

FINANCE ADVISORY COMMITTEE

AGENDA

May 12, 2022

Meeting – 1:00 P.M.

1. Minutes of the April 14, 2022 meeting.

2. New transactions as follows:

2022-09	Department of Motor Vehicles	\$4,500,000.00
2022-10	Department of Developmental Services	\$ 10,273,000.00
2022-11	Department of Social Services	\$26,600,168.00
2022-12	Department of Education	\$284,896.00
2022-13	Office of Early Childhood	\$600,000.00
2022-14	Office of Higher Education	\$115,000.00

MINUTES OF THE MEETING OF THE FINANCE ADVISORY COMMITTEE
April 14, 2022

NOTE: *Out of an abundance of caution, the April Finance Advisory Committee meeting was conducted via Zoom. The viewing link was provided for the members of the public and CT-N live broadcasted the meeting.*

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 1:33 p.m.

The minutes of the June 24th, 2021, meeting were adopted.

The following new transactions were considered by the committee:

2022-01 for the Auditors of Public Accounts. Transfer of \$125,000 from the Personal Services account to the Other Expenses account to cover software costs associated with a recent computer equipment refresh.

Representative Walker about the importance of the technology system for the agency's operations. State Auditor Geragosian noted that the agency handles large datasets and files, and had not purchased new computers in five years, which are important for productivity. Representative Walker asked if the Microsoft Office 365 software purchase was for new software or an update, and State Auditor Geragosian noted that they acquired the software at the beginning of the pandemic to support remote operations and communication with the Executive Branch. The license cost is biennial, and the new version of Adobe is not compatible with the auditing software.

The item was unanimously approved.

2022-02 for the Department of Administrative Services. Transfer of \$5,096,105 from various Workers' Compensation Claims accounts to align resources with projected requirements through the end of the year.

Senator Osten noted many of the FAC agenda items reference Personal Services being available due to unfilled vacancies and asked if DAS can provide a listing of positions in process at DAS. Commissioner Gilman noted that there are 425 positions currently posted on JobAps and that recruitment has been aggressive, and while there have been many retirements the statewide position count has remained fairly stable. She noted that the agency will send information on position data by agency, and summarize positions that have been posted, recruited, and are still under recruitment.

Representative France asked if the increase in work related injuries was an increase over what was expected or an increase in year over year work related injuries. Bob Giuditta, Statewide Workers' Compensation Program Director, responded that the increase is a combination of both, and is related to the departments of Mental Health and Addiction Services (DMHAS) and Correction (DOC). He noted that several older claims have resulted in increased costs as they have required surgical reintervention.

Rep. France asked whether an analysis has been done of injury trends. Mr. Giuditta responded that DOC and DMHAS have health and safety committees that review injuries, look for trends, and conduct analyses. He also noted that DAS has a team in the statewide workers' compensation claims unit that links up with these committees to identify trends and work on preventative measures.

Representative Currey asked if DAS can share any reporting on these trends. Mr. Giuditta noted that the health and safety committees at the agencies would have that data.

The item was unanimously approved.

2022-03 for the Department of Criminal Justice. Transfer of \$663,033 from the Personal Services account to various accounts to cover anticipated requirements through the end of the year.

Senator Osten asked about the status of filling vacant positions. Acting Chief State's Attorney John Russotto responded that there are 72 vacant positions out of 501 authorized. Of the 72, he shared that 48 have been posted and are actively in the process of being filled., and the remaining 24 have yet to be posted. He noted that because of retirements and as the fiscal year nears an end, hiring is taking place on a rolling basis. Hiring for State's Attorneys has to go through the Criminal Justice Commission. Attorney Russotto estimates that by the end of the calendar year, DCJ will be back to a more typical level of vacancies. Senator Osten asked whether the level of vacancies requires the agency to cover position duties. Mr. Russotto responded affirmatively, noting growing activity in the courts and in post-conviction activity, with overall case activity almost back to pre-pandemic levels. Senator Osten asked if DCJ human resources staff are within DCJ or at DAS. Mr. Russotto responded that the staff are at DCJ and that the agency is not part of the HR consolidation efforts.

