

FINANCE ADVISORY COMMITTEE

AGENDA

May 1, 2014

Room 1E, Legislative Office Building – 4:00 P.M.

1. Minutes of the March 6, 2014 meeting.
2. New transactions as follows:

2014-12	Commission on Children	\$7,000.00
2014-13	Department of Banking	\$350,000.00
2014-14	Department of Consumer Counsel	\$80,000.00
2014-15	Department of Housing	\$46,000.00
2014-16	Department of Developmental Services	\$8,582,155.00
2014-17	Mental Health & Addiction Services	\$4,300,000.00
2014-18	Department of Social Services	\$16,875,000.00
2014-19	Department of Education	\$9,690,600.00

PAGE \_\_\_\_\_ OF \_\_\_\_\_  
 DOCUMENT NUMBER  
**CCY0002**

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

COMPT. USE ONLY		EFFECTIVE DATE		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
				2014-12	CCYM1	2014-02
AGENCY NO.	AGENCY NAME					
CCY11600	Commission on Children					

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
2014	11000	CCY11600	10010	2014	Unallot \$7,000.00	Allot	Personal Services
2014	11000	CCY11600	10020	2014		\$7,000.00	Other Expenses

REASON FOR ADJUSTMENT

The Commission on Children has surplus funds in PS due to an unanticipated delay in hiring a new staff member. The Commission would utilize the funds transferred to OE to pay for a portion of the following activities and functions: (1) statewide parent leadership training graduation ceremony, with hundreds of parent leaders and their families, at the LOB in June; (2) a gathering of youth from around the state to focus on school climate and safety; (3) work on two-generational strategies in school and workforce readiness; and (4) partner with Casey Foundation and several Connecticut cities and towns on all children reading by Grade 3.

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations) <b>CGS 4-87</b>	REQUESTING OFFICIAL (Signature) 	(Title) <b>Executive Director</b>	DATE SIGNED <b>10-Apr-14</b>
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UNALLOTTED / AVAILABLE BALANCE	ACTION	APPROVED (Secretary, Office of Policy and Management)	DATE
REVIEWED BY (Analyst) 	DATE 4/12/14	APPROVED (Governor)	DATE
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.)	DATE		

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



State of Connecticut  
GENERAL ASSEMBLY

Commission on Children



**Memorandum**

**To:** Benjamin Barnes, Secretary, Office of Policy and Management  
**From:** Elaine Zimmerman, Executive Director, Commission on Children  
**Date:** April 10, 2014  
**Re:** FAC Request

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**FAC Request to Transfer \$7,000 from PS to OE**

*1. Rationale Behind Diminished PS Need in Current SFY*

The Commission on Children is authorized to have 7 full time positions. Due to mandatory lapses and budget reductions, however, the agency does not have sufficient resources to hire the 7<sup>th</sup> position full time. The Commission received authorization to post the 7<sup>th</sup> position at a part-time basis. The selection process has taken longer than anticipated. We have just completed additional interviews and anticipate having the new staff member on board at the end of April 2014. This delay translates to a decrease in PS funding needed for this position in the current SFY.

*2. Plans for Funds if Transfer to OE Is Approved*

The Commission on Children would utilize the transferred funds to pay for portions of the following:

- a. The statewide parent leadership graduation, bringing several hundred parent graduates and guests together in June at the Legislative Office Building for the graduation ceremony;
- b. A youth gathering on school climate and safety;
- c. Work on two-generational strategies in school and workforce readiness; and
- d. A partnership with the Casey Foundation and several Connecticut cities and towns on all children reading by Grade 3.

Thank you for your consideration of this request.

