FINANCE ADVISORY COMMITTEE

AGENDA

March 5, 2015

Room 1E, Legislative Office Building – 1:00 P.M.

1. Minutes of the January 8, 2015 meeting.
2. New transactions as follows:

2015-01	Department of Transportation	$10,700,000.00
2015-02	Public Defender Services Commission	$4,650,000.00

ALLOTMENT OR APPROPRIATION
ADJUSTMENT REQUEST
B-107 REV 5/2008

TO: STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT
OFFICE OF POLICY AND MANAGEMENT

DOCUMENT NUMBER
DOT9533

☐ ALLOTMENT adjustment
☐ APPROPRIATION adjustment
☒ APPROPRIATION adjustment, requiring Finance Advisory Committee action

COMPT. USE ONLY				
EFFECTIVE DATE		FAC NUMBER	AGENCY ACRONYM	REQUEST NUMBER
			DOT	13704

AGENCY NO.	AGENCY NAME
57000	Department of Transportation

F.Y.	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
					Unallotted	Allotment	
2015	12001	DOT57000	10010	2015	$10,700,000.00		Personal Services
2015	12001	DOT57000	10020	2015		$10,700,000.00	Other Expenses

REASON FOR ADJUSTMENT

See attached

STATUTORY AUTHORITY *(for adjustments in appropriations)*	REQUESTING OFFICIAL (Signature)	*(Title)*	DATE SIGNED
Sec. 4-87		**Bureau Chief**	2/19/15

ACTION

UNALLOTTED / AVAILABLE BALANCE		APPROVED *(Secretary, Office of Policy and Management)*	DATE
REVIEWED BY *(Analyst)*	DATE		
RECOMMENDED *(Undersecretary, Bud. & Fin. Mgmt.)*	DATE	APPROVED *(Governor)*	DATE

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND
** USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND

ORIGINAL - OPM

STATE OF CONNECTICUT
DEPARTMENT OF TRANSPORTATION

2800 BERLIN TURNPIKE, P.O. BOX 317546
NEWINGTON, CONNECTICUT 06131-7546
Phone:

February 19, 2015

Mr. Paul Potamianos
Executive Budget Officer
Office of Policy and Management
450 Capitol Avenue
Hartford, CT 06106

Dear Mr. Potamianos:

Subject: Finance Advisory Committee Request

Enclosed is the Department of Transportation's (Department) request for the transfer of funds to the Department's Other Expenses appropriation from its Personal Services appropriation. A justification for this request is also enclosed.

This material is submitted for consideration at the March 5, 2015 Finance Advisory Committee meeting. Should you have any questions, please contact me at (860) 594-2201.

Sincerely,

Robert C. Card
Bureau Chief
Bureau of Finance and Administration

Enclosures

cc: Ms. Patti Maroney, Office of Policy and Management
Mr. John Jaramillo, Office of Policy and Management

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Finance Advisory Committee
Meeting March 5, 2015

The Department of Transportation (Department) requests the transfer of $10,700,000 to its Other Expenses (OE) appropriation temporarily from the Department's Personal Services (PS) appropriation to cover immediate cash flow needs.

This transfer of funding is required to immediately replenish the Department's OE appropriation, which has been severely depleted due to higher than average Snow and Ice Removal costs, as well as continued higher than budgeted costs to maintain and repair an aging fleet. This transfer will allow the Department to continue to make the purchases required to maintain the safety of the traveling public. The Department is making every effort to offset shortfalls within its own appropriations; however, a deficiency is already projected in its Rail Operations account. As a result of this temporary transfer of $10,700,000 to OE from PS, the Department also projects a deficiency in PS for the amount of the transfer.

Of note, the Department continues to gather cost information related to the ongoing winter season that may result in an additional shortfall projection in OE. Every effort will be made to achieve savings within the appropriation; however, 90 percent of the expenditures made from this account are non-discretionary and further FAC action may be necessary.

