



Office of Fiscal Analysis

PRELIMINARY FISCAL NOTES

Introduction

Below is a summary of preliminary fiscal notes on today's agenda. These estimates were prepared under a short time frame and could be revised after further analysis. For bills on the agenda with proposed substitutes, the fiscal impact is based on the substitute language.

1. **HB 6660 - An Act Implementing the Governor's Budget Recommendations for General Government** *- proposed substitute language*

Section 5 requires the Department of Economic and Community Development to pay for the administration of the Community Investment Fund 2030 (CIF) program within available appropriations and not with bond funding. This codifies current practice as two positions funded through the General Fund currently support the CIF. Additionally, sHB 6659, the FY 24 and FY 25 budget bill, provides one additional position and funding of \$96,635 in FY 24 and \$97,045 in FY 25 to support the CIF.

Sections 6 and 7 eliminates the sales tax transfer of 0.5 percentage points of the 6.35% rate to the Municipal Revenue Sharing Account and instead transfers the funds to the Municipal Revenue Sharing Fund beginning in FY 24. The current projected revenue to be transferred to MRSA is \$453.4 million in FY 24 and \$464.2 million in FY 25.

Section 8 requires payment of the following grants from the MRSF, beginning in FY 24: (1) motor vehicle property tax grants paid out by August 1st annually, (2) PILOT grants, and (3) the supplemental revenue sharing grant paid out by October 31st annually. The bill requires that the amount of each grant will be reduced proportionately if the total exceeds the amount appropriated.

Section 8 also requires any remaining funds in MRSF accrued during each fiscal year, be paid out by October 1st following the end of the previous fiscal year as the municipal revenue sharing grant. It is expected there will be approximately \$400,000 to be paid out in FY 25 for this grant (from funds remaining after the FY 24 grant payments). This amount is dependent on the sales tax revenue diversion and the final payments for each grant paid out of MRSF.

Sections 9 - 11 make technical and conforming changes to the Tiered PILOT statutes. This does not result in a fiscal impact.

Sections 13 and 14 eliminate payments from the Municipal Revenue Sharing Account (MRSA). This does not result in a fiscal impact as the grants are transferred to MRSF.

Sections 17 - 20 modifies the Social Equity and Innovation Fund and the Prevention and Recovery Services Fund created under PA 21-1 JSS. Specifically, the bill (1) renames the funds as the Cannabis Social Equity and Innovation Fund and the Cannabis Prevention and Recovery Services Fund and (2) establishes them as a separate non-lapsing funds subject to appropriation by the General Assembly.

Sections 24 - 27 increases compensation for judges, judge trial referees, family support magistrates, and family support referees by 2% in each fiscal year resulting in an estimated cost of \$1,360,000 in FY 24 and \$2,740,000 in FY 25.



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2. SB 1213 - An Act Concerning the Mashantucket Pequot and Mohegan Fund

The bill results in a revenue gain to towns beginning in FY 26 as the Mashantucket Pequot and Mohegan Grants to Towns will increase by approximately \$87.9 million, to a total of \$139.38 million (in FY 26 and annually thereafter). There will be a corresponding revenue loss to the General Fund beginning in FY 26 to provide the funds necessary for this grant increase.

3. SB 1214 - An Act Concerning Fully Funding Payments In Lieu of Taxes to Municipalities - *proposed substitute language*

The substitute bill establishes a task force to study the practice of making payments in lieu of taxes to municipalities and the spending cap resulting in no fiscal impact to the state because the task force has the expertise to meet the requirements of the bill.

4. SB 1215 - An Act Concerning Small Hospitals - *proposed substitute language*

The substitute bill enables DDS contracted private providers to use remaining funding received under the DDS settlement agreement to support their employees who work in DSS funded Intermediate Care Facilities for individuals with Intellectual Disability (ICF/ID). The providers must use the funds for the purpose of the same wage and benefit enhancements received by their DDS contracted employees. To the extent that DDS would have retained any remaining funding, state savings associated with the retention is reduced.

