OFFICE OF FISCAL ANALYSIS

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HB-6941
AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2025, AND MAKING APPROPRIATIONS THEREFOR, AND PROVISIONS RELATED TO REVENUE AND OTHER ITEMS IMPLEMENTING THE STATE BUDGET.
As Amended by House "A" (LCO 9942), House "B" (LCO 9945)

OFA Fiscal Note

State Impact: See Below

Municipal Impact: See Below

Explanation

The budget across all appropriated funds is estimated to result in a balance of $610.4 million in FY 24 and $372.7 million in FY 25. The balance based on revenue that can be appropriated, due to the revenue cap, is $300.7 million in FY 24 and $55.4 million in FY 25.

Budget Balance (in millions)

Fund	FY 24 $				FY 25 $			
	Revenue	Approp.	Balance	Balance After Revenue Cap	Revenue	Approp.	Balance	Balance After Revenue Cap
General	22,505.3	22,105.6	399.7	119.4	23,103.7	22,805.9	297.8	10.0
Special Transportation	2,352.6	2,148.4	204.2	174.8	2,354.5	2,286.4	68.1	38.7
Other Appropriated	871.3	864.8	6.5	6.5	908.9	902.2	6.7	6.7
TOTAL	**25,729.2**	**25,118.8**	**610.4**	**300.7**	**26,367.1**	**25,994.4**	**372.7**	**55.4**

[1]The balance calculation in the table reflects the schedule of revenues adopted by the Finance, Revenue and Bonding Committee on June 5.

Sections 1 - 13 include appropriations in 13 funds totaling approximately $25.1 billion in FY 24 and $26.0 billion in FY 25 (net of lapses) as summarized in the table below.

Appropriated Fund Summary

Gross Appropriations by Fund	FY 24 $	FY 25 $
General Fund	22,239,296,540	22,988,572,293
Special Transportation Fund	2,160,400,525	2,298,389,891
Municipal Revenue Sharing Fund	568,645,047	568,645,047
Banking Fund	34,759,959	35,832,606
Insurance Fund	104,441,098	135,210,679
Consumer Counsel and Public Utility Control Fund	36,917,566	37,943,087
Workers' Compensation Fund	28,835,998	29,128,141
Mashantucket Pequot and Mohegan Fund	52,541,796	52,541,796
Criminal Injuries Compensation Fund	2,934,088	2,934,088
Tourism Fund	17,494,453	16,144,453
Cannabis Regulatory Fund	10,096,526	10,247,420
Cannabis Social Equity and Innovation Fund	5,800,000	10,200,000
Cannabis Prevention and Recovery Services Fund	2,358,000	3,358,000
Total Gross Appropriations	**25,264,521,596**	**26,189,147,501**
General Fund Lapses		
Unallocated Lapse	(48,715,570)	48,715,570)
Unallocated Lapse - Judicial	(5,000,000)	(5,000,000)
Reflect Historical Staffing	(80,000,000)	(129,000,000)
Total General Fund Lapses	**(133,715,570)**	**(182,715,570)**
Transportation Fund Lapses		
Unallocated Lapse	(12,000,000)	(12,000,000)
Total Transportation Fund Lapses	**(12,000,000)**	**(12,000,000)**
Net Appropriations by Fund		
General Fund	22,105,580,970	22,805,856,723
Special Transportation Fund	2,148,400,525	2,286,389,891
Municipal Revenue Sharing Fund	568,645,047	568,645,047
Banking Fund	34,759,959	35,832,606
Insurance Fund	104,441,098	135,210,679
Consumer Counsel and Public Utility Control Fund	36,917,566	37,943,087
Workers' Compensation Fund	28,835,998	29,128,141
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Criminal Injuries Compensation Fund	2,934,088	2,934,088
Tourism Fund	17,494,453	16,144,453
Cannabis Regulatory Fund	10,096,526	10,247,420
Cannabis Social Equity and Innovation Fund	5,800,000	10,200,000
Cannabis Prevention and Recovery Services Fund	2,358,000	3,358,000
Total Net Appropriations	**25,118,806,026**	**25,994,431,931**

The FY 24 growth rate for all appropriated funds is 3.8% over the FY 23 appropriation. The FY 25 growth rate for all appropriated funds is 3.5% over the FY 24 appropriation. See the table below for details.

FY 24 and FY 25 Budget Growth Rates (by fund – in millions)

Fund	FY 23 Approp.	FY 24 Approp.	FY 24 Change from FY 23		FY 25 Approp.	FY 25 Change from FY 24	
	$	$	$	%	$	$	%
General	22,089.2	22,105.6	16.4	0.1%	22,805.9	700.3	3.2%
Transportation	1,826.2	2,148.4	322.2	17.6%	2,286.4	138.0	6.4%
Other Appropriated	280.7	864.8	584.1	208.1%	902.2	37.4	4.3%
TOTAL	**24,196.0**	**25,118.8**	**922.8**	**3.8%**	**25,994.4**	**875.6**	**3.5%**

Spending Cap

The budget is under the spending cap by $0.6 million in FY 23, $10.4 million in FY 24 and $11.6 million in FY 25. These calculations reflect a deappropriation of $8 million in FY 23 from the Debt Service accounts contained in sections 248 and 250 of the bill.

Section 14(a) allows OPM to recommend reductions in executive branch expenditures to achieve budget savings in the General Fund by $48,715,570 in both FY 24 and FY 25.

Section 14(b) allows OPM to recommend reductions in judicial branch expenditures to achieve budget savings in the General Fund by $5 million in both FY 24 and FY 25.

Section 15 requires OPM to recommend reductions in executive branch personal services expenditures to achieve savings in the General Fund of $80 million in FY 24 and $129 million in FY 25.

Section 16 allows the Department of Social Services (DSS) and the Department of Children and Families (DCF) to establish an account to allow for the receipt of reimbursement anticipated from the federal government. This allows the state to receive revenue as anticipated in the budget.

Section 17 exempts appropriations authorized for purposes of complying with Generally Accepted Accounting Principles (GAAP) from the quarterly allotment process pursuant to Section 4-85 of the Connecticut General Statutes (CGS). This provision has no fiscal impact since these funds are non-programmatic and are only used in conjunction to close out the end of the fiscal year in accordance with GAAP.

Section 18(a) authorizes OPM to transfer amounts appropriated for Personal Services from agencies to the Reserve for Salary Adjustment (RSA) account to reflect a more accurate impact of collective bargaining related costs.

Section 18(b) authorizes OPM to transfer funds from the RSA account to any agency in any appropriated fund for salary increases, accrual payments, or any other personal services adjustment necessary.

Section 19(a) allows for the unexpended funds for collective bargaining costs (RSA) to be carried forward from FY 23 into FY 24 and FY 25.

Section 19(b) allows for the unexpended funds for collective bargaining costs (RSA) to be carried forward from FY 24 into FY 25.

Section 20 allows for the transfer of funds between agencies via the use of Finance Advisory Committee (FAC) to maximize federal matching funds. This allows any General Fund appropriation to be transferred between agencies to maximize federal funding with FAC approval. Funds generated through transfer may be used to reimburse General Fund (GF) expenditures or expand programs as determined by the Governor and with FAC approval.

Section 21 allows for adjustments to appropriations, with the approval of FAC, to maximize federal funding available to the state. The Governor shall present a plan for any such transfer.

Section 22 directs DSS to make Disproportionate Share (DSH) payments to hospitals in the Department of Mental Health and Addiction Services (DMHAS) for operating expenses and related fringes. This allows the state to receive revenue as anticipated in the budget.

Section 23 transfers $1 million in both FY 24 and FY 25 of Part B IDEA (federal funds) from the State Department of Education (SDE) to the Office of Early Childhood for the Birth-to-Three Program.

Section 24 specifies funding of $37.2 million in both FY 24 and FY 25 for three grant programs administered by SDE, with annual funding to Priority School Districts ($30,818,778), Extended School Hours ($2,919,883) and School Accountability ($3,412,207).

Section 25 suspends the Department of Children and Families' Single Cost Accounting System (SCAS) in FY 24 and FY 25, which results in the elimination of costs to the agency of $734,581 in FY 24 and $1,146,281 in FY 25 for SCAS' room and board rate increases for Private, in-state Residential Treatment Facilities (PRTFs). SCAS room and board rate increases for PRTFs have been suspended in every biennial budget since FY 04. Under SCAS, increases in the allowable residential care components over the previous year's rates are limited to: (A) the increase in the consumer price index plus 2%, or (B) the actual increase in allowable costs, whichever is less.

Section 26 clarifies the name of a recipient of a grant funded by carryforward funding through the Department of Economic and Community Development, which has no fiscal impact.

Section 27 provides funding of up to $1 million within the Department of Administrative Services for Rents and Moving in FY 24 to be carried forward into FY 25 for the purpose of supporting an emergency vehicle operations course.

Section 28 specifies that any unexpended balance of funds for the Connecticut Youth Employment Program in FY 24 will be carried forward into FY 25 for the same purpose.

Sections 29 - 30 pay off the remainder of outstanding GAAP bonds using FY 23 appropriations, which results in annual savings on debt service payments through FY 28 and precludes the use of approximately $121 million of revenue for GAAP payments annually for FY 24 through FY 28.

Section 31 allows the appropriation for the Connecticut Municipal Redevelopment Authority (MRDA) under section 1 of the bill to be used for personal services and fringe benefit expenses.

Section 32 provides funding of up to $3,323,985 in FY 24 for the purpose of supporting additional unemployment insurance program costs through carryforward funding from the Workforce Investment Act account.

Section 33 suspends the statutory sweep of the Probate Court Administration Fund (PCAF) for FY 23, resulting in an estimated revenue loss to the General Fund of $13,886,000 in FY 24.

Section 34 distributes $550,000 from the Tobacco Settlement Fund within the Office of Policy and Management to the Tobacco Litigation Settlement Account for the Office of the Attorney General's tobacco enforcement activities for FY 24 and FY 25. This allows these activities to continue to be funded by a source other than the General Fund.

Section 35 distributes, in FY 23, $5 million in existing funding for the farm manure management system program within the Department of Agriculture.

Section 36 directs the State Library to distribute $500,000 in both FY 24 and FY 25 for library-related programs: (1) United Way of Central and Northeastern Connecticut, for the Dolly Parton Imagination Library; (2) Read to Grow; and (3) Reach Out and Read.

Section 37 carries forward unspent funds previously directed to a grant from the Department of Energy and Environmental Protection (DEEP) for Batterson Park. It further requires that of those funds, up to $650,000 will be spent on a study and the rest made available for the actions recommended by the study.

Section 38 distributes funds from the Mashantucket Pequot and Mohegan Fund in both FY 24 and in FY 25.

Section 39 makes grants through the Judicial Department's Youth Services Prevention Account for a total cost of $7,053,500 in FY 24.

Section 40 makes grants through the Judicial Department's Youth Violence Initiative Account for a total cost of $4,560,000 in both FY 24 and FY 25.