PAGE	OF
DOCUMENT NUMBER	
DOB002	

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

COMPT. USE ONLY		EFFECTIVE DATE		FAC NUMBER		AGENCY ACRONYM		REQUEST NUMBER	
				2014-13				2014-02	
AGENCY NO.		AGENCY NAME							
DOB1		Department of Banking							

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
14	12003	DOB37000	10010	2014	<i>Allotted</i> <u>\$350,000.00</u>	<i>Allotment</i>	Personal Services
14	12003	DOB37000	12444	2014		\$350,000.00	Fringe Benefit

REASON FOR ADJUSTMENT

Budget for Fringe benefit understated by .07%

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations)	REQUESTING OFFICIAL (Signature)	(Title)	DATE SIGNED
<i>Howard Pitkin</i>	Howard Pitkin	Commissioner	

ACTION

UNALLOTTED / AVAILABLE BALANCE	APPROVED (Secretary, Office of Policy and Management)	DATE
REVIEWED BY (Analyst)	DATE	APPROVED (Governor)
<i>Melissa Yuen RM</i>	4/7/14	
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.)	DATE	DATE

\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

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

## ***Department of Banking FAC***

### **FAC Description**

The Department of Banking (DOB) is requesting an FAC to transfer \$350,000 from personal services to fringe benefits.

### **Funding Explanation**

There are funds available in personal services due to the delay in filling vacant positions. Currently, there is a projected lapse in personal services of approximately \$180,000 net of the FAC transfer.

The agency does not have sufficient funds in fringe benefits to pay for these expenses. In the biennial budget, the fringe benefit rate was budgeted at 70% but the actual rate is 77%. Therefore, the agency needs to transfer funds to make up the shortfall.

The Governor's midterm budget adjustments increased the funding in fringe benefits for FY 15.

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

DOCUMENT NUMBER  
**DEEP1150**

COMPT. USE ONLY		EFFECTIVE DATE		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
				2014-14		4110
AGENCY NO.	AGENCY NAME					
DCC38100	DEPARTMENT OF CONSUMER COUNSEL					

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
					<u>Unencumbered Balance</u>		
2014	12006	DCC38100	10010		\$80,000.00		PUC Assessment Personal Services
2014	12006	DCC38100	10020			<u>Allotment</u> \$72,947.00	PUC Assessment Other Expenses
2014	12006	DCC38100	12262			<u>\$7,053.00</u>	Indirect Overhead
					Total	\$80,000.00	

REASON FOR ADJUSTMENT

FAC Adjustment - Funds will be used to facilitate IT related upgrades and to offset the current indirect overhead deficiency.

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations)	REQUESTING OFFICIAL (Signature)	(Title)	DATE SIGNED
CGS Sec. 4-87	<i>[Signature]</i>	CFAS 1	4/10/14

ACTION

UNALLOTTED / AVAILABLE BALANCE	APPROVED (Secretary, Office of Policy and Management)	DATE
REVIEWED BY (Analyst)	DATE	APPROVED (Governor)
<i>[Signature]</i>	4/15/14	
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.)	DATE	DATE

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

## ***Department of Consumer Counsel FAC***

### **FAC Description**

The Department of Consumer Counsel (DCC) is requesting an FAC to transfer \$80,000 from personal services to other expenses (\$72,947) and indirect costs (\$7,053).

### **Funding Explanation**

There are funds available in personal services due to additional reimbursements for staff time from a federal grant. Currently, there is a projected lapse in personal services of approximately \$80,000.

The agency does not have sufficient funds in indirect costs because the final bill from the Comptroller was in excess of the amount budgeted by \$7,053.

The agency is also requesting additional funds be transferred to other expenses to pay for a computer refresh; smart board to allow for video conferences rather than travel; and office reconfiguration as part of the overall 10 Franklin Square update.

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

DOCUMENT NUMBER  
**DOH00063**

COMPT. USE ONLY		EFFECTIVE DATE		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
				2014-15	DOH	14-63
AGENCY NO.	AGENCY NAME					
46900	Department of Housing					

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
					<u>Unencumbered Balance</u>	<u>Allotment</u>	
14	11000	DOH46900	10010	2014	\$46,000.00		Personal Services
14	11000	DOH46900	10020	2014		\$46,000.00	Other Expenses

REASON FOR ADJUSTMENT

Substantial costs necessary for the creation of DOH were not provided for in the budget of the agency for Other Expenses. These costs include moving costs, minor equipment and furniture, new software licenses and other incremental increases in IT costs and general supplies. In addition, an increase in the volume of DOH's activities resulting from the increase amount of capital funding awards being made by DOH has also resulted in increased program-related costs, such as public hearing legal notices, court reporting services for statutorily mandated hearings, and in-state travel costs.

