



Office of Fiscal Analysis

PRELIMINARY FISCAL NOTES

Introduction

Below is a summary of preliminary fiscal notes on today's agenda. These estimates were prepared under a short time frame and could be revised after further analysis. For bills on the agenda with proposed substitutes, the fiscal impact is based on the substitute language.

1. SB 858 – An Act Concerning the Mashantucket Pequot and Mohegan Fund

The bill results in an annual revenue gain to various municipalities beginning in FY 27 as the Mashantucket Pequot and Mohegan Grants to Towns will increase by approximately \$86.9 million, to a total of \$139.38 million (in FY 27 and annually thereafter). There will be a corresponding cost to the General Fund beginning in FY 26 to provide the funds necessary for this grant increase. Currently, 124 towns receive such grants.

The bill also requires an additional payment of \$1.2 million to be paid to Ledyard and Montville (\$600,000 each) beginning in FY 26 from the Mashantucket Pequot and Mohegan Grants to Towns if the state revokes taxation of non-Indian property on reservation land. This results in a potential revenue gain to Ledyard and Montville and corresponding cost to the General Fund to provide the funds necessary for this grant increase.

2. SB 1525 – An Act Concerning the Teachers' Retirement Board's Recommendations for Changes to the Teachers' Retirement System Statutes

The bill realigns election dates resulting in savings of approximately \$50,000 quadrennially beginning in FY 27.

The bill also makes various technical changes to the statutes governing the Teachers' Retirement System that serve to clarify the administration of benefits and do not result in a fiscal impact.

3. SB 1526 – An Act Concerning Health Insurance Benefits for State Marshals

The bill allows qualifying state marshals to participate in the state employee health insurance plan which results in a cost of approximately \$1.5 million for the partial year coverage in FY 26 and \$2.6 million annually thereafter beginning in FY 27 to the State Comptroller – Fringe Benefits for the state's share of medical premiums. These estimates utilize a rate of approximately \$25,400 per annum for medical and prescription drug premiums and are subject to health plan rates and the number of participating state marshals.

The bill additionally results in a cost of approximately \$25,000 per year beginning in FY 26 to the Department of Administrative Services (DAS) to develop, provide, and process the forms to be filed with the State Marshal Commission required to establish a State Marshal's participation and eligibility in the program.



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4. **SB 1527 – An Act Implementing a Recommendation of the Auditors of Public Accounts Regarding Nonlapsing Accounts**

The bill makes a technical change to various separate, nonlapsing accounts resulting in no fiscal impact to the state.

5. **SB 1547 – An Act Concerning Funding for Nonprofits - *proposed substitute language***

The substitute bill results in a significant cost to the state associated with requiring annual increases to non-profit human services provider contracts for salary or payment rates for the employees of such providers and Medicaid rates. The increase is based on any percentage increase in the consumer price index (CPI) for urban wage earners and clerical workers. Based on calendar year 2024, this results in a 2.9% increase in FY 26.

Based on historical increases for human services related providers and assuming the majority of funding supports salaries/payment rates for employees, the bill is anticipated to result in additional state costs of approximately \$60 million in FY 26 and FY 27. This results in a related federal grants revenue increase of approximately \$17.2 million to reflect the federal share of Medicaid eligible expenditures that are gross funded outside of the Department of Social Services (DSS).

The bill also results in a state cost to DSS of approximately \$45 million in FY 26 and FY 27 based on Medicaid expenditures to non-profit providers. If the applicable CPI increases similarly in FY 27, the state will incur additional costs of at least \$105 million with an additional corresponding federal grants revenue gain of at least \$17.2 million.

6. **SB 1551 – An Act Concerning the Department of Economic and Community Development's Spending on Arts and Humanities Activities**

The bill transfers 10% of the meals tax to the "culture and tourism" account. This results in \$11.3 million in FY 26 and \$11.6 million in FY 27 transferring from the General Fund to the "culture and tourism" account.

7. **HB 6865 – An Act Implementing the Governor's Recommendations for General Government**

Sections 1 through 6 modify statutes regarding state agencies charging credit card service fees. These sections conform to current practices and have no fiscal impact.

Section 7 makes changes to the membership of the State Health Information Technology Advisory Council, which does not result in a fiscal impact.

Section 8 transfers the balance of MIRA resources to a nonlapsing account for OPM to allocate which does not result in a fiscal impact.

Section 9 changes the composition of the Governor's Workforce Council from 24 members to 30 members. This does not result in any fiscal impact.



