PLEDGED REVENUES		\$ 1,394.4

(a) Pursuant to Public Act 17-2, beginning in fiscal year 2021, the Sales and Use Tax on Motor Vehicles will be deposited into the Special Transportation fund and be phased in over five (5) years in annual 20% increments.



TOTAL PLEDGED REVENUES HAVE BEEN STABLE AND ARE PROJECTED TO GROW

Pledged Revenues (\$ millions)



(a) Revenue projections for fiscal year 2018 and 2019 are based upon PA 17-2 and the January 16, 2018 Consensus Revenue Estimate

(b) For graphical purposes, oil companies taxes have been netted with transfers to/from other funds

(c) Other revenues are comprised of Federal Build America Bond subsidy receipts, interest income, and refunds of taxes.



ACTUAL AND PROJECTED STF REVENUES, DEBT SERVICE AND EXPENDITURES

(\$ In Millions)	Fiscal Year Ending June 30									
	2013 ^(a)	2014 ^(a)	2015 ^(a)	2016 ^(a)	2017 ^(a)	2018 ^(b)	2019 ^(b)	2020 ^(b)	2021 ^(b)	2022 ^(b)
Actual & Projected Revenues	Actual					Projected				
Motor Fuels Tax ^(c)	501.3	508.0	516.6	518.2	498.5	501.4	502.3	502.8	500.3	497.8
Oil Companies Tax ^(c)	199.4	380.7	337.9	250.0	238.4	256.7	279.8	306.9	337.7	359.2
Sales and Use Tax ^(c)	--	--	--	109.0	188.4	323.4	329.4	336.6	411.5	498.8
Motor Vehicle Receipts ^(c)	234.5	236.1	249.5	251.5	242.9	247.2	249.0	250.7	252.6	254.4
LPF Revenue ^(c)	137.3	138.4	145.4	143.9	144.0	141.5	142.8	143.6	144.2	144.7
Sales Tax - DMV ^(c)	79.0	82.2	83.9	87.2	85.0	86.0	86.8	87.6	88.5	89.4
Federal Payments ^(c)	12.4	12.1	12.1	12.2	12.2	12.1	12.1	12.1	11.8	11.0
Interest Income ^(c)	4.1	6.8	6.9	8.2	9.0	9.5	10.4	11.2	12.1	13.0
Transfers from/(to) Other Funds ^(d)	88.7	(83.0)	34.7	(6.5)	(6.5)	(5.5)	(5.5)	(5.5)	(5.5)	(5.5)
Transfers to Transportation Strategy Board ^(e)	(15.0)	(15.0)	(15.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenues	1,241.7	1,266.3	1,372.0	1,373.6	1,411.7	1,572.3	1,607.1	1,646.0	1,753.2	1,862.8
Refunds	(9.2)	(10.6)	(11.1)	(20.8)	(17.3)	(18.1)	(18.9)	(19.7)	(20.6)	(21.5)
Total Net Revenues	1,232.5	1,255.7	1,360.9	1,352.8	1,394.4	1,554.2	1,588.2	1,626.3	1,732.6	1,841.3
Actual & Projected Debt Service and Expenditures										
Debt Service on the Bonds ^(f)	431.7	449.6	460.0	493.3	542.6	582.7	648.3	698.1	751.7	777.0
Debt Service on Transportation related General Obligation Bonds ^(g)	6.2	0.3	0.1	0.6	0.6	0.5	0.0	0.0	0.0	0.0
DOT Budgeted Expenses ^(h)	545.7	555.7	593.5	603.5	592.8	635.1	635.5	652.9	668.3	705.9
DMV Budgeted Expenses ⁽ⁱ⁾	53.2	57.1	64.0	65.4	62.6	64.0	65.4	68.3	71.4	74.5
Other Budget Expenses ^(j)	169.9	183.2	212.7	213.0	227.4	199.5	215.5	219.0	230.7	241.7
Program Costs Paid from Current Operations	7.0	5.4	19.7	14.1	13.6	9.6	11.6	12.2	12.9	13.6
Estimated Unallocated Lapses ^(k)	0.0	0.0	0.0	0.0	0.0	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)
Total Expenditures	1,213.7	1,251.3	1,349.9	1,390.0	1,439.6	1,479.4	1,564.3	1,638.5	1,723.1	1,800.7
Excess (Deficiency)	18.8	4.4	11.0	(37.2)	(45.2)	74.8	23.9	(12.2)	9.5	40.6
Revised Cumulative Excess (Deficiency)	164.6	169.0	180.0	142.8	97.6	172.4	196.3	184.1	193.6	234.2

Footnotes related to this table can be found in Appendix A to this Presentation.

