

# Connecticut General Assembly



## OFFICE OF FISCAL ANALYSIS

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May 16, 2011

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

FROM: Alan Calandro, Director *(ac)*

SUBJECT: Review of Agenda Items for the May 24, 2011 Meeting

OFA has reviewed the state and municipal fiscal impact of the five items on the agenda (items 2011-013 through 2011-017) 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>
2011-013	DCP	Yes	Yes	Yes	No
2011-014	DCP	Yes	Yes	Yes	No
2011-015	DCP	Yes	Yes	Yes	No

<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.

<b>Reg. #</b>	<b>Agency</b>	<b>Is Agency Estimate of State Impact Reasonable?</b>	<b>Is Agency Estimate of Municipal Impact Reasonable?</b>	<b>Did Agency Submit a Small Business Impact Statement?<sup>2</sup></b>	<b>Did Agency Submit a Regulatory Flexibility Analysis?<sup>3</sup></b>
2011-016	DSS	Yes	Yes	Yes	No
2011-017	DPS	Yes	Yes	Yes	No

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

AC: lmk  
 Regs-May24,11-concur  
 Office of Fiscal Analysis

# AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

Agency Submitting Regulation: Department of Consumer Protection

Date: 06-16-2010

Subject Matter of Regulation: Apprentice Ratios in Occupational Trades

Regulation Section No.: 20-332-15a

Statutory Authority: 4-168; 20-334(a); 20-332(b) as amended by P.A. 2010-27

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:

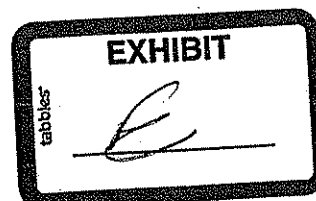
No fiscal impact is anticipated. The Department of Consumer Protection currently registers apprentices in the various occupational trades. An unknown number of additional apprenticeship opportunities will result from this change in apprenticeship ratios, but this should not impact the Department.

### 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:

Please see the Department's Small Business Impact Statement for more details.



## 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.

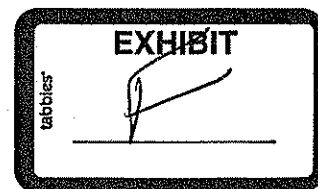
State Agency submitting proposed regulations: Department of Consumer Protection

Subject matter of Regulation: Apprentice Ratios in Occupational Trades

Date of Agency analysis: July 30, 2010

### Check the appropriate box:

- 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 Department of Consumer Protection notified / (did not notify) the Department of Economic and Community Development of its intent to take the proposed action, and completed / (did not complete) the Agency Fiscal Estimate of Proposed Regulations.

**The Department of Consumer Protection currently registers apprentices in the various occupational trades. An unknown number of additional apprenticeship opportunities will result from this change in apprenticeship ratios, but this should not negatively impact small businesses.**

# AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

Agency Submitting Regulation: Department of Consumer Protection

Date: 08-06-2010

Subject Matter of Regulation: The Security of Controlled Substances

Regulation Section No.: 21a-262-1 to 21a-262-10

Statutory Authority: 4-168; 21a-243; and 21a-262

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's Drug Control Division currently regulates the dispensing of all controlled substances in Connecticut. The proposed regulation makes minor amendments to existing drug storage standards.

### 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:

Please see the Department's Small Business Impact Statement for more details.

## 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 Consumer Protection

Subject matter of Regulation: The Security of Controlled Substances

Date of Agency analysis: August 27, 2010

### Check the appropriate box:

- 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 Department of Consumer Protection notified / (did not notify) the Department of Economic and Community Development of its intent to take the proposed action, and completed / (did not complete) the Agency Fiscal Estimate of Proposed Regulations.

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

This proposed regulation may alter some business practices of certain pharmacies in Connecticut. The Department considered the alternatives listed in Conn. Gen. Stat. Section 4-168a. Pharmacy trade associations were specifically consulted in the drafting of these regulations.

Some additional costs for compliance are anticipated, since the proposed safety standards will require electronic security systems for safes and vaults containing controlled substances. Exemptions from this new provision are not consistent with the objective of protecting the supplies of controlled substances in Connecticut from theft and abuse. The Department considers this regulation to promote the public health and safety. The proposed regulatory action is expected to reduce the number of controlled substance thefts, and thereby could result in a savings to select pharmacies by reducing product losses and possibly reducing insurance premiums.

The Department expects that many pharmacy safes and vaults are already protected by electronic security systems, so additional costs are expected only for those pharmacy locations that need to add such a system. The cost to install a security system meeting the requirements of this regulation would be a one-time cost, but electronic remote monitoring, if necessary, would be an ongoing cost.

# AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

Agency Submitting Regulation: Department of Consumer Protection

Date: 06-16-2010

Subject Matter of Regulation: Controlled Substances

Regulation Section No.: 21a-243-7 through 21a-243-10, inclusive

Statutory Authority: 4-168; 21a-243

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's Drug Control Division currently handles the registration and regulation of controlled substance practitioners. The proposed regulation's minor changes to the list of drugs subject to regulation will not cause a fiscal impact on the Department.

### 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:

Please see the Department's Small Business Impact Statement for more details.



## 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 Consumer Protection

Subject matter of Regulation: Controlled Substances

Date of Agency analysis: July 21, 2010

### Check the appropriate box:

- 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 Department of Consumer Protection notified / (did not notify) the Department of Economic and Community Development of its intent to take the proposed action, and completed / (did not complete) the Agency Fiscal Estimate of Proposed Regulations.

DSS ID # 10-03

**AGENCY FISCAL ESTIMATE OF PROPOSED REGULATIONS**

AGENCY SUBMITTING REGULATION Department of Social Services DATE 3/26/2010

SUBJECT MATTER OF REGULATION Treatment of Income in TFA and FMA

REGULATION SECTION NO. UPM Sections 5050.66 and 8560.10 STATUTORY AUTHORITY Sec. 4-168

OTHER AGENCIES AFFECTED None

EFFECTIVE DATE USED IN COST ESTIMATE Upon Passage

ESTIMATE PREPARED BY Marsha Goldberg

QUESTIONS SHOULD BE ADDRESSED TO Lee Voghel TELEPHONE 424-5842

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

Agency Department of Social Services Fund Affected General

	SFY 2010	SFY 2010	SFY 2011
Number of Positions			
Personal Services			
Other Expenses			
Equipment			
Grants (Medicaid)			
Total State Cost (Savings)			
Estimated Revenue Gain (Loss)			
Total Net State Cost (Savings)		See Below	

**EXPLANATION OF STATE IMPACT OF REGULATION:**

This proposed regulation seeks to amend the Uniform Policy Manual regarding the treatment of income where income is reduced by the amount being withheld to recoup an overpayment from the same income source, the

amount of income counted for purposes of eligibility in the Temporary Family Assistance (TFA) and Family Medical Assistance (FMA) programs, is the amount received after the withholding amount has been deducted. This change is clarification of existing policy where the Department considered recouped income as unavailable to the assistance unit and was therefore not counted as income for purposes of eligibility.

In addition, this amendment updates the reference to the Food Stamp program to the Supplemental Nutrition Assistance Program.

**FINANCIAL IMPACT:**

There is no fiscal impact resulting from this clarification of the UPM. This policy has been in existence previously.

**MUNICIPAL IMPACT:** None.

### 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: Treatment of Income for TFA and FMA

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 Public Safety Date: 7/30/2010

Subject Matter of Regulation: State Building Code – 2005 Connecticut Supplement - 2009  
International Energy Conservation Code  
Amendment \_\_\_\_\_

Regulation Section No.: 29-252-1d Statutory Authority: 29-  
252

Other Agencies Effected: None

Effective Date Used In Cost Estimate: 7/30/10

Estimate Prepared By: State Building Inspector Telephone No.: 860-685-8310

## ESTIMATE OF COST OR REVENUE IMPACT OF PROPOSED REGULATION

Agency: Department of Public Safety Fund Effected: General Fund

	First Year	Second Year	Full Operation
<u>Number of Positions</u>			
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:

The adoption of this standard is driven by both Public Act 09-192 and the American Recovery and Reinvestment Act of 2009. The fiscal impact to the state is to provide educational programs to code users, which the state already does within existing resources. The change in codes will simply mean a change in subject matter for the classes, but will have no impact on staffing. New code books for staff are funded from the educational fee collected on building permits and do not impact the general fund.

### Explanation of Municipal Impact of Regulation:

Municipalities will be required to purchase new energy conservation code books at a total cost of between \$70 and \$300, depending on staffing levels within the municipality. This occurs every code change cycle and is appropriately budgeted for by municipalities. The 2009 IECC would have been adopted as part of the next code cycle. Instead, it is being adopted approximately 18 months early.

### Explanation of Small Business Impact of Regulation:

**Buildings constructed utilizing this standard will achieve energy savings.**

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

**No.**

### 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 Public Safety

Subject matter of Regulation: State Building Code – 2009 International Energy Conservation Code Amendment

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 and completed the Agency Fiscal Estimate of Proposed Regulations?

Yes.