



House of Representatives

General Assembly

File No. 737

January Session, 2011

Substitute House Bill No. 6381

House of Representatives, May 3, 2011

The Committee on Appropriations reported through REP. WALKER of the 93rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT MAKING DEFICIENCY APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 2011.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (*Effective from passage*) The following sums are
2 appropriated from the GENERAL FUND for the purposes herein
3 specified for the fiscal year ending June 30, 2011:

T1	OFFICE OF THE STATE COMPTROLLER	
T2	Other Expenses	625,000
T3		
T4	DEPARTMENT OF PUBLIC WORKS	
T5	Other Expenses	3,100,000
T6	Management Services	1,400,000
T7	Rents and Moving	1,800,000
T8	Facilities Design	470,000
T9	AGENCY TOTAL	6,770,000
T10		
T11	DEPARTMENT OF AGRICULTURE	
T12	Other Expenses	180,000

T13		
T14	DEPARTMENT OF PUBLIC SAFETY	
T15	Personal Services	1,000,000
T16	Other Expenses	5,900,000
T17	Fleet Purchase	2,100,000
T18	AGENCY TOTAL	9,000,000
T19		
T20	DEPARTMENT OF MENTAL HEALTH AND	
T21	ADDICTION SERVICES	
T22	Other Expenses	5,300,000
T23	General Assistance Managed Care	51,950,000
T24	AGENCY TOTAL	57,250,000
T25		
T26	DEPARTMENT OF SOCIAL SERVICES	
T27	Other Expenses	21,000,000
T28	Medicaid	256,000,000
T29	AGENCY TOTAL	277,000,000
T30		
T31	TEACHERS' RETIREMENT BOARD	
T32	Other Expenses	70,000
T33		
T34	PUBLIC DEFENDER SERVICES COMMISSION	
T35	Special Public Defenders - Non-Contractual	1,000,000
T36	Expert Witnesses	600,000
T37	AGENCY TOTAL	1,600,000
T38		
T39	CHILD PROTECTION COMMISSION	
T40	Contracted Attorneys	2,400,000
T41		
T42	WORKERS' COMPENSATION CLAIMS -	
T43	DEPARTMENT OF ADMINISTRATIVE SERVICES	
T44	Workers' Compensation Claims	300,000
T45		
T46	TOTAL - GENERAL FUND	355,195,000

4 Sec. 2. (*Effective from passage*) The amount appropriated to the
5 following agency in section 11 of public act 09-3 of the June special
6 session, as amended by section 1 of public act 10-179, is reduced by the
7 following amount for the fiscal year ending June 30, 2011:

T47	RESERVE FOR SALARY ADJUSTMENTS	
T48	Reserve for Salary Adjustment	26,000,000
T49		
T50	TOTAL - GENERAL FUND	26,000,000

8 Sec. 3. (*Effective from passage*) The amount appropriated to the
9 following agency in section 12 of public act 09-3 of the June special
10 session, as amended by section 4 of public act 09-7 of the September
11 special session and section 2 of public act 10-179, is reduced by the
12 following amount for the fiscal year ending June 30, 2011:

T51	DEBT SERVICE - STATE TREASURER	
T52	Debt Service	4,000,000
T53		
T54	TOTAL - SPECIAL TRANSPORTATION FUND	4,000,000

13 Sec. 4. (*Effective from passage*) The following sum is appropriated
14 from the SPECIAL TRANSPORTATION FUND for the purpose herein
15 specified for the fiscal year ending June 30, 2011:

T55	DEPARTMENT OF TRANSPORTATION	
T56	Personal Services	4,000,000
T57		
T58	TOTAL - SPECIAL TRANSPORTATION FUND	4,000,000

16 Sec. 5. Subdivision (11) of subsection (f) of section 17b-340 of the
17 general statutes is repealed. (*Effective from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	Repealer section

APP *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: General Fund Appropriation Increase of \$329.2 million in FY 11

Municipal Impact: None

Explanation

The bill results in additional General Fund appropriations of \$329.2 million and a transfer of \$4 million within the Transportation Fund appropriations which results in no net increase. The increase in appropriations to the General Fund of \$355.2 million is offset by a reduction of \$26 million. The deficiency appropriations contained in the bill result in the FY 11 budget being under the spending cap by approximately \$900,000. The following table shows the changes in agency appropriations contained in the bill.