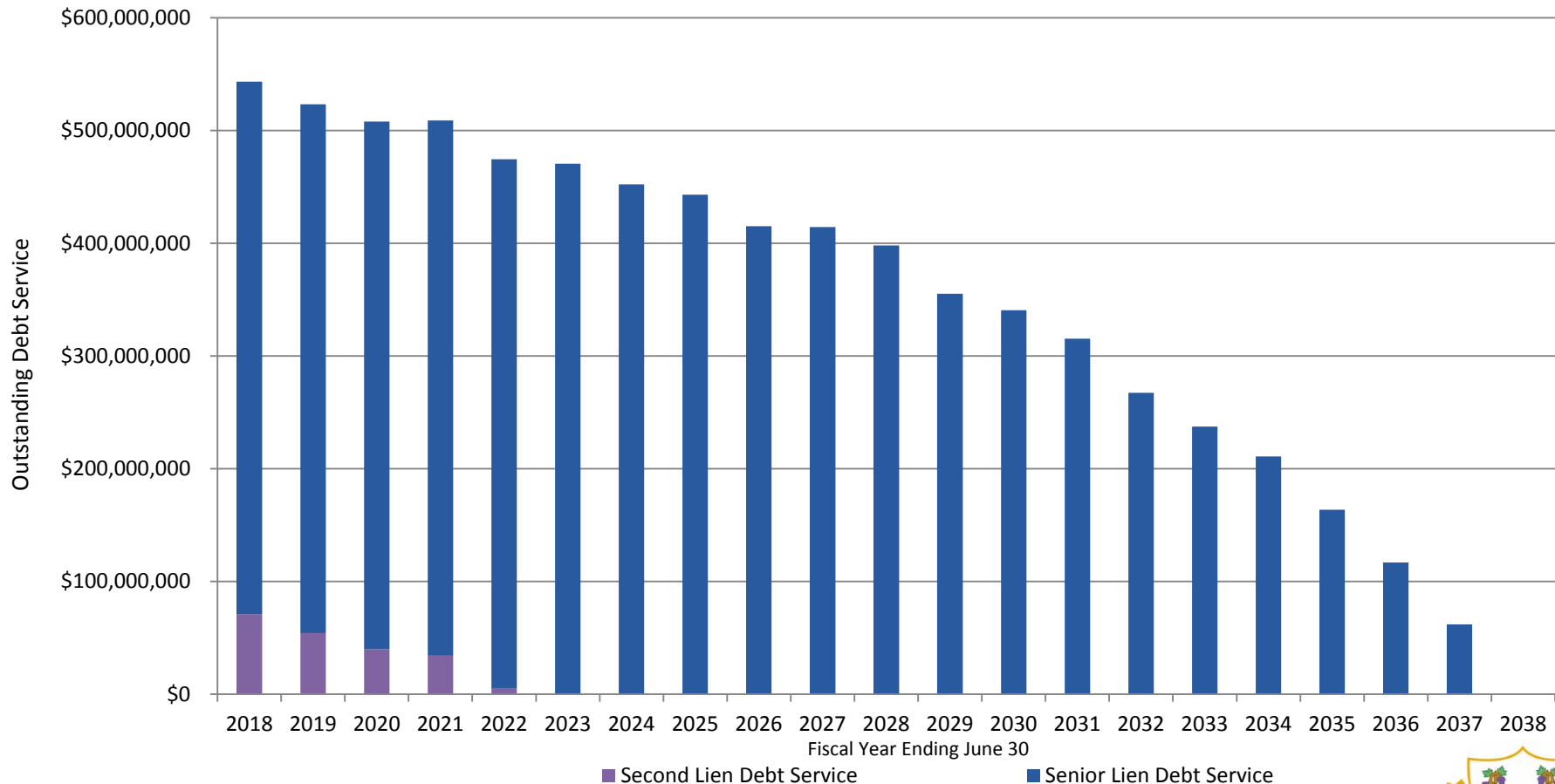
Alternatively, Table 8 – “Actual and Projected Revenues, Debt Service and Expenditures of the Special Transportation Fund” with footnotes can be viewed on Page 21 of the Preliminary Official Statement.



