

Analysis of Finance Advisory Committee Meeting Items

June 9, 2022 Agenda



OFFICE OF FISCAL ANALYSIS

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FAC 2022-15 State Comptroller - Fringe Benefits

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
State Employees Health Service Cost	711,164,645	(25,000,000)	(3,580,000)	-	682,584,645
Pensions and Retirements - Other Statutory	2,135,971	(219,000)	-	80,000	1,996,971
Insurance - Group Life	9,293,600	-	-	700,000	9,993,600
Employers Social Security Tax	228,352,632	(9,000,000)	-	2,800,000	222,152,632
TOTAL - General Fund			(3,580,000)	3,580,000	
State Employees Health Service Cost	54,874,062	-	(60,000)	-	54,814,062
Insurance - Group Life	326,200	-	-	60,000	386,200
TOTAL - Special Transportation Fund			(60,000)	60,000	

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

- State Employees Health Service Cost - Lower than anticipated costs due to increased retirements.

Funding is needed for transfer to these accounts due to the following:

- Pensions and Retirements - Other Statutory - Funding of \$219,000 was transferred to the Connecticut Premium Pay account as a result of PA 22-118 (as amended by PA 22-146), the FY 23 Revised Budget.
- Insurance - Group Life - The number of retirees participating in the plan at no cost is increasing while the number of active state employees paying into the plan is decreasing which results in increased monthly premiums for coverage.
- Insurance - Group Life (STF) - The monthly premium for coverage increased more than expected at the beginning of 2022.
- Employers Social Security Tax - The reduction of \$5 million in HB 5036, the Deficiency bill, as well as a transfer of \$3 million to the Connecticut Premium Pay account as a result of PA 22-118 (as amended by PA 22-146), the FY 23 Revised Budget. In addition, accrual payouts for retiring state employees have increased the expenses in this account.

Holdbacks and lapses:

There are no holdbacks applied to these accounts.

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

FAC 2022-16 Workers' Compensation Claims - Administrative Services

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Workers' Compensation Claims Mental Health & Addiction Serv	16,721,165	2,522,189	(250,000)	-	18,993,354
Claims - Department of Developmental Services	15,404,040	(1,323,916)	(225,000)	-	13,855,124
Workers' Compensation Claims - University of Connecticut	2,271,228	-	-	75,000	2,346,228
Workers' Compensation Claims - Board of Regents Higher Ed	3,289,276	(425,000)	-	150,000	3,014,276
Workers' Compensation Claims - Department of Correction	31,115,914	2,573,916	-	250,000	33,939,830
TOTAL - General Fund			(475,000)	475,000	

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

- Workers' Compensation Claims Mental Health & Addiction Serv - A decrease of expenditures in the last months of FY 22.
- Claims - Department of Developmental Services - A decrease of expenditures in the last months of FY 22.

Funding is needed for transfer to these accounts due to the following:

- Workers' Compensation Claims - University of Connecticut - Higher indemnity costs due to claims requiring payments associated with wage replacement benefits and litigation.
- Workers' Compensation Claims - Board of Regents Higher Ed - Higher-than-average costs associated with orthopedic surgeries.
- Workers' Compensation Claims - Department of Correction - Higher-than-average costs associated with orthopedic surgeries.

Holdbacks and lapses:

There are no holdbacks applied to these accounts.

FAC 2022-17 Division of Criminal Justice

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	48,405,034	(1,538,033)	(387,000)	-	46,480,001
Other Expenses	2,549,953	268,722	-	160,000	2,978,675
Witness Protection	164,148	54,177	-	50,000	268,325
Expert Witnesses	135,413	-	-	62,000	197,413
Shooting Taskforce	1,140,234	240,658	-	115,000	1,495,892
TOTAL - General Fund			(387,000)	387,000	

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

- Personal Services - Increase in retirements, transfers, and turnover, delays in filing positions (especially prosecutor positions which require action by the Criminal Justice Commission). Also, back-filling vacation senior positions with junior level positions has resulted in savings.

Funding is needed for transfer to these accounts due to the following:

- Other Expenses - Annual software license expenses that were previously rolled into project expenses are now paid out of this account.
- Witness Protection - This program utilization varies from year to year based on the number of arrests and types of cases during the year. Utilization of this program has been higher than expected in FY 22 due to the courts reopening and an increase in jury trials.
- Expert Witnesses - This program utilization varies from year to year based on the number of arrests and types of cases during the year. Utilization of this program has been higher than expected in FY 22 due to the courts reopening and an increase in jury trials.
- Shooting Taskforce - Vacancies in this unit have been filled with transfers of more senior positions within the agency, resulting in higher than budgeted salaries in FY 22.

