

# FINANCE ADVISORY COMMITTEE

## AGENDA

June 4, 2020

Meeting – 12:00 P.M.

1. Minutes of the April 24, 2020 meeting.

2. New transactions as follows:

2020-20	Office of the State Comptroller	\$18,965,000.00
2020-21	Connecticut Agricultural Experiment Station	\$100,000.00
2020-22	Department of Mental Health and Addiction Services	\$200,000.00
2020-23	Department of Social Services	\$8,268,000.00

MINUTES OF THE MEETING OF THE FINANCE ADVISORY COMMITTEE  
April 24, 2020

**NOTE:** Due to the State's declaration of a public health emergency, out of an abundance of caution and in compliance with the State's social distancing measures and consistent with Executive Order 7B, the April Finance Advisory Committee meeting was conducted via teleconference. Executive Order 7B provides for procedures for public meetings in lieu of the provisions of chapter 14 of the general statutes for the duration of the declared public health emergency.

The executive order provides for public meetings to be held by conference call, video conference or other technology as long as:

1. the public has the ability to view or listen to each meeting or proceeding in real time, by telephone, video, or other technology;
2. any such meeting or proceeding is recorded or transcribed, and such recording or transcript shall be posted on the agency's website within seven (7) days of the meeting or proceeding, and made available within a reasonable time in the agency's office;
3. the required notice and agenda for each meeting or proceeding is posted on the agency's website and shall include information about how the meeting will be conducted and how the public can access it;
4. any materials relevant to matters on the agenda, including but not limited to materials related to specific applications, if applicable, shall be submitted to the agency a minimum of twenty four (24) hours prior and posted to the agency's website for public inspection prior to, during, and after the meeting, and any exhibits to be submitted by members of the public shall, to the extent feasible, also be submitted to the agency a minimum of twenty-four (24) hours prior to the meeting and posted to the agency's website for public inspection prior to, during, and after the meeting; and
5. all speakers taking part in any such meeting or proceeding shall clearly state their name and title, if applicable, before speaking on each occasion that they speak." (Ex. Order 7B, March 14, 2020).

The Lieutenant Governor and the Secretary of the Office of Policy and Management convened at the Capitol, adhering to the social distancing requirements. CT-N live broadcast the meeting, including audio of the teleconference participants. The remaining Finance Advisory Committee members and state agency representatives participated remotely by telephone.

PRESENT: Lieutenant Governor Susan Bysiewicz  
Deputy Comptroller Martha Carlson  
Deputy Treasurer Daryl Hill  
Senator Catherine Osten  
Senator Paul Formica  
Representative Toni Walker  
Representative Gail Lavielle  
Representative Michael DiMassa  
Secretary Melissa McCaw  
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 December 19, 2019, meeting were adopted, with Deputy Treasurer Hill abstaining.

The following new transactions were considered by the committee:

2020-04 for the Office of Legislative Management. Transfer of \$900,000 from Equipment to Other Expenses to support the costs of a technology initiative.

Senator Formica asked for a list of equipment items affected by the request. Jim Tamburro, Executive Director of the Office of Legislative Management, committed to providing a list.

This item was unanimously approved.

2020-05 for the Department of Administrative Services. Transfer of \$3,300,000 from the Personal Services and the Rents and Moving accounts to the Insurance and Risk Management and the Workers' Compensation Claims accounts to cover anticipated requirements through the end of the fiscal year.

Senator Formica asked about the number of and reasons for fleet claim settlements, and asked about the reinsurance threshold.

Secretary McCaw explained that the claims are for highway defects and motor vehicle accidents. The fleet liability insurance policy for the State insures approximately 12,000 vehicles and is written subject to a \$4 million per occurrence self-insured threshold, beyond which insurance pays any remaining claim. The State Insurance Risk Management Board pays for all fleet claims at or below this \$4 million threshold from its allocated fleet claims budget.

Representative Lavielle asked whether the total required for claims this year was anomalous or related to a trend that would need to be addressed in the future.

