

# Analysis of Finance Advisory Committee Meeting Items

January 9, 2014 Agenda



## **OFFICE OF FISCAL ANALYSIS**

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## FAC 2014-04 Legislative Management

Account	Original Appropriation	Prior Policy Actions <sup>1</sup>	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	47,745,867	(194,171)	(650,000)	-	46,901,696
Equipment	107,285	-	-	650,000	757,285
<b>TOTAL - General Fund</b>			<b>(650,000)</b>	<b>650,000</b>	

*Funding is available for transfer from this account due to the following:*

- Personal Services - Based on current payroll projections the agency will expend less than budgeted. The transfer of \$650,000 represents 1.4% of the agency appropriation.

*Funding is needed in this account due to the following:*

- Equipment - The FY 14 and FY 15 Budget eliminated funding in the Minor Capital Improvements account and reduced funding in the Equipment account in anticipation of bond funds being provided. However, the bond package did not include increased authorization for this purpose. The transfer will support the purchase of equipment including: network, servers, SAN Switches and phone switches.

### *Holdbacks and Lapses*

This transfer will not affect the agency's ability to achieve the Personal Services holdback of \$194,171 or the agency's portion of the Legislative unallocated lapse of \$3,028,105.

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<sup>1</sup> Prior policy actions may include holdbacks (forced lapses) and transfers.

## FAC 2014-05 Department of Administrative Services

Fee Structure (\$3 per transaction and \$100 annual subscription fee) - The Department of Administrative Services (DAS) is contracting with a vendor to create a new state web portal which will allow: 1) driving records to be provided electronically to companies that purchase this data; 2) provide billing and collection services on behalf of the Department of Motor Vehicles (DMV), and; 3) market DMV data to companies. Currently, DMV charges \$15 for driver history records and processes approximately 1.5 million records each year. Under the proposed fee structure, DMV would increase the administrative fee by \$3 (to \$18 per transaction) and institute a \$100 annual subscription fee for for-profit businesses. The increased fees will be used to support the new web portal.

Administrative fees charged by a contractor to utilize a state service or program are subject to the approval of the Finance Advisory Committee.

## FAC 2014-06 Department of Banking

Account	Original Appropriation	Prior Policy Actions <sup>1</sup>	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Other Expenses	1,466,890	-	(40,000)	-	1,426,890
Equipment	40,700	-	-	40,000	80,700
<b>TOTAL - Banking Fund</b>			<b>(40,000)</b>	<b>40,000</b>	

*Funding is available for transfer from this account due to the following:*

- Other Expenses - Due to a reduction in agency overall motor vehicle expenses funding of \$40,000 is available for transfer in FY 14. This represents 2.7% of the Other Expenses budget.

*Funding is needed in this account due to the following:*

- Equipment - Computer equipment that was scheduled to be replaced in FY 15 must be replaced in FY 14 since the current operating system will not be supported after April of 2014. The equipment includes 31 computers, seven printers and one server.

### *Holdbacks and Lapses*

There are no holdbacks or budgeted lapses in Other Expenses or Equipment.

## FAC 2014-07 Department of Social Services

Account	Original Appropriation	Prior Policy Actions	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Medicaid	2,409,314,923	134,243,423	(3,700,000)	-	2,539,858,346
Charter Oak Health Plan	4,280,000	-	-	3,700,000	7,980,000
<b>TOTAL - General Fund</b>			<b>(3,700,000)</b>	<b>3,700,000</b>	

*Funding is available for transfer from this account due to the following:*

- Medicaid - Due to a previous transfer of \$67 million between the Disproportionate Share-Medical Emergency Assistance (DSH) account and the Medicaid account, a lapse of \$67 million resulted in the Medicaid account.

*Funding is needed in this account due to the following:*

- Charter Oak Health Plan - Funds are needed to cover claims run-out and premium refunds that occur after January 2014. The plan sunset as of December 31, 2013. The projected cost for the current year is \$7.98 million which is an 86% increase over what was budgeted.

### *Holdback and Lapses*

There are holdbacks of \$2,307,725 in the Personal Services and Other Expenses accounts. This transfer will not affect the agency's ability to achieve this holdback.

### *Deficiency Issues*

There is no deficiency forecast for this agency.

## FAC 2014-08 Department of Children and Families

Account	Original Appropriation	Prior Policy Actions	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Board and Care for Children - Residential	141,375,200	-	(7,000,000)	-	134,375,200
Board and Care for Children - Adoption	91,065,504	-	-	1,500,000	92,565,504
Board and Care for Children - Foster	113,318,397	-	-	2,500,000	115,818,397
Other Expenses	35,455,292	(437,600)	-	3,000,000	38,017,692
<b>TOTAL - General Fund</b>			<b>(7,000,000)</b>	<b>7,000,000</b>	

*Funding is available for transfer from these accounts due to the following:*

- Board & Care for Children - Residential - Expenditures in this account are lower than anticipated due to the number of placements trending downwards to a five month average (through November 2013) of 934 placements. The FY 13 monthly placement average was 1,007 placements. Furthermore, placements are anticipated to continue to trend downwards, reaching an average of 924 placements by the end of FY 14, which is 83 less placements than in FY 13.

