

FINANCE ADVISORY COMMITTEE

AGENDA

June 2, 2011

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

1. Minutes of the May 5, 2011 meeting.

2. New transactions as follows:

2011-32	Office of the State Comptroller	\$1,300,000.00
2011-33	Department of Administrative Services	\$ 600,000.00
2011-34	Department of Information Technology	\$ 543,932.65
2011-35	Department of Public Safety	\$ 643,398.00
2011-36	Department of Banking	\$ 105,000.00
2011-37	Insurance Department	\$ 454,365.24
2011-38	Office of the Healthcare Advocate	\$ 15,000.00
2011-39	Workers' Compensation Commission	\$ 350,000.00
2011-40	Public Defender Services Commission	\$ 510,000.00

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	
41776	

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

COMPT. USE ONLY		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
EFFECTIVE DATE		2011-32		11-09 8-10-11

AGENCY NO.	AGENCY NAME
osc15910	Office of the State Comptroller - Miscellaneous Fringe Benefit Accounts

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
11	11000	OSC15910	12011	2011	\$1,300,000.00		Employers Social Security
11	11000	OSC15910	12005	2011		\$1,300,000.00	Unemployment Compensation

REASON FOR ADJUSTMENT

Funds are required in the Unemployment Compensation account due to an increase in length of the average claim period, as well as the effects of federally mandated extended benefits periods. Funds are available in the Social Security account due to a lower state employee salary base - on which benefits are paid - than estimated by the Legislature when the current biennial budget was passed.

Bond Commission Date: June 2, 2011

STATUTORY AUTHORITY (for adjustments in appropriations)	REQUESTING OFFICIAL (Signature)	(Title)	DATE SIGNED
4-87	<i>Keri Lembo</i>	State Comptroller	5/10/11

ACTION

UNALLOTTED / AVAILABLE BALANCE	APPROVED (Secretary, Office of Policy and Management)	DATE
	<i>Marie Ojaku</i>	5/26/11
REVIEWED BY (Analyst)	APPROVED (Governor)	DATE
<i>[Signature]</i> 5/10/11		
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.)		
<i>[Signature]</i>		26 MAY 11

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

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

COMPT. USE ONLY		EFFECTIVE DATE		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
				2011-33		11-54
AGENCY NO.	AGENCY NAME					
DAS23000	Department of Administrative Services					

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
2011	11000	DAS23000	12507	2011	<u>Allotment</u> \$600,000.00		Insurance & Risk Management
2011	11000	DAS23000	12218	2011		\$600,000.00	Worker's Compensation Administrator

REASON FOR ADJUSTMENT

Requesting transfer of funds to cover third party administrator costs.

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations) 4a-85	REQUESTING OFFICIAL (Signature) <i>V. Jean Michael</i>	(Title) Dir. Of Fiscal & Admin. Svcs.	DATE SIGNED 5/2/2011
UNALLOTTED / AVAILABLE BALANCE	ACTION	APPROVED (Secretary, Office of Policy and Management) <i>Marie E. Ojaka</i>	DATE 5/26/11
REVIEWED BY (Analyst) <i>Linda Ecklund</i>	DATE 5/4/11	APPROVED (Governor)	DATE
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.) <i>Hank [Signature]</i>	DATE 26 MAY 11		

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

Memo

To: Linda Ecklund
From: Jennifer Frazier
CC: Carolyn Koloseus
Date: 5/4/2011
Re: Request for June FAC

The FY2011 appropriation for the Worker's Comp Administrator Account is the same as the annual contract cost for the third party administrator. The shortfall in this account is due to the holdback of \$1,354,683. Currently, DAS does not have enough funds to cover the remaining monthly payments, and funds need to be committed ASAP in order for the payment to be issued to the vendor on time. DAS is requesting a transfer of \$600,000 from Insurance & Risk Management into the Worker's Compensation Administrator account. The Insurance & Risk Management account will be lapsing funds due to lower claims activity. Without the transfer of these funds, DAS will be unable to fulfill their contractual obligations.

