

FINANCE ADVISORY COMMITTEE

June 9, 2022

Meeting – 1:00 P.M.

Legislative Office Building, Room 1E

1. Minutes of the May 12, 2022 meeting.

2. New transactions as follows:

2022-15	Office of the State Comptroller	\$3,640,000.00
2022-16	Department of Administrative Services	\$475,000.00
2022-17	Department of Criminal Justice	\$387,000.00
2022-18	Department of Public Health	\$495,542.00
2022-19	Office of Higher Education	\$115,000.00
2022-20	Teachers' Retirement Board	\$1,000,000.00
2022-21	Department of Correction	\$8,756,293.00
2022-22	Public Defender Services Commission	\$1,650,000.00

MINUTES OF THE MEETING OF THE FINANCE ADVISORY COMMITTEE
May 12, 2022

PRESENT: Lieutenant Governor Susan Bysiewicz
Deputy Comptroller Martha Carlson
Deputy Treasurer Darrell Hill
Senator Catherine Osten
Representative Toni Walker
Representative Jeff Currey
Representative Mike France
Representative Lucy Dathan (alternate – non-voting capacity)
Deputy Secretary Paul Potamianos
Office of Policy and Management, Finance Advisory Committee Clerk

Lieutenant Governor Bysiewicz called the meeting to order at 1:00 p.m.

The minutes of the April 14th, 2022, meeting were adopted.

The following new transactions were considered by the committee:

2022-09 for the Department of Motor Vehicles. Transfer of \$1,500,000 from the Personal Services account to the Other Expenses account to cover licensing and other costs related to the dashboard camera purchases. This is a revised agenda item.

Senator Osten asked whether this amount would outfit all inspectors with necessary body and dashboard cameras and associated expenses. Deputy Commissioner Tony Guerrero responded affirmatively, noting that roughly 60 vehicles for Motor Vehicle Inspectors would need the cameras.

Representative France asked why, since the police accountability act was passed in 2020, this cost was not part of the adopted budget. Deputy Commissioner Guerrero explained that it was not initially anticipated that DMV would be subject to the provisions of the bill, but that it has been determined that the cameras are necessary, and they are being funded in the recently enacted budget for FY 2023. Representative France asked about the reasons for increased IT licensing costs, and Deputy Commissioner Guerrero explained that with the pandemic, system modernization occurred at a much quicker pace than originally planned.

Representative Dathan asked if the Office of Fiscal Analysis (OFA) sheet was correct in stating that the agency had 162 vacant positions, which Deputy Commissioner Guerrero confirmed.

The item was unanimously approved.

2022-10 for the Department of Developmental Services. Transfer of \$10,273,000 among various accounts to support required reinvestments for the ARPA Home and Community Based Services (HCBS) initiative.

Senator Osten asked if the agency could provide details about what is needed to support the HCBS funding transfer. Scott McWilliams, Chief Fiscal Officer, stated that \$10.2 million was paid out at the end of March, mostly for employment and day programs, for implementation of the ARPA HCBS initiative. Senator Osten asked for further clarification regarding whether the funding was for administrative support or

programming. Mr. McWilliams explained that the funds would support three major initiatives: temporary provider stabilization funds to cover pandemic related overtime and temporary staff, workforce stability initiative funds for hiring and retention bonuses, and stability infrastructure and improvements through technology funds to improve technology infrastructure. Paul Potamianos, Deputy Secretary of OPM, provided additional clarification that these costs were not administrative costs and were programmatic expenditures in support of the HCBS effort.

Representative Walker asked why there had been lower than anticipated expenditures in the Behavioral Services program (BSP). Mr. McWilliams explained that the participant level is declining over time as individuals age out of the program and that the current census is down to 244.

Representative Walker asked if DDS has an interagency agreement with the Judicial Department for juveniles in state facilities and if those individuals would qualify for the BSP program. Deputy Commissioner Elisa Velardo responded that individuals in the BSP could also have a diagnosis of autism or mental illness so they may qualify depending on needs, but that there is currently no MOU. Representative Walker noted the prevalence of juveniles in custody and detention who have not been diagnosed but may have service needs, and asked that the agency look into approaches to address this.

Representative Walker asked about the agency's vacant positions and whether that number has remained constant or increased over the last couple months. Mr. McWilliams confirmed that 634 positions were vacant and that many were actively being refilled. He further explained that historically direct care staff experience a high degree of turnover, and that hiring is an on-going process. He also noted that the volume of vacancies has increased due to retirements this spring, creating challenges for DDS in maintaining the direct care workforce.

Senator Miner inquired further about the ARPA funding and the relationship to programming for young individuals dealing with mental health issues and crises and whether there was a linkage to COVID. Mr. McWilliams explained ARPA HCBS funding in more detail and stated that funding is provided through the Centers for Medicare and Medicaid Services (CMS) which allows the state to transform its systems to become more community-based. Funding will primarily provide services for adults with intellectual disability and some with co-occurring disorders.

