

# OFFICE OF FISCAL ANALYSIS

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sSB-5

AN ACT CONCERNING SCHOOL RESOURCES.

As Amended by Senate "A" (LCO 5277)

Senate Calendar No.: 147

## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Early Childhood, Off.	GF - Cost	Potential	Potential
Early Childhood, Off.; Social Services, Dept.	GF - Cost	See Below	See Below
Education, Dept.	GF - Cost	See Below	See Below
Education, Dept.	GF - Potential Savings	See Below	See Below
Treasurer - Debt Serv.	GF - Potential Cosr	See Below	See Below

Note: GF=General Fund

### **Municipal Impact:**

Municipalities	Effect	FY 25 \$	FY 26 \$
Local and Regional School Districts	See Below	See Below	See Below
Norwalk	Revenue Gain	See Below	See Below

## **Explanation**

The bill makes a variety of changes relating to the Office of Early Childhood, Department of Social Services, State Department of Education, and local and regional school districts. The impact of these changes is described by section below.

**Section 1** expands eligibility for the Care4Kids program to include parents or guardians of children who are enrolled in Medicaid and adds

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them to the priority intake and eligibility list. This makes families enrolled in Medicaid eligible without any of the work, job training, or education requirements.

This could result in a cost to the Office of Early Childhood (OEC) to the extent that more families qualify under the provisions of the amendment. OEC manages Care4Kids expenditures with the use of the waitlist which may be increased should more families qualify for Care4Kids.

**Sections 2 - 3** result in a cost to the State Department of Education, and corresponding revenue gain to Norwalk, of \$3,000 per suburban student annually beginning in FY 25. The sections allow suburban students to attend Norwalk schools as part of the Norwalk Open Choice program. The cost to SDE, and corresponding revenue gain to Norwalk, will vary based on the number of suburban students that attend Norwalk schools.

**Section 4** results in a cost to the Department of Social Services (DSS) and the Office of Early Childhood (OEC) beginning in FY 26 related to sharing Medicaid enrollment data for the purposes of applying for the child care subsidy program. The cost is dependent on the parameters of the MOU and how the information sharing is implemented. For example, the agencies may incur administrative costs of approximately \$250,000 annually to review and share relevant information, or the agencies may utilize and modify data systems to share relevant information, which could result in costs of up to \$2 million.

**Section 5** moves costs associated with the wholesome school meals pilot program from FY 24 - FY 26 to FY 25 - FY 27. The section also allows the State Department of Education to award fewer than five grants for the program. To the extent that SDE chooses to do this, there would be a savings of \$150,000 per grant.

PA 23-204, the FY 24 and FY 25 budget, provided funding of \$750,000 in both FY 24 and FY 25 for the program.

**Section 6** makes changes regarding the composition and responsibilities of the Indoor Air Quality Working Group. This has no fiscal impact as working group members have sufficient expertise to carry out the new responsibilities.

**Sections 7 - 8** shift costs incurred by the state and local and regional school districts regarding the testing of indoor air quality in schools and associated grant funding, beginning in FY 25.

The sections also extend the time period wherein districts do not need to be compliant with the uniform inspection by two years. To the extent that districts seek and are awarded grants in that time frame for projects that would otherwise be ineligible, this could result in both potential revenue gain for the district and increased or more rapid use of funds authorized for the program.

The program is primarily funded through General Obligation (GO) bond funds. Future General Fund debt service costs may be incurred sooner under the amendment 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. Since April 2023, \$225 million has been allocated for the program.

An additional \$150 million of GO bonds become effective on July 1, 2024 under current law. The amendment does not change GO bond authorizations relevant to the program. The amendment also allows local and regional school districts to conduct air quality inspections of 20 percent of the buildings under their jurisdiction each year, over the course of five years. This spreads the cost of such inspections over a five-year period, but does not reduce the overall cost of such inspections.

Senate "A" strikes the underlying bill and its associated fiscal impact and results in the above identified fiscal impact.

### ***The Out Years***

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

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