

**TESTIMONY PRESENTED TO THE GOVERNMENT ADMINISTRATION AND
ELECTIONS COMMITTEE
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Testimony Supporting House Bill No. 5049

AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS FOR
GENERAL GOVERNMENT

Senator Cassano, Representative Jutila and distinguished members of the Government Administration and Elections Committee, thank you for the opportunity to offer testimony on House Bill No. 5049, An Act Implementing the Governor's Budget Recommendations for General Government.

This bill makes various changes to the statutes that are necessary to implement the Governor's budget.

Section 1 allows FY 2017 grant payments for state owned property and private college and hospital property to be lower than they were in FY 2015.

Sections 2-5 require school districts to bill for special education and other health services provided on behalf of Medicaid eligible children. As part of the federal mandate requiring Medicaid to cover autism services for children under age 21, the services provided by school districts will now be reimbursable. In order to attempt to recover as much Medicaid revenue as possible, this bill will, effective on or after July 1, 2016, but no later than July 1, 2017, require all local or regional boards of education to enroll as Medicaid providers, participate in the School Based Child Health Program and submit claims information to DSS. The bill also requires each local or regional board of education to comply with parental consent and written notification requirements prior to billing for the services.

Section 6 would eliminate the general grant aid that is distributed per CGS section 10-66j but retain the subsection calling for Regional Education Service Centers to support minority teacher recruitment.

Section 7 protects lower income families and individuals living in moderate rental housing projects from having to pay higher rents due to reductions in the

Department of Housing payment in lieu of taxes program by requiring municipalities to waive payments.

Section 8 increases from \$225 to \$325 the compensation paid to State Mediation and Arbitration panel members on the first day of arbitration. The increased rate of compensation will result in an additional cost to the Department of Labor. As a result, the Governor's budget increases the Department of Labor's budget by \$91,600.

Section 9 would change the agency reference from the Department of Social Services to the Office of Early Childhood in order to effectuate the transfer of the Healthy Start Program to OEC.

Sections 10 - 12 transition the Commission on Human Rights and Opportunities (CHRO) from a freestanding agency receiving administrative support from the Department of Labor to an entity within the Office of Governmental Accountability.

Sections 13 - 18 delay the implementation of the expanded small and minority business set aside program to July 1, 2019. In October 2015, the set aside program was expanded to include municipalities and quasi publics. The budget includes savings of \$590,000 and the elimination of eleven positions as a result of the delay.

Section 19 allows payments for OPM's Elderly Freeze Program to be reduced proportionally to the funding included in the budget.

Section 20 allows for payments under OPM's Tax Relief for Elderly Renters Program to be reduced, as necessary, to remain within the funding in the budget.

Section 21 allows municipalities with certain state owned airports to continue to receive payment-in-lieu-of-taxes for properties that were quit claimed to the Connecticut Airport Authority. This codifies the current practice.

Section 22 allows state agencies to submit federal equal employment opportunity (EEO) plan documents in lieu of state affirmative action plans required by CHRO. Further, if an agency has an approved federal EEO plan, the bill requires CHRO to deem the plan approved for the state mandate.

Section 23 eliminates the Office of State Broadband within the Office of Consumer Counsel. The budget includes savings of \$307,250 in FY 2017 from the elimination.

Section 24 effectuates the transfer of certain arts, tourism and community development grants from a variety of agencies to the miscellaneous accounts administered by the Comptroller. The table below lists these grants.

