



# Office of Fiscal Analysis

## PRELIMINARY FISCAL NOTES

### Introduction

Below is a summary of preliminary fiscal notes for the April 1<sup>st</sup> meeting. 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. **HB 5030 – An Act Implementing the Governor's Budget Recommendations for General Government**– *proposed substitute language*

**Section 1** establishes the “Pizza State commemorative account” and requires the Department of Motor Vehicles (DMV) to annually distribute funds from this account to Connecticut Foodshare. This section results in a revenue gain to the “Pizza State commemorative account” from the following sources: (1) \$50 from each “Pizza State” license plate fee, (2) voluntary private donations, and (3) proceeds from allowing for the plate image to be used on various products, as outlined in the bill. The section also results in a revenue loss to the Special Transportation Fund (STF) because, under currently law, the entire “Pizza State” license fee is deposited to the STF. These fiscal impacts will depend on the number of plates issued and volume of donations and other proceeds received. Through March 27, DMV has issued 988 “Pizza State” plates this fiscal year.

**Section 2** results in a cost of approximately \$283,640 annually beginning in FY 27 for salary and fringe costs associated with authorizing a third deputy commissioner within the Department of Emergency Services and Public Protection.

**Section 4** removes energy policy determination and evaluation from the Office of Policy and Managements duties. This results in a potential savings to OPM beginning in FY 27 to the extent fewer resources are necessary.

**Sections 17 through 21, 70 through 78, 85, 87, 88, 92, and 96** transfer various roles and responsibilities that were previously covered by the Office of Health Strategy. This results in a transfer of funds from OHS to OPM of \$10,517,616 to meet the requirements including work consisting of Connie, the All-Payer Claims Database, and the rural health initiative involving IT.

**Sections 83 and 84** result in a revenue gain to OPM as funds are appropriated to them through the insurance fund.

#### 2. **SB 388 – An Act Concerning the Mashantucket Pequot and Mohegan Fund** - *proposed substitute language*

The substitute bill results in an annual revenue gain to municipalities beginning in FY 28 as the Mashantucket Pequot and Mohegan Grants to Towns will increase by approximately \$99.8 million, to a total of \$152.38 million (in FY 28 and annually thereafter). There will be a corresponding cost to the General Fund beginning in FY 28 to provide the funds necessary for this grant increase.



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The bill also prevents these transfers from being reduced except through emergency certification. This precludes any potential revenue loss associated with this grant to towns.

### 3. **SB 389 – An Act Concerning Youth Employment and Training Funds** – *proposed substitute language*

The substitute bill modifies the allocation formula for the CT Youth Employment Program from a currently established fixed percentage for each of the five Workforce Development Boards to a formula established by the Labor Commissioner. This new formula includes the number of (1) students that are eligible for free or reduced-price lunch, (2) economically disadvantaged youth, and (3) at-risk students<sup>1</sup>. The General Fund supports this program annually through the Department of Labor (DOL) - \$10.3 million appropriated in FY 27. This change does not result in any fiscal impact to the DOL.

### 4. **SB 390 – An Act Concerning a Study of Microtransit** – *proposed substitute language*

The substitute bill, which requires the Department of Transportation to conduct a study relating to the expansion of microtransit, has no fiscal impact because the agency has the necessary expertise to conduct the required study.

### 5. **SB 401 – An Act Concerning a Bridge Program to Allow Access to Food, Housing and Health Care Benefits**

The bill, which requires the Department of Social Services to collaborate with various agencies to develop a plan for a bridge program to provide state-funded medical, nutrition, and employment assistance as well as supportive housing to vulnerable persons and report to relevant committees by 1/1/27, has no fiscal impact as the agency has the necessary expertise to do so.

### 6. **HB 5381 – An Act Establishing an Account to Compensate Victims of Unlawful Funeral Service Practices** – *proposed substitute language*

The substitute bill requires the Department of Consumer Protection (DCP) to oversee the funeral service compensation account and make grants to eligible applicants resulting in a cost to the state. To meet the requirements of the bill DCP will have to hire a part-time program manager for an annual salary cost of \$49,348, along with associated fringe benefit costs of \$20,637. The new employee is needed to review applications, make payments from the account, and answer applicant questions.

The substitute bill also specifies that DCP may deduct and retain up to two percent of the balance of the account for the costs incurred in managing the funeral service compensation account.

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<sup>1</sup>"At-risk student" means a student who is enrolled in high school and is in danger of not graduating.



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**7. HB 5421 – An Act Establishing an Account to Provide Durable Medical Equipment to Health Care Facilities – *proposed substitute language***

The substitute bill establishes a separate, nonlapsing grant account to support health care facility purchases of durable medical equipment to be used by elderly persons or persons with disabilities, resulting in no fiscal impact to the state.

**8. HB 5422 – An Act Concerning a Study of Unidentified Aerial Phenomena – *proposed substitute language***

The substitute bill requires the Office of Legislative Management (OLM) to contract with a nonprofit organization to study unidentified aerial phenomena resulting in no fiscal impact to the state. OLM has a standing contract with the Connecticut Academy of Science and Engineering (CASE) to conduct legislative directed studies, and CASE has the resources and expertise to meet the requirements of the bill.

**9. HB 5423 – An Act Concerning Juvenile Justice Initiatives**

The bill requires the executive director of the Court Support Services Division of the Judicial Branch to report on the expansion of community support services, resulting in no fiscal impact.

