

MINUTES OF THE MEETING OF THE FINANCE ADVISORY COMMITTEE  
May 2, 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  
Representative Michael DiMassa  
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 April 4, 2019, meeting were adopted.

The following new transactions were considered by the committee:

FAC 2019-12 for the Department of Administrative Services. Transfer of \$2,650,000 from Personal Services and the Rents and Moving account to the Insurance and Risk Management and IT Services accounts to cover claim settlements and statewide software licensing costs.

This item was unanimously approved without discussion.

FAC 2019-13 for the Department of Banking. Transfer of \$578,326 from Personal Services to the Fringe Benefits and Indirect Cost accounts to ensure the agency can adequately reimburse the Comptroller for overhead costs.

This item was unanimously approved without discussion.

FAC 2019-14 for the Office of Consumer Counsel. Transfer of \$87,533 from Personal Services to the Fringe Benefits and Indirect Cost accounts to ensure the agency can adequately reimburse the Comptroller for overhead costs.

This item was unanimously approved without discussion.

FAC 2019-15 for Workers' Compensation Commission. Transfer of \$798,657 from Personal Services to the Fringe Benefits and Indirect Cost accounts to ensure the agency can adequately reimburse the Comptroller for overhead costs.

This item was unanimously approved without discussion.

FAC 2019-16 for the Department of Developmental Services. Transfer of \$1,900,000 from Personal Services to the Other Expenses and Workers' Compensation Claims accounts to support end of year requirements.

Senator Formica asked whether the Other Expenses shortfall was related to Southbury Training School (STS). Commissioner Scheff responded that the shortfall was generally experienced across all programs rather than being specific to STS. Senator Formica asked about the relationship between direct care costs and residential group homes. Scott McWilliams, Chief of Fiscal Administrative Services, explained that the shortfall is similar to one experienced last year and reflects tight resources rather than specific shortfalls in any area such as community living arrangements, STS or other agency operations.

Senator Formica asked for information regarding the workers' compensation shortfall. Commissioner Scheff explained that claims are broad-based, and are not specific to any particular program or service. He further explained that the agency accommodates individuals with light and modified duty so that they are able to return to work as quickly as possible.

The item was approved with Senator Formica voting no.

FAC 2019-17 for Mental Health and Addiction Services. This transaction was withdrawn from consideration.

FAC 2019-18 for the Department of Transportation. Transfer of \$3,000,000 from Personal Services to the Pay-As-You-Go Transportation Projects account to provide additional resources to address the statewide tree mortality issue.

Senator Osten asked what section of the state the agency is working on and how the agency prioritizes its work. Paul Rizzo, Bureau Chief of Highway Operations, responded that DOT is engaged in a statewide effort, in all districts, on all state routes, with work continuing six days a week. He explained that last year DOT carried out a road survey of all state routes, and utilized a windshield survey to estimate the damaged trees within a mile of the roads. High traffic areas and areas of highest tree mortality are addressed first as well as areas which need to be addressed for clear zones for errant vehicles. Overall, the areas with the biggest potential impact on traffic are addressed first. Senator Osten asked for a list of the priority areas and the schedule for addressing them, and Mr. Rizzo committed to providing the information. Senator Osten then inquired about the agency's efforts to re-plant trees for scenic reasons, such as on the Merritt Parkway. Mr. Rizzo answered that DOT construction and maintenance groups work closely with the Office of Environmental Planning and the Merritt Parkway Advisory Committee to establish a scenic look and plant where possible.

Senator Formica asked for information about funds allocated for tree-cutting and removal for FY 2017 through the current year, and Commissioner Giulietti committed to providing that information. Senator Formica asked whether the tree removal is a result of specific pests, and

Commissioner Giulietti answered affirmatively, noting that there is also a federal requirement that anything over three inches in the breakdown area has to be removed to prevent vehicles from striking them. He provided further background about planting efforts, and Senator Formica asked why funding isn't being spent instead to improve road conditions. Robert Card, Bureau Chief of Finance and Administration, responded that the FAC transaction is a transfer from Personal Services and does not impact road work. Senator Formica asked if the agency has a forward-looking plan for tree-cutting. Mr. Card committed to providing that plan.

The item was approved with Senator Formica voting no.

FAC 2019-19 for the Department of Education. Transfer of \$400,000 from the Commissioner's Network account to Other Expenses to provide appropriate educational support for students affected by the 2018 closure of a charter school.

