

As of April 25, 2019, the Office of Fiscal Analysis (OFA) is currently projecting \$120.3 million in General Fund state agency funding shortfalls. The following table reflects the projected level of funding that is needed by various agencies this fiscal year.

**Figure I. FY 19 General Fund Estimated Deficiency Needs (in millions)**

<b>Agency</b>	<b>Deficiency \$</b>
State Comptroller - Adjudicated Claims	58.9
Department of Correction	37.9
Office of Early Childhood	12.7
Dept. of Children and Families	4.8
Dept. of Mental Health and Addiction Services	3.8
Dept. of Emergency Services and Public Protection	1.0
Dept. of Administrative Services	0.9
Office of the Chief Medical Examiner	0.3
<b>TOTAL - General Fund</b>	<b>120.3</b>

**Detail on the Net Deficiencies/Additional Funding Requirements**

**Office of State Comptroller - Miscellaneous - \$58.9 million**

The projected shortfall in the Adjudicated Claims account is \$58.9 million. The FY 19 Revised Budget did not include an appropriation for the account. Approximately \$52 million has been expended to date. Approximately \$6.5 million of the projected shortfall is for payment of a settlement reached at the end of FY 18 and the balance is related to the SEBAC v. Rowland settlement and projected payments for other claims.

**Department of Correction - \$37.9 million**

The Department of Correction (DOC) is projected to have a year-end deficiency of \$37.9 million resulting from shortfalls of \$14.4 million in the Personal Services account (PS), \$4.7 million in the Other Expenses account (OE) and \$20.8 million in the Inmate Medical Services account. The deficit is partially offset by a \$2 million projected surplus in Workers' Compensation Claims due to projected claims being under FY 19 anticipated levels.

DOC's FY 19 available PS resources are 1% less than its FY 18 expenditures. The deficit is primarily the result of the FY 19 Revised Budget not including deficiency funding for this account and DOC taking 80 additional unanticipated staff from the Department of Children and Families due to the closure of the Connecticut Juvenile Training School (CJTS).

The Other Expenses account is projected to have a \$4.7 million deficiency as it is unable to meet its appropriation reduction. Compared to FY 18, the FY 19 appropriation for this account decreased 6%, while anticipated expenditures have increased 5%. DOC has experienced higher electricity rates and air conditioning utilization due to hot weather along with energy cost increases in natural gas and fuel oil.

The Inmate Medical Services account is projected to have a \$20.8 million deficiency as it is unable to meet its appropriation reduction and has incurred increased overtime costs. The primary factors contributing to increased overtime are inadequate staffing levels and difficulties filling open positions. The transfer of Inmate Medical Services from UConn Healthcare to DOC resulted in numerous vacancies. Transition costs and carry-forward expenses from UConn Healthcare also contribute to the deficiency.

### **Office of Early Childhood - \$12.7 million**

A net General Fund deficiency of \$12.7 million is projected in the Office of Early Childhood (OEC). A \$14.3 million projected shortfall in the Care4Kids account (13.9% of the total FY 19 available appropriation), is related to increased Child Care Development Fund (CCDF) receipts. In FY 18, OEC's CCDF allotment increased by \$14.3 million. Traditionally, changes to CCDF funding levels are reflected in the line item appropriation and federal grants revenue. Due to the timing of OEC's receipt of the increased federal funds, the Care4Kids line item appropriation did not reflect an associated increase. This is necessary in order for OEC to meet federal CCDF expenditure requirements.

This shortfall is partially offset by \$1.6 million lapsing funds from the following accounts: \$375,000 in Personal Services and \$1.2 million in Early Care and Education. The lapse in the Personal Services account is due to a delay in hiring. The lapse in the Early Care and Education account reflects actual enrollment in the Child Care Services and School Readiness programs (while most seats are budgeted for a full year, not all were filled in the fall resulting in surplus funding).

### **Department of Children and Families - \$4.8 million**

A net General Fund deficiency of \$4.8 million (0.6% of available agency funding) is projected across a variety of Department of Children and Families accounts. This is primarily due to three factors: (1) net support of approximately \$1 million for the 2017 Revised Juan F. Exit Plan, which requires adequate social worker staffing to oversee abused and neglected children, as well as community-based programming to address service needs to achieve outcome measures; (2) approximately \$3.1 million for clinical interventions and other services for non-delinquent youth at risk for involvement in the juvenile justice system; and (3) unanticipated expenses of approximately \$650,000 to implement corrective actions at the Albert J. Solnit Psychiatric Center - South Campus (formerly known as Riverview Hospital).

