

Analysis of Finance Advisory Committee Meeting Items

June 1, 2017 Agenda



OFFICE OF FISCAL ANALYSIS

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FAC 2017-16 Division of Criminal Justice

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Medicaid Fraud Control	1,107,897	(11,078)	(54,000)	-	1,042,819
Cold Case Unit	240,619	(12,406)	(24,000)	-	204,213
Shooting Taskforce	1,044,948	(10,449)	(62,000)	-	972,499
Other Expenses	2,359,373	(23,593)	-	140,000	2,475,780
TOTAL - General Fund			(140,000)	140,000	

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

- **Medicaid Fraud Control** - The delay in refilling two vacant positions.
- **Cold Case Unit** - A vehicle was not purchased for use by an inspector in FY 17.
- **Shooting Taskforce** - The delay in refilling two vacant positions.

Funding is needed in this account due to the following:

- **Other Expenses** - Costs for IT software maintenance and license agreements. These payments, totaling \$200,000, were previously paid out of a grant account, which is no longer available in FY 17.

Holdbacks and Lapses

Transfers will not affect the agency's ability to meet the holdbacks in these accounts totaling \$33,933.

¹ Prior policy actions may include holdbacks (forced lapses), rescissions, and transfers.

FAC 2017-17 Department of Banking

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	11,025,073	(100,000)	(750,000)	-	10,175,073
Fringe Benefits	8,709,808	(138,400)	(450,000)	-	8,121,408
Other Expenses	1,468,990	63,400	-	1,200,000	2,732,390
TOTAL - Banking Fund			(1,200,000)	1,200,000	

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

- **Personal Services** - The delay in refilling seven vacant positions (due to retirements and separations.)
- **Fringe Benefits** - Positions supported by the Banking Fund also have their fringe benefits paid from the Fund. Thus, the delay in refilling seven vacant positions results in \$450,000 available to transfer in FY 17.

Funding is needed in this account due to the following:

- **Other Expenses** - Costs of \$1.2 million for a one-time purchase of the license and implementation for MicroPact, Inc. (regulatory enforcement and licensing software) to enable the Department of Banking to join the statewide enterprise system and implement the E-licensing system. The current system is dated, potentially putting the regulation process at risk, and the new system would allow the department to automate examinations and enforcement capabilities.

Holdbacks and Lapse

These accounts are not subject to holdbacks.

FAC 2017-18 Department of Transportation

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	177,091,980	(2,000,000)	(5,506,257)	-	169,585,723
Bus Operations	154,842,551	-	(2,238,317)	-	152,604,234
Rail Operations	166,249,813	-	-	7,074,288	173,324,101
ADA Para-transit Program	37,041,190	-	-	670,286	37,711,476
TOTAL - Special Transportation Fund			(7,744,574)	7,744,574	

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

- **Personal Services** - A delay in refilling 327 various vacancies. The transfer amount represents 3.1% of the available appropriation.
- **Bus Operations** - An increase in the fare of 25 cents or 16.7% which took effect in December 2016.

Funding is needed in these accounts due to the following:

- **Rail Operations** - Higher than anticipated costs related to: (1) a \$2.9 million claim from to the 2013 Bridgeport derailment; (2) \$2.8 million in higher than budgeted operating costs for the New Haven Line in calendar year 2015. Metro North operates the New Haven rail line and funding is calculated on a calendar year basis. Throughout the year the Department of Transportation (DOT) is billed for 12 months of actuals. At the end of calendar year 2015, Metro North conducted an audit which re-calculated the payments needed from DOT and resulted in a payment to Metro North in October of FY 17; and (3) \$1.4 million in increased operational costs related to the subsidy for the New Haven rail line and the Shoreline East rail line.
- **ADA Para-transit Program** - Higher than budgeted costs associated with the Para Transit program which represents a 1.8% increase over the appropriation across the 15 different operations/operators that provide ADA service.

Rescissions/Reductions to appropriations

The transfer is not anticipated to affect the agency's ability to achieve the rescission to the Personal Services account of \$2 million.

FAC 2017-19 Department of Social Services

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Other Expenses	144,502,439	(6,300,262)	(2,106,000)	-	136,096,177
Medicaid	2,447,241,261	-	(4,283,000)	-	2,442,958,261
Personal Services	115,246,776	(1,152,467)	-	2,106,000	116,200,309
HUSKY B Program	4,350,000	-	-	400,000	4,750,000
Old Age Assistance	38,833,056	-	-	1,100,000	39,933,056
Connecticut Home Care Program	40,190,000	-	-	2,783,000	42,973,000
TOTAL - General Fund			(6,389,000)	6,389,000	

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

- **Other Expenses** - Reduced contract obligations. The transfer amount represents 1.5% of the original appropriation.
- **Medicaid** - Higher than anticipated pharmacy rebates as well as limited growth in the average monthly cost per person across HUSKY groups, representing 0.2% of the appropriation.

