MINUTES OF THE MEETING OF THE FINANCE ADVISORY COMMITTEE

June 24, 2021

***NOTE****: Due to the State’s declaration of a public health emergency, out of an abundance of caution and in compliance with the State’s social distancing measures and consistent with Executive Order 7B, the June Finance Advisory Committee meeting was conducted via teleconference. Executive Order 7B provides for procedures for public meetings in lieu of the provisions of chapter 14 of the general statutes for the duration of the declared public health emergency.*

*The executive order provides for public meetings to be held by conference call, video conference of other technology as long as:*

1. *the public has the ability to view or listen to each meeting or proceeding in real time, by telephone, video, or other technology;*
2. *any such meeting or proceeding is recorded or transcribed, and such recording or transcript shall be posted on the agency's website within seven (7) days of the meeting or proceeding, and made available within a reasonable time in the agency's office;*
3. *the required notice and agenda for each meeting or proceeding is posted on the agency's website and shall include information about how the meeting will be conducted and how the public can access it;*
4. *any materials relevant to matters on the agenda, including but not limited to materials related to specific applications, if applicable, shall be submitted to the agency a minimum of twenty four (24) hours prior and posted to the agency's website for public inspection prior to, during, and after the meeting, and any exhibits to be submitted by members of the public shall, to the extent feasible, also be submitted to the agency a minimum of twenty-four (24) hours prior to the meeting and posted to the agency's website for public inspection prior to, during, and after the meeting; and*
5. *all speakers taking part in any such meeting or proceeding shall clearly state their name and title, if applicable, before speaking on each occasion that they speak.” (Ex. Order 7B, March 14, 2020).*

*The Lieutenant Governor and the Deputy Secretary of the Office of Policy and Management convened via Zoom. The viewing link was provided for the members of the public and CT-N live broadcasted the meeting. The remaining Finance Advisory Committee members and state agency representatives participated remotely by telephone and Zoom.*

PRESENT: Lieutenant Governor Susan Bysiewicz

 Deputy Comptroller Martha Carlson

 Deputy Treasurer Darrell Hill

Senator Catherine Osten

Senator Craig Miner

Representative Toni Walker

 Representative Catherine Abercrombie

 Representative Jeff Currey

 Representative Mike France

 Representative Lucy Dathan (alternate – non-voting capacity)

 Deputy Secretary Konstantinos Diamantis

 Office of Policy and Management, Finance Advisory Committee Clerk

Lieutenant Governor Bysiewicz called the meeting to order at 12:32 p.m.

The minutes of the May 6, 2021, meeting were adopted.

The following new transactions were considered by the committee:

2021-21 for the Office of the State Comptroller. Transfer of $7,671,353 among various fringe benefit accounts to meet funding requirements through the remainder of the fiscal year.

Deputy Comptroller Martha Carlson explained the request is necessary because midterm budget adjustments were not adopted last year.

Senator Osten asked about costs for unfunded pension liability and the impact on open positions. Bob Gribbon, Director of Budget and Fiscal Analysis for the Office of the State Comptroller, provided information regarding the relationship between legacy pension costs and the process for recovering fringe benefit costs from various funds. Senator Osten and Deputy Comptroller Carlson further discussed continuing efforts to address the accounting method of recovering liability costs.

The item was unanimously approved.

2021-22 for the Department of Motor Vehicles. Transfer of $5,000,000 from the Personal Services account to the Modernization Fund account to provide the resources needed to continue DMV’s efforts to upgrade system capabilities and provide convenient options for Connecticut residents.

Senator Osten asked about the number of vacant positions and whether they are related to retirements. Commissioner Magubane responded that some vacancies are recent, but other positions have been open for a while. Senator Osten asked about the department’s plans and timeline for filling vacancies. The Commissioner noted the intent to hire, and that the agency is actively working to prioritize hiring based on need. She committed to providing a hiring timeline to the Appropriations Committee.

Representative Dathan asked whether modernization costs could be covered from federal funds. Commissioner Magubane responded that some federal money will support modernization efforts, but the amount in this transfer is unrelated and will be used in accelerating updates to the newest modernization technology and work.

The item was unanimously approved.

2021-23 for the Department of Insurance. Transfer of $141,000 from Fringe Benefits to Other Expenses to purchase IT equipment for continued telework and video conferencing.

Senator Osten asked whether fringe benefits costs could be disaggregated to show the portion associated with legacy pension costs. Ann Woznikaitis, Fiscal Administrative Supervisor, from the Insurance Department said she would follow up and provide that information.

The item was unanimously approved.

2021-24 for the Department of Mental Health and Addiction Services. Transfer of $2,200,000 from Personal Services to the Workers’ Compensation Claims and Professional Services accounts to meet end of year requirements.

Representative Abercrombie asked where the department stands with vacancies and what the largest areas of hiring need are currently. Commissioner Delphin-Rittmon responded that the agency is currently struggling to fill nurses, doctors, mental health assistants, and forensic treatment specialists. DMHAS CFO Stephen DiPietro added that mental health assistants are the largest vacancy area. Rep. Abercrombie asked which treatment location had the most vacancies. CFO DiPietro responded that the 24/7 facilities like Connecticut Valley Hospital, Whiting Forensic Hospital, and the Greater Bridgeport Community Mental Health Center had the largest number of vacancies.

Senator Osten asked about the number of current vacancies. Commissioner Delphin-Rittmon replied that DMHAS has 511 vacancies. Sen. Osten asked about the plans for filling those vacancies. The Commissioner responded that the DMHAS human resources staff are actively working to recruit for all of the open positions and that additional human resources staff are being sought to help support the agency’s recruitment needs. Sen. Osten requested that DMHAS furnish information about the vacancies by job class and location as well as the plan for hiring.