Representative Walker asked about the software costs as a component of the Other Expenses portion of the FAC item. Mr. Russotto responded that they are an ongoing cost and are included in the Governor's proposed budget adjustments for FY 2023. He noted that the FAC transaction is a matter of timing of project completion and wasn't included as part of the adopted budget for the biennium. Representative Walker also asked if DCJ has an agreement with DAS yet related to information technology (IT) work. Mr. Russotto responded that DCJ has a small group of IT professionals. While the agency has people onsite to deal with current operations, there is some work requiring the experience and capabilities of DAS, such as body worn cameras.

The item was unanimously approved.

2022-04 for the Department of Emergency Services and Public Protection. Transfer of \$650,000 from the Personal Services account to the Other Expenses account to support upgrades to agency software to accommodate recent legislation requiring automatic records erasure for certain crimes; funds provided in the budget were inadvertently budgeted in the wrong account.

Senator Osten asked whether the transfer of funds from Personal Services to Other Expenses was because it is more appropriate to pay consultants out of Other Expenses. Dane Silcox, Manager of the State Police Bureau of Identification, responded that this reflects the appropriate source for funding contractual consultant services. OPM Deputy Secretary Paul Potamianos added that funds were carried forward from FY 2021 into FY 2022 in the Personal Services account to support this effort, and because the work is being performed by specialized consultants, a transfer to the appropriate account is required.

Sen. Osten then asked whether the agency was going to lapse funds in Personal Services due to vacancies. Mr. Silcox said the agency would provide an answer.

Representative Walker asked whether the software DESPP was purchasing was for body cameras. Mr. Silcox explained that this was for a computerized criminal history repository used for employment background checks, job licensing background checks, and similar purposes. The "Clean Slate" legislation requires modification of the system to perform specific record erasures. Representative Walker commented on the specialized nature of that activity, and Mr. Silcox concurred.

Rep. Walker asked about the impact of the consolidation of management of IT services under DAS. Mr. Silcox responded that this is a mission-critical criminal justice system for sharing of both state and federal information and that DESPP certainly expects to be supported by DAS.

The item was approved unanimously.

2022-05 for the Department of Mental Health and Addiction Services. Transfer of \$16,700,000 among various accounts to cover operational needs through the end of the fiscal year.

Senator Osten asked how many positions were waiting to be filled in DMHAS. Commissioner Navarretta responded that there were currently 390 positions state-wide in the process of being refilled and most were to support activities at Connecticut Valley Hospital. She noted that the agency had filled 450 positions through February. Sen. Osten asked how many positions the agency had, and the Commissioner responded 3,300. Sen. Osten noted that 390 vacancies represents more than 10% of the agency's position count.

The item was approved unanimously.

2022-06 for the Department of Transportation. Transfer of \$9,213,739 from the Personal Services account to the Other Expenses and Equipment accounts to support anticipated requirements through the end of the year.

Senator Osten asked where the agency stands in the hiring process. Commissioner Giulietti responded that 511 positions are filled but that there were 117 recent retirees. He also noted that retirements are outpacing the agency's ability to fill positions, and that April was a significant month for retirements. Senator Osten asked if the shortage attributed to motor vehicle fuel was in diesel or gas. Finance Administrator Gary Pescosolido responded that it's a mix of both.

Representative France asked if the increase in fleet and equipment repair is about a fleet that's beyond it repair or incidents on the road, whether they would be ongoing costs or an isolated incident. Commissioner Giulietti responded that DOT has been moving to replace the fleet at a point where the vehicles can still be sold. Keeping up with that change-out of vehicles allows DOT to maximize

opportunities. The Commissioner shared impressions from a recent visit to a garage, where he observed how maintenance improves efficiency.

