

**DRAFT** Potential Savings Identified by Commission on Enhancing Agency Outcomes **DRAFT**

<b>Proposals that Produce Savings</b>	<b>Annual Potential Savings</b>	<b>FY savings could occur in</b>
<b>Personnel/Agency or Function Consolidation or Mergers Proposals</b>		
1. Move additional state agencies to DAS SmART Unit (assumes 50% resource transfer of HR/Payroll/EEO positions)	\$573,607	FY 11
2. Consolidate Charitable Games Unit into other Division of Special Revenue Units and eliminate the currently vacant Charitable Games Unit Head	\$101,015	FY 11
3. Reduce staffing at Southbury Training School in proportion to 21% resident reduction (savings based on elimination of 75 positions)	\$3,720,282	FY 12
4. Reduce staffing at Riverview Hospital in proportion to 20% resident reduction (savings based on elimination of 74 positions)	\$4,694,352	FY 12
5. Adopt one of the scenarios to reduce number of managers in human services agencies (savings depends on the scenario chosen)	\$2,265,284 - \$18,188,734	FY 12
6. Consolidation of back office functions of human services agencies (savings based on 10% reduction in HR, payroll and EEO personnel costs)	\$1,396,026	FY 12
7. Consolidate all economic development agencies (including DECD) into one quasi-public. (Much of the savings would not be in General Fund but in quasi-public agencies' operating expenses, but this would allow for more funding to business). Also would enhance outcomes for business -- all financing and economic development programs in one location	\$4,200,000	FY 12
<b>Adjustments to State Employee Benefits</b>		
8. Support benefit changes proposed by Post-Employment Benefits Commission including: final average salary based on 5 years not 3; COLA caps at lower levels; and maximum pension caps	\$21,200,000	FY 12
9. Support increase level of employee contributions for pension proposed by Post-Employment Benefits Commission (savings calculated for 1% increase)	\$32,000,000	FY 12
10. Eliminate (or suspend) twice-yearly longevity payments to state employees -- this assumes a savings for the April 2011 payments of \$6.5 million for managers, which could be done by statute, and \$11.8 million for unionized employees, which would have to be collectively bargained. Annualized savings in FY 12 and beyond would be \$36.6 million	\$18,300,000	FY 11
11. Eliminate longevity payments in calculation for final average salary for pension	Unknown	
12. Reduce amount (or percent) of overtime that can be used to calculate final average salary for pensions	Unknown	

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13. Require all state employees (not just newer) to contribute to their retirement health care (1% would be approximately \$32 million) future cost-avoidance	\$32,000,000	FY 11
<b>Administrative Proposals</b>		
14. Require "direct deposit" of state employee and retiree payments (or by pay card), and electronic advice statements (employee may opt out) (savings based on banking, postage, and printing cost reductions only; savings from reduction of positions determined unnecessary currently unknown )	\$180,257	FY 11-FY 12
15. Convert executive branch agencies with paper time and attendance systems to an electronic format (assumes elimination of 60 of the current 120 payroll positions)	\$3,321,780	Begin in FY 12, or phase in during FY 11-FY 12
16. Convert business entity filing with Secretary of State from paper and regular mail to electronic method (savings based on costs of paper, envelopes and postage only)	\$240,000	FY 11
17. Reduce use of postage (by 10%)	\$2,000,000	FY 11
18. Require Office of State Comptroller to make electronic payments to vendors that receive more than 100 checks a year	\$44,000	FY 11
<b>Contracting and Purchasing Proposals</b>		
19. Join TOP\$ (a multi-state purchasing Medicaid purchasing pool)	\$6,000,000 to \$7,000,000	FY 11
20. Reduce payments for Medicaid Drug purchasing through joining Medicaid purchases w/Caremark or adjust DSS reimbursement rates	\$70,000,000	FY 11
21. Reduce costs of Purchase of Service (POS) contracts through consolidation of human service contracts, relieving providers of administrative burdens of contracts with multiple agencies	\$70,000,000	FY 12
22. Changes to Personal Service Agreements (PSA) including fewer long-term contracts, restrictions on contract amendments, greater outside evaluation of need, and greater use of contingency contracting	\$37,600,000	FY 12
23. Modernize procurement practices in routine purchasing area through: reverse auctions; job-order contracting; on-line bid submission; purchasing cooperatives and existing contracts with other states; and expanded use of contingency contracts	\$38,000,000	FY 11

