

# Labor Department

## DOL40000

### Position Summary

Account	Actual FY 12	Governor Estimated FY 13	Governor Recommended		Legislative	
			FY 14	FY 15	FY 14	FY 15
Permanent Full-Time - GF	219	213	185	185	185	185
Permanent Full-Time - OF	643	743	743	743	743	743

### Budget Summary

Account	Actual FY 12	Governor Estimated FY 13	Governor Recommended		Legislative	
			FY 14	FY 15	FY 14	FY 15
Personal Services	7,994,370	5,735,646	8,482,128	8,839,335	8,482,128	8,839,335
Other Expenses	991,615	1,021,670	964,324	964,324	964,324	964,324
Equipment	2	2	1	1	1	1
<b>Other Current Expenses</b>						
CETC Workforce	747,288	850,000	663,697	670,595	763,697	770,595
Workforce Investment Act	29,217,254	29,154,000	29,154,000	29,154,000	28,481,350	28,481,350
Job Funnels Projects	403,750	425,000	0	0	853,750	853,750
Employees' Review Board	0	0	22,210	22,210	0	0
Connecticut's Youth Employment Program	3,475,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Jobs First Employment Services	17,035,230	17,657,471	17,826,769	17,660,859	18,826,769	18,660,859
Opportunity Industrial Centers	475,000	0	0	0	0	0
Individual Development Accounts	90,250	0	0	0	0	0
STRIDE	525,000	590,000	0	0	590,000	590,000
Apprenticeship Program	581,347	595,867	0	0	595,824	618,019
Spanish-American Merchants Association	570,000	600,000	570,000	570,000	570,000	570,000
Connecticut Career Resource Network	103,822	157,880	0	0	155,579	160,054
21st Century Jobs	387,918	447,955	0	0	427,447	429,178
Incumbent Worker Training	427,270	450,000	0	0	377,500	377,500
STRIVE	256,500	270,000	0	0	270,000	270,000
Film Industry Training Program	225,626	368,750	0	0	0	0
ARRA-WIA	5,477	0	0	0	0	0
Intensive Support Services	0	0	946,260	946,260	304,000	304,000
Employment Services	0	0	1,582,600	1,611,001	0	0
<b>GAAP Adjustments</b>	<b>0</b>	<b>0</b>	<b>119,149</b>	<b>76,564</b>	<b>119,149</b>	<b>76,564</b>
<b>Agency Total - General Fund</b>	<b>63,512,719</b>	<b>62,824,241</b>	<b>64,831,138</b>	<b>65,015,149</b>	<b>66,281,518</b>	<b>66,465,529</b>
<b>Other Current Expenses</b>						
Opportunity Industrial Centers	0	500,000	400,000	400,000	500,000	500,000
Individual Development Accounts	0	100,000	100,000	100,000	200,000	200,000
Customized Services	500,000	500,000	400,000	400,000	1,000,000	1,000,000
<b>Agency Total - Banking Fund</b>	<b>500,000</b>	<b>1,100,000</b>	<b>900,000</b>	<b>900,000</b>	<b>1,700,000</b>	<b>1,700,000</b>
<b>Other Current Expenses</b>						
Occupational Health Clinics	651,783	682,731	683,262	683,653	683,262	683,653
<b>GAAP Adjustments</b>	<b>0</b>	<b>0</b>	<b>107</b>	<b>106</b>	<b>107</b>	<b>106</b>
<b>Agency Total - Workers' Compensation Fund</b>	<b>651,783</b>	<b>682,731</b>	<b>683,369</b>	<b>683,759</b>	<b>683,369</b>	<b>683,759</b>
<b>Total - Appropriated Funds</b>	<b>64,664,502</b>	<b>64,606,972</b>	<b>66,414,507</b>	<b>66,598,908</b>	<b>68,664,887</b>	<b>68,849,288</b>

<b>Additional Funds Available</b>						
Carry Forward Funding	0	0	0	0	9,133,772	0
Employment Security-Special Administration	99,324,657	120,210,001	120,844,565	126,048,430	120,844,565	126,048,430
Federal & Other Restricted Act	887,739	1,820,887	22,680	23,360	22,680	23,360
Private Contributions	1,180,803	1,619,287	1,268,104	1,303,046	1,268,104	1,303,046
Special Funds, Non-Appropriated	404,060	486,306	500,716	515,790	500,716	515,790
<b>Agency Grand Total</b>	<b>166,461,761</b>	<b>188,743,453</b>	<b>189,050,572</b>	<b>194,489,534</b>	<b>200,434,724</b>	<b>196,739,914</b>

