

FINANCE ADVISORY COMMITTEE

AGENDA

May 5, 2011

Room 1E, Legislative Office Building - 1:00 P.M.

1. Minutes of the April 14, 2011 meeting.

2. New transactions as follows:

2011-22	Judicial Selection Commission	\$	2,700.00
2011-23	Department of Public Works	\$	24,000.00
2011-24	Office of Protection & Advocacy	\$	72,659.00
2011-25	Agricultural Experiment Station	\$	200,000.00
2011-26	Department of Developmental Services	\$	406,012.00
2011-27	Department of Mental Health & Addiction Services	\$	5,400,000.00
2011-28	Department of Transportation	\$	6,380,000.00
2011-29	Department of Social Services	\$	196,240,000.00
2011-30	Department of Education	\$	4,940,000.00
2011-31	Teachers' Retirement Board	\$	106,000.00

PAGE \_\_\_\_\_ OF \_\_\_\_\_  
DOCUMENT NUMBER  
**JSC 0001**

ALLOTMENT adjustment     APPROPRIATION adjustment     APPROPRIATION adjustment, requiring Finance Advisory Committee action

COMPT. USE ONLY		EFFECTIVE DATE		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
				2011-22		11-48

AGENCY NO.	AGENCY NAME
JSC13800	Judicial Selection Commission

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>Allotment</u>	<u>Allotment</u>	
2011	11000	JSC13800	10020		\$2,700.00		Other Expense
2011	11000	JSC13800	10010			\$2,700.00	Personal Services

REASON FOR ADJUSTMENT

Funds needed to cover net payroll expenses. The JSC is requesting approval for an internal transfer of funds from OE to PS account to cover projected payroll deficit of \$2,680.00. JSC has reduced its monthly interviewing meeting from 12 to 9 meetings during fiscal 2011. By lessening the monthly meeting, JSC is expected to have \$2,100 that will lapse to the agency's general fund OE appropriation account. OPM may have to release an additional amount of \$600 from its holdback/Contracts Savings in order to cover the shortfall of JSC payroll in the amount of \$2,700.

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations)	REQUESTING OFFICIAL (Signature)	(Title)	DATE SIGNED
4a-87	<i>V. Jean Michael</i>	Dir. Of Fiscal & Admin. Svcs.	3/30/11

ACTION

UNALLOTTED / AVAILABLE BALANCE	APPROVED (Secretary, Office of Policy and Management)	DATE
	<i>Maree Ajaka</i>	4-28-11

REVIEWED BY (Analyst)	DATE	APPROVED (Governor)	DATE
<i>Chris LeMay</i>	4/28/11		

RECOMMENDED (Under Secretary, Bud. & Fin. Mgmt.)	DATE
<i>Paul G. Mc</i>	28 APR 11

\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

ALLOTMENT OR APPROPRIATION  
ADJUSTMENT REQUEST  
B-107 REV 5/2008

TO: STATE OF CONNECTICUT  
BUDGET AND FINANCIAL MANAGEMENT  
OFFICE OF POLICY AND MANAGEMENT

PAGE \_\_\_\_\_ OF \_\_\_\_\_  
DOCUMENT NUMBER  
**DPW11086**

ALLOTMENT adjustment     APPROPRIATION adjustment     APPROPRIATION adjustment, requiring Finance Advisory Committee action

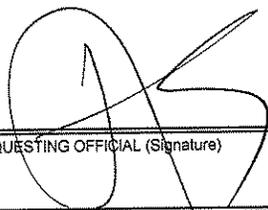
COMPT. USE ONLY		EFFECTIVE DATE		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
				2011-23	DPWM1	7946
AGENCY NO.	AGENCY NAME					
DPW27000	DEPARTMENT OF PUBLIC WORKS					

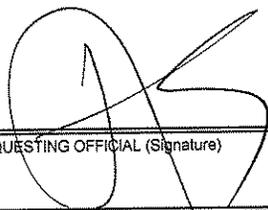
F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>UNENCUMBERED BALANCE</u>	<u>ALLOTMENT</u>	
2011	11000	DPW27000	10010	2011	\$24,000.00		Personal Services
2011	11000	DPW27000	12184	2011		\$24,000.00	Capitol Day Care
					<hr/> \$24,000.00	<hr/> \$24,000.00	

REASON FOR ADJUSTMENT

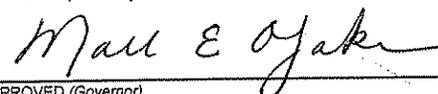
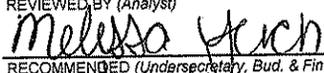
Transfer of funds from the Personal Services Account to the Capitol Day Care Account.