Secretary McCaw responded that budgeting for this account is based on averages and projections and that actual payments in any given year are influenced by a number of variables, including the length of time between accident and resolution (often 3 to 4 years). OPM analyzes the trends and if an adjustment is needed it is proposed in the budget.

This item was unanimously approved.

2020-06 for the Division of Criminal Justice. Transfer of \$325,000 from Personal Services to the Other Expenses, Medicaid Fraud Control Unit, and Witness Protection accounts to cover operational needs through the remainder of the fiscal year.

This item was unanimously approved without discussion.

2020-08 for the Department of Insurance. Transfer of \$350,000 from the Fringe Benefits account to the Other Expenses and Equipment accounts to cover technological upgrades and examination costs in furtherance of the agency's regulatory mission.

Transfer of \$350,000 from Fringe Benefits to Other Expenses and Equipment to cover expenses through the end of the fiscal year.

Representative Lavielle asked about travel for field examiners and whether there may be more cost-effective transportation alternatives.

Jared Kosky, Special Counsel to the Insurance Department Commissioner, responded that the agenda item is for non-discretionary travel incurred by the agency's financial examiners and market conduct examiners related to ongoing examinations conducted at the offices of the insurance companies regulated by the department. For the financial examiners this is a principle element of insurance solvency regulation and for the market conduct examiners it is a necessary function to regulate the market practices of insurers. Such travel generally occurs in-state but can sometimes occur out-of-state. Primarily the expenses incurred are for mileage reimbursement but can also include airfare, lodging, and meals if it is an out-of-state examination. If such examination is of a domestic insurance company the incurred expenses are not reimbursed. If it is an examination of a non-domestic insurance company the expenses are reimbursed but typically not until the completion of the examination. This may mean that expenses occurred in one fiscal year are not reimbursed until the next. Given the nature of these examinations, the expenses do fluctuate from year to year and can be difficult to predict. The department continually assesses ways to reduce such costs without hampering our core functions of examining the companies we regulate.

This item was unanimously approved.

2020-09 for the Department of Public Health. Transfer of \$618,984 from the Personal Services account to the Other Expenses and Local and District Departments of Health accounts to cover operational costs for the remainder of the year as well as funding for an anticipated new district health department.

Senator Formica and Representative Lavielle each expressed interest in one component of the Other Expenses shortfall, a \$50,000 cost for census outreach activities. Lieutenant Governor Bysiewicz explained that various state agencies contributed funds to meet a state matching requirement in order to obtain a \$500,000 philanthropic donation intended to ensure a robust census response. She stated that the initiative's goal is to ensure that federal funding to Connecticut is maximized.

Senator Formica asked whether the Other Expenses cost for consultant services was a total cost or a year to date expenditure amount. Abdi Elmi, Fiscal Services Section Chief, explained that the federal grant supporting the consultants expired on January 31, 2020, and that the \$148,858 cost represents maintaining their services through June 30, 2020.

Senator Formica inquired about \$343,616 in Other Expenses costs for the Public Health Laboratory. He asked whether there was an opportunity to access the state's self-insurance plan to reimburse these costs, noting that certain expenses were associated with fire damage. Mr. Elmi explained that the total expense reflected a variety of laboratory maintenance and repairs, and that costs to remediate the fire damage did not meet the \$250,000 threshold for the state's liability insurance coverage. Secretary McCaw summarized the laboratory cost items.

Representative Walker asked which vacant positions are contributing to the Personal Services surplus. Secretary McCaw identified a few positions by title and promised to provide the full list. She noted that DPH expended \$33.2 million in FY 2019 and was budgeted \$34.8 million in FY 2020 under this line item.

This item was unanimously approved.

FAC 2020-10 for the Department of Developmental Services. Transfer of \$1,700,000 from the Personal Services account to the Other Expenses account to support operational costs for care of individuals in residential settings.