Representative France asked about emergency placements and whether delaying the step up/down unit will create any gaps in service. Deputy Commissioner Velardo said that although the provider partnership was delayed, the unit is expected to open in the coming months. For the time being, individuals who would benefit from this unit are receiving services through other available resources, but that there is need for this unit and it will be utilized. She further explained that the program is designed to minimize the time an individual would spend in an emergency room setting, and that it is for people who are ready for discharge and will result in shorter lengths of stay in emergency departments and provide the necessary time to plan for placement into the community.

Representative France asked why ARPA and implementation of HCBS initiatives would cause an increase in General Fund costs. Mr. McWilliams explained that DDS expenses are initially paid with General Fund appropriations, and then DDS works with the Department of Social Services to certify the expenditures and make claims which are submitted to the federal government to receive federal Medicaid reimbursement.

Representative Currey asked about the number of agency vacancies and the status of refilling those positions. Mr. McWilliams did not have the specific information available but stated that overall, there is always a tremendous amount of turnover related to direct care staff and DDS could actively be filling hundreds of positions at any one time.

Senator Osten aligned herself with the remarks from Representative Walker regarding BSP and asked whether it was normal practice for DDS to work with the Department of Correction (DOC) or Judicial to determine if youth would qualify for services if they had not been previously diagnosed. Deputy Commissioner Velardo clarified that BSP serves individuals with an intellectual disability diagnosis and said that the agency does work with DOC and if an individual is presumed to qualify for DDS services, they would utilize the eligibility process.

Representative Dathan asked if the FY 2023 budget of \$308 million in day programs, adjusted to \$328 million to include the stabilization payments, was adequate to maintain these programs into the next biennium. Mr. McWilliams responded affirmatively.

The item was unanimously approved.

2022-11 for the Department of Social Services. Transfer of \$26,600,168 from the Personal Services and Medicaid accounts to various accounts to cover anticipated requirements through the end of the year.

Representative Walker asked about the funding to be transferred from Personal Services and the number of vacant positions. Nick Venditto, Chief Financial Officer of the Department of Social Services, responded that DSS is looking to refill 375 vacancies, and clarified that the \$219 million shown in OPM's May letter to the Comptroller reflected the agency's overall lapse. He committed to providing additional information on the average number of vacancies over the year and the length of time positions have been vacant.

Senator Osten asked if the Medicaid transfer would impact the ability to carry forward dollars as detailed in the budget. Paul Potamianos, Deputy Secretary of the Office of Policy and Management, confirmed the transfers, based on current estimates, should not impact planned transfers contained in the budget.

Representative France asked about the enhanced federal reimbursement and when it is slated to end. Mr. Venditto explained that, except for services for the expansion population, Medicaid expenditures receive an additional 6.2% for every quarter the public health emergency (PHE) is in effect. The 6.2% equates to approximately \$105 million on average in additional reimbursement each quarter: \$75 million to DSS' Medicaid account with the balance of \$30 million being drawn into General Fund revenue. Mr. Venditto indicated that the current estimate is that the PHE will run through the quarter ending 9/30/22. Representative France asked how ARPA HCBS results in additional General Fund costs. Mr. Venditto explained there is an additional 10% match on four quarters of HCBS and that the 10% is then required to be reinvested, but the reinvestment was not part of the enacted General Fund budget. DSS is moving dollars from Medicaid to the Community Residential Services account to cover provider payments – for temporary provider stabilization, workforce stability and provider improvements through technology – issued through the Department of Developmental Services and funded by the enhanced 10% reimbursement.

Representative Walker asked for some background on the ARPA HCBS program. Mr. Venditto explained that it is not a separate program but reflects the reinvestment plan approved by the federal Centers for Medicare & Medicaid Services. Mike Gilbert, Deputy Commissioner of the Department of Social Services,

explained that the reinvestments are not traditional ARPA grants but rather they are authorized under the ARPA law. The enhanced match on HBCS expenditures between 4/1/21 and 3/31/22 are reinvested, allowing the dollars to be further leveraged over a three-year period to augment HCBS programs. Representative Walker asked whether more slots were available and if there were waiting lists for services. Deputy Commissioner Gilbert explained that there are waiting lists, but additional slots were not made available because of efforts to ensure sustainability going forward, however some rate increases were included as they were within a manageable threshold for future state budgets.

In response to Representative France's follow-up question, Deputy Commissioner Gilbert confirmed that the increased reimbursement and subsequent reinvestment was not anticipated, resulting in the additional requirements.

The item was unanimously approved.

2022-12 for the Department of Education. Transfer of \$284,896 from the Open Choice Program account to the Excess Cost-Student Based account to cover final grant payments.