5. SB 1216 - An Act Concerning Funding for Student Meals

The bill requires the Departments of Education, Social Services, and Public Health to jointly conduct a study, by October 1, 2023, regarding the need for students to receive free meals and the cost of doing so. This has no fiscal impact, as it is anticipated that the agencies can complete the requirement with existing resources.

6. SB 1217 - An Act Concerning Payments by Insurance Companies for Deposit into the Insurance Fund

The bill modifies the Insurance Fund general assessment but has no fiscal impact to the state as it does not change the total revenue being collected. The bill requires that only insurers and HMOs writing health insurance be assessed to fund the Office of the Healthcare Advocate (OHA) and the Office of Health Strategy (OHS) budget portions. Currently, all domestic insurers pay a share of the assessment based on their tax liability. The general assessment funds the budgets of the Insurance Department, OHA, OHS, and various other accounts.



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7. SB 1218 - An Act Concerning the Teachers' Retirement Board's Recommendations for Changes to the Teachers' Retirement System Statutes – proposed substitute language

The substitute bill, which does not result in a fiscal impact, makes various changes to the statutes governing the Teachers' Retirement System that serve to clarify the administration of benefits.

These changes include: (1) clarifying the definition of employer and public school by including dates for sunset groups; (2) clarifying that a member's application for retirement is irrevocable on the date the member retires and (3) removing an outdated reference to the teachers' retirement system.

8. SB 1219 - An Act Concerning Fully Funding Excess Costs for Special Education

The bill requires the State Department of Education to conduct a study, by October 1, 2023 concerning the cost of fully funding the Excess Cost grant and the provision of special education services. This has no fiscal impact, as it is anticipated that SDE can complete the requirement with existing resources

9. HB 5250 - An Act Establishing a Grant Program to Reimburse Municipalities for Costs Related to Removal of Pfas from Fire Apparatus

The bill requires the Department of Emergency Services and Public Protection (DESPP) to administer a grant program in FY 24 and FY 25 to provide funding to any municipality for the purpose of removing perfluoroalkyl and polyfluoroalkyl substances (PFAS) from fire apparatus, resulting in a potential cost to the state and potential revenue gain to municipalities. Carryforward funding of \$3 million is allocated to DESPP in FY 24 to administer this program.

10. HB 5363 - An Act Establishing an Account to Compensate Families of Law Enforcement Officers Killed in the Line of Duty

The bill establishes a non-lapsing account within the General Fund called the "law enforcement officer memorial account" for the purpose of providing grants to the families of law enforcement officers killed in the line of duty. Carryforward funding of \$200,000 is allocated to this account in FY 24. The Department of Emergency Services and Public Protection (DESPP) is responsible for expending funds in the account. The department may use limited funds in the account to cover administration costs and may establish a grant application process. The bill also requires DESPP to submit an annual report to the General Assembly, which is not expected to result in a fiscal impact.

11. HB 6489 - An Act Concerning Retiree Members of the Teachers' Retirement Board

The bill, which requires the election of two additional retiree members of the Teachers' Retirement Board (TRB), will result in election costs to the TRB of approximately \$51,000 at the time of the election.

12. HB 6896 - An Act Concerning Early Childhood

The bill, which requires the Office of Early Childhood to conduct a study of various childhood issues, is not expected to result in a fiscal impact.



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13. HB 6897 - An Act Concerning the Mobile Narcotic Treatment Program

The bill, which requires the Department of Mental Health and Addiction Services (DMHAS) to report on the activities of the mobile narcotic treatment program and make recommendations by 10/1/23, is not anticipated to result in a fiscal impact.

14. HB 6898 - An Act Concerning Expenditure of Funds from the Juul Labs Settlement

The bill requires the Office of the Attorney General (OAG), no later than October 1, 2023, to report to the Appropriations Committee on the settlement agreement with Juul Labs and prescribes what information the report must contain. This is not anticipated to result in a fiscal impact to OAG as the agency currently employs staff who are able to issue the report using existing resources.

