

FINANCE ADVISORY COMMITTEE

AGENDA

June 24, 2021

Meeting – 12:30 P.M.

1. Minutes of the May 6, 2021 meeting.
2. New transactions as follows:

2021-21	Office of the State Comptroller	\$7,671,353.00
2021-22	Department of Motor Vehicles	\$5,000,000.00
2021-23	Department of Insurance	\$141,000.00
2021-24	Department of Mental Health and Addiction Services	\$2,200,000.00
2021-25	Department of Social Services	\$9,420,000.00
2021-26	Department of Education	\$2,218,216.00
2021-27	Judicial Department	\$1,149,202.00
2021-28	Department of Emergency Services and Public Protection	Fee Approval

MINUTES OF THE MEETING OF THE FINANCE ADVISORY COMMITTEE
May 6, 2021

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 August 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 Deputy Secretary of the Office of Policy and Management convened via Zoom. The viewing link was provided for the members of the public and CT-N live broadcasted the meeting. The remaining Finance Advisory Committee members and state agency representatives participated remotely by telephone and Zoom.

PRESENT: Lieutenant Governor Susan Bysiewicz
Deputy Comptroller Martha Carlson
Deputy Treasurer Darrell Hill
Senator Catherine Osten
Senator Craig Miner
Representative Toni Walker
Representative Catherine Abercrombie (alternate for Rep. Walker)
Representative Jeff Currey
Representative Mike France
Representative Lucy Dathan (alternate – non-voting capacity)
Deputy Secretary Konstantinos Diamantis
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 April 1, 2021, meeting were adopted.

The following new transactions were considered by the committee:

2021-14 for the Division of Criminal Justice. Transfer of \$400,000.00 from the Personal Services Expert Witness, and Medicaid Fraud Control Unit accounts to the Witness Protection, Cold Case Unit, and Shooting Task Force accounts to cover anticipated requirements for the remainder of the fiscal year.

Senator Osten asked how many positions were vacant in the agency. Deputy Chief State's Attorney John Russotto responded that a certain level of vacancies is normal and that the hiring and recruitment process, including review by the Criminal Justice Commission, takes time, with hiring also impacted over the past year due to the pandemic.

Representative France asked about filling positions in the Cold Case Unit and the Shooting Task Force with more senior rather than entry-level staff. Deputy Chief State's Attorney Russotto responded that the units require the most experienced personnel.

The item was unanimously approved.

2021-15 for the Department of Emergency Services and Public Protection. Transfer of \$450,000.00 from the Workers' Compensation Claims account to the Other Expenses account to support materials and supplies for a class of Trooper Trainees.

Senator Osten asked whether the lapse in Workers' Compensation was due to fewer cases or lower costs. Deputy Secretary Diamantis responded that due to the pandemic, fewer people were on the road resulting in fewer accidents and injury to troopers. Claims have averaged about \$4 million per year, and in FY 2021, expected expenditures is approximately \$3.2 million.

The item was unanimously approved.

2021-16 for the Department of Development Services. Transfer of \$650,000.00 from Personal Services to Other Expenses to meet end of the year requirements.

Representative Dathan asked whether overtime was lower than expected due to the impact of temporary staff hires or if it was a permanent change that would impact the budget. Commissioner Jordan Scheff explained that the agency has experienced an Other Expenses shortfall for several years, but it is smaller this year than in prior years. The ability to hire temporary staff, especially during the pandemic, allowed the agency to use temporary staff differently than other times and to achieve much of the savings in Personal Services. He noted that the agency strives to manage within their appropriation, but conditions coming out of the pandemic and how DDS needs to spend OE could be largely determined based on ARPA and Coronavirus Relief Funding.

Senator Osten asked how many positions were unfilled and filled. Scott McWilliams, the agency's Chief Fiscal Officer, answered that 595 positions were unfilled and 1,730 filled.