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Section 10 results in a one-time potential revenue loss to the General Fund and to the Applicant Fingerprint Card Submission Account within the Department of Emergency Services and Public Protection (DESPP) in FY 26, by waiving the criminal history record check fee and fingerprint fee for certain individuals.

Section 11 results in a potential cost to DESPP beginning in FY 26 to the extent that the department is required to hold more criminal erasure hearings.

Section 12 is not anticipated to result in a fiscal impact. The Judicial Department has the expertise necessary to exclude this criminal charge from consideration for erasure.

Section 13 creates a civil law working group resulting in no fiscal impact to the state because the working group has the expertise needed to meet the requirements of the bill.

Sections 14 - 17 increase salaries for judges by 3.5% in FY 27, which results in a cost of approximately \$1.7 million to the Judicial Department, \$350,000 to the Probate Court Administration Fund (PCAF), \$145,000 to the Workers' Compensation Commission (WCC), and \$515,000 to the Office of the State Comptroller (OSC) for associated fringe benefits beginning in FY 27.

Section 18 establishes a new "social equity and innovation account" as a non-appropriated account and eliminates the current Social Equity and Innovation Fund.

Section 19 transfers the cannabis tax to the newly established "social equity and innovation account" at the same rate as is transferred to the Social Equity and Innovation Fund under current law. The table below provides the transfer rates and current estimated tax transfers.

Cannabis Tax Transfer to the Social Equity and Innovation Account

	FY 26	FY 27	FY 28	FY 29
Transfer Rate	60%	65%	65%	75%
Amount	14,100,000	16,100,000	16,800,000	20,400,000

Section 20 transfers the end of FY 25 balance of the SEIF to the new social equity and innovation account, which is anticipated to be approximately \$62 million.

Section 21 makes minor clarifying changes regarding the cannabis tax which have no fiscal impact.

Sections 23 - 25 make clarifying and conforming changes regarding the Social Equity Council which have no fiscal impact.

Section 26, transfers the Commission on Human Rights and Opportunities (CHRO) from the Department of Labor (DOL) to the Department of Administrative Services (DAS) for administrative purposes, resulting in no fiscal impact.



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Section 27 makes a change to the duties of the Office of Health Strategy, which does not result in a fiscal impact.

Section 28 repeals the statute funding the fringe benefit cost differential for employees of The University of Connecticut Health Center, which does not result in a fiscal impact as the appropriated funding was not distributed and has since been removed.

Section 28 also repeals an ineffectual statute related to offsetting revenue transfers between the General Fund and the municipal video competition trust account which have a net zero budget impact.

8. **HB 7232 - An Act Concerning Efforts to Streamline State Contracting**

The bill requires OPM to conduct a review of the state contracting process for all state agencies and submit a report by January 1, 2026. This results in a cost of \$950,000 to OPM in FY 26 for a consultant as OPM does not have the staff necessary to meet these requirements in the specified time frame.

9. **HB 7233 - An Act Establishing a Parkinson's Disease Research Account - *proposed substitute language***

The substitute bill creates a Parkinson's disease research account as a separate, nonlapsing account, to support research into treatment for the disease. This results in a potential revenue gain to the account and a potential cost to it for awarding grants and grant administration. The extent of these potential impacts is dependent on the amount of funding received. The substitute bill allows private donations to the account.

10. **HB 7234 - An Act Concerning a Study of Student Loan Repayment Programs**

The bill has no fiscal impact. It requires the Office of Higher Education (OHE) to conduct a study, by February 1, 2026, of student loan repayment programs. This has no fiscal impact as it is anticipated that OHE has the resources to complete the study.

11. **HB 7262 - An Act Concerning Expenditures of the General Fund**

The bill results in no fiscal impact to the Office of Fiscal Analysis to conduct a review of General Fund appropriations for FY 26 since the office has the expertise and existing staff to conduct the review and report the results of the review to the Appropriations Committee.

12. **HB 7235 - An Act Concerning Expenditures of Appropriated Funds Other than the General Fund**

The bill results in no fiscal impact to the Office of Fiscal Analysis to conduct a review of other appropriated funds for FY 26 since the office has the expertise and existing staff to conduct the review and report the results of the review to the Appropriations Committee.



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13. HB 7252 – An Act Concerning Juvenile Justice Initiatives

The bill, which requires the Judicial Department to report on programs administered by the Court Support Services Division by July 1, 2025, is not anticipated to result in a fiscal impact as the Judicial Department has the expertise and capacity to meet the requirements of the bill.

