

FINANCE ADVISORY COMMITTEE

AGENDA

February 2, 2012

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

1. Minutes of the January 5, 2012 meeting.
2. New transactions as follows:

2012-3	Office of the State Treasurer	\$6,700,000.00
2012-4	Office of Governmental Accountability	\$ 25,000.00
2012-5	Department of Energy & Environmental Protection	\$1,900,000.00

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 1 OF 1
DOC. TYPE	DOCUMENT NUMBER
	0 41278
EFFECTIVE DATE	REQUEST NUMBER
	2012-4

COMPT. USE ONLY	FAC NUMBER	REQUEST NUMBER
	2012-3	2012-4
AGENCY NO.	AGENCY NAME	
OTT1	Office of the State Treasurer	
	55 Elm Street, Hartford, CT 06385	

Bud Ref	FUND	AGENCY	SID	REDUCE*	INCREASE**	ACCOUNT TITLE/PROJECT NUMBER
				<u>UNENCUMBERED</u>	<u>ALLOTMENT</u>	
2012	11000	OTT14000	12285	\$6,700,000.00		General Fund Debt Service
2012	11000	OTT14000	12286		\$6,700,000.00	UCONN 2000 Debt Service

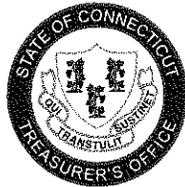
REASON FOR ADJUSTMENT

To transfer funding from general fund debt service to UCONN 2000 debt service account to cover debt service payments. (See attached letter for justification.)

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

STATUTORY AUTHORITY (For adjustments in appropriations) CGS 4-87	REQUESTING OFFICIAL (Signature) 	(Title) Deputy Treasurer	DATE SIGNED 1/11/12
ACTION			
UNALLOTTED/UNENCUMBERED BALANCE \$	APPROVED (Secretary, Office of Policy and Management)	DATE	
REVIEWED BY (Analyst) 	DATE 1/23/12	APPROVED (Governor)	DATE
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.)	DATE		

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



DENISE L. NAPIER  
TREASURER

**State of Connecticut**  
Office of the Treasurer

JONATHAN A. HARRIS  
DEPUTY TREASURER

January 10, 2012

Mr. Benjamin Barnes, Secretary  
Office of Policy and Management  
450 Capital Avenue  
Hartford, CT 06106

Dear Secretary Barnes:

I am writing to request Finance Advisory Committee approval to transfer \$6.7 million of debt service appropriation from the General Fund Debt Service account to the University of Connecticut (UCONN) 2000 Debt Service account for the current fiscal year. This transfer is needed to make adequate funds available to cover the first principal payment on the last UCONN 2000 bond issue due to a difference in the timing of the first payment versus budget, as described below.

Because the University had not spent all the bond proceeds from its prior bond issue, the 2011 UCONN 2000 bond issue was delayed from the spring to the fall. When the bonds were issued last fall, the financing team and the University decided to schedule the first principal payment in February 2012, the same date the first payment would have been due had the bonds been issued on the original schedule. However, the UCONN 2000 debt service budget was modified and assumed the first principal payment on the fall 2011 bond issue would be in the fall of 2012. Because the State's fiscal year ends June 30, the requested transfer is required to cover the first principal payment which falls in fiscal year 2012, as opposed to fiscal year 2013.

More than adequate funds to cover the transfer are available in the General Fund debt service account because interest rates on new and existing debt continue at lower-than-expected rates and we have a very active debt refunding program as well. In fact, if the UCONN 2000 debt service budget were combined into the General Fund debt service budget, no transfer would be required.

This transfer request will not result in a reduction in our total current projected lapse for debt service because we have recently achieved additional savings in the General Fund account which exceeds the transfer amount. Finally, the prudent delay in the issuance of UCONN 2000 bond issues will have an overall positive impact on future debt service.

Mr. Benjamin Barnes  
Page 2  
January 10, 2012

Approval of the transfer is requested at the next scheduled FAC meeting on February 2, but in any event, not later than the March 1 meeting of the FAC to prepare for an April 2012 debt service payment.

Please feel free to call me or Sarah Sanders, Assistant Treasurer of Debt Management, at 860-702-3288 should you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Denise", enclosed within a hand-drawn oval.

Denise L. Nappier  
Treasurer

Enclosure

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

DOCUMENT NUMBER  
**OEA 1**

COMPT. USE ONLY		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
EFFECTIVE DATE		2012-4		
AGENCY NO.	AGENCY NAME			
OGA17000	Office of Governmental Accountability/Office of Executive Administrator			

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
					<u>Unallotted Balance</u>	<u>Allotment</u>	
12	11000	OGA17000	10020		\$ 25,000.00 ##		Other Expenses
12	11000	OGA17000	10050			\$25,000.00	Equipment

REASON FOR ADJUSTMENT

The Office of the Executive Administrator is requesting the approval of the transfer of \$25,000 from Other Expenses to Equipment. The IT department has completed its assessment of the technology status and needs of the smaller agencies/commissions that make up the OGA. The equipment that is currently being used by these agencies/commissions is outdated and runs inefficiently. In order to increase operational efficiencies through technology, the agencies/commission's computer systems need to be upgraded. Since these agencies/commissions do not have the budgetary resources to effect the purchase, the Office of the Executive Administrator intends to purchase the new computers on their behalf. The agencies/commissions that would be effected would be: The Office of the Child Advocate; The Office of the Victim Advocate;

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations) 4-87	REQUESTING OFFICIAL (Signature) <i>David H. Guay</i>	(Title) Executive Administrator	DATE SIGNED 12/23/11
ACTION			
UNALLOTTED / AVAILABLE BALANCE		APPROVED (Secretary, Office of Policy and Management)	DATE
REVIEWED BY (Analyst) <i>Linda Elkland</i>	DATE 1/9/11	APPROVED (Governor)	DATE
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.)	DATE		

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

**Attachment**

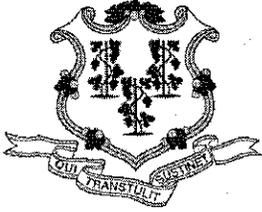
**Office of Governmental Accountability OGA  
OGA17000**

**Document Number OEA 1**

Judicial Selection Committee; Judicial Review Committee; Fire Permit Examiners; and the Office of the Executive Administrator.

The employees that were transferred into the central office of OGA come from different commissions; therefore there currently is not one uniform operating system. The different operating systems all have varying degrees of capacity on which the consolidated services required by PA 11-48 can be developed... Under this request, the OEA would purchase new computers for the central office so that there would be one operating system throughout the OEA.

This request is not expected to have an impact on the cost saving measures that have been implemented and therefore will not impede the Executive Administrator's efforts to contain spending this fiscal year.



STATE OF CONNECTICUT  
OFFICE OF GOVERNMENTAL ACCOUNTABILITY  
OFFICE OF THE EXECUTIVE ADMINISTRATOR

1/5/11

Linda Ecklund  
Budget Analyst  
Office of Policy and Management  
450 Capitol Avenue  
Hartford, CT 06106

RE: FAC Request

This letter is written in response to your request for additional information regarding the Office of the Executive Administrator's request for a FAC transfer of budgetary resources between accounts.

This request is not a result of a shortfall in any particular account in the traditional sense. When the Office of Governmental Accountability was created money was placed in the equipment line item; however after accessing the information technology status of the various agencies comprising the OGA the IT unit of the Office of the Executive Administrator determined that current capacity was extremely limited and inefficient. Since these agencies do not have the budgetary resources to upgrade their current information technology structure the Office of the Executive Administrator would cover the cost of purchasing the necessary equipment.

Under normal circumstances, the level of funding within the equipment line item would have been sufficient; however it is not sufficient to implement the requirements contained in PA 11-48.

The legislation that implemented the consolidation of the various agencies into the Office of Governmental Accountability was effective on July 1, 2011; however the Executive Administrator did not come aboard until September 23, 2011. Since that time the staff of the Office of the Executive Administrator has been addressing outstanding issues within the various independent divisions, as well as developing the plan and structure for the consolidation. Money is available in the various accounts associated with the Office of the Executive Administrator because of delays in implementation of the consolidation plan.

The IT equipment that the various divisions within OGA are currently using is breaking down, or has completely broken down. Where possible, the IT staff of the Office of the Executive Administrator has instituted temporary solutions that will enable some of the equipment to be used so as not to impede the division's workflow. The replacement of this equipment as soon as possible is critical because it will avoid the potential for the implementation of measures which

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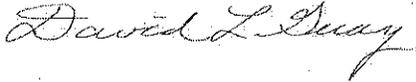
[www.ct.gov/oga](http://www.ct.gov/oga)

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may ultimately be more costly and less efficient. One example of this would be the establishment of a relationship with outside sources to develop and print documents, reports, and publications that could be prepared in-house if the divisions were equipped with the appropriate technology infrastructure.

