

Connecticut General Assembly



OFFICE OF FISCAL ANALYSIS

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To: Legislative Members of the Finance Advisory Committee

From: Alan Calandro, Director

Subject: Items for the Finance Advisory Committee meeting on April 1, 2010

The Finance Advisory Committee agenda for April 1, 2010 contains 11 items (items 2010-15 through 2010-25) which have been reviewed by this office and the following information is provided to more fully explain them:

2010-15 Department of Veterans Affairs

The Department of Veterans Affairs (DVA) requests a total transfer of \$500,000 from the Personal Services account to the Other Expenses account.

Additional funding is necessary in the Other Expenses account due to appropriation adjustments to the account in conjunction with fixed cost expenditures.

Funding is available in the Personal Services account as a result of not refilling vacant positions, reducing overtime, and transferring nursing wards.

This transfer will help to ensure that the agency meets the \$1.8 million Other Expenses holdback requirement.

2010-16 Department of Information Technology

The Department of Information Technology (DoIT) requests a transfer of \$1.35 million from the Personal Services account to the Other Expenses account.

Additional funding of \$1.35 million is necessary in the Other Expenses account in order to meet non-negotiable lease and utility needs. Approximately \$1.39 million was

removed from this account due to the Contract Services Reduction included in PA 09-3, June Special Session.

Funding is available in the Personal Services account due to: 1) positions within the agency that were funded but never established or filled; 2) Retirement Incentive Plan (RIP) refills that were delayed; 3) voluntary leaves without pay; and 4) vacant positions caused by attrition that were not filled by the agency.

2010-17 Office of the Child Advocate

The Office of the Child Advocate requests a total transfer of \$33,000 from the Other Expenses (\$32,000) and Child Fatality Review Panel (\$1,000) accounts to the Personal Services account.

Additional funding is necessary in the Personal Services account in order to fully support ongoing payroll needs.

Funding is available in the Other Expenses account due to reduced spending in various areas including General Office Supplies and Court Reporting Services. The Child Fatality Review Panel account, which supports one filled position, is anticipated to lapse up to \$5,000 in FY 10.

2010-18 Department of Agriculture

The Department of Agriculture (DoAg) requests a total transfer of \$175,000 from the WIC Program for Fresh Produce for Seniors (\$75,000) and Personal Services (\$100,000) accounts to the Other Expenses account.

Additional funding is necessary in the Other Expenses account due to higher than budgeted expenses. The agency's FY 10 appropriation of \$400,000 was approximately 50% lower than the FY 09 appropriation level in this account.

Funding is available in the WIC Program for Fresh Produce for Seniors account due to lower than anticipated participation rates. Funding is available in the Personal Services account due to a delay in the refilling of two of the four positions that were vacated due to the RIP.

2010-19 Department of Developmental Services

The Department of Developmental Services (DDS) requests a total transfer of \$8.7 million from the Personal Services and various other accounts (see table below) to the Early Intervention (\$6.7 million) and the Workers Compensation (\$2.0 million) accounts.

The Early Intervention account, which funds the Birth to Three Program, requires additional funding of \$6,683,372 due to: 1) the cost of services shifting to contracted services as a result of the RIP; 2) an unbudgeted caseload increase in FY 10; 3) an

increase in the number of service hours paid at supplemental rates for children with autism spectrum disorders; and 4) lower than budgeted revenues associated with the longer than anticipated timeline required to implement the changes in the insurance coverage and parent fees applicable to Birth to Three Program services.

The Workers Compensation account requires additional funding of \$2.0 million due to higher workers compensation expenses projected through the end of the year that are the result of rising medical costs.

Funds are available for transfer from the following accounts for the following reasons:

<u>Account</u>	<u>Amount of Transfer</u>
Personal Services	\$8,173,657
Funding is available as a result of savings associated with delays in hiring and from the holdback of RIP savings, although the transfer of funding from this account will result in the agency being unable to meet overall holdback savings requirements in FY 10.	
Pilot Program for Autism Services	\$211,457
A lapse is anticipated as a result of: 1) delayed start dates of individual budgets and 2) lower than anticipated utilization of individual budgets.	
Rent Subsidy	\$281,918
Funding is available due to lower energy costs funded through the program.	
Family Reunion	\$16,700
A lapse is also anticipated due to lower than budgeted participation.	
Total	\$8,683,732

2010-20 Department of Mental Health and Addiction Services

The Department of Mental Health and Addiction Services requests a total transfer of \$6.0 million from the Personal Services (\$5.0 million) and Behavioral Health Medications (\$1.0 million) accounts to the Discharge and Diversion Services (\$2.0 million), Professional Services (\$2.0 million), and General Assistance Managed Care (\$2.0 million) accounts.

