

As of May 25, 2021, the Office of Fiscal Analysis is projecting **\$102.1** million in state agency General Fund shortfalls. The following table reflects the level of funding that is anticipated to be needed by various agencies from the General Fund this fiscal year.

**FY 21 General Fund Estimated Deficiency Needs**

In Millions of Dollars

<b>Agency</b>	<b>Deficiency</b>
Office of the State Comptroller - Fringe Benefits	49.1
Office of the State Comptroller - Adjudicated Claims	30.0
Department of Correction	9.4
Dept. of Mental Health and Addiction Services	2.1
Dept. of Economic & Community Development - Capital Region Development Authority	10.2
Department of Emergency Services and Public Protection	0.8
Office of the Chief Medical Examiner	0.5
<b>TOTAL</b>	<b>102.1</b>

Numbers may not add due to rounding.

A description of each of these deficiencies is provided below.

**Office of the State Comptroller - Fringe Benefits - \$49.1 million**

A shortfall of \$49.1 million is anticipated across various fringe benefit accounts within OSC. Of this total, approximately \$41 million is due to an increase in the actuarially determined employer contribution (ADEC) for the State Employees Retirement System, and \$3.4 million is due to an increase in the ADEC for the Judges Retirement System, based on their respective June 30, 2019 valuations.

A shortfall of approximately \$26.2 million is also anticipated in the State Employees Health Service Account due to expenditure requirements, \$1.7 million in the Employer's Social Security Tax account, and \$2 million in the SERS Defined Contribution Match account.

These shortfalls are partially offset by anticipated lapses of approximately \$13.5 million in the Higher Education Alternative Retirement System account, \$8.4 million in the Retired State Employees Health Service account, and \$1.6 million in the Other Post-Employment Benefits account.

**Office of the State Comptroller - Adjudicated Claims - \$30 million**

There is an anticipated shortfall of \$30 million in the Adjudicated Claims Account. No appropriation was made for FY 21 in the enacted budget. To date, approximately \$25.3 million has been expended in FY 21.

### **Department of Correction - \$9.4 Million**

The Department of Correction (DOC) is projected to have a deficiency of \$9.4 million, resulting from shortfalls of \$8.8 million in Personal Services (PS) and \$1.0 million in workers' compensation claims (WCC). This deficiency is partially offset by a \$440,000 lapse in the Boards of Pardons and Parole due to a delay in refilling vacancies.

The deficit in PS is driven by an increase in overtime due to COVID-19. Hundreds of DOC employees have been out of work and recovering from COVID during the past year, and overtime is primarily used to cover these absences. The deficit also includes accumulated leave payouts which are historically covered by the Reserve for Salary (RSA) account. The deficit of \$1.0 million in WCC is due to FY 20 claims trending higher than anticipated.

### **Department of Mental Health and Addiction Services - \$2.1 million**

The projected deficiency in the Department of Mental Health and Addiction Services (DMHAS) is due to a shortfall in Workers' Compensation Claims (\$2.3 million) primarily related to claims trends. This is partially off-set by a projected lapse of \$200,000 in the Home and Community Based Services line item.

### **Department of Economic and Community Development - Capital Region Development Authority - \$10.2 million**

The agency's projected deficiency of \$10.2 million is the result of a shortfall of \$10.5 million in the Capital Region Development Authority (CRDA) account.

The deficiency is due to pandemic-related cancellations at Hartford area event facilities that are reliant on state funds to ameliorate budgetary shortfalls. The total deficiency is partially attributable to shortfalls during FY 20 (\$2.5 million) which have not yet been addressed as well as projected shortfalls in FY 21 (\$8 million).

By facility, the shortfalls are: Pratt and Whitney Stadium at Rentschler Field (\$520,000), the XL Center (\$6.4 million) and the CT Convention Center (\$3.6 million). This estimate is net of a \$3 million transfer from the PS account, as passed by the Finance Advisory Committee (FAC) this January.

The CRDA account deficiency is partially offset by lapses in the Personal Services and Office of Military Affairs accounts totaling \$250,000.

### **Department of Emergency Services and Public Protection - \$770,000**

The Department of Emergency Services and Public Protection is projected to have a \$770,000 deficiency in the Personal Services (PS) account. The deficiency is due to the accumulated leave

payouts for retirees, which are historically covered by the Reserve for Salary (RSA) account.

**Office of the Chief Medical Examiner - \$500,000**

The projected \$500,000 deficiency in the Personal Services account in the Office of the Medical Examiner (CME) is due to increased caseload. Between FY 19 and FY 20, the number of autopsies performed by the agency rose by 15.2%, death certificate issuance rose by 38.1%, and external examinations of bodies rose by 30.4%. Between FY 20 and FY 21, autopsies are projected to rise by another 3.7%, death certificate issuance by 28.4%, and external examinations of bodies by 4.3%.