CHAIRPERSON: Representative Toni Walker

SENATORS: Osten, Formica, Hartley, Lesser

REPRESENTATIVES: Walker, Lavielle, Baker, Case, Dathan, Dauphinais, Gilchrest, Horn, Mastrofrancesco, Ryan, Santiago, Simms, Wilson, Zawistowski

REP. WALKER (93RD): Good morning, everybody. Good morning. I'd like to call the Appropriations Committee meeting to order. And today, on our agenda, we are going through the budgets under the section of the Conservation and Development. I want to welcome everybody. And I'll ask my -- oh. I'll ask my -- oh, nobody else is here, so I'll just go right on. I want to thank you. And right now, first we start with the Department of Energy and Environmental Protection. Please, when you speak, please give us your name and make sure the little red light is on when you begin. And I understand we -- your testimony we're gonna get -- I'm sorry. Good morning. Go right ahead. Go ahead.

COMMISSIONER DYKES: Oh, yes. Good morning. Well, thank you, Representative Walker and members of the committee. I'm appreciative of the opportunity to speak before you today. My name is Katie Dykes, just freshly confirmed as the commissioner of the Department of Energy and Environmental Protection.
REP. WALKER (93RD): And I would like to say welcome.

COMMISSIONER DYKES: Well, thank you so much. So, I -- we have written that we submitted and we are working quickly to get printed copies for the benefit of the committee, and apologize for any inconvenience. But I am gonna speak quickly through that testimony, if that's helpful, just to highlight.

REP. WALKER (93RD): That would be helpful. And thank you. And I understand, since you're new. Usually what we do is we try and get it out to our membership as soon as possible so that they can be prepared to have a conversation with you. But we will -- I will say up front that we probably are gonna say bringing them -- with questions, ask you questions, that the answers we know you don't know right at this moment, so you'll bring those answers to the working group. Okay?

COMMISSIONER DYKES: Thank you so much.

REP. WALKER (93RD): All right.

COMMISSIONER DYKES: No, we appreciate that.

REP. WALKER (93RD): So, go right ahead. Go right ahead.

COMMISSIONER DYKES: And we've accorded that opportunity and certainly this is just the beginning of a conversation and will help us to be best prepared for the working group session. So, we know that this committee has been working hard to review the Governor's budget submittal and develop a spending plan to recommend to the full General Assembly, and we applaud your tough task, but we're
happy to be here to answer questions and assist you in that.

We are proud to support the Governor's budget proposal for our department. We strive to make maximum use of agency resources for the protection of human health and the environment. And we are working very closely with the Office of Policy and Management to identify areas where efficiencies can be achieved while maintaining our critical mission. As you may know, DEEP is organized into three branches in order to meet the key priorities of protecting the environment and natural resources, bringing cheaper, cleaner and more reliable power to families and business of our state, and providing our residents with first-rate outdoor recreational opportunities. We have 80 full-time employees of which 507 are General Fund positions, 107 are funded by the Public Utility Control Assessment, 29 by the Transportation Fund, and 163 are funded by federal funds, with the remaining positions funded by private and restricted funds. We are also -- it's important to note that we depend on over 700 seasonal positions to help support our parks operations during the recreational season.

So, our three branches our Environmental Quality, which manages and protects the quality of our air, water and land, our Energy branch, which develops forward-looking energy policies and where we regulate the state's public utility companies, and then Environmental Conservation, which protects and enhances natural resources and provides the public with outdoor recreation opportunities at state parks. And I have brought with me, today, our deputy commissioners who are covering each of those
three branches, as well as I want to introduce our chief of budget and operations, Dennis Thibodeau, who is gonna be able to answer all the tough questions.

So, let me just quickly summarize how the Governor's budget proposes to fund our mission and our work at DEEP. The Governor proposed a General Fund budget of $54.7 million dollars for fiscal year '20, and $56.7 million dollars for fiscal year '20-'21, which is compared to the current fiscal year '19, but a baseline appropriate of $52.7 million dollars. So, this $2 million dollar increase represents slightly more than 3.7 percent of DEEP's FY '19 baseline General Fund budget. There are a couple of General Fund adjustments that are proposed that we can summarize and I would happy to get in more detail around. There is a $2.1 million dollar increase for state employee wage adjustments, a $41,000 dollars reduction to the Interstate Environmental Commission dues, which reflects our state's continued commitment to pay the minimum obligation for this work. There's a $7,000 savings in other expenses to achieve savings with respect to provision of cellular service for our employees.

General Fund policy revisions include transferring 35 park supervisors and maintainers from the General Fund to Passport to Parks to align the position duties with park funding. And we expect this will result in a $2.67 million dollar savings to our General Fund appropriations. Other revisions include an annualized holdback hiring savings of $107,000 dollars, eliminating the funding for the West River Watershed program for $100,000 dollars, reallocating or transferring the Community
Investment Account to the General Fund, which increases the General Fund appropriation by $2.8 million dollars.

And then in other funding categories, the Governor's budget proposes a $90,000 dollar in transportation funds for our state employee wage adjustments, $100,000 dollars in reduction or savings to the Transportation Fund to reflect seasonal costs now being paid from Passport to Parks, and a $498,000 dollar increase in the Public Utility Control funds, or PUC funds, for a state employee wage adjustment and a $1.1 million dollar adjustment to fringe benefit to reflect projected cost increases. And this supports the work of the Public Utilities Regulatory Authority and our Bureau of Energy and Technology Policy, which are both under the Energy branch.

So, those are some of the highlights. And I should also point out that the Energy branch relies exclusively on the Public Utility Assessment, and so it does not receive any general funds. And these funds from the Public Utility Assessment are restricted to work associated with the regulation of the Public Utilities. So, that's energy -- electricity, water, natural gas, telecom and cable, and so they're not available for other purposes.

Lastly, I would just indicate that the federal funds portion of our budget, which is a very important piece, is expected to total about $44 million dollars, or 27 percent of our overall $167 million dollar operating budget. And we haven't seen any real growth in federal funds and the majority of these funds are restricted to support very specific staff and program costs.
So, we understand that there's a number of decisions to be made to align state resources to operating expenditures. We support the Governor’s budget. We appreciate the consideration that this committee will bring to the task of ensuring that our department is able to meet its critical mission to protect human health and the environment, ensure clean, reliable and affordable energy and utility services. And we appreciate your continued support. We look forward to the dialog today. And I really summarized a lot of what was in the written testimony, and going into a little bit more detail otherwise. I appreciate the time to do that, but hopefully that helps us bridge the gap to not having the printouts available right away. So, with that, I welcome any questions that the committee might have.

REP. WALKER (93RD): Thank you. And just to let you know, we did receive your printout.

COMMISSIONER DYKES: Oh great.

REP. WALKER (93RD): So, thank you. The one thing that I didn't see in your printout, which you started out in the very beginning, was the breakdown of your staffing. If you could just -- you can just send that to us.

COMMISSIONER DYKES: Sure.

REP. WALKER (93RD): Don't bother going through it --

COMMISSIONER DYKES: Run through it again.

REP. WALKER (93RD): Yeah. That's all right. Because I think part of the interest, at least for me, is the seasonal staff versus the regular staff
and who's paid from what and how is this overlap and things like that. So, I'm gonna start out first with the Community Investment Act. Could you -- okay, so in here, the Community Investment Act was off-budget fund resource. Correct?

COMMISSIONER DYKES: Yes.

REP. WALKER (93RD): And this is now putting it on budget, putting it in the General Fund. Could you explain to us, first of all, what does the Community Investment Act, what do they fund?

COMMISSIONER DYKES: Sure. Happy to have that opportunity. So, the Community Investment Act was created in 2006, and it requires towns to collect a $40 dollar recording fee on every real estate transaction in the state. So -- and this goes to a variety of different purposes, conserving open space, but also protecting farmland, maintaining historic properties and so on. With -- so, DEEP receives a share, a portion of the Community Investment ACT, or CIA funding, and we utilize that to -- for open space and watershed land acquisition. And we provide competitive matching grants to municipalities, nonprofits, land trusts, and water companies for the preservation of open space. So, we do an annual grant round for the Open Space Grant program. We also use state bond funding. We've done that in the past to augment this program. And then part of the allocation that we receive from the CIA fund has been used to maintain some of the staff positions that are necessary to maintain the program. So, it's been really productive and we've been pleased to be able to put these dollars to work, matching with these variety of different funds
to help pursue, you know, our contribution towards the state's overall goal of protecting open space.

REP. WALKER (93RD): So, could you, to the working group, bring a list of what funding has been done out of this account for the last two years so that we sort of can see the mission and how it has been preserved in the directions that you've been allocating? And the next question I have is about the Passport to Parks. It is now being carved out of your budget and made independent. Is that the way I'm reading this?

COMMISSIONER DYKES: Well, it's really continuing. The structure that we've had just -- was established very, very recently. And I'm happy to provide some background on how this has evolved. But we're, you know, we're pleased to see that -- so, you know, under the current status, which is continued in the Governor's budget proposal, the Passport to Parks account, which is a nonlapsing, separate account, is used to support seasonal employee salaries and fringe costs, fixed and discretionary expenses for parks and conservation programs. It's funded by a $10 dollar biennial fee, so $5 dollars per year that the DMV assesses on each noncommercial vehicle registration. And so this -- and then also additional that we receive from camping fees, museum admissions and out-of-state parking is also deposited into this account.

We've seen a lot of benefits from this program. Obviously, from a -- you know, the citizens of Connecticut interacting with the parks that enhances their experience because they can visit all of our state parks without, and forests, without having to pay a daily parking fee. And we already have seen
that more Connecticut residents are taking advantage of our state parks and forests recreation areas as a result. I believe for the 2018 season where this program was in effect, we saw attendance up ten percent over 2017. And we also know that, you know, from an implementation and management standpoint, this helps us to ensure that there is stable funding, that we are able to plan. Because the recreational season overlaps and continues through the fiscal year, so this gives us a better predictability about the level of investment to sustain a great experience for Connecticut families at our state parks and forests.

REP. WALKER (93RD): Thank you. And you're right, that was a major issue for a lot of colleagues here in the General Assembly. Because a lot of the families -- I mean, I'm a strong, strong supporter of maintaining family activities in Connecticut. I think that's what keep families happy and engaged and I also think it also makes Connecticut exciting so that people come to visit. So, all of those things are a positive for us. So, I'm sure we're gonna have a few more questions on Passport to Parks, but I just wanted to give that.

And my final question right now is, at one point we had funds transferred to -- from the Department of Social Services. I'm not sure whether it was Social Services or whether it was from the Regional Workforce Boards. But it was funding for weatherization. And I think you're probably gonna have to turn the microphone to him. But on that funding, part of -- God bless you. Part of the complexity of that program was the promptness in payments to the Community Action agencies for the
services that they -- to the point where lots of them had to carry dollars on a nonprofit that doesn't have the ability to carry dollars, which caused a major breakdown in their operations. So, I need to know where are we with all of those funds right now. Have we paid out all the dollars that we were supposed to pay? Has everything been completed as of -- for last year? And what are we doing this year?

