

FINANCE ADVISORY COMMITTEE

AGENDA

September 6, 2018

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

1. Minutes of the June 7, 2018 meeting.

2. New transactions as follows:

2019-01	Office of Early Childhood	Fee Approval
2019-02	Office of Early Childhood	\$ 26,678,810.00
2019-03	Office of Early Childhood	\$ 299,273.00

MINUTES OF THE MEETING
OF THE FINANCE ADVISORY COMMITTEE
June 7, 2018
Held in Room 1E at the Legislative Office Building

PRESENT: Lieutenant Governor Nancy Wyman
Deputy Comptroller Martha Carlson
Deputy Treasurer Wilson
Senator Catherine Osten
Representative Ezequiel Santiago
Representative Tami Zawistowski
Deputy Secretary Susan Weisselberg
Office of Policy and Management, Finance Advisory Committee Clerk

Lieutenant Governor Wyman called the meeting to order at 1:00 p.m.

The minutes of the May 3, 2018, meeting were adopted.

The following new transactions were considered by the committee:

FAC 2018-12 for the Office of the Comptroller. Transfer of \$3,630,000 from the State Employee Health Service Cost account to the Pensions and Retirements – Other Statutory and Employers Social Security Tax accounts to address end of year expenditure requirements.

The item was unanimously approved without discussion.

FAC 2018-13 for the Department of Administrative Services. Transfer of \$956,206 from the Personal Services account to the State Insurance and Risk Management account to cover settlement and claims costs.

The item was unanimously approved without discussion.

FAC 2018-14 for the Department of Energy and Environmental Protection. Transfer of \$1,403,000 from various accounts to the Personal Services account to support costs of the Passport to the Parks program that were authorized but not appropriated.

Representative Zawistowski asked what the cause of the shortfall was. Commissioner Klee responded that it was due to a lack of an appropriation for the Passport to the Parks program.

The item was unanimously approved.

FAC 2018-15 for the Department of Public Health. Transfer of \$512,264 from the Personal Services account to Local and District Departments of Health to support statutory per-capita formula grants.

The item was unanimously approved without discussion.

FAC 2018-16 for the Department of Social Services. Transfer of \$6,570,000 from Medicaid to various accounts to meet anticipated end of year requirements.

This item was unanimously approved without discussion.

FAC 2018-17 for the Department of Rehabilitation Services. Transfer of \$1,050,000 from several accounts to the Personal Services and Vocational Rehabilitation accounts, primarily to meet federal grant maintenance of effort requirements.

This item was unanimously approved without discussion.

FAC 2018-18 for the Office of Early Childhood. Transfer of \$55,000 from the Child Care Services account to the Early Head Start – Child Care Partnership account to support childcare services for low income families.

This item was unanimously approved without discussion.

FAC 2018-19 for the Department of Correction. Transfer of \$5,565,323 from various accounts to Personal Services and Inmate Medical Services to meet the operational needs of the agency.


This item was unanimously approved without discussion.

FAC 2018-20 for the Public Defender Services Commission. Transfer of \$250,000 from the Expert Witnesses account to Personal Services to cover higher than normal accumulated leave payouts.

This item was unanimously approved without discussion.

The meeting was adjourned at 1:05 p.m.

Respectfully submitted,


Susan Weisselberg, Clerk

Office of Early Childhood
Finance Advisory Committee request
August 3, 2018

Pursuant to Connecticut General Statutes, Section 4-60u, the Office of Early Childhood (OEC) respectfully requests that the Finance Advisory Committee (FAC) approve vendor fees for payment processing of child care fingerprint supported, state and national criminal history records checks ("background checks"). Pursuant to Connecticut General Statutes Sections 19a-80, 19a-87b, and 17b-749k, persons providing child care must submit to a background check.

Pursuant to Connecticut General Statutes, Section 29-17a (a)-(b), "if a criminal history records check is required pursuant to any provision of the general statutes, such check shall be requested from the State Police Bureau of Identification... The Commissioner of Emergency Services and Public Protection may charge fees for conducting criminal history background checks..." The fee charged by the Commissioner of Emergency Services is \$75. In addition, there is a \$12 fee assessed by the Federal Bureau of Investigation making the total fee paid by applicants \$87. Child care center volunteers pay slightly less (\$85.75).

