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EMERGENCY CERTIFICATION

SB-1202

AN ACT CONCERNING PROVISIONS RELATED TO REVENUE AND OTHER ITEMS TO IMPLEMENT THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2023.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 $	FY 23 $
Various State Agencies	Various - See Below	See Below	See Below

Note: Various=Various

Municipal Impact:

Municipalities	Effect	FY 22 $	FY 23 $
All Municipalities	See Below	See Below	See Below

Explanation

Section 1 requires the Department of Housing (DOH) to convert a loan, made to the Community Development Financial Institution Alliance with state bond funds approved in 2002, into a grant-in-aid. This reduces future loan repayments to DOH by up to $1.5 million.

Section 2 delays a requirement that bond premium be used for projects, rather than debt service, until FY 24, which results in debt service savings in the biennium and potential increased costs in the out years.

Sections 3 - 5 implement the budget by requiring the labor commissioner to establish a domestic workers education and training grant program to provide grants to qualified organizations.

Administration of the grant program results in an estimated cost of $73,906 in FY 22 and $81,777 in FY 23 including salary and fringe benefit costs and associated overhead costs (computers, office supplies, etc.). HB 6689, the FY 22 – FY 23 budget bill, includes funding for these administrative costs, as well as funding of $200,000 for the grant itself.

Section 6 establishes notice requirements for certain call centers that relocate out of state and enacts certain in-state requirements for state contractors who perform state-business-related call center and customer service work, results in a potential General Fund cost of $86,817 (partial year funding) in FY 22 and $129,889 in FY 23 to the Department of Labor (DOL), as well as a potential minimal revenue gain from civil penalties. HB 6689, the FY 22 - FY 23 budget bill, includes funding for these costs.

The provisions of this section apply to relocations of call center facilities or operations that comprise at least 30% of a call center's or operating unit's average total call volume over the previous 12 months. Therefore, any investigations would require the DOL to examine and affirm the call volume of affected entities over the specified 12-month period. To the extent there are a substantial number of investigations, there is a cost of $86,817 in FY 22 and $129,889 in FY 23 associated with the salary and fringe benefits of one Wage Enforcement Agent.

As of the third quarter of 2020, there were 158 call center locations in the state that are categorized by the Quarterly Census of Employment and Wages with North American Industry Classification System (NAICS) codes that would include call centers.

Section 7 requires the Family and Medical Leave Insurance Program to reimburse, in accordance with a schedule to be determined by the Secretary of the Office of Policy and Management (OPM), the General Fund beginning in FY 23 for bonds previously authorized.

This results in a revenue gain of $12.2 million to the General Fund, the timing of which is subject to the terms of the repayment schedule established in accordance with this section.

Section 8 requires the Board of Regents to annually report to the General Assembly beginning in FY 22 regarding various funding and staffing matters.

Section 9 requires the state to award grants to distressed municipalities with volunteer fire departments for the purposes of covering costs for Firefighter 1 training. Funding of $70,000 is provided for these grants in HB 6689, the FY 22 – FY 23 budget bill. This section also results in a potential savings of up to $70,000 in FY 22 and FY 23 to distressed municipalities with volunteer fire departments to the extent these municipalities previously funded Firefighter 1 training for their volunteer firefighters.

Section 10 requires that actuarial valuations conducted for the State Employees Retirement System (SERS) reflect any recent transfers from the Budget Reserve Fund before being approved by the Retirement Commission. To the extent that additional deposits are expediently reflected in valuations, there is a corresponding savings to the State's employer contribution in future fiscal years. The June 30, 2021 valuation determines the State's FY 23 contribution.

Sections 11 - 14 results in a cost to the General Fund (GF), Probate Court Administration Fund (PCAF), and the Workers' Compensation Fund (WCF) for a 4.5% salary increase in FY 22 to all judges (201 positions), family support magistrates (9 positions), a per diem increase to referees, probate judges, and workers' compensation commissioners. The actual cost will be dependent on the number of filled positions.

The budget includes $2.2 million in FY 22 and $2.3 million in FY 23 in the Judicial Department and $123,057 in FY 22 and FY 23 in the Workers' Compensation Commission.

Sections 15 - 19 establish the Covered Connecticut program in the Office of Health Strategy (OHS) to support fully-subsidized coverage through the Connecticut Health Insurance Exchange ("exchange") for (1) certain parents and needy caretaker relatives and eligible dependents with incomes up to 175% of the federal poverty level (FPL), effective July 1, 2021, and (2) parents and needy caretaker relatives and certain nonpregnant low-income adults with incomes up to 175% FPL, effective July 1, 2022. Associated funding of $8 million in FY 22 and $15.6 million in FY 23 is provided in the OHS budget. Funding of $1.7 million is provided in the DSS budget in FY 23 to reflect the state share of dental and nonemergency medical transportation (NEMT) benefits for individuals enrolled in the Covered Connecticut program. Estimates assume approximately 31,000 individuals enroll by the end of FY 23. FY 23 figures also assume 50% federal reimbursement through an approved 1115 waiver and the continuation of the American Rescue Plan Act subsidies. FY 23 costs are estimated to be approximately 10% higher if Congress does not act to extend the increased health insurance subsidies available for 2021 and 2022 to enrollees in qualified health plans on the exchange.

Section 16 also allows, but does not require, OHS to seek a 1332 waiver, which could result in additional contract costs to the extent the agency pursues the waiver.

Sections 20 and 21 increase grants-in-aid by $0.75 per capita for: (1) full-time, municipal health departments (CGS Sec. 19a-20), from $1.18 to $1.93 per capita, and (2) district health departments (CGS Sec. 19a-20), from $1.85 to $2.60 per capita, resulting in a cost to DPH of $2,708,515 in both fiscal years.

Sections 22 - 27 transfer the Institute for Municipal and Regional Policy (IMRP) from Central Connecticut State University (CCSU) to the University of Connecticut (UConn), as of October 1, 2021, and make conforming changes. These sections align with HB 6689, the FY 22 – FY 23 budget bill, transfers of General Fund IMRP funding from CCSU within the Board of Regents, to UConn.

Section 28 reestablishes a DPH Loan Repayment Program to provide three-year grants to community-based providers of primary care services, to support these providers in repaying their student loans. Federal American Rescue Plan Act of 2021 (ARP) funding of $500,000 in both FY 22 and FY 23 is allocated for this purpose, pursuant to Sec. 41 of HB 6689, the FY 22 – FY 23 budget bill and this section of the bill.

Sections 29 - 31 establish DPH licensure of the Albert J. Solnit Children's Center, operated by DCF. Funding of $879,754 in FY 22 and $906,147 in FY 23 (to hire ten additional nurses and a psychologist) is provided to DCF to meet anticipated licensure requirements.

Section 32, which requires the labor commissioner to establish the Office of the Unemployed Workers' Advocate, results in a potential cost of up to $598,858 in FY 22 and up to $819,123 in FY 23. This section requires the designation of an "unemployed workers' advocate" to manage the office's daily activities and duties, as well as appoint and employ the assistants, employees, and personnel needed to effectively and efficiently administer the office's activities. HB 6689, the FY 22 – FY 23 budget bill, includes funding for these costs.

Section 33 requires DECD to pay previously authorized and allocated bond funds to the town of Preston, which results in no new fiscal impact.

Section 34 allows funds in the minority advancement program and the open educational resource coordinating council to carryforward and not lapse. This allows the programs to expend funds in the following fiscal year, rather than lapsing funds that would have been returned to the General Fund.

Section 35 requires the Office of Policy and Management, the constituent unit governing boards, and the Chief Court Administrator to report quarterly beginning October 1, 2021 on the use of the American Rescue Plan Act funds allocated under HB 6689, the FY 22 – FY 23 budget bill, which is not expected to result in a fiscal impact.