B-107 to follow.

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

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

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ITD2011-10

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

COMPT. USE ONLY		FAC NUMBER		AGENCY ACRONYM		REQUEST NUMBER	
EFFECTIVE DATE		2011-34		DOIT		11-10	
5/18/2011							

AGENCY NO.	AGENCY NAME
ITD25000	Department of Information Technology

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
11	11000	ITD25000	10010	2011	\$543,932.65		Personal Services
11	11000	ITD25000	10020	2011		\$543,932.65	Other Expenses

REASON FOR ADJUSTMENT

Department of Information Technology will be reallocating agency budgetary funds, to satisfy back taxes obligation (October 2003-October 2006) in the amount of \$370,901.33, and interest obligation in the amount of \$173,031.32 following the decision of the Superior Court J.D. of Hartford on October 20, 2010 Docket NO. HHD-CV-08-5024457 S Fremont Riverview, LLC v. State of Connecticut.

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations)	REQUESTING OFFICIAL (Signature)	(Title)	DATE SIGNED
	<i>[Signature]</i>	Acting CIO	5/19/11
UNALLOTTED / AVAILABLE BALANCE	ACTION	APPROVED (Secretary, Office of Policy and Management)	DATE
		<i>[Signature]</i>	5/26/11
REVIEWED BY (Analyst)	DATE	APPROVED (Governor)	DATE
<i>[Signature]</i>	5/23/11	<i>[Signature]</i>	
RECOMMENDED (Undersecretary, Aud. & Fin. Mgmt.)	DATE		
<i>[Signature]</i>	26 MAY 11		

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND
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ORIGINAL - OPM

DPW & DOIT
SUMMARY OF FREMONT MANAGEMENT, LLC (FM) vs. STATE OF CONNECTICUT
RELATING TO REAL ESTATE TAXES

On or about April 28, 2003, and July 24, 2003, Lessor provided the Commissioner of Public Works notices of revaluation of real property taxes with invoices for resulting increases in real property taxes. Although increases for two tax installments were reimbursed to Lessor, a subsequent review of the payments indicated the Lessor should not have been paid as the notices regarding revaluation were not timely made under the lease. DPW's demand for disgorgement of certain payments was denied by Lessor and DPW's refusal to continue reimbursements based on the untimely presented notices of revaluation led to litigation. Lessor filed a claim with the Claims Commissioner who initially rejected the claim. The Lessor appealed to Legislature and was granted permission to re-file with the Claims Commission. Lessor prevailed before the Claims Commission and was granted the right to file suit in Superior Court.

A bench trial was held on April 13, 2010, in Hartford Superior Court. On October 14, 2010, the trial judge issued a Memorandum of Decision in favor of the Lessor holding that by making reimbursement payments, regardless whether the state had the right to refuse payment at the time of the invoices were submitted, the state effectively waived its right to further withhold tax reimbursement payments. Furthermore, the state was not entitled to a return of payments already rendered. The damages in favor of the Lessor were as follows:

Taxes due - \$370,901.33
Interest at 10% - \$173,031.32
Total due Lessor - \$543,932.65

The Department of Public Works disagrees with the decision and is pursuing an appeal through the Office of the Attorney General.

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

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

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DOCUMENT NUMBER
DPS05252011

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

COMPT. USE ONLY		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
EFFECTIVE DATE		2011-35		05252011

AGENCY NO.	AGENCY NAME
DPS32000	DEPARTMENT OF PUBLIC SAFETY

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
					<u>Unencumbered</u>	<u>Allotment</u>	
2011	11000	DPS32000	12235		\$600,000.00		Worker's Compensation Claims
2011	11000	DPS32000	12354		\$43,398.00		COLLECT
2011	11000	DPS32000	10010			\$643,398.00	Personal Services

REASON FOR ADJUSTMENT

Transfer of funds to meet 4th quarter obligations.