Representative France asked whether hiring has begun for the 206 positions related to the Infrastructure Investment & Jobs Act (IIJA). Deputy Commissioner Mark Rolfe responded that the agency has been hiring for those positions, with 72 of the 206 currently filled and another 90 in process. All the positions are being handled in tranches. He clarified that the equipment need in the FAC is for when those new positions are brought in.

The item was unanimously approved.

2022-07 for the Department of Education. Transfer of \$3,500,000 from the Regional Vocational Technical School System account to the Technical High School Other Expenses account to address increased utility and other contractual costs and to support after-school activities and other operational needs.

Senator Osten asked for information about what hiring delays. Kathy Demsey, Chief Financial Officer, responded that the Career and Technical Education Consortium of States (CTECS) was experiencing recruiting difficulties similar to those experienced by districts statewide, particularly in the areas of special education teachers and normal shortage areas such as math and science.

Sen. Osten asked about the increase in utility costs. Ms. Demsey responded that the increases are spread across all 20 buildings and are driven by a combination of increased utility costs and an increase school usage as the system returns to in-person, rather than hybrid, education, and increased after school activities relative to the previous school year.

Representative Walker asked how many vacancies are in the CTECS system. Dr. Ellen Solek, Interim Superintendent of CTECS, said that the vacancy rate is down from 230 at the beginning of the school year to 50 currently. She offered the example of Special Education, with paraprofessional vacancies declining from 50 to two.

The item was unanimously approved.

2022-08 for the Judicial Branch. Transfer of \$500,000.00 from the Personal Services account to the Other Expenses account to support upgrades to agency software to accommodate recent legislation requiring automatic records erasure for certain crimes; funds provided in the budget were inadvertently budgeted in the wrong account.

Representative Walker asked about the IT costs. Elizabeth Graham, Executive Director of the Administrative Services Division, cited section 208 of Public Act 21-2 as the source of the requirement and that the department is actively engaged in the work required. Representative Walker asked if this funding represents the only expense for that work. Ms. Graham responded that this funding represents all of the funds carried forward, but there are more expenses tied to IT for which the department has reached out to OPM. Representative Walker asked if the current transfer funding is for consultants. Ms. Graham responded affirmatively and that the department knows the due date for the work is coming up quickly. She noted there's also been a challenge in recruiting IT professionals. Representative Walker asked how many IT employees Judicial has, to which Ms. Graham responded approximately 100.

Senator Osten asked whether the funding could be used to fill positions. OPM Deputy Secretary Potamianos noted that this transfer to Other Expenses mirrors the same transaction as the Department of Emergency Services and Public Protection, where funding was carried forward from FY 2021 to FY 2022 in the Personal Services account, but was needed to cover costs supported in the Other Expenses account.

The item was unanimously approved.

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	
DMV35000		Department of Motor Vehicles					FAC 2022-27	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2022	12001	DMV35000	10010	2022	\$4,500,000.00		Personal Services	
2022	12001	DMV35000	10020	2022		\$1,500,000.00	Other Expenses	
2022	12001	DMV35000	12067	2022		\$3,000,000.00	DMV Modernization	
TOTALS					\$4,500,000.00	\$4,500,000.00		

REASON FOR ADJUSTMENT

To transfer \$4,500,000 of unexpended balance from Personal Service to Other Expenses and DMV Modernization. For Other Expense, these funds will cover a projected deficiency due to increased payments for IT licensing costs and to pay for expenses related to the upcoming purchase of body and dashboard cameras for Motor Vehicle Inspectors pursuant to Public Act 20-1, AAC Police Accountability. For DMV Modernization, these funds will provide the resources needed to continue DMV's modernization efforts to upgrade our system capabilities and provide convenient options for Connecticut residents. These solutions will improve efficiency through the use of modern technologies and simplified processes.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Mark Kosh	Supervising Accountant	5/3/2022
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)	STATUTORY AUTHORITY (for adjustments in appropriations)	
	CGS 4-87	