The payment processing system will interface with the existing Applicant Background Check Management System (ABCMS). ABCMS houses the Department of Public Health's background check information and OEC is currently being added as a tenant in that system. Under ABCMS, applicants will have the ability either to pay electronically or to submit a paper check or money order if they do not wish to incur the transaction fee.

The vendor will apply a 3% fee for each background check completed through its system. In exchange for the 3% fee, the vendor will provide an online electronic PCI Compliant secure payment processing system, allowing applicants to pay for background checks via credit card or ACH payments. The vendor will also provide an online reporting system, accessible by OEC for tracking payments completed through the service. The payment processing service will allow applicants the ability to setup a payment account in advance and select their preferred method of payment. After receiving the 3% fee, the balance of the funds will be processed by the vendor and automatically transferred and deposited into the appropriate OEC accounts. The OEC then transfers the funds to the Department of Emergency Services and Public Protection (DESPP).

Projected transactions: 1,000 per month.

Background

Public Act 12-2 of the June 2014 special session added language to C.G.S. Section 4-60u that allows the Secretary of Office of Policy and Management (OPM) to "authorize any state agency to enter into agreements with private and nonprofit entities to facilitate the public's utilization of government services and programs electronically." This language authorizes self-funding models to improve government programs and services through information technology advancements. Under this authority, OPM authorized the Department of Administrative Services to enter into a

competitive bidding process for a vendor to provide eGovernment services to the executive branch.

Under the self-funded model, which is used by more than 25 states to fund eGovernment programs, a vendor derives revenues through the collection of administrative fees assessed on certain high-volume transactions conducted on a state's web portal aimed primarily at business users who are willing to pay a small additional fee for expedited and enhanced online customer service.

FAC approval of the 3% service fee proposed herein will allow the vendor to create an electronic payment service to facilitate eGovernment services to Connecticut, including customer service support with respect to payments for background checks required under Connecticut General Statutes, Sections 19a-80, 19a-87b, and 17b-749k.

It is anticipated that the vendor's electronic payment portal for fingerprint-based criminal history record checks will result in significant efficiencies in such transactions. Currently, applicants send in paper checks or money orders. The OEC is assigned to the state Department of Education (SDE) for administrative purposes only. When a paper check or money order comes in, it must be processed by OEC staff as well as SDE fiscal staff prior to the funds being transferred to DESPP.

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
 APPROPRIATION Adjustment
 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME					REQUEST NUMBER	
OEC64800		Office of Early Childhood					2019-01	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER	
					<u>UNALLOTTED</u>	<u>ALLOTMENT</u>		
2019	11000	OEC64800	16147		\$26,678,810.00		C4K - TANF/CCDF	
2019	11000	OEC64800	16274			\$26,012,019.00	Early Care and Education	
2019	11000	OEC64800	10010			\$666,791.00	Personal Services	
TOTALS					\$26,678,810.00	\$26,678,810.00		

REASON FOR ADJUSTMENT

Formerly, SSBG funds were transferred from DSS to cover about 50% of the Child Day Care payments. Also, a portion of those funds were used to recode 10010 (Personal Services) expenditures to cover licensing staff totaling \$666,791 yearly. Following passage of PA 17-2 JSS, DSS no longer transfers the SSBG funds, but instead transfers CCDF funds of \$26,678,810 for C4K activities. In order to meet federal guidelines and not impact current programming, funding within the OEC, as passed in PA 17-2 JSS, needs to be reallocated to use the new CCDF funding to support the C4K's program, which already follows federal CCDF rules, rather than supporting the Child Day Care program, which does not follow the CCDF rules and would require drastic changes in order to be in compliance with those rules. In this exchange, \$26,678,810 must be transferred from the C4K's account and placed into Early Care and Education in the amount of \$26,012,019. In addition, funds in amount of \$666,791 must be placed into Personal Services to support the activities formerly funded by SSBG. This adjustment makes all accounts whole and has no effect on programming.

