

MINUTES OF THE MEETING
OF THE FINANCE ADVISORY COMMITTEE

Held at the Legislative Office Building in Room 1E on June 2, 2011.

PRESENT: Lieutenant Governor Nancy Wyman
Deputy Comptroller Martha Carlson
Senator Toni Harp
Senator Robert Kane
Representative Toni Walker
Representative Henry Genga
Deputy Secretary Mark Ojakian
Office of Policy and Management, Finance Advisory Committee Clerk

Lieutenant Governor Wyman called the meeting to order at 1:01 P.M.

1. The minutes of the May 5, 2011 meeting were adopted. Representative Genga abstained from voting.
2. The following new transactions were approved by the committee:

FAC 2011-32 – Office of the State Comptroller. Transfer of \$1,300,000 from the Employers Social Security account to the Unemployment Compensation account to cover unemployment compensation benefit costs.

This item was unanimously approved by the committee.

FAC 2011-33 - Department of Administrative Services. Transfer of \$600,000 from Insurance and Risk Management to the Workers' Compensation Administrator account to cover contractual third party administrator costs.

Senator Kane asked about the purpose of the Insurance and Risk Management account. Deputy Secretary Ojakian explained that the account covers certain insurance costs. Senator Kane asked about the need for funding in the Workers' Compensation Administrator account. Deputy Secretary Ojakian explained that there is one contracted administrator, and that the shortfall in the account is a result of a budgeted holdback that cannot be met.

This item was unanimously approved by the committee.

FAC 2011-34 - Department of Information Technology. Transfer of \$543,932.65 from Personal Services to Other Expenses to satisfy an adjudicated back tax obligation.

Senator Kane asked how many vacant positions had been eliminated in the budget for the upcoming biennium. Joe Dominello, the DOIT chief fiscal officer, responded that all vacant positions were eliminated in the budget. Senator Harp asked about the reason for the back tax payment. Mr. Dominello responded that the payment is the result of an adjudicated settlement. Representative Genga asked about the interest component of the settlement. Mr. Dominello stated that the interest portion of the payment is the disputed component and subject to further court action.

This item was unanimously approved by the committee.

FAC 2011-35 - Department of Public Safety. Total transfer of \$643,398 from the Workers' Compensation Claims and COLLECT accounts to Personal Services to ensure sufficient funds are available to cover payroll expenses for the fourth quarter.

Senator Kane asked why reimbursements were delayed. Ann Williams, the DPS chief fiscal officer, responded that the FAC was a preventive measure in case the reimbursements were delayed. Senator Harp asked whether all reimbursements have been received. Ms. Williams clarified that if all the reimbursements are received as anticipated, then the funds transferred as a result of FAC action would lapse.

This item was unanimously approved by the committee.

FAC 2011-36 - Department of Banking. Transfer of \$105,000 from Personal Services to Fringe Benefits to cover end of year expenditure requirements.

Representative Genga asked about the fringe benefit rate used for budgeting purposes. Commissioner Pitkin responded that the agency had used the wrong rate and the transaction was required to reflect use of the correct rate.

This item was unanimously approved by the committee.

FAC 2011-37 - Insurance Department. Total transfer of \$454,365.24 from Personal Services and Fringe Benefits to Other Expenses for technology expenses and to satisfy a prior year back tax obligation arising from a lease modification.

Senator Harp commended the department for using UConn students to help with agency automation.

This item was unanimously approved by the committee.

FAC 2011-38 - Office of the Healthcare Advocate. Transfer of \$15,000 from Personal Services to Fringe Benefits to cover end of year expenditure requirements.

This item was unanimously approved by the committee.

FAC 2011-39 - Workers' Compensation Commission. Transfer of \$350,000 from Fringe Benefits to the Workers' Rehabilitation Services account to meet requirements for vocational rehabilitation services.

Representative Walker asked whether the six vacant positions noted in the OFA writeup of this transaction had been removed from the budget for the upcoming biennium. Marvin Smernoff indicated that three of the positions were eliminated, but three remain funded.

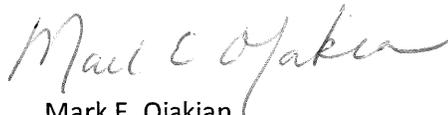
This item was unanimously approved by the committee.

FAC 2011-40 - Public Defender Services Commission. Total transfer of \$510,000 from Personal Services and the Special Public Defenders Contractual account to Other Expenses, Expert Witnesses and the Special Public Defenders Non-Contractual account in order to meet anticipated end of year requirements.

Senator Kane asked why more of the projected Personal Services lapse was not transferred to cover accounts with shortfalls. Susan Storey, the Chief Public Defender, responded that only \$135,000 of the projected lapse was needed and that the remainder would lapse. Ms. Kokinis, the agency's financial director, indicated that some reserve was needed for anticipated bills before year end.

This item was approved by majority vote of the committee, with Senator Kane voting no.

3. The meeting was adjourned at 1:28 P.M.



Mark E. Ojakian
Clerk