Funding is needed in these accounts due to the following:

- **Personal Services** - Additional resources to support the rollout of the new ImpaCT eligibility system. This shortfall represents 1.8% of the appropriation.
- **Old Age Assistance** - Higher than budgeted cost per case. The cost per case is approximately 2.7% higher than budgeted at \$684, compared to original estimates of \$666.
- **HUSKY B Program** - Average monthly enrollment is 9.7% higher than budgeted at 16,740, compared to original estimates of 15,262.
- **Connecticut Home Care Program** - Higher than budgeted expenditures associated with increased costs and enrollment. The FY 17 budget assumed average monthly expenditures of approximately \$3.4 million compared to actual average monthly expenditures of \$3.6 million. This shortfall represents 6.9% of the appropriation.

Holdbacks and Lapses

The transfer will not affect the agency's ability to meet the Other Expenses holdback of \$1,445,024. It is assumed the transfer to Personal Services will enable the agency to achieve the \$1,152,467 holdback to this account.

Rescissions/Reductions to appropriations

The transfer is not anticipated to affect the agency's ability to achieve the rescission to the Other Expenses account of \$4,855,238.

FAC 2017-20 University of Connecticut Health Center

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Operating Expenses	115,911,785	(4,636,470)	(820,065)	-	110,455,250
Workers' Compensation Claims	6,910,804	(207,324)	-	820,065	7,523,545
TOTAL - General Fund			(820,065)	820,065	

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

- **Operating Expenses** - The Operating Expenses account is the state block grant, which funds a portion of personnel. This account may be reduced as the Health Center can choose to use other revenues to fund the personnel who would have been funded by the block grant.

Funding is needed in this account due to the following:

- **Workers' Compensation Claims** - Claims are expected to exceed budgeted levels by approximately \$820,065. Actual monthly claims have averaged \$618,333, though funding was available for average monthly expenses of \$558,623. The amount available in FY 17 is 16% less than expenditures in FY 16, when expenses averaged \$665,169 per month. The Health Center assumed responsibility for Workers' Compensation Claims, as its own account, beginning in FY 16. Spending declined 5% that fiscal year to \$8.0 million, from \$8.4 million in FY 15, but still exceeded the \$7.0 million appropriation by nearly \$1 million. The University of Connecticut Health Center is obligated to pay all workers' compensation claims regardless of availability of funding in the account.

Holdbacks and Lapses

The transfer will not affect the agency's ability to achieve the Operating Expenses holdback of \$3,477,353.

Rescissions/Reductions to Appropriations

Rescissions reduced the appropriation to the Operating Expenses account by \$1,159,117. This transfer will not affect the agency's ability to achieve the rescission.

Deficiency Issues

We have previously identified Workers' Compensation Claims as having a projected deficiency of approximately \$750,000. The proposed transfer of \$820,065 to this account is anticipated to fully eliminate the need for a deficiency appropriation to this account in FY 17.

FAC 2017-21 Department of Children and Families

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	273,254,796	-	(225,000)	-	273,029,796
Juvenile Justice Outreach Services	12,318,836	(985,506)	(225,000)	-	11,108,330
Workers' Compensation Claims	10,650,996	1,625,510	-	450,000	12,726,506
TOTAL - General Fund			(450,000)	450,000	

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

- **Personal Services** - A delay in refilling vacancies. As of 5/1/17, there were 187 authorized full-time equivalent position vacancies.
- **Juvenile Justice Outreach Services** - Juvenile justice reading program savings. DCF has used a combination of the Virtual Academy and existing educational staff for program implementation, rather than a contracted provider. The FY 17 budget includes funding of \$425,000 for this purpose.

Funding is needed in the account due to the following:

- **Workers' Compensation Claims** - An increase in medical claims primarily due to seven large hospital bills, which ranged in cost from \$14,000 to \$101,000 each. The Department of Administrative Services follows a guideline of paying medical bills within 60 days after receipt.

Holdback and Lapses

Transfers will not affect the agency's ability to meet holdbacks totaling \$580,826.

Rescissions/Reductions to Appropriations

Transfers will not affect the agency's ability to meet rescissions totaling \$915,941.

FAC 2017-22 Judicial Department

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	350,277,435	(26,000,000)	(675,000)	-	323,602,435
Workers' Compensation Claims	6,042,106	-	-	675,000	6,717,106
TOTAL - General Fund			(675,000)	675,000	

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

- **Personal Services** - The agency has experienced a high level of turnover due to retirements and layoffs. In addition, funding is available as a result of individuals out on workers' compensation claims.

