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FISCAL NOTE(Form 4)
 (Office of Fiscal Analysis)
 Analyst: GM 5/4/92
 las
 Version: 35

BILL NUMBER: SHB 5100
 FILE NUMBER:
 AMENDMENTS: House "C"
 Senate "A"

TITLE: "AN ACT MAKING APPROPRIATIONS FOR THE EXPENSES OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 1993"

FAVORABLY REPORTED BY Appropriations

SUMMARY: This bill as amended provides appropriations to the various state agencies for the 1992-93 fiscal year. It also contains various sections which provide specific language concerning the use of certain appropriation accounts.

EFFECTIVE DATE: 7/1/92

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FISCAL IMPACT STATEMENT - BILL NUMBER SHB 5100

STATE IMPACT Yes, see below
 MUNICIPAL IMPACT Yes, see below
 STATE AGENCY(S) All Budgeted Agencies

	Current FY	1992-93	1993-94
State Cost (savings)	: See below	: 8,066,446,124:	: :
St Revenue (loss)	: See below	: See below	: :
Net St Cost (savings)	: :	: :	: :
Municipal Impact	: :	: 1,619,386,715:	: (State Grant Payments) :

EXPLANATION OF ESTIMATES:

Details of the cost are broken down by agency in the bill as amended itself. A summary by fund follows:

Fund	Gross Appropriations	Less Est. Lapse & Coll. Barg. Savings	Net Appropriations
General	\$7,528,876,176	\$(223,377,102)	\$7,305,499,074
Trans.	710,660,377	(6,000,000)	704,660,377
Soldiers, Sailors	3,540,801	--	3,540,801
Regional Market	818,121	--	818,121
Banking	12,398,536	--	12,398,536
Insurance	7,152,628	--	7,152,628
Consumer			

Counsel & Public Utility	10,779,252	--	10,779,252
Workers' Comp.	21,597,335		21,597,335
Grand Total	\$8,295,823,226	\$(229,377,102)	\$8,066,446,124

Passage of this bill as amended would make various budget changes to sHB 5100, as favorably reported by the Appropriations Committee, increasing General Fund appropriations by a net \$59,811,744, decreasing Transportation Fund appropriations by \$37,391,360, increasing Insurance Fund appropriations by \$395,866 and increasing the Workers' Compensation Fund by \$320,000.

General Fund

<u>Item</u>	<u>Amount</u>
Capitol Day Care Center - transfer payment of expenses from Legislative Management to the Department of Public Works	
Legislative Management	\$(115,000)
Public Works	115,000
Legislative Management	
Interim Committee Staffing	22,000
Conduct Federal Funds Study	50,000
Fund Health Care Access Commission	50,000
Secretary of State	
Fund Corporation Division and 41 positions through a Special Account	(1,712,183)
Department of Housing	
Fund rather than bond 33 positions	1,443,000
Department of Revenue Services	
Decrease funding for Income Tax administration	(1,000,000)
Office of Policy and Management	
Fund 4 staff for Reorganization of Information Technology and Financial Administration	267,000
Fund 2 durational positions for Reorganization of Service Providers	94,000
Restore uppermost income bracket eligible for a benefit:	
Tax Relief for Elderly Renters	177,000
Property Tax Relief-Elderly Circuit Breaker	1,600,000
Manufacturing Facilities - eliminate funding	(15,700,000)
Property Tax Relief for Veterans - restore reimbursement to towns	9,000,000
PILOT - New Manufacturing Machinery and Equipment - remove funding based on re-estimate of need	(17,000,000)
Communities in Crisis-establish program	25,000,000