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)	REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR		
	M. LaFayette 05/03/2022	MDaskal 05/03/2022		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2022-09				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF 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
DDS50000		Department of Developmental Services					22-1012
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>	
2022	11000	DDS50000	10010	2022	\$5,000,000.00		Personal Services
2022	11000	DDS50000	12493	2022	\$4,000,000.00		Behavioral Services Program
2022	11000	DDS50000	12607	2022	\$1,273,000.00		Emergency Placements
2022	11000	DDS50000	16108	2022		\$10,273,000.00	Employment Opportunities and Day Services
TOTALS					\$10,273,000.00	\$10,273,000.00	
REASON FOR ADJUSTMENT							
To transfer funds to support ARPA HCBS reinvestment plan requirements.							
REQUESTING OFFICIAL (Signature)				TITLE			DATE SIGNED
Nicholas Jerard				Assistant Chief Fiscal Officer			4/28/2022
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)					STATUTORY AUTHORITY (for adjustments in appropriations)		
					CGS 4-87		

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)		REVIEWED BY BUDGET ANALYST		REVIEWED BY SECTION DIRECTOR	
		Shelly Maynes, 4/29/2022		Judith Dowd 4/29/22	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2022-10					

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

**Finance Advisory Committee Meeting
May 12, 2022**

The Department of Developmental Services (DDS) requests the transfer of \$10,273,000 from the Personal Services, Behavioral Services Program and Emergency Placements accounts to cover shortfalls in the Employment Opportunities and Day Services account.

Personal Services (10010): \$5,000,000 is available in the Personal Services account due to turnover and attrition.

Behavioral Services Program (12493): \$4,000,000 is available in the Behavioral Services Program account due to lower caseloads and more individuals receiving services in their homes rather than in more expensive residential settings.

Emergency Placements (12607): \$1,273,000 is available in the Emergency Placements account due to pandemic-influenced challenges affecting timely establishment of a provider step up /down unit.

Employment Opportunities and Day Services (16108): A transfer of \$10,273,000 is necessary to cover a shortfall in the Employment Opportunities and Day Services account due to implementation of the American Rescue Plan Act (ARPA) home and community-based services (HCBS) reinvestment plan. Funds will support temporary workforce and provider stabilization, expand integration and use of assistive technology and enhance and expand HCBS delivery transformation.

	<u>Reduce</u>	<u>Increase</u>
Personal Services	\$5,000,000	
Behavioral Services Program	\$4,000,000	
Emergency Placements	\$1,273,000	
Employment Opportunities and Day Services		\$10,273,000

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	
DSS60000		Department of Social Services					DSS22098	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>UNALLOTTED</u>	<u>ALLOTMENT</u>		
2022	11000	DSS60000	10010		\$2,810,523.00		Personal Services	
					<u>ALLOTMENT</u>			
2022	11000	DSS60000	10010		\$1,500,000.00		Personal Services	
2022	11000	DSS60000	16020		\$22,289,645.00		Medicaid	
2022	11000	DSS60000	10020			\$768,500.00	Other Expenses	
2022	11000	DSS60000	16061			\$2,300,000.00	Old Age Assistance	
2022	11000	DSS60000	16114			\$1,100,000.00	Connecticut Home Care Program	
2022	11000	DSS60000	16122			\$22,431,668.00	Community Residential Services	
TOTALS					\$26,600,168.00	\$26,600,168.00		

REASON FOR ADJUSTMENT

Funds are being transferred to meet anticipated year-end requirements.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Nicholas Venditto	Chief Financial Officer	5/5/2022
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		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2022-11				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

May 2022 FAC

10020 Other Expenses	\$768,500
16061 Old Age Assistance	\$2,300,000
16114 Connecticut Home Care Program	\$1,100,000
16122 Community Residential Services	\$22,431,668
Total Required	\$26,600,168
10010 Personal Services	(\$4,310,523)
16020 Medicaid	(\$22,289,645)
Total Sources	(\$26,600,168)

Funds are being transferred to the Other Expenses, Old Age Assistance, Connecticut Home Care Program, and Community Residential Services accounts to meet year-end requirements. Funds are being transferred from the Personal Services and Medicaid account.

