

## Major Appropriations Changes in the FY 14 and FY 15 Budget

The below table includes significant changes in the FY 14 and FY 15 Budget and are not to be considered all inclusive. For additional detail on these items please see the Agency Budget Sheets. Please note that any Medicaid adjustments below reflect the gross budgetary impact of each change. The final Medicaid account was appropriated net of federal revenue.

### Significant Changes in the FY 14 and FY 15 Budget (all funds)

Agency	FY 14 \$	FY 15 \$	Item
Office of the State Treasurer - Debt Service	(196,000,000)	(196,000,000)	Savings are achieved in each year of the biennium by restructuring debt related to the Economic Recovery Notes issued to help cover the FY 09 General Fund budget deficit. The interest cost related to the restructuring, which pushes the planned retirement of the ERNs debt from FY 16 to FY 18, is \$45 million.
DSS	(194,679,082)	(328,922,505)	Gross savings from reduced hospital reimbursement through the elimination of enhanced funding from the user fee, phase out of DSH funding, and elimination of ASO transitional payments.
DSS	107,170,00	47,630,000	Gross funding for primary care physician rate increase pursuant to the Affordable Care Act (100% federally reimbursed).
DSS	(64,475,974)	(103,430,488)	Gross savings from Medicaid fraud initiatives.
SDE	50,756,719	91,513,445	Increase funding for Education Cost Sharing.
UConn	-	15,000,000	A total of 66 positions and funding for Next Generation Connecticut.
DMHAS	(15,262,500)	(25,525,000)	Savings associated with reductions to grant accounts to reflect anticipated reduction in need for services for the under and uninsured as of January 1, 2014 due to the provisions of the Affordable Care Act.
DSS	15,000,000	15,000,000	Gross funding for increase in Medicaid discharge rate for hospitals with disproportionately high government payer mix.
DSS	(11,800,000)	(15,800,000)	Gross savings from implementation of Step Therapy in Medicaid Pharmacy Program.
DSS	(10,675,000)	(34,675,000)	Gross savings from reduced preventable hospitalizations and implementation of a non-emergency use emergency room co-payment.
DSS	10,000,000	10,000,000	Gross funding for Community Health Center (FQHC) rebasing.
TRB	(8,304,000)	(9,737,000)	Funding is reduced to reflect lowering the state contribution from 33% to 25% of the TRB sponsored basic retiree health plan cost.
SDE	8,300,000	6,300,000	Provide new funding for Common Core.
SDE	(5,000,000)	(5,000,000)	Reduce funding for Magnet Schools.
DMHAS	4,662,845	4,045,000	Funds support PA 13-3 AAC Gun Violence Prevention & Children's Safety.

<b>Agency</b>	<b>FY 14 \$</b>	<b>FY 15 \$</b>	<b>Item</b>
DCF	(4,405,678)	(6,991,661)	Suspend residential rate increases determined by the Single Cost Accounting System in FY 14 and FY 15.
DESPP	4,235,000	1,405,000	Fund PA 13-3, AAC Gun Violence Prevention & Children's Safety.
SDE	4,000,000	-	Increase funding for Sheff Settlement based on the new agreement with the plaintiffs to increase participation in programs that contribute to the desegregation goals.
OHE	(3,989,579)	(2,377,479)	Establish Governor's Scholarship Program. The Governor's Scholarship Program consolidates the existing financial aid programs within the Office of Higher Education. The consolidation results in approximately a \$4.0 million reduction in financial aid in FY 14 and a \$2.4 million reduction in FY 15.
SDE	3,700,000	3,700,000	Increase funding for Talent Development.
OPM	3,500,000	3,500,000	Provide funding to various nonprofits and government agencies around the state for youth services initiatives and programs. Section 76 of PA 13-247, the general government implementer, specifies the distribution of the grant to 43 organizations.
DCF	3,500,000	3,500,000	Expand Trauma-Focused Cognitive Behavioral Therapy for children age four through 18 that are experiencing anxiety, depression, trauma and conduct disorders, reflecting support for mental health related initiatives.
DOH	3,318,046	3,318,046	Maintain PILOT and Tax Abatement Funding.
SDE	3,300,000	10,800,000	Increase funding for Commissioner's Network. The increased funding allows SDE to fund the full cohort of 22 schools.
SDE	3,000,000	3,000,000	Provide additional funding for Vocational Agriculture.
DCF	3,000,000	3,000,000	Expand Foster and Adoptive Support Team (FAST) to kinship care families (kinFAST). FAST is a home and community-based program designed to provide intensive services to foster and adoptive families to reduce the number of placements experienced by children in the foster care and adoption systems.
DSS	(2,800,000)	(14,800,000)	Gross savings from implementation of a Medicaid Clinical Pharmacy Management Program.
DPH	2,723,666	2,723,666	Annualize support for FY 13 Revised Budget funding for new or expanded School Based Health Centers.
SDE	2,000,000	2,000,000	Increase funding for OPEN Choice for transportation expenses.
SDE	(2,000,000)	(2,000,000)	Reduce funding for Development of Mastery Exams.
DESPP	2,000,000	-	Provide funding to help reduce backlog at State Police Crime Lab.
DCF	2,000,000	2,000,000	Expand support for home-based services (IICAPS, MST and MST-PSB) to reflect support for mental health related initiatives.
DCF	(2,000,000)	(2,000,000)	Reduce Personal Services funding to reflect the elimination of 30 vacant social worker positions due to a DCF caseload reduction of 9% associated with the implementation of the Differential Response System.

