

MINUTES OF THE MEETING  
OF THE FINANCE ADVISORY COMMITTEE  
April 4, 2019  
Held in Room 1E at the Legislative Office Building

PRESENT: Lieutenant Governor Susan Bysiewicz  
Deputy Comptroller Martha Carlson  
Deputy Treasurer Linda Savitsky  
Senator Catherine Osten  
Senator Paul Formica  
Representative Toni Walker  
Representative Gail Lavielle  
Secretary Melissa McCaw  
Office of Policy and Management, Finance Advisory Committee Clerk

Lieutenant Governor Bysiewicz called the meeting to order at 1:00 pm

The minutes of the September 6, 2018, meeting were adopted, with two members abstaining.

The following new transactions were considered by the committee:

FAC 2019-04 for the Commission on Women, Children and Seniors. Transfer of \$20,000 from Personal Services to Other Expenses to provide funding for various contractual services.

This item was unanimously approved without discussion.

FAC 2019-05 for the State Comptroller. Transfer of \$100,000 within the Special Transportation Fund from the Social Security account to the Unemployment Compensation account to enable payment of claims.

This item was unanimously approved without discussion.

FAC 2019-06 for the Department of Revenue Services. Transfer of \$850,000 from Personal Services to Other Expenses to cover increased software costs and to reflect use of outside employment agencies for temporary tax-season help rather than hiring temporary employees through the state hiring process.

Representative Walker asked whether DRS would be able to achieve the holdback in Personal Services. Secretary McCaw responded affirmatively.

Representative Lavielle asked about the agency's use of temporary staff and whether the biennial budget addresses the resource shift. Commissioner Jackson explained how the agency uses temporary tax season staff and that the recommended biennial budget reflects resources in the correct accounts going forward.

This item was unanimously approved.

FAC 2019-07 for the Department of Administrative Services. Transfer of \$700,000 from the Rents and Moving account to Other Expenses to cover operating costs for the 25 Sigourney Street property.

Senator Osten asked about the plans for the property. The Lieutenant Governor explained that offers had been received, and Secretary McCaw noted that a bidder has come forward and that the budget may need to be adjusted once a sale is completed.

Senator Formica asked whether the funds related to this transfer were for operating costs or whether demolition was also included. The Lieutenant Governor explained that this transfer was solely to maintain the property until the building is sold.

This item was unanimously approved.

FAC 2019-08 for the Division of Criminal Justice. Transfer of \$435,000 from Personal Services to various accounts to support operational needs for the remainder of the fiscal year.

Representative Lavielle asked whether the agency has plans to refill retired positions before the end of the fiscal year. Deputy Chief States' Attorney John Russotto responded that DCJ intends to fill positions, but funding is available for transfer as a result of the positions being vacant while the hiring process is underway.

Representative Walker asked whether the needs are one-time in nature, or if the budget needs to be modified going forward. Attorney Russotto responded that it is mostly one-time, but the Other Expenses account has been chronically underfunded, and DCJ has struggled to live within its appropriated funding. He noted that in prior years the agency has often needed to FAC funds into Other Expenses, but understands the budget challenges facing the state.

Senator Formica asked about the Medicaid Fraud Control Unit. Attorney Russotto explained that the federal government funds a significant portion of the unit's staffing, and that DCJ is in the processing of filling a vacancy to bring staffing up to 13 positions. Senator Formica then asked whether the additional position will address issues identified in a recent audit report. Attorney Russotto responded affirmatively. Director of Finance Peter Zelez noted that the biennial budget fully funds unit staff.

This item was unanimously approved.

FAC 2019-09 for the Department of Transportation. Total transfer of \$12,629,304 from the Personal Services, Rail Operations, and ADA Para-Transit Program accounts to the Other Expenses, Bus Operations and the Pay-As-You-Go Transportation Projects accounts to support operating requirements for the remainder of the fiscal year.

Representative Lavielle asked about the rail subsidy account. Richard Andreski, Bureau Chief of Public Transportation, noted that ridership is higher than expected, helping revenue, and expenses are being managed with MetroNorth. Representative Lavielle asked whether this transfer would affect fares. Mr. Andreski noted that it would not. Representative Lavielle then

asked about bus ridership. Mr. Andreski answered that there is a general decline in bus ridership across the state, consistent with regional and national trends.