COMMISSIONER DYKES: I knew it was a very important program. I mean, having worked on the energy side we know that the, you know, the critical aspect of these dollars and how they particularly assist low-income customers, you know, on days like today, to ensure that they're in a safe and healthy and --

REP. WALKER (93RD): It had two-folded, not only served the community and environment protection, but it also provided employment and jobs.

COMMISSIONER DYKES: Right.

REP. WALKER (93RD): And so for many of us that was a real concern about the erosion of those jobs because of the promptness in the payments. So, I'm going to turn it over to you. And who are you, sir? Turn -- press -- there you go. You press the button. There you go. Okay.

MR. DIVITO: My name is Dennis Divito. I'm the chief financial officer. So, there's been some history with weatherization and we're looking at -- you know, we typically don't advance funds. You know, most of our, I'll say, grants are typically reimbursements to make sure that delivery goals are met. This is a unique program. We've looked at how it was to be managed. And I think there's been some
changes. I'd have to get an update. It's a federal program and I think we'll bring that back to the working group for sure. But it seems -- I think there's some consolidation on the recipients of funds and we'll get some more information for you. And it seems to be, from what I've heard, it's working in a, you know, a much for efficient manner.

REP. WALKER (93RD): Well, yes, I would like to believe that. I don't -- I agree with you about the fact that we should not be paying ahead of the services, but I do believe that 30 days is the maximum we should be. And in many cases, it was as much as six months. And our nonprofits, the unfortunate part, you know nonprofits are not allowed to have a slush fund. So, we put them in jeopardy in a lot of other areas. For us, it's important that we maintain these types of programs because they provide a lot of community support in other areas.

I would say that there was a lot of damage done because of that. So, I mean, I agree that there's been some consolidation, but not something that I would've supported because of the fact that it ended up limiting access for, not only for jobs, but for people to get services. So, I would like a detailed report when we come to the work group on all of that. And I will be talking to the Community Action agencies for their side of the process, so just to give you a full disclosure. Okay?

MR. DIVITO: Thank you.

REP. WALKER (93RD): Thank you. Representative Santiago.
REP. SANTIAGO (130TH): I'm sorry, but you actually asked my questions, so.


REP. CASE (63RD): Thank you, Madam Chair. Just a couple of questions, and I know we spoke about this earlier. But the dam maintenance, it's $120,000 dollars this year. It goes down. Can you just explain to me what that line item is for?

COMMISSIONER DYKES: Let me invite up our deputy commissioner -- acting deputy, Betsy Winfield, who will be -- let's just go straight to the source here. She's -- we've gotten -- I've had some briefing on it, and I know this is a very important program for the department.

MS. WINFIELD: Thank you, Katie. Representative Case, I know that you're very interested in this issue and there's a very interesting issue going on in your district right now and we've actively working with you to resolve that. So, this money is used by our Central Services Division to actually maintain our state dams. They require mowing. They require removal of trees and a variety of activities. And we work throughout the state both on our state-owned flood control and our state-owned dams.

REP. CASE (63RD): I appreciate that and I thank you for mentioning, because, you know, when you have a million dollar project that went bad, I'd like to see that there's dollars and that there's people going to these dams to inspect them and hopefully we can get that project rebuilt in the near future. I guess that's all I have on the dam question. But
when we move down to the next line item, which is emergency spill response. Why is that number so high? If there is a spill, I know DEEP is dispatched, but aren't they usually able to bill back to the company that did the spill? So, is there something on the other side that we don't see?

MS. WINFIELD: So, obviously, our preferred alternative is that the responsible party be at the scene and pull in their contractors to actually do the work. In a circumstance where there is a public safety risk and they're not able to do that, we use these funds to advance our spill contractors to do that work and then we seek cost recovery.

REP. CASE (63RD): So, even though we do see -- well, on the Governor's side, you know, it goes up to as high $6.8 million dollars. There is something on the back side that may come in if it's billed. We just don't see that. Correct?

MS. WINFIELD: Absolutely. And the cost recovery typically takes some time.

REP. CASE (63RD): And where does that money go, the cost recovery money? Back to the General Fund?

MS. WINFIELD: Yes.

REP. CASE (63RD): Okay. So, what percentage is collectible generally?

MR. DIVITO: Out of that $6 million dollars, there's a million dollars, roughly a million dollars, is really for cleanup costs and reserved for cleanup costs. And again, you know, that's an average as far as expenditures that we were spending, a little less than that. And we'll give you, again, more detail, a little more history on that. And our --
usually, these people that won't accept responsibility, our collection is not a high number. You know, we have very little success in collecting. There is usually -- there are derelict properties. There's, you know, again, no one's accepting responsibility, and they sometimes take years before they're resolved. So, we get the AG involved, you know, in trying to make collection attempts. So, our penetration, our collection success isn't very high in that.

REP. CASE (63RD): I know it's been good with my company, but.

COMMISSIONER DYKES: But we will get that statistic so we can bring it to the working group.

REP. CASE (63RD): Good. Thank you. Madam Chair, if I may, I know that was two. I just have one other quick one. Do you mind? The Community Investment Act, I know that she spoke on this. In the past two years, there's been some bills that have come out of the legislature to try to help emergency funds for especially dairy farmers in the northwest corner. And the Community Investment dollars, we had to push hard last year trying to get $5 million dollars. I believe we got them a million dollars because of the cost to produce the raw product of milk and the cost -- or how much it is on the market these days doesn't match up. Are there still those dollars for these dairy farmers? Because the line item is around $2 million dollars and there used to be $5-$10 million dollars I believe. And I think that this one thing that people really depend on, especially in the northwest corner. The dairy framers up there really -- they need this dollar figure.
COMMISSIONER DYKES: I know this program funds not just work at DEEP, but also at the Department of Agriculture. I'm not personally familiar with the issue from last session, but we'll work to get this up to speed on it and ensure that we can bring an answer to that or refer to the agriculture folks.

MR. DIVITO: Let me just add to that. I think that's purpose of moving it on budget, so there's more transparency, so you could see where the funds are allocated and basically you know what positions are coming here, but the funding is coming here. And you'll see that in Agriculture's budget as well.

REP. CASE (63RD): Perfect. That's what I wanted to hear. And so now that we see it in the budgets, we're gonna be able to see where it's gonna go, so. But thank you for your answer. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Representative Dathan.

REP. DATHAN (142ND): Thank you very much for your testimony. And thank you. Welcome onboard.

COMMISSIONER DYKES: Thank you.

REP. DATHAN (142ND): Just a couple of quick questions. Environmental Conservation, we had nearly $7 million dollars in 2018 and I know that we have less -- you know, a $2 million dollar decrease for '19, and kind of seeing that consistent going through '20 and '21. Was that a one-off for the $6.9 million dollars in -- you know, my more concern is, are we gonna be hit with a bigger bill going forward that we're not appropriating properly for?
MR. DIVITO: So, I can you a little history on the environmental --

REP. DATHAN (142ND): I'm sorry if I missed something on there.

MR. DIVITO: Yeah. No, the Conservation Fund, Environmental Conservation Fund, you know, it's been readjusted, I'll say. Our hatcheries are broken out now into separate line items. So, if you look back at history, you'll see, you know, some funds being reallocated. Likewise, if we move 35 positions to, you know, Passport, that's gonna result in some savings or a reduction on that EC line item and the PS line item.

REP. DATHAN (142ND): So, just follow in effect. Okay. The second question -- I'm only allowed two, so. I represent Norwalk and New Canaan and I'm extremely worried with climate change. And in our area we have several water treatment facilities that are -- you know, if there is a 30-year storm, it's really going to affect our area. It's gonna affect homes, water treatment plants. How does the department account for these and where is this located within the budget, because I was just looking here and I wasn't 100 percent sure, so.

COMMISSIONER DYKES: I think Betsy Winfield would be best to address that. Obviously, we, you know, -- ensuring that the state is adequately preparing both from reducing carbon emissions, but also adapting to the, you know, the accelerating facts of climate changes, is our core mission. And so we have some bond funding authorizations related to the Clean Water Fund that we know have been very instrumental in helping to maintain a whole variety of different
benefits and delivering on our environmental quality goals as well as addressing adaptation issues for these critical facilities. And I'll let Betsy add to that.

MS. WINFIELD: So when we go through --

REP. WALKER (93RD): Okay. First, you turn on the mic and then what -- and who are you?

MS. WINFIELD: I'm Betsy Winfield with the Environmental Quality branch.

REP. WALKER (93RD): Thank you.

MS. WINFIELD: DEEP. So, when we go through planning with municipalities for upgrading their waste water treatment plants, resiliency is one of those things that we look at and we really work with them to make sure those plans are as resilient as they can be. Whether that means that they need to raise their berm, or they need to raise their equipment such that if there is an event, it's going to be minimum.

REP. DATHAN (142ND): Storm drains you mean and things like that?

MS. WINFIELD: Similar, but basically making sure that the critical components are above the flooding area. It might be that you're not going to be able to eliminate the flooding, but you can minimize the damage that it does.

REP. DATHAN (142ND): Right.

MS. WINFIELD: And I know that the water companies and municipal water companies are also looking at their facilities and trying to address resiliency.
REP. DATHAN (142ND): Okay. So, if there is a one-off - I mean, last spring, for example, we had a number of 50-year storms within a month period, and there was a lot of pressure. Where would that come in the budget and is that considered a one-off or do we have some sort of reserve or sort of allocation for helping in an event of an emergency response like that.

MS. WINFIELD: So, the Clean Water Fund is within the Capital Budget. And so we work with municipalities with planning grants through that Clean Water Fund.

REP. DATHAN (142ND): But not necessarily on a planning side. If there is a storm and we need to clean up, that would be coming out of Capital, not the Operating Fund?

MS. WINFIELD: So, it depends on the nature of the activity and whether there's a federal disaster. If there's a federal disaster declared then hopefully the municipalities would be available for FEMA reimbursement and it would depend on the nature of the damage and what needed to be done.

REP. DATHAN (142ND): Okay.

MS. WINFIELD: Some of that might fall to the municipality, depending on exactly what the damage is, how it happened, and why it occurred.

REP. DATHAN (142ND): Yeah. I know with these recent storms a lot has fallen on the municipalities and that's sort of like what my concern is. How do we manage that from a state perspective?
MS. WINFIELD: So, one of the primary components is good planning and we work with them on a variety of manners to do that.

REP. DATHAN (142ND): Okay. Thanks.

REP. WALKER (93RD): Thank you. Representative Lavielle.

REP. LAVIELLE (143RD): Thank you, Madam Chair. Good morning, and Commissioner, it's good to see you again. Thank you all for being here and bringing us so much information. One of the questions I have is there -- your personnel services costs are, obviously, distributed over several areas and there's some that are paid by the transportation fund. Some others that are, let's see, paid by -- there's another fund here. I'll identify later, but you know what I'm talking about. They're not all coming out of the General Fund. And I wondered why it's -- why they're separate and which personnel we are paying for.

