

Appropriations Committee JOINT FAVORABLE REPORT

Bill No.: HB-5036

AN ACT MAKING DEFICIENCY APPROPRIATIONS FOR THE FISCAL YEAR

Title: ENDING JUNE 30, 2022.

Vote Date: 4/7/2022

Vote Action: Joint Favorable

PH Date: 3/24/2022

File No.:

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SPONSORS OF BILL:

Governor Lamont

REASONS FOR BILL:

The bill authorizes funds for several state agencies to allow them to cover shortfalls in the current fiscal year. Since it is difficult to anticipate extraordinary circumstances that may place additional demands on agencies (court orders, increased caseloads, public health concerns, etc.), deficiency appropriations are necessary in order for agencies to meet their fiscal obligations.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Jeffrey Beckham, Acting Secretary, Office of Policy and Management](#) – Secretary Beckham testified in support of the bill. He stated that the bill makes deficiency appropriations which, in combination with Finance Advisory Committee transfers and adjustment of holdbacks, would fully address shortfalls for FY 2022 projected by OPM as of January 20, 2022. He noted that a significant portion of the deficiency bill addresses funding needs related to the State Agency Bargaining Coalition (SEBAC) agreement. The bill includes a \$224.1 million increase in OPM's Reserve for Salary Adjustment account, reflective of the anticipated General Fund cost to support the pending agreements as well as \$75.8 million in deficiency appropriations to the University of Connecticut, the UConn Health Center and to the Connecticut State Colleges and Universities in order to defray the budgetary impact of wage agreements on higher education employees not supported by the General Fund.

Michelle Gilman, Commissioner, Dept. of Administrative Services – Commissioner Gilman testified in support of the bill. She stated that DAS is currently projecting a total shortfall of \$25 million for Other Expenses related to COVID-19 test kits and other COVID-19 related expenses. In addition, she testified that the State Insurance and Risk Management Board (SIRMB) is projecting a \$1 million shortfall in the Special Transportation Fund account. Commissioner Gilman explained that the SIRMB is a pay-as-you-go operation that is not permitted to maintain reserves. She stated that in this fiscal year, there have been some large bus liability claim settlements that were outside of the Board's standard projections. In addition, some cases are scheduled for trial soon, which may result in additional exposure for this fiscal year. These large fleet liability claims create the anticipated shortfall in the SIRMB account.

Katie Dykes, Commissioner, Dept. of Energy & Environmental Protection – Commissioner Dykes offered testimony in support of the bill. She explained that a \$268,000 deficiency is anticipated in Other Expenses due to costs to outfit Environmental Conservation officers with body and dashboard cameras per the requirements of Public Act 20-1. She added that the Governor's proposed mid-term adjustment includes an additional \$156,628 in Other Expenses to handle the financial requirements going forward.

Natalie Braswell, State Comptroller – Comptroller Braswell submitted testimony stating that the Office of the State Comptroller's Miscellaneous Fringe Benefit accounts are included in the bill due to net surpluses totaling \$28,818,048. Her testimony stated that these surplus funds will be used to offset deficiencies in other state agencies.

Jason White, Director, CT Agricultural Experiment Station – Mr. White submitted testimony in support of the bill. Through his written remarks he informed the committee that at the time the bill was drafted, his agency was experiencing a deficiency in the regulatory testing of adult cannabis. He was pleased to report that with retirements and a reimbursement from the Reserve for Salary Adjustment account his agency was no longer experiencing a deficiency.

Ben Barnes, Chief Financial Officer, CT State Colleges and Universities (CSCU) – Mr. Barnes testified in support of the bill. He stated that the deficiency for CSCU represents the current projection for the impact of the SEBAC raises, lump sum payments and retroactive payments for the system's operating fund employees.

Dante Bartolomeo, Commissioner, Dept. of Labor – Commissioner Bartolomeo informed the committee that CTDOL has received additional federal Unemployment Insurance (UI) funding from the US Department of Labor (USDOL) for both the Agency's 1) UI base grant and 2) UI Above Base supplemental grant, thereby negating the agency's deficiency.

Maureen Magnan, Deputy Commissioner, Dept. of Consumer Protection – Deputy Commissioner Magnan testified that PA 21-1, JSS charged DCP with the licensing, regulation, and enforcement of the cannabis market in Connecticut. Since the passage of the Responsible and Equitable Regulation of Adult Use Cannabis Act (RERACA) last year, DCP has begun hiring staff and writing policies and procedures, as well as accepting applications for various cannabis licenses. The deficiency appropriations will cover the unfunded positions and associated costs for the implementation of RERACA.

Jordan Scheff, Commissioner, Dept. of Developmental Services – Commissioner Scheff informed the committee that DDS has identified additional lapses that will offset the agency's deficiency. He stated that the agency will be requesting a Finance Advisory Committee action to transfer \$10.27 million from the Personal Services and Behavioral Services Program accounts to the Employment Opportunities and Day Services account.

David Lehman, Commissioner, Dept. of Economic and Community Development – Commissioner Lehman testified that the deficiency needs are largely due to costs associated with a third party hired to conduct a study on various cannabis-related as required by Public Act 21-2 JSS, as well as other associated staff costs. He informed the committee that the PS and OE shortfalls are dependent on the costs associated with the onboarding of staff, which DECD will continue to monitor as the year fiscal year progresses.

Dr. James Gill, Chief Medical Examiner, Office of the Chief Medical Examiner – Dr. Gill testified that the Office of Chief Medical Examiner continues to see an increase in case volume. Autopsies and the number of accidental drug intoxication deaths continue to increase. He stated that increases in case volume translates into more costs for the OCME, including the following areas: autopsies, transportation of remains, overtime, laboratory and supply needs, toxicology, histology, transcription, weekend coverage, etc. This has put a strain on the agency's staff and budget. Dr. Gill informed the committee that the agency has been using grants, employing new efficiencies, and per diem staff, to meet the fiscal challenges administratively in order to perform high quality death investigations. However, each year OCME continues to be in deficiency due to personnel costs of overtime and OE costs for testing and supplies.

Lloyd Blanchard, Chief Financial Officer, University of Connecticut and Jeffrey Geoghegan, Chief Financial Officer, UConn Health – Messrs. Blanchard and Geoghegan informed the committee that If the negotiated increases contained in the collective bargaining agreements are adopted by the General Assembly, it is the expectation of UConn and UConn Health that the amounts included in the deficiency bill for UConn (\$25.3M) and UConn Health (\$28.9M) - in conjunction with the monies included in the Reserve for Salary - will cover any retroactive and lump sum payments they are required to make this fiscal year.

NATURE AND SOURCES OF SUPPORT:

Laura Gonzalez, Student, Southern CT State University – Ms. Gonzalez offered testimony in support of the bill. She stated that the bill is essential in ensuring a balance in access to education for all higher education students in Connecticut. She remarked that the number of students attending public universities through private sponsorship has steadily declined, and that the vast majority of students need to rely on government funding. She expressed her belief that passage of the bill provides a vital element in addressing the higher education funding disparity by allowing deserving students equal access to higher education. increase this allocation from the initial figure of \$13,358,000 to \$15 million. Trust that such developments will never be in vain.

Amanda Melendez, Student, Southern CT State University – Ms. Melendez shared the challenges she has faced as a student and single mother of a disabled child and her need to

access support for her education at SCSU. She encouraged members to consider adding an additional \$15 million for the CT State Colleges and Universities system.

NATURE AND SOURCES OF OPPOSITION:

[David Godbout](#) – Mr. Godbout opposed the bill on procedural and constitutional grounds.

Reported by: Susan Keane

Date: 4/20/22