

Appropriations Committee JOINT FAVORABLE REPORT

Bill No.: HB-6438

AN ACT MAKING DEFICIENCY APPROPRIATIONS FOR THE FISCAL YEAR

Title: ENDING JUNE 30, 2021.

Vote Date: 4/21/2021

Vote Action: Joint Favorable Substitute

PH Date: 4/13/2021

File No.:

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SPONSORS OF THE BILL:

Governor Lamont

REASONS FOR BILL:

The bill authorizes funds for several state agencies to allow them to cover shortfalls in the current fiscal year. Since it is difficult to anticipate extraordinary circumstances that may place additional demands on agencies (court orders, increased caseloads, public health concerns, etc.), deficiency appropriations are necessary in order for agencies to meet their fiscal obligations.

SUBSTITUTE LANGUAGE: (LCO 7175) The substitute language is an update and refinement of the available financial information and greater detail of the disbursements. The substitute bill also includes and delineates the use of the unexpended balance of funds appropriated to DSS under Medicaid.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Melissa McCaw, Secretary, Office of Policy and Management](#), outlined projected necessary changes to the underlying bill as of March 19, 2021. She noted that further adjustments were anticipated before the bill went to the House Floor. The Secretary highlighted the need for 25 million dollars to completely cover COVID-19 testing costs. The Office of Policy and Management would stand ready to assist the Committee and the Office of Fiscal Analysis in any way.

[Dr. Andrew Agwunobi, CEO, UConn Health](#), said that the Health Center's deficit was due to sharply decreased clinical revenue due to the pandemic. Another driver was the unfunded legacy costs assigned to the Health Center to help cover unfunded pension liabilities, noting

that most other agencies did not incur these costs. They requested an additional 22.7 million dollars beyond the 50 million dollars proposed in the bill for this purpose.

[Kevin Lembo, Comptroller, Office of the State Comptroller](#), testified for the purpose of putting on the record that, after conversations with OPM, the Office of the Comptroller would not be offering fringe benefit support for appropriations made to the University of Connecticut Health Center.

[Miriam Delphin-Rittmon, Commissioner, Dept. of Mental Health and Addiction Services](#), said that the agency's deficiency was due primarily to increased needs in the Professional Services line item for contracted doctors and nurses and in the Worker's Compensation line item. They would be working closely with OPM to refine the numbers moving forward.

[Dr. James Gill, Chief Medical Examiner](#), testified that the FY20 budget did not anticipate the increased demands on the office due to the pandemic. The deficiencies appeared in the funds for staffing costs, primarily overtime and shift differential pay.

[David Lehman, Commissioner, Dept. of Economic and Community Development](#), the deficiency in the agency budget was largely due to a COVID-19 shortfall of revenue in the Capitol Region Development Authority's budget.

[Joseph Geremia, CFO, Capital Region Development Authority](#), said that CRDA's budget is primarily tied to revenues generated from managing the State's large entertainment and sports venues, including the CT Convention Center, Rentschler Field and the XL Center. Those venues, and their associated parking lots, had been suspended from activity during the pandemic and thus revenue had not been generated. The costs of maintaining those facilities were ongoing.

[David Pajak, Director of Insurance and Risk Management, Dept. of Administrative Services](#), testified that the additional funds from the Special Transportation Fund were needed to support the operations of the State Insurance and Risk Management Board. Mr. Pajak said that unanticipated increases in both rail and bus liability insurance premiums and several large claim settlements that fell beyond the Board's standard projections accounted for the shortfall.

[Angel Quiros, Commissioner, Dept. of Corrections](#), said that the Department's deficiencies were experienced in the Personal Services and Inmate Services accounts driven by the continuing needs of the pandemic. Some of the costs had been offset by a surplus in the Pardons and Parole account.

NATURE AND SOURCES OF SUPPORT:

None Expressed

NATURE AND SOURCES OF OPPOSITION:

None Expressed

Reported by: Elizabeth Gillette

Date: April 28, 2021