

# Connecticut General Assembly




## OFFICE OF FISCAL ANALYSIS

Alan Calandro, Director  
PHONE: (860) 240-0200  
FAX: (860) 240-0052  
<http://www.cga.state.ct.us/ofa>

ROOM 5200  
Legislative Office Building  
Hartford, CT. 06106-1591  
[ofa@po.state.ct.us](mailto:ofa@po.state.ct.us)

February 10, 2011

TO: Senator Andrew Roraback  
Representative Tim O'Brien  
Co-Chairs, Regulations Review Committee

FROM: Alan Calandro, Director 

SUBJECT: Review of Agenda Items for the February 22, 2011 Meeting

OFA has reviewed the state and municipal fiscal impact of the five items on the agenda (items 2011-001, 2011-003 through 2011-006) for the above meeting.<sup>1</sup> The following table summarizes our review.

Reg. #	Agency	Is Agency Estimate of State Impact Reasonable?	Is Agency Estimate of Municipal Impact Reasonable?	Did Agency Submit a Small Business Impact Statement? <sup>2</sup>	Did Agency Submit a Regulatory Flexibility Analysis? <sup>3</sup>
2011-001	DSS	Yes	Yes	Yes	NA
2011-003	DOT	Yes, see below	Yes	Yes	NA
2011-004	BESB	Yes	Yes	Yes	NA

<sup>1</sup> CGS Section 2-71c(c)(7) requires OFA to prepare "short analyses of the costs and long range projections of ... proposed agency regulations."

<sup>2</sup> PA 09-19 requires agencies to prepare a small business impact statement on all regulation submittals, effective October 1, 2009.

<sup>3</sup> CGS 4-168(a) requires agencies to prepare a regulatory flexibility analysis statement on all regulation submittals when there is an impact on small businesses.

Reg. #	Agency	Is Agency Estimate of State Impact Reasonable?	Is Agency Estimate of Municipal Impact Reasonable?	Did Agency Submit a Small Business Impact Statement? <sup>2</sup>	Did Agency Submit a Regulatory Flexibility Analysis? <sup>3</sup>
2011-005	BESB	Yes	Yes	Yes	NA
2011-006	DCP	Yes	Yes	Yes	NA

### Further Explanation of Agenda Item 2011-003: Department of Transportation

This regulation has no fiscal impact on the General Fund or Transportation Fund. The agency's estimate of a \$1.7 million revenue gain and \$1.7 million cost in FY 12 is to the Bradley International Airport Enterprise Fund.

The \$1.7 million revenue gain is expected to cover the \$1.7 million in expenditures for capital improvements to airline service operations, terminal, apron and landing areas. In the out-years, the fee structure will be adjusted to reflect changes in debt service requirements.

The below table illustrates the revenue increase anticipated from adjusting the fees the airport charges airlines for:

FY 12 Fee Increases Revenue Gain (Estimate)	
Landing	\$540,000
Parking	260,000
Terminal Rental	645,000
Baggage Claim Space	255,000
	<u>\$1,700,000</u>

Please contact me if you have any questions or would like additional information.

AC: lmk  
 Regs-Feb22,11-concur  
 Office of Fiscal Analysis

**AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION**

Agency Submitting Regulation: Department of Social Services      Date: March 16, 2010

Subject Matter of Regulation: Supplemental Nutrition Assistance Program Penalties

Regulation Section No.: 09-19      Statutory Authority: \_\_\_\_\_

Other Agencies Affected: N/A

Effective Date Used In Cost Estimate: March 16, 2010

Estimate Prepared By: Philip J. Kostek      Telephone No.: (860) 424-5728

**SUMMARY OF COST AND REVENUE IMPACT OF PROPOSED REGULATION**

Agency: Department of Social Services      Fund Affected: N/A

	First Year	Second Year	Full Operation
Number of Positions			
Personal Services			
Other Expenses			
Equipment			
Grants			
Total State Cost or (Savings)	N/A	N/A	N/A
Estimated Revenue Gain or (Loss)	N/A	N/A	N/A
Total Net State Cost or (Savings)	N/A	N/A	N/A

**Explanation of State Impact of Regulation:**

No measurable impact on the State is anticipated since SNAP benefits are 100% Federal funded.

**Explanation of Municipal Impact of Regulation:**

No measurable impact on municipalities is anticipated since SNAP benefits are 100% Federal funded.