Bond Commission Date:



STATUTORY AUTHORITY (for adjustments in appropriations)	REQUESTING OFFICIAL (Signature)	(Title)	DATE SIGNED
4-87 (a)		Acting Commissioner	4/25/2011

ACTION

UNALLOTTED / AVAILABLE BALANCE		APPROVED (Secretary, Office of Policy and Management)	DATE
			4-28-11
REVIEWED BY (Analyst)	DATE	APPROVED (Governor)	DATE
	4/25/11		
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.)	DATE		
	28 APR 11		

\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

ORIGINAL - OPM



STATE OF CONNECTICUT  
DEPARTMENT OF PUBLIC WORKS



Raeanne V. Curtis  
Commissioner

**TO:** Benjamin Barnes, Secretary  
Office of Policy and Management

**FROM:** Jonathan P. Holmes, Acting Commissioner

**SUBJECT:** **Request for Transfer of Funds**  
Finance Advisory Committee Action – May 5, 2011 Meeting

**DATE:** April 25, 2011

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Enclosed, please find for consideration and Finance Advisory Committee action a request by the DPW to transfer funds from the Personal Services Account to cover a shortfall in Capitol Day Care account. This transfer will allow the department to timely pay expenses to the end of the Fiscal Year.

The deficiency in the Capitol Day Care account is due to the holdbacks. DPW expenses for this account are limited to Electricity and Rent.

Should you need additional detail, please contact me.

Your consideration of this request is appreciated.

JPH/RMP

PAGE OF  
DOCUMENT NUMBER  
**OPA 0001**

ALLOTMENT adjustment  
 APPROPRIATION adjustment  
 APPROPRIATION adjustment, requiring Finance Advisory Committee action

COMPT. USE ONLY		EFFECTIVE DATE		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
				2011-24		11-51
AGENCY NO.	AGENCY NAME					
OPA41200	Office of Protection & Advocacy for Persons with Disabilities					

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>Unallotted</u>	<u>Allotment</u>	
2011	11000	OPA41200	10020	2011	\$72,659.00		Other Expenses
2011	11000	OPA41200	10010	2011		\$72,659.00	Personal Services

REASON FOR ADJUSTMENT

Transfer unallotted OE holdback funds to Personal Services account to cover projected payroll deficit.

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations)	REQUESTING OFFICIAL (Signature)	(Title)	DATE SIGNED
4-87	<i>V. Jean Michael</i>	Director of Fiscal & Administrative Svcs.	4/8/11
UNALLOTTED / AVAILABLE BALANCE	APPROVED (Secretary, Office of Policy and Management)		DATE
	<i>Maureen Ojak</i>		4-25-11
REVIEWED BY (Analyst)	DATE	APPROVED (Governor)	DATE
<i>JDM</i>	4-25-11		
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.)	DATE		
<i>[Signature]</i>	28 APR 11		

\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

PROPOSED ITEM FOR APPROVAL  
BY THE FINANCE ADVISORY COMMITTEE  
April 25, 2011

The Office of Protection and Advocacy requests authority to transfer \$72,659 from the Other Expenses account to cover a projected shortfall in the Personal Services account.

After a release of the \$18,117 holdback, the Personal Services account remains \$76,900 short. A 2 ½ percent reduction equaling \$58,705 was taken in the legislative budget when there were no vacancies to create the required turnover, \$26,799 was removed to reflect RIP and furlough savings when the agency had no retirements and an unanticipated accrued leave payment of \$43,005 all contribute to the shortfall.

This shortfall will be offset by the holdback in the Other Expenses account.

ALLOTMENT adjustment  
 APPROPRIATION adjustment  
 APPROPRIATION adjustment, requiring Finance Advisory Committee action

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COMPT. USE ONLY	EFFECTIVE DATE	FAC NUMBER	REQUEST NUMBER
		2011-25	2011-2
AGENCY NO.	AGENCY NAME		
48000	The Connecticut Agricultural Experiment Station		

F.Y.	FUND	AGENCY	SID	REDUCE*	INCREASE**	ACCOUNT TITLE/PROJECT NUMBER
2011	11000	48000	10010	<u>Allotment</u> 200,000.00	<u>Allotment</u>	Personal Services
2011	11000	48000	10020		200,000.00	Other Expenses

REASON FOR ADJUSTMENT

Transfer allotted funds from the Personal Services account to the Other Expenses account for utility and operational expenditures. The CAES Other Expenses appropriation for fiscal year 2011 was \$923,511. A "holdback" was processed in the amount of \$240,855, leaving the agency without the required funding to cover utility costs and essential supplies.

Bond Commission Date: \_\_\_\_\_

STATUTORY AUTHORITY (For adjustments in appropriations)	REQUESTING OFFICIAL (Signature) <i>Foris A. Magnarelli</i>	(Title) Director	DATE SIGNED 4/15/2011
ACTION			
UNALLOTTED/UNENCUMBERED BALANCE \$		APPROVED (Secretary, Office of Policy and Management) <i>Mark E. Ojak</i>	DATE 4-25-11
REVIEWED BY (Analyst) <i>Chris DeRuy</i>	DATE 4/25/11	APPROVED (Governor)	DATE
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.) <i>Paul H. ...</i>	DATE 28 APR 11		

\* USE ONLY UNALLOTTED, UNENCUMBERED, RESOURCES OF FUND  
\*\*USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

Agricultural Experiment Station FAC  
May 5, 2011

The Connecticut Agricultural Experiment Station (CAES) has an Other Expenses appropriation of \$923,511. There was a "holdback" of \$240,855, leaving an allotment of \$682,656. The Other Expense budget is used for utility costs, heating oil, and essential building, operating, and laboratory supplies. The latter are needed to perform analysis for other state agencies, pursuant to state statutes, concerning food and product testing for toxic chemicals. We project expenditures of \$880,000 and respectfully request a transfer of \$200,000 from Personal Services to Other Expenses.