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

### Current Services

#### Adjust Funding to Reflect Wage & Compensation Related Costs

Personal Services	0	771,802	0	1,156,883	0	0	0	0
CETC Workforce	0	6,197	0	13,095	0	0	0	0
Jobs First Employment Services	0	25,798	0	52,388	0	0	0	0
Apprenticeship Program	0	49,957	0	72,152	0	0	0	0
Connecticut Career Resource Network	0	5,593	0	10,068	0	0	0	0
21st Century Jobs	0	1,889	0	3,620	0	0	0	0
<b>Total - General Fund</b>	<b>0</b>	<b>861,236</b>	<b>0</b>	<b>1,308,206</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Occupational Health Clinics	0	531	0	922	0	0	0	0
<b>Total - Workers' Compensation Fund</b>	<b>0</b>	<b>531</b>	<b>0</b>	<b>922</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Governor

Provide funding of \$861,767 (\$861,236 in the General Fund and \$531 in the Workers' Compensation Fund) in FY 14 and \$1,309,128 (\$1,308,206 in the General Fund and \$922 in the Workers' Compensation Fund) in FY 15 to reflect current services wage-related adjustments such as annual increments, general wage increases, overtime, annualization, turnover, and other compensation-related adjustments.

#### Legislative

Same as Governor

#### Restore Funding Previously Provided with Carry Forward Funds

Personal Services	0	2,000,000	0	2,000,000	0	0	0	0
<b>Total - General Fund</b>	<b>0</b>	<b>2,000,000</b>	<b>0</b>	<b>2,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Background

The Workforce Investment Act (WIA) provides federal funds appropriated by the state to the Department of Labor to administer a variety of job search and job training services to adults, low-income youth who meet certain requirements, and workers who have been or will be laid off. WIA funds that are not spent at the end of a fiscal year are allowed to carry forward into the next fiscal year. PA 12-104 transferred \$2 million of the WIA FY 12 carry forward to the Department of Labor's Personal Services (PS) account for FY 13 only.

#### Governor

Provide funding of \$2 million to DOL's PS account in both FY 14 and FY 15 in lieu of WIA Carryforward funding.

#### Legislative

Same as Governor

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

### Apply Inflationary Increases

Other Expenses	0	23,736	0	53,972	0	0	0	0
CETC Workforce	0	5,851	0	18,928	0	0	0	0
Job Funnels Projects	0	8,986	0	20,738	0	0	0	0
Connecticut's Youth Employment Program	0	95,144	0	219,583	0	0	0	0
Jobs First Employment Services	0	362,706	0	836,576	0	0	0	0
STRIDE	0	12,474	0	28,790	0	0	0	0
Apprenticeship Program	0	987	0	2,279	0	0	0	0
Spanish-American Merchants Association	0	12,686	0	29,278	0	0	0	0
Connecticut Career Resource Network	0	1,132	0	2,620	0	0	0	0
21st Century Jobs	0	8,476	0	19,561	0	0	0	0
Incumbent Worker Training	0	9,514	0	21,958	0	0	0	0
STRIVE	0	5,709	0	13,175	0	0	0	0
Film Industry Training Program	0	7,796	0	17,994	0	0	0	0
<b>Total - General Fund</b>	<b>0</b>	<b>555,197</b>	<b>0</b>	<b>1,285,452</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Opportunity Industrial Centers	0	10,500	0	35,515	0	0	0	0
Individual Development Accounts	0	2,100	0	7,103	0	0	0	0
Customized Services	0	10,500	0	24,500	0	0	0	0
<b>Total - Banking Fund</b>	<b>0</b>	<b>23,100</b>	<b>0</b>	<b>67,118</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Occupational Health Clinics	0	14,230	0	32,842	0	0	0	0
<b>Total - Workers' Compensation Fund</b>	<b>0</b>	<b>14,230</b>	<b>0</b>	<b>32,842</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Background

Applying inflationary factors to current year expenditures provides an estimate of the cost of continuing services into the next year.

#### Governor

Increase funding for various accounts by \$592,527 (\$555,197 in the General Fund, \$23,100 in the Banking Fund and \$14,230 in the Workers' Compensation Fund) in FY 14 and an additional \$792,885 in FY 15 for a cumulative total of \$1,385,412 (\$1,285,452 in the General Fund, \$67,118 in the Banking Fund and \$32,842 in the Workers' Compensation Fund) in the second year to reflect inflationary increases.