Sections 36 and 37 require DPH to establish a Community Health Worker (CHW) Grant Program to distribute funding to Community Action Agencies, which employ CHWs providing a range of services to persons adversely affected by the COVID-19 pandemic. Federal American Rescue Plan Act of 2021 (ARP) funding of $8 million in FY 22 and $3 million FY 23 is allocated for the CHW Grant Program, pursuant to Sec. 41 of HB 6689, the FY 22 – FY 23 budget bill and Sec. 37 of this bill.

Section 38 temporarily prohibits DEEP from requiring a permittee to relocate an air emission emitting stack for a cremation chamber under certain circumstances. It also requires certain permittees to replace the retort (cremation chamber) by October 1, 2023, which has no fiscal impact to the state or municipalities in either FY 22 or FY 23.

Section 39 allows the Attorney General to enter into agreements concerning any state-wide opioid claim, including an agreement to compromise, release, waive or otherwise settle these claims, on behalf of the state. This is anticipated to result in a significant revenue gain to the state in FY 22.

Sections 40 – 50 expands the authority of the Department of Energy and Environmental Protection (DEEP) to regulate radiation sources, requiring DEEP to adopt regulations on sources of ionizing radiation and radioactive materials and establish fees that are sufficient to administer, implement, and enforce an ionizing radiation program. This results in an estimated revenue gain to DEEP of $1,275,000 annually associated with the newly established fees. Under the newly established state program, currently managed by the Nuclear Regulatory Commission (NRC), the regulated entities would remit fees to DEEP instead of the NRC. The establishment of the new program would require DEEP to hire four additional staff to oversee the new licensing program, including a Supervising Radiation Control Physicist, an Environmental Analyst, and two Environmental Compliance Specialists. This results in costs to DEEP of $307,724 in FY 22 and $316,956 in FY 23, and associated fringe benefit costs of $127,090 and $130,903 respectively. Additionally, these provisions result in a savings of $115,900 since various state agencies (the Agricultural Experiment Station, DEEP, The Departments of Public Health, Transportation, and the University of Connecticut Health Center) currently pay $115,900 in aggregate to NRC each year for radioactive material license fees. Under this section's provisions, these fees will be transferred to DEEP. These sections may result in a revenue gain associated with penalties as it: (1) expands current existing penalties for violations of the state's radioactive materials laws to currently prohibited acts, and (2) makes negligible or intentional violations of the radiation and radioactive materials law's prohibited acts. It additionally authorizes DEEP to take necessary actions to protect human health and the environment under certain circumstances and allows the agency to contract with anyone to address hazards, pollution, or contamination. To the extent DEEP chooses to contract with outside consultants, there may be costs for this purpose, which are expected to be covered by fees yielded under the bill.

Section 51 makes a change in voting requirements for the Redding Special Taxing District. This has no fiscal impact.

Sections 52 - 53 require the Department of Correction (DOC) to provide telephone services for inmates free of charge beginning July 1, 2022 and results in various costs to the DOC, the Judicial Department, and the Department of Emergency Services and Public Protection. Funding of $11.4 million is provided in FY 23 of HB 6689, the FY 22 and FY 23 budget bill to fund the associated costs. There is also a potential cost to the extent DOC adds video communication and electronic mail services for inmates.

Sections 54 - 57 prohibit the constituent units from charging a graduation fee, which results in an estimated annual revenue loss in fees of $95,000 to $140,000 to Charter Oak State College beginning in FY 22. (The other constituent unit institutions do not charge a graduation fee.) HB 6689, the FY 22 – FY 23 budget bill, provides $140,000 to the college in both FY 22 and FY 23 from the FY 21 General

Fund surplus carry-forward funds to offset the anticipated fee revenue loss.

Section 58 removes a requirement that the non-voting member of the board of directors of the captive insurance company established pursuant to Section 38a-91vv of the general statutes that is appointed by the governor be an ex-officio member. This provision has no fiscal impact.

Sections 59 - 60, which make technical changes to the specified geological reports and quarry operational plans required to be submitted to the State Geologist and the Department of Energy and Environmental Protection (DEEP), have no fiscal impact.

Section 61 authorizes the Legislative Commissioners Office to make technical and grammatical changes to the bill as necessary and has no fiscal impact.

Section 62 requires OPM to study existing federal and state housing programs in the state to analyze the impact of such programs on economic and racial segregation. If OPM does not have the expertise to conduct this study, it may need to hire an outside consultant to conduct this. Such cost would depend on the scope and length of the study.

Section 63 beginning in FY 22 precludes a municipality, with some exceptions, from receiving a Pequot grant if any school in such municipality's district uses a Native American mascot for an intramural or interscholastic athletic team. To the extent that a municipality violates this provision, there would be a revenue loss.

Section 64 makes technical changes that preclude a revenue loss to the Short Term Investment Fund and/or municipalities.

Section 65 establishes a beverage container recycling grant program account to be used by DEEP to provide forgivable grants in urban centers and environmental justice communities in accordance with the beverage container recycling grant program established under PA 21-

58, "AAC Solid Waste Management." Section 29 (15) of HB 6689, the FY 22 – FY 23 budget bill, carries forward up to $5 million in FY 22 for this purpose.

Section 66 - 77 requires the Office of the Attorney General (OAG) to hire additional staff to handle the provisions of these sections. This includes two Assistant Attorneys General II's, at a starting salary of $201,170, and a Legal Investigator, at a starting salary of $77,971. This cost totals $139,571 in FY 22 and $287,515 in FY 23 to OAG, not including associated fringe benefit costs of $41,542 and $118,744, respectively. Additional requirements of these provisions anticipate one-time costs to OAG of approximately $100,000 in FY 22 to contract with outside privacy experts.

Section 78 permits for residential and commercial zoning use of any proposed building, structure, development, or use located in a floodplain in certain areas of Norwich. This may result in a revenue gain to the City of Norwich associated with additional building permit fees.

Section 79 requires the distribution of a DDS report (currently required under existing statute) to the Appropriations and Public Health Committees, which does not result in a fiscal impact to the agency.

Section 80 establishes a level of need assessment system advisory committee to advise the DDS Commissioner on matters relating to the system and does not result in a fiscal impact to the agency.

Sections 81 - 86 require the Connecticut Lottery Corporation (CLC) to establish an online lottery ticket sales fund and to transfer any net revenues from online ticket sales to the General Fund in FY 22 and FY 23. This biennial General Fund revenue gain is reflected in the revenue estimates adopted by the Finance, Revenue, and Bonding Committee pursuant to CGS Sec. 2-35. In FY 24 and annually thereafter, net revenues from online ticket sales will first be transferred to the Board of Regents' debt-free community college account, up to $14 million annually, and then the remainder to the General Fund, resulting in a revenue gain to the Board of Regents and a revenue loss to the General Fund.

Section 87 expands the CRISIS Pilot Program and results in a cost to the Department of Mental Health and Addiction Services (DMHAS) for an additional social worker and a cost to the Department of Emergency Services and Public Protection (DESPP) for training. Funding of $200,000 is provided via carryforwards in HB 6689, the FY 22 – FY 23 budget bill, to expand the CRISIS Program to one additional Troop.

Section 88 establishes a task force to study the costs and benefits of expanding the CRISIS initiative program resulting in no fiscal impact to the state.

Section 89 requires the Board of Regents and the University of Connecticut to establish an annual "Fee-Free Day," during which in-state high school students or graduates who have completed the federal financial aid application can apply for admission at no cost. This section is anticipated to result in an annual revenue loss in application fees to the Connecticut state universities, Charter Oak State College, and to UConn. However, the revenue loss at the state universities and Charter Oak may be offset to some extent by increased tuition and fees, if Fee-Free Day results in higher enrollment.

Sections 90 - 92 require the Office of Policy and Management to create a Geographic Information Systems (GIS) Office, headed by GIS Officer. HB 6689, the FY 22 – FY 23 budget bill, FY 22 adds three positions and $125,000 in FY 22 and $250,000 in FY 23 for the OPM for this purpose.