STATUTORY AUTHORITY (for adjustments in appropriations) <b>Sec. 4-87</b>	REQUESTING OFFICIAL (Signature) 	(Title) <b>Commissioner</b>	DATE SIGNED 4/10/14
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ACTION

UNALLOTTED / AVAILABLE BALANCE		APPROVED (Secretary, Office of Policy and Management)	DATE
REVIEWED BY (Analyst) 	DATE 4/16/14	APPROVED (Governor)	DATE
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.)	DATE		

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



Evonne M. Klein  
Commissioner

Department of Housing

Connecticut  
still revolutionary

April 10, 2014

Secretary Benjamin Barnes  
Office of Policy and Management  
450 Capitol Avenue  
Hartford, CT 06106

Re: Request for Transfer of Funds Subject to Finance Advisory Committee Review

Dear Secretary Barnes:

The Department of Housing (DOH) respectfully requests the approval of the Office of Policy and Management (OPM) for a transfer of \$46,000 from the DOH Personal Services account to its Other Expenses account. Since the amount budgeted for the DOH Other Expenses account for the current fiscal year is \$140,000, this transfer request exceeds ten percent of the amount budgeted for the DOH Other Expenses account and is therefore, in accordance with Section 4-87 of the Connecticut General Statutes, subject to the review and approval of the Finance Advisory Committee.

As you know, State's housing and housing-related programs were consolidated in DOH, which was newly constituted as of July 1, 2013. Programs and staff were transferred to DOH from the Department of Economic and Community Development (DECD), the Department of Social Services (DSS), and OPM. The staff of DOH was physically consolidated on a floor that was previously occupied by both housing and non-housing DECD personnel at the State-owned facility located at 505 Hudson Street, Hartford.

The formation of DOH, and its assumption of the programs, activities and statutory authority of other agencies, has been a success. However, not all of the costs necessary for the creation of DOH as the State's lead agency for all matters related to housing were anticipated and provided for in the budget of the agency. These costs include, for example, moving costs, equipment and furniture, new software licenses and other incremental increases in IT costs and general supplies. In addition, an increase in the volume of DOH's program activities, consistent with the increase capital funding being awarded by DOH, has resulted in increased program-related costs, such as public hearing legal notices, court reporting services for statutorily mandated hearings, and in-State travel costs. In the aggregate, these costs amount to approximately \$46,000.

505 Hudson Street | Hartford, CT 06106 |

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Fortunately, as a result of delays in filling vacant positions transferred from DSS and refilling vacant positions following the retirement of several senior DOH staff members, DOH projects a balance of approximately \$147,000 in its Personal Services account at the end of fiscal year 2014. The transfer of the funds from DOH's Personal Services account to its Other Expenses account will enable the agency to make payments for important expenditures on a timely basis.

In the interest of facilitating the continued effective operations of DOH, I respectfully request that this proposed transfer be included on the agenda for the meeting of the Finance Advisory Committee scheduled on May 1, 2014.

Please let me know if you have any questions or concerns regarding this request.

Sincerely,



Evonne M. Klein  
Commissioner

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

DOCUMENT NUMBER  
**DDS1001**

COMPT. USE ONLY		EFFECTIVE DATE		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
				2014-16	DDSM1	14-004
AGENCY NO.	AGENCY NAME					
DDS50000	Department of Developmental Services					

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
					<u>Allotted</u>	<u>Allotment</u>	
2014	11000	DDS50000	10010	2014	\$8,582,155.00		Personal Services
2014	11000	DDS50000	10020	2014		\$100,000.00	Other Expenses
2014	11000	DDS50000	12072	2014		\$750,000.00	Family Support Grants
2014	11000	DDS50000	12192	2014		\$2,225,000.00	Early Intervention
2014	11000	DDS50000	12235	2014		\$400,000.00	Workers' Compensation
2014	11000	DDS50000	16122	2014		\$5,107,155.00	Comm. Residential Services
				Total	\$8,582,155.00	\$8,582,155.00	

REASON FOR ADJUSTMENT

Transfer of funds necessary to meet end of year requirements.

