MINUTES OF THE MEETING
OF THE FINANCE ADVISORY COMMITTEE

Held in Room 1E at the Legislative Office Building, on April 4, 2013.

PRESENT: Lieutenant Governor Nancy Wyman
Deputy Comptroller Martha Carlson
Senator Toni Harp
Senator Robert Kane
Representative Mae Flexer
Representative Craig Miner
Representative Toni Walker
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.

The minutes of the January 3, 2013 meeting were adopted unanimously.

The following new transactions were considered by the committee:

FAC 2013-6 - Office of Governmental Accountability – Ethics. Transfer of $34,000 from the Office of the Executive Administrator's Other Expenses account to the Ethics Commission and IT Initiatives accounts to cover unanticipated information technology and credit card processing charges related to lobbyist registration, as well as for legal expenses incurred by the Ethics Commission.

Senator Kane asked whether the user fee could be paid by the user. Carol Carson, Executive Director of the Office of State Ethics within the Office of Governmental Accountability, responded that she was exploring that option.

This item was unanimously approved by the committee.

FAC 2013-7 - Office of Governmental Accountability - Elections. Transfer of $486,460 from the Citizens' Election Fund Administration account to the Elections Enforcement Commission account to appropriately align funding for staff costs.

Representative Miner asked how the FAC request aligns with the budget request. David Guay, the Executive Administrator of the Office of Governmental Accountability, responded that if the Governor's budget were adopted, funding would be appropriately allocated. Lieutenant Governor Wyman explained that the change was primarily clerical in nature. Senator Harp asked whether enough funding was allocated when the separate General Fund and Citizen's Elections Program accounts were formed. David Guay explained that the transfer was only clerical and that the functions of the staff had not changed. Lieutenant Governor Wyman explained the transfer would align funding to the position functions and that this was a request by the State Elections Enforcement Commission.

This item was unanimously approved by the committee.

FAC 2013-8 - Office of the Attorney General. Transfer of $390,208 from the Personal Services account to the Other Expenses account to cover arbitration costs associated with the master tobacco settlement agreement.

Senator Kane and Representative Miner asked for clarifications regarding the potential loss of $116 million attributed to the tobacco arbitration. Nora Dannehy, Deputy Attorney General, explained that the settlement will impact future revenues and there would be no one-time reimbursement of revenues already received. Senator Harp and Representative Walker asked for details regarding the budgeting for these expenses and Ms. Dannehy explained that it would be impossible for the agency to predict the amount and timing for these expenses and that the states involved in the arbitration have no control over the timing or costs of the arbitration. The Office of the Attorney General will provide further information to the Finance Advisory Committee regarding the arbitration.

This item was unanimously approved by the committee.

FAC 2013-9 - Connecticut Insurance Department. Transfer of $151,035.08 from the Fringe Benefits account to the Equipment account to create and equip an alternate work facility in the event of a disaster.

This item was unanimously approved by the committee.

FAC 2013-10 - Office of the Chief Medical Examiner. Transfer of $205,000 from the Personal Services and Medicolegal Investigations accounts to the Other Expenses account to cover higher than anticipated laboratory and decedent transportation costs.

Sen. Kane inquired whether the Other Expenses shortfall was related to the Newtown tragedy. Deputy Secretary Buffkin replied that the shortfall was unrelated to Newtown. She explained that the higher than anticipated laboratory costs were incurred because the agency needed to rely on outside laboratories, as the agency did not have a director of Toxicology, and was working to fill that vacancy.

This item was unanimously approved by the committee.

FAC 2013-11 - Department of Transportation. Transfer of $4,000,000 from the Rail Operations and Personal Services accounts to the Other Expenses account to cover the extraordinary costs associated with the February 2013 blizzard, and higher than budgeted expenditures for motor vehicle and equipment repair and motor vehicle fuel.

Sen. Harp asked about FEMA reimbursement. Commissioner Redeker responded that receipt of reimbursements usually takes some months to complete. He also noted that the FEMA reimbursement is not needed in order to balance the agency's budget this year.

Sen. Kane asked whether the Rail Operations surplus is based on increased ridership or increased fares. Commissioner Redeker replied that the surplus stems from reduced expenses which lead to a reduced need for state subsidy. In response to questions from Sen. Harp and Rep. Miner, regarding the necessity of the FAC transfer, Commissioner Redeker noted that the agency does not need FEMA reimbursement in order to end the current fiscal year with a balanced budget.

This item was unanimously approved by the committee.

FAC 2013-12 - Public Defenders Services Commission. Transfer of $1,975,000 from various accounts to the Assigned Counsel - Criminal and Other Expenses accounts to cover the implementation of a more efficient system to assign habeas cases and process associated billings, as well as on-going costly capital cases.

This item was unanimously approved by the committee.

The meeting was adjourned at 1:45 P.M.

Respectfully submitted,

Karen Buffkin
Clerk