Senator Formica asked about the increase in expenses for services for individuals in residential settings and whether those expenses were related to personnel, capital, equipment or operational costs. Secretary McCaw explained that the Other Expenses line item supported the cost of care of individuals in residential state run facilities and that the salaries were included in the Personal Services line item. She further explained that Other Expenses supports food, clothing, medical services and personal hygiene items for these individuals and that an FAC transfer had occurred last year in order to support such additional costs and that the expenditure level was also consistent with previous years.

Senator Formica asked whether COVID related costs were included. Secretary McCaw said the agenda items presented today do not include such expenditures, and that federal stimulus funds would cover additional unbudgeted costs.

Senator Formica asked whether Southbury operated on a generator. Commissioner Jordan Scheff responded that the campus has its own power plant.

Representative Lavielle stated that her questions were asked and answered.

Senator Osten inquired whether the Personal Services lapse was due to lower than expected overtime costs or higher levels of attrition. Secretary McCaw explained that the lapse was consistent with FY 2019, and Commissioner Scheff confirmed.

This item was unanimously approved.

FAC 2020-11 for the Department of Mental Health and Addiction Services. Transfer of \$1,500,000 from the Personal Services account to the General Assistance Managed Care and Discharge and Diversion accounts to cover necessary costs of behavioral health and community care.

Senator Osten asked what types of licensed positions DMHAS has had difficulty recruiting for, which has contributed to the lapse in Personal Services. Secretary McCaw noted that these licensed positions are clinical in nature including nurses and doctors.

Senator Osten asked if this shortage is a nationwide issue or specific to Connecticut.

Commissioner Miriam Delphin-Rittmon confirmed that there is a nationwide shortage of nurses and physicians. In addition, she said that Connecticut must compete for these positions with neighboring states and Connecticut's salaries are lower than those offered by the private sector and surrounding states. Senator Osten requested additional information outlining Connecticut's salaries compared to the surrounding states for these types of positions and the Commissioner agreed to provide information.

This item was unanimously approved.

2020-12 for the Department of Transportation. Transfer of \$21,566,103 from the Personal Services account and the ADA Para-Transit Program account to various accounts to meet operational needs through the remainder of the fiscal year, primarily in rail and bus operations.

Senator Formica asked whether the Bus Operations shortfall was due to increased expenses, or reduced revenue because people are not using the service. He also asked for the details on the labor contracts and

retroactive wage adjustments contributing to the Rail Operations shortfall. Lastly, he asked for information about how the agency intends to utilize nearly \$500 million in federal stimulus funding.

Secretary McCaw responded that the CARES Act funding can be used to replace lost transit revenues. She further explained that the operational shortfalls are a mixture of one-time and recurring costs. Commissioner Joseph Giulietti noted that the MetroNorth Railroad labor contract adjustments can take four or five years to finalize and therefore some portion may be retroactive. Contract negotiations are handled by the MTA, and Connecticut is advised of the negotiations and shares in a portion of the final costs. He noted that the current relationship between the governors of Connecticut and New York should facilitate greater future communication and input. The commissioner noted that the Bus Operations shortfall is due to a decline in ridership.

Senator Formica inquired about a component of the Bus Operations shortfall tied to the Waterbury garage, and asked whether the drop in ridership was a result of the pandemic or natural ridership trends. Commissioner Giulietti noted that DOT eliminated the need for a second garage because modernization of the first location was able to handle the maintenance for both sites, and the increase in costs was related to maintenance. He further noted that the pandemic has impacted ridership, with exception to the routes in the cities, which have seen an increase. The commissioner shared that the agency is considering whether to adjust routes to increase service in the bigger cities by eliminating multiple stops and would present any changes to the legislature for discussion. Senator Formica requested details on the MetroNorth labor contract.

This item was unanimously approved.

2020-13 for the Department of Social Services. Transfer of \$2,200,000 from the Temporary Family Assistance – TANF account and the Connecticut Home Care Program account to the HUSKY B Program and the State Administered General Assistance accounts to meet anticipated year-end requirements for these entitlement programs.

Senator Formica asked about the lapse in the Connecticut Home Care Program. Secretary McCaw indicated the lapse was due to lower average costs per month and lower utilization in the program, and not to providing fewer services.