The CAES has honored the "hiring freeze" and projects a \$250,000 lapse in the Personal Services account. There are vacancies that must eventually be filled to properly conduct tests for toxic chemicals in food and for analyses of mosquitoes for encephalitis viruses. There is a critical research component required to properly conduct these analyses. The CAES will provide the required agency budgeted program savings for fiscal year 2011.

The CAES requested the majority of its appropriation (\$600,000) in the first three quarters of the fiscal year. We will have expended our allotment in April. Therefore, it is imperative that we go to FAC in early May. We emphasize the CAES is conservative in spending, and we continuously look for ways to save taxpayers' money. For example, we reduced energy costs by installing occupancy sensors in our buildings and reduced printing and mailing costs by distributing publications electronically. It is now clear that we will require a transfer of \$200,000 for essential energy, utility, building, and laboratory supply expenditures through June 30, 2011.

ALLOTMENT OR APPROPRIATION  
ADJUSTMENT REQUEST  
B-107 REV 5/2008

TO: STATE OF CONNECTICUT  
BUDGET AND FINANCIAL MANAGEMENT  
OFFICE OF POLICY AND MANAGEMENT

PAGE	OF
DOCUMENT NUMBER	
20204	

ALLOTMENT adjustment     APPROPRIATION adjustment     APPROPRIATION adjustment, requiring Finance Advisory Committee action

COMPT. USE ONLY		EFFECTIVE DATE		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
				2011-26	DDS	11-204
AGENCY NO.	AGENCY NAME					
DDS50000	DEPARTMENT OF DEVELOPMENTAL SERVICES					

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
2011	11000	DDS50000	10010	2011	<u>Allotment</u> \$406,012.00	<u>Allotment</u>	Personal Services
			10020	2011		\$406,012.00	Other Expenses
					\$406,012.00	\$406,012.00	

REASON FOR ADJUSTMENT

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations) <b>C.G.S. 4.87</b>	REQUESTING OFFICIAL (Signature) <i>James D. Connors</i>	(Title) <b>CFO</b>	DATE SIGNED 4/13/11
UNALLOTTED / AVAILABLE BALANCE	APPROVED (Secretary, Office of Policy and Management) <i>Mark E. Jak</i>		DATE 4-28-11
REVIEWED BY (Analyst) <i>J Down</i>	DATE 4-25-11	APPROVED (Governor)	DATE
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.) <i>Paul J. ...</i>	DATE 28 APR 11		

\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND  
\*\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

ORIGINAL - OPM

DDS50000  
DOC# 20203  
REQ# DDS 11-203

Attachment

Personal Services:

The Department of Developmental Services requests a transfer of one time savings of \$489,545 from the Department's Fiscal Year 2011 Personal Services SID to the Other Expenses SID. The FAC is required to provide the necessary cash flow that will allow the purchase of essential goods and services and to meet all financial obligations.

The savings in PS is a result of one time savings from the delayed hiring of approved positions.

Other Expenses:

The Department of Developmental Services requests the transfer of \$489,545 to Other Expenses (SID 10020). This transfer is necessary in order to fund \$301,353 applicable to prescribed Over-The-Counter pharmaceutical items no longer funded by the Department of Social Services Medicaid Program, and to fund \$188,192 of additional snow and ice related costs from this winter's multiple storms.

This will be funded by a transfer of \$489,545 from the Department's Personal Services (SID 10010).

ALLOTMENT OR APPROPRIATION  
ADJUSTMENT REQUEST  
B-107 REV 3/96

TO: STATE OF CONNECTICUT  
BUDGET AND FINANCIAL MANAGEMENT  
OFFICE OF POLICY AND MANAGEMENT

ALLOTMENT adjustment     APPROPRIATION adjustment     APPROPRIATION adjustment, requiring Finance Advisory Committee action

COMPT. USE ONLY	PAGE	OF
DOC. TYPE	DOCUMENT NUMBER	
	MHA00013	

COMPT. USE ONLY	EFFECTIVE DATE	FAC NUMBER	REQUEST NUMBER
		2011-27	2011-13

AGENCY NO.	AGENCY NAME
53000	Department of Mental Health and Addiction Services

F.Y.	FUND	AGENCY	SID	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
				<u>Unencumbered Balance</u>	<u>Fourth Quarter Allotment</u>	
2011	11000	53100	12235	\$1,750,000.00		Workers' Compensation
2011	11000	53100	12289	\$2,500,000.00		Behavioral Health Medication
2011	11000	53100	12444	\$1,150,000.00		Home and Community Based Services
2011	11000	53000	16053		\$5,400,000.00	Grants for Mental Health Services
		<b>TOTAL</b>		\$5,400,000.00	\$5,400,000.00	

REASON FOR ADJUSTMENT

To make funds available through FAC action for expenditures in the Fourth Quarter.