Section 41 authorizes the Office of Policy and Management to identify $339,572,439 in unexpended funds for FY 23 which shall not lapse, and make them available for the following purposes.

Summary of Carryforwards

Section	Agency	FY 24 $	FY 25 $	Purpose
41(b)1	Department of Social Services	32,000,000	-	Provide temporary grants to Federally Qualified Health Centers (FQHCs) which shall be equally distributed, to all federally qualified health centers
41(b)2	Department of Social Services	1,200,000	-	Provide funding to make necessary TFA System changes related to extending the time limit
41(b)3	Secretary of the State	1,800,000	-	Provide grants to municipalities for early voting; grant can be for up to $10,500 per municipality
41(b)4	Department of Agriculture	150,000	150,000	Providing funding for Brass City Charter Regional Food Hub
41(b)5	Department of Economic and Community Development	1,305,461	-	Provide funding for Amistad repairs
41(b)6	Department of Economic and Community Development	235,489	235,489	Provide funding for the International Festival of Arts and Ideas
41(b)7	Auditors of Public Accounts	250,000	-	Provide funding to upgrade computer systems and software
41(b)8	Department of Emergency Services and Public Protection	200,000	-	Provide funds to establish the Law Enforcement Memorial Account

Section	Agency	FY 24 $	FY 25 $	Purpose
41(b)9	Department of Emergency Services and Public Protection	100,000	-	Provide funding for the Police Officers Standards and Training Council to develop guidelines for domestic violence protective orders
41(b)10	Department of Emergency Services and Public Protection	3,000,000	-	Provide grants to municipalities to remove PFAS from fire apparatus
41(b)11	Department of Economic and Community Development	150,000	-	Provide one-time funds for the Greater Hartford Foundation for the Travelers Championship
41(b)12	Department of Housing	175,000	-	Provide one-time funds for the Angel of Edgewood, Inc.
41(b)13	Department of Energy and Environmental Protection	2,000,000	-	Provide grants to the three state recognized tribes, The Schaghticoke, the Paucatuck Eastern Pequot and the Golden Hill Paugussett, for work on their reservations
41(b)14	Department of Social Services	100,000	-	Provide funding to support a study on Medicaid for Employees with Disabilities program, which is known as MED-Connect, and the potential for expanding eligibility for the program
41(b)15	Office of Early Childhood Education	2,500,000	2,500,000	Provide funding for the extension of the workforce pipeline pilot program
41(b)16	University of Connecticut	40,000,000	20,000,000	Provide funding for temporary operating support
41(b)17	Connecticut State Colleges and Universities	55,000,000	27,500,000	Provide funding for temporary operating support
41(b)18	University of Connecticut Health Center	35,000,000	17,500,000	Provide funding for temporary operating support
41(b)19	Department of Economic and Community Development	70,000	-	Provide a grant to the Friends of the Shetucket River Valley for renovations and repairs to facilities for the Sprague land preserve
41(b)20	Teachers' Retirement Board	60,000	-	Provide funding for Teachers' Retirement Board election
41(b)21	Office of the State Comptroller	5,000,000	5,000,000	Provide support for paraeducators' health care
41(b)22	Office of Policy and Management	53,300,000	-	Provide one-time support for private providers
41(b)23	Office of Policy and Management	12,500,000	-	Provide grants to Bridgeport and Waterbury

Section	Agency	FY 24 $	FY 25 $	Purpose
41(b)24	Office of Policy and Management	100,000	-	Provide funds to study of transfer of registration and oversight of homemaker-companion agencies from DCP to DPH
41(b)25	Department of Education	150,000	-	Provide funds for a food waste diversion pilot in Greenwich Public Schools
41(b)26	Department of Energy and Environmental Protection	5,000,000	-	Provide funds for flood damage remediation
41(b)27	Department of Economic and Community Development	38,000	-	Provide a grant to the Cetacean Society International for costs associated with relocation
41(b)28	Department of Economic and Community Development	50,000	-	Provide funding for the development of Historic Homes Toolkit - One-time toolkit
41(b)29	Department of Social Services	25,000	-	Provide a grant to Brian's Angels for one-time operational support
41(b)30	Department of Education	50,000	-	Provide a grant to the Boys and Girls Club of Bristol for operational support
41(b)31	Department of Social Services	100,000	-	Provide funds to support for one-time programming costs to Branford Counseling and Community Services
41(b)32	Department of Aging and Disability Services	150,000	-	Provide a grant to Ellington Senior Center for bus replacement
41(b)33	Department of Economic and Community Development	50,000	-	Provide a grant to the Lutz Children's Museum for one-time operational support
41(b)34	Department of Social Services	2,000,000	-	Provide a grant to Harriott Home Health Services for operational support
41(b)35	Department of Economic and Community Development	500,000	-	Provide a grant to Manchester for the consolidation of 8th utilities Special Services taxing district
41(b)36	Department of Emergency Services and Public Protection	250,000	-	Provide funding to study issues facing fire services in the state
41(b)37	Judicial Department	75,000	-	Provide a grant to SCRIP, Inc., for facility improvements and programming
41(b)38	Department of Education	200,000	-	Provide a grant to FreeAgentNow in three school districts: Hartford, East Hartford, and Manchester

Section	Agency	FY 24 $	FY 25 $	Purpose
41(b)39	Department of Social Services	25,000	-	Provide a grant to Food2Kids for operational support
41(b)40	Department of Energy and Environmental Protection	5,000	-	Provide a grant to the Orange Historical Society for cleaning of historic gravestones
41(b)41	Department of Energy and Environmental Protection	150,000	-	Provide a grant to East Hartford for improvements to youth athletic and recreation facilities
41(b)42	Department of Economic and Community Development	350,000	-	Provide a grant to Fairfield for facility for renovations and programming for the Fairfield Senior Center
41(b)43	Department of Energy and Environmental Protection	230,000	-	Provide a grant to Danbury for the Danbury war memorial
41(b)44	Department of Energy and Environmental Protection	200,000	-	Provide a grant to Avon for improvements to the softball field in Avon
41(b)45	Department of Economic and Community Development	100,000	-	Provide a grant to the Sterling Opera House for renovations and repairs
41(b)46	Department of Economic and Community Development	254,000	-	Provide a grant to the town of Berlin for improvements to properties owned by the town and the Board of Education
41(b)47	Department of Economic and Community Development	250,000	-	Provide a grant to VFW 10059 for facility improvements to VFW building in Trumbull
41(b)48	Department of Energy and Environmental Protection	500,000	-	Provide a grant to the YMCA, Camp Sloper in Southington for costs associated with pond dredging
41(b)49	Department of Economic and Community Development	250,000	-	Provide a grant to the Boy Scouts of America for Camp Shelton capital support
41(b)50	Department of Social Services	100,000	-	Provide a grant to the Human Resources Agency of New Britain for campus improvements
41(b)51	Department of Energy and Environmental Protection	225,000	-	Provide a grant to the Friends of Amber Farm in Wilton
41(b)52	University of Connecticut	150,000	-	Provide funding to the Institute for Municipal and Regional Policy for costs associated with developing a hate crimes database

Section	Agency	FY 24 $	FY 25 $	Purpose
41(b)53	Department of Emergency Services and Public Protection	60,000	-	Provide funding to Simsbury for a Federal Emergency Management Agency hazard study
41(b)54	Department of Economic and Community Development	350,000	-	Provide a grant to the Bridgeport Economic Development Corporation to support cultural events
41(b)55	State Department of Education	300,000	-	Provide a grant to the Charter Oak Boxing Academy
41(b)56	Judicial Department	150,000	-	Provide support to the LGBTQ Justice and Opportunity Network
41(b)57	Department of Administrative Services	5,000,000	-	Provide funds to the Firefighters Cancer Relief account to support program benefit expenses
41(b)58	Department of Public Health	-	604,000	Provide a grant to InterCommunity Health Care for support for operations in East Hartford and Manchester
41(b)59	Department of Economic and Community Development	600,000	-	Provide a grant to Cheshire for economic development projects
41(b)60	Office of Early Childhood Education	2,000,000	-	Provide funding for childhood collaboratives

Section 42 provides funding of up to $7,800,000 in FY 24 for the purpose of meeting the costs of the family childcare provider agreement through carryforward funding from the Early Care and Education account to the Care4Kids/CCDF account.

Section 43 allows funding of up to $2 million within the Department of Housing's Housing/Homeless Services account to be carried forward into FY 24 and designates the funding for the emergency rental assistance program.

Section 44 requires unexpended FY 23 carryforward funds that were intended to support the establishment of nonstop air service to Jamaica to carry forward to FY 24 to support a grant-in-aid to the Connecticut Airport Authority for temporary support for operating expenses. PA 22-118 provided $2 million for the original grant.

Section 45 requires unexpended FY 23 carryforward funds for a grant-in-aid to the town of Sprague for streetscape improvements to carry forward to FY 24, for a grant-in-aid to Sprague for recreation field and park lighting. PA 22-118 provided $1.3 million for the original grant-in-aid.

Section 46 clarifies that not less than $3.5 million for grants-in-aid under the Connecticut Summer at the Museum Program under the Department of Economic and Community Development in FY 24 shall be made available for grants-in-aid to for-profit entities.

Section 47 specifies the distribution of $9.5 million in FY 24 and $9.6 million in FY 25 from various accounts of the State Department of Education for various organizations and initiatives.

Sections 48 - 49 outline the final allocations of the federal American Rescue Plan Act (ARPA) funds for the purposes detailed in the bill. Final allocations total $652,073,769 in FY 22, $1,470,815,083 in FY 23, $546,311,535 in FY 24 and $143,087,695 in FY 25.

Section 50 directs DSS to make payments, from General Fund appropriations, totaling $5 million in FY 24 and $2 million in FY 25 to Bristol Hospital. Funding will support the development and implementation of a plan to maintain essential health services aligned with community need and a path to financial viability.

Section 51 directs DSS to make payments, from ARPA allocations, totaling $8 million in FY 24 and $2 million in FY 25 to Day Kimball Hospital. Funding will support the development and implementation of a plan to maintain essential health services aligned with community need and a path to financial viability.

Section 52 expands eligibility for a rural speed enforcement grant program within the Department of Emergency Services and Public Protection, which makes more municipalities eligible to receive these funds. This results in a revenue gain to various municipalities beginning in FY 24. To the extent more municipalities receive grants, the balance of the account may be expended more quickly.

Section 53 directs the Department of Public Health to increase the maximum allowable rates for ambulance services and paramedic intercept services by 10% for FY 24, which has no fiscal impact as it does not change rates for such services paid by the state via Medicaid.

