

FINANCE ADVISORY COMMITTEE

April 6, 2023

Meeting – 1:00 P.M.

Legislative Office Building, Room 1E

1. Minutes of the June 9, 2022 meeting.
2. New transactions as follows:

2023-1	Office of the State Comptroller	\$4,000,000.00
2023-2	Dept. of Administrative Services	\$2,500,000.00
2023-3	DAS – Workers’ Compensation Claims	\$4,850,000.00
2023-4	Dept. of Motor Vehicles	\$5,000,000.00
2023-5	Dept. of Consumer Protection	\$694,500.00
2023-6	Dept. of Housing	\$225,000.00
2023-7	Dept. of Mental Health and Addiction Services	\$18,000,000.00
2023-8	Dept. of Transportation	\$8,398,000.00
2023-9	Dept. of Social Services	\$40,090,000.00
2023-10	Dept. of Education	\$2,022,220.00
2023-11	Dept. of Correction	\$15,000,000.00
2023-12	Judicial Department	\$750,000.00
2023-13	Public Defender Services Commission	\$152,500.00

MINUTES OF THE MEETING OF THE FINANCE ADVISORY COMMITTEE
June 9, 2022

PRESENT: Lieutenant Governor Susan Bysiewicz
Deputy Comptroller Martha Carlson
Deputy Treasurer Darrell Hill
Senator Catherine Osten
Senator Craig Miner
Representative Toni Walker
Representative Jeff Currey
Representative Tammy Zawistowski (alternate for Rep. 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 May 12, 2022, meeting were adopted.

The following new transactions were considered by the committee:

2022-15 for the Office of the State Comptroller. Transfer of \$3,640,000 from the State Employees Health Service Cost accounts in both the General Fund and the Special Transportation Fund to cover various fringe benefit-related requirements in those funds.

Senator Osten asked how many state employees have accepted retirement to date. Tara Downes, Assistant State Comptroller, responded that as of June 8, 2022, the number of intents to retire from January to July was 4,119, and the number of retirement applications received was 3,031. For July 1, 293 intents to retire had been received as of June 8, 2022.

Representative Walker asked if this is in line with predictions. Assistant Comptroller Downes indicated the worst-case scenario of estimated retirements was 8,000 in the Executive branch and 12,000 across all branches of government. The 4,000 intents to retire is about half that, but employees can file for retirement up to the day before July 1, 2022, so the number of actual retirements could increase.

Deputy Comptroller Marti Carlson clarified that the number of retirements stated are system wide and not just the Executive branch. Rep. Walker asked whether that included the Board of Regents (BOR). Ms. Downes answered affirmatively and committed to providing the number of retirements for BOR.

The item was unanimously approved.

2022-16 for the Department of Administrative Services. Transfer of \$475,000 among various Workers' Compensation Claims accounts to cover anticipated requirements through the end of the fiscal year.

The item was unanimously approved without discussion.

2022-17 for the Department of Criminal Justice. Transfer of \$387,000 from the Personal Services account to various accounts to cover projected requirements through the end of the fiscal year.

Senator Osten asked about the number of vacant and authorized positions. Deputy Chief State's Attorney John Russotto responded that the number of vacancies is 75 and that the agency is actively recruiting for 61 of those, and the balance of 15 will be recruited after July. The agency has 501 authorized positions.

Representative Walker asked about the software licenses related to the Other Expenses component of the transaction and whether the need is related to the IT Optimization initiative. Attorney Russotto noted that this item is attributable to the licenses used by DCJ, so it will still be a cost of the agency and not part of the optimization initiative.

The item was unanimously approved.

2022-18 for the Department of Public Health. Transfer of \$495,452 from the Personal Services account to the Other Expenses and Local and District Departments of Health accounts to meet anticipated year-end funding requirements.

Senator Osten asked how many vacancies and authorized positions the agency currently has. Commissioner Juthani identified 481 authorized positions and 129 vacancies, of which 60 are posted and 69 are in various stages of the hiring process. Senator Osten asked for clarification about the positions in various stages of recruitment, and the Commissioner explained that the posting is complete for those positions and candidates could be undergoing screening or being interviewed.

Representative Walker asked how many positions the \$495,000 transfer from Personal Services represents. Michelle Schott, Chief Operating Officer, responded that DPH calculates about \$70,000 per position.

Representative Dathan asked whether the Other Expenses costs for implementing a cannabis public health information program and addition of conditions to the state's newborn screening panel were one-time or ongoing costs. Commissioner Juthani responded that inflationary pressures on laboratory costs were the main driver of increased costs. Representative Dathan asked whether DPH's FY 2023 budget was sufficiently funded. Mrs. Schott confirmed that inflation has had an impact on DPH's laboratory supply costs, and that the state of the agency's budget in FY 2023 will depend in part on what happens with the economy. Representative Dathan stated that this was likely true for all agencies, and Mrs. Schott agreed. Representative Dathan asked whether the cannabis public health information program was a one-time or ongoing program. Commissioner Juthani provided background on DPH's responsibilities regarding data collection on cannabis use and confirmed that this program would be ongoing.

Senator Miner asked whether there are provisions in DPH's vendor contracts that allow for inflation-related surcharges and for an explanation of the types of surcharges DPH is subject to. Mrs. Schott explained that the contracts are through the Department of Administrative Services. While she couldn't speak to the provisions in each contract, she noted that purchasing staff review contracts before paying to determine whether surcharges are legitimate and allowable within the scope of a contract. Senator Miner then expressed a concern that all state agencies could be experiencing increased costs due to surcharges.

Representative Zawistowski asked whether a community with a health department that joins a health district gets per capita funding, and if so, how much that funding is. Commissioner Juthani explained that full-time health departments receive \$1.93 per capita, and health districts receive \$2.60 per capita. She

provided detail on the statutory requirements for qualifying as a health district, as well as clarifying which health departments merged into existing districts this year. Representative Zawistowski asked for a breakdown of health districts compared to towns with their own health departments. Commissioner Juthani identified 20 health districts and 15 full-time health departments.

