

Analysis of Finance Advisory Committee Meeting Items

March 7, 2024 Agenda



OFFICE OF FISCAL ANALYSIS

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FAC 2024-01 Department of Administrative Services

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	3,042,478	-	(900,000)	-	2,142,478
State Insurance and Risk Mgmt Operations	13,736,781	-	-	900,000	14,636,781
TOTAL - Special Transportation Fund			(900,000)	900,000	

Funding is available for transfer from this account due to the following:

- Personal Services - Continued delays in filling open positions.

Funding is needed for transfer to this account due to the following:

- State Insurance and Risk Mgmt Operations - An increase in the number of large claims and increase in the size of large claims. The increase in the quantity and size of large claims is consistent with national trends.

Holdbacks and lapses: The transfer eliminates the projected lapse in Personal Services. There are no holdbacks associated with these accounts.

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

FAC 2024-02 Division of Criminal Justice

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	53,702,215	(4,200,000)	(160,000)	-	49,342,215
Witness Protection	164,148	-	-	160,000	324,148
TOTAL - General Fund			(160,000)	160,000	

Funding is available for transfer from this account due to the following:

- Personal Services - there is currently a projected deficiency in this account of \$1 million due to a holdback of \$4.2 million. If this transfer were to occur, approximately \$1.2 million of the holdback will need to be released.

Funding is needed for transfer to this account due to the following:

- Witness Protection - expenses for travel and lodging have increased due to inflation.

Holdbacks and lapses: A holdback of \$4.2 million is currently assigned to the Personal Services account. DCJ is not currently able to fully meet this holdback due to current Personal Services expenses. If this transfer were to occur, approximately \$1.2 million of the holdback will need to be released.

FAC 2024-03 Department of Motor Vehicles

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	56,937,597	-	(13,000,000)	-	43,937,597
DMV Modernization	-	-	-	13,000,000	13,000,000
TOTAL - Special Transportation Fund			(13,000,000)	13,000,000	

Funding is available for transfer from this account due to the following:

- Personal Services - A delay in refilling vacant positions. As of February 2024, 79 full-time positions were vacant out of an authorized count of 591, and 49 part-time positions were vacant out of an authorized count of 186.

Funding is needed for transfer to this account due to the following:

- DMV Modernization - To support DMV's ongoing modernization efforts, including its Salesforce online platform (\$2.7M), additional Salesforce development (\$6M), digitization of mail in-take (\$2.5M), and other related upgrades (\$1.8M), .

Holdbacks and lapses: The transfer removes the projected lapse in the Personal Services account. There are no holdbacks associated with these accounts.

FAC 2024-04 Department of Transportation

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	228,130,866	-	(7,100,000)	-	221,030,866
Other Expenses	57,528,900	-	-	7,100,000	64,628,900
TOTAL - Special Transportation Fund			(7,100,000)	7,100,000	

Funding is available for transfer from this account due to the following:

- Personal Services - A delay in refilling vacant positions. As of February 2024, 378 positions were vacant out of a total authorized count of 3,567.

Funding is needed for transfer to this account due to the following:

- Other Expenses - Higher than budgeted expenses across several areas including highway supplies, electricity, fleet/equipment repair, fuel, IT, and safety related clothing items.

Holdbacks and lapses: The transfers decrease the Personal Services funds projected to lapse from \$15 million to \$7.9 million. There are no holdbacks associated with these accounts.

FAC 2024-05 Department of Correction

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	438,803,761	-	(23,200,000)	-	415,603,761
Board of Pardons and Paroles	7,601,751	-	(1,000,000)	-	6,601,751
Community Support Services	46,869,958	1,196,510	(2,800,000)	-	45,266,468
Other Expenses	71,631,901	172,368	-	18,000,000	89,804,269
Inmate Medical Services	129,654,329	-	-	9,000,000	138,654,329
TOTAL - General Fund			(27,000,000)	27,000,000	

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

- Personal Services - there is no projected lapse to the Personal Services account, the funding transferred out of this account is anticipated to be covered by a deficiency appropriation via *HB 5049, An Act Making Deficiency Appropriations for the Fiscal Year Ending June 30, 2024*.
- Board of Pardons and Paroles - numerous retirements, attrition, and hiring new staff at lower rates of pay than that of the previous position incumbent.
- Community Support Services - bed reductions and the closure of residential programs by private non-profit providers caused a reduction in the contracts for the current fiscal year.

Funding is needed for transfer to these accounts due to the following:

- Other Expenses - increased costs due to inflation which particularly affects the food, beverage, and clothing costs, higher than expected utility rates, supply chain disruptions, and an increase in inmate population. As of March 1, 2024, there are 10,622 inmates in DOC facilities which represents a 5.4% increase from the same time period last year.
- Inmate Medical Services - a significant increase in the cost of drugs and pharmaceuticals compared to previous years as well as increased overtime and temporary services costs as the agency continues to try and fill its open medical positions.