**Explanation of Small Business Impact of Regulation:**

No measurable impact on small businesses is anticipated since SNAP benefits are 100% Federal funded.

*The Connecticut Department of Social Services*

**FISCAL IMPACT STATEMENT**

DATE OF REQUEST: March 16, 2010

TITLE: Proposed Regulation # 09-19  
To amend sections of the Uniform Policy Manual (UPM) regarding Grant Reduction Recoupment for Intentional Recipient Errors for the Supplemental Nutrition Assistance Program.

STATE IMPACT: Recoupment for intentional recipient errors will result in faster recoupment of overpayments and deter intentional errors. Supplemental Nutrition Assistance Program benefits are 100% federal funded.

State Cost SFY 2010: None  
State Cost SFY 2011: None

State Revenue SFY 2010: None  
State Revenue SFY 2011: None

MUNICIPAL IMPACT:

FEDERAL IMPACT:

State Revenue SFY 2010: None  
State Revenue SFY 2011: None

EXPLANATION OF STATEMENT:

The main provision of Regulation # 09-19 is to change the grant reduction recoupment rate of overpayments caused by intentional recipient error. The recoupment rate for overpayments caused by intentional recipient error is changed to stipulate: if the allotment (prior to reduction) is \$20 or more, then the allotment reduction is the larger of: (1) the amount of the reduction requested by the assistance unit or, (2) the greater of \$20 per month or 20% of the household's monthly allotment. No measurable impact on State funds is anticipated since SNAP benefits are 100% Federal funded.

Completed by: Philip J. Kostek

Date transmitted to Director of Financial Management & Analysis: March 16, 2010

Date transmitted to Government Relations: \_\_\_\_\_

**Small Business Impact Statement**

Prior to adopting a new section or amendment, Section 4-168a of the Connecticut General Statutes (C.G.S.) requires that each state agency consider the affect of such action on small businesses as defined in C.G.S. Section 4-168a. When such a regulatory action may have an adverse affect on small businesses, C.G.S. Section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency submitting proposed regulations: Department of Social Services

Subject matter of Regulation: Supplemental Nutrition Assistance Program Penalties

In accordance with C.G.S. Section 4-168a, staff analyzed the affect on small businesses of the proposed regulations and determined the following:

True False (Check all appropriate boxes):

- The regulatory action will not have an affect on small businesses.
- The regulatory action will have an affect on small businesses, but will not have an adverse affect on such small businesses.
- The regulatory action may have an adverse affect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially affected small business. Alternatives considered include the following:
- (1) The establishment of less stringent compliance or reporting requirements for small businesses;
  - (2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
  - (3) The consolidation or simplification of compliance or reporting requirements for small businesses;
  - (4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
  - (5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.
- The regulatory action will have an adverse affect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

..... The State agency listed above notified the Department of Economic and Community Development of ..... its intent to take the proposed action and completed the Agency Fiscal Estimate of Proposed Regulations. ....

## AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

**Agency Submitting Regulation:** Department of Transportation **Date:** July 30, 2010

**Subject Matter of Regulation:** To provide a budget and rate development process for Bradley International Airport effective upon expiration of the long term air carrier operating agreement that governs the budget process through June 30, 2011.

**Regulation Section No.:** Section 15-41-45 **Statutory Authority:** CGS 15-41 and 15-101m.

**Other Agencies Effected:** None

**Effective Date Used In Cost Estimate:** July 1, 2011

**Estimate Prepared By:** Mark Daley **Telephone No.:** 860-594-2556

## ESTIMATE OF COST OR REVENUE IMPACT OF PROPOSED REGULATION

**Agency:** DOT **Fund Effected:** Bradley Enterprise Fund (21009)

	First Year	Second Year	Full Operation
Number of Positions	0	0	0
Personal Services	\$0	\$0	\$0
Other Expenses	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Grants	\$0	\$0	\$0
Total State Cost or (Savings)	\$0	\$0	\$0
Estimated Revenue Gain or (Loss)	\$1.7 Million	\$1.2 Million	\$1.0 Million
Total Net State Cost or (Savings)	(\$1.7 Million)	(\$1.2 Million)	(\$1.0 Million)

**Explanation of State Impact of Regulation:**

There is no direct impact to the State. The revenue gain noted above is to the Bradley International Airport enterprise fund. The gain is realized in part through a change in rate development methodology that will permit the Department of Transportation to include debt service coverage as a cost chargeable to the tenants and users of the Airport. A portion of the gain is also attributable to a change in landing fee development that levels the playing field among historic classifications of "signatory" and "non-signatory" airlines.