Other Expenses

Funds in the amount of \$768,500 are being transferred to the Other Expenses account to provide additional funding to cover administrative requirements associated with the ARPA home and community-based services (HCBS) reinvestment plan and the substance use disorder (SUD) waiver. Funding for administrative expenses associated with the ARPA HCBS reinvestment plan and the SUD waiver were not included in the original appropriation as the reinvestment plan and waiver only recently received the necessary federal approvals.

Old Age Assistance

Funds are being transferred to the Old Age Assistance account to meet year-end needs. The Department is currently projecting that up to \$2,300,000 may be needed in this account to meet anticipated expenses through the end of the fiscal year. The program has experienced higher cost trends than had been budgeted, resulting in a projected deficiency.

Note: The SFY 2022 appropriation reallocated \$2,200,000 from the Old Age Assistance account to the Medicaid account to reflect a shift in billing for certain services provided at residential care homes. The implementation of this change in reimbursement has been delayed until SFY 2023, resulting in the need for additional funds to cover projected expenses in SFY 2022.

Connecticut Home Care Program

Funds are being transferred to the state-funded Connecticut Home Care Program account to meet year-end needs. The Department is currently projecting that up to \$1,100,000 may be needed in this account to meet anticipated expenses resulting from program changes associated with the ARPA HCBS reinvestment plan that were not included in the original appropriation. The funds are needed to support temporary provider stabilization payments and a 3.5% rate increase for providers that were included as part of the Department's approved ARPA HCBS reinvestment plan.

Community Residential Services

Funds are being transferred to the Community Residential Services account to meet year-end needs. The Department is currently projecting that up to \$22,431,668 may be needed in this account to meet anticipated requirements resulting from program changes associated with the ARPA HCBS reinvestment plan that were not included in the original appropriation. The funds are needed to support temporary provider stabilization payments, workforce stability incentive payments, provider payments to support stability and infrastructure improvements through technology. All of these payments were included as part of the Department's approved ARPA HCBS reinvestment plan.

Surplus Accounts

Personal Services

With the release of the holdback of \$2,810,523, a total of \$4,310,523 is available for transfer from the Personal Services account. The anticipated lapse is a result of an increased vacancy rate resulting from higher attrition.

Medicaid

Funds in the amount of \$22,289,645 are available for transfer from the Medicaid account. The Department is projecting a surplus in the account as a result of the extension of the public health emergency declaration by the federal government, which maintains the enhanced level of federal reimbursement through June 30, 2022 (reducing the state share of program costs), as well as lower levels of service utilization, combined with the impacts of the ARPA HCBS reinvestment plan. These factors have allowed the Department to make additional funds available to support financial requirements in other accounts.

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
SDE64000		Department of Education					2022-10
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>	
2022	11000	SDE64000	17053		\$284,896.00		Open Choice Program
2022	11000	SDE64000	17047			\$284,896.00	Excess Cost - Student Based
TOTALS					\$284,896.00	\$284,896.00	

REASON FOR ADJUSTMENT

The Department of Education requests the transfer of \$284,896 from the Open Choice Account to the Excess Cost Account. These funds will allow the Department to make the final grant payments while we await refunds for over-payments made in the first statutory payment. Statutorily, districts have two reporting periods for seeking reimbursement for current year special education costs that exceed the 4.5x threshold. The first payment is made based on a preliminary December data filing which may not yet include all of the students that will exceed the threshold for reimbursement. The final payment is based on a March filing which is more comprehensive and reflective of the actual costs districts are incurring. Since the grant is capped within the available appropriation, all payments are reduced to remain within the appropriation. For districts that received additional reimbursement based on the December 1 data, the Department seeks repayment of those funds. However, the receipt of the refunds may not occur in time to complete the actual payments based on the updated March filing.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Kathy Demsey	Chief Financial Officer	4/22/2022
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		
	Peter Hopko 5/4/2022	H. Williams 5/4/22		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2022-12				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