Representative Walker asked how many open positions the Department of Education currently had, and Commissioner Russell-Tucker explained that there were 63, with all at different phases of recruiting. Representative Walker asked why there was a lapse in Open Choice and if it had anything to do with the seats added for Danbury. Roger Persson, Chief of Fiscal and Administrative Services, explained that there was lower enrollment than budgeted. The agency will follow up with information for Representative Walker regarding how many students participated in Open Choice from Danbury, but Commissioner Russell-Tucker noted that enrollment is down across choice programs during the pandemic, leading to lapses such as this.

Senator Osten asked what the reimbursement percentage was in the Excess Cost grant currently, to which Roger Persson stated that they did not have the information at hand, but the Department would follow up.

Representative Dathan asked why the Open Choice enrollment was below the budgeted level. Commissioner Russell-Tucker explained that the belief is that it is largely families choosing not to participate due to health concerns during the pandemic. Representative Dathan requested follow up pertaining to the percentage of spaces filled per sending district. Commissioner Russell-Tucker noted that there was a significant increase in the number of Hartford resident students participating in the Open Choice program.

Representative Currey noted that Excess Cost covers a small part of costs faced by districts and that there needs to be a coordinated push at the federal level for special education funding.

The item was unanimously approved.

2022-13 for the Office of Early Childhood. Transfer of \$600,000 from the Early Care and Education account to the Child Care Quality Enhancement account to cover projected requirements through the end of the fiscal year.

Representative Walker asked about the number of vacant positions. Commissioner Bye noted approximately 60 vacancies. There are currently 118 staff members. The commissioner also noted that

the agencies funding has almost doubled since before the pandemic. Representative Walker noted the importance of the Office of Early Childhood (OEC) and how this was reflected in the recent budget. Commissioner Bye observed that the Department of Administrative Services (DAS) has been working hard to solve hiring challenges, but the issue is acute for OEC because the pandemic brought federal funds and more work.

Representative France asked when the plan was put in place to digitize the Care4Kids application, and Commissioner Bye explained that it was several years ago, but with the pandemic it became more urgent, so that the families didn't have to fax in their applications. The pandemic required the process to be expedited, leading to accelerated needs that were not included in the budget.

Senator Osten followed up on the discussion about positions and vacancies. Commissioner Bye clarified that many OEC positions are federally funded and noted that these positions are not included in the position count. Senator Osten clarified that the legislature was interested in the status of all positions, including those supported by federal funds.

Representative Currey asked if the online option was the only option available for parents applying for Care4Kids and Commissioner Bye noted that there are many options, including calling 2-1-1.

The item was unanimously approved.

2022-14 for the Office of Higher Education. Transfer of \$115,000 from the Personal Services account to the Other Expenses account to cover costs for an event aimed at growing a skilled and educated workforce in Connecticut.

After extended discussion about the reasons for the proposed transaction, the agency committed to providing additional information and clarification. The item was unanimously tabled for the next meeting of the Finance Advisory Committee in June.

The meeting was adjourned at 2:32 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Paul E. Potamianos", with a horizontal line extending to the right.

Paul E. Potamianos, Deputy Secretary, OPM
Finance Advisory Committee Clerk

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
 APPROPRIATION Adjustment
 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER
OSC		Office of the State Comptroller					22-05
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>	
2022	11000	OSC15000	12012	2022	\$3,580,000.00		State Employees Health Services Account
2022	11000	OSC15000	12008	2022		\$80,000.00	Pension and Retirement- Other Statutory
2022	11000	OSC15000	12010	2022		\$700,000.00	Group Life Insurance
2022	11000	OSC15000	12011	2022		\$2,800,000.00	Social Security Tax- Employer
2022	12001	OSC15000	12012	2022	\$60,000.00		State Employees Health Services Account
2022	12001	OSC15000	12010	2022		\$60,000.00	Group Life Insurance
TOTALS					\$3,640,000.00	\$3,640,000.00	
REASON FOR ADJUSTMENT							
We are requesting to transfer funds within our Miscellaneous Fringe Benefit Accounts due to deficiencies in the following General Fund Accounts: Pension and Retirement- Other Statutory, Group Life Insurance, Social Security Tax- Employer. We request to transfer funds from the State Employees Health Services Account. We are requesting to We are requesting to transfer funds within our Miscellaneous Fringe Benefit Accounts due to deficiencies in the following Transportation Fund Account: Group Life Insurance. We request to transfer funds from the State Employees Health Services Account.							
REQUESTING OFFICIAL (Signature)				TITLE			DATE SIGNED
Natalie Braswell				Comptroller			5/31/2022
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)					STATUTORY AUTHORITY (for adjustments in appropriations)		

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)		REVIEWED BY BUDGET ANALYST		REVIEWED BY SECTION DIRECTOR	
		K. Nolen 5/31/2022		G. Messner 5/31/22	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2022-15	Paul E. Potamianos	6/2/2022			