Senator Osten asked for the commissioner to share with the committee a map, which the Commissioner had presented, demonstrating the statewide coverage of health districts compared to full-time health departments.

The item was unanimously approved.

2022-19 for the Office of Higher Education. Transfer of \$115,000 from the Personal Services account to the Other Expenses account to cover projected requirements through the end of the fiscal year.

Senator Osten requested the total number of authorized positions and the number of vacant positions at the agency. Ram Aberasturia, Division Director for Finance and Human Resources, from the Office of Higher Education responded that 27 positions are authorized, including about 10 vacant positions of which 2 are sufficiently funded.

Senator Miner requested more details about the expenditures that were funded through Other Expenses rather than the Private Occupational School Student Protection Account, including details about certain categories of spending and the agency's process to select a vendor.

Representative Zawistowski asked for background information about the Private Occupational School Student Protection Account and the process that led to the item before the Committee.

Senator Miner requested further clarification about the materials provided by the Office of Higher Education. Extensive discussion followed among Office of Higher Education Executive Director Timothy Larson, Senator Miner, Representative Walker, Representative Currey, Senator Osten and Deputy Secretary Paul Potamianos regarding the CareerConn event and other expenditures related to the item before the committee.

The item was approved by majority roll-call vote, with Senator Miner and Representative Zawistowski voting against.

2022-20 for the Teachers' Retirement Board. Transfer of \$1,000,000 from the Retiree Health Service Cost account to the Municipal Retiree Health Insurance account to address the timing of required state contributions for the increased subsidy required by Public Act 22-118, the enacted budget for Fiscal Year 2023.

The Item was unanimously approved without discussion.

2022-21 for the Department of Correction. Transfer of \$8,756,293 from the Personal Services, Board of Pardons and Parole, and Parole and Community Services accounts to meet the operational needs of the agency for the remainder of the fiscal year.

Senator Osten asked about the agency position counts and whether most of the funding being transferred from Personal Services was related to correction officers. Commissioner Quiros noted that the agency has

397 vacant correction officers. Senator Osten asked about the positions in Inmate Medical Services. Commissioner Quiros gave a breakdown of the types of positions funded under Inmate Medical and the vacancies for each type.

Senator Osten asked whether the funds transferring from the Board of Pardons and Paroles account were related to payroll costs. Rich Sparaco, Executive Director of the Board of Pardons and Paroles, responded that 95% of the Board of Pardons and Paroles account is payroll-related. He said the board has 17 vacant positions, 5 pending, and the remainder are appointed positions over which the agency has no control.

Senator Osten asked whether funding transferring from the Community Support Services account was related to vacant positions or services in the community. Commissioner Quiros responded that it is related to services in the community.

Senator Osten asked whether DOC has looked at services for chronically mentally ill being discharged from DOC. Commissioner Quiros said he would have to get back with more specific information but that Parole and Community Services has a unit dedicated to mental health that works with state agency partners to make sure proper housing is found for these individuals. Senator Osten asked if DOC could provide list of services the department chose not to renew, and Commissioner Quiros said he would provide that information.

Representative Walker asked how many community beds are active and how many does the \$3.2 million represent. Commissioner Quiros said they have 990 active beds compared to 1,100 last year. He explained that the population declined to 9,913 and that with that population drop, 990 beds is sufficient and there is no wait list for halfway house placements.

Representative Walker asked how much the inmate population grew over the last year and whether the number of beds is sufficient. Commissioner Quiros said the population increased by about 800 and that the number of beds is still sufficient.

Representative Walker asked if the agency was placing individuals at end of sentence rather than on parole due to lack of beds. Commissioner Quiros explained that individuals must have a job and adequate housing without any violations before they can be released from parole. Rich Sparaco added that early parole discharges occur after a hearing or review assessing the risk factors. Representative Walker expressed concern whether proper vetting is occurring given the number of vacancies in BOPP. Rich Sparaco explained that BOPP is sufficiently staffed and that the DOC community support staff provides the review to BOPP for consideration.

Representative Walker asked what services were reduced to reflect the \$3.2 million lapsing in the Community Services account. Michael Regan, Chief Fiscal Officer, explained that the lapse did not reflect a reduction in services but was due instead to natural delays in contracting as well as receipt of funds for private provider COLAs in excess of the agency's need.

Representative Walker asked about the funding needed for Inmate Medical Services. Michael Regan explained that it is not related to needs for staffing, but instead to comply with a section of the budget bill requiring transfer of \$10 million from Inmate Medical Services to the State Comptroller for the premium pay program.

Representative Walker asked about the cost of filling 72 Inmate Medical vacancies. Mr. Regan explained that DOC would likely not be able to fill those in this final month of the fiscal year. Representative Walker asked how many positions are needed to run Inmate Medical Services adequately. Commissioner Quiros said the 72 vacancies would, if filled, would make the agency whole. Representative Walker asked if salaries were increased to help in hiring these types of positions, and Commissioner Quiros responded affirmatively.

Senator Osten asked about correction officer vacancies, pending retirements and the impact on overtime. Commissioner Quiros explained that he will be closing a facility that will free up staff to redeploy to other facilities, and that he has a class of correction officers in training now, with another class expected in August. Senator Osten asked whether all the various types of leave correction officers were out on was impacting overtime. Commissioner Quiros said yes. Senator Osten asked if closing the third facility would leave the department short on inmate beds. Commissioner Quiros said DOC will still have 1,600 or so beds available after closure of the facility. Senator Osten asked whether the name of the facility had been announced. Commissioner Quiros indicated that an announcement has not been made yet.

Senator Miner asked about the Other Expenses shortfall and if appropriations were sufficient in FY 2023 based on the factors causing the shortfalls this year. Mr. Regan explained that various factors have impacted supply chains, so DOC experiences delays in receiving good and needs to pre-buy in some cases. He noted that inflationary increases for general commodities and energy were factors, and noted that each facility is like a small town, so commodity increases impact the operating budget. He explained that most commodity contracts are state master contracts and any inflationary surcharges need to be allowable under the terms of those contracts. Senator Miner asked who monitors surcharges and about the review process. Mr. Regan said DAS would have the macro view, agencies and accounts payable staff review contracts and charges at the billing level for compliance with specific contract terms. Senator Miner commented about the impact of inflation on constituents.