Memorandum

To: Paul Potamianos, Deputy Secretary
Greg Messner, Assistant Executive Budget Officer
Holly Williams, Fiscal and Program Policy Section Director

From: Peter Hopko, Budget Analyst

Date: April 28, 2022

Re: State Department of Education – Finance Advisory Committee Action Request for May 2022

Request/Background:

The Department of Education requests the transfer of \$284,896 from the Open Choice Account to the Excess Cost Account. These funds will ameliorate a potential cashflow issue and allow the Department to make the final excess cost grant payments while awaiting refunds for over-payments made earlier this fiscal year. Funds are available in the Open Choice account due to enrollment trending below budgeted levels.

Statutorily, excess cost payments are made based on two different reporting periods, one using preliminary data in December and another using final data in March. 75% of a district's projected payment is due in February, while the balance is due in May. Excess Cost Grant Payments are calculated within available appropriations. Therefore, depending on the cumulative change in statewide special education expenditures between March and December, some districts will have received projected payments in February that are larger than their actual final payments in May. In this case, SDE seeks refunds from the overpaid districts. However, the refunds may not be processed in time to allow for timely payment to districts who, based on final data, are entitled to grants larger than their preliminary February payments. In order to avoid any administrative delays caused by this cashflow issue, and to ensure compliance with statute, SDE is requesting this FAC transfer.

Recommendation: Approve

This transfer can be made without causing the Open Choice account to be deficient and will ensure SDE's ability to make the final Excess Cost payments of the year without any administrative delays due to cashflow issues.

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	
OEC64800		Office of Early Childhood					2022-01	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2022	11000	OEC64800	16274		\$600,000.00		Early Care & Education	
2022	11000	OEC64800	16158			\$600,000.00	Child Care Quality Enhancement	
TOTALS					\$600,000.00	\$600,000.00		

REASON FOR ADJUSTMENT

The Child Care Quality Enhancement (16158) SID supports a variety of contracts that are designed to increase the quality of and access to child care, along with supporting the School Readiness Admin expenses, and a number of other activities. The Child Care Quality Enhancement SID is projected to be deficient due to the one time costs of digitizing the Care4Kids application in the MyCT Portal, helping to make the Care4Kids program to more accessible to children and families accross the state. In order to continue this vital work, a transfer is needed from the Early Care & Education (16274) line of \$600,000 to cover projected contract expenses through the end of FY2022. The Early Care & Education SID funds the Child Day Care Contracts as well as School Readiness grants. Approximately \$3.1 million is projected to lapse in the Early Care and Education Account due to enrollment in School Readiness and Child Day Care contracts trending below budgeted capacity.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Sarah Poulin	Fiscal Administrative Manager 2	4/28/2022
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)	STATUTORY AUTHORITY (for adjustments in appropriations)	
	CGS 4-87	

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)	REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR		
	Peter Hopko 5/4/2022	H. Williams 5/4/22		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2022-13				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF 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
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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 accommodate this. Therefore, OHE was required to use the appropriated Other Expenses line item to cover those costs. Unfortunately, that line item has incurred ordinary agency expenses and therefore there are insufficient funds to cover the costs for CareerConn. As such, OHE is requesting a transfer of excess funds from Personal Services to Other Expenses to address the deficiency.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Ram Aberasturia	Chief Operating Officer, Division Director	4/25/2022
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	
		M. Izadi 4/27/22		H. Williams 4/27/22	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2022-14					

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND