

# Analysis of Finance Advisory Committee Meeting Items

April 12, 2024 Agenda



## **OFFICE OF FISCAL ANALYSIS**

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# OFA STAFF

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| Patrick Mellon, Associate Analyst    | Transportation, Motor Vehicles  |
| Claudia Rodriguez, Analyst II        | Labor, Paid Family Medical Leave Insurance, Unemployment, Unclaimed Property/Escheats, Common Cash Pool, Debt Service. Bonding          |
| Chris Wetzel, Principal Analyst      | Tax Policy & Revenue Analysis, Spending Cap, Dept. of Revenue Services  |
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| Mike Ericson, Principal Analyst        | Correction, Consumer Protection, Legislative Management, Comm. on Women, Children, Seniors, Equity & Opportunity, Auditors, Military Department   |
| Rachel Della Pietra, Principal Analyst | Children and Families, Public Health, Chief Medical Examiner  |
| Taylor Morris, Analyst II              | Secretary of the State, Ethics, Elections Enforcement, Freedom of Information, Office of Governmental Accountability, Governor's Office, Lieutenant Governor's Office, Energy & Environmental Protection (Energy), Consumer Counsel |
| Brianna Pollard, Analyst II            | Criminal Justice, Judicial, Public Defender, Probate Court  |
| Ryan Proto, Analyst I                  | Emergency Services & Public Protection, Banking, Workers' Compensation Commission   |

### Janelle Stevens, Section Chief

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| Sarah Bourne, Principal Analyst    | Board of Regents for Higher Education, Office of Higher Education, Connecticut Technical Education and Career System, UConn Health Center, State Library |
| Dan Dilworth, Principal Analyst    | Education, Education Cost Sharing (ECS), UConn   |
| Michelle Parlos, Associate Analyst | Budget Information System, Dept. of Housing, Insurance, Offices of the Healthcare Advocate and Behavioral Health Advocate                                |
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| Nicolette Niedzwiecki, Analyst II  | State Comptroller, State Employee Fringe Benefits, Teachers' Retirement Board                     |
| Jacob Phillips, Analyst I          | Veterans' Affairs, Health Strategy, Aging & Disability Services, Municipal Finance                |
| Emily Shepard, Principal Analyst   | Dept. of Social Services, Mental Health and Addiction Services, Psychiatric Security Review Board |

### Administrative Staff

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| Theresa Kelly, Administrative Assistant III                      |
| Tracey Otero, Administrative Assistant V/Fiscal Note Coordinator |

## FAC 2024-06 Department of Mental Health and Addiction Services

| Account                              | Original Appropriation | Prior Policy Actions <sup>1</sup> | Proposed FAC Transfer |                   | Available Funding Post FAC Action |
|--------------------------------------|------------------------|-----------------------------------|-----------------------|-------------------|-----------------------------------|
|                                      |                        |                                   | FROM (Decrease)       | TO (Increase)     |                                   |
| Personal Services                    | 242,882,161            | -                                 | (7,600,000)           | -                 | 235,282,161                       |
| Behavioral Health Recovery Services  | 25,979,688             | 341,577                           | (3,000,000)           | -                 | 23,321,265                        |
| Medicaid Adult Rehabilitation Option | 4,419,683              | 122,076                           | (200,000)             | -                 | 4,341,759                         |
| Home and Community Based Services    | 24,495,278             | 112,300                           | (1,000,000)           | -                 | 23,607,578                        |
| Other Expenses                       | 28,865,945             | -                                 | -                     | 9,000,000         | 37,865,945                        |
| Professional Services                | 16,400,697             | -                                 | -                     | 2,800,000         | 19,200,697                        |
| <b>TOTAL - General Fund</b>          |                        |                                   | <b>(11,800,000)</b>   | <b>11,800,000</b> |                                   |

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

- Personal Services - release of the \$12.1 million holdback.
- Behavioral Health Recovery Services - lower costs related to delays in the implementation of Substance Use Disorder (SUD) initiatives as providers increase staffing levels.
- Medicaid Adult Rehabilitation Option - lower than projected claim activity.
- Home and Community Based Services - lower than anticipated referral costs.

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

- Other Expenses - higher than budgeted costs for utility, maintenance, security and food costs at DMHAS facilities.
- Professional Services - continued use of contracted staff, primarily doctors and nurses, due to associated agency vacancies.

*Holdbacks and lapses:*

The availability of Personal Services funding assumes the release of the \$12.1 million holdback to the account.

*Deficiencies:*

After accounting for the transfer to Professional Services, the remaining shortfall is approximately \$5.2 million. This FAC does not address the \$500,000 deficiency in the Behavioral Health Medications account.

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

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

| Department of Mental Health and Addiction Services |  |                                   |                           |                                   |
|--|--|-----------------------------------|---------------------------|-----------------------------------|
|  | Original<br>Appropriation <sup>2</sup> | Available<br>Funding <sup>3</sup> | Estimated<br>Expenditures | Estimated<br>Surplus/(Deficiency) |
| Personal Services                                  | 242,882,161                            | 235,282,161                       | 235,282,161               | -                                 |
| Other Expenses                                     | 28,865,945                             | 37,865,945                        | 37,865,945                | -                                 |
| Housing Supports and Services                      | 27,763,723                             | 28,391,445                        | 28,391,445                | -                                 |
| Managed Service System                             | 70,857,234                             | 72,236,476                        | 72,236,476                | -                                 |
| Legal Services                                     | 745,911                                | 764,660                           | 764,660                   | -                                 |
| Connecticut Mental Health Center                   | 9,229,406                              | 9,229,406                         | 9,229,406                 | -                                 |
| Professional Services                              | 16,400,697                             | 19,200,697                        | 24,400,697                | (5,200,000)                       |
| Behavioral Health Recovery Services                | 25,979,688                             | 23,321,265                        | 23,321,265                | -                                 |
| Nursing Home Screening                             | 652,784                                | 652,784                           | 652,784                   | -                                 |
| Young Adult Services                               | 92,012,071                             | 93,373,574                        | 93,373,574                | -                                 |
| TBI Community Services                             | 9,190,172                              | 9,368,820                         | 9,368,820                 | -                                 |
| Behavioral Health Medications                      | 7,220,754                              | 7,220,754                         | 7,720,754                 | (500,000)                         |
| Medicaid Adult Rehabilitation Option               | 4,419,683                              | 4,341,759                         | 4,341,759                 | -                                 |
| Discharge and Diversion Services                   | 40,945,054                             | 41,857,991                        | 41,857,991                | -                                 |
| Home and Community Based Services                  | 24,495,278                             | 23,607,578                        | 23,607,578                | -                                 |
| Nursing Home Contract                              | 1,152,856                              | 1,152,856                         | 1,152,856                 | -                                 |
| Katie Blair House                                  | 16,608                                 | 17,016                            | 17,016                    | -                                 |
| Forensic Services                                  | 11,157,536                             | 11,383,187                        | 11,383,187                | -                                 |
| Grants for Substance Abuse Services                | 35,824,604                             | 37,103,118                        | 37,103,118                | -                                 |
| Grants for Mental Health Services                  | 74,937,619                             | 76,995,083                        | 76,995,083                | -                                 |
| Employment Opportunities                           | 9,635,549                              | 9,873,631                         | 9,873,631                 | -                                 |
| <b>Total - General Fund</b>                        | <b>734,385,333</b>                     | <b>743,240,206</b>                | <b>748,940,206</b>        | <b>(5,700,000)</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.