Section 54, which is effective 10/1/23, expands DPH oversight over hospital nurse staffing, resulting in a cost to the agency of approximately $261,571 in FY 24 and $355,397 in FY 25 for two Nurse Consultants (approximately $157,779 in FY 24 and $215,631 in FY 25), a Health Program Associate (approximately $62,513 in FY 24 and $83,351 in FY 25), and a half-time Staff Attorney II (approximately $41,279 in FY 24 and $56,414 in FY 25). The associated expense to the Office of the State Comptroller – Fringe Benefits is estimated at $112,005 in FY 24 and $152,181 in FY 25. There may be a potential minimal revenue gain to the General Fund from the issuance of civil penalties. The budget provides funding of $608,707 in FY 24 and $776,745 in FY 25 to support expanded oversight over hospital staffing.

Section 54 expands the annual nurse staffing plans that DPH must evaluate. It additionally requires DPH to investigate complaints from a hospital staff member or such staff member's collective bargaining representative of a violation of any provision of a hospital's staffing plan. Investigations will include a review of policy and procedures, interviews with staff including leadership, observations of care, and interviews with patients. The scope and severity of the issue must be analyzed (i.e., did other patients experience a negative outcome) to determine if the issue is isolated or pervasive.

Hospitals that do not comply with the provisions must submit corrective plans of action to DPH and the agency must impose civil penalties of not less than $3,500 for the first violation and $5,000 for each subsequent violation. This could result in a revenue gain to the state for any civil penalties applied. These provisions could also result in an equivalent cost savings to the state to the extent hospitals do not pay the penalties or expenses due and the Department of Social Services (DSS) is instead required to withhold medical assistance payments in the amount of such penalties and audit expenses. While there is a potential cost to the UConn Health Center and Departments of Mental Health and Addiction Services and Children and Families if required to pay for audit expenses or civil penalties, there is no net impact to the state after accounting for the offsetting revenue gain.

The Department of Children and Families (DCF) does not currently operate Hospital Staffing Committees at the Albert J. Solnit Children's Center Hospital, or the Albert J. Solnit Children's Center Psychiatric Residential Treatment Facilities. The anticipated total cost to the State for DCF to establish and operate two Hospital Staffing Committees, and comply with data and reporting requirements, is estimated at $441,488 in FY 24 and $432,025 in FY 25. These totals reflect salaries for two Quality Assurance Managers ($173,712 in FY 24 and $178,055 in FY 25), salaries for two Administrative Assistants ($121,406 in FY 24 and $124,441 in FY 25), associated fringe benefits ($126,370 in FY 24 and $129,529 in FY 25), and a one-time cost for pamphlets and fliers to notify staff of committees ($20,000 in FY 24).

The costs to the Department of Mental Health and Addiction Services (DMHAS) include a Quality Assurance Manager and Administrative Assistant totaling approximately $147,600 in FY 24 and $151,300 in FY 25 (with associated fringe costs of $63,200 and $64,800, respectively), to support the additional requirements related to the staffing committees. Committee staffing and coverage costs are anticipated to cost up to $680 per person per day.

Section 55 is not anticipated to result in a fiscal impact to the state in FY 24 and FY 25 as the provisions related to mandatory overtime for the relevant state employees do not apply to collective bargaining agreements that address mandatory overtime and are in effect prior to June 1, 2027. To the extent the provisions apply in the out years, the state could incur increased staffing costs related to the prohibition of mandatory overtime as a regular practice.

Section 56 expands the Project Longevity Initiative to New London and Norwich. The Chief Court Administrator is required to provide planning and management assistance to ensure implementation of Project Longevity and may utilize state and federal funds appropriated for such purpose. To support the addition of two cities, the budget includes: (1) $1.35 million in both FY 24 and FY 25 to the Judicial Department, and (2) $500,000 in both FY 24 and FY 25 to the Department of Housing for housing vouchers and related services.

Section 57 alters the employee paid share for health insurance for employees of the probate court to commensurate with the state employee paid share, which results in an estimated cost of $1.5 million to $2.7 million annually to the Probate Court Administration Fund (PCAF), beginning in FY 24.

Section 58 requires local law enforcement agencies to report information about body worn camera use to the Institute for Municipal and Regional Policy (IMRP) at UConn and requires the Institute to report on the information submitted. This has no fiscal impact, as it is anticipated that IMRP can meet the requirements with existing resources.

Section 59 requires the Department of Economic and Community Development to use the funds under the Statewide Marketing account for tourism programs and not to support marketing of DECD.

Section 60, which requires DSS to report to certain legislative committees regarding the implementation of Appendix K amendments to related home and community-based services Medicaid waivers by January 1, 2024, has no fiscal impact.

Section 61, which requires the Office of Policy and Management to submit a quarterly report concerning the RSA account, results in no fiscal impact.

Section 62 requires the Department of Public Health to report on the state's pandemic preparedness every year, which results in a cost to the agency of approximately $50,000 annually beginning in FY 24.

Section 63 requires the Department of Energy and Environmental

Protection (DEEP) to award a grant from the beverage container recycling program account to certain organizations in, which results in costs to this account and program for this purpose. The current balance in the account is approximately $1.7 million.

Section 64 requires the Planning Commission for Higher Education to update the previous strategic plan for higher education in FY 24 and alters the areas of study under the plan. The budget provides $250,000 in FY 24 for this purpose, through ARPA funding.

Section 65 authorizes and directs the Department of Transportation (DOT) to competitively select the Shore Line East (SLE) rail service provider, potentially resulting in lower operating costs depending upon the terms of any future procurement. Currently, DOT is required to contract with Amtrak for service on SLE.

Section 66 permits the Legislative Commissioners' Office to make such technical, grammatical and punctuation changes as are necessary to carry out the purposes of this act, including, but not limited to, correcting inaccurate internal references, which has no fiscal impact.

Section 67 requires the Office of Higher Education (OHE), through the private career school student protection account, to provide stipends to certain graduates of Stone Academy and tuition refunds to certain former students of the academy. The section limits the aggregate amount of grants to graduates to $150,000 and requires that these payments be made within two years. This results in a cost to the private career school student protection account, of up to $150,000. The amount spent on the tuition refunds is dependent on the number of eligible former students and the determination of OHE; OHE may provide a refund of up to 100 percent of the tuition that the student paid for certain courses. The current balance in the account is approximately $2.4 million. The section allows the state to try to recover the costs of the stipends and refunds from Stone Academy, which could offset the costs to the account.

Section 68, which makes changes to the process creating the minority set aside for state contracting, results in no fiscal impact.

Section 69 establishes a working group to study the State Historic Preservation Officer's role in administering historic preservation review processes. This has no fiscal impact as PA 17-236 prohibits transportation allowances for working group members.

Section 70 transfers the Office of Workforce Strategy (OWS) from the Governor's Office (OTG) into the Department of Economic and Community Development (DECD) for administrative purposes only. Section 1 of this bill transfers $470,000 that is associated with OWS from OTG to DECD in both FY 24 and FY 25.

Section 71 ends an ongoing housing study and biennial reports by OPM. This may result in a potential savings to OPM beginning in FY 24 as they no longer must expend resources for these activities.

Section 72 requires DECD to pay for the administrative costs of the Community Investment Board. The bill disallows the use of bond funds to support the administrative cost of the Board.

Currently, DECD incurs an annualized cost through the General Fund of approximately $200,000 for two positions to administer the program. Section 1 of this bill appropriates $525,263 in both FY 24 and FY 25 to support three additional positions and other expenses for the administration of the program.

Sections 73 - 74 eliminate the sales and use tax transfer for the Municipal Revenue Sharing Account and instead transfer the funds into the Municipal Revenue Sharing Fund (MRSF). The transfer to the MRSF is estimated to be $458.5 million in FY 24 and $469.5 million in FY 25.

Section 75 requires the following grants to be paid out of the Municipal Revenue Sharing Fund (MRSF) beginning in FY 24: (1) the motor vehicle property tax grant, (2) the Tiered PILOT grant, and (3) the supplemental revenue sharing grant, which has a statutory payment list. This results in a cost to the Office of Policy and Management (OPM) beginning in FY 24 from the MRSF.

The final cost will be dependent on grant formula calculations but is expected to be approximately $600 million in each fiscal year. The section also caps certain grants paid out of the MRSF at the level of appropriations.

Sections 76 - 78 change the payment date for Tiered PILOT from May 30th to September 30th annually. This has no fiscal impact but may result in municipalities receiving their PILOT grant at an earlier date. These sections additionally make technical changes that have no fiscal impact.

Sections 79 - 80 eliminate payments from the Municipal Revenue Sharing Account (MRSA) beginning in FY 24. This results in a savings to MRSA. These grants will be paid out of the MRSF.

Sections 81 - 84 make changes to judicial compensation resulting in an estimated cost of $1.4 million in FY 24 and $2.8 million in FY 25 to the Judicial Department. These increases represent a 3% increase in each fiscal year.

These changes also impact the salaries of the Governor, the Lieutenant Governor, the Treasurer, the Secretary, the Comptroller, the Attorney General, Probate Court judges, and Workers Compensation Commissioner Administrative Law judges.

The cost to the Probate Court Administration Fund (PCAF) is estimated to be $883,000 in FY 24 and $1.89 million in FY 25 for salary increases and associated fringe.

The cost to the Workers' Compensation Commission is an estimated $159,361 in FY 24 and $323,545 in FY 25 for salary increases and associated fringe.

The cost to the Governor's office is an estimated $6,801 in FY 24 and $13,807 in FY 25.

The cost to the Lieutenant Governor's office, the Treasurer, the Secretary of State, the Attorney General, and the State Comptroller is an estimated $5,684 in FY 24 and $11,540 in FY 25 for each office.

The estimated cost to the Comptroller for associated fringe benefits is $155,000 in FY 24 and $310,000 in FY 25.

Sections 85 - 86 eliminate an affirmative action plan requirement for OHE and make various other conforming changes that do not have a fiscal impact.

Section 87 makes procedural changes to the Board of Regents for Higher Education (BOR) regarding the sale of surplus property. The bill requires BOR to use the proceeds from any of these transactions to pay (1) outstanding bonds or other debt associated with the property or improvements, (2) any costs associated with the transaction, and (3) any capital expenditure consistent with BOR's campus improvement plan.

To the extent surplus property is sold, this results in a potential cost reduction to future debt service, either from paying off existing debt or using sale revenue towards future capital projects that would have otherwise required a new bond sale. The potential reduced debt service would be attributed to either the General Fund or the resources of BOR, dependent on whether the properties being sold and/or improved were financed using General Obligation (GO) bonds or BOR's own revenue bonds, or some combination thereof. The amount of the potential debt service reduction is unknown, as it relies on future decisions of both BOR and the Office of Policy and Management.

Section 88 requires OPM to allocate money from the Social Equity and Innovation Account at the discretion of the Social Equity Council beginning in FY 24. Any fiscal impact will be dependent on how the Social Equity Council decides to use the funds within the account. The section also requires any funds remaining in the account at the end of FY 24, instead of at the end of FY 23, to be transferred to the Social Equity and Innovation Fund. This allows more time for funds to accrue to, and be distributed from the account. It is estimated that approximately $30 million will remain unexpended in the account at the end of FY 23.

