

MINUTES OF THE MEETING
OF THE FINANCE ADVISORY COMMITTEE

Held in Room 1E at the Legislative Office Building, on May 14, 2012.

PRESENT: Lieutenant Governor Nancy Wyman
Deputy Comptroller Martha Carlson
Deputy Treasurer Jonathan Harris
Senator Toni Harp
Senator Robert Kane
Representative Toni Walker
Representative Henry Genga
Deputy Secretary Karen Buffkin
Office of Policy and Management, Finance Advisory Committee Clerk

Lieutenant Governor Wyman called the meeting to order at 1:03 P.M.

1. The minutes of the March 1, 2012 meeting were adopted unanimously.
2. The following new transactions were considered by the committee:

FAC 2012-9 – Asian Pacific American Affairs Commission. Transfer of \$14,200 from the Personal Services account to the Other Expenses account to fund outreach and community activities.

Senator Kane asked for an explanation of the kinds of outreach the Commission plans to conduct with the additional OE funding. The Executive Director, Mui Mui Hin-McCormick responded that so far the Commission has not been able to go out into the community and would now begin to create a dialog with their intended audience. Senator Kane followed up requesting details on how that outreach would be conducted. Executive Director Hin-McCormick clarified that it would involve mailings, advertisements, posters, and brochures. They also plan on using funds to translate those types of media. Senator Kane asked if this was an ongoing expense that required future year funding. The Executive Director replied that they hoped it would be funded in the future and Lt. Governor Wyman indicated that the Commission has a very small Other Expenses appropriation.

This item was unanimously approved by the committee.

FAC 2012-10 – Department of Construction Services. Transfer of \$1,800,000 from Other Expenses to Personal Services to correct an error in the appropriation and provide for continued funding of staff salaries.

Representative Walker asked if the funding for Personal Services includes salaries for vacancies including the Executive Director. Deputy Commissioner Salemi responded for the

agency. He explained that the transfer is purely an accounting function and provides funding for all staff including vacancies anticipated to be filled. They are in the process of filling the Executive Director position. Representative Walker then followed up asking if this funding correction has been addressed in the next fiscal year. The deputy confirmed that it has been addressed.

This item was unanimously approved by the committee.

FAC 2012-11 – Division of Criminal Justice. Transfer of \$300,000 from the Medicaid Fraud Control and Personal Services accounts to Other Expenses to cover operational expenses.

This item was unanimously approved by the committee.

FAC 2012-12 – Department of Banking. Transfer of \$235,000 from the Personal Services account to the Other Expenses and Equipment accounts to cover lease costs and replacement of critical data equipment.

This item was unanimously approved by the committee.

FAC 2012-13 – Department of Developmental Services. Transfer of \$1,789,282 among various accounts to meet year end requirements.

Senator Harp asked about the transfer to Worker's Compensation, specifically questioning whether the shortfall was due to higher costs per claim or an increase in claims overall. Deputy Commissioner Joseph Drexler responded that total claims are down, but the average cost per claim is increasing. He stated that this is primarily due to an increase in medical claims cost and the associated lost time per claim.

Senator Kane asked for more detail regarding the transfer for contracted nursing services. Mr. Drexler explained that the transfer into the Clinical Services account is necessary because the agency has been utilizing contracted services for nursing pools to cover the large amount of turnover among nurses this fiscal year. Senator Kane asked if the agency is attempting to fill the vacant full-time positions. Mr. Drexler responded that yes, some have already been hired and the agency is working to fill the remaining vacancies.

This item was unanimously approved by the committee.

FAC 2012-14 – Department of Transportation. Transfer of \$1,660,000 from the Personal Services and Bus Operations accounts to the Other Expenses and ADA Para-transit Program accounts, to meet higher than budgeted fuel costs and to provide for increased demand for ADA transportation services.

Senator Kane asked why there were surplus funds in Bus Operations when the reason for transfer to Other Expenses and to the ADA Para-Transit program was to cover higher than anticipated fuel costs?

Robert Card from DOT responded that the ADA Para-transit shortfall was due to increased usage and higher fuel costs and that the Other Expenses shortfall was due to fuel costs for the department's truck fleet. The Bus Operations has experienced increased fuel costs as well, but the bus operations has been able to absorb those costs due to increased collections of bus fares.

This item was unanimously approved by the committee.

FAC 2012-15 – Department of Social Services. Transfer of \$43,325,000 among various accounts to meet anticipated end of year requirements.

Representative Walker asked why there were sizeable decreases in the Connecticut Home Care, HUSKY and TANF programs. Lee Voghel, DSS' Chief Fiscal Officer, explained that the number of clients is lower than what was originally anticipated. Senator Harp asked what the reduction in the Housing/Homeless Services account represented. Mr. Voghel responded that there were delays in getting RAP certificates in place. Martha Carlson, Deputy Comptroller, asked if the reduced expenditures in Personal Services were due to fewer clients. Mr. Voghel explained that the main reason is the high level of retirements and that the department is working to increase staffing. The Deputy Comptroller also asked if the lower numbers in HUSKY B and State-Funded SNAP were due to slower processing. Mr. Voghel responded that the department could use more staff and that the administration is in the process of hiring more staff. Senator Harp commented on the size of the Medicaid account and the need to understand the account better. Representative Walker seconded these comments. Mr. Voghel answered affirmatively when the Lieutenant Governor asked if DSS was actively working to get clients on HUSKY B and the Connecticut Home Care program. Representative Walker asked about the increased requirements in the Child Day Care account and Other Expenses. Mr. Voghel responded that the child care caseload is 11% higher than budgeted and noted several reasons for the additional requirements in Other Expenses, including higher costs associated with health information technology, higher contractual costs to help with client eligibility, and higher actuarial costs. Senator Kane asked about the timing of the upward trend in medical expenditures. Deputy Secretary Buffkin explained that information is reported as soon as it is received and Mr. Voghel noted that the department did not anticipate that the Medicaid estimate would increase as fast as it has.

This item was unanimously approved by the committee.

FAC 2012-16 – Department of Children & Families. Transfer of \$800,000 from Personal Services to the Workers Compensation Claims account, to cover anticipated year end requirements.

Senator Kane inquired whether the shortfall in Workers' Compensation Claims is attributable to a particular department facility. Deborah Ennis, the agency's Assistant Chief Fiscal Officer, replied in the negative. Ms. Ennis explained that the shortfall is due to rising medical costs that are affecting claims costs on an agency-wide basis. Senator Kane followed up by inquiring whether the shortfall is attributable to an increasing number of incidents at any DCF (state-operated) facility. Ms. Ennis again replied in the negative.

This item was unanimously approved by the committee.

FAC 2012-17 – Public Defender Services Commission. Transfer of \$1,450,000 from Personal Services to various accounts, to cover costs related to increased need for special public defenders and expert witnesses, and to resolve a shortfall carried over from last fiscal year.

This item was unanimously approved by the committee.

3. The meeting was adjourned at 1:32 P.M.

Respectfully submitted,


Karen Buffkin
Clerk