Section 93 of the bill requires the CHRO, in consultation with DAS and OPM, to develop and issue a request for a proposal to hire a national consultant with expertise in qualitative and quantitative research to assist in conducting a disparity and equity study. Not later than February 1, 2022, CHRO, DAS and OPM will evaluate the proposals and select the consultant. The national consultant selected could result in a potential cost to the state in FY 22 and FY 23.

Section 94 exempts any renewable energy projects under contract and approved by relevant regulatory agencies prior to January 1, 2022 from the bill's prevailing wage and community benefit agreement provisions and does not result in a fiscal impact.

Section 95 makes various technical changes to a manufacturer permit for spirits resulting in no fiscal impact to the state.

Section 96 makes changes to the provisions which must be included in contracts between health carriers and participating healthcare providers, which is not anticipated to have a fiscal impact on the state or municipalities.

Section 97 exempts volunteer fire departments, volunteer ambulance services, and certain applicants applying for a pardon from the fees for criminal history records checks resulting in a potential revenue loss to the General Fund and the Applicant Fingerprint Card Submission Account and potential savings to municipalities to the extent these background checks are conducted.

Section 98 makes clarifying changes regarding attorneys conducting real estate closings resulting in no fiscal impact to the state.

Section 99 requires any municipality with a population of at least 140,000 to have an election monitor for the 2021 municipal election and the 2022 state election. This section requires that the Secretary of the State (SOS) to contract with such monitor until December 31, 2022, unless such contract is terminated prior to said date. It also requires such municipality to provide the monitor with office space, supplies, equipment, and services necessary to carry out duties and responsibilities. Based on the 2018 Annual Town and County Population for Connecticut produced by the Department of Public Health, only Bridgeport meets such population threshold. It is estimated that the cost for an election monitor for two elections would be $150,000 based on the Secretary of State's experience in hiring an election monitor for Bridgeport for the 2020 election. Sec 29(b)(30) of HB 6689, the FY 22 – FY 23 budget bill, carries forward up to $150,000 for this purpose.

Section 100 clarifies that the General Assembly can make a partial allocation of ARP funding under Special Act 21-1. It further establishes a procedure for OPM to report if the federal government disallows an ARP allocation authorized by the legislature. There is no anticipated fiscal impact from this section.

Sections 101 – 105 requires the Department of Motor Vehicles (DMV), voter registration agencies, and public higher education institutions to use a Secretary of the State-approved electronic system to automatically transmit voter registration applications for qualified applicants to registrars of voters unless the applicants decline to apply for admission. The cost[1] for this electronic system will depend on the technology selected and the RFP process.

Section 106 requires the Secretary of the State to develop and implement one or more systems through which she may allow individuals to submit an electronic signature to sign elections-related forms and applications, other than those for campaign finance purposes. The cost[1] for this electronic signature system will depend on the technology selected and the RFP process.

Section 107 requires registrars of voters to distribute to public high schools voter eligibility information. Each town registrar and each public high school principal must determine the best means of distributing the voter information. This has no fiscal impact.

Section 108 requires employers to give an employee two hours of unpaid time off from his or her regularly-scheduled work on the day of a regular state election to vote if the employee requests it in

[1]On April 16, 2021, The Office of the Secretary of the State was allocated $4 million on bond funds from the IT Capital Investment program for various election technology upgrades.

advance. There may be a state or municipal cost (including local and regional boards of education) with providing unpaid time off for certain positions (for example; state troopers, correction officers, or municipal police officers). The state and municipalities may incur overtime costs to cover these types of positions. The extent of the state and municipal costs depends on the number of employees requesting unpaid time off to vote.

Sections 110 – 112 make various changes affecting elections, including the forfeiture and restoration of electoral privileges for certain individuals convicted of a felony, voter registration, and polling place challengers. Under current law, an individual imprisoned for a felony regains the right to vote and accompanying electoral privileges after paying all fines and completing any required prison and parole time. The bill will result in an indeterminate revenue loss from the reduced collection of criminal fines and penalties.

Section 113 and 114 allow town clerks to publish certain election information on town websites. This has no fiscal impact.

Section 115 allows individuals to apply to the Secretary of the State for an absentee ballot using an online system she must establish and maintain for that purpose. To use the system, an applicant's signature must be obtained from a state or federal agency's database, another state's voter registration database, or the e-signature system established in Section 106 and imported into the online system. The Secretary of the State will incur significant costs to create this absentee ballot application online system.[2]

Section 116 allows voters, for a state or municipal election, primary, or referendum, to return completed absentee ballots in secure drop boxes designated by their town clerk for that purpose. Beginning 29 days before a primary, election, or referendum, and each weekday thereafter until the polls close, the bill requires town clerks to retrieve

[2]On April 16, 2021, The Office of the Secretary of the State was allocated $4 million on bond funds from the IT Capital Investment program for various election technology upgrades

absentee ballots from the secure drop boxes. Certain municipalities may incur minimal costs if town staff cannot handle this requirement with current staffing levels.

Section 117 makes changes with regard to absentee voting for an elector suffering from a long-term illness. This has no fiscal impact.

Section 118 limits disclosure of a voter's date of birth maintained under state election law to year of birth unless the information is requested and used for a governmental purpose, as determined by the Secretary of the State. This has no fiscal impact.

Sections 119 and 120 makes changes to nominations by major parties to fill certain vacancies. This has no fiscal impact.

Sections 121 and 122 makes changes to absentee ballot statutes that have no fiscal impact.

Sections 123 and 124 concern changes regarding visually impaired electors and electors who need assistance by disability or inability to read or write. These changes have no fiscal impact.

Sections 125 - 128, which make changes to election challengers and checkers, have no fiscal impact.

Section 129 requires the Secretary of the State to study the technological and staffing capabilities of various state agencies in providing an electronic system that distributes mail voter registration applications. There is no cost to conduct this study.

Sections 130 - 135 require each municipality after January 1, 2022, to hold its biennial municipal election on the Tuesday after the first Monday in November of odd-numbered years unless its legislative body votes by a three-fourths majority to hold the election on the first Monday in May of odd-numbered years. Under the bill, a municipality that opts for a May election date using this procedure may subsequently move its election date to November through a majority vote of its legislative body. These provisions have no fiscal impact as it shifts election costs from May to November in odd-numbered years.

Section 136 establishes a task force to study the feasibility of utilizing one envelope, instead of two, for the return of absentee ballots. This provision has no fiscal impact.

Section 137 establishes a working group to examine employing risk-limiting audits to determine the accuracy of election results. This provision has no fiscal impact.

Section 138, which changes the date regarding certain election filings with the Secretary of the State, has no fiscal impact.

Section 139 makes technical changes to the Council on Sexual Misconduct Climate Assessments established by sHB 6374, resulting in no fiscal impact to the state.

Section 140, which makes changes to certain town committee membership rules, has no fiscal impact.

Section 141 expands the reasons for which an elector may vote by absentee ballot for any election, primary, or referendum occurring before November 3, 2021 to include the sickness of COVID-19. It is anticipated there will be an increase in absentee ballot applications as a result of this provision.

Sections 142 and 143 require the absentee ballot inner envelope statement be updated to include "the sickness of COVID-19" and allow the Secretary of the State (SOS) to make changes to absentee voting forms and materials. No fiscal impact is anticipated as a result of such modifications. The bill also expands violations that constitute a false statement which results in a potential minimal revenue gain of less than $5,000 in FY 21. In FY 19 there was one violation of false statement by absentee voting, which resulted in no fines collected.

Section 144 allows the SOS to approve and select a third-party vendor for town clerks' use in mailing absentee voting sets for elections prior to November 3, 2021. It is expected that the SOS will not be contracting with a third-party vendor for 2021 municipal election absentee ballots. Thus, this provision has no fiscal impact on the SOS. Certain municipalities will incur increased costs, as the bill expands the reasons for which electors may vote by absentee ballot to include COVID-19. The cost increase will vary by municipality and is dependent on the number of additional absentee ballots printed and mailed.