15. HB 6899 - An Act Concerning Access by the Legislative Office of Fiscal Analysis to Certain Education Data

The bill requires certain information to be provided by the State Department of Education to the Office of Fiscal Analysis. This has no fiscal impact, as it is anticipated that SDE can complete the requirement with existing resources.

16. HB 6900 - An Act Concerning the Behavioral and Mental Health Policy Oversight Committee - *proposed substitute language*

The substitute bill modifies the name of the committee, alters the committee appointments, changes the reporting date, and makes various technical changes resulting in no fiscal impact to the state.

17. HB 6901 - An Act Concerning a Student Loan Reimbursement Program for Certain Professionals - *proposed substitute language*

The substitute bill results in a significant annual cost to the Office of Higher Education (OHE) beginning in FY 24 associated with a student loan reimbursement program for certain individuals employed in Connecticut. 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 24 and beyond, resulting in annual salary expenses of approximately \$90,000 in FY 24 and \$92,250 in FY 25 and corresponding fringe benefit costs of approximately \$38,538 in FY 24 and \$39,501 in FY 25. Additionally, OHE would require up to \$50,000 in FY 24, associated with software and information technology upgrades.

18. HB 6902 - An Act Concerning Youth Service Bureaus and Establishment of a Juvenile Diversionary Program

Section 1, which requires the Department of Children and Families (DCF) and the Court Support Services Division of the Judicial Branch to jointly establish and operate a Diversion First program in one or more municipalities with a population of over 90,000 people, results in a significant cost to both agencies. The extent of the agencies' costs will vary based on the number of municipalities chosen for



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the program to operate in, the number of juveniles diverted to the program, and the array of services that the program will provide.

Section 2, which requires DCF to implement performance improvement plans for Youth Service Bureaus (YSBs) that do not meet certain minimum performance standards, results in a significant cost to DCF beginning in FY 24 for staff or consultants to perform YSB evaluations and develop these plans. DCF does not currently perform YSB program evaluations. There is also a potential cost beginning in FY 24 to certain municipalities with a population of less than 70,000 to establish a YSB, to the extent that they do not already have one. This cost may be partially mitigated by state or federal funding. There are also potential costs to municipalities beginning in FY 24 that have an established YSB to meet the additional requirements outlined in this section of the bill. There are currently 103 municipalities that are covered by a partially state funded YSB. This leaves 31 municipalities that are unfunded by state allocations.

19. SB 10 - An Act Promoting Access to Affordable Prescription Drugs, Health Care Coverage, Transparency in Health Care Costs, Home and Community-Based Support for Vulnerable Persons and Rights Regarding Gender Identity and Expression

Sections 2 - 4 result in potential out year costs to the Insurance Department for additional staff and a potential out year General Fund revenue gain through the Attorney General from fines, both beginning in FY 26, by adopting price caps on certain drugs, as negotiated by the federal government for Medicare, and other related requirements of the bill.

Section 8 results in costs to the Office of the State Comptroller of \$101,621 and \$43,514 in associated fringe benefits costs in FY 24 and FY 25 resulting from an additional staff member to support participation in a multistate prescription drug consortium. There is no fiscal impact to establish a prescription drug discount program.

Section 10 mandates at least two licensed clinical social worker visits for each individual enrolled in home and community-based services waivers administered by the Department of Social Services. This results in significant costs to DSS and would be based on the number of clients receiving services, the rate paid, and the extent to which individuals are receiving services regardless of need.

Section 11 results in a cost to the Department of Social Services associated with designing and implementing a program to provide Medicaid reimbursement to certified community health workers. The extent of cost to the state depends on the Medicaid rate to be established and the utilization of services provided by community health workers.

Section 13 results in a cost to the Department of Social Services of \$16.5 million in FY 24 and \$43.3 million in FY 25 to increase the income limit for the CoveredCT program to 200% of the Federal Poverty Level.

Section 14 results in additional program costs to the Department of Social Services to the extent the plan to expand income eligibility up to 300% FPL is approved and implemented.



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Section 15 results in a one-time cost of up to \$75,000 to the Department of Revenue Services in FY 24 associated with programming updates to the CTax tax administration system and myconneCT online portal, as well as form modification.

