

MINUTES OF THE MEETING
OF THE
FINANCE ADVISORY COMMITTEE

Held in Room 1E of the Legislative Office Building on December 7, 2006.

PRESENT: Lieutenant Governor Kevin Sullivan
Mark Ojakian, Deputy Comptroller
Howard Rifkin, Deputy Treasurer
Senator Toni Harp
Senator Joan Lewis
Senator David Cappiello
Representative Arthur O'Neill
Representative Peter Tercyak
Robert L. Genuario, Secretary and Clerk,
Office of Policy & Management
John Bacewicz, Executive Budget Officer, Office of
Policy & Management, Budget and Financial Management Division

ABSENT: Governor M. Jodi Rell

Lieutenant Governor Sullivan called the meeting to order at 1:05 P.M.

1. It was voted to approve the minutes of the meeting of June 13, 2006.
2. Lieutenant Governor Sullivan expressed his gratitude to the Committee for their service.
3. The following new transactions were approved by the Committee:

FAC 2007-1 – Permanent Commission on the Status of Women A transfer of \$40,000 from Personal Services to Other Expenses to complete various projects.

There was no discussion on this item. This item was unanimously approved by the Committee.

FAC 2007-2 – Commission on Children – A transfer of \$23,500 from Other Expenses to Personal Services to cover unanticipated salary adjustments. The breakdown of the need for the funds is \$5,182 for staff merit increases, \$6,326 for longevity and \$3,944 for an employee promotion. The additional \$8,000 addresses salary expenses.

This item was unanimously approved by the Committee.

FAC 2007-3 – Office of State Ethics – A transfer of \$84,000 from Personal Services. \$25,000 to Other Expenses for data entry and \$59,000 to IT Initiatives to complete application development and a network infrastructure project.

Benjamin Bycel of the Office of State Ethics explained with the following:

- When the new Office of State Ethics was created, the system was found to be a failure.
- There are two main systems—the Lobbyist Electronic Filing System (LEFS) and the system for the Statements of Financial Interests (SFI);
- Before the system problems, 95% of those required to file did so electronically;

- \$1,000,000 had been the estimated cost to fix the system;
- Filings were done in Calendar Year 2006 by hand (the identified need for the additional Temporary Staff) in the process of the systems being overhauled;
- The LEFS should be up by December 12, 2006 – 3 weeks before the system is needed for CY07 filings;
- Next up to be addressed will be the SFI system which could cost upwards of \$600-700,000;
- FY07 Appropriation of \$166,258 in Information Technology Initiatives OCE account close to being fully depleted.

The company that had initially built the Lobbyist and SFI systems through a contract in 1999 disappeared in FY03-04 and subsequently DoIT took over the maintenance of the systems. Lieutenant Governor Sullivan asked if the company no longer exists and if a performance bond ever has been required from contractors for quality of work? Mr. Bycel confirmed the company no longer exists. Senator Harp noted they might need such a guarantee/provision in contracts from now on.

This item was unanimously approved by the Committee.

FAC 2007-4– Department of Information Technology – A transfer of \$538,324 from Other Expenses to Equipment to cover IT hardware purchases to build the Rapid Recovery System for CORE-CT.

Lieutenant Governor Sullivan questioned Comptroller Deputy Commissioner Ojakian concerning the cost of CORE-CT to date. The Deputy responded that he estimated that the cost was approximately \$118 million to date but that the DOIT requested backup system would be needed regardless of the system used.

The Lieutenant Governor Sullivan asked why this backup system was not planned for from the beginning. DOIT representative Jeanne Skellett responded that the backup system was planned from the beginning but that updated technology and improved rapid recovery systems provided a means to resolve the problems with the existing system that were not satisfactory.

Ms. Skellett indicated that the projected recovery solution is expected to resolve the problem with a permanent solution.

This item was unanimously approved by the Committee.

FAC 2007-5– Division of Criminal Justice – A transfer of \$25,000 from Personal Services to Training and Education to meet expenditures in the training and education account.

There was no discussion on this item. This item was unanimously approved by the Committee.

FAC 2007-6– Commission on Fire Prevention and Control – A transfer of \$100,000 from Other Expenses to Payment to Volunteer Fire Companies to reallocate funds to the correct account.

There was no discussion on this item. This item was unanimously approved by the Committee.

FAC 2007-7– Department of Mental Health and Addiction Services – A transfer of \$1,700,000 from Professional Services. \$1,100,000 to Personal Services and \$600,000 to Workers Compensation to make funds available for expected expenditures.

This FAC was programmed on the agency’s B-1 to more accurately reflect expenditure trends. The agency indicated that the transfer from the Professional Services Account was possible because of successful recruitment efforts by DMHAS and DAS to fill nursing vacancies with permanent full time employees instead of relying so heavily on pool nursing services. The committee members expressed their pleasure that the agency has had such success in hiring permanent employees as it results in better patient care. There was some discussion about the problems agencies are having in controlling Workers’ Compensation costs and Commissioner Kirk was asked what he thought was contributing to DMHAS’ problems. He indicated that there were a lot of factors but that their efforts to reduce seclusion and restraint in the facilities was unfortunately having a negative impact on staff injuries. He said that he was actively looking at ways to control costs. The item passed unanimously.

This item was unanimously approved by the Committee.

FAC 2007-8– Department of Transportation– A transfer of \$1,672,350 from Other Expenses to Equipment to purchase a Unisys Mainframe Computer.

Representative Lewis asked for clarification of “funding (in Other Expenses) may be available based on a mild winter...” Secretary Genuario explained that if it is not a mild winter, DOT may need to deal with a potential funding issue “in other ways”.

This item was unanimously approved by the Committee.

FAC 2007-9– University of Connecticut – A transfer of \$50,000 from Operating Expense Account to the Veterinary Diagnostic Lab Account to reallocate funds to the correct account.

There was no discussion on this item. This item was unanimously approved by the Committee.

3. Secretary Genuario expressed his gratitude to Lieutenant Governor Sullivan for his service to the Committee.
4. The meeting was then adjourned at 1:42 P.M.



Robert L. Genuario
Clerk