

Connecticut General Assembly



OFFICE OF FISCAL ANALYSIS

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REVISED

June 11, 2008

To: Legislative Members of the Finance Advisory Committee

From: Geary Maher
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Subject: Items for the FAC Meeting for June 11, 2008

Items 2008-27 through 2008-40 have been reviewed by this office and additional information has been provided where it was considered to be helpful in more fully understanding the item.

2008 – 27 Office of State Comptroller

The agency requests that funds in the amount of \$9,650,000 be transferred from the Higher Education Alternative Retirement account to cover shortfalls in the following fringe benefit accounts: Unemployment Compensation (\$150,000), State Employee Health (\$2,000,000) and Retired State Employee Health (\$7,500,000). Funding is available in Higher Education Alternative Retirement account due to higher than anticipated recoveries. The deficit in the Unemployment Compensation account is 3% of the original appropriation and is the result of higher than anticipated claims for

terminated state employees. The deficit in the State Employee Health Account is less than 1% of the available appropriation and is due to costs associated with new hires. The shortfall in the Retired State Employee Health account is less than 2% of the appropriation and is the result of higher than anticipated Medicare B payments and higher than projected number of state employees retiring.

2008 – 28 Department of Public Works

This item transfers a total of \$1.5 million from the Rents and Moving Account within DPW to meet anticipated year end needs. *Please see the agency submittal for further explanation.*

2008 – 29 Department of Motor Vehicles

This item transfers \$300,000 from Personal Services to Other Expense. These additional funds will finance a contract extension with one of the department's vendors to fulfill mandates and compliance of the REAL-ID Act before the December 31, 2009 deadline.

2008 – 30 Department of Public Health

The agency is requesting a transfer of \$180,000 into the X-Ray Screening and Tuberculosis Care account. Under law, DPH is the payer of last resort for medical care of persons afflicted with tuberculosis. Significantly higher than budgeted costs are being incurred by the agency to manage care of persons with drug-resistant strains of the disease. Costs are anticipated to be 21.4 percent over originally budgeted FY 08 funds of \$841,875.

An additional \$77,300 shortfall is expected under the Local and District Departments of Health account. This grant supports per capita subsidy payments to health districts, full time health departments, and part time health departments. The deficiency is attributable to (a) unanticipated population increases, and (b) the merger of a part time health department into an adjacent health district. Statutorily authorized per capita subsidies for health districts exceed those for full time departments. Part time health departments are eligible for the lowest per capita subsidy.

\$257,300 is available to be transferred from the Personal Services account. This transfer can be accommodated without the release of previously withheld dollars.

2008 – 31 Office of the Chief Medical Examiner

The Office of the Chief Medical Examiner (OCME) has an anticipated deficiency in the Medicolegal Investigations (MI) account primarily due to the delay in filling new permanent Investigator positions that would investigate the cases currently being done by contracted Assistant Medical Examiners in the MI account. The delays in hiring the Investigators resulted in a lapse in the Personal Services account. OCME is requesting to

transfer \$110,000 from the Personal Services account and \$44,000 in the Other Expenses account (a total of \$154,000) to the MI account.

2008 – 32 Department of Developmental Services

The agency requests the transfer of \$200,000 from Personal Services to Workers' Compensation and \$202,400 from Community Residential Services to Family Support Grants (\$190,000), Rent Subsidy (\$10,000) and Family Reunion (\$2,400). *Please see the agency submittal for further explanation.*

The June FAC transfer of \$200,000 from the Personal Services (PS) account in addition to the May FAC transfer of \$2.3 million from PS; will result in \$4.1 million remaining available in PS (this includes the \$2.3 million in PS holdback).

2008 – 33 Department of Mental Health & Addiction Services

The agency requests the transfer of \$2.6 million from various accounts to Personal Services (\$1,800,000); Other Expenses (\$300,000); Professional Services (\$500,000); and Behavioral Health Medication (\$10,000). Funding is available for transfer from the following accounts: Community Mental Health Strategy Board (\$1 million); Medicaid Rehabilitation Option (\$510,000); Home and Community Based Services (\$900,000); and Workers' Compensation (\$200,000). *Please see the agency submittal for further explanation.*

This \$2.6 million FAC transfer in addition to the May FAC transfer of \$7.1 million; release of Personal Services and Other Expenses holdbacks; and other transfers will address the agency's original gross shortfall of \$13.9 million.

2008 – 34 Department of Transportation

This item transfers \$6.76 million in total from Rail Operations (\$5.0 million), Non-Bondable Bus Capital Projects (\$150,000) and Elderly Disabled Response Transport (\$1.61 million) to Personal Services.

