

MINUTES OF THE MEETING
OF THE FINANCE ADVISORY COMMITTEE

Held in Room 1E at the Legislative Office Building, on April 2, 2015

PRESENT: Lieutenant Governor Nancy Wyman
Deputy Comptroller Martha Carlson
Senator Robert Kane
Representative Toni Walker
Representative Melissa Ziobron
Deputy Secretary Susan Weisselberg
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 March 5, 2015 meeting were adopted.

The following new transactions were considered by the committee:

FAC 2015-03 - Department of Emergency Services and Public Protection. Transfer of \$3,600,000 from the Personal Services and Fleet Purchase accounts to the Other Expenses and Worker Compensation Claims accounts to cover operational expenses of the agency.

Senator Kane asked about the increased costs for repairs of the State Police motor vehicles. RoseMarie Peshka, the agency Chief Fiscal officer for the department, responded that the new Police Interceptor vehicles are more costly to repair than the Crown Victorias they replaced.

Senator Kane then asked whether the use of salt on roadways had any impact on the State Police vehicles. Ms. Peshka responded that she would provide that information to the Committee. (*Response attached.*)

Representative Walker asked whether the costs of repairs were considered before purchasing the new vehicles. Ms. Peshka responded that she was not aware of any cost study. Lieutenant Governor Wyman noted that with the older Crown Victorias, the agency could salvage parts from wrecked or damaged vehicles to keep repair costs down. The Lieutenant Governor also noted that the Crown Victorias are no longer produced.

Representative Ziobron asked whether the Workers' Compensation Claims costs were unusual. Ms. Peshka noted a number of catastrophic claims this year and that the medical costs have increased over the levels experienced the last two years.

The item passed unanimously.

FAC 2015-04 - Department of Correction. Transfer of \$7,700,000 from the Personal Services, Inmate Medical Services and Board of Pardons and Paroles accounts to the Other Expenses and Workers Compensation Claims accounts to cover operational expenses of the agency.

Senator Kane asked about the availability of funds in the Board of Pardons and Paroles account. Deputy Commissioner Cepelak responded that this was the result of attrition and vacancies. Senator Kane asked whether remaining funds in the account would be spent and if so on what. Deputy Commissioner Cepelak noted that the account funds the Board's staff and operating expenses, and that it was anticipated the remaining funds would be fully expended. Senator Kane asked how many staff the Board has. Deputy Commissioner Cepelak said she would provide that information to the Committee. *(Response attached.)*

Representative Ziobron asked about the Personal Services shortfall. Michelle Schott, the agency's Fiscal Director, responded that the shortfall would be covered with a deficiency appropriation and a transfer from OPM's Reserve for Salary Adjustment (RSA) account. Representative Ziobron asked whether RSA could be used for that purpose or was limited to covering future collective bargaining contract costs. Ms. Schott explained that it also covers accrued vacation and sick time payouts for those that retire from the department. Representative Ziobron then asked whether RSA would be used to cover overtime costs. Ms. Schott responded that RSA would not be used to cover overtime and that the agency's overtime hours were reduced from FY 2014 levels.

Representative Walker asked whether the Governor's Budget was sufficient to support increasing food costs. Deputy Commissioner Cepelak said she would provide that information to the Committee. *(Response attached.)*

Representative Walker then asked what the Personal Services shortfall would be after the FAC transfer. Ms. Schott responded that the shortfall would be approximately \$12 million. *(Note the following correction: OPM and DOC estimate the Personal Services shortfall as of March 20, 2015, to be \$4.1 million; this sum is entirely attributable to accrued sick and vacation payouts, which will be covered by a transfer from OPM's RSA account. As a result, the \$4.9 million FAC transfer out of Personal Services will need to be restored through a deficiency appropriation.)*

The item passed with Representative Ziobron voting "No".

FAC 2015-05 - Office of Governmental Accountability/State Elections Enforcement Commission. Transfer of \$137,652 from the Citizens' Elections Fund Administration account to the Elections Enforcement Commission account in order to cover payroll-related costs.

There was no discussion, and the item passed unanimously.

FAC 2015-06 - Division of Criminal Justice. Transfer of \$488,000 from the Personal Services, Expert Witness, Medicaid Fraud Control Unit and Shooting Task Force accounts to the Other Expenses, Witness Protection and Cold Case accounts to cover operational expenses of the agency.

Representative Ziobron asked about the surplus in the Expert Witnesses account. John Russotto, the Deputy Chief State's Attorney, responded that this is a difficult account to forecast due to changing demand for outside expert witnesses. Representative Ziobron asked why there were vacancies on the Shooting Taskforce. Attorney Russotto responded that due to the state's fiscal situation, the agency has frozen hiring.

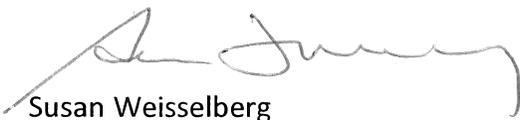
why there were vacancies on the Shooting Taskforce. Attorney Russotto responded that due to the state's fiscal situation, the agency has frozen hiring.

Senator Kane asked why there was a need for \$200,000 for IT costs in Other Expenses. Attorney Russotto responded that DCJ has been undergoing a large IT infrastructure upgrade to accommodate a new case management system. The agency received a federal grant for a large portion of the upgrade, but needed funds for various software licenses and upgrades. Senator Kane asked whether any of the funds would be used for consultants, and Attorney Russotto responded that the project has been done with in-house staff.

The item passed with Representative Ziobron voting "No".

The meeting was adjourned at 1:20 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Susan Weisselberg", written in dark ink.

Susan Weisselberg
Clerk

Potamianos, Paul

From: LeMay, Chris
Sent: Tuesday, April 07, 2015 3:11 PM
To: Potamianos, Paul
Subject: FW: Our Vehicles

Paul,

See below for DESPP's response to the impact of road salt on the State Police vehicles.

From: Bartlett, Benjamin
Sent: Thursday, April 02, 2015 1:45 PM
To: Peshka, RoseMarie
Cc: Battle, George; Izzarelli, Samuel; Mercado, Yvette; Mohrlein, John; Mebane, Michael
Subject: RE: Our Vehicles

Hi RoseMarie,

For the vehicles we have seen coming through Fleet we have not seen excessive body rot. We have seen signs of surface rust on the underbody components of the vehicles.

Thanks,
Ben

Potamianos, Paul

From: Schott, Michelle
Sent: Thursday, April 02, 2015 2:41 PM
To: 'Palmer, Jonathan'
Cc: Cepelak, Cheryl; Rinaldi, Monica; LeMay, Chris; Rivino, Heather L; Sanzo, Kristine
Subject: DOC Summary FY2015 OT8000.xlsx
Attachments: DOC Summary FY2015 OT8000.xlsx

Let's try again with attachment:

Clarification: As of the February 2015 CFSR, the Department of Correction is anticipating a \$4.1 million deficiency in Personal Services with the FAC transfer of \$4.9 million the deficiency in PS will increase to \$9 million.

Food Cost: The Governor's budget recommends food cost of \$17 million for FY16 and FY17. With the anticipated inmate population decline we expect to stay within our budget.

Overtime: Please see attached overtime report.

Pardons Position Count: 72 Permanent Full Time Authorized / 58 Filled Full Time positions