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".

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					23-12

FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>	
2023	11000	OSC15000	10010		\$4,000,000.00		Personal Services Account
2023	11000	OSC15000	12647			\$4,000,000.00	Premium Pay Account
TOTALS					\$4,000,000.00	\$4,000,000.00	

REASON FOR ADJUSTMENT
 Request to transfer \$4.0 million from OSC's Personal Services Account to the Premium Pay Account to cover actual costs.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Tara Downes	Deputy Comptroller	3/28/2023
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)	STATUTORY AUTHORITY (for adjustments in appropriations)	
	HB 6001, section 4	

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)	REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR		
		M.Daskal 03/28/2023		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2023-1				

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 2023
General Fund
April 6, 2023

The Office of the State Comptroller is (OSC) is requesting to transfer funds within the State Comptroller Agency Accounts due to deficiencies in the following General Fund account:

Premium Pay	\$4,000,000
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OSC requests to transfer from the following General Fund account:

State Comptroller Personal Services	(\$4,000,000)
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The Premium Pay Account has a deficiency due to the actual costs being greater than the amount allotted for Premium Pay. The number of approved applicants was not known at the time the funds were allotted for the Premium Pay Account.

The State Comptroller's Personal Services Account has a surplus primarily due to retirements and the timing in refilling positions.

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					DAS23020
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>	
2023	11000	DAS23000	10010		\$2,500,000.00		Personal Services
2023	11000	DAS23000	12507			\$2,500,000.00	State Insurance & Risk Mgmt Operation
TOTALS					\$2,500,000.00	\$2,500,000.00	

REASON FOR ADJUSTMENT

To reallocate funding to SID(s) w/projected deficit in FY2023 SIRMB

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Jolita Lazauskas	CFO, DAS	3/22/2023

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
	C. LeMay 3/27/23	M.Daskal 03/27/2023

FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2023-2				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND



State Insurance and Risk Management Board (SIRMB)

The SIRMB is currently projecting a shortfall of \$2,500,000 in the General Fund account.

For FY23, General Fund appropriations for SIRMB Operations totaled \$14,922,588. These monies pay for the following:

- premiums associated with policies purchased by the State to ensure against losses;
- claims and judgments issued against the State for losses that occur within self-insured deductible amounts;
- payments to the insurance broker and Third Party Claims Administrator, which is responsible for managing the state's liability claims; and
- other administrative costs.

The SIRMB is a pay-as-you-go operation that is not permitted to maintain reserves.

The Fleet Liability insurance policy for the State insures approximately 12,000 vehicles, including state-owned buses, and is written subject to a \$4 million per occurrence self-insured retention. SIRMB pays for all fleet claims within the \$4 million self-insured retention out of its allocated fleet claims budget. This fleet claims budget is determined using sound actuarial principals, historical data, industry standards and anticipated exposures. Anything outside of the usual parameters is difficult to predict with any high degree of certainty. SIRMB has been advised in past budgets to prepare a budget based upon the standard frequency and severity of fleet claims and not to build any large fleet claims into the budget.

This fiscal year, there have been some large fleet liability claim settlements that were outside of the Board's standard projections along with premium increases. In addition, some cases are scheduled for trial soon, which may result in additional exposure for this fiscal year. These large fleet liability claims create the anticipated shortfall in the SIRMB account.

Thank you for your consideration of this request. I am pleased to answer any questions you may have.

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		DAS - Workers' Compensation Claims					DAS23021	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2023	11000	DAS23000	12621			\$600,000.00	Workers Comp Claims - UOC	
2023	11000	DAS23000	12625			\$1,900,000.00	Workers Comp Claims - DMHAS	
2023	11000	DAS23000	12628			\$2,350,000.00	Workers Comp Claims - DOC	
2023	11000	DAS23000	12235		\$750,000.00		Workers Comp Claims - GG	
2023	11000	DAS23000	12624		\$2,000,000.00		Workers Comp Claims - DCF	
2023	11000	DAS23000	12626		\$900,000.00		Workers Comp Claims - DESPP	
2023	11000	DAS23000	12627		\$1,200,000.00		Workers Comp Claims - DDS	
TOTALS					\$4,850,000.00	\$4,850,000.00		

REASON FOR ADJUSTMENT

To reallocate funding to SID(s) w/projected deficits in FY2023 (WC).

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Jolita Lazauskas	CFO, DAS	3/22/2023

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
	C. LeMay 3/27/23	M.Daskal 03/27/2023

FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2023-3				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

MEMORANDUM

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

From: Michelle Gilman, Commissioner of Administrative Services

Date: March 7, 2023

Re: Finance Advisory Committee: transfer of funds

The Department of Administrative Services (DAS) is requesting a transfer of \$4,850,000.00 from the Workers' Compensation (WC) SID accounts of the Department of Children and Families (DCF), the Department of Developmental Services (DDS), the Department of Emergency Services and Public Protection (DESPP), and General Government (GG) that are projecting surpluses. DAS requires these funds to cover a \$4,850,000.00 projected shortfall in the Department of Corrections (DOC), the Department of Mental Health and Addiction Services (DMHAS) and the University of Connecticut (UOC) accounts. The WC claims account is provided funding through a central account to pay Workers' Compensation claims for all state agencies, except Judicial.

The Workers' Compensation claims shortfall in DOC, DMHAS and UOC are based on projected and estimated claim expenditures. This year's higher costs are the result of several factors involving work-related injuries that include: rising medical claim costs from orthopedic surgery, doctor visits, physical therapy, hospital inpatient and outpatient care, prescriptions, and increased costs associated with indemnity benefits such as wage replacement benefits, including retroactive adjustments.