I hope that this addresses your concerns with this FAC request. Should you require any additional information please feel free to contact me.

Sincerely,



David L. Guay  
Executive Administrator

CC: Phoenix Ronan, OFA

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

DOCUMENT NUMBER  
**DEEP1044**

COMPT. USE ONLY					FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
EFFECTIVE DATE					2012-5		4004
AGENCY NO.		AGENCY NAME					
DEP43000		DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION					
F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
					<u>Unencumbered Balance</u>		
2012	12006	DEP43000	10010		\$1,137,725.00		<u>PUC Assessment</u>
2012	12006	DEP43000	12244		\$762,275.00		Personal Services
				Total	\$1,900,000.00		Fringe Benefit
						<u>Allotment</u>	
2012	12006	DEP43000	10020			\$1,394,910.00	<u>PUC Assessment</u>
2012	12006	DEP43000	10050			\$485,000.00	Other Expenses
2012	12006	DEP43000	12262			\$20,090.00	Equipment
				Total		\$1,900,000.00	Indirect Overhead

REASON FOR ADJUSTMENT

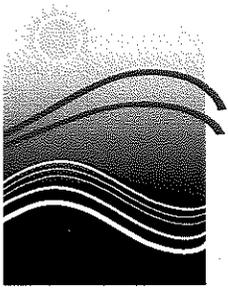
FAC Adjustment - To provide funding for contractual requirements of PA 11-80, IT improvements, office configuration, telecommunications needs and other necessary changes to ensure a successful transition of the former DPUC and DEP to the newly created DEEP.

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations) CGS Sec. 4-87	REQUESTING OFFICIAL (Signature) 	(Title) CFAS 2	DATE SIGNED 1/12/2012
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UNALLOTTED / AVAILABLE BALANCE	APPROVED (Secretary, Office of Policy and Management)	DATE
REVIEWED BY (Analyst) 	APPROVED (Governor)	DATE
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.)		

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



Connecticut Department of

**ENERGY &  
ENVIRONMENTAL  
PROTECTION**

January 18, 2012 (Revised)

Melissa Yeich  
Budget Analyst  
Office of Policy and Management  
450 Capitol Avenue  
Hartford, CT 06106-1379

Re: Budget Transfer DEEP's PUC Funds-FAC Meeting February 2, 2012

Dear Melissa:

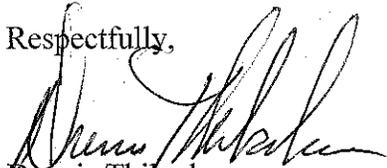
We respectfully request the Committee's consideration to reallocate \$ 1,900,000 from the Department of Energy and Environmental Protection's Public Utility Control (PUC) Personal Services (\$1,137,725) and Fringe Benefit (\$762,275) line items to Other Expenses (\$1,394,910) Equipment (\$485,000) and Indirect Overhead (\$20,090). The reallocation will provide necessary funding to facilitate the requirements of PA 11-80 and the transition of the consolidated Agency, and to satisfy the Indirect Costs obligation for Fiscal Year 2012.

The Department requests adjustments to the FY 12 PUC-Other Expenses, increasing the appropriation by \$1,394,910, Equipment by \$485,000 and Indirect Overhead by \$20,090. These adjustments are necessary to meet the requirements of Public Act 11-80, AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION AND PLANNING FOR CONNECTICUT'S ENERGY FUTURE and to satisfy the Indirect Overhead assessment initiated by the State Comptroller's Office. The budget adjustment will primarily cover the costs of upgrades within the New Britain Facility at 10 Franklin Square and for drafting a number of plans and reports (~\$250K) required by Public Act 11-80. Upgrades will include office/building reconfigurations and consolidation (~\$1.080M), Information Technology enhancements (~\$550K), including migration of its technology structure to a Microsoft Office based platform, updated servers and network connections, disaster recovery equipment, software licenses, training equipment and telecommunications enhancements, that will ensure effective communication between the New Britain facility and other DEEP locations.

Melissa Yeich  
Page 2

Funds are available in Personal Services and Fringe Benefit accounts due to unfilled vacancies, the elimination of filled positions resulting from the July 1 consolidation, reconfiguration of existing positions to federal funding, elimination of general wage increases/annual increments and other SEBAC related cost savings approved earlier in this fiscal year.

Respectfully,



Dennis Thibodeau  
Chief of Fiscal Administrative Services I  
DEEP/Bureau of Financial & Support Services