

OFFICE OF FISCAL ANALYSIS

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sSB-414

AN ACT CONCERNING EQUITY IN STATE EMPLOYMENT.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
State Comptroller - Fringe Benefits ¹	App Fund - Cost	1,100,000	1,500,000
Various State Agencies	App Fund - Cost	3,900,000	3,800,000

Note: App Fund=All Appropriated Funds

Municipal Impact: None

Explanation

The bill, which creates a Diversity, Equity and Inclusion division within 28 state agencies, is estimated to result in a cost of approximately \$5 million in FY 25 and \$5.3 million per year thereafter.²

The bill requires the creation of a director level position within each of these divisions which is estimated to cost approximately \$3.4 million per year in salary and other expenses costs associated with the 28 positions as well as an additional \$1.4 million per year in fringe benefit costs on an annualized basis.

The bill also places requirements on each division to develop programs, systems of data collection and analysis, and training programs. These requirements are anticipated to require \$1 million in

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.25% of payroll in FY 25.

² Annual salary and associated fringe are prorated for FY 25 because of the October 1, 2024 effective date within the bill.

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startup costs in FY 25 and annualized ongoing costs of \$483,000 per year (\$200,000 in other expenses, and two new positions costing \$200,000 in salary and \$83,000 in fringe benefits).

The Out Years

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

Sources: Department of Administrative Services website