Holdbacks and lapses:

The transfer will not affect the agency's ability to achieve the \$500,000 holdback in the Personal Services Account.

FAC 2022-18 Department of Public Health

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	36,565,281	(500,000)	(495,542)	-	35,569,739
Other Expenses	7,680,149	(38,500)	-	400,390	8,042,039
Local and District Departments of Health	6,919,014	-	-	95,152	7,014,166
TOTAL - General Fund			(495,542)	495,542	

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

- Personal Services - Funding of \$495,542 is available under the Personal Services account due to turnover and attrition.

Funding is needed for transfer to these accounts due to the following:

- Other Expenses - To address costs associated with implementing a cannabis public health information program pursuant to PA 21-1 of the June Special Session; greater utilization of consulting medical experts who provide analysis regarding deviation from the standard of care in response to an increased volume and complexity of healthcare practitioner investigations since the onset of the COVID-19 pandemic; and increased Public Health Laboratory operational costs due to inflationary increases and the addition of federally recognized conditions to the state's newborn screening panel.
- Local and District Departments of Health - Local and District Departments of Health (\$95,152) - Due to the merger of three health departments into existing districts, thereby making them eligible for per capita funding under CGS Sec. 19a-245. New Milford and Washington have joined the Housatonic Valley Health District, and Killingworth has joined the CT River Area Health District.

Holdbacks and lapses: The transfer from Personal Services will not affect the agency's ability to achieve a \$500,000 holdback to the account.

Questions:

1. What are the cannabis public health information program cost associated with this FAC?
2. What is the average, per hour cost for medical experts in healthcare practitioner investigations?
3. What percentage of the total OE deficit is related to healthcare practitioner investigations?
4. What percent has lab inflation risen to?
5. What federally-recognized-conditions were added to the state's newborn screening panel?
6. Following mergers, how many full-time health departments are funded through DPH's per-capita-subsidy, and how many district health departments are?

FAC 2022-19 Office of Higher Education

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	1,523,364	(165,000)	(115,000)	-	1,243,364
Other Expenses	165,634	274,000	-	115,000	554,634
TOTAL - General Fund			(115,000)	115,000	

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

- Personal Services - Lower than anticipated expenditures due to vacancies.

Funding is needed for transfer to this account due to the following:

- Other Expenses - Higher than budgeted expenditures due to transferring the costs for agency expenses originally anticipated to be funded by the Private Occupational School Student Protection Account (POSA), State Authorization Reciprocity Agreement (SARA), and Out of State account, to the General Fund under the Other Expenses line item.

Holdbacks and lapses:

The transfer from Personal Services will not affect the agency's ability to achieve the \$50,000 holdback to the account. The transfer is anticipated to result in a lapse of \$6,883 in the Other Expenses account at the close of the fiscal year.

FAC 2022-20 Teachers' Retirement Board

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Retirees Health Service Cost	26,707,000	(7,000,000)	(1,000,000)	-	18,707,000
Municipal Retiree Health Insurance Costs	5,100,000	-	-	1,000,000	6,100,000
TOTAL - General Fund			(1,000,000)	1,000,000	

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

- Retirees Health Service Cost - Due to lower than budgeted premium costs.

Funding is needed for transfer to this account due to the following:

- Municipal Retiree Health Insurance Costs - Section 183 of PA 21-188 (as amended by PA 22 - 146), the FY 23 Revised Budget, increased the monthly \$110 subsidy to \$220 and the monthly \$220 subsidy to \$440. The first quarter payment for FY 23 is made on June 30, 2022 (FY 22).

Holdbacks and lapses:

There were no holdbacks in the accounts.

FAC 2022-21 Department of Correction

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Personal Services	397,677,176	(72,207,283)	(4,200,000)	-	321,269,893
Board of Pardons and Paroles	6,974,828	-	(1,339,114)	-	5,635,714
Community Support Services	39,191,248	-	(3,217,179)	-	35,974,069
Other Expenses	67,838,937	-	-	4,200,000	72,038,937
Inmate Medical Services	112,556,425	(9,556,293)	-	4,556,293	107,556,425
TOTAL - General Fund			(8,756,293)	8,756,293	

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

- Personal Services - funding transferred out of this account will be covered at the end of the fiscal year by a transfer from OPM's Reserve for Salary Adjustment (RSA) account.
- Board of Pardons and Paroles - numerous retirements, attrition, and hiring new staff at lower rates of pay than that of the previous position incumbent.
- Community Support Services - timing issues associated with the contracting process and excess provider cost of living adjustment (COLA) funding. The excess COLA funding is due to the agency receiving funds based on the contract amount but using salary data to make the payments to the providers, per the language in statute.