Representative Walker asked how many positions were unfilled at this time last year and whether the number was about the same as now. Mr. McWilliams stated that the exact numbers were not immediately available, but that this number has been consistently high. Representative Walker asked whether high

rates of overtime experienced last year were addressed through the hiring of temporary positions instead of hiring regular staff. Mr. McWilliams explained that DDS hired temporary staff around this time last year in anticipation of increased overtime due to the pandemic. He also noted that utilization of temporary positions helps mitigate the impact of turnover of direct care staff, and that those temporary staff often transition to filling full time positions.

The item was unanimously approved.

2021-17 for the Department of Mental Health and Addiction Services. Transfer of \$5,000,000.00 from Personal Services to the Workers' Compensation Claims and Professional Services accounts to meet end of year requirements.

Senator Osten asked how many unfilled and filled positions were in the agency. Commissioner Delphin-Rittmon responded that there were 516 vacancies and 2,924 filled positions. Sen. Osten asked whether DMHAS was having difficulty filling positions. Commissioner Delphin-Rittmon responded that the agency has been struggling to hire skilled healthcare professionals like doctors and nurses. She noted that the agency attempting to ramp up its recruitment process to better attract and hire new staff.

Representative Walker asked why the agency's vacancies had increased from 368 to 516 since the agency testified before the Appropriations Committee. Commissioner Delphin-Rittmon said that she thought 516 might be slightly high because the agency has commitments from and is in the process of hiring several new employees. Rep. Walker asked what specific positions DMHAS has not been able to fill. The Commissioner responded that they have been struggling to recruit and retain nurses, doctors, forensic treatment specialists, and mental health associates. Rep. Walker noted that all those positions are critical to the care of clients, particularly in the light of COVID-19. Rep. Walker asked whether DMHAS is adjusting salaries and job specifications to address the issue. Commissioner Delphin-Rittmon responded that DMHAS is bringing on additional Human Resources staff who will be working directly out of facilities to attract new talent.

Representative France asked Commissioner Delphin-Rittmon whether the Workers' Compensation deficiency was due to claims from FY 2020 being adjudicated in FY 2021. The Commissioner responded that DMHAS saw increased claims as well as a carryforward of costs from FY 2020. Rep. France asked whether the increase was due to the number of claims or level of severity. Commissioner Delphin-Rittmon responded that it is difficult to predict costs because healthcare costs often shift and change over time and clarified that this year DMHAS has seen an increase in the number of claims.

The item was unanimously approved.

2021-18 for the Department of Education. Transfer of \$1,529,737.00 from the Charter Schools account to the Education Equalization Grant account to enable full payment of ECS grants to towns.

Senator Osten asked if the lapsing funds were available in the Charter School Account due to the closure of two charter schools in Stamford. Deputy Secretary Diamantis affirmed that this was the case.

The Item was unanimously approved.

2021-19 for the Teachers' Retirement Board. Transfer of \$1,806,000.00 from the Retiree Health Service Cost account to the Retirement Contributions account in order to meet the State's required employer contribution to the retirement fund.

The item was unanimously approved without discussion.

2021-20 for the Department of Children and Families. Transfer of \$700,000.00 from Personal Services to the No Nexus Special Education account to support education costs of certain children in the agency's care.

Senator Osten inquired about the agency's filled and unfilled position counts. Commissioner Vanessa Dorantes identified 262 vacant and 2,837 filled positions. Senator Osten asked if the number of students served through the No Nexus Special Education account has grown, and if their education costs are increasing. The Commissioner, assisted by Chief Financial Officer Cindy Butterfield, stated the number of students has remained consistent as compared to last year, but that the number is 30-40 higher than a few years ago. Both concurred that the cost per student has grown.

Representative Walker asked for an explanation of what is meant by "no nexus." Commissioner Dorantes explained that this means a student's parent has no legal connection to a local education authority, for reasons such as parental incarceration or having moved out of state. Representative Walker inquired whether the no nexus caseload has been influenced by the COVID-19 pandemic. The Commissioner indicated there was no certain connection.

