

MINUTES OF THE MEETING
OF THE FINANCE ADVISORY COMMITTEE

Held in the Legislative Office Building, Room 1E, on February 3, 2011.

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

Also present: Senator Edith Prague, Alternate

Lieutenant Governor Wyman called the meeting to order at 1:02 P.M. Introductions of new and returning members of the committee followed.

1. The minutes of the December 2, 2010 meeting were adopted.
2. The following new transactions were approved by the committee:

FAC 2011-7 – Commission on Children – A transfer of \$60,000 from Other Expenses to Personal Services to meet personal services requirements.

There was no discussion, and the item was approved unanimously by the committee.

FAC 2011-8 – Department of Public Health – A total transfer of \$1 million from various accounts to the X-Ray Screening and Tuberculosis account to enable the agency to pay invoices from health care providers for care rendered this year.

Senator Kane asked whether the item transferring funds to the TB account was similar to an FAC transaction last year. The representative from DPH indicated that it was, and explained that the transaction is necessary because the budget was reduced in anticipation of Medicaid reimbursement for services; however, recipients of the department's services are not eligible for Medicaid and DPH is therefore the payor of last resort.

Senator Harp asked for an explanation of funding available in the Community Health Services account. The department noted that contracts paid out of that account were held at last year's level

in an effort to help mitigate the TB deficiency. Senator Harp further inquired about federal reimbursement for TB. A department representative noted that DSS is working on the process. Senator Harp also expressed concern about the department's decision not to move forward with the Fetal and Infant Mortality Review program and to use the funding instead to help mitigate the TB deficiency.

Representative Miner asked about undocumented clients and the number of new clients served. A department representative explained that the program served 3,000 clients last year. In addition, the program serves a number of cases of active TB, some of a drug-resistant variety, and additional clients who have latent TB, and that treatment length and cost vary based on those factors. Services for clients with drug-resistant TB can last 18 to 24 months. Most clients are either legal immigrants who have not been in the country for five years and thus are not eligible for Medicaid or are citizens who do not have insurance.

Senator Prague asked about savings in the Medicaid Administration account due to vacant positions. The department responded that there has been a lag in refilling three vacant positions that will create a lapse that can be transferred to the TB account.

This item was approved by the committee, with Senator Kane casting a "No" vote.

FAC 2011-9 - Department of Transportation – A transfer of \$4,470,000 from the Rail Operations account to Other Expenses to meet expenditures related to recent storm activity.

Representative Miner asked about the portion of the OE deficiency that was attributable to utility costs as well as the reason for the utilities shortfall – was it due to rates or usage. A department representative indicated that the department would get back to the committee as to the cause for this part of the deficiency. Representative Miner then asked if there were any additional surplus funds available in the Rail Operations account. The department representative indicated that the amount available in the Rail Operations account represented the department's best estimate at this time. Senator Kane asked whether the transfer was enough to cover expenses for February and March. Commissioner Parker indicated that it was relatively close in an unpredictable season, and that expenditures to date had been higher than anticipated.

This item was unanimously approved by the committee.

3. The meeting was adjourned at 1:32 P.M.

Mark E. Ojakian
Clerk