

OFFICE OF FISCAL ANALYSIS

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SB-576

AN ACT REQUIRING THE ESTABLISHMENT OF THE LEARN
HERE, LIVE HERE PROGRAM, INCREASING THE ANNUAL
EXPENDITURE ON SUCH PROGRAM AND MAKING SUCH
PROGRAM AVAILABLE TO CERTAIN INDIVIDUALS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Department of Economic & Community Development	GF - Cost	156,250	190,000
Department of Revenue Services	GF - Cost	100,000	None
State Comptroller - Fringe Benefits ¹	GF - Cost	53,432	71,243
Department of Revenue Services	GF - Revenue Loss	None	Up to 5,000,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which requires the Department of Economic and Community Development (DECD) to establish the currently optional Learn Here, Live Here program, results in: 1) a General Fund revenue loss of up to \$5 million annually beginning in FY 27, 2) an ongoing salary and fringe benefit cost of \$184,682 in FY 26 and \$246,243 annually thereafter, 3) marketing and administrative costs of \$25,000 in FY 26 and \$15,000 annually thereafter and 4) a one-time cost of \$100,000 to the Department of Revenue Services (DRS) in FY 26 only.

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

Projected Costs

Assuming 2,000 participants set aside the maximum \$2,500 in income tax payments annually the DECD would require two full-time positions at an annual cost of approximately \$246,243 (\$175,000 for salary and \$71,243 for fringe benefits). These positions would be responsible for tracking the income eligibility, employment, residency, and participation status of program participants, as well as coordinating with the DRS to ensure proper income tax set-asides and file liens against any property's title for all homes purchased pursuant to the program. They would also be responsible for enforcing the program's claw back provisions as needed. DECD would also incur additional costs associated with marketing materials and other administrative expenses estimated to be \$25,000 in FY 26 and \$15,000 annually thereafter once the program is implemented.

The proposal is also estimated to result in a one-time set up and programming cost of \$100,000 in FY 26 to the DRS to administer the tax provisions of the proposal.

Background

According to data from the National Center for Education Statistics, there are approximately 45,000 graduates from public colleges, independent colleges and vocational technical schools in Connecticut per year. A 2020 research report produced by the P20 WIN interagency collaborative shows that approximately 80% public college graduates were employed in Connecticut one year after graduation but the percentage decreases to approximately 70% eight years after graduation; it is not known how many independent college or vocational school graduates remain in the state. Based on data available through the State Department of Education, there are approximately 37,000 high school graduates annually.

The Out Years

The annualized ongoing cost impact identified above would continue

into the future subject to inflation. The annualized ongoing revenue impact identified above could be mitigated in the out years to the extent that program participants are subject to the bill's claw back provisions.

Sources: [Connecticut State College and Universities Employment and Wages Summary Report – 2020, P20 WIN](#)
[National Center for Education Statistic, Intergrated Postsecondary Education Data System](#)
[Connecticut State Department of Education, EdSight](#)