Division of Criminal Justice	
Fund forensic sex evidence examinations	150,000
Department of Public Safety	
Highway Patrol - transfer funding from the Transportation Fund to the General Fund	37,176,360
Department of Health Services	
Fund 2 staff to license Physicians Assistants	50,000
Fund 27 positions for Water Primacy	1,473,770
Reduce Community Health Services	(230,000)
Licensure of Massage Therapists	26,400
Subsidized Children's Insurance Pilot Project	250,000
Department of Mental Retardation	
Restore Other Expenses for Camp Harkness	37,042
Bond lease purchase of 23 group homes	(500,000)
Day Services program addback (30 placements)	200,000
Re-estimate of available Federal funds	350,000
DMH transfer for Sheltered Workshop Clients	47,719
Department of Mental Health	
Decrease Other Expenses	(200,000)
Transfer to DMR-Sheltered Workshop Clients	(47,719)
Ct. Alcohol & Drug Abuse Commission	
Exp. Update/Pretrial Alcohol Education System	(150,000)
ADMH Pickup-CMHC Hispanic Alcohol Program	45,000
Inter Account Transfer-CT Mental Health Ctr	(32,500)
Inter Account Transfer-CT Mental Health Ctr	32,500
Additional Substance Abuse Funds for GA	1,500,000
Department on Aging	
Increase Elderly Health Screening	197,600
Increase Elderly Health Screening at Bella Vista	32,400
ConnPACE Addback	4,079,738
Department of Human Resources	
Restore CT Self-Help Network (w/10% cut)	22,500
Caseload Adj.-Protective Serv. for Elderly	(200,000)
Exp. Update/Child Care Certificate Program	(2,000,000)
Use 1991-92 Carry Forward Vocational Rehabilitation Monies	(1,250,000)
Department of Income Maintenance	
Alter funding due to re-estimates and other adjustments (see attached)	(26,407,499)
Department of Education	
Special Education - decrease funding due to a removal of costs associated with special education supervisory personnel beyond the level required by law and to a reestimate of need based in part upon a \$2.5 million lapse anticipated in this account in 1991-92	(1,700,000)

ECS - increase funding	2,650,000
Priority School Districts - fund additional districts	4,000,000
Teachers' Retirement Board	
Retirement Contributions - add funding required from basing COLA on excess earnings, a 1% teacher contribution and no municipal contribution	16,804,000
Higher Education	
Restore funding to provide 63% of the funding necessary to maintain enrollments	10,500,000
Workers' Compensation Claims - restore funding inadvertently removed for Higher Education	589,000
Department of Correction	
Halfway House - delay opening one additional month	(42,500)
Public Defender Services Commission	
Restore funding for existing positions	400,000
Reserve for Salary Adjustments	
Fund Job Training and Placement program per pension contribution savings agreement which was collectively bargained	3,000,000
State Aided Institutions - Pension Assets	
Eliminate funding	(700,000)
State Employees Retirement Contributions	20,596,000
Fringe Benefits - remove funding due to reductions in personnel costs	
Social Security	(402,884)
Health Insurance	(2,826,000)
Preferred Provider Organization - the achievability of this health insurance savings is uncertain at this time	(10,000,000)
Total Net Change - General Fund	\$ 59,811,744

Transportation Fund

<u>Item</u>	<u>Amount</u>
Department of Public Safety Highway Patrol - transfer funding from the Transportation Fund to the General Fund	\$(37,176,360)
Department of Transportation Decrease Personal Services	(250,000)
Fund Planning and Coordination of Special Transportation Services	35,000
Total Change - Transportation Fund	\$(37,391,360)

Insurance Fund

<u>Item</u>	<u>Amount</u>
Insurance Department Fund 8 positions	\$ 395,866

Workers' Compensation Fund

Workers' Compensation Commission Fund 8 District Manager positions	\$ 320,000
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Section 18 provides for the transfer of \$6 million from the Workers' Compensation Administration Fund to the General Fund in order to recoup a payment made in 1991-92 that was for a portion of the 1990-91 fiscal year, when these payments were made to the General Fund.

Section 19 provides for the transfer of the balance of the Municipal Abandoned Vehicle Trust Fund, estimated at \$1.4 million, to the General Fund. This fund was repealed by Sec. 167 of PA 91-3 of the June Special Session.

Section 26 authorizes the Comptroller to record as revenue of the 1991-92 fiscal year, federal Medicaid reimbursements for disproportionate share payments made on or before June 30, 1992, received no later than June 30, 1993. While it had been anticipated that approximately \$100 million could be received from the federal government from such reimbursements, final numbers are not yet available. No exact date of payment can be determined at this time.

The bill as amended clarifies the central office spending cap for Community-Technical Colleges and the Connecticut State University and excludes the higher education constituent units from the position control language of the bill.

The bill as amended provides that Legislative Management shall attempt to (rather than shall) reduce General Fund expenditures during 1992-93 by \$4,100,000 among legislative agencies.

Sec. 31 of the bill as amended provides that \$8,500,000 appropriated to the Department of Correction in 1991-92 shall not lapse and will continue to be available for expenditure in 1992-93.

Sec. 33 provides that \$300,000 appropriated to DIM in 1992-93 for Assistance to Unemployed Persons shall be transferred to the Department of Labor for (DOL) Regional Workforce Development Boards.

Sec. 34 provides that \$300,000 appropriated to CADAC in 1992-93 for Alcoholism and Drug Dependency Services shall be used to provide services to substance-abusing pregnant women.

Sec. 35 allows the Board of Governors of Higher Education to make expenditures in 1992-93 from Teacher Incentive Loan Program and Academic Scholarship Loan Program funds for personnel costs.

