

# Analysis of Finance Advisory Committee Meeting Items

November 7, 2013 Agenda



## **OFFICE OF FISCAL ANALYSIS**

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## FAC 2014-1 Department of Administrative Services

Account	Original Appropriation	Prior Policy Actions <sup>1</sup>	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	48,997,323	44,615	(8,000,000)	-	41,041,938
State Insurance and Risk Mgmt Operations	12,643,063	-	-	8,000,000	20,643,063
<b>TOTAL</b>			<b>(8,000,000)</b>	<b>8,000,000</b>	

*Funding is available for transfer from these accounts due to the following:*

- Personal Services - Funds are available for transfer as this point in the fiscal year. Prior to this transfer, OFA is anticipating an end-of-year surplus in this account of approximately \$200,000. Thus, if this transfer is approved, the Personal Services account is estimated to have a \$7.8 million deficiency at the end of FY 14. Presumably funding will be restored through deficiency appropriations or legislative transfers.

*Funding is needed in these accounts due to the following:*

- State Insurance and Risk Management Operations - Funding is needed as the state has settled and paid two large automobile claims earlier this fiscal year. One claim involved a State Trooper who hit a pedestrian in Shelton on May 29, 2010. This claimant was awarded \$9 million. In the second claim, there was a fatal traffic accident involving a UConn student and a student operated campus shuttle bus on March 22, 2011. This claim settled for \$6 million. The state is responsible for paying a \$4 million deductible on each claim. The \$7 million balance on these two claims will be covered by the state's insurance carrier.

As a result of the \$8 million payments from these two claims, insurance premiums, and smaller claims, this account has expended 99% (\$12,505,615) of its FY 14 appropriation (\$12,643,063); leaving a balance of \$137,308. Additional funds are required to make a \$4.9 million property insurance policy payment (due by November 15, 2013), other insurance premium payments and additional claim settlements. If this transfer is approved, the account will have a balance of \$3.2 million after the property insurance policy payment is made.

### *Holdback and Lapses*

The transfer will eliminate the department's ability to meet its Personal Services holdback of \$348,650.

### *Deficiency Issues*

After these transfers, the Personal Services account will have a projected deficiency of \$7.8 million.

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<sup>1</sup>Prior policy actions may include holdbacks (forced lapses) and transfers.

## FAC 2014-2 Department of Social Services

Account	Original Appropriation	Prior Policy Actions <sup>1</sup>	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Disproportionate Share-Medical Emergency Assistance	134,243,423	-	(134,243,423)	-	-
Medicaid	2,409,314,923	-	-	134,243,423	2,543,558,346
<b>TOTAL</b>			<b>(134,243,423)</b>	<b>134,243,423</b>	

*Funding is being transferred from the Disproportionate Share-Medical Emergency Assistance (DSH) account to the Medicaid account due to the following:*

- A total of \$134,243,423 is transferred from the Disproportionate Share-Medical Emergency Assistance (DSH) account to the Medicaid account. Section 115 of PA 13-234 (the human services implementer) anticipated these funds being expended as Medicaid supplemental hospital payments rather than DSH payments, as had originally been budgeted. This FAC aligns the funds as intended by PA 13-234.
- By expending these funds as Medicaid supplemental payments, DSS will be able to claim a higher federal reimbursement (100%, rather than 50%) on the portion of these funds attributable to the Medicaid Coverage for the Lowest Income Populations (HUSKY D) program. PA 13-234 directed DSS to distribute any revenue received from this that is in excess of what was assumed in the budget to the state's acute hospitals. Hospitals are expected to receive \$18.6 million in FY 14 from this enhanced revenue.
- The budget as adopted did not include the federal portion of Medicaid expenditures under the Medicaid account (net funding). However, the DSH account did include the federal reimbursement (gross funding). Therefore, moving these funds from the DSH to the Medicaid account will result in a lapse of \$67 million in the Medicaid account. This lapse is offset by a reduction of \$67 million in budgeted federal revenue. There is no net effect to the state budget from this transfer.

### *Holdback and Lapses*

There are holdbacks of \$2,307,725 in the Personal Services and Other Expenses accounts. This transfer will not affect the agency's ability to achieve this holdback.

### *Deficiency Issues*

There is no deficiency forecast for this agency.

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<sup>1</sup>Prior policy actions may include holdbacks (forced lapses) and transfers.

