

OFFICE OF FISCAL ANALYSIS

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EMERGENCY CERTIFICATION

HB-5506

AN ACT ADJUSTING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2023, CONCERNING PROVISIONS RELATED TO REVENUE, SCHOOL CONSTRUCTION AND OTHER ITEMS TO IMPLEMENT THE STATE BUDGET AND AUTHORIZING AND ADJUSTING BONDS OF THE STATE.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
All	App Fund - See Below	Significant	Significant

Note: App Fund=All Appropriated Funds

Municipal Impact:

Municipalities	Effect	FY 23 \$	FY 24 \$
All Municipalities	See Below	Significant	Significant

Explanation

The table below presents the FY 23 balance for the General Fund, Special Transportation Fund, and the other appropriated funds.

Budget Balance

Fund	FY 23 \$			Balance After Revenue Cap
	Revenue	Approp.	Surplus/ (Deficit)	
General	22,388.2	22,089.2	299.0	19.2
Special Transportation	2,091.9	1,826.2	265.7	239.6

Primary Analyst: RJW/LW
Contributing Analyst(s): NA, SB, DD, LD, ME, CG, LG, EMG, WL, PM, MM, MP, CP, MR, PR, AS, ES, JS, CW, EW

5/2/22

Other Funds	281.1	280.7	0.4	0.4
TOTAL	24,761.2	24,196.0	565.1	259.1

The bill includes appropriations in the nine funds totaling \$24.2 billion in FY 23. The table below summarizes the appropriations by fund.

Appropriated Fund Summary

Gross Appropriations by Fund	FY 23 Original \$	FY 23 Revised \$	FY 23 Revisions \$
General Fund	21,661,537,548	22,229,354,644	567,817,096
Special Transportation Fund	1,921,830,975	1,938,161,303	16,330,328
Banking Fund	29,521,021	29,710,672	189,651
Insurance Fund	122,471,874	123,155,240	683,366
Consumer Counsel and Public Utility Control Fund	30,976,441	32,716,567	1,740,126
Workers' Compensation Fund	26,955,096	27,257,008	301,912
Mashantucket Pequot and Mohegan Fund	51,472,796	51,481,796	9,000
Criminal Injuries Compensation Fund	2,934,088	2,934,088	-
Tourism Fund	13,069,988	13,444,253	374,265
Total Gross Appropriations	23,860,769,827	24,448,215,571	587,445,744
General Fund Lapses			
Unallocated Lapse	(48,715,570)	(48,715,570)	-
Unallocated Lapse - Judicial	(5,000,000)	(5,000,000)	-
CREATES Savings Initiative Lapse	(73,487,242)	(73,487,242)	-
SEBAC Specialty Drug Savings	-	(13,000,000)	(13,000,000)
Total General Fund Lapses	(127,202,812)	(140,202,812)	(13,000,000)
Transportation Fund Lapses			
Unallocated Lapse	(12,000,000)	(12,000,000)	-
Temporary Federal Support for Transportation Operations	(100,000,000)	(100,000,000)	-
Total Transportation Fund Lapses	(112,000,000)	(112,000,000)	-
Net Appropriations by Fund			
General Fund	21,534,334,736	22,089,151,832	554,817,096
Special Transportation Fund	1,809,830,975	1,826,161,303	16,330,328
Banking Fund	29,521,021	29,710,672	189,651
Insurance Fund	122,471,874	123,155,240	683,366
Consumer Counsel and Public Utility Control Fund	30,976,441	32,716,567	1,740,126
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Criminal Injuries Compensation Fund	2,934,088	2,934,088	-
Tourism Fund	13,069,988	13,444,253	374,265

Gross Appropriations by Fund	FY 23 Original \$	FY 23 Revised \$	FY 23 Revisions \$
Total Net Appropriations	23,621,567,015	24,196,012,759	574,445,744

The FY 23 growth rate for all appropriated funds is 6.4% over the FY 22 appropriation. See the table below for details.

Budget Growth

Fund	FY 22	FY 23	FY 23		FY 23	FY 23	
	Approp.	Original Approp.	Change to Original		Approp.	Change from FY 22	
	\$	\$	\$	%	\$	\$	%
General	20,746.4	21,534.3	554.9	2.6%	22,089.2	1,342.8	6.5%
Transportation	1,721.8	1,809.8	16.4	0.9%	1,826.2	104.4	6.1%
Other Appropriated	275.1	277.4	3.3	1.2%	280.7	5.6	2.0%
TOTAL	22,743.3	23,621.6	574.4	2.4%	24,196.0	1,452.7	6.4%

Spending Cap

The budget is under the spending cap by \$0.2 million in FY 22 and \$8.6 million in FY 23. These calculations reflect a deappropriation of \$22 million in FY 22 from the Debt Service account contained in section 306 of the bill.

Section 10 - 11 reallocates federal American Rescue Plan Act (ARPA) funding and allocates the portion of ARPA funding unallocated by SA 21-15, the FY 22 and FY 23 budget. This results in a total of \$1,752.3 million in new ARPA allocations for a variety of initiatives and grant programs. This funding, plus all previous allocations, represents the total ARPA award to Connecticut via the State and Local Fiscal Recovery Fund and the Capital Relief Fund.

The budget reallocates one existing ARPA expenditure allocation of \$2 million for the Connecticut Airport Authority. The remaining reallocation is achieved by (1) reducing ARPA revenue replacement funds by \$559.9 million in FY 22 and \$880 million in FY 23, and (2) allocating the available balance of SLRFR (\$233 million) and CPF (\$77.4 million).

Sections 12 - 54 include carryforward funding for various purposes.

The following table provides a brief description of the funds being carryforward from the balance available from funds pursuant to PA 21-1 (JSS), Section 308(a) and from anticipated balances from certain accounts in FY 22 for initiatives in FY 23.

Summary of Carryforwards and Revenue Diversions for FY 23

Section	Agency	Fund	Title	Carryforwards \$	Revenue Diversions \$
12(b)47	Secretary of the State	General Fund	Election security and public education campaign	2,000,000	
12(b)48	Reserve for Salary Adjustments	General Fund	To support wage payouts and increase funding available for state employee and National Guard premium pay.	28,861,306	
12(b)49	Workers' Compensation Claims - Administrative Services	General Fund	To settle workers' compensation claims	15,000,000	
12(b)50	Department of Emergency Services and Public Protection	General Fund	For police and public safety officer training	500,000	
12(b)51	Labor Department	General Fund	To support the restructuring of the unemployment insurance system	459,159	
12(b)52	Labor Department	General Fund	To support the restructuring of the unemployment insurance system	200,000	
12(b)53	Labor Department	General Fund	To support enhanced employee wage record reporting	235,000	
12(b)54	Commission on Human Rights and Opportunities	General Fund	To support durational staff	441,320	
12(b)55	Commission on Human Rights and Opportunities	General Fund	To automate portions of the affirmative action process	200,000	
12(b)56	Department of Public Health	General Fund	For information technology costs related to water well oversight	50,000	
12(b)57	Office of Early Childhood	General Fund	Provide funding for the Nurturing Families Network home visiting program	1,000,000	
12(b)58	University of Connecticut	General Fund	For costs of the twenty-seventh payroll during the fiscal year ending June 30, 2023	7,991,695	
12(b)59	University of Connecticut Health Center	General Fund	For costs of the twenty-seventh payroll during the fiscal year ending June 30, 2023	5,129,011	
12(b)60	University of Connecticut Health Center	General Fund	For AHEC, for costs of the twenty-seventh payroll during the fiscal year ending June 30, 2023	14,455	

