

HB 6659 PRELIMINARY FISCAL NOTE

Appropriations Committee Meeting

April 18, 2023



OFFICE OF FISCAL ANALYSIS

Room 5200, Legislative Office Building

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HB 6659 - An Act Concerning the State Budget for the Biennium Ending June Thirtieth, 2025, and Making Appropriations Therefor

The Appropriations Committee budget includes appropriations in thirteen funds totaling approximately \$25.1 billion in FY 24 and \$25.9 billion in FY 25 as summarized in the table below.

Fund Summary

Gross Appropriations by Fund	FY 24 \$	FY 25 \$
General Fund	22,149,466,437	22,815,213,881
Special Transportation Fund	2,160,652,176	2,314,454,891
Mashantucket Pequot and Mohegan Fund	51,532,796	51,532,796
Banking Fund	34,459,959	34,891,951
Insurance Fund	135,475,420	138,311,227
Consumer Counsel and Public Utility Control Fund	36,529,066	37,039,047
Workers' Compensation Fund	28,835,998	29,128,141
Criminal Injuries Compensation Fund	2,934,088	2,934,088
Tourism Fund	16,526,453	16,526,453
Cannabis Social Equity and Innovation Fund	5,800,000	10,200,000
Cannabis Prevention and Recovery Services Fund	2,358,000	3,358,000
Cannabis Fund	10,096,526	10,247,420
Municipal Revenue Sharing Fund	547,098,417	547,098,417
Total Gross Appropriations	25,181,765,336	26,010,936,312
General Fund Lapses		
Unallocated Lapse	(48,715,570)	(48,715,570)
Unallocated Lapse - Judicial	(5,000,000)	(5,000,000)
CREATES Savings Initiative Lapse	(35,000,000)	(65,000,000)
Total General Fund Lapses	(88,715,570)	(118,715,570)
Transportation Fund Lapses		
Unallocated Lapse	(12,000,000)	(12,000,000)
Total Transportation Fund Lapses	(12,000,000)	(12,000,000)
Net Appropriations by Fund		
General Fund	22,060,750,867	22,696,498,311
Special Transportation Fund	2,148,652,176	2,302,454,891
Mashantucket Pequot and Mohegan Fund	51,532,796	51,532,796
Banking Fund	34,459,959	34,891,951
Insurance Fund	135,475,420	138,311,227
Consumer Counsel and Public Utility Control Fund	36,529,066	37,039,047
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Municipal Revenue Sharing Fund	547,098,417	547,098,417
Total Net Appropriations	25,081,049,766	25,880,220,742

Spending Cap

The budget is under the spending cap by \$0.2 million in FY 23, \$14.2 million in FY 24, and \$87 million in FY 25. These calculations include a deficiency appropriation of \$8.4 million in FY 23.

Growth Rate

The FY 24 growth rate for all appropriated funds is 3.7% over FY 23 appropriations. The FY 25 growth rate is 3.2% over FY 24. See the table below for details.

FY 24 and FY 25 Budget Growth Rates (by fund – in millions)

Fund	FY 23	FY 24	FY 24		FY 25	FY 25	
	Approp.	Approp.	Change		Approp.	Change	
	\$	\$	\$	%	\$	\$	%
General	22,089.2	22,060.8	(28.40)	-0.1%	22,696.5	635.75	2.9%
Transportation	1,826.2	2,148.7	322.49	17.7%	2,302.5	153.80	7.2%
Other Appropriated	280.7	871.6	590.95	210.5%	881.3	9.62	1.1%
TOTAL	24,196.0	25,081.0	885.0	3.7%	25,880.2	799.2	3.2%

Section 14 OPM may recommend reductions in executive branch expenditures to achieve budget savings in the General Fund by \$48,715,570 in FY 24 and FY 25.

Section 15 OPM shall recommend reductions in expenditures to achieve budget savings of \$35 million in FY 24 and \$60 million in FY 25 in CREATES.

Section 16 allows the Department of Social Services (DSS) and Department of Children and Families (DCF) to establish an account to allow for the receipt of reimbursement anticipated from the federal government. This allows the state to receive revenue as anticipated in the budget.

Section 17 exempts appropriations authorized for purposes of complying with Generally Accepted Accounting Principles (GAAP) from the quarterly allotment process pursuant to Section 4-85 of the Connecticut General Statutes (CGS). This provision has no fiscal impact since these funds are non-programmatic and are only used in conjunction to close out the end of the fiscal year in accordance with GAAP.

Section 18(a) OPM is authorized to transfer amounts appropriated for Personal Services from agencies to the Reserve for Salary Adjustment (RSA) account to reflect a more accurate impact of collective bargaining related costs.

Section 18(b) OPM is authorized to transfer funds from the RSA account to any agency in any appropriated fund for salary increases, accrual payments or any other personal services adjustment necessary.

Section 19(a) allows for the unexpended funds for collective bargaining costs (RSA) to be carried forward from FY 23 into FY 24 and FY 25.