#### Legislative

Same as Governor

### Provide Funding for GAAP

Nonfunctional - Change to Accruals	0	190,951	0	94,325	0	0	0	0
<b>Total - General Fund</b>	<b>0</b>	<b>190,951</b>	<b>0</b>	<b>94,325</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Nonfunctional - Change to Accruals	0	133	0	146	0	0	0	0
<b>Total - Workers' Compensation Fund</b>	<b>0</b>	<b>133</b>	<b>0</b>	<b>146</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Background

Each agency's budget will include a new line item account called "Nonfunctional - Change to Accruals". This line item represents the estimate of the difference between an agency's cash-basis budget amounts and the accrual-basis amounts that will be reflected under

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

Generally Accepted Accounting Principles (GAAP). These funds will not be available for spending; in the aggregate they will prevent the state's GAAP deficit from growing.

**Governor**

Provide funding of \$191,084 (\$190,951 in the General Fund and \$133 in the Workers' Compensation Fund) in FY 14 and \$94,471 (\$94,325 in the General Fund and \$146 in the Workers' Compensation Fund) in FY 15 to reflect the implementation of GAAP in the budget.

**Legislative**

Same as Governor

**Obtain Equipment through the CEPF**

Equipment	0	(1)	0	(1)	0	0	0	0
<b>Total - General Fund</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Background**

The Capital Equipment Purchase Fund (CEPF) is used by most executive branch agencies to purchase or lease equipment with a life span of at least five years. The state funds these purchases by issuing GO bonds with maturities of up to five years. The CEPF is authorized by CGS Sec. 4a-9 and administered by the Office of Policy and Management.

**Governor**

Remove funding of \$1 in both FY 14 and FY 15 for the purchase of various equipment items for the agency from the General Fund and provide funding for these items through the CEPF (Bond Funds).

**Legislative**

Same as Governor

**Policy Revisions**

**Adjust Funding for Jobs First Employment Services**

Jobs First Employment Services	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000
<b>Total - General Fund</b>	<b>0</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>

**Background**

Jobs First Employment Services (JFES) provides employment services to recipients of Temporary Aid for Needy Families (TANF) to assist them in preparing for, finding and maintaining employment.

**Legislative**

Provide funding of \$1 million in both FY 14 and FY 15 for additional programming and evaluation of the Workforce Investment Boards.

**Provide Additional Funding to Jobs First Employment Services**

Jobs First Employment Services	0	747,500	0	555,000	0	0	0	0
<b>Total - General Fund</b>	<b>0</b>	<b>747,500</b>	<b>0</b>	<b>555,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Background**

In July 2012, the federal Department of Health & Human Services granted states the opportunity to pursue a waiver from certain TANF requirements if states could demonstrate new ways of achieving better employment outcomes for needy families. Under this option, the department, in conjunction with DSS, will implement an accelerated adult education program, a standardized employment assessment, and evaluation methods for the new programs.

**Governor**

Provide funding of \$747,500 in FY 14 and \$555,000 in FY 15 for administration and evaluation of new Jobs First programs. This includes \$222,500 in both FY 14 and FY 15 for accelerated adult education, \$500,000 in FY 14 and \$300,000 in FY 15 for employment assessment, and \$25,000 in FY 14 and \$32,500 in FY 15 for assessment of the two initiatives.

**Legislative**

Same as Governor

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

### Adjust Funding for Certain JFES Participants

Intensive Support Services	0	0	0	0	0	(642,260)	0	(642,260)
<b>Total - General Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(642,260)</b>	<b>0</b>	<b>(642,260)</b>

#### Background

Currently, the Department of Social Services (DSS) provides funds for the Employment Success program to provide case management and early intervention support to active Temporary Family Assistance clients that are participating in the Jobs First Employment Services Program. Similarly, the Department of Labor (DOL), as part of its Jobs First Employment Services program, provides funds for job barrier intervention plans and case management to the same population that may be at risk of losing their TFA benefits due to non-compliance and sanctions.

#### Governor

Transfer funding of \$642,260 from the Department of Social Services in both FY 14 and FY 15 to reflect the reorganization of the Department of Social Services' Employment Success program into the Department of Labor's Intensive Support Services program.

#### Legislative

Maintain funding of \$642,260 in both FY 14 and FY 15 in DSS. The Employment Success program is not transferred to DOL.

### Transfer Funding to Intensive Support Services account

Jobs First Employment Services	0	(304,000)	0	(304,000)	0	0	0	0
Intensive Support Services	0	304,000	0	304,000	0	0	0	0
<b>Total - General Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Governor

Transfer funding of \$304,000 from the DOL's JFES account in both FY 14 and FY 15 to reflect the reorganization of the DSS' Employment Success program and various aspects of the DOL's JFES program into DOL's Intensive Support Services program.