Representative Walker asked about the type of facility in which the students reside and their reason for placement. Ms. Butterfield identified private residential treatment centers and small out-of-state facilities, indicating that these settings address the children's intensive needs. The Commissioner cited agency protocols that require that the least restrictive placement be used to meet a child's specialized needs.

Representative France asked whether the prior year student growth was an anomaly. Ms. Butterfield discussed a significant drop in out-of-state placements in recent years as a contributing factor. Deputy Secretary Diamantis commented on a similar trend whereby local school districts are bringing students back from out-of-state, with more services being provided in-state.

The item was unanimously approved.

The meeting was adjourned at 1:45 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Konstantinos Diamantis".

Konstantinos Diamantis, 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					21-08	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2021	11000	OSC15000	12007	2021	\$7,171,353.00		Higher Education Alternate Retirement	
2021	11000	OSC15000	12009	2021		\$3,371,353.00	Judges and Compensation Commissioner Retirement	
2021	11000	OSC15000	12011	2021		\$1,800,000.00	Social Security Tax- Employers	
2021	11000	OSC15000	12608	2021		\$2,000,000.00	SERS Defined Contribution Match- Tier IV	
2010	12001	OSC15000	12012	2021	\$500,000.00		State Employees Health Services Account	
2021	12001	OSC15000	12010	2021		\$30,000.00	Group Life Insurance	
2021	12001	OSC15000	12018	2021		\$425,000.00	Other Post Employment Benefits	
2021	12001	OSC15000	12608	2021		\$45,000.00	SERS Defined Contribution Match- Tier IV	
TOTALS					\$7,671,353.00	\$7,671,353.00		

REASON FOR ADJUSTMENT

We are requesting to transfer funds within our Miscellaneous Fringe Benefit Accounts due to deficiencies in the following General Fund Accounts: Judges & Compensation Commissioner Retirement, Social Security Tax- Employers, and SERS Defined Contribution Match- Tier IV. We request to transfer funds from the Higher Education Alternate Retirement 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, Other Post Employment Benefits and SERS Defined Contribution Match- Tier IV. We request to transfer funds from the State Employees Health Services Account.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Kevin Lembo	Comptroller	5/18/2021
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)	STATUTORY AUTHORITY (for adjustments in appropriations)	
n/a	C.G.S. Sec.4-87	

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)	REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR		
n/a	K. Nolen 5/19/2021	G. Messner 6/8/21		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2021-21				

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 2021
General Fund
June 3, 2021

The Office of the State Comptroller is (OSC) is requesting to transfer funds within the Miscellaneous Fringe Benefit Accounts due to deficiencies in the following General Fund accounts:

Judges and Compensation Commissioners Retirement	\$ 3,371,353
Social Security Tax- Employers	\$ 1,800,000
SERS Defined Contribution Match- Tier IV	<u>\$ 2,000,000</u>
 Total Deficiencies	 \$ 7,171,353

OSC requests to transfer from the following General Fund account:

Higher Education Alternate Retirement	(\$7,171,353)
---------------------------------------	---------------

Judges and Compensation Commissioners Retirement has a deficiency due to an updated actuarial valuation as of June 30, 2020, which increased the employer contribution for FY 2021. Normally this increase would have been addressed through mid-term budget adjustments for the second year of the biennium, but that was not possible during the 2020 legislative session.

Similarly, the Social Security Tax deficiency is primarily the result of there not being any mid-term budget adjustments for the second year of the biennium.

The SERS Defined Contribution Match - Tier IV has a deficiency due to the increased costs in the Tier IV account. New employees enrolled in SERS retirement are assigned to the Tier IV plan, therefore expenditures in this account have increased steadily through the year. The appropriation for FY 2021 is lower than the actual expenditures for FY 2020 since the original amount was based on older actuarial projections.

The Higher Education Alternate Retirement (ARP) Appropriation has a surplus due to the change in accounting method from net budgeting to gross budgeting. Again, this appropriation adjustment was not captured for FY 2021 because there were no mid-term budget adjustments for the second year of the biennium.