If approved by the Finance Advisory Committee, this will assist in balancing the Workers' Compensation claims shortfall by transferring \$4,850,000.00 from WC SID accounts that are projecting a surplus within the central account. The surplus from DCF, DDS, DESPP and GG workers' compensation accounts are projected to be available as a result of a decrease in claim counts and expenditures stemming from injuries involving the following claim types: motor vehicle accidents, exertion, assault/restraints, and claims categorized as struck by or against, slip, trip and falls. A decrease in overall claim counts has subsequently reduced indemnity and medical expenditures resulting in a surplus for these agencies.

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					DMV202303
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>UNALLOTTED</u>	<u>ALLOTMENT</u>	
2023	12001	DMV35000	10010	2023	\$5,000,000.00		Personal Services
2023	12001	DMV35000	12067	2023		\$5,000,000.00	DMV Modernization Fund
TOTALS					\$5,000,000.00	\$5,000,000.00	

REASON FOR ADJUSTMENT

These funds will be used by DMV to further modernize the agency by delivering new services and business capabilities on-line.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Mark Kosh	Supervising Accountant	3/22/2023

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 3/27/2023	M.Daskal 03/27/2023

FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2023-4				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND



STATE OF CONNECTICUT

DEPARTMENT OF MOTOR VEHICLES

SAFETY
SECURITY
SERVICE

DMV

60 State Street, Wethersfield, CT 06161

<http://ct.gov/dmv>

MEMORANDUM

TO: Jeffrey Beckham, Secretary, Office of Policy & Management
FROM: Tony Guerrero, Commissioner, Department of Motor Vehicles
SUBJECT: Finance Advisory Committee Request
DATE: March 22, 2023

The Department of Motor Vehicles is requesting the transfer of \$5 million dollars from the State Transportation Fund Personal Services Account (12001 – 10010) to the Modernization Fund (12001-12067).

Personal Service surplus available for this FAC are due to approximately 120 vacant positions. The DMV is aggressively hiring for vacancies to begin working between March and June of 2023. Selected candidates who accept offers will be hired as the positions occur and throughout fiscal year 2024.

The FAC funds will provide the resources and opportunity necessary to maintain the ongoing modernization efforts.

Highlights of this effort include:

- Expansion of online services - Integrated Appointment System and Document and Compliance Pre-Check system will allow customers to schedule an appointment for multiple transactions in one appointment, as well as establish a preferred method of contact and allows DMV to send reminders as well as guide the customers as to what documents they need to bring.
- Data Strategy: This effort will enable the DMV to establish a centralized customer profile repository that shall be leveraged as the authoritative customer data source for all DMV management systems.
- Enhancement of DMV's Interactive Voice Recognition Capabilities: DMV seeks to increase the number of IVR services providing the customer with more self-service options.
- Payment Processing Upgrade: this initiative will upgrade the current credit card payment capabilities to enable support for: Apple Pay, Chip Reader, and other modern credit card payment methods.
- Continuation of Salesforce platform – ongoing maintenance, support and the procurement of related software is required to ensure the smooth and seamless operations of the on-line systems.
- Training of IT staff for new support functions - DMV IT has very limited remaining resources to ensure that the Salesforce system and its online services are managed, maintained, and functioning 24/7. It is imperative to procure some interim consultant services assistance until the agency is able to hire the necessary staff to assist in DMV's IT maintenance of its modernization efforts and complete the necessary knowledge transfer

All of these efforts will sustain momentum, continue to bring DMV transactions and processes securely into the 21st century, and provide for greater operating efficiencies for the agency and its customers through the use of modern technologies.

I thank you, Mr. Secretary, for your consideration of this request and look forward to answering any questions that you, OPM staff, or members of the FAC may have.

Seat Belts Do Save Lives
An Affirmative Action/Equal Opportunity Employer

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
DCP39500		Department of Consumer Protection					DCP23004
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>	
2023	11000	DCP39500	10010		\$694,500.00		Personal Services
2023	11000	DCP39500	10020			\$694,500.00	Other Expenses
TOTALS					\$694,500.00	\$694,500.00	

REASON FOR ADJUSTMENT

To transfer allotted funds in accordance with CGS 4-87 to meet the operational needs of the Agency regarding the cost for the Statewide Gateway Prescription Monitoring Program annual maintenance cost. Statewide Gateway Prescription Monitoring System was established and previously funded by federal funds. With those funds ending Agency is now responsible for costs. Governor's Proposed Budget for '24-'25 Bienium includes funding. Funding is required here for FY2023 contract to ensure system continues operating.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Jolita Lazauskas	Chief of Fiscal/Administrative Services	3/16/2023

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. LaFayette 03/27/2023	M.Daskal 03/27/2023

FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2023-5				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND



CONNECTICUT DEPARTMENT OF
CONSUMER PROTECTION

To: Paul E. Potamianos - OPM Deputy Secretary
From: Maureen Magnan - DCP Deputy Commissioner
Date: March 15, 2023
Subject: Finance Advisory Committee Approval to Transfer Funds

Section 4-87 of the General Statutes requires Finance Advisory Committee approval for transfers to or from any specific appropriation of a sum in any one fiscal year over \$175,000. The Department of Consumer Protection request to be on the April 6, 2023 meeting agenda to request approval to transfer \$694,500.00 of funds from PS to OE. DCP would explain how \$694,500.00 will cover cost for the Statewide Gateway Prescription Monitoring Program annual maintenance cost.

Approval to transfer these funds is needed **before** the end of the fiscal year in order to expedite payment to our supplier.

If you have any questions regarding this request, please contact Sonya Mathis at sonya.mathis@ct.gov.

Thank you for your consideration in this matter.