**10. HB 5424 – An Act Concerning Expenditures of the General Fund**

The bill requires the Office to Fiscal Analysis (OFA) to conduct a review of appropriations authorized from the General Fund for FY 27 and identify major cost increases from the previous fiscal year. OFA must report their findings to the Appropriations Committee by February 1, 2027. There is no fiscal impact from the bill since the office has expertise and staff to conduct the review.

**11. HB 5425 – An Act Concerning Expenditures of Appropriated Funds Other than the General Fund**

The bill requires the Office to Fiscal Analysis (OFA) to conduct a review of other appropriated funds other than the General Fund appropriations for FY 27 and identify major cost increases from the previous fiscal year. OFA must report their findings to the Appropriations Committee by February 1, 2027. There is no fiscal impact from the bill since the office has expertise and staff to conduct the review.

**12. HB 5446 – An Act Concerning Teachers' Disability and Retirement Benefits and Paraeducators' Salary and Retirement Contributions**

**Section 1** requires a feasibility study for teachers' disability and retirement benefits and results in a cost of approximately \$275,000 to the Teachers' Retirement Board in FY 27 for a contract with the state's actuary and salary and associated fringe benefit costs for two additional staff members.

**Sections 2 and 3** establish a minimum salary for full-time paraeducators of \$45,000 and require OPM to subsidize school districts for increased costs related to the new minimum salary, beginning in FY 27. To



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the extent that districts do not already meet the minimum salary requirement, this results in a cost to OPM and a cost to school districts that is offset, for districts, by a corresponding revenue gain.

**Section 4** results in a cost of approximately \$56 million to municipalities and \$20 million to the Office of the State Comptroller beginning in FY 27 for the cost of employee contributions to the municipal employees' retirement system for the inclusion of paraeducators.

**13. HB 5447 – An Implementing Recommendations of the Transforming Children's Behavioral Health Policy and Planning Committee and Concerning Temporary Family Assistance Benefits – proposed substitute language**

**Sections 1 and 2** require the Commission on Women, Children, Seniors, Equity and Opportunity to convene a working group on the treatment of eating disorders and a working group to develop a state-wide food education roadmap resulting in no fiscal impact as the Commission has the resources and expertise to meet the requirements of the bill.

**Section 3** results in no fiscal impact to the state. It requires DCF (in collaboration with DSS and DMHAS) to study the feasibility of establishing a psychiatric treatment inpatient facility to provide services to certain youth who have intellectual or developmental disabilities. DCF must also request information from one or more providers of mental health services in the state concerning the establishment of the inpatient facility. The agency has the necessary expertise to fulfill the section's requirements.

**Section 4** results in a cost of at least \$20 million due to increasing the monthly benefit for Temporary Family Assistance recipients. This increases the benefit amount (which varies by household size) by approximately 37% and assumes level program enrollment (approximately 5,400 households).

**14. sHB 5033 – An Act Implementing the Governor's Budget Recommendations for Education – proposed substitute language**

**Sections 1 – 4** have no fiscal impact. They clarify that certain grants must be administered within available appropriations and eliminate a requirement for the State Department of Education (SDE) to consult with EASTCONN.

**Section 5** establishes a teacher apprenticeship program within SDE. The fiscal impact of the program is dependent on the appropriation and the terms of the program. The Committee budget provides \$2 million for the program.

**15. sHB 5418 – An Act Concerning the Kirklyn M. Kerr Program at the University of Connecticut – proposed substitute language**

The substitute bill has no fiscal impact to the state. It (1) establishes a forgivable loan program for Connecticut students to attend an out-of-state veterinary school via the Kirklyn M. Kerr program, involving CHESLA and UConn, and (2) establishes a nonlapsing account for grants to students participating in the program, involving UConn and the Office of Higher Education. The bill does not specify a funding source.



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### **16. sSB 220 – An Act Concerning Student Literacy – *proposed substitute language***

The substitute bill has no fiscal impact. It makes clarifying changes to ensure districts administer approved reading tests and requires SDE to develop guidance related to intervention for students struggling with reading. It is anticipated districts and SDE have the necessary expertise to meet the requirements.

### **17. SB 223 – An Act Concerning the Paraeducator Health Care Subsidy Program**

The bill extends the paraeducator health care subsidy program from FY 27 onwards and expands eligibility to paraeducators employed in charter schools, which results in a cost of at least \$5 million annually to the Office of the State Comptroller beginning in FY 27. Previous funding for this program ranged between \$5 to \$10 million beginning in FY 24. Subsidies were dispersed subject to fund availability.

### **18. SB 263 – An Act Concerning Water Safety and Swim Instruction**

The bill results in a significant cost to the Department of Energy and Environmental Protection (DEEP) associated with requiring the department to establish and administer a free swim program to certain children who qualify. It is estimated that every 6,000 lessons administered by DEEP will result in an additional cost of approximately \$1 million. The cost estimate is based on a previously funded free swim program administered by DEEP, which provided free swim lessons at various state parks. This program was funded with \$1 million in ARPA funds allocated to DEEP (\$500,000 in FY 22 and \$500,000 in FY 23).

It is estimated that there are approximately 202,959 SNAP households and 29,768 WIC children who could qualify under the program. The exact number of eligible participants would be dependent upon where the children reside, as only families who reside in a qualified census tract are eligible.

### **19. sSB 312 – An Act Concerning Assorted Revisions to the Education Statutes – *proposed substitute language***

The substitute bill has no fiscal impact. It establishes an American Sign Language working group and the working group has the necessary expertise to carry out the requirements of the bill.