Section 89 reallocates fringe benefits funding for constituent units of the state system of higher education beginning in FY 24, resulting in a net neutral funding policy. Under current practice, the Office of the State Comptroller-Fringe Benefits account covers all the fringe benefit costs for employees on the block grants, and the higher education units cover all the fringe benefit costs for employees not on the block grants. Under the proposed policy, the State Comptroller will be responsible for all retirement costs while the constituent units will be responsible for group life insurance, medical costs of active employees, unemployment compensation, and Social Security tax. The section results in no fiscal impact to the state due to the net neutral adjustment of block grants and fringe benefit expenses.

Sections 90 - 94 eliminate the diversion of iLottery revenues to the debt free community college program, resulting in an estimated General Fund revenue gain of $2 million in FY 24 and $3 million in FY 25. This results in a corresponding revenue loss to the community colleges, as they would have otherwise received the funding to help offset the costs of the debt free community college program. The budget provides General Fund appropriations to the program.

Section 95 transfers the Open Educational Resource Coordinating Council from the OHE to the Connecticut State Colleges and Universities (CSCU) which does not result in a fiscal impact. The budget eliminates $100,000 in both FY 24 and FY 25 for purposes of the Open Education Resource Coordinating Council.

Section 96 makes various procedural changes regarding (1) OHE program approval and modifications, and (2) what is required of the programs that are exempt from such approval. These changes are not anticipated to result in a fiscal impact.

Section 97 (1) allows OPM to execute a memorandum of understanding with a department head of any budgeted agency to allow the agency to use funds appropriated to OPM or authorized by the State Bond Commission and (2) allows such action to be taken among other state agencies. The section additionally requires OPM to submit annual reports containing a summary of all such assignments of authority. This may result in a transfer of funds that is dependent on the memorandums of understanding between state agencies.

Section 98 requires funds collected for all non-state-owned electric vehicles at state owned electric charging stations to be deposited into the fund from which the electricity for the station was drawn.

Section 99 extends by two years OPM's authority to distribute grants to partially reimburse municipalities for body-worn cameras or dashboard cameras used by law enforcement officers. This may result in a revenue gain to municipalities in FY 24 and FY 25.

Sections 100 - 106, which make various changes regarding the hiring process to include the Department of Administrative Services, result in no fiscal impact.

In addition, Sections 106 and 109, which subject consultants to the same regulatory guidelines as state employees including a background check before gaining access to taxpayer information, result in no fiscal impact.

Sections 107 - 111, which make various changes to the process of sole-sourced personal service agreements including increasing thresholds, result in no fiscal impact.

Section 112 results in a future revenue gain to the General Fund that is dependent on the plan established by the Office of Policy and Management and the Office of the State Comptroller for reimbursement of costs incurred related to the Retirement Security Program.

Section 113 applies the law concerning construction of state buildings and the state building and fire safety codes to the Connecticut Port Authority and does not result in a fiscal impact.

Section 114 results in an uncertain fiscal impact, as it will be based on future decisions of the Treasurer and future levels of the Budget Reserve Fund.

Sections 115 - 118 make a variety of changes to the SB-7 as amended including: (1) clarifying language changes, shifting "public service company" to "electric distribution company, gas company, pipeline company or water company, as such terms are defined in section 16-1 of the general statutes"; (2) charging the chairperson of the Public Utilities Regulatory Authority (PURA) with conducting a study on the delivery portion of the electric bill for electric distribution companies as well as for customers and what information would increase transparency, with a report due by 1/15/25; and (3) altering rules concerning the selection and term of the PURA chairperson. These provisions could be accommodated without requiring additional resources.

Section 119 makes changes to record erasure for certain DUI related offenses and does not result in a fiscal impact.

Sections 120 - 123 require any expenditures under (1) the Cannabis Social Equity and Innovation Fund and (2) the Cannabis Prevention and Recovery Services Fund to be made only pursuant to appropriation by the General Assembly. The bill also requires any remaining balance in the funds to be carried forward to the next fiscal year. The bill makes other clarifying and conforming changes to these funds which have no fiscal impact.

Section 124 establishes a new Cannabis Regulatory Fund as an appropriated fund. Section 384 transfers funding of $10.1 million in FY 24 and $10.3 million in FY 25 from the resources of the General Fund to the Cannabis Regulatory Fund.

Section 125 requires the Department of Correction (DOC) to operate an alcohol use disorder pilot program resulting in a cost of $500,000 in FY 25.

Section 126 requires DOC to operate a long-acting medications pilot program resulting in a cost of $500,000 in FY 25.

Section 127 requires DOC to create, develop, and implement a commissary implementation plan resulting in a cost of $142,500 in FY 24 and $132,500 in FY 25. To meet the requirements of the bill, the DOC will implement a positive behavior intervention and supports (PBIS) system which will provide commissary funding to certain juvenile inmates for good behavior. The funding is needed to implement the program, train staff, and software management and reporting.

Section 128 requires, starting in FY 24 and annually thereafter, DEEP to report to the Office of Fiscal Analysis (OFA) and the legislature certain information on the Passport to the Parks account. This has no fiscal impact since DEEP has the expertise to report the required information.

Sections 129 - 131 make the Department of Housing (DOH) a stand-alone agency, rather than within the Department of Economic and Community Development (DECD) for administrative purposes only. This results in annual staff costs for DOH of approximately $235,000 per year beginning in FY 24, associated with hiring two fiscal administrators; the budget includes this funding.

Sections 132 - 133 result in a significant cost to OHE beginning in FY 24, associated with establishing and administering a program giving incentive grants to licensed health care providers accepting adjunct professor positions. Funding of $500,000 and one position is included in the budget in both FY 24 and FY 25 within the OHE for this program.

These sections result in significant costs to OHE associated with grant payments to eligible adjunct faculty. Each health care adjunct professor who is offered a position under the bill's provisions and remains in the position is eligible for: (1) $20,000 after the first academic year, and (2) an additional $20,000 upon remaining in the position for at least two academic years.

These sections are anticipated to result in Personal Services costs to OHE of approximately $107,115 annually, beginning in FY 24. These costs are associated with hiring one full-time Senior Consultant to administer the program, with an annual salary of approximately $75,000 and corresponding fringe benefits of $32,115.

Section 134 makes changes to the debt free community college program. The changes to the program include: (1) eliminating that a student must be continuously enrolled in college in order to qualify, and (2) removing the requirement that it is a student's first semester in college. This results in additional students being eligible for the program and increased annual costs. The budget includes $5 million in FY 25 for expansion. It is anticipated the community colleges would cap grant expenditures at available funding based on past practice.

Section 135 makes various changes to the Roberta Willis Scholarship program within OHE, including eliminating the community colleges from the program. This could result in a revenue loss to the community colleges beginning in FY 24 as their students would no longer be eligible for financial aid grants under this program and consequently may choose to enroll elsewhere or not at all. The budget transfers $8.5 million in both FY 24 and FY 25 from the program account to CSCU's debt free community college account to reflect the policy change.

Additionally, this section requires that, in FY 24, any ARPA funds designated for this program must be spent before any appropriated dollars. This section establishes a cap of $10 million dollars or 30 percent of the annual appropriation (whichever is greater) to be reserved for the need merit portion of the program. This could result in a redistribution of financial aid funds among various eligible institutions, including the Connecticut state universities and UConn. The budget includes $18 million in FY 24 in ARPA funding for the program.

Section 136 prevents any unused Roberta Willis Scholarship funds from lapsing beginning in FY 24, which could result in a revenue increase to various eligible institutions, as unused funds will not lapse but will be reallocated to these institutions.

Section 137 results in a cost to the UConn Health Center beginning in FY 24, associated with establishing an endometriosis data and biorepository program, including research. This section also requires the UConn Health Center to establish the program in collaboration with a research laboratory within Connecticut. Funding of $468,000 and

$735,000 is included in the budget in FY 24 and FY 25, respectively, within UConn Health Center for this purpose.

Section 138 requires the distribution of $20,000 each to three tribes from the Mashantucket Pequot and Mohegan Fund each year beginning in FY 24. This results in an annual cost to OPM of $60,000 beginning in FY 24 to pay out this grant.

Section 139 increases each of the three tiers for the Tiered PILOT grant by three percentage points beginning in FY 24. This results in an annual cost to OPM of approximately $18.9 million and a corresponding revenue gain to most municipalities.

Section 140 requires DEEP, with the City of Hartford and other municipalities, to study by 1/15/24 the feasibility of, and recommend options for the provision of, public recreational access to the Batterson Park property located in New Britain and Farmington. The budget designates for this purpose $650,000 in existing funds previously allocated to DEEP for Batterson Park.

Section 141 requires DEEP to provide financial assistance to the Metropolitan District of Hartford County (MDC) for certain repairs and improvements to sewer systems in Hartford. This is not anticipated to have a fiscal impact to the state or municipalities due to the use of federal Clean Water Act funding. These sections make other changes that have no fiscal impact to the state or municipalities.

Sections 142 - 143 may result in start-up costs to the Office of the State Comptroller (OSC) in FY 24 to establish the Hartford Sewerage System Repair and Improvement Fund, and grant program. The fund will be used by the Comptroller to make payments to develop and administer the program outlined in the bill, and will contain monies received from deposits, contributions, gifts, grants, donation, bequests, or devises to the fund. The grant program will be paid out of the Hartford Sewerage System Repair and Improvement Fund.

Sections 144 - 145 require the MDC to designate an existing employee to serve as a community outreach liaison and, in collaboration with Hartford, submit a report. This will not result in a fiscal impact to the municipalities within the MDC.

Section 146 requires the Comptroller to provide a $75,000 grant from the Hartford Sewerage System Repair and Improvement Fund to the Blue Hills Civic Association in FY 24. This will not result in a fiscal impact to the state as the fund will not be an appropriated account.

Section 147 makes changes to the Lesbian, Gay, Bisexual, Transgender and Queer Health and Human Services Network by altering the name to the Lesbian, Gay, Bisexual, Transgender and Queer Justice and Opportunity Network (LGBTQ Justice and Opportunity Network). This section also alters the responsibilities of the network to be more focused on justice issues and adds members to the network. These changes do not result in a fiscal impact.

Sections 148 – 152 and **438 - 441** authorize the Treasurer to replace funds currently in the Teachers' Retirement Fund Bonds Special Capital Reserve Fund with a financial guaranty, at which point the available funds would be transferred to the Connecticut Baby Bond Trust. To the extent the Treasurer enters into a financial guaranty agreement, this is anticipated to result in the following impacts: (1) One time cost of up to $12 million to secure the financial guaranty in FY 24, (2) One time revenue gain of approximately $381 million to the Connecticut Baby Bonds Trust in FY 24, and (3) Precludes a one-time deposit into the Budget Reserve Fund of at least $393 million in FY 33. Sections 152 and 438 exempt disbursements from the Baby Bonds Trust from state and local taxes, which precludes a potential revenue gain to the state beginning in FY 42. These sections also make minor and technical changes to the Baby Bonds program, which are not anticipated to result in a fiscal impact.