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

Office of the State Comptroller
Financial Advisory Committee (FAC) Transfer Request for FY 2022
General Fund
June 9, 2022

The Office of the State Comptroller is (OSC) is requesting to transfer funds within the Miscellaneous Fringe Benefit Accounts due to deficiencies in the following General Fund accounts:

Pension and Retirement- Other -Statutory	\$ 80,000
Group Life	\$ 700,000
Social Security Tax- Employers	<u>\$ 2,800,000</u>
 Total Deficiencies	 \$ 3,580,000

OSC requests to transfer from the following General Fund account:

State Employees Health Service Cost	(\$3,580,000)
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Pension and Retirement- Other Statutory has a deficiency due to a transfer Budget Bill HB 5506 of \$219,000 to the Connecticut Premium Pay Account.

Group Life has a deficiency in large part to the increased number of retirees participating in the plan at no cost while the active enrolled population continues to decline. The plan is partially sustained by the employee share deductions of enrolled active employees. The monthly premium for coverage increased more than expected at the beginning of 2022.

Social Security Tax- Employers has a deficiency primarily due to reduction of \$5 million in the Deficiency Bill HB 5036 and a transfer in Budget Bill HB 5506 of \$3 million to the Connecticut Premium Pay Account. In addition, accrual payouts for retiring state employees have increased the expenses in this account this fiscal year.

The State Employees Health services Account has a surplus due to lower than anticipated costs primarily due to increased retirements.

Office of the State Comptroller
Financial Advisory Committee (FAC) Transfer Request for FY 2022
Special Transportation Fund (STF)
June 9, 2022

The Office of the State Comptroller is (OSC) is requesting to transfer funds within the Miscellaneous Fringe Benefit Accounts due to deficiencies in the following Transportation Fund accounts:

Group life Insurance	\$ 60,000
Total Deficiencies	\$ 60,000

OSC requests to transfer from the following Transportation Fund account:

State Employees Active Health Services Cost	(\$60,000)
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Group Life has a deficiency due to an increase in the rate. The monthly premium for coverage increased more than expected at the beginning of 2022.

The State Employees Health Services Cost account has a surplus due to lower than anticipated costs primarily due increased retirements.

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
 APPROPRIATION Adjustment
 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER	
DAS23000		Department of Administrative Services					DAS22013	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2022	11000	DAS23000	12625		\$250,000.00		Workers Comp Claims - DMHAS	
2022	11000	DAS23000	12628			\$250,000.00	Workers Comp Claims - DOC	
2022	11000	DAS23000	12627		\$225,000.00		Workers Comp Claims - DDS	
2022	11000	DAS23000	12623			\$150,000.00	Workers Comp Claims - CSCU/BOR	
2022	11000	DAS23000	12621			\$75,000.00	Workers Comp Claims - UOC	
TOTALS					\$475,000.00	\$475,000.00		
REASON FOR ADJUSTMENT								
To reallocate funding to SID(s) w/projected deficits in FY2022 (WC)								
REQUESTING OFFICIAL (Signature)				TITLE		DATE SIGNED		
Jolita Lazauskas				CFO, DAS				
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)					STATUTORY AUTHORITY (for adjustments in appropriations)			
					4-87			

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)		REVIEWED BY BUDGET ANALYST		REVIEWED BY SECTION DIRECTOR	
		C. LeMay 5/27/22		M.Daskal 05/27/22	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2022-16	Paul E. Potamianos	6/2/2022			

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EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND



DEPARTMENT OF ADMINISTRATIVE SERVICES

MEMORANDUM

To: Jeffrey Beckham, Secretary of the Office of Policy & Management

From: Michelle Gilman, Commissioner of Department of Administrative Services
Michelle H. Gilman

Date: May 26, 2022

Re: Finance Advisory Committee: transfer of funds

The Workers' Compensation claims account is provided funding through a central account to pay claims for all state agencies, except Judicial.

The Department of Administrative Services (DAS) is requesting that \$475,000 be transferred from the Department of Developmental Services (DDS) and Department of Mental Health and Addiction Services (DMHAS) Workers' Compensation (WC) SID accounts, which are projecting year-end surpluses, to the Department of Corrections (DOC), the Connecticut State Colleges and Universities (CSCU/BOR), and the University of CT (UOC) accounts, in order to cover a \$475,000 projected shortfall. We have forwarded the B-107 allotment document to your agency under separate cover for additional information.

The Workers' Compensation claims shortfall in the DOC account is the result of continued, higher-than-average costs associated with orthopedic surgeries. The Workers' Compensation claims shortfall in the CSCU (formerly BOR) account is also the result of several orthopedic surgeries. By way of example, the costs related to just one of these surgeries was more than the total monthly average cost for medical expenditures for the entire agency. Finally, the Workers' Compensation claims shortfall in the UOC account is a result of higher indemnity costs due to claims requiring payments associated with wage replacement benefits and litigation.