**Explanation of Municipal Impact of Regulation:** None

**Explanation of Small Business Impact of Regulation:** None

**Is a regulatory flexibility analysis required pursuant to C.G.S. 4-168a?**

No - no impact to small businesses

## Small Business Impact Statement

Prior to adopting a new section or amendment, Section 4-168a of the Connecticut General Statutes (C.G.S.) requires that each state agency consider the effect of such action on small businesses as defined in C.G.S. Section 4-168a. When such regulatory action may have an adverse effect on small businesses, C.G.S. Section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency submitting proposed regulations: Department of Transportation

Subject matter of Regulation: To provide a budget and rate development process for Bradley International Airport effective upon expiration of the long term air carrier operating agreement that governs the budget process through June 30, 2011.

In accordance with C.G.S. Section 4-168a, staff analyzed the effect on small businesses of the proposed regulations and determined the following:

Check all appropriate boxes:

- The regulatory action will not have an effect on small businesses.
- The regulatory action will have an effect on small businesses, but will not have an adverse effect on such small businesses.
- The regulatory action may have an adverse effect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially effected small business. Alternatives considered include the following:
- (1) The establishment of less stringent compliance or reporting requirements for small businesses;
  - (2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
  - (3) The consolidation or simplification of compliance or reporting requirements for small businesses;
  - (4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
  - (5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.
- The regulatory action will have an adverse effect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

Has the State agency listed above notified the Department of Economic and Community Development of its intent to take the proposed action [Yes] and completed the Agency Fiscal Estimate of Proposed Regulations? [Yes]

## AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

Date: October 1, 2010

AGENCY SUBMITTING REGULATION: BOARD OF EDUCATION & SERVICES FOR THE BLIND

SUBJECT MATTER OF REGULATION: Providing Income Earning Incentives to Entrepreneurs with Blindness Operating Businesses at Government Locations

REGULATION SECTION NOS.:  
Sec. 10-303-13

STATUTORY AUTHORITY:  
Conn. Gen. Stat. Sec. 10-303(c)  
Conn. Gen. Stat. Sec 10-294

OTHER AGENCIES AFFECTED: None

EFFECTIVE DATE USED IN COST ESTIMATE: October 1, 2010

ESTIMATE PREPARED BY: Andrew Norton      TELEPHONE: (860) 602-4078

### SUMMARY OF STATE COST AND REVENUE IMPACT OF PROPOSED REGULATION

Agency: BESB

Fund: BESB Sales and Service Account

	First Year <u>2011</u>	Second Year <u>2012</u>	Full Operation <u>2013</u>
Number of Positions	0	0	0
Personal Services	0	0	0
Other Expenses	0	0	0
Equipment	0	0	0
Grants	0	0	0
Total State Cost (Savings)	0	0	0
Estimated Revenue Gain (Loss)	0	0	0
Total Net State Cost (Savings)	0	0	0



**EXPLANATION OF STATE IMPACT OF REGULATION:**

1) Current practice resulting in expenditures under this program will not be changed by adoption of the proposed regulations and therefore adoption of the proposal will have no fiscal impact on the agency or the state. This proposed regulatory change codifies policy adopted by both the Board of Directors of the Board of Education and Services for the Blind and the Statewide Committee of Blind Vendors. The Board of Directors has state statutory authority to make policy for the agency (see Conn. Gen Stat. Sec. 10-293). The Statewide Committee of Blind Vendors is included in agency decision-making by command of federal and state regulation which holds that the Committee shall "actively participate" in agency decisions relevant to their operations (see 34CFR 395.14 and Sec. 10-303-9 of the Regulations of Connecticut State Agencies).

**EXPLANATION OF MUNICIPAL IMPACT OF REGULATION:**

This regulatory change would have no fiscal or operational impact on municipalities. Municipalities do not receive any benefit or bear any burden from disbursements under this program or the fund that supports the program. Municipalities make no expenditures to this program or related to this program or the fund which supports it.

**EXPLANATION OF SMALL BUSINESS IMPACT OF REGULATION:**

These proposed regulatory changes do not have any effect on Connecticut's small business community. Regarding the 45 Vending Stand Operators who are or may be covered by this proposal, the regulation changes substantially maintain the agency's flexibility in setting income thresholds for the income incentive payments and therefore will have no effect or impact on those Operators financially or operationally.