Sec. 36 allows up to \$1,000,000 of the amount appropriated to CADAC for Alcoholism and Drug Dependency Services to be transferred to DHR for the provision of residential services for homeless alcohol and drug dependent persons.

Sec. 37 allows the Board of Trustees of Community-Technical Colleges to transfer funds from a specific appropriation to an agency to a specific appropriation in another agency with respect to: Central Naugatuck Valley Regional Higher Education Center; Regional Technical Colleges; Community Colleges.

Sec. 38 provides that \$1,250,000 appropriated to DHR in 1991-92 for Vocational Rehabilitation shall not lapse and will continue to be available for expenditure in 1992-93.

Sec. 39 provides that the unexpended balance of funds appropriated to the Department of Health Services in 1991-92 for use by the Commission on Hospitals and Health Care to contract for the administration of the Uncompensated Care Pool account shall not lapse and will continue to be available for expenditure in 1992-93. This amount is estimated at \$400,000.

Sec. 40 allows \$100,000,000 in Economic Recovery notes maturing in 1992-93 to be renewed or refunded at or prior to maturity whenever the State Treasurer determines that the cash requirements of the General Fund must be met by such renewal or refunding. This will result in additional interest expense and costs of issuance of approximately \$12 million (\$6.1 million in FY 93-94 and \$5.9 million in FY 94-95).

Sec. 41 provides that the \$25,000 appropriated to DHR in 1992-93 for the Connecticut Nonprofit Human Services Cabinet, may only be expended if the cabinet receives an equal amount from sources other than the state.

Sec. 42-45 create a Communities in Crisis grant program which will be funded at a level of \$25,000,000.

It should be noted that the total of non-lapsing funds in various sections of the bill as amended is estimated to not exceed a total of \$21,150,000, in the General Fund, and, per Section 23, \$1.3 million in the Transportation Fund.

Finally, our analysis of currently available data indicates a potential surplus of about \$15 million in this fiscal year prior to the changes provided. However, final figures on 1991 income tax liability and other revenue items are still unknown, thus a total fund balance estimate cannot be accurately predicted at this time.

House "C" provides the revenue estimates for the appropriated funds as adopted by the Finance Committee on April 30, 1992.

Senate "A" makes various budget changes to sHB 5100 as favorably reported from the Appropriations Committee as indicated above. These changes increase General Fund appropriations by a net \$59,811,744, decrease Transportation Fund appropriations by \$37,391,360, increase Insurance Fund appropriations by \$395,866 and increase Workers' Compensation Fund appropriations by \$320,000.