Representative Lavielle asked how many students were impacted by Path Academy's closure. Commissioner Wentzell provided information about the number of affected students. Rep. Lavielle asked whether the agency would expend the entire \$400,000 in the last month or so of the school year. Kathy Demsey, Chief Financial Officer, explained the department entered into a Memorandum of Agreement with Windham several months ago and has already provided funding, which has been being spent by the district, and that this FAC transaction ensures that the agency can pay its bills. Rep. Lavielle asked whether more funding would be needed going forward. Commissioner Wentzell responded that these students would be included in the student count for ECS grants, or their sending districts would provide funding.

Representative Walker asked why there is \$400,000 available in the Commissioner's Network. The commissioner explained that the statute allows for up to 25 schools to be in the network and there are currently fewer than that as well as that plans from the schools for expenditure came in lower than budgeted.

Senator Formica asked for confirmation that this is a one-time funding need to which the commissioner answered in the affirmative.

This item was unanimously approved.

FAC 2019-20 for the Department of Correction. Transfer of \$26,000,000 from Personal Services and Workers' Compensation Claims to Other Expenses and Inmate Medical Services to support the agency's operational needs through the remainder of the fiscal year.

Senator Osten asked why there was a Personal Services surplus. Michael Regan, Chief Fiscal Officer, responded that the agency has an overall deficiency in Personal Services but that it could manage to meet payroll and support the transfer at this time. Secretary McCaw further explained that this transaction is the result of a timing issue to enable timely payment of agency expenses in its Other Expenses and Inmate Medical Services accounts, and that the deficiency bill will ultimately address the full shortfall in Personal Services.

Representative Walker asked when the UConn Health Center stopped providing services under the Inmate Medical program. Mr. Regan explained that as of July 1, 2018, DOC assumed responsibility for the Inmate Medical program from UConn and had taken on the staffing for that program as well as all medical-related costs.

Senator Formica asked whether this transfer resolves the deficiency in Inmate Medical Services. Mr. Regan responded affirmatively. Senator Formica then asked whether positions needed by the agency would be filled. Commissioner Cook explained that DOC was still in the process of hiring for the Inmate Medical program but had made strides. Senator Formica asked when the Inmate Medical program would be running at its optimal level. Commissioner Cook noted that he does not have a specific timeline but the agency is making progress and the ultimate goal is to provide the optimal level of care for those incarcerated. He further noted that the Chief Medical Officer will start in June and that some contracts for needed services are nearing completion.

Senator Formica asked whether the Other Expenses shortfall was related to capital improvements of energy-related equipment. Mr. Regan explained that the agency's Other Expenses account pays for utilities, food and clothing for the inmates, and for maintenance and repair expenses that wouldn't be covered by capital equipment funding.

Representative Lavielle noted the difficulties in hiring for the work in the Inmate Medical program and asked whether the agency has alternative plans if hiring remains difficult to hire and overtime becomes problematic. Commissioner Cook responded that the agency has made significant progress and will do their very best to get the program running optimally. Secretary McCaw noted the progress the agency has made and pointed out that the agency was moving forward with contracting for pharmaceuticals, laboratory services and telemedicine. She further noted that a response to an RFP for other services is expected in early June, so there is a game plan and a timeline to ensure the department is moving forward in the transition and that OPM will continue to work with the department as necessary.

This item was unanimously approved.

FAC 2019-21 for the Judicial Branch. Transfer of \$2,926,066 from Personal Services to Workers' Compensation Claims and Other Expenses to support the agency's operational needs through the remainder to of the fiscal year.

This item was unanimously approved without discussion.

FAC 2019-22 for the Office of the Treasurer. Transfer of \$1,155,148 UConn 2000 Debt Service to the Municipal Restructuring Debt Service account to ensure adequate funds are available for contract assistance between the state and the City of Hartford.

Representative Walker asked for an explanation of the need for additional funds. Lawrence Wilson, Assistant Treasurer for Cash Management, stated there was not enough currently budgeted to meet the debt service requirements under the contract assistance agreement. He further explained that the savings within the UConn 2000 debt service line is a result of a reduction in the size of the bond sale and the recent favorable interest rate environment. He noted that in aggregate, a small lapse is expected in debt service by the end of the fiscal year.

Senator Formica asked whether other towns might come before the Municipal Accountability Review Board and require additional allocations for contract assistance. Mr. Wilson responded that he was not aware of any such requirements at this time.

The item was approved with Senator Formica and Representative DiMassa voting no.

The meeting was adjourned at 1:45 p.m.

Respectfully submitted,

Melissa McCaw, Clerk