**REGULATORY FLEXIBILITY:** Not Applicable.

### Small Business Impact Statement

Prior to adopting a new section or amendment, Section 4-168a of the Connecticut General Statutes (C.G.S.) requires that each state agency consider the affect of such action on small businesses as defined in C.G.S. Section 4-168a. When such a regulatory action may have an adverse affect on small businesses, C.G.S. Section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency submitting proposed regulations: Board of Education and Services for the Blind (BESB)

Subject matter of Regulation: Business Enterprise Program (BEP) Income Incentive payment program

In accordance with C.G.S. Section 4-168a, staff analyzed the affect on small businesses of the proposed regulations and determined the following:

True False (Check all appropriate boxes):

The regulatory action will not have an affect on small businesses.  
**This regulation only affects the Income Incentive program in our Business Enterprise Program (BEP) which only encompasses the 45 Vending Stand Operators in the BEP program. The regulation conforms the regulations to existing agency practice in determining threshold incomes for eligibility and in making the incentive payments. These Operators will not be affected by the regulation change.**

The regulatory action will have an affect on small businesses, but will not have an adverse affect on such small businesses.

The regulatory action may have an adverse affect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially affected small business. Alternatives considered include the following:

- (1) The establishment of less stringent compliance or reporting requirements for small businesses;
- (2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
- (3) The consolidation or simplification of compliance or reporting requirements for small businesses;
- (4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
- (5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.

The regulatory action will have an adverse affect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

The State agency listed above notified the Department of Economic and Community Development of its intent to take the proposed action and completed the Agency Fiscal Estimate of Proposed Regulations.

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**AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION**

Date: October 1, 2010

AGENCY SUBMITTING REGULATION: BOARD OF EDUCATION & SERVICES FOR THE BLIND

SUBJECT MATTER OF REGULATION: Updating Regulations of the Children's Services Division of the Agency

REGULATION SECTION NOS.:  
Sec. 10-293-4 – 10-295-25

STATUTORY AUTHORITY:  
Conn. Gen. Stat. Sec. 10-294, 10-295(b) and 10-309

OTHER AGENCIES AFFECTED: None

EFFECTIVE DATE USED IN COST ESTIMATE: October 1, 2010

ESTIMATE PREPARED BY: Andrew Norton                      TELEPHONE: (860) 602-4078

**SUMMARY OF STATE COST AND REVENUE IMPACT OF PROPOSED REGULATION**

Agency: BESB

Fund: General Fund

	First Year <u>2011</u>	Second Year <u>2012</u>	Full Operation <u>2013</u>
Number of Positions	0	0	0
Personal Services	0	0	0
Other Expenses	0	0	0
Equipment	0	0	0
Grants	0	0	0
Total State Cost (Savings)	0	0	0
Estimated Revenue Gain (Loss)	0	0	0
Total Net State Cost (Savings)	0	0	0

### **EXPLANATION OF STATE IMPACT OF REGULATION:**

- 1) These regulation changes will modernize the regulations which guide the Children's Services Division of the agency. These regulations have only been altered once since 1989; that single change in 2007, regarding the ownership of equipment, is unaffected. The proposal creates no significant change in the operations of the division or in the rights and benefits of the students served by the division. The regulation change will not increase, decrease or alter in any significant way the quantity or cost of expenditures made in behalf of students with blindness or visual impairment or in behalf of the school districts that serve such students. Therefore, there will be no measurable additional cost to the agency or state.
- 2) The regulation changes do provide for the Children's Services Division to provide some educational services to home-schooled children with legal blindness and visual impairment, but these very limited occasions of service will be absorbed within current agency staffing levels.
- 3) These regulation changes replace the existing regulations entirely, substituting 22 new sections for the 8 current sections. The new regulations will also incorporate the relevant statutory enactments that have been passed since 1989, although none of those statutory enactments required the promulgation of new regulations. The new language will accurately reflect the current operational activity, which itself already incorporates all statutory enactments, of the Division. Therefore, there will be very minimal or no additional cost to the agency or state.
- 4) This proposal also modernizes out-of-date terminology, e.g., "visually handicapped" is replaced with "visually impaired" and the term "mentally retarded" is eliminated. These changes have no fiscal impact.