Sincerely,

Maureen Magnan

Maureen Magnan, Deputy Commissioner

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	
DOH46900		Department of Housing					23 - 53	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
FY23	11000	46900	16029		\$225,000.00		Subsidized Assisted Living Demonstration	
FY 23	11000	46900	16068			\$225,000.00	Congregate Facilities Operations Costs	
TOTALS					\$225,000.00	\$225,000.00		
REASON FOR ADJUSTMENT								
We anticipate a shortfall in the Congregate Facilities Operations, and a surplus in the Subsidized Assisted Living Demonstration Program. Both programs provide rental and other subsidies to support vulnerable populations, and this transfer will assist in meeting the shortfall, without jeopardizing assistance under other activities of the Department.								
REQUESTING OFFICIAL (Signature)				TITLE			DATE SIGNED	
Seila mosquera-Bruno				Commissioner			3/22/2023	
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)					STATUTORY AUTHORITY (for adjustments in appropriations)			
N/A								

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)		REVIEWED BY BUDGET ANALYST		REVIEWED BY SECTION DIRECTOR	
		M. Green 3/23/2023		H. Williams 3/23/23	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2023-6					

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

Finance Advisory Committee

April 6, 2023

Department of Housing

Description: DOH is requesting an FAC transfer of \$225,000 from the Subsidized Assisted Living Demonstration (SALD) Account, of which the total amount of \$225,000 will be transferred to the Congregate Facilities Operations Costs (CFOC) Account. Lapsing funds in the SALD account are due to lower than anticipated subsidies needed which are driven by actual tenant occupancy and their ability to contribute to the costs of rent and services. Current tenants have been able to contribute more than what was projected 2+ year ago resulting in a lapse to the account. Additionally, DOH has requested a technical reduction in this account in the biennium to true up the appropriation with actual subsidy needs. The transfer is necessary to support increased requirements in the CFOC account due mainly to rising food and utility costs.

Background: Currently, the CFOC account is experiencing an estimated \$1.3 MM shortfall in FY 2023 – this is net of \$700,000 in the Elderly Congregate Subsidy account being utilized to support this SID in FY 2023. Of the \$1.3 MM, \$225,000 is anticipated to be supported via this transfer and the remainder will be coded to the DOH Housing/Homeless Services SID as a qualifying expense under that account as that account is anticipated to lapse funds due to the delayed roll out of CHES. In the Governor's recommended budget, the CFOC account is recommended for funding of \$2.1 MM in FY 2024 and \$2.25 MM in FY 2025 to support the increased costs incurred by this account as a result of costs exceeding what was budgeted due to rising costs of predominately food and utilities.

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	
MHA53000		Mental Health and Addiction Services					MHA23008	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2023	11000	MHA53000	10010	2023	\$18,000,000.00		Personal Services	
2023	11000	MHA53000	10020	2023		\$9,000,000.00	Other Expenses	
2023	11000	MHA53000	12207	2023		\$8,500,000.00	Professional Services	
2023	11000	MHA53000	12289	2023		\$500,000.00	Behavioral Health Medications	
TOTALS					\$18,000,000.00	\$18,000,000.00		

REASON FOR ADJUSTMENT

To transfer funds from the Personal Services account to the Other Expenses, Professional Services and Behavioral Health Medications accounts to cover projected shortfalls.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Cheryl Arora	Chief Fiscal Officer	3/23/2023

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
	Judith Dowd 3/24/23	Judith Dowd 3/24/23

FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2023-7				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

PROPOSED ITEMS FOR APPROVAL
 BY THE FINANCE ADVISORY COMMITTEE (FAC)
 April 6, 2023

The Department of Mental Health and Addiction Services (DMHAS) requests approval of transfers totaling \$18 million from Personal services cover projected shortfalls in the following accounts:

- \$9,000,000 in the Other Expense account (SID 10020)
- \$8,500,000 in the Professional Services account (SID 12207)
- \$500,000 in Behavioral Health Medications (SID 12289)

The \$9 million shortfall in the Other Expenses account (SID 10020) is primarily due to increasing facility maintenance and utility costs, increases in our food procurement contracts, cleaning services, and continued shuttle service costs for the employees at Southwest Mental Health Center in Bridgeport while a new parking garage is under construction.

The \$8.5 million shortfall in the Professional Services account (SID 12207) is attributed to increased use of contracted medical services including contracted psychiatrists and nurses as we continue to face recruitment challenges. Increased utilization and costs for interpreter services are also contributing to this shortfall.

The \$500,000 projected shortfall in Behavioral Health Medications account (SID 12289) reflects the anticipated additional costs related to inflation on prescription medication.

The \$18 million surplus in the Personal Services account (SID 10010) is primarily due to delays in filling vacant positions.

Summary of Transfer:

SID Description	SID	Amount
Transfer Funds From:		
Personal Services	10010	(\$18,000,000)
Subtotal		(\$18,000,000)
To Address Shortfalls In:		
Other Expenses	10020	\$9,000,000
Professional Services	12207	\$8,500,000
Behavioral Health Medications	12289	\$500,000
Subtotal		\$18,000,000
Total		\$0

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	
57000		Department of Transportation					20336	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2023	12001	DOT57000	10010		\$8,398,000.00		Personal Services	
2023	12001	DOT57000	10020			\$7,218,000.00	Other Expenses	
2023	12001	DOT57000	10070			\$400,000.00	Minor Capital Projects	
2023	12001	DOT57000	12175			\$780,000.00	Bus Operations	
TOTALS					\$8,398,000.00	\$8,398,000.00		

REASON FOR ADJUSTMENT

To transfer funding between appropriations to meet agency needs, per attached justification.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Gary Pescosolido	Bureau Chief of Finance and Administration	2/15/2023

BOND COMMISSION DATE AND ITEM NUMBER (if applicable)	STATUTORY AUTHORITY (for adjustments in appropriations)
n/a	Sec 4-87

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)	REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR
	JMjaramillo - 3/27/23	M.Daskal 03/23/2023

FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2023-8				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

Finance Advisory Committee Meeting
March 2, 2023
Justification for Request number DOT20336

The Department of Transportation (Department) requests the transfer of funds between its appropriations as detailed below.