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<b>Medicaid Reductions or Federal Revenue Maximization Proposals</b>		
<b>24.</b> Fully implement drug recycling program (assumes participation by Medicare Part D recipients)	\$2,400,000	FY 11
<b>25.</b> Expand the fall prevention pilot program statewide to all elderly in Connecticut (anticipated future Medicaid cost avoidance)	\$2,500,000	FY 11
<b>26.</b> Reduce Medicaid prescription drug costs by: 1) increasing generic prescription use by 5%, and 2) lowering the current CT prices for generic drugs to at least the national average prices for generic drugs. (CEAO estimated savings are net of what is already claimed in the state budget for Medicaid drug cost reductions)	\$24,500,000	FY 11
<b>27.</b> Shift from fully state-funded to Medicaid for inmate inpatient services (savings based on all inmates hospitalized at John Dempsey Hospital shifted to Medicaid)	\$4,000,000	FY 11
<b>28.</b> Transfer veterans from Medicaid to VA or Department of Defense medical benefits	\$2,000,000	FY 11
<b>29.</b> Adopt an aggressive long-term care re-balancing strategy that allows CT to participate in PPACA's "State Balancing and Incentive Payment Program"	\$34,000,000	FY 12
<b>30.</b> To achieve the savings in 29 above, the state should establish a goal of reducing nursing home beds to national average bed ratio (1:22 elderly population) by 2017	Unknown	
<b>31.</b> Enhance community prevention and intervention efforts by DCF (savings estimated from serving more families in Intensive Family Preservation program and Intensive In-Home Child & Adolescent Psychiatric Service (IICAPS) program)	\$4,879,000	FY 12
<b>State Revenue Maximization Proposals</b>		
<b>32.</b> Add 5 auditors and 5 collection and enforcement agents to DRS staff (Increased tax revenues)	\$1,000,000 to \$4,000,000	FY 12
<b>33.</b> Require that state agencies reduce energy costs by 10 percent by the end of FY 12. State agency commissioners would be responsible for ensuring that reduction by whatever means they choose, including training facility management in BOC, using the Connecticut Energy Efficiency Fund, the Connecticut Clean Energy Fund and energy performance contracting.	\$20,000,000	FY 12
<b>TOTAL</b>	<b>\$405,515,603 - \$425,439,053</b>	
Total for FY 11: \$202,838,879 - \$203,838,879		
Total for FY 12: \$202,676,724 - \$221,600,174		

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Additional proposals that enhance outcomes but may not save \$		
<b>A.</b> Promote use of LEAN processes in state agencies (through establishment of LEAN Government Steering Committee)	Improve efficiency and service to public (savings unknown)	FY 11
<b>B.</b> CT apply for a single Medicaid 1915(c) waiver to provide home and community-based services	Would facilitate rebalancing and provide ease of access for elderly and disabled	FY 11
<b>C.</b> CT create a single point of entry for long-term care information and referral across all ages and disabilities	Addresses access difficulties; is required to be eligible for the federal "State Balancing and Incentive Payment Program"	FY 12
<b>D.</b> Create a champion of long-term care who would implement CT's plan, including possible consolidation/integration of long-term care functions spread across multiple agencies, and new business model for nursing homes	Help CT achieve its long-term care related goals	FY 11
<b>E.</b> Designate a high-level DSS staff person as federal revenue ombudsman	Ensure state does not lose funding opportunities as it did with TANF	FY 11
<b>F.</b> DSS <i>suspend</i> rather than <i>terminate</i> Medicaid for DOC inmates	Streamlines process for use of Medicaid to cover inmate inpatient medical services	FY 11
<b>G.</b> Develop a Memorandum of Agreement between DVA and DMHAS to share information needed to help DVA reach out to veterans	Veterans served by DMHAS may receive additional benefits to which they are entitled, and provide savings to CT's budget	FY 11
<b>H.</b> Transfer the responsibility of publishing state agency regulations from COLP to the Secretary of the State's Office (notice of intent and final approved). The Connecticut Law Journal may still be used for notices of intent through an agreement between SOS and the Judicial Branch.	Would better align responsibilities for regulations and their publication	
<b>I.</b> Seek RFPs from commercial publishers to handle the publication of regulations for subscription sales and include requirement that a searchable online data base be made available.	Could provide cost-effective way to produce online regulations for general public	

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<b>J.</b> Conduct further review of the state agency regulation development and approval process.	Assess for streamlining and consistency	
<b>K.</b> Consolidate the Division of Special Revenue into the Department of Revenue Services	Streamline state agencies/independent divisions	FY12
<b>L.</b> Require an on-line single point of entry for businesses	Would ensure that businesses could access all permitting, licensing, financing and other information in one place	
<b>M.</b> Encourage CJPAC to make it a priority to complete an action and implementation plan as soon as possible for offender re-entry, and include prospective costs savings.	Assist in focusing criminal justice efforts	
<b>N.</b> DOC should review whether another prison or part of a prison could be closed (given the current open bed average of 852 (with a smaller "net open" of 435))	Could lead to further savings	
<b>O.</b> Require that current business development personnel at DECD serve as business case managers and not referral agents	Ensure that businesses receive individual service addressing their needs	
<b>Additional areas that require further exploration</b>		
<b>P.</b> Greater oversight over higher education, including personnel and operating expenses		
<b>Q.</b> Whether there is a need to have DAS involved in billing and collections for state-provided Medicaid services, and whether other collections could be done through a contingency contract		
<b>R.</b> Explore reasons why state workers' compensation costs have increased significantly		
<b>S.</b> Conduct further review of the state agency regulation development and approval process.		