Funding is needed in this account due to the following:

- **Workers' Compensation Claims** - The department is experiencing higher than budgeted workers' compensation claims, resulting in part from a \$418,000 reduction in the appropriation from FY 16. The monthly expenditures in workers' compensation are approximately \$36,000 more than the monthly expenditures in FY 16. In addition, the department has a pending claim of \$225,000 to be paid in FY 17.

Holdbacks and Lapses

The transfer of \$675,000 from Personal Services will not affect the agency's ability to meet the lapse of \$26 million in this account.

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

Division of Criminal Justice				
	Original Appropriation ²	Available Funding ³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	45,296,055	45,333,513	45,333,513	-
Other Expenses	2,359,373	2,475,780	2,475,780	-
Witness Protection	165,806	164,148	164,148	-
Training And Education	52,044	30,000	30,000	-
Expert Witnesses	191,757	145,000	109,361	35,639
Medicaid Fraud Control	1,107,897	1,042,819	1,042,819	-
Criminal Justice Commission	444	431	369	62
Cold Case Unit	240,619	204,213	204,213	-
Shooting Taskforce	1,044,948	972,499	972,499	-
TOTAL - General Fund	50,458,943	50,368,403	50,332,702	35,701

Department of Banking				
	Original Appropriation ²	Available Funding ³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	11,025,073	10,175,073	10,175,073	-
Other Expenses	1,468,990	2,732,390	2,732,390	-
Equipment	44,900	219,900	219,900	-
Fringe Benefits	8,709,808	8,121,408	8,119,000	2,408
Indirect Overhead	86,862	86,862	86,862	-
TOTAL - Banking Fund	21,335,633	21,335,633	21,333,225	2,408

Department of Transportation				
	Original Appropriation ²	Available Funding ³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	177,091,980	169,585,723	169,585,723	-
Other Expenses	52,314,223	51,614,223	51,614,223	-
Equipment	1,341,329	1,341,329	1,341,329	-
Minor Capital Projects	449,639	449,639	449,639	-
Highway Planning And Research	3,060,131	2,846,671	2,846,671	-
Rail Operations	166,249,813	173,324,101	173,324,101	-
Bus Operations	154,842,551	152,604,234	152,604,234	-
ADA Para-transit Program	37,041,190	37,711,476	37,711,476	-
Non-ADA Dial-A-Ride Program	576,361	576,361	576,361	-
Pay-As-You-Go Transportation Projects	14,589,106	13,629,769	13,629,769	-
Port Authority	400,000	400,000	400,000	-
Airport Operations	3,750,000	3,750,000	3,750,000	-
TOTAL - Special Transportation Fund	611,706,323	607,833,526	607,833,526	-

² Includes appropriated accounts from all appropriated funds.

³ Includes all anticipated and enacted holdbacks (forced lapses), rescissions, and transfers.

Department of Social Services				
	Original Appropriation²	Available Funding³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	115,246,776	116,200,309	116,200,309	-
Other Expenses	144,502,439	136,096,177	136,096,177	-
HUSKY Performance Monitoring	158,143	101,212	101,212	-
Genetic Tests in Paternity Actions	84,439	81,906	81,906	-
State-Funded Supplemental Nutrition Assistance Program	430,926	280,102	280,102	-
HUSKY B Program	4,350,000	4,750,000	4,750,000	-
Medicaid	2,447,241,261	2,442,958,261	2,432,241,261	10,717,000
Old Age Assistance	38,833,056	39,933,056	39,933,056	-
Aid To The Blind	627,276	627,276	627,276	-
Aid To The Disabled	61,941,968	61,941,968	61,941,968	-
Temporary Family Assistance - TANF	89,936,233	85,439,422	78,936,233	6,503,189
Emergency Assistance	1	1	1	-
Food Stamp Training Expenses	10,136	9,832	9,832	-
DMHAS-Disproportionate Share	108,935,000	108,935,000	108,935,000	-
Connecticut Home Care Program	40,190,000	42,973,000	42,973,000	-
Human Resource Development-Hispanic Programs	798,748	734,849	734,849	-
Community Residential Services	536,616,053	536,616,053	529,316,053	7,300,000
Protective Services to the Elderly	478,300	478,300	478,300	-
Safety Net Services	2,108,684	2,045,424	2,045,424	-
Refunds Of Collections	97,628	94,699	94,699	-
Services for Persons With Disabilities	477,130	462,816	462,816	-
Nutrition Assistance	400,911	388,884	388,884	-
State Administered General Assistance	22,816,579	22,816,579	20,316,579	2,500,000
Connecticut Children's Medical Center	13,048,630	12,657,171	12,657,171	-
Community Services	1,004,208	765,196	765,196	-
Human Service Infrastructure Community Action Program	2,736,957	2,654,849	2,654,849	-
Teen Pregnancy Prevention	1,456,227	1,412,540	1,412,540	-
Family Programs - TANF	362,927	352,039	352,039	-
Domestic Violence Shelters	5,158,570	5,003,814	5,003,814	-
Hospital Supplemental Payments	40,042,700	37,640,138	37,640,138	-
Human Resource Development-Hispanic Programs - Municipality	4,719	4,578	4,578	-
Teen Pregnancy Prevention - Municipality	114,876	111,430	111,430	-
Community Services - Municipality	70,742	-	-	-
TOTAL - General Fund	3,680,282,243	3,664,566,881	3,637,546,692	27,020,189

