

FINANCE ADVISORY COMMITTEE

AGENDA

August 13, 2020

Meeting – 2:00 P.M.

1. Minutes of the June 4, 2020 meeting.

2. New transactions as follows:

2021-01	Office of Early Childhood	\$ 1,339,231.00
2021-02	Office of Policy and Management	\$ 707,000.00
2021-03	Department of Administrative Services	\$ 300,000.00

MINUTES OF THE MEETING OF THE FINANCE ADVISORY COMMITTEE  
June 4, 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 June 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 Darrell 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 12:00 p.m.

The minutes of the April 24, 2020, meeting were adopted.

The following new transactions were considered by the committee:

2020-20 for the Office of the State Comptroller. Transfer of \$18,965,000 among various fringe benefit accounts within the General Fund and Special Transportation Fund to align funding with year-end requirements.

Senator Formica asked why the Social Security account had a deficiency in one fund and a lapse in the other fund and whether both should be trending similarly. Secretary McCaw explained that the deficiency in the General Fund was due to more active employees than originally anticipated and to the legislative reduction to the account in the budget. The lapse in the Special Transportation Fund was due to the mild winter which lead to lower payroll and overtime costs. Secretary McCaw further clarified that the higher payroll in the General Fund was due to the refilling of positions and not increases from union contracts.

This item was unanimously approved.

2020-21 for the Connecticut Agricultural Experiment Station. Transfer of \$100,000 from the Personal Services account to the Mosquito Surveillance and Disease Control account to support testing and surveillance related to mosquito-borne diseases and viruses, including Eastern Equine Encephalitis (EEE) from June to October.

This item was unanimously approved without discussion.

2020-22 for Mental Health and Addiction Services. Transfer of \$200,000 from the Home and Community Based Services account to the Other Expenses account to enable payment of some operating expenses until a deficiency appropriation bill is enacted.

There were no questions about the agency's request, but Senator Formica asked if there were other agencies that had deficiencies that needed to be addressed before the end of the fiscal year. Secretary McCaw responded affirmatively and noted that she had shared a draft deficiency appropriation bill with the Appropriations Committee. There were no additional questions.

This item was unanimously approved.

2020-23 for the Department of Social Services. Transfer of \$8,268,000 from the Medicaid and Aid to the Disabled accounts to the CT Children's Medical Center, Aid to the Blind, and Community Residential Services accounts to meet anticipated year-end requirements.

Representative Lavielle asked what was causing the significant losses experienced by the Connecticut Children's Medical Center (CCMC) and if it was one-time.

Secretary McCaw responded that, prior to the public health emergency, CCMC was experiencing some financial issues but that the shortfalls were exacerbated due to the pandemic response and reduced elective procedures, resulting in a reduction in revenue. She also explained that this transaction supports a one-time disproportionate share hospital (DSH) payment, which will be federally reimbursed at 56.2% due to the enhanced federal reimbursement and is intended to offer a small but meaningful measure of assistance to CCMC and ensure the hospital remains compliant with various bond covenants.

This item was unanimously approved.

The meeting was adjourned at 12:19 p.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Melissa McCaw". The signature is written in a cursive style with a large initial 'M' and a long, sweeping tail.

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	
OEC64800		Office of Early Childhood				2021-01	

FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>UNALLOTTED</u>	<u>ALLOTMENT</u>	
2021	11000	OEC64800	16274		\$1,339,231.00		Early Care & Education
2021	11000	OEC64800	16265			\$1,339,231.00	Early Head Start - Child Care Partnership
<b>TOTALS</b>					<b>\$1,339,231.00</b>	<b>\$1,339,231.00</b>	

**REASON FOR ADJUSTMENT**

The Early Head Start Child Care Partnership (EHS-CCP) program combines aspects of the federally funded Early Head Start Program and high-quality child care to provide comprehensive and continuous services to low-income families with infants and toddlers, which creates new opportunities to improve outcomes for infants, toddlers, and their families. The EHS-CCP was designed to ensure that all eligible Early Head Start families remain enrolled for as long as their child is age-eligible. The federally funded portion of this program was approved after the biennial budget was submitted. OEC had included a midterm adjustment to request that the state allocation of EHS-CCP Program funding be aligned with the FY2021 projected program cost of \$1,430,750, but due to COVID-19, session was canceled. Therefore, a transfer is now needed from the Early Care & Education (16274) line of \$1,339,231 to cover projected program expenses through the end of FY21.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Sarah Poulin	Fiscal Administrative Manager 2	7/22/2020
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)	STATUTORY AUTHORITY (for adjustments in appropriations)	
	CGS 4-87	

**OPM USE ONLY**

REVIEWED BY BOND ANALYST (if applicable)	REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR		
	Peter Hopko 7/22/2020	H. Williams 7/23/2020		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2021-01				

**COMPTROLLER'S USE ONLY**

EFFECTIVE DATE	APPROVAL	APPROVAL

\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND



Ned Lamont  
Governor  
Susan Bysiewicz  
Lt. Governor

# STATE OF CONNECTICUT

## OFFICE OF EARLY CHILDHOOD



Connecticut Office of  
Early Childhood

Beth Bye  
Commissioner

### Finance Advisory Committee

#### Transfer Request for Fiscal Year 2021

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#### Background Information

*Early Head Start Child Care Partnership* – Early Head Start (EHS) is funded directly by the U.S. Department of Health and Human Services to provide year-round comprehensive child and family services to low-income pregnant women and families with children birth to 3 years old. EHS settings include center-based, family child care and home-based (home visiting). Through the Early Head Start-Child Care Partnership (EHS-CCP) the OEC provides state funds to support children in the three federally funded programs whose families are not eligible for the Care4Kids subsidy program.

