

MINUTES OF THE MEETING
OF THE FINANCE ADVISORY COMMITTEE

Held in the Room 1E at the Legislative Office Building, on April 14, 2011.

PRESENT: Lieutenant Governor Nancy Wyman
Deputy Comptroller Martha Carlson
Deputy Treasurer Jonathan Harris
Senator Toni Harp
Senator Robert Kane
Representative Toni Walker
Representative Henry Genga
Representative Craig Miner
Deputy Secretary Mark Ojakian
Office of Policy and Management, Finance Advisory Committee Clerk

Absent: Governor Dannel P. Malloy

Lieutenant Governor Wyman called the meeting to order at 3:04 P.M.

1. The minutes of the March 3, 2011 meeting were adopted.
2. The following new transactions were approved by the committee:

FAC 2011-14 - Office of the State Comptroller. This item transfers \$400,000 from Personal Services to Other Expenses to meet contractual obligations of the agency.

Senator Kane asked whether the CORE expenditures (which were listed as a reason for the FAC) had been budgeted. Both Nancy McMahon (from OSC) and Lieutenant Governor Wyman spoke and explained that budgeted contract reductions were unattainable.

Representative Miner asked whether these FACs would result in not meeting budgeted lapses. OPM Executive Budget Officer Paul Potamianos explained that the state is on track to achieve all budgeted lapses.

This item was approved by the committee with Deputy Comptroller Carlson abstaining.

FAC 2011-15 - Department of Administrative Services. This item transfers \$709,683 from Personal Services to Worker's Compensation Administrator to cover third party administrator costs.

Senator Kane asked whether DAS would need to come back next year for additional money.

Deputy Secretary Ojakian explained that this FAC is due to the contract holdbacks which are not expected for next year.

This item was unanimously approved by the committee.

FAC 2011-16 - Division of Criminal Justice. This item transfers \$53,000 Medicaid Fraud Control Unit to Expert Witnesses to meet expenditures.

This item was unanimously approved by the committee.

FAC 2011-17 - Department of Labor. This item transfers \$380,000 from Personal Services, STRIDE and Career Resource Network accounts to the Other Expenses, Jobs' First Employment Services and Apprenticeship Program accounts in order to cover expenditure needs through the end of the fiscal year.

Senator Harp and Representatives Miner and Walker all raised questions regarding the Apprenticeship Program. Specifically, in light of the decrease in apprenticeship program participants, Senator Harp asked whether there are specific trades that are not as attracted to the program and also whether an increase in the fees would decrease the number of apprenticeships in the program. Robert Merola, the chief fiscal officer of DOL, indicated the agency would provide a response in the future as information was not readily available. He also indicated the fee increase may or may not have an impact on the number of individuals who register for the program, but may be more a function of the economy. Representative Miner asked whether there are fewer people in the program and whether there are apprentices in the state who are not registered. Mr. Merola acknowledged this was possible, but resources are currently devoted to promoting the program rather than tracking unregistered individuals. Representative Walker inquired as to whether the department reviews trends in the number of program participants and also commented on the possibility of a correlation between the increase in Jobs First program participants and the state's high unemployment rate.

This item was unanimously approved by the committee.

FAC 2011-18 - Department of Agriculture. This item transfers \$104,500 from WIC Program for Fresh Produce for Seniors to Other Expenses to cover expenditure requirements.

Representative Miner asked if this eliminated dollars for seniors. Commissioner Reviczky answered that the transfer will not impact the upcoming growing season which will begin in June.

Senator Harp asked why there was a delay in printing vouchers. Commissioner Reviczky explained that the vendor with the lowest bid was awarded the contract but that they failed to print the vouchers. The contract was then awarded to the next lowest bidder. Senator Harp went on to express her concerns due to the popularity of this program and that she hoped there would not be issues like this in the future.

Representative Miner asked whether the vouchers that were issued were fully redeemed. Commissioner Reviczky responded that they were but that the previous growing period was closed. The Commissioner also added that USDA funds were also available for the program.

The Deputy Treasurer asked whether the state would lose federal funds because of this transfer. The commissioner responded that we would not be losing federal funds.

This item was unanimously approved by the committee.

FAC 2011-19 - Department of Children and Families. This item transfers \$7,900,000 from Personal Services and Board & Care for Children-Foster accounts in order to cover expenditure needs in the Other Expenses, Workers Compensation and Board & Care for Children-Residential accounts.

Representative Kane asked why DCF did not meet the savings in the Workers Compensation account. Cindy Butterfield, DCF's chief fiscal officer, explained that the agency was spending about as much in this account as last year which is also in line with historical trends.

Representative Walker asked about residential placements. There was discussion on the increase in residential placements due to Raise the Age of Juvenile Jurisdiction initiative and the costs of out of state placements.

Senator Harp asked whether the 114 current vacancies will affect meeting the consent decree. DCF's response assumed this was not a problem at this time. Discussion on Other Expenses indicated the cost drivers in this account are rent increases, snow removal and natural gas costs.

This item was unanimously approved by the committee.

FAC 2011-20 - Public Defender Services Commission. This item transfers \$370,000 from Personal Services to Other Expenses and Expert Witnesses accounts in order to cover increased costs and carried forward bills from FY 2010.

This item was unanimously approved by the committee.

FAC 2011-21 - Commission on Child Protection. This item transfers \$150,486 from Personal Services to Contracted Attorneys in order to address cash flow needs in advance of deficiency bill appropriations.

This item was unanimously approved by the committee.

3. The meeting was adjourned at 3:40 P.M.

Mark E. Ojakian
Clerk