The shortfall in Personal Services is due to the March Finance Committee Action (FAC #2008-10) which transferred funds from this account to offset higher than anticipated costs in the snow and ice removal account. The previous shortfall was a result of: (1) higher than anticipated prices for materials such as salt, fuel, utilities and repair parts for trucks and (2) replenishment of DOT's reserves of these materials, which were depleted by the severity of recent winter storms. At the time, it was anticipated that the transfer from Personal Services to Other Expense would be replenished through a deficiency appropriation in order for DOT to meet its Personal Service obligations. In lieu of such a deficiency appropriation, this FAC transfer will meet the Personal Service obligations for DOT.

2008 – 35 Department of Social Services

This item transfers a total of \$24.3 million from seven accounts within DSS to meet anticipated year end needs. *Please see the agency submittal for further explanation.*

2008 – 36 Department of Education

This items transfers \$15.9 million from twelve accounts within SDE to meet anticipated year end needs. *Please see the agency submittal for further explanation.*

2008 – 37 Department of Correction

The Department of Correction (DOC) requests Finance Advisory Committee (FAC) approval to transfer \$12.7 million from Personal Services, \$525,000 from the Board of Pardons and Paroles, and \$325,000 from the Mental Health Alternative to Incarceration. The \$13.6 million will cover FY 08 deficiencies in the following areas: Other Expenses (\$8.8 million), Inmate Medical Services (\$4.3 million), and Community Support Services (\$425,000).

The shortfall in Other Expenses is related to an increased prisoner population and direct care related items including: food, clothing, living supplies, and inflationary prices increases seen in various commodities and services. The shortfall in Inmate Medical Services is also based on the increased prisoner population, as well as the filling of mental health and direct care positions to meet consent decrees and settlement agreements. The shortfall in Community Support Services is a result of the procurement of additional residential beds and non-residential services.

The anticipated lapse in the Mental Health Alternative to Incarceration is a result of programming delays, and the anticipated lapse in the Board of Pardons and Paroles results from delays in filling positions. There is no anticipated lapse in Personal Services, and the transfer of \$12.7 million from Personal Services will result in a FY 08 year-end deficiency of \$18.3 million.

2008 – 38 Public Defender Services Commission

The agency requests a transfer of funds from its Special Public Defender Non-Contractual account (\$120,000) to Other Expenses, \$60,000, and Expert Witnesses, \$60,000. Additional funds are required in the Other Expenses account to meet rising costs for energy and telecommunications, as well as one-time costs related to information technology upgrades. Additional funds are required in the Expert Witnesses account to cover a portion of the following costs: FY 07 bills carried over into FY 08 (approximately \$37,000); greater than anticipated costs attributable to capital and other homicide cases, and costs incurred for the Racial Bias Study (approximately \$75,000). Funds are available in the Special Public Defender Non-Contractual account due to a decrease in the numbers of multiple, successive special public defender appointments in individual client cases.

These transfers will help the agency to meet its FY 08 holdback requirement of \$33,264 in its Other Expenses account.

2008 – 39 Commission on Child Protection

The agency requests a transfer of funds, in the total amount of \$126,176, to its Attorney-Related Expenses, Attorney Training, and Equipment line items.¹ Additional funds are necessary in these accounts due to the following: (1) the carry over of FY 07 bills for attorney training into FY 08; (2) increasing demand for outside resources to assist in the representation of clients (e.g., psychological evaluations, translation services, and service of process); and (3) the installation of new routers. Funds are available in the Contracted Attorneys line item because fewer attorneys have billed on an hourly basis than anticipated.

These transfers will not impact the agency's ability to meet its FY 08 holdback requirements, in the total amount of \$8,649, in its Other Expenses and Personal Services line items.

2008 – 40 State Elections Enforcement Commission

This item would increase the authorized position count within the Citizens' Election Fund (CEF) account by 4 from 32 to 36. This increase in positions was reflected in the Appropriations Committee budget, with no increase in funding, as the CEF currently has adequate funding to compensate these individuals.

The increase of two positions in the Fiscal & Grant Payments Unit will help ensure that qualified candidates obtain their grants in a more timely fashion, and that the other accounting, business, budgeting and related functions of the agency are carried out.

The other two positions requested are paralegal and administrative staff to support the Legal Compliance and Public Financing Units, which currently have no such support. As the projected amount of participation in the Citizens' Election Program is almost 80%, the volume of inquiries and paperwork has increased significantly as the candidates have now focused on the new requirements.

¹ Distributed as follows: \$5,000 to Attorney-Related Expenses; \$118,000 to Attorney Training; and \$3,176 to Equipment.