Analysis of Finance Advisory Committee Meeting Items

October 7, 2010 Agenda

OFFICE OF FISCAL ANALYSIS
Room 5200, Legislative Office Building
Hartford, CT 06106 • (860) 240-0200
E-Mail: ofa@cga.ct.gov
www.cga.ct.gov/ofa

OFA STAFF

Alan Calandro, Director

Christine Ashburn, Section Chief	
Sarah Bourne, Associate Analyst	Elementary Education, Dept. of Higher Education, Town Education Grants, School Construction
Jennifer Campbell, Analyst II	State Employees Fringe Benefits and Retirement, State Comptroller, DAS, Statewide Personnel Issues/Collective Bargaining
Don Chaffee, Principal Analyst	Budget Data Coordinator
Alan Shepard, Principal Analyst	Constituent Units of Higher Education, Banking, Consumer Protection, Attorney General, DOIT
Holly Williams, Analyst I	Workers' Compensation, Statewide Personnel Issues/Collective Bargaining, Results Based Accountability (RBA)

Michael Murphy, Section Chief	
Evelyn Arnold, Analyst I	Public Safety, Firearm Permit Examiners, Fire Prevention, Emergency Management & Homeland Security, Veterans' Affairs, Military, SSMF, Federal Funds
Stephen Hunt, Analyst II	Judicial, Criminal Justice, Victim Advocate, Public Defender, Probate, Results Based Accountability (RBA)
Emily Shepard, Associate Analyst	DSS, DMHAS, Psychiatric Security Review Brd.
Joan Soulsby, Principal Analyst	DCF, Corrections, Federal Funds
Phoenix Young, Analyst II	Elections, Ethics, Freedom of Information, CHRO, DPUC, Governor, Lt. Governor, Sec. of State, Citizens' Election Fund

Chris Perillo, Section Chief	
Neil Ayers, Principal Analyst	DSS, Aging, UConn Health Center
Christina Gellman, Principal Analyst	DDS, Teachers' Retirement, Serv. For the Blind, Deaf & Hearing Impaired
Kerry Kelley, Principal Analyst	OPM, Culture & Tourism, DECD, Workforce Competitiveness, Housing
Marcy Picano, Associate Analyst	DEP, Agriculture, Legislative Agencies, Ag. Experiment Station, Environmental Quality
Rachel Welch, Analyst II	DPH, Medical Examiner, Insurance Dept., Health Care Adv., Tobacco Settlement Agreement, Results Based Accountability (RBA)

Rob Wysock, Section Chief	
William Lederman, Associate Analyst	Revenue Services, Special Revenue (Gambling), Tax Policy & Revenue Analysis
Linda Miller, Principal Analyst	Treasurer, Debt Service, Bonding, Public Works
Felix Planas, Principal Analyst	DMV, Transportation, Property Tax
Chris Wetzel, Analyst II	Labor, Spending Cap, Tax Policy & Revenue Analysis

Administrative Staff
Laurie L. Wysock, Secretary to the Director
Theresa Kelly, Senior Legislative Secretary
Lisa Kiro, Staff Assistant/Fiscal Note Coordinator

Legislative Office Building, Room 5200, Hartford, CT 06106
(860) 240-0200
E-Mail: ofa@cga.ct.gov
www.cga.ct.gov/ofa

FAC 2011-1 Governor's Office					
			Proposed FAC Transfer		
Account	Original Appropriation	Prior Policy Actions[1]	FROM (Decrease)	TO (Increase)	Available Funding Post-FAC Action
Personal Services	2,405,378	(19,296)	(100,000)	-	2,286,082
Other Expenses	134,660	(37,103)	-	100,000	197,557
		TOTAL	(100,000)	100,000	

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

- Personal Services- Lower than anticipated expenditures.

Funding is needed in these accounts due to the following:

- Other Expenses- Requested funding for transition expenses for potential items such as computer reformatting, stationery, office equipment, and other items. Funding for this purpose was not provided in the Revised FY 11 budget. It should be noted that CGS 4-80 makes $25,000 available to the Governor-elect for transition expenses; however, this funding is not anticipated to be required with this transfer.

Holdback and Lapses

The transfers in this FAC do not affect the holdbacks in the Personal Services or Other Expenses accounts.

[1] Prior policy actions may include holdbacks (forced lapses), rescissions, de-appropriations, transfers, and carry forwards.