COMMISSIONER DYKES: Okay. Yes. So, we, you know, I think we're fleshing our merged agency, bringing together Energy and Environment, reflecting the, you know, close contingency or integration of our, you know, mission with other agencies, delivering on supporting infrastructure, like transportation. The fact that we are co-regulators with the federal government, EPA for example, in implementing important programs that are combined within the Clean Air Act and Clean Water Act and so on and so forth. That is really the reason why we have all of these different funding sources that fund different parts of our staffing.
So, just to highlight, you know, 507 of our 880 employees are funded by the General Fund, and then the balance -- another large portion, 163, funded by federal funds, 107 funded by a charge on utility bills that funds the regulation of the utilities, and that covers both the Public Utility Regulatory Authority and the Energy Policy staffing. So, with each of those, of course, there can be, depending on the funding source, some limitations on the types of work that folks -- that staff can do. But I'm happy to take any, if there's a follow up question there. But it helps us, of course, be under one roof. We are able to achieve efficiencies in terms of meeting a combined mission where we often see energy and environmental policies and considerations intertwined. But we are able there to leverage these range of different funds to support the staff under one organizational structure to ensure that we're providing the best comprehensive policy and program implementation.

REP. LAVIELLE (143RD): Thank you. I think it would be useful for the subcommittee work sessions to have the detail of that. As well as -- I'm sorry. It went right by me when you said how many employees you actually have at the moment versus how many you're authorized to have.

COMMISSIONER DYKES: Authorized for. So, currently we have 880 full-time employees. And I should also mention, during the recreational season, you know, our head count expands with the addition of about 700 seasonal employees. So, it's a really significant on-boarding of critical roles to support the parks and forests. But I'll let Dennis speak to what we're authorized for.
MR. DIVITO: Yeah. In the budget it documents the reduction of the 35 staff going Passport and four staff coming onto the General Fund. Our new authorized count would be 587. On the Transportation Fund, 29 positions on transportation funds and 122 on PUC funds. Outside of that, we have federal funds. That's not within that authorized count. So, as funds become available, if it's sustainable funds, we'll establish positions to support those programs. But currently we have 163 positions on federal funds.

REP. LAVIELLE (143RD): So, all of your authorized positions are filled?

MR. DIVITO: They're not all filled. No. Nope.

REP. LAVIELLE (143RD): So, how many vacancies?

MR. DIVITO: Right now -- Katie gave you a number of 507 was our filled count. In compared, I'd have to total up -- well, that's the General Fund. I guess I could deduct --

REP. LAVIELLE (143RD): That's 80.

MR. DIVITO: Yes.

REP. LAVIELLE (143RD): We're there.

MR. DIVITO: So, on transportation funds, they're all filled. Twenty-nine positions are filled. On PUC funds, we have 117 positions filled out of the 122.

REP. LAVIELLE (143RD): Okay. Well, all the -- thank you. All the detail on that would be, you know, by fund, would be really welcome if you could.

MR. DIVITO: Sure.
REP. LAVIELLE (143RD): And my other second question is just regarding the number of --

REP. WALKER (93RD): Other second question? Is that the third question? (Laughter)

REP. LAVIELLE (143RD): We were just clarifying. I haven't said the word, "revenue," once. Not once! So, the other one was just with regard to the number of commissions that your department funds.

COMMISSIONER DYKES: Okay.

REP. LAVIELLE (143RD): And was just wondering, you know, maybe we don't have to do it today. But if you can provide the functions of each commission. And, you know, the funding does seem to be pretty flat, but just so we know that they are each performing a discreet function and that it can't be -- they can't be combined. I would like to see that information if you could.

COMMISSIONER DYKES: We'd be pleased to provide it.

REP. LAVIELLE (143RD): Thank you so much.

COMMISSIONER DYKES: Thank you.

REP. LAVIELLE (143RD): Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Senator.

SENATOR HARTLEY (15TH): Thank you, Madam Chair. And Madam Commissioner, I haven't had a chance to say welcome and congratulations to you. I look forward to your leadership here in DEEP. And this is not a question, but I just want to follow on to say -- aren't we getting older here. When you're gonna give us those breakdowns on the numbers, can you also address the fact about the Passport to
Parks. The state park personnel apparently were not transferred to that account when it was created. So, we'd like to have a conversation about that. And does that then mean moving all state park-related expenses, personnel expenses, off budget? So, if we could, you know, dig down into that when we talk about that at the working groups.

So, I just want to talk -- so, here is my question. Duly noted, first question. So, we're talking about the Passport to Parks being funded by the $10 dollar biennium surcharge. But I'm understanding that the Governor was talking about extending the periods, timeframes for registration. So, how you gonna handle that?

MR. DIVITO: So, you know, again, we'll plan for that. It's gonna be -- what's proposed I believe is three years they're looking at license --

SENATOR HARTLEY (15TH): I wasn't sure. I expect four --

MR. DIVITO: For registration renewals. Maybe it's four year, but, again, we would just annualize it. Right now, we're taking in -- you know, we haven't -- we're just about over a full year of collecting the fee, and it was roughly around $16 million dollars that was collected with biannual registration. Not all of them are biannual. Some of them are annual registrations. So, we really don't have a lot of history there. So, again, you know, we would have to make some adjustments, plan, reserve funds, and plan our season accordingly. And we've done this before when we were - you know, we have primarily funded out of Environmental Conservation funds in the past, years ago. So,
again, you know, you would plan out your season, not just this one season, but, you know, future seasons as well.

SENATOR HARTLEY (15TH): Okay. And when you come in and you're gonna give us a little more detail, can you give us the last five years experience on the CIA funding so we can see where that money went and what those crunches were. Oh, oh, thank you. Pardon me. My mistake.

MR. DIVITO: No, this is ours.

SENATOR HARTLEY (15TH): And then, you know, so I'm looking at your summary sheet here and, you know, we see the jump here on the mosquito control. I mean, it's not a big number, but is this in result to what is going on or what we need to do and haven't done or what's that about? It's about a four percent increase. Is that personnel?

MR. DIVITO: It's personnel costs. It's just a general wage increment. So, in staffing. It'd stand out a little bit more on that particular because that's all it funds is really staffing.

SENATOR HARTLEY (15TH): Okay. All right. And then the underground storage tank, can you just give us a 30-second summary on that. You've got a four percent increase in there. Is that commercial, residential? What is that?

MR. DIVITO: The increase is a wage increase. But if you're asking what does the program support, I could answer that. If you come up and talk a little bit more about that.

SENATOR HARTLEY (15TH): Okay. No. That answers my questions. Listen, I want to make a comment here
about the environmental justice statute that is under your shop. I have experienced in my district that is totally inadequate. It allows for a public hearing. It's pro forma processed. It means nothing. If we're gonna do environmental justice, let's really do it. So, I'd like to see the department look at that and hear back from you in terms of what would make a real environmental justice procedure. There is a bill I think that's probably gonna be before DEEP, and it hadn't flushed out, but I can tell you that it's basically a sham.

COMMISSIONER DYKES: Well, I can say, Senator, that I've already had a meeting this week with my team, updating us on the program, the status of the program, talking about some of the possible changes that could occur through the legislation. And, obviously, some of the particular concerns that I imagine that I'm hearing about from my team and hearing from you, you know, lessons learned from a particular project and situation in Waterbury. So, it's something that I just want to share. I'm eager to have that conversation with you and with others in the General Assembly on this. We've been, you know, taking that opportunity to look at how our program is working and how we can make sure that it's most effective in achieving its mission, which we care very deeply about.

SENATOR HARTLEY (15TH): Yeah, I don't know how you go back and correct it. Thank you and we'll talk. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Senator Formica.

SENATOR FORMICA (20TH): Good morning, Madam Commissioner. How are you? Good morning, Chair.
Thank you and welcome. My question is revolving around the personnel services and a follow up to Senator Hartley's on the Passport to Park. I'm showing $18.1 million dollars to date, Passport to Park revenues. I'd like to see if there's a break down as to what those expenses are through that $18 million dollars that was designed to obviously pay for support for the park services and for personnel relating to the park. So, I'd like, if you could bring to the committee that break down.

COMMISSIONER DYKES: Sure.

SENATOR FORMICA (20TH): You know when I was back in my other life as a first selectman we separated out of Park and Recreations Fund as a Special Revenue Fund. And every quarter we got an update specifically of where those dollars were, what the expenses were. Because it is an off-revenue fund that we need to do it in. And personnel services seems to show an increase when you add the Passport to Parks number in there, if I'm doing the math correctly. So, if you could explain the break down of the personnel services across your disciplines with energy and environmental and, you know, where those dollars are going so that we can -- I can have a look at that.

COMMISSIONER DYKES: Okay.

SENATOR FORMICA (20TH): And then the fringe benefits as well. I'm sure that's a result of SEBAC contract moving in and driving up the costs of the labors and the associated fringe with that.

MR. DIVITO: I can speak to that. On a fringe benefit, we're charged fringe on the PUC funds alone. The comptroller manages the budget for the
General Fund positions and transportation funds, so you won't see it on appropriations forms. So, again, it's limited to just the PUC funds. But when you see it on Passport, you'll see fringe benefit charges there as well. So, we have that break down. We do it on a monthly basis and happy to share that information with you.

COMMISSIONER DYKES: And I did want to say, Senator, too, we'll be delighted to provide more of that information about Passport. So, we'll follow up on that. But I think -- I didn't want to miss the opportunity to share, you know, some of the things that we did in 2018, where the program has been in place. We've reopened four state park campgrounds that were closed. We added spring camping at three parks. We added fall camping at four parks. We expanded lifeguard coverage at seven parks. We restored the museum and nature center hours at Dinosaur, Meigs Point and Gillette Castle and others. And then we've resumed critical services such as trail maintenance across the portfolio there. So, and while we recognize this is, you know, a different -- that the funding mechanism doesn't necessarily require that same level of transparency, it's very important to us to provide that. We have monthly sort of status and planning documents that we prepare to provide a snapshot of how these funds are being allocated. It's critical to, you know, steward in these dollars carefully and ensuring that they're being utilized for the purpose that the Passport to Parks account was originally established.

SENATOR FORMICA (20TH): Yeah. And I agree 100 percent. There's was lot of bipartisan support to
establish that fund, to make sure that those items were taken care of. But at $18 million dollars at seven months, that looks like a $30 million dollar a year fund. So, we want to make sure that that, you know, money is directed there and if there is extra money, you know, how can that be utilized in a way that we may need to adjust. Because I'm hearing from my constituents who have two cars, you know, that why are they paying two $10 dollars, you know, in support of that in one household. So, you know, those are the things, that if those get dialed back, what's gonna be the effect on the Passport to Parks. So, we don't want to do any damage with regard to that.

And then you talked about PURA funding for personnel, that you had five vacancies. In Energy, I think last year we reduced some vacancies that were open and not filled. So, if you can get that list of all that personnel stuff when you get to the committee that'd be wonderful. Thank you.

COMMISSIONER DYKES: Pleased to do so.