Representative Lavielle asked if the transfer from Temporary Family Assistance (TFA) was feasible given the potential for increased caseload due to the pandemic, and if additional expenditures could be funded through federal funds. Secretary McCaw indicated that the TFA account is forecast to lapse \$3.5 million and that a stress test demonstrates that the account is likely to be able to support increased caseload even after accounting for the transfer. Secretary McCaw further indicated that most stimulus dollars cannot be used for these purposes as they not only require a direct COVID impact, but also that costs exceed the budgeted amount.

This item was unanimously approved.

2020-14 for the State Department of Education. Transfer of \$1,129,138 from the Education Cost Sharing Grant and State Charter Schools accounts to the Other Expenses account to make payments to school districts impacted by updated data that would have otherwise affected the amounts of their ECS grants.

Senator Formica asked why funds were available for transfer in ECS and the state charter school accounts. Secretary McCaw explained there was a natural lapse in both accounts, and that the transfer was needed to hold towns harmless due to use of an updated formula component and will be achieved via a memorandum of agreement which will have no minimum budget requirement (MBR) impact on towns.

Representative Lavielle asked whether this transfer was COVID-19 related and why funds were being transferred into Other Expenses. Secretary McCaw stated that this item was not COVID-19 related. State Department of Education Chief Financial Officer Kathleen Demsey explained that funds were being transferred into Other Expenses so there would be no MBR impact to the towns.

Senator Osten asked what would happen to the remaining balance in the state charter school account. Secretary McCaw explained that the department had fully met the obligation of funding the charter school seats, as set forth in the budget, and that the remaining funds are projected to lapse in OPM's latest forecast released on April 20, 2020.

This item was unanimously approved.

2020-15 for the Office of Early Childhood. Transfer of \$310,000 from the Child Care Quality Enhancement account to the Early Head Start – Child Care Partnership and Smart Start accounts to support early childhood programs.

Senator Formica inquired whether the transfer was related to the COVID-19 pandemic, and how the department intended to use federal stimulus funds. Chris Lyddy, Chief Operating Officer of the Office of Early Childhood, explained that the transfer was not COVID-19 related, and outlined the department's efforts to support childcare providers, respond to front-line care workers' childcare needs, and re-open state funded programs.

This item was unanimously approved.

2020-16 for the Department of Correction. Transfer of \$20,027,656 from the Personal Services and Board of Pardons and Parole accounts to various accounts to meet the operational needs of the agency for the remainder of FY 2020.

Senator Formica asked about the transfer increasing the projected shortfall in Personal Services, whether any savings were occurring due to the transition to a new pharmacy provider, and about any COVID related responses and related costs.

Secretary McCaw explained that the FAC transfer was a cash-flow measure to enable payment of bills in the Inmate Medical Services account, and that the resulting Personal Services shortfall would be addressed through the upcoming deficiency appropriations bill. She further explained that monthly pharmacy costs have seen a decline under the new pharmacy provider but that costs related to Hepatitis C treatment and challenges in staffing resulting in overtime costs along with the use of temporary services were contributing to the Inmate Medical shortfall. She noted that COVID-related costs could be covered by federal stimulus funds and asked Commissioner Rollin Cook to detail his agency's COVID response activities. Commissioner Cook described the challenges facing the agency and its accomplishments in dealing with the pandemic.

This item was unanimously approved.

FAC 2020-17 for the Department of Children and Families. Transfer of \$4,180,000 among various accounts to cover anticipated requirements through the remainder of the year.

Senator Formica asked for information about the increased security costs contributing to the Other Expenses shortfall. Commissioner Vanessa Dorantes explained that it represents both the impact of a revised state contract with a contracted security firm and the use of State Police at DCF buildings when safety risks are identified. Chief Financial Officer Cindy Butterfield discussed the process by which the police officers are retained. Senator Formica asked how much DCF pays to retain the officers. Secretary McCaw summarized the factors contributing to the shortfall and indicated that the department would provide further information following the meeting.

This item was unanimously approved.