Office of the State Comptroller
Financial Advisory Committee (FAC) Transfer Request for FY 2021
Special Transportation Fund (STF)
June 3, 2021

The Office of the State Comptroller is (OSC) is requesting to transfer funds within the Miscellaneous Fringe Benefit Accounts due to deficiencies in the following Transportation Fund accounts:

Group life Insurance	\$ 30,000
Other Post-Employment Benefits	\$ 425,000
SERS Defined Contribution Match - Tier IV	<u>\$ 45,000</u>
 Total Deficiencies	 \$ 500,000

OSC requests to transfer from the following Transportation Fund account:

State Employees Active Health Services Cost	(\$500,000)
---	-------------

Group Life Insurance has a deficit due to a rate increase that was not planned when the original biennial budget was enacted.

The Other Post Employment Benefits Account has a deficit primarily due to the FY 2021 Appropriation being lower than the FY 2020 actual costs. There were not any mid-term budget adjustments for the second year of the biennium to make an adjustment to the appropriation.

The SERS Defined Contribution Match - Tier IV has a deficiency due to the increased costs in the Tier IV account. New employees enrolled in SERS retirement are assigned to the Tier IV plan, therefore expenditures in this account have increased steadily through the year. The appropriation for FY 2021 is lower than the actual expenditures for FY 2020 since the original amount was based on older actuarial projections.

The State Employees Health Services Cost account has a surplus due to lower than anticipated costs primarily due vacancies in the DOT personal services account, which resulted in fewer covered employees.

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					DMV202002	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2019	12001	DMV35000	10010	2019	\$5,000,000.00		DMV Personal Services	
2019	12001	DMV35000	12067	2019		\$5,000,000.00	DMV Modernization Fund	
TOTALS					\$5,000,000.00	\$5,000,000.00		

REASON FOR ADJUSTMENT

To transfer \$5,000,000 of unexpended balance from the DMV Personal Service Fund to the DMV Modernization Fund. These funds will provide the resources needed to continue DMV's Modernization efforts to upgrade our system capabilities and provide convenient options for Connecticut residents. These solutions will improve efficiency through the use of modern technologies and simplified processes.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Darrell Grant	Fiscal Administrative Manager 2	5/14/2021
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		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2021-22				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND



STATE OF CONNECTICUT
Department of Motor Vehicles

Antonio Guerrero
Deputy Commissioner

Telephone: (860) 263-5015
Fax: (860) 263-5542
Tony.Guerrera@ct.gov

May 18, 2021

TO: Kosta Diamantis, Deputy Secretary, Office of Policy & Management

FROM: Tony Guerrero, Deputy Commissioner, Department of Motor Vehicles

SUBJECT: June 2021 Finance Advisory Commission Request

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 DMV Modernization Fund (12001-12067). These funds will provide the resources to continue DMV's modernization efforts to upgrade our system capabilities and provide convenient options for Connecticut residents. These solutions will improve efficiency through the use of modern technologies and simplified processes.

Explanation of Surplus:

The DMV's Personal Services budget has been based on full staffing without consideration for vacancies and time to hire. Due to this, the DMV has had Personal Service lapses exceeding \$5M in each fiscal year since FY18. The current fiscal year will be the last budget cycle that this surplus will occur, as the agency's FY22/23 budgets have been reduced by \$3.2M to reflect current hiring practices.

Modernization Funding Request:

This funding will be utilized to position the agency to be able to proceed with additional Modernization projects as they are evaluated and prioritized. We have had success with our online license renewal and change-of-address transactions, and we are actively researching how to continue this effort. The DMV has contracted with Deloitte to analyze and upgrade additional transactions to be completed online. These upgrades will expand the convenient online options available to our residents to conduct business with the agency.