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations) <b>CGS 4-87</b>	REQUESTING OFFICIAL (Signature) <i>Joseph W. Blawie</i>	(Title) <b>DEPUTY Commissioner</b>	DATE SIGNED <b>4/14/2014</b>
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ACTION

UNALLOTTED / AVAILABLE BALANCE		APPROVED (Secretary, Office of Policy and Management)	DATE
REVIEWED BY (Analyst) <i>Stelley Maynes</i>	DATE <b>4/16/14</b>	APPROVED (Governor)	DATE
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.)	DATE		

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

**Finance Advisory Committee**  
**Meeting May 1, 2014**

The Department of Developmental Services (Department) requests the transfer of \$8,582,155 from its Personal Services appropriation to cover needs in its Other Expenses, Family Support Grants, Early Intervention, Worker's Compensation and Community Residential Services appropriations.

Personal Services (10010) – Funding of \$8,582,155 is available in the Department's Personal Services appropriation largely due to delays in filling certain positions. The transfer amount is above and beyond the Personal Services holdback of \$1,815,935.

The amount is being transferred to cover the following needs:

Other Expenses (10020) – A transfer of \$100,000 is needed to cover additional facility related costs that are the result of the winter weather. Examples of such costs are heating, snow removal and treatment of icy surfaces, and are health and safety related.

Family Support Grants (12072) – This account acts as a key support to families struggling to support their family member at home. As the number of people who are asking for services grows, the demand for temporary supports to help the person remain at home also grows. In order to meet the needs of families who support their family member at home, a transfer of \$750,000 is necessary. Funds are available in our Personal Services account to cover the estimated deficit in Family Support Grants. The \$750,000 will allow an estimated 440 families to receive grants averaging \$1,700 each.

Early Intervention (12192) – A transfer of \$2,225,000 is needed to cover the increasing number of families insured by Medicaid and shortfalls in Commercial Insurance receipts. The percentage of families receiving services that are on Medicaid is 60% of all our families receiving services -- up from 50%. Shifts to insurance policies with high deductibles and insurance plan limitations of some insurance companies to pay for high-cost services to children with Autism, has resulted in lower than anticipated commercial insurance receipts. On a national level, families are transitioning to insurance coverage with high deductibles. Through our insurance biller, we see this trend in Connecticut too. Also through our insurance biller, we are seeing limits in claims paid for children with Autism well below the cost of the services provided.

Workers' Compensation (12235) – A transfer of \$400,000 is necessary to cover the costs of workers' compensation claims expenditures in excess of the appropriation. The Department continues a strategy that focuses on training and reminding workers of safe practices to reduce the strain on this account in the future. And, the Department seeks to settle claims that have the strong potential for high costs that could effect this appropriation for many years. This approach requires an assessment of the nature of the injury (or injuries) behind an individual claim. DDS works collaboratively with DAS and the OAG on settlements and they are approved by the Workers Compensation Commission.

Community Residential Services (16122) – A need to transfer \$5,107,155 to the Community Residential Program account is anticipated for three reasons.

The savings from the Medicaid audits projected to be \$2,900,000 do not accrue to this account. Recoupments offset the Medicaid account or are deposited into the General Fund.

The second issue is that the initiative to reduce costs associated with people moving to less supervised settings will be less than assumed, resulting in the need to transfer \$1,900,000. The changes have taken place over the course of the fiscal year and there were one-time costs associated with the transition. It should be noted that the initiative will generate additional savings next year when people will be in the new settings for the entire year.

Finally, the settlement for personal care attendant (PCA) services contributes to the shortfall in this account in the amount of \$307,155.

	<u>Reduce</u>	<u>Increase</u>
Personal Services	<u>8,582,155</u>	
Total	8,582,155	
Other Expenses		100,000
Family Support Grants		750,000
Early Intervention		2,225,000
Workers' Compensation		400,000
Community Residential Services		<u>5,107,155</u>
Total		8,582,155

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	OF
DOC. TYPE	DOCUMENT NUMBER	
	MHA14007	

COMPT. USE ONLY	EFFECTIVE DATE	FAC NUMBER	REQUEST NUMBER
		2014-17	2014-07
AGENCY NO.	AGENCY NAME		
53000	Department of Mental Health and Addiction Services		

F.Y.	FUND	AGENCY	SID	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
				<u>Unencumbered Balance</u>	<u>Allotment</u>	
2014	11000	53100	12256	\$1,600,000.00		TBI Community Services
2014	11000	53100	12444	\$2,300,000.00		Home & Community Based
2014	11000	53100	12289	\$400,000.00		Behavioral Health Medication
2014	11000	53000	12235		\$1,500,000.00	Workers' Compensation Claims
2014	11000	53000	12207		\$1,300,000.00	Professional Services
2014	11000	53000	10020		\$1,500,000.00	Other Expenses
		Total		\$4,300,000.00	\$4,300,000.00	

REASON FOR ADJUSTMENT  
To make funds available through FAC action to cover expenditures in several accounts with projected shortfalls in the Fourth Quarter.

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations)	REQUESTING OFFICIAL (Signature)	(Title)	DATE SIGNED
		Budget Director	3/18/14

UNALLOTTED / UNENCUMBERED BALANCE	APPROVED (Secretary, Office of Policy and Management)	DATE
\$		
REVIEWED BY (Analyst)	DATE	APPROVED (Governor)
Magdalena Lekarczyk	3/18/14	
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.)	DATE	DATE

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

PROPOSED ITEMS FOR APPROVAL  
BY THE FINANCE ADVISORY COMMITTEE  
April 3, 2014

The Department of Mental Health and Addiction Services requests approval of transfers totaling \$4,300,000 to cover projected shortfalls in several accounts: \$1,500,000 to cover a projected shortfall in the Workers' Compensation Claims (SID 12235) account, \$1,300,000 to cover a shortfall in the Professional Services (SID 12207) account, and \$1,500,000 to cover a shortfall in the Other Expenses (SID 10020) account. The shortfall in the Workers' Compensation account is caused by several large medical payments that were not anticipated. The shortfall in Professional Services results from increased use of contracted psychiatrists because of the Department's difficulty recruiting for these positions and increased lab costs for patients in our inpatient facilities. The shortfall in Other Expenses is the result of increased client interpretation services and food expenses, security enhancements and building repairs that needed to be completed this fiscal year to our inpatient facilities that were not anticipated.

The above shortfalls will be offset by lapsing funds in several accounts: the TBI Community Services (12256) account will lapse \$1,600,000 as the result of savings achieved in placing several clients on the ABI waiver and slower than anticipated client placements to the community, the Home & Community Based Services (12444) account will lapse \$2,300,000 as the result of fewer than anticipated client placements this year and lower than anticipated expenditures for the clients that were transitioned to the community, and Behavioral Health Medications (12289) account will lapse \$400,000 as the result of increased use of generic medications at our inpatient facilities and improved entitlement processing for clients in our outpatient facilities that were receiving medication while awaiting entitlement approval.

Summary of Transfer:

TBI Community Services (12256)	(\$1,600,000)
Home & Community Based (12444)	(\$2,300,000)
Behavioral Health Medication (12289)	(\$400,000)
Workers' Compensation Claims (12235)	\$ 1,500,000
Professional Services (12207)	\$ 1,300,000
<u>Other Expenses (10020)</u>	<u>\$1,500,000</u>

**TOTAL**

**\$0**

PAGE \_\_\_\_\_ OF \_\_\_\_\_  
DOCUMENT NUMBER  
**DSS14084**

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

COMPT. USE ONLY		EFFECTIVE DATE		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
				2014-18	DSS	2014-084
AGENCY NO.	AGENCY NAME					
DSS60000	DEPARTMENT OF SOCIAL SERVICES					

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTTED</u>	<u>ALLOTMENT</u>	
2014	11000	DSS60000	12494	2014	\$900,000.00		Charter Oak Health Plan
2014	11000	DSS60000	16020	2014	\$8,849,000.00		Medicaid
2014	11000	DSS60000	16061	2014	\$800,000.00		Old Age Assistance
2014	11000	DSS60000	16071	2014	\$75,000.00		Aid to the Blind
2014	11000	DSS60000	16077	2014	\$1,700,000.00		Aid to the Disabled
2014	11000	DSS60000	16090	2014	\$4,500,000.00		Temporary Assistance to Families-TANF
2014	11000	DSS60000	16100	2014	\$126,000.00		ConnPACE
2014	11000	DSS60000	10010	2014		\$3,000,000.00	Personal Services
2014	11000	DSS60000	10020	2014		\$7,200,000.00	Other Expenses
2014	11000	DSS60000	16114	2014		\$1,400,000.00	Connecticut Home Care Program
2014	11000	DSS60000	16123	2014		\$150,000.00	Services to the Elderly
2014	11000	DSS60000	16147	2014		\$3,000,000.00	Child Care Services-TANF/CCDBG
2014	11000	DSS60000	16157	2014		\$2,200,000.00	State Administered General Assistance
					<u>\$16,950,000.00</u>	<u>\$16,950,000.00</u>	

REASON FOR ADJUSTMENT

Funds are being transferred to meet anticipated end of year requirements in various accounts

STATUTORY AUTHORITY (for adjustments in appropriations) <b>CGS-4-87(a)</b>	REQUESTING OFFICIAL (Signature) 	(Title) <b>Asst. Director of Financial Services</b>	DATE SIGNED <b>4/22/2014</b>
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ACTION

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

**Summary of Position Count Change**

<u>Current Authorized</u>	<u>Requested Increase</u>	<u>Total Requested</u>
1,846	35	1,881

**Summary of Transfers**

10010 Personal Services	\$3,000,000
10020 Other Expenses	\$7,200,000
16114 Connecticut Home Care Program	\$1,400,000
16123 Services to the Elderly	\$150,000
16147 Child Care Services – TANF/CCDBG	\$3,000,000
16157 State Administered General Assistance	\$2,200,000
12494 Charter Oak Health Plan	(\$900,000)
16020 Medicaid	(\$8,849,000)
16061 Old Age Assistance	(\$800,000)
16071 Aid to the Blind	(\$75,000)
16077 Aid to the Disabled	(\$1,700,000)
16090 Temporary Assistance to Families - TANF	(\$4,500,000)
16100 ConnPACE	(\$126,000)
<b>Net Total</b>	<b>\$0</b>

**Personal Services**

Funds are being transferred to the Personal Services account to cover projected needs to the end of the year. The adjusted appropriation of \$114.5 million falls short of the current projected SFY 2014 expenditure level. Funds in the amount of \$3.0 million are being transferred to cover the projected shortfall, which results from this year's hiring efforts to meet the increasing demand for DSS services.

In addition, an increase of 35 positions to the authorized position count of 1,846 is requested, bringing the total authorized count to 1,881. This increase reflects the establishment of 35 additional positions to support the processing of long-term care Medicaid applications, consistent with the timely processing settlement agreement.

**Other Expenses**

Funds are being transferred to the Other Expenses account to cover projected needs to the end of the year. The adjusted appropriation of \$124.5 million, which includes a holdback reduction and carryforward funds, falls short of the current projected SFY 2014 expenditure

level of \$131.7 million. Funds in the amount of \$7.2 million are being transferred to cover the projected shortfall. This includes funding added to support the 21CT contract for investigative analytics and graph pattern analysis to support the fraud reduction initiative. Additional funds are also needed to support the department's share of maintenance and operations costs associated with AccessHealthCT.

### **Connecticut Home Care Program**

Funds are being transferred to the state-funded Connecticut Home Care Program to cover projected needs to the end of the year. The appropriation of \$44.3 million is insufficient to cover projected expenditures of \$45.7 million, resulting in a \$1.4 million projected shortfall.

### **Services to the Elderly**

Funds are being transferred to the Services to the Elderly account to meet year-end needs for the Protective Services to the Elderly program. The department is currently projecting a \$150,000 deficiency in this account. Caseloads are running 19% higher in SFY 2014 with an average monthly caseload of 31 cases compared to 26 cases in SFY 2013. The average monthly cost per case is 63% higher than SFY 2013, with an average cost per case of \$1,033 compared to \$634 in SFY 2013.

