

# Analysis of Finance Advisory Committee Meeting Items

April 2, 2015 Agenda



## **OFFICE OF FISCAL ANALYSIS**

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## FAC 2015-03 Department of Emergency Services and Public Protection

Account	Original Appropriation	Prior Policy Actions <sup>1</sup>	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	131,480,217	12,331,154	(2,300,000)	-	141,511,371
Fleet Purchase	6,877,690	-	(1,300,000)	-	5,577,690
Other Expenses	26,532,034	-	-	2,300,000	28,832,034
Workers' Compensation Claims	4,238,787	-	-	1,300,000	5,538,787
<b>TOTAL - General Fund</b>			<b>(3,600,000)</b>	<b>3,600,000</b>	

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

- Personal Services - A deficiency of \$3 million in FY 15 has been previously projected in the Personal Services account. This deficiency amount does not consider the current proposed FAC transfer of \$2.3 million which will cause an increased deficiency of \$5.3 million in the account, if approved.
- Fleet Purchase - Due to delays in delivery of replacement vehicles, DESPP has expended fewer funds than anticipated to replace trooper vehicles during the current fiscal year. Thus, \$1.3 million is available for transfer.

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

- Other Expenses - Higher than anticipated expenses for laboratory supplies and vehicle maintenance have caused a shortfall in the Other Expenses account. To date, DESPP has incurred over \$1 million in motor vehicle maintenance expenses during FY 15; such expenses averaged approximately \$1.1 million annually from FY 11 - FY 14. Similarly, spending of approximately \$690,000 for laboratory supplies to date in FY 15 exceeds historical annual averages.
- Workers' Compensation Claims - Higher than budgeted expenses related to several workers compensation claims have caused a shortfall in this account.

### *Holdback and Lapses*

DESPP is not anticipated to achieve the \$320,110 Personal Services holdback.

### *Rescissions/De-appropriations*

There were no rescissions to the affected accounts.

### *Deficiency Issues*

We have previously identified the Personal Services account as having a projected deficiency of approximately \$3 million. The proposed transfer of \$2.3 million from this account will increase this deficiency to approximately \$5.3 million.

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

## FAC 2015-04 Department of Correction

Account	Original Appropriation	Prior Policy Actions <sup>1</sup>	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	439,548,356	4,795,757	(4,900,000)	-	439,444,113
Inmate Medical Services	87,767,101	-	(1,800,000)	-	85,967,101
Board of Pardons and Paroles	6,464,739	(23,305)	(1,000,000)	-	5,441,434
Other Expenses	73,313,127	-	-	4,500,000	77,813,127
Workers' Compensation Claims	26,136,219	-	-	3,200,000	29,336,219
<b>TOTAL - General Fund</b>			<b>(7,700,000)</b>	<b>7,700,000</b>	

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

- Personal Services - A deficiency of \$7.2 million in FY 15 is projected in the Personal Services account. The deficiency amount does not consider the proposed FAC transfer of \$4.9 million, which will increase the deficiency if approved.
- Inmate Medical Services - Funding of \$1.8 million is available due to lower than expected costs for Personal Services due to delayed filling of vacancies.
- Board of Pardons and Paroles - Funding of \$1.0 million is available due to lower than expected costs for operations. The Board has delayed filling vacant positions.

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

- Other Expenses - The shortfall in Other Expenses is primarily related to inflationary pressures on food and rising maintenance costs. Since FY 11, maintenance costs have risen approximately 40% and food costs have increased 10%. In that same period, adjusted appropriations have fallen by 2%.
- Workers' Compensation Claims - Overall, expenses in this account have grown 19.0% in FY 15. Specifically, year to date Medical costs have increased 40.2% and Stipulated Agreements have increased from \$37,400 to \$293,600. Overall, the number of claims has increased less than 1.0%, however the average cost per claim has increased 7.8%

### *Holdbacks and Lapses*

The transfer from Personal Services will not affect the agency's ability to meet the holdback of \$1,070,153 because the account was already deficient before the proposed transfer.

### *Rescissions*

There were no rescissions to the affected accounts.

### *Deficiency Issues*

OFA has previously identified a Personal Services deficiency of \$7.2 million. The proposed transfer of \$4.9 million will increase the deficiency to \$12.1 million. The transfer into Other Expenses and Workers' Compensation Claims is expected to address the projected deficiencies in those accounts.