14. HB 7253 – An Act Concerning Limits on Special Education Expenditures

The bill has no fiscal impact. It requires the State Department of Education (SDE) to report on each school district's FY 25 special education expenditures by October 1, 2025. SDE collects information on district special education expenditures.

15. HB 7254 – An Act Concerning the Department of Social Services' Implementation of Changes Resulting from the Medicaid Rate Study – *proposed substitute language*

The substitute bill may result in a cost to the Department of Social Services associated with reviewing Medicaid provider rates (by 7/1/30) and implementing increases, at the agency's discretion. The actual impact depends on the extent to which various rates are reviewed and adjusted.

16. HB 7263 – An Act Concerning the Transforming Children's Behavioral Health Policy and Planning Committee

The bill, which enlarges the membership of the Transforming Children's Behavioral Health Policy and Planning Committee, results in no fiscal impact as the Behavioral Health Advocate has sufficient expertise to participate in the committee.

17. sSB 55 – An Act Concerning the Care, Maintenance and Boating Season for Wyassup Lake in North Stonington – *proposed substitute language*

The substitute bill modifies the dates for operating watercraft on Wyassup Lake. To the extent this results in additional violations there could be a potential revenue increase to the resources of the General Fund; any revenue change is anticipated to be minimal.

18. SB 641 – An Act Establishing a Pilot Program for a Boat Washing Station at Gardner Lake in the Town of Salem

The bill establishes a two-year pilot program for a boat washing station on Gardner Lake. This is anticipated to result in a cost to the Department of Energy and Environmental Protection (DEEP) of \$51,000 in FY 26 and \$5,000 in FY 27, as there are currently no existing boat washing stations, water or power utilities at the lake. The FY 26 costs include one-time costs to purchase and install a boat washing station (approximately \$50,000) and to post signage (\$1,000). The FY 27 costs include the yearly maintenance (\$5,000) to service the boat washing station.



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19. sSB 1349 – An Act Concerning the Charter School Approval Process

Sections 1 – 2 & 4 result in an annual cost to the General Fund, primarily in the State Department of Education (SDE), of \$184,400 starting in FY 26. The sections establish a statewide Office of School Choice within SDE and expand an existing reporting requirement. SDE will require one full-time Education Consultant (annual salary of \$131,000 and \$53,400 in corresponding fringe benefits) to staff the Office of School Choice and meet the bill's requirements.

Section 3 does not have a fiscal impact to the state. It allows a State Board of Education-approved charter school to open using funding from federal, state, or other sources and makes other technical and clarifying changes. The section allows, but does not require, the state to provide funding for approved charter schools.

Section 5 makes a conforming change, which does not have a fiscal impact.

20. sSB 1350 – An Act Concerning the Availability of Automated External Defibrillators and Requiring Cardiac Emergency Response Plans in Public Schools - *proposed substitute language*

The substitute bill results in a cost to the State Department of Education (SDE) by establishing a grant program beginning in FY 26 for local and regional school districts to implement a cardiac emergency response plan (e.g., purchase and maintenance of automated external defibrillators). The bill does not provide any funding for this program. Any impact to school districts would depend on the provisions of the grant program.

21. SB 1456 – An Act Dedicating a Portion of the Meals Tax Revenue to Arts, Culture and Tourism

The bill transfers 10% of the meals tax to the Tourism Fund. This results in \$11.3 million in FY 26 and \$11.6 million in FY 27 transferring from the General Fund to the Tourism Fund.

22. SB 1513 – An Act Concerning Aspiring Educators - *proposed substitute language*

The substitute bill results in a cost annually to the State Department of Education beginning in FY 26. It expands eligibility for the Aspiring Educators Scholarship Program to students who graduated from any Connecticut public high school and are underrepresented in the teaching profession. Costs will vary based on the number of additional award recipients due to the bill, and the amount of grants they receive. In FY 25, \$10 million was appropriated for the program and \$770,000 has been spent; 149 applicants have been awarded scholarships.

The substitute bill makes other technical changes that have no fiscal impact.

23. sSB 1537 – An Act Concerning the Recommendations of the Working Group to Study Nonalcoholic Fatty Liver Disease - *proposed substitute language*

The substitute bill, which implements select recommendations from the working group studying fatty liver disease, results in no fiscal impact. There is no fiscal impact from an annual Connecticut Liver



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Health Day and the Commissioner of Public Health has sufficient expertise to develop a plan and annually report on it.