If approved by the Finance Advisory Committee, DAS can cover the Workers' Compensation claims shortfall by transferring \$475,000 from WC SID accounts that are currently projecting a surplus within the central account. The surplus funding from DMHAS and DDS workers' compensation accounts are projected to be available due to a decrease of expenditures in the last months of the fiscal year.

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
 APPROPRIATION Adjustment
 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER	
DCJ30000		Division of Criminal Justice					2022-6	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2022	11000	DCJ30000	10010		\$387,000.00		Personal Services	
2022	11000	DCJ30000	10020			\$160,000.00	Other Expenses	
2022	11000	DCJ30000	12538			\$115,000.00	Shooting Task Force	
2022	11000	DCJ30000	12069			\$50,000.00	Witness Protection	
2022	11000	DCJ30000	12110			\$62,000.00	Expert Witness	
TOTALS					\$387,000.00	\$387,000.00		
REASON FOR ADJUSTMENT								
See addendum								
REQUESTING OFFICIAL (Signature)				TITLE			DATE SIGNED	
John Russotto				Deputy Chief State's Attorney			5/31/2022	
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)					STATUTORY AUTHORITY (for adjustments in appropriations)			

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)		REVIEWED BY BUDGET ANALYST		REVIEWED BY SECTION DIRECTOR	
		John Jaramillo 6/2/2022		Matthew Daskal 6/2/2022	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2022-17	Paul E. Potamianos	6/2/2022			

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

Division of Criminal Justice FAC Transfer Request 2022-5 (addendum to B-107)

I. General Fund

The SID Accounts expected to lapse appropriation levels and reasons for same are:

10010 (Personal Services)

Expected savings in Personal Services, SID 10010 – Increase in retirements, transfers, turnover, delays in filling positions, especially prosecutor positions which require action by the Criminal Justice Commission. Also, delays due to back-filling vacant positions due to senior level vacant positions being filled with junior level employees and then backfilling those vacancies.

The SID Accounts expected to exceed appropriation levels and reasons for same are:

10020 (Other Expenditures)

The shortfall in Other Expenditures is due to higher than expected expenses during Q3 due to outlay of \$108k for enterprise agreement, an annual software license expenses that were previously rolled in with project expenses, and \$15k in unexpected drainage repairs. Significant increase of \$40k in carryforward fuel billing charges, 100% increase compare to FY21.

12110 (Expert Witness)

Expert Witness Program utilization varies from year to year based on the types of trials during the year. Expenditures have increased with court re-opening and an uptick in jury trials.

12069 (Witness Protection)

Expert Witness Program utilization varies from year to year based on the number of arrests and types of cases during the year. Utilization of this program during FY22 has been higher than expected due to court reopening and uptick in jury trials.

12538 (Shooting Task Force Unit)

The unit has experienced some turnover in recent years, and at the end of Fiscal Year 2020 DCJ filled these vacancies with more senior employees, with higher salaries, causing expenses to exceed appropriations in FY 2021. The required adjustments were not made for the current budget (FY22 – FY23) resulting in a need for funding from PS again this year.

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
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 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER	
DPH48500		Department of Public Health					DPH2022-65	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2022	11000	DPH48500	10010		\$495,542.00		Personal Services	
2022	11000	DPH48500	10020			\$400,390.00	Other Expenses	
2022	11000	DPH48500	17009			\$95,152.00	Local and District Departments of Health	
TOTALS					\$495,542.00	\$495,542.00		
REASON FOR ADJUSTMENT								
To transfer funds to meet anticipated year-end requirements.								
REQUESTING OFFICIAL (Signature)				TITLE			DATE SIGNED	
Chukwuma Amechi				Section Chief, Fiscal Services			5/25/2022	
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)					STATUTORY AUTHORITY (for adjustments in appropriations)			

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)		REVIEWED BY BUDGET ANALYST		REVIEWED BY SECTION DIRECTOR	
		J Soulsby 5/26/2022		Judith Dowd 5/31/22	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2022-18	Paul E. Potamianos	6/2/2022			

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

Department of Public Health

Finance Advisory Committee Meeting – June 9, 2022

The Department requests the transfer of \$495,542 from the Personal Services account to meet budgetary needs in the Other Expenses and Local and District Departments of Health accounts.

Funds are available under the Personal Services account due to turnover and attrition.

Transfers are required to address expected shortfalls as follows:

- Other Expenses (\$400,390) - 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 (\$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.