REQUESTING OFFICIAL (Signature)		TITLE		DATE SIGNED
Gerald M. Mallison		Fiscal Administrative Supervisor		8/24/2018
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)			STATUTORY AUTHORITY (for adjustments in appropriations)	
			CGS 4-87	

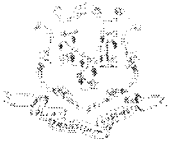
OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)		REVIEWED BY BUDGET ANALYST		REVIEWED BY SECTION DIRECTOR	
		Leah Grenier 8/24/18		K. Kelly 8/27/18	
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED	

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND



Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

STATE OF CONNECTICUT

OFFICE OF EARLY CHILDHOOD



Connecticut Office of
Early Childhood

David Wilkinson
Commissioner

Finance Advisory Committee

Transfer Request for Fiscal Year 2019

September 6th, 2018

Background Information

In prior fiscal years, the Department of Social Services (DSS) had transferred Social Service Block Grant (SSBG) funds to the OEC that covered about 50% of the Child Day Care program. A portion of those funds were also used for licensing staff expenditures in the OEC's Personal Services account. Effective October 1, 2017, following passage of PA 17-02 JSS, DSS is no longer making that transfer. However, DSS will be transferring Child Care Development Fund (CCDF) funds for Care 4 Kids activities instead. In exchange for this, the same amount of funding totaling \$26,678,810 must be placed into the Early Care and Education account (SID 16274 - \$26,012,019) and the Personal Services account (SID 10010 - \$666,791) to support the activities formerly funded by the SSBG. This adjustment makes all the accounts whole and total funding for all programs remains unchanged.

The Office of Early Childhood (OEC) respectfully requests to transfer funds from *Child Care Svcs – TANF/CCDF (16147)* to *Early Care and Education (16274)* and *Personal Services (10010)*.

From:

(\$26,678,810) – Child Care Services – TANF/CCDF (16147): *The amount transferred from this account is balanced by the amount of CCDF funds transferred to the OEC from DSS.*

To:

\$26,012,019 – Early Care and Education (16274): *This amount is necessary is to cover the Child Day Care Program. These payments were previously made using SSBG funds that were transferred from DSS. However, the OEC will no longer be receiving this transfer, and the entire obligation of the contracts is now budgeted to this account.*

\$666,791 – Personal Services (10010): *This amount is necessary to cover the licensing staff expenditures that were previously recoded to SSBG funds. These funds had been transferred from DSS; however, the OEC will no longer be receiving this transfer.*

ALLOTMENT OR APPROPRIATION ADJUSTMENT REQUEST

B-107 REV 7/2018

**STATE OF CONNECTICUT
BUDGET AND FINANCIAL MANAGEMENT DIVISION
OFFICE OF POLICY AND MANAGEMENT**

- ALLOTMENT Adjustment
 APPROPRIATION Adjustment
 APPROPRIATION Adjustment, Requiring Finance Advisory Committee Action

AGENCY NO.		AGENCY NAME				REQUEST NUMBER	
OEC64800		Office of Early Childhood				2019-02	
FISCAL YEAR	FUND	AGENCY	SID	BUD REF	REDUCE *	INCREASE *	ACCOUNT TITLE/PROJECT NUMBER
					<u>UNALLOTTED</u>	<u>ALLOTMENT</u>	
2019	11000	OEC64800	16147		\$299,273.00		C4K - TANF/CCDF
2019	11000	OEC64800	12584			\$299,273.00	2GEN
TOTALS					\$299,273.00	\$299,273.00	

REASON FOR ADJUSTMENT

This amount is necessary to cover the 2 GEN programs that: (1) Monitor the impact of home visiting Rate Cards on 2Gen outcomes such as avoided pre-term birth, child welfare system involvement, and parental employment; (2) establish homelessness diversion performance contracts to reward providers for avoiding child homelessness and early childhood trauma by keeping families out of homeless shelters; and (3) invest in child care support for SDE-funded adult education programs, and, potentially, employer-driven Employment and Training programs that supply critical skills to satisfy employer needs.