24. SB 1540 – An Act Implementing the Recommendations of the Pediatric Hospice Working Group - *proposed substitute language*

The substitute bill, which expands the scope and responsibilities of the Working Group to Study Pediatric Hospice Services, results in no fiscal impact. The working group has the necessary expertise and resources to carry out the required duties.

25. HB 5001 – An Act Concerning the Quality and Delivery of Special Education Services in Connecticut

The bill has no fiscal impact. It requires the State Department of Education (SDE) to conduct a study about special education in the state. SDE has sufficient expertise to complete the study.

26. sHB 6866 – An Act Implementing the Governor's Budget Recommendations for Education - *proposed substitute language*

Section 1 extends the cap on public transportation grants indefinitely, which results in no fiscal impact as this grant is not currently funded.

Sections 2 – 3 require the State Department of Education (SDE) to administer the Learner Engagement and Attendance Program (LEAP) and a dual enrollment grant program beginning in FY 27. SDE received ARPA funding to administer these programs (annually \$7 million for LEAP and \$3.5 million for dual enrollment) in both FY 24 and FY 25.

Section 4 reduces the state's share of retiree health care costs from one-third of the cost of the base plan to one-fourth resulting in one-time savings of \$12 million to the Teacher's Retirement Board in FY 26.

Section 5 makes technical, clarifying, and conforming changes to the Office of Early Childhood statutes that do not result in a fiscal impact to the state.

27. HB 6867 – An Act Creating the Universal Preschool Endowment

The bill establishes the Universal Preschool Endowment (UPE), describe eligible programmatic expenses and reimbursements for the endowment, and provide investment thresholds to enable additional allowable uses of the endowment.

The bill requires up to \$300 million of unappropriated General Fund (GF) surpluses after the close of accounts for FY 25, and the entire surplus if the Budget Reserve Fund (BRF) is at its maximum threshold (18% of net GF appropriations for the current fiscal year) after the close of accounts for FY 26 and beyond, to be transferred into the UPE. To the extent there are General Fund surpluses at the close of FY 25, FY 26, and in the out years, there will be a transfer of resources of the General Fund to the UPE in each fiscal year following the surplus year. General Fund surpluses would otherwise be deposited in the Budget Reserve Fund (BRF), subject to statutory requirements regarding the use of BRF excess when applicable.



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The bill limits the use of resources of the UPE, such that ten percent of annual transfers or deposits into the fund must be retained. Any fiscal impact is dependent on the level of transfers or deposits into the fund and subsequent expenditures from the fund.

The bill also requires the resources of the UPE be invested by the Treasurer separate and apart from other state investments, but in the same manner as several other state investment funds. Investment revenues are indeterminate, as they are dependent on available resources, market returns, and future investment decisions.

To the extent revenues are deposited in the fund, there will be ongoing annual administrative and investment costs associated with the UPE as a result of the bill starting no earlier than FY 27. The bill allows the UPE to enter into contracts for various administrative, legal, and investment services. It also allows the Commissioner of Early Childhood to expend money from the UPE, through a competitive grant process, to cover preschool expenses for eligible families of three- to five-year-olds. Administrative expenses include a one-time cost to the State Treasurer associated with the establishment of the UPE of up to \$100,000 and ongoing administrative costs to the Office of Early Childhood.

28. HB 6899 – An Act Concerning Early Educator Pay Equity

The bill results in a cost to the Office of Early Childhood (OEC) to administer the Early Childhood Care and Education Salary Enhancement Grant program. The extent of the cost will depend upon how many early childhood care and education programs register to receive a grant under the program as well as how many eligible staff members are employed at each program. OEC may incur additional costs to the extent that the agency needs additional staff to administer the grant program.

For reference, the bill requires that each family child care home receive: 1) \$20,000 for each licensee, 2) \$6,000 for each full-time assistant or substitute staff member approved by OEC, and 3) \$3,000 for each part-time assistant or substitute staff member approved by OEC.

29. sHB 6917 – An Act Concerning the Management of Solid Waste in the State - *proposed substitute language*

Section 1, which expands the solid waste assessment and dedicates all revenue (rather than just the amount in excess of \$2.8 million) to the sustainable materials management account, results in (1) a General Fund revenue loss of approximately \$2.3 million and (2) a sustainable materials management account revenue gain of approximately \$3.2 million annually beginning in FY 26.