Section 153 establishes a pay range of $5 to $10 per week for inmate workers, resulting in an estimated cost of $400,000[1] in FY 24 and

[1]This amount reflects expenditures of nine months due to the bill's effective date of October 1st.

$530,000 in FY 25 to the Department of Correction to fund the increase in wages. In FY 22 payments of over $1.5 million went to approximately 8,000 inmate workers. Currently, these inmates make between $0.75 and $1.75 daily.

Sections 154 - 155 require the Commission on Women, Children, Seniors, Equity and Opportunity to recruit and employ a food and nutrition policy analyst, resulting in an approximate annual cost to the Commission of $80,000 per year, along with a fringe benefit cost of approximately $34,250 per year. The actual cost is dependent on the salary range for the new position.

Section 156 allows a municipality to provide a short-term property tax abatement for any new grocery store established in a food desert during two assessment years. This results in a potential revenue loss to municipalities beginning in FY 24. The extent of the revenue loss is dependent on the amount of the abatement and the number of such grocery stores.

Section 157 allows municipalities to receive state financial assistance, up to the amount of abated property taxes under Section 156, in the form of a state grant-in-aid. This will mitigate, in whole or part, any revenue loss from the property tax abatement for grocery stores in food deserts beginning in FY 24. This section also results in a potential cost to the DECD, as the bill allows DECD discretion in awarding any grant-in-aid. The total potential cost per fiscal year is dependent upon the aggregated amount of property tax abatement approved by municipalities.

Section 158 does not result in a fiscal impact by requiring DECD to develop a strategic plan to provide incentives for grocery store construction in a food desert and file a report on the plan by 1/1/24. It is anticipated that DECD can develop this plan within existing resources.

Sections 159 - 162 outline circumstances under which a firefighter, former firefighter, or their dependents may receive compensation or benefits from the Firefighters Cancer Relief Account for certain cancer diagnoses, in a manner similar to Workers' Compensation for an injury or death while working. This results in significant costs to the account and costs to municipalities that are fully reimbursed (resulting in no net costs to municipalities), beginning in FY 24, to the extent that funds are available in the account. The budget provides $5 million in carryforward funding in FY 24 to the account, which is within the Department of Administrative Services.

These sections do not require municipalities to continue providing compensation and benefits if the account becomes insolvent. Consequently, the sections are not expected to result in a net fiscal impact to municipalities.

These sections also establish an advisory committee to annually evaluate the financial solvency of the account and require the State Treasurer to annually submit a report, beginning in FY 24. These requirements do not result in a fiscal impact as these parties will have sufficient expertise to carry out the tasks.

Section 163 requires sponsors of a registered apprenticeship program to annually submit specified information (with their registration fee) to the Department of Labor (DOL), which results in a cost of $24,489 in FY 24 (partial year) and $100,404 in FY 25.

The Office of Apprenticeship Training within DOL would require one Processing Technician to process, verify, and potentially adjust the information required under the bill from each of the approximately 1,700 employers and over 6,400 apprentice registration renewal transactions the agency receives annually. The annualized cost of this position is $70,301 for salary and $30,103 for fringe benefits.

Section 164 requires the Department of Public Health (DPH), within available appropriations, to establish a lung cancer early detection and treatment referral program by 10/1/23, which is anticipated to result in a cost to the agency of $453,215 in FY 24 and $477,856 in FY 25. This cost includes the salary for a full-time Health Program Associate of $69,459 in FY 24 (partial year) and $83,351 in FY 25 (annualized). The program is tasked with supporting lung cancer detection and treatment referrals for persons 50 to 80 years of age, giving priority to populations who exhibit higher rates of lung cancer than the general population, and educating the public about lung cancer and the benefits of early detection. Other DPH expenses include an electronic data entry system for 21 hospitals in 5 different health systems to access, and Community Health Navigators in each of the 5 health systems responsible for outreach, education, enrollment, and patient navigation.

Section 165 could result in a cost to DSS associated with covering the Program of All-Inclusive Care for the Elderly (PACE) services under Medicaid. This section allows but does not require DSS to cover PACE services under the Medicaid state plan, within available appropriations. To the extent DSS applies for and receives federal approval for coverage, the cost will depend on several factors including: (1) eligibility criteria for participants and providers, (2) Medicaid rates and payment structure, (3) service utilization, and (4) any potential offsetting savings to the extent eligible participants utilizing other state-funded services transition to services covered under PACE.

Sections 166 - 169 establish a registry of private education lenders and loan creditors and establish an Office of the Student Loan Ombudsman within the Department of Banking (DOB), resulting in a cost to the DOB of $295,247 in FY 24 and $505,341 in FY 25 for salary, fringe benefits, and other expenses. These sections also allow the DOB to establish a fee structure for the registry, resulting in a potential revenue gain to the Banking Fund depending on the amount of such fees and number of registrants. The DOB may impose a civil penalty of up to $100,000 for violations of the provisions of these sections, resulting in another potential revenue gain to the Banking Fund. Lastly, these sections allow the DOB to prescribe alternate registration processes and fee structures for public or private nonprofit postsecondary educational institutions, resulting in a potential cost to the University of Connecticut Health Center and to Southern Connecticut State University, depending on whether the DOB creates a registration process with an associated fee, and if so, the amount of such fee.

Sections 170 – 172 make various technical and clarifying changes to substitute HB 5001 as amended by House Amendment Schedules "A" and "B" that does not result in a fiscal impact.

Section 173 prevents a municipality with a population between 6,000 and 8,000 from approving certain warehousing or distributing facilities in certain locations. This may preclude a grand list growth beginning in FY 25 to the extent it prevents a warehouse or distributing facility from building within a certain municipality.

Section 174 results in a significant annual cost to OHE beginning in FY 25 associated with a student loan reimbursement program for certain Connecticut residents. The scope of the costs is dependent upon the number and amount of reimbursements awarded annually. Each participant in the grant program is eligible to receive up to $5,000 annually and no more than $20,000, over four years of participation in the program. OHE would require one full-time program administrator in FY 25 and beyond, resulting in annual salary expenses of approximately $90,000 in FY 25 and $92,250 in FY 26 and corresponding fringe benefit costs of approximately $38,538 in FY 25 and $39,501 in FY 26. Additionally, OHE would require up to $50,000 in FY 25, associated with software and information technology upgrades. Funding of $6 million and one corresponding new position within OHE are included in the budget in FY 25 for this new program.

Section 175 establishes a personal income tax deduction for reimbursement provided pursuant to section 174, which results in a one-time cost of up to $75,000 in FY 25 for programming updates to the CTax tax administration system and myconneCT online portal, and for tax form development.

Sections 176 - 183 would reduce costs associated with HB 5004 as amended by House Amendment "A". The provisions of the section would delay the first election conducted under early voting rules to 4/1/24. This could reduce some of the cost of HB 5004 as amended, depending on the number of municipal elections that would be held between 1/1/24 and 4/1/24.

Section 184 could result in a cost to the Opioid Settlement Fund and a corresponding potential revenue gain to various municipal police departments. The bill allows such funds to be distributed to departments for the purpose of equipping police officers with opioid antagonists.

The Opioid Settlement Fund is a separate, nonlapsing fund administered by a 37-member Opioid Settlement Advisory Committee with assistance from DMHAS. Expenditures must be approved by the Committee and used only in accordance with the controlling judgment, consent decree, or settlement.

Sections 185 - 186 alter the qualifying date of the legislation from time of passage to 1/1/18 for run-of-river hydropower facilities. The bill also increases the threshold for generation from Class I renewable energy sources. This would result in no fiscal impact.

Section 187, which results in no fiscal impact to the Office of Early Childhood, makes conforming changes to the list of childcare services exempt from licensing requirements.

Sections 188 - 190 make various reporting and advisory board changes to the Commission on Racial Equity in Public Health, resulting in no fiscal impact to the state.

Section 191 requires all Connecticut newborns be screened for cytomegalovirus on and after 7/1/25, which is anticipated to result in a cost to DPH of approximately $467,004 and a cost to the Office of State Comptroller – Fringe Benefits of approximately $32,996 in FY 25. The cost to DPH reflects the full-year salary of a full-time Microbiologist II, one-time equipment expenses of approximately $64,693, and other supply and equipment service contract expenses totaling approximately $325,252, which are needed to support test validation for a full-fiscal-year before newborn screening begins at the start of FY 26.

Section 192, which requires DPH to convene a working group to study issues concerning cytomegalovirus, is not anticipated to result in a fiscal impact to the state or municipalities.

Section 193 requires the Commission on Women, Children, Seniors, Equity and Opportunity to produce a two-generational strategic plan resulting in no fiscal impact to the state.

Sections 194 and 197 - 198 (1) eliminate mandatory the Municipal Redevelopment Authority (MRDA) membership for certain municipalities, (2) expand eligibility for certain other municipalities to collaborate with the MRDA and (3) require MRDA members to submit a housing growth zone proposal to receive MRDA funds. This results in a potential revenue gain beginning in FY 24 for municipalities that choose to collaborate with MRDA.

Section 195 modifies the governance of the MRDA board of directors which has no fiscal impact.

Section 196 expands the purposes of MRDA to include providing financial support and technical assistance to municipalities to develop housing growth zones.

Section 199 requires all municipalities to report certain changes in housing to the Department of Economic and Community Development (DECD). Failure to submit this information will make the municipality ineligible for discretionary state funding from DECD. This precludes a revenue gain for municipalities beginning in FY 24.

Section 199 could also result in a decreased or slower use of previously authorized bond funds for various bond-funded competitive grants programs. Future debt service costs may be incurred later or to a lesser extent under the section to the degree that it causes authorized bond funds to not be expended or to be expended more slowly than they otherwise would have been. To the extent municipalities are ineligible for competitive grants because of the provisions of the bill, the ineligible municipalities would potentially receive less revenue from the state than they otherwise would. If competitive awards are shifted from ineligible municipalities to eligible municipalities, the eligible municipalities would potentially receive more revenue from the state than they otherwise would.

Section 200 requires the Office of Policy and Management to identify surplus state real property that may be suitable for housing and submit a report by January 1, 2024. This results in no fiscal impact as the requirement can be accommodated with existing staff and resources.

Section 201 makes changes to income eligibility thresholds for the Division of Public Defenders (PDS) and requires PDS to annually publish such guidelines. Current PDS practice is 200% of the federal poverty level (FPL), however, this section requires PDS to set the eligibility at 250% of FPL, resulting in an estimated annual cost of approximately $6 million beginning in FY 26.

Section 202 has no fiscal impact to the state or municipalities, as it expands the eligibility for future attorneys general by altering the requirements to hold the office.