Section 145 permits absentee ballots to be deposited into a secure drop box for elections prior to November 3, 2021. As drop boxes were ordered for absentee ballots for the 2020 primary election, no additional costs are anticipated as a result of this provision.[3]

Additionally, this section requires municipal clerks to retrieve absentee ballots deposited to such drop boxes beginning twenty-nine days before the election and each weekday thereafter until the polls close. If said drop box is located outside of a building other than where the clerk's office is located, the clerk, or their designee, must be escorted by a police officer. Minimal costs may be incurred if town staff and local police departments cannot handle this provision with current staffing levels.

Section 146 allows town clerks to deliver sorted and checked absentee ballots to registrars of voters before election day to begin certain pre-counting procedures. No fiscal impact is anticipated as a result of this provision.

Sections 147 – 152 authorizes municipalities to conduct certain absentee ballot pre-counting procedures. No fiscal impact is anticipated as a result of these provisions.

Sections 153 – 157 extends numerous deadlines and timeframes associated with processing absentee ballots and canvassing and reports the returns. No fiscal impact is anticipated as a result of these provisions.

[3]The SOS ordered 200 drop boxes at a total cost of approximately $365,000, including shipping. Costs were supported by federal CARES Act funding.

Section 158 requires the SOS to establish a pilot program to manually or electronically verify signatures on the inner envelopes for returned absentee ballots at the 2022 state election. The SOS must randomly select five municipalities to participate in the program, based on their population. A municipality may incur minimal costs to take part in the pilot program; however, as the pilot program is voluntary it is assumed that a municipality would participate only to the extent it has available resources.

Section 159 requires DPH to provide the COVID-19 vaccination status of individuals to those individuals, or to a parent/guardian, upon request.

Section 160 allows student athletes to earn certain compensation under specified conditions, beginning January 1, 2022, and directs higher education institutions to adopt or update related policies by the same date. This is not anticipated to result in a fiscal impact to the constituent units of higher education.

Sections 161 to 196 make a variety of changes regarding the process of state and local governance and regionalization.

The bill requires that municipalities and state agencies provide electronic access to members of the public when holding meetings under the Freedom of Information Act. This results in a potential cost to state agencies to the extent that information technology equipment and software licensing will need to be purchased to ensure that the public have access to meetings. The Freedom of Information Commission (FOIC) will need funding of approximately $110,000 annually for a Staff Attorney position to handle an increased caseload.

There is a cost to municipalities to provide websites for online payment of fees to the extent that they do not already have the capability to do so. There is also a savings from permitting municipalities to post certain notices on their website instead of in local newspapers.

The bill changes the current distribution formula of $4.1 million in regional services grants-in-aid to COGs. The total amount of funding for such grants is not anticipated to change. The bill removes a provision of $7 million in funding to councils of government from the Municipal Revenue Sharing Account. This increases the amount of funding distributed via MRSA to municipalities by $7 million.

The bill allows COGs to submit proposals to OPM, as part of the Regional Performance Incentive Program, to redistribute certain types of grant funding. The impact of this would depend on the provisions of such proposals and the extent to which OPM chooses to implement them.

These sections make several other changes which have no fiscal impact.

Section 197 clarifies discrepancies between annual payment amounts and a change from two-year to three-year registration duration for certain vehicles for the greenhouse gas reduction program. There is no expected fiscal impact because it conforms to current annual rates

Section 198 makes a change concerning the charter revision process in the Town of Columbia. This has no fiscal impact.

Sections 199 to 200 outlines exercises for designated days, weeks, and months, may result in minimal costs to various state agencies and municipalities. The costs to affected agencies and municipalities will be dependent upon the location, nature, and size of the exercises.

Sections 201 and 202 make technical corrections to previously authorized road namings and have no fiscal impact.

Section 203 establishes a twenty-member task force to study the state workforce and retiring state employees. Such study shall include an examination of adequate succession planning for state employees in order to recruit and maintain the best talent in the state workforce, as well as a review of barriers to managerial recruitment. This bill has no fiscal impact as PA 17-236 prohibits transportation allowances for task force members.

Section 204 states that DAS shall compile a list of companies domiciled in this state that changed its' business model to produce personal protective equipment (PPE) in response to the public health and civil preparedness emergencies declared by the Governor due to COVID-19.

Any state agency purchasing PPE shall make reasonable efforts to purchase not less than twenty-five percent of such personal protective equipment from companies on such list.

Section 205 allows the Banking Commissioner to permit activity licensed by the department to be conducted from a location other than an office location licensed on the Nationwide Mortgage Licensing System and has no fiscal impact.

Section 206 allows up to $15 million of energy consumption and environmental impact leases to be entered into for state building projects that reduce energy consumption, which results in a potential cost commensurate to the increase in the state's level of indebtedness and future debt service costs.

Sections 207 - 220 make various changes to the operations of the Office of the State Treasurer, including aligning state and quasi-public bonding practices with updated federal requirements, which precludes increased cost or foregone revenue.

Section 221 alters the powers, duties and responsibilities of department heads with respect to entering into contractual agreements directly with other states.

Section 222 amends section 16a-38k of the CGS to conform with the standards of the administrative matters, geotechnical and weather-related state building construction portions of CGS 29-252. This has no fiscal impact.

Section 223 empowers the DAS commissioner to issue orders that provide non-union executive or judicial department employees be granted rights and benefits not less than those granted to employees in the classified service or covered under contractual agreements. The Reserve for Salary Adjustment account has adequate funding for these potential increases.

Section 224 eliminates the requirement that the Office of Policy and Management produce a monthly deficiency letter. This has no fiscal impact.

Section 225 which clarifies the conditions under which a Harbor Master may be named, has no fiscal impact.

Sections 226 – 229 allow writs of election to be delivered electronically. These provisions may result in a savings associated with reduced printing and mailing costs.

Section 230 - 231 repeals the Higher Education Coordinating Council, which has no fiscal impact.

Section 232 increases, for FY 22, the administrative allowance the Office of Higher Education may retain from the Roberta Willis Scholarship program from $100,000 to $350,000. The additional funds are required to upgrade and improve software.

Sections 233 and 234 increase the license renewal fee for physician assistants by $5, from $150 to $155 annually, and direct the revenue from this increase be deposited into the professional assistance program account, which supports the Health Assistance InterVention Education Network (HAVEN).

Section 235 of the bill reduces the appropriations for the Contracting Standards Board to $175,870 in FY 22 and $182,674 in FY 23.

Section 236 changes the designation of two grants under the Judicial Department Youth Services Prevention account and does not result in a fiscal impact.

Sections 237 – 290 eliminate the Office of Workforce Competitiveness and replace it with an Office of Workforce Strategy (OWS) in the Office of the Governor for administrative purposes only. These sections make various technical and conforming changes related to the OWS, the Governor's Workforce Council, and other workforce training and higher education entities and programs which do not result in a fiscal impact except as noted below.

Section 239 establishes an "Office of Workforce Strategy account" as a non-appropriated account within the General Fund to support workforce training programs.

Section 289 redirects an appropriation of $250,000 in FY 22 and FY 23 to the Office of the Governor to support the functions of the OWS. The appropriation was originally provided to the Department of Economic and Community Development under HB 6689, the FY 22 – 23 budget bill, for the same purpose.

Section 290 allows the OWS to receive federal funding from the American Rescue Plan Act to support workforce training initiatives.

Sections 291 - 292 direct the Board of Regents to establish, by April 1, 2022, the Connecticut Automatic Admissions Program to bachelor's degree programs for in-state high school seniors who meet academic thresholds. The program is required for the four Connecticut state universities while private nonprofit institutions may opt in. As a condition of participation, institutions admitting students through the program cannot charge application fees. This results in an annual revenue loss beginning in FY 23 to the Board of Regents universities. The extent of the revenue loss depends on the number of student applicants to the program who would have applied to the universities without the program. The program may also result in potential lower enrollment, and therefore reduced tuition and fees revenue, to the community colleges, and potential higher enrollment at the Connecticut state universities.