Additional funds are necessary in the Discharge and Diversion Services account due to costs associated with transferring 40 inpatients from Cedarcrest to the community. Funds are necessary in Professional Services due to the loss of MDs and the need to contract for other medical services and lab costs. Funds are necessary in the General Assistance and Managed Care account due to higher than projected caseload growth (budgeted growth is 5.0%, actual growth is 12.5 %).

Funds are available in Personal Services due to a delay in filling vacancies, while the funds available in the Behavioral Health Medication account are due to the increased use of generic medications.

2010-21 Department of Transportation

The Department of Transportation (DOT) requests a transfer of \$4,386,000 from the Personal Services account to Other Expenses account.

Additional funds are necessary in the Other Expenses account as a result of: 1) higher than anticipated prices for materials such as salt, fuel, utilities and repair parts for trucks and 2) the replenishment of DOT's reserves of these materials.

Funds are available in the Personal Services account due to delays in hiring employees.

2010-22 Soldiers', Sailors' and Marines' Fund

The Soldiers' Sailors' and Marines' Fund (SSMF) requests a total transfer of \$48,700 from the Other Expenses (\$21,000) and Awards Payments (\$27,700) accounts to the Personal Services (\$12,700) and Employee Fringe Benefits (\$36,000) accounts.

Additional funding is necessary in the Personal Services and Employee Fringe Benefits accounts in order to fully fund the nine authorized positions within the agency.

The shortfall in the Personal Services account is due to the late transfer of an employee under the SEBAC agreement (the agency was required to fund an additional seven pay periods to this employee, which was not anticipated in their budget). The shortfall in the Employee Fringe Benefits account is due to higher than estimated budget projections for this account.

Funding is available in the Other Expenses account due to lower than projected expenditures, particularly in information technology costs. Funding from the Award Payments account will be made available by adjusting payments that can be delayed to a later date. No claim which requires immediate payment will be affected and all claims will be paid with no adverse effect on service to veterans.

2010-23 Department of Higher Education

The Department of Higher Education (DHE) requests a transfer of \$232,983 from the AmeriCorps account to the Personal Services account.

The shortfall in Personal Services is a result of vacation and sick accrual payouts for an Associate Commissioner and a Senior Associate.

Resources are available in the AmeriCorps account because funds have not been allotted, and DHE is unable to issue grants.

2010-24 Department of Children and Families

The Department of Children and Families (DCF) requests the transfer of \$2.3 million from the Board and Care for Children – Residential account to offset anticipated shortfalls in the Board and Care for Children – Adoption (\$800,000) and Workers' Compensation Claims (\$1.5 million) accounts.

An \$800,000 shortfall in the Board and Care for Children – Adoption account is primarily due to placements of medically complex children exceeding budgeted levels (projected average of 827 vs. 788 budgeted).

A \$1.5 million shortfall in the Workers' Compensation Claims account is primarily due to medical costs exceeding budgeted levels. Average monthly medical payments to date are \$340,562, an increase of 30.2% over the FY 09 average of \$261,662.

Funding is available in the Board and Care for Children – Residential account because the number of children in residential placements has fallen by approximately 7.0% (projected average of 827 vs. 892 in FY 09).

2010-25 Commission on Child Protection

The Commission on Child Protection (CCP) requests a total transfer of \$125,000 from the Contracted Attorneys account to the Personal Services (\$25,000), Other Expenses (\$50,000) and Attorney-Related Expenses (\$50,000) accounts.

Additional funds are necessary in these accounts due to: 1) position reclassifications; 2) the hiring of a temporary clerical staff person to assist in the processing of bills; and 3) increasing demand for outside resources to assist in the representation of clients (e.g., psychological evaluations, translation services, and service of process).

Funds are available in the Contracted Attorneys account because fewer attorneys have billed on an hourly basis than anticipated.

These transfers will help the agency meet its holdback requirement, in the amounts of \$18,000 in Personal Services and \$25,000 in Other Expenses.