### **EXPLANATION OF MUNICIPAL IMPACT OF REGULATION:**

Municipalities which serve children with legal blindness or visual impairment currently receive reimbursements and disbursements from the agency's account for the education of children. The agency uses statutory formulae to calculate these payments [see Conn. Gen. Stat. Sec. 10-295(b)(5) and (6)]. The proposed regulations elaborate these statutory formulae but will not change any outcomes.

The agency also pays for the cost of its own Teachers of Students with Visual Impairment (TVIs) who serve students in most of the state's local school districts. The agency also pays for necessary adaptive technology, equipment, materials and reading matter for students in both districts that are served by agency TVIs and in districts that provide their own TVIs. None of these expenditures will be altered by the new regulations.

The current system and amounts of direct and indirect expenditures made by the agency in behalf of municipalities, their school districts and their students will not be changed by these regulation changes. Any reporting, teaching and administrative requirements contained in these regulations comport with current practice or are minor enough that they will not affect local school budgets. In sum, these regulations will have no fiscal impact on municipalities.

### **EXPLANATION OF SMALL BUSINESS IMPACT OF REGULATION:**

These proposed regulatory changes will have no effect or impact on small businesses financially or operationally.

**REGULATORY FLEXIBILITY:** Not Applicable.

## Small Business Impact Statement

Prior to adopting a new section or amendment, Section 4-168a of the Connecticut General Statutes (C.G.S.) requires that each state agency consider the affect of such action on small businesses as defined in C.G.S. Section 4-168a. When such a regulatory action may have an adverse affect on small businesses, C.G.S. Section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency submitting proposed regulations: Board of Education and Services for the Blind (BESB)

Subject matter of Regulation: Children's Services division/teaching of children with blindness and visual impairment.

In accordance with C.G.S. Section 4-168a, staff analyzed the affect on small businesses of the proposed regulations and determined the following:

True    False    (Check all appropriate boxes):

- The regulatory action will not have an affect on small businesses.  
**These proposed regulation changes do not regulate or affect small businesses in any way.**
- The regulatory action will have an affect on small businesses, but will not have an adverse affect on such small businesses.
- The regulatory action may have an adverse affect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially affected small business. Alternatives considered include the following:
- (1)    The establishment of less stringent compliance or reporting requirements for small businesses;
  - (2)    The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
  - (3)    The consolidation or simplification of compliance or reporting requirements for small businesses;
  - (4)    The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
  - (5)    The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.
- The regulatory action will have an adverse affect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

The State agency listed above notified the Department of Economic and Community Development of its intent to take the proposed action and completed the Agency Fiscal Estimate of Proposed Regulations.

# AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

Agency Submitting Regulation: Department of Consumer Protection

Date: 09-22-2010

Subject Matter of Regulation: The Uniform Athlete Agents Act

Regulation Section No.: 20-556-1 through 20-556-7, inclusive

Statutory Authority: 4-168(g); Section 21 of 2004 Public Act No. 55.

Other Agencies Affected: n/a

Effective Date Used In Cost Estimate: Upon Passage (Filing with the Secretary of the State).

Estimate Prepared By: Jerry P. Padula, Esq. - DCP Legal

Telephone No.: 860-713-6087

## SUMMARY OF COST AND REVENUE IMPACT OF PROPOSED REGULATION

Agency: Department of Consumer Protection

Fund Affected: n/a

	First Year	Second Year	Full Operation
Number of Positions	n/a	n/a	n/a
Personal Services	\$0	\$0	\$0
Other Expenses	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Grants	\$0	\$0	\$0
Total State Cost or (Savings)	\$0	\$0	\$0
Estimated Revenue Gain or (Loss)	\$0	\$0	\$0
Total Net State Cost or (Savings)	\$0	\$0	\$0

### Explanation of State Impact of Regulation:

No fiscal impact is anticipated. The Department of Consumer Protection currently handles the registration of Athlete Agents, and the current regulations are merely being repealed to conform to changes enacted by the General Assembly, who adopted a model act which displaced the old statutes. The current regulations are based upon the displaced law, and therefore have not been utilized since the new statutory scheme was enacted and should be repealed for technical accuracy and clarity.

### Explanation of Municipal Impact of Regulation:

No impact on municipalities is anticipated. The Department has jurisdiction over these regulations.

### Explanation of Small Business Impact of Regulation:

No impact on small businesses is anticipated from repealing the current, unutilized, regulations. Please see the Department's Small Business Impact Statement for more details.