*Funding is needed in these accounts due to the following:*

- Other Expenses - The Department of Children and Families (DCF) has experienced higher than anticipated expenditures in this account due to the following:
  1. Increased Attachmate software costs of \$700,000,
  2. Solnit South security presence and security upgrade costs of \$700,000,
  3. Renovations to the Pueblo Unit at Solnit South to accommodate Juvenile Justice girls cost of \$500,000,
  4. Merging the Norwalk and Stamford offices and outfitting a new shared office space cost of \$450,000,
  5. The conversion of Solnit North to a Psychiatric Residential Treatment Facility (PRTF) on 12/1/13 requires DCF to cover medical care and medication expenses in order to receive the PRTF inclusive rate through Medicaid (costs are reimbursable up to 50%) cost of \$200,000,
  6. Increased population at the Connecticut Juvenile Training School (CJTS), which had a monthly population census of 104 placements in FY 13 as compared to its five month average (through November 2013) of 133 placements, cost of \$200,000,
  7. CJTS security upgrade cost of \$150,000 and
  8. Additional natural gas expenses of \$100,000 at CJTS.
- Board and Care for Children - Adoption - Increased placements associated with the reduction in Residential account placements. In FY 13, there was a monthly average of 7,603 adoption placements. Through November 2013, this account has a five month average of 7,692 placements and these placements are anticipated to continue to trend upwards to an FY 14 average of 7,765 placements.
- Board and Care for Children - Foster - Expenditures for Family & Community Ties placements in this account are projected to exceed FY 13 expenditures by 41%.

*Holdbacks and Lapses:*

A release of the Other Expenses holdback of \$437,600 would reduce the funds needed for transfer into this account by that amount. The projected \$10 million lapse in DCF assumes this \$7 million FAC transfer.



## Appendix A: Projected Account Balances for Agencies on this Agenda (After Proposed FAC Transfer(s))

Department of Banking				
	Original Appropriation <sup>2</sup>	Available Funding <sup>3</sup>	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	10,284,067	10,284,067	9,876,000	408,067
Other Expenses	1,466,890	1,426,890	1,160,292	266,598
Equipment	40,700	80,700	80,700	-
Fringe Benefits	7,201,412	7,201,412	7,606,740	(405,328)
Indirect Overhead	120,739	120,739	120,739	-
Nonfunctional - Change to Accruals	72,709	72,709	72,709	-
<b>TOTAL - Banking Fund</b>	<b>19,186,517</b>	<b>19,186,517</b>	<b>18,917,180</b>	<b>269,337</b>

Department of Children and Families				
	Original Appropriation <sup>2</sup>	Available Funding <sup>3</sup>	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	265,473,153	264,493,676	264,260,947	232,729
Other Expenses	35,455,292	38,017,692	38,017,692	-
Equipment	1	1	-	1
Workers' Compensation Claims	11,247,553	11,247,553	11,247,553	-
Family Support Services	986,402	986,402	911,064	75,338
Differential Response System	8,346,386	8,346,386	7,810,854	535,532
Regional Behavioral Health Consultation	1,810,000	1,810,000	1,357,500	452,500
Health Assessment and Consultation	1,015,002	1,015,002	976,682	38,320
Grants for Psychiatric Clinics for Children	15,483,393	15,483,393	14,608,393	875,000
Day Treatment Centers for Children	6,783,292	6,783,292	6,589,941	193,351
Juvenile Justice Outreach Services	12,841,081	12,841,081	11,586,209	1,254,872
Child Abuse and Neglect Intervention	8,542,370	8,542,370	8,271,694	270,676
Community Based Prevention Programs	8,374,056	8,374,056	7,740,557	633,499
Family Violence Outreach and Counseling	1,892,201	1,892,201	1,836,863	55,338
Support for Recovering Families	15,323,546	15,323,546	14,979,736	343,810
No Nexus Special Education	5,041,071	5,041,071	4,396,741	644,330
Family Preservation Services	5,735,278	5,735,278	5,653,962	81,316
Substance Abuse Treatment	9,491,729	9,491,729	9,135,648	356,081
Child Welfare Support Services	2,501,872	2,501,872	2,339,008	162,864
Board and Care for Children - Adoption	91,065,504	92,565,504	92,565,504	-
Board and Care for Children - Foster	113,318,397	115,818,397	115,818,397	-
Board and Care for Children - Residential	141,375,200	134,375,200	133,036,818	1,338,382
Individualized Family Supports	11,882,968	11,882,968	9,356,241	2,526,727
Community Kidcare	35,716,720	35,716,720	35,716,720	-
Covenant to Care	159,814	159,814	159,814	-
Neighborhood Center	250,414	250,414	250,414	-
Nonfunctional - Change to Accruals	1,285,159	1,285,159	1,285,159	-
<b>TOTAL - General Fund</b>	<b>811,397,854</b>	<b>809,980,777</b>	<b>799,910,112</b>	<b>10,070,665</b>

Department of Social Services				
	Original Appropriation <sup>2</sup>	Available Funding <sup>3</sup>	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	113,746,588	114,476,028	114,476,028	-

<sup>2</sup> Includes appropriated accounts from all appropriated funds.

