

State Comptroller - Fringe Benefits

OSC15200

Budget Summary

Account	Actual FY 13	Governor Estimated FY 14	Original Appropriation FY 15	Governor Revised FY 15	Legislative FY 15	Difference Leg-Gov FY 15
Other Current Expenses						
Unemployment Compensation	6,602,414	8,275,189	8,643,507	8,643,507	8,643,507	0
State Employees Retirement Contributions	721,490,818	916,024,145	969,312,947	970,863,047	970,863,047	0
Higher Education Alternative Retirement System	16,923,948	28,485,055	30,131,328	19,131,328	18,131,328	(1,000,000)
Pensions and Retirements - Other Statutory	1,570,826	1,730,420	1,749,057	1,749,057	1,749,057	0
Judges and Compensation Commissioners Retirement	16,005,904	16,298,488	17,731,131	17,731,131	17,731,131	0
Insurance - Group Life	8,688,230	8,808,780	9,353,107	9,353,107	8,653,107	(700,000)
Employers Social Security Tax	206,786,245	224,928,273	235,568,631	232,206,531	228,833,314	(3,373,217)
State Employees Health Service Cost	559,778,575	615,897,053	650,960,045	656,542,945	639,312,580	(17,230,365)
Retired State Employees Health Service Cost	587,439,438	548,693,300	568,635,039	568,635,039	568,635,039	0
Tuition Reimbursement - Training and Travel	2,843,884	3,127,500	3,127,500	3,127,500	3,127,500	0
Nonfunctional - Change to Accruals	0	24,419,312	17,200,946	17,128,858	16,162,272	(966,586)
Agency Total - General Fund	2,128,130,282	2,396,687,515	2,512,413,238	2,505,112,050	2,481,841,882	(23,270,168)
Additional Funds Available						
Unemployment Compensation	198,756	237,011	248,862	248,862	248,862	0
State Employees Retirement Contributions	107,869,254	108,347,033	130,144,053	130,144,053	130,144,053	0
Insurance - Group Life	245,448	286,000	292,000	292,000	292,000	0
Employers Social Security Tax	13,509,857	15,600,381	16,304,506	16,548,206	16,405,141	(143,065)
State Employees Health Service Cost	34,725,291	38,535,326	40,823,865	42,168,165	41,727,011	(441,154)
Nonfunctional - Change to Accruals	0	655,603	1,876,668	1,912,503	1,879,574	(32,929)
Agency Total - Special Transportation Fund	156,548,606	163,661,354	189,689,954	191,313,789	190,696,641	(617,148)
Total - Appropriated Funds	2,284,678,888	2,560,348,869	2,702,103,192	2,696,425,839	2,672,538,523	(23,887,316)
Additional Funds Available						
Carry Forward Funding	0	0	0	0	3,953,646	3,953,646
Agency Grand Total	2,284,678,888	2,560,348,869	2,702,103,192	2,696,425,839	2,676,492,169	(19,933,670)

Account	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$

Current Services

Reduce Funding for Higher Education ARP

Higher Education Alternative Retirement System	0	(11,000,000)	0	(12,000,000)	0	(1,000,000)
Total - General Fund	0	(11,000,000)	0	(12,000,000)	0	(1,000,000)

Background

CGS 5-155a authorizes eligible unclassified employees of the constituent units of the state system of higher education to participate in an alternate retirement program (ARP). The retirement contribution rate for participants is five percent and the State's share is currently fixed at eight percent of salary.

Governor

Reduce funding for the Higher Education Alternate Retirement Fund by \$11 million to reflect retirement system costs based on actual experience and plan enrollment.

Account	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$

Legislative

Reduce funding for the Higher Education Alternate Retirement Fund by \$12 million to reflect retirement system costs based on actual experience and plan enrollment.