REP. WILSON (66TH): Thank you, Madam Chair. And thank you for coming and helping us understand things today. And I have to say that my head is spinning over this personnel account thing and I'm sorry that I'm gonna come back to it. But I heard 880 as the present number. And yet when I look at the sheet here, fiscal year '18 and '19, I see 769 and then the Governor's recommendation I see 738. And then you mentioned 700 seasonal. And I'm just
wondering am I seeing correctly there's a planned reduction in the Governor's budget?

MR. DIVITO: Let me help you with some of this. So, with this -- the authorized account is addressing the General Fund, transportation funds and PUC funds. We mentioned that we had federal funds. They're not represented here. So, that's what's getting us to that 880 number, and we have other funding sources, dedicated funding sources that would be part of that group. We'll provide a complete break down of that in the working session, to provide the staffing for each of these groups.

REP. WILSON (66TH): So, I'm curious. Has there been a directive from OPM to limit refilling positions or delay refilling positions?

COMMISSIONER DYKES: There's been no such directive. We are, you know, continuing to make progress on refilling vacancies and we work closely with OPM as they review requests for refill of vacancies.

REP. WILSON (66TH): And if in fact there's a reduction then, is that just because of retirement or people that depart?

MR. DIVITO: Right. So, our authorized account is greater than our ability to fill all those positions, that we don't have the funding to support all those positions. So, it is adjusted. In this budget, under General Fund, you're seeing a reduction by moving those Passport folks, 35, off. Four are coming back on from CIA. So, there's a net reduction on General Fund. Again, we'll provide that detail for you. We do not, you know, the authorized account would be reduced down to 587 on
General Fund. We couldn't fund 587 positions. We wouldn't have the capacity to do that.

REP. WILSON (66TH): And then can you help me understand better how that 700 seasonal factors in to all of this?

MR. DIVITO: Our temporary employees aren't represented in the position count. Again, they're supported by a nonlapse account, the Passport account, right now. So, we start our seasonal recruitment as early as -- probably in the next couple of weeks we'll start recruiting, but it's not an authorized position account.

REP. WILSON (66TH): And so some of those 700 will be full-time and some would be part-time I presume?

MR. DIVITO: Right.

REP. WILSON (66TH): And do the full-timers then have benefits through that period of their employment?

MR. DIVITO: So, there's no -- well, there's a fringe benefit charge to the seasonals, which is substantial. There's no real benefit to these individuals. They don't get medical benefits or -- they would qualify for pension if they came back and worked as a full-time employee. They could buy that time back. But right now, there's no benefit, but there's a 74-percent charge to these individuals without a direct benefit.

REP. WILSON: And is that due to collective bargaining agreements?

MR. DIVITO: That's the requirement, right.

REP. WILSON (66TH): Okay. Thank you very much.
MR. DIVITO: You're welcome.

REP. WALKER (93RD): Thank you. Also, could you explain in the working group your numbers on overtime and for the last few years what have your overtime issues been directly related to? Because I saw it was pretty high this past summer.

MR. DIVITO: If I can just mention, and we'll bring that detail to you. You know, we had the hazard trees. We had some storm events that were difficult in our EnCon. There's gonna be stresses on our EnCon officers with Passport to Parks. We understood that.

REP. WALKER (93RD): Okay.

MR. DIVITO: So, that's part of it. But we're happy to provide that detail.

REP. WALKER (93RD): Okay. Thank you. And on the seasonals for the fringe is like the sessionals I think -- I would think. So, you're paying 74 percent for them? Okay. Thank you. Questions? Any more questions? Yes.

REP. DATHAN (142ND): Thanks for answering the questions on the seasonal employees as well. Just, overall, when you hire people -- I noticed we're adding head count and I was worried when we add more cost. How do you determine -- particularly with the CIA, you've added four new positions. When you go through that and you add people is it specifically for this fund and what makes this fund different that the current employee base can't manage it? Is it just trying to minimize overtime?

MR. DIVITO: Yeah. So, when the program was established they anticipated it was a new program so
they were looking for staffing. There was a requirement that we could use up to a certain value for administrative purposes and that would be hiring staff. That's how we got to our four --

REP. DATHAN (142ND): So, these are administrative people, these four people?

MR. DIVITO: These are people that directly work on CIA grants. Yeah.

REP. DATHAN (142ND): Okay. Got that. Going back to, just on the eliminating funding for West River Watershed, that $100,000 dollars, why has that been eliminated and is that going -- I'm not familiar with it. I'm just wondering why that one in particular and who's bearing that cost now.

COMMISSIONER DYKES: Sure. So, these funds have been used to do some, you know, really important work in the West River Watershed. But in general, I think this change reflects the administration's efforts to try to move away from set-asides. We know that, you know, we have a variety of different funds that support some of this type of work that we make available, you know, without sort of specialized set-asides. Under -- we have the Clean Water Act, for example. There are nonpoint source watershed programs that are available as well as foundations and others who support this type of work, so. But, generally, it's just reflecting sort of a practice here to try to move away from set-aside allocations.

REP. DATHAN (142ND): Okay. May I ask one more question? In terms of mosquito control, I know it's a very small number. But in recent years we've seen all these crazy diseases coming out of -- hitting
the northeast in regards to mosquitoes. And are we going to be able to combat what we need to combat with mosquito viruses and diseases that come out with the $230,000 dollars that are allocated?

MR. DIVITO: I think a lot of that is public health and their support there for that type of responsibility and we just participate in a lesser capacity.

REP. DATHAN (142ND): So, this is just in the public parks where you directly? Okay.

MR. DIVITO: And some of the properties that we manage.

REP. DATHAN (142ND): Okay. Got it.

REP. WALKER (93RD): Thank you. Before we get to the last person to have a second go around on these questions, I just want to follow up on the watershed. That happened to have been something that we've put in from the West Haven, New Haven and Hamden group. So, I would like to get -- you said that there are other ways for them to get money, because it's a critical thing for the river that goes through, especially through the middle of New Haven, and maintaining the locks in that system. So, would you please provide us with where we can direct the program for funding to supplement or maintain the things that they're doing with them? And they also do a lot of stuff with the community there with the kids, teaching them how to do canoeing and growing and planting and deers and all that other things, which is important, again.

COMMISSIONER DYKES: Yeah. We'll be happy to pull that information together.
REP. WALKER (93RD): Okay. Thank you. Representative Case.

REP. CASE (63RD): Thank you, Madam Chair, for a second time. Just some things that they can bring back to the working group. Were we out from underneath the federal government with our state boat launches so that we can have a little more leeway. I know I've spoken to Elinor Marinelli multiple times on that. Because we took federal dollars in, there's -- you can't have any restrictions on who can come in and who can go out. And I'm just curious how long that contract is in place. I know we've got a ton of money to redo them, but when do they come back to us personally as a state?

And secondly, you talked quickly on Econ and, you know, we're strapped with Econ officers. And, boy, to get Econ officers up in the northwest corner is almost impossible. But we have a lot of property up there and stuff where we took down a bunch of buildings, Taylor Brook State Park for one. I mean, a huge piece of property on a lake that I happen to live on, so many problems going on on that property that the state is responsible. The local police just can't handle what's going on. I've had in past years, the commissioner out there.

But it's a very viable piece of property that so many people have been interested in. Just curious if we could take a look at that type of stuff? A lot of partying going on. The commissioner came up and saw the bonfires that were burning trees halfway up. But it is the state's responsibility because it is the state's property. So, if that's something we
can look at and bring back to us. Just a concern. But thank you, Madam Chair, for a second time.

REP. WALKER (93RD): Thank you. Representative Simms.

REP. SIMMS (140TH): Thank you, Madam Chair. And welcome, Mrs. Dykes. Congratulations on your new role. My question to you is that DEEP is currently running a program to purchase open space from municipalities. What is that break down with regards to purchase of these properties and what qualifies those properties to be sold by municipalities to DEEP, and what DEEP plans to do with those properties that are purchased in the municipalities.

COMMISSIONER DYKES: Yeah. So, why don't we bring that to the follow up so we can give you a comprehensive picture of how those acquisitions are made and the prioritization and those qualifications as you've requested? We'd be happy to provide that.

REP. SIMMS (140TH): Thank you.

REP. WALKER (93RD): Thank you. Thank you for your answers and we look forward to seeing you in the working group. Have a great day and congratulations.

COMMISSIONER DYKES: Thank you. Thank you for this opportunity. We'll be talking soon.

REP. WALKER (93RD): Next we have the Office of Consumer Counsel. Good morning. Good morning. Good morning. I want to welcome you to -- I'm gonna ask everybody to take their conversations out of the room, please. Hello. Hello. Thank you. Thank you. Good morning and thank you for coming. We
received your packet. I'm going to beg you not to read it.

MS. KATZ: Oh, absolutely.

(CROSSTALK)

REP. WALKER (93RD): Go right ahead. Please identify yourself first.

MS. KATZ: Yes, absolutely. I'm Elin Katz. I am the consumer counsel for the State of Connecticut and with me is Rich Sobolewski, who is my director of tactical analysis. And I would just add he's been a state employee for over 30 years, so he knows - - he's seen it all.

I'll just give you a very brief highlight if that's all right. We are a small, independent state agency. And I know many of you. I've worked with you, many familiar faces. We serve as the consumer's advocate on issues relating to electricity, natural gas, water and telecommunications. We -- when I say small, I mean, we are 13 people. We have a budget, as you can see, of $2.6 -- a little over $2.6 million dollars. It says we have twelve employees. That's because we had a vacancy due to retirement that we have filled since we prepared this report.

We are off budget in that we are funded by PUC funds. We have five attorneys including myself, five technical staff, and three support staff. My office also includes the State Broadband Office, which was founded in 2015, although we do not have any budget or staff for that. We are an automatic party to every docket before the Public Utilities Regulatory Authority, which means we are automatic
parties to over 500 dockets a year approximately. With our limited staff, we obviously don't participate actively in all 500, but we do monitor pretty much all of them.

And in your sheet, you have listed some of the more significant ones that we've worked on including in the last year a settlement of a rate case with Eversource. And that resulted in an overall reduction in the original ask for a distribution rate increase and overall reduction of $182.4 million dollars from their requested three-year rate plan. So, that amounts to over a 60-percent reduction in Eversource's first year rate request. We also had a settlement with Yankee Gas that also significantly reduced their ask -- reduced their first-year ask for Yankee Gas by $7 million dollars and over $20 million dollars over the three-year rate plan, which again, that was a substantial reduction. It was more than that, yes. I think it was more than that.

We are also the only state agency that is authorized to appeal PURA's decisions. Something we do judiciously, but we do when we feel that the agency has made -- has not gone in the direction of consumers. We are also Connecticut's only voting member of ISO New England, which is -- that runs the electric grid. The New England Power Pool, which is known as NEPOOL, is the sort of the electric sector group that intersects with ISO New England and we are Connecticut's only voting member of that.

We also work on many procurements. In the last year, we've been involved in many of the clean energy procurements including the recent one that resulted in the offshore wind procurement that was
4.5 percent of our load. We worked on and continue to work on the procurement and the analysis of Millstone Power Plant's financial situation and the contracts that are still currently under negotiation. We also do a great deal of advocacy before the legislature. That's how I know many of you. And Senator Formica, we were there until late last night. And do advocacy also at the federal level and do a lot of work trying to keep the public engaged and educated on the issues that are of concern to them.