### **Child Care Services – TANF/CCDBG**

Funds are being transferred to the Child Care Services account to meet projected needs to the end of the year. The department is projecting a \$3.0 million shortfall in the Child Care Services account. The shortfall is due to the settlement of the SEIU contract for Family Child Care Providers for retroactive rate increases. The increases are effective January 1, 2014. Without the additional costs related to the settlement of the SEIU contract, a projected surplus of \$1.6 million would have resulted this year. While actual caseloads were 1% over the appropriated amount, expenditures were 3% lower. The estimated cost for the 3% rate increase under the SEIU contract in SFY 2014 is \$4.6 million.

### **State Administered General Assistance**

Funds are being transferred to the State Administered General Assistance (SAGA) to cover projected expenditures through the end of the year. The department is currently projecting a \$2.2 million deficiency in the SAGA account. The actual caseload growth of 14% from July 2013 to March 2014 exceeds the originally budgeted caseload growth of 2% over the fiscal year. Enrollment has increased from 5,601 in July 2013 to 6,366 in March. In addition, the actual average cost per case of \$261 exceeds the originally budgeted cost per case of \$259.

### **PROJECTED SURPLUS ACCOUNTS**

Based on current caseload and cost trends, funds are available in the following accounts to cover the shortfalls: Charter Oak Health Plan, Medicaid, Old Age Assistance, Aid to the Blind, Aid to the Disabled, Temporary Assistance to Families - TANF, and ConnPACE.

## **Charter Oak Health Plan**

Expenditures under the Charter Oak Health Plan are projected to end the year lower than currently budgeted. Funding was included to cover projected claims run-out and premium refunds for the period beginning January 1st, when the program closed. In January, funds were transferred to the account for this purpose in anticipation of a shortfall. Actual costs have been lower than projected, and funds in the amount of \$900,000 are now available to transfer to various accounts.

## **Medicaid**

Funds are being transferred from the Medicaid account to various accounts to meet end of year needs. In November, funds in the amount of \$134 million were transferred from the Disproportionate Share – Medical Emergency Assistance account to Medicaid in order to maximize payments to hospitals for uncompensated care costs. Under net funding, the funds required to be paid out of the Medicaid account for this initiative are just half of the cost (\$67 million), the other half being diverted from revenue, resulting in a surplus in the Medicaid account.

## **Old Age Assistance**

Funds are available in the Old Age Assistance account to offset deficiencies. While actual caseloads remained relatively flat from July 2013 to March 2014, the average cost per case of \$649 is 4% lower than the appropriated cost per case of \$675 per month.

## **Aid to the Blind**

Funds are available in the Aid to the Blind account to offset deficiencies. Actual caseloads remained relatively flat but the average monthly cost per case projected for the year is lower, at \$738.

## **Aid to the Disabled**

Funds are available in the Aid to the Disabled account to offset deficiencies. While actual caseloads remained relatively flat from July 2013 to March 2014, the average cost per case of \$466 per month is 5% lower than the appropriated cost per case of \$493.

## **Temporary Assistance to Families – TANF**

A surplus is projected for the Temporary Assistance to Families - TANF account for SFY 2014 due to lower than projected caseload growth and a lower average cost per case. While actual average monthly caseloads have increased approximately 3% from July 2013 to March 2014, to 18,277, this is still lower than the caseloads on which the appropriation was based.

## **ConnPACE**

Funds in the amount of \$126,000 are being transferred from ConnPACE to offset deficiencies in various accounts. Third party liability recoveries, where clients were covered under another prescription drug plan, are responsible for the surplus in this account.

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

COMPT. USE ONLY		EFFECTIVE DATE		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
				2014-19		2014-41
AGENCY NO.	AGENCY NAME					
SDE64000	Department of Education					

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
					<u>Unallotted</u>	<u>Allotment</u>	
2014	11000	SDE64000	12547	2014	350,000.00		Commissioner's Network
2014	11000	SDE64000	12549	2014	300,000.00		New or Replicated Schools
2014	11000	SDE64000	16212	2014	790,000.00		Health Foods Initiative
2014	11000	SDE64000	17041	2014	1,617,500.00		Education Equalization Grants
2014	11000	SDE64000	17042	2014	27,800.00		Bilingual Education
2014	11000	SDE64000	17045	2014	202,800.00		Interdistrict Cooperation
2014	11000	SDE64000	17046	2014	2,500.00		School Breakfast Program
2014	11000	SDE64000	17053	2014	6,400,000.00		Open Choice Program
2014	11000	SDE64000	17047	2014		85,000.00	Excess Cost - Student Based
2014	11000	SDE64000	17057	2014		9,605,600.00	Magnet Schools

REASON FOR ADJUSTMENT

Request funds transfer in accordance with FAC requirements set forth in Section 4-87 and Section 10a-8(b) of the General Statutes, which require Finance Advisory Committee approval for transfers to or from any specific appropriation of a sum or sums in any one fiscal year of over \$50,000 or 10 percent of any specific appropriation, whichever is less. See detailed information attached.