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	
DOI37500		Department of Insurance					2021-02	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2021	11000	DOI37500	12244	2021	\$141,000.00		Fringe Benefits	
2021	11000	DOI37500	10020	2021		\$141,000.00	Other Expenses	
TOTALS					\$141,000.00	\$141,000.00		

REASON FOR ADJUSTMENT

Expenditures for Fringe Benefits are projected to be lower than the appropriated amount due to a combination of retirements during FY 2021 and the actual fringe rate running lower than budgeted. The Insurance Department can use the projected surplus to purchase necessary IT equipment for continued telework and video conferencing. The large conference room which hosts many hearings for the department has equipment that has reached end of life status and needs to be replaced. Also, the agency has an increase in need for telework equipment for staff which includes laptops and necessary peripherals and security devices.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Joshua Hershman	Deputy Commissioner	5/20/2021
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)	STATUTORY AUTHORITY (for adjustments in appropriations)	
	C.G.S. SEC 4-87	

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)	REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR		
	M. LaFayette 06/01/2021	PJM 6/2/2021		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2021-23				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

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					MHA21015
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>	
2021	11000	MHA53000	10010	2021	\$2,200,000.00		Personal Services
2021	11000	MHA53000	12235	2021		\$2,200,000.00	Workers' Compensation Claims
TOTALS					\$2,200,000.00	\$2,200,000.00	

REASON FOR ADJUSTMENT

To transfer anticipated lapse from the Personal Services account to the Workers' Compensation Claims account. The Workers' Compensation Claims shortfall is the result of a carryforward of \$1.2 million in costs from FY 2020 as there was no deficiency bill and claims trending higher than budgeted amounts.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Stephen Dipietro	Chief Fiscal Officer	5/19/2021
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		
	Jillian Cundari, 5/25/21	Judith Dowd 5/26/21		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2021-24				

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 3, 2021

The Department of Mental Health and Addiction Services requests approval of a transfer totaling \$2.2 million to cover a projected shortfall in the Workers' Compensation Claims account:

The anticipated shortfall in the Workers' Compensation Claims account is the result of the carryforward of \$1.2 million in costs from FY 2020 into this year and claims trending higher than budgeted amounts.

The Personal Services account is currently projected to lapse an additional \$2.2 million which is primarily attributed to delays in filling open positions and a reduction of overtime to date. The agency has struggled to recruit and retain skilled healthcare professionals like psychiatrists, psychologists and nurses, therefore increasing the need for contracted services in the Professional Services account.

This FAC will address the remaining shortfalls and allow the agency to come off the Deficiency bill.

Summary of Transfer:

SID Description	SID	Amount
Transfer Funds From:		
Personal Services	10010	(\$2,200,000)
Subtotal		(\$2,200,000)
To Address Shortfalls In:		
Workers' Compensation Claims	12235	\$2,200,000
Subtotal		\$2,200,000
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	
DSS60000		Department of Social Services					DSS21114	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>		
2021	11000	DSS60000	16020		\$7,500,000.00		Medicaid	
2021	11000	DSS60000	16061		\$300,000.00		Old Age Assistance	
2021	11000	DSS60000	16071		\$20,000.00		Aid To The Blind	
2021	11000	DSS60000	16077		\$1,600,000.00		Aid To The Disabled	
2021	11000	DSS60000	16122			\$1,920,000.00	Community Residential Services	
2021	11000	DSS60000	16159			\$7,500,000.00	Connecticut Childrens's Medical Center	
TOTALS					\$9,420,000.00	\$9,420,000.00		

REASON FOR ADJUSTMENT

Funds are being transferred to the Connecticut Children's Medical Center and Community Residential Services accounts to meet anticipated year-end requirements.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Nicholas Venditto	Chief Financial Officer	5/25/2021

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
	Owen Rood - 5/26/21	judith dowd 5/26/21

FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2021-25				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

June 2021 FAC

16159 Connecticut Children’s Medical Center	\$7,500,000
16122 Community Residential Services	\$1,920,000
Total Required	\$9,420,000
16020 Medicaid	(\$7,500,000)
16061 Old Age Assistance	(\$300,000)
16071 Aid to the Blind	(\$20,000)
16077 Aid to the Disabled	(\$1,600,000)
Total Sources	(\$9,420,000)

Funds are being transferred to the Connecticut Children’s Medical Center and Community Residential Services accounts to meet year-end requirements. Funds are being transferred from the Medicaid and the State Supplement 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 2021. It should be noted that this payment will be subject to 56.2% federal reimbursement.