Funding is needed for transfer to these accounts due to the following:

- Other Expenses - increased costs due to inflation and supply chain disruptions, escalating maintenance costs for the aging facilities, and an increase in inmate population.
- Inmate Medical Services - Section 43 of PA 22-118, the FY 23 revised budget, requires up to \$10 million to be carried forward from the this account and transferred to the Connecticut premium pay account.

Holdbacks and lapses:

It is anticipated that the \$3.2 million holdback in the Personal Services account will be released before the end of the fiscal year.

FAC 2022-22 Public Defender Services Commission

Account	Original Appropriation	Prior Policy Actions ¹	Proposed FAC Transfer		Available Funding Post FAC Action
			FROM (Decrease)	TO (Increase)	
Assigned Counsel - Criminal	22,313,034	(400,000)	(1,400,000)	-	20,513,034
Expert Witnesses	2,775,604	(162,272)	(250,000)	-	2,363,332
Personal Services	44,028,622	-	-	1,650,000	45,678,622
TOTAL - General Fund			(1,650,000)	1,650,000	

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

- Assigned Counsel - Criminal - Decreased number of high cost trials in FY 22, due mainly to the court closures from the pandemic.
- Expert Witnesses - Decreased number of high cost trials in FY 22, due mainly to the court closures from the pandemic.

Funding is needed for transfer to this account due to the following:

- Personal Services - Recently passed collective bargaining changes were not anticipated or budgeted for FY 22, as well as increased accumulated leave payouts from an increased number of retirements this year.

Holdbacks and lapses:

The transfer will not affect the agency's ability to achieve the \$400,000 holdback in the Assigned Counsel - Criminal and \$162,272 in the Expert Witnesses accounts.

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

State Comptroller - Fringe Benefits				
	Original Appropriation ²	Available Funding ³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Unemployment Compensation	11,790,700	3,790,700	3,690,700	100,000
Higher Education Alternative Retirement System	12,034,700	12,034,700	11,354,700	680,000
Pensions and Retirements - Other Statutory	2,135,971	1,996,971	2,215,971	(219,000)
Judges and Compensation Commissioners Retirement	33,170,039	33,170,039	33,170,039	-
Insurance - Group Life	9,293,600	9,993,600	9,993,600	-
Employers Social Security Tax	228,352,632	222,152,632	226,152,632	(4,000,000)
State Employees Health Service Cost	711,164,645	682,584,645	675,564,645	7,020,000
Retired State Employees Health Service Cost	738,009,000	738,009,000	738,009,000	-
Tuition Reimbursement - Training and Travel	115,000	115,000	115,000	-
Other Post Employment Benefits	84,927,099	79,927,099	79,327,099	600,000
SERS Defined Contribution Match	9,341,033	7,341,033	6,941,033	400,000
State Employees Retirement Contributions - Normal Cost	153,009,950	153,009,950	153,009,950	-
State Employees Retirement Contributions - UAL	1,307,632,680	1,307,632,680	1,307,632,680	-
Total - General Fund	3,300,977,049	3,251,758,049	3,247,177,049	4,581,000
Unemployment Compensation	424,200	424,200	424,200	-
Insurance - Group Life	326,200	386,200	386,200	-
Employers Social Security Tax	17,601,000	17,601,000	17,601,000	-
State Employees Health Service Cost	54,874,062	54,814,062	54,814,062	-
Other Post Employment Benefits	5,600,000	5,600,000	5,600,000	-
SERS Defined Contribution Match	589,300	589,300	589,300	-
State Employees Retirement Contributions - Normal Cost	19,599,175	19,599,175	19,599,175	-
State Employees Retirement Contributions - UAL	152,758,381	152,758,381	152,758,381	-
TOTAL - Special Transportation Fund	251,772,318	251,772,318	251,772,318	-