We, for example, have been working a lot in the last several years on educating consumers on understanding their electric bills and doing work -- participating in a number of enforcement actions with respect to competitive electric suppliers that have resulted in multimillion-dollar settlements and multimillion-dollar cases that are pending before PURA as well. So, that's a brief overview. I'm happy to go deeper in any direction, but I wanted to give you our five minutes.


REP. SANTIAGO (130TH): Thank you. I appreciate your testimony. I did hear you make mention of the Office of Broadband, and I know I worked with some people on that in the past and. So, it's still something that's under your agency, but it's basically you just have no funding to do anything with it.

MS. KATZ: Correct.

REP. SANTIAGO (130TH): So, you have the charge, but you don't have the resources to complete it.
MS. KATZ: Right. That's correct.

REP. SANTIAGO (130TH): Now, I don't see anything in here for that in this recommendation. But I don't know if you want to talk and discuss this now your ask?

MS. KATZ: If I had one ask, if I could, I would ask for one additional person.

REP. SANTIAGO (130TH): One additional person.

MS. KATZ: One additional person.

REP. SANTIAGO (130TH): Understood.

MS. KATZ: You know, I do that with hesitation because I realize these are tight financial times.

REP. SANTIAGO (130TH): Yes, yes.

MS. KATZ: But I do feel the work in the State Broadband Office, and particularly in connection with our advocacy in general with the legislature, we are simply overwhelmed with the amount of legislative proposals that come before the Energy and Technology within our jurisdiction and there's increased interest and intensity, certainly, on the broadband issues with the Governor's emphasis on 5G. And we see that ramping up and we're excited about that. So, yes, we would love another person to work on those issues.

REP. SANTIAGO (130TH): Thank you. One question and I'm not sure if you're the person to ask this because it's more of a finance thing. But the PUC funds, right? I am just trying to determine if you might know exactly how the Consumer Counsel and Public Utility Control Fund is actually funded.
MS. KATZ: Sure. I think Rich Sobolewski is probably the best person to give you more detail on that.

MR. SOBOLEWSKI: Okay. Thank you.

REP. WALKER (93RD): Excuse me, young man.

MR. SOBOLEWSKI: I'm Richard Sobolewski. I'm the supervisor of technical analysis at the Office of Consumer Counsel. My understanding is that now because PURA and our office are under DEEP. DEEP looks at the various utilities, telecommunications providers, look at all their budgets and they take the pool and how many ever revenues that are -- that meet the state qualifications for qualifying assessments. They pool all that money together and then they look and say, okay -- just say it's $100 billion dollars. Eversource's total revenue from Connecticut is $10 billion dollars. They would receive a ten-percent share of the budget.

REP. SANTIAGO (130TH): So, the PUC, the Public Utility Control Fund would get that ten-percent share?

MR. SOBOLEWSKI: Right. They would send out the assessment. And it's done over a quarterly basis, the revenues would be paid.

REP. SANTIAGO (130TH): So, it can fluctuate depending on revenues from the?

MR. SOBOLEWSKI: Right. And at the end of the year there's a -- I'd say the following year, if there's an over collection or under spending or overspending, then there's an adjustment made. So, quite often there may be the case where we didn't spend all our money or PURA didn't spend all their
money. So, in the following year, the money would go back. I know in some years there was some money taken out of the fund if there was excess and swept to the General Fund. But, generally, that's how the fund works.

REP. SANTIAGO (130TH): Interesting. All right. Thank you. I appreciate that.

MR. SOBOLEWSKI: You're welcome.

MS. KATZ: Just to give a smidge more color, just to be clear. We are under DEEP for administrative purposes only. And I will say, I think in the seven, almost eight years that I've been in this position, we've never overspent. We always return something back, so.

REP. SANTIAGO (130TH): Excellent. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Senator Hartley.

SENATOR HARTLEY (15TH): Thank you, Madam Chair. And good to see you again, Elin.

MS. KATZ: Thank you, Senator. It's good to see you too.

SENATOR HARTLEY (15TH): So, just a question. You alluded to this conversation about 5G, which is very exciting on a lot of fronts, in particularly the economic development side, but there's a lot of trepidation out there by folks who are very concerned and are, you know, talking about what the health ramifications might be and so forth. As the Office of Consumer Counsel, are you going to take a position, try to do information? Can you just talk to me about that?
MS. KATZ: On the health effects of the small cells? I think that's what you're talking about. Yeah, and I've actually commented in the press on this and this is something that we did some -- we worked on some briefing papers for the Governor during -- we worked on the transition. And yes, Senator Blumenthal, for example, called some attention to some concern that had been raised by members of the public about what they call the, R-Factor, the radiation factor, the RF factor, with respect to small cells. And the sort of the high level is the FCC, the Federal Communications Commission, did a study of RF, but it's probably ten, twelve years ago. And so, there's a real need for the federal government, the FCC, to update that study and that's what a lot of the industry is calling for.

With respect to the RF factor, there -- you know, there's public concern and there is not one overwhelming evidence one side. Not to get too into the weeds, but a few years ago there was a study on rats that showed some potential impact, which has created a lot of the public concern. On the other hand, the amount of electricity that's associated with these small cells has gone from like 10 or 12 watts. They're down to almost like one watt these days. So, I think that's a question that needs to be answered. I personally don't have an overwhelming public concern, but I think it needs to be answered and I think it should be done at the federal level. And on the other hand, I know people who work in this industry very closely who are concerned. So, I'm not dismissing consumer concerns out of hand either. Does that answer your question?

SENATOR HARTLEY (15TH): Well, to be continued.
MS. KATZ: Yeah. I think it's a to be continued.

SENATOR HARTLEY (15TH): Yeah, right.

MS. KATZ: But I don't think that we can stop while we wait for that to -- you know, there's a lot of things that need to be put in place if we're gonna be ready for 5G, which is several years away.

SENATOR HARTLEY (15TH): Who's out there that already is ahead of us on this?

MS. KATZ: As far as states?

SENATOR HARTLEY (15TH): Yeah.

MS. KATZ: Well, we've seen New York and Massachusetts, for example, have been very proactive on broadband issues for years. Really, if you want to be ready for 5G, you're talking; and I know you know this, making sure we have the optical fiber, particularly in our dense urban areas. Five-G's not gonna be a solution to the rural areas, as Representative Horn knows. We've talked about it. But it is more of a dense, urban-suburban issue and we need to make sure we've got the infrastructure in place or we're getting it in place so that we can be ready when that 5G technology actually becomes available.

SENATOR HARTLEY (15TH): Thank you. And if I just might, on another subject. So, there's this whole conversation now about third-party electric suppliers. And some entities have taken positions, AARP being one of them. I have talked to numerous people, some who are with the alternative suppliers, others who are not, and we've gone through some iterative changes to make sure we're not cold calling; we're not doing door knocking. We're being
informative. Can you tell me from a consumer position, the discussion we're having now, perhaps we need more tweaks to make this alternative working in everyone's best interest, and particularly consumers, as opposed to completely throwing the baby out with the bath water.

MS. KATZ: Sure. In fact, we had a seven-hour hearing before Energy and Technology yesterday. It went until 8:30 at night, a very thorough conversation. And I have -- I did join AARP in calling for elimination of residential contracts in the supplier market. I did that because we have -- we've been very fortunate in this state in that this legislature has been incredibly open to reforms and has passed the most -- the strongest consumer protections in the country. And the very suppliers who testified yesterday would've confirmed that.

And we have also seen incredible ramped up enforcement from PURA from, you know, my office has been involved in it, the Office of the Attorney General, Department of Consumer Protection. And so, we've spent millions on enforcement, and yet we have seen, looking at data, so this is not, you know, what might've happened or what should've happened, looking at the numbers between 2015 and 2018, residential consumers in the supplier market overpaid by $200 million dollars. If you look at who saved and then who lost money, that's, you know, that's a true-out, so. Individual consumers lost even more than that.

On the other hand, we had a -- part of what was clear in that hearing, I think a lot of -- there are a number of legislators who share your concern -- are we throwing the baby out with the bath water? So,
we are gonna go back and take another look at
consume -- you know, other additional consumer
protections. PURA has a bill that was part of the
testimony yesterday with respect to, for example,
giving them restitution authority for the Public
Utilities Regulatory Authority so they can order
restitution to consumers who are over charged. I
will say we have a study coming out. It was
actually filed this morning.

REP. WALKER (93RD): I'm gonna jump in here because
we only have 30 minutes with you and I want to stick
to the budget so that --

MS. KATZ: You got me going on my thing. Anyway.
I'd be happy to talk with you more offline.

REP. WALKER (93RD): You were on a roll, so I'm sure
you guys can continue this conversation. So,
Senator, do you have any more questions?

SENATOR HARTLEY (15TH): No. Thank you very much.
I beg your indulgence and thank you.

REP. WALKER (93RD): Thank you. Senator Formica.

SENATOR FORMICA (20TH): Thank you, Madam Chair.
Good morning.

MS. KATZ: Good morning.

SENATOR FORMICA (20TH): It's nice to see you. It
was a long and involved hearing last evening,
especially with some of those great subjects that
you're talking about. You have mentioned Millstone.
I'd like you to follow up where we are with that.
As you know, that's a big concern of mine. You're
involved on that and you could probably bring that
to the committee or make a quick statement on that
now and how many attorneys are involved in your office on that. And then --

MS. KATZ: Sure. We've got --

SENATOR FORMICA (20TH): I can tie in one whole question if you want.

MS. KATZ: Sure, yeah.

SENATOR FORMICA (20TH): And then you can -- and then your handout, you've listed of savings and achievements; that you've made $550 million dollars as a result of your efforts. So, all of these individual; there's probably ten or so, items that you see benefit the consumers in saving dollars. Are your attorneys working directly on these and negotiating the extension to the rate freeze and the delay in the Eversource case, the rate PURA benefits for the gas company? Are you guys in the weeds doing all of that just by yourself? Are there other people doing it or who?

MS. KATZ: Yeah. You know, we are always careful to say in this document that this is done in, you know, in conjunction with many partners on this. With respect to the settlements you're talking about, for example, yeah, it's not just my attorneys. It's myself, Eversource -- we spent a good seven months sitting around the table with my attorneys, myself, my technical staff and the Eversource folks hammering out what we thought would be a substantially better deal than was initially put on the table for consumers. So, we are involved at that level. There are also -- at certain points the Office of the Attorney General will come in, representatives of DEEP, representatives of PURA who are authorized. On those examples, I feel
comfortable saying we certainly took the lead role on that, on those things.

With respect to what's going on with respect to Millstone. Joe Rosenthal is the lead attorney on that. So, I'll let you comment on that. I don't -- I'm not sure what we can publicly say at this point, but I think Joe does know.

MR. ROSENTHAL: Well, yeah. There are negotiations going on right now with Eversource and UI, I think, and Millstone which we are not directly involved with. But we were heavily involved in the DEEP procurement that led to the selection and affirmation of Millstone for a contractual arrangement and we feel like we played a productive role in that procurement process. I think OCC has been on record recognizing the importance of Millstone -- the continued operation of Millstone to our electric grid given that it supplies, in most years, over 50 percent of our energy, as you know.