Section 19(b) allows for the unexpended funds for collective bargaining costs (RSA) to be carried forward from FY 24 into FY 25.

Section 20 allows for the transfer of funds between agencies via the use of FAC to maximize federal matching funds. This allows any General Fund appropriation to be transferred between agencies to maximize federal funding with FAC approval. Funds generated through transfer may be used to reimburse GF expenditures or expand programs as determined by Governor and with FAC approval.

Section 21 allows for the adjustments to appropriations, with the approval of FAC, to maximize federal funding available to the state. This allows any General Fund appropriation to be adjusted by the Governor with FAC approval in order to maximize federal funding. The Governor shall present a plan for any such transfer.

Section 22 directs DSS to make Disproportionate Share (DSH) payments to hospitals in the Department of Mental Health and Addiction Services (DMHAS) for operating expense and related fringes. This allows the state to receive revenue as anticipated in the budget.

Section 23 transfers \$1 million in both FY 24 and FY 25 of Part B IDEA (federal funds) from SDE to the Office of Early Childhood for the Birth-to-Three Program.

Section 24 specifies funding of \$37.2 million in both FY 24 and FY 25 for three grant programs administered by the State Department of Education: (1) Priority School Districts (\$30,818,778), Extended School Hours (\$2,919,883) and School Accountability (\$3,412,207).

Section 25 suspends the Department of Children and Families' Single Cost Accounting System (SCAS) in FY 24 and FY 25, which results in the elimination of costs to the agency of \$734,581 in FY 24 and \$1,146,281 in FY 25 for SCAS' room and board rate increases for Private, in-state Residential Treatment Facilities (PRTFs). SCAS room and board rate increases for PRTFs have been suspended in every biennial budget since FY 04. Under SCAS, increases in the allowable residential care components over the previous year's rates are limited to: (A) the increase in the consumer price index plus 2%, or (B) the actual increase in allowable costs, whichever is less.

Section 26 clarifies the name of a recipient of a grant funded by carryforward funding through the Department of Economic and Community Development, which has no fiscal impact.

Section 27 provides up to \$1 million of carryforward funding to the Department of Emergency Services and Public Protection to support an emergency vehicle operations course.

Section 28 allows any funds for the Connecticut Youth Employment Program that remain unspent in FY 24 to be carried forward into FY 25.

Sections 29 and 30 pays off remainder of outstanding GAAP bonds using FY 23 appropriations, which results in annual savings on debt service payments through FY 28 and precludes the use of approximately \$121 million of revenue for GAAP payments annually for FY 24 through FY 28.

Sections 31 and 32 transfer \$94.2 million in FY 24 and \$83.3 in FY 25 from the GF to the Municipal Revenue Sharing Fund. This transfer will support the Supplemental Revenue Sharing grant, the Motor Vehicle tax grant, and the Tiered PILOT grant.

Section 33 requires the Department of Energy and Environmental Protection (DEEP) to report to the legislature quarterly, starting July 1, 2023, on the Passport to the Parks account. This has no fiscal impact to DEEP as the agency already provides reports to the Office of Fiscal Analysis.

Section 34 specifies, for both FY 24 and FY 25, the distribution of \$320,000 in Other Expenses funding and \$100,000 in Interdistrict Cooperation funding within the State Department of Education.

Section 35 precludes revenue gain to the General Fund of approximately \$2.1 million by suspending the Probate Court Administration Fund (PCAF) sweep in FY 23.

Section 36 requires the Office of Policy and Management (OPM) to allocate available funds for FY 24 to provide a one per cent cost-of-living adjustment to employees who provide state-administered human services. Funding of \$20 million is provided in both FY 24 and FY 25 in OPM’s Private Provider account to support this provision.

Summary of Carryforwards

Section	Agency	FY 24 \$	FY 25 \$	Purpose
37	Department of Social Services	32,000,000	-	Provide temporary grants to Federally Qualified Health Centers (FQHCs).
38	Department of Social Services	4,500,000	-	Provide funding to expand eligibility for Covered Connecticut program.
39	Department of Social Services	400,000	-	Provide funding for marketing and new employee incentives.
40	Department of Social Services	1,200,000	-	Provide funding to make necessary TFA System changes related to extending the time limit.
41	Department of Children and Families	400,000	-	Provide funding for marketing and new employee incentives.
42	Secretary of the State	2,000,000	2,000,000	Provide funding for voter public information campaign
43	Secretary of the State	1,000,000	-	Provide funding to implement early voting.
44	Department of Agriculture	150,000	150,000	Providing funding for Brass City Regional Food Hub.
45	Department of Economic and Community Development	1,305,461	-	Provide funding for Amistad Repairs
46	Department of Economic and Community Development	235,489	235,489	Provide Funding for the International Festival of Arts and Ideas.
47	Office of Legislative Management	7,000,000	-	Providing funding for improvements to the Legislative Office Building and the State Capitol building.
48	Office of Legislative Management	800,000	-	Providing funding for improvements to the Legislative Office Building and the State Capitol building.
49	Auditors of Public Accounts	250,000	-	Provide funding to upgrade computer systems and software.
50	Department Emergency Services and Public Protection	200,000	-	Provide funds to establish the Law Enforcement Memorial Account.