CONSERVATIVE AND MANAGEABLE OUTSTANDING DEBT STRUCTURE

- As of January 1, 2018 there are \$4.80 billion of Special Tax Obligation Bonds outstanding
 - \$4.62 billion Senior Lien (97%); \$0.18 billion Second Lien (3%)
- 100% of STO debt is fixed rate with no derivative exposure
- 59% of outstanding STO principal^(a) will be retired within the next 10 years, providing significant capacity to support additional capital spending

Outstanding Debt Service by Lien (as of January 1, 2018)

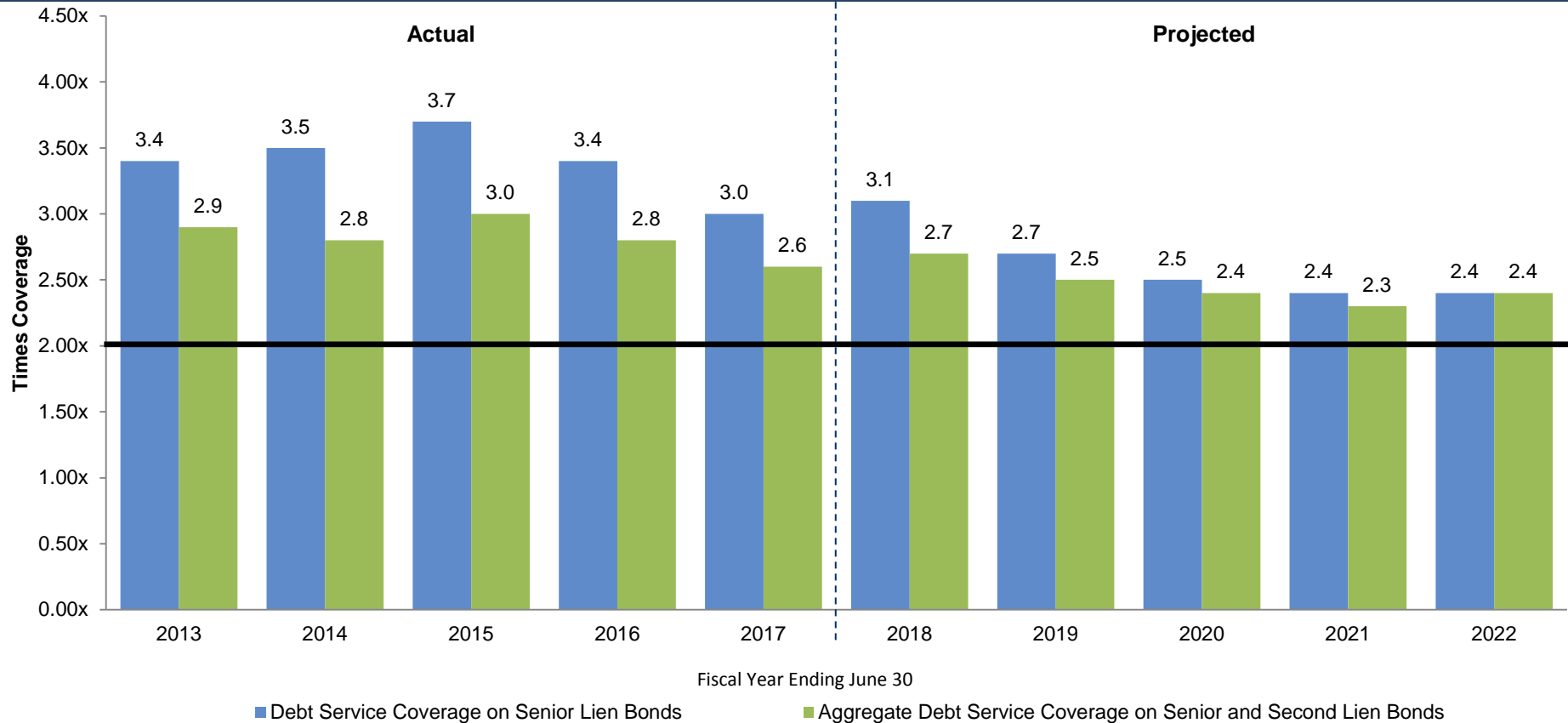


(a) Exclusive of proposed 2018 Series A issuance.