Section 293 requires the Department of Transportation (DOT) to establish the CTpass program by January 1, 2022, to allow individuals in an approved class for an eligible organization to use certain public transit services without cost or at a reduced cost. To the extent that agreements with eligible organizations are structured to prevent additional DOT transit or administrative costs, as required in the bill, this section is not expected to result in a cost to DOT.

Section 294 requires certain employers to report to their employees about whether the employer offers Education Assistance Program benefits, which is not anticipated to alter the utilization rate and therefore does not result in any fiscal impact to the state or municipalities.

Section 295 requires the University of Connecticut to take certain steps regarding prerequisites for and increasing access to its Early College Experience courses, which are not anticipated to result in a fiscal impact to the university.

Section 296 requires each constituent unit governing board to submit a report by February 1, 2022 regarding course credits earned during high school.

Section 297 concerns data privacy for student admissions and financial aid data and is not expected to result in a fiscal impact to the state or municipalities.

Section 298 requires the Office of Higher Education to establish, by January 1, 2023, a credentials database, which the office has sufficient expertise and other resources to create and maintain.

Sections 299 - 303 adjust Office of Higher Education program approval and reporting requirements, which is not anticipated to result in a fiscal impact to the office or the constituent units.

Section 304 establishes new reporting requirements for businesses subject to the state's unemployment insurance (UI) law. This results in a cost to the Department of Labor of $345,203 in FY 23, $255,402 in FY

24, and $481,947 in FY 25. These costs include a one-time cost of $235,000 in FY 23 for necessary technical upgrades to the UI administration system, salary and fringe benefits for various positions for the project, and associated overhead costs.

Sections 305 - 306 establish requirements for state entity data-sharing agreements.

Sections 307 - 308 expand, beginning in FY 23, Connecticut Higher Education Supplemental Loan Authority (CHESLA) loan eligibility to enrollment in a high-value certificate program that is noncredit and sub-baccalaureate. To the extent that this provision results in an enrollment increase for these programs, the Board of Regents may experience a potential increase in tuition and fee revenue.

Sections 309 - 315, clarify the appeals and hearing process under the state's family medical leave law (including paid family medical leave), as well as clarify that such provisions apply to the state. As it is assumed that the state would be in compliance with those provisions, this does not result in any fiscal impact.

Section 316 makes clarifying changes to the Governor's authority over volunteer troops and results in no fiscal impact to the state.

Sections 317 to 320 make changes to the Small Business Express program that could result in increased or more rapid use of funds authorized for the Small Business Express program. The program is funded through a combination of General Obligation (GO) bond funds and revenues from repayment of loans previously issued under the program. Future General Fund debt service costs may be incurred sooner under the bill to the degree that it causes authorized GO bond funds to be expended or to be expended more rapidly than they otherwise would have been.

Background: As of May 1, 2021, the unallocated bond balance available under the relevant authorizations is $9 million. The bill does not change GO bond authorizations relevant to the program.

HB 6690, the FY 22 and FY 23 Bond Bill, authorizes $50 million of General Obligation bonds (as $25 million in each of FY 22 and FY 23) for the Small Business Express program.

Section 321 makes various technical and reporting requirements for the Department of Correction regarding contact visits resulting in no fiscal impact to the state.

Section 322 requires DEEP to implement a program for various solid waste purposes. This has no fiscal impact as the agency has expertise for this purpose.

Sections 323 - 325 establish the Connecticut Essential Workers COVID-19 Assistance Program. The program offers assistance to affected eligible persons, provided no assistance shall be paid to any affected person after June 30, 2024. Associated costs for the program will be paid out of the Connecticut Essential Workers COVID-19 Assistance Fund. Carryforward funding of $34 million is provided in the budget for this purpose.

Sections 326 - 327 allow municipalities to place their pension fund assets in trust funds invested by the State Treasurer. To the extent that the bill provides municipalities access to investment classes with lower administrative fees, there is a potential savings to municipalities that opt to pool their funds with the Treasurer. While it is anticipated that the bill will also provide such municipalities with access to more investment classes, resulting in more diversification and less risk, it is unknown how choosing this option would impact investment returns.

Section 328 requires the Connecticut Health Insurance Exchange fund the Office of Health Strategy's (OHS') All Payer Claims Database (APCD) through an increase of its assessment on health carriers, or by charging health carriers user fees, generating revenue of $650,000 in both FY 22 and FY 23 for the APCD.

Section 329 requires that the Insurance Fund assessment that partially supports OHS' operating expenses be reduced by the amount of federal Medicaid revenue that will be received by the state as reimbursement for the agency's Health Information Exchange (HIE) efforts. This provision results in an Insurance Fund revenue loss of $462,500 in FY 22 and $925,000 in FY 23.

Sections 330 through 339 allow the Department of Transportation (DOT) to establish a highway work zone speed camera pilot program, ending by December 31, 2022, at not more than three locations in the state. To the extent DOT establishes the program, the department will incur costs to install, operate, and maintain the camera systems, resulting in a cost to the STF. To the extent speeding violations occur, the State Police will have to review the footage and issue citations resulting in potential overtime costs to the General Fund for State Troopers and a potential revenue gain to the STF due to citations issued.

Section 340 adjusts federal American Rescue Plan Act allocations in HB 6689, the FY 22 – FY 23 budget bill, by a net $214.9 million across FY 22 – FY 24.

Section 341 adjusts allocations of federal funds designated to the state pursuant to the American Rescue Plan Act as follows: In FY 22, $9.5 million to the Office of Policy and Management for statewide GIS, $10.0 million each to the Department of Energy and Environmental Protection and Department of Administrative Services for statewide broadband; and in FY 23, $25.0 million to the Office of Policy and Management for Internet conectivity for health and mental health organizations.

Section 342 adjusts allocations of FY 21 carry-forward funds within HB 6689 as follows: (1) for the University of Connecticut's block grant, up to $6,087,251 is provided in FY 23 (and no funding in FY 22), a reduction compared to HB 6689, the FY 22 and FY 23 budget bill; (2) for the Department of Economic and Community Development, for Statewide Marketing, up to $7,893,000 is provided in FY 22 (and no funding in FY 22 as in HB 6689, the FY 22 and FY 23 budget bill), a reduction; (3) up to $34 million to the State Comptroller for Other Expenses for FY 22 is no longer designated as Workers' Compensation Claims funding, which has no impact on total carry-forward funds allocated to the State Comptroller; (4) up to $500,000 for the Insurance Department for Other Expenses for FY 22 is no longer provided; (5) up to $1.1 million to the Department of Education for Other Expenses is provided for FY 22, which is an increase to the department; (6) up to $11 million to the Department of Energy and Environmental Protection for Other Expenses for FY 22 for specified grants, an increase to the department; and (7) up to $5,007,000 to the Department of Economic and Community Development, for Other Expenses, for FY 22 for specified grants, an increase to the department.

Section 343 defines the Connecticut Port Authority (CPA), through FY 26, as a state contracting agency and subject to the authority of the State Contracting Standards Board. Minimal fiscal impact is expected given current contract levels.

Section 344 makes changes related to the provision of different types of Medigap policies by insurers and has no fiscal impact.

Section 345 extends the sunset date for the personal risk insurance "flex rating" law by four years, which has no fiscal impact to the Insurance Department as it extends current practice.

Section 346 adds a new reporting requirement for the Insurance Department (DOI) that may result in a cost to the Insurance Fund. DOI must report by April 1, 2022 and biennially thereafter, on the agency's progress in taking actions related to climate-related risks and greenhouse gas emissions, and on the agency's actions to bolster the resilience of insurers to the physical impacts of climate change. To the extent that DOI requires outside expertise to help establish the reporting, the agency may incur a cost for consultant services in FY 22.