## **Department of Mental Health and Addiction Services – \$3.8 million**

The agency's projected FY 19 budget shortfall is comprised of: \$5 million in the Personal Services account, \$2.6 million in the Other Expenses account, \$2 million in the Professional Services account, and \$2.2 million in the Workers' Compensation Claims account. This shortfall is partially offset by \$8 million lapsing funds from the following accounts: \$2 million in the General Assistance Managed Care (GA) account, \$450,000 in the TBI Community Services account, and \$4 million in the Home and Community Based Services (HCBS) account, \$500,000 in Grants for Substance Abuse Services, \$860,000 in Grants for Mental Health Services, and \$200,000 in Employment Opportunities.

The \$5 million projected shortfall in the Personal Services account (2.7% of the total FY 19 available appropriation), is primarily due to (1) higher than budgeted overtime costs of approximately \$3.6 million, mainly at Connecticut Valley Hospital (CVH), and (2) increased staffing and associated costs of \$1.4 million, largely at CVH and Whiting Forensic Hospital.

The Other Expenses account shortfall of \$2.6 million (11.4% of the total FY 19 available appropriation) is due to increased expenditures to support security and safety upgrades at CVH. In addition, the available appropriation is approximately \$1.7 million below FY 18 total expenditures of \$24.9 million.

The \$2 million shortfall in the Professional Services account is primarily associated with contracted medical services. This represents 17.9% of the total FY 19 available appropriation. The available appropriation is approximately \$2 million below FY 18 total expenditures of \$13.2 million.

The \$2.2 million shortfall in the Workers' Compensation Claims account represents 19.3% of the total FY 19 available appropriation. The available appropriation is approximately \$2.4 million below FY 18 total expenditures of \$13.8 million.

Lastly, lower than budgeted expenditures are leading to an estimated lapse of approximately \$2 million in the General Assistance Managed Care account, \$450,000 in the TBI Community Services account and \$4 million in the Home and Community Based Services account. This represents 4.8%, 5.2%, and 16.8% of the total FY 19 available appropriations, respectively. In addition, the Grants for Substance and Mental Health Services, as well as the Employment Opportunities accounts are anticipated to lapse a combined total of approximately \$1.6 million.

## **Department of Emergency Services & Public Protection - \$1,000,000**

The Department of Emergency Services and Public Protection (DESPP) is projected to have a shortfall of \$1 million in the Personal Services account. Through the third quarter of FY 19, the Department of Emergency Services and Public Protection (DESPP) has spent \$5.2 million (33%) more on overtime than in the same period in FY 18. This increase in overtime is due to trooper attrition and retirements, causing fewer troopers to work more hours. The agency has managed their deficiency by maintaining vacancies. There are approximately 950 sworn troopers and 250 trooper vacancies as of April 2019.

## **Department of Administrative Services - \$900,000**

The Insurance and Risk Management (IRM) account within the Department of Administrative Services (DAS) is projected to have a deficiency of \$2.5 million. DAS has submitted a request to the Finance Advisory Committee to transfer \$850,000 from its Rents and Moving account and \$800,000 from Personal Services into the IRM account to offset part of the deficiency, leaving the account with a net projected deficiency of \$900,000.

The IRM account pays for premiums associated with policies purchased by the State to insure against losses; for claims and judgements issued against the State for losses that occur with the self-insured deductible amounts and for payment of an insurance broker and the Third Party Administrator.

This fiscal year, there have been some large fleet liability claim settlements that were outside of the Board's standard projections. In addition, some cases are scheduled for trial soon, which may result in additional exposure for this fiscal year. These large fleet liability claims create the anticipated shortfall in the IRM account.

## **Office of the Chief Medical Examiner - \$300,000**

It is currently anticipated that the Office of the Chief Medical Examiner (CME) will be deficient approximately \$700,000 in its Personal Services account (PS), which will be offset by an Opioid Surge grant (federal funding) obtained by the Department of Public Health. CME will be a sub-recipient, receiving a one-time payment of \$400,000. The agency's FY 19 deficit is, therefore, approximately \$300,000 in PS.

PS expenditures are impacted by overtime and unbudgeted salary increases. Overtime is required to cover essential shifts as CME's caseload continues to grow. Between 2012 and 2017, cremations increased by 26%, autopsies increased by 70%, and drug deaths increased by 290%. The Commission on Medicolegal Investigations (CGS Sec. 19a-401) authorized a salary increase of approximately 20% for both the Chief Medical Examiner and the Deputy Chief Medical Examiner, resulting in an unbudgeted Personal Services account (PS) expense of approximately \$130,000 in FY 19. The salaries for these positions were last increased in FY 15.

The Commission on Medicolegal Investigations is an independent administrative body, consisting of nine members, which appoints the Chief Medical Examiner, sets the Chief Medical Examiner's term and salary, and promulgates regulations under which the Office must operate (regulations undergo subsequent legislative review and approval).