University of Connecticut Health Center				
	Original Appropriation²	Available Funding³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Operating Expenses	115,911,785	110,455,250	110,455,250	-
AHEC	406,723	374,186	374,186	-
Workers' Compensation Claims	6,910,804	7,523,545	7,523,545	-
Bioscience	11,310,000	10,857,600	10,857,600	-
TOTAL - General Fund	134,539,312	129,210,581	129,210,581	-

Department of Children and Families				
	Original Appropriation²	Available Funding³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	273,254,796	273,029,796	273,029,796	-
Other Expenses	30,636,026	30,336,026	30,336,026	-
Workers' Compensation Claims	10,650,996	12,726,506	12,726,506	-
Family Support Services	913,974	913,974	913,974	-
Homeless Youth	2,329,087	2,329,087	2,329,087	-
Differential Response System	7,748,997	7,748,997	7,748,997	-
Regional Behavioral Health Consultation	1,592,156	1,592,156	1,592,156	-
Health Assessment and Consultation	949,199	949,199	949,199	-
Grants for Psychiatric Clinics for Children	14,956,541	14,956,541	14,956,541	-
Day Treatment Centers for Children	6,740,978	6,740,978	6,740,978	-
Juvenile Justice Outreach Services	12,318,836	11,108,330	11,108,330	-
Child Abuse and Neglect Intervention	9,199,620	9,199,620	9,199,620	-
Community Based Prevention Programs	7,631,690	7,631,690	7,631,690	-
Family Violence Outreach and Counseling	2,316,969	2,316,969	2,316,969	-
Supportive Housing	18,479,526	19,909,537	19,909,537	-
No Nexus Special Education	1,662,733	2,340,797	2,340,797	-
Family Preservation Services	5,808,601	5,808,601	5,808,601	-
Substance Abuse Treatment	9,696,273	12,315,583	12,315,583	-
Child Welfare Support Services	2,339,675	2,339,675	2,339,675	-
Board and Care for Children - Adoption	96,346,170	95,146,170	94,804,049	342,121
Board and Care for Children - Foster	128,733,472	131,337,927	131,204,229	133,698
Board and Care for Children - Short-term and Residential	102,579,761	93,840,402	93,586,363	254,039
Individualized Family Supports	9,696,350	8,619,251	8,388,267	230,984
Community Kidcare	37,912,186	39,971,294	39,971,294	-
Covenant to Care	140,487	136,273	136,273	-
Neighborhood Center	207,047	-	-	-
TOTAL - General Fund	794,842,146	793,345,379	792,384,537	960,842

Judicial Department				
	Original Appropriation²	Available Funding³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	350,277,435	323,602,435	323,602,435	-
Other Expenses	62,021,594	62,021,594	62,021,594	-
Forensic Sex Evidence Exams	1,348,010	1,348,010	1,295,235	52,775
Alternative Incarceration Program	52,747,603	49,538,792	49,418,792	120,000
Justice Education Center, Inc.	466,217	466,217	439,394	26,823
Juvenile Alternative Incarceration	25,788,309	20,683,458	20,633,458	50,000
Juvenile Justice Centers	2,786,379	-	-	-
Probate Court	6,000,000	5,450,000	5,450,000	-
Workers' Compensation Claims	6,042,106	6,717,106	6,717,106	-
Youthful Offender Services	13,311,287	10,445,555	10,445,555	-
Victim Security Account	8,792	8,792	1,532	7,260
Children of Incarcerated Parents	544,503	544,503	544,503	-
Legal Aid	1,552,382	1,552,382	1,552,382	-
Youth Violence Initiative	1,925,318	1,925,318	1,925,318	-
Youth Services Prevention	3,187,174	2,708,174	2,708,174	-
Children's Law Center	102,717	102,717	102,717	-
Juvenile Planning	233,792	233,792	233,792	-
Total - General Fund	528,343,618	487,348,845	487,091,987	256,858