Section 347 requires health carriers and third-party administrators that issue insurance cards to put a prominently displayed statement on the card indicating whether the insurance coverage is fully-insured or self-insured and allows DOI to adopt implementing regulations. This has no anticipated fiscal impact.

Sections 348 - 349 increase the timeframe in which an insured must notify an insurer of the birth of a child and does not result in a fiscal impact.

Section 350 limits the number of Teachers' Retirement System (TRS) members who may be impacted by the 2019 change to the Plan N death benefit calculation to those members that vest in TRS on or after July 1, 2019. This change will be reflected in that next actuarial valuation of the TRS (June 30, 2022) which establishes the state's annual required contribution for FY 24 and FY 25. This change is estimated to increase the state's retirement contribution by approximately $8 million, annually, beginning in FY 24.

Section 351 requires any person offering fantasy contests be licensed resulting in a potential revenue gain to the state to the extent additional licenses are applied for and any potential increase in gross receipts tax revenue is received.

Section 352 carries forward up to $500,000 in FY 21 Personal Services funding to support one-time technology upgrades at the Insurance Department in FY 22 in the Other Expenses account.

Sections 353 – 354 increase the personal needs allowance from $60 to $75 per month. Associated funding of $1.5 million in both FY 22 and FY 23 is provided in the DSS budget.

Section 355 prohibits inflationary increases for nursing homes in FY 22 and FY 23. Associated Medicaid savings of $11.1 million in FY 22 and $24.3 million in FY 23 is reflected in the DSS budget.

Sections 356 and 359 increase rates for the purpose of wage and health benefit enhancements for employees of nursing homes and intermediate care facilities (ICFs). Associated state Medicaid funding of $22 million in FY 22 and $51.1 million in FY 23 for nursing homes and $700,000 in FY 22 and $1.5 million in FY 23 for ICFs is included in the DSS budget in HB 6689, the FY 22 – FY 23 budget bill.

Section 357 designates ARPA funding of $10 million to DSS, effective July 1, 2021, to provide one-time grants to support nursing homes with issued rates that are lower than calculated rates.

Section 358 designates ARPA funding of $25 million in both FY 22 and FY 23 to the Department of Mental Health and Addiction Services (DMHAS) to establish grant programs for contracted private providers to enhance employee wages ($15 million in each year) and support facility costs ($10 million in each year).

Section 360 designates $15.4 million in state Medicaid funds appropriated to DSS for the purpose of adjusting nursing home rates for facilities that provide enhanced health care and pension benefits for facility employees.

Section 361 increases the minimum per diem, per bed rate for intermediate care facilities to $501. Associated Medicaid funding of $1.6 million in both FY 22 and FY 23 is provided in the DSS budget in HB 6689, the FY 22 – FY 23 budget bill.

Section 362 reduces the copay under the state-funded Connecticut Home Care Program from 9% to 4.5% of the cost of care. Associated funding of $1 million in both FY 22 and FY 23 is provided in the DSS budget in HB 6689, the FY 22 – FY 23 budget bill.

Section 363 increases the benefit amount paid to families for children born while enrolled in the Temporary Family Assistance (TFA) program by eliminating the "family cap" provision. Associated funding of $300,000 in FY 22 and $400,000 in FY 23 is provided in the DSS budget in HB 6689, the FY 22 – FY 23 budget bill.

This section also requires, beginning July 1, 2024, a cost of living adjustment whenever funds appropriated for TFA lapse, are not otherwise budgeted, and providing such COLA would not create a deficiency in the following years. This could result in a revenue loss to the Resources of the General Fund by expending funds that would otherwise lapse.

Sections 364 - 366, which clarify stimulus checks are exempt from cash assistance eligibility calculations, has no fiscal impact.

Sections 367 and 369 expand Medicaid coverage to services provided by acupuncturists and chiropractors and increase rates for nurse-wives and podiatrists. Associated state Medicaid funding of $1,034,000 in FY 22 and $1,319,000 FY 23 is provided in the DSS budget in HB 6689, the FY 22 – FY 23 budget bill.

Section 368 conforms to current practice and has no fiscal impact.

Section 370 implements prompt payment standards resulting in additional reimbursement for services paid by third party insurers. Associated state Medicaid savings of $2 million in FY 22 and $1 million in FY 23 is reflected in the DSS budget in HB 6689, the FY 22 – FY 23 budget bill.

Sections 371 - 372 extend postpartum services for HUSKY eligible women from two to twelve months. Associated state Medicaid funding of $300,000 in FY 22 and $1.9 million in FY 23 is provided in the DSS budget.

Section 373 prohibits the state from reducing funds for or recovering funds from non-profit providers of human services due to the forgiveness of COVID related loans. This could result in foregone savings to the extent the state otherwise would have reduced payments to or recovered funds from such providers.

Section 374 provides rate increases for Medicaid waiver services, certain home health services, and services under the state-funded homecare program. Associated state funding of $5 million in both FY 22 and FY 23 is provided in the DSS budget in HB 6689, the FY 22 – FY 23 budget bill.

Section 375 allows state contracted providers of human services to retain realized savings, provided all contractual obligations are met, and prevents the state from reducing future contracts solely to reflect such savings amount. This could result in foregone savings to the extent the state otherwise would have retained such funds.

Section 376 provides a 10% increase in base rates and a $3.00 increase for mileage-based rates for emergency and non-emergency ambulance services. Associated state Medicaid funding of $2.8 million in both FY 22 and FY 23 is provided in the DSS budget in HB 6689, the FY 22 – FY 23 budget bill.

Section 377 directs funding of $62.07 million in FY 22 and $123.2 million in FY 23 appropriated to OPM in the budget to support rate increases for certain Department of Developmental Services contracted providers for purposes of employee wage and benefit enhancements.

Section 378 provides a 4% rate increase for chronic disease hospitals. Associated Medicaid funding of $1,802,000 in both FY 22 and FY 23 is provided in the DSS budget in HB 6689, the FY 22 – FY 23 budget bill.

Section 379 maintains the inpatient, per diem rate of not less than $975 for Natchaug Hospital. Associated state Medicaid funding of $410,000 in FY 22 and $450,000 in FY 23 is provided in the DSS budget in HB 6689, the FY 22 – FY 23 budget bill.

Section 380 clarifies income eligibility under the unborn child option and does not alter the fiscal impact of the underlying bill.

Section 381, which make technical and conforming changes, have no fiscal impact.

Sections 382 - 383 establish a minimum budget requirement (MBR) for FY 22 and all future fiscal years. These sections also clarify that COVID-19 related federal funds, as well as state school security grants, may be excluded from MBR calculations, which results in a potential savings to municipalities. Additionally, these sections: (1) prohibit towns from seeking a reduction in the MBR based on any decline in students that occurred in FY 21, which prevents potential savings to affected municipalities, and (2) allow towns to appropriate additional funds for education in FY 22 under certain circumstances, in order to comply with the MBR.

Sections 384 - 386 adjust the Education Cost Sharing (ECS) formula and phase-in schedule for certain towns, producing town grants totaling approximately $2.1 billion in FY 22 and $2.2 billion in FY 23 as under HB 6689, the FY 22 – FY 23 budget bill. The ECS adjustments are expected to increase entitlements by $45.6 million in FY 22 and $91.2 million in FY 23 compared to FY 21, or by $14 million and $28.1 million respectively compared to current law.

The formula's student weight changes are: (1) the English language learner weight is increased from 15 percent to 25 percent; and (2) the threshold for qualifying for the low-income student concentration is lowered from 75 percent to 60 percent, and the student weight for this factor is increased from 5 percent to 15 percent. The regional bonus calculation is adjusted to increase the per-student bonus and include endowed academy students for whom sending towns pay tuition.