The federally funded portion of this program was approved after the biennial budget was submitted. OEC had included a midterm adjustment to request that the state allocation of EHS-CCP Program funding be aligned with the FY2021 projected program cost of \$1,430,750, but due to COVID-19, session was canceled. Therefore, a transfer is now needed from the Early Care & Education (16274) line of \$1,339,231 to cover projected program expenses through the end of FY21. The enacted budget included an appropriation for the program of \$100,000.

#### Request

The Office of Early Childhood (OEC) respectfully requests to transfer funds projected to lapse from the Early Care and Education SID (16274) for the total program costs of \$1,339,231.

#### **Transfer From:**

(\$1,339,231) *Early Care and Education* – (16274): This account funds two programs, School Readiness and the Child Day Care contracts; which are slot-based programs. While the agency reappropriations under-utilized slots halfway through the year to programs that indicate that have more capacity, historically there is a degree of slots that are not utilized. The account is projected to have a surplus based on program utilization and the account has lapsed at least \$1.4 million since its creation in FY 17.

#### **Transfer To:**

\$1,339,231 *Early Head Start Child Care Partnership (EHS-CCP)* – (16265): OEC requests to transfer \$1,339,231 to the Early Head Start Childcare Partnership line to support projected annual program expenditures for FY 21, based on historical program expenditures of \$1,400,000.

**ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST**

B-107 REV 7/2018

**STATE OF CONNECTICUT  
BUDGET AND FINANCIAL MANAGEMENT DIVISION  
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment     
  APPROPRIATION Adjustment     
  APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER
OPM20000		Office of Policy and Management					21-03
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>UNALLOTED</u>	<u>ALLOTMENT</u>	
2021	11000	OPM20000	10010		\$707,000.00		Personal Services
2021	11000	OPM20000	10020			\$707,000.00	Other Expenses
<b>TOTALS</b>					\$707,000.00	\$707,000.00	

**REASON FOR ADJUSTMENT**

See attached

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
MaryAnn Palmarozza	Chief Administrative Officer	8/3/2020
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)	STATUTORY AUTHORITY (for adjustments in appropriations)	
	CGS 4-87	

**OPM USE ONLY**

REVIEWED BY BOND ANALYST (if applicable)	REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR		
		PJM 8/4/2020		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2021-02				

**COMPTROLLER'S USE ONLY**

EFFECTIVE DATE	APPROVAL	APPROVAL

\* USE ONLY UNALLOTED, ALLOTMENT, RESOURCES OF FUND

OPM FAC Request  
Reason for Adjustment

The Office of Policy and Management (OPM) is requesting the transfer of \$707,000 from Personal Services to Other Expenses to support an intense, year-long contractual support effort to address continuity of state government, evaluating opportunities for restructure, maximizing use of technology and leveraging lean process efficiencies.

The \$707,000 in Personal Services was carried forward from Fiscal Year 2020 as expenditures in Personal Services were less than the appropriation due to delays in filling vacancies and savings in wage adjustments.

Due to an unprecedented number of retirements anticipated by June 30, 2022, the transfer of \$707,000 to Other Expenses will be used to help fund the consultant that will assist state agencies, under the oversight of OPM and the Department of Administrative Services (DAS), to strategically plan for the continuity of state government to ensure we are proactive in planning. The estimated cost of the consultant contract is \$2 million. The balance of the contract will be funded as follows:

- OPM Other Expenses in the amount of \$193,000 carried forward from Fiscal Year 2020;
- DAS will provide \$1.1 million through a combination of funds carried forward from Fiscal Year 2020 and a transfer to be approved by the Finance Advisory Committee.

The Governor's proposed Fiscal Year 2021 mid-term budget adjustment included a plan to transfer projected lapsing funds to the Other Expenses account in OPM for this consultant contract, however, due to COVID-19, the State Capitol was closed and the legislature was not able to vote on mid-term budget adjustments.



**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					DAS21003
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>UNALLOTTED</u>	<u>ALLOTMENT</u>	
2021	11000	DAS23000	10010		\$300,000.00		Personal Services
2021	11000	DAS23000	10020			\$300,000.00	Other Expenses
<b>TOTALS</b>					\$300,000.00	\$300,000.00	

**REASON FOR ADJUSTMENT**

Transfer funding to cover costs for the retirement cliff consultant contract.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Gerald J Lynn	Director, DAS Business Services	7/27/2020
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		
	C. LeMay 7/28/20	PJM - 7/30/2020		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2021-03				

**COMPTROLLER'S USE ONLY**

EFFECTIVE DATE	APPROVAL	APPROVAL

\* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

## MEMORANDUM

To: Melissa McCaw, Secretary of the Office of Policy & Management

From: Josh Geballe, Commissioner of Administrative Services

Date: August 4, 2020

Re: Finance Advisory Committee: transfer of funds with DAS

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The Department of Administrative Services (DAS) is requesting a transfer of \$300K from Personal Services to Other Expenses to support a consulting contract, which will assist the State to strategically plan for the anticipated wave of state employee retirements by June 30, 2022. These funds, in combination with \$800,000 from the agency's Other Expenses account, will total \$1,100,000 in DAS support for the contract.

The total amount of \$1.1 million is a combination of two DAS accounts that were carried forward from Fiscal Year 2020; \$800K was carried forward from DAS Other Expenses due to savings attributed to less-than-anticipated snow removal costs, and \$300K was carried forward from DAS Personal Services related to savings resulting from delays in filling vacancies.