STRONG PROFORMA DEBT SERVICE COVERAGE, INCLUDING PROJECTED ISSUANCES THROUGH 2022

Debt Service Coverage^(a)



Anticipated New Money Issuances

FY	Par Amount	Estimated Interest Rate
2018 (current issue)	\$800,000,000	5.00%
2019	\$800,000,000	5.25%
2020	\$750,000,000	5.50%
2021	\$650,000,000	5.75%
2022	\$650,000,000	6.00%

(a) Including forecasted new money issuances.



REVIEW OF STO CREDIT STRENGTHS

Transportation is a State Priority

- Long-term commitment to invest in the transportation needs of the State and continued progress to ensuring a dedicated and secure transportation funding source

Strong Statutory Framework & Legal Provisions

- Statutory (and potentially constitutional) “lockbox”
- First priority lien for Senior Bonds
- 2x Pledged Revenue rate covenant
- Balanced Budget requirement
- 2x Senior and Second Lien Additional Bonds Test
- Cash funded DSRF at MADS

Diverse & Stable Revenue Source

- Broad base of taxes and fees collected statewide provides coverage significantly higher than minimum debt service coverage requirements

Strong Management Team

- Comprehensive and conservative management of STO program as evidenced by monthly revenue forecast updates, multi-agency collaboration and consensus, and conservative debt management

**The State of Connecticut’s Special Tax Obligation Bonds:
Highly Successful Program that Leverages the Funds
in the Special Transportation Fund**



ANTICIPATED TIMING AND CONTACT INFORMATION

January 2018							February 2018						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6					1	2	3
7	8	9	10	11	12	13	4	5	6	7	8	9	10
14	15	16	17	18	19	20	11	12	13	14	15	16	17
21	22	23	24	25	26	27	18	19	20	21	22	23	24
30	29	30	31				25	26	27	28			

= Holiday
 = Key Financing Date

Structure*

\$800 million New Money

20-year, level debt service

Serial bonds maturing 2019-2038

DSRF funded at aggregate MADS

Use of proceeds:
Deposit to the Infrastructure Improvement Fund,
deposit to Debt Service Reserve Fund,
and costs of issuance

Timing*

Wednesday, January 17th
POS Posted

Thursday, January 18th –
Tuesday, January 23rd

One-on-One Investor Calls, as
requested

Tuesday, January 23rd
Retail Pricing

Wednesday, January 24th
Institutional Pricing

Thursday, February 8th
Closing

Key Contacts

Office of the Treasurer

Peter McAlpine
Office Number: 860-702-3257
peter.mcalpine@ct.gov

Carol Welz:
Office Number: 860-702-3136
carol.welz@ct.gov

Goldman Sachs & Co. LLC

Freda Wang
Managing Director
Office Number: 212-902-2892
freda.wang@gs.com

*Preliminary, subject to change.



APPENDIX A – FOOTNOTES TO TABLE 8 – “ACTUAL AND PROJECTED REVENUES, DEBT SERVICE AND EXPENDITURES OF THE SPECIAL TRANSPORTATION FUND” (SLIDE 11)