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BUDGET COMPARISONS
DEPT OF INCOME MAINTENANCE SUMMARY

DIM WRITEUP TITLE	APPROP COMM REPORT	SENATE AMENDMENT	DIFFERENCE SENATE v REPORT
SFY 1991-92 ESTIMATED EXPENDITURES	2,506,666,952	2,506,666,952	0
INFLATION & NON-PROGRAM CHANGES	30,797,755	30,797,755	0
CASELOAD GROWTH-AFDC	41,872,448	12,931,253	(28,941,195)
EMERGENCY HOUSING DAYS TO 60	(508,000)	(508,200)	(200)
ELIMINATION OF INFLATION/JOB CONNECTION	(280,000)	(280,000)	0
CASELOAD GROWTH-DAY CARE	1,930,000	830,000	(1,100,000)
CASELOAD GROWTH-ADULT PROGRAMS	5,025,462	(3,426,792)	(8,452,254)
RESTRUCTURE RATES/RES FACILITIES	(50,000)	(50,000)	0
RESTRUCTURE RATES/MR GROUP HOMES	(500,000)	(344,000)	156,000
RESTRUCTURE RATES/HOMES FOR AGED	(1,150,000)	(406,501)	743,499
REDUCE UNEARNED INCOME DISREGARDS	(2,000,000)	(1,640,688)	359,312
RESTRUCTURE CIB PENSION	0	0	0
ANNUALIZATION-MEDICAID BASE, RATES & VOL	259,211,435	115,728,451	(143,482,984)
LIMIT RATES TO EMERGENCY ROOMS	(2,900,000)	(1,500,779)	1,399,221
LIMIT RATES-CHRONIC DISEASE HOSPITALS	0	0	0
LIMIT RATES-FED QUALIFIED HLTH CTRS	(800,000)	(797,907)	2,093
RESTRUCTURE DETOX FACILITY RATES	(42,000)	(42,000)	0
LIMIT RATES TO REHABILITATION CLINICS	(50,000)	(50,000)	0
CAP ICF/MR AT 150% OF MEDIAN	(533,000)	0	533,000
SKILLED NURSING BEDS-MIDDLETOWN HCC	1,763,745	1,763,745	0
CONTROL CUSTOMIZED DME	(161,000)	(161,000)	0
LIMIT COVERAGE FOR TRANSPORTATION	0	0	0
IMPLEMENT COPAYMENT	0	0	0
LIMIT RATE INCREASES-PAS SUBCONTRACTORS	(300,000)	(539,206)	(239,206)
REVISE PREADMISSION SCREENING PGM	(500,000)	(500,000)	0
TRANSFER PROMOTION OF IND LIVING PGM	8,484,976	8,484,976	0
REPEAL PRIVATE PAY LEVEL OF SCREENING	(274,000)	(274,000)	0
LIMIT RATES-HOME HEALTH SERVICES	(1,100,000)	(539,520)	560,480
LIMIT RATES-LONG TERM CARE FACILITIES	(96,600,000)	(6,000,000)	90,600,000
LIMIT RATES-ICF/MR'S	(1,000,000)	(1,023,000)	(23,000)
FAC-DMH DISPROPORTIONATE SHARE	(367,304,080)	(367,304,080)	0
ADJUSTMENTS FOR FEDERAL MANDATES	(12,450,731)	(12,450,731)	0
HOSPITAL OUTPATIENT DISPROP SHARE	350,000	350,000	0
COURT-ORDERED MEDICAL SUPPORT	0	(1,000,000)	(1,000,000)
SFY 93-DMH DISPROPORTIONATE SHARE	154,000,000	154,000,000	0
EXP UPDATE/AIDS DRUG ASSISTANCE	357,505	357,505	0
EXP UPDATE/GENERAL ASSISTANCE	50,628,000	56,234,275	5,606,275
ELIMINATE REIMBURSEMENT-PENDING CASES	8,800,000	0	(8,800,000)
REDUCE GA REIMBURSEMENT TO 66.6%	(44,000,000)	0	44,000,000
REDUCE GA TO UNDOCUMENTED ALIENS	(516,000)	(516,000)	0
REQUIRE GA OVERPMTS RECOUPMENT	(725,000)	(725,000)	0
CENTRALIZE GA MEDICAL PROCESSING	(1,149,000)	0	1,149,000
ELIM GA IF ELIGIBLE FOR OTHER ST/FED PGMS	(1,300,000)	0	1,300,000
ELIM REIMB FOR COURT ORDERED CASES	(200,000)	(200,000)	0
STRENGTHEN WORKFARE SUSPENSIONS	(1,110,000)	0	1,110,000
ELIMINATE WORK, EDUC & TRNG REQUIREMENTS	(8,666,000)	0	8,666,000
FED EXTENSION-UNEMPLOYMENT BENEFITS	(2,700,000)	0	2,700,000
IMPLEMENT TWO-TIERED FLAT GRANT	(6,001,000)	0	6,001,000
LIMIT GA EMPLOYABLES TO SIX MONTHS	(41,044,000)	0	41,044,000
RESTRICT ELIG-EMERGENCY SHELTERS	(1,683,000)	(1,683,000)	0
DHR TRANSFER-EMERGENCY SHELTERS	(1,000,000)	(1,000,000)	0
ELIMINATE CADAC AMBULANCE PMTS	0	0	0
REVISE STRUCTURE OF GENERAL ASST PGM	0	(41,253,543)	(41,253,543)
ELIMINATE STANDARDS INCREASE	(25,000,000)	(22,994,997)	2,005,003
IMPLEMENT PERSONAL SERVICES SAVINGS	(6,124,006)	(6,124,006)	0
EXP UPDATE-PERSONAL SERVICES	0	(800,000)	(800,000)
GENERAL REDUCTION/INFLATION	(1,331,000)	(1,331,000)	0
FUNDING FOR ACFUY STUDIES	0	300,000	300,000
ENHANCE DATA PROCESSING SUPPORT	3,000,000	3,500,000	500,000
SYSTEMS CHANGES-MEDICAID RATE ADJ	500,000	0	(500,000)
EXP UPDATE/OBRA NURSING HOME REFORM	0	(500,000)	(500,000)
HEALTH INSURANCE FOR UNEMPLOYED	50,000	0	(50,000)
TOTAL-GENERAL FUND	2,442,386,461	2,415,978,962	(26,407,499)
OTHER FUNDS			
FISCAL REPORTING CARRYFORWARD	500,000	500,000	0
TITLE IV-A DAY CARE	3,500,000	0	(3,500,000)

The total of all GA changes would result in a Senate addback of \$61,522,732 and Senate addback reflects 90% reimb