Reduce Funding for Employers' Social Security Tax

Employers Social Security Tax	0	(5,000,000)	0	(8,000,000)	0	(3,000,000)
Total - General Fund	0	(5,000,000)	0	(8,000,000)	0	(3,000,000)

Governor

Reduce funding by \$5 million in the Employers' Social Security Tax account in the General Fund to reflect costs based on actual expenditure trends.

Legislative

Reduce funding by \$8 million in the Employers' Social Security Tax account in the General Fund to reflect costs based on actual expenditure trends.

Adjust Funding for Revised Estimated GAAP Requirements

Nonfunctional - Change to Accruals	0	(72,088)	0	(72,088)	0	0
Total - General Fund	0	(72,088)	0	(72,088)	0	0
Nonfunctional - Change to Accruals	0	35,835	0	35,835	0	0
Total - Special Transportation Fund	0	35,835	0	35,835	0	0

Background

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

Reduce funding by \$72,088 in the General Fund and provide funding of \$35,835 in the Special Transportation Fund to reflect updated estimates of accruals to comply with GAAP. Across all appropriated funds, there is a net GAAP reduction of \$33.8 million.

Legislative

Same as Governor

Adjust Funding to Reflect Net Position Technical Changes

State Employees Retirement Contributions	0	1,323,800	0	1,323,800	0	0
Employers Social Security Tax	0	1,491,100	0	1,491,100	0	0
State Employees Health Service Cost	0	4,266,100	0	(1,733,900)	0	(6,000,000)
Total - General Fund	0	7,081,000	0	1,081,000	0	(6,000,000)
Employers Social Security Tax	0	40,300	0	40,300	0	0
State Employees Health Service Cost	0	122,200	0	122,200	0	0
Total - Special Transportation Fund	0	162,500	0	162,500	0	0

Governor

Provide funding of \$7,081,000 in the General Fund and \$162,500 in the Special Transportation Fund to reflect the anticipated current service levels for the fringe benefit accounts.

Legislative

Provide funding of \$1,081,000 in the General Fund and \$162,500 in the Special Transportation Fund to reflect the anticipated current service levels for the fringe benefit accounts.

Account	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$

Policy Revisions

Reduce Funding to Reflect Savings Due to Dental Contract

State Employees Health Service Cost	0	0	0	(12,000,000)	0	(12,000,000)
Total - General Fund	0	0	0	(12,000,000)	0	(12,000,000)

Legislative

Reduce funding by \$12 million to reflect savings associated with a new dental contract, effective July 1, 2014. Previously, the state contracted with two carriers (United Healthcare and Cigna) to provide dental services for state employees and retirees. Effective July 1, 2014, Cigna will provide all dental services for the state plan, including various provisions which are anticipated to result in savings to the state. Cost saving measures include, but are not limited to (1) replacement of crowns every seven years as opposed to every five years, (2) coverage for 360 degree panoramic x-rays every five years versus every three years, (3) larger network, and (4) lower administrative fees.

Reduce Funding for Payoff of Liability on Group Life Policy

Insurance - Group Life	0	0	0	(700,000)	0	(700,000)
Total - General Fund	0	0	0	(700,000)	0	(700,000)

Legislative

Reduce funding by \$700,000 in the Group Life Insurance account to reflect the tail payment liability being paid off in FY 14.

Adjust Fringe Benefits to Reflect the Addition of Positions

Employers Social Security Tax	0	174,000	0	420,578	0	246,578
State Employees Health Service Cost	0	1,231,000	0	2,047,135	0	816,135
Total - General Fund	0	1,405,000	0	2,467,713	0	1,062,713
Employers Social Security Tax	0	203,400	0	136,835	0	(66,565)
State Employees Health Service Cost	0	1,222,100	0	780,946	0	(441,154)
Total - Special Transportation Fund	0	1,425,500	0	917,781	0	(507,719)

Governor

Provide funding of \$1,405,000 in the General Fund and \$1,425,500 in the Special Transportation Fund to reflect additional requirements for fringe benefits associated with additional personnel in state agencies.