Section	Agency	FY 24 \$	FY 25 \$	Purpose
51	Department Emergency Services and Public Protection	100,000	-	Provide funding for the Police Officers Standards and Training to develop guidelines for domestic violence protective orders.
52	Department Emergency Services and Public Protection	3,000,000	-	To provide grants to municipalities for remove PFAS from fire department apparatus.
53	Department of Economic and Community Development	150,000	-	To provide one-time funds for the Greater Hartford Foundation for the Travelers Championship.
54	Department of Economic and Community Development	40,000	-	To provide one-time funds to the Mystic Chamber of Commerce.
55	Department of Housing	175,000	-	To provide one-time funds for the Angel of Edgewood, Inc.
56	Office of Health Strategy	8,000	-	Provide funds to purchase equipment.
57	Department of Energy and Environmental Protection	750,000	-	Provide funds to study the procurement processes, policies, procedures, and timelines associated with procuring standard service and supplier of last resort service.
58	Department of Energy and Environmental Protection	2,000,000	-	To provide grants to the three state recognized tribes for work on their reservations.
59	Department of Social Services	100,000	-	To provide funding to support a study on MED-Connect and the potential for expanding eligibility for the program.
60	Office of Early Childhood Education	2,500,000	2,500,000	Providing funding for the extension of the Workforce Pipeline Pilot program.
61	Department of Transportation	250,000	-	Provide funding for the development and construction of a fallen worker memorial.
62	University of Connecticut	40,000,000	20,000,000	Provide funding for temporary operating support.
63	Connecticut State Colleges and Universities	20,000,000	-	Provide funding for temporary operating support.
64	Connecticut State Colleges and Universities	18,000,000	-	Provide funding for temporary operating support.
65	Connecticut State Colleges and Universities	14,000,000	-	Provide funding for temporary operating support.

Section	Agency	FY 24 \$	FY 25 \$	Purpose
66	Connecticut State Colleges and Universities	3,000,000	-	Provide funding for temporary operating support.
67	Connecticut State Colleges and Universities	-	16,000,000	Provide funding for temporary operating support.
68	Connecticut State Colleges and Universities	-	5,000,000	Provide funding for temporary operating support.
69	Connecticut State Colleges and Universities	-	4,000,000	Provide funding for temporary operating support.
70	Connecticut State Colleges and Universities	-	2,500,000	Provide funding for temporary operating support.
71	University of Connecticut Health Center	9,000,000	-	Provide funding for temporary operating support.
72	University of Connecticut Health Center	5,000,000	-	Provide funding for temporary operating support.
73	University of Connecticut Health Center	6,000,000	-	Provide funding for temporary operating support.
74	University of Connecticut Health Center	3,000,000	-	Provide funding for temporary operating support.
75	University of Connecticut Health Center	3,300,000	-	Provide funding for temporary operating support.
76	University of Connecticut Health Center	3,500,000	-	Provide funding for temporary operating support.
77	University of Connecticut Health Center	3,000,000	-	Provide funding for temporary operating support.
78	University of Connecticut Health Center	2,200,000	-	Provide funding for temporary operating support.
79	University of Connecticut Health Center	-	2,000,000	Provide funding for temporary operating support.
80	University of Connecticut Health Center	-	1,500,000	Provide funding for temporary operating support.
81	University of Connecticut Health Center	-	1,000,000	Provide funding for temporary operating support.

Section	Agency	FY 24 \$	FY 25 \$	Purpose
82	University of Connecticut Health Center	-	2,500,000	Provide funding for temporary operating support.
83	University of Connecticut Health Center	-	1,000,000	Provide funding for temporary operating support.
84	University of Connecticut Health Center	-	1,000,000	Provide funding for temporary operating support.
85	University of Connecticut Health Center	-	1,500,000	Provide funding for temporary operating support.
86	University of Connecticut Health Center	-	1,500,000	Provide funding for temporary operating support.
87	University of Connecticut Health Center	-	2,500,000	Provide funding for temporary operating support.
88	University of Connecticut Health Center	-	1,500,000	Provide funding for temporary operating support.
89	University of Connecticut Health Center	-	1,500,000	Provide funding for temporary operating support.
90	Department of Housing	-	unexpended balance	Continue funding for project longevity housing vouchers to be issued in Hartford, Waterbury, Bridgeport, and New Haven.

Section 91 reallocates approximately \$470 million in American Rescue Plan Act (ARPA) funding from FY 22 and FY 23 and designates the funds for initiatives in FY 24 and FY 25.