2020-18 for the Judicial Department. Transfer of \$1,128,661 from the Personal Services account to the Workers Compensation account to cover payouts anticipated through the end of the year.

Representative Lavielle asked whether reducing funding for Personal Services would have an effect on operations. Secretary McCaw shared that the savings are due to natural delays in hiring and attrition. Executive Director of Administrative Services Elizabeth Graham explained that the lapse was anticipated because of a similar lapse last year, and noted that the transfer to Workers' Compensation Claims was a result of the transition of responsibility for juvenile justice to the agency. She noted that the department would likely submit a budget adjustment request for the next biennium in order to correct the ongoing shortfall.

This item was unanimously approved.

2020-19 for the Public Defender Services Commission. Transfer of \$100,000 from the Other Expenses account to the Expert Witnesses account to cover projected costs for expert witnesses.

This item was unanimously approved without discussion.

The meeting was adjourned at 2:36 p.m.

Respectfully submitted,



Melissa McCaw, 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					20-13
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>UNALLOTTED</u>	<u>ALLOTMENT</u>	
2020	11000	OSC15000	12013	2020	\$14,100,000.00		Retired State Employees Health Services Account
					ALLOTMENT		
2020	11000	OSC15000	12013	2020	\$4,130,000.00		Retired State Employees Health Services Account
2020	11000	OSC15000	12010	2020		\$230,000.00	Group Life Insurance
2020	11000	OSC15000	12011	2020		\$4,500,000.00	Social Security Tax- Employers
2020	11000	OSC15000	12608	2020		\$1,500,000.00	SERS Defined Contribution Match- Tier IV
2020	11000	OSC15000	12012	2020		\$12,000,000.00	State Employees Health Services Account
2020	12001	OSC15000	12011	2020	\$735,000.00		Social Security Tax - Employers
2020	12001	OSC15000	12010	2020		\$20,000.00	Group Life Insurance
2020	12001	OSC15000	12608	2020		\$15,000.00	SERS Defined Contribution Match- Tier IV
2020	12001	OSC15000	12012	2020		\$700,000.00	State Employees Health Services Account
TOTALS					\$18,965,000.00	\$18,965,000.00	

**REASON FOR ADJUSTMENT**

We are requesting to transfer funds within our Miscellaneous Fringe Benefit Accounts due to deficiencies in the following General Fund Accounts: Group Life Insurance, Social Security Tax- Employers, State Employees Health Services and SERS Defined Contribution Match- Tier IV accounts. We request to transfer funds from the Retired State Employees Health Services Account. We are requesting to transfer funds within our Miscellaneous Fringe Benefit Accounts due to deficiencies in the following Transportation Fund Accounts: Group Life Insurance, State Employees Health Services and SERS Defined Contribution Match- Tier IV. We request to transfer funds from the Social Security- Employers Account.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Kevin Lembo	Comptroller	5/28/2020
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)		STATUTORY AUTHORITY (for adjustments in appropriations)
		C.G.S 4-87

**OPM USE ONLY**

REVIEWED BY BOND ANALYST (if applicable)		REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR
		K Nolen 5/28/2020	G. Messner 5/28/2020
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)
2020-20			

**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 2020  
General Fund  
June 4, 2020

We are requesting to transfer funds within our Miscellaneous Fringe Benefit Accounts due to deficiencies in the following General Fund accounts:

Group life Insurance	\$ 230,000
Social Security Tax- Employers	\$ 4,500,000
State Employees Health Services Cost	\$12,000,000
SERS Defined Contribution Match- Tier IV	<u>\$ 1,500,000</u>
 Total deficiencies	 \$18,230,000

We request to transfer from the following General Fund account:

Retired State Employees Health Services Cost Account	(\$18,230,000)
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General Fund:

Group Life Insurance has a deficit due to a premium increase that was not planned when the budget was initially enacted.

Social Security Tax has a deficiency due to a higher population of active employees and salary costs that are above the prior year. The FY 2020 Social Security Tax appropriation amount is lower than actual FY 2019 expenditures. Social Security taxes are charged as a percentage of applicable earnings and current year-to-date General Fund salary costs are running about one percent above FY 2019 levels.