Representative Walker asked for an explanation of the savings in the ADA Para-Transit account. Mr. Andreski answered that applications for the eligibility-based program are down, and that the agency has also been managing expenses. Representative Walker asked for more information about program utilization and expense management. Commissioner Giulietti and Mr. Andreski explained various steps the agency was taking to address regional contractor performance.

Senator Osten asked about the agency's plan for filling vacant positions. Commissioner Giulietti responded that the agency was working with OPM to refill vacancies. Senator Osten asked how DOT is dealing with the tree mortality issue. Paul Rizzo, Bureau Chief of Highway Operations, answered DOT is actively working on the tree mortality across the state, and DOT is using its own tree crews as well as contractors in carrying out and prioritizing the work. Senator Osten asked whether tree mortality is a state-wide issue, or confined to only one section of the state. Mr. Rizzo responded that the problem is statewide.

Senator Formica asked about the mix between contracted and state-staffed tree crews. Mr. Rizzo explained that funding for trucks was to support state crews. Commissioner Giulietti added that DOT is evaluating the need for specialized equipment and whether it makes more sense to purchase the equipment or contract the work out.

The Lieutenant Governor asked whether the tree mortality issue constitutes a natural disaster under the Stafford Act. She noted that many mayors and first selectmen in eastern Connecticut have expenses from this issue, and federal assistance would be welcomed. Commissioner Giulietti responded that he will follow up on this issue.

Senator Formica asked about cost comparability between weekend contractors and state staff working overtime. Mr. Rizzo explained that the contractors are paid the same rate regardless of weekday or weekend work. Commissioner Giulietti further noted that the contractors' bids include profit and overhead, and that no clean comparability can be drawn between state and contracted costs.

This item was unanimously approved.

FAC 2019-10 for the Office of Early Childhood. Transfer of \$1,400,000 from the Early Care and Education account to the Birth to Three and Early Head Start-Child Care Partnership accounts to support early intervention services and ensure continued access to child care.

Representative Lavielle asked why School Readiness seats remain unfilled while demand in other programs seems to be increasing. Harriet Feldlaufer from the Office of Early Childhood answered that there is not a lack of demand and that seat utilization is comparable among programs. The unspent funding is due to seats not being filled completely at the beginning of the fiscal year as budgeted.

Representative Walker asked about a prior \$26 million transfer for the Early Care and Education account. Harriet Feldlaufer answered that it was the September 2018 FAC transfer for the TANF

funding realignment that occurred at the beginning of the fiscal year. Representative Walker asked whether the additional funding needed in the Birth to Three program is accounted for in the upcoming budget. Christopher Lyddy from the Office of Early Childhood answered that the Governor's budget reflects an increase in caseload. Representative Walker also asked for an update on the Care 4 Kids payment backlog. Christopher Lyddy explained the steps the agency is taking to become current with payments and client eligibility.

This item was unanimously approved.

FAC 2019-11 for the Department of Children and Families. Transfer of \$6,475,119 among various accounts to support operational requirements through the remainder of the fiscal year.

Senator Osten asked about the agency's plans regarding the vacant positions that contributed to the available Personal Services funding. Cindy Butterfield, DCF Fiscal Manager, responded that the agency plans on filling the positions. Senator Osten inquired about the length of social work staff training. Ms. Butterfield responded that the length is nine months.

Senator Osten noted that funding was available under the Workers' Compensation Claims account due to the closure of the Connecticut Juvenile Training School, asked whether other savings could be achieved due to the closure, and sought confirmation that the campus is no longer used for housing. Ms. Butterfield discussed current uses of the facility, responded that operational expenses are now minimal in nature, and confirmed that housing is no longer provided.

Representative Lavielle asked for further information regarding why funding is needed to maintain services at the prior year's level. Ms. Butterfield identified the adopted budget and the Juan F. consent decree as contributory factors. Representative Lavielle asked about the possibility of future Juan F. related funding requests. Commissioner Dorantes responded that the level of funding in the Governor's proposed budget should be sufficient.

Representative Walker asked for information about the waitlist for the Supportive Housing program. Ms. Butterfield provided relevant data. Representative Walker also asked about the budgetary implications of the program. Ms. Butterfield provided relevant data, and Commissioner Dorantes stated that the program provides cost-beneficial services.

This item was unanimously approved.

The meeting was adjourned at 1:55 p.m.

Respectfully submitted,

Melissa McCaw, Clerk