Section	Agency	Fund	Title	Carryforwards \$	Revenue Diversions \$
12(b)61	Connecticut State Colleges and Universities	General Fund	For Community Tech College System, for costs of the twenty-seventh payroll during the fiscal year ending June 30, 2023	4,866,346	
12(b)62	Connecticut State Colleges and Universities	General Fund	For Connecticut State Colleges and Universities, for costs of the twenty-seventh payroll during the fiscal year ending June 30, 2023	5,026,555	
12(b)63	Connecticut State Colleges and Universities	General Fund	For Charter Oak State College, for costs of the twenty-seventh payroll during the fiscal year ending June 30, 2023	107,099	
12(b)64	Department of Economic and Community Development	General Fund	To support the establishment of nonstop air service to Jamaica	2,000,000	
12(b)65	Department of Energy and Environmental Protection	General Fund	Interim staff support for implementing federal infrastructure bill	100,000	
12(b)66	Governor's Office	General Fund	Interim staff support for implementing federal infrastructure bill	100,000	
12(b)67	Department of Revenue Services	General Fund	Interim staff support for implementing federal infrastructure bill	200,000	
12(b)68	Office and Policy and Management	General Fund	Interim staff support for implementing federal infrastructure bill	100,000	
12(b)69	Department of Agriculture	General Fund	Provide funds for the care and custody of animals that have been seized	200,000	
12(b)70	Department of Agriculture	General Fund	Provide funds for the Climate Smart Farming program	7,000,000	
12(b)71	Department of Energy and Environmental Protection	General Fund	Provide funding for vouchers for electric vehicles	10,000,000	
12(b)72	Department of Energy and Environmental Protection	General Fund	Sustainable Material Management (SMM) grant program	5,000,000	
12(b)73	Department of Administrative Services	General Fund	Maintenance of state properties	915,460	
12(b)74	Department of Transportation	General Fund	Interim staff support for implementing federal infrastructure bill	100,000	
12(b)75	Auditors of Public Accounts	General Fund	Provide funds for accrual payments	200,000	
12(b)76	Attorney General	General Fund	Provide funding for data security consultants	250,000	

Section	Agency	Fund	Title	Carryforwards \$	Revenue Diversions \$
12(b)77	Department of Economic and Community Development	General Fund	Provide support to Ball and Socket in Cheshire	300,000	
12(b)78	Department of Economic and Community Development	General Fund	Provide support to Stepping Stone in Norwalk	100,000	
12(b)79	Department of Economic and Community Development	General Fund	Provide a grant to the town of Sprague streetscape improvements that consist of LED lighting	1,300,000	
12(b)80	Department of Economic and Community Development	General Fund	Provide a grant-in-aid to Amistad Center for Art and Culture in Hartford	100,000	
12(b)81	Department of Social Services	General Fund	Provide a grant-in-aid to Mothers United Against Violence	100,000	
12(b)82	State Department of Education	General Fund	Provide a grant-in-aid to East Hartford Little League	75,000	
12(b)83	State Department of Education	General Fund	Provide a grant-in-aid to Connect Interscholastic Athletic Conference	50,000	
12(b)84	Department of Economic and Community Development	General Fund	Provide a grant-in-aid to Beta Iota Boule Foundation	100,000	
12(b)85	University of Connecticut	General Fund	Provide funds to conduct training that will result in certification Green Snow Pro roadside salt applications	142,000	
12(b)86	Department of Emergency Services and Public Protection	General Fund	Provide funding for the deadly weapon offender registry document management system	95,605	
12(b)87	Office of Policy and Management	General Fund	Provide funds for the removal of debris from the Housatonic River	150,000	
12(b)88	Department of Emergency Services and Public Protection	General Fund	Provide funds for a durational grant administrator	104,000	
12(b)89	Office of Early Childhood Education	General Fund	Provide a wage supplement and childcare enhancement grant program	20,000,000	
12(b)90	Department of Administrative Services	General Fund	Provide funding to address elevator inspection backlog	2,500,000	
12(b)91	Department of Economic Development	General Fund	Funding to conduct a study of Brainard Airport	1,500,000	

Section	Agency	Fund	Title	Carryforwards \$	Revenue Diversions \$
12(b)92	Office of Policy and Management	General Fund	To support cost of accrued payouts	11,450,000	
12(b)93	Office of Policy and Management	General Fund	Provide a grant-in-aid to Rell Center at the University of Hartford	50,000	
12(b)94	Department of Economic Development	General Fund	Provide a grant-in-aid to the Slater Museum of Norwich	500,000	
13	Office of Policy and Management	General Fund	To support cost of accrued payouts	9,688,694	
14	Labor Department	General Fund	To support the costs of administering the unemployment insurance program	25,000,000	
15	Department of Administrative Services	General Fund	Restore lapsed funding for the Firefighters Cancer Relief Fund		800,000
16	University of Connecticut Health Center	General Fund	Replenish the Medical Malpractice Trust Fund		20,000,000
17	Office of Health Strategy	General Fund	Provide funds to support a biennial statewide health care facilities and services plan as required under section 19a-634 of the general statutes.	400,000	
18(a)	Department of Transportation	Special Trans.	Provide matching funds for projects funded whole or in part by the Infrastructure Investment and Jobs Act, P.L. 117-58	50,000,000	
18(b)	Department of Transportation	Special Trans.	Provide matching funds for projects funded whole or in part by the Infrastructure Investment and Jobs Act, P.L. 117-58	50,000,000	
19	State Department Education	General Fund	Study of adequacy of social workers in LEAs	150,000	
20	State Department of Education	General Fund	Funding to conduct a study concerning mental health issues in high school athletes	100,000	
21	Department of Mental Health and Addiction Services	General Fund	Funding to conduct a comprehensive Gaming Study	1,250,000	
22	Department of Agriculture	General Fund	Grant to Brass City Food Hub	125,000	
23	Legislative Management	General Fund	Removal of Mason Statute from the state capitol building	100,000	
24	Office Policy and Management	General Fund	Provide funds to support Non-Union wage adjustments	23,000,000	
25	Judicial Department	General Fund	Provie funds to support to support a study of inmate mental health by the sentencing commission in conjunction with IMRP	500,000	
26	Judicial Department	General Fund	Funds for the Counsel for domestic violence	Unexpended balance	

Section	Agency	Fund	Title	Carryforwards \$	Revenue Diversions \$
27	Connecticut State Colleges and Universities	General Fund	Provide funds to support an e-commerce training program	65,000	
28	State Department of Education	General Fund	Provide funds to support a study of Unified School District #1	50,000	
29	Department of Emergency Services and Public Protection	General Fund	To support police crisis intervention training	100,000	
30	Department of Economic and Community Development	General Fund	Provide a grant-in-aid to American Legion Post 85 in Baltic	4,000	
31	Department of Transportation	Special Trans.	Provide funds to support Grant to conduct a dredging study conducted by the Connecticut Port Authority	3,000,000	
32	Workers' Compensation Commission	Workers' Compensation Fund	Funds to support wages increases for Workers' Compensation Commissioners	200,000	
33	Judicial Department	General Fund	Provide funds to support the career pathways program	150,000	
34	Department of Economic and Community Development	General Fund	Provide funds to support the Coast Guard Academy Office of Military Affairs for its library	1,000,000	
35	Department of Labor	General Fund	Funds provided to support the domestic workers' education training grants - other expenses	unexpended balance	
36	Judicial Department	General Fund	Unexpended balance of Other Expenses for the purpose of funding consultants for information technology security enhancement projects	unexpended balance	
37	Office of Policy and Management	General Fund	OPM shall not make reductions in allotments to implement budgeted lapses if the budget is projected to be in surplus	-	
38	Department of Transportation	Transportation Fund	Provide funds to public safety related to free bus services.	780,000	
39	Department of Social Services	General Fund	Provide funds to support group home workers.	16,500,000	
40-47	Office of State Comptroller	General Fund	Provide funds to support to the Connecticut premium pay account.	30,000,000	
48-49	University of Connecticut	General Fund	Provide funds for temporary operating support	7,500,000	
50-51	UConn Health Center	General Fund	Provide funds for temporary operating support	7,500,000	
52	Legislative Management	General Fund	Provide funds to support additional personal services.	3,000,000	

Section	Agency	Fund	Title	Carryforwards \$	Revenue Diversions \$
53	Department of Revenue Services	General Fund	Provide funds to support administration of the childcare tax credit.	375,000	
54	Department of Energy and Environmental Protection	General Fund	Provide funds to support durational staff.	1,500,000	

Section 55 transfers \$20 million from the Community Investment Account (CIA), for FY 23 as follows: (1) to the Department of Agriculture, \$5 million to implement a farm manure management system program; (2) to the Department of Housing, \$5 million for eviction prevention to be divided as follows (A) \$2 million for project longevity housing vouchers to be issued in Hartford, Waterbury, Bridgeport and New Haven, (B) \$1.5 million for the Rent Bank, and (C) \$1.5 million for Coordinated Access Networks; (3) to the Department of Economic and Community Development, \$5 million for historic preservation; and (4) to DEEP \$5 million for open space. The current cash balance of the CIA is approximately \$25.2 million.

