

TESTIMONY PRESENTED TO THE APPROPRIATIONS COMMITTEE
March 8, 2012

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Testimony Supporting House Bill No. 5016

**AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET
RECOMMENDATIONS CONCERNING GENERAL GOVERNMENT**

Senator Harp, Representative Walker and distinguished members of the Appropriations Committee, thank you for the opportunity to offer testimony on House Bill No. 5016, AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS CONCERNING GENERAL GOVERNMENT.

This bill contains various program changes necessary to implement Governor Malloy's budget recommendations, primarily with respect to most of our proposals to streamline state government through agency mergers and other administrative efficiencies. If passed, the Governor's recommended budget would reduce the number of budgeted state agencies from 59 to 52. While there are no significant short-term budget savings associated with these consolidations, we believe that they could result in long-term efficiencies and represent a more effective organizational structure for state government. A brief summary of each section of the bill follows.

Sections 1-8 --Teachers' Retirement Board

The budget proposes consolidation of the Teachers' Retirement Board (TRB) with the Office of the State Comptroller. By integrating TRB with the Comptroller, TRB's program will benefit from the additional insight from staff at the Comptroller's Office who are currently responsible for pension and healthcare management for state employees.

The bill also reduces the state's share of the TRB basic retiree health premium and municipal health subsidy costs from one-third to one-quarter. Finally, the reimbursements that TRB receives under the Medicare Part D prescription drug program will be used to offset the state's share of the TRB basic premium in the same manner that Part D reimbursement received for retired state employees offset the state's share of retired state employee health costs. Both of these changes are consistent with savings proposed in the budget.

Sections 9-13 and 97 -- Office of the Chief Medical Examiner

This bill consolidates the Office of the Chief Medical Examiner with the University of Connecticut. There are two reasons why this proposal was created: to more adequately meet the administrative needs of OCME and to exchange educational resources and capacity between OCME and UConn.

Currently, the Department of Administrative Services' SMART unit handles payroll, human resources and financial functions for the Office of the Chief Medical Examiner. After a number of significant retirements in FY 2011 and based on recommendations resulting from OPM's 2010 survey of fiscal and administrative functions as well as the Commission on Enhancing Agency Outcomes, the decision was made to convert OCME to a SMART agency instead of refilling vacant administrative positions. As I'm sure you are aware, the administrator of OCME has been disappointed with this change and has requested restoration of the administrative capacity to his office. As noted in OPM's 2010 survey, it is not cost effective to have such a small agency managed by a large administrative structure. In recognition of the medical examiner's concerns, the Governor is proposing to take advantage of the co-location of OCME and the University of Connecticut Health Center by making the Health Center responsible for providing administrative support such as purchasing, human resources and fiscal services to OCME.

Additionally, this merger will be mutually beneficial to both OCME and UConn. OCME will benefit from leveraging UConn's resources and the Health Center will benefit by providing medical students greater exposure to the "real world" application of forensic sciences. OCME could also continue to take advantage of student workers to supplement its workforce. It is the Governor's hope that these students could assist in reducing the four-month backlog in laboratory testing that has been referred to in previous testimony given by OCME. The merger could also potentially give OCME access to a pool of physicians from which to draw assistant medical examiners.

Lastly, the legislation preserves the independence of the Commission on Medicolegal Investigations (COMLI), specifying that it would collaborate with the Board of Trustees for the University of Connecticut to oversee OCME.

Section 14 - Collection Services

The Department of Administrative Services (DAS) currently processes Medicaid and Medicare claims on behalf of persons served by the Department of Veterans' Affairs (DVA), with the funding to support this function budgeted under DVA. DAS handles and is funded to provide similar functions for other human services agencies. The bill identifies the billing function for persons supported by DVA as a DAS responsibility, consistent with a reallocation of funding in the recommended budget adjustments from DVA to DAS for this purpose.

Sections 15-48 and 98 -- Department of Construction Services

The Governor's recommended budget adjustments include a consolidation of the Department of Construction Services into the Department of Administrative Services. All agency functions, including facilities design and construction, school construction grant program and building and fire safety inspections and training, will be transferred to DAS. This consolidation will align all construction functionalities with property management programs, promoting knowledge sharing and streamlining operations.

Section 49 - Air Testing

This change will eliminate the reimbursement for air testing for resource recovery facilities. The facilities/operators will bear the cost of compliance with testing requirements.

