

OFFICE OF FISCAL ANALYSIS

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sSB-6

AN ACT CONCERNING SUPPORTS FOR CHILDREN AND FAMILIES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Department of Revenue Services	GF - Revenue Loss	316 million	316 million
Department of Revenue Services	GF - Cost	Up to 75,000	None
Education, Dept.	GF - Cost	64.5 million	None
Education, Dept.	FF - Potential Revenue Loss	Potential Significant	Potential Significant
Children & Families, Dept.	GF - Potential Cost	23,400	23,400

Note: GF=General Fund; FF=Federal Funds

Municipal Impact: None

Explanation

The bill establishes a refundable personal income tax credit for filers with dependent children, provides universal school meals at no cost to students in FY 27, and makes other changes, resulting in the fiscal impacts described below.

Section 1 establishes a refundable personal income tax credit of up to \$600 per dependent child, for up to three children at maximum per filer, depending on income eligibility. This results in a (1) General Fund revenue loss of approximately \$316 million annually beginning in FY 27 and (2) one-time cost of up to \$75,000 to the Department of Revenue Services in FY 27 associated with programming updates to the CTax tax administration system and myconneCT online portal.

Primary Analyst: NB
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Reviewer: JS

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Section 2 results in a one-time cost to the State Department of (SDE) of approximately \$64.5 million in FY 27. It requires all schools and school districts to offer breakfast and lunch at no charge to students if those schools or districts (1) are participating in the National School Lunch Program or School Breakfast Program and (2) are not participating in the Community Eligibility Provision program (through which students receive meals at no charge). The bill requires SDE to provide a grant to eligible schools and districts to offset the cost of offering meals at no charge.

The bill does not prescribe a formula for the grant. The above indicated cost assumes the grant would ensure that schools and districts are reimbursed for all meals at the federal free meal reimbursement rate. Costs will vary based on federal school meal reimbursement rates and the number of school meals served. If demand for school meals increases as a result of this provision, the above indicated costs could increase correspondingly.

Sections 3 and 4 prohibit individuals convicted of certain crimes from living with a minor child and require the Department of Correction to notify the Department of Children and Families (DCF) when they are released from incarceration, resulting in no fiscal impact. Subsequent potential case actions require minimal changes in workload that can be absorbed by current DCF staff.

Section 5 requires local and regional boards of education to notify the Department of Education (SDE) when a child is withdrawn from public school and SDE must then notify DCF of the withdrawal, starting in FY 27. Under the Family Educational Rights and Privacy Act (FERPA), SDE is prohibited from sharing certain confidential student data. The requirement to notify DCF may be a violation of federal law which could potentially result in a significant loss of federal funding to SDE.

Upon SDE notification, DCF must check if the child has an open case file and note the withdrawal, resulting in a potential cost to DCF of \$23,400 in FY 27 (and annually thereafter) to hire a Careline processing technician (0.5 FTE) that would support any increase in case search

volume associated with the bill's requirements.¹

Sections 6 through 11 rename P20 WIN to DataLink CT and require their executive board to report on disconnected youth biennially (compared to annually under current law) beginning July 1, 2027, resulting in no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to fluctuation in the number of eligible children covered by the tax credit.

¹ Up to 2,000 students are withdrawn from public school every year.