Section 56 allows any lapsing funds in the Open Choice account to be used for the Legacy Foundation for wrap-around services.

Section 57 clarifies that not less than \$3.5 million for grants-in-aid under the Connecticut Summer at the Museum Program under the Department of Economic and Community Development in FY 22 shall be made available for grants-in-aid to for-profit entities.

Section 58 allows funds allocated by carry forward in the FY 22 & FY 23 budget to not lapse and to be made available for its intended purpose until Dec. 31, 2026.

Section 59 specifies the use of \$9,000 in funding that the budget allocates to three state-recognized Native American tribes from the Pequot fund. This has no fiscal impact.

Section 60 allocates \$5,295,000 of grants to be made available for specified providers from the Judicial Department Youth Services

Prevention General Fund account.

Section 61 requires the Department of Children and Families and the Division of Public Defender Services (PDS) to develop a plan for achieving federal reimbursement of legal representation in child protection proceedings and allows the Secretary of the Office of Policy and Management to make \$150,000 available to PDS for legal counsel for qualified cases.

Section 62 requires the Department of Children and Families (DCF) to develop a plan to expand coverage and improve outcomes for youth service bureaus. Associated ARPA funding of \$2 million is allocated to DCF in the bill for this purpose.

Section 63 requires the Connecticut Port Authority to conduct a dredging study and to report the results to the Environment and Appropriations Committees by January 1, 2023. Section 31 includes up to \$3 million of carry forward funding for these purposes.

Section 64 requires the Office of Policy and Management to submit a report concerning carry forward funding. This has no fiscal impact.

Section 65 specifies that grants received by victim services providers from the Judicial Department must only be the actual amount that the grant is reduced by the Victims of Crime Act Assistance of 1984 amount.

Section 66 specifies the distribution of \$25 million in ARPA funding allocated to the Office of Policy and Management by PA 21-2 and reallocated by this bill for multipurpose community facilities.

Section 67 requires that the Office of Legislative Management (OLM) submit to the legislative leaders for written approval contracts that exceed \$50,000. OLM must receive written approval of the majority of the legislative leaders, including approval of at least one of the minority leaders. After 60 days if the contract has not been approved by the majority of legislative leaders, including at least one minority leader, the contract will be deemed approved. This provision has no direct fiscal impact.

Section 68 establishes an Office of Aquatic Invasive Species (AIS) in the Connecticut Agricultural Experiment Station (CAES). The bill includes funding of \$300,000, plus associated fringe benefits, for costs to establish this new office.

Sections 69 - 70 allow for the creation of collaborative drug therapy management policies and agreements between prescribing practitioners and pharmacists. The bill provides a General Fund appropriation of \$98,918 to the Department of Consumer Protection to hire one drug control agent. The new position is needed to review the collaborative drug therapy agreements and enforce the expanded scope of practice for pharmacists.

Section 71 changes the pharmacist license expiration date from biennially to annually and changes the fee from \$120 every two years to \$100 every year resulting in a revenue gain to the state over a two-year period.

Sections 72 - 74 have no fiscal impact as they are reserved.

Section 75 requires the State Fire Administrator to pay \$500 to each volunteer fire company that responds to calls on certain highways. The bill provides a General Fund appropriation of \$1.5 million to the Department of Emergency Services and Public Protection (DESPP) to provide these reimbursements.

Section 76 requires the Department of Mental Health and Addiction Services (DMHAS) to conduct a study by August 2023, and every ten years after, concerning the effect of legalized gambling. Associated funding of \$1,250,000 is carried forward from FY 22 for this purpose.

Section 77 eliminates the payments towns are required to make associated with the unfunded accrued liability for state troopers in the Resident State Trooper program from 50% to 0%. Funding of \$2,883,600 is provided in the revised FY 23 budget bill to fund the associated costs.

Section 78 requires DESPP to administer a grant program for speed enforcement on rural roads resulting in no fiscal impact, the agency has

the resources to administer the program. The bill provides an ARPA appropriation of \$2.6 million in FY 23 to fund the grant program.

Section 79 results in a significant cost to the Office of Higher Education (OHE) beginning in FY 23 associated with the creation of a health care provider loan reimbursement program. OHE does not currently have the funds available to operate this program. The scope of the costs is dependent upon the number of reimbursements awarded annually. OHE would require one full-time program administrator in FY 23 and beyond, resulting in annual salary expenses of approximately \$90,000 and corresponding fringe benefit costs of approximately \$36,477. Additionally, OHE would require up to \$50,000 in FY 23, associated with software and information technology upgrades. The bill includes \$4.6 million in FY 23, \$3 million in FY 24 and \$3 million in FY 25, from ARPA funds, for this program.

Section 80 establishes a community gun violence intervention and prevention program in the Department of Public Health (DPH). This results in a total cost of \$400,000, including two positions (\$150,000) and operating expenses (\$250,000) provided in the bill. ARPA funding of \$1 million is allocated in FY 23 to DPH to support the cost of program grants.

Section 81 establishes a Commission on Community Gun Violence Intervention and Prevention to advise DPH and does not result in a fiscal impact.

Sections 82 - 89 require free menstrual products to be available in certain settings. This results in an annual cost to local and regional boards of education, which must offer free menstrual products in certain restrooms beginning in FY 24. The overall cost to the districts is dependent upon any additional product they would have to purchase, and the number of total dispensers installed (with a per-dispenser cost of \$200 to \$400).

The bill's requirements also result in an annual cost to the constituent units, beginning in FY 24. The costs to the University of Connecticut

(UConn) and UConn Health Center are anticipated to be minimal, and an annual cost of less than \$10,000 to the Board of Regents (BOR) across all institutions is expected.

The bill provides \$2 million in ARPA funding in FY 23, through the Department of Public Health, in order to reduce the cost of these requirements to the affected entities. If any additional grants, or donations, are available to meet these requirements, the costs to school districts and the constituent units may be lower.

Section 90 requires the State Library Board to consult with the Department of Aging and Disability Services and the advisory board for the blind and physically disabled before making certain changes to library services. This has no fiscal impact as the library board is a private, third-party entity.

Section 91 changes the Teachers' Retirement System valuation from being performed on a biennial basis to an annual basis. Under current law, the June 30, 2022 actuarial valuation, establishing the TRS actuarially determined employer contribution for FY 24 and FY 25 will be completed in November 2022 and is funded in the agency's FY 23 budget. This change will result in an additional cost of approximately \$60,000 in FY 24 to support the actuarial costs for the June 30, 2023 valuation.

Section 92 requires the Governor's budget document to include an explanation of how the budget furthers the Governor's efforts to ensure equity in the state. This has no fiscal impact.

Sections 93 - 95 clarify that all funding accrued to the Municipal Revenue Sharing Account during a given fiscal year shall be distributed to municipalities during, or immediately subsequent to, that fiscal year.

As an illustration, this precludes funding accrued prior to July 1, 2022 but deposited into MRSA after July 1, 2022 from being used for FY 23 MRSA grants. The bill results in such revenue being distributed as FY

22 grant funding to municipalities. FY 22 revenue deposits into MRSA are anticipated to total \$414.7 million.

