

OFFICE OF FISCAL ANALYSIS

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sSB-1231

AN ACT CONCERNING STATE CONTRACTS WITH NONPROFIT
HUMAN SERVICES PROVIDERS.

As Amended by Senate "A" (LCO 9897)

House Calendar No.: 659

Senate Calendar No.: 119

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Policy & Mgmt., Off.	GF - Cost	177,000	177,000
State Comptroller - Fringe Benefits ¹	GF - Cost	72,000	72,000
Policy & Mgmt., Off.	GF - Potential Cost	Up to 1,000,000	None
Various State Agencies	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in an annual cost of \$177,000 to the Office of Policy and Management (OPM) beginning in FY 26 to support a Staff Attorney 1 and an Associate Accounts Examiner. There is a corresponding cost of \$72,000 to the State Comptroller for fringe benefits. These positions are required to review and report on the reports that nonprofit human services providers are required to file with various state agencies. OPM's initial report is due January 1, 2027, and will be required to be

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.

resubmitted triennially thereafter.

OPM may experience a potential cost of \$1 million in FY 26 to the extent Core-CT requires any changes or upgrades to comply with the report required by the bill.

The bill also requires state agencies contracting for direct human services to pay providers within 45 days of service delivery. While the new parameters may shift the timing of payments to providers, they do not alter the overall value of the contracts. State agencies may incur administrative costs to the extent they are required to modify their payment structure and hire additional staff to satisfy the 45-day payment deadline, as outlined in the bill. For context, the starting salaries for related fiscal staff range from approximately \$65,000 to \$100,000 annually.

Senate amendment “A” struck Section 1 of the underlying bill and moved the deadlines for the review and the report described in Section 2 back by one year, from January 1, 2026, to January 1, 2027. These changes reduced the cost of the bill by \$2.26 million. The amendment also makes a technical change which does not result in a fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to 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.