Agency	FY 14 \$	FY 15 \$	Item
SDE	1,895,000	9,125,000	Provide funding for New State and Local Charter Schools. The additional funding allows for four new local and three new state charters to open over the FY 14-FY 15 biennium.
TRB	(1,815,790)	(1,815,790)	Funding is reduced to reflect lowering the state contribution from 33% to 25% of the municipal health insurance subsidy cost.
DCF	1,810,000	1,810,000	Support the establishment of a regional behavioral health consultation and care coordination program for primary care providers that serve children, as directed under Section 69 of PA 13-3, AAC Gun Violence Prevention and Children's Safety.
JUD	1,796,754	3,688,736	Provide for Judges' salary increases.
DECD	1,593,600	1,593,600	Maintain funding for Tourism Districts.
SDE	1,370,000	1,370,000	Increase Priority School District Aid for Norwalk.
SDE	1,200,000	1,200,000	Provide funding for adult education incentive program. This includes \$500,000 each for New Haven and Bridgeport Adult Education to provide additional instructional services including but not limited to technology, soft technical skills, counseling, literacy and numeracy; and \$200,000 for Literacy How.
DEEP	1,105,091	1,108,297	One Environmental Analyst III position and \$1.1 million is provided in both FY 14 and FY 15 for the transfer of care and control of five Connecticut Resources Recovery Authority (CRRRA) post-closure landfills to the state. The majority of funding represents costs associated with contracts for ongoing testing and maintenance of landfills that will be managed by the newly created position.
DOL	1,000,000	1,000,000	Provide funding for additional programming and evaluation of the Workforce Investment Boards.
DMHAS	850,500	855,500	Funds supplement PA 13-3 through various mental health initiatives.
DMV	-	565,653	Provide funding in FY 15 for eighteen half year positions and other costs to allow undocumented individuals to obtain motor vehicle operator's licenses.
DECD	525,000	525,000	Increase funding for Statewide Marketing (i.e. Still Revolutionary" Campaign).
OGA	170,000	170,000	Provide funding for Contracting Standards Board.

## State Government Reorganization

The budget includes the creation of an Office of Early Childhood (OEC). The budget for OEC includes various transfers from agencies with early childhood programs in addition to new funding. Legislation to implement the creation and transfer of various responsibilities to the Office of Early Childhood was not taken up during the 2013

session. However on June 24, 2013 the Governor signed Executive Order #35, which directs OEC to be the lead agency of programs for which funding was provided in PA 13-184, the FY 14 and FY 15 Budget, as adjusted by PA 13-247, the general government implementer. The table below reflects the transfers and new funding for the OEC.

### OEC Funding Summary

Agency	FY 14 \$	FY 15 \$
Department of Public Health	-	2,276,721
Department of Social Services	15,786,565	125,063,655
Department of Education	112,241,097	111,829,980
Board of Regents	473,657	486,499
Office of Early Childhood - New Funding	1,082,638	1,645,487
<b>Total General Fund</b>	<b>129,583,957</b>	<b>241,302,342</b>
Federal Funds	16,672,568	33,261,381
<b>TOTAL FUNDS</b>	<b>146,256,525</b>	<b>274,563,723</b>

The following summarizes the programs transferred into OEC included in the budget (transfers starting in FY 14 unless otherwise noted):

- Department of Social Services - Care4Kids (transferred in FY 15), Charts a Course, funding for 211 Infoline, and Children's Trust Fund.
- Department of Education - School Readiness, Head Start and other early childhood programs.
- Department of Public Health - Licensure and regulation of child day care centers and administration of the federal home visitation program (both in FY 15).
- Board of Regent - CT Charts a Course.

### Other Agency Structure Changes

- Transferred the Department of Construction Services into the Department of Administrative Services (results in the elimination of 13 positions and savings of \$1.1 million in both FY 14 and FY 15).
- Eliminated funding for the Gaming Policy Board (\$2,621).
- Transferred various housing programs from the Departments of Economic and Community Development, Social Services, Developmental Services, Children and Families and the Office of Policy and Management to the Department of Housing (DOH). The total amount of funding transferred into DOH is \$105.7 million in FY 14 and \$112.6 million in FY 15 with 18 associated staff positions. There are no savings associated with these transfers.
- Transfer the fund management, investment responsibility and associated operational costs (\$3,130,761) of the Soldiers', Sailors' and Marines' Fund to the American Legion in FY 15.

### Significant Changes by Account<sup>3</sup>

Identified in the table below are 13 General Fund accounts having the most significant changes in FY 14 and FY 15, as compared to the FY 13 base (Governor's FY 13 estimated expenditures).

#### Significant Changes by Account (in millions)

Agency	Account	FY 14 \$	FY 15 \$
OSC - Fringe	State Employees Retirement Contributions	194.5	247.8
TRB	Retirement Contributions	161.0	196.6
Various	Personal Services	103.9	208.1
SDE	Education Equalization Grants <sup>1</sup>	59.0	115.3
Various	Nonfunctional - Change to Accruals	53.7	72.1
OSC - Fringe	State Employees Health Service Cost	47.9	82.9
DMHAS	General Assistance Managed Care	23.8	82.7
SDE	Magnet Schools	23.1	38.9
Various	Other Expenses	21.6	21.0
DCF	Board and Care for Children - Residential	(35.6)	(34.9)
OSC - Fringe	Retired State Employees Health Service Cost	(65.4)	(45.5)
DSS	Disproportionate Share-Medical Emergency Assistance	(134.2)	(268.5)
OTT	Debt Service <sup>2</sup>	(151.1)	(20.6)

<sup>1</sup>Includes Charter School Funding increase.

<sup>2</sup>Includes Debt Service, UConn 2000, and Pension Obligation Bonds - TRB.

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<sup>3</sup>The table does not include the change in Medicaid from FY 13 to FY 14 of \$2,768.7 million and FY 15 of \$3,205 million related to the change from gross appropriating to net appropriating.