The bill also allows the City of New Haven to resubmit its FY 23 claims for Tiered PILOT grant calculations. This grant is paid partially from General Fund (GF) appropriations and the balance, after appropriations are spent, from the Municipal Revenue Sharing Account (MRSA). As the budget does not appropriate additional GF funding for this purpose, it is assumed that any increase in New Haven's FY 23 Tiered PILOT grant that occurs as a result of a resubmitted claim would be paid via MRSA.

Secs. 96 - 116 replaces the existing Connecticut Retirement Security Authority Board with the Connecticut Retirement Security Advisory Board and makes the Comptroller responsible for administering the Connecticut Retirement Security program. Associated funding of \$700,000 is provided to OSC in the bill to reflect the cost of the provisions in the bill.

Section 117 allows the Adjutant General to issue a military funeral honors ribbon and the bill provides a General Fund appropriation of \$10,000 to the Military Department for this purpose.

Section 118 increases the per day compensation of honor guard members from \$50 to \$60 and the bill provides a General Fund appropriation of \$80,000 to the Military Department to fund this increase.

Sections 119 - 120 make changes to the debt free community college program that are not anticipated to require additional funding in FY 23. These sections allow unspent program funds to carry forward into the next year, which is anticipated to cover the additional FY 23 cost of expanding eligibility to include half-time students.

Section 121 requires two community college entrepreneurial centers to offer seminars free of charge to small business employees. The bill provides \$65,000 in carryforward funding to the Board of Regents in FY

23 for the seminar costs.

Section 122 requires DAS to post links for judicial branch, legislative branch and constituent units of higher education employment opportunities on the DAS executive branch employment opportunities website. This has no fiscal impact.

Section 123 transfers administering authority of Project Longevity from the Office of Policy and Management to the Judicial Department.

The FY 23 budget transfers funding of \$1,124,373 from OPM to the Judicial Department (JUD), and provides an additional \$2.3 million General Fund appropriation to JUD to expand Project Longevity.

Section 123 transfers administering authority of Project Longevity from the Office of Policy and Management to the Judicial Department.

The FY 23 budget transfers funding of \$1,124,373 from OPM to the Judicial Department (JUD), and provides an additional \$2.3 million General Fund appropriation to JUD to expand Project Longevity.

Section 124 establishes a task force to study and make recommendations concerning certificates of need, which shall submit a report on its findings and recommendations by January 15, 2023. This section has no fiscal impact as PA 17-236 prohibits transportation allowances for task force members.

Section 125 - 126 have no fiscal impact as they are reserved.

Section 127 requires any that any over-collection of recoveries for the State Employees Retirement System (SERS) funds must be deposited to the State Employees Retirement Fund (SERF). Currently, any over-collection of recoveries is deposited to the General Fund as revenue, while under-collections result in a reduced contribution to SERS. To the extent that there is such over-collection of recoveries, there will be increased deposits to SERF and a reduction to General Fund revenues.

Section 128 allows state agencies to designate agency EV charging stations as either (1) available for public use; (2) for the sole use of state employees; or (3) for a combination of both state employees and the public. It further requires state agencies to collect fees on non-state vehicles for such use and to deposit the revenue into the fund from which the expenses for installing the relevant EV infrastructure were paid, resulting in a revenue gain to the respective fund (primarily GF or STF). Additionally, violations of these provisions are infractions and result in potential minimal revenue gain to the GF.

Section 129 results in potential savings to the General Fund by allowing state agencies' expenditures that are associated with activities authorized under PA 21-1 JSS, AAC Responsible and Equitable Regulation of Adult-Use Cannabis, to be paid out of Social Equity and Innovation Fund. The Social Equity and Innovation Fund, created under PA 21-1 JSS, is a separate, non-lapsing fund that is funded by certain licensing fees and a portion of the state cannabis tax.

Section 130 allows OLM to post notices to solicit competitive bids or proposals on its website. If the bid or proposal is estimated to exceed \$50,000 OLM can solicit by public notice on the State Contracting Portal instead of in three daily newspapers. This will result in an annual savings to OLM of approximately \$10,000.

Section 131 - 134 increases the salaries of all judges, judge trials referees, and family support magistrates by 5%. The budget contains General Fund appropriation of \$2.2 million in the Judicial Department for such increases and \$200,000 in carry forward funding in the Workers' Compensation Commission (WCC) Personal Services account. The salaries of the WCC commissioners are calculated using the salary of a Superior Court judge.

Section 135 requires the Department of Public Health (DPH) to proportionately adjust certain ambulance rates in accordance with any increases provided for related Medicaid rates. This has no fiscal impact as it does not change emergency or nonemergency medical transportation rates paid via Medicaid.

Section 136, which requires DPH in collaboration with DSS to establish a working group on emergency medical services and report by 1/1/23, has no fiscal impact as the agencies have the expertise necessary to meet the requirements of the bill.

Section 137 results in a revenue loss to municipal stormwater authorities by expanding the types of fee reductions that they must provide to properties in their district. It is anticipated that such revenue loss would be offset by increases in fees assessed to users who do not receive the credit under the bill's provisions.

Section 138 requires the Office of Legislative Management (OLM) to provide to nonpartisan legislative employees with the same special lump sum payments as union employees received in the SEBAC 2022 agreement. The lump sum payment of \$2,500 is anticipated to cost \$500,000 in FY 22 (current fiscal year) and can be covered by OLM's FY 22 appropriation. The FY 23 \$1,000 lump sum payment is anticipated to cost \$200,000 and funding for it is in the bill.

Sections 139 - 142 require road salt applicator training to be provided to state, municipal, and private applicators, and establishes a voluntary registration process for such applicators within the Department of Energy and Environmental Protection. The bill provides \$142,000 in carryforward funding to the University of Connecticut in FY 23 to fund the training. Requires any person who installs residential water treatment systems to provide customers with written information on the importance of testing the drinking water for the presence of sodium and chloride. This has no fiscal impact on the state or municipalities

Sections 143 - 144 establish the Connecticut Premium Pay Program to provide payments to eligible applicants from the Connecticut Premium Pay account. Associated funding of \$30 million is carried forward in FY 23 to the Office of the State Comptroller (OSC).

Sections 145 - 146 authorizes the Department of Agriculture (DoAg) to make reimbursements to farmers who are implementing climate-smart agriculture and forestry practices. The bill provides \$7.0 million

of carry forward funding for this purpose.

Section 147 requires the Department of Public Health to maintain and operate a statewide stroke registry. This results in a total cost of \$82,000 to support one position (\$72,000) and Other Expenses (\$10,000) which is included in the bill.

Section 148 - Allows Legislative Commissioner's Office to make technical and grammatical changes as necessary and has no fiscal impact.

Sections 149 - 151 lower the threshold for blood lead levels in individuals at which the Department of Public Health (DPH) and local health departments must take certain actions. This results in a cost to local health departments of up to \$5.5 million in FY 23 and \$20 million in FY 24 associated with increased operational costs and abatement activities due to lowering the blood lead level threshold. ARPA funding of \$20 million in FY 23 and \$10 million in FY 24 is allocated to DPH to support lead investigation, abatement, and remediation to housing in Connecticut, at the municipal level.

Section 152 results in a cost to the Department of Social Services (DSS) associated with Medicaid coverage for services that address the health impacts of high childhood blood lead levels in Medicaid eligible children. The extent of the cost is dependent on any additional services considered to be appropriate by DSS and federally approved, as well as the associated cost and utilization of such services and available funding to support such costs.

Section 153 - establishes a working group on matters regarding lead poisoning prevention and treatment which has no fiscal impact.

Section 154 permits the Department of Economic and Community Development (DECD) to contract with nongovernmental entities for the purpose of administrating 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.

As of April 1st, the unallocated balance for Small Business Express is \$9 million. Additionally, \$25 million will become effective under current law to start FY 23.

The bill does not change GO bond authorizations relevant to the program.

Section 155 specifies that funding designated to the state's Economic Action Plan may not exceed \$200 million and codifies the Innovation Corridor and the Connecticut Communities Challenge programs as part of the state's Economic Action Plan.¹

The bill does not change any GO bond authorizations to support the Economic Action Plan. However, \$25 million of previously authorized Urban Act funds were allocated for the purposes of the Connecticut Communities Challenge Grant Program at the March 31, 2022 meeting of the State Bond Commission. 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 more rapidly than they otherwise would have been.