- (a) Actual per Comptroller’s Annual Reports, presented to conform to budgetary categories. Certain fiscal year 2015 expenditures were adjusted to reflect the conversion to GAAP budgeting in fiscal year 2014. See footnotes (i), (j) and (k) below.
- (b) Pursuant to Public Act 17-2, June Special Session. Revenue projections for fiscal years 2018-2022 are based upon the January 16, 2018 consensus revenue estimate revised to include legislative changes detailed in Table 2.
- (c) See “Discussion of Projected Pledged Revenues,” footnotes to Table 3, and “Description of Revenue Sources of the Special Transportation Fund” herein.
- (d) Pursuant to C.G.S. Section 14-164m, \$6.5 million will be transferred annually from the Special Transportation Fund to the Emission Enterprise Fund. Section 671 of Public Act 17-2, June Special Session, reduces the Emission Enterprise Fund transfer to \$5.5 million beginning in Fiscal Year 2018 Pursuant to C.G.S. 13b-61c, \$107.6 million shall be transferred from the General Fund to the Special Transportation Fund in fiscal year 2011, \$81.6 million in fiscal year 2012, and \$95.3 million in fiscal year 2013. Sections 89 and 102 of Public Act 13-184 require that \$76.5 million be transferred from the resources of the Special Transportation Fund to the General Fund in fiscal year 2014. In fiscal year 2015, pursuant to C.G.S. Section 13b-61a(c), a transfer of \$41.2 million was required from the General Fund to fully fund the statutorily required transfer amount for the Oil Companies Tax. No further transfers from the General Fund are provided for statutorily.
- (e) Public Act 05-4 instituted a transfer from the resources of the Special Transportation Fund to the State Transportation Strategy Board projects account of the Special Transportation Fund (the “TSB Projects Account”) in the amount of \$15.3 million in each of fiscal years 2009-2015 and \$0.3 million thereafter. Public Act 11-6 reduced the transfer to the TSB Projects Account by \$0.3 million annually, thereby reducing the transfer to \$15.0 million in fiscal years 2012-2015 and eliminating it thereafter.
- (f) These figures represent Principal and Interest Requirements on special tax obligation bonds, and include the Bonds listed in the table under “Debt Service On Outstanding Bonds” excluding Principal and Interest Requirements on refunded Bonds. The figures also reflect the issuance of additional bonds with level debt service and a twenty year final maturity in the principal amount and at the average interest costs for each of the following fiscal years: \$800 million at 5.00% for fiscal year 2018; \$800 million at 5.25% for fiscal year 2019; \$750 million at 5.50% for fiscal year 2020; \$650 million at 5.75% for fiscal year 2021; and \$650 million at 6.00% for fiscal year 2022. Such amounts for additional bonds, and the projected Debt Service on the Bonds, reflect adjustments made in projected expenditures funded by the Special Transportation Fund. See “The Department of Transportation – Implementation of and Funding for the Infrastructure Program” herein. Includes budgeted amounts for actual and estimated rebate liability on the Bonds under the Code, as well as ancillary banking and auditing fees. Assumes no issuance of Notes.
- (g) Represents payment of that portion of debt service on outstanding general obligation bonds which bear the same ratio to all such debt services as the sum of the amount of bond authorization allocated to the Department by the State Bond Commission in each year that such bonds were issued bears to the total amount of general obligation bonds authorized by the State Bond Commission during all such years.
- (h) The major components of the Department’s annual budgeted and projected expenses are payments for (i) the rail and bus subsidy; (ii) State highway maintenance costs; (iii) aid to towns for local highway and repair maintenance; and (iv) salaries, data processing and other general administrative costs. In fiscal year 2015, DOT expenses were adjusted by \$11.8 million to reflect the conversion to GAAP budgeting in fiscal year 2014. Certain contingent liabilities arising from defective highway lawsuits are not included in the projected amounts of annual budgeted expenses. See “Litigation.” The adopted fiscal year 2016 and fiscal year 2017 budgets include \$3.3 million and \$2.3 million, respectively, related to the Connecticut Airport Authority. See “Organization and Responsibilities-Former Bureau of Aviation/Connecticut Airport Authority” herein. Includes reductions in service and fare increases beginning in fiscal year 2019.
- (i) In fiscal year 2015, DMV expenses were adjusted by \$1.8 million to reflect the conversion to GAAP budgeting in fiscal year 2014.
- (j) Represents the cost of fringe benefits, pension costs and salary adjustments for the Department, the DMV and the Department of Energy and Environmental Protection. In fiscal year 2015, Other Budget Expenses were adjusted by \$6.6 million to reflect the conversion to GAAP budgeting in fiscal year 2014.
- (k) The Special Transportation Fund budget includes amounts for unallocated lapses to recognize that not all budget expenditures will be fully expended and will lapse for budget purposes. The unallocated lapse is reduced by a corresponding amount as agency lapses are identified within specific accounts.