Legislative

Provide funding of \$2,467,713 in the General Fund and \$917,781 in the Special Transportation Fund to reflect additional requirements for fringe benefits associated with additional personnel in state agencies.

Adjust Fringe Benefits to Reflect the Reduction of Positions

Employers Social Security Tax	0	(58,800)	0	(678,595)	0	(619,795)
State Employees Health Service Cost	0	0	0	(46,500)	0	(46,500)
Total - General Fund	0	(58,800)	0	(725,095)	0	(666,295)
Employers Social Security Tax	0	0	0	(76,500)	0	(76,500)
Total - Special Transportation Fund	0	0	0	(76,500)	0	(76,500)

Governor

Reduce funding by \$58,800 in the General Fund for the reduction of positions in state agencies.

Legislative

Reduce funding by \$725,095 in the General Fund and \$76,500 in the Transportation Fund for the reduction of positions in state agencies.

Account	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$

Adjust Fringe Benefits to Reflect the Transfer of Positions

State Employees Retirement Contributions	0	226,300	0	226,300	0	0
Employers Social Security Tax	0	31,600	0	31,600	0	0
State Employees Health Service Cost	0	85,800	0	85,800	0	0
Total - General Fund	0	343,700	0	343,700	0	0

Governor

Provide funding of \$343,700 in the General Fund to reflect position transfers within state agencies which impact the General Fund fringe benefit accounts. The transfer is primarily the result of 29 positions which were formerly funded out of the Casino Fund being transferred to the General Fund.

Legislative

Same as Governor

Adjust Funding for GAAP

Nonfunctional - Change to Accruals	0	0	0	(966,586)	0	(966,586)
Total - General Fund	0	0	0	(966,586)	0	(966,586)
Nonfunctional - Change to Accruals	0	0	0	(32,929)	0	(32,929)
Total - Special Transportation Fund	0	0	0	(32,929)	0	(32,929)

Legislative

Adjust funding by \$966,586 in the General Fund and \$32,929 in the Special Transportation Fund in to reflect changes to GAAP accruals as a result of policy changes.

Carry Forward

Carry Forward Tuition and Training Funds

Tuition Reimbursement - Training and Travel	0	0	0	3,909,646	0	3,909,646
Total - Carry Forward Funding	0	0	0	3,909,646	0	3,909,646

Legislative

Pursuant to individual collective bargaining unit contracts \$3,909,646 is carried forward for FY 15 in the Tuition Reimbursement - Training and Travel account.

Carry Forward Funding to Support the CT Retirement Board

Employers Social Security Tax	0	0	0	13,000	0	13,000
State Employees Health Service Cost	0	0	0	31,000	0	31,000
Total - Carry Forward Funding	0	0	0	44,000	0	44,000

Legislative

Pursuant to section 40 of PA 14-47, the FY 15 Revised Budget, funding of \$44,000 is carried forward from FY 14 to FY 15 from the Medicaid account within the Department of Social Services to the Employers' Social Security account (\$13,000) and the State Employees' Health Service Cost account (\$31,000) for two positions in the Office of the State Comptroller to support the Connecticut Retirement Security Board. Sections 180 - 185 of PA 14-217, the budget implementer, establish the board and the board's duties.

Totals

Budget Components	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$
Original Appropriation - GF	0	2,512,413,238	0	2,512,413,238	0	0
Current Services	0	(8,991,088)	0	(18,991,088)	0	(10,000,000)
Policy Revisions	0	1,689,900	0	(11,580,268)	0	(13,270,168)
Total Recommended - GF	0	2,505,112,050	0	2,481,841,882	0	(23,270,168)
Original Appropriation - TF	0	189,689,954	0	189,689,954	0	0
Current Services	0	198,335	0	198,335	0	0
Policy Revisions	0	1,425,500	0	808,352	0	(617,148)
Total Recommended - TF	0	191,313,789	0	190,696,641	0	(617,148)