Arts, Tourism and Other Community Grants Transferred to Comptroller			
Appropriation	Amount	Appropriation	Amount
2Gen - TANF	(1,425,000)	Leadership, Education, Athletics in Partnership (LEAP)	(663,178)
Amistad Committee for the Freedom Trail	(38,636)	Litchfield Jazz Festival	(45,157)
Amistad Vessel	(308,902)	Main Street Initiatives	(146,714)
Art Museum Consortium	(450,761)	Maritime Center Authority	(476,476)
Arte Inc.	(23,750)	Mystic Aquarium	(505,803)
Barnum Museum	(23,750)	National Theatre of the Deaf	(123,561)
Beardsley Zoo	(319,861)	Neighborhood Center	(237,893)
Bridges to Success	(200,000)	Neighborhood Music School	(121,932)
Central Tourism	(33,879)	Neighborhood Youth Centers	(1,112,640)
ConnectiCorps	(174,000)	New Britain Arts Council	(61,783)
Connecticut Humanities Council	(1,851,184)	New Haven Arts Council	(77,226)
Connecticut Pre-Engineering Program	(239,531)	New Haven Festival of Arts and Ideas	(650,319)
Connecticut River Museum	(23,750)	New Haven Jobs Funnel	(513,750)
Connecticut Science Center	(522,875)	Northwestern Tourism	(33,879)
Connecticut Writing Project	(67,225)	Nutmeg Games	(61,797)
Cradle to Career	(198,000)	Opportunities for Long Term Unemployed	(3,185,775)
CT Flagship Producing Theaters Grant	(407,832)	Performing Arts Centers	(1,235,606)
CT Invention Convention	(19,017)	Performing Theaters Grant	(481,258)
CT Virtuosi Orchestra	(23,750)	Quinebaug Tourism	(33,879)
Cultural Alliance of Fairfield	(77,226)	Spanish-American Merchant Association	(489,399)
Customized Services	(429,298)	Stepping Stones Museum for Children	(36,130)
Discovery Museum	(308,903)	STRIDE	(506,571)
Eastern Tourism	(33,879)	STRIVE	(231,821)
Greater Hartford Arts Council	(86,726)	Tourism Districts	(1,202,488)
Hartford Urban Arts Grant	(380,250)	Twain/Stowe Homes	(95,057)
Incumbent Worker Training	(679,975)	Women's Business Center	(380,313)
Jobs Funnel Projects	(228,263)		
TOTAL: (21,286,628)			

A 25 percent reduction is applied to the \$21.3 million worth of grants listed above, leaving about \$16 million budgeted under the Comptroller in the following distinct accounts:

Arts Grants	\$ 3,843,961
Community Development Grants	482,167
Tourism Grants	3,291,269
Workforce Development Grants	6,046,389
Youth Development Grants	<u>2,301,184</u>
Total	\$ 15,964,970

Under this proposal, the Joint Committee on Legislative Management (JCLM) would determine recipients of grants, while the Comptroller would perform the administrative function of receiving grant applications and providing them to the JCLM for consideration; the Comptroller would also be responsible for paying recipients of such grants.

Sections 25-26 transfer the responsibility for licensing accountants from the Secretary of the State to the Department of Consumer Protection (DCP). The Board of Accountancy and the processing of new and renewal accountant licenses will be supported by existing DCP staff. The budget includes a savings of \$361,595 in FY 2017 related to this initiative.

Section 27-28 and 31 remove requirements for individual and group health insurance policies to provide coverage for certain new benefits, which were put into place pursuant to Public Act 15-5 of the June Special Session. Under the

Affordable Care Act (ACA), the state's health exchange's qualified health plans (QHPs) required coverage of services defined in a state's essential health benefits (EHB) package. While the state is allowed to require additional coverage in excess of the EHB package, the state is responsible for funding those new benefits by making payments to enrollees or insurance carriers to defray the cost of providing the additional coverage. The Connecticut Insurance Department has determined that the following new requirements would be considered new mandates that the state would be required to defray: certain evidence-based maternal, infant, and early childhood home visitation services; certain treatment programs that focus on addressing environmental systems that impact chronic and violent juvenile offenders; chemical maintenance treatment; extended day treatment programs; and other home-based therapeutic interventions for children. Due to the unbudgeted fiscal impact to the state of defraying the cost of these new benefits, as well as additional costs to the State Employee and Retiree Health Plan, these mandates are proposed for repeal.

Section 29 removes an unnecessary requirement regarding OPM computation of the cost of an indexed increase in assistance payments. This mandate is unnecessary, as the actual increases to be budgeted for these programs are addressed elsewhere in the statutes. In the absence of legislation to the contrary, annual increases for Temporary Family Assistance and State Administered General Assistance are addressed in CGS 17b-104, and CGS 17b-106 addresses increases for the State Supplement program. Increases under the medical assistance program do not follow the CPI-U calculation described under CGS 4-71c. For State-Funded SNAP, CGS 17b-790a ties benefit levels to 75% of the federal level, which also does not tie to the CPI-U. (Benefits under the federal program are fully covered by the federal government, so there is no need for a computation.)

Section 30 would repeal statutory language regarding Neighborhood Youth Centers and the Leadership, Education, Athletics in Partnership (LEAP) program as these appropriations are transferred to the Office of the State Comptroller's new Youth Development grant.

Section 32 repeals several different provisions. First, language regarding the Kirklyn M. Kerr veterinary grant program at the University of Connecticut is repealed as the recommended budget eliminates funding for this program. Several obsolete or non-functional reporting requirements are also repealed: CGS 4-85d regarding submission of accounting of federal energy funds; CGS 4-95b regarding transfer of funds to implement improvements to fiscal and related reporting procedures; and CGS 4-71c regarding computation of the cost of an indexed increase in assistance payments (see also section 29 above).

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