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations)	REQUESTING OFFICIAL (Signature) <i>Scott Mc...</i>	(Title) <b>Budget Director</b>	DATE SIGNED 4/18/11
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ACTION

UNALLOTTED / UNENCUMBERED BALANCE		APPROVED (Secretary, Office of Policy and Management) <i>Ma...</i>	DATE 4-28-11
REVIEWED BY (Analyst) <i>J Brown</i>	DATE 4-25-11	APPROVED (Governor) <i>...</i>	DATE
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.) <i>...</i>	DATE 28 APR 11		

\* USE ONLY UNALLOTTED, UNENCUMBERED, RESOURCES OF FUND  
\*\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

ORIGINAL - OPM

ALLOTMENT OR APPROPRIATION

TO:

STATE OF CONNECTICUT

PROPOSED ITEMS FOR APPROVAL  
 BY THE FINANCE ADVISORY COMMITTEE  
 April 25, 2011

The Department of Mental Health and Addiction Services requests authority to transfer \$5.4 million to cover a projected shortfall in the Grants for Mental Services (SID 16053) account that will occur from the need to transfer funds to the Department of Social Services for targeted case management services provided by DMHAS contractors.

In response to direction from The Centers for Medicare and Medicaid (CMS), the federal agency which administers the Medicaid program, DMHAS was required to change how it bills for Medicaid services provided at DMHAS operated and funded programs. Formerly, DMHAS billed through a process known as “shadow claiming” whereby it created data extracts from its information systems for Medicaid covered services provided to Medicaid recipients. These extracts were submitted to the Department of Social Services’ (DSS) Medicaid management information system (MMIS) as claims. The MMIS in turn adjudicated these claims and generated a remittance advice listing denied and “paid” claims. The “paid” claims did not generate actual payment to DMHAS. DSS reported these non-cash payments to CMS and drew down the federal match, which was deposited in the State’s general fund. In the revised method, known as Intergovernmental Transfers (IGT), the “paid” claims will generate cash payments to DMHAS. To do this, DMHAS needs to transfer funding to DSS so it can be run through the MMIS system and payments will then be paid back to DMHAS as reimbursements of current year expenditures. As a result, the grant account, Grants for Mental Services (SID 16053) will have a temporary shortfall of \$5.4 million. DMHAS will have a surplus in the account once it has received the Medicaid payments.

This net shortfall will be offset by lapses available in three accounts: 1) the Workers’ Compensation account, 2) the Behavioral Health Medication account 3) and the Home and Community Based Services (HCBS) account.

Workers’ Compensation (SID 12235) has a projected lapse of \$1,750,000 due to lower than expected expenditures, the Behavioral Health Medication account (SID 12289) is projected to lapse \$2,500,000 related to savings achieved by the increased use of generic medication in our inpatient facilities and the Home and Community Based Services account (SID 12444) is projected to lapse \$1,150,000 due to the majority of clients accessing services through the Money Follows the Person waiver and as a result HCBS waiver expenditures are deferred for one year. The service plans included safety nets (ex. crisis services) but clients are responding well to rehabilitation in the community and not needing these services as much as originally anticipated.

Summary of Transfer:

Grants for Mental Services (16053)	\$5,400,000
Workers’ Compensation (12235)	(\$1,750,000)
Behavioral Health Medication (12289)	(\$2,500,000)
<u>Home and Community Based Services (12444)</u>	<u>(\$1,150,000)</u>
Total	(\$5,400,000)

**TOTAL** **\$0**

ALLOTMENT adjustment     APPROPRIATION adjustment     APPROPRIATION adjustment, requiring Finance Advisory Committee action

DOCUMENT NUMBER  
**DOT4343**

<b>COMPT. USE ONLY</b>		EFFECTIVE DATE		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
				2011-28	DOT	9834
AGENCY NO.	AGENCY NAME					
57000	Department of Transportation					

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
2011	12001	DOT57000	10010	2011	<u>Allotted Balance</u>	<u>Allotment</u>	Personal Services
2011	12001	DOT57000	10020	2011		\$4,380,000.00	Other Expenses
2011	12001	DOT57000	12168	2011	\$6,380,000.00	\$2,000,000.00	Rail Operations
					\$6,380,000.00	\$6,380,000.00	Total

REASON FOR ADJUSTMENT

See attached

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations) <b>Sec. 4-87</b>	REQUESTING OFFICIAL (Signature) <i>Global Chief</i>	(Title) <b>Bureau Chief</b>	DATE SIGNED <b>4-18-11</b>
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**ACTION**

UNALLOTTED / AVAILABLE BALANCE		APPROVED (Secretary, Office of Policy and Management) <i>Mull Coyak</i>	DATE <b>4-25-11</b>
REVIEWED BY (Analyst) <i>Cheryl Myer Esq. JJ</i>	DATE <b>4/28/11</b>	APPROVED (Governor)	DATE
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.) <i>Paul Hill</i>	DATE <b>28 APR 11</b>		

\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND  
\*\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

**Finance Advisory Committee  
Meeting May 5, 2011**

The Department of Transportation (Department) requests the transfer of \$6,380,000 from its Rail Operations appropriation to its Personal Services appropriation (\$4,380,000) and to its Other Expenses appropriation (\$2,000,000).