FAC 2011-2 Department of Social Services					
			Proposed FAC Transfer		
Account	Original Appropriation	Prior Policy Actions	FROM (Decrease)	TO (Increase)	Available Funding Post-FAC Action
State Administered General Assistance	323,265,000	18,366,064	(200,000,000)	-	141,631,064
Community Services	3,039,013	-	(303,407)	-	2,735,606
Housing/Homeless Services	50,399,357	-	(175,000)	-	50,224,357
Services to the Elderly	4,692,848	-	(99,693)	-	4,593,155
School Readiness	4,619,697	-	(57,930)	-	4,561,767
Medicaid	3,845,692,225	16,379,477	-	200,636,030	4,062,707,732
		TOTAL	(200,636,030)	200,636,030	

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

- State Administered General Assistance (SAGA)- The federal Patient Protection and Affordable Care Act (federal health care reform) allowed the state to expedite the enrollment of SAGA clients in the Medicaid program, thereby garnering federal reimbursement for these expenditures. However, due to the timing of the federal legislation, the funds for these services were included in the SAGA rather than the Medicaid account.
- Community Services- The cancellation of a contract with Camp Courant ($248,407), as well as a reduction in funding for the Fatherhood Initiative ($55,000) to the minimum amount required for a federal match, results in $303,407 available to be transferred.
- Housing/Homeless Services- Funding for the Special Projects sub-account is reduced from $332,090 to $157,090. This funding provides child care for parents while they are searching or interviewing for a job, while in a homeless shelter. In FY 10, DSS contracted with one vendor (CT Coalition to End Homelessness) for $75,000 instead of three vendors for a total of $300,000. The CT Coalition to End Homelessness is funded at $125,000 in FY 11.
- Services to the Elderly- The Elderly Health Screenings funding is reduced (from $330,266 to $230,573) to the FY 10 expenditure level.
- School Readiness - A 5% reduction to the School Readiness enhancement grant that goes to the State Department of Education results in $57,930 available to be transferred.

Funding is needed in these accounts due to the following:

- Medicaid- As discussed above, medical services for SAGA clients are now provided under the Medicaid account, necessitating the $200 million technical transfer from the SAGA account.

Holdback and Lapses
The transfers in this FAC do not affect the holdbacks in the Personal Services or Other Expenses accounts.

Budget Issues
The FY 11 revised budget included several major savings initiatives under Medicaid that may not be fully achieved in the current fiscal year. These include: converting the HUSKY program to an administrative service organization (ASO) model (budgeted savings of $76,666,000), enhancing care management for the Aged, Blind and Disabled (budgeted savings of $60,000,000), and enhanced efforts to increase audit recoveries and combat fraud (budgeted savings of $31,950,000). In addition, Medicaid caseloads continue to show significant growth (2,700 HUSKY A clients were added in September).

Questions
1. Why was the contract with Camp Courant not renewed?
2. Can you provide further detail regarding the various reductions (Special Projects sub-account, Fatherhood Initiative, School Readiness enhancement grant)? For example, are the reductions a result of caseload decrease? Savings from contract negotiations? Reduced type or number of services?
3. Are there other grant accounts that are anticipated to yield similar savings?

FAC 2011-3 Department of Correction					
			Proposed FAC Transfer		
Account	Original Appropriation	Prior Policy Actions	FROM (Decrease)	TO (Increase)	Available Funding Post-FAC Action
Children of Incarcerated Parents	350,000	-	(240,000)	-	110,000
Mental Health AIC	60,000	(39,770)	-	240,000	260,230
		TOTAL	(240,000)	240,000	

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

- Children of Incarcerated Parents- The original FY 11 Budget provided $700,000 for the Children of Incarcerated Parents account in DOC. However, the Revised FY 11 budget moved $350,000 of this amount to the Judicial Department and inadvertently left the remainder under the DOC's budget. No expenditures have been made under this account to date, nor have commitments been made against these funds.

Funding is needed in these accounts due to the following:

- Mental Health AIC- To allow the DOC to contribute $260,230 to the Advanced Supervision and Intervention Support Team (ASIST) initiative (formerly known as the Mental Health Alternative to Incarceration program). This is $39,770 less than the $300,000 expended by the DOC for this same purpose in FY 10, reflecting the imposition of an outside consultant contract lapse against this line item. Without this transfer, the DOC's FY 11 contribution to the ASIST initiative would be $20,230.

Holdback and Lapses

No holdbacks or budgeted lapses have been imposed upon the Children of Incarcerated Parents account.

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

Governor's Office				
	Appropriation[2]	Available Funding[3]	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	2,405,378	2,286,082	2,286,082	-
Other Expenses	134,660	197,557	197,557	-
Equipment	1	1	-	1
New England Governors' Conference	100,692	100,692	100,692	-
National Governors' Association	119,900	119,900	90,000	29,900
TOTAL	2,760,631	2,704,232	2,674,331	29,901