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**


- ALLOTMENT Adjustment
 APPROPRIATION Adjustment
 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER	
DHE66500		Office of Higher Education					2022-4	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2022	11000	DHE66500	10010		\$115,000.00		Personal Services	
2022	11000	DHE66500	10020			\$115,000.00	Other Expenses	
TOTALS					\$115,000.00	\$115,000.00		

REASON FOR ADJUSTMENT

The Office of Higher Education (OHE) has recently taken on a new initiative geared towards raising awareness of noncollege educational and career options. The event, CareerConn, is in line with initiatives to grow a skilled and educated workforce in Connecticut. OHE had originally contemplated funding this event from the Student Protection Account, but the scope established in section 10a-22u for expenses from the account does not allow this source to be used. Therefore, OHE was required to use Other Expenses to cover those costs. However, there are insufficient funds to cover the costs for CareerConn and ordinary agency expenses.

During the process of reviewing expenses for CareerConn, it was determined that additional agency functions being funded from the Student Protection Account, as well as revenue collected by OHE under section 10a-57f, should also have been funded by the appropriation for Other Expenses. After such expenses were transferred accordingly, a \$108,117 shortfall remains. As such, OHE is requesting FAC approval for a transfer of \$115,000 in available funds from Personal Services, which has savings due to turnover, to Other Expenses to address the deficiency. The resulting positive balance of \$6,883 after such transfer, if not otherwise needed to cover agency expenditures, would lapse at the end of FY 2022.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
	Executive Director	6/1/2022
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)	STATUTORY AUTHORITY (for adjustments in appropriations)	

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)	REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR		
	M. Izadi 5/31/22			
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2022-19	Paul E. Potamianos	6/2/2022		

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

Memorandum

To: Paul Potamianos, Deputy Secretary

Cc: Greg Messner, Executive Budget Officer
Holly Williams, Fiscal and Program Policy Section Director

From: Mike Izadi, Principal Budget Specialist

Date: May 27, 2022

Re: Office of Higher Education – Finance Advisory Committee Action Request for June 2022

Request/Background:

The Office of Higher Education (OHE) requests the transfer of \$115,000 from Personal Services to Other Expenses to mitigate a budget deficit in the latter account.

OHE covered various expenses in the current fiscal year using funds from the Private Occupational School Student Protection Account (POSA). Established in 10a-22u, POSA receives revenue from private career schools regulated by OHE. Funds deposited in POSA are primarily held for use in the event of a school closure to provide tuition reimbursement to enrolled students who cannot complete their programs (10a-22v). Sections 10a-22m and 10a-22u provide for limited other costs to be covered from the account.

While working with OHE, the Budget Division determined that many of the agency's planned expenses from the account did not fall within the categories authorized in statute. For example, the agency hosted CareerConn, a promotional event for private career schools, in March with partial funding from POSA. OHE also collects fee revenues from institutions outside of Connecticut pursuant to section 10a-44d. The Budget Division also found that OHE has used these fee revenues, instead of funds appropriated for Other Expenses, to support various agency expenditures. Because separate accounts for these fee revenues are not established in statute, it is our view that these fee revenues should be deposited into the General Fund rather than being utilized for agency spending.

The Budget Division advised OHE to transfer all relevant FY 2022 expenses from POSA and other revenue accounts (State Authorization Reciprocity Agreement or "SARA" and "Out of State," both authorized under section 10a-57f) to its Other Expenses (OE) account in the General Fund. Expenses transferred to OE include those associated with CareerConn, IT expenses, consulting services, records storage and removal, temporary office support, and other agency operations. OHE is able to provide a full accounting of these expenses upon request. The transfer of these expenses from POSA, SARA, and Out of State to the OE account resulted in a \$268,117 overall deficiency in Other Expenses.

To cover the deficiency, Public Act 22-118 included a deficiency appropriation of \$160,000 to OHE for Other Expenses. The remaining shortfall after this appropriation is \$108,117. OHE is requesting approval of the Finance Advisory Committee to transfer \$115,000 in lapsing funds from Personal Services to Other Expenses. Funds are available in Personal Services as a result of vacancies during the fiscal year.

If OHE transfers the \$115,000 available in Personal Services to Other Expenses, a small balance of \$6,883 will result which would, if not otherwise needed to cover projected expenditures, lapse at the end of FY 2022. A recap of the OHE OE shortfall is depicted below.