#### Legislative

Transfer funding of \$304,000 from DOL's JFES account in both FY 14 and FY 15 to reflect the transfer of certain aspects of the JFES program to the new Intensive Support Services account. DSS' Employment Success program is not reorganized into DOL.

### Provide Funding for Job Funnels Account

Job Funnels Projects	0	450,000	0	450,000	0	450,000	0	450,000
<b>Total - General Fund</b>	<b>0</b>	<b>450,000</b>	<b>0</b>	<b>450,000</b>	<b>0</b>	<b>450,000</b>	<b>0</b>	<b>450,000</b>

#### Background

The Job Funnels program is a collaboration with the regional Workforce Investment Boards and other partners to place individuals into careers in specific industries, such as construction. The program focuses on job creation in Hartford, Waterbury, New Haven, Bridgeport, and Norwich.

#### Legislative

Provide funding of \$450,000 in both FY 14 and FY 15 for the New Haven Works.

### Reduce WIA to reflect Anticipated Federal Appropriation

Workforce Investment Act	0	(672,650)	0	(672,650)	0	(672,650)	0	(672,650)
<b>Total - General Fund</b>	<b>0</b>	<b>(672,650)</b>	<b>0</b>	<b>(672,650)</b>	<b>0</b>	<b>(672,650)</b>	<b>0</b>	<b>(672,650)</b>

#### Legislative

Reduce Workforce Investment Act (WIA) funding by \$672,650 in both FY 14 and FY 15 to reflect an anticipated reduction in the Federal WIA grant in both fiscal years.

### Adjust STRIDE Funding

STRIDE	0	0	0	0	0	560,500	0	560,500
<b>Total - General Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>560,500</b>	<b>0</b>	<b>560,500</b>

#### Background

STRIDE is a reentry workforce development program for men and women at York Correctional Institute in Niantic and Bergin Correctional Institute in Storrs. The program is administered by Quinebaug Valley Community College.

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

**Governor**

Reduce funding by \$560,500 in both FY 14 and FY 15 to reflect elimination of STRIDE.

**Legislative**

Maintain funding of \$560,500 in both FY 14 and FY 15 for STRIDE.

**Adjust Funding for Incumbent Worker Training**

Incumbent Worker Training	0	0	0	0	0	377,500	0	377,500
<b>Total - General Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>377,500</b>	<b>0</b>	<b>377,500</b>

**Background**

This program provides job training for workers whose businesses have identified them as needing new or upgraded skills in order to keep the business and the worker competitive.

**Governor**

Reduce funding by \$377,500 in both FY 14 and FY 15 to reflect elimination of the Incumbent Worker Training program.

**Legislative**

Maintain funding of \$377,500 in both FY 14 and FY 15 for Incumbent Worker Training.

**Adjust STRIVE Funding**

STRIVE	0	0	0	0	0	256,500	0	256,500
<b>Total - General Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>256,500</b>	<b>0</b>	<b>256,500</b>

**Background**

STRIVE is a program operated by nonprofit organizations in Bridgeport, New Haven and Hartford. It involves four weeks of training that includes employability preparation, and job search assistance. It also includes two years of support services. Priority is given to ex-offenders, non-custodial parents, veterans and the disabled

**Governor**

Reduce funding by \$256,500 in both FY 14 and FY 15 to reflect elimination of STRIVE.

**Legislative**

Maintain funding of \$256,500 for STRIVE in both FY 14 and FY 15.

**Adjust CETC Workforce Funding**

CETC Workforce	0	0	0	0	0	100,000	0	100,000
<b>Total - General Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>

**Background**

The Connecticut Employment and Training Commission (CETC) is the statewide counterpart to the five regional Workforce Investment Boards, and it is responsible for coordinating statewide workforce-related investment, strategies, programs. Members of the commission represent businesses, state agencies, and other community organizations. The Department of Labor (DOL) provides staff, support, and technical assistance.

**Governor**

Reduce funding by \$100,000 in both FY 14 and FY 15 to achieve savings.

**Legislative**

Maintain funding of \$100,000 in both FY 14 and FY 15 for CETC.

**Adjust Funding for Customized Services**

Customized Services	0	500,000	0	500,000	0	600,000	0	600,000
<b>Total - Banking Fund</b>	<b>0</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>0</b>	<b>600,000</b>	<b>0</b>	<b>600,000</b>

**Background**

This program provides employment assistance and other services to people who are experiencing difficulty with mortgage payments. Individuals who are more than 60 days past due on their mortgage, whose household income is less than

\$120,000, and who are referred by the Connecticut Housing Finance Authority or who demonstrate an imminent need for these services is eligible for the program.