## FAC 2015-05 Office of Governmental Accountability

Account	Original Appropriation	Prior Policy Actions <sup>1</sup>	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Citizens' Election Fund Admin	1,948,699	(75,823)	(137,652)	-	1,735,224
Elections Enforcement Commission	1,491,161	33,073	-	137,652	1,661,886
<b>TOTAL - General Fund</b>			<b>(137,652)</b>	<b>137,652</b>	

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

- Citizens' Election Fund Admin- The State Elections Enforcement Commission is funded through two SIDs, Citizens' Election Fund Administration and the Elections Enforcement Commission. The revised FY 15 OGA budget misallocated funding between the Citizens' Election Fund Administration account and the Elections Enforcement Commission account.

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

- Elections Enforcement Commission- Funding in this account is insufficient to cover the salary requirements of the 18 positions assigned to this account.

### *Holdback and Lapses*

This transfer will not affect the agency's ability to meet the holdbacks of \$7,025 in the Elections Enforcement Fund Administration account and \$5,375 in the Elections Enforcement Commission account.

## FAC 2015-06 Division of Criminal Justice

Account	Original Appropriation	Prior Policy Actions <sup>1</sup>	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	47,031,866	13,588	(150,000)	-	46,895,454
Expert Witnesses	350,000	-	(205,000)	-	145,000
Medicaid Fraud Control	1,465,882	(186,627)	(120,000)	-	1,159,255
Shooting Taskforce	1,061,910	-	(13,000)	-	1,048,910
Other Expenses	2,439,607	(50,000)	-	350,000	2,739,607
Witness Protection	200,000	-	-	105,000	305,000
Cold Case Unit	264,844	-	-	33,000	297,844
<b>TOTAL - General Fund</b>			<b>(488,000)</b>	<b>488,000</b>	

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

- Personal Services - Funding is available due to delays in hiring 23 vacant positions.
- Expert Witnesses - Funding is available due to less utilization of this account than anticipated. Utilization varies year to year depending on the number of trial and complexity of trials throughout the year. In FY 14, total expenditures in this account was approximately \$290,000 with each expert witness averaging approximately \$7,500. In FY 15 to date, total expenditures has been \$73,918 with each expert witness averaging approximately \$2,800.
- Medicaid Fraud Control - Funding is available due to delays in hiring three vacant positions.
- Shooting Taskforce - Funding is available due to delays in hiring two vacant positions.

*Funding is needed in this account due to the following:*

- Other Expenses - The FY 15 appropriation for this account was \$153,000 less than the actual expenditures in FY 14. The agency incurred unanticipated expenses to this account such as repairs to the central office in Rocky Hill and snow removal. In addition, the agency incurred a new expense of \$200,000 to this account for payment for IT software maintenance and license agreement, which were previously paid out of federal grants, which are no longer available.
- Witness Protection - Expenditures in this account vary depending on the number of witnesses that come forward to help law enforcement solve crimes. Funds are used to temporarily lodge witnesses, relocate them to alternative locations for safety, and provide food and incidental allowances. Currently approximately \$178,000 has been spent compared to \$140,000 at the same time last fiscal year.
- Cold Case Unit - Funding is needed for accumulated leave payments due to a recent, unanticipated retirement.

### *Holdbacks and Lapses*

This transfer will not affect the agency's ability to achieve the Personal Services holdback of \$229,010 or Medicaid Fraud Control Unit holdback of \$186,627.

### *Rescissions*

The Personal Services account had a rescission of \$80,000, which the agency will be able to meet. The Other Expenses account had a rescission of \$50,000, which the agency will not be able to meet and is part of the \$350,000 needed in this transfer.