OHE Other Expenses Shortfall

<u>Available funds</u>	
1. Approp.	165,634.00
2. Carryforward	97,271.00
3. Deficiency Approp.	<u>160,000.00</u>
4. Total	422,905.00
5. Holdback	<u>(1,000.00)</u>
6. Net Available	421,905.00
7. FAC request	<u>115,000.00</u>
8. Total Available Funds	536,905.00
<u>Projected Expenditures</u>	
9. Open Education Resource Council	(197,271.00)
10. Career Conn (expenses net of revenue)	(85,099.96)
11. POSA/SARA/OOS expenditures	(171,205.21)
12. POSA Contractual Obligations	(27,018.66)
13. OE expenditures	<u>(49,427.00)</u>
14. Total Spending	(530,021.83)
15. Net (after FAC)	6,883.17

FY 2023 and Beyond:

This transfer is necessary for OHE to cover liabilities already incurred during FY 2022. The Budget Division will work with OHE in FY 2023 and beyond to ensure that budgeted expenses are assigned to the appropriate funding source, which may result in additional FAC and/or deficiency requests in FY 2023 for OHE to continue to perform its core responsibilities as an agency. The Division will also work with OHE to identify and recommend a long-term solution as part of the proposed FY 2024-2025 biennial budget to ensure that those responsibilities are appropriately funded in the General Fund.

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
 APPROPRIATION Adjustment
 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER	
TRB77500		TEACHERS' RETIREMENT BOARD					2022-02	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2022	11000	TRB77500	16023	2022	\$1,000,000.00		Retiree Health Service Cost	
2022	11000	TRB77500	16032	2022		\$1,000,000.00	Municipal Retiree Health Insurance	
TOTALS					\$1,000,000.00	\$1,000,000.00		

REASON FOR ADJUSTMENT

The Teachers' Retirement Board is requesting approval to transfer \$1,00,000.00 from the "Retirees Health Service Cost" account to the "Municipal Retiree Health Costs" account in order meet State's required contribution into the retirement fund under Sec. 10-183t. Legislation was passed effective July 1, 2022, by House Bill 5506 to increase the subsidy payments from \$110 to \$220, and \$220 to \$440 for those who are NOT Medicare eligible over 65. The unintended consequence is the quarterly allotments are paid on June 30, 2022, for the following quarter. The funds are available due to continued positive experiences in Retiree health costs.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Helen Sullivan	Administrator	5/23/2022
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)		STATUTORY AUTHORITY (for adjustments in appropriations)
		+

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)	REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR		
	K. Nolen 5/31/2022	G. Messner 5/31/22		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2022-20	Paul E. Potamianos	6/2/2022		

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND



TEACHERS' RETIREMENT BOARD
165 Capitol Avenue
Hartford CT 06106-1673

Finance Advisory Committee (FAC) Request
June 2022

The Teachers' Retirement Board is requesting approval to transfer \$1,000,000.00 from the "Retirees Health Service Cost" account to the "Municipal Retiree Health Insurance Cost" account in order to meet the State's required contribution fund under Sec. 10-183t as amended by section 183 of PA 22-118.

Municipal Retiree Health Insurance Costs (16032)

The Municipal Retiree Health Insurance account requires a transfer of \$1,000,000.00 in order to meet the statutory requirement of the State contribution. This is a consequence of the increase in subsidy rates contained in section 183 of PA 22-118. Although this increase is effective July 1, 2022, the funding for the July through September quarter is transferred on June 30, 2022.

Retirement Health Service Cost (16023)

The Retirement Health Service account has the available funds for the transfer due to continued positive experience in Retiree health costs.

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
 APPROPRIATION Adjustment
 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER	
DOC88000		DEPARTMENT OF CORRECTION					DOC0310	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2022	11000	DOC88000	10010		\$4,200,000.00		Personal Services	
2022	11000	DOC88000	12302		\$1,339,114.00		Board of Pardons & Parole	
2022	11000	DOC88000	16173		\$3,217,179.00		Parole & Community Services	
2022	11000	DOC88000	10020			\$4,200,000.00	Other Expenses	
2022	11000	DOC88000	12242			\$4,556,293.00	Inmate Medical Services	
TOTALS					\$8,756,293.00	\$8,756,293.00		
REASON FOR ADJUSTMENT								
To transfer allotted funds in accordance with CGS 4-87 to meet the operational needs of the Agency for the remainder of FY 2022. (See attached memorandum)								
REQUESTING OFFICIAL (Signature)				TITLE		DATE SIGNED		
W. Michael Regan				Chief of Fiscal/Administrative Services		5/25/2022		
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)				STATUTORY AUTHORITY (for adjustments in appropriations)				
				4-87				

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)		REVIEWED BY BUDGET ANALYST		REVIEWED BY SECTION DIRECTOR	
		C. LeMay 5/27/22		M.Daskal 05/27/22	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2022-21	Paul E. Potamianos	6/2/2022			

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND



STATE OF CONNECTICUT

DEPARTMENT OF CORRECTION 24 WOLCOTT HILL ROAD WETHERSFIELD, CONNECTICUT 06109

May 26, 2022

Subject: Finance Advisory Committee Request

The Department of Correction is requesting approval to transfer funds from various accounts to cover the anticipated operational needs of the Agency for the remainder of the current fiscal year and to meet carry forward requirements set forth in PA 22-118.

The Agency requests a transfer of \$4,200,000 into the "Other Expenses" account from the "Personal Services" account.