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

**Governor**

Reduce funding by \$100,000 in both FY 14 and FY 15 to achieve savings.

**Legislative**

Maintain funding of \$100,000 in both FY 14 and FY 15 and provide additional funding of \$500,000 in both FY 14 and FY 15 for a total appropriation of \$1 million in both fiscal years.

**Adjust Funding for Opportunity Industrial Centers**

Opportunity Industrial Centers	0	0	0	0	0	100,000	0	100,000
<b>Total - Banking Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>

**Background**

Opportunity Industrial Centers (OICs) are part of the nonprofit Opportunity Industrial Centers of America that provide employment services to people with significant barriers to employment, such as criminal history or history of drug abuse. Connecticut OIC affiliates are in New Haven, Bridgeport, New Britain, Waterbury, and New London.

**Governor**

Reduce funding to Opportunity Industrial Centers by \$100,000 in both FY 14 and FY 15 to decrease available grants to the five OIC affiliates.

**Legislative**

Maintain funding of \$100,000 in both FY 14 and FY 15 for the Opportunity Industrial Centers.

**Adjust Funding for Individual Development Accounts**

Individual Development Accounts	0	100,000	0	100,000	0	100,000	0	100,000
<b>Total - Banking Fund</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>

**Background**

Individual Development Accounts provide funding to low-income workers to purchase certain assets. The program includes a five-year grant, and education on financial literacy and asset management. The appropriation funds DOL administration, clearinghouse costs, and Housing Trust Fund program administration.

**Legislative**

Provide funding of \$100,000 in both FY 14 and FY 15 for a total of \$200,000 in both fiscal years.

**Reduce Apprenticeship Program Funding**

Apprenticeship Program	0	(50,000)	0	(50,000)	0	0	0	0
<b>Total - General Fund</b>	<b>0</b>	<b>(50,000)</b>	<b>0</b>	<b>(50,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Background**

This account administers the state's apprenticeship system for employers and labor/management organizations.

**Governor**

Reduce Apprenticeship Program funding by \$50,000 in both FY 14 and FY 15 to reflect anticipated expenditures.

**Legislative**

Same as Governor

**Eliminate Vacant Positions**

Jobs First Employment Services	(28)	0	(28)	0	0	0	0	0
<b>Total - General Fund</b>	<b>(28)</b>	<b>0</b>	<b>(28)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Governor**

Eliminate 28 positions that are currently vacant.

**Legislative**

Same as Governor

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

### Rollout of FY 13 DMP

Other Expenses	0	(21,082)	0	(21,082)	0	0	0	0
CETC Workforce	0	(50,000)	0	(50,000)	0	0	0	0
Jobs First Employment Services	0	(100,000)	0	(100,000)	0	0	0	0
Incumbent Worker Training	0	(50,000)	0	(50,000)	0	0	0	0
Film Industry Training Program	0	(350,313)	0	(350,313)	0	0	0	0
<b>Total - General Fund</b>	<b>0</b>	<b>(571,395)</b>	<b>0</b>	<b>(571,395)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Background

PA 12-1 December Special Session (AAC Deficit Mitigation for the Fiscal Year Ending June 30, 2013) reduced FY 13 General Fund expenditures by \$221.5 million in various agencies and accounts. The Governor's FY 14 and FY 15 budget includes the rollout of \$36.2 million of the FY 13 DMP across various agencies.

#### Governor

Reduce funding by \$571,395 in both FY 14 and FY 15 to reflect the rollout of expenditure reductions in PA 12-1 DSS.

#### Legislative

Same as Governor

### Rollout of FY 13 Rescissions

Other Expenses	0	(30,000)	0	(30,000)	0	0	0	0
CETC Workforce	0	(42,500)	0	(42,500)	0	0	0	0
Job Funnels Projects	0	(21,250)	0	(21,250)	0	0	0	0
Jobs First Employment Services	0	(200,000)	0	(200,000)	0	0	0	0
STRIDE	0	0	0	0	0	29,500	0	29,500
Spanish-American Merchants Association	0	(30,000)	0	(30,000)	0	0	0	0
Connecticut Career Resource Network	0	(7,894)	0	(7,894)	0	0	0	0
21st Century Jobs	0	(22,397)	0	(22,397)	0	0	0	0
Incumbent Worker Training	0	(22,500)	0	(22,500)	0	0	0	0
STRIVE	0	0	0	0	0	13,500	0	13,500
Film Industry Training Program	0	(18,437)	0	(18,437)	0	0	0	0
<b>Total - General Fund</b>	<b>0</b>	<b>(394,978)</b>	<b>0</b>	<b>(394,978)</b>	<b>0</b>	<b>43,000</b>	<b>0</b>	<b>43,000</b>

#### Background

The Governor implemented General Fund rescissions in November of 2012 totaling \$170.4 million across state agencies. The Governor's FY 14 and FY 15 budget includes the rollout of \$69.7 million of FY 13 rescissions across various agencies.