Sections 203 - 204 establish two programs providing subsidies to paraeducators for certain health insurance and health care related costs. The first program provides a subsidy reimbursement for costs paraeducators spend to initially fund a health savings account (HSA). The second provides a stipend to purchase qualified health insurance to paraeducators who work for a board of education that does not provide a health insurance plan that meets the federal Affordable Care Act minimum actuarial value standards. The budget includes $5 million in carry forward funding in both FY 24 and FY 25 in the Office of the State Comptroller, and an additional $5 million in FY 25 within the State Department of Education's budget, to carry out the requirements of these sections.

Section 205 requires the Office of Health Strategy (OHS) to assist local and regional boards of education in enrolling paraeducators for healthcare coverage in qualified health plans, the Covered Connecticut Program, or Medicaid. This results in no fiscal impact to OHS because the agency already has the resources and expertise to do so.

Section 206 establishes a working group to study and report on health care for paraeducators, including assessment of various options. The group must be convened by the Connecticut Health Insurance Exchange (Access Health CT), a quasi-public state agency. The Exchange may incur a cost for a consultant from its own resources in FY 24, anticipated to be less than $50,000, to the extent additional expertise is required.

Sections 207 – 208 delay the effective date of SB 3, the online data privacy bill, from July 1 to 10/1/23. This could minimally reduce the potential revenue gain in FY 24 identified under the bill to the extent that violations occur, and fines are issued.

Sections 209 - 219 delay, by one year, changes to motor vehicle taxation and assessment procedures made in a 2022 law. This will shift out any grand list and corresponding mill rate adjustments related to these changes to FY 26.

Sections 220 - 221 decrease the health carriers' ability to lower costs and may impact state and municipal health plans through increased premiums in FY 25, by prohibiting the requirement of utilization review for already approved prescription drugs used to treat an autoimmune disorder, multiple sclerosis, or cancer after January 1, 2025.

Section 222 results in no anticipated fiscal impact to the state or municipalities as it impacts private entities by shortening several of the maximum timeframes for insurers to notify insureds of their utilization review decisions.

Sections 223 - 224 extend the time frame insurers must provide for notice of birth of a newborn from 61 days to 91 days, which may result in a fiscal impact to the state and municipal plans beginning in FY 24 to the extent that the number of claims increases.

Sections 225 – 226 reduce the time from 60 to 30 days for the use of step therapy, which results in a potential cost to the state and municipal plans beginning in FY 24 through increases in drug usage within a shortened time frame and administrative costs. The bill also eliminates step therapy for certain behavioral health conditions, which will sunset after three years. This has no fiscal impact on the state; however, it may impact certain municipal plans that require step therapy.

Section 227 establishes a task force to study data collection efforts regarding step therapy, which has no fiscal impact because the task force is anticipated to have the expertise to meet the requirements of the bill.

Sections 228 – 229 require health carriers to submit additional information annually to the Insurance Department (DOI) related to prior authorization, which DOI must incorporate into an existing agency report. This has no anticipated fiscal impact to the state as DOI has the expertise to meet the requirements of the bill.

Section 230, which requires providers to use a health carrier's electronic program for prior authorization, does not result in a fiscal impact to UConn Health Center.

Sections 231 - 246 make conforming changes to dormant boards and do not result in a fiscal impact.

Sections 247 - 250 adjust appropriations for FY 23. A total of $71.732 million is provided in General Fund appropriations to cover various account shortfalls, which is offset by $71.732 million in reductions to various accounts. In addition, $5.1 million is provided to cover a deficiency in the Special Transportation Fund that is offset by a reduction of $5.1 million.

These sections do not result in a net impact to the General Fund or Special Transportation Fund. Please see the table below for detail of the sections' appropriations and reductions.

General Fund Appropriation Increases and Reductions
(in millions)

Agency	FY 23 $
Section 247 - General Fund Increases:	
State Comptroller	2.75
Department of Labor	0.1
Department of Energy and Environmental Protection	0.75
Department of Economic & Community Development	2.497
Department of Housing	0.4
Office of the Chief Medical Examiner	0.05
Department of Social Services	14.4
Technical Education and Career System	1
Office of Higher Education	0.225
Department of Correction	26.1
Judicial Department	2
State Comptroller - Fringe Benefits	17
Workers' Compensation Claims	4.46
Total - General Fund Increases	**71.732**
Section 248 - General Fund Reductions:	
Judicial Department	2
Debt Service - State Treasurer	2.9
State Comptroller - Fringe Benefits	66.832
Total - General Fund Reductions	**71.732**
NET General Fund Impact	**-**

Transportation Fund Appropriation Increases and Reductions (in millions)

Agency	FY 22 $
Section 249 - Transportation Fund Increases:	
Department of Administrative Services	5
State Comptroller - Fringe Benefits	0.1
Total - Transportation Fund Increases	**5.1**
Section 250 – Transportation Fund Reductions:	
Debt Service - State Treasurer	5.1
Total - Transportation Fund Reductions	**5.1**
NET Transportation Fund Impact	**-**

Sections 251 - 259 allow pharmacists and pharmacist interns to access the Health Assistance InterVention Education Network (HAVEN)[2] beginning on 10/1/23, resulting in no fiscal impact because HAVEN is supported through insurance billing, out-of-pocket payments,[3] and the Department of Public Health's non-appropriated, non-lapsing Professional Assistance Program account.[4]

Beginning in FY 26, the bill raises the fees for certain pharmacist licenses by $5 and deposits the extra revenue into the pharmacy professional assistance program account to support the HAVEN services accessed by pharmacists and pharmacy interns.

Section 260 makes any Connecticut Airport Authority (CAA) purchase or lease of a municipally owned or controlled airport subject to the approval of the legislative bodies of the municipality that owns or controls such airport and the municipality in which such airport is located, and does not result in a fiscal impact.

Sections 261 - 263 and **277 - 280** require the Office of Policy and Management (OPM) to serve as the lead agency responsible for coordinating autism services across state agencies and school districts that directly provide for or oversee services for individuals on the autism spectrum. The bill includes $90,200 in both FY 24 and FY 25 to support an additional staff position in OPM for this purpose.

Sections 264 – 265 and **267 - 270** increase the time limit to receive benefits under the Temporary Family Assistance (TFA) program from 21 months to 36 months, effective 4/1/24. The bill provides $230,000 in

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[2]HAVEN is a nonprofit organization that supports the recovery of health care professionals who have a chemical dependency, an emotional or behavioral disorder, or a physical or mental illness.

[3]HAVEN evaluations may be out-of-pocket expenses if they are not covered by the health care professional's health insurance plan. Ongoing care and treatment are coordinated, when possible, with an in-network provider. Toxicology testing is out-of-pocket. HAVEN's administrative fees are paid by the professional and, when in a contract, the monthly fee is $150 - $175.

[4]The Department of Public Health's Professional Assistance Program account is funded through a $5 fee on the license renewals for certain health care professions. This account has provided payments to HAVEN totaling $723,874 in FY 21, $814,540 in FY 22, and $827,840 in FY 23 through 5/1/23.

FY 24 and $1.2 million in FY 25 to the Department of Social Services (DSS) for this purpose. The bill also includes carryforward funding of $1.2 million in FY 24 to support system updates to support this change.

Section 266 (1) increases the TFA asset limit from $3,000 to $6,000 (on and after 10/1/23), and (2) increases the income disregard from 100% of the federal poverty level (FPL) to 230% FPL (on and after 1/1/24). The bill provides funding of $760,000 in FY 24 and $3.3 million in FY 25 for the asset increase and $1.2 million in FY 24 and $3.1 million in FY 25 to support the increased income disregard.

Section 271 increases the asset limit under the State Administered General Assistance (SAGA) program from $250 to $500, effective 10/1/23. The bill provides $140,000 in FY 24 and $480,000 in FY 25 for this purpose.

Section 272 allows individuals seeking coverage to receive Supplemental Assistance benefits for up to 90 days prior to the date of application if otherwise eligible for the program, effective 10/1/23. The bill provides $383,000 in FY 24 and $515,200 in FY 25 to reflect this change.

Sections 273, 275 and **276** eliminate statutory rate increases for residential care homes (RCHs) and rated housing facilities in FY 24. The bill reflects associated savings of $4,372,000 in FY 24.

Section 276 also rebases rates for residential care homes based on 2022 cost reports. The bill provides $5.2 million in both FY 24 and FY 25 for this purpose.

Section 273 eliminates inflationary increases for intermediate care facilities for individuals with intellectual disabilities (ICF-IIDs). The bill reflects associated savings of $1.9 million in FY 24 and $3.2 million in FY 25.

Section 273 also maintains the minimum per diem per bed rate of $501 for ICF-IIDs, rebases facility rates to the most recent cost report year, and includes a two percent adjustment factor on rates in FY 24. The bill provides $1.9 million in FY 24 and $2.1 million in FY 25 for these purposes.

Section 274 eliminates statutory rate increases for nursing homes. The bill reflects associated savings of $35.9 million in FY 24 and $60.5 million in FY 25. This section also requires DSS to issue shadow rates related to the quality metrics program and report on the anticipated impact on nursing homes if the state were to implement a rate withhold. This has no fiscal impact as the agency has the expertise to do so.

Section 282 increases adult complex care nursing rates to align with pediatric rates, effective 1/1/24. The bill provides $600,000 in FY 24 and $1,350,000 in FY 25 for this purpose.

Sections 283 and **285** expand HUSKY health coverage for children, regardless of immigration status, from age 12 to age 15, on and after 7/1/24. The bill provides related funding of $3 million in FY 25.

Section 284, which requires DSS to study the expansion of HUSKY health coverage to age 25 regardless of immigration status, is not anticipated to result in a fiscal impact.

Sections 286 - 287 increase burial assistance payments from $1,350 to $1,800 for beneficiaries under State Supplement, Temporary Family Assistance, and State Administered General Assistance, effective 7/1/24. The bill provides $1.2 million in FY 25 for this purpose.

Section 288 allows up to $5.6 million in FY 23 Medicaid funds to support stabilization payments to certain DSS contracted providers for wage enhancements and related benefits for employees working in intermediate care facilities for individuals with intellectual disability (ICF/IID). This section also allows providers additional flexibility related to the expenditure of currently contracted funding, which does not result in a fiscal impact to the state

Section 289, which makes a technical change regarding the provision of construction or renovation grants by DMHAS, has no fiscal impact.

Section 290, which moves the CT Partnership for Long-Term Care from ADS to OPM, has no fiscal impact.

Sections 291 - 297 make technical, conforming and clarifying changes that have no fiscal impact.

Section 298, which requires DSS to convene a working group to review and evaluate the incidence and implications of excess licensed bed capacity and any space not presently in use at skilled nursing facilities, has no fiscal impact as DSS has the expertise to do so.