The transfer of funding to the Department's Personal Services appropriation is necessary because the Department is unable to fully absorb overtime costs which have exceeded budgeted amounts due to the severity of the 2010-2011 winter season. While the Department had anticipated that delays in hiring might result in available funds, the severity of the winter storms led to extensive Snow and Ice removal costs in overtime, as well as higher than budgeted costs in Other Expenses for materials and contractual services, which was partially addressed at the March Finance Advisory Committee meeting by the temporary transfer of funds from Personal Services.

The transfer of funding is also required to immediately replenish the Department's Other Expenses appropriation, which has been impacted by the rising costs of motor vehicle fuel, and continued increase in equipment repair costs.

Funding is available in the Department's Rail Operations appropriation as the result increased passenger revenues and cost savings measures implemented by Metro North, which have yielded a lower net subsidy requirement in recent months.

<u>SID</u>	<u>Appropriation Title</u>	<u>Transfer Amount</u>
10010	Personal Services	\$ 4,380,000
10020	Other Expenses	\$ <u>2,000,000</u>
	Total Transfers In	\$ 6,380,000
12168	Rail Operations	\$ <u>(6,380,000)</u>
	Total Transfers Out	\$ (6,380,000)

ALLOTMENT adjustment  
 APPROPRIATION adjustment  
 APPROPRIATION adjustment, requiring Finance Advisory Committee action

COMPT. USE ONLY		EFFECTIVE DATE		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
				2011-29	DSS	2011-196
AGENCY NO.	AGENCY NAME					
DSS60000	DEPARTMENT OF SOCIAL SERVICES					

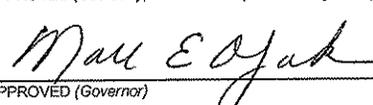
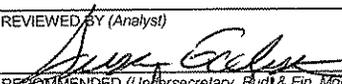
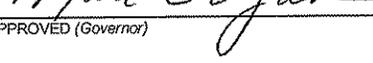
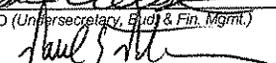
F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTTED</u>	<u>ALLOTMENT</u>	
2011	11000	DSS60000	10010	2011	\$2,400,000.00		Personal Services
2011	11000	DSS60000	12239	2011	\$1,800,000.00		HUSKY Program
2011	11000	DSS60000	12494	2011	\$2,900,000.00		Charter Oak
2011	11000	DSS60000	16090	2011	\$12,000,000.00		Temporary Assistance to Families-TANF
2011	11000	DSS60000	16100	2011	\$3,000,000.00		ConnPACE
2011	11000	DSS60000	16114	2011	\$24,000,000.00		Connecticut Home Care Program
2011	11000	DSS60000	16123	2011	\$700,000.00		Services to the Elderly
2011	11000	DSS60000	16137	2011	\$200,000.00		Transitional Rental Assistance
2011	11000	DSS60000	16147	2011	\$4,500,000.00		Child Care Services-TANF/CCDBG
2011	11000	DSS60000	16149	2011	\$2,700,000.00		Housing/Homeless Services
2011	11000	DSS60000	16157	2011	\$141,630,000.00		State Administered General Assistance
2011	11000	DSS60000	17032	2011	\$410,000.00		Teen Pregnancy Prevention
2011	11000	DSS60000	12202	2011		\$80,000.00	State Food Stamp Supplement
2011	11000	DSS60000	16020	2011		\$194,350,000.00	Medicaid
2011	11000	DSS60000	16061	2011		\$950,000.00	Old Age Assistance
2011	11000	DSS60000	16071	2011		\$60,000.00	Aid to the Blind
2011	11000	DSS60000	16077	2011		\$800,000.00	Aid to the Disabled
					\$196,240,000.00	\$196,240,000.00	

REASON FOR ADJUSTMENT

Funds are being transferred to meet anticipated end of year requirements in various accounts

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations)	REQUESTING OFFICIAL (Signature)	(Title)	DATE SIGNED
CGS-4-87(a)		Commissioner	4/27/2011

UNALLOTTED / AVAILABLE BALANCE	ACTION	APPROVED (Secretary, Office of Policy and Management)	DATE
			4-28-11
REVIEWED BY (Analyst)	DATE	APPROVED (Governor)	DATE
	4/28/11		
RECOMMENDED (Under Secretary, Bid & Fin. Mgmt.)	DATE		
	28 APR 11		

\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

**SFY 2011 Thursday, May 5, 2011 FAC**

12202 State Food Stamp Supplement	\$80,000
16020 Medicaid	\$194,350,000
16061 Old Age Assistance	\$950,000
16071 Aid to the Blind	\$60,000
16077 Aid to the Disabled	\$800,000
10010 Personal Services	(\$2,400,000)
12239 HUSKY B	(\$1,800,000)
12494 Charter Oak Health Plan	(\$2,900,000)
16090 Temporary Family Assistance	(\$12,000,000)
16100 ConnPACE	(\$3,000,000)
16114 Connecticut Home Care Program	(\$24,000,000)
16123 Services to the Elderly	(\$700,000)
16137 Transitional Rental Assistance	(\$200,000)
16147 Child Care Services – TANF/CCDBG	(\$4,500,000)
16149 Housing/Homeless Services	(\$2,700,000)
16157 State Administered General Assistance	(\$141,630,000)
17032 Teen Pregnancy Prevention	(\$410,000)

Funds are being transferred to the State Food Stamp Supplement, Old Age Assistance, Aid to the Blind, Aid to the Disabled, and Medicaid accounts to meet year-end requirements. Funds are being transferred from Personal Services, HUSKY B, Charter Oak Health Plan, Temporary Family Assistance, ConnPACE, Connecticut Home Care Program, Services to the Elderly, Transitional Rental Assistance, Child Care Services, Housing/Homeless Services, State Administered General Assistance, and Teen Pregnancy Prevention.