The State Employees Health Services Cost account for active employees has a deficit due to two main factors. The number of retirements is lower than anticipated, resulting in more employees remaining on active coverage and not transitioning to retiree health insurance. Also, the premium rate increases for FY 2020 were higher than initially projected due to higher claims experience toward the end of the year. These increases were not fully reflected in the active health appropriation.

SERS Defined Contribution Match - Tier IV has a deficiency due to increased enrollment in Tier IV. New employees in SERS are enrolled in Tier IV and the employer one-percent defined contribution match is charged to this account. The biweekly amounts have been steadily rising throughout the year as new employees are hired. The appropriation for FY 2020 was based on an older actuarial projection and the funding level has not proved to be adequate.

Retiree Healthcare has a surplus due in large part to the lower rate of new retirees coming on board. Also, the Medicare premium reimbursement rate increase was slightly less than anticipated.

Office of the State Comptroller  
Financial Advisory Committee (FAC) Transfer Request for FY 2020  
Transportation Fund  
June 4, 2020

Transportation Fund:

We are requesting to transfer funds within our Miscellaneous Fringe Benefit Accounts due to deficiencies in the following Transportation Fund accounts:

Group life Insurance	\$ 20,000
State Employees Health Services Cost	\$ 700,000
SERS Defined Contribution Match- Tier IV	<u>\$ 15,000</u>
 Total deficiencies	 \$ 735,000

We request to transfer from the following Transportation Fund account:

Social Security Tax- Employers	(\$735,000)
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Group Life Insurance has a deficit due to a premium increase that was not planned when the budget was initially enacted.

The State Employees Health Services Cost account for active employees has a deficit due to two main factors. The number of retirements is lower than anticipated, resulting in more employees remaining on active coverage and not transitioning to retiree health insurance. Also, the premium rate increases for FY 2020 were higher than initially projected due to higher claims experience toward the end of the year. These increases were not fully reflected in the STF active health appropriation.

SERS Defined Contribution Match - Tier IV has a deficiency due to increased enrollment in Tier IV. New employees in SERS are enrolled in Tier IV and the employer one-percent defined contribution match is charged to this account. The biweekly amounts have been steadily rising throughout the year as new employees are hired. The STF appropriation for FY 2020 was based on an older actuarial projection and the funding level has not proved to be adequate.

The Social Security Tax- Employers account has a surplus due to a milder than average winter. In addition, Transportation Fund salaries are approximately two percent lower year-to-date compared with FY 2019, resulting in savings in this appropriation.

## 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	
AES48000		The Connecticut Agricultural Experiment Station				2020-4	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>	
2020	11000	AES48000	10010	2020	\$100,000.00		Personal Services
2020	11000	AES48000	12056	2020		\$100,000.00	Mosquito Surveillance and Disease Control
TOTALS					\$100,000.00	\$100,000.00	
REASON FOR ADJUSTMENT							
<p>To transfer funds from Personal Services (10010) to Mosquito Surveillance and Disease Prevention (12056). This request, if approved, would allow the CAES to establish and maintain fifteen (15) new trapping locations in Eastern Connecticut through fiscal year 2021--to collect and test mosquitoes for disease and virus including Eastern Equine Encephalitis (EEE). The trapping locations would be strategically placed based on the virus activity in 2019.</p>							
REQUESTING OFFICIAL (Signature)				TITLE		DATE SIGNED	
Michael P. Last				Chief Financial Officer		5/13/2020	
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 5/13/20		PJM 5/13/2020	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2020-21					

## COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND



# *The Connecticut Agricultural Experiment Station*

123 HUNTINGTON STREET, P.O. BOX 1106, NEW HAVEN, CONNECTICUT 06504

*Founded 1875*

*Putting Science to Work for Society  
Protecting Agriculture, Public Health, and the Environment*

## **MEMORANDUM**

**TO:** Christopher LeMay, Principal Budget Specialist  
Office of Policy and Management

**FROM:** Michael P. Last  
Chief Financial Officer

**DATE:** May 13, 2020

**SUBJECT:** Financial Advisory Committee – Allotment Request 2020-4

The Connecticut Agricultural Experiment Station (CAES) respectfully requests that \$100,000 be transferred from Personal Services (10010) to Mosquito Surveillance and Disease Control (12056) through submittal to and the approval of the Financial Advisory Committee.