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations) CGS-4a-71	REQUESTING OFFICIAL (Signature) <i>[Signature]</i>	(Title) CFAO	DATE SIGNED 5/25/11
UNALLOTTED / AVAILABLE BALANCE	APPROVED (Secretary, Office of Policy and Management) <i>[Signature]</i>		DATE 5/26/11
REVIEWED BY (Analyst) <i>[Signature]</i>	DATE 5/26/11	APPROVED (Governor) <i>[Signature]</i>	DATE
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.) <i>[Signature]</i>	DATE 26MAY11		

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND
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Department of Public Safety
FAC June 2, 2011

The Department of Public Safety is seeking an FAC transfer of \$643,398 to Personal Services in order to meet payroll expenses in the 4th quarter. DPS' reimbursements have not all been received to date and, as a preventative measure, the agency is seeking a transfer in case reimbursements are received after Core-CT closes for the fiscal year or at less than anticipated levels.

\$43,398 is being transferred from the COLLECT account, which serves as a contingency account that provides funding for the operations of new COLLECT terminals as new law enforcement agencies join the law enforcement information sharing system. No new law enforcement entities were added this fiscal year as most have occurred in previous fiscal years, therefore, the balance remains unexpended.

\$600,000 is being transferred from the Workers' Compensation Claims account. Claim activity and paid loss expenses have been less than anticipated resulting in a surplus in the account.

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

DOCUMENT NUMBER
OPM9999

COMPT. USE ONLY		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
EFFECTIVE DATE		2011-36		2011-99B

AGENCY NO.	AGENCY NAME
	Department of Banking

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
2011	12003	DOB37000	10010	2011	<u>Allotted</u> \$105,000.00		Personal Services
2011	12003	DOB37000	12244	2011		\$105,000.00	Fringe Benefits

REASON FOR ADJUSTMENT

To correct under funding in the Fringe Benefit account based on fringe benefit rates provided and using Health/Life rates from FY10. The fringe rate is currently 62.36% while the agency budgeted at 55.43%. Adjustment to be taken from funds saved in Personal Services due to keeping some positions vacant during FY11.

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations) CGS Sec. 4-87	REQUESTING OFFICIAL (Signature) <i>Rowland P. Hall</i>	(Title) Commissioner	DATE SIGNED 5/19/2011
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ACTION

UNALLOTTED / AVAILABLE BALANCE		APPROVED (Secretary, Office of Policy and Management) <i>Maurice J. Jank</i>	DATE 5/26/11
REVIEWED BY (Analyst) <i>Melissa Green</i>	DATE 5/20/11	APPROVED (Governor)	DATE
RECOMMENDED (Under Secretary, Bud. & Fin. Mgmt.) <i>Vanessa</i>	DATE 26MAY11		

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

MEMORANDUM

DATE: May 19, 2011
TO: Melissa Yeich, Office of Policy Management
FROM: Howard F. Pitkin, Commissioner, Dept. of Banking
RE: Department of Banking Request for FAC

The Department of Banking respectfully requests an FAC to move funds from Personal Services to cover a shortfall in Fringe Benefits. Following is justification to support the request.

1. Explanation in detail of why there is a shortfall in a particular account. *The Fringe Benefit account was calculated based on fringe benefit rates provided and using Health/Life rates from FY10. The fringe benefit rate is currently 62.36% versus the agency budgeted rate of 55.43%*
2. Explanation in detail of why funds are available in any accounts. *The Personal Services account has funds available due to holding positions vacant and not refilling due to a couple of key high level retirements.*
3. Discusses the timing of the need to go to FAC (why this month? Can it wait?). *This FAC needs to occur to ensure that funds are in place for the payment of the last payroll of the fiscal year.*

Thank you for your consideration. Please contact Bob Pederson at 860-418-8121 if further information is needed.