Sections 50-67 and 94-96 -- Office of Housing

One of the more significant realignment proposals in the budget is the consolidation of housing programs currently spread across many state agencies into the new Office of Housing in the Department of Economic and Community Development (DECD). The Office of Housing will provide leadership through a new Deputy Commissioner for the state's housing policy issues and will coordinate implementation of the state's housing agenda.

This bill transfers the following programs from the Department of Social Services (DSS) to the Office of Housing in DECD: Emergency Shelters, Transitional Living, Security Deposit Guarantee Program, Residences for Persons with AIDS, Housing Mediation Services, Rent Bank, and the Rental Assistance Program. This bill also transfers the rental assistance subsidies portion of the Supportive Housing for Families program from the Department of Children and Families (DCF) to DECD. Because the Governor appreciates that the various agencies understand their clients best, dollars related to services for clients in supportive housing programs are staying in their respective agencies. Funding to support the case management component in the Supportive Housing for Families program will remain at DCF. Also, wrap-around service funds for families in supportive housing will be transferred from DSS to Department of Mental Health and Addiction Services, while the rental assistance subsidies portion for supportive housing will be transferred with the rest of the Rental Assistance Program to DECD. Finally, this bill transfers the Renters Rebate program from the Office of Policy and Management to DECD.

Coordinating the state's housing functions has several advantages over the existing, fragmented system. First, it is more consumer-friendly and will be considerably easier to navigate for potential and existing clients. Second, the consolidation of housing production, operation and financing will enhance the state's productivity and will ensure a comprehensive approach to housing initiatives. Finally, the consolidation will provide the most effective structure for strong leadership and bold vision to bring the state's housing agenda to the

forefront. With the new position of Deputy Commissioner for Housing, as proposed in the Governor's budget, DECD will be well-positioned to highlight the critical importance of quality, affordable housing as a cornerstone of the state's responsibility to its citizenry.

Section 68 - Compassionate Discharge

This bill provides the Commissioner of Correction with an additional mechanism beyond compassionate discharge and medical parole to transfer inmates in need of palliative and end-of-life care to a new nursing home service being developed for high need clients who are difficult to place in traditional nursing homes. Unlike other states that are building and operating nursing homes at 100% state expense to accommodate medically fragile inmates, Connecticut seeks to allow the transfer of individuals who are no longer a threat to society because of debilitating conditions to this new treatment setting, and as a result qualify for 50% federal reimbursement for the continuation of services.

Section 69 - Statewide Marketing

This bill contains a technical revision to eliminate the conflict regarding the limited non-lapsing provisions that apply to the Statewide Marketing account under CGS Section 4-89(e) and CGS Section 10-395a.

Section 70 - State-Owned PILOT Grant

The language in this section modifies the eligibility under the State-Owned PILOT grant to include designated property taken into trust by the federal government for the Mashantucket Pequot Tribal Nation prior to June 8, 1999 and for the Mohegan Tribe of Indians of Connecticut.

Section 71 - Computer Assisted Mass Appraisal Grant

The revision included in this section closes the computer assisted mass appraisal grant to new applications as of June 30, 2012. Most towns have participated in this program and the system upgrades have been completed.

Sections 72-73 - Regional Planning Agency Grants

The recommended budget includes an elimination of appropriations for the Regional Planning Agency grants. Instead, we propose that these activities be funded from the Regional Performance Incentive Account.

Sections 74-82 -- Department on Human Rights, Protection and Advocacy

The bill includes language to reflect the merger of Commission on Human Rights and Opportunities (CHRO) and the Office of Protection and Advocacy (OP&A) into one agency - the new Department on Human Rights, Protection and Advocacy. Both agencies currently act to protect civil and human rights for Connecticut citizens, although each has a different emphasis: CHRO is charged with eliminating discrimination and establishing equal opportunity, and OP&A protects the rights of those with disabilities. The Governor's intent is to leave the individual functions independent, but provide for greater efficiencies and

effectiveness that can come about through the execution of their common missions within one structure.

Sections 83-93 -- Workers' Compensation Commission

This proposal merges the Workers' Compensation Commission, responsible for administering workers' compensation laws and adjudicating disputes into the Department of Labor. As a result we anticipate that there will be no program reductions, however, the merger will provide for better utilization of programs and services and can create functional efficiencies to offer a greater benefit to all of Connecticut's workers.

I would like to again thank the committee for the opportunity to present this testimony. I respectfully request the Committee support this bill and I will be happy to answer any questions you may have.