The bill has no fiscal impact by codifying the Innovation Corridor program and Connecticut Communities Challenges program to be in accordance with the Economic Action Plan. Both programs were established by DECD in fall 2021.

Section 156 allows the application fee received under the tax credit for rehabilitation of certified historic structures program to be used to fund programs that advance historic preservation in the state. There is

¹Current law allows the use of bond funds, federal funds under the American Rescue Plan Act, and other available sources to support the Economic Action Plan.

no fiscal impact as the bill does not change the rate of the fee.

Under current law, the fee, which may be up to \$10,000 per application, may only be used for the administrative related expenditures. As of June 30, 2021, there is a balance of approximately \$200,000 in available revenue from the fees collected over time.

Section 157 makes a technical change that has no fiscal impact.

Section 158 results in a potential minimal cost in FY 23 only by requiring DECD in consultation with the Department of Revenue Services to conduct a study regarding the extension of research and development tax credits to pass-through entities. There would be a cost only to the extent that the agencies would require third party consultation to assist in research for the study.

Section 159 has no fiscal impact by requiring the Department of Energy and Environmental Protection (DEEP), before posting a notice of intent to adopt certain regulations to (1) provide a draft of the proposed regulations to the working group; and (2) allow the members to provide advice and feedback on the draft. This has no fiscal impact as DEEP currently has staff for this purpose.

Section 160 which requires the Chief Workforce Officer to develop a model student work release policy, results in a cost of up to \$90,000 in FY 23 for a durational Educational Consultant. The bill includes funding for this purpose.

Section 161 increases, from \$1,000 to \$5,000, the amount of uncollectible claims that the Office of Policy and Management may authorize the cancellation of. To the extent that this reduces the number of uncollectible claims that are ultimately received by state agencies, there is a revenue loss that is expected to be minimal.

Section 162 requires the Department of Energy and Environmental Protection (DEEP) to implement the Sustainable Materials Management Grant Program. The bill carries forward \$5 million in FY 23 for this grant program.

Section 163 alters the provision of grants made under the Redemption Center Grant Program administered by DEEP. This has no fiscal impact since no new funding is provided for in the budget.

Sections 164 - 168 establishes the sustainable materials management account as a separate, nonlapsing account within the General Fund, to be administered by DEEP. It requires funds collected by the alternative compliance payment for Class II renewable portfolio standards to be deposited into this account, resulting in a revenue gain. It then requires DEEP to establish and administer a sustainable materials management program for solid waste reduction through the provision of funding from this newly established account for grants, revolving loans, technical assistance, consulting services and waste characterization studies to support municipalities, nonprofits and regional waste authorities. The bill includes \$5.0 of carry forward funding for this program.

Section 169 eliminates a reporting requirement of the Office of Policy and Management and has no fiscal impact.

Section 170 enables the Commissioner of the Department of Administrative Services (DAS) to purchase the energy production plant in Hartford which produces and provides steam and heated and chilled water for the Capitol Area System, including certain state agencies. It is anticipated that the purchase would produce long-term savings and cost avoidance to the agencies impacted, according to projections by the DAS that reflect increasing efficiencies in the facility's operation due to planned investments in its infrastructure. The DAS projections demonstrate state agency savings of over \$20 million in total over twenty years relative to the current contract to purchase energy from the facility, in addition to the avoidance of potential future costs to the agencies consuming energy from the facility as planned or unplanned maintenance and repair costs are incurred and passed on to the state.

There is no anticipated, additional projected cost to the State Treasurer's debt service line item because General Obligation bond

funds authorized for the program (over \$15 million in total) have already been allocated and made available.

Section 171 and 172 expand dental and vision coverage for State of Connecticut employee dependents through age 26. This is not expected to result in a fiscal impact.

Sections 173 - 182, 184 - 193 makes various changes to the statutes governing the Teachers' Retirement System that serve to clarify the administration of benefits or bring the statutes into conformity with federal law and do not result in a fiscal impact.

Section 183 increases the Teachers' Retirement Board (TRB) municipal retiree health insurance subsidy as follows: from \$110 to \$220 per month for retired members/spouses participating in a health insurance plan maintained by a board of education and from \$220 to \$440 per month for retired members/spouses participating in a health insurance plan maintained by a board of education who are 65 or older, not eligible for Medicare Part A without cost and paying more than \$440 per month for health insurance. This results in an estimated state cost of \$4.7 million which is included in the bill.

Section 194 approves the memorandum of agreement between the PCA Workforce Council and the New England Health Care Employees Union, District 1199, SEIU, submitted to the General Assembly for approval on April 20, 2022. The estimated cost of this two-year agreement is \$712,000 in FY 22, \$22.1 million in FY 23 and \$13.3 million annualized, with an associated federal grants revenue gain of \$103,000 in FY 22, \$5.3 million in FY 23 and \$3.1 million when annualized. The bill reflects the necessary funding in DSS and DDS.

Section 195 establishes new violations under the state's paid family and medical leave law, which does not result in any fiscal impact.

Section 196 has no fiscal impact by expanding the types of small businesses that the Office of Small Business Affairs in the Department of Economic and Community Development shall aid and encourage to

include those owned and operated by persons who identify as lesbian, gay, bisexual, transgender, queer or other persons who identify as part of the LGBTQ+ community.

Section 197 adds to the definition of reproductive health care services to includes all medical care relating to treatment of gender dysphoria and does not result in a fiscal impact.

Section 198 transfers \$12 million annually from the General Fund to the Tobacco Health Trust Fund beginning in FY 23.

Section 200 requires each person to present a driver's license or identity card when purchasing cigarettes or tobacco products resulting in no fiscal impact to the state.

Section 201 requires the Department of Administrative Services (DAS) to monthly report to the Appropriations Committee on: (1) the number of vacant positions in each agency; (2) the number of people hired by each agency; and 3) the number of people who refused an offer of hire by a state agency. There is no fiscal impact to DAS to complete this monthly report.

Section 202 results in a cost to the Department of Mental Health and Addiction Services (DMHAS) associated with establishing a psychedelic-assisted therapy pilot program to provide grants to applicants to provide MDMA-assisted or psilocybin-assisted therapy to qualified patients, as part of an expanded access program approved by the federal Food and Drug Administration (FDA). The pilot program will be administered by the Connecticut Mental Health Center (CMHC) and funded through the Qualified Patients for Approved Treatment Sites Fund, known as the PAT Fund, established by the bill and within available appropriations. The extent of the cost is dependent on available funding, the scope of funding requested by eligible applicants, and related costs to administer the pilot program.

Sections 203 establish an advisory board and make various technical, conforming and other changes that have no fiscal impact.

Sections 204 - 206 require the Department of Consumer Protection to adopt certain drug schedules and consider certain federal guidelines for adoption resulting in no fiscal impact to the state.

Section 207 expands the Connecticut Essential Workers COVID-19 Assistance program to include those essential workers in the Center for Disease Control's 1c vaccine group and makes programmatic changes. These provisions have no net fiscal impact as they do not change the total funding available for the program.

Section 208 makes a technical change regarding food establishments and the liquor control act resulting in no fiscal impact to the state.

Section 209 makes various reporting changes required of the Commissioner of Correction resulting in no fiscal impact to the state.

Section 210 - 211 - Sections are reserved no fiscal impact.

Section 212 requires the Commissioner of Emergency Services and Public Protection (DESPP) to establish and administer a pilot program regarding implementation of a fire and rescue service data collection system resulting in an annual cost to the state of \$156,212.

DESPP will need to hire a part-time durational project manager (\$40,000 in salary and \$16,212 in fringe benefits per year) to create and administer the program, process applications, and work with the selected participants. The department would also need to contract with a data analytics organization (\$100,000 per year) to amalgamate data from the National Fire Incident Reporting System in order to effectively analyze and develop the necessary reporting required under the bill.