SENATOR FORMICA (20TH): Okay. Thank you. Yeah, and it's of course a particular interest of mine and I don't want to take up budget time for it. I just -- when you mentioned that you were participating in it, I wondered where we were. And if we could maybe meet offline about that and see where we're going.

MS. KATZ: Absolutely. Sure.

SENATOR FORMICA (20TH): And then the last comment is you make a statement saying that you have recurring expenses, operating expense of $2.678 million dollars, but I'm seeing $2.989 million dollars requested. Is that a number net of something else that I'm not looking at?
MS. KATZ: I believe that relates to -- I'll let Mr. Sobolewski speak to it directly. He handles the particulars of the budget. But it's just related to -- everything -- almost everything we have is either staff or the overhead associated with our building. And so, to the extent our costs increased, it's not an increase in position funding or, you know, we don't give anything away. We don't have any funding. We don't have any grant programs. But -- is that -- did I capture that accurately?

SENATOR FORMICA (20TH): You know, before your start. You said in the beginning five attorneys, five technical staff and something else and I didn't --

MS. KATZ: Three administrative staff.

SENATOR FORMICA (20TH): Thank you. Thank you.

MR. SOBOLEWSKI: The increase in our budget -- our actual expenditures were lower because we had two vacancies that have been filled in the last calendar year. So, the increases you see are salary increases and reflecting full-time positions. And some changes in the makeup of our staff resulted in changes in the fringe benefits. Like, you might've had someone who was married and you had a single person replace them. So, that's -- those are the pluses and minuses in our expenses. And our personnel services I think went up $120,000 dollars, but the fringe benefits went up significantly more, and I think that's the makeup of the staff as well as, you know, the increases in the various pensions and health care benefits and what have you.
SENATOR FORMICA (20TH): Maybe that would be a better conversation for the committee level as we're down to the last six or minutes, so.

MS. KATZ: Sure. Right.

SENATOR FORMICA (20TH): If you wouldn't mind doing that?

MS. KATZ: No, no. I want to make sure I --

SENATOR FORMICA (20TH): Thank you. And I realize the answer is more comprehensive than --

MS. KATZ: So, would you like us to submit additional information on that?

SENATOR FORMICA (20TH): Yes, if you wouldn't mind.

MS. KATZ: Okay.

SENATOR FORMICA (20TH): Yeah. Because you're showing $2.9 million dollars and then you were at $2.78 million dollars. If we could just get that break down.

MS. KATZ: Yeah. We can do that.

MR. SOBOLEWSKI: Yeah, we can do that.

SENATOR FORMICA (20TH): Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Representative Lavielle.

REP. LAVIELLE (143RD): Thank you, Madam Chair.

Good afternoon -- morning. Good morning. Where are we? So long. Thank you for coming. I was going through just, you know, scanning your report and also chewing gum and walking at the same time and listening to you. Obviously, the range of your activity is vast. And one of the ones that I had
noticed particularly, where I come from, which is southwestern Connecticut, there's been increased activity in the area of water, increased water dockets. And you know what they all are, obviously. There's another one in progress now. They're just nonstop. I wondered if you had any sort of projections, if you're looking ahead and seeing any uptick in that or any other area of your anticipated activity?

MS. KATZ: Well, I think a lot of what has gone on in the last several years is the smaller; it doesn't necessarily mean they're small, but the smaller water systems are being bought out or acquired by the larger water systems, just as the running a water system becomes more complex and there's more economies of scale and there's also -- I would say a lot of our water infrastructure, and this is not unique to Connecticut, but a lot of the water infrastructure, particularly at the municipal level, may have been neglected and so there's some substantial costs that need to be invested to bring them up to speed.

Again, you know, if you're a municipality looking at a tight budget, and I used to be on the board of ed in West Hartford, Representative Gilchrest, you might not put money into your pipes if you have to lay off teachers. You might defer that for a few years. And then those deferments catch up with us eventually, and that's a lot of what's going on around the country. I will also add that Rich Sobolewski is also a national expert on water systems and so he's also keenly able to talk about what we see coming.
MR. SOBOLEWSKI: Thank you. I think the activity in Connecticut, as Elin had said, is we've had some acquisitions. In my time here, I've been here over 30 years. So, when I started here, there was about 80 regulated companies by PURA, DPUC at the time. We're down to ten. So, what we have now, the docket you see coming in, are homeowners associations, sometimes it can be a municipal system that, you know, wants to sell to the state or other types of systems like that. Quite often, they're run down and there's a lot of trouble. The homeowners association can no longer do the work. So, a lot of those dockets, you know, a joint proceeding before PURA and the health department comes forward.

Luckily, rates in Connecticut on water have stayed somewhat stable except for the increases that are infrastructure related. It's about ten years ago that the legislature passed what we call WICA, so, Water Infrastructure and Conservation Adjustment. So, on your bill you see that if you're a customer of a regulated company. There's twice-a-year hearings. So, that's what you'd see and there's a lot of activity on that. The companies come in twice a year and have plans to show what improvements they're gonna make and it's a way they can do the work without coming in for a full rate case.

So, I'm happy to say that we really haven't had full rate cases like we've had with the other utilities. I think we've had one rate case in five years. The mechanisms that you passed have worked very well in Connecticut and I think it's one of the success stories that I like to carry for the State of Connecticut and our office.
MS. KATZ: I would just add we get a lot of questions about MDC. MDC is not regulated by PURA and is not within my jurisdiction.

REP. LAVIELLE (143RD): Yes. Yes, absolutely. Well, thank you. I just wanted to check and bring it to the budget level that this was sort of anticipated in your forecast. Thank you very much. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Representative Wilson.

REP. WILSON (66TH): Thank you, Madam Chair.

REP. WALKER (93RD): You have only eight -- this is the last question, so.

REP. WILSON (66TH): Just one. Just one. Is OCC a SmART agency? And if so, what operations does DAS perform?

MS. KATZ: Well, of course, I have to agree that we're smart. I'm not entirely sure what you mean in terms of -- you mean some of the lien proceedings that have gone on?

REP. WILSON (66TH): So, a small agency resource team, I believe is the acronym.

MS. KATZ: Oh, we -- is that still a thing?

MR. SOBOLEWSKI: We used to be.

MS. KATZ: Yeah.

MR. SOBOLEWSKI: We used to be, but now that we're under DEEP for administrative purposes only, we no longer are. We used to be when we were a standalone agency. They did our work for probably a decade or so under that platform.
REP. WILSON (66TH): Okay. Thank you very much.

REP. WALKER (93RD): The last person, Representative Dathan.

REP. DATHAN (142ND): Thank you much, Madam Chair. And thank you for coming today. Two very quick questions. One's kind of in the weeds. The first one is you requested twelve people, but you said you have thirteen. Are the numbers that you have supported the right numbers since the head count was off in the Governor's budget?

MS. KATZ: This is our annual report. So, this is not actually our request. My understanding is the Governor's should have requested thirteen. Is that what's in there?

REP. DATHAN (142ND): It says twelve on our sheet.

MS. KATZ: It covers everything. Oh, okay.

REP. DATHAN (142ND): Okay.

MS. KATZ: It should be thirteen, yes. So, that does cover the full cost.

REP. DATHAN (142ND): And so the -- because the fringe benefits have gone up 16 percent, which is quite significant compared to other agencies where they're more in the range of ten to eleven percent. So, there was a large increase. It sounds like that's -- I'd love to get some more feedback on that, like Senator Formica.

MS. KATZ: We'll provide more.

REP. DATHAN (142ND): The last question --

MS. KATZ: If I could just add, though, we're a very small agency, you know, so the difference between
two people single versus two people being married with a family --

REP. DATHAN (142ND): It's quite substantial. Yeah. That makes sense. Then [inaudible - 01:22:37] make up. The last thing is just, overall, on an operational basis, your caseload. I'd love to hear how maybe -- do you monitor that on an annual basis, to say, you know, -- because I heard your point about cases are going up. What is the number of cases that you have in maybe the last few years and or what's the average caseload per attorney and technical staff? Just to make sure we're adequately manned.

MS. KATZ: Sure. As I said, PURA was at 500 dockets last year. This business used to be poles and wires. Now, it's poles and wires and smart grid and storm dockets and good modernization and all the things you've heard Commissioner Dykes talk about. And so, yeah, the caseload does continue to grow. I'm not sure if -- I want to make sure I'm answering your question. How do we evaluate them? We work on a team basis, so there's a lead and then there's three or four staff working on that and we have a giant list of all the dockets and we monitor them to make sure we're staffing, you know, --

REP. DATHAN (142ND): Appropriately?

MS. KATZ: Appropriately, yeah. Yeah, we've -- you know, it's like any state agency. You do more with less and at some point you do less with less.

REP. DATHAN (142ND): Okay. That was more of where my question was going. Are we adequately staffed to manage the uptick?
MR. SOBOLEWSKI: It's in a lot more dockets, but a lot of them -- because PURA now approves every renewable grant as a PURA proceeding, a lot of those we just really skim through what the proceeding is because it's almost a -- I don't want to say it's a rubber stamp because that -- but there's a checklist and an application that's filled out and PURA approves it. We really don't have a stake in the process, but we do look at each and every one of those. And in any given month, there could be 50, 60 or more of those. So, I, you know -- I think the 500 is really low. It's probably 750 or so, but, you know, a lot of those are, a third or so or more -- yeah.

MS. KATZ: Administrative, yeah. I mean, I would say I think we do a great job with the staff we have. Could I use more staff? Yes. Do I think asking an additional person is an additional -- is a reasonable ask? I do. You know, I'm very conscious of the impact that we have on consumers even as we're representing them. So, like every agency, we can always use more.

REP. DATHAN (142ND): Okay. Thanks for answering. Sorry to take more time.

REP. WALKER (93RD): That's okay. Thank you and I look forward to talking to you in our work groups.

MS. KATZ: Terrific. Thank you so much.

REP. WALKER (93RD): Thank you. Have a good day. Next we have -- oh, I'm sorry. Representative Horn. I'm sorry. Next we have the Department of Agriculture, Commissioner Currey? (Laughter) We won't let you retire, huh?
COMMISSIONER CURREY: Coming soon.

REP. WALKER (93RD): So, you're doing cows now, huh? (Laughter)

COMMISSIONER CURREY: Cows, dog bites, all sorts of things. (Laughter)

REP. WALKER (93RD): Thank you. Good afternoon -- good morning, ma' am, good morning, good morning. Good to see you again. Would you like to go right ahead with your testimony?

COMMISSIONER CURREY: Please. Thank you. Good morning and thank you for the opportunity to testify today in support of Governor Lamont’s budget proposal concerning the Connecticut Department of Agriculture. I have been the acting commissioner of the department since shortly after Governor Lamont took office. In that time, I was surprised and impressed by the diverse work performed by the department and its relatively small staff.