#### Governor

Reduce funding of \$437,978 in both FY 14 and FY 15 to reflect the rollout of the Governor's FY 13 rescissions.

#### Legislative

Reduce funding of \$394,978 in both FY 14 and FY 15 to reflect the rollout of the Governor's FY 13 rescissions. Maintain funding of \$43,000 in both FY 14 and FY 15 to reflect restoration of FY 13 rescissions to STRIDE (\$29,500 in both FY 14 and FY 15) and STRIVE (\$13,500 in both FY 14 and FY 15)

### Transfer Employees' Review Board from DAS

Employees' Review Board	0	0	0	0	0	(22,210)	0	(22,210)
<b>Total - General Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(22,210)</b>	<b>0</b>	<b>(22,210)</b>

#### Background

The Employees' Review Board decides personnel appeals of state managers and confidential employees, or groups of such employees,

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

who are not included in any collective bargaining unit of state employees. Appeals can involve such issues as dismissal, suspension, demotion, denial of promotion, lay off or claimed misapplication of a specific state personnel statute or regulation.

#### Governor

Transfer funding of \$22,210 in both FY 14 and FY 15 to reflect the reorganization of the Employees' Review Board into the Department of Labor.

#### Legislative

Do not transfer funding of \$22,210 in both FY 14 and FY 15. Maintain the Employees' Review Board in the Department of Administrative Services.

### Remove Funding for Salary Increases of Appointed Officials

Personal Services	0	(25,320)	0	(53,194)	0	0	0	0
<b>Total - General Fund</b>	<b>0</b>	<b>(25,320)</b>	<b>0</b>	<b>(53,194)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Governor

Reduce funding by \$25,320 in FY 14 and \$53,194 in FY 15 to reflect the elimination of salary increases for appointed officials.

#### Legislative

Same as Governor

### Adjust Funding for GAAP

Nonfunctional - Change to Accruals	0	(71,802)	0	(17,761)	0	0	0	0
<b>Total - General Fund</b>	<b>0</b>	<b>(71,802)</b>	<b>0</b>	<b>(17,761)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Nonfunctional - Change to Accruals	0	(26)	0	(40)	0	0	0	0
<b>Total - Workers' Compensation Fund</b>	<b>0</b>	<b>(26)</b>	<b>0</b>	<b>(40)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Governor

Reduce funding by \$71,828 (\$71,802 in the General Fund and \$26 in the Workers' Compensation Fund) in FY 14 and \$17,801 (\$17,761 in the General Fund and \$40 in the Workers' Compensation Fund) in FY 15 to reflect changes to GAAP accruals as a result of a policy change.

#### Legislative

Same as Governor

### Transfer Funding - Centralize Courier & Mail Services in DAS

Other Expenses	0	(6,264)	0	(6,264)	0	0	0	0
<b>Total - General Fund</b>	<b>0</b>	<b>(6,264)</b>	<b>0</b>	<b>(6,264)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Governor

Transfer funding of \$6,264 in both FY 14 and FY 15 to reflect moving courier and central mail services to the Department of Administrative Services (DAS).

#### Legislative

Same as Governor

### Eliminate Inflationary Increases

Other Expenses	0	(23,736)	0	(53,972)	0	0	0	0
CETC Workforce	0	(5,851)	0	(18,928)	0	0	0	0
Job Funnels Projects	0	(8,986)	0	(20,738)	0	0	0	0
Connecticut's Youth Employment Program	0	(95,144)	0	(219,583)	0	0	0	0
Jobs First Employment Services	0	(362,706)	0	(836,576)	0	0	0	0

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
STRIDE	0	(12,474)	0	(28,790)	0	0	0	0
Apprenticeship Program	0	(987)	0	(2,279)	0	0	0	0
Spanish-American Merchants Association	0	(12,686)	0	(29,278)	0	0	0	0
Connecticut Career Resource Network	0	(1,132)	0	(2,620)	0	0	0	0
21st Century Jobs	0	(8,476)	0	(19,561)	0	0	0	0
Incumbent Worker Training	0	(9,514)	0	(21,958)	0	0	0	0
STRIVE	0	(5,709)	0	(13,175)	0	0	0	0
Film Industry Training Program	0	(7,796)	0	(17,994)	0	0	0	0
<b>Total - General Fund</b>	<b>0</b>	<b>(555,197)</b>	<b>0</b>	<b>(1,285,452)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Opportunity Industrial Centers	0	(10,500)	0	(35,515)	0	0	0	0
Individual Development Accounts	0	(2,100)	0	(7,103)	0	0	0	0
Customized Services	0	(10,500)	0	(24,500)	0	0	0	0
<b>Total - Banking Fund</b>	<b>0</b>	<b>(23,100)</b>	<b>0</b>	<b>(67,118)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Occupational Health Clinics	0	(14,230)	0	(32,842)	0	0	0	0
<b>Total - Workers' Compensation Fund</b>	<b>0</b>	<b>(14,230)</b>	<b>0</b>	<b>(32,842)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Governor**