Section 213 reduces the state unemployment insurance tax for 2023 only, which results in a revenue loss to the Unemployment Insurance (UI) Trust Fund of approximately \$40 million. Section 10 of the bill provides a separate allocation of \$40 million in ARPA funds to the UI Trust Fund to offset this reduction.

Sections 214 - 217 adopt the most recent amendments made by the

National Association of Insurance Commissioners (NAIC) to the Model Insurance Holding Company Act concerning group capital calculation. These sections are not anticipated to result in a fiscal impact because the Insurance Department has the necessary resources and expertise to implement them.

Section 218 - Establishes a working group on the potential federal legislation to criminalize Coercion which has no fiscal impact.

Sections 219 - 229 expand the Office of Health Strategy's (OHS) duties to include, among other things, setting annual health care cost growth benchmarks, health care quality benchmarks, and primary care spending targets, codifying provisions of Executive Order 5. These sections require private health carriers in Connecticut to develop at least two health enhancement programs (HEPs) under their policies. It is anticipated that the Insurance Department, which may adopt implementing regulations under the bill, can review compliance within existing resources. It is unknown if there will be a fiscal impact to fully insured municipalities as a result of HEP provisions of these provisions. Section 227 changes the CON application fee from \$500 to a range of \$1,000 to \$10,000 depending on the proposed project's cost. Based on a four-year average of CON proposals, the bill's fee schedule is anticipated to generate an additional \$100,000 in annual revenue. The current fee of \$500 generates approximately \$12,500 annually. This increase in the application fee results in a cost to UConn Health Center each time the entity applies for a CON. The health center expects to apply for one CON in either FY 23 or FY 24. The cost will be equal to the difference between the current fee (\$500) and the new fees based on project costs (\$1,000 to \$10,000).

Section 230 allows registered optical establishments to remain open to sell prescription eyeglasses and contact lenses during regular business hours in the absence of a licensed optician, under certain circumstances. There is no fiscal impact as the Department of Public Health has the expertise to handle this provision.

Section 231 requires that the Treasurer, when determining the use of

Budget Reserve excess funds, appropriates the excess funds first to the State Employees Retirement Fund, second to the Teachers' Retirement Fund, and third to make additional payments to the unfunded past service liabilities which is not anticipated to result in a fiscal impact.

Section 232 increases the minimum per diem, per bed rate for intermediate care facilities to \$501. The bill provides Medicaid funding of \$2.8 million to the Department of Social Services (DSS) to support the cost associated with this provision.

Section 233 adds to the list of professionals who can apply for a Department of Public Health (DPH) grant program for community-based providers of primary care services. The bill allocates ARPA funding of \$4.6 million to the Department of Public Health (DPH) to support the cost of such grants. Additional ARPA funding of \$3 million is allocated in both FY 24 and FY 25.

Sections 234 - 235 extend state-funded health coverage to children ages 12 and under, regardless of immigration status, and allow eligible children to remain on the program until age 19. Associated state funding of \$400,000 is provided in the bill under HUSKY B in DSS.

Section 236 reduces participant cost sharing from 4.5% to 3% for the State Funded Home Care Program. Funding of \$500,000 is provide in the bill to fund the associated costs in DSS.

Section 237 increases the minimum amount of assets a community spouse of an institutionalized Medicaid eligible individual can retain from \$27,480 to \$50,000. Funding of \$4.5 million is provided in the bill to fund the associated costs in DSS.

Sections 238 - 239 change the standard of need for the Temporary Family Assistance (TFA) program to 55% of the federal poverty level (FPL), which expands eligibility and impacts HUSKY C and Jobs First Employment Services. The bill reflects associated funding of \$5.5 million in DSS and \$500,000 in the Department of Labor (DOL) to support the cost of these provisions.

Section 240 maintains the \$500 per bed per day rate for ventilator beds in chronic disease hospitals through FY 23. Funding of \$2,365,000 is provided in bill to fund the associated costs in DSS.

Section 241 limits standard dental visits at Federally Qualified Health Centers (FQHCs) to same-day visits. Medicaid savings of \$1 million is reflected in the bill associated with this change.

Sections 242 - 243 transfer the administration of the Community Health Worker Grant Program and associated American Rescue Plan Act (ARPA) funding from DPH to the Department of Social Services (DSS). Section 242 also adjusts how the funding can be distributed, increases the grant amount per community health worker, extends the date by which grants must be distributed, and makes conforming changes. Associated ARPA funding of \$6 million is transferred from DPH and new funding of \$1 million is reflected in the bill for DSS.

Section 244, which expands how temporary financial relief can be provided to nursing homes using federal ARPA funds, has no net fiscal impact as it does not change the total funding allocation available for such relief.

Section 245 establishes a community ombudsman program within the Office of the Long-Term Care (LTC) Ombudsman, which is an independent office within the Department of Aging and Disability Services (ADS). Funding of \$98,000 and one Ombudsman Supervisor position is provided in the bill to support the program.

Sections 246 - 247, which make changes related to contracts between homemaker-companion agencies and clients, have no fiscal impact to the state or municipalities.

Section 248 provides support to Federally Qualified Health Centers (FQHCs) for long-acting reversible contraceptives (LARCs). Associated ARPA funding of \$2 million is provided in the bill to fund the associated costs.

Section 249 requires Medicaid coverage for services provided by licensed naturopaths for adults 21 years and older. Funding of \$100,000 is provided in the bill to fund the associated costs in DSS.

Section 250 specifies that home and community-based services provider payments disbursed by state agencies with ARPA funding cannot be cost recovered or otherwise offset by those agencies. This precludes any savings associated with such recoveries or offsets.

Section 251 requires that if there is available funding after OPM allocates funding to DDS state-contracted providers for wage enhancements in FY 22 and FY 23 then OPM shall disburse such funds as a cost-of-living adjustment to those providers. This precludes any savings associated with lapsing funds.

Section 252 adds the executive director of OHS to the statutory definition of a department head. This has no fiscal impact.

Section 253 - 254 transfer the administration of the Covered Connecticut Program from the Office of Health Strategy (OHS) to DSS and make other technical and conforming changes that have no fiscal impact.

Section 255 makes the Youth Service Bureau (YSB) of Wolcott, which applied for YSB grant funding in FY 22, eligible for YSB funding. Funding of \$14,000 in FY 23 is provided in the DCF budget for the cost associated with this provision.

Section 256 results in a cost to the General Fund within the State Department of Education and a corresponding savings to qualifying towns in FY 23 related to magnet school tuition. The section provides Sheff towns, along with New Britain and New London, assistance in paying such tuition when more than four percent of a town's resident students are tuitioned magnet students. The bill provides for this purpose \$3.9 million from the General Fund for East Hartford and Manchester in FY 23 and beyond, and \$11 million from ARPA in FY 23 for other qualifying towns. Funding is distributed proportionately if the

assistance is not fully funded.

Section 257 results in a cost to SDE of approximately \$1 million annually beginning in FY 23, associated with removing the cap on the Adult Education grant. Various local and regional school districts receiving an adult education grant could receive additional funding. Funding is provided in the bill.

Section 258 requires an increase in state charter school funding in FY 23 by approximately \$3 million above the originally appropriated increase, through raising the FY 23 level of the partial phase-in to a weighted student grant. The necessary funding through the State Department of Education is provided in the bill. State charter schools receive a per-student grant equal to \$11,525 plus 25.42% of the difference between that amount and the school operator's fully funded weighted student grant (based on the ECS student weights).

Sections 259 and 260 require, beginning in FY 23, each paraeducator employed by a local or regional board of education to participate in a professional development program. This results in a cost and corresponding state mandate to local and regional boards of education. The boards will be required to offer the professional development and provide any substitute coverage for paraeducators participating in the professional development. The scope of the cost will be dependent on the size of the district, the number of paraeducators, and the structure of the professional development. The bill provides \$1.8 million in ARPA funding in FY 23 for paraeducator professional development.

Section 261 requires the Office of Early Childhood (OEC) administer an emergency stabilization grant program for school readiness programs. The bill carries forward associated funding of \$20 million in OEC for this purpose.