Sections 299 - 301, which require personal income tax forms and instructions to be revised for certain specified purposes, result in a onetime cost of up to $75,000 to the Department of Revenue Services in FY 24 associated with programming updates to the CTax tax administration system and myconneCT online portal, as well as form modification. These provisions may also result in costs to the exchange (i.e., Access Health CT), to its own resources as a quasi-public agency, associated with using tax return data for targeted outreach. The exchange already conducts marketing and outreach using its own funds. Any additional costs resulting from the MOU would be incurred only after a revised tax return form is in use.

Section 302 increases the HUSKY C income limit to 105% of the federal poverty level (FPL), inclusive of any income disregards, effective 10/1/24. The bill provides total funding of $8.5 million in FY 25 to DSS for this purpose.

Section 303, which requires the Department of Public Health (DPH) and municipal registrars of vital statistics to issue an amended birth certificate to reflect a parent's legally changed name upon the receipt of certain documents, is anticipated to result in an Information Technology consultant cost to DPH of approximately $30,000 in FY 24 only to update the Electronic Birth Registry to allow for these names changes. There is no fee associated with the issuance of amended birth certificates and, therefore, no anticipated revenue gain to the state or municipalities.

Sections 304 – 307 and **309**, which require reporting on name changes within the Department of Correction and gender affirming care in the HUSKY Health program as well as make technical and conforming changes related to gender incongruence, have no fiscal impact.

Section 308 removes the $250 filing fee that the Probate Court collects for name change petitions, resulting in an estimated $600,000 annual loss in revenue to the Probate Court Administration Fund (PCAF).

Section 310, which results in no fiscal impact, allows the State Department of Education and the Office of Early Childhood to permit a nonpublic school in the city of Waterbury to accept accreditation of its curriculum from Cognia.

Sections 311 - 312[5] require the State Department of Education (SDE) to reimburse school districts for costs associated with providing, in FY 24, free meals for students from families making less than 200% of the federal poverty line, and who are not eligible for free meals per Federal guidelines. The budget provides $16 million in FY 24 in ARPA funding for this purpose.

These sections also require, rather than allow, the State Department of Education to make certain grants within available appropriations to public school operators that participate in the National School Lunch.

Section 313 specifies that, for FY 24 and FY 25, $500,000 of Open Choice funding used for wraparound services for participating students shall be provided to The Legacy Foundation of Hartford to give such services.

Sections 314 - 317 extend the caps on various statutory grants. This results in a savings of at least $2.4 million in both FY 24 and FY 25, associated with a reduction in funding that otherwise would have gone

[5] Section 13 of PA 23-208 repeals these sections of the budget act. The $16 million FY 24 ARPA allocation for school meals is maintained without language indicating the distribution of such funding.

to local and regional boards of education.

Section 318 makes technical changes to the Teachers' Retirement System (TRS) statutes for members of the professional staff employed at the State Board of Education and has no fiscal impact.

Sections 319 - 320 require students, in order to graduate high school, to complete an application for postsecondary financial aid or submit a waiver. This has no fiscal impact as districts are not required to provide assistance to students in filling out the applications.

Sections 321 - 322 make technical changes and have no fiscal impact.

Sections 323 - 325 increase the cost of fully funding the Priority School District grant and preclude revenue losses to certain school districts by specifying that certain districts will receive the same funding in FY 24 and annually thereafter as they received in FY 22. This grant is proportionately reduced if the appropriation is insufficient to fully fund.

Sections 326 – 327 establish an investigative unit within the Internet Crimes Against Children Task Force, within the Department of Emergency Services and Public Protection (DESPP), to conduct sting operations relating to the online sexual abuse of minors, resulting in a cost of $472,419 in FY 25 and $403,689 in FY 26 to the DESPP and the Office of the State Comptroller.

Sections 328 – 329 change the reimbursement rate for school air quality projects and specified types of school construction projects, respectively, in municipalities with a population of greater than 80,000 to be no less than 60% and Cheshire to be no less than 50%. To the extent projects are submitted and the statutorily calculated reimbursement rate would be less than the rates indicated, there would be increased costs to the state and increased revenue to involved towns. The impact of new projects on the school construction priority list will be reflected when such projects are considered by the legislature in the future.

Section 330 results in a cost to the Office of Early Childhood (OEC) in FY 25 of $15.5 million to increase the full-time School Readiness per child cost up to $10,500. This supports approximately 9,830 seats, and funding is provided in the bill.

Section 331 results in a potential cost to OEC to the extent that the Commissioner waives Care4Kids eligibility requirements for certain at-risk populations who may not otherwise qualify. For reference, the average monthly per child cost under Care4Kids is approximately $788.

Section 332 precludes future savings to the Office of Early Childhood (OEC) by eliminating the sunset date of the Smart Start program. By making the program permanent, OEC may incur future costs it otherwise would not have had the program ended, while towns will experience a corresponding revenue impact. The bill also potentially changes the distribution of Smart Start funding to towns by eliminating the option to give priority to plans that allocate spaces for children who are eligible for free and reduced-price lunches.

Sections 333 - 334 make technical changes regarding magnet schools and the Sheff settlement and have no fiscal impact.

Sections 335 - 337 allow local and regional school districts to retain any grant funding they receive from the State Department of Education for school mental health workers that is unspent at the end of a fiscal year. The sections also change the timeframe during which grants for school mental health specialists and grants for summer mental health services for students can be awarded from FY 23 to FY 25, to FY 24 to FY 26. This has no fiscal impact, as it does not change the amount of funding available for such purposes.

Section 338 may result in some minimal start-up costs to the Office of the State Comptroller in FY 24 to establish the Early Childhood Education Fund.

Section 339 requires the Office of Early Childhood to submit a report containing recommendations on the Early Childhood Recommendation Fund and the Blue-Ribbon Panel on Child Care, which results in no fiscal impact because the office already has the expertise and resources to do so.

Section 340 contains the following Education Cost Sharing (ECS) grant provisions for underfunded towns: (1) continues the phase-in schedule in FY 24, (2) increases phase-in funding beyond current law by approximately $68.6 million in FY 25, and (3) provides full funding beginning in FY 26 at an estimated cost of $163.4 million (seven percent) above current law. Towns considered overfunded by the ECS formula are held harmless from ECS losses in FY 24 and FY 25; annual scheduled decreases resume in FY 26, with full funding reached in FY 32.

Sections 341 - 342 and 344 result in a savings, beginning in FY 25, to various local and regional school districts by capping tuition to magnet schools and vocational agriculture operators at 58% of the amount paid per student in FY 24. The resulting revenue loss to operators is exceeded by increased per student state grant amounts, resulting in a net positive impact. The budget provides funding to support these changes.

The sections additionally result in a cost in FY 24 by requiring the State Department of Education to provide magnet school tuition assistance to four towns. The budget provides $3 million in FY 24 for this purpose.

Section 343 results in costs in FY 24 and FY 25, and annually thereafter, by increasing the weighted per student grant for state charter schools in each fiscal year in the new biennium. The budget provides funding to support these changes.

Section 345 contains changes regarding the Open Choice program that allow for the implementation of Section 346. (Similar changes are included for magnet schools and vocational agriculture within Sections 341 and 344.)

Section 346 specifies the distribution of $150 million in funding in FY 25 within the State Department of Education for Education Finance Reform. This funding supports increases in ECS and grants for choice program operators as follows: approximately (1) $68.5 million for ECS,

(2) $9.4 million for state charter schools, (3) $40.2 million for regional educational service centers and other entities that are not boards of education that operate magnet schools, (4) $13.3 million for boards of education that operate interdistrict magnet schools, (5) $11.4 million for Open Choice program operators, and (6) $7.2 million for vocational agriculture program operators.

Policies Impacting Revenue (in millions)

Section	Policy	Fund	FY 23 $	FY 24 $	FY 25 $	FY 26 $	FY 27 $	FY 28 $
1	Recognize federal revenue impact attributable to state expenditure changes	GF	-	40.3	47.3	46.2	46.2	46.2
1	Recognize General Fund recovery of additional fringe benefit costs (in the Insurance Fund) due to an expansion of staffing in the Office of Health Strategy	GF	-	0.2	0.2	0.2	0.2	0.2
38	Increase funding for municipal grants via the Mashantucket Pequot and Mohegan Fund	GF	-	(1.0)	(1.0)	-	-	-
38	Increase funding for municipal grants via the Mashantucket Pequot and Mohegan Fund	Mashantucket Pequot & Mohegan	-	1.0	1.0	-	-	-
73 - 74	Shift MRSA to MRSF	MRSA	-	(458.5)	(469.5)	(480.7)	(492.2)	(503.9)
73 - 74	Shift MRSA to MRSF	MRSF	-	458.5	469.5	480.7	492.2	503.9
89, 445	Recognize General Fund recovery of fringe benefit costs due to restructuring higher education fringe benefits	GF	-	(85.0)	(85.0)	(85.0)	(85.0)	(85.0)
90 – 94, 445	Eliminate the transfer of iLottery revenues to the debt-free community college account	GF	-	2.0	3.0	7.5	12.5	19.0

Section	Policy	Fund	FY 23 $	FY 24 $	FY 25 $	FY 26 $	FY 27 $	FY 28 $
138	Provide funding for certain native American tribes	GF	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
138	Provide funding for certain native American tribes	Mashantucket Pequot & Mohegan	-	0.1	0.1	0.1	0.1	0.1
347 - 349	Extend the temporary corporate tax surcharge	GF	-	80.0	50.0	20.0	-	-
350- 351	Expand the human capital investment tax credit	GF	-	(2.1)	(3.5)	(3.5)	(3.5)	(3.5)
352 - 353	Increase the amount of the film and digital media production tax credits to be claimed against the sales tax under certain circumstances	GF	-	(2.2)	(4.3)	-	-	-
354	Allow certain corporations that own LLCs to claim the fixed capital investment tax credit for amounts the LLC invested in qualifying fixed capital	GF	-	-	-	(3.0)	(3.0)	(3.0)
355 - 356	Eliminate the angel investor tax credit for cannabis businesses	GF	-	12.5	15.0	15.0	15.0	15.0
357	Adjust the taxes against which historic homes rehabilitation tax credits may be claimed	GF	-	-	-	-	-	-
358	Restore funding to CT-N	GF	-	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
360 - 365, 448	Make the pass-through entity tax optional	GF	-	(2.7)	(6.0)	(6.0)	(6.0)	(6.0)
360 - 365, 448	Make the pass-through entity tax optional	GF	-	2.2	4.8	4.8	4.8	4.8
367	Freeze the diesel tax rate	STF	-	(37.2)	-	-	-	-
368 - 371	Exempt aviation fuel from the Petroleum Gross Receipts Tax	STF	-	(3.2)	(3.1)	(3.1)	(3.1)	(3.1)