**Budget Reference 2014**

Bond Commission Date:

STATUTORY AUTHORITY (for adjustments in appropriations)	REQUESTING OFFICIAL (Signature)	(Title)	DATE SIGNED
CGS 4-87 and 10a-8(b)	<i>Rakheena Demsel</i>	Interim Chief Financial Officer	4-16-14

ACTION

UNALLOTTED / AVAILABLE BALANCE	APPROVED (Secretary, Office of Policy and Management)	DATE
REVIEWED BY (Analyst)	APPROVED (Governor)	DATE
<i>Healper</i>		4/21/14
RECOMMENDED (Undersecretary, Bud. & Fin. Mgmt.)		

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

## CONNECTICUT STATE DEPARTMENT OF EDUCATION

### Finance Advisory Committee (FAC) Request

The Department of Education requests Finance Advisory Committee action on May 1, 2014, to transfer a total of \$9,690,600 from various accounts to the Excess Cost-Student Based and Magnet School accounts.

#### Transfer of funds is requested from the following accounts:

Commissioner's Network - \$350,000 - Some work was planned for late in the fiscal year; however, those initiatives will be delayed until next year rather than rushed at year end.

New or Replicated Schools - \$300,000 - This account is funding for local charter school students, but planned schools have not yet opened to serve students. The first school will open this fall in New Haven for the 2014-15 school year.

Health Foods Initiative - \$790,000 - Though there were 11 new districts and schools for fiscal year 2014, program growth is not expected to fully exhaust the additional funds.

Education Equalization – Education Cost Sharing/Charter Schools (ECS) - \$1,617,500

1. \$267,500 - ECS has a projected surplus resulting from (a) prior year adjustments for the Department's Special Education Excess Cost grants (which are offset against the current year ECS payments), and (b) the appropriation for ECS being slightly greater than the entitlements for the grant.
2. \$1,100,000 - State charter schools (a) did not all meet their State Board approved maximum enrollments, and (b) one new state charter school was approved to serve 115 students; however, funds were appropriated for up to 170 students.
3. \$250,000 - Start-up for local charters was not fully expended.

Bilingual Education - \$27,800 - Several grantees have declined their grants.

Interdistrict Cooperation - \$202,800 - One Interdistrict Program will not operate for the 2014 fiscal year, and some carry forward funds will go unexpended due to incomplete legislation.

School Breakfast Program - \$2,500 - The in-classroom pilot breakfast program did not fully exhaust the setaside of \$50,000. The small unused pilot balance of \$4,346 offsets a handful of refunds (totaling \$1,455) which will not be collected in time to make the statutory payments, leaving the account with a balance of \$2,500.

Open Choice - \$6,400,000 – These funds are available, in part, because of the need to align agency budget requests with integration goals of the current Sheff agreement. The target student counts are not always achieved, given the variety of choice opportunities available to students.

#### Transfer of funds is requested to the following accounts:

Excess Cost – Student Based - \$85,000 - The preliminary Excess Cost May calculation indicates that two grantees were overpaid in their February payment. The resulting refunds will not be recovered in time to meet our payment obligations. Therefore, it will be necessary to transfer funds into this account to cover the projected shortfall.

Magnet Schools - \$9,605,600 – The shortfall is related to a number of items, including but not limited to: 1) the account was not funded for prekindergarten tuition payments, estimated at \$5.4 million; 2) requests for supplemental transportation, which will require special legislation, but they have been factored in at \$7,300,000, for planning purposes; 3) a \$5 million reduction in the account during the 2013 legislative session; and 4) more refined operator enrollment projections coupled with more established programs, which significantly reduced the percentage of unfilled seats.