Section 262 increases the appropriation for the bilingual education grant by \$1,916,130 beginning in FY 23, which doubles the grant and results in a revenue gain to recipient school districts. This additional funding is included in the bill.

Section 263 requires SDE to conduct a study of the Gilbert School's funding process and does not result in a cost as SDE has the expertise necessary to do so.

Section 264 makes a technical change that ensures the current magnet operator of the Edison Middle School receives payment in FY 22, and the funds are currently available.

Sections 265 and 266 require rather than allow climate change to be included in the required public-school curriculum beginning in FY 23. To the extent that a local or regional school district is not already including climate change, and would be required to produce additional materials, a minimal cost to the district could occur.

Section 267 requires SDE to conduct a study of special education spending by local and regional boards of education. The department will use the data collected to estimate the General Fund costs of providing Excess Cost reimbursement at various per-student spending thresholds. This does not result in a cost as SDE has the expertise necessary to complete the study in FY 23.

Section 268 requires a higher level of reimbursement from the General Fund through the State Department of Education to local and regional boards of education for special education Excess Cost expenses. The section establishes that if full funding is not appropriated, then a tiered system based on town wealth must be used. The tiered system provides for reimbursement ranging from 70% for wealthier towns to 76.25% for the least wealthy, while the reimbursement percentage currently is an estimated 66%. The section is anticipated to result in an additional annual cost to the General Fund and corresponding revenue gain to boards of education of approximately \$15.5 million, beginning in FY 23. Funding is provided in the bill. The cost to the state and revenue gain to boards of education will vary based on actual qualifying expenditures.

Section 269 renews the Alliance District program for FY 23 through FY 27. The sections provide the designation to the 33 currently

designated towns and the three additional towns that are now among the lowest scoring. The three towns new to this program have an Alliance District portion of the ECS grant that is equal to any Education Cost Sharing (ECS) increase from FY 22, while towns continuing in the program maintain a portion equal to any ECS increase from FY 12.

Sections 270 - 272 make adjustments to the ECS formula that provide: (1) enhanced protection from losses for all towns in FY 23 and for Alliance Districts in subsequent years, and (2) a smoother phase-in and phase-out process. These changes, combined with the annual updates to ECS calculation data, result in ECS grants totaling approximately \$2.2 billion in FY 23, as appropriated in this bill. This is an estimated increase of \$39.6 million from FY 22. The sections maintain the underfunded towns' phase-in process of annual increases to full funding in FY 28, and the overfunded towns' phase-out process of decreases to full funding from FY 24 through FY 30.

Section 273 increases the per-pupil Open Choice grant by \$2,000 beginning in FY 23, within available appropriations, to receiving districts for each student from the Hartford region. This results in a corresponding revenue gain to local and regional school districts in the Hartford region that participate in Open Choice. Funding is provided in the bill.

Sections 274 - 302 make conforming changes to the transfer of the Connecticut Technical Education and Career System from SDE to an independent agency, and do not result in a fiscal impact.

Section 303 makes a procedural change regarding magnet school supplemental transportation grant payments and does not result in a fiscal impact.

Section 304 makes a procedural change that does not result in a fiscal impact.

Sections 305 - 309 adjusts appropriations for the fiscal year end June 30, 2022. A total of \$312.5 is provided in General Fund appropriations to

cover various account shortfalls that is offset by \$312.5 million in reductions to various accounts. In addition, \$1.0 million is provided to cover a deficiency in the Special Transportation Fund that is offset by a reduction of \$1.0 million.

These sections do not result in a net impact to the General Fund or Special Transportation Fund. Please see the table below for detail of the section's appropriations and reductions.

**General Fund Appropriation Increases and Reductions
(in millions)**

Agency	FY 22 \$
Section 1 - General Fund Increases:	
Office of Policy & Management - Reserve for Salary Adjustment (RSA)	224.1
University of Connecticut	25.1
University of Connecticut Health Center	24.0
Connecticut State Colleges & Universities	21.6
Department of Administrative Services	14.5
Dept. of Energy and Environmental Protection	1.5
Department of Economic & Community	1.2
Office of Chief Medical Examiner	0.3
Office of Higher Education	0.2
Total - General Fund Increases	312.5
Section 2 - General Fund Reductions:	
Department of Social Services	(143.2)
Department of Correction	(69.0)
State Comptroller	(35.0)
Department of Children and Families	(32.0)
State Treasurer	(22.0)
Teachers' Retirement Board	(7.0)
Office of Legislative Management	(4.0)
Total - General Fund Reductions	(312.5)
NET General Fund Impact	-

**Transportation Fund Appropriation Increases and Reductions
(in millions)**

Agency	FY 22 \$
Section 3 - Transportation Fund Increases:	
Department of Administrative Services	1.0
Total - Transportation Fund Increases	1.0

Agency	FY 22 \$
Section 4 - Transportation Fund Reductions:	
Department of Motor Vehicles	(1.0)
Total - Transportation Fund Reductions	(1.0)
NET Transportation Fund Impact	-

Sections 310 - 365 increase General Obligation (GO) bond authorizations by a net of \$237.5 million (increases of \$660.6 million partially offset by reductions or cancellations of \$423.1 million) and Special Tax Obligation (STO) bonds by \$20 million.

To the extent that these authorized funds are allocated by the State Bond Commission and issued by the Treasurer, there is a potential increase in future debt service payments for the General Fund (GO bonds) and Special Transportation Fund (STO bonds).

Section 366 approves a total of \$196.9 million in state grant commitments for school construction projects, including: (1) \$137.3 million for projects on the education commissioner's project priority list and (2) \$59.6 million for previously authorized projects that have changed substantially in cost or scope.

These grants-in-aid will be financed through the issuance of General Obligation (GO) bonds, which will be authorized in future fiscal years.

Sections 367 - 370 & 375 - 383 make various changes to school construction projects process and cost eligibility, including allowing a larger space standard for school buildings built between 1950-1959, moving projects for school administration buildings from the list of allowable non-priority list reimbursements to needing legislative approval through the priority list process, automatically moving projects through the process when a certificate of occupancy has been granted, and removing a requirement for newspaper notice for construction contracts. To the extent these changes alter the total cost of future projects, the altered cost would be shared between municipalities and the state at the appropriate reimbursement ratio.

For projects authorized in FY 25 or later, there is a potential 5 percent decrease in reimbursement for school construction projects failing to meet certain contractor standards. To the extent this changes future reimbursement rates, there would be a commensurate change in revenue gain to relevant municipalities and change in debt service for the State.

School construction grants are financed through the issuance of General Obligation (GO) bonds in future fiscal years. The bill does not authorize new GO bonds. The bill may result in future General Fund debt service costs to be altered to the degree that it causes authorized GO bond funds to be expended at a different rate than they otherwise would have been.

Section 371 establishes a reimbursement program, administered by the Department of Administrative Services (DAS), for local and regional school HVAC system installation, repair, and upgrades that is similar to, though separate from, the school construction reimbursement program established in CGS 10-283. State reimbursement levels are set annually based on municipal wealth and population information from 20 to 80 percent of project costs, with possible increases of up to ten percentage points for projects and recipients meeting certain criteria.

The grant is financed using \$75 million of ARPA funds and \$75 of GO bonds. The program is expected to be administered by DAS within existing resources, resulting in no new fiscal impact to the agency.

Section 372 establishes a pilot program for HVAC training within the Office of Workforce Strategy, in consultation with DOL, OHE, and CTECS, which is expected to cost approximately \$70,000 for a durational Project Coordinator under OWS. Similar workforce training programs under OWS have been funded using a combination of federal funds and GO bond funds; the main bond funding for workforce training programs under OWS is the CareerConnect program, which has been authorized \$40 million of GO bond funds under current law.

Section 373 results in a cost and mandate to local and regional school districts by requiring inspections and evaluation of heating and ventilation systems by certified technicians on a scheduled basis. Such costs are anticipated to be no more than \$2,500 per inspection. Additionally, should the inspection call for corrective actions there are potential costs to districts, which may in some cases be significant.