Transfer from:

<u>FUND - SID</u>	<u>Appropriation Title</u>	<u>Transfer Amount</u>
12001-10010	Personal Services	\$ (8,398,000)
	Total	\$ (8,398,000)

Transfer to:

12001-10020	Other Expenses	\$ 7,218,000
12001-10070	Minor Capital Projects	\$ 400,000
12001-12175	Bus Operations	\$ 780,000
	Total	\$ 8,398,000

Funds are available in the **Personal Services** appropriation due to budget savings from delays in the refill of vacant positions and winter overtime savings.

The transfer to **Other Expenses (OE)** is required to cover a projected shortfall and also to shift funds that were provided in the Personal Services budget for items that will be expended from OE for engineer recruitment efforts and interim IIJA staff. The majority (about 94%) of expenditures in OE are non-discretionary. While we continually monitor and restrict purchases to only the most essential, an overall deficit in this appropriation has become unavoidable due to higher-than-budgeted expenses projected in several line items including: contractual premises maintenance and security services; IT expenses; Motor Vehicle Fuel; Highway/Electrical Supplies; highway maintenance vehicle/equipment repair costs and electricity. This shortfall projection accounts for savings anticipated from lower-than-budgeted expenditures for winter materials and winter truck contractors.

FY 2023 DOT OTHER EXPENSES SHORTFALL ANALYSIS		
AMOUNT	Shortfall Description	
(\$300,000)	Hiring recruitment efforts	
(\$100,000)	PSA for 1 interim staff (Gov Fellow) for IIJA	
(\$417,814)	Contracted increases to premises cleaning and maintenance	
(\$136,398)	Contracted increase for Building security	
(\$795,187)	IT related expenses	
(\$2,888,462)	Motor Vehicle Fuel	
(\$3,885,248)	Highway & Electrical commodities	
(\$1,005,894)	Highway vehicle/equip repair	
(\$1,154,486)	Electricity	
	OFFSET BY ANTICIPATED WINTER SAVINGS	
\$ 2,965,490	<i>Salt - assumes exp = "min guarantee"</i>	
\$ 500,000	<i>Winter contractor trucks - if we only expend the min guarantee</i>	
(\$7,218,000)	Total NET Projected Other Expenses Shortfall	

The transfer of \$400,000 to the **Minor Capital Projects** account is needed to fund a budget shortfall for essential facility maintenance that can no longer be deferred, including boiler/furnace replacements at several locations for units that are well beyond their expected service life and are at risk of failure.

The transfer of \$780,000 to **Bus Operations** is required to appropriately record funding intended for public safety related to free bus service. This amount was provided per PA 22-118 Sec. 38, and was recorded in the Department's FY 2023 Personal Services appropriation, however these expenditures will be made from the Bus Operations account.

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					DSS23085	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2023	11000	DSS60000	16020		\$40,090,000.00		Medicaid	
2023	11000	DSS60000	12239			\$3,200,000.00	HUSKY B Program	
2023	11000	DSS60000	16061			\$10,800,000.00	Old Age Assistance	
2023	11000	DSS60000	16071			\$90,000.00	Aid to the Blind	
2023	11000	DSS60000	16077			\$13,800,000.00	Aid to the Disabled	
2023	11000	DSS60000	16090			\$11,300,000.00	Temporary Family Assistance - TANF	
2023	11000	DSS60000	16157			\$900,000.00	State Administered General Assistance	
TOTALS					\$40,090,000.00	\$40,090,000.00		

REASON FOR ADJUSTMENT

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

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Nicholas Venditto	Chief Financial Officer	2/23/2023

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		
	S. Mosimann 3/27/23	Judith Dowd 3/27/23		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2023-9				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

April 2023 FAC

12239 HUSKY B Program	\$3,200,000
16061 Old Age Assistance	\$10,800,000
16071 Aid to the Blind	\$90,000
16077 Aid to the Disabled	\$13,800,000
16090 Temporary Family Assistance - TANF	\$11,300,000
16157 State Administered General Assistance	\$900,000
Total Required	\$40,090,000
16020 Medicaid	(\$40,090,000)
Total Sources	(\$40,090,000)

Funds are being transferred to the HUSKY B Program, Old Age Assistance, Aid to the Blind, Aid to the Disabled, Temporary Family Assistance - TANF, and State Administered General Assistance accounts to meet year-end requirements. Funds are being transferred from the Medicaid account.

HUSKY B Program

Funds are being transferred to the HUSKY B account to meet year-end needs. The Department is currently projecting that up to \$3,200,000 may be needed in this account to meet anticipated expenses through the end of the fiscal year. The program has experienced higher per member per month costs than were budgeted resulting in a projected deficiency.

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 \$10,800,000 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 2023 appropriation reallocated \$8,700,000 from the Old Age Assistance account to the Medicaid account to reflect a shift in billing for certain services provided at residential care homes. After an extensive review by DSS, it was determined that, after factoring in applied income, this initiative would result in additional costs to the state and would have been very difficult for many homes to administer due to its complexity. In addition, the changes in the payment structure would have negatively impacted numerous residents who, ultimately, would have lost both their cash and medical assistance. (Individuals receiving State Supplement benefits are categorically eligible for Medicaid, meaning the loss of cash assistance under the State Supplement program can directly

impact receipt of Medicaid.) Therefore, the Department did not move forward with this change in reimbursement.

Aid to the Blind

Funds in the amount of \$90,000 are being transferred to the Aid to the Blind account to provide additional funding to cover expenditures that are trending higher than budgeted as a result of increased costs per case in the program.

Aid to the Disabled

Funds are being transferred to the Aid to the Disabled account to meet year-end needs. The Department is currently projecting that up to \$13,800,000 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 2023 appropriation reallocated \$11,100,000 from the Aid to the Disabled account to the Medicaid account to reflect a shift in billing for certain services provided at residential care homes. After an extensive review by DSS, it was determined that, after factoring in applied income, this initiative would result in additional costs to the state and would have been very difficult for many homes to administer due to its complexity. In addition, the changes in the payment structure would have negatively impacted numerous residents who, ultimately, would have lost both their cash and medical assistance. (Individuals receiving State Supplement benefits are categorically eligible for Medicaid, meaning the loss of cash assistance under the State Supplement program can directly impact receipt of Medicaid.) Therefore, the Department did not move forward with this change in reimbursement.