Section 1 also results in a potential cost to municipalities beginning in FY 26 for the expanded fee for municipal solid waste.

Section 2 allows municipalities to spend certain funds on a municipal or regional waste coordinator which does not result in a fiscal impact as only expands the possible use of funds municipalities already receive.



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30. sHB 6951 – An Act Concerning Children's Behavioral Health Services - *proposed substitute language*

Section 1 of the substitute bill directs the Transforming Children's Behavioral Health Policy and Planning (TCB) Committee to conduct a study concerning existing behavioral health services for children and anticipated demand. This results in no fiscal impact, as the Committee has the necessary expertise and resources to conduct the study.

Section 2 requires the Commissioner of Public Health to develop reporting requirements for school-based health centers to determine their needs. The bill authorizes the TCB Committee to contract with a consultant to develop the survey, which results in a potential cost to the General Fund in FY 26 of less than \$10,000 to the extent that an outside professional health care consultant is required to assist in this work. The average hourly rate of a health care consultant in Connecticut is approximately \$52.

31. sHB 7013 – An Act Concerning Enhancements to the Local Food for Schools Incentive Program and the CT Grown for CT Kids Grant Program - *proposed substitute language*

The substitute bill transfers administration for the Local Food for Schools Incentive Program from the Department of Agriculture to the State Department of Education (SDE) and requires SDE to hire one full time employee to administer the program in FY 26. This does not have a fiscal impact as SDE previously received budgeted funding and a position for this role, beginning in FY 24.

The substitute bill also expands program eligibility to include child care providers and requires at least 20% of the annual appropriation for the program be used to engage with external partners for supplemental services. These changes may alter the distribution of the grant awards.

32. sHB 7120 – An Act Concerning Firefighter Turnout Gear, a Firefighter Cancer Screening Pilot Program and Grants for the Removal of PFAS from Fire Apparatus - *proposed substitute language*

The bill allows the unexpended funds for the removal of PFAS from fire apparatus to be carried forward from FY 25 to FY 26, while also expanding eligibility to include independent fire companies and state agencies and allowing reimbursement for any PFAS removal that occurred prior to July 1, 2023. Of the original \$3 million appropriation, about \$1.7 million remains unspent as of April 9, 2025.

33. HB 7167 – An Act Concerning Education Funding - *proposed substitute language*

The substitute bill results in a total net cost of approximately \$7.3 million in FY 26 and \$15.9 million in FY 27 (and beyond) to the State Department of Education. It makes changes to the ECS formula, described by section below, precluding ECS revenue losses to various towns during the biennium.

Section 1 results in a cost of approximately \$8.7 million in FY 26 and \$17.5 million in FY 27. It extends the ECS hold harmless provision for overfunded towns through FY 26 and FY 27. This maintains FY 25 ECS funding levels for overfunded towns in FY 26 and FY 27. Under the bill, ECS decreases for overfunded towns resume in FY 28. For FY 26, 80 towns (including Mansfield) are considered overfunded and are not Alliance Districts (which are held harmless from ECS losses, under current law and unchanged by the bill).



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Section 2 results in a savings to SDE of approximately \$1.4 million in FY 26 and \$1.6 million in FY 27, and a corresponding revenue loss to the town of Mansfield. It adjusts Mansfield's ECS grant to account for a COVID-related error in its town population count. This change flips Mansfield from underfunded to overfunded; the town is held harmless from losses during the biennium under Section 1.

34. sHB 7216 – An Act Implementing the Recommendations of the Technical Education and Career System

The bill results in a cost of at least \$500,000 annually beginning in FY 26 to the Board of Regents for Higher Education (BOR). It expands the PACT program to include students enrolled in adult education programs at the Connecticut Technical Education and Career System (CTECS). The bill requires BOR to pay out the awards based on information CTECS is required to report.

There are currently 1,436 adult students enrolled in CTECS adult education programs. Tuition for students enrolled in apprentice courses is \$325 per course, plus a \$25 registration fee per semester. The average number of courses per semester, or semesters per year, such students are enrolled in is not known but may vary significantly. If each student took one course per year, and received no other financial aid, the cost would be approximately \$500,000 annually beginning in FY 26.

35. sHB 6831 – An Act Concerning Transit-Oriented Communities – refer to fiscal note on File No. 346

36. sHB 6941 – An Act Exempting the Income Earned by a Child of an Applicant from the Calculation of Gross Income in Consideration for Participation in the Rental Assistance – refer to fiscal note on File No. 232