Workers' Compensation Claims - Administrative Services				
	Original Appropriation ²	Available Funding ³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Workers' Compensation Claims	8,259,800	6,362,611	6,362,611	-
Workers' Compensation Claims - University of Connecticut	2,271,228	2,346,228	2,346,228	-
Claims - University of Connecticut Health Center	2,917,484	2,917,484	2,917,484	-
Workers' Compensation Claims - Board of Regents Higher Ed	3,289,276	3,014,276	3,014,276	-
Claims - Department of Children and Families	9,933,562	8,683,562	8,683,562	-
Workers' Compensation Claims Mental Health & Addiction Serv	16,721,165	18,993,354	18,993,354	-
Claim Department of Emergency Services and Public Protection	3,723,135	3,523,135	3,523,135	-
Claims - Department of Developmental Services	15,404,040	13,855,124	13,855,124	-
Workers' Compensation Claims - Department of Correction	31,115,914	33,939,830	33,939,830	-
TOTAL - General Fund	93,635,604	93,635,604	93,635,604	-

² Includes appropriated accounts from all appropriated funds.

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

Division of Criminal Justice				
	Original Appropriation²	Available Funding³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	48,405,034	46,480,001	45,848,785	631,216
Other Expenses	2,549,953	2,978,675	2,978,675	-
Witness Protection	164,148	268,325	268,325	-
Training And Education	147,398	147,398	147,398	-
Expert Witnesses	135,413	197,413	197,413	-
Medicaid Fraud Control	1,261,288	1,261,288	1,261,288	-
Criminal Justice Commission	409	409	409	-
Cold Case Unit	228,416	315,392	315,392	-
Shooting Taskforce	1,140,234	1,495,892	1,495,892	-
TOTAL - General Fund	54,032,293	53,144,793	52,513,577	631,216

Department of Public Health				
	Original Appropriation²	Available Funding³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	36,565,281	35,569,739	35,665,281	(95,542)
Other Expenses	7,680,149	8,042,039	7,641,649	400,390
LGBTQ Health and Human Services Network	250,000	250,000	250,000	-
Office of Pandemic Preparedness	300,000	300,000	-	300,000
Community Health Services	3,586,753	3,586,753	3,086,753	500,000
Rape Crisis	548,128	548,128	548,128	-
Local and District Departments of Health	6,919,014	7,014,166	6,919,014	95,152
School Based Health Clinics	10,678,013	10,678,013	10,678,013	-
TOTAL - General Fund	66,527,338	65,988,838	64,788,838	1,200,000

Office of Higher Education				
	Original Appropriation²	Available Funding³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	1,523,364	1,243,364	1,243,364	-
Other Expenses	165,634	554,634	547,751	6,883
Minority Advancement Program	1,619,251	1,619,251	1,619,251	-
National Service Act	244,955	244,955	244,955	-
Minority Teacher Incentive Program	570,134	570,134	570,134	-
Roberta B. Willis Scholarship Fund	33,388,637	33,388,637	33,388,637	-
TOTAL - General Fund	37,511,975	37,620,975	37,614,092	6,883

Teachers' Retirement Board				
	Original Appropriation²	Available Funding³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	1,735,511	1,685,511	1,685,511	-
Other Expenses	413,003	411,003	411,003	-
Retirement Contributions	1,443,656,000	1,443,656,000	1,443,656,000	-
Retirees Health Service Cost	26,707,000	18,707,000	17,857,000	850,000
Municipal Retiree Health Insurance Costs	5,100,000	6,100,000	6,100,000	-
TOTAL - General Fund	1,477,611,514	1,470,559,514	1,469,709,514	850,000

Department of Correction				
	Original Appropriation²	Available Funding³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	397,677,176	321,269,893	321,269,893	-
Other Expenses	67,838,937	72,038,937	72,038,937	-
Inmate Medical Services	112,556,425	107,556,425	107,556,425	-
Board of Pardons and Paroles	6,974,828	5,635,714	5,635,714	-
STRIDE	73,342	73,342	73,342	-
Aid to Paroled and Discharged Inmates	3,000	3,000	3,000	-
Legal Services To Prisoners	797,000	797,000	797,000	-
Volunteer Services	87,725	87,725	87,725	-
Community Support Services	39,191,248	35,974,069	35,974,069	-
TOTAL - General Fund	625,199,681	543,436,105	543,436,105	-

Public Defender Services Commission				
	Original Appropriation²	Available Funding³	Estimated Expenditures	Estimated Surplus/(Deficiency)
Personal Services	44,028,622	45,678,622	45,678,622	-
Other Expenses	1,565,163	1,565,163	1,565,163	-
Assigned Counsel - Criminal	22,313,034	20,513,034	20,513,034	-
Expert Witnesses	2,775,604	2,363,332	2,363,332	-
Training And Education	119,748	119,748	119,748	-
Total - General Fund	70,802,171	70,239,899	70,239,899	-