Section 16, which requires the Department of Public Health and municipal registrars of vital statistics to issue a new birth certificate to reflect a parent's legally changed name, upon the receipt of certain documents and a fee of \$30 for DPH or \$20 for municipalities, results in a potential minimal revenue gain to the General Fund and various municipalities starting in FY 24, to the extent that new birth certificates are issued due to parents legally changing their names.

20. SB 301 - An Act Requiring the Provision of All-Terrain Wheelchairs at State Parks

The bill: (1) requires that the Department of Energy and Environmental Protection (DEEP), by October 1, 2023, choose five state parks or campgrounds for the availability of all-terrain wheelchairs, and (2) specifies that DEEP must provide, at no charge to patrons, two all-terrain wheelchairs at the locations that the agency chooses, by April 1, 2024. HB 6659 provides \$500,000 in FY 24 in ARPA funding for this purpose.

21. sSB 412 - An Act Increasing Medicaid Rates for Complex Care Nursing Services – proposed substitute language

The substitute bill results in a cost to the Department of Social Services (DSS) of approximately \$600,000 in FY 24 and \$1,350,000 in FY 25 associated with aligning complex care nursing services rates for adults with those established for pediatric patients, effective 1/1/24.

22. sSB 634 - An Act Concerning Municipal Veterans Services

The bill: (1) requires municipalities to establish a municipal veterans advisory committee by ordinance, (2) allows municipalities to make funds available for the committee to carry out duties and responsibilities, and (3) requires each municipality to appoint a director of municipal veterans' services. The bill allows municipalities to jointly carry out the duties of this bill regarding the veterans advisory committee and the director of municipal veterans' services under a memorandum of agreement. This results in a potential cost to municipalities beginning in FY 24. The extent of these costs is dependent on the structure of each municipal veterans advisory committee and any funds provided by a municipality. Municipalities that do not already have a director of municipal veterans' services will be required to appoint one. This could result in a cost of up to \$100,000 annually.

The bill also requires the Office of Advocacy and Assistance within the Department of Veterans' Affairs to increase the number of Veteran Service Officers from six to eight, which results in a cost of approximately \$137,000 in FY 24 and FY 25.

23. sSB 946 – An Act Concerning the Connecticut Home-Care Program for the Elderly

The bill results in increased costs to the Department of Social Services (DSS) associated with (1) decreasing client cost sharing requirements under the Connecticut Home Care Program from three percent to two percent of the cost of care resulting in a cost to DSS of approximately \$400,000 annually,



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and (2) requiring that family caregivers, including spouses, be compensated for personal care assistance services.

24. sSB 977 - An Act Concerning Medical Assistance for Surgery and Medical Services Related to Treatment of Obesity

The bill results in a cost to the Department of Social Services (DSS) associated with expanding the number of individuals eligible for interventions related to the treatment of obesity under Medicaid. The extent of the cost is based on the number of clients eligible and services required.

25. SB 978 - An Act Concerning Expansion of the Covered Connecticut Program - *proposed substitute language*

The substitute bill results in a cost to the Department of Social Services (DSS) due to expanding eligibility for the Covered CT program from 175% of the federal poverty level (FPL) to 200% FPL, effective 1/1/24. This results in a cost of approximately \$4.5 million in FY 24 and \$37 million in FY 25.

26. sSB 1001 - An Act Concerning Certain Sewage Disposal Systems - *proposed substitute language*

The substitute bill is anticipated to result, starting in FY 24, in an annual cost to the Department of Public Health of approximately \$180,000 and an annual cost to the Office of the State Comptroller - Fringe Benefits of \$70,076, for two full-time employees to inspect and permit small community sewerage systems and small commercial subsurface sewerage disposal systems.

27. SB 1008 - An Act Concerning Legal Representation for Children in Certain Proceedings in the Superior Court

The bill expands the length of time that young adults served by the Department of Children and Families can access legal representation through the Public Defender Service Commission to age 23 which results in an estimated cost of \$250,000.

