

As of April 30, 2021, the Office of Fiscal Analysis is projecting \$118.4 million in state agency General Fund shortfalls. The following table reflects the level of funding that is anticipated to be needed by various agencies from the General Fund this fiscal year.

FY 21 General Fund Estimated Deficiency Needs

In Millions of Dollars

Agency	Deficiency
Office of the State Comptroller - Fringe Benefits	59.7
Office of the State Comptroller - Adjudicated Claims	30.0
Department of Correction	11.9
Dept. of Mental Health and Addiction Services	6.5
Dept. of Economic & Community Development - Capital Region Development Authority	8.3
Department of Emergency Services and Public Protection	1.5
Office of the Chief Medical Examiner	0.5
TOTAL	118.4

Numbers may not add due to rounding.

A description of each of these deficiencies is provided below.

Office of the State Comptroller - Fringe Benefits - \$59.7 million

A shortfall of \$59.7 million is anticipated across various fringe benefit accounts within OSC. Of this total, approximately \$41 million is due to an increase in the actuarially determined employer contribution (ADEC) for the State Employees Retirement System, and \$3.4 million is due to an increase in the ADEC for the Judges Retirement System, based on their respective June 30, 2019 valuations.

A shortfall of approximately \$26.2 million is also anticipated in the State Employees Health Service Account due to expenditure requirements, \$800,000 in the Employer's Social Security Tax account, \$1.3 million in the Unemployment Compensation Account, and \$2 million in the SERS Defined Contribution Match account.

These shortfalls are partially offset by a lapse of approximately \$13 million anticipated in the Higher Education Alternative Retirement System account and a lapse of \$1.9 million in the Other Post-Employment Benefits account.

Office of the State Comptroller - Adjudicated Claims - \$30 million

There is an anticipated shortfall of \$30 million in the Adjudicated Claims Account. No appropriation was made for FY 21 in the enacted budget. To date, approximately \$24.1 million has been expended in FY 21.

Department of Correction - \$11.9 Million

The Department of Correction (DOC) is projected to have a deficiency of \$11.9 million, resulting from shortfalls of \$8.9 million in Personal Services (PS), \$1.0 million in workers' compensation claims (WCC), and \$2.7 million in Inmate Medical Services (IMS). This deficiency is partially offset by a \$640,000 lapse in the Boards of Pardons and Parole due to a delay in refilling vacancies.

The deficit in PS is driven by an increase in overtime due to COVID-19. As of March 23rd the DOC has 52 employees out of work and recovering from COVID, and overtime is primarily used to cover these absences. The deficit also includes accumulated leave payouts which are historically covered by the Reserve for Salary (RSA) account. The deficit of \$1.0 million in WCC is due to FY 20 claims trending higher than anticipated.

The IMS account is projected to have a \$2.7 million deficiency primarily due to staffing. The agency continues to struggle to fill medical positions and is covering the unfilled positions with overtime and temporary staff. Reaching adequate staffing levels has been a continuous issue for the DOC since taking over IMS from UConn Healthcare on 7/1/18. The agency is seeking to fill approximately 200 IMS positions.

Department of Mental Health and Addiction Services - \$6.5 million

The projected deficiency in the Department of Mental Health and Addiction Services (DMHAS) is due to shortfalls in several accounts. The shortfall in Other Expenses (\$5.6 million) is due to facility maintenance and contracted labor costs as well as facility maintenance costs that were carried forward from FY 20. The shortfall in Workers' Compensation Claims (\$3 million) is due to claims trends as well as costs carried forward from FY 20. The Discharge and Diversion shortfall (\$3 million) reflects costs associated with community placements for individuals ready for discharge from inpatient settings. The Professional Services shortfall (\$5.9 million) reflects costs for contracted doctors and nurses while the agency recruits for full-time staff. These costs are partially off-set by a projected lapse in Personal Services (\$10 million) due to delays in hiring and a reduction in overtime. The Home and Community Based Services lapse (\$1 million) is a result of fewer referrals and placements as well as lower than expected claims.

Department of Economic and Community Development - Capital Region Development Authority - \$8.3 million

The agency's projected deficiency of \$8.3 million is the result of shortfalls of (1) \$5.6 million in the Capital Region Development Authority (CRDA) account and (2) \$2.8 million in the Personal Services (PS) account.

The \$5.6 million CRDA deficiency is due to pandemic-related cancellations at Hartford area event facilities that are reliant on state funds to ameliorate budgetary shortfalls. The total

deficiency is partially attributable to shortfalls during FY 20 (\$2.5 million) which have not yet been addressed as well as projected shortfalls in FY 21 (\$3 million). By facility, the shortfalls are: Pratt and Whitney Stadium at Rentschler Field (\$270,000), the XL Center (\$2.3 million) and the CT Convention Center (\$3.0 million). This estimate is net of a \$3 million transfer from the PS account, as passed by the Finance Advisory Committee (FAC) this January.

The \$2.8 million PS deficiency is the result of the FAC transfer to the CRDA account this past January. Without this transfer, the PS account would be projected to lapse \$180,000.

Department of Emergency Services and Public Protection - \$1.5 million

The Department of Emergency Services and Public Protection is projected to have a \$1.5 million deficiency in the Personal Services (PS) account. The deficiency is due to the accumulated leave payouts for retirees, which are historically covered by the Reserve for Salary (RSA) account.

Office of the Chief Medical Examiner - \$500,000

The projected \$500,000 deficiency in the Personal Services account in the Office of the Medical Examiner (CME) is due to increased caseload. Between FY 19 and FY 20, the number of autopsies performed by the agency rose by 15.2%, death certificate issuance rose by 38.1%, and external examinations of bodies rose by 30.4%. Between FY 20 and FY 21, autopsies are projected to rise by another 3.7%, death certificate issuance by 28.4%, and external examinations of bodies by 4.3%.