REQUESTING OFFICIAL (Signature)	TITLE	DATE SIGNED
Gerald M. Mallison	Fiscal Administrative Supervisor	8/28/2018
BOND COMMISSION DATE AND ITEM NUMBER (if applicable)	STATUTORY AUTHORITY (for adjustments in appropriations)	
	CGS 4-87	

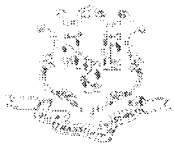
OPM USE ONLY

REVIEWED BY BOND ANALYST (if applicable)	REVIEWED BY BUDGET ANALYST	REVIEWED BY SECTION DIRECTOR		
	Leah Grenier 8/29/2018	K.Kelley 8/29/18		
FAC NUMBER	APPROVED (Secretary, OPM)	DATE SIGNED	APPROVED (Governor)	DATE SIGNED

COMPTROLLER'S USE ONLY

EFFECTIVE DATE	APPROVAL	APPROVAL

* USE ONLY UNALLOTTED, ALLOTMENT, RESOURCES OF FUND



Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

STATE OF CONNECTICUT

OFFICE OF EARLY CHILDHOOD



Connecticut Office of
Early Childhood

David Wilkinson
Commissioner

Finance Advisory Committee

Transfer Request for Fiscal Year 2019
September 6, 2018

Background Information

OEC's statutory mandate calls on the agency to be multi-generationally focused. OEC seeks to identify better, more effective solutions to measurably advance child and family program outcomes through efficient and effective program result evaluation. These funds give the ability to test and advance cost-saving, preventive solutions.

Projects that can be funded, in part, with this transfer from Child Care Svcs – TANF/CCDF (16147) to 2GEN (12584), include:

Monitor the impact of home visiting Rate Cards on 2Gen outcomes such as avoided pre-term birth, child welfare system involvement, and parental employment. *OEC initiated this Rate Card approach to performance-based contracting this year, and it has been met with national acclaim (covered by New York Times and listed a top national 2Gen innovation by the Aspen Institute) and positive attention from the Health Resources and Services Administration or HRSA (highlighted as national model in the Maternal, Infant, and Early Childhood Home Visiting Program MEICHV "Grand Rounds"). Modest data system investments will help us more affordably and accurately track the outcomes of avoided pre-term birth, avoided DCF involvement, avoided emergency room trips, and increased parental employment, among others.*

Establish homelessness diversion performance contracts to reward providers for avoiding child homelessness and early childhood trauma by keeping families out of homeless shelters. *This will support the state's goal to eliminate family homeless by 2020, contributing to homelessness diversion resources that are an essential but underfunded tool in achieving that goal. We will rigorously assess impacts on child and family outcomes beyond housing such as child behavioral health, child welfare system engagement (and costs), kindergarten readiness, and parental employment. Per the 2Gen legislative mandate of collaboration across agencies and the public and private sector, this project is being undertaken in collaboration with the Department of Housing and the Connecticut Coalition to End Homelessness.*

Invest in child care support for adult education programs, and, potentially, employer-driven Employment and Training (E&T) programs that supply critical skills to satisfy employer needs. *Such support would tackle what is broadly seen to be the most significant barrier to entry to adult education programs, and source of dropouts from basic education and training programs – while supporting family stability and economic well-being. Outcomes to be rewarded are: increased enrollment of parents of young children, increased on-time completion and credential attainment, and job attainment or wage increase.*

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Affirmative Action: Equal Opportunity Employer

In the long run, all of these projects will yield cost savings to the state while strengthening our evidence-based programming.

The Office of Early Childhood (OEC) respectfully requests to transfer funds from *Child Care Svcs – TANF/CCDF (16147)* to *2GEN (12584)*.

From:

(\$299,273) –Child Care Services – TANF/CCDF (16147): This amount represents less than .02 percent of the total Care 4 Kids enacted line item. There is a full expectation that this amount of funding will be available given the challenges of correctly managing caseloads to levels that are sustainable in future budget years.

To:

\$299,273 – 2GEN (12584): This amount is necessary is to cover 2GEN Programs to: 1) monitor the impact of home visiting Rate Cards on 2Gen outcomes such as avoided pre-term birth, child welfare system involvement, and parental employment; 2) establish homelessness diversion performance contracts to reward providers for avoiding child homelessness and early childhood trauma by keeping families out of homeless shelters; 3) invest in child care support for adult education programs, and, potentially, employer-driven Employment and Training (E&T) programs that supply critical skills to satisfy employer needs.