28. sSB 1052 - An Act Concerning Area Agencies on Aging - *proposed substitute language*

The substitute bill amends the area agencies on aging statutes to require the agencies to employ staff to help consumers navigate and obtain needed services. It is anticipated that each of the five area agencies on aging will require two navigator positions at a cost of \$50,000 per position (total cost of \$500,000 annually for 10 positions).

29. sSB 1053 - An Act Establishing a Task Force to Study and Make Recommendations Concerning the Elderly Nutrition Program - *proposed substitute language*

The substitute bill establishes a task force to study and make recommendations concerning the elderly nutrition program administered by the Department of Aging and Disability Service and has no fiscal impact.



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30. sSB 1096 - An Act Concerning the Charter School Approval Process

The bill eliminates the initial certificate of approval for new charter schools and establishes a non-lapsing charter school approval grant account to fund new charter schools, beginning in FY 24. It requires the State Department of Education (SDE) to provide funding from the account to any charter school that received an initial certificate of approval between March 1, 2023 and July 1, 2023, or any charter school that is approved after July 1, 2023. The funding is for each new charter school in the fiscal year immediately following SDE approval. The bill additionally limits SDE approval of new charter schools to two per fiscal year, beginning in FY 24, which limits the account's expenditures in FY 25 and beyond.

The bill specifies that any funding in the Charter Schools account that would otherwise lapse at the end of any fiscal year shall be deposited into the charter school approval grant account, beginning in FY 23. The account may also accept appropriations.

31. sSB 1109 - An Act Concerning Medicaid Reimbursement to Community Living Arrangements, Intermediate Care Facilities for Individuals with Intellectual Disabilities, Residential Care Homes and Nursing Facilities – *proposed substitute language*

The substitute bill makes various clarifying and conforming changes that are not anticipated to result in a net fiscal impact to the state.

32. sSB 1128 - An Act Concerning Certain Property Tax Exemptions for Veterans

The bill: (1) increases state-reimbursed and municipal option property tax exemptions for certain veterans and (2) provides a full property tax exemption for veterans with 100% disability. This results in a cost to the state to reimburse the increased exemption amount for veterans beginning in FY 25 and a decrease in municipality's grand list beginning in FY 25. If the full property tax exemption had been in place for FY 21, it would have resulted in an estimated revenue loss among towns of up to \$33.9 million.

33. sSB 1199 – An Act Concerning Equity in Education - *proposed substitute language*

Section 1 requires the State Department of Education (SDE) to establish an educator apprenticeship initiative beginning in FY 24 and requires SDE to seek certification from the Department of Labor for the purpose of leveraging Federal funding for this purpose. Any impact associated with this provision would depend on the extent to which Federal funding is used for the initiative. Apprenticeships certified by the Department of Labor involve paid positions.

Sections 2 and 3 require local and regional school districts to establish plans for increasing educator diversity, submit the plans to SDE for review and approval, and, beginning in FY 25, implement the plans. This has no fiscal impact as it is anticipated that districts and SDE can complete the requirements with existing resources.

Sections 4 and 12 establishes the Aspiring Educators Diversity Scholarship Program for eligible students to receive scholarships of up to \$10,000 per year of enrollment in teacher preparation programs. HB 6659 provides funding of \$3 million in FY 24 and \$9 million in FY 25 to fund the



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scholarship. It also provides funding of \$250,000 in both FY 24 and FY 25 to administer the program. Section 4 contains scholarship repayment provisions for recipients who are not employed as teachers for three consecutive years immediately following graduation from a teacher preparation program, which may result in a revenue gain to the General Fund in the out years.

Sections 5 to 8 make technical changes and have no fiscal impact.

Section 9 allows the State Department of Education to issue adjunct professor permits to instructors at institutions of higher education to allow them to teach in local and regional school districts. This has no fiscal impact, as it is not anticipated to change the cost to districts of educator personnel.

Section 10 expands the state model curriculum to include cursive and, beginning in kindergarten, world languages. The bill allows districts to incorporate some of the curriculum without adopting all of it and maintains that use of the model curriculum is an option (not a requirement). Districts that choose to implement the world languages aspect of the model curriculum may incur a cost.