Department of Social Services				
	Appropriation	Available Funding	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	109,804,483	108,923,628	107,316,212	1,607,416
Other Expenses	87,252,393	77,925,532	99,022,239	(21,096,707)
Equipment	1	1	1	-
Children's Trust Fund	13,173,147	13,173,147	13,132,430	40,717
Children's Health Council	218,317	191,185	191,185	-
HUSKY Outreach	335,564	335,564	335,564	-
Genetic Tests in Paternity Actions	191,142	191,142	191,142	-
State Food Stamp Supplement	816,357	816,357	1,057,038	(240,681)
Day Care Projects	478,820	478,820	478,820	-
HUSKY Program	37,912,000	37,912,000	36,902,105	1,009,895
Charter Oak Health Plan	17,350,000	17,350,000	18,964,962	(1,614,962)
Vocational Rehabilitation	7,386,668	7,386,668	7,386,668	-
Medicaid	3,845,692,225	4,062,707,732	4,235,137,360	(172,429,628)
Lifestar Helicopter	1,388,190	1,388,190	1,388,190	-
Old Age Assistance	34,955,566	34,955,566	36,078,894	(1,123,328)
Aid to the Blind	729,000	729,000	798,454	(69,454)
Aid to the Disabled	61,575,424	61,575,424	62,414,220	(838,796)
Temporary Assistance to Families - TANF	130,358,385	130,358,385	119,962,670	10,395,715
Emergency Assistance	475	475	-	475
Food Stamp Training Expenses	12,000	9,923	9,923	-

[2] Includes appropriated accounts from all appropriated funds.
[3] Includes all anticipated and enacted holdbacks (forced lapses), rescissions, de-appropriations, transfers, and carry forwards.

Connecticut Pharmaceutical Assistance Contract to the Elderly	9,488,700	9,488,700	10,584,557	(1,095,857)
Healthy Start	1,490,220	1,490,220	1,490,220	-
DMHAS-Disproportionate Share	105,935,000	105,935,000	105,935,000	-
Connecticut Home Care Program	74,850,000	74,850,000	68,322,735	6,527,265
Human Resource Development-Hispanic Programs	1,040,365	1,040,365	1,040,365	-
Services to the Elderly	4,692,848	4,593,155	4,593,155	-
Safety Net Services	2,100,897	2,100,897	2,100,897	-
Transportation for Employment Independence Program	3,155,532	3,155,532	3,155,532	-
Transitionary Rental Assistance	572,680	572,680	572,680	-
Refunds of Collections	177,792	177,792	177,792	-
Services for Persons With Disabilities	660,544	660,544	660,544	-
Child Care Services-TANF/CCDBG	103,415,536	103,415,536	107,900,473	(4,484,937)
Nutrition Assistance	447,663	447,663	447,663	-
Housing/Homeless Services	50,399,357	50,224,357	49,753,529	470,828
Employment Opportunities	1,169,810	1,169,810	1,169,810	-
Human Resource Development	38,581	38,581	38,581	-
Child Day Care	10,617,392	10,617,392	10,617,392	-
Independent Living Centers	643,927	643,927	643,927	-
AIDS Drug Assistance	606,678	606,678	606,678	-
Disproportionate Share-Medical Emergency Assistance	51,725,000	51,725,000	51,725,000	-
DSH-Urban Hospitals in Distressed Municipalities	31,550,000	31,550,000	31,550,000	-
State Administered General Assistance	323,265,000	141,631,064	141,631,064	-
School Readiness	4,619,697	4,561,767	4,561,767	-
Connecticut Children's Medical Center	11,020,000	11,020,000	11,020,000	-
Community Services	3,039,013	2,735,606	2,735,606	-
Alzheimer Respite Care	2,294,388	2,294,388	2,294,388	-
Human Service Infrastructure Community Action Program	3,798,856	3,798,856	3,798,856	-
Teen Pregnancy Prevention	1,527,384	1,527,384	1,527,384	-
Child Day Care	5,263,706	5,263,706	5,263,706	-
Human Resource Development	31,034	31,034	31,034	-
Human Resource Development-Hispanic Programs	5,900	5,900	5,900	-
Teen Pregnancy Prevention	870,326	870,326	870,326	-
Services to the Elderly	44,405	44,405	44,405	-
Housing/Homeless Services	686,592	686,592	686,592	-

Community Services	116,358	116,358	116,358	-
	475,000	475,000	475,000	-
TOTAL	5,161,466,338	5,185,974,954	5,368,916,993	(182,942,039)

Department of Correction				
	Appropriation	Available Funding	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	393,636,757	431,844,522	431,844,522	-
Other Expenses	80,600,230	64,167,324	75,571,762	(11,404,438)
Equipment	1	1	-	1
Stress Management	-	91,317	91,317	-
Workers' Compensation Claims	29,898,513	29,898,513	31,944,813	(2,046,300)
Inmate Medical Services	98,624,298	98,624,298	98,624,298	-
Parole Staffing and Operations	6,197,800	6,096,393	6,096,393	-
Mental Health AIC	60,000	260,230	260,230	-
Distance Learning	10,000	10,000	10,000	-
Children of Incarcerated Parents	350,000	110,000	-	110,000
Aid to Paroled and Discharged Inmates	9,500	9,500	5,000	4,500
Legal Services to Prisoners	870,595	680,925	870,595	(189,670)
Volunteer Services	170,758	125,138	125,138	-
Community Support Services	40,370,121	40,370,121	40,180,451	189,670
TOTAL	650,798,573	672,288,282	685,624,519	(13,336,237)