Community Residential Services

Funds are being transferred to the Community Residential Services account to meet year-end needs. This adjustment reallocates funding from the State Supplement accounts 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% throughout SFY 2021. 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.

State Supplement for the Aged, Blind and Disabled

Funds in the amount of \$1,920,000 are available for transfer from the Old Age Assistance (\$300,000), Aid to the Blind (\$20,000) and Aid to the Disabled (\$1,600,000) accounts. The Department is projecting a surplus in these accounts 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 under budgeted levels.

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					2021-11
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
2021	11000	SDE64000	12519		<u>UNALLOTTED</u> \$1,402,958.00	<u>UNALLOTTED</u>	Reg. Voc. Tech. School System
2021	11000	SDE64000	12519		<u>ALLOTMENT</u> \$815,258.00	<u>ALLOTMENT</u>	Reg. Voc. Tech. School System
2021	11000	SDE64000	12602			\$2,218,216.00	Tech High School Other Exp.
TOTALS					\$2,218,216.00	\$2,218,216.00	

REASON FOR ADJUSTMENT

The Connecticut Technical Education and Career System requests a release of \$1,402,958 in the Regional Vocational Technical School System Account. A Total of \$2,218,216, including the released holdback funds and \$815,258 in lapsing funds, is requested to be transferred from the Regional Vocational Technical School System Account to the Technical High School Other Expenses Account in order to support needed repairs at CTECs schools. Funding is available for transfer due to delays in hiring.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Kathy Demsey	CFO	5/17/2021

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 5/19/2021	H. Williams 5/19/21		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2021-26				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

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					JUD 2102
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>ALLOTMENT</u>	<u>ALLOTMENT</u>	
2021	11000	JUD95000	10010		\$1,149,202.00		Personal Services
2021	11000	JUD95000	12235			\$1,149,202.00	Workers Compensation
TOTALS					\$1,149,202.00	\$1,149,202.00	

REASON FOR ADJUSTMENT

The Judicial Branch is expecting the General Fund appropriations for SID 12235, Workers Compensation Claims, to be insufficient to pay the expenditures for the statutory purpose for which the appropriation was made. To address the expected deficit of \$1,149,202.00, we request the transfer of funds as stated above.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Luanne B. Griswold	Deputy Director, Financial Services	4/16/2021
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)	STATUTORY AUTHORITY (for adjustments in appropriations)	
N/A	C.G.S. SEC 4-87	

OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)	REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR		
	JMJaramillo - 6/8/21			
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED
2021-27				

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND



STATE OF CONNECTICUT
JUDICIAL BRANCH

CHAMBERS OF
PATRICK L. CARROLL III
CHIEF COURT ADMINISTRATOR

231 CAPITOL AVENUE
HARTFORD, CT 06106

April 16, 2021

Melissa McCaw, Secretary
Office of Policy & Management
450 Capitol Avenue
Hartford, CT 06106

Dear Secretary McCaw,

I am writing in accordance with C.G.S. 4-87 to request a transfer of funds between specific appropriations in order to meet necessary expenditures.

The Judicial Branch was appropriated \$6,042,106 in Fiscal Year 2021 for Workers' Compensation Claims (SID 12235). Projected expenditures through June 30, 2021 will result in a \$1.1 million deficit that is primarily due to the ongoing impact of the transfer of responsibility for all juvenile justice delinquency matters to the Branch in 2018. The Branch's appropriation for workers' compensation remained level at the time of the transfer despite the more complex behavioral and mental health needs of many in the new population that required longer periods of secure confinement. Workers' compensation claims increased following the transfer.

The Branch continues to pay expenses associated with long standing cases, and has incurred significant costs associated with a major incident that occurred in fiscal year 2020. In addition, the Branch has paid \$150,000 this fiscal year in negotiated settlement agreements.