Section 11 allows completion of a Learner Engagement and Attendance Program or other credit recovery program to count toward a district's graduation requirements. This has no fiscal impact as it does not change the curriculum any district is required to offer.

Section 13 requires certain Open Choice grant funding that would otherwise lapse to be used to provide services to students participating in the Open Choice program. The bill specifies that any lapsing funding in excess of \$1 million, up to \$2 million, shall be used for this purpose.

34. sHB 5001 - An Act Concerning Resources and Support Services for Persons with an Intellectual or Developmental Disability

The bill results in costs to various state agencies associated with providing the services and benefits established by the bill. The significant costs to the Department of Developmental Services (DDS) and the Department of Social Services (DSS) are detailed by section below.

Section 1 requires DDS to establish a Transition Academy for Independent Living program to provide transitional tools and life skills development for intellectually or developmentally disabled participants who are at least twenty-two years of age to assist in the transition to living independently through a DDS residential program. It is estimated that to establish the program in three locations across the state it will cost DDS approximately \$4.2 million annually (\$1.4 million per location) when fully operational. Additionally, the establishment of the program would require approximately \$3.5 million in bond funds to support the total renovation costs associated with the three future program locations ranging from \$650,000 to \$1.5 million per location.

Section 4 requires DSS and DDS to reduce the waiting list for DDS residential services. The DDS waiting list for individuals with no residential services was 685 individuals as of January 1, 2023. The average annual per person cost of residential services for this group ranges from \$47,000 for in home supports to \$112,000 for support in a group home. The cost per individual varies by the assessed level of need (LON). Providing additional individuals with residential services may also increase costs for rental assistance in DDS and room and board costs related to group homes in DSS.



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The actual cost to reduce the waiting list is dependent upon the number of individuals funded for services and the time period in which services are provided. The annualized cost to fully fund all 685 individuals on the wait list is approximately \$50 million, which would likely be incurred gradually as individuals are able to access services over the next several years. There may also be additional capital costs to purchase or renovate group homes that cannot be quantified at this time. DDS community residential services are covered under the Home and Community Based Services Waiver and the state receives 50% federal Medicaid reimbursement which is deposited to the General Fund.

Section 6 requires DSS and OPM to expand Medicaid waiver programs for persons with autism spectrum disorder to allow at least 600 persons on the waiting list to receive services, resulting in annualized state Medicaid costs of at least \$7.2 million. This assumes funding for additional case managers as well as program services.

Sections 7 & 8 result in significant costs to DSS due to increasing income and asset limits for HUSKY C. HUSKY C provides Medicaid coverage for individuals who are elderly or disabled. The increase in income and asset limits are anticipated to result in costs of at least \$30 million in FY 24 and \$70 million in FY 25.

35. HB 6386 - An Act Concerning Safeguarding the Rights, Health, Finances and Quality of Life of Nursing Home Residents

The bill could result in a revenue gain associated with (1) increasing the civil penalty the Department of Social Services (DSS) can impose from 50% to 75% of the value of wage enhancement funds received by a nursing home, and (2) allowing the Department of Public Health to impose a civil penalty on nursing homes for noncompliance. The extent of the revenue gain is based on the number and amount of penalties imposed.

36. sHB 6616 - An Act Concerning Expansion of Husky Health Benefits to those Ineligible Due to Immigration Status - *proposed substitute language*

The substitute bill results in a cost to the Department of Social Services (DSS) due to expanding HUSKY Health coverage for children, regardless of immigration status, from age 12 to age 15, effective 7/1/24. This results in a cost of approximately \$3 million in FY 25.

37. sHB 6627 - An Act Concerning the Office of The Attorney General's Proposed Remedies for Deficient Long-Term Care

The bill allows the Office of the Attorney General (OAG) to investigate and prosecute certain alleged violations of long-term care laws and regulations and establishes minimum fines and damages for violations. This may result in a General Fund revenue gain associated with the issuance of civil penalties and damages. To the extent any costs are incurred by OAG for investigation and prosecution, the bill allows the agency to recover them from the violator.