Temporary Family Assistance - TANF

Funds in the amount of \$11,300,000 are being transferred to the Temporary Family Assistance - TANF account to provide additional funding to cover the costs associated with increased caseloads and higher than estimated costs per case. Effective July 1, 2022, PA 22-118 increased the standard of need, which resulted in an increase in the income limits for Temporary Family Assistance to 55% of the federal poverty level. Actual costs to date associated with this change in income limits have exceeded appropriated levels.

State Administered General Assistance

Funds in the amount of \$900,000 are being transferred to the State Administered General Assistance account to provide additional funding to cover expenditures that are trending higher as a result of higher than budgeted caseloads in the program. Current caseload projections are 6% higher than appropriated levels.

Surplus Accounts

Medicaid

Funds in the amount of \$40,090,000 are available for transfer from the Medicaid account. The Department is projecting a surplus in the account as a result of the enhanced level of federal reimbursement related to the public health emergency through June 30, 2023 (reducing the state share of program costs). This has 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					2023-08	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2023	11000	SDE64000	17057		\$1,619,220.00		Magnet Schools	
2023	11000	SDE64000	16119		\$403,000.00		Charter Schools	
2023	11000	SDE64000	10020			\$1,619,220.00	Other Expenses	
2023	11000	SDE64000	17030			\$343,000.00	Adult Education	
2023	11000	SDE64000	17047			\$60,000.00	Excess Cost-Student Based	
TOTALS					\$2,022,220.00	\$2,022,220.00		

REASON FOR ADJUSTMENT
Please see attached.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Kathy Demsey	Chief Financial Officer	3/23/2023

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 3/28/2023	H. Williams 3/28/23		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2023-10				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

Department of Education
Request No. 2023-08 for Finance Advisory Committee (FAC) Action

The Department of Education requests the transfer of \$1,619,220 from the Magnet Schools account to the Other Expenses account. Section 2004 of the American Rescue Plan (ARP) Act of 2021 included new Maintenance of Equity (MOEquity) provisions that are a condition for a State educational agency to receive funds under the Elementary and Secondary School Emergency Relief funds of the ARP Act (ARP ESSER). Specifically, for the State to be compliant, it must not in FY 2022 and FY 2023, disproportionately reduce per-pupil State funding to high-need districts below the previous year per pupil amount and for highest-need districts below their FY 2019 per pupil amount. Small increases in annual enrollment for a handful of districts resulted in per pupil decreases which means the State has not met the MOEquity requirement for those districts. This is despite the fact that the State did not decrease Education Cost Sharing funding to any district in FY 2022 and FY 2023. To continue to be eligible for the ARP ESSER funding, the State must allocate additional funding for these districts up to the calculated per pupil threshold.

The Department of Education also requests the transfer of \$403,000 from the Charter School account to the Adult Education account (\$343,000) and Excess Cost-Student Based account (\$60,000). The Adult Education account is an uncapped entitlement account, meaning we do not have statutory authority to reduce the entitlements to remain within the appropriation. Therefore, we must transfer sufficient funds into the account to cover the shortfall. The grant reimburses districts for a percentage of current year costs for adult education programs. Actual costs came in higher than the appropriation.

The transfer of funds to the Excess Cost – Student Based account is necessary because of a timing issue. This grant pays for current year special education costs in excess of 4.5x a district's Net Current Expenditures per pupil. Districts are paid based on two data filings. The first payment is made based on a December estimate of expected costs for the current fiscal year. The second payment is made based on an updated expenditure filing in March. Based on the original estimates, districts may have received more funding in the first payment than they are entitled to. While awaiting refunds from those districts, the final payment in full must be made. To do this we must move a small amount of additional funding to cover the time lag in recovering districts' refunds.

Funding is available in the Charter School account because actual enrollment across the schools was lower than budgeted for. Overall enrollment was down 436 students from the original projections. Therefore, we are requesting to repurpose a portion of these funds to cover additional financial needs in the Adult Education and Excess Cost – Student Based 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	
DOC88000		DEPARTMENT OF CORRECTION					DOC0327	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2023	11000	DOC88000	12302		\$1,000,000.00		Board of Pardons & Parole	
2023	11000	DOC88000	10010		\$14,000,000.00		Personal Services	
2023	11000	DOC88000	10020			\$15,000,000.00	Other Expenses	
TOTALS					\$15,000,000.00	\$15,000,000.00		

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 2023. (See attached memorandum.)

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Michael Regan	Chief of Fiscal/Administrative Services	3/28/2023
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		
	C. LeMay 3/28/23	M.Daskal 03/28/2023		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2023-11				

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

March 28, 2023

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.

The Agency requests a transfer of \$15,000,000 into the "Other Expenses" account from the "Personal Services" account (\$14,000,000) and Board of Pardons and Parole account (\$1,000,000).

The transfer of funds into the "Other Expenses" account is required because of various influences including the impact of increased costs due to inflation and supply chain disruptions, a larger than anticipated confined population and the delay in the closure of the correctional facility required to be closed as part of the FY22/FY23 biennium budget. The impact of inflation on the cost of all goods and services procured by the agency, has been exceptionally pronounced, especially the high cost of electricity. Additionally, escalating maintenance costs, required to preserve aging physical structures and internal systems needed to support the safety and security for both our staff and a growing confined population have contributed to this current deficit. As part of the FY22/FY23 biennium budget, the agency was required to close three correctional facilities. The third closure, which involved a large population facility, was originally scheduled to occur on July 1, 2022, however due to a higher than anticipated confined population and ongoing pressures from the COVID 19 pandemic, the closure was changed to a smaller facility and delayed until April 1, 2023, which has further exacerbated the deficit.

Funds are available from anticipated surpluses in the "Board of Pardons and Paroles" account. The transfer of funds from the "Personal Services" account will be covered with a deficiency appropriation (see Bill [6658](#)).