Section	Policy	Fund	FY 23 $	FY 24 $	FY 25 $	FY 26 $	FY 27 $	FY 28 $
368 - 371	Exempt aviation fuel from the Petroleum Gross Receipts Tax	CT Airport and Aviation Account	-	(9.8)	(9.4)	(9.4)	(9.4)	(9.4)
368 - 371	Transfer to the CT Airport Authority for Operating Expenses	STF	-	(8.0)	(8.0)	-	-	-
368 - 371	Transfer to the CT Airport Authority for Operating Expenses	CAA - General Aviation Airports Enterprise Fund	-	8.0	8.0	-	-	-
368 - 371	Impose an excise tax on aviation fuel	CAA - General Aviation Airports Enterprise Fund	-	-	-	7.5	7.5	7.5
372	Establish a tax credit for certain pre-Broadway and post-Broadway theater productions	GF	-	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
373	Adjust requirements for unclaimed bottle deposits	GF	-	-	(3.2)	(10.0)	(19.4)	(19.4)
376	Reduce the 3% marginal income tax rate	GF	-	(49.4)	(109.7)	(114.1)	(118.7)	(123.4)
376	Reduce the 5% marginal income tax rate	GF	-	(136.2)	(302.5)	(314.2)	(328.8)	(341.5)
376	Recapture the benefits of the marginal income tax rate reductions to taxpayers with income above certain thresholds	GF	-	18.8	41.8	43.5	45.2	47.0
376	Adjust the volatility transfer amount to reflect (non-PET) income tax changes	GF	-	16.7	37.0	38.0	41.7	42.9
377	Eliminate the benefits cliff by phasing out the income tax exemption for pensions and annuities	GF	-	(16.0)	(32.0)	(32.0)	(32.0)	(32.0)

Section	Policy	Fund	FY 23 $	FY 24 $	FY 25 $	FY 26 $	FY 27 $	FY 28 $
377	Eliminate the benefits cliff by phasing out the income tax exemption for individual retirement accounts (IRAs)	GF	-	(5.1)	(13.3)	(19.8)	(23.9)	(25.4)
378	Adjust the state's earned income tax credit (EITC)	GF	-	(44.6)	(44.6)	(44.6)	(44.6)	(44.6)
377, 379	Authorize the deduction of certain business expenses by cannabis establishments	GF	-	(4.7)	(6.2)	(9.6)	(11.4)	(13.5)
380	Provide a sales tax exemption for Narcan	GF/STF/MRSF	-	-	-	-	-	-
29 – 30, 381	Eliminate the planned revenue set asides to extinguish the Generally Accepted Accounting Principles (GAAP) historical deficit as the GAAP bonds are retired	GF	-	120.8	120.8	120.8	120.8	120.8
382	Credit FY 24 revenues to FY 25	GF	-	(95.0)	95.0	-	-	-
383	Transfer to the Municipal Revenue Sharing Fund to provide supplemental (stabilization and municipal revenue sharing) grants	GF	-	(74.7)	(74.7)	(74.7)	(74.7)	(74.7)
383	Transfer to the Municipal Revenue Sharing Fund to provide supplemental (stabilization and municipal revenue sharing) grants	MRSF	-	74.7	74.7	74.7	74.7	74.7
383	Make an additional transfer to the Municipal Revenue Sharing Fund	GF	-	(19.5)	(8.6)	-	-	-
383	Make an additional transfer to the Municipal Revenue Sharing Fund	MRSF	-	19.5	8.6	-	-	-

Section	Policy	Fund	FY 23 $	FY 24 $	FY 25 $	FY 26 $	FY 27 $	FY 28 $
383	Update the additional transfer to the Municipal Revenue Sharing Fund	GF	-	(2.6)	(2.6)	-	-	-
383	Update the additional transfer to the Municipal Revenue Sharing Fund	MRSF	-	2.6	2.6	-	-	-
383	Transfer to Support Tiered-PILOT enhancement	GF	-	(19.0)	(19.0)	(19.0)	(19.0)	(19.0)
383	Transfer to Support Tiered-PILOT enhancement	MRSF	-	19.0	19.0	19.0	19.0	19.0
384	Cannabis Fund revenue requirements to offset appropriations	GF	-	(10.1)	(10.3)	-	-	-
384	Cannabis Fund revenue requirements to offset appropriations	Cannabis Regulatory Fund	-	10.1	10.3	-	-	-
385	Tourism Fund revenue requirements to offset appropriations	GF	-	(2.9)	(1.3)	-	-	-
385	Tourism Fund revenue requirements to offset appropriations	TF	-	2.9	1.3	-	-	-
449	Eliminate use of federal American Rescue Plan Act (ARPA) funds as state revenue in FY 23	GF	(314.9)	-	-	-	-	-

Section 359 establishes a working group to examine the taxation of reservation land resulting in no fiscal impact because the working group has the expertise to meet the requirements of the bill.

Section 366 changes, beginning with the second quarter of FY 24, the filing and payment frequency of the highway use tax from monthly to quarterly and does not result in a fiscal impact.

Sections 374 - 375 require the Department of Revenue Services (DRS) to produce an annual tax gap report and makes changes to the requirements of the biennial Tax Incidence Report, which results in a consulting cost estimated at $250,000.

Section 380 clarifies that opioid antagonists (e.g., Narcan, naloxone) are exempt from the sales and use tax and therefore has no fiscal impact.

Section 386 establishes a task force to review boards of assessment appeals proceedings resulting in no fiscal impact because the task force has the expertise to meet the requirements of the bill.

Sections 387 establishes a task force to study the timeliness of required inspections of work performed pursuant to a building permit, resulting in no fiscal impact because the task force has the expertise to meet the requirements of the bill.

Sections 388 - 389 authorize the State Treasurer to set compensation levels for investment officers and other personnel involved with the chief investment officer, which has no fiscal impact to appropriated funds. To the extent future investment personnel are hired at compensation levels different from those currently allowed, various investment funds overseen by the State Treasurer would be subject to potential changes to personnel costs.

Sections 390 - 391, which create tax incentives for corporations offering a qualifying employee stock-sharing arrangement, result in (1) a potential General Fund revenue loss beginning in FY 27, and (2) a one-time cost of up to $75,000 in FY 27 for programming updates to the CTax tax administration system and myconneCT online portal, and for form modification.

There is a potential General Fund revenue loss beginning in FY 27 to the extent that companies offer such an arrangement and: (1) the corporation business tax surcharge is extended (the current surcharge expires on 1/1/26 under sections 363-365 of the bill), or (2) the surcharge is not extended and companies are instead eligible to claim tax credits.

Additionally, there is a potential General Fund revenue loss from the personal income tax exemption for qualifying share plan stock, the magnitude and timing of which is dependent on (1) companies offering a qualifying arrangement, and (2) employee stock sales.

Section 392 requires DRS to conduct a study of the share plans established in section 390 of the bill. This does not result in any fiscal impact as the agency can accomplish this requirement without the need for additional resources.

Sections 393 – 394 require the Capital Region Development Authority to enter into an agreement with a contractor to manage and operate the XL Center and to contribute to the facility's renovations. The bill allows the state or CRDA to provide up to $80 million towards the renovation costs. The contractor must provide at least $20 million to the costs. Additionally, under the bill, the contractor is responsible for any net loss, and may retain the first $4 million in profits, with any profits above that to be split between the state and the contractor.

The bill also deems the XL Center to be state owned property while owned, leased, or operated by CRDA or the contractor and therefore exempt from property tax. Currently, the facility is owned by the City of Hartford and managed by CRDA.

Section 395 allows retail sports wagering revenues to be distributed either to a capital reserve account for the XL Center in Hartford or for the operation of the XL Center, as required under current law. The provision does not alter the amount of state revenue to be distributed for the purpose of supporting the XL Center.

Section 396 requires the CAA to submit a report to the Transportation and Finance, Revenue and Bonding Committees on various operational and financial information. The report is due 10/1/23, and annually thereafter, and does not result in a fiscal impact.

Sections 410 – 418 result in an estimated total cost to the state of $1,680,447 in FY 24 and $1,379,128 in FY 25 associated with elections. The sections also would result in significant cost to various municipalities, and some costs for UConn Voter Center and the Office of the Secretary of the State (SOTS). The sections generally codify into state law several aspects of the federal Voting Rights Act of 1965 which: (1) bans discrimination in voting and elections, and (2) establishes a mechanism for certain jurisdictions with a history of discrimination against racial and language minorities to seek preapproval before changing their election laws. The cost estimated above includes six positions within the SOTS. The cost also includes hiring several full-time positions for the UConn Voter Center that is entirely funded by SOTS. Under the bill, if the SOTS determines that a municipality needs language-related voting assistance, then the SOTS could require certain municipalities to implement said assistance at a cost of up to $25,000 annually per municipality. There are ten municipalities that meet the criteria under the bill.

Section 419 expands the standard wage law to cover contractors who provide security services and specifies that each pay period an employee is not paid the required standard wage rate is a separate violation, subject to a $2,500 to $5,000 fine. This results in a potential cost to the state and a potential minimal revenue gain from civil penalties to the extent there are violations found.

To the extent the bill results in additional costs for contractors on covered state contracts there is a potential cost to the state, the magnitude of which is dependent on the size and scope of those contracts. There is no fiscal impact to municipalities as these provisions pertain only to businesses that contract with state agencies.

Section 420 allows the SOTS to develop an early voting public information campaign and requires the SOTS to develop materials and procedures for early voting. The estimated cost for creation of a public information campaign surrounding early voting is $1 million; the creation of the materials and procedures surrounding early voting is estimated to cost $175,000 in FY 24.

Section 421 updates statute to conform to changes pursuant to section 203 of the bill.

Sections 422 – 437, which make several changes affecting procurement and capital projects administration including changes to prequalification requirements, have no fiscal impact.

Section 442 repeals $600 million of General Bond obligation for the Baby Bonds Trust, $50 million each year for 12 years beginning in FY 25, and its associated debt service. The section also repeals an obsolete loan program, which has no fiscal impact.

Section 445 repeals statutes related to fringe benefit support for UConn Health Center and the community colleges, resulting in annual savings of $29.7 million to the General Fund beginning in FY 24. This section also repeals obsolete statutes to conform to changes in the FY 24 and FY 25 budget.

House "A" and "B" makes various changes that are incorporated into the analysis above.

The Out Years

The budget for all appropriated funds combined is projected to have surpluses in FY 26 - FY 28.

Projected Revenues & Expenditures FY 26 – FY 28 (in millions)

Fund	FY 26 $			FY 27 $			FY 28 $		
	Rev.	Expend.	Balance	Rev.	Expend.	Balance	Rev.	Expend.	Balance
General	23,618.4	23,201.5	416.9	24,187.9	23,663.2	524.7	24,882.6	23,951.9	930.7
Transportation	2,349.5	2,331.5	18.0	2,365.9	2,551.4	(185.5)	2,383.7	2,583.6	(199.9)
Other Appropriated	896.1	902.2	(6.1)	908.4	902.2	6.2	920.9	902.2	18.7
TOTAL	**26,864.0**	**26,435.2**	**428.8**	**27,462.2**	**27,116.8**	**345.4**	**28,187.2**	**27,437.7**	**749.5**