**STATE FOOD STAMP SUPPLEMENT**

The department is projecting an \$80,000 deficit in the state-funded Supplemental Nutrition Assistance Program. Cases have risen 38% (from 370 in June 2010 to 509 in March 2011). Caseloads have grown an average of 4% per month in SFY 2011. The original biennial budget forecast a very slight decrease in caseloads. Funds are being transferred to the State Food Stamp Supplement account to ensure sufficient funding is available to meet year-end requirements.

**MEDICAID**

The department continues to experience significant increases in expenditures due to caseloads that are higher than what was contained in the budget in several key areas of the Medicaid program. The most significant increases driving this have been experienced in HUSKY A and the Medicaid for Low Income Adults (MLIA) programs. The HUSKY A program served 392,684 individuals as of April 2011, up from 378,746 in July 2010, which represents an increase of 13,938 clients in the last 10 months alone. MLIA caseloads have increased dramatically since federal approval was received in June 2010. The MLIA program has increased by 16,777 in SFY 2011 from 48,764 in July 2010 to 65,541 as of April 2011.

The SFY 2011 state budget included a number of significant savings initiatives, some of which have proven to be extremely ambitious to achieve in a short time frame given the scope of the program changes and the number of individuals affected. We remain committed to pursuing these initiatives, but delays in implementation have also contributed to the current Medicaid shortfall.

### **OLD AGE ASSISTANCE**

We are projecting a \$950,000 deficiency in the Old Age Assistance account. While there was a midterm adjustment of \$3.1 million to reflect decreasing trends, these trends are not being fully recognized currently. State Supplement recipients rely on their Social Security payments. These payments have not increased in two years while cost of living has increased. These increased pressures have led to increasing caseloads rather than the original decrease that was anticipated. The average cost per case has increased by 1% since SFY 2010. Caseloads have increased by 0.3% since SFY 2010. Additional funds are now required to ensure adequate funding to cover client benefits through the end of SFY 2011.

### **AID TO THE BLIND**

We are projecting a \$60,000 deficiency in the Aid to the Blind account. While there was a midterm adjustment of \$24,000 to reflect decreasing trends, these trends are not being fully recognized currently. State Supplement recipients rely on their Social Security payments. These payments have not increased in two years while cost of living has increased. These increased pressures have led to increasing caseloads rather than the original decrease that was anticipated. The average cost per case has increased by 4% since SFY 2010 and the average caseload has increased 0.4% since SFY 2010. Additional funds are now required to ensure adequate funding to cover client benefits through the end of SFY 2011.

### **AID TO THE DISABLED**

We are projecting an \$800,000 deficiency in the Aid to the Disabled account. While there was a midterm adjustment of \$1.1 million to reflect decreasing trends, these trends are not being fully recognized currently. State Supplement recipients rely on their Social Security payments. These payments have not increased in two years while cost of living has increased. These increased pressures have led to increasing caseloads rather than the original decrease that was anticipated. For example, caseloads have increased by 3% since SFY 2010. Additional funds are now required to ensure adequate funding to cover client benefits through the end of SFY 2011.

### **PERSONAL SERVICES**

The department is currently projecting a surplus of \$2.4 million in the Personal Services account, due to turnover and authorized positions being filled more slowly than anticipated.

### **HUSKY B**

The department is currently projecting a \$1.8 million surplus in the HUSKY B account. In part, caseload reductions may be associated with implementation of cost-sharing requirements effective July 1, 2010 and clients transitioning to HUSKY A. Although the average monthly enrollment variances show negative trends, the Department expects a slight growth in enrollment for the

remainder of the fiscal year. For SFY 2011, the average number of clients expected to be enroll in HUSKY B is 14,894.

### **CHARTER OAK HEALTH PLAN**

The department is currently projecting a surplus of \$2.9 million in the Charter Oak Health Plan. This surplus is related to the higher than expected decreases in caseloads for the first 7 months of the state fiscal year. Enrollment dropped from 12,285 on July 1, 2010 to 8,907 on March 1, 2011 for a net loss of 3,378 clients, an overall 27% decrease. The reduction includes Charter Oak Health Plan enrollees who transferred to the Medicaid for Low-Income Adults program. The decline in caseloads is also related to the premium increases implemented in SFY 2010, and to the change to a uniform premium of \$307 for new enrollees, regardless of income, effective June 1, 2010.

