MINUTES OF THE MEETING
OF THE FINANCE ADVISORY COMMITTEE

Held in Room 1E at the Legislative Office Building, on June 5, 2014.

PRESENT: Lieutenant Governor Nancy Wyman
Deputy Comptroller Martha Carlson
Senator Beth Bye
Representative Mae Flexer
Senator Robert Kane
Representative Craig Miner
Deputy Treasurer Christine Shaw
Senator Terry Gerratana (Alternate)
Representative Catherine Abercrombie (Alternate)
Deputy Secretary Karen Buffkin
Office of Policy and Management, Finance Advisory Committee Clerk

Lieutenant Governor Wyman called the meeting to order at 1:00 p.m.

The minutes of the May 1, 2014 meeting were adopted.

The following new transactions were considered by the committee:

FAC 2014-20 – Office of the State Comptroller. Request to transfer $30,000 from the Employers Social Security Tax account to the Unemployment Compensation account to cover increased claims costs in the special transportation fund.

This item was approved.

FAC 2014-21 – Division of Criminal Justice. Request to transfer $482,000 from the Personal Services account to various accounts to cover operating expenses, training, and investigative costs that are projected to exceed budgeted levels

This item was approved.

FAC 2014-22 – Department of Insurance. Request to transfer $370,000 from the Personal Services account to the Fringe Benefits account to cover actual costs.

This item was approved.

FAC 2014-23 – Office of the Healthcare Advocate. Request to transfer $25,000 from the Personal Services account to the Fringe Benefits account to cover actual costs.

This item was approved.

FAC 2014-24 – Department of Energy & Environmental Protection. Request to transfer $220,000 from the Personal Services account to the Fringe Benefits account to cover actual costs.

This item was approved.

FAC 2014-25 – Office of Chief Medical Examiner. Request to transfer $372,239 from the Personal Services and Equipment accounts to the Other Expenses account to cover higher than anticipated toxicology costs associated with clearing a backlog of cases.

This item was approved.

FAC 2014-26 – Department of Social Services. Request to transfer $500,000 from the Medicaid account to the Old Age Assistance account to cover anticipated requirements due to higher costs per case and caseload growth.

Representative Walker asked whether the shortfall in the Old Age Assistance account would recur in FY 2015. Mike Gilbert, DSS Chief Fiscal Officer, responded that the increase in costs appear to be of a one-time nature and that overall trends have been favorable in this account. He also noted that this transaction, in combination with a transfer approved in a previous FAC meeting, would not result in expenditures exceeding the appropriation for FY 2014.

This item was approved.

FAC 2014-27 – Office of Higher Education. Request to increase the agency's authorized full-time position count from 21 to 27.

Representative Walker observed that this item increased the authorized position, but did not require any increase in funding. Deputy Secretary Buffkin affirmed Representative Walker's understanding.

This item was approved.

FAC 2014-28 – Department of Correction. Request to transfer $3,200,000 from Workers' Compensation, Inmate Medical Services and Board of Pardons and Paroles accounts to the Personal Services and Other Expenses accounts to cover year-end operational costs.

Senator Kane asked whether the reduction in Inmate Medical would impact the ability of the agency to sustain a budget reduction in FY 2015 that was predicated on the availability of unspent FY 2014 resources.

Deputy Commissioner Cepelak and Fiscal Director Michelle Schott responded that there would be no impact because the savings in Inmate Medical were in addition to those assumed in the FY 2015 budget.

Senator Kane asked about the impact of staffing and retirements on overtime costs and steps the agency was taking to address the problem.

Deputy Commissioner Cepelak responded that the department and OPM have been authorizing new correction officer classes and the additional staff, paired with a declining prison population, would enable the department to better manage overtime costs.

Senator Kane asked whether the increase in retirements would require fringe benefit resources beyond the budgeted level in the Office of the Comptroller.

The Deputy Commissioner responded that the increased rate of retirements was expected.

This item was approved.

FAC 2014-29 – Department of Children and Families. Request to transfer $1,640,738 from Personal Services to Other Expenses to cover various increased operating expenses. This item was revised from the version originally provided to members of the committee, which would have transferred the same amount from the Board & Care for Children – Residential account rather than from Personal Services.

A number of questions were posed to the agency regarding the originally submitted item. Senator Bye asked about children with behavioral health needs being delayed in emergency departments (ED), as well as DCF's plans to close certain congregate care facilities. Senator Kane asked whether Commissioner Katz's policy about directly approving congregate care placements impacts upon ED stays. Representative Walker requested information on average length of stay in EDs; asked about recent DCF hiring and vacancies; expressed concerns about juvenile justice caseloads; and asked for an explanation of additional security costs contributing to the Other Expenses shortfall. Representative Miner inquired about differing levels of congregate care and also expressed concerns about the closing of certain DCF-funded congregate care facilities. Representative Flexer asked why DCF experienced delays in filling vacant positions.

Commissioner Katz and staff provided relevant statistics about ED average length of stays and in-state congregate care capacity; summarized the agency's philosophy and recent initiatives around serving children in the least restrictive setting; discussed agency hiring practices and personnel resources; and responded to specific questions from committee members.

This item was approved.

FAC 2014-30 – Public Defender Services Commission. Request to transfer $355,000 from the Personal Services and Contracted Attorneys Related Expenses accounts to the Other Expenses, Expert Witnesses and Assigned Counsel – Child Protection accounts to cover various year-end costs.

This item was approved.

Senator Kane requested that Deputy Secretary Karen Buffkin provide an overview of all FAC transactions during FY 2014. She agreed to do so. (This information was provided via e-mail to FAC members on June 6, 2014, and is also attached.)

The meeting was adjourned at 2:08 p.m.

Respectfully submitted,

Karen Buffkin
Clerk

Attachment