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38. sHB 6665 - An Act Concerning the Governor's Budget Recommendations for Health and Human Services – proposed substitute language

Sections 1 - 3 and 12 - 16 require the Office of Policy and Management (OPM) to serve as the lead agency responsible for coordinating autism services across state agencies and school districts that directly provide for or oversee services for individuals on the autism spectrum. This results in a cost of approximately \$90,200 in FY 24 and FY 25 (as well as associated fringe costs) to support an additional staff position for this purpose.

Section 4 results in additional costs to the Department of Social Services (DSS) related to changes to the Temporary Family Assistance (TFA) program. Increased costs are due to (1) increasing the asset limit from \$3,000 to \$6,000, resulting a cost of \$760,000 in FY 24 and \$3.3 million in FY 25, and (2) increasing the income disregard from 100% of the federal poverty level (FPL) to 230% FPL, resulting in a cost of \$1.2 million in FY 24 and \$3.1 million in FY 25.

Section 5 results in a cost of \$140,000 in FY 24 and \$480,000 in FY 25 due to increasing the asset limit under the State Administered General Assistance (SAGA) program from \$250 to \$500.

Section 6 results in a cost of \$383,00 in FY 24 and \$515,200 in FY 25 to reflect allowing individuals seeking coverage to receive Supplemental Assistance benefits for up to 90 days prior to the date of application if otherwise eligible for the program.

Sections 7, 10 and 11 result in a savings of \$4,372,000 in FY 24 due to eliminating statutory rate increases for residential care homes and rated housing facilities in FY 24.

Section 11 also results in a cost of \$5.2 million in both FY 24 and FY 25 due to rebasing rates for residential care homes (RCHs) based on 2022 cost reports.

Sections 8 and 9 result in a savings of \$37.8 million in FY 24 and \$63.7 million in FY 25 due to eliminating statutory rates increases for nursing homes and intermediate care facilities (ICFs).

39. sHB 6701 - An Act Concerning Funeral Assistance for Persons of Limited Income – proposed substitute language

The substitute bill results in a cost to the Department of Social Services (DSS) of \$1.2 million in FY 25 due to increasing the funeral and burial allowance to \$1,800, effective 7/1/24.

40. HB 6881 - An Act Concerning Various Revisions to the Education Statutes Related to Educator Compensation and Paraeducators – proposed substitute language

The substitute bill results in costs expected to exceed \$500 million annually beginning in FY 24 to the Office of the State Comptroller (OSC) and local and regional school districts. The bill also results in potential, one-time costs in FY 24 to the State Department of Education.



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The substitute bill results in significant costs to local and regional school districts by increasing salaries for educators and paraeducators as well as expanding health care and retirement benefits for paraeducators. These costs are expected to exceed \$500 million annually beginning in FY 24.

These costs are associated with the following provisions:

- Any collective bargaining agreement negotiated by a local or regional school district and collective bargaining unit after the bill's passage must maintain minimum salary schedules as follows: (1) for educators, minimum salaries at least 3.25 times the Federal poverty level (currently \$64,090); and (2) for paraeducators, minimum salaries at least 3.75 times the Federal poverty level (currently \$73,950).
- Local and regional school districts must offer the Municipal Employee Health Insurance Plan to paraeducators.
- Local and regional school districts must make the full employee contribution to the Municipal Employee Retirement System (MERS) for each paraeducator.

Correspondingly, the proposed bill is anticipated to result in costs that are likely to exceed \$500 million to OSC annually beginning in FY 24 by requiring OSC to provide: (1) grants to towns to supplement salaries of educators and paraeducators for FY 24 and FY 25, (2) payments to local or regional boards of education of at least 50% of the cost of healthcare coverage for paraprofessionals annually beginning in FY 24, and (3) payments to local and regional boards of education of at least 50% of the cost to each board for its payment of the employee contribution to MERS. The bill does not provide funding for these purposes. To the degree funding is provided, costs to local and regional school districts would be at least partially offset.