Reduce various accounts by \$592,527 (\$555,197 in the General Fund, \$23,100 in the Banking Fund, and \$14,230 in the Workers' Compensation Fund) in FY 14 and \$1,358,412 (\$1,285,452 in the General Fund, \$67,118 in the Banking Fund and \$32,842 in the Workers' Compensation Fund) in FY 15 to reflect the elimination of inflationary increases.

**Legislative**

Same as Governor

**Transfer Funding to Streamline Budget Account Structure**

Job Funnels Projects	0	0	0	0	0	403,750	0	403,750
Apprenticeship Program	0	0	0	0	0	595,824	0	618,019
Connecticut Career Resource Network	0	0	0	0	0	155,579	0	160,054
21st Century Jobs	0	0	0	0	0	427,447	0	429,178
Employment Services	0	0	0	0	0	(1,582,600)	0	(1,611,001)
<b>Total - General Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Background**

The Governor's FY 14 and FY 15 budget consolidates the number of agency budgetary accounts from 675 to approximately 530.

**Governor**

Transfer funding of \$1,582,600 in FY 14 and \$1,611,001 in FY 15 to the Employment Services Account from the Jobs Funnel Project (\$403,750 in both FY 14 and FY 15), Apprenticeship Program (\$595,824 in FY 14 and \$618,019 in FY 15), Connecticut Career Resource Network (\$155,579 in FY 14 and \$160,054 in FY 15), and 21st Century Jobs (\$427,447 in FY 14 and \$429,178 in FY 15) to reflect the streamlining of agency budgetary accounts.

**Legislative**

Do not streamline agency budgetary accounts.

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

### Carry Forward

#### Carry Forward WIA Funding

Workforce Investment Act	0	9,133,772	0	0	0	9,133,772	0	0
<b>Total - Carry Forward Funding</b>	<b>0</b>	<b>9,133,772</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,133,772</b>	<b>0</b>	<b>0</b>

#### Legislative

Pursuant to C.G.S. Sec. 4-89(h) an estimated \$9,133,772 is carried forward into FY 14 in the Workforce Investment Act account.

### Totals

Budget Components	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
<b>Governor Estimated - GF</b>	<b>213</b>	<b>62,824,241</b>	<b>213</b>	<b>62,824,241</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Current Services	0	3,607,383	0	4,687,982	0	0	0	0
Policy Revisions	(28)	(150,106)	(28)	(1,046,694)	0	1,450,380	0	1,450,380
<b>Total Recommended - GF</b>	<b>185</b>	<b>66,281,518</b>	<b>185</b>	<b>66,465,529</b>	<b>0</b>	<b>1,450,380</b>	<b>0</b>	<b>1,450,380</b>
<b>Governor Estimated - BF</b>	<b>0</b>	<b>1,100,000</b>	<b>0</b>	<b>1,100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Current Services	0	23,100	0	67,118	0	0	0	0
Policy Revisions	0	576,900	0	532,882	0	800,000	0	800,000
<b>Total Recommended - BF</b>	<b>0</b>	<b>1,700,000</b>	<b>0</b>	<b>1,700,000</b>	<b>0</b>	<b>800,000</b>	<b>0</b>	<b>800,000</b>
<b>Governor Estimated - WF</b>	<b>0</b>	<b>682,731</b>	<b>0</b>	<b>682,731</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Current Services	0	14,894	0	33,910	0	0	0	0
Policy Revisions	0	(14,256)	0	(32,882)	0	0	0	0
<b>Total Recommended - WF</b>	<b>0</b>	<b>683,369</b>	<b>0</b>	<b>683,759</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Other Significant Legislation

#### PA 13-168, An Act Concerning Certain Operators of Motor Vehicles and Eligibility for Unemployment Benefits

The act exempts from unemployment compensation professional truck drivers who 1) drive a vehicle weighing over 10,000 pounds; 2) own or lease the vehicle; and 3) meet other requirements of an independent contractor. This precludes these truck drivers from collecting unemployment benefits, and precludes trucking companies from paying unemployment compensation taxes on their wages. There is a potential net revenue loss to the Unemployment Compensation Fund which would vary based on the number of truck drivers impacted by the act.