Section 374 establishes a working group regarding school air quality and has no fiscal impact.

Sections 384 - 409 not withstand certain aspects of the underlying school construction projects and reimbursement statutes. Various projects are described with a collective potential cost to the state and revenue gain to municipalities of at least \$640.1 million. As with projects on the priority list, future costs are expected to be financed through GO bonds.

Policies Impacting Revenue – in \$ millions

Section	Policy	Fund	FY 22	FY 23	FY 24	FY 25	FY 26
412	Increase the maximum property tax credit to \$300	GF	-	(60.0)	(60.0)	(60.0)	(60.0)
412	Restore eligibility for the property tax credit	GF	-	(53.0)	-	-	-
413	Increase the state EITC rate to 41.5%	GF	-	-	(49.0)	(49.0)	(49.0)
414	Accelerate the schedule for tax exemptions for certain income from pensions & annuities	GF	-	(42.9)	(29.3)	(15.6)	-
415	Provide a temporary child tax rebate	GF	-	(125.0)	-	-	-
416	Establish a credit against the personal income tax for parents who experience the birth of a stillborn child	GF	-	(0.3)	(0.3)	-	-
419-422	Adjust the unclaimed property program	GF	-	(1.6)	(1.6)	(1.6)	(1.6)

Section	Policy	Fund	FY 22	FY 23	FY 24	FY 25	FY 26
423	Expand the tax credit program for businesses that make eligible education loan payments on a qualified employee's behalf	GF	-	(9.4)	(9.9)	(10.4)	(10.9)
424-428	Establish a ("JobsCT") tax rebate program under which companies may claim tax credits (capped @ \$40m annually) for reaching certain job creation targets.	GF	-	-	-	(40.0)	(40.0)
429	Extend the manufacturing apprenticeship tax credit to pass-through entities	GF	-	(5.0)	(5.0)	(5.0)	(5.0)
431-432	Transfer XL Center retail sports wagering revenues to the CRDA to support XL Center operations	GF	-	(0.7)	(1.3)	(1.3)	(1.3)
433	Provide certain tax exemptions or refunds to manufacturers of beer or wine	GF	-	(2.8)	(0.5)	(0.5)	(0.5)
434	Exempt from the sales and use tax purchases from by certain water companies	GF	-	(3.4)	(3.4)	(3.4)	(3.4)
		STF	-	(0.3)	(0.3)	(0.3)	(0.3)
435	Extend the gas tax holiday	STF	-	(150.0)	-	-	-
436	Expand the exemption from motor fuels tax to EMS systems	STF	-	(0.5)	(0.5)	(0.5)	(0.5)
437-438	Create an exemption from the gross receipts tax on natural gas	STF	-	(1.3)	(1.3)	(1.3)	(1.3)
439	Repeal movie theater admissions tax	GF	-	(2.5)	(5.0)	(5.0)	(5.0)
440, 482	Repeal the ambulatory surgical center tax	GF	-	(18.0)	(9.4)	(9.9)	(10.4)
441-452	Provide Tax Amnesty for Certain Insurers	GF	-	7.5	0.2	0.2	0.2
453-460	Limit state recovery of public assistance payments	GF	-	(8.5)	(8.5)	(8.5)	(8.5)
461-462	Limit the liability of an individual for repayment of costs incurred while incarcerated	GF	-	(5.4)	(5.4)	(5.4)	(5.4)

Section	Policy	Fund	FY 22	FY 23	FY 24	FY 25	FY 26
477-478	Reduce Revenue Replacement from ARPA 2021 - Federal Stimulus	GF	(559.9)	(880.0)	-	-	-
16	Transfer to UCONN medical malpractice account	GF	(20.0)	-	-	-	-
15	Transfer to firefighters' cancer relief account	GF	(0.8)	-	-	-	-
59	Adjust transfer to the Pequot/Mohegan Fund	GF	-	-	-	-	-
479	Transfer from FY 22 to FY 23	GF	(125.0)	125.0	-	-	-

Sections 417 - 418 reduce the motor vehicle mill rate cap from 45 to 32.46 and make corresponding changes to the mill rate cap reimbursement grant formula. The revised FY 23 budget provides \$100 million for reimbursement.

Section 430 requires the Capital Region Development Authority to produce a report that analyzes the benefits and opportunity costs to the city of Hartford and the state of the Brainard Airport property. The bill provides \$1.5 million in carry forward funding to support this report.

Section 463 requires the Office of Early Childhood (OEC) to establish and administer the Start Early - Early Child Development Initiative to provide grants for research and early education service providers to support the growth and enhancement of a system of high-quality early childhood care and education and support services. The bill allocates associated ARPA funding of \$20 million for Learn to Grow to OEC for this purpose.

Section 464 expands penalties for violations of various provisions of the standard wage law, which results a potential minimal revenue gain from civil penalties to the extent there are violations found.

Section 465 adjusts the content and deadline for the biennial tax incidence study by the Department of Revenue Services, does not result in any fiscal impact. Under both the bill and current law the study

would next be due in FY 24, with an associated cost of approximately \$375,000 assuming it is produced by a third party.

Sections 466 - 467 establishes certain reporting requirements for municipalities, which has no fiscal impact. It also requires the Office of Policy and Management (OPM) to conduct a study regarding the notification process to gas, water and utility companies of certain state and municipal road projects. This has no fiscal impact as it is anticipated that OPM can conduct the study with existing resources.

Sections 468 - 469 expand the time period during which municipalities can issue 30-year deficit financing bonds. To the extent that this is used by municipalities, it has the potential to reduce annual debt service payments while increasing the total long-term cost of borrowing.

Section 470 prohibits, in certain circumstances, the Department of Economic and Community Development from removing a municipality's Enterprise Zone designation. Municipalities with enterprise zone designations are eligible for Distressed Municipalities grant funding. As such, the bill precludes 1) any reduction in the cost to fully fund the grant that would occur if a municipality was no longer eligible; and 2) any corresponding revenue loss such municipality would incur as a result.

Sections 471 - 472 establish the Connecticut Career Accelerator Program Account within OWS's CareerConneCT workforce training program. The initiative is anticipated to cost up to \$100,000 for a consultant and have costs associated with providing income share agreements to assist eligible participants with tuition cost of Commercial Driver's License training programs. The program is funded through \$5 million of GO bond funds, which are reflected in the bond authorization portion of the bill.

Sections 473 - 474 limit the use of contingency fee agreements in the assessment appears process. This has no fiscal impact.

Sections 475 – 476 which do not result in any fiscal impact to the state, clarify that the Capital Region Development Authority (CRDA) may solicit private investment funds from businesses to finance projects in conjunction with CRDA with certain terms and requirements. Under current practice, CRDA seeks out opportunities to leverage private investment for applicable projects.

Section 481 repeals the supplemental grant program for volunteer fire companies providing services on certain highways resulting in no fiscal impact to the state because the program is inactive.

Section 484 of the bill repeals section 201 of PA 21-2 which lapsed funding of \$449,124 on July 1, 2021 (FY 22) and will lapse funding of \$454,355 on July 1, 2022 (FY 23) for five positions in the SCSB. This results in funding for the SCSB to hire five new positions.

The Out Years

Fund	FY 24 \$			FY 25 \$		
	Revenue	Approp.	Surplus/ (Deficit)	Revenue	Approp.	Surplus/ (Deficit)
General	21,812.4	22,614.4	(802.1)	22,381.8	22,913.2	(531.4)
Special Transportation	2,274.9	2,014.9	260.0	2,268.1	2,091.3	176.8
Other Funds	281.1	280.7	0.4	281.1	280.7	0.4
TOTAL	24,368.4	24,910.1	(541.7)	24,649.9	25,004.5	(354.6)

Fund	FY 26 \$		
	Revenue	Approp.	Surplus/ (Deficit)
General	23,047.4	23,322.7	(275.3)
Special Transportation	2,267.7	2,157.1	110.6
Other Funds	281.1	280.7	0.4
TOTAL	25,596.2	25,760.6	(164.3)

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.