The funding will be a carry-forward to fiscal year 2021 to establish and maintain 15 (fifteen) new trapping locations in Eastern Connecticut for mosquito surveillance and testing for Eastern Equine Encephalitis (EEE) virus and other mosquito-borne diseases. The CAES currently traps and tests mosquitos at 92 locations across the state from June through October. The surveillance program has provided reliable information on local risk of mosquito-borne diseases over the years. However, the 2019 EEE outbreak exposed the need for additional trapping coverage as all the human and most of the equine cases occurred in a newly identified focal area in the lower Connecticut River Valley, where we have less trapping coverage.

Eastern Equine Encephalitis was detected in twenty-eight (28) communities in 2019. There were four confirmed human cases of EEE and three individuals died. There were also 6 (six) horse cases reported, all fatal.

The new trapping locations in Eastern Connecticut will provide comprehensive surveillance and science-based controls to ensure the early detection of disease and to provide timely information to state agencies (CT DPH, DEEP, and DOAG) and local health departments to notify the public and guide disease prevention and the necessary control measures.

If you have any questions or would like additional information, please contact me at 203-974-8442 or via email at [Michael.Last@ct.gov](mailto:Michael.Last@ct.gov).

Phone: (203) 974-8500      Fax: (203) 974-8502  
Toll Free: 1-(877) 855-2237  
[WWW.CT.GOV/CAES](http://WWW.CT.GOV/CAES)  
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## 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				MHA20017	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>	
2020	11000	MHA53000	12444	2020	\$200,000.00		Home and Community Based Services
2020	11000	MHA53000	10020	2020		\$200,000.00	Other Expenses
TOTALS					\$200,000.00	\$200,000.00	
REASON FOR ADJUSTMENT							
To transfer funds from the Home & Community Based Services account to the Other Expenses account to cover shortfalls in the fourth quarter.							
REQUESTING OFFICIAL (Signature)				TITLE			DATE SIGNED
Stephen Dipietro				Chief Fiscal Officer			5/15/2020
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	
		Bailey Mulqueen 5/18/20		jjdowd 5/19/2020	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2020-22					

## COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

**PROPOSED ITEMS FOR APPROVAL  
BY THE FINANCE ADVISORY COMMITTEE  
June 4, 2020**

The Department of Mental Health and Addiction Services requests approval of a transfer of \$200,000 to offset a projected shortfall in the Other Expenses account (SID 10020).

The shortfall in the Other Expenses account results from increased expenditures at facilities providing 24/7 care. Operational costs have increased due to inflation on necessary purchases such as food and utilities as well as facility maintenance and repairs necessary to maintain federal CMS certification.

The Home and Community Based Services account (SID 12444) is currently projected to lapse \$200,000 due to expenditures being less than budgeted.

**Summary of Transfer:**

<b>SID Description</b>	<b>SID</b>	<b>Amount</b>
<b>Transfer Lapse From:</b>		
Home & Community Based Services	12444	(\$200,000)
<b>To Address Shortfall In:</b>		
Other Expenses	10020	\$200,000
<b>Total</b>		<b>\$0</b>

## 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					DSS20109	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2020	11000	DSS60000	16020		\$7,500,000.00		Medicaid	
2020	11000	DSS60000	16077		\$768,000.00		Aid To The Disabled	
2020	11000	DSS60000	16159			\$7,500,000.00	CT Children's Medical Center	
2020	11000	DSS60000	16071			\$25,000.00	Aid To The Blind	
2020	11000	DSS60000	16122			\$743,000.00	Community Residential Services	
TOTALS					\$8,268,000.00	\$8,268,000.00		
REASON FOR ADJUSTMENT								
Funds are being transferred to the Connecticut Children's Medical Center, Aid to the Blind, and Community Residential Services accounts to meet anticipated year-end requirements.								
REQUESTING OFFICIAL (Signature)				TITLE				DATE SIGNED
Michael Gilbert				Deputy Commissioner				5/18/2020
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. Eccleston 5/19/20		jdowd 5/19/2020	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	
2020-23					

## COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

## **June 2020 FAC**

<b>16159 Connecticut Children's Medical Center</b>	<b>\$7,500,000</b>
<b>16071 Aid to the Blind</b>	<b>\$25,000</b>
<b>16122 Community Residential Services</b>	<b>\$743,000</b>
<b>Total Required</b>	<b>\$8,268,000</b>
<b>16020 Medicaid</b>	<b>(\$7,500,000)</b>
<b>16077 Aid to the Disabled</b>	<b>(\$768,000)</b>
<b>Total Sources</b>	<b>(\$8,268,000)</b>

Funds are being transferred to the Connecticut Children's Medical Center, Aid to the Blind, and Community Residential Services accounts to meet year-end requirements. Funds are being transferred from the Medicaid and the Aid to the Disabled accounts.

### **Connecticut Children's Medical Center**

Funds are being transferred to the Connecticut Children's Medical Center (CCMC) account to provide financial relief for CCMC to help address additional financial losses that the hospital has been experiencing. This transfer will be used to provide a one-time payment of \$7.5 million in additional disproportionate share hospital (DSH) payments to CCMC during SFY 2020. It should be noted that this payment will be subject to 56.2% federal reimbursement.

### **Aid to the Blind**

Funds are being transferred to the Aid to the Blind account to meet year-end needs. The department is currently projecting that up to \$25,000 may be needed in this account to meet anticipated expenses through the end of this year. The program has experienced slightly higher cost trends than had been budgeted, resulting in a small projected deficiency.

The SFY 2020 appropriation assumed an average monthly cost per case of approximately \$44,000 per month. The actuals to date have averaged approximately \$45,000 per month, leading to the estimated need of an additional \$25,000 in the Aid to the Blind account.

### **Community Residential Services**

Funds are being transferred to the Community Residential Services account to meet year-end needs. This adjustment reallocates funding from the Aid to the Disabled account to the Community Residential Services account to reflect the shift of funding for Community Companion Home (CCH) provider room and board payments.

The Department of Developmental Services (DDS) offers the CCH program as a comprehensive residential option for individuals with intellectual disability to encourage an inclusive and integrated community setting that provides continuous 24-hour supports in a private family home licensed by the agency. An IRS audit indicated that State Supplement payments to CCHs should be considered income for federal tax purposes whereas they have traditionally been treated as exempt. To address this issue and in order to retain quality licensees and increase the participation of individuals served, the payment mechanism was restructured to remove CCHs from the room and board payment process under DSS, effective January 1, 2020. Payments made under the difficulty of care payment through DDS, the new funding source for CCHs, are not considered income for tax purposes.

## **Surplus Accounts**

### **Medicaid**

Funds in the amount of \$7.5 million are available for transfer from the Medicaid account. The Department is projecting a surplus in the account as a result of a downward trend in utilization of non emergent medical services resulting from the public health emergency. Additionally, the Families First Coronavirus Relief Act (FFCRA) increased the Federal Medical Assistance Percentage (FMAP) by 6.2% for the quarters ending 3/31/20 and 6/30/20. This increase in FMAP has shifted funds from the state share of Medicaid to the federal share of Medicaid. These factors allow the Department to make additional funds available to support financial relief payments to CCMC.

### **Aid to the Disabled**

Funds in the amount of \$768,000 are available for transfer from the Aid to the Disabled account. The Department is projecting a surplus in the account partially resulting from the shift of Community Companion Home (CCH) provider room and board payments from the State Supplement accounts to the Community Residential Services account. Additionally, average monthly expenditures have been running at approximately 7% under budgeted levels.