To address this deficit, it is requested that \$1,149,202 be transferred from Personal Services (SID 10010) to Workers' Compensation (SID 12235). Funds are available in Personal Services due to delays in hiring and the reduction in overtime. Currently there are 735 vacancies in the Judicial Branch.

I have enclosed the necessary form to process this budget adjustment request through the Finance Advisory Committee. Thank you for your attention to this matter. Please contact Elizabeth Graham, Executive Director for Administrative Services, at 860-757-2100 if you have any questions or need any additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Patrick L. Carroll III".

Patrick L. Carroll III
Chief Court Administrator

PLC:kmw
Enclosure

Page 2
Melissa McCaw
April 16, 2021

cc: Elizabeth K. Graham, Executive Director Administrative Services, Judicial Branch
Joyce Santoro, Director of Fiscal Services, Judicial Branch
Neil Ayers, Director, Office of Fiscal Analysis
John Jaramillo, Principal Budget Specialist, Office of Policy and Management
Paul Potamianos, Executive Budget Officer, Office of Policy and Management
Phoenix Ronan, Principal Analyst, Office of Fiscal Analysis

DAS/BEST 55 Farmington Ave Hartford, CT 06105	FAC DESPP Fees 05/11/2021	Connecticut Interactive, LLC One Constitution Plaza, 8 th Floor Hartford, CT 06103
---	--	---

FAC Item 2021-28

Pursuant to Connecticut General Statutes, Section 4-60u, the Department of Emergency Services and Public Protection (DESPP) respectfully requests the Finance Advisory Committee (FAC) approve vendor fees for payment processing extending currently approved services for Long Term Care Health Facilities' (LTC) requests to all requestors for services at the Department of Emergency Services and Public Protection that includes individual, state and local agencies, and other organizations that request services through DESPP.

The vendor will charge a 3% fee for each DESPP service transaction processed through eGovernment vendor services.

In exchange for its 3% fee, the vendor will provide an electronic, online secure payment processing system allowing individual, state and local agencies, and other organizations to pay for DESPP services via credit card or ACH payments. The payment processing service will allow the ability to setup a payment account in advance and select their preferred method of payment. The payment processing system will interface with the state's systems delivering DESPP service requests. After receiving its 3% fee, the balance of the funds will be processed by the vendor and transferred and deposited into the appropriate DESPP accounts.

Background

Public Act 12-2 of the June 2014 special session added language to C.G.S. Section 4-60u that allows the Secretary of Office of Policy and Management (OPM) to "authorize any state agency to enter into agreements with private and nonprofit entities to facilitate the public's utilization of government services and programs electronically." This language authorizes self-funding models to improve government programs and services through information technology advancements. Under this authority, OPM authorized the Department of Administrative Services to enter into a competitive bidding process for a vendor to provide eGovernment services to the executive branch.

Under the self-funded model, which is used by more than 25 states to fund eGovernment programs, a vendor derives revenues through the collection of administrative fees assessed on certain high-volume transactions conducted on a state's web portal aimed primarily at business users who are willing to pay a small additional fee for expedited and enhanced online customer service.

DAS/BEST 55 Farmington Avenue Hartford, CT 06105	FAC DESPP Fees 5/11/2021	Connecticut Interactive, LLC One Constitution Plaza, 8 th Floor Hartford, CT 06103
--	---------------------------------------	---

FAC approval of the 3% service fee proposed herein will allow the vendor to create an electronic payment service to facilitate eGovernment services to Connecticut, including customer service support with respect to LTC payments for background checks required under Connecticut General Statutes, Section 19a-491c.

It is anticipated that the vendor’s electronic payment portal DESPP services will result in significant efficiencies in such transactions. In the absence of an electronic payment portal, Requestors of DESPP services would either require individuals to personally pay for such pre-employment background checks or require that requestors provide applicants with business checks (or cash) to submit at the time of request or when requests are mailed. The daily audit requirements and deposit activities required by the acceptance of cash and checks can be reduced significantly through the acceptance of credit card and ACH transaction online and in person.