The transfer of funds into the "Other Expenses" account is required as a result of various mitigating influences including the impact of increased costs due to inflation and supply chain disruptions caused by the continuing pandemic and the Ukraine-Russia war, as well as escalating maintenance costs required to maintain aging physical structures and internal systems required to maintain safety and security for both our staff and confined population and an increase in the confined population.

The Agency requests a transfer of \$4,556,293 into the "Inmate Medical Services" account from the "Community Support Services" account and the "Board of Pardons and Parole" account.

The transfer of funds into the "Inmate Medical Services" account is required to effectuate the requirements of Section 43 of PA 22-118 which states "*Up to \$10,000,000 of the amount appropriated to the Department of Correction, for Inmate Medical Services, in section 1 of special act 21-15 for the fiscal year ending June 30, 2022, shall not lapse on June 30, 2022, and shall be transferred to the Connecticut premium pay account*".

Funds are available from anticipated surpluses in the "Community Support Services" account and in the "Board of Pardons and Paroles" account. The transfer of funds from the "Personal Services" account will be covered at Fiscal Year's end by transfers from OPM's "RSA" account.

The agency anticipates an end of fiscal year surplus in its Community Support Services account due to surpluses caused by timing issues associated with the contracting process and excess provider COLA funding. These are all one-time funding sources.

The DOC projects an end of fiscal year surplus in BOPP's funding associated with that agency's Personal Services. This surplus is due to significant retirements from BOPP as well as hiring staff at lower pay rates than that paid to the previous position incumbent (i.e. filling Parole Officer II positions with Parole Officer Trainee positions).

Attachment: Appropriation Adjustment Request #DOC0310

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
 APPROPRIATION Adjustment
 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER
PDS98500		Public Defender Services Commission					22-2
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>	
2022	11000	PDS98500	12076	2022	\$1,400,000.00		Assigned Counsel
2022	11000	PDS98500	12090	2022	\$250,000.00		Expert Witnesses
2022	11000	PDS98500	10010	2022		\$1,650,000.00	Personal Services
TOTALS					\$1,650,000.00	\$1,650,000.00	
REASON FOR ADJUSTMENT							
Funding is necessary in the Personal Services account due to labor agreements (SEBAC and managerial increases), and increased costs from accumulated leave payouts for retirees. Funding is available in the Assigned Counsel and Expert Witnesses accounts due a decreased number of costly trial cases during this current fiscal year.							
REQUESTING OFFICIAL (Signature)				TITLE			DATE SIGNED
John Day				Acting Chief Public Defender			5/24/2022
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)					STATUTORY AUTHORITY (for adjustments in appropriations)		

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)		REVIEWED BY BUDGET ANALYST		REVIEWED BY SECTION DIRECTOR	
		Maria V. Cruz (for Jjaramillo)		M.Daskal 05/26/2022	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2022-22	Paul E. Potamianos	6/2/2022			

COMPTROLLER'S USE ONLY

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The following information was submitted by the Public Defender Services Commission for the June 9th 2022 FAC.

1. Information explaining the FAC request i.e. which SIDs, why the request is needed, etc.
 - a. **PDS is requesting a transfer of \$1.4 million from the Assigned Counsel and \$250,000 from the Expert Witnesses accounts to the Personal Services account.**
 - b. **This request is necessary to cover unfunded collectively bargained costs to the Agency, as well as increased accumulated leave payout costs from an increased number of retirements this fiscal year.**

2. Reason(s) for the deficiency in Personal Services and surplus in Assigned Counsel and Expert Witnesses.
 - a. **The shortfall in the Personal Services account is due to unfunded collectively bargained costs to the Agency, as well as increased accumulated leave payout costs from an increased number of retirements this fiscal year.**
 - b. **Funding is available in the Assigned Counsel and Expert Witnesses accounts due to a decrease number of costly trial cases this year, which has resulted in lower than budgeted expenditures. We do not expect this trend to continue in FY 23, as jury trials have resumed in the courts and PDS is experiencing a backlog of cases due to the pandemic.**

Status of Agency Positions

The Public Defender Services Commission provided the following background information regarding hiring and positions:

1. What is your agency's total staffing and how many current open positions (posted v. open but not yet posted)?
 - a. **414 positions filled. Open positions that are posted are 12 not yet posted 5 which are going to be posted sometime in the next 2 weeks.**

2. What are your agency's anticipated retirements and/or openings?
 - a. **As of June 1, 2022 we will have 8 retirements pending the backfills for these positions that are in the recruitment process.**

3. What are your agency's anticipated personnel shortages, including any delays and the timeline to refill?
 - a. **We are experiencing difficulty recruiting attorneys in this job market. We have had a recruitment/retirement plan in place since the fall and we average a 5-6 week timeline depending on positions.**