FUND - SID	Appropriation Title	Transfer Amount
12001-10020	Other Expenses	$ 10,700,000
	Total Transfers In	$ 10,700,000
12001-10010	Personal Services	$ (10,700,000)
	Total Transfers Out	$ (10,700,000)

OTHER EXPENSES SHORTFALL - CONTRIBUTING FACTORS

- $8.8 Million for Snow Removal Costs (Salt, Liquid Magnesium Chloride, Contractor Trucks, Contractual Meals) – Winter storm costs for materials and contractual services have exceeded budgeted amounts by over $8 million. There have been 14 storms to-date and another storm is forecasted for February 21-22. On average, there are three additional storms after February 22, meaning we will likely have at least 18 storms. The Department's Snow and Ice Removal budget is based on an average of 12 storms. Materials (salt, liquid chlorides) must be acquired ahead of, and in anticipation of, storm activity to ensure product is available when needed. Contractor trucks are used to supplement the Department's fleet to ensure quick response to weather conditions and an improved level of service to provide clear and safe roadways for the traveling public. Meals are provided (per union contract) when staff work certain hours beyond the regularly scheduled day, and our costs to-date have exceeded budgeted amounts.

- $1.9 Million for Equipment and Motor Vehicle Repair - The Department continues to experience higher than budgeted expenditures in order to repair and maintain an aging fleet of equipment and vehicles. The Department's fleet of 632 trucks includes about 280 trucks (45 percent) that are past their expected useful life of 12 years. Major components such as the engine, transmission, axle, etc. are no longer covered by warranty for trucks that are older than seven years. A harsh winter leads to more repairs. Current projections indicate that repair expenditures will exceed budget by $1.9 million.

- *Shortfall for Highway and Electrical Supplies is projected to be offset by savings in Motor Vehicle Fuel – Of note, the Department continues to experience higher than budgeted expenditures related to certain commodities purchased to maintain and improve State roads, such as impact attenuation devices, bridge painting materials, railings, posts, sign hardware and other miscellaneous highway materials and operating supplies. We currently anticipate that savings to-date related to lower fuel costs will help offset this shortfall.*

ALLOTMENT OR APPROPRIATION
ADJUSTMENT REQUEST
B-107 REV 3/96

TO: STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT
OFFICE OF POLICY AND MANAGEMENT

COMPT. USE ONLY	PAGE OF
DOC.TYPE	DOCUMENT NUMBER
	036613

☐ ALLOTMENT adjustment ☐ APPROPRIATION adjustment ☒ APPROPRIATION adjustment, requiring Advisory Committee action

COMPT. USE ONLY		
EFFECTIVE DATE	FAC NUMBER	REQUEST NUMBER
	1	15-1

AGENCY NO.	AGENCY NAME
PDS98500	PUBLIC DEFENDER SERVICES COMMISSION

F.Y.	FUND	AGENCY	SID	REDUCE*	INCREASE **	ACCOUNT TITLE/PROJECT NUMBER
				ALLOTTED BALANCE	ALLOTTED BALANCE	
2015	11000	PDS98500	10010	(4,960,000)		PERSONAL SERVICES
2015	11000	PDS98500	12076		4,650,000	ASSIGNED COUNSEL - CRIMINAL
2015	11000	PDS98500	12090		310,000	EXPERT WITNESSES

REASON FOR ADJUSTMENT

Funding is necessary in the Assigned Counsel - Criminal account due a bill passed in the session of 2012, HB 5554, An Act Concerning Habeas Corpus Reform. The legislation reduced the length of time in which a habeas petition can be filed, which in turn has resulted in an influx of habeas petitions received by the Agency. As a consequence, the costs of habeas cases have increased significantly. This has also created additional expert costs. Additionally, the CT Supreme Court decision in State v. Wang, 312 Conn. 222 (June 2014) now mandates that the Division of Public Defender Services pay for reasonably necessary expert witnesses when requested by pro-se indigent defendants in criminal cases. This Agency was not responsible for such expert costs prior to this decision and they were not contemplated in any budget request. This has created a deficiency in the Expert Witnesses account.

Funding is available in the Personal Services account due to delayed hirings and freezing of vacant positions and a deficiency appropriation.

Bond Commission Date: _____

STATUTORY AUTHORITY (for adjustments in appropriations)	REQUESTING OFFICIAL (Signature)	(Title)	DATE SIGNED
	Susan O'Donovan	Chief Public Defender	2/18/15

ACTION

UNALLOTTED / UNENCUMBERED BALANCE		APPROVED (Secretary, Office of Policy and Management)	DATE
REVIEWED BY (Analyst)	DATE		
RECOMMENDED (Undersecretaty, Bud. & Fin. Mgmt)	DATE	APPROVED (Governor)	DATE

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ORIGINAL - OPM