Agriculture in Connecticut is a $4 billion dollar industry that supports over 22,000 jobs. The department has 50 General Fund employees who work on programs as varied as regulation of milk and milk products, to the acquisition of development rights on prime farmland, to ensuring the safety of agricultural and the aquaculture food products as they enter the food system.

The governor’s budget makes responsible appropriations to the agency that will allow the department to continue to meet its public health and safety obligations, and to grow the industry into a commodity area new to Connecticut -- hemp. The Governor’s budget provides for the necessary funding
and staff to establish a program that will meet the federal requirements recently adopted in the 2018 Farm Bill for the cultivation of hemp legally. Without the necessary resources provided in this proposal, Connecticut would continue to lag behind 41 other states who have already established hemp cultivation programs.

The Governor’s budget also brings the Community Investment Act, affecting the department's programs into the General Fund. This will be a more transparent approach to illustrate the programming available to the agricultural community through the department. The programs supports individual producers, nonprofits and municipalities through matching reimbursement grants intended to diversify agricultural products, preservation products, in Connecticut. They also support the acquisition of development rights through our Farmland Preservation Program and bolster the dairy industry in Connecticut. The CIA also supports many of the boards, councils and commissions housed within the Department of Ag. Beyond those -- beyond added transparency, inclusion of CIA funds as an appropriation also provides surety to these crucial programs in terms of available funding levels.

Governor Lamont’s budget shows a commitment to maintaining a robust Department of Agriculture, and ensures the agency has the resources that they need.

My staff and I are happy to answer any questions the committee may have. With me today is Jason Bowsza, DoAg chief of staff; Nate Wilson, the department's incoming legislative director; Dr. Bruce Sherman, Regulatory Services Bureau Director, and his Assistant Bureau Director, Wayne Kasacek; Linda
Piotrowicz, Bureau Director of Agricultural Development and Resource Conservation; David Carey, Bureau of Aquaculture Director; and staff attorney Carole Briggs. And we'd be happy to answer any questions you may have.

REP. WALKER (93RD): Thank you and thank you for your testimony. Before I turn — go to all the people, I just -- there's one statement in here that just -- that sort of stuck out to me, and it says the 2018 Farm Bill for cultivation of hemp, legally? We've been doing it illegally all this time?

COMMISSIONER CURREY: No, we aren't doing it. But now we will be.


SENATOR FORMICA (20TH): Thank you. Good morning, Commissioner.

COMMISSIONER CURREY: Good morning.

SENATOR FORMICA (20TH): Good to see you. Good morning all. Thank you for coming. The conversation about the dairy farmer sustainability in the CIA both added to the budget for this year. I don't know if it's best to bring that detail into the committee to talk about that transfer,

COMMISSIONER CURREY: Sure, we could do that.

SENATOR FORMICA (20TH): Or do you want to just give a quick summary on that now or? Either way is fine.

COMMISSIONER CURREY: Actually, I could bring Jason up, our chief of staff, to address that. He has worked diligently on this.
MR. BOWSZA: Good morning, Senator. How are you?

SENATOR FORMICA (20TH): Good morning. I'm great. Thank you. Could you restate your question?

REP. WALKER (93RD): Excuse me, young man. Could you identify yourself?

MR. BOWSZA: Sorry Representative. I'm Jason Bowsza. I'm the chief of staff and legislative director for the department.

REP. WALKER (93RD): Thank you.

SENATOR FORMICA (20TH): So, additional expenditures to the budget that you have or the dairy farmer sustainability and the CIA, which was introduced for more transparency in how the program does. So, we want to have a follow up as to how that's gonna be distributed and where those dollars.

MR. BOWSZA: So, the Dairy Sustainability Program is one aspect of the CIA as it's currently constituted. For every real estate transaction that happens in Connecticut there is a $40 dollar fee recorded in the town hall. Four dollars stays with the municipality. Thirty-six dollars comes to the state to fund CIA programs. Of the $36 dollars that comes to Connecticut currently, $10 dollars of that $36 dollars goes for the Dairy Sustainability Program. We have a formula that we use based on production levels on each dairy farm in Connecticut that will dictate what the supply level is based on the available funding. In the past, that -- when there have been certain diversions or sweeps that have taken place, that program has been hit pretty hard.

This comes at a time at a time when certain federal subsidy programs haven't been working for dairy
farmers in this part of the country, not considering things like regional input costs, costs of labor, transportation cost, things like that, that really are different here than they are in some of the more rural, larger, dairy-producing states. So, what this will do is it keeps the dairy sustainability funding at a level that is representative of where the funding would be if there were no sweeps or diversions, plus, last year, I think the legislature added an additional million dollars to help support the dairy sector, which is going through -- I believe they're in their fourth year of a continued depression based on the milk prices that are set Federal Milk Marketing Order.

SENATOR FORMICA (20TH): And so are we caught up with that, with that funding to the dairy farmers?

MR. BOWSZA: With the proposal that the Governor has put forward, this would the Dairy Support Program in a very healthy place.

SENATOR FORMICA (20TH): But currently, to date, we're behind as a result of having this located somewhere else?

MR. BOWSZA: There was a diversion that was built into the budget this year and last year, in the biannual budget that was passed. There was some administrative changes that Governor Lamont -- I'm sorry -- Governor Malloy made in May of last year that allowed for that program to be refilled for that quarter and then the legislature appropriated an additional million dollars, which supported the August payment that went out. So, for last calendar year, it was in good shape. This year, we just got the numbers, the price per hundredweight, that we're
gonna issue, and that will be at a 61-cent a hundredweight level, which is about half of where it should be and what it will be under Governor Lamont's new proposal. Does that answer your question?

SENATOR FORMICA (20TH): Yes. And we can get into more detail in the committee.

MR. BOWSZA: Sure.

SENATOR FORMICA (20TH): But from what you said, $40 dollars comes in. Four dollars stays with the municipality. Twenty-six dollars equals this $33.5 million dollars, and $10 dollars equals -- goes to this $5.5 million dollars. Is that roughly what we're talking about?

MR. BOWSZA: Yeah.

SENATOR FORMICA (20TH): Okay. And then for the committee, if we could get an update on the shellfish, the oyster program, and how things are going with that. And I know some of the changes over the years have been concerning, but I want to make sure we do our best to, as the department, to continue to grow that industry, because I think it's a big industry ready to pop.

MR. BOWSZA: For clarity, what metric would you like us to use to provide to the committee?

SENATOR FORMICA (20TH): Whatever metrics you would like to use.

MR. BOWSZA: Number of companies.

SENATOR FORMICA (20TH): You know, how -- what are we doing and?
COMMISSIONER CURREY: We'll give you an overview of exactly where everything stands.

SENATOR FORMICA (20TH): Exactly. And how the enforcement and how the cooperation with the farmers and etcetera.

MR. BOWSZA: Sure.

SENATOR FORMICA (20TH): Thank you very much. Thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Representative Horn.

REP. HORN (64TH): Thank you.

REP. WALKER (93RD): I just want to remind everybody that I have seven people and we have 18 minutes. Go ahead.

REP. HORN (64TH): I'll talk fast. Well, first of all, I want to thank you for being here and my questions came from what Senator Formica was asking about, the Community Investment Act funds, particularly with reference to funding for dairy farmers, which I have a number of in my district and are very concerned about their viability. And so, from my perspective, I welcome that fact that it's now within the Department of Agriculture where I hope it will get sustained support. But I wondered if you could talk about, in addition to that, are there programs within this area that address the sustainability. As you just mentioned, you know, the structural -- dairy farmers are stuck in a marketplace where they are guaranteed to lose money. Are we doing anything in the Department of Agriculture that's addressing that structural problem?
MR. BOWSZA: Thank you, Representative. So, a number of the factors that are impacting dairy production are bigger than Connecticut or the northeast. They're really governed by the Milk Marketing Order or international conditions. The best program that we have available, and I can say with certainty, that the Dairy Sustainability Program has kept dairy farms in business, particularly some of the bigger dairy farms have been kept in business with this just recently. The additional million dollars that was appropriated by the legislature last year came at a very dire time.

Beyond that, the department has some grant programs that are available to help people with things like infrastructure hardening, which is a bond funding grant program called the Farm Reinvestment Grant. We have the Farm Restoration Grant, which was another initiative of Governor Malloy's that brings overgrown farmland back into active production. It takes three acres for every dairy cow in Connecticut in terms of support acreage to support a dairy farm. So, every acre you can bring back in is meaningful. We also have grant programs -- a grant program for individual producers called the Farm Transition Grant, which is also a CIA-funded program.

So, we have a number of resources available just within our agency. But we're really -- the prices that's facing the dairy industry is really beyond Connecticut. And so, there have been meaningful discussions that have taken place through the National Association of State Departments of Agriculture, as well as with our -- with members of the congressional delegation. There's actually a Dairy Caucus in Washington, D.C. that Joe Courtney
co-chairs. So, it's an issue that a lot of people are paying attention to, but the silver bullet isn't gonna be found at the state level. What we can do is make sure that the necessary support program that we have continues to provide that support for people while they're trying to get through it.

REP. WALKER (93RD): Let me just tell who's in the batting order; Representative Lavielle, Senator Hartley, Representative Case, Representative Dillon, Representative Dathan. So, I'm just pointing that out and I'm looking at the time. Go right ahead, Representative Lavielle.

REP. LAVIELLE (143RD): Thank you very much, Madam Chair. Good morning. Thank you for being here, Commissioner. Here we are again. Always a pleasure. So, my question is focused on the Industrial Hemp Program, and I notice that the way that you've discussed in it your testimony is -- there are certain federal requirements to meet to have authorization and this is the minimum funding necessary. So, I will -- I would like to ask you for lots of detail for that for our subcommittee work. But how quickly does this get up and running? When you start, do you envisage having the authorization before the beginning of the budget year? If there is authorization, does it entail federal funding? All of those things. So, just today, if you could give us sort of an overview of how quickly it could start and what it might entail when it does begin.

COMMISSIONER CURREY: We could begin to develop regulations, etcetera, if we had it approved early on in the session and then move forward. It's a pilot program the Governor has proposed and we would
be able to put it together to make it work earlier rather than later if it was done earlier in the session.

REP. LAVIELLE (143RD): So, the funding would be in use immediately as of the beginning of the budget year?

COMMISSIONER CURREY: Yes.

REP. LAVIELLE (143RD): Okay. Thank you. If you could supply us with all the details for the subcommittee it would be great. Just so we have a, you know, a full accounting. Thank you very much.

REP. WALKER (93RD): Thank you. Senator Hartley.

SENATOR HARTLEY (15TH): Thank you, Madam Chair. And first of all thank you, Commissioner Currey, for once again being there to lead us in so many ways. I just want to quickly talk about the Senior Food Voucher programs, because we had some rough roads with that in the past. And I just want to understand from the department's perspective of what we're anticipating. You're showing this -- I think the OPM secretary categorized this, generally, that, you know, things were at historic levels. I think the translation on that meant that they were current funding as opposed to historic being different. But this appears to be flat and we had, you know, some real difficulties when this program had vouchers out in the communities and people bringing them in to be redeemed when there was no redemption. Thank you.