The item was unanimously approved.

2021-25 for the Department of Social Services. Transfer of $9,420,000 from the Medicaid, Old Age Assistance, Aid to the Blind, and Aid to the Disabled accounts to the Community Residential Services and Connecticut Children’s Medical Center accounts to meet anticipated year-end funding requirements.

Representative Abercrombie asked whether this transfer keeps CCMC whole. Nick Venditto, Chief Financial Officer of the Department of Social Services, responded that CCMC has experienced financial difficulties related to the pandemic and that the $7.5 million transfer amount is based on discussions with CCMC.

Senator Osten asked whether the State Supplement accounts received a COLA. Mr. Venditto responded that no COLA was provided in state fiscal year 2021. He clarified that the transfer from the State Supplement accounts was in the baseline budget and that, effective January 1, 2020, payment for community companion homes was transitioned to the Community Residential Services account. Since there were no midterm budget adjustments, there was no reallocation of funding to that account. Senator Osten asked whether the agency changed that payment structure without making a midterm adjustment. Mr. Venditto responded that payments are made through the Department of Developmental Services and that the reallocation to Community Residential Services was accounted for in the recently passed budget. Senator Osten commented that the Department could have asked for midterm adjustments and that these groups should have gotten COLAs. Paul Potamianos, Executive Budget Officer of the Office of Policy and Management, noted that this was recommended as a midterm adjustment but that no adjustments occurred due to the pandemic and that the funding change is in response to an IRS audit finding.

The Item was unanimously approved.

2021-26 for the Department of Education. Item was withdrawn and not discussed.

2021-27 for the Judicial Department. Transfer of $1,149,202 from Personal Services to the Workers’ Compensation account in order to meet end of year funding requirements.

Senator Osten asked about vacant positions and timing of hiring of new staff to address turnover. Elizabeth Graham, Executive Director of the Administrative Services Division at the Judicial Department, responded the department has almost 3,500 positions filled. Senator Osten asked which job classes make up the vacancies. Ms. Graham responded that it is mostly the office clerk series, which provides direct support in the court rooms, court reporting monitors, as well as a large number of judicial marshals. Senator Osten asked if the department is actively seeking to fill those positions. Ms. Graham responded affirmatively, and noted that continuous recruitment for office clerks that has resulted in interviews taking place, with a hiring plan in place to bring on clerks over the next several months. She shared that the average filled level over the last ten years has been about 92%, and so Judicial is working toward increasing its filled count. Senator Osten requested that the department provide the number of positions open by job class and location and when the department anticipates all those positions will be filled. Ms. Graham committed to providing the requested information.

The item was unanimously approved.

2021-28 for the Department of Emergency Services and Public Protection. Fee approval pursuant to section 4-60u of the General Statutes to support extending electronic payment capability to a broader range of services provided by the agency.

Senator Osten asked if these fees were considered through the Finance, Revenue, and Bonding Committee for the upcoming budget and questioned why this transaction was being handled by the Finance Advisory Committee (FAC). Paul Potamianos, Executive Budget Officer for OPM, explained that 4-60u allows FAC approval of convenience fees for electronic government services and that such approvals have previously been considered by the FAC. The fee is not broadly applied so it wouldn’t go through the Finance, Revenue, and Bonding Committee.

Senator Osten asked if the fee would be the same for credit and debit charges. Dane Silcox, Manager of Research & Planning, from DESPP stated that the fee would be the same for both forms of payment. Senator Osten asked what the anticipated revenue would be. Mr. Silcox responded that any fees collected would enable the agency to allow further online interactions, but other methods of payment will still exist. Paul Potamianos, Executive Budget Officer for the Office of Policy and Management, stated that it is contingent on how many people use the service and that the fee will help pay for the expansion of the electronic system. Senator Osten asked about application of the fee to debit card transactions. Mr. Silcox stated that the fee supports an organization called NIC, which has been providing services for DESPP since 2016 and was approved by the FAC at that time. The charge covers the cost of creating the electronic payment capability and payments collected electronically will credited the proper accounts. Senator Osten asked whether the contract was competitively bid, when it was last bid, and for a copy of the contract. Mr. Silcox stated that the agency is using the existing state contract. Paul Potamianos, Executive Budget Officer for the Office of Policy and Management, committed to providing information about the bid and contract to the committee members. (NOTE: On June 30, 2021, the following information was electronically mailed to members of the FAC, along with an attached copy of the contract):

*Dear FAC members, alternates and interested parties: At the June 24, 2021, meeting of the Finance Advisory Committee, during discussion of item 2021-28 for the Dept. of Emergency Services and Public Protection regarding a fee approval pursuant to CGS 4-60u, a member asked questions about the contract for the vendor performing the eGovernment services. The questions and answers are summarized below.*

1. *Please provide a copy of the contract.*
	1. *The contract is publicly available on the DAS contracting portal and is attached here.*
2. *Was the contract competitively bid.*
	1. *Yes, the contract was competitively bid via a Request For Proposals (RFP).*
3. *When was the last time the contract was competitively bid.*
	1. *The contract that resulted from the competitively bid RFP was awarded on January 10, 2014, with a term through April 7, 2019.  It was then extended through April 7, 2023, in accordance with the terms of the agreement.*
	2. *The relevant contract language governing extension of the term of agreement is depicted below.*

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This item was unanimously approved.

The meeting was adjourned at 1:30 p.m.

Respectfully submitted,



Konstantinos Diamantis, Clerk