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

Department of Emergency Services and Public Protection				
	Original Appropriation <sup>2</sup>	Available Funding <sup>3</sup>	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	131,480,217	141,511,371	146,811,371	(5,300,000)
Other Expenses	26,532,034	28,832,034	28,562,034	270,000
Equipment	93,990	89,291	85,557	3,734
Stress Reduction	25,354	25,354	2,000	23,354
Fleet Purchase	6,877,690	5,577,690	5,484,542	93,148
Workers' Compensation Claims	4,238,787	5,538,787	5,392,719	146,068
Fire Training School - Willimantic	153,709	146,024	146,024	-
Maintenance of County Base Fire Radio Network	23,918	23,918	23,918	-
Maintenance of State-Wide Fire Radio Network	15,919	15,919	15,919	-
Police Association of Connecticut	190,000	190,000	190,000	-
Connecticut State Firefighter's Association	194,711	194,711	194,711	-
Fire Training School - Torrington	77,299	73,435	73,435	-
Fire Training School - New Haven	45,946	43,649	43,649	-
Fire Training School - Derby	35,283	33,519	33,519	-
Fire Training School - Wolcott	95,154	90,397	90,397	-
Fire Training School - Fairfield	66,876	63,533	63,533	-
Fire Training School - Hartford	160,870	152,827	152,827	-
Fire Training School - Middletown	56,101	53,296	53,296	-
Fire Training School - Stamford	52,661	50,028	50,028	-
<b>TOTAL - General Fund</b>	<b>170,416,519</b>	<b>182,705,783</b>	<b>187,469,479</b>	<b>(4,763,696)</b>

Department of Correction				
	Original Appropriation <sup>2</sup>	Available Funding <sup>3</sup>	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	439,548,356	439,444,113	451,547,558	(12,103,445)
Other Expenses	73,313,127	77,813,127	77,813,127	-
Equipment	1	1	1	-
Workers' Compensation Claims	26,136,219	29,336,219	29,336,219	-
Inmate Medical Services	87,767,101	85,967,101	85,967,101	-
Board of Pardons and Paroles	6,464,739	5,441,434	5,441,434	-
Program Evaluation	330,000	313,500	313,500	-
Aid to Paroled and Discharged Inmates	9,026	8,575	8,575	-
Legal Services To Prisoners	827,065	827,065	827,065	-
Volunteer Services	162,221	162,221	162,221	-
Community Support Services	41,275,777	41,275,777	41,275,777	-
<b>TOTAL - General Fund</b>	<b>675,833,632</b>	<b>680,589,133</b>	<b>692,692,578</b>	<b>(12,103,445)</b>

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

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

<b>Office of Governmental Accountability</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	798,528	798,528	784,708	13,820
Other Expenses	72,220	68,609	24,032	44,577
Equipment	1	1	-	1
Child Fatality Review Panel	101,255	101,255	94,422	6,833
Information Technology Initiatives	31,588	30,009	29,088	921
Citizens' Election Fund Admin	1,948,699	1,735,224	1,717,787	17,437
Elections Enforcement Commission	1,491,161	1,661,886	1,589,168	72,718
Office of State Ethics	1,505,762	1,485,276	1,453,627	31,649
Freedom of Information Commission	1,657,036	1,617,923	1,613,042	4,881
Contracting Standards Board	302,263	287,150	285,075	2,075
Judicial Review Council	140,863	143,901	116,619	27,282
Judicial Selection Commission	89,956	85,459	83,724	1,735
Office of the Child Advocate	542,593	540,637	506,822	33,815
Office of the Victim Advocate	443,338	419,574	404,077	15,497
Board of Firearms Permit Examiners	120,591	120,591	118,375	2,216
<b>TOTAL - General Fund</b>	<b>9,245,854</b>	<b>9,096,023</b>	<b>8,820,566</b>	<b>275,457</b>

<b>Division of Criminal Justice</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	47,031,866	46,895,454	46,580,026	315,428
Other Expenses	2,439,607	2,739,607	2,739,607	-
Equipment	1,001	951	951	-
Witness Protection	200,000	305,000	305,000	-
Training And Education	56,500	53,675	52,773	902
Expert Witnesses	350,000	145,000	143,349	1,651
Medicaid Fraud Control	1,465,882	1,159,255	1,071,474	87,781
Criminal Justice Commission	481	481	481	-
Cold Case Unit	264,844	297,844	297,844	-
Shooting Taskforce	1,061,910	1,048,910	1,048,910	-
<b>Total - General Fund</b>	<b>52,872,091</b>	<b>52,646,177</b>	<b>52,240,415</b>	<b>405,762</b>

- Please note that OFA is currently determining the net impact that these transfers will have on the FY 15 projected deficit and such impact will be available later in the month.