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

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COMPT. USE ONLY	EFFECTIVE DATE	FAC NUMBER	REQUEST NUMBER
		2011-37	11-1
AGENCY NO.	AGENCY NAME		
DOI37500	Connecticut Insurance Department		

F.Y.	FUND	AGENCY	SID	REDUCE*	INCREASE**	ACCOUNT TITLE/PROJECT NUMBER
				<u>Unencumbered Balance</u>	<u>Fourth Quarter Allotment</u>	
11	12004	DOI37500	10010	367,427.24		Personal Services
11	12004	DOI37500	12244	86,938.00		Fringe Benefits
11	12004	DOI37500	10020		454,365.24	Other Expenses

REASON FOR ADJUSTMENT

See Attached Document

Bond Commission Date: _____

STATUTORY AUTHORITY (For adjustments in appropriations)	REQUESTING OFFICIAL (Signature)	(Title)	DATE SIGNED
4-87 C.G.S.	<i>Shawn Blawie</i>	Commissioner	

UNALLOTTED/UNENCUMBERED BALANCE		ACTION	
\$		APPROVED (Secretary, Office of Policy and Management)	DATE
REVIEWED BY (Analyst)	DATE	APPROVED (Governor)	DATE
<i>Linda Ehlend</i>	5/23/11	<i>Maurice E. Ojak</i>	5/26/11
RECOMMENDED (Undersecretary, Bud., & Fin. Mgmt.)	DATE		
<i>Paul [Signature]</i>	26 MAY 11		

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

CID FAC - Combined
May 2011

Other Expenses

I. UConn Mou - \$179,000.00

Transfer \$179,000.00 from Personal Services Account to Other Expenses to fund the Uconn Mou to save significant amounts of monies in the out years for DOIT hosting services and to significantly reduce the manual processing of paper checks for Agent License renewals as this process will soon be automated for payment renewals via CID's web site using credit card payments.

The Insurance Department has used grad students from UConn to develop all of our web applications. This Department has one of the more comprehensive sets of online applications in the State. We have implemented:

1. online license applications, and recently received the 10,000th online application through that system,
2. online license inquiry, which replaced a manual FOI process where we manually supplied lists of licensees to interested parties,
3. online license update capability, where any of our 150,000 licensees can update selected information about themselves (name changes, address changes, new telephone numbers, email addresses, etc.).
4. Medical Malpractice Closed Claim entry. This module enables Med Mal insurers in the state to enter their closed claim information as required by PA 05-275.
5. Re-programming of CID's expensive DOIT platform from the current JAVA/Oracle platform to a much less expensive JAVA/JBoss platform, which was completed in October of 2010.

Currently in progress:

6. an online license renewal system. This system is targeted for implementation on or around July 1. Once this system is online for several months, the Department's Licensing Unit can then mandate online license applications and renewals for all license classes, completely replacing all paper applications and the processing of checks.

Resources are available in the Personal Services Account due to previously budgeted 6 FTE's related to the prior RIP were canceled in FY 11, turnover, lower vacation and sick time accumulated leave payout's for retiree's and a hiring freeze.

II. DOIT JAVA/Oracle Hosting Fees - \$86,938.00

The CID was charged for four months of expensive Hosting Fees from DOIT in the beginning of FY 11 as the UConn / Mou reprogramming process to a much less expensive JAVA / JBoss platform was not implemented until October of 2010. The amount of these fees are \$86,938.00. Resources are available in the Fringe Benefit account as actual fringe benefits are trending lower than forecast.

III. Department of Public Works - Lease back taxes - \$188,427.24

During FY 10 CID was notified by DPW, the leaseholder on 960 Main Street, Hartford, CT, 6th and 7th floors, that as part of the lease, taxes on leased space are due to the lessor if property taxes on the property increased over a certain formula, primarily due to tax credits expiring on the property. CID occupies the 6th and 7th floors of 960 Main Street and reimburses DPW on a monthly basis for the cost of the lease. DPW pays the lessor directly. CID was only notified of these expenses by DPW in FY 10 for prior year taxes, and they have now been paid in FY 11. The amount of these prior year taxes are \$102,972.95. The amount of current year taxes are \$85,451.29 for a total FAC request of \$188,427.24. Resources are available in the Personal Services Account due to turnover, lower vacation and sick time accumulated leave payout's for retiree's and a hiring freeze.