Changes in FY 11 Appropriations	Amount \$
General Fund - Increase Appropriations	
Office of the State Comptroller	625,000
Department of Public Works	6,770,000
Department of Agriculture	180,000
Department of Public Safety	9,000,000
Department of Mental Health & Addiction Services	57,250,000
Department of Social Services	277,000,000
Teachers' Retirement Board	70,000
Public Defender Services Commission	1,600,000
Child Protection Commission	2,400,000
Workers' Compensation Claims - DAS	300,000
Subtotal - GF	355,195,000
General Fund - Reduce Appropriations	
Reserve for Salary Adjustments	(26,000,000)
Total GF	329,195,000
Special Transportation Fund - Increase Appropriations	
Department of Transportation	4,000,000
Special Transportation Fund - Reduce Appropriations	
Debt Service - State Treasurer	(4,000,000)
Total - TF	-

The significant impacts identified in the bill are described below:

Department of Social Services (Medicaid) - The Medicaid shortfall is primarily due to continued caseload increases as well as adopted savings assumptions that have not been achieved. Over the past year, the HUSKY A program has seen caseload growth of 24,395 (a 6.6% increase). The new Medicaid Low Income Adults (MLIA) category, formerly State Administered General Assistance clients, has seen enrollment grow from 44,752 in April, when the program was converted, to 62,084 in February (an increase of 38.7%).

The FY 11 Medicaid budget also had significant savings assumed for converting the HUSKY A program to an administrative services organization model (\$76.7 million) and for managing the care of the fee-for-service Aged, Blind and Disabled population (\$60 million). As it does not appear that the department will implement these policies prior to the end of the fiscal year, it is unlikely that these savings will

be achieved. The deficiency also includes an additional two-week payment to nursing homes in FY 11 (Section 5 repeals this two week delay). The original FY 11 budget included only 50 weeks worth of payments.

Department of Mental Health and Addiction Services (GA Managed Care) - The shortfall in General Assistance Managed Care (\$60.2 million) is due to higher than budgeted caseload and utilization for the Medicaid Low-Income Adult (MLIA) population and the transition of fiscal responsibility for additional services from the Department of Social Services (see DSS above for further explanation).

Department of Public Safety (Other Expenses & Fleet Purchases) - The shortfall in Other Expenses is due to the inability to achieve a reduced appropriation and maintain holdback savings. In FY 10, DPS expended \$26.9 million in OE; in FY 11, \$22.3 million is available net of the holdback. This represents a 17% decrease from the FY 10 actual OE expenditure to the FY 11 available funds for OE.

The shortfall in Fleet Purchases results from a contract savings holdback that cannot be achieved. DPS leases vehicles from the Department of Administrative Services (DAS) through monthly payments over a 48-month period. In FY 10, DPS expended \$6.6 million in the Fleet Purchase account; in FY 11, \$3.6 million is available net the holdback. As of February \$3.4 million of the \$3.6 million available has been expended in this account.

Department of Public Works (Other Expenses and Rents & Moving) - The Other Expenses deficiency is mainly the result of: (1) payment of an unanticipated contractor's claim, and (2) higher-than-anticipated operating and utility costs at state-owned buildings in Hartford. The Rents and Moving deficiency is due to a \$2.9 million holdback. The agency is unlikely to achieve significant savings in this account because it primarily funds fixed costs such as lease payments.

Reserve for Salary Adjustments - The available funding in the Reserve for Salary Adjustments account is due to non-bargaining unit

salary increases which were not implemented in FY 10 and FY 11.

The Out Years

There is no direct impact in the out-years from the FY 11 increased appropriations.

OFA Bill Analysis

sHB 6381

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SUMMARY:

The bill results in additional General Fund appropriations of \$329.2 million and a transfer of \$4 million within the Transportation Fund appropriations which results in no net increase. The increase in appropriations to the General Fund of \$355.2 million is offset by a reduction of \$26 million.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Appropriations Committee

Joint Favorable Substitute

Yea 54 Nay 0 4/21/2011