<sup>3</sup> Includes all anticipated and enacted holdbacks (forced lapses) and transfers.

<b>Department of Social Services</b>				
	<b>Original Appropriation<sup>2</sup></b>	<b>Available Funding<sup>3</sup></b>	<b>Estimated Expenditures</b>	<b>Estimated Surplus/(Deficiency)</b>
Other Expenses	121,398,741	119,425,784	119,425,784	-
Equipment	1	1	1	-
Children's Health Council	208,050	208,050	208,050	-
HUSKY Information and Referral	159,393	159,393	159,393	-
State Food Stamp Supplement	685,149	685,149	685,149	-
HUSKY B Program	30,460,000	30,460,000	30,460,000	-
Charter Oak Health Plan	4,280,000	7,980,000	7,980,000	-
Medicaid	2,409,314,923	2,539,858,346	2,472,736,635	67,121,711
Old Age Assistance	37,629,862	37,629,862	37,629,862	-
Aid To The Blind	812,205	812,205	812,205	-
Aid To The Disabled	63,289,492	63,289,492	63,289,492	-
Temporary Assistance to Families - TANF	112,139,791	112,139,791	112,139,791	-
Emergency Assistance	1	1	1	-
Food Stamp Training Expenses	12,000	12,000	12,000	-
CT Pharmaceutical Assistance Contract to the Elderly	126,500	126,500	126,500	-
Healthy Start	1,430,311	1,430,311	1,430,311	-
DMHAS-Disproportionate Share	108,935,000	108,935,000	108,935,000	-
Connecticut Home Care Program	44,324,196	44,324,196	44,324,196	-
Human Resource Development-Hispanic Programs	965,739	965,739	965,739	-
Services To The Elderly	324,737	324,737	324,737	-
Safety Net Services	2,814,792	2,814,792	2,814,792	-
Transportation for Employment Independence Program	3,028,671	3,028,671	3,028,671	-
Refunds Of Collections	150,000	150,000	150,000	-
Services for Persons With Disabilities	602,013	602,013	602,013	-
Child Care Services-TANF/CCDBG	98,967,400	98,967,400	98,967,400	-
Nutrition Assistance	479,666	479,666	479,666	-
Housing/Homeless Services	5,210,676	5,210,676	5,210,676	-
Disproportionate Share-Medical Emergency Assistance	134,243,423	-	-	-
State Administered General Assistance	17,283,300	17,283,300	17,283,300	-
Child Care Quality Enhancements	563,286	563,286	563,286	-
Connecticut Children's Medical Center	15,579,200	15,579,200	15,579,200	-
Community Services	1,075,199	1,075,199	1,075,199	-
Human Service Infrastructure Community Action Program	3,453,326	3,453,326	3,453,326	-
Teen Pregnancy Prevention	1,837,378	1,837,378	1,837,378	-
Fatherhood Initiative	371,656	371,656	371,656	-
Child Support Refunds and Reimbursements	181,585	181,585	181,585	-
Human Resource Development-Hispanic Programs - Municipality	5,364	5,364	5,364	-
Teen Pregnancy Prevention - Municipality	137,826	137,826	137,826	-
Community Services - Municipality	83,761	83,761	83,761	-
Nonfunctional - Change to Accruals	13,955,945	13,955,945	13,955,945	-
<b>TOTAL - General Fund</b>	<b>3,350,267,146</b>	<b>3,349,023,629</b>	<b>3,281,901,918</b>	<b>67,121,711</b>

<b>Legislative Management</b>				
	<b>Original Appropriation<sup>2</sup></b>	<b>Available Funding<sup>3</sup></b>	<b>Estimated Expenditures</b>	<b>Estimated Surplus/(Deficiency)</b>
Personal Services	47,745,867	46,901,696	44,266,696	2,635,000
Other Expenses	16,130,406	15,996,816	15,185,168	811,648
Equipment	107,285	757,285	757,285	-
Flag Restoration	75,000	75,000	75,000	-
Interim Salary/Caucus Offices	605,086	605,086	605,086	-
Connecticut Academy of Science and Engineering	500,000	500,000	500,000	-
Old State House	555,950	555,950	555,950	-
Interstate Conference Fund	383,747	383,747	361,530	22,217
New England Board of Higher Education	192,938	192,938	183,750	9,188
Nonfunctional - Change to Accruals	309,233	309,233	309,233	-
<b>TOTAL - General Fund</b>	<b>66,605,512</b>	<b>66,277,751</b>	<b>62,799,698</b>	<b>3,478,053</b>