

OFFICE OF FISCAL ANALYSIS

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HB-6863

AN ACT MAKING DEFICIENCY APPROPRIATIONS FOR THE
FISCAL YEAR ENDING JUNE 30, 2025.

As Amended by House "A" (LCO 8700)

House Calendar No.: 511

Senate Calendar No.: 515

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Department of Administrative Services - Workers' Comp. Claims	App Fund - Savings	4,000,000	4,000,000
Department of Administrative Services - Workers' Comp. Claims	App Fund - Cost	2,140,000	2,000,000
Department of Administrative Services - Workers' Comp. Claims	App Fund - Potential Cost	See Below	See Below

Note: App Fund=All Appropriated Funds

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
Various Municipalities	Impact	See Below	See Below

Explanation

Sections 1-12 adjust numerous appropriated accounts across several appropriated funds. The table below summarizes the additional appropriations and reductions to appropriations by fund.

FY 25 - Adjustments to Appropriations

Fund	Additional Appropriations \$	Appropriations Reductions \$	Net Change \$
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Primary Analyst: PR
Contributing Analyst(s):
Reviewer: ME

5/20/25

General	554,791,379	(88,650,000)	466,141,379
Special Transportation	4,110,000	(4,110,000)	-
Banking	264,997	(264,997)	-
Insurance	587,485	(587,485)	-
Consumer Counsel & Public Utility	59,499	(59,499)	-
Workers' Compensation	196,993	(196,993)	-
Totals	560,010,353	(93,868,974)	466,141,379

Spending Cap

The bill results in the FY 25 budget being over the spending cap by \$283.5 million. Per the Governor's May 19, 2025 Declaration of the Existence of Extraordinary Circumstances, appropriations in excess of the cap are authorized in the current fiscal year but are not included in the FY 26 calculation base.

Section 13, which expands the list of injuries eligible for permanent, partial disability (PPD) and increases the benefits for a cervical spine injury, results in a cost to the Department of Administrative Services – Worker's Compensation Claims and various self-insured municipalities beginning in FY 26 to the extent additional workers' compensation benefits are provided. The cost to the state is up to \$2 million per year beginning in FY 26 and may vary significantly from year-to-year dependent upon the number of injuries that occur. The expanded list of injuries covered includes injuries to the intestinal tract (347 weeks) and esophagus (180 weeks).

Section 13 also removes the Administrative Law Judge's (ALJ) discretion to award temporary partial incapacity benefits resulting in savings to the Department of Administrative Services – Worker's Compensation Claims and various self-insured municipalities to the extent less awards are provided by ALJs. The savings to the state may exceed \$4 million per year beginning in FY 26 and may vary significantly from year-to-year based on the number of cases and the determinations of the ALJ. In March 2025, the Connecticut Supreme Court ruled in *Gardner v. Dept. of Mental Health & Addiction Services* that Connecticut law gives ALJ discretion to award a workers'

compensation claimant, after they reach maximum medical improvement, ongoing temporary partial incapacity benefits (up to the statutory maximum of 520 weeks) rather than PPD benefits. Section 13 eliminates the anticipated cost increases associated with the ruling which would impact both the state and various self-insured municipalities.

Section 14 results in a potential cost to the Department of Administrative Services – Worker’s Compensation Claims and various self-insured municipalities beginning in FY 26 to the extent additional workers’ compensation benefits are provided to parents in the event an employee dies with no presumptive dependents (e.g., spouse or minor children). There is a specific relevant claim which is impacted by this bill that may result in a total estimated cost of \$140,000 over six years beginning in FY 26. The workers’ compensation benefit of this claim has yet to be determined and may vary significantly from this estimate.

Section 15 has no fiscal impact by establishing a working group to study rehabilitation services available to injured employees. It is anticipated that the members of the working group will have the expertise necessary to complete the research that is required by the bill.

Section 16 allows certain injured employees to receive supplemental workers’ compensation benefits provided they are unable to perform their usual work and have completed, or are engaged in, vocational rehabilitation services or programs. This results in a potential cost to the state and municipalities to the extent it leads to additional benefits being provided to injured employees.

House "A" strikes the underlying bill and associated fiscal impact resulting in the impact described above.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation to the number of worker's compensation claims, the number of temporary partial incapacity

benefits, the number of supplemental workers' compensation benefits provided, and inflation.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.