## Appendix A: Projected Account Balances for Agencies on this Agenda (After Proposed FAC Transfer(s))

<b>Department of Administrative Services</b>				
	<b>Original Appropriation<sup>2</sup></b>	<b>Available Funding<sup>3</sup></b>	<b>Estimated Expenditures</b>	<b>Estimated Surplus/(Deficiency)</b>
Personal Services	48,997,323	41,041,938	48,841,197	(7,799,259)
Other Expenses	35,865,292	35,422,632	35,422,632	-
Equipment	1	1	1	-
Tuition Reimbursement - Training and Travel	382,000	382,000	382,000	-
Labor - Management Fund	75,000	75,000	75,000	-
Management Services	4,741,484	4,741,484	4,599,999	141,485
Loss Control Risk Management	114,854	114,854	104,999	9,855
Employees' Review Board	22,210	22,210	19,999	2,211
Surety Bonds for State Officials and Employees	63,500	63,500	60,000	3,500
Quality of Work-Life	350,000	350,000	350,000	-
Refunds Of Collections	25,723	25,723	21,000	4,723
Rents and Moving	12,183,335	12,183,335	12,000,001	183,334
Capitol Day Care Center	120,888	120,888	120,888	-
W. C. Administrator	5,250,000	5,250,000	5,250,000	-
Connecticut Education Network	3,268,712	3,268,712	3,268,712	-
State Insurance and Risk Mgmt Operations	12,643,063	20,643,063	20,643,063	-
IT Services	13,783,670	13,783,670	12,999,998	783,672
Nonfunctional - Change to Accruals	734,264	734,264	734,264	-
<b>TOTAL</b>	<b>138,621,319</b>	<b>138,223,274</b>	<b>144,893,747</b>	<b>(6,670,473)</b>

<b>Department of Social Services</b>				
	<b>Original Appropriation<sup>2</sup></b>	<b>Available Funding<sup>3</sup></b>	<b>Estimated Expenditures</b>	<b>Estimated Surplus/(Deficiency)</b>
Personal Services	113,746,588	114,476,028	114,476,028	-
Other Expenses	121,398,741	119,425,784	119,425,784	-
Equipment	1	1	1	-
Children's Trust Fund	-	-	-	-
Children's Health Council	208,050	208,050	208,050	-
HUSKY Information and Referral	159,393	159,393	159,393	-
State Food Stamp Supplement	685,149	685,149	685,149	-
HUSKY B Program	30,460,000	30,460,000	30,460,000	-
Charter Oak Health Plan	4,280,000	4,280,000	4,280,000	-
Medicaid	2,409,314,923	2,543,558,346	2,476,436,635	67,121,711
Old Age Assistance	37,629,862	37,629,862	37,629,862	-
Aid To The Blind	812,205	812,205	812,205	-
Aid To The Disabled	63,289,492	63,289,492	63,289,492	-
Temporary Assistance to Families - TANF	112,139,791	112,139,791	112,139,791	-
Emergency Assistance	1	1	1	-

<sup>2</sup>Includes appropriated accounts from all appropriated funds.

<sup>3</sup>Includes all anticipated and enacted holdbacks (forced lapses) and transfers.

<b>Department of Social Services</b>				
	<b>Original Appropriation<sup>2</sup></b>	<b>Available Funding<sup>3</sup></b>	<b>Estimated Expenditures</b>	<b>Estimated Surplus/(Deficiency)</b>
Food Stamp Training Expenses	12,000	12,000	12,000	-
CT Pharmaceutical Assistance				
Contract to the Elderly	126,500	126,500	126,500	-
Healthy Start	1,430,311	1,430,311	1,430,311	-
DMHAS-Disproportionate Share	108,935,000	108,935,000	108,935,000	-
Connecticut Home Care Program	44,324,196	44,324,196	44,324,196	-
Human Resource Development- Hispanic Programs	965,739	965,739	965,739	-
Services To The Elderly	324,737	324,737	324,737	-
Safety Net Services	2,814,792	2,814,792	2,814,792	-
Transportation for Employment Independence Program	3,028,671	3,028,671	3,028,671	-
Refunds Of Collections	150,000	150,000	150,000	-
Services for Persons With Disabilities	602,013	602,013	602,013	-
Child Care Services-TANF/CCDBG	98,967,400	98,967,400	98,967,400	-
Nutrition Assistance	479,666	479,666	479,666	-
Housing/Homeless Services	5,210,676	5,210,676	5,210,676	-
Disproportionate Share-Medical Emergency Assistance	134,243,423	-	-	-
State Administered General Assistance	17,283,300	17,283,300	17,283,300	-
Child Care Quality Enhancements	563,286	563,286	563,286	-
Connecticut Children's Medical Center	15,579,200	15,579,200	15,579,200	-
Community Services	1,075,199	1,075,199	1,075,199	-
Human Service Infrastructure Community Action Program	3,453,326	3,453,326	3,453,326	-
Teen Pregnancy Prevention	1,837,378	1,837,378	1,837,378	-
Fatherhood Initiative	371,656	371,656	371,656	-
Child Support Refunds and Reimbursements	181,585	181,585	181,585	-
Human Resource Development- Hispanic Programs - Municipality	5,364	5,364	5,364	-
Teen Pregnancy Prevention - Municipality	137,826	137,826	137,826	-
Community Services - Municipality	83,761	83,761	83,761	-
Nonfunctional - Change to Accruals	13,955,945	13,955,945	13,955,945	-
<b>TOTAL</b>	<b>3,350,267,146</b>	<b>3,349,023,629</b>	<b>3,281,901,908</b>	<b>67,121,711</b>