

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

sHB-5156

AN ACT CONCERNING A CLIMATE CHANGE SUPERFUND.

## OFA Fiscal Note

### State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Department of Energy and Environmental Protection	GF - Cost	1,708,904	508,904
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	171,004	171,004
Department of Energy and Environmental Protection	Climate Superfund/General Fund - See Below	See Below	See Below

Note: Various=Various; GF=General Fund

**Municipal Impact:** None

### Explanation

The bill requires the Department of Energy and Environmental Protection (DEEP) to establish a new cost recovery program to assess certain businesses for Connecticut's cost from specified greenhouse gas (GHG) emissions. The bill results in a total cost to the state of approximately \$1,879,908 in FY 27 and \$679,908 in FY 28 and annually thereafter, to establish and administer the climate superfund cost recovery program and meet the requirements contained within the bill.

DEEP will require five new positions to support the additional requirements contained within the bill, including: securing compensatory payments from responsible parties, determining

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<sup>1</sup>The 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 41.82% of payroll in FY 27.

proportional liability, imposing cost recovery demands and issuing notices, accepting and collecting payments, identifying adaptive infrastructure projects and allocating funds to identified projects.

The five new positions and corresponding salaries include:

<b>Job Title</b>	<b>Salary (\$)</b>
Associate Research Analyst	90,309
Research Analyst	78,296
Staff Attorney	99,570
Paralegal	74,750
Fiscal Administrative Assistant	65,979
<b>Total</b>	<b>408,904</b>

In addition to the annual salary costs of \$408,904, corresponding fringe benefit costs of \$171,004 will be incurred, totaling annual salary and fringe benefits costs of \$579,908, beginning in FY 27.

It is estimated, based on previous contracts, that DEEP will require approximately \$1.3 million in FY 27 to contract with consultants to submit an assessment on the costs incurred, identify and select climate change adaptive infrastructure projects (\$700,000) and complete a statewide climate master plan (\$500,000). These consulting costs will be one-time in nature. The bill also requires DEEP to conduct an annual independent evaluation of the program to determine its effectiveness, which is anticipated to cost \$100,000 in consulting fees, annually.

Lastly, the bill appropriates \$300,000 to DEEP from the General Fund, in FY 27, and requires this money be repaid to the General Fund from the first \$300,000 deposited in the program fund. The climate superfund cost recovery program fund will contain cost recovery demand payments and be used to fund qualified projects based on the fund balance.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, except for the consulting

costs in FY 27, which are one-time in nature.