MINUTES OF THE MEETING
OF THE FINANCE ADVISORY COMMITTEE

Held in Room 1E at the Legislative Office Building, on June 8, 2012.

PRESENT: Lieutenant Governor Nancy Wyman
Deputy Comptroller Martha Carlson
Deputy Treasurer Christine Shaw
Senator Toni Harp
Senator Robert Kane
Representative Toni Walker
Representative Craig Miner
Representative Henry Genga
Deputy Secretary Karen Buffkin
Office of Policy and Management, Finance Advisory Committee Clerk

Lieutenant Governor Wyman called the meeting to order at 1:02 P.M.

1. The minutes of the May 14, 2012 meeting were adopted unanimously.

2. The following new transactions were considered by the committee:

   FAC 2012-18 – Department of Motor Vehicles. Transfer of $120,000 from the DMV Special Transportation Fund (STF) Equipment account to the DMV STF Other Expenses account to cover the emergency replacement of the generator in the Wethersfield office.

   This item was unanimously approved by the committee.

   FAC 2012-19 – Insurance Department. Transfer of $35,000 from the Fringe Benefits account to the Equipment account primarily for the replacement and upgrade of outdated computer equipment.

   This item was unanimously approved by the committee.

   FAC 2012-20 – Department of Mental Health & Addiction Services. Transfer of $600,000 from the Personal Services account to the Workers Compensation Claims account to cover payment of several large one-time medical claims.

   Senator Kane asked whether these claims represented an anomaly or were an indication of an ongoing trend. Commissioner Rehmer explained that historically these claims have been low and this is the first large payout in awhile. Representative Miner asked whether these large payouts represent final payments. Commissioner Rehmer responded that she did not know because Workers' Compensation claims are managed centrally by another state agency. Representative Miner questioned whether the department might need to request additional funding for this account given the lack of clarity regarding whether these payments are anomalous or an indication of trends. Commissioner Rehmer stated that at

the beginning of the year claims payments were relatively low but increased in March and April, and noted that the agency will provide follow-up information about these claims and whether they are the result of final payouts.

This item was unanimously approved by the committee.

FAC 2012-21 – Department of Transportation. Transfer of $6,000,000 from the Personal Services account to the Highway & Bridge Renewal Equipment account to purchase replacements for 45 dump/plow trucks that are past their useful life.

Representative Miner asked whether the Personal Services surplus was entirely the result of reductions in overtime costs. Robert Card, Bureau Chief of Finance and Administration from the Department of Transportation, responded that overtime savings made up one component of the surplus. Representative Miner asked whether savings in materials from the mild winter might allow the department to replace additional vehicles. Mr. Card noted that materials were purchased even though not used due to the mild winter, and further noted that material savings were offset by increases in utilities and fuel costs as well as purchasing materials for future weather events.

Senator Harp asked what the department's plan was for addressing 144 trucks overdue for replacement. Mr. Card replied that he anticipated the agency would address this issue as part of the agency's budget request for the next biennium. Senator Harp asked whether the vehicles that are over their useful life are still usable and safe. Mr. Card indicated that the DOT carries out maintenance and repairs as needed to ensure the usability and safety of the vehicles.

Representative Walker asked about sums held back in Personal Services. Mr. Card explained that this funding represents funding that was budgeted but not needed due to the agreement with the state employee union coalition last year.

This item was unanimously approved by the committee.

FAC 2012-22 – Bureau of Rehabilitative Services. Transfer of $3,250 from the Personal Services account to the Other Expenses account, to cover a shortfall in maintenance and operating expenses for the Driver Training Program for People with Disabilities.

This item was unanimously approved by the committee.

FAC 2012-23 – Department of Education. Transfer of $97,000 from the Development of Mastery Exams account to the Health Foods Initiative account, to cover mandated costs for new program participants this year.

Representative Miner asked whether adequate funding was available next year for the Health Foods Initiative given this year's shortfall. Brian Mahoney, the Chief Financial Officer for the Department of Education, indicated affirmatively. Senator Harp asked about federal

reimbursement for food programs. Mr. Mahoney noted several sources of federal, state and local funding that support various food programs.

This item was unanimously approved by the committee.

FAC 2012-24 – Teachers' Retirement Board. Total transfer of $661,479 from the Personal Services and Other Expenses accounts to the Retirees Health Service Cost account, to cover a portion of the deficiency resulting from higher than anticipated enrollment in the TRB health plan.

This item was unanimously approved by the committee.

FAC 2012-25 – Public Defender Services Commission. Transfer of $125,000 from the Contracted Attorneys account to the Other Expenses account, to cover costs associated with increased overall caseloads.

Senator Kane asked whether this transaction was similar to a recent FAC transaction for the Contracted Attorneys account. Stephen Hunt, the Fiscal Director for the Public Defender Services Commission, responded that the recent transaction did not involve the Contracted Attorneys account.

This item was unanimously approved by the committee.

3. The meeting was adjourned at 1:22 P.M.

Respectfully submitted,

Karen Buffkin
Clerk