MR. BOWSZA: Thank you for that question, Senator. So, in that particular circumstance, the way we issue these vouchers is they go out to different distribution points in May or June. In that
particular year, as you'll recall, the state budget wasn't adopted until October. That really got us almost entirely through the farmer's market season, where these vouchers could be redeemed. And because of the partnership that we have with the federal government, they have to redeemed and closed out by November 1st. So, the lapse of a budget and the short window of time that was then available thereafter, caused us to effectively miss that year. But what we took was that appropriated money and we redoubled the coupons in the following year. So, the money was available and spent on its intended purpose, to support people who are in disadvantaged circumstances having access to fresh, locally grown fruits and vegetables. But it was -- the timing is what jammed us up there.

There is an issue currently in front of the legislature, in Senate Bill 560, that would increase the voucher book value from the current $18 dollars per book to, I think, $50 dollars, which is certainly introduced with good intentions. But what the end product of that would be without an equal increase in the available funding is we would effectively be serving one-third of our current enrollees, so; to say nothing of the fact that the federal component requires that the voucher book value has to be divisible by three, which is why it's currently 18 and not 20. So, if there's gonna be any increase in the amount of vouchers that are incorporated into the book, there needs to be a correlated increase in funding, otherwise we will be servicing considerably fewer people.

SENATOR HARTLEY (15TH): Thank you very much. Thank you, Madam Chair.
REP. WALKER (93RD): Thank you. Representative Case.

REP. CASE (63RD): Thank you, Madam Chair. Good morning, Commissioner Currey and Jason. Just a few bonding questions. No. Sorry, Madam Chair. (Laughter) If we can move forward on --

REP. WALKER (93RD): You always want to poke the bear, huh? (Laughs)

REP. CASE (63RD): So, just -- we can bring it back to committee, but the Community Investment Act. I know we worked very hard with Jason, [inaudible - 01:42:51] and myself on getting the million dollars put back out there. When you look at this, you see the Governor's recommendations for $5.5 million dollars, you have a million. You go down to the explanation, it's $4.5 million dollars. Is there any explanation for why it's $5.5 million dollars, $1 million dollars, and then in the explanation it's $4.5 million dollars?

MR. BOWSZA: Sure. So, the $4.5 million dollars is roughly the amount that would be available in current CIA funding if the CIA were fully funded. What the $5.5 million dollar number does is it incorporates and annualizes the million dollar appropriation that was included into last year's budget, plus the $4.5 million dollars that's previously been off budget.

REP. CASE (63RD): So, what the legislature did last year that; you were back at our seats many times last year, just annualizes that $1 million dollars of CIA dollars going forward no matter what happens, because that is in legislation. Is that correct?
MR. BOWSZA: Yes. So typically, again, without any diversions or sweeps, the Dairy Sustainability Program is worth somewhere between $4.5 million dollars and $5 million dollars. What this is doing is it's taking that traditionally whole number plus the million dollars that was allocated by the legislature last year and annualizing that number, putting it all in General Fund so people can see specifically what's available. That also -- by the way, having that number not be revenue-dependent on real estate transactions will also provide some surety to dairy producers with what the available -- what the quarterly check is gonna be. There will still be some variation, but it will be more stable than it has been.

REP. CASE (63RD): Thank you, Jason. And Commissioner Currey, I look forward to the next commission that you will be -- your next commission that you'll be going towards. So, with that, thank you, Madam Chair.

REP. WALKER (93RD): Thank you. Representative Dillon.

REP. DILLON (92ND): Thank you very much. Is it still morning? It sounds like there's some sort of a consensus that we need sort of a forensic look-see at the Community Investment Act in and out because I know some changes were made and I'm not sure I agree with all of them. But whatever it is, we need to look at it, a look at the dairy industry, which is mystifying to me at this point. Hard to believe that I was early involved with the New England Dairy Compact and then ended up kind of being changed by some advocates at a national meeting because they felt that it hurt the urban core because we had not
adjusted for the price, of course. That taught me a very important lesson and I know that there's been a lot of fluctuation in herds. So, we need a little look at the dairy and also at the CIA.

I'm thrilled that everybody's talking about oysters. That -- as you know, the change in the Farm Act this year added new protection for oysters so that your -- it's treated -- it's so -- it was originally sort of treated as a crop for the purposes of crop insurance. But there's additional protection as of this year and Senator Murphy actually worked on that with Senate Whitehouse. So, it's a real big plus because it reduces some of the risks for someone and also it kind of reduces the bias that, you know, corn is a real crop and oysters are not. So, I just loved that they were working on this.

There are exciting things going on about oyster, da da da, in New Haven at the Sound School and I'm really interested to see what you're doing to take advantage of the federal changes in oysters. So, tradeoffs, I know I left something out. But I think we're gonna have some fabulous work sessions. And, Melody, I don't know, are tap dancing in your part-time as well? This is just amazing. I'm thrilled to see you here. The department's in good hands for the interim. Thank you.

REP. WALKER (93RD): Thank you. Representative Dathan.

REP. DATHAN (142ND): Thank you, Madam Chair. And thank you for coming today. Nice to meet you. I just want to probably ask another question and this might be a silly one because I think we've talked a lot about the CIA, but I just want to make sure
we're not double counting our funds. So, we have a total of CIA-related activities of $8 million dollars within the DoAG. Does that sound right and is that covered by $10 dollars of the $36 dollars or is it the $4.5 million dollars is covered by the $10 dollars and the rest, the $3.5 million dollars in the CIA line item, is that a different amount of the $36 dollars? Am I being clear?

MR. BOWSZA: Yeah. I understand the question. So, just by way of clarity, so with the $40 dollar land recording fee, $4 dollars stays with the municipality, $10 dollars goes to dairy support. That leaves you with $26 dollars of the $40 dollars. That $26 dollars is split four ways between open space, the Department of Agriculture, historic preservation and affordable housing. Of that --

REP. DATHAN (142ND): Not equally, though.

MR. BOWSZA: Yes, equally.

REP. DATHAN (142ND): It looks like in other departments, the amounts are different. We have -- just kind of looking at the line items, like, the Department of Housing is $2.4 million dollars and -- oh, so it's the remaining part. But we have $3.5 million dollars here.

MR. BOWSZA: Yeah. So, that's -- what I just explained was the existing formula, with it being a non-General Fund revenue source. I can't speak to any changes that have been made to other agencies in the recommended budget. But I will say that of that $6.50 that has historically come to the Department of Agriculture, we're the only agency that actually has a formulated -- a statutory formulated distribution for those programs. So, we get
$500,000 dollars a year for Farm Transition Grants. We get $500,000 dollars a year for Farm Viability Grants. We get $100,000 dollars for Connecticut Grown, on and on. The remainder goes to farm land preservation work funded through the CIA.

Another strength of the way the Governor is recommending this is it provides a sure number for what's available through the CIA for farm land preservation. A question that we've had kind of internally is pertaining to the Farm Transition and Farm Viability Grants. Some of those may take more than a year. They may take two or three years to complete and they're reimbursements grants, so the question of lapsing is one that needs to be kind of --

REP. DATHAN (142ND): Addressed.

MR. BOWSZA: Right. But, by and large, the transparency and the consistency that's provided to the Dairy Sustainability Program and to Farm Land Preservation, is certainly appealing.

REP. DATHAN (142ND): So, you have a schedule here of $3.795 million dollars, but on the Governor recommended schedule, we have $3.58 million dollars. The delta is just a timing issue for reimbursements or what's -- I just --

MR. BOWSZA: I'm not sure which -- what the first document you're looking at is.

REP. DATHAN (142ND): So, it's -- there's a schedule that says, provide funding for Community Investment Act Programs through General Fund appropriations. It includes the oyster things and all the different programs, Farm Land Preservation, all of these
things, and total up to almost $3.8 million dollars, where in the budget summary it's $3.6 million dollars. I'm just wondering what the $200,000 dollar difference is.

REP. WALKER (93RD): Let me just jump in very quickly. Sometimes the sheets that we have, the agencies don't have. So, sometimes that's why it's good to ask them to bring that type of information to the work sessions, so that we can compare those. So, they haven't had a chance to review it. So, why don't we just ask them to bring to it to the work session, the break down on the CIA so that all of us are on the same page?

REP. DATHAN (142ND): Can I ask one more question?

REP. WALKER (93RD): Sure.

REP. DATHAN (142ND): Okay. My second question is fringe benefits. We haven't seen any increase across the line here. Most other agencies are showing, you know, about a ten-percent increase every year. I just wanted to understand why there wasn't an increase in fringe benefits.

COMMISSIONER CURREY: I'm not sure.

REP. WALKER (93RD): They'll have to bring that to us too. That's also in those sheets. So that they may have a rest, but that's okay.

REP. DATHAN (142ND): Yeah, apologies. Thank you very much for your time. Thank you, Madam Chair.

REP. WALKER (93RD): Okay. So, as we all learn about the processes that I think it's hard to understand and I thank you. But what for all of us to know that the sheets that we have in front of us
are provided to us by Office of Fiscal Analysis. Some of the agencies have been -- have given -- been given that information, but most of the time they're working off of what the Governor has been submitting. So, when we have the actual discussions, that's when we actually bring the two together and start to talk about those things. So, I look forward to talking to you. First of all, am I gonna see you tomorrow too?

COMMISSIONER CURREY: Tomorrow is the subcommittee?

REP. WALKER (93RD): Department of Administrative Services.

COMMISSIONER CURREY: Oh. No. No, I'm not there. Josh Geballe is the --

REP. WALKER (93RD): Oh, okay. I wasn't sure. So, I just -- we'd be glad to have you. Come on in, sit down and have a chat with us. But we look forward to -- are you gonna be at the subcommittee meetings?

COMMISSIONER CURREY: Yes.

REP. WALKER (93RD): Oh good. Okay. So, we'll see you at the subcommittee discussions. And please, again, all the information that we're asking for, especially for the CIA break down and the different divisions that are getting funding through the CIA, it would be helpful. And if you have a little history, maybe a few years back, so that we what has come in and what has gone out, would be helpful. Okay? Thank you and thank you everybody.

COMMISSIONER CURREY: If I could possibly add. Tomorrow is Jason's last day with the department. He is moving over to Probate and we're desperately going to miss him. And I know that a lot of you
have used him as a source within the department. Nate Wilson will be stepping up as the legislative director and here to help anything you need, and my office, you can always call.

REP. WALKER (93RD): Congratulations and maybe we'll see you next week. Probate will be here too. (Laughs) Everybody comes to Appropriations and you do see at one point. So, thank you very much. Thank you for your testimony and thank you for your service, Madam Commissioner. Thank you. At this time, I am going to recess this public hearing until 1 o'clock, where we will have the Department of Economic and Community Development, at 1:45 Department of Labor, and at 2:30 Department of Housing. Additional agency presentations will also be at 4 o'clock for the Council on Environmental Quality and Agricultural Experimental Station. Oh, those will be just submitted testimonies. And then we have a public hearing at 4:30. So, we will recess until 1 o'clock. Thank you everybody.