Additionally, towns that otherwise would have experienced ECS decreases in the biennium will instead receive their FY 21 entitlements in both FY 22 and FY 23. These towns will resume the decrease schedule in FY 24, reaching full funding in FY 30. There is no change to the phase-in schedule for towns considered under-funded, which will continue to receive increases and then be fully funded in FY 28.

Section 387 provides that the State Department of Education shall use reasonable means to provide aid to school districts and endowed academies related to federal funds in instances where they would otherwise be ineligible.

Section 388 replaces the existing per-pupil grant to state charter schools with a weighted student grant structure. This section results in state charter school grants that are anticipated to cost an additional $4.2 million in FY 22 and $7.6 million in FY 23, compared to maintaining the grant at $11,250 per student. These costs are funded within HB 6689. The weighted student grant is based on the ECS foundation, ECS student weights as revised by this bill, and charter operator student demographics.

The shift to a weighted student grant will be partially phased in during FY 22 and FY 23. In FY 22, state charter schools will receive a weighted per-student grant equal to the ECS foundation of $11,525 plus 4.1 percent of the difference between the foundation and a fully funded weighted student grant. In FY 23, the per-student grant will equal the ECS foundation plus 14.76 percent of the difference between the foundation and a fully funded weighted student grant.

Section 389 makes changes to the procedures for charter schools to make material changes in their programs and results in no fiscal impact.

Sections 390 – 392 result in additional flexibility for the state to make magnet school payments.

Section 393 eliminates the potential for a proportional reduction in magnet school operating grants should appropriations be insufficient to make full grant payments. This results in a potential cost to the state which in turn would be a potential revenue increase to magnet school operators. The scope of the potential impact is dependent upon the state appropriation and the eventual grant calculation which is enrollment driven.

Section 394 makes a clarifying change regarding the magnet school transportation payment.

Section 395 distributes $5 million to Priority School Districts based on their total ECS need students, HB 6689, the FY 22 - FY 23 budget bill, includes funding for this purpose.

Section 396 makes the Youth Service Bureau (YSB) of Somers, which applied for YSB grant funding in FY 21, eligible for YSB funding. Funding of $14,000 in both FY 22 and FY 23 is provided in the DCF budget in HB 6689, the FY 22 – FY 23 budget bill for the cost associated with this provision.

Section 397 permits students in the Technical Education and Career System, for the graduating classes of 2023 and 2024, to graduate from the system without completing one credit in world languages.

Section 398 allows the existing tuition and fees waiver for Ansonia students in Derby's College Connections program to be used for the costs of another Derby, or Ansonia, manufacturing program operated by the Board of Regents during FY 20 or any future year.

Section 399 allows a municipality to contribute up to two percent of the annual district budget to the reserve fund for capital and nonrecurring expenditures.

Section 400 requires the Department of Agriculture (DoAg) to administer the CT Grown for CT Kids Grant Program to assist local and regional boards of education to develop farm-to-school programs that will increase the availability of local foods in child nutrition programs. This implements HB 6689, the FY 22 and FY 23 budget bill, which provides $250,000 to DoAg in each of FY 22 and FY 23 for this purpose.

Section 401 extends the Open Choice program to Norwalk and Danbury. This results in an additional cost of $275,000 in FY 22 and $900,000 in FY 23, which is included in HB 6689, the FY 22 - FY 23 budget bill. Funding includes start-up costs, professional development, community support, transportation, and a $4,000 per pupil reimbursement for 50 participants in each of the two new communities.

Sections 402 - 408 extend the cap on statutory grants through FY 23. This results in a state savings of approximately $70 million in FY 22 and $75 million in FY 23.

Section 409 requires the Office of Fiscal Analysis to analyze a proposal to overhaul several major state education grants and report to the legislature by January 15, 2022, which results in no fiscal impact as the office has sufficient expertise to complete these requirements.

Sections 410 - 411 requires the State Department of Education (SDE), by January 1, 2023, in collaboration with the State Education Resource Center, to develop a model curriculum for grades kindergarten through eight. This is anticipated to cost the state approximately $360,0000 within SDE. Due to the timing of the requirements contained within the bill, SDE will require additional staff. Based on the development of previous model curriculum, it is estimated that SDE would require four durational education consultants, with an annual salary of $90,000 each, to complete the required tasks. Section 29 (25) of HB 6689, the FY 22 -FY 23 budget bill, provides up to $360,000 to the State Department of Education, in Other Expenses, for the purposes of model curriculum, in FY 22.

Sections 412 - 413 adds Native American studies to the social studies curriculum, beginning in FY 24. This could result in a minimal cost to local and regional school districts associated with additional printing and dissemination of materials. The costs would vary by the size of each district and the additional materials required to incorporate Native American studies into the social studies curriculum.

Sections 414 - 419 establish the minority candidate certification, retention, or residency year program for educators, and requires a portion of Alliance District funds (a component of the Education Cost Sharing grant for recipient towns) to be spent on program activities. The State Department of Education is required to annually withhold ten percent of each Alliance District's increase (AD) in those funds (from FY 20), beginning in FY 23, and the funds will be released to each town for residency program-related costs, including hiring and retention. If a board of education does not apply for some or all of the withheld funds within an additional fiscal year, the town may experience a revenue reduction, but it is anticipated all affected towns will apply, given the bill's mandate for these towns to participate in a minority teacher recruitment residency program.

The amount withheld from each Alliance District in any year depends on each town's change in Alliance District funding compared to FY 20. These funds are anticipated to total approximately $11.9 million in FY 23, across the 25 Alliance Districts that will receive ECS increases compared to FY 20. The median amount per affected Alliance District is approximately $360,000. Because the withholding under the bill is a percentage of the increase in ECS funds, the amount withheld will grow annually until FY 28, as ECS grants to impacted towns rise under the ECS formula phase-in.

Section 420 requires SDE to study strategies for easing the barrier of Praxis II to teaching candidates, and does not result in a fiscal impact.

Sections 421 and 422 make clarifying and technical changes that do not result in a fiscal impact.

Sections 423 - 439 results in a cost to the state in both FY 22 and FY 23 of approximately $830,000. This includes funding for five durational Education Consults with an annual salary of $110,000 each, for total Personal Services costs of $550,000 plus an additional $227,150 in fringe benefits, to address the requirements for remote learning. In addition, equipment and information technology costs are anticipated to be approximately $50,000, annually. Development of the virtual model is likely to require at least two years to accomplish. HB 6689, the FY 22 -FY 23 budget bill, includes funding for this purpose.

Sections 430 - 443 results in a cost to the state beginning in FY 22 of $1,050,000 which includes $750,000 in personnel services (seven positions) within the State Department of Education (SDE) to staff the Center for Literacy Research and Reading Success and associated fringe benefits of $300,000. Additionally, the bill results in a yearly cost to the SDE, beginning in FY 23 of $12,860,000 to expand intensive reading intervention within the Alliance Districts and to provide technical assistance to local and regional boards of education in the provision of professional development, pursuant to section 10-148a, and in-service training, pursuant to section 10-220a, related to the teaching of the black and Latino studies course approved pursuant to this section. Costs associated with the provision of intensive reading intervention include items such as literacy/reading coaches and external reading interventionists. HB 6889, the FY 22 - FY 23 budget bill, contains 7 positions and corresponding of $750,000.

Sections 444 - 453 make various technical and clarifying changes to Sheff v. O'Neill statutes, and do not result in a fiscal impact.

Section 454 increases, beginning in FY 22, the per pupil vocational agriculture grant from $4,200 to $5,200. This is anticipated to result in an additional cost of $3.7 million annually, which is included in HB 6689, the FY 22 - FY 23 budget bill.

Section 455 - 457, which make technical and conforming changes, have no fiscal impact.