#### PA 13-141, An Act Concerning the Requirement for Electronic Filing of Quarterly Unemployment Taxes

The act requires all employers with 250 or fewer employees, subject to unemployment compensation law, to submit quarterly wage reports electronically, and requires reimbursing employers with fewer than 250 employees to pay electronically. This results in an estimated savings to the Employment Security Administration Fund of \$100,000 in FY 14 and \$200,000 in FY 15 and annually thereafter. Approximately 35,000 to 45,000 employers file tax returns by paper each quarter.

#### PA 13-288, An Act Improving the Timeliness and Efficiency of the Department of Labor's Unemployment Insurance Tax

The act requires employers to electronically notify the Department of Labor (DOL) within 30 days of becoming subject to unemployment compensation law, or acquiring a business subject to such law. It establishes a \$50 penalty for violating either of these notice requirements, and also establishes a \$25 fee for filing quarterly wage reports under an improper registration number. This results in a revenue gain to DOL, the extent of which will depend on how the fines impact compliance. In FY 12, 3,500 companies that were required to report becoming subject to unemployment compensation law did so after 30 days. Additionally, in FY 12, approximately 2,000 companies filed quarterly wage reports without a proper registration number.

### PA 13-141, An Act Concerning Unemployment Conformity

The act makes several changes to unemployment compensation law to conform it with changes to Federal law. It; 1) imposes a penalty on unemployment compensation claimants who knowingly make false statements resulting in fraudulent overpayments; 2) eliminates penalty weeks, which are weeks for which a person who makes a false claim is ineligible for unemployment compensation; 3) prohibits any relief from unemployment charges against an employer whose failure to adequately respond to a request for information led to a claimant's overpayment; 4) expands the ways the labor commissioner can recover unemployment benefit overpayments; and 5) makes changes to the quarterly statements the labor commissioner must provide to employers for combined wage claims paid under the unemployment law of another state.

As there were over 17,000 fraud cases in 2012, amounting to \$15 million in overpayments, the penalties for false statements are anticipated to result in a significant revenue gain. The act allocates 35% of the penalty to the state's Unemployment Compensation Trust Fund and 65% to the state's Employment Security Administration Fund.

This revenue gain is offset, in the short term, by the significant cost to the Unemployment Compensation Fund of elimination of penalty weeks. The extent of the offset depends on the number of people who have previously committed fraud and then subsequently file for unemployment benefits. As unemployment benefits are not paid out of the Employment Security Administration Fund, there is no cost increase to this fund

### PA 13-117, An Act Increasing the Fair Minimum Wage

The act increases the hourly minimum wage from its current \$ 8.25 to \$ 8.70 on January 1, 2014 and from \$ 8.70 to \$ 9.00 on January 1, 2015.

This results in increased payroll and contract costs to the state and municipalities. State payroll and fringe costs are not anticipated to be significant, (estimated at \$12,000 in FY 14 and \$28,000 in FY 15. It is estimated that state contracts could be impacted by as much as \$250,000 in FY 14 and \$500,000 in FY 15.

The impact of the minimum wage increase to municipalities will vary depending on the number of minimum wage workers they employ and the extent of the services they provide. It is estimated that the City of New Haven would incur costs of approximately \$50,000 in FY 14 and \$150,000 in FY 15. As an additional example, it is estimated that the Town of Avon would incur costs of \$5,000 in FY 14 and \$16,000 in FY 15 as a result of the act.

### PA 13-184, An Act Concerning Expenditures and Revenue for the Biennium Ending June 30, 2015

Sections 11, 12 and 49 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 14 appropriation levels will be reduced by the amounts shown in the table to achieve the lapses included in PA 13-184. This includes a General Lapse of \$123,872, a General Other Expenses Lapse of \$7,899, and a Statewide Hiring Reduction Lapse of \$24,964. See the FY 14 Holdbacks schedule in Section VI of this document for a further description of these statewide savings targets.

Account	Appropriation \$	Reduction Amount \$	Net Remaining \$	% Reduction
Personal Services	8,482,128	(60,356)	8,421,772	0.71%
Other Expenses	964,324	(11,902)	952,422	1.23%
CETC Workforce	763,697	(3,196)	760,501	0.42%
Jobs First Employment Services	18,826,769	(78,788)	18,747,981	0.42%
Apprenticeship Program	595,824	(2,493)	593,331	0.42%