

Analysis of Finance Advisory Committee  
Meeting Items

December 2, 2010 Agenda

**OFFICE OF FISCAL ANALYSIS**

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## FAC 2011-4 Auditors of Public Accounts

Account	Original Appropriation	Prior Policy Actions <sup>1</sup>	Proposed FAC Transfer		Available Funding Post-FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	12,569,724	(552,232)	(125,000)	-	11,892,492
Equipment	50,000	-	(20,000)	-	30,000
Other Expenses	806,647	(231,789)	-	145,000	719,858
<b>TOTAL</b>			(145,000)	145,000	

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

- Personal Services- Savings realized by not having to make Retirement Incentive Program (RIP) accrual payouts until FY 13 and refilling retirement positions at lower salary rates.
- Equipment- Lower-than-anticipated expenditures.

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

- Other Expenses- (1) To meet computer lease payment obligations; and (2) for costs associated with federally mandated professional education training for audit staff.

### *Holdback and Lapses*

The transfer from Personal Services will not affect the agency's ability to meet the \$552,232 in holdbacks and budgeted lapses in this account. The transfer of \$145,000 to Other Expenses does not affect the agency's ability to meet the \$231,789 in holdbacks and budgeted lapses in this account.

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

## FAC 2011-5 Governor's Office

Account	Original Appropriation	Prior Policy Actions	Proposed FAC Transfer		Available Funding Post-FAC Action
			FROM (Decrease)	TO (Increase)	
Other Expenses	134,660	62,897	(17,616)	-	179,941
Personal Services	2,405,378	(119,296)	-	17,616	2,303,698
<b>TOTAL</b>			(17,616)	17,616	

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

- Other Expenses- An October 2010 FAC action transferred \$100,000 from Personal Services to Other Expenses to fund transition related expenses, including computer equipment and other miscellaneous expenses. Funding for transition expenses was not provided in the FY 11 revised budget.

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

- Personal Services- To cover the cost of 4 durational staff for 6 weeks to provide clerical support during the gubernatorial transition. Each staff member will work up to 240 hours. Two will be paid at a rate of \$16.75/hour, one at \$26.90/hour and one at \$13.00/hour.

### Holdback and Lapses

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

## FAC 2011-6 Office of Policy and Management

Account	Original Appropriation	Prior Policy Actions	Proposed FAC Transfer		Available Funding Post-FAC Action
			FROM (Decrease)	TO (Increase)	
Property Tax Relief Elderly Freeze Program	560,000	-	(140,000)	-	420,000
Capital City Economic Development	6,050,000	(2,050,647)	-	140,000	4,139,353
<b>TOTAL</b>			(140,000)	140,000	

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

- Property Tax Elderly Freeze Program- Since the program has been closed to new applicants since 1978, and all program participants were elderly at the time of acceptance into the program, annual enrollment and expenditures have been declining due to attrition. The rate of attrition is greater than anticipated, as the number of program participants fell by 66 from FY 10 to FY 11.

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

- Capital City Economic Development Authority (CCEDA)- Anticipated costs to operate and market the convention center exceed the budgeted resources. In FY 08, CCEDA expended \$8.25 million; the budget has been reduced by 30% in FY 11 to \$6,050,000 to achieve cost savings. The shortfall in this account would have been greater, however the salary of CCEDA's Executive Director, has been paid for from the Office of Policy and Management's (OPM) Personal Services account since September, as the position has been transitioned from CCEDA to OPM, pursuant to PA 09-7. CCEDA is a quasi-public authority funded through a line item in OPM.

### *Holdback and Lapses*

There are no holdbacks imposed on the Property Tax Elderly Program. There has been no release of the \$2,050,647 in contract savings holdback for CCEDA. If these funds are not released, subsequent FAC action, deficiency appropriations, significant reduction of CCEDA expenditures, or a combination thereof, are likely.

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

<b>Auditors of Public Accounts</b>				
	<u>Appropriation<sup>2</sup></u>	<u>Available Funding<sup>3</sup></u>	<u>Estimated Expenditures</u>	<u>Estimated Surplus/(Deficiency)</u>
Personal Services	12,569,724	11,892,492	11,392,001	500,491
Other Expenses	806,647	719,858	719,858	-
Equipment	50,000	30,000	30,000	-
<b>TOTAL</b>	13,426,371	12,642,350	12,141,859	500,491

<b>Governor's Office</b>				
	<u>Appropriation</u>	<u>Available Funding</u>	<u>Estimated Expenditures</u>	<u>Estimated Surplus/(Deficiency)</u>
Personal Services	2,405,378	2,303,698	2,303,698	-
Other Expenses	134,660	179,941	179,941	-
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
<b>TOTAL</b>	2,760,631	2,704,232	2,674,331	29,901

<b>Office of Policy and Management</b>				
	<u>Appropriation</u>	<u>Available Funding</u>	<u>Estimated Expenditures</u>	<u>Estimated Surplus/(Deficiency)</u>
Personal Services	12,234,375	12,136,230	12,136,230	-
Other Expenses	2,636,252	3,421,056	3,421,056	-
Equipment	1	1	1	-
Litigation Settlement Costs	-	2,248,852	2,248,852	-
Automated Budget System and Data Base Link	55,075	54,656	54,656	-
Leadership, Education, Athletics in Partnership (LEAP)	850,000	638,722	638,722	-
Cash Management Improvement Act	95	95	95	-
Justice Assistance Grants	1,129,572	600,375	600,375	-
Neighborhood Youth Centers	1,487,000	1,205,295	1,205,295	-
Water Planning Council	104,500	104,500	104,500	-

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

<sup>3</sup> Includes all anticipated and enacted holdbacks (forced lapses), rescissions, de-appropriations, transfers, and carry forwards.

Connecticut Impaired Driving Records Information System	902,857	902,015	902,015	-
Tax Relief for Elderly Renters	24,000,000	24,000,000	24,000,000	-
Regional Planning Agencies	200,000	-	-	-
Reimbursement Property Tax - Disability Exemption	400,000	400,000	400,000	-
Distressed Municipalities	7,800,000	7,800,000	7,800,000	-
Property Tax Relief Elderly Circuit Breaker	20,505,899	20,505,899	20,505,899	-
Property Tax Relief Elderly Freeze Program	560,000	420,000	420,000	-
Property Tax Relief for Veterans	2,970,099	2,970,099	2,970,099	-
P.I.L.O.T. - New Manufacturing Machinery and Equipment	47,895,199	47,895,199	47,895,199	-
Capital City Economic Development	6,050,000	4,139,353	4,139,353	-
<b>TOTAL</b>	129,780,924	129,442,347	129,442,347	-