Sections 480 - 485 transfer funding of $262.7 million in FY 22 and $276.3 million in FY 23 from the Municipal Revenue Sharing Account (MRSA) to the General Fund. This funding supports corresponding General Fund appropriations for 1) Motor Vehicle Property Tax grants, and 2) Tiered PILOT grants distributed pursuant to PA 21-3.

The bill specifies that MRSA will support the cost of Tiered PILOT in excess of General Fund appropriations. It is estimated that the total cost of Tiered PILOT is $310.4 million in FY 22, resulting in a revenue gain to municipalities of approximately $146 million. Additionally, MRSA will support 1) $7 million in regional services grants in both FY 22 and FY 23 and estimated revenue sharing grants of approximately $38.1 million in FY 22 and $47.6 million in FY 23.

The bill (1) increases the PILOT reimbursement rate for certain tribal property and for the Connecticut Port Authority and (2) expands the State Property PILOT to include special taxing districts. These changes increase the total cost of Tiered PILOT by up to $4 million.

Sections 523 - 531 make a number of changes to bond authorizations that result in a net increase of $5 million of General Obligation bonds in FY 22 and $60 million in FY 23. To the extent these bonds are allocation and spent, there would be a commensurate increase in debt service.

Sections 532 - 533 modify the Baby Bond program by limiting funding to what is allocated by the State Bond Commission in any given year, up to the cumulative amount of General Obligation bonds effective at that time. If the funding allocated by the bond commission is insufficient to provide a maximum deposit of $3,200, the per child deposit would be reduced proportionately to the amount of annual funding and the number of eligible births. This results in potential savings to the state, to the extent the amounts allocated and subsequently deposited are lower than the amounts currently required, as established in HB 6690.

Sections 534 and 537 remove or repeal the following sections of HB 6690, which results in the impacts specified. Repeal of section 119 removes Jefferson Elementary School from the priority list, precludes a revenue gain to the city of New Britain and cost to the state of up to $52.25 million, and precludes a cost to New Britain of up to $2.75 million. Removal of subsection (b) of section 124 and repeal of section 125 removes an audit holdback waiver for specified projects in West Haven, which was anticipated to alter the timing but not the amount of eventual state reimbursement of school construction costs. Repeal of section 126 removes a project at E.C. Goodwin Technical High school and precludes a potential cost to the state of up to $40 million.

Section 535 allows DECD to use funds from bond proceeds, certain federal funds, or other department resources, including revolving loan funds, to be used to implement an Economic Action Plan. To the extent funds are made available, the section allows DECD to provide grants for major projects up to $100 million or matching competitive grants of up to $10 million.

Section 536 delays the effective start date of certain contracting standards from July 1, 2021 to July 1, 2022. To the extent this delay alters the total cost of projects during FY 22, there would be a proportional change to the state and municipal cost for school construction projects.

Section 539 removes language related to the remote school learning plan, which is replaced with the language contained in Sections 42 and 43, above.

Sections 540 – 544 make a number of conforming changes that do not result in any fiscal impact.

The bill makes multiple adjustments to state tax and revenue policies, with an overall net increase in revenues. A summary and details are provided below.

Estimated revenue impacts in total (in millions)

Fund	FY 22 $	FY 23 $	FY 24 $	FY 25 $	FY 26 $
General Fund (GF)	1,041.8	1,621.9	163.1	144.5	92.9
Special Transportation Fund (STF)	-	2.5	2.5	2.5	2.5
Tourism Fund	3.1	-	-	-	-

Estimated revenue impacts by Section (in millions)

Sections	Policy	Fund	FY 22 $	FY 23 $
7	Implement a repayment schedule of bond funds issued on behalf of the Paid Family Medical Leave Authority	GF	-	1.7
81-86	Transfer iLottery revenue to Debt Free Community College account – out years impact	GF	-	-
458, 459, 461	Maintain the corporation business tax surcharge through Income Year 2022	GF	80.0	50.0
460, 461	Adjust the capital base tax method	GF	20.9	29.2
462	Restore the R&D tax credit to 70% of liability	GF	(6.5)	(17.2)
463	Adjust the carryforward of new R&D tax credits – out years impact	GF	-	-
464	Raise the aggregate cap on the Insurance Reinvestment (Invest CT) Fund – out years impact	GF	-	-

Sections	Policy	Fund	FY 22 $	FY 23 $
465	Expand potential use of the film production tax credit (at a discount)	GF	2.2	4.3
466	Adjust the earned income tax credit rate	GF	(34.1)	(34.1)
468	Maintain limits on property tax credits through Income Year 2022	GF	53.0	53.0
469	Extend the existing tax exemption for pensions/annuities to income from IRAs out years impact	GF	-	-
470	Repeal the admissions tax for certain types of venues	GF	(11.0)	(11.0)
471	Exempt breast-feeding supplies from sales tax	GF	(0.5)	(0.5)
471	Exempt breast-feeding supplies from sales tax – minimal revenue loss	STF/MRSA		
472	Allow certain businesses to keep a portion of the sales tax they collect on sales of meals and beverages for FY 22	GF	(7.0)	-
473	Reduce the alcohol excise tax rate on beer – out years impact	GF	-	-
474-479	Impose a convenience fee for credit/debit card use	GF	-	2.5
474-479	Impose a convenience fee for credit/debit card use	STF	-	2.5
480-485	Transfer from the Municipal Revenue Sharing Account (MRSA) to support municipal transition (i.e., car tax) grants and expanded PILOT spending in the General Fund	GF	262.7	276.3
486	Implement a temporary tax amnesty program	GF	40.0	(4.0)
487	Transfer from the General Fund to the Tourism Fund	GF	(3.1)	-
487	Transfer from the General Fund to the Tourism Fund	Tourism	3.1	-
488	Delay historical GAAP (Generally Accepted Accounting Principles) deficit payment to FY 24	GF	85.1	85.1
489	Transfer from American Rescue Plan (ARP) federal funds	GF	559.9	1,194.9
490-495	Ban flavored vaping products	GF	(1.3)	(2.5)
496-502	Limit public assistance recoveries	GF	(6.0)	(6.0)
501-512	Implement a captive insurers initiative	GF	7.5	0.2
513	Establish a sales tax exemption for beer supplies – out years impact	GF	-	-
516-522	Reduce tax rates for Ambulatory Surgical Centers – out years impact	GF	-	-

Section 463 adjusts the carryforward of new R&D tax credits

- Limit carryforward of new R&D tax credits to 15 years
- Precludes potential revenue losses in future years

Section 464 raises the aggregate cap on the insurance reinvestment fund

- Increase the aggregate program cap by $200 million
- Approx. $20 million revenue loss to the General Fund beginning in FY 26

Section 467 requires child tax credit planning by the Office of Policy and Management (OPM) under certain conditions

- Requires the OPM to submit a plan to provide a state child tax credit if/when the federal benefit is reduced
- There is no fiscal impact to produce the plan

Section 469 extends existing tax exemption for pensions/annuities to income from IRAs

- Over four years beginning in Income Year 2023, implement a 100% exemption from the personal income tax, subject to income thresholds
- Fully implemented, the revenue loss is estimated to be $77.8 million in FY 27 and beyond
- In addition, the section conforms statute to current revenue estimates by allowing claimants to take either the teachers' pension exemption or the general pension an annuity exemption, whichever is more lucrative.

Section 473 adjusts the alcohol excise tax rate

- Reduces the excise tax on beer from $.24/gallon to $.20/gallon
- Approximate $2 million revenue loss annually beginning in FY 24

Section 513 establishes a sales and use tax exemption for brewery production

- Establishes a sales and use tax exemption on machinery and production materials for the manufacturing of beer effective July 1, 2023.
- This results in a revenue loss of $1.3 million annually to the state beginning in FY 24.

Sections 516-522 reduce the ambulatory surgical center tax rate

- Lowers the ASC Tax rate from 6% to 3% effective July 1, 2023.
- This results in an estimated $9.5 million revenue loss annually to the state beginning in FY 24.

The Out Years

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