

MINUTES OF THE MEETING
OF THE FINANCE ADVISORY COMMITTEE

Held in Room 1E at the Legislative Office Building on January 14, 2010.

PRESENT: Lieutenant Governor Michael Fedele
Mark Ojakian, Deputy State Comptroller
Representative John Geragosian
Senator Robert Kane
Representative Joan Lewis
Senator Toni Harp
Representative Craig Miner
Michael Cicchetti, Deputy Secretary and Clerk,
Office of Policy & Management
Gregory Messner, Assistant Executive Budget Officer,
Office of Policy & Management, Budget and Financial Management Division

ABSENT: Governor M. Jodi Rell
Denise Nappier, State Treasurer

Lieutenant Governor Fedele called the meeting to order at 12:34 P.M.

1. Deputy Secretary Michael Cicchetti addressed the Committee by stating that the Office of Policy and Management had requested information from the Commissions regarding their requests to the Finance Advisory Committee. We have received that information and will schedule a special FAC meeting as soon as we can get a quorum.
2. It was voted to approve the minutes of the meeting of October 1, 2009.
3. The following new transactions were approved by the Committee:

FAC 2010-2 – Auditors of Public Accounts – A total transfer of \$220,000; \$180,000 from Personal Services and \$40,000 from Equipment in order to meet estimated cash needs in the Other Expenses account.

This item was approved by the Committee.

FAC 2010-3 – Department of Public Health – A transfer of \$920,500 from Community Health Services to the X-Ray Screening and Tuberculosis account to meet estimated cash needs.

The Department of Public Health's FAC request to advance funds from Community Health Services to TB/X-Ray Screening was ultimately approved after some discussion. Senator Harp, and Representatives Miner and Lewis all expressed concerns regarding the transfer, citing it would only delay problems and create a shortfall in the Community Health Services account. A question was asked whether there was any alternative to this proposal. Deputy Secretary Cicchetti explained DPH has a recognized deficiency in both the Personal Services and Other Expenses Account and it was determined the Community Health Services account had sufficient funds to address immediate cash flow needs in the TB/X-Ray Screening account. He assured the committee that OPM would work closely with DPH to ensure any potential shortfall in Community Health Services is addressed accordingly.

Representative Miner voted no and this item was approved by the Committee.

FAC 2010-4 – Department of Transportation – A total transfer of \$5,720,000; \$4,450,857 from Personal Services, \$233,543 from Transit Equipment and \$1,036,000 from Bus Operations to meet current shortfalls in the Other Expenses and ADA Para-Transit Program accounts.

Representative Geragosian and Representative Miner asked if this transfer to Other Expenses will be enough to cover DOT's requirements for the remainder of the year. Charlene Casamento of the Department of Transportation responded that if this continues to be a normal winter they will not have to return to the Finance Advisory Committee.

This item was unanimously approved by the Committee.

FAC 2010-5 – Department of Social Services – A total transfer of \$20,187,300; \$20,080,000 from Medicaid and \$107,300 from Housing/Homeless Services to meet funding requirements in the State Food Stamp Supplement, Charter Oak Health Plan, ConnPACE and Services to the Elderly accounts.

Noting that OFA is projecting a year end deficiency of \$70 million in Medicaid, Senator Harp asked if the proposed transfer of \$20 million from Medicaid will add to the Medicaid deficiency. Deputy Secretary Cicchetti confirmed that this was the case and noted that the OPM estimate of the Medicaid shortfall is approximately \$91 million.

Senator Harp expressed frustration that DSS sent letters to ConnPACE enrollees describing the changes in ConnPACE but did not include the change in the Medicare Savings Programs (MSP). Senator Harp indicated that the shortfall would not have been \$11.4 million in ConnPACE if the MSP expansion had been implemented in an efficient and effective way and, as a result, she would be voting against the item. Deputy Secretary Cicchetti responded that, while he was not aware of what letters were sent, the budget assumed a 7/1/09 implementation date and yet the budget did not pass until October and then there is the ramp-up period with DSS being required to implement a multitude of new programs at the same time.

Representative Miner asked if they could look outside the agency to help offset the shortfalls. Deputy Secretary Cicchetti indicated that the committee can only transfer within an agency; a transfer between agencies would require the action of the full legislature.

Representative Lewis asked if further shortfalls were expected in these accounts. Deputy Secretary Cicchetti responded that the FAC will cover the three accounts (State Food Stamp Supplement, Charter Oak Health Plan, and ConnPACE) thru the balance of the fiscal year, but that they will need to monitor the Medicaid account as that account has seen significant caseload increases.

The item was rejected by a vote of 4 to 3. Those voting no were Senator Harp, Representative Lewis, Representative Miner and Deputy State Comptroller Ojakian.

4. The meeting was then adjourned at 1:05 P.M.



Robert L. Genuario
Clerk