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	
JUD95000		JUDICIAL BRANCH				2023-2	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>	
2023	11000	JUD95000	12043	2023	\$750,000.00		Alternative Incarceration Program
2023	11000	JUD95000	12105	2023		\$750,000.00	Juvenile Alternative Incarceration
TOTALS					\$750,000.00	\$750,000.00	

REASON FOR ADJUSTMENT

Transfer of \$750,000.00 from 12043-Alternative Incarceration Program to the 12105-Juvenile Alternative Incarceration for the purpose of providing the correct funding source to accommodate the juvenile justice initiatives and crime reduction strategies under PA 22-115.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Mary Kindschi	Deputy Director II / Financial Services - Judicial Branch	3/2/2023

BOND COMMISSION DATE AND ITEM NUMBER (if applicable)	STATUTORY AUTHORITY (for adjustments in appropriations)
	PA 22-115

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)	REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR
	JMJaramillo - 3/14/23	M.Daskal 03/15/2023

FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2023-12				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

Judicial Branch

Finance Advisory Committee Transfer Request 2023 (addendum to B-107)

Transfer of \$750,000.00 from 12043-Alternative Incarceration Program to the 12105-Juvenile Alternative Incarceration for the purpose of providing the correct funding source to accommodate the juvenile justice initiatives and crime reduction strategies under PA 22-115.

PA 22-115, An Act Concerning Juvenile Justice and Services, Firearms Background Checks, and Larceny of a Motor Vehicle, made various changes to juvenile justice related laws. It made changes to procedures when a child is arrested for an alleged delinquent act and expanded an existing law on juvenile serious sexual offender prosecutions to also cover certain homicide and firearm crimes, creates an electronic monitoring program, and established a new penalty structure of larceny of a motor vehicle.

Legislation Provided funding of \$640,000 in the Personal Services account and \$250,000 in the Other Expenses account for the creation of a juvenile electronic monitoring program. An additional \$1,250,000 is provided in FY 23 for the purpose of expanding the REGIONS program and \$750,000 for juvenile program programs.

Currently \$750,000 resides in the 12043 -Alternative Incarceration Program mistakenly and the Branch would like to move the funds to the 12105-Juvenile Alternative Incarceration account to support the services necessary to fulfill the public act.

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					23-1
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>	
2023	11000	PDS98500	10010	2023	\$152,500.00		Personal Services
2022	11000	PDS98500	12090	2022		\$152,500.00	Training And Education
TOTALS					\$152,500.00	\$152,500.00	

REASON FOR ADJUSTMENT

Funding is necessary in the Training and Education account in order to fund various training initiatives proposed by the Agency. These include DefenderLab, DAS continuing education classes for PDS employees and various out-of-state trainings. Funding is available in the Personal Services account due to a delay in filling various vacancies and attrition savings.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
TaShun Bowden-Lewis	Chief Public Defender	3/15/2023
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		
	JMjaramillo - 3/21/23	M.Daskal 03/21/23		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2023-13				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

PDS - 23-1 – FAC

Personal Services to Training & Education

First, **\$40,500** is necessary to adjust for the significant costs that we incurred this year far beyond what we had budgeted in two key areas: out-of-state trainings for attorneys, and DAS continuing education classes.

- With respect to the latter, we experienced an unexpected surge in Division members taking advantage of these courses. We had budgeted \$2,500 for them, based on the usage in prior years, but have spent approximately \$12,000 more than we had projected.
- With respect to the out-of-state travel and trainings, we budgeted \$10k based on the fact that 2-3 folks had done out-of-state programs in the prior FY, with an estimate that there would be 4-5 this year, due to the waning pandemic. However, with TaShun's approval, at this point in time, we are paying for 19 attorneys to do out-of-state trainings, as well as sending two folks to an attorney recruitment event in Washington D.C., for a total additional cost of just under \$40,000.
- As a result of these unexpected expenses, we currently do not have any funds remaining to pay for sending folks to the annual National Criminal Defense College trial skills training, when we traditionally send ~5 attorneys there every year (which costs about \$25,000). This training is the most important out-of-state training that we send folks to, in particular given how many experienced trial attorneys we have lost due to retirements in the past couple of years.

Second, **\$55,000** is necessary to pay for the expected expenses for DefenderLab, our annual week-long trial skills training. This year we have been fortunate enough to obtain approval to provide lodging to all attendees, and found a venue with appropriate facilities that had room for the faculty and attendees that week. Attendees lodging on-site has incredible value in increasing the effectiveness of the training because it allows us to assign homework for the attendees to do during the evenings, which they will then use in the skill-training workshops the following mornings, in addition to fostering community in a Division amongst attorneys that are spread across the state.

This trial skills training for ~25-30 attorneys is particularly critical given the above-mentioned low number of attorneys remaining in the Division with trial experience. The venue (Heritage Hotel in Southbury) estimates that the cost for food and lodging for all faculty and attendees will be \$55,000.

Third, **\$30,000** is necessary to pay for three separate trainings, including travel and lodging expenses for such, that will be provided by Larry Pozner, a nationally-renowned expert on cross-examination.

1. Specifically, we will be bringing Attorney Pozner in to provide training on the foundations of cross-examination at the DefenderLab trial skills training. That involves him flying in on that Monday morning, giving the lecture in the afternoon, staying overnight, and then assisting with small group facilitation the following morning as the attorneys practice basic cross-examination skills.

PDS - 23-1 – FAC

Personal Services to Training & Education

2. Then, in September or October, he will travel out here once again, this time to provide a full-day training on cross-examination in DUI cases, which are some of the most common cases that our new attorneys handle.
3. Finally, Attorney Pozner will provide a remote training that takes place over two afternoons regarding intermediate cross-examination skills, which will be targeted towards attorneys who have a bit of trial experience and are looking to develop their abilities beyond mastering the simple basics of cross-examination.

Finally, I am requesting an additional **\$24,500** to cover any additional unanticipated expenses that arise for the remainder of this year. We fully expect that there will likely be additional requests for out-of-state trainings that may be approved, which we will need to pay for. In addition, there may be other in-house trainings that for which we are requested to provide food or hire faculty.