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

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COMPT. USE ONLY	EFFECTIVE DATE	FAC NUMBER	REQUEST NUMBER
		2011-38	11-1
AGENCY NO.	AGENCY NAME		
MC039400	Office of the Healthcare Advocate		

F.Y.	FUND	AGENCY	SID	REDUCE*	INCREASE**	ACCOUNT TITLE/PROJECT NUMBER
				<u>Unencumbered Balance</u>	<u>Fourth Quarter Allotment</u>	
11	12004	MC039400	10010	\$15,000.00		Personal Services
11	12004	MC039400	12244		\$15,000.00	Fringe Benefits

REASON FOR ADJUSTMENT

See Attached Document

Bond Commission Date: _____

STATUTORY AUTHORITY (For adjustments in appropriations) 4-87 C.G.S.	REQUESTING OFFICIAL (Signature) <i>[Signature]</i>	(Title) Healthcare Advocate	DATE SIGNED 5/11/11
ACTION			
UNALLOTTED/UNENCUMBERED BALANCE \$		APPROVED (Secretary, Office of Policy and Management) <i>[Signature]</i>	DATE 5/26/11
REVIEWED BY (Analyst) <i>[Signature]</i>	DATE 5/18/11	APPROVED (Governor)	DATE
RECOMMENDED (Undersecretary, Bud., & Fin. Mgmt.) <i>[Signature]</i>	DATE 26 MAY 11		

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

OHA FAC
May 2011

Fringes

I. Executive Director Position

When the budget was approved last year, the legislature added a position of Executive Director for the commission on Health Equity to the OHA budget. The position was placed in our office for administrative purposes only. Though personal services expenditures for the position were included in our budget, sufficient fringe benefit funds were not appropriated.

Resources are available in the Personal Services Account due to turnover and a hiring freeze.

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OFFICE OF POLICY AND MANAGEMENT

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

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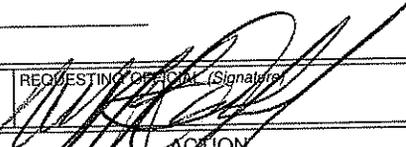
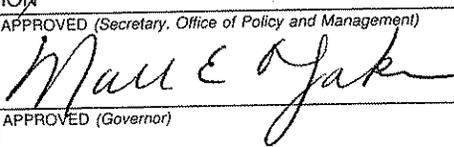
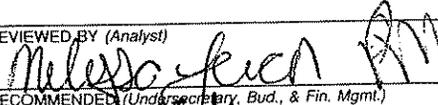
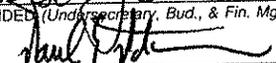
COMPT. USE ONLY	EFFECTIVE DATE	FAC NUMBER	REQUEST NUMBER
		2011-39	11-01
AGENCY NO.	AGENCY NAME		
WCC42000	WORKERS' COMPENSATION COMMISSION		

F.Y.	FUND	AGENCY	SID	REDUCE*	INCREASE**	ACCOUNT TITLE/PROJECT NUMBER
11	12007	WCC42000	12244	350,000 Alloted Balance		Fringe Benefits
11	12007	WCC42000	12066		350,000 Allotment	WCC Workers' Rehabilitation Services

REASON FOR ADJUSTMENT

To transfer funds from Fringe Benefits to the WCC Rehabilitation Services account in order to cover funding shortfall at year end.

Bond Commission Date: _____

STATUTORY AUTHORITY (for adjustments in appropriations) C. G. S. 4-87	REQUESTING OFFICER (Signature) 	(Title) CAP	DATE SIGNED 5/11/11
UNALLOTTED/UNENCUMBERED BALANCE \$	APPROVED (Secretary, Office of Policy and Management) 		DATE 5/26/11
REVIEWED BY (Analyst) 	DATE 5/11/11	APPROVED (Governor) 	DATE 26 MAY 11
RECOMMENDED (Under Secretary, Bud., & Fin. Mgmt.)	DATE		

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

INTEROFFICE MEMORANDUM

TO: PAUL POTAMIANOS, EXECUTIVE BUDGET OFFICER
FROM: MELISSA YEICH, BUDGET ANALYST *may*
SUBJECT: WORKERS' COMPENSATION COMMISSION FAC
DATE: 5/11/2011

The Workers' Compensation Commission has requested to be included on the June FAC agenda to transfer \$350,000 from the fringe benefits account to the Rehabilitation Services account. The fringe benefits account has a lapse currently of over one million dollars from not filling vacancies.

The deficiency in Rehabilitation Services account is due to vocational rehabilitation education plans being signed and encumbered in excess of the appropriation.

I would recommend the consideration of this FAC so the current obligations are paid in full by WOC prior to the transfer of the staff and program to the Bureau of Rehabilitation Services beginning in FY 12.

Justification for Transfer of Funding to the Rehabilitation Services Division

The Workers' Compensation Commission hereby requests the transfer of current funds in order to cover a shortfall in the Rehabilitation Services account which solely provides education and training services to injured/disabled workers who are physically unable to return to their former job. The agency is not requesting any additional funds over what was appropriated for the year.

The agency recognizes that the numerous complicated reports necessary to monitor and control the funding for this program were misread. The development of a new computer-generated report was not utilized to the extent that it should have been. This resulted in a false reliance on inaccurate information.

To further complicate matters, in April of 2011, all Rehabilitation Services vendors and clients were notified in writing that the program may be cancelled through the Governor's budget effective June 30, 2011. This intensified their rendering of invoices and shortened the time of billing to our agency. A substantial portion of this transfer request is to provide funds for invoices for the month of June which would normally be paid in July. Complicating the process even further is that many vocational rehabilitation education plans straddle two fiscal years.

We have analyzed the causes leading up to our current problems and have designed a plan to use proper reports, assign specific responsibilities to staff and set up appropriate checks and balances to alleviate such problems in the future.

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B-107 REV 3/96

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ALLOTMENT adjustment APPROPRIATION adjustment APPROPRIATION adjustment, requiring Advisory Committee action

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COMPT. USE ONLY	EFFECTIVE DATE	FAC NUMBER	REQUEST NUMBER
		2011-40	11-5

AGENCY NO.	AGENCY NAME
PDS98500	PUBLIC DEFENDER SERVICES COMMISSION

F.Y.	FUND	AGENCY	SID	REDUCE*	INCREASE**	ACCOUNT TITLE/PROJECT NUMBER
				ALLOTTED BALANCE	ALLOTTED BALANCE	
2011	11000	PDS98500	10010	(135,000)		PERSONAL SERVICES
2011	11000	PDS98500	12065	(375,000)		SPECIAL PUBLIC DEFENDER CONTRACTUAL
2011	11000	PDS98500	10020		200,000	OTHER EXPENSES
2011	11000	PDS98500	12090		60,000	EXPERT WITNESSES
2011	11000	PDS98500	12076		250,000	SPECIAL PUBLIC DEFENDER NON-CONTRACTUAL

REASON FOR ADJUSTMENT

Funding necessary in the Special Public Defender Non-Contractual account is a result of greater than expected case assignments and billed hours, in addition to \$546,000 in FY10 obligations carried forward into the current fiscal year. Transfer is necessary to provide funding in Other Expenses due to increased overall caseloads, including capital, appellate and habeas cases, which has forced increased expenditures in many of these line items, i.e., printing of legal briefs, increased volume of postage, record storage, mileage reimbursement, etc. Transfer of funds into the Expert Witnesses account is necessary to provide funding for the payment of outstanding bills which are attributed to increased costs for high profile capital cases currently on trial or going to trial. Funds are available for transfer to the above accounts due to savings in Personal Services realized from leaves of absences, delay in filling positions and the collection of client reimbursement receipts. Funds are also available from the Special Public Defender Contractual account due to savings achieved from the implementation of new payment procedures eliminating the "lump sum" installment payments. Our current procedures are based on the payment of contract cases as they are assigned.
(Please see attachment for further explanation)

Bond Commission Date: _____

STATUTORY AUTHORITY (for adjustments in appropriations)	REQUESTING OFFICIAL (Signature)	(Title)	DATE SIGNED
	<i>[Signature]</i>	Chief Public Defender	5/17/11

ACTION

UNALLOTTED / UNENCUMBERED BALANCE	APPROVED (Secretary, Office of Policy and Management)	DATE
	<i>[Signature]</i>	5/26/11
REVIEWED BY (Analyst)	APPROVED (Governor)	DATE
<i>[Signature]</i>		
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt)		
<i>[Signature]</i>		

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

AGENCY NO. PDS98500 PUBLIC DEFENDER SERVICES COMMISSION

Request Number: 11-5

DECREASE ALLOTTED BALANCE:

Personal services SID 10010	(135,000)
Special Public Defender Contractual, SID 12065	(375,000)

INCREASE ALLOTTED BALANCE:

Special Public Defender Non Contractual SID 12076	250,000
Expert Witnesses SID 12090	60,000
Other Expenses SID 10020	200,000

REASON FOR ADJUSTMENT:

SPECIAL PUBLIC DEFENDER NON CONTRACTUAL ACCOUNT -- \$250,000

Funding necessary in the Special Public Defender Non Contractual account is a result of greater than expected case assignments and billed hours, in addition to \$546,000 in FY10 obligations carried forward into the current fiscal year.

Also impacting this account are the significant SPD legal fees resulting from this Agency's continued efforts to reduce the waiting list for attorney appointments in habeas corpus cases and the considerable legal fees for SPD representation in pending capital death penalty cases, including *State v. Joshua Komisarjevsky*. As of April 1, 2011 there were 18 capital cases pending trial. Ten of these cases are currently charged as capital death penalty cases and 8 cases are categorized as capital non-death cases. Fees generated by special public defenders representing capital clients at trial, appeal, state habeas and the consolidated racial disparity habeas litigation are largely beyond the control of this Office and essential for constitutionally mandated services. Per Commission policy and ABA Criminal Justice Standards in Death Penalty Cases, two attorneys are required to be appointed for each phase of a death penalty trial, appeal, or habeas proceeding.

OTHER EXPENSES -- \$200,000

We currently are holding over \$150,000 in outstanding invoices that are over 45 days in arrears in Other Expenses account. This transfer is necessary to provide funding in Other Expenses due to increased overall caseloads, including capital, appellate and habeas cases, which has forced increased expenditures in many of these line items, i.e., printing of legal briefs, increased volume of postage, record storage, mileage reimbursement etc.

EXPERT WITNESSES-- \$60,000

Transfer of funds into the Expert Witnesses account is necessary to provide funding for the payment of outstanding bills which are attributed to increased costs for high profile capital cases currently on trial or going to trial. Death penalty cases are one of the primary driving causes for these increased costs. The other reasons driving this line item are experts for the penalty phase in capital death penalty cases FY2010. To date \$786,000 has been spent in three capital cases this year. Each year the number of cases that we handle increase in the adult court which also drives up the expert witness account.

Funds are available for transfer to the above accounts due to savings in Personal Services realized from leaves of absences, delay in filling positions and the collection of client reimbursement receipts.

Funds are also available from the Special Public Defender Contractual account due to savings achieved from the implementation of new payment procedures eliminating the "lump sum" installment payments. Our current procedures are based on the payment of contract cases as they are assigned.