

MINUTES OF THE MEETING
OF THE FINANCE ADVISORY COMMITTEE

Held in Room 1E at the Legislative Office Building on May 7, 2009.

PRESENT: Lieutenant Governor Michael Fedele
Mark Ojakian, Deputy State Comptroller
Howard Rifkin, Deputy State Treasurer
Senator Toni Harp
Representative Joan Lewis
Representative John Geragosian
Representative Craig Miner
Senator Dan Debicella
Michael Cicchetti, Deputy 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 Fedele called the meeting to order at 1:02 P.M.

1. It was voted to approve the minutes of the meeting of April 2, 2009.
2. The following new transactions were approved by the Committee:

FAC 2009-26 – Department of Public Works – A total transfer of \$450,000 from Personal Services and Rents and Moving Account to Property Management Services and Capitol Day Care to finance higher than anticipated costs for security of the former Norwich Hospital and for higher than budgeted rental of the Capitol Child Development Center.

Senator Debicella questioned why personal service dollars were available with the sweeps of these accounts. Deputy Secretary Cicchetti indicated that the hiring freeze was primarily responsible for some agencies in having additional surpluses in personal services. Senator Debicella commended the Governor on her hiring freeze and rescissions successes.

This item was unanimously approved by the Committee.

FAC 2009-27 – Office of the Claims Commissioner – A transfer of \$55,000 from Personal Services to Adjudicated Claims in excess of projections.

This item was unanimously approved by the Committee.

FAC 2009-28 – Insurance Department – A total transfer of \$784,000 from Various Accounts to Indirect Overhead and Other Expenses due to higher than projected payments to the Comptroller's Office and the Department of Information Technology's recalculation of charges for technology support services.

This item was unanimously approved by the Committee.

FAC 2009-29 – Department of Agriculture – A transfer of \$46,000 from WIC Program for Fresh Produce for Seniors to WIC Coupon Program for Fresh Produce to serve all eligible clients.

This item was unanimously approved by the Committee.

FAC 2009-30 – Department of Department of Mental Health & Addiction Services – A total transfer of \$3,000,000 from Various Accounts to Other Expenses, Professional Services and Workers' Compensation to meet end of year expenditures.

Senator Harp asked for an explanation for the shortfall in the Other Expenses account. The agency responded that it was due to improvements due to surveys by the Department of Justice and the Joint Commission on Health Care Accreditation and higher than anticipated energy costs. Senator Harp asked Deputy Secretary Cicchetti whether energy costs were contributing to shortfalls in other agencies. He explained that other agencies were experiencing similar issues because there had been no interim budget adjustment for FY09 and no contingency funding in OPM to cover these costs. Representative Lewis asked what percentage of the Other Expenses shortfall was related to energy costs. DMHAS responded that approximately \$400,000 to \$500,000 of the shortfall was energy related.

Senator Harp asked why lapses were able to accrue in the Home and Community Based Waiver, Assertive Community Treatment and Community Support programs and the Medicaid Rehabilitation Option and housing assistance initiatives. Deputy Secretary Cicchetti explained that siting programs, contract delays and the hiring freeze all contributed to the lapses but assured the committee that these programs would be fully operational during the next fiscal year.

This item was unanimously approved by the Committee.

FAC 2009-31 – Department of Education – A total transfer of \$5,600,000 from Education Equalization Grants and \$7,661,000 from Priority School Districts to Various Accounts to cover end of year expenditures.

This item was unanimously approved by the Committee.

FAC 2009-32 – Department of Correction – A transfer of \$12,570,000 from Personal Services to Other Expenses to meet the operational needs of the Agency.

Senator Harp asked why we are transferring from Personal Services if there is a shortfall there. Deputy Secretary Cicchetti responded we are moving the funds from Personal Services because the Department is experiencing cash management issues in Other Expenses and since action on a deficiency bill is yet to occur. The Comptroller will allow the Personal Services account to run in the red as paychecks need to be sent out, this is something that can not be done in other accounts. This will shift the deficiency all into Personal Services. Senator Harp asked are we changing the bottom line of the deficiency. Deputy Secretary Cicchetti replied no.

This item was unanimously approved by the Committee.

FAC 2009-33 – Judicial Department – A total transfer of \$1,000,000 from Various Accounts to Personal Services to meet necessary expenditures for the remainder of FY 2009.

Senator Harp asked will any account go into the red or operate deficient after this transfer. Deputy Secretary Cicchetti responded that Personal Services is the only account that can go deficient (in order to cover payrolls). No other account in general or in this case can do that.

This item was unanimously approved by the Committee.

3. The meeting was then adjourned at 1:16 P.M.

A handwritten signature in black ink, appearing to read "Robert L. Genuario". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Robert L. Genuario
Clerk