### **TEMPORARY FAMILY ASSISTANCE**

The department is projecting a \$12.0 million surplus in the Temporary Family Assistance account due to smaller than expected caseload increases in this account. The department had expected an average caseload of 24,069 for SFY 2011. This estimate has been revised to 20,609 for SFY 2011, or a decrease of 14%. It is assumed that the extensions to Unemployment Insurance to a total of 99 weeks of benefits have decreased the need for this program. Please note that although the extension in unemployment benefits does affect eligibility for this program, which provides cash assistance; the demand for medical assistance and the overall enrollments in the department's medical programs continues to increase.

### **CONNPACE**

The department is estimating that the ConnPACE program will end the year with a surplus of approximately \$3 million. This surplus is primarily due to continued enrollment of ConnPACE clients in the federally-funded Medicare Part D Low-Income Subsidy as a result of the expansion of eligibility for the Medicare Savings Program. As of February 2011, there were 26,840 clients enrolled in ConnPACE and 20,337 of them were also enrolled in the Medicare Savings Program.

### **CT HOME CARE**

The state-funded Connecticut Home Care Program for Elders is anticipated to have a surplus of \$24 million in SFY 2011; based on current projected costs of \$51 million and an average enrollment for SFY 2011 of approximately 4,500 per month. Enrollment and associated costs have clearly trended lower than was anticipated in the original appropriation. Reasons for the decrease include the impact of cost-sharing requirements on client service plans. With cost sharing requirements, clients appear to be taking a harder look at their service plans in an effort to reduce their cost share, with a corresponding savings to the state as a result. In addition, clients who may have been reluctant to apply for Medicaid prior to the State-funded program cost share requirement seem to be applying for Medicaid in increasing numbers to avoid the cost share. Finally, there is also some cost shifting in services due to the addition of Personal Care Assistant (PCA) services under the program. The last two items in particular seem to help explain why we have seen a corresponding increase in expenses under the Medicaid funded portion of the home care program.

## **SERVICES TO THE ELDERLY**

End of year estimates in the Services to the Elderly account indicate that there will be funds available for transfer. As part of deficit mitigation efforts, the Senior Center Initiative Project funds were not allocated in SFY 2010 or 2011. Since this funding is for proposals for new or enhanced services, programs, projects or initiatives, existing services and programming was not adversely impacted. These funds are eliminated in the proposed budget for SFY 2012-13. In addition, caseload and expenditures in Protective Services for the Elderly are lower than estimated. The department had anticipated that an average of 31 clients would utilize these services in SFY 2011, whereas the actual utilization is averaging 25 clients.

## **TRANSITIONARY RENTAL ASSISTANCE**

The department is estimating a surplus of \$200,000 in the Transitional Rental Assistance Program. The SFY 2011 budget included the discontinuation of new transitional rental assistance. Clients who were receiving these time-limited benefits were allowed to continue until those benefits were exhausted, but no new TRAP's were issued. The program has now entirely phased out and a balance is now available for transfer.

## **CHILD CARE SERVICES**

The department is projecting a \$4.5 million surplus in the Child Care Services account. To address an estimated \$4.5 million shortfall projected earlier in the year, the Department closed intake to Priority Group 6, which serves households with income between 50% and 75% of the state median income (\$76,232 for a family of 4) in November 2010. While we have restricted access for new Priority Group 6 applicants, people whose income rises while they are on the program are able to shift into Priority Group 6 and continue receiving child care services. It should be noted that while PG-6 caseloads have declined as a result of this closure, we have experienced broader reductions in child care use in other groups, which has resulted in the majority of the surplus being projected.

## **HOUSING/HOMELESS SERVICES**

The department is estimating that the Housing/Homeless Services account will end the year with a surplus of approximately \$2.7 million. While many services fall under the Housing/Homeless Services account, the surplus is primarily due to lower than projected client enrollments in the Rental Assistance Program. Certificate holders appear to be taking longer to lease-up (120 to 180 days) due in part to not having a security deposit available.

## **STATE ADMINISTERED GENERAL ASSISTANCE**

Funds are being transferred from the State Administered General Assistance (SAGA) account to the Medicaid account to cover expenditures for former SAGA medical clients who are now Medicaid clients as a result of the expansion of Medicaid to low-income adults. This change allows the State to claim federal reimbursement on all medical expenditures for clients formerly funded under SAGA. The approval for the expansion was given by CMS on June 21, 2010, retroactive to April 1, 2010. Since the approval came too late to be reflected in the 2011 Technical Budget, this transfer

completes the process of reallocating funding to the proper account (Medicaid) to pay for medical services.

### **TEEN PREGNANCY PREVENTION**

End of year estimates indicate that there will be funds available in the Teen Pregnancy Prevention account for transfer. After a delayed RFP in SFY 2010 and restructuring of the program, not all of the funds in the Municipal account could be spent in SFY 2011. This occurred as applicant responses to the RFP did not include enough municipalities. In SFY 2012-13, the department requested a transfer of funds from SID 17032 (Municipal) to SID 16177 (Non-Municipal) to realign funds for better utilization.