Holdbacks and lapses: The transfer removes the projected lapse in the Board of Pardons and Parole and Community Support Services accounts.

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

Department of Administrative Services				
	Original Appropriation ²	Available Funding ³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	88,346,043	87,846,043	88,346,043	(500,000)
Other Expenses	28,856,256	28,856,256	28,356,256	500,000
Loss Control Risk Management	88,003	88,003	88,003	-
Employees' Review Board	17,611	17,611	17,611	-
Surety Bonds for State Officials and Employees	71,225	71,225	71,225	-
Refunds Of Collections	20,381	20,381	20,381	-
Rents and Moving	5,610,985	5,610,985	5,610,985	-
W. C. Administrator	5,000,000	5,000,000	5,000,000	-
State Insurance and Risk Mgmt Operations	16,226,971	16,226,971	16,226,971	-
IT Services	54,954,786	54,954,786	54,954,786	-
Firefighters Fund	400,000	400,000	400,000	-
Total - General Fund	199,592,261	199,092,261	199,092,261	-
Personal Services	3,042,478	2,142,478	2,142,478	-
State Insurance and Risk Mgmt Operations	13,736,781	14,636,781	17,636,781	(3,000,000)
IT Services	953,999	953,999	953,999	-
TOTAL - Special Transportation Fund	17,733,258	17,733,258	20,733,258	(3,000,000)

Division of Criminal Justice				
	Original Appropriation ²	Available Funding ³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	53,702,215	49,342,215	50,502,215	(1,160,000)
Other Expenses	5,102,201	5,102,201	5,102,201	-
Witness Protection	164,148	324,148	289,148	35,000
Training And Education	147,398	147,398	147,398	-
Expert Witnesses	135,413	135,413	135,413	-
Medicaid Fraud Control	1,418,759	1,418,759	1,458,759	(40,000)
Criminal Justice Commission	409	409	409	-
Cold Case Unit	276,673	276,673	326,673	(50,000)
Shooting Taskforce	1,324,837	1,324,837	1,524,837	(200,000)
TOTAL - General Fund	62,272,053	58,072,053	59,487,053	(1,415,000)

Department of Motor Vehicles				
	Original Appropriation ²	Available Funding ³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	56,937,597	43,937,597	43,937,597	-
Other Expenses	18,881,902	18,881,902	18,881,902	-
Equipment	468,756	468,756	468,756	-
DMV Modernization	-	13,000,000	13,000,000	-
Commercial Vehicle Information Systems and Networks Project	324,676	324,676	324,676	-
TOTAL - Special Transportation Fund	76,612,931	76,612,931	76,612,931	-

² Includes appropriated accounts from all appropriated funds.

³ Includes all anticipated and enacted holdbacks (forced lapses), rescissions, and transfers.

Department of Transportation				
	Original Appropriation²	Available Funding³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	228,130,866	221,030,866	213,130,866	7,900,000
Other Expenses	57,528,900	64,628,900	64,628,900	-
Equipment	1,376,329	1,376,329	1,376,329	-
Minor Capital Projects	449,639	449,639	449,639	-
Highway Planning And Research	3,060,131	3,060,131	3,060,131	-
Rail Operations	232,295,358	232,295,358	232,295,358	-
Bus Operations	253,013,487	253,013,487	253,013,487	-
ADA Para-transit Program	40,449,564	40,449,564	40,449,564	-
Non-ADA Dial-A-Ride Program	576,361	576,361	576,361	-
Pay-As-You-Go Transportation Projects	17,972,797	17,972,797	17,972,797	-
Port Authority	400,000	400,000	400,000	-
Transportation Asset Management	3,000,000	3,000,000	3,000,000	-
Transportation to Work	2,370,629	2,370,629	2,370,629	-
Town Aid Road Grants - TF	60,000,000	60,000,000	60,000,000	-
TOTAL - Special Transportation Fund	900,624,061	900,624,061	892,724,061	7,900,000

Department of Correction				
	Original Appropriation²	Available Funding³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	438,803,761	415,603,761	438,803,761	(23,200,000)
Other Expenses	71,631,901	89,804,269	89,804,269	-
Inmate Medical Services	129,654,329	138,654,329	138,654,329	-
Board of Pardons and Paroles	7,601,751	6,601,751	6,601,751	-
STRIDE	80,181	80,181	80,181	-
Aid to Paroled and Discharged Inmates	3,000	3,000	3,000	-
Legal Services To Prisoners	797,000	797,000	797,000	-
Volunteer Services	87,725	87,725	87,725	-
Community Support Services	46,869,958	45,266,468	45,266,468	-
Total - General Fund	695,529,606	696,898,484	720,098,484	(23,200,000)