Additionally, the substitute bill requires districts to schedule paraeducators for at least 20 hours per week. This results in a cost annually beginning in FY 24 to districts to the extent that it increases the total number of paraeducator hours worked.

The substitute bill results in a cost to the State Department of Education by requiring the public school information system (PSIS) to include certain information about paraeducators. This is expected to result in a one-time cost in FY 24 associated with modifying PSIS to track this information.

Lastly, the substitute bill makes several changes regarding paraeducators that have no fiscal impact.

41. HB 6884 - An Act Concerning the Recruitment, Retention and Enhancement of the Teaching Profession

The bill results in significant costs to local and regional school districts annually beginning in FY 24. It also results in (1) a potentially significant revenue loss to the General Fund annually beginning in FY 24; and (2) a significant cost to the General Fund by increasing the unfunded liability of the Teachers' Retirement System.

The bill results in significant costs to local and regional school districts due to requiring any collective bargaining agreement negotiated by a district and collective bargaining unit after the bill's passage to maintain a minimum salary for teachers equal to \$58,320 (four times the July 1, 2023 Federal poverty level for one person).



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The bill results in a potentially significant revenue loss to the General Fund annually beginning in FY 24 by establishing a \$500 income tax credit for teachers that hold initial or provisional educator certificates. There were approximately 42,000 certified teachers in Connecticut in the 2022-23 school year. It is not known how many of them held initial educator certificates or provisional educator certificates.

The bill amends the Teachers' Retirement System (TRS) statutes and provides a lifetime pandemic bonus to the retirement benefit of qualified teachers retiring after July 1, 2026. The bonus multiplier increases over time until reaching a maximum on July 1, 2035. The resulting increase to the TRS unfunded liability and actuarially determined employer contribution that is paid by the state are anticipated to be significant and must be calculated by the TRS actuary pursuant to CGS 10-183z. As of the June 30, 2022 actuarial valuation, the TRS has a funded ratio of 57.02%. The funded ratio of the system is the ratio of actuarial assets divided by the actuarial accrued liability as of the valuation date.

The bill changes the kindergarten entry age of 5 from January to September which would likely impact the Office of Early Childhood (OEC) expenditures on child care and school readiness programs to the extent that OEC is required to provide continuity of services for those children impacted by the provisions of the bill.

The bill establishes criminal penalties for threatening or harassing a teacher. The bill results in a potential cost to the General Fund for incarceration or probation and a potential revenue gain from fines. On average, the marginal cost to the state for incarcerating an offender for the year is \$2,500^[1] while the average marginal cost for supervision in the community is less than \$800^[2] each year.

The bill makes other changes regarding educators that are not anticipated to have a fiscal impact.

42. HB 6617 - An Act Supporting Equity in Coverage for Fertility Health Care

Sections 1 and 2 expand coverage for infertility services to include fertility preservation which may result in increased costs to state and municipal health plans. The sections also codify the removal of certain limitations on medically necessary infertility diagnosis and treatment coverage previously issued by the Department of Insurance resulting in no anticipated fiscal impact to the state or municipal health plans.

^[1]Inmate marginal cost is based on increased consumables (e.g. food, clothing, water, sewage, living supplies, etc.) This does not include a change in staffing costs or utility expenses because these would only be realized if a unit or facility opened.

^[2]Probation marginal cost is based on services provided by private providers and only includes costs that increase with each additional participant. This does not include a cost for additional supervision by a probation officer unless a new offense is anticipated to result in enough additional offenders to require additional probation officers.



Office of Fiscal Analysis

PRELIMINARY FISCAL NOTES

Under the Affordable Care Act, the state is responsible for defraying premium increases experienced by Exchange enrollees in qualified health plans resulting from new state health insurance mandates. As such, there is a potential cost to the state for such defrayal associated with this bill.

Section 3 results in a cost to the Department of Social Services (DSS) associated with amending the Medicaid state plan to include fertility treatment coverage. The extent of the cost is based on the number of clients eligible, services required, and rates established.