PAGE \_\_\_\_\_ OF \_\_\_\_\_  
DOCUMENT NUMBER  
**SDE0127**

ALLOTMENT adjustment  
 APPROPRIATION adjustment  
 APPROPRIATION adjustment, requiring Finance Advisory Committee action

COMPT. USE ONLY		EFFECTIVE DATE		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
				2011-30		2011-22
AGENCY NO.	AGENCY NAME					
SDE64000	Department of Education					

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
					<u>Unencumbered</u>	<u>Allotment</u>	
2011	11000	SDE64000	10010	2011	\$4,940,000.00		Personal Services
2011	11000	SDE64000	10020	2011		\$4,600,000.00	Other Expenses
2011	11000	SDE64000	16212	2011		\$120,000.00	Health Foods Initiative
2011	11000	SDE64000	17047	2011		\$120,000.00	Excess Cost - Student Based
2011	11000	SDE64000	17027	2011		\$100,000.00	Transportation of School Children

REASON FOR ADJUSTMENT  
See attached justification

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations)	REQUESTING OFFICIAL (Signature) <i>T S Mahony</i>	(Title) <b>Chief Financial Officer</b>	DATE SIGNED 4/15/11
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UNALLOTTED / AVAILABLE BALANCE	APPROVED (Secretary, Office of Policy and Management) <i>Maureen O'Jaki</i>	DATE 4-28-11
REVIEWED BY (Analyst) <i>Deborah...</i>	APPROVED (Governor)	DATE
RECOMMENDED (Undersecretary, Bnd. & Fin. Mgmt.) <i>[Signature]</i>	DATE 2011/4	

\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND  
\*\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

April 15, 2011

Finance Advisory Committee (FAC) action in May is requested as follows:

The State Department of Education requests the transfer of \$4,940,000 from the Personal Services account.

In order to cover deficits, these funds will be transferred to Other Expenses (\$4,600,000), Health Foods Initiative (\$120,000), Excess Costs-Student Based (\$120,000) and Public School Transportation (\$100,000).

### **Deficits**

The deficit in the Other Expense account of \$4.6 million results from the need to restore the agency appropriation back to a level that can support the critical and essential operation of the Connecticut Technical High School System. In July, the agency honored a statewide holdback totaling \$3.5 million, thus reducing our ability to fund operating and instructional costs within the appropriated level. Additionally, \$800,000 is sought to cover the unanticipated expenses for removing snow from the roofs of technical high schools, and \$300,000 is needed to pay for increased fuel and utility costs.

The appropriation for the Health Foods Initiative is not sufficient to cover the mandate of ten cents per meal, and it is necessary to transfer \$120,000 into this account.

The calculation for the May Excess Cost-Student Based payment reveals that several grantees will owe refunds. Due to the lateness in the fiscal year, it is unlikely that the refunds will be recovered in time to meet our payment obligations. Therefore, it will be necessary to transfer funds into this account to cover the \$120,000 deficit.

The preliminary calculation for public transportation reveals several grantees will owe refunds. Due to the lateness in the fiscal year, it is unlikely that the refunds will be recovered in time to meet our payment obligations. Therefore, it will be necessary to transfer funds into this account to cover the \$100,000 deficit.

### **Surplus**

The surplus in the Personal Services account is mainly attributable to two factors:

1. The agency this year is experiencing an attrition rate at a level that generates approximately \$4.7 million in cost savings.
2. Approximately \$300,000 was saved as a result of maintaining operations within the other-than-full-time budgeted levels.

ALLOTMENT adjustment  
 APPROPRIATION adjustment  
 APPROPRIATION adjustment, requiring Finance Advisory Committee action

DOCUMENT NUMBER  
**TRB0002**

COMPT. USE ONLY		EFFECTIVE DATE		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
				2011-31	TRB77500	2011-03
AGENCY NO.	AGENCY NAME					
TRBM1	Teachers' Retirement Board					

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
					<u>unencumbered</u>	<u>allotted</u>	
11	11000	TRB77500	10010	2011	\$106,000.00		Personnel Services
11	11000	TRB77500	10020	2011		\$106,000.00	Other Expenses

REASON FOR ADJUSTMENT

We have incurred expenditures with an Identity Fraud vendor, CSIdentity, as required by the Attorney General's Office (see attached). The purchase of services from this vendor was an unexpected expenditure that was not part of the budgeted appropriation. The expenditures for the Contract with CSI are paid in full, but the agency has current expenditures due in this fiscal year, i.e. the five year experience study, and current contractual expenditures. This allotment is necessary, without it and the amount requested in the deficiency bill, the agency would not be able to meet its current expense obligations.

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations)	REQUESTING OFFICIAL (Signature) <i>Doreen Perry</i>	(Title) <b>Administrator</b>	DATE SIGNED <b>4/20/2011</b>
ACTION			
UNALLOTTED / AVAILABLE BALANCE		APPROVED (Secretary, Office of Policy and Management) <i>Mark C. Ojakian</i>	DATE <b>4-28-11</b>
REVIEWED BY (Analyst) <i>K. Nolan</i>	DATE <b>4/20/11</b>	APPROVED (Governor)	DATE
RECOMMENDED (Under Secretary, Bud. & Fin. Mgmt.) <i>Paul F. Hite</i>	DATE <b>20 APR 11</b>		

\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND  
 \*\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND