OLR Bill Analysis

HB 7424

Emergency Certification

AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH, 2021, AND MAKING APPROPRIATIONS THEREFOR, AND IMPLEMENTING PROVISIONS OF THE BUDGET.

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Modifies the grant amount owed to municipalities for FYs 20 and 21 to mitigate their revenue losses due to the motor vehicle mill rate cap; requires three West Haven fire districts to receive additional grant amounts for FY 20

§ 71 — MUNICIPAL GAMING ACCOUNT AND GRANTS TO MUNICIPALITIES

Provides grants from the municipal gaming account to two additional municipalities and reduces the amount each municipality annually receives from $750,000 to $625,000

§ 72 — DPH CHILDREN'S HEALTH INITIATIVES

Incorporates DPH's children health initiatives into the list of programs funded through the Insurance Fund by the public health fee on domestic health carriers

§§ 73 & 74 — REPLACEMENT PUBLIC WELL

Allows (1) DPH to approve the location of a replacement public well in Ledyard, if certain conditions are met and (2) the local health director to issue a permit for the well

§ 75 — SAFE DRINKING WATER PRIMACY ASSESSMENT

Requires water companies that own community or non-transient, non-community water systems to pay DPH a safe drinking water primacy assessment in FYs 19 to 21; allows water companies that own community water systems to recover the assessment from customers

§§ 76, 77 & 388 — REDUCTIONS FOR MUNICIPAL HEALTH DEPARTMENTS AND HEALTH DISTRICTS

Requires DPH to reduce payments on a pro rata basis to municipal and district health departments if the payments in a fiscal year exceed the amount appropriated

§ 78 — USE OF BOND PREMIUM

Delays by two years, from July 1, 2019, to July 1, 2021, the requirement that the treasurer direct bond premiums to an account or fund to pay for previously authorized capital projects

§ 79 — PURA PROCUREMENT MANAGER

Eliminates the procurement manager position within PURA and instead allows the PURA chairperson to assign staff to fulfill the procurement manager's duties

§ 80 — PURA UTILITY COMMISSIONERS

Increases the number of PURA commissioners from three to five

§ 81 — RESIDENT STATE TROOPER FRINGE FUNDING

Beginning FY 20, the comptroller must annually pay 50% of the portion of the state employees' retirement system fringe recovery rate attributable to the unfunded liability of the system

§§ 82-90 — TEACHERS' RETIREMENT FUND BONDS SPECIAL CAPITAL RESERVE FUND

Creates the TRF-SCRF to further secure state payment of pension bonds; appropriates $380.9 million for the TRF-SCRF; makes changes to the TRS actuarial funding methodology and benefit design

§ 91 — FISCAL ACCOUNTABILITY REPORTS

Delays, by five days, the annual date by which OPM and OFA must submit fiscal accountability reports to the Appropriations and Finance committees and delays, by 15 days, the date by which the committees must review the reports

§ 92 — TAX INCIDENCE STUDY

Delays the next DRS tax incidence report deadline, from February 15, 2020, to February 15, 2022

§§ 93-95 — ACCESSIBILITY OF ELECTRIC VEHICLES

Establishes various requirements towards reducing the emissions generated by vehicles in the state fleet, creates a state funded rebate program to incentivize residents to purchase zero-emission vehicles, and increases and broadens the application of the greenhouse gas reduction fee to fund that rebate program

§ 96 — APRN EMERGENCY CERTIFICATES AT CORRECTIONAL FACILITIES

Allows APRNs, under certain conditions, to issue emergency certificates to require hospitalization for up to 72 hours of prison inmates with psychiatric disabilities

§§ 97 & 98 — WORKING PAPERS EXEMPTION

Exempts employers from the requirement to obtain a minor's "working papers" when they employ minors through a regional workforce development board's youth development program

§§ 99-102 — CONNECTICUT RETIREMENT SECURITY AUTHORITY

Removes provisions that generally require that the retirement programs offered by the CT Retirement Security Authority be from multiple authority-selected vendors

§§ 103-104 — PERSONAL SERVICE AGREEMENT (PSA) WAIVERS

Requires executive branch agencies to submit a procurement plan every three years to OPM for approval; requires OPM to (1) annually report on waiver requests received and their outcomes and (2) post approved waivers on the state contracting portal

§§ 105-143 & 388 — LEGISLATIVE COMMISSION CONSOLIDATION

Merges the legislative Equity and Opportunity (CEO) and Women, Children and Seniors (CWCS) commissions into a single entity, the Commission on Women, Children, Seniors, Equity and Opportunity, which the bill designates as the successor to the two current commissions

§ 144 — STATE OFFICIALS' COMPENSATION

Authorizes elected or appointed state officials to decline state compensation or benefits

§ 145 — TEACHERS' RETIREMENT BOARD (TRB) DATA AND ACTUARIAL SOFTWARE SERVICES

Requires the TRB to provide data to the OPM secretary upon request if the secretary enters into a contract for actuarial services

§ 146 — HARTFORD COMMUNITY COURT'S NAME

Changes Hartford Community Court's name

§ 147 — OPEN EDUCATIONAL RESOURCE COORDINATING COUNCIL

Creates the 17-member OER Coordinating Council to establish an OER program to lower the cost of textbooks and course materials for certain courses at state higher education institutions

§ 148 — NEWBORN SCREENING

Expands DPH's Newborn Screening Program to include any disorder listed on the federal Recommended Uniform Screening Panel, subject to OPM's approval

§§ 149-151 — MINOR CHANGES IN UNEMPLOYMENT LAWS

Requires the quarters in an unemployment claimant's special base period to be consecutive quarters; limits the benefit eligibility penalty imposed on fraudulent claimants before October 1, 2013, to claims deemed payable before October 1, 2019; explicitly allows the labor commissioner to enter into a consortium with other states

§§ 152-154 — HEMP PRODUCTION

Makes minor changes to PA 19-3 concerning hemp production in Connecticut, including eliminating a requirement for certain DCP regulations

§§ 155 & 156 — TECHNICAL REVISIONS TO DEPARTMENT HEAD DEFINITION

Makes technical changes to an executive branch department head definition

§§ 157-159 — DCF CHILD ABUSE AND NEGLECT REGISTRY CHECKS FOR CERTAIN INDIVIDUALS

Expands DCF child abuse and neglect registry checks for certain individuals and requires DCF to comply with any request from a child welfare agency of another state to check the child abuse and neglect registry

§§ 160 & 161 — COMMUNITY HEALTH WORKERS

Creates a community health worker certification program and a Community Health Worker Advisory Body

§§ 162-175 — PROFESSIONAL COUNSELOR AND MARITAL AND FAMILY THERAPIST ASSOCIATE LICENSURE

Creates an associate licensure category for professional counselors and marital and family therapists practicing under professional supervision while pursuing full licensure

§§ 176-182 — ART THERAPIST LICENSURE

Creates a licensure program for art therapists and generally prohibits unlicensed individuals from using the "art therapist" title

§§ 183-189 — PARTNERSHIP FOR CONNECTICUT, INC.

Establishes "The Partnership for Connecticut, Inc." as a nonprofit corporation organized and established by a specified philanthropic enterprise; requires the state, under specified conditions, to provide $20 million to the corporation in FY 20; allows the state, under specified conditions, to provide $20 million per year in up to four additional fiscal years

§ 190 — LCO TECHNICAL CHANGES

Allows LCO to make technical, grammatical, and punctuation changes to carry out the bill's purposes

§§ 191-206 — ESTHETICIAN, NAIL TECHNICIAN, AND EYELASH TECHNICIAN LICENSURE

Requires estheticians, nail technicians, and eyelash technicians to be licensed; allows schools for them to be established; sets annual inspection standards; requires spas or salons to be under the management of a DPH-credentialed individual; and extends existing law's human trafficking notice requirement to additional establishments

§§ 207 & 208 — LGBTQ HEALTH AND HUMAN SERVICES NETWORK

Establishes LGBTQ Health and Human Services Network and charges it with building a safer and healthier environment for LGBTQ persons

§§ 209 & 210 — HEALTH INSURANCE COVERAGE FOR MAMMOGRAMS AND ULTRASOUNDS

Expands coverage for ultrasounds and eliminates out-of-pocket expenses for ultrasounds and mammograms under certain health insurance policies

§ 211 — CSU ENDOWED CHAIR

Makes $150,000 for FYs 20 and 21 available to CSCU for an endowed chair in public policy and practical politics

§§ 212-227 — MUNICIPAL REDEVELOPMENT AUTHORITY (MRDA)

Creates MRDA as a quasi-public agency to stimulate economic and transit-oriented development; authorizes MRDA to (1) develop property and manage facilities in development districts encompassing the areas around transit stations and downtowns, (2) issue bonds and other notes backed by its financial resources and (3) enter into an MOA with CRDA for administrative support and services; and makes the state liable for any bond, note or other financial obligations MRDA cannot pay

§ 228 — YOUTH SERVICES GRANTS

Appropriates $1.92 million per year, for FYs 20 and 21, to the Judicial Branch for specified youth services grants

§ 229 — FUNDING FOR PROMOTING SHARED SERVICES

Reallocates municipal reimbursement and revenue account funds and requires the funds be used to support special education service delivery

§§ 230-231 & 391 — INSURANCE DATA SECURITY LAW

Replaces the information security program law with provisions substantially similar to the National Association of Insurance Commissioners (NAIC) insurance data security model law

§§ 232-235 — PAID FAMILY AND MEDICAL LEAVE CHANGES

Within the Paid Family and Medical Leave Insurance program established by sSB 1, as amended: clarifies certain definitions; reduces the program's board of director's voting members; allows the governor to appoint the board's chairperson without input from legislative leaders; removes a requirement for the board to issue requests for proposals if it chooses to use contractors for certain services; and delays the creation of a "non-charge" against an employer's unemployment tax experience rate when an employer lays off an employee due to an employee's return from FMLA leave

§§ 236 & 237 — HEALTH INSURANCE COST SHARING

Limits the maximum out-of-pocket expenses that certain health insurers can charge and makes it an unfair insurance practice for insurers to charge more than this amount

§ 238 — HEALTH CARRIER CONTRACTS

Prohibits health carrier contracts from penalizing the disclosure of health care costs or available alternative treatments

§ 239 — MANAGED CARE PLANS

For managed care organizations, requires that deductibles be calculated in the same way that existing law requires of coinsurances and extends this requirement to amounts charged by MCO subcontractors

§ 240 — SURPRISE BILLS FOR LABORATORY SERVICES

Broadens the definition of a surprise health insurance bill by including non-emergency services rendered by an out-of-network clinical laboratory if an insured is referred to it by an in-network provider

§§ 241-243 — ADVERSE DETERMINATION REVIEW TIMEFRAMES

Reduces, from 72 to 48 hours, the maximum time for certain health benefit and adverse determination reviews, but creates an exception for weekends

§ 244 — DISABILITY INCOME PROTECTION POLICY DISCRETIONARY POLICIES

Prohibits provisions in disability income protection policies that allow insurers discretion to interpret the policy in a way that is inconsistent with state law

§ 245 — SHORT TERM ACUTE CARE GENERAL AND CHILDREN'S HOSPITAL REPORTING

Requires certain hospitals to report to the Health Systems Planning Unit on trauma activation fee charges

§ 246 — MEDICAL NECESSITY

Requires certain health insurance policies to cover medically necessary services to treat emergency conditions

§ 247 — HDHP TASK FORCE

Establishes a task force to study high deductible health plans (HDHPs)

§ 248 — AFTER SCHOOL PROGRAM GRANTS

Allows SDE to award grants to a combination of eligible entities; requires SDE to earmark at least 10% of after school program grant funds for (1) towns with a small population or (2) boards of education in towns with a small population; allows grant recipients to spend grant funds on after school program transportation

§ 249 — SCHOOL DISTRICT UNIFORM CHART OF ACCOUNTS

Adds "federal impact aid" to the items required in school- and district-level chart of accounts

§ 250 — MINIMUM BUDGET REQUIREMENT CALCULATION WORKSHEET

Requires SDE to compile a minimum budget requirement calculation worksheet for each school district, provide such worksheet to each school district, and post it online

§§ 251-256 — YOUTH SERVICE BUREAUS

Transfers from the SDE to DCF responsibilities related to youth service bureaus.

§ 257 — CARE 4 KIDS REPORTING

Requires quarterly reporting by OEC to the legislature about the Care 4 Kids child care subsidy program

§ 258 — GRANTS FOR STATE-LICENSED CHILD CARE CENTERS FOR DISADVANTAGED CHILDREN

Limits how certain state grants to state-licensed child care centers for disadvantaged children may be used; creates a floor, rather than a ceiling, for the amount of per child cost grants from the state to such centers

§ 259 — SCHOOL READINESS PROGRAM GRANTS

Requires state-licensed school readiness programs receiving per child grants exceeding $8,927 to use the excess exclusively to increase staff salary

§ 260 — SCHOOL READINESS PROGRAM PER CHILD COST RATE

Extends the current cap on the per child cost rate through FY 20 and raises it beginning FY 21; eliminates the OEC commissioner's authority to establish new rates or revise existing rates during a fiscal year

§ 261 — MAGNET SCHOOL TRANSPORTATION GRANT

Extends the education commissioner's authority to award magnet school transportation grants

§§ 262 & 263 — MINORITY EDUCATOR LOAN REIMBURSEMENT GRANT PROGRAM

Establishes the minority educator loan reimbursement grant program as part of the existing minority teacher incentive program OHE administers

§ 263 — CONNECTICUT MINORITY TEACHER INCENTIVE PROGRAM

Expands the existing Connecticut minority teacher incentive program to provide grants to minority students enrolled in the alternate route to certification program administered through SDE

§§ 264-269 — EDUCATION GRANT CAPS

Caps six education grants to boards of education for FYs 20 and 21

§ 270 — MAGNET SCHOOL GRANT INCREASES

Raises maximum per-student grant amounts for magnet schools; reauthorizes SDE authority to prioritize magnet school grants based on certain enrollment conditions; extends magnet school grant eligibility criteria for two more years, FYs 20 and 21

§ 271 — MINIMUM BUDGET REQUIREMENT (MBR)

Renews and modifies the MBR for FYs 20 and 21 with certain permitted reductions and exemptions

§ 272 — ECS GRANT INCREASES AND DECREASES DETERMINATION

Renews the calculations for ECS grant increases and decreases

§§ 273-284 — TECHNICAL EDUCATION AND CAREER SYSTEM (TECS) DELAY AS AN INDEPENDENT AGENCY

Delays by two years the transition of TECS, formerly known as the technical high school system, into an independent agency

§ 285 — UNEXPENDED EDUCATION FUNDS ACCOUNT

Increases, from 1% to 2%, the maximum amount of unspent education funds that a town may deposit from its budgeted education appropriation from the prior fiscal year

§§ 286 & 287 — TOWN-SPECIFIC MINIMUM BUDGET REQUIREMENT (MBR) WAIVERS

Allows the towns of Plymouth and Portland to reduce their budgeted education appropriations for FY 19 without penalty under specific conditions

§ 288 — MINIMUM BUDGET REQUIREMENT (MBR) PENALTY REDUCTION AND WAIVER OPTION

Decreases the penalty for towns with FY 19 MBR violations by half; allows such towns to avoid the penalty entirely through an increased FY 20 budgeted education appropriation

§ 289 — SPECIAL EDUCATION EXCESS COST GRANT EXTENSION

Requires SBE to pay a special education excess cost grant to Region 14 irrespective of grant application filing deadlines

§ 290 — BOARDS OF EDUCATION EXPENSE AND REVENUE DISCLOSURE

Requires boards of education to quarterly post online current and projected expenses and revenue and submit this information to the municipal legislative body or board of selectmen

§ 291 — TEMPORARY FAMILY ASSISTANCE (TFA) AND STATE ADMINISTERED GENERAL ASSISTANCE (SAGA) RATES

Freezes TFA and SAGA rates

§ 292 — STATE SUPPLEMENT PROGRAM (SSP) RATES

Freezes SSP rates

§§ 293, 295 & 297 — RESIDENTIAL CARE HOMES, COMMUNITY LIVING ARRANGEMENTS, AND COMMUNITY COMPANION HOMES

Freezes rates for certain facilities through FY 21

§§ 294, 296, 298 & 299 — DDS COMMUNITY COMPANION HOMES

Eliminates DDS community companion homes from existing rate structure and "rated housing facility" definition

§§ 295 & 301 — INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES (ICF/IID) AND BOARDING HOMES

Freezes, with exceptions, rates for certain boarding homes and ICFs/IID

§ 300 — RESIDENTIAL CARE HOMES

Authorizes certain fair rent increases for residential care homes in FYs 20 and 21

§ 302 — NURSING HOME RATES

Requires DSS to provide rate increases, within available appropriations, three times by January 1, 2021, to increase employee salaries and otherwise subjects nursing home rates to certain limits with various exceptions for FYs 20 and 21

§ 303 — NURSING HOME RECEIVERSHIPS

Requires nursing home and residential care home appointed receivers to begin closing facilities in certain circumstances and increases, from $3,000 to $10,000, the amount they can spend to correct or eliminate certain deficiencies

§ 304 — PETITION FOR FACILITY CLOSURE

Allows certain facilities to submit petitions for closure to DSS; requires DSS to act on such petitions within 30 days; and establishes related notice requirements

§ 305 — PROHIBITION ON NON-COMPETE AGREEMENTS

Makes non-compete agreements in home health care, companion, or homemaker service contracts void and unenforceable

§§ 306 & 307 — HOSPITAL MEDICAID RATES AND SUPPLEMENTAL PAYMENTS

Requires the DSS commissioner to implement one or more value-based payment methodologies for hospitals and reduce applicable payments based on certain readmissions; prevents DSS from making Medicaid payments to hospitals if such payments are ineligible for federal financial participation; eliminates a requirement that the FY 20

aggregate amount in the supplemental pools be $166.5 million; and requires $15 million to be allocated in FY 20 and $45 million in FY 21, based on certain parameters and within available appropriations

§ 308 — MEALS ON WHEELS

Increases the reimbursement rate for certain meals-on-wheels providers by 10% in FY 20

§ 309 — DSS FAIR HEARINGS

Clarifies the deadline for DSS to issue a final decision on an administrative appeal and remedies when it fails to meet the deadline

§ 310 — COMMUNITIES OF COLOR PILOT GRANT

Authorizes a two-year pilot grant program to build the capacity of certain community-based organizations

§ 311 — METHADONE MAINTENANCE

Requires the DSS commissioner to amend the state Medicaid plan to provide an $88.52 minimum weekly reimbursement rate for a Medicaid beneficiary's methadone maintenance treatment from chemical maintenance providers but also makes such rates contingent on meeting certain performance measures beginning July 1, 2020, and lowers rates for providers who fail to meet certain standards

§§ 312 & 313 — BURIAL EXPENSE ASSISTANCE

Increases the cap for DSS burial assistance by $150

§ 314 — ACQUIRED BRAIN INJURY (ABI) WAIVER ADVISORY COMMITTEE MEETINGS

Reduces the frequency of required ABI waiver advisory committee meetings from four times per year to once annually

§§ 315 — NATCHAUG HOSPITAL

Increases the inpatient Medicaid reimbursement rate for Natchaug Hospital to $975 per day in FY 21

§ 316 — HUSKY A MEDICAID ELIGIBILITY

Expands Medicaid eligibility for HUSKY A parents and caretakers by increasing the income limit from 150% to 155% of the federal poverty level (FPL)

§§ 317 & 318 — MOTOR VEHICLE SALES AND USE TAX DIVERSION

Reduces the scheduled diversion of motor vehicle sales and use tax revenue to the Special Transportation Fund in FYs 20 and 21

§§ 319-322 — SALES AND USE TAX ON DIGITAL GOODS AND CERTAIN ELECTRONICALLY DELIVERED SOFTWARE

(1) Increases, from 1% to 6.35%, the sales and use tax rate on digital goods and certain electronically delivered software and (2) establishes conditions under which sales of canned or prewritten software and digital goods or taxable services are considered "sales for resale" and thus exempt from sales tax

§§ 323 & 324 — SALES AND USE TAX ON MEALS AND BEVERAGES

Increases, from 6.35% to 7.35%, the sales and use tax rate on sales of meals and beverages

§§ 323 & 324 — SALES AND USE TAX ON DYED DIESEL FUEL

Lowers, from 6.35% to 2.99%, the sales tax rate on certain dyed diesel fuel

§§ 325 & 326 — SALES AND USE TAX EXTENDED TO ADDITIONAL SERVICES

Extends the sales and use tax to (1) specified parking services; (2) dry cleaning and laundry services, excluding coin-operated services; and (3) interior design services, except for business-to-business

§§ 327 & 328 — EXPANDED SALES TAX NEXUS

Lowers the threshold for sales tax economic nexus and broadens its application; lowers the sales threshold for "click-through" nexus

§§ 329 & 330 — SHORT-TERM RENTAL FACILITATOR

Requires short-term rental facilitators to collect and remit Connecticut room occupancy tax on the short-term rentals they facilitate for operators on their platforms

§ 331 — CERTIFIED SERVICE PROVIDERS

Requires the DRS commissioner to (1) consult with the Streamlined Sales Tax Governing Board to develop a list of certified service providers to facilitate Connecticut sales tax collection and remittance, (2) develop a plan to implement the use of CSPs, and (3) report to the Finance Committee on the plan and legislation to implement it

§§ 332 & 334 — INCOME TAX EXEMPTION FOR TEACHER PENSIONS

Delays, by two years, the scheduled increase in the teacher pension income tax exemption from 25% to 50%

§§ 333 & 334 — TAX CREDIT FOR PASS-THROUGH ENTITY TAX PAID

Reduces the value of the tax credit to 87.5%, rather than 93.01%, of a member's share of taxes paid by the pass-through entity

§ 335 — PROPERTY TAX CREDIT LIMIT

Extends, to the 2019 and 2020 tax years, the limits on eligibility for the property tax credit against the personal income tax

§§ 335 & 337 — REAL ESTATE CONVEYANCE TAX ON SALES ABOVE $2.5 MILLION

Establishes a new marginal conveyance tax rate for sales of residential property in excess of $2.5 million and allows taxpayers who pay at such a rate to calculate their property tax credit against the income tax based on the conveyance tax they paid

§ 336 — REAL ESTATE CONVEYANCE TAX EXEMPTION FOR CERTAIN PROPERTY WITH CRUMBLING FOUNDATIONS

Exempts from the real estate conveyance tax transfers of certain property with crumbling foundations

§§ 338 & 339 — BUSINESS ENTITY TAX

Sunsets the business entity tax beginning January 1, 2020

§ 340 — CAPITAL BASE TAX PHASE OUT

Phases out the capital base tax over four years

§§ 341-343 — CORPORATION BUSINESS TAX SURCHARGE

Extends the 10% corporation business tax surcharge for two additional years, to the 2019 and 2020 income years

§§ 344-346 — BUSINESS FILING FEES

Beginning July 1, 2020, increases, from $20 to $80, the fee that foreign and domestic limited partnerships, limited liability companies, and limited liability partnerships pay for filing an annual report with the secretary of the state

§ 347 — ANGEL INVESTOR TAX CREDIT

Extends the angel investor tax credit program by five years, to July 1, 2024; increases (1) from $3 million to $5 million, the aggregate amount of angel investor credits CI may reserve each fiscal year and (2) from $250,000 to $500,000, the total amount of tax credits allowed to any angel investor; authorizes CI to prioritize certain unreserved credits for various businesses

§ 348 — SET-ASIDE PROGRAM

Increases the number of businesses and nonprofits eligible to bid on small contractor and minority business set-aside contracts by increasing, from $15 million to $20 million, the annual gross revenue limit for eligible small contractors

§ 349 — CORPORATION BUSINESS TAX CREDITS CAP

Reduces, from 70% to 50.01%, the amount by which a company may reduce its tax liability using R&D and Urban Reinvestment Act (URA) credits

§§ 350 & 370 — PUBLIC, EDUCATIONAL, AND GOVERNMENTAL PROGRAMMING AND EDUCATION TECHNOLOGY INVESTMENT ACCOUNT (PEGPETIA)

For FY 20, transfers $7 million to PEGPETIA from the General Fund; beginning in FY 22, eliminates the requirement that $3.5 million be transferred to the General Fund each year from PEGPETIA

§ 351 — E-CIGARETTE TAX

Imposes a tax on e-cigarette products at a rate of (1) 40 cents per milliliter for pre-filled e-cigarette products and (2) 10% of the wholesale price for all other e-cigarette products

§§ 352 & 353 — ALCOHOLIC BEVERAGES TAX

Increases, by 10%, the excise tax on alcoholic beverages, except beer; reduces, by 50%, the tax rate on beer for off-premises consumption that is sold on the premises covered by a manufacturer's permit at 50% the rate otherwise applicable to beer; requires sellers to pay a floor tax on alcoholic beverages, except beer, in their inventories as of the opening of business on October 1, 2019

§ 354 — ADMISSIONS TAX

Reduces the admissions tax rate on certain venues in two steps: from 10% to 7.5% for sales occurring on or after July 1, 2019, and from 7.5% to 5% for sales occurring on or after July 1, 2020; reduces the admissions tax rate on events at Dunkin' Donuts Park in Hartford, from 10% to 5%, beginning July 1, 2019, and fully exempts such events from the tax beginning July 1, 2020

§ 355 — PLASTIC SINGLE-USE BAGS

Imposes a 10 cent fee on single-use plastic bags provided at the point of sale until June 30, 2021 and bans them beginning July 1, 2021

§ 356 — HOSPITAL PROVIDER TAX

Eliminates a scheduled reduction in the hospital tax rates on inpatient and outpatient services by maintaining the rates at FY 19 levels but requiring the base year for calculating the tax to be adjusted each biennium; among other things, requires the DSS commissioner to issue refunds if he determines for any fiscal year that the effective hospital tax rate exceeds the rate permitted under federal law

§ 357 — USER FEE ON INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES

Increases the user fee on ICF-IDs from $27.26 to $27.76

§§ 358 & 359 — ADVANCE DEPOSIT WAGERS AT OFF-TRACK BETTING FACILITIES

Explicitly prohibits and criminalizes unauthorized off-track betting (OTB) wagers and advance deposit wagers in Connecticut

§ 360 — TRANSPORTATION NETWORK COMPANY (TNC) FEE

Increases the TNC fee from 25 cents to 30 cents

§ 361 — MOTOR VEHICLE TRADE-IN FEE

Increases the motor vehicle trade-in fee from $35 to $100

§ 362 — DEBT-FREE COMMUNITY COLLEGE PROGRAM

Requires BOR to establish a program covering tuition and fees for first-time, full-time Connecticut community college students

§ 363 — FAFSA MONTH

Requires BOR to implement an annual "FAFSA month" program to assist high school seniors and their families with completing their federal student financial aid applications

§ 364 — REVENUE FROM ONLINE LOTTERY GAMING

Requires the governor, through OPM, to (1) determine the feasibility of using revenue from new online lottery gaming to fund the debt-free community college program and (2) propose budget adjustments over the biennium for the program if online lottery games are not feasible; requires such budget adjustments to provide at least $1 million for state, municipal, and regional collaboration initiatives

§§ 365 & 366 — REGIONALIZATION

Establishes a (1) task force to study ways to encourage the regionalization of municipal functions, activities, and services and (2) regionalization subaccount to support its recommendations

§ 367 — MUNICIPAL FISCAL CAPACITY

Requires the OPM secretary to (1) analyze and compare the calculations derived from the PIC index and representative tax system methodology, (2) analyze which one most accurately measures a municipality's fiscal capacity, and (3) report its findings and recommendations to the legislature

§ 368 — FEE STUDY

Requires OPM to study state fees and report recommended increases by February 5, 2020

§ 369 — BANKING FUND TRANSFER

Transfers $5.2 million from the Banking Fund to the General Fund for each year of FYs 20 and 21

§ 371 — TRANSFER OF STF RESOURCES FROM FY 20 TO FY 21

Transfers $30 million in STF resources from FY 20 to FY 21

§ 372 — TRANSFER OF FY 20 GENERAL FUND REVENUE TO FY 21

Transfers $85 million in FY 20 General Fund revenue to FY 21

§ 373 — TRANSFER FROM GENERAL FUND TO FAMILY AND MEDICAL LEAVE INSURANCE TRUST FUND

Transfers $5.1 million from the General Fund to the Family and Medical Leave Insurance Trust Fund for FY 20

§ 374 — GAAP DEFICIT

Deems that $1 is appropriated in FY 21 to pay off the state's GAAP deficit for FYs 13 and 14

§ 375 — SPECIAL TAX OBLIGATION BOND ISSUANCE CAP

Eliminates the cap on the amount of STO bonds the treasurer may issue in FYs 19 and 20 for transportation projects

§§ 376 & 387 — 7/7 PROGRAM REPEAL

Repeals the 7/7 program

§§ 377-383 — NONSTATE PUBLIC EMPLOYER HEALTH CARE PLANS

Allows the comptroller to offer other types of health care plans to nonstate public employers in addition to or instead of the state employee health plan, including other group hospitalization, medical, pharmacy, or other surgical insurance plans the comptroller develops; adds requirements related to such health plans and their premiums; and creates two reporting requirements for nonstate public employers and the comptroller, respectively

§ 384 — FIRST FIVE PLUS PROGRAM ASSISTANCE

Extends for four years (FYs 21 through 24) the time during which assistance provided under the First Five Plus program, through an agreement originally executed on December 22, 2011, is exempt from various statutory requirements

§ 385 — PAYROLL TAX INFORMATION RETURN AND ANALYSIS

Requires DRS to collect data necessary to evaluate the implementation of an employer payroll tax; establishes a payroll commission to (1) hold informational forums on the tax, (2) analyze the data DRS collects, and (3) report its findings, recommendations, and estimates to the Finance Committee

§ 386 — REPEAL OF PASSPORT TO PARKS ACCOUNT TRANSFERS

Repeals an earmark of funds from the account for specified environmental purposes

§ 387 — STEM GRADUATE TAX CREDIT REPEAL

Repeals the STEM graduate tax credit program

§ 389 — DEFICIENCY HEARINGS

Eliminates the requirement that the Appropriations Committee hold a public hearing on, and meet with, any state agency that has a potential deficiency

§ 390 — SALES AND USE TAX IMPOSED ON SAFETY APPAREL

Eliminates the sales and use tax exemption for safety apparel

§§ 1-66 — BUDGET PROVISIONS

Please refer to the fiscal note for a summary of these sections

§ 67 — COLLEGE CONNECTIONS PROGRAM

Requires the BOR to waive tuition and fees for Ansonia High School students who participate in the College Connections program at Derby High School

The bill requires, beginning in FY 20, the Board of Regents for Higher Education to waive tuition and fees for Ansonia High School students who participate in the College Connections program at Derby High School. The amount of the waiver each fiscal year equals the appropriation for this purpose.

The College Connections program enables high school students to take community college courses in advanced manufacturing and receive both high school and college credit.

EFFECTIVE DATE: Upon passage

§ 68 — DEPARTMENT OF CORRECTION'S OMBUDSMAN SERVICES

Requires DOC to hire an ombudsman and an executive assistant to provide certain ombudsman services to individuals age 18 or younger who are in the DOC commissioner's custody

The bill requires the Department of Correction (DOC) commissioner to (1) hire someone to provide ombudsman services to individuals age 18 or younger in the commissioner's custody ("individuals in custody") and (2) annually report the person's name to the Judiciary Committee. The bill also allows the commissioner to hire someone as an executive assistant to carry out the ombudsman's duties under the bill. The commissioner may do so in addition to the executive assistant positions already authorized under existing law. Under the bill, among other things, "ombudsman services" includes taking and investigating complaints from such individuals in custody regarding the department's decisions, actions or omissions, policies, procedures, rules, and regulations (see below).

The bill requires the individuals in custody to reasonably pursue a resolution of the complaint through any existing internal DOC grievance procedures, prior to obtaining ombudsman services.

Ombudsman Services Defined

Under the bill, the services that the ombudsman provides (i.e., "ombudsman services") include:

1. taking complaints regarding DOC's decisions, actions or omissions, policies, procedures, rules, and regulations;

2. investigating such complaints, rendering a decision on the merits of each complaint, and communicating the decision to the complainant;

3. recommending, to the commissioner, a resolution of any complaint found to have merit;

4. recommending policy revisions to the department; and

5. publishing a quarterly report of all ombudsman services activities.

Confidentiality and Exceptions

Under the bill, with certain exceptions, all oral and written communications, and related records, between an individual in custody and the ombudsman, or a member of the ombudsman's staff, must be confidential and may not be disclosed without the individual's consent.

The bill allows the ombudsman to disclose, without the individual's consent, communications and related records, such as the identity of a complainant, the details of a complaint, and the ombudsman's investigative findings and conclusions, that are necessary (1) for the ombudsman to conduct an investigation and (2) to support any recommendations the ombudsman may make. The ombudsman may also disclose, without the individual's consent, the formal disposition of a complaint when requested in writing by a court hearing an

application for a writ of habeas corpus filed after an adverse finding by the ombudsman on the complaint.

Disclosure of Criminal Acts or Threats to Health and Safety

Regardless of the confidentiality provisions, the bill requires the ombudsman to notify the DOC commissioner or a facility administrator when, in the course of providing ombudsman services, the ombudsman or a member of the ombudsman's staff becomes aware of the commission or planned commission of a criminal act or a threat to the health and safety of anyone or the security of a correctional facility.

Under the bill, if the commissioner reasonably believes that an individual in custody has made or provided to the ombudsman an oral or written communication concerning a safety or security threat within the department or directed against a DOC employee, the ombudsman must provide the commissioner all oral or written communications relevant to such threat.

EFFECTIVE DATE: July 1, 2019

§ 69 — WAIVERS FOR CERTAIN HOUSING AUTHORITIES

Extends indefinitely a requirement that certain municipalities waive payments due from certain state-financed housing authorities

The bill extends indefinitely a requirement that certain municipalities waive payments due from certain state-financed housing authorities if the Department of Housing (DOH) does not make a payment on the authorities' behalf.

Existing law (1) requires state-financed housing authorities for moderate rental housing projects to make payments to the municipality in which the project is located instead of paying property taxes, special benefit assessments, and sewer system use charges and (2) authorizes DOH to make these payments on a housing authority's behalf under the Moderate Rental Payment in Lieu of Taxes (PILOT) Program (CGS § 8-216).

Under current law, municipalities to which DOH made a Moderate

Rental PILOT Program payment on a housing authority's behalf in FY 15, must waive the above payments in FYs 16 to 19. For these same municipalities, the bill instead requires the waiver in any year when a Moderate Rental PILOT Program payment is not made on an authority's behalf.

EFFECTIVE DATE: October 1, 2019

§ 70 — MOTOR VEHICLE PROPERTY TAX GRANTS

Modifies the grant amount owed to municipalities for FYs 20 and 21 to mitigate their revenue losses due to the motor vehicle mill rate cap; requires three West Haven fire districts to receive additional grant amounts for FY 20

For FYs 20 and 21, the bill changes the formula for calculating the municipal grants that reimburse municipalities for a portion of the revenue loss attributed to the motor vehicle property tax cap. (The bill, however, refers to these grants as "municipal transition grants," rather than motor vehicle property tax grants.) By law, municipalities that impose a mill rate on real and personal property, other than motor vehicles, that is greater than 45 mills (i.e., the capped motor vehicle mill rate) are eligible for the grants.

Under current law, the grant amount for FY 20 and thereafter equals the difference between the (1) amount of property taxes a municipality and, any tax district therein, levied on motor vehicles for FY 18 and (2) the levy amount for that year at the capped rate (45 mills).

Under the bill, the FY 20 grant is equal to the difference between the (1) amount of property taxes a municipality, and any tax district therein, levied on motor vehicles for FY 18 and (2) the levy amount for that year at the same mill rate the municipality imposed on real and personal property other than motor vehicles. The FY 21 grant is calculated using the same formula, but based on FY 19 data.

The bill also requires the following fire districts in West Haven to receive specified grant amounts in FY20 in addition to any other municipal transition grant required under the bill:

1. Allingtown ($160,170),

2. West Shore ($180,000), and

3. First Center ($180,000).

EFFECTIVE DATE: July 1, 2019

§ 71 — MUNICIPAL GAMING ACCOUNT AND GRANTS TO MUNICIPALITIES

Provides grants from the municipal gaming account to two additional municipalities and reduces the amount each municipality annually receives from $750,000 to $625,000

Existing law establishes conditions under which MMCT Venture, LLC may operate an off-reservation commercial casino gaming facility in the state and, among other things, requires it to pay the state 25% of the gross gaming revenue from video facsimile games once the casino is operational. Of the video facsimile payments, $7.5 million must be annually deposited into the municipal gaming account. The bill adds West Hartford and Windsor to the list of municipalities receiving annual grants. Current law requires the Office of Policy and Management to annually disperse grants to 10 municipalities (Bridgeport, East Hartford, Ellington, Enfield, Hartford, New Haven, Norwalk, South Windsor, Waterbury, and Windsor Locks).

By law, the grants are reduced proportionately in any fiscal year that the total grant amount exceeds the available funds. Since the bill does not increase the overall amount that must be deposited into the fund, the bill decreases the amount each municipality receives from $750,000 to $625,000.

EFFECTIVE DATE: July 1, 2019

§ 72 — DPH CHILDREN'S HEALTH INITIATIVES

Incorporates DPH's children health initiatives into the list of programs funded through the Insurance Fund by the public health fee on domestic health carriers

The Department of Public Health's (DPH) Children's Health Initiatives account was moved from the General Fund to the Insurance Fund by PA 17-4, June Special Session.

The bill makes a corresponding change by requiring the Office of Policy and Management (OPM) secretary, by September 1 annually

and in consultation with the DPH commissioner, to determine the amounts appropriated for these children's health initiatives and inform the insurance commissioner. This incorporates these initiatives into the public health fee that the insurance commissioner assesses against domestic health insurers and HMOs, to fund certain DPH programs.

Under existing law, these provisions apply to the following DPH initiatives: (1) syringe services program, (2) AIDS services, (3) breast and cervical cancer detection and treatment, (4) x-ray screening and tuberculosis care, and (5) sexually transmitted disease control.

EFFECTIVE DATE: July 1, 2019

§§ 73 & 74 — REPLACEMENT PUBLIC WELL

Allows (1) DPH to approve the location of a replacement public well in Ledyard, if certain conditions are met and (2) the local health director to issue a permit for the well

If certain conditions are met, the bill allows DPH to approve the location of a replacement public well in Ledyard that does not meet the state's sanitary radius and minimum setback requirements for these water sources. And if DPH approves the location, the bill allows the local health director to issue a permit for the replacement public well, by no later than March 1, 2020.

Under the bill, DPH may approve the location if the replacement public well is:

1. needed by the water company to maintain and provide safe and adequate water to its customers;

2. located in an aquifer of adequate water quality, as determined by historical water quality data from the water supply source it is replacing; and

3. located in a more protected location than the water supply source it is replacing, as determined by DPH.

EFFECTIVE DATE: October 1, 2019, for DPH's location approval and upon passage for Ledyard's permit issuance authority.

§ 75 — SAFE DRINKING WATER PRIMACY ASSESSMENT

Requires water companies that own community or non-transient, non-community water systems to pay DPH a safe drinking water primacy assessment in FYs 19 to 21; allows water companies that own community water systems to recover the assessment from customers

In FYs 19 to 21, the bill requires water companies that own community or non-transient, non-community water systems to annually pay the Department of Public Health (DPH) a safe drinking water primacy assessment. The assessment's purpose is to support DPH's ability to maintain primacy under the federal Safe Drinking Water Act (SDWA, 42 U.S.C. § 300f et seq.). Under the SDWA, the federal Environmental Protection Agency (EPA) delegates primary enforcement responsibility ("primacy") for public water systems to states if they meet certain requirements.

Among other things, the bill (1) allows water companies that own community water systems to recover the assessment from customers, (2) exempts state agencies from the assessment, and (3) allows the DPH commissioner to adopt implementing regulations.

(PA 17-2, June Special Session (§ 676) already requires water companies that own community public water systems or non-transient non-community public water systems to pay to DPH a safe drinking water primacy assessment in FY 19, up to a total assessment of $2.5 million.)

EFFECTIVE DATE: Upon passage

Definitions

Under the bill, a "public water system" is a water company that supplies drinking water to 15 or more consumers or 25 or more people daily at least 60 days per year.

A "community water system" is a public water system that regularly serves at least 25 residents. A "non-community water system" is a public water system that serves at least 25 people at least 60 days per year and is not a community water system.

A "non-transient, non-community water system" is a non-

community water system that regularly serves at least 25 of the same people for at least six months per year.

Assessment Amount and Procedure

The bill requires DPH, by January 1, 2020, and again by January 1, 2021, to issue invoices for the safe drinking water primacy assessment. The following table lists the assessment amounts and payment due dates.

Assessment Amounts and Due Dates

System Type	*Amount*	*Due Dates*
Community water system	If fewer than 50 service connections: $125	May 1 (100% due)
	If 50 to 99 service connections: $150	May 1 (100% due)
	If 100 or more service connections: an amount set by the DPH commissioner, up to $3 per connection	March 1 (50% due) May 1 (remaining 50% due)
Non-transient, non-community water system	$125	March 1 (100% due)

The bill also provides that:

1. if one water company acquires another, the purchaser must pay the assessment and

2. if a company fails to pay any part of the assessment within 30 days after the due date, DPH may impose a 1.5% assessment fee for each month of nonpayment beyond the initial 30-day period unless it is a municipal water company, which is subject to a 9.0% fee (CGS § 12-38).

By August 1, 2019, and then again by August 1, 2020, the bill requires DPH to issue a statement to each water company that owns a

community water system. That statement must show the number of service connections, and the source of that number, that each system has listed in the department's record as of the date the statement is issued. For this purpose, DPH must combine the number of connections of all water systems owned and operated by the same company for a total count of service connections.

Under the bill, if a water company disagrees with the number of service connections listed in the statement, the company has 30 days after the statement's issuance to report to DPH the accurate number of connections it serves. These companies must do so in a form and manner DPH prescribes.

The bill specifies that service connections do not include service pipes used only for fire service or irrigation purposes.

Assessment Termination

The bill provides that the requirement for water companies to pay the assessment terminates immediately if DPH no longer maintains primacy under the SDWA. This applies whether primacy is removed by the EPA or any other action by a state or federal authority.

If the assessment is terminated and not reinstated within 180 days, the water company must credit its customers any amount collected from them for the amount that the company is no longer required to pay DPH.

Assessment Recovery

The bill allows water companies that own community water systems to collect the assessment from their customers, using fees based on each customer's pro rata share of the assessment. The companies may adjust the amount to reflect the bad debt component and surplus or deficit related to their primacy assessment for the prior billing period.

Under the bill, water companies may charge the pro rata assessment without going through the standard rate change approval process, provided the fee appears as a separate item, identified as an

assessment, on each customer's bill. Such charges are subject to the company's past due and collection procedures, including interest charges, that apply to other authorized charges.

DPH Reporting and Comment Period

The bill requires DPH, in consultation with OPM and by October 1, 2019, and again by October 1, 2020, to post on its website:

1. the staff and costs to support DPH's ability to maintain primacy under the SDWA, taking into consideration funding from state and federal sources (in an amount constituting the total assessment amount for the current fiscal year) and

2. the assessment amounts due, based on the posted costs and in accordance with the bill's requirements.

The bill also requires DPH, by November 1, 2019, and again by November 1, 2020, to post on its website a report on:

1. resources, activities, and costs that support DPH's ability to maintain primacy under the SDWA in the previous fiscal year,

2. the number of full-time equivalent positions that performed the required functions to maintain primacy in the previous fiscal year, and

3. quality improvement strategies the department deployed to streamline operations to make efficient and effective use of staff and resources.

The bill requires the commissioner to provide for a 30-day comment period after posting the report online. After that period, and no later than the following January 1, the commissioner must submit the report and a summary of the public comments to the governor and the Public Health Committee.

§§ 76, 77 & 388 — REDUCTIONS FOR MUNICIPAL HEALTH DEPARTMENTS AND HEALTH DISTRICTS

Requires DPH to reduce payments on a pro rata basis to municipal and district health departments if the payments in a fiscal year exceed the amount appropriated

The bill requires DPH to reduce, on a proportional basis, payments to municipal and district health departments if the payments in a fiscal year exceed the amount appropriated for that year.

To receive such funding, existing law requires that, among other things, (1) municipalities have a full-time health department and a population of at least 50,000 and (2) health districts have a total population of at least 50,000 or serve three or more municipalities, regardless of their combined total population.

The bill also repeals an obsolete provision.

EFFECTIVE DATE: July 1, 2019

§ 78 — USE OF BOND PREMIUM

Delays by two years, from July 1, 2019, to July 1, 2021, the requirement that the treasurer direct bond premiums to an account or fund to pay for previously authorized capital projects

The bill delays by two years, from July 1, 2019, to July 1, 2021, the requirement that the treasurer direct bond premiums to an account or fund to pay for previously authorized capital projects. (Bond premium is the extra, up-front payment investors make in exchange for a higher interest rate on the bonds.)

Until July 1, 2019, current law requires bond premiums (as well as accrued interest and net investment earnings on bond proceed investments) to be deposited into the General Fund after paying bond issuance costs and interest on state debt. Beginning July 1, 2019, current law requires the treasurer to direct bond premiums on general obligation (GO) and credit revenue bond issuances, net of any original issue discount, and after paying the issuance costs, to an account or fund to pay for previously authorized capital projects.

The bill delays this requirement to July 1, 2021, thus requiring the treasurer to continue directing bond premiums to the General Fund (after paying bond issuance costs and interest on state debt) until then.

EFFECTIVE DATE: Upon passage

§ 79 — PURA PROCUREMENT MANAGER

Eliminates the procurement manager position within PURA and instead allows the PURA chairperson to assign staff to fulfill the procurement manager's duties

The bill removes a requirement for the Public Utilities Regulatory Authority (PURA) to include a procurement manager who (1) oversees procuring electricity for standard service (the electricity provided to customers who choose not to buy their power from a retail electric supplier) and (2) has experience in energy markets and procuring energy on a commercial scale.

The bill instead allows PURA's chairperson to assign PURA staff to fulfill the procurement manager's duties where required in the energy statutes. These duties include (1) developing a plan, in consultation with the electric distribution companies, for procuring the electricity sold under their standard service offers (CGS § 16-244m) and (2) consulting with the Department of Energy and Environmental Protection commissioner on various solicitations for energy (e.g., CGS § 16a-3f).

EFFECTIVE DATE: July 1, 2019

§ 80 — PURA UTILITY COMMISSIONERS

Increases the number of PURA commissioners from three to five

The bill increases the number of the Public Utilities Regulatory Authority (PURA) commissioners from three to five. It requires the governor to appoint three commissioners to PURA between July 1, 2019, and May 1, 2020, (the term of one of the current PURA commissioners expires on June 30, 2019). As under current law, the governor must appoint the commissioners with the legislature's advice and consent.

Under current law, PURA commissioners serve four-year terms. The bill, however, requires the term for a commissioner appointed and confirmed between (1) February 1, 2018, and June 1, 2018, to expire on March 1, 2022, and (2) February 1, 2019, and June 1, 2019, to expire on March 1, 2024. For the three new commissioners, the bill requires the

term for one to end on March 1, 2021, and terms for the other two to end on March 1, 2023. Any commissioner appointed on or after May 1, 2020, must serve a four-year term.

The bill also makes corresponding changes related to increasing the number of commissioners. It increases, from two to three, the maximum number of commissioners who may be from the same political party. It also allows (1) the PURA chairperson to assign a panel of three or more commissioners, rather than one or more, to consider a matter before PURA and (2) the panel to designate one or more of its members, rather than one or two, to conduct a hearing on the matter.

Lastly, the bill makes technical and conforming changes that remove obsolete provisions.

EFFECTIVE DATE: July 1, 2019

§ 81 — RESIDENT STATE TROOPER FRINGE FUNDING

Beginning FY 20, the comptroller must annually pay 50% of the portion of the state employees' retirement system fringe recovery rate attributable to the unfunded liability of the system

By law, a town participating in the resident state trooper program pays, among other things, 100% of the overtime costs and the portion of fringe benefits directly associated with such costs. Under the bill, for FY 20 and each fiscal year thereafter, the comptroller must pay 50% of the portion of the state employees' retirement system fringe recovery rate attributable to the unfunded liability of the system from the resources appropriated for State Comptroller-State Employees' Retirement System Unfunded Liability.

EFFECTIVE DATE: July 1, 2019

§§ 82-90 — TEACHERS' RETIREMENT FUND BONDS SPECIAL CAPITAL RESERVE FUND

Creates the TRF-SCRF to further secure state payment of pension bonds; appropriates $380.9 million for the TRF-SCRF; makes changes to the TRS actuarial funding methodology and benefit design

TRF-SCRF (§§ 82-85 & 90)

The bill establishes the Connecticut Teachers' Retirement Fund Bonds Special Capital Reserve Fund (TRF-SCRF) and appropriates $380.9 million in FY 19 to the Treasurer's Debt Service account for deposit in the TRF-SCRF. The bill states that (1) the TRF-SCRF's purpose is to provide adequate protection for holders of pension obligation bonds (POBs) issued in 2008 by further securing the payment of the principal and interest of the bonds and (2) it is determined that the fund provides such protection.

Under the bill, if the level of the fund falls below the required minimum capital reserve amount, the treasurer is authorized to direct certain revenues of the Connecticut Lottery Corporation to the TRF-SCRF instead of directing such revenues to the General Fund. "Required minimum capital reserve" is the highest remaining annual payment for the POBs.

Under the bill, the state pledges to the holders of the POBs and any related refunding bonds that the state will not limit or alter the rights of the bondholders or reduce the transfer or deposit of money into the fund under the bill's provisons unless (1) all the bonds are fully paid or (2) provision for payment of the bonds has been made and the amount of the fund's annual required contribution for the Teachers' Retirement System (TRS) is determined in accordance with the TRS actuarial standards in law at the time the bonds were issued. However, the bill also provides that nothing contained in it precludes limitations, alterations, or reductions if adequate provision is made by law for the protection of the holders of such bonds.

In the event that the treasurer fails to make required debt service payments on the POBs, the unpaid debt service must be made up by General Fund revenue.

Under the bill, the fund terminates:

1. when the POBs have been fully repaid;

2. if certain specified funds are deposited in an irrevocable trust on behalf of the bondholders in an amount that is sufficient to pay

the bond's principal and interest when due and any redemption premium due when the bonds are redeemed prior to maturity;

3. if the amount of the annual required contribution to the fund for the TRS is determined in accordance with the TRS actuarial standards in law at the time the bonds were issued; or

4. if the TRB fails to approve the credited interest percentage for member accounts and return assumption in accordance with the bill's provisions.

Any money left in the fund when it terminates must be transferred to the Budget Reserve Fund.

TRS Amortization Method Change and New Amortization Schedule (§§ 86 & 88)

The bill transitions the amortization methodology for the TRS from a level percentage of payroll to a level dollar amortization over a five-year period.

The bill replaces the existing amortization schedule with a new 30-year schedule for the unfunded accrued actuarial liability (UAAL) as of June 30, 2018, and allows future gains or losses to be amortized over new 25-year periods. It eliminates the requirement that the actuarially determined employer contribution (ADEC) be based on members paying a 6% contribution, thus allowing the ADEC to be calculated based on the actual member contribution (7%), as is standard practice in such valuations.

The bill states that the General Assembly must not reduce the ADEC unless the governor declares an emergency or extraordinary circumstance and at least three-fifths of the members of each chamber vote for a reduction for the biennium for which the emergency is declared. This mirrors language in the POB covenant.

Death Benefit Partial Refund (§ 87)

The bill changes the percentage reduction that is used in calculating member account balances from 25% to 50%. This determines the

partial refund death benefit a member's beneficiary receives and is applicable for members who retire on or after July 1, 2019.

Required Actions by the TRB (§ 89)

The bill specifies that no money may be deposited in the TRF-SCRF, and that other provisions of the bill will not take effect, until the Teachers' Retirement Board (TRB) approves the following:

1. the change in the credited interest percentage for members' accounts from the current actuarially determined amount to not more than 4% annually and

2. the reduction in return assumption from the current rate of 8% to 6.9%.

If the board approves the above items, it must (1) request a revised actuarial valuation for FY 20 and FY 21 and (2) certify to the General Assembly the revised ADEC for FY 20 and FY 21.

EFFECTIVE DATE: Upon passage, except that (1) the amortization changes are effective on the date the treasurer certifies that the amount on deposit in the TRF-SCRF meets the required minimum reserve, (2) the death benefit partial refund changes are effective July 1, 2019, and (3) the appropriation is effective upon the TRB's approval of the credited interest percentage and return assumption.

§ 91 — FISCAL ACCOUNTABILITY REPORTS

Delays, by five days, the annual date by which OPM and OFA must submit fiscal accountability reports to the Appropriations and Finance committees and delays, by 15 days, the date by which the committees must review the reports

The bill delays by five days, from November 15 to November 20, the annual date by which the Office of Policy and Management (OPM) secretary and Office of Fiscal Analysis (OFA) director must each submit fiscal accountability reports to the Appropriations and Finance, Revenue and Bonding committees. It also delays by 15 days, from November 30 to December 15, the annual date by which the committees must meet with the OPM secretary, OFA director, and any others they consider appropriate to review the fiscal reports.

EFFECTIVE DATE: October 1, 2019

§ 92 — TAX INCIDENCE STUDY

Delays the next DRS tax incidence report deadline, from February 15, 2020, to February 15, 2022

The bill delays, by two years, from February 15, 2020, to February 15, 2022, the deadline by which the Department of Revenue Services (DRS) must submit its next tax incidence report to the legislature and post it on the department's website. By law, the report must indicate the extent to which groups of people and types of businesses bear the burden of different taxes.

EFFECTIVE DATE: Upon passage

§§ 93-95 — ACCESSIBILITY OF ELECTRIC VEHICLES

Establishes various requirements towards reducing the emissions generated by vehicles in the state fleet, creates a state funded rebate program to incentivize residents to purchase zero-emission vehicles, and increases and broadens the application of the greenhouse gas reduction fee to fund that rebate program

The bill establishes standards and requires agency studies to assist the state with increasing the number of zero-emission vehicles in its fleet. It also creates a state funded rebate program to incentivize state residents to purchase such vehicles.

Regarding state vehicles, it:

1. requires, beginning January 1, 2030, minimum percentages of cars, light duty trucks, and buses purchased or leased for the state fleet to be "zero-emission;"

2. expands the Department of Administrative Services (DAS) commissioner's annual legislative reporting requirements to include a procurement plan that aligns with these state fleet requirements and a feasibility assessment for the state's purchase or lease of zero-emission medium and heavy duty trucks; and

3. requires the DAS commissioner to study the feasibility of creating a competitive bid process for procurement of zero-emission vehicles and buses, and authorizes the commissioner to

proceed if it would achieve cost savings.

Regarding resident vehicles, the bill:

1. establishes the Connecticut Hydrogen and Electric Automobile Purchase Rebate (CHEAPR) program to provide rebates for the purchase or lease of new or used hydrogen or electric vehicles, based on an existing pilot program (see BACKGROUND);

2. creates an administrative board to oversee the CHEAPR program; and

3. establishes a General Fund account with a revenue stream generated by increasing and broadening the application of the greenhouse gas reduction fee to fund it.

The bill also eliminates an obsolete provision and makes conforming and technical changes.

EFFECTIVE DATE: October 1, 2019, except that the changes to the greenhouse gas reduction fee are effective January 1, 2020.

Increasing Percentage of Zero-Emission Vehicles in the State Fleet

Starting on January 1, 2030, the bill requires that at least 50% of the cars and light duty trucks and at least 30% of the buses purchased or leased by the state be zero-emission vehicles and zero-emission buses, respectively. The bill defines a "zero-emission vehicle" as a battery, hybrid, or range-extended electric vehicle, and any vehicle certified by the California Air Resources Board's executive officer to produce zero emissions of any criteria pollutant during all operational modes and conditions. It defines "zero-emission bus" as any urban bus certified by the California Air Resources Board's executive officer to produce zero emissions as described above. These requirements do not apply to vehicles used for law enforcement or emergency response purposes by the following state agencies and entities:

1. the Motor Vehicles, Emergency Services and Public Protection, Energy and Environmental Protection, Correction, Mental

Health and Addiction Services, Developmental Services, Social Services, Children and Families, Transportation, and Judicial departments;

2. the Board of Pardons and Paroles and State Capitol Police; and

3. the Board of Regents for Higher Education, the University of Connecticut, and the University of Connecticut Health Center.

DAS Annual Reporting

The bill adds two topics to DAS's existing annual reporting requirements to the legislature. First, the DAS commissioner must produce a three-year vehicle procurement plan that aligns with the bill's requirements for increasing the percentage of zero-emission vehicles and buses in the state fleet. Secondly, the commissioner must assess the availability of zero-emission medium and heavy duty trucks and the feasibility of the state purchasing or leasing those types of trucks. The DAS commissioner must work in consultation with the Department of Transportation (DOT) commissioner on these reporting requirements as well as those already existing in statute. By law, DAS must file this annual report with the Government Administration and Elections, Environment, and Energy and Technology committees.

Procurement Study

The bill requires the DAS commissioner, in consultation with the DOT commissioner, to study the feasibility of creating a competitive bid process for the aggregate procurement of zero-emission vehicles and buses and determine if the process would achieve cost savings. The DAS commissioner must report the study's results to the Government Administration and Elections and Transportation committees by January 1, 2020. The bill also authorizes the DAS commissioner to proceed with the aggregate procurement upon determining it would achieve a cost savings.

State Resident Rebate Program

Program Creation. The bill establishes the Connecticut Hydrogen and Electric Automobile Purchase Rebate Board within the

Department of Energy and Environmental Protection (DEEP) and requires it to create and administer the CHEAPR program, from January 1, 2020, until December 31, 2025. Under the bill, the program must provide rebates of at least $3 million annually to residents who (1) purchase or lease a battery, plug-in hybrid, or fuel cell electric vehicle, or (2) purchase a used hydrogen or electric vehicle. The board must (1) establish and revise rebate levels and income eligibility for rebates for such vehicles and (2) evaluate the program annually.

Administrative Board Membership. Under the bill, the CHEAPR board must consist of:

1. the DEEP and consumer protection commissioners and the Connecticut Green Bank president, or their respective designees;

2. a member from an environmental organization knowledgeable in electric vehicle policy, appointed by the House speaker;

3. a member appointed by the Senate president;

4. a member from an organization representing environmental justice community interests, appointed by the House majority leader;

5. a member from an association representing Connecticut automotive retailers, appointed by the Senate majority leader;

6. a member appointed by the House minority leader; and

7. a member appointed by the Senate minority leader.

The bill authorizes the DEEP commissioner to appoint up to three additional members to the board from other industrial fleet or transportation companies. The DEEP commissioner, or the commissioner's designee, will serve as the board chairperson, and the board may meet as it deems necessary.

Program Funding & Greenhouse Gas Reduction Fee Changes

The bill establishes a CHEAPR program account as a separate,

nonlapsing account within the General Fund and requires its funding be used towards administering the CHEAPR program. It directs the first $3 million in revenue collected each fiscal year from the greenhouse gas reduction fee to the CHEAPR program's account, instead of the General Fund as under current law.

Relatedly, the bill makes several changes to the greenhouse gas reduction fee. Under current law, this fee is $5 and assessed on certain statutorily-defined motor vehicles 10,000 pounds or less upon the registration of those vehicles sold as new. Under the bill, the fee instead applies to motor vehicles registered as passenger, motor home, combination, or antique vehicles. It sets the greenhouse gas reduction fee at $10 for two-year registrations of those vehicles sold as new and $5 for two-year original or renewal registrations of those vehicles that are used. The bill also sets the fee at $5 for one-year registrations of passenger motor vehicles by people age 65 or older of those vehicles sold as new and $2.50 for one-year original or renewal registrations of those vehicles that are used. The bill specifies that no part of the greenhouse gas reduction fee may be refunded if a person cancels his or her vehicle registration before it expires.

Under the bill, any revenue collected in excess of $3 million in each fiscal year from the greenhouse gas reduction fee must be deposited in the General Fund.

Background - CHEAPR Pilot

CHEAPR was created administratively in 2015 as a pilot program. It was developed by DEEP in partnership with Eversource Energy, Avangrid (i.e., the United Illuminating Company), and the Connecticut Automotive Retailers Association. The program is managed on a day-to-day basis by the Center for Sustainable Energy.

§ 96 — APRN EMERGENCY CERTIFICATES AT CORRECTIONAL FACILITIES

Allows APRNs, under certain conditions, to issue emergency certificates to require hospitalization for up to 72 hours of prison inmates with psychiatric disabilities

The bill allows advanced practice registered nurses (APRNs) to issue written emergency certificates authorizing prison inmates to be

taken to a general hospital for a medical examination. It applies to all APRNs employed by the Department of Correction (DOC) to provide mental health care at correctional facilities.

To do this, an APRN must reasonably believe, based on direct evaluation, that the person has a psychiatric disability, is dangerous to himself or herself or others or gravely disabled, and needs immediate care and treatment. The inmate must be examined within 24 hours and may not be held in the hospital for more than 72 hours unless he or she is committed under a court order (see CGS § 17a-502).

The bill requires the DOC commissioner to collect and maintain statistical and demographic data on emergency certificates APRNs issue at correctional facilities under these provisions.

Under existing law, APRNs who have received specified training can issue emergency certificates authorizing people with a psychiatric disability to be taken to a general hospital for examination (CGS § 17a-503(d)).

EFFECTIVE DATE: July 1, 2019

§§ 97 & 98 — WORKING PAPERS EXEMPTION

Exempts employers from the requirement to obtain a minor's "working papers" when they employ minors through a regional workforce development board's youth development program

The bill exempts employers from the requirement to obtain a certificate showing the age of an employee under age 18 (i.e., his or her "working papers") when the employer wants to employ the minor through a regional workforce development board's youth development program.

EFFECTIVE DATE: July 1, 2019

§§ 99-102 — CONNECTICUT RETIREMENT SECURITY AUTHORITY

Removes provisions that generally require that the retirement programs offered by the CT Retirement Security Authority be from multiple authority-selected vendors

The bill removes provisions that generally require the Connecticut

Retirement Security Authority to offer retirement programs from multiple vendors and makes corresponding changes. PA 16-29, as amended by PA 16-3, May Special Session, created the authority and tasked it with establishing a retirement program with individual retirement accounts for certain private-sector employees who would be automatically enrolled in the program unless they opt out.

By law, the authority must establish criteria and guidelines for the retirement programs offered through the Connecticut Retirement Security Exchange. Under current law, the authority's criteria and guidelines must require the program to offer qualified retirement investment choices from multiple authority-selected vendors. The bill removes the requirement for these investment choices to be from multiple authority-selected vendors.

Current law requires the authority to provide that each participant's account be invested in an age-appropriate target date fund with a vendor selected by the participant or other investment vehicles that the authority may prescribe. But, if a participant does not affirmatively select a specific vendor or investment option, current law requires the participant's contribution to be invested in an age appropriate target date fund that most closely matches the participant's normal retirement age, rotationally assigned by the program.

The bill removes the requirements for a participant's (1) target date fund to be from a vendor selected by the participant and (2) contribution to be invested in a rotationally assigned fund if the participant does not select a vendor. Instead, it only requires that the participant's account be invested in an age appropriate target date fund or another investment vehicle that the authority may prescribe if the participant affirmatively selects one.

Current law requires the authority's Internet web site to provide participants with information about approved vendors offering individual retirement accounts through the program and their various investment options. The bill removes the requirement for this information to be about approved vendors, but maintains the

requirement for it to be about various investment options offered through the program, including their historical investment performance.

The bill similarly removes a requirement that the authority's quarterly statements to participants on investment options include options from various vendors. It also makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2019

§§ 103-104 — PERSONAL SERVICE AGREEMENT (PSA) WAIVERS

Requires executive branch agencies to submit a procurement plan every three years to OPM for approval; requires OPM to (1) annually report on waiver requests received and their outcomes and (2) post approved waivers on the state contracting portal

PSAs are typically used by state agencies to purchase infrequent and non-routine services or end products, such as certain consulting services, technical assistance, or training. Under current law, PSAs with a cost ranging from $20,000 to $50,000 and with a term of no more than one year must be based on competitive negotiation or competitive quotations, unless the purchasing agency applies for and receives a waiver from the Office of Policy and Management (OPM) secretary allowing for a sole source purchase.

The bill requires the OPM secretary to post any approved PSA waiver requests on the state contracting portal. It also requires the secretary to submit a report, by January 15, 2020, and annually thereafter, to the Appropriations and Government Administration and Elections committees and the State Contracting Standards Board. The report must (1) list any PSA waiver requests received during the prior year and (2) include the justification for granting or denying the requests.

The bill also requires each executive branch state agency to submit an agency procurement plan, by January 1, 2020, and every three years thereafter, to the OPM secretary for approval. The plan must include a list of all services and programs the agency intends to contract for over the next three years and a planned schedule of procurements

indicating whether the (1) procurement will be based on competitive negotiation or competitive quotation, or (2) agency has determined that a sole source procurement is required and intends to apply to the secretary for a waiver.

EFFECTIVE DATE: October 1, 2019

§§ 105-143 & 388 — LEGISLATIVE COMMISSION CONSOLIDATION

Merges the legislative Equity and Opportunity (CEO) and Women, Children and Seniors (CWCS) commissions into a single entity, the Commission on Women, Children, Seniors, Equity and Opportunity, which the bill designates as the successor to the two current commissions

The bill merges the legislative Equity and Opportunity (CEO) and the Women, Children and Seniors (CWCS) commissions into a single entity, the Commission on Women, Children, Seniors, Equity and Opportunity, which the bill designates as the successor to the two current commissions. It organizes the new commission into a 44-member advisory board, an eight-member executive committee, and six subcommissions.

Under the bill, the new commission must focus its efforts on issues affecting the two current commissions' constituencies of underrepresented and underserved populations: African Americans, Asian Pacific-Americans, and Latinos and Puerto Ricans (CEO's current constituencies), and women, children and the family, and elderly individuals (CWCS's current constituencies). It generally establishes the same powers and duties for the new commission that current law provides for CEO and CWCS.

The bill makes minor, technical, and conforming changes to implement its provisions.

EFFECTIVE DATE: July 1, 2019

Advisory Board (§ 105)

Under the bill, the commission's advisory board consists of 44 members who serve two-year terms: 42 appointed by the legislative leaders and two appointed by the Legislative Management Committee.

The bill terminates all current CEO and CWCS members' terms as of June 30, 2019, except for the commissions' current chairpersons, whom it deems the new advisory board's chairpersons through June 30, 2021.

The bill requires each appointing authority, other than the Legislative Management Committee (see below), to make initial appointments to the advisory board by July 31, 2019. It specifies that the terms of the initial appointees terminate on June 30, 2021, regardless of the appointment date. As under current law, any vacancy occurring before a term's expiration must be filled by the appointing authority for the balance of the unexpired term, and members must continue to serve until their successors are appointed.

Commission members must serve without compensation but, within the limits of available funds, are reimbursed for necessary expenses.

Appointments by Legislative Leaders. The bill requires (1) each of the six legislative leaders to make six appointments to the advisory board and (2) the House speaker and Senate president pro tempore to also make six joint appointments. The bill retains the provisions in current law requiring (1) each appointing authority to allocate his or her appointments evenly across the commissions' respective constituencies (under the bill, one appointment for each constituency) and (2) each authority besides the House and Senate majority leaders to allocate a minimum number of his or her appointments to individuals from specified regions of the state, as shown in the table below.

Required Geographical Representation

Appointing Authority	*Region*	*Minimum number of appointees from region*
Jointly by House speaker and Senate president pro tempore	Central	2*
Senate president pro tempore	Northeastern	3**

House speaker	Southeastern	2*
Senate minority leader	Northwestern	2*
House minority leader	Southwestern	2*

* one with experience in one of CEO's current constituencies and one with expertise in one of CWCS's current constituencies)

**two with experience in one of CEO's current constituencies and one with expertise in one of CWCS's current constituencies)

Legislative Management Appointments. The bill requires the Legislative Management Committee to appoint two members to the board to serve as its chairpersons after June 30, 2021. These appointees must have experience in equity and culturally responsive leadership.

Subcommissions (§ 105)

The bill requires that the advisory board include six subcommissions, one for each of the commission's constituencies. The advisory board chairpersons designate the membership of each subcommission, and each subcommission must select a chairperson from among its members. The subcommissions must advise on policies affecting their constituencies.

Executive Committee (§ 105)

Under the bill, the commission's executive committee consists of the advisory board's chairpersons (who must also chair the executive committee) and the chairpersons of each subcommission, each of whom serves as a vicechairperson of the executive committee. Generally, the executive committee must provide advice to the commission's executive director with respect to specified duties (see below).

The bill requires the executive committee to meet at least bimonthly and at special meetings called by one or both chairpersons. The chairpersons must establish standing committees and designate the chairperson of each one, including committees on equity, opportunity, communications, civic engagement, and programs. (Presumably, these are standing committees of the executive committee rather than the

commission as a whole.)

Meetings and Quorum (§ 105)

For the advisory board and subcommissions, the bill (1) specifies that a majority of the membership constitutes a quorum to do business and (2) deems a member to have resigned from the board if he or she misses three consecutive board or subcommission meetings or 50% of all such meetings held during any calendar year. Board meetings occur as often as either the chairpersons or a majority of the board deem necessary. Current law subjects CEO and CWCS members to these requirements.

Duties and Responsibilities (§ 106)

The bill establishes duties and responsibilities for the new commission, targeted to the respective constituencies, that parallel the duties and responsibilities of the two current commissions (e.g., make recommendations to the General Assembly and governor on new or enhanced policies, programs, and services that foster progress in achieving "quality of life desired results"). It requires the commission, when advising or making recommendations to the legislature, to do so with the executive committee's advice.

Other Powers (§ 106)

The bill establishes the same powers for the new commission that current law establishes for CEO and CWCS (e.g., the ability to accept gifts, donations, and bequests).

Commission Staff (§ 105)

As under current law for CEO and CWCS, the bill grants the Legislative Management Committee authority over the hiring, termination, and performance reviews of the executive director and staff and specifies that the commission has no authority over staffing and personnel matters.

Annual Status Report (§ 106)

Current law requires CEO and CWCS to annually submit to the Appropriations Committee a status report, organized by policy

division, concerning quality of life desired results. The bill requires (1) the new commission's executive director, rather than the commission itself, to submit this report and (2) that the report include the commission's efforts in promoting the desired results, rather than its efforts and any progress in achieving them, as current law requires.

Conforming Changes (§§ 107-143 & 388)

Current law establishes various reporting and training requirements for the two current commissions and grants them representation on numerous state boards and committees. The bill generally transfers these provisions to the successor commission. For example, current law requires CWCS, together with the Commission on Human Rights and Opportunities (CHRO), to provide training on state and federal discrimination laws to certain state employees. The bill instead requires the Commission on Women, Children, Seniors, Equity and Opportunity to provide this training with CHRO (§ 134).

The bill similarly requires one of the new commission's chairpersons, or a designee, to serve as chairperson of the Trafficking in Persons Council (§ 143). However, the bill does not specify how to determine which chairperson serves in this role.

§ 144 — STATE OFFICIALS' COMPENSATION

Authorizes elected or appointed state officials to decline state compensation or benefits

The bill authorizes elected or appointed state officials in the executive, legislative, or judicial branch to, at their sole discretion, decline any state compensation or benefit that they are otherwise entitled by law or regulation to receive. Under the bill, an official who elects to decline any compensation or benefit must notify the state comptroller, and the election is effective on the date indicated in the notification.

EFFECTIVE DATE: Upon passage and applicable to notifications made on or after January 1, 2019.

§ 145 — TEACHERS' RETIREMENT BOARD (TRB) DATA AND ACTUARIAL SOFTWARE SERVICES

Requires the TRB to provide data to the OPM secretary upon request if the secretary enters into a contract for actuarial services

The bill requires the TRB to promptly provide any data the Office of Policy and Management (OPM) secretary requests, provided the secretary has entered into a contract with an actuarial consulting firm or actuarial software service provider and the request is made during the term of the contract. The data must be provided in a form and format the secretary specifies.

The bill also permits the secretary, by interagency agreement, to share actuarial data, analyses, or software services with any other state agency, including the offices of the State Treasurer, the State Comptroller, and Fiscal Analysis.

EFFECTIVE DATE: Upon passage

§ 146 — HARTFORD COMMUNITY COURT'S NAME

Changes Hartford Community Court's name

The bill changes Hartford Community Court's name to "Honorable Raymond R. Norko Community Court."

EFFECTIVE DATE: Upon passage

§ 147 — OPEN EDUCATIONAL RESOURCE COORDINATING COUNCIL

Creates the 17-member OER Coordinating Council to establish an OER program to lower the cost of textbooks and course materials for certain courses at state higher education institutions

The bill creates the 17-member Connecticut Open Educational Resource (OER) Coordinating Council, as part of the executive branch, to establish a program to lower the cost of textbooks and course materials for certain courses at state higher education institutions. This bill requires the council to, among other things, identify high-impact courses (i.e., certain instruction courses) for which OERs will be developed and administer a review and approval process for the development of OERs.

Under the bill, the Office of Higher Education (OHE) executive director appoints the council's members, including the council

statewide coordinator who serves as the council chairperson. The chairperson must schedule the first meeting, which must be held by October 1, 2019.

The bill requires the council, beginning by January 1, 2021, to annually report to the Higher Education and Employment Advancement Committee on the number and percentage of high-impact courses for which OERs have been developed, among other things.

Open Educational Resources

Under the bill, "open educational resource" is a college level resource made available on a website to be used by students, faculty, and the public on an unlimited basis at a lower cost than the market value of the printed textbook or other educational resource, including full courses, course materials, modules, textbooks, streaming videos, tests, software, and other similar teaching, learning, and research resources that reside in the public domain or have been released under a creative commons attribution license that allows the free use and repurposing of such resources.

OER Coordinating Council Membership and Procedure

The bill requires the OHE executive director to appoint the following members to the council:

1. a statewide coordinator to serve as the council's chairperson;

2. one faculty member, one administrator, and one staff member each from UConn, the Connecticut State Colleges and Universities, and the independent higher education institutions; and

3. one student from any public or independent higher education institution in the state.

The bill requires OHE to make all initial appointments by September 1, 2019, and such appointments must expire on August 30, 2022, regardless of when they were made. Succeeding appointees

serve three-year terms that begin on the date of their appointment, and appointees may serve more than one term. The OHE executive director must fill any vacancies, and any vacancy occurring other than by term expiration must be filled for the remainder of the unexpired term. The OHE administrative staff must serve as the council's administrative staff.

The council must meet quarterly, or as often as a majority of its members deems necessary. Under the bill, a majority of members constitutes a quorum for any business transaction. The council members must serve without compensation, but must be reimbursed for related reasonable and necessary expenses within the limits of available funds.

OER Coordinating Council Duties

The bill requires the council to identify high-impact courses for which OERs will be developed, converted, or adopted. Under the bill, "high impact courses" are instruction courses for which OERs would make a significant positive financial impact on the students taking the course due to the number of students taking the course or the market value of the printed textbook or other educational resources required for such courses.

The council also must:

1. establish a competitive grants program for the faculty members of state higher education institutions for the development, conversion, or adoption of OERs for such courses, with council identified funds and within available appropriations;

2. accept, review, and approve grant applications, so long as an approved faculty member licenses such OER through a "creative commons attribution license" (i.e., a copyright crediting the author of a digital work product that allows for the free use and distribution of such product);

3. administer a standardized review and approval process for the development, conversion, or adoption of OERs; and

4. promote strategies for the production, use, and access of OERs.

The statewide coordinator must collaborate with all higher education institutions to promote OERs and administer grants.

Report to Legislature

The bill requires the council to annually report, beginning by January 1, 2021, to the Higher Education and Employment Advancement Committee on the following:

1. the number and percentage of high-impact courses for which OERs have been developed,

2. the degree to which higher education institutions promote the use and access to OERs,

3. the amount of grants the council awarded and the number of OERs grant recipients developed, and

4. its recommendations for any legislative changes necessary to develop OERs.

EFFECTIVE DATE: July 1, 2019

§ 148 — NEWBORN SCREENING

Expands DPH's Newborn Screening Program to include any disorder listed on the federal Recommended Uniform Screening Panel, subject to OPM's approval

The bill expands the Department of Public Health's (DPH) Newborn Screening Program to include any disorder listed on the federal Recommended Uniform Screening Panel, subject to the Office of Policy and Management (OPM) secretary's approval.

The Recommended Uniform Screening Panel is a list of health conditions that the federal Department of Health and Human Services recommends states screen for as part of their newborn screening programs. Conditions are included on the list based on evidence of the potential benefit of screening, states' ability to screen, and the availability of effective treatments (42 U.S.C. § 300b-10).

EFFECTIVE DATE: October 1, 2019

§§ 149-151 — MINOR CHANGES IN UNEMPLOYMENT LAWS

Requires the quarters in an unemployment claimant's special base period to be consecutive quarters; limits the benefit eligibility penalty imposed on fraudulent claimants before October 1, 2013, to claims deemed payable before October 1, 2019; explicitly allows the labor commissioner to enter into a consortium with other states

Special Base Period Quarters (§ 149)

By law, unemployment benefits are generally based on a claimant's wages during either their "base period" (i.e., the first four of the five most recently completed quarters) or "alternate base period" (i.e., the four most recently completed quarters). Under certain circumstances, however, claimants who are eligible for workers' compensation benefits or certain other employer-provided benefits may use a "special base period" that determines benefits using their wages from either the first four of the five most recently worked quarters or the four most recently worked quarters.

The bill requires these special base period quarters to be consecutive. As under current law, the (1) the special base period quarters must not have been previously used to establish the claimant's benefits and (2) the claimant's last most recently worked quarter must be within 12 quarters before the claimant filed his or her claim.

Benefit Eligibility Penalty (§ 150)

By law, for any determination of an unemployment benefit overpayment made before October 1, 2013, claimants who fraudulently received unemployment benefits are penalized by forfeiting their ability to collect up to 39 weeks of benefits during weeks when they would otherwise be eligible for them, in addition to other penalties. The bill limits this penalty to claims deemed payable before October 1, 2019.

Under existing law, unchanged by the bill, claimants who fraudulently receive benefits, as determined on or after October 1, 2013, must pay a penalty of (1) up to 50% of the amount of the overpayment for a first offense and (2) 100% of the overpayment for

any subsequent offense.

Multi-State Consortium (§ 151)

The bill explicitly allows the labor commissioner, under his authority to administer the unemployment laws, to enter into a (1) consortium with other states and (2) contract or memorandum of understanding associated with the consortium.

EFFECTIVE DATE: Upon passage

§§ 152-154 — HEMP PRODUCTION

Makes minor changes to PA 19-3 concerning hemp production in Connecticut, including eliminating a requirement for certain DCP regulations

PA 19-3 establishes requirements for hemp growers, processors, and manufacturers. It also establishes inspection and testing requirements for hemp and hemp products. State oversight is shared between the Department of Agriculture (DoAg) and the Department of Consumer Protection (DCP).

Under PA 19-3, hemp intended to be manufactured as a consumable product must be tested for microbiological contaminants, mycotoxins, heavy metals, and pesticide chemical residue. The act requires DCP to prescribe testing standards in regulations. The bill removes the requirement for regulations. Under the bill, as under the act, DCP must prescribe the standards and publish them on the agency's website.

If a hemp sample fails the testing, PA 19-3 requires the manufacturer to dispose of the entire batch from which the sample was taken in accordance with procedures the DCP commissioner adopts in regulations. The bill eliminates the requirement for regulations and instead requires the manufacturer to dispose of the batch in accordance with provisions already outlined in PA 19-3 (i.e., embargo the batch, label it as adulterated, notify DoAg and DCP, and destroy and dispose of the product in a way the DCP commissioner determines).

The bill also makes a correction in definitions to accurately reflect

the technical name of "THC" as delta-9 tetrahydrocannabinol.

EFFECTIVE DATE: Upon passage

§§ 155 & 156 — TECHNICAL REVISIONS TO DEPARTMENT HEAD DEFINITION

Makes technical changes to an executive branch department head definition

The bill makes technical changes to a statute defining executive branch "department head" by (1) eliminating an obsolete reference to the Department of Aging and (2) including the Office of Health Strategy (OHS) executive director.

EFFECTIVE DATE: July 1, 2019, for the removal of the aging department reference and July 1, 2020, for the reference to OHS.

§§ 157-159 — DCF CHILD ABUSE AND NEGLECT REGISTRY CHECKS FOR CERTAIN INDIVIDUALS

Expands DCF child abuse and neglect registry checks for certain individuals and requires DCF to comply with any request from a child welfare agency of another state to check the child abuse and neglect registry

The bill expands requirements for DCF to check the state child abuse and neglect registry for individuals employed by certain DCF-licensed facilities. It also requires DCF to (1) check the child abuse and neglect registry in any state in which various individuals resided in the previous five years and (2) comply with any request from a child welfare agency of another state to check the child abuse and neglect registry.

DCF Vendors or Contractors

Existing law requires DCF to check the state child abuse and neglect registry for the names of the DCF vendors or contractors and their employees who have access to DCF records or clients. The bill specifies that this requirement applies to employees who have access to these records or who provide direct services to children or youths in DCF care and custody.

It additionally requires DCF to check the child abuse and neglect registry in any state in which any such vendor, contractor, or employee resided in the previous five years. Existing law already requires these

vendors, contractors, and employees to submit to state and national criminal history records checks.

Foster and Adoptive Parents

The bill requires DCF to check, for any person applying for licensure or approval to accept placement of a child for foster care or adoption, and for any person 16 or older living in the applicant's household, the child abuse and neglect registry in any state in which the applicant or person resided in the previous five years. Existing law requires (1) any such applicant and any person 16 or older living in the household of such applicant to submit to a state and national criminal history records check, and (2) DCF to check the state child abuse and neglect registry for the name of these individuals.

The bill specifies that persons a licensed child placing agency approves to adopt are subject to the same requirements as those approved to provide foster care.

DCF-Licensed Child Care Facility Employees

Under existing law, DCF must require applicants for DCF-licensed child care facilities and child placing agencies to submit to state and national criminal history records checks. The bill extends this requirement to DCF-licensed child care facility employees age 18 or older. (This does not include Office of Early Childhood-licensed day care facilities.)

The bill additionally requires DCF to check, for any such person, the child abuse and neglect registry in any state in which the person resided in the previous five years.

EFFECTIVE DATE: July 1, 2019

§§ 160 & 161 — COMMUNITY HEALTH WORKERS

Creates a community health worker certification program and a Community Health Worker Advisory Body

The bill creates a community health worker certification program administered by the Department of Public Health (DPH). Starting January 1, 2020, the bill prohibits anyone from using the title "certified

community health worker" unless they obtain this certification. The bill:

1. establishes certification requirements and sets fees for initial certifications and renewals,

2. establishes a continuing education requirement, and

3. allows DPH to take certain enforcement actions against a certificate holder who fails to comply with accepted professional standards.

The bill also establishes a 14-member Community Health Worker Advisory Body within the Office of Health Strategy (OHS). Among other things, the advisory body must advise OHS and DPH on education and certification requirements for community health worker training programs and provide DPH with a list of approved programs.

By law, community health workers are public health outreach professionals with an in-depth understanding of a community's experience, language, culture, and socioeconomic needs. Among other things, they (1) serve as liaisons between community members and health care and social service providers and (2) provide a range of services, including outreach, advocacy, and care coordination.

EFFECTIVE DATE: January 1, 2020

Community Health Worker Certification

Requirements. The bill requires community health workers to apply to DPH for certification on forms the commissioner provides and pay a $100 application fee.

To obtain certification, an applicant must:

1. be at least 16 years old,

2. be trained or educated as a community health worker by an organization approved by the Community Health Worker Advisory Body the bill establishes,

3. submit a professional reference from an employer and a reference from a community member each with direct knowledge of the applicant's community health worker experience, and

4. have completed at least 1,000 hours of experience working as a community health worker during the three years before the application date.

Alternatively, the bill allows an applicant to (1) have completed at least 2,000 hours of paid or unpaid experience as a community health worker and (2) submit a professional reference from an employer and a reference from a community member each with direct knowledge of the applicant's community health worker experience.

Renewals. The bill requires community health workers to renew their certification every three years during their birth month and establishes a $100 renewal fee. Renewal applicants must have completed at least 30 hours of continuing education, including two hours each on (1) cultural competency, systemic racism, or systemic oppression and (2) social determinants of health.

Exemption. The bill exempts from the certification requirements community health workers who provide services (e.g., outreach, education, and advocacy) but do not hold themselves out to the public as a certified community health worker.

Disciplinary Action. The bill allows DPH to take disciplinary action against a certified community health worker for failing to conform to accepted professional standards, including:

1. fraud or deceit in obtaining or seeking reinstatement of a community health worker certification;

2. fraudulent or deceptive professional services or activities;

3. negligent, incompetent, or wrongful conduct in professional activities;

4. aiding or abetting an uncertified person's use of the title "certified community health worker;"

5. physical, mental, or emotional illnesses or disorders that result in his or her inability to conform to accepted professional standards; or

6. abuse or excessive use of drugs including alcohol, narcotics, or chemicals.

By law, disciplinary actions available to DPH include license revocation or suspension, censure, a letter of reprimand, probation, or a civil penalty. The department can also order a certificate holder to undergo a reasonable physical or mental examination if there is an investigation of his or her physical or mental capacity to practice safely (CGS § 19a-17).

The bill allows the DPH commissioner to petition the Hartford Superior Court to enforce any disciplinary action the department takes. DPH must notify the certificate holder of any contemplated disciplinary action and its cause and the hearing date on the action.

Community Health Worker Advisory Body

The bill establishes a 14-member Community Health Worker Advisory Body within OHS to:

1. advise OHS and DPH on matters related to education and certification requirements for community health worker training programs, including the minimum number of hours and internship requirements for certification;

2. conduct a continuous review of these certification and education programs; and

3. provide DPH with a list of approved certification and education programs.

Under the bill, the OHS executive director, or her designee, is the advisory body's chairperson and must appoint the following members:

1. six members actively practicing as community health workers in the state,

2. one member of the Community Health Workers Association of Connecticut,

3. one representative of a community-based community health worker training organization,

4. one representative of a regional community-technical college,

5. one community health worker employer,

6. one representative of a health care organization that employs community health workers,

7. one health care provider who works directly with community health workers, and

8. the DPH commissioner or her designee.

§§ 162-175 — PROFESSIONAL COUNSELOR AND MARITAL AND FAMILY THERAPIST ASSOCIATE LICENSURE

Creates an associate licensure category for professional counselors and marital and family therapists practicing under professional supervision while pursuing full licensure

Overview

The bill creates a new associate licensure category for licensed professional counselors (LPCs) and marital and family therapists (MFTs) that allows them to practice under professional supervision while pursuing full licensure. To qualify for an associate license, the applicant must meet certain educational and clinical training requirements.

The bill also prohibits anyone who is unlicensed from using the title (1) "licensed professional counselor associate" or "professional counselor" or any title, words, letters, or abbreviations that may reasonably be confused with licensure or (2) "licensed marital and family therapist associate." Existing law similarly prohibits unlicensed people from using a title that indicates that they are fully licensed

LPCs and MFTs.

For LPCs, the associate license must be renewed annually. The initial license fee is $220 and the renewal fee is $195. For MFTs, the associate license is valid for two years and may be renewed once. The initial license fee is $125 and the renewal fee is $220.

The bill allows DPH to take disciplinary actions against associate LPC and MFT licensees under the same grounds for which she may take action against other LPC and MFT licensees (e.g., fraud or deceit in obtaining the license).

Current law allows students who graduate with advanced degrees in professional counseling and marital and family therapy to practice without a license in order to complete the supervised work experience required for full licensure, but only (1) if supervised by someone licensed in their respective profession and (2) for up to two years after completing the supervised work experience, if they failed the respective licensing examination. The bill eliminates these provisions for both professional counseling and MFT graduates.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2019

LPC Associate License (§§ 162-167 & 175)

Initial Licensure Requirements. To obtain an LPC associate license, an applicant must submit to the DPH commissioner satisfactory evidence of having earned a graduate degree in clinical mental health counseling as part of a higher education program accredited by the Council for Accreditation of Counseling and Related Educational Programs, or its successor. Alternatively, the bill allows an applicant to complete:

1. at least 60 graduate semester hours in counseling or a related mental health field at a regionally accredited higher education institution that included coursework in (a) human growth and development; (b) social and cultural foundations; (c) counseling

theories and techniques; (d) group, career, addiction and substance abuse, and trauma and crisis counseling; (e) appraisals or tests and measurements to individuals and groups; (f) research and evaluation; (g) professional orientation to mental health counseling; and (h) diagnosing and treating mental and emotional disorders;

2. a 100-hour counseling practicum and a 600-hour clinical mental health counseling internship each taught by a faculty member licensed or certified as a professional counselor or its equivalent in another state; and

3. a graduate degree in counseling or a related mental health field from a regionally accredited higher education institution.

Licensure by Endorsement. As with LPC licenses under existing law, the bill allows DPH to grant an LPC associate license by endorsement to LPC associates licensed or certified in another state or jurisdiction with requirements substantially similar to or higher than Connecticut's. Applicants must have no pending disciplinary actions or complaints.

License Scope. The bill generally prohibits an LPC associate from practicing professional counseling unless he or she is under the supervision of a:

1. LPC;

2. licensed psychiatrist certified by the American Board of Psychiatry and Neurology;

3. licensed advanced practice registered nurse (APRN) certified as a psychiatric and mental health clinical nurse specialist or nurse practitioner by the American Nurses Credentialing Center; or

4. licensed psychologist, MFT, or clinical social worker.

License Renewal. To renew a license, the bill requires LPC associates to submit satisfactory evidence to DPH that they completed

continuing education requirements the commissioner sets in regulations. Such continuing education must include at least:

1. one contact hour (i.e., 50 minutes) of education or training in cultural competency;

2. two contact hours of training or education in mental health conditions common to veterans and their family members, during the first renewal period and every six years thereafter; and

3. three contact hours of training or education in professional ethics.

MFT Associate License (§§ 168-174)

Initial Licensure Requirements. To obtain an MFT associate license, an applicant must provide DPH satisfactory evidence of having:

1. completed a (a) graduate degree program specializing in marital and family therapy offered by a regionally accredited higher education institution or (b) postgraduate clinical training program accredited by the Commission on Accreditation for Marriage and Family Therapy Education and offered by a regionally accredited higher education institution and

2. verification from a supervising licensed MFT that the applicant is working toward completing the postgraduate experience requirements for an MFT license.

Licensure Without Examination. As with MFT licenses under existing law, the bill allows DPH to grant an MFT associate license without examination to MFT associates licensed or certified in another U.S. state, territory, or commonwealth. An applicant can obtain a license in this way if the other jurisdiction's licensing standards are at least as strict as Connecticut's. Applicants must also have no pending disciplinary actions or complaints.

License Renewals. The MFT associate license is valid for two years and is renewable once during the applicant's birth month. The applicant must submit evidence that he or she is working to complete the postgraduate experience requirements for an MFT license and can successfully do so during the two-year renewal period.

§§ 176-182 — ART THERAPIST LICENSURE

Creates a licensure program for art therapists and generally prohibits unlicensed individuals from using the "art therapist" title

Overview

The bill creates a DPH licensure program for art therapists and generally prohibits unlicensed individuals from using the "art therapist" title. To receive a license, an applicant must (1) hold a graduate degree and be credentialed or certified by the Art Therapy Credentials Board or (2) qualify for licensure by endorsement. The bill also provides for nonrenewable temporary permits authorizing the holder to work under a licensed person's supervision.

Subject to certain conditions, the bill does not restrict the activities of (1) people licensed or certified by nationally recognized organizations and (2) art therapy students.

In addition, the bill sets forth the grounds for DPH disciplinary action against licensees and specifies that no new regulatory board is created for art therapists.

The bill replaces current provisions that generally make it a crime to represent oneself as an art therapist unless meeting certain education and certification requirements. It also makes technical changes.

Existing law defines "art therapy" as the clinical and evidence-based use of art, including art media, the creative process, and the resulting artwork, to accomplish individualized goals within a therapeutic relationship, by a credentialed professional who completed an art therapy program approved by the American Art Therapy Association or any successor association.

EFFECTIVE DATE: October 1, 2019

Use of Title and Exemptions (§ 177)

The bill generally prohibits anyone without an art therapist license or temporary permit from using the title "art therapist," "licensed art therapist," or any title, words, letters, abbreviations, or insignia that may reasonably be confused with such credential.

The bill's restrictions do not prohibit or restrict the activity or services, including the use of art or art materials, by individuals licensed or certified by nationally recognized licensing or certifying organizations, if the person:

1. is acting within the scope of his or her professional training and

2. does not hold himself or herself out as an art therapist or as licensed by the state to practice art therapy.

The bill's restrictions also do not apply to students enrolled in an art therapy educational program at an accredited institution, or graduate art therapy educational program approved by the American Art Therapy Association or any successor association, in which art therapy is an integral part of the course of study, if acting under a licensed art therapist's direct supervision.

Under current law, art therapists are not licensed, but it is a class D felony for someone not meeting specified credentials to refer to himself or herself as an art therapist. (The bill does not contain a similar criminal penalty for violation of its provisions.) Current law includes exemptions for other licensed professionals and students.

License Applications, Qualifications, and Renewals (§ 178)

The bill requires the DPH commissioner to issue an art therapist license to any applicant who submits, on a DPH form, satisfactory evidence that he or she (1) has earned a graduate degree in art therapy or a related field from an accredited higher education institution and (2) holds a current art therapist credential or certification from the Art Therapy Credentials Board or any successor board.

The bill also allows for licensure by endorsement. The applicant

must provide satisfactory evidence that he or she is licensed or certified as an art therapist, or as someone entitled to perform similar services under a different title, in another state or jurisdiction. That jurisdiction's requirements for practicing must be substantially similar to or stricter than those in Connecticut, and there must be no pending disciplinary actions or unresolved complaints against the applicant in any state.

The initial application fee is $315, and licenses must be renewed annually for $190. To renew, licensees must provide satisfactory evidence of the following:

1. a current credential or certification from the Art Therapy Credentials Board, or any successor board; and

2. completion of any continuing education the board requires for such certification or credential.

Temporary Permits (§ 179)

The bill allows DPH to issue nonrenewable temporary permits to licensure applicants with a graduate degree in art therapy or a related field. The permit allows the holder to practice under the general supervision of a licensee and is valid for up to 365 calendar days after the person receives his or her degree. The permit fee is $50.

The bill prohibits DPH from issuing a temporary permit to someone against whom professional disciplinary action is pending or who is the subject of an unresolved complaint in any state. It allows the commissioner to revoke a temporary permit for good cause, as the commissioner determines.

Enforcement and Disciplinary Action (§ 180)

The bill allows the DPH commissioner to take disciplinary action against an art therapist for:

1. failing to conform to the accepted standards of the profession;

2. a felony conviction;

3. fraud or deceit in obtaining or seeking reinstatement of a license or in the practice of art therapy;

4. negligence, incompetence, or wrongful conduct in professional activities;

5. an inability to conform to professional standards because of a physical, mental, or emotional illness;

6. alcohol or substance abuse; or

7. willfully falsifying entries in a hospital, patient, or other record pertaining to art therapy.

By law, disciplinary actions available to DPH include, among other things, (1) revoking or suspending a license, (2) censuring the violator, (3) issuing a letter of reprimand, (4) placing the violator on probationary status, or (5) imposing a civil penalty (CGS § 19a-17).

Under the bill, the commissioner may order a licensee to undergo a reasonable physical or mental examination if his or her capacity to practice safely is under investigation. The bill allows the commissioner to petition Hartford Superior Court to enforce such an examination order or any DPH disciplinary action. The commissioner must give the person notice and an opportunity to be heard before taking disciplinary action.

§§ 183-189 — PARTNERSHIP FOR CONNECTICUT, INC.

Establishes "The Partnership for Connecticut, Inc." as a nonprofit corporation organized and established by a specified philanthropic enterprise; requires the state, under specified conditions, to provide $20 million to the corporation in FY 20; allows the state, under specified conditions, to provide $20 million per year in up to four additional fiscal years

The bill establishes "The Partnership for Connecticut, Inc." as a nonprofit corporation organized and established (1) by a specified philanthropic enterprise and its agents and (2) under state laws governing nonprofit corporations. The bill (1) specifies the corporation's governance, purpose, and duties and (2) requires it to provide financial assistance under policies and procedures its board of directors adopts.

The bill requires that the corporation be funded in FY 20 with (1) $20 million from the philanthropic enterprise and (2) upon confirmation of this contribution, $20 million from the state. For FYs 21-24, it (1) requires the state and philanthropic enterprise to endeavor to maintain the same level of financial support as the bill requires for FY 20 and (2) allows the state, under specified conditions, to transfer $20 million to the corporation in each such fiscal year.

EFFECTIVE DATE: Upon passage

Establishment of Corporation (§ 183)

Except as otherwise provided in the bill, the corporation is subject to existing law's provisions governing nonprofit corporations in the state. The bill specifies that the corporation must not be construed (1) as a department, institution, public agency, public instrumentality, or political subdivision or (2) to perform any governmental function.

Under the bill, a "philanthropic enterprise" is (1) an enterprise founded in 2003 and located in Fairfield County and advancing diverse philanthropic initiatives, including strengthening public education in Connecticut and supporting financial inclusion and social entrepreneurship, or (2) a philanthropic designee of the enterprise.

The bill requires the corporation to apply to the IRS for a 501(c)(3) income tax exemption.

Purpose (§ 183)

Under the bill, the corporation must be formed for conducting any affairs or promoting any purpose that may be lawfully carried out, including the following:

1. strengthening public education in Connecticut;

2. supporting financial inclusion and social entrepreneurship;

3. promoting upward mobility in the state by connecting at-risk high school-aged youth and young adults to educational and career opportunities;

4. supporting economic development in under-resourced communities through microfinance and social entrepreneurship, focusing on communities that have (a) a high poverty rate and (b) youths and young adults ages 14 to 24 who are showing signs of disengagement or disconnection from high school, the workplace, or the community;

5. promoting and expanding on the collaboration between the state and one or more philanthropic or nonprofit entities designated by the enterprise to carry out the bill's purposes; and

6. providing additional resources for the above purposes.

Board of Directors (§§ 183 & 185)

Under the bill, the corporation's property and affairs are governed and controlled by its board of directors. The corporation must be governed by an interim board of directors until the initial appointments are made, but the bill does not specify who serves on the interim board.

Initial Members. The bill establishes an initial 13-member board of directors to serve from July 15, 2019, until January 5, 2021. The initial board consists of (1) the governor and three gubernatorial appointees; (2) four appointees of the philanthropic enterprise's director; (3) the corporation's president; and (4) the House speaker, Senate president pro tempore, and the House and Senate minority leaders.

The bill requires that all appointments must be made by July 15, 2019, except that the corporation's president is appointed upon being hired. Additionally, if the philanthropic enterprise's director does not make his or her appointments by this date, then the bill allows the governor to make them instead. The bill requires that (1) any vacancy be filled by the appointing authority for the balance of the term within 30 days after it occurs and (2) the governor fill any vacancy that has not been filled within this timeframe.

Under the bill, an individual's service as a board member, officer, or employee does not make the individual a (1) public official or state

employee, as defined in the State Code of Ethics, or (2) state contractor or prospective state contractor subject to existing law's contractor political contribution ban.

The bill requires directors to serve until a successor is appointed and qualified but does not specify a manner of succession (see below).

Succession. The bill requires the governor, philanthropic enterprise, House speaker, Senate president pro tempore, and House and Senate minority leaders to collaborate to determine the criteria and composition of the succeeding board of directors. This must include the number of directors; legislative, gubernatorial, and philanthropic appointments; term lengths, and experience requirements.

The experience criteria must include experience in public education; social-emotional behavioral supports; family involvement and support; student engagement; physical health and wellness; social work and case management; workforce development; philanthropy; or community enterprise development, including social entrepreneurship and microfinance.

The bill does not specify a deadline for making these determinations.

Reports (§§ 183 & 184)

The bill requires the corporation to submit semi-annual reports to the governor, State Board of Education, State Department of Education, Department of Economic and Community Development, Office of Policy and Management (OPM), and the Appropriations and Education committees. The corporation must also post the report on its website.

The bill requires that the report be in form and substance agreed to by the corporation and governor but does not otherwise specify any required contents or deadlines.

Additionally, the bill requires the corporation to monitor, measure, and annually report, to the above entities, its progress in achieving

specific agreed-upon impact objectives. The bill does not establish a reporting deadline or specify what these objectives are.

Duties (§ 184)

The bill requires the corporation to work with non-profits, high schools, school districts, higher education institutions, employers, and other entities to connect youths and young adults ages 14 to 24 with upwardly mobile career opportunities. It must support public education and workforce development programs that include an integrated focus on youth development with programming to provide youths and young adults with holistic supports needed to succeed. The corporation must also work with stakeholders in under-resourced communities to ensure public input and participation in program design while remaining focused on advancing positive outcomes as quickly and sustainably as possible.

Additionally, the bill requires the corporation to support and encourage microfinance and social entrepreneurship initiatives in order to expand economic opportunity in under-resourced communities.

Funding and Other Assistance Provide to Corporation (§§ 186-189)

Private Sources. The bill requires the philanthropic enterprise to provide $20 million to the corporation for FY 20. It requires the collaboration's participants (presumably the state and the private entities) to seek an additional $20 million from other private sector sources to further the collaboration. However, it specifies that this additional contribution is not a condition of the state's or philanthropic enterprise's funding.

State. The bill requires the state to transfer $20 million from the General Fund to the philanthropic match account in FY 20, which the bill establishes (see below). The state must do so upon the philanthropic enterprise's certification to the OPM secretary that it has transferred $20 million to the corporation. The bill specifies that the state's contribution is in furtherance of the corporation's purposes (see

§ 183).

Philanthropic Match Account. The bill establishes the philanthropic match account as a separate, nonlapsing account within the General Fund that must contain any moneys required by law to be deposited into the account. It requires the OPM secretary to spend funds from the account to match philanthropic gifts made by the philanthropic enterprise to the corporation. The secretary may enter into agreements with other state agencies or other private entities in order to make payments of the funds in the account to the corporation.

The bill allows the OPM secretary to spend $20 million from the account in any fiscal year for a maximum of five fiscal years. To do so, she must enter into an agreement under which the corporation confirms that it has received $20 million in the applicable fiscal year from the philanthropic enterprise. However, the bill transfers money from the General Fund to the account for FY 20 only.

Future Years. For FYs 21-24, the bill requires the state and philanthropic enterprise to evaluate the collaboration's funding needs and endeavor to maintain the same level of financial support as the bill requires for FY 20.

Other Assistance by State. The bill allows the state to provide assistance matching the philanthropic enterprise's contribution to the corporation while the corporation's tax-exempt application is pending. Under the bill, if the application is rejected, the corporation must repay the state's assistance.

The bill also allows the state to provide assistance to the corporation through contractual arrangements as may be agreed upon by the corporation and OPM.

Financial Assistance Provided by Corporation (§ 187)

The bill requires that financial assistance provided by the corporation be upon terms and conditions that are consistent with policies and procedures its board of directors adopts. The bill requires the board, in its discretion, to establish policies and procedures that it

deems prudent, necessary, and consistent with the corporation's required purpose.

Under the bill, the terms and conditions may include the following:

1. eligibility for state and local government agencies, private for-profit and not-for-profit institutions, and individuals to apply for and receive grants, loans, or other forms of assistance from the corporation;

2. procedures for applying for and receiving funding; and

3. a requirement of funding commitments and awards from other sources, including financing from quasi-public agencies; federal, state, and local government agencies; and private for-profit and not-for-profit institutions.

§ 190 — LCO TECHNICAL CHANGES

Allows LCO to make technical, grammatical, and punctuation changes to carry out the bill's purposes

The bill allows the Legislative Commissioners' Office, in codifying the bill's provisions, to make any technical, grammatical, and punctuation changes, and correct inaccurate internal references, as needed to carry out the bill's purposes.

EFFECTIVE DATE: Upon passage

§§ 191-206 — ESTHETICIAN, NAIL TECHNICIAN, AND EYELASH TECHNICIAN LICENSURE

Requires estheticians, nail technicians, and eyelash technicians to be licensed; allows schools for them to be established; sets annual inspection standards; requires spas or salons to be under the management of a DPH-credentialed individual; and extends existing law's human trafficking notice requirement to additional establishments

Overview

The bill establishes licensing requirements for estheticians, nail technicians, and eyelash technicians. It generally requires individuals to obtain a Department of Public Health (DPH) license or temporary permit as (1) an esthetician and eyelash technician on and after July 1, 2020 and for applications on or after January 1, 2020; (2) a nail

technician on and after January 1, 2021 and for applications on and after October 1, 2020; or (3) a combination license. Currently, nail technicians are not credentialed, but the bill allows such individuals who do not have the requisite experience to apply for a nail technician trainee license. The bill subjects these licenses and permits to existing DPH penalties.

The bill specifies that it should not be construed to require a person to obtain a license as an esthetician or nail or eyelash technician in order to practice hairdressing and cosmetology or barbering.

Among other things, the bill:

1. allows schools for estheticians and nail and eyelash technicians to be established, subject to DPH-approval;

2. subjects businesses offering esthetician and eyelash technician services to an annual local health inspection that is already required for nail technician services; and

3. requires spas or salons to be under the management of a DPH-credentialed individual.

EFFECTIVE DATE: January 1, 2020, except provisions with the definitions, salon inspections, and hairdressing and cosmetology schools are effective July 1, 2019.

Licensing and Temporary Permit Requirements (§§ 192, 193, 194, 199, 201 & 202)

Licensing. The bill requires anyone seeking an initial DPH license as an esthetician or eyelash or nail technician to apply on a DPH-prescribed form with a $100 application fee and provide evidence that he or she has:

1. practiced in the field for which the license is sought continuously in the state for at least two years before a license is required and attests that he or she is in compliance with infection prevention and control guidelines (see below) or

2. completed the minimum hours of required study in an approved school (see below) or an out-of-state school with equivalent requirements and received certification of completion documentation from the school.

The bill requires applicants to provide evidence to DPH that they received a certification of completion for at least (1) 600 hours of study for estheticians, (2) 50 such hours for eyelash technicians, and (3) 100 such hours for nail technicians.

Nail technicians may also be licensed if they obtained a certification as a nail technician trainee and a signed statement from the applicant's supervisor from the spa or salon where the trainee is employed that documents the completion of the minimum requirements in accordance with the bill's requirements. If applicants employed as nail technicians on September 30, 2020, do not have evidence of at least two years of continuous practice as a nail technician, to the commissioner's satisfaction, they may apply to DPH for a nail technician trainee license, which the bill establishes (see below).

Definitions. Under the bill, an "esthetician" is anyone who performs esthetics for compensation. "Esthetics" means services related to skin care treatments, including cleansing, toning, stimulating, exfoliating or performing any similar procedure on the human body while using cosmetic preparations, hands, devices, apparatuses, or appliances to enhance or improve the skin's appearance; applying makeup; beautifying lashes and brows; or removing unwanted hair using manual and mechanical means. It does not include using a prescriptive laser device, performing a cosmetic medical procedure, or any practice, activity, treatment that is considered practicing medicine; makeup application at a rented kiosk located in a shopping center; or practicing hairdressing and cosmetology by licensed hairdressers or barbers as part of their scope of practice.

A "shopping center" means a grouping of retail businesses and service establishments on a single site with common parking facilities

and containing at least 25,000 square feet of gross building floor area.

An "eyelash technician" means a person who performs individual eyelash extensions, eyelash lifts, or perms and eyelash color tints for compensation.

A "nail technician" means a person who for compensation cuts, shapes, colors, cleanses, trims, polishes, or enhances the appearance of the nails of the hands or feet. It does not include any practice, activity, or treatment that is considered practicing medicine.

Licensing. Under the bill, licenses must be renewed biennially for a fee of $100. The bill prohibits individuals from carrying on as licensees after their license has expired. The renewal must occur during the licensee's birth month, with the licensee providing his or her full name, residence and business address, and other information DPH requests.

The bill prohibits DPH from issuing a license or temporary permit if the applicant is facing pending professional disciplinary action or is the subject of an unresolved complaint in Connecticut or another state or jurisdiction.

The bill prohibits anyone from using the title "esthetician," "eye lash technician," "nail technician," or similar titles unless he or she holds a license or temporary permit.

Out-of-State Licenses. The bill allows DPH to grant a license to certain people who are licensed when applying or entitled to perform similar services under a different designation in Washington D.C. or another state or U.S. commonwealth or territory. These individuals must provide evidence to the DPH commissioner's satisfaction of (1) a current license in good standing and (2) licensed practice in such jurisdiction for at least two years immediately before applying. (Presumably, individuals who are entitled to perform similar services under a different designation could provide evidence of such to the commissioner's satisfaction rather than a license.)

Enforcement and Disciplinary Action. The bill allows the DPH commissioner to take disciplinary action against a licensee for:

1. failing to conform to the accepted standards of the profession;
2. a felony conviction;
3. fraud or deceit in obtaining or seeking reinstatement of a license or in the scope of practice;
4. negligence, incompetence, or wrongful conduct in professional activities;
5. an inability to conform to professional standards because of a physical, mental, or emotional illness; or
6. abuse or excessive use of drugs, including alcohol, narcotics or chemicals.

By law, disciplinary actions available to DPH include, among other things, (1) revoking or suspending a license, (2) censuring the violator, (3) issuing a letter of reprimand, (4) placing the violator on probationary status, or (5) imposing a civil penalty (CGS § 19a-17).

Under the bill, the commissioner may order a licensee to undergo a reasonable physical or mental examination if his or her capacity to practice safely is under investigation. The bill allows the commissioner to petition Hartford Superior Court to enforce such an examination order or any DPH disciplinary action. The commissioner must give the person notice and an opportunity to be heard before taking disciplinary action.

Practicing Temporarily. Pending license approval, the bill allows the commissioner to issue a temporary permit after she receives a completed application, application fee, and a copy of the current license from the other jurisdiction (or, presumably, the other designation). The temporary permit is only valid for up to 120 calendar days and is not renewable.

The bill also allows certain people in events such as a professional course, seminar, workshop, trade show, or product demonstration to practice temporarily without a license or temporary permit under certain conditions. They must (1) provide instruction on techniques related to their respective field or (2) participate in demonstrating the practice of the field or a product related to the practice as part of the event.

These instructors or participants must:

1. be licensed or certified where they primarily practice as an esthetician or eyelash or nail technician, as the case may be, if the jurisdiction requires such credential;

2. practice as an esthetician or eyelash or nail technician, as the case may be, under the direct supervision of a Connecticut licensee in the respective field;

3. not receive compensation for practicing as a licensee in the state, other than for their instruction or participation; and

4. provide instruction or demonstrate techniques or services related to practicing as an esthetician or eyelash or nail technician, as the case may be, only for people enrolled in the course, seminar, or workshop or attending the trade show or event where they are providing instruction or demonstrating a product, or offering such services.

Any person or organization that holds or produces an event with such estheticians without a DPH credential must ensure they comply with the bill's requirements on practicing without a credential.

Esthetician and Nail Technician Exception. Under the bill, the esthetician and nail technician requirements do not apply to (1) physicians; (2) advanced practice registered nurses (APRNs) working in collaboration with a physician; (3) registered nurses working under the direction of a licensed physician, dentist, or APRN; (4) physician assistants working under a physician's supervision, control, or

responsibility; or (5) students enrolled in a program at a school in the technical education and career system.

Prohibition on Creating a Board. The bill specifically prohibits the creation of a regulatory board for these licenses. By law, DPH assumes all powers and duties normally vested with a board in administering regulatory jurisdiction over these professions (CGS § 19a-14).

Combination License. On and after October 1, 2020, the bill allows individuals, instead of applying for separate licenses, to apply to DPH for a combination license to practice as a combination of an esthetician and eyelash and nail technician.

Applicants must apply to DPH on a department-prescribed form accompanied by (1) either a $100 fee if applying for the practice of two of such occupations or $200 if applying to practice all three and (2) evidence that the applicant satisfies the applicable licensing requirements the bill requires.

Under the bill, combination licenses must be renewed biennially for a fee of $100. The bill prohibits anyone from carrying on these licensed occupations after the license expires until he or she has applied to DPH for renewal.

The bill prohibits DPH from issuing a combination license to applicants with pending professional disciplinary action against them or who are the subject of an unresolved complaint in any state or jurisdiction.

Regulations. The bill allows the DPH commissioner to adopt regulations to implement the bill's esthetician, eyelash and nail technician, and combination license provisions.

Nail Technician Trainee (§ 195)

Under the bill, anyone employed as a nail technician on September 30, 2020, who does not have evidence of at least two years of continuous practice as a nail technician, to the commissioner's

satisfaction, may apply to DPH for a nail technician trainee license, provided he or she applies by January 1, 2021. Under current law, nail technicians are not credentialed, but salons employing such services are inspected annually (see below).

The bill requires anyone seeking an initial DPH nail technician trainee license to apply on a DPH-prescribed form with a $50 application fee. The application must include the name and address of the (1) spa or salon where the person is employed and (2) licensed nail technician who will supervise the trainee. Upon granting the license, the trainee may practice as a nail technician under a licensed nail technician at a spa or salon that is operated by a credentialed person, which the bill requires (see below).

Under the bill, the license is valid for one year and is renewable once for an additional year, for $50. The bill prohibits anyone from holding such a license for more than two years. A person who has held a trainee license for at least one year and completed a DPH-prescribed examination may apply for a nail technician license.

Under the bill, anyone who has held a nail technician trainee license for at least one year and obtained a statement signed by the supervising nail technician documenting such trainee has completed a minimum of 20 hours per week of training in the techniques associated with the licensure of a nail technician and infection prevention and control plan guidelines (see below), may apply for a nail technician license.

Salon Inspections (§ 196)

By law, the health director for any town, city, borough, or district health department, or his or her authorized representative, must annually inspect salons regarding their sanitary conditions. The bill requires that such inspections be done in compliance with the standards the bill requires DPH to establish (see below).

The bill also requires a health director who has found a salon to be in unsanitary condition to issue a written order that the salon correct

any inspection violations the health official identified, rather than a written order that the salon be placed in a sanitary condition as current law requires.

By October 1, 2019, the bill requires DPH, in collaboration with the state's local health directors, to establish a standardized inspection form and guidelines on the standards for inspecting a salon's sanitary conditions, which DPH must post on its website. These guidelines must include the:

1. use of personal protective equipment, including disposable gloves as a barrier against infectious materials;

2. immediate disposal after use in a covered waste receptacle of all articles that (a) came into direct contact with the customer's skin, nails, or hair and (b) cannot be effectively cleaned or sanitized;

3. proper cleaning and sanitizing of bowls used for soaking fingers;

4. use of hospital-grade cleaner to clean the area and materials used in hairdressing and cosmetology and by nail technicians, including chairs, armrests, tables, countertops, trays, seats, and soaking tubs for both hands and feet; and

5. availability of handwashing sinks in an area where the hairdresser, cosmetologist, or nail technician is working.

Additionally, the bill subjects businesses providing esthetician and eyelash technician services to the annual local health inspection by adding such services to the definition of salon. Under current law, salons already include nail technician services and any commercial establishment with the practice of barbering, hairdressing, and cosmetology.

The bill increases the maximum inspection fee that a health director may charge from $100 to $250.

Infection Prevention and Control Plan Guidelines (§ 196)

By October 1, 2019, the commissioner or her designee, in

collaboration with the state's local health directors, must establish infection prevention and control plan guidelines for licensed nail or eyelash technicians or estheticians, which must be posted on DPH's website.

Schools (§§ 197 & 206)

The bill allows schools for estheticians, nail technicians or eyelash technicians to be established in this state. DPH may inspect such schools regarding their sanitary conditions whenever the department deems it necessary. Any DPH authorized representative may enter and inspect the school during usual business hours. If any school, upon inspection, is found to be in an unsanitary condition, the commissioner or a designee must make a written order that such school be placed in a sanitary condition.

The bill requires such schools to obtain DPH approval before beginning operations. Any such school established before January 1, 2020, must apply for such approval before July 1, 2020. The approval becomes void if a school changes ownership or location and the school must apply for a new approval. Applications for such approval must be on a DPH-prescribed form. If a school fails to comply with the approval process, no credit toward the hours of study required for licensure will be granted to any student for instruction received before the school is approved.

The bill requires any instructor employed at an approved school to have at least two years' experience in the occupation being taught and must hold a Connecticut or out-of-state license in that occupation.

The bill expands "private occupational schools" to include any program, school or entity offering postsecondary instruction in cosmetology or the occupation of esthetician or nail or eyelash technician. Additionally, the bill's provisions do not apply to any school in the Technical Education and Career System.

Spa and Salon Management (§ 198)

The bill requires, on and after July 1, 2021, each spa or salon that

employs hairdressers, cosmeticians, estheticians, or eyelash or nail technicians to be under the management of a DPH-credentialed hairdresser, cosmetician, esthetician, or eyelash or nail technician.

Under the bill, "salon" and "spa" include any shop, store, day spa, or other commercial establishment that offers or provides the practice of barbering, hairdressing, and cosmetology, or the services of an esthetician, nail technician, or eyelash technician, or any combination of these.

The bill requires the managing person to file with the secretary of the state anything required for limited partnerships, partnerships, professional associations, limited liability companies, or statutory trusts. Such person must also maintain payroll records, classify employees according to state law, and provide workers' compensation coverage, if required.

Human Trafficking Notice Requirements (§ 200)

The bill extends existing law's human trafficking notice requirement to establishments that provide services performed by estheticians by adding such establishments to the list of places that must post a notice developed by the Office of the Chief Court Administrator about services for human trafficking victims. Existing law already requires such notice for establishments that provide services performed by nail technicians, among other establishments.

By law, this notice must state the toll-free state and federal anti-trafficking hotline numbers that someone can call if he or she is forced to engage in an activity and cannot leave.

Hairdressing and Cosmetology (§§ 204 & 205)

The bill narrows what is considered "hairdressing and cosmetology" by excluding (1) manicuring a person's fingernails from the definition under current law and (2) esthetics or certain other actions (e.g., cleansing) performed on the nails of the hands or feet.

Under the bill, any approved school for hairdressing and cosmetology instruction may choose to provide instruction in the

occupation of esthetician or nail or eyelash technicians. The school must notify DPH of the choice before beginning such instruction.

§§ 207 & 208 — LGBTQ HEALTH AND HUMAN SERVICES NETWORK

Establishes LGBTQ Health and Human Services Network and charges it with building a safer and healthier environment for LGBTQ persons

The bill establishes a Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ) Health and Human Services Network to make recommendations to the state legislative, executive, and judicial branches concerning health and human services delivery to LGBTQ people in the state. It establishes the network's membership and charges it with, among other things, working to build a safer and healthier environment for LGBTQ people.

The bill requires the Department of Public Health (DPH), within available appropriations, to (1) assist the network with conducting a needs analysis concerning health and human services for LGBTQ people and (2) award grants to organizations that further the network's mission.

EFFECTIVE DATE: July 1, 2019

Responsibilities

The bill requires the network to build a safer and healthier environment for LGBTQ people by:

1. conducting a needs analysis, within available appropriations;

2. collecting additional data on the health and human services needs of such people, as necessary;

3. informing state policy through reports, submitted at least biennially, to the Appropriations, Human Services, and Public Health committees (and other committees, as necessary); governor; and chief court administrator; and

4. building organizational member capacity, leadership, and advocacy across the geographic and social spectrum of the

LGBTQ community.

Membership

Under the bill, network membership includes the following executive officers (or their designees), serving at the will of the House speaker and Senate president pro tempore, who may also set their term limits:

1. the executive directors of the following organizations: AIDS Connecticut; the Commission on and Women, Children, Seniors, Equity, and Opportunity; Connecticut chapter of the Gay, Lesbian, and Straight Education Network (GLSEN); Connecticut Transadvocacy Coalition; Hartford Gay and Lesbian Health Collective; New Haven Pride Center; Queer Unity Empowerment Support Team; Rainbow Center at the University of Connecticut; Safe Harbor Project; Triangle Community Center in Norwalk; and True Colors, Inc.; and

2. the presidents of Connecticut Latinas/os Achieving Rights and Opportunities (CLARO), OutCT in New London, and Connecticut Community Care.

Its membership also includes the following appointees (or their designees):

1. a House speaker-appointed licensed physician who is lesbian, gay, bisexual, transgender, or queer;

2. an LGBT veteran care coordinator assigned to a U.S. Department of Veterans Affairs health care facility in the state, appointed by the Senate president pro tempore; and

3. a governor-appointed member of the LGBT Aging Advocacy coalition.

The bill requires appointments to be made within 60 days after its effective date. It directs the House speaker, in consultation with the Senate president pro tempore, to fill any vacancies, and allows them to

each appoint additional members. Under the bill, network members must choose the chairpersons. The administrative staff of the Commission on Women, Children, Seniors, Equity, and Opportunity must provide the network with administrative support.

§§ 209 & 210 — HEALTH INSURANCE COVERAGE FOR MAMMOGRAMS AND ULTRASOUNDS

Expands coverage for ultrasounds and eliminates out-of-pocket expenses for ultrasounds and mammograms under certain health insurance policies

The bill requires certain health insurance policies to expand coverage for breast ultrasound screenings to include women whose physicians recommend it and who (1) are ages 40 and older, (2) have a family history or prior personal history of breast cancer, or (3) have a prior personal history of benign breast disease. Current law already requires these policies to cover breast ultrasounds for women with dense breast tissue, family or personal history of breast cancer, positive genetic testing, or other high risk indicators.

The bill also prohibits these policies from charging coinsurance, copayments, deductibles, and other out-of-pocket expenses for covered breast ultrasounds and mammograms. Current law only prohibits insurers from charging (1) copayments that exceed $20 for breast ultrasounds and (2) copayments or deductibles for mammograms for women ages 50 to 74 that are conducted according to national guidelines.

The bill applies the cost-sharing prohibition to high deductible health plans (HDHPs), to the maximum extent (1) permitted by federal law and (2) that does not disqualify someone who establishes a health savings account (HS) or Archer Medical Savings Account (MSA) from receiving the associated federal tax benefits. Under federal law, individuals with eligible HDHPs may make pre-tax contributions to HSAs or Archer MSAs and use the accounts for qualified medical expenses.

The bill applies to each insurer, hospital or medical service corporation, HMO, or fraternal benefit society that delivers, issues, renews, amends, or continues in Connecticut (1) individual or group

health insurance policies that cover (a) basic hospital expenses; (b) basic medical-surgical expenses; (c) major medical expenses; or (d) hospital or medical services, including those provided under an HMO plan, and (2) individual health insurance policies that provide limited benefit health coverage. Because of the federal Employee Retirement Income Security Act (ERISA), state insurance benefit mandates do not apply to self-insured benefit plans.

EFFECTIVE DATE: January 1, 2020

§ 211 — CSU ENDOWED CHAIR

Makes $150,000 for FYs 20 and 21 available to CSCU for an endowed chair in public policy and practical politics

For FYs 20 and 21, the bill makes $150,000 of the budget funds appropriated for the Connecticut State Colleges and Universities (CSCU), for Connecticut State University (CSU), available for the William A. O'Neill Endowed Chair in Public Policy and Practical Politics.

EFFECTIVE DATE: July 1, 2019

§§ 212-227 — MUNICIPAL REDEVELOPMENT AUTHORITY (MRDA)

Creates MRDA as a quasi-public agency to stimulate economic and transit-oriented development; authorizes MRDA to (1) develop property and manage facilities in development districts encompassing the areas around transit stations and downtowns, (2) issue bonds and other notes backed by its financial resources and (3) enter into an MOA with CRDA for administrative support and services; and makes the state liable for any bond, note or other financial obligations MRDA cannot pay

Quasi-Public Agency (§§ 212-213 & 224-225)

The bill creates the Connecticut Municipal Redevelopment Authority (MRDA) as a quasi-public agency to, among other things, stimulate economic and transit-oriented development.

The bill establishes MRDA as a public instrumentality and political subdivision of the state, created to perform an essential public and government function. It is a quasi-public agency, not a state department, institution, or agency, and as such is subject to statutory procedural, operating, and reporting requirements for quasi-public

agencies, including lobbying restrictions and the State Code of Ethics.

MRDA has perpetual succession as long as any of its obligations (e.g., bonds) are outstanding or until it is terminated by law. Termination does not affect outstanding contractual obligations. Its rights and properties vest in the state when it lawfully terminates.

Purpose (§ 214)

The bill authorizes MRDA to develop property and manage facilities in development districts encompassing the areas around transit stations and downtowns (i.e., "MRDA development districts"). Under the bill, MRDA must stimulate economic and transit-oriented development (TOD) in development districts.

Under existing law and the bill, TOD means development within one-half mile or walking distance of public transportation facilities (including rail and bus rapid transit and services) that meets transit-supportive standards for land uses, built environment densities, and walkable environments in order to facilitate and encourage their use.

The bill also requires MRDA to:

1. encourage residential housing development in districts;

2. manage facilities through contractual agreements or other legal instruments;

3. stimulate new investment within development districts and provide support for the creation of a vibrant, multidimensional downtown;

4. assist municipalities in which a district is located, at the request of their legislative bodies, in development and redevelopment efforts to stimulate their economy;

5. enter into an agreement to facilitate development or redevelopment of property within development districts, at the Office of Policy and Management (OPM) secretary's request and with the approval of the municipalities' CEOs;

6. encourage development and redevelopment of property within development districts;

7. engage residents of member municipalities and other stakeholders in development and redevelopment efforts; and

8. market and develop development districts as vibrant and multidimensional.

Member Municipalities (§ 216)

Under the bill, and with certain exceptions, members are:

1. municipalities classified by OPM as a designated Tier III or IV municipality (i.e., fiscally distressed municipalities subject to the Municipal Accountability Review Board's oversight),

2. municipalities with a population of at least 70,000 (as of the last decennial census), if their legislative bodies opt to become members, or

3. two or more municipalities with a combined population of at least 70,000 (as of the last decennial census), if their legislative bodies opt to jointly become members ("joint members").

Under the bill, Tier III and IV municipalities are deemed members. Bloomfield, East Hartford, Hartford, Newington, South Windsor, Wethersfield, West Hartford, and Windsor are not eligible to become members.

Other municipalities may opt to become members through a certified resolution of their local legislative body. Municipalities that opt to join as joint members do so through concurrent resolutions, which must establish authority for decisions regarding projects located within such municipalities' development districts.

Before adopting a resolution or concurrent resolution, municipalities must hold public hearings.

Local Development Boards

Each member's legislative body must appoint a local development board to serve as its liaison to MRDA. Joint-members' legislative bodies must appoint a board jointly.

The board must include (1) individuals representing the municipality (two from each municipality for joint members, three for other municipal members); (2) the municipality's or municipalities' CEO or CEOs, serving as the chairperson or, for joint-member boards, co-chairpersons; and (3) one member of MRDA's board, chosen by the MRDA board's chairperson.

The board may include other individuals, such as a representative of a local human service or housing organization. In making its appointments, the members' legislative bodies must, to the extent possible, appoint representatives of minority-owned businesses, advocates for walkable communities, and members who are diverse.

Delineating Development District Boundaries

MRDA must delineate development district boundaries through an MOA with the municipality or municipalities in which the district will be located. The development district must (1) be in a "downtown" area or (2) not extend beyond a half-mile radius from a transit station. "Downtown" means a central business district or other commercial neighborhood area of a community that serves as a center of socioeconomic interaction in the community, characterized by a cohesive core of commercial and mixed-use buildings, often interspersed with civic, religious, and residential buildings and public spaces, that are typically arranged along a main street and intersecting side streets and served by public infrastructure.

"Transit stations" are those passenger railroad or bus rapid transit stations located in the member municipality's jurisdiction that (1) are operational, (2) the Department of Transportation (DOT) is planning, or (3) are included in DOT's state-wide transportation investment program (a document, updated every four years, listing transportation projects expected to receive federal funding).

Prerequisite to Delineation

Before entering into an MOA to delineate boundaries, MRDA must review and approve the member's economic development master plan, as it was approved by the local legislative body or bodies. These plans are comprehensive economic development plans designed to increase the municipality's or municipalities' tax base to a level allowing it to provide an adequate level of municipal services.

In developing local plans, municipalities must provide for community and stakeholder input and a public comment process. MRDA must offer support, upon request, to municipalities creating their plans. In determining whether to approve a plan, MRDA must consider whether it includes a clear and feasible path toward achieving as many of MRDA's purposes as practical and appropriate in the context of the member municipality's unique characteristics.

General Powers

The bill gives MRDA general powers to function as a quasi-public agency and specific powers related to projects occurring within a MRDA development district's boundaries ("authority development projects"). The general powers allow it to:

1. have perpetual succession as a corporate body;
2. adopt and alter a corporate seal;
3. adopt procedures for regulating and conducting its affairs;
4. maintain offices;
5. sue and be sued;
6. purchase insurance for its property, other assets, and employees;
7. enter into contracts and MOAs;
8. acquire, lease, purchase, own, manage, hold, and dispose of personal property and enter into agreements with respect to such property;

9. engage consultants, attorneys, and appraisers;

10. invest funds that are not immediately needed in (a) obligations issued or guaranteed by the state or federal government; (b) legal investments for savings banks in Connecticut; and (c) in-time deposits, certificates of deposit, or similar arrangements; and

11. do all things necessary and convenient to carry out these powers.

The bill also authorizes MRDA to employ staff as necessary and specifies that they are not state employees, and MRDA is not an employer, under the state's collective bargaining law. However, for purposes of health and life insurance, MRDA employees and officers are considered state employees. MRDA may establish and modify personnel policies, including hiring, employee compensation, promotion, retirement, and collective bargaining.

Development Districts

Under the bill, "projects" in a development district include (1) the design and construction of transit-oriented development, (2) the creation of housing units through rehabilitation or new construction, (3) the demolition or redevelopment of vacant buildings, and (4) development and redevelopment. Projects that receive authority support must be consistent with the (1) members' economic development master plans and plans of conservation and development and (2) applicable Comprehensive Economic Development Strategy. (These are prepared by regional economic development districts.)

MRDA's Development District Powers

With respect to projects occurring in a MRDA development district's boundaries, MRDA may (1) acquire real property by gift, purchase, lease, or transfer; (2) dispose of property; (3) receive money, property, and labor from any source, including government sources; (4) enter into common area maintenance, easement, access, support, and similar agreements with regard to property; and (5) own and operate facilities associated with authority development projects.

In exercising these powers, MRDA must (1) provide an opportunity for public comment before any acquisition, transfer, or disposal and (2) comply with the state code of ethics for public employees when receiving any land, or right therein, aid, or contribution. In addition, with respect to projects in a development district, MRDA may also:

1. plan for, acquire, finance, construct, develop, lease, purchase, repair, operate, market, and maintain facilities;

2. collect fees and rents from the facilities it develops and adopt procedures for operating them;

3. enter into contracts for construction, development, concessions, and the procurement of goods and services, as well as, marketing and promotional activities for projects;

4. borrow money, issue bonds, and do anything necessary and desirable, including entering into credit agreements, to make the bonds more marketable;

5. engage independent professionals, such as lawyers, engineers, accountants, and architects; and

6. adopt and amend procurement procedures.

The bill specifies that its provisions do not limit MRDA from entering into agreements to facilitate the development or redevelopment of municipal property or facilities.

Local Boards' Development District Powers

The bill delegates to local development boards authority to perform certain functions that it also delegates to MRDA. Specifically, the boards may:

1. acquire real property by gift, purchase, lease, or transfer;

2. dispose of property;

3. receive money, property, and labor from any source, including

government sources;

4. purchase insurance for its property, other assets, and employees;

5. plan for, acquire, finance, construct, develop, lease, purchase, repair, operate, market, and maintain facilities;

6. collect fees and rents from the facilities it develops and adopt procedures for operating them;

7. engage architects, engineers, attorneys, accountants and other professionals necessary; and

8. enter into contracts for construction, development, concessions, and the procurement of goods and services.

The bill requires the boards to consult with MRDA before taking any such actions. Additionally, MRDA must provide for an opportunity for public comment before the board may acquire, transfer, or dispose of any real property rights.

MOA with CRDA

The bill authorizes MRDA to enter into an MOA with Capital Region Development Authority (CRDA) under which CRDA (1) provides administrative support and services, including staff support and (2) coordinates management and operational activities, including, (a) joint procurement and contracting, (b) shared services and resources, (c) coordinated promotional activities, and (d) arrangements enhancing revenues, reducing operating costs, or achieving operating efficiencies. The MOA can specify the terms and conditions for these relationships, including reimbursement by MRDA to CRDA.

Bonding Authority (§§ 219-221 & 226)

The bill authorizes MRDA, by resolution of its board of directors, to issue bonds and other notes with terms of up to 30 years. The bonds are secured by MRDA's financial resources. It allows MRDA to determine how it will issue and repay the bonds and specifies the terms and conditions it may include in its agreement with

bondholders.

Under the bill, authority bonds are not backed by the state's full faith and credit or guaranteed by the state or any of its political subdivisions and must say so on their face. They do not count toward the state's bond cap. But, the bill makes the state liable for bonds, notes, or other debts the authority cannot pay.

The authority's pledge of its income, revenue, or other property is legally binding and subject to liens. Under the bill, a lien on such a pledge is binding against all parties with a claim against MRDA, regardless of whether the parties received a notice of the lien.

The bill makes MRDA bonds fully negotiable and legal investments. It authorizes MRDA to buy insurance to cover debt service payments and allows the board to purchase, hold, and sell the authority's bonds in accordance with its agreements with bondholders. MRDA may make whatever representations or agreements are needed to exempt its bonds from federal income tax.

The bill exempts board directors and those executing bonds or notes from personal liability unless their conduct was wanton, reckless, willful, or malicious. However, it gives bondholders and their trustees the right, subject to the provisions of the bond resolution, to take legal action to force the board to perform its duties. The bill makes the bond proceeds and other revenue connected with the bonds trust funds, which must be used as the bond resolution specifies.

Under the bill, the state pledges not to limit or alter the authority's or its bondholders' or contractors' rights until the obligations are discharged, unless it adequately protects the bondholders and contractors. With respect to bondholders, the state's pledge applies to bonds for which the state has pledged "contract assistance." (The bill does not define contract assistance or provide a mechanism for such assistance.) It authorizes MRDA to include this pledge in its bonds, other obligations, and contracts.

(By law, certain quasi-public agencies are prohibited from

borrowing money or issuing bonds guaranteed by the state without approval from the state treasurer or deputy state treasurer (CGS § 1-124). This bill subjects MRDA to this requirement, but, because MRDA's bonds are only a state liability if MRDA cannot pay them, the extent to which this provision applies is unclear.)

Authority to Provide Property Tax Incentives

The bill authorizes MRDA to negotiate, and with the OPM secretary's approval, enter into an agreement with a private developer, owner, or lessee of a building or improvement in a development district providing for payment, to the authority in lieu of real property taxes. Such agreements are required as a condition of any private right of development within a district, and must include a requirement that the private developer, owner, or lessee make good faith efforts to hire, or cause to be hired, qualified minority business enterprises to provide construction services and materials for improvements in the district, in an effort to achieve a minority business enterprise utilization goal of 10% of the total costs of construction services and materials for such improvements.

Any payments in lieu of taxes have the same lien, priority, and enforcement mechanisms as municipal property taxes. MRDA must use the payments to carry out its general purposes.

Coordinating Projects

The bill requires (1) MRDA to coordinate all state, municipal, and quasi-public agency planning and financial resources that are allocated for a development district project in which it is involved and (2) all state and quasi-public agencies to cooperate with MRDA.

Applicants requesting state funds for a MRDA development district project must submit a copy of their application, along with supporting documents, to the OPM secretary and MRDA. MRDA has 90 days to give the funding agency its written recommendations (called an "economic development statement"), which must include provisions regarding performance standards, including project timelines.

A state agency or agent cannot spend funds on such a project until it receives MRDA's recommendations or after 90 days, whichever is sooner. If it expends funds not consistent with the statement's recommendations, it must give MRDA a written explanation about this decision.

Hiring Local Employees

MRDA and member municipalities must encourage businesses, as appropriate, to hire local employees. Any business that receives financial assistance from MRDA must enter into an agreement with the Workforce Training Authority for assistance with training and recruiting workers. (The Authority has not been established.)

Annual Report (§ 217)

Instead of the annual report quasi-public agencies must submit to the governor and state auditors, the board must annually report, within 90 days after MRDA's fiscal year begins, to the governor, state auditors, and the Finance, Revenue and Bonding Committee on MRDA's finances, procurement, and employment. This report must include:

1. a list of the bonds it issued in the preceding fiscal year and, for each issue, its face value and net proceeds, the names of financial advisors and underwriters, and whether it was competitive, negotiated, or privately placed;

2. the cumulative value of all bonds issued and outstanding;

3. the amount of the state's contingent liability;

4. a description of each project, its location, and the amount the authority spent on its construction;

5. a comprehensive financial report prepared according to generally accepted governmental accounting principles;

6. a list of individuals and firms, including principal and other major stockholders, who received more than $5,000 for services;

7. the authority's affirmative action policy, a description of its workforce by race, sex, and occupation, and a description of its affirmative action efforts; and

8. a description of the activities planned for the current fiscal year.

Independent Financial Audit

The bill requires the board to annually contract with a certified public accounting firm to undertake a financial audit, according to generally accepted auditing standards. It must submit it to the governor, state auditors, and the Finance, Revenue and Bonding Committee.

Compliance Reports

The board must annually contract with a person or firm for a compliance audit. It must submit it to the governor, state auditors, and the Finance, Revenue and Bonding Committee. The compliance audit must check MRDA's performance against its policies and procedures on personnel and affirmative action, procurement, and use of surplus funds.

The bill also requires MRDA to designate a contract compliance officer to monitor MRDA's facility operations for compliance with state law and contracting requirements relating to (1) set-asides for small contractors and minority business enterprises and (2) required efforts to hire available and qualified minorities. The compliance officer must file an annual written report, including findings and recommendations, with MRDA.

MRDA Board Membership

Under the bill, MRDA's 13-member board consists of eight appointed directors and five ex officio, voting directors: the OPM secretary, and the labor, transportation, housing, and economic and community development (DECD) commissioners, or their designees. The table below lists the appointed directors and their appointing authority. All appointments must be made by November 30, 2019.

Appointed Board Directors

Appointing Authority	*Number of Appointments*
Governor	Two
House speaker and Senate president pro tempore (jointly)	Two, one of whom is the chief executive officer of a member municipality in New Haven County
House and Senate majority leader (jointly)	Two, one of whom is the chief executive officer of a member municipality in Hartford County
House and Senate minority leader (jointly)	Two, one of whom is the chief executive officer of a member municipality in Fairfield County

Directors serve four-year terms and may be reappointed. Vacancies must be filled for the unexpired term by the original appointing authority. Each must take the constitutional oath of office and records of the oath must be filed with the Secretary of State. Directors (1) may be removed by the appointing authority for malfeasance or willful neglect of duty and (2) if appointed, are deemed to have resigned if they miss three consecutive meetings or 50% of the meetings in a calendar year.

Board Chairperson and Executive Director

The governor appoints the board chairperson from among the board members. The board (1) annually elects a vice-chairperson, (2) elects other officers, and (3) appoints an executive committee. The chairperson, with the board's approval, must appoint MRDA's executive director, who cannot be a board director. The executive director is (1) a salaried employee, (2) the chief administrative officer of the authority, and (3) responsible for supervising the administrative affairs and technical activities of the authority, pursuant to the board's directives.

Board Duties

The board must adopt a budget and bylaws. It must report twice a year to the appointing authorities with respect to operations, finances, and achievement of its economic development objective. The board is accountable to the state and must cooperate with it when it audits MRDA's operations and projects, including granting the state reasonable access to MRDA projects and records.

MRDA's board must adopt written procedures to:

1. adopt an annual budget and plan of operations and require board approval before either can take effect;

2. hire, dismiss, promote, and pay authority employees, develop an affirmative action policy, and require board approval before a position may be created or a vacancy filled;

3. acquire real and personal property and personal services, and require board approval for any non-budgeted expenditure of more than $10,000;

4. contract for financial, legal, bond underwriting, and other professional services, and require the board to solicit proposals at least once every three years for these services;

5. issue and retire bonds and other authority obligations;

6. award loans, grants, and other financial assistance, including developing eligibility criteria, an application process, and determining the role played by employees and directors; and

7. use surplus funds.

MRDA must follow the same notice requirements quasi-public agencies follow before adopting its procedures.

Board Deliberations

A majority of the directors then in office constitutes a quorum, and a majority of those present can act. Vacancies do not prevent a quorum from acting. The board may act by adopting resolutions at regular or special meetings that take effect immediately unless the resolution specifies otherwise. The board must keep records of its proceedings in a form it chooses, indicating each director's attendance and votes cast.

The board may delegate any of its powers and duties to three or more directors, agents, or employees.

Surety and Compensation

The bill requires each director and the executive director to provide an individual surety bond for at least $100,000. Alternatively, the board chairperson may execute a blanket bond or equivalent insurance product that covers the directors, executive director, and employees. The authority pays the cost of bonds or insurance products. Board directors are not paid.

Conflict of Interest

The bill prohibits directors and their immediate family members from having a financial interest in:

1. an authority development project,

2. property included or planned for inclusion in any such project, or

3. a contract or proposed contract for material or services used in such projects.

Indemnification

MRDA directors, officers, and employees are not personally liable for bonds MRDA issues or for any damage or injury caused by performing duties within the scope of their employment or appointment, as long as the actions are not willful, wanton, reckless, or malicious.

MRDA must indemnify its directors, officers, and employees from financial loss and expense arising from certain specified claims, demands, suits, or judgments involving their actions. This protection applies to individuals performing their duties or acting within the scope of their employment, as long as the act or omission was not wanton, reckless, willful, or malicious.

The bill also requires the state to indemnify directors, officers, and employees from financial loss and expense resulting from a claim, demand, suit, or judgment connected to an act or omission related to an MRDA development district project. The protection applies to

individuals performing their duties or acting within the scope of their employment, as long as the act or omission was not wanton, reckless, willful, or malicious.

EFFECTIVE DATE: October 1, 2019

§ 228 — YOUTH SERVICES GRANTS

Appropriates $1.92 million per year, for FYs 20 and 21, to the Judicial Branch for specified youth services grants

The bill appropriates $1.92 million per year, for FYs 20 and 21, to the Judicial Branch for the Youth Violence Initiative. Under the bill, the appropriated amount must be made available for each fiscal year for grants to specified organizations.

EFFECTIVE DATE: July 1, 2019

§ 229 — FUNDING FOR PROMOTING SHARED SERVICES

Reallocates municipal reimbursement and revenue account funds and requires the funds be used to support special education service delivery

The bill reallocates municipal reimbursement and revenue account funds provided to OPM. The bill reduces the amount allocated for (1) the Nutmeg Network by $70,000 and (2) the universal chart of accounts by $180,000. Under the bill, OPM must instead use $250,000 to promote and facilitate implementing the most efficient, high-quality, cost-effective, and responsive special education service delivery.

EFFECTIVE DATE: July 1, 2019

§§ 230-231 & 391 — INSURANCE DATA SECURITY LAW

Replaces the information security program law with provisions substantially similar to the National Association of Insurance Commissioners (NAIC) insurance data security model law

The bill repeals the state's information security program law, replacing it with provisions substantially similar to the National Association of Insurance Commissioners (NAIC) insurance data security model law.

Current law requires insurers, pharmacy benefit managers (PBMs), third-party administrators (TPAs), utilization review companies, and

any other entity licensed to do health insurance business to implement and maintain a written comprehensive information security program to safeguard the personal information of insureds and enrollees. Among other things, the program must be appropriate to the business' size, scope, type, available resources, and data, and the type of security and confidentiality necessary.

The bill generally incorporates current law's information security provisions as they relate to data security breaches, access control measures, investigations, reporting, and oversight. However, the bill's requirements are more comprehensive and apply to all entities licensed under the insurance statutes, registered or authorized to operate here, or required to be licensed, registered, or authorized, excluding a purchasing or risk retention group chartered in another state and nondomiciled assuming insurers (hereafter referred to as licensees). The bill also protects consumers' "nonpublic information," not just personal information under current law. Specifically the bill:

1. requires licensees to develop a risk assessment program, investigate cybersecurity events, and notify the insurance commissioner of any such event within 72 hours;

2. authorizes the commissioner to enforce its provisions; fine violators up to $50,000; and adopt implementing regulations; and

3. applies existing law's identity theft mitigation and data breach security requirements to all licensees as it relates to the breach of consumers' nonpublic information.

The bill defines "nonpublic information" as information that is not publicly available, not related to age or gender, and that (1) would materially impact a licensee's business, operation, or security if disclosed, (2) is created or derived from a consumer or health care provider and concerns behavioral, mental, or physical health, or health care services or payments, or (3) concerns a consumer's name, number, or other identifiable information that can identify a consumer when used in combination with an access or security code; account, credit or

debit card number; biometric records; driver's license or identification number; or Social Security number.

Under the bill, a "cybersecurity event" is unauthorized access to information systems or nonpublic information.

EFFECTIVE DATE: October 1, 2019, for the provisions related to the new insurance data security law (§ 230); October 1, 2020, for the provisions related to existing identity theft mitigation services requirements (§ 231); and October 1, 2020, for the repeal of the current Comprehensive Information Security Program law (§ 391).

New Insurance Data Security Law (§ 230)

The bill requires licensees to:

1. develop and implement risk assessment and information security programs to protect nonpublic information; and

2. along with certain third-party service providers (i.e., entities that can access or are contracted with a licensee to maintain, process, or store nonpublic information) investigate cybersecurity events and, within 72 hours, report any such event to the commissioner.

Information Security Program Plan Design. The bill requires licensees, by October 1, 2020, to develop, implement, and maintain a written information security program based on the risk assessment program described (see below) that:

1. is commensurate with the (a) licensee's complexity, size, nature, and business scope, including any use of third-party service providers and (b) sensitivity of the nonpublic data used by, or in possession or control of, the licensees information systems; and

2. defines and provides for periodic reevaluation of a nonpublic data retention schedule and a mechanism for destroying it once the licensee no longer needs the data.

The plan must be designed to:

1. protect against hazards or threats to the (a) integrity and security of the licensee's information systems and (b) confidentiality and security of nonpublic information held or controlled by the licensee and

2. minimize the likelihood of harm to consumers resulting from any unauthorized access to, or use of, nonpublic information.

Risk Assessment Program Requirements. The bill requires each licensee to implement a continuously operated risk assessment program that:

1. designates an affiliate, employee, or outside vendor to develop, implement, and maintain an information security program;

2. identifies reasonably foreseeable internal and external threats (a) that might result in unauthorized access or alteration, destruction, disclosure, misuse, or transmission of nonpublic information held by the licensee or (b) to the licensee's security information systems and nonpublic information accessible to or held by a third-party service provider;

3. assesses the likelihood and potential damage of reasonably foreseeable threats, taking into consideration the sensitivity of any nonpublic information; and

4. implements information safeguards, including key controls, procedures, and systems, to manage reasonably foreseeable threats and assess them at least annually.

The risk assessment program must also assess the sufficiency of the licensee's information system and all policies, procedures, and safeguards to manage against reasonably foreseeable threats that might originate from the licensee's operation (e.g., internal threats). This assessment must include (1) employee training and management; (2) information systems, including network and software design, and information classification, disposal, governance, processing, storage, and transmission; and (3) detection, prevention, and response to cyber

security events.

Post-Implementation. The bill also requires each licensee, on the basis of the risk assessment program, to:

1. include cybersecurity risks in their enterprise risk management process;

2. remain informed of emerging threats and vulnerabilities;

3. utilize reasonable security measures relative to the data's type and sensitivity when sharing it; and

4. provide employees with up-to-date and ongoing cybersecurity awareness training that accounts for all risks the assessment program identifies.

Risk Management. The bill requires licensees, based on their risk assessments, to (1) include cybersecurity risks in their enterprise risk management process, (2) stay informed of emerging threats or vulnerabilities and use reasonable security measures when sharing information, and (3) provide their personnel with cybersecurity awareness training that is updated as necessary.

Additionally, based on their risk assessments, licensees must determine whether any of the following security measures are appropriate and, if so, implement them:

1. access control measures for information systems, including ways to identify and restrict access to authorized individuals only;

2. measures that identify and manage data, devices, facilities, personnel, and systems as appropriate to the licensee's business;

3. measures that restrict access to physical locations containing nonpublic information to authorized individuals only;

4. measures that protect, by encryption or other means, nonpublic information while it is being transmitted over an external network or stored on a laptop or other portable device;

5. secure development practices for software applications the licensee develops and uses;

6. procedures for assessing, evaluating, and testing the security of software applications the licensee uses that were developed by an external party;

7. measures to modify the licensee's information systems in accordance with its information security program (see above);

8. effective control measures, including multifactor authentication for individuals accessing nonpublic information;

9. measures to include audit trails within the information security program to detect and respond to cybersecurity events and reconstruct material financial transactions;

10. measures to regularly rest and monitor the information systems and procedures to detect both actual and attempted attacks;

11. measures to protect against damage or destruction, or loss of nonpublic information caused by environmental hazards, including fire, water, catastrophes, or technological failures; and

12. measures to dispose of nonpublic information regardless of its format.

Board of Directors. Under the bill, if a licensee has a board of directors, then the board or an appropriate committee must, at a minimum, require the licensee's executive management or its delegates to develop, implement, and maintain the information security program. It must also require them to report at least annually on:

1. the program's overall status and the licensee's compliance with the law and

2. material matters related to the licensee's information security program, addressing matters such as risk management,

assessment, and control decisions, among others.

If a licensee's executive management delegates any responsibility to design and implement the information security program, it must (1) oversee its development, implementation, and maintenance and (2) receive a report that meets the above requirements from the delegate.

Third Party Service Provider Arrangements. The bill requires licensees to exercise due diligence in selecting third-party service providers and, by October 1, 2021, require them to implement appropriate administrative, technical, and physical measures to protect and secure information systems and nonpublic data they access or hold.

Program Adjustments. Under the bill, each licensee must evaluate, monitor, and adjust the information security program consistent with:

1. relevant technological changes;

2. the sensitivity of the nonpublic information;

3. threats to nonpublic information, regardless of where they originate;

4. changes in a licensee's business arrangements, including acquisitions, alliances, joint ventures, mergers, and outsources; and

5. changes to licensee information systems.

Written Incident Response Plan. The bill requires that licensees also include a written incident response plan that is designed to promptly respond to, and recover from, cybersecurity events that compromise a licensee's information systems, business operations, or the confidentiality, availability, or integrity of nonpublic information it holds. The plan must address:

1. internal response process for cybersecurity events;

2. goals for the plan;

3. clear roles, responsibilities, and levels of decision making authority;

4. external and internal communications;

5. information sharing;

6. requirements for remediating any weakness in the licensee's information systems or controls;

7. documenting and reporting of cybersecurity events and response activities; and

8. a process to evaluate and if necessary revise the plan following each cybersecurity event.

Certification to Commissioner and Record Retention Requirements

Annually, starting by February 15, 2021, the bill requires domestic insurers to submit to the insurance commissioner a written statement certifying that the insurer has complied with the bill's risk assessment and information security program provisions. Each domestic insurer must maintain all supporting documents, including data, information, records, and schedules, for at least five years after submitting its certification.

The bill also requires a domestic insurer that identifies areas, processes, or systems that require material improvements, redesigns, or updates to (1) document and identify the remediation efforts planned and underway and (2) make such documents available to the commissioner on request.

Exemptions

Between October 1, 2020, and September 30, 2021, the bill's plan and risk assessment requirements do not apply to licensees with fewer than 20 employees, including independent contractors with access to nonpublic information. On and after October 1, 2021, these

requirements do not apply to licensees with fewer than 10 employees, including independent contractors that have access to nonpublic information.

The bill also specifies that its provisions apply to licensees, and not their agents, designees, employees, or representatives, provided they are covered by the licensee's information security program.

The bill exempts from these requirements a licensee that maintains an information security program in accordance with another jurisdiction's laws and regulations, provided the insurance commissioner approves of that jurisdiction through regulations he adopts. Such licensees must submit, by February 15 annually, a written statement certifying their compliance.

Licensees that cease to meet these exemptions must comply with the bill's provisions within 180 days of losing the exemption.

Federal Health Insurance Portability and Accountability Act. Under the bill, licensees subject to the federal Health Insurance Portability and Accountability Act (HIPAA) that establish and maintain an information security program under HIPAA are deemed to have satisfied the bill's risk assessment and information security program provisions. In such a case, the licensee must certify to the commissioner, in a form and manner he prescribes, that it complies with HIPAA.

Cybersecurity Event Investigations

The bill requires licensees to promptly investigate any suspected cybersecurity event involving their systems. At a minimum, the licensee must determine whether the event occurred. If the licensee determines that the event occurred, it must:

1. assess the event's nature and scope;

2. identify all nonpublic information that may have been involved; and

3. perform, or oversee the performance of, reasonable procedures to restore system security and prevent further unauthorized acquisition, release, or use of nonpublic information.

If a licensee is notified by a third-party service provider of a cybersecurity event or otherwise has knowledge such an event has occurred, it must (1) immediately conduct an investigation as described above or (2) confirm and document that the third-party service provider has conducted such an investigation.

Each licensee must maintain all supporting documents, including data, information, records, and schedules, for at least five years after the cybersecurity event occurs.

Three Business Day Reporting Requirement. The bill establishes notification requirements for licensees and third-party service providers following cybersecurity events.

Licensees. Under the bill, each licensee must notify the commissioner, in a form and manner he prescribes, within three business days after a cybersecurity event if the licensee:

1. is an insurer domiciled in the state (i.e., a domestic insurer) or an insurance producer whose home state is Connecticut or

2. reasonably believes that the nonpublic information involved in the cybersecurity event affects 250 people or more and (a) the licensee is required to send a cybersecurity notice to any governing, regulatory, or supervisory body under federal or state law or (b) it is reasonably likely the cybersecurity event will materially harm any Connecticut consumer or the licensee's business.

Notice to Commissioner. The bill requires licensees to notify the commissioner of a cybersecurity event and provide as much of the following information as is available:

1. the date the cybersecurity event occurred, how it was discovered, and the perpetrator's identity;

2. a description of how nonpublic information was breached, exposed, lost, or stolen, including the specific responsibilities and roles of any third-party service provider involved;

3. whether any nonpublic information was recovered, and if so, how;

4. whether the licensee filed a police report or notified any government, law enforcement, or regulatory agency, and if so, when;

5. a description of the specific type of exposed, lost, stolen, or breached information;

6. the period during which the information system was compromised and the number of Connecticut consumers affected by the cybersecurity event;

7. the results of any internal review the licensee conducted that (a) identifies lapses in automated controls or internal procedures or (b) confirms that all controls and procedures were followed;

8. a copy of the licensee's privacy policy and a description of any efforts undertaken to remediate the conditions that allowed the event to occur;

9. a statement outlining all the steps the licensee will take to investigate the event and notify affected consumers; and

10. the name of an individual familiar with the event and authorized to act on the licensee's behalf.

Under the bill, licensees that provide this information have a continuing obligation to update and supplement it.

Notice to Consumers. The bill requires any licensee that notifies the commissioner of a cybersecurity event to provide the commissioner with a copy of the notice it sends to consumers about the event, if any.

Notice to Producers. Under the bill, if a consumer accessed affected services through an insurance producer, and the licensee has the producer's current contact information, the licensee must notify the producer of the event in a form and manner the commissioner prescribes.

Third-Party Service Providers. Under the bill, a licensee must treat a cybersecurity event impacting a third-party service provider as if it impacted the licensee itself (e.g., provide notice to the commissioner as described above). In such a case, the deadlines established by the bill for the licensee begin one day after the third-party service provider notifies the licensee, or the licensee becomes aware of, a cybersecurity event.

Reinsurers. Under the bill, any assuming insurer (i.e., an insurer that acquires an insurance obligation from another insurer) without a direct contractual relationship to the affected consumers must notify the affected ceding insurer (i.e., the insurer that transferred the obligations) and the insurance regulatory of its domiciled state within 72 hours after discovering the event. The same requirements apply to a cyber security event involving nonpublic information held by an assuming insurer's third-party service provider.

Ceding insurers who receive notice from an assuming insurer of an event and maintain a contractual relationship with impacted consumers must notify the consumers within 90 days as required under existing law (CGS § 36a-701b).

Enforcement. The bill grants the commissioner the power to investigate and examine a licensee to determine compliance with the bill, and specifies such powers are in addition to those granted under existing law.

If the commissioner has reason to believe a licensee is violating the bill's provisions, he must issue and serve the licensee with a statement of the violation and notice of a hearing, which must be held at least 30 days after the notice is served.

The licensee must have an opportunity to be heard and show cause why an order should not be entered by the commissioner enforcing the bill's provisions or suspending, revoking, or refusing to reissue or renew any license, registration, or authorization issued by the commissioner.

The commissioner may, after a hearing and in addition to or instead of actions he takes against the licensee's license, registration, or authorization, impose a civil penalty up to $50,000 for each violation. Under the bill, the commissioner may bring a civil action to recover any penalty imposed.

Confidentiality. The bill makes all documents submitted to or obtained by the commissioner during an investigation confidential and privileged. They are exempt from disclosure under the state's Freedom of Information Act (FOIA) and any subpoena or discovery in a private cause of action.

The bill also prohibits such documents from being introduced as evidence in a private cause of action. It prohibits the commissioner and all persons acting on his behalf who receive confidential information from being allowed or compelled to testify in a private cause of action that concerns the confidential material. However, the commissioner may use such documents in furtherance of any regulatory or legal actions he brings under the bill.

The bill allows the commissioner to submit such documents, information, and material to the (1) attorney general or another state, federal, or international regulatory or law enforcement agency and (2) NAIC and its affiliates and subsidiaries, provided they agree in writing to maintain the same level of confidentiality. He may also (1) receive documents and information from these sources, provided he treats them as confidential, and (2) submit documents and information to third-party consultants or vendors, provided they agree in writing to maintain the documents' and information's confidentiality.

The bill allows the commissioner to (1) enter into agreements governing the submission of documents, information, and materials in

a way that maintains confidentiality and (2) regardless of its other provisions, release to any NAIC clearinghouse or database a final adjudicated action that is subject to disclosure under FOIA.

The bill specifies that no waiver of any applicable privilege or claim of confidentiality in any document, information, or material occurs as a result of submitting it to, or it being received by, the commissioner.

Private Right of Action. The bill specifies that it must not be construed to create a private right of action or affect or limit an existing private right of action.

Existing Identity Theft Mitigation and Data Breach Security Law (§ 231)

The bill adds "nonpublic information" to the state's data breach privacy laws. In doing so, starting October 1, 2020, it requires any person or business that owns or licenses computerized data that includes personal information to notify consumers if any of their nonpublic information has been breached or reasonably believed to have been breached and provide them up to two years of identity theft mitigation services, as is required under existing law regarding consumers' personal information. By law, personal information is an individual's first name or initial and last name with his or her (1) Social Security, driver's license, or state identification number; (2) credit or debit card number; or (3) financial account number in combination with a password that allows access to the account (CGS § 36a-701b).

§§ 232-235 — PAID FAMILY AND MEDICAL LEAVE CHANGES

Within the Paid Family and Medical Leave Insurance program established by sSB 1, as amended: clarifies certain definitions; reduces the program's board of director's voting members; allows the governor to appoint the board's chairperson without input from legislative leaders; removes a requirement for the board to issue requests for proposals if it chooses to use contractors for certain services; and delays the creation of a "non-charge" against an employer's unemployment tax experience rate when an employer lays off an employee due to an employee's return from FMLA leave

sSB 1, as amended by Senate Amendment Schedule "A," and passed by the general assembly this session, (1) creates the Family and Medical Leave Insurance (FMLI) program to provide wage replacement benefits to certain employees taking leave under the

state's Family and Medical Leave Act (FMLA) and (2) establishes the Paid Family and Medical Leave Insurance Authority as a quasi-public agency to develop and administer the FMLI program.

Definitions Related to Participating Self-Employed Individuals and Sole Proprietors (§ 232)

sSB 1, as amended, allows self-employed individuals and sole proprietors to opt into the paid family and medical leave insurance (FMLI) program established by the bill. By doing so, they become "covered employees" under the program.

This bill specifies that a covered employee's self-employment income is only included in the employee's "base weekly earnings" if he or she enrolled in the program. Under sSB 1, as amended, and unchanged by this bill, a covered employee's "base weekly earnings" are used to determine the employee's benefits through the program.

This bill similarly specifies that an individual's "subject earnings" only include his or her self-employment income if he or she has enrolled in the FMLA program. Under sSB 1, as amended, an individual's "subject earnings" is used to determine how much an individual must contribute to the FMLI program.

Paid FMLI Authority Board of Directors (§ 233)

sSB 1, as amended, places the Paid Family and Medical Leave Insurance Authority under the direction of a 15-member board of directors.

Members. This bill reduces the number of voting board members from 15 to 13 by making the state treasurer and comptroller non-voting members. It also:

1. allows the administrative services commissioner to appoint anyone (rather than only the state's chief information officer) as his designee on the board;

2. reduces, from six to three years, the term of any appointed board member who serves after the initially appointed members

complete their four-year terms; and

3. deems a board member to have resigned from the board if he or she fails to attend (a) three consecutive meetings or (b) 50% of all meetings held during any calendar year.

Chairperson. This bill requires the governor to select the board's chairperson, rather than requiring the governor, House speaker, and Senate president pro tempore to collectively do so.

Quorum and Votes. Under this bill, a majority of the board's voting members, rather than all of its members, constitutes a quorum. It also specifies that an affirmative vote by a majority of voting members present at a board meeting is sufficient for the board to take action.

Conflicts of Interest. sSB 1, as amended, prohibits board members and the authority's officers, agents, and employees from directly or indirectly having any financial interest in any legal or commercial entity contracting with the authority, including a corporation, business trust, estate, trust, partnership or association, or two or more people having a joint or common interest. This bill specifies that a "financial interest" does not include an interest of a de minimis nature or that is not distinct from that of a substantial segment of the general public.

Authority Contracts (§ 234)

Under sSB 1, as amended, the authority's board of directors must (1) issue requests for proposals (RFPs) if it wants to use an outside contractor's services for initial claims processing, website development, database development, marketing and advertising, or implementing any other program elements, and (2) develop certain criteria for evaluating proposals related to these RFPs, and all other contracts that exceed $500,000, subject to the notice and adoption requirements specified in the law governing quasi-public agencies' adoption of procedures.

This bill removes the requirement for the board to issue RFPs for these services. Instead, it allows the authority (not the board), under its

general powers, to determine if it wants to use an outside contractor for initial claims processing, website development, database development, or marketing and advertising. If so, the standard criteria for evaluating proposals related to these services, and all other contracts that exceed $250,000, must at least include transparency, cost, efficiency of operations, work quality related to the contracts, user experience, accountability, and a cost-benefit analysis documenting the direct and indirect costs that will result from implementing the contracts (i.e., the same criteria specified in sSB 1).

This bill further requires that any additional standard criteria be approved by a two-thirds vote of the board, after it has been posted for notice and comment on the authority's public Internet website for at least one week before the vote.

Unemployment Non-Charge (§ 235)

sSB 1, as amended, creates a "non-charge" against an employer's experience rate when an employer lays off an employee due to the return of someone who had been out on bona fide FMLA leave. This bill makes that provision's effective date January 1, 2022, rather than July 1, 2019.

EFFECTIVE DATE: Upon passage

§§ 236 & 237 — HEALTH INSURANCE COST SHARING

Limits the maximum out-of-pocket expenses that certain health insurers can charge and makes it an unfair insurance practice for insurers to charge more than this amount

Under the bill and to the maximum extent allowed by federal law, certain health insurance plans cannot impose a coinsurance, copayment, deductible, or other out-of-pocket expense that exceeds the lesser of:

1. the amount paid to the provider or vendor for the covered benefit, including all discounts, rebates, and adjustments by the insurer, intermediary, or health carrier;

2. an amount calculated based on how much the health service provider or vendor charges after any discount and any amount

due to or charged by an entity affiliated with the insurer; or

3. the amount an insured would have paid to the provider or vendor without using his or her insurance (which the insurance commissioner may define in regulations that the bill permits him to adopt).

The cost-sharing limits apply to individual and group health insurance policies delivered, issued, renewed, amended, or continued in Connecticut that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; or (4) hospital or medical services, including those provided under an HMO plan. Because of the federal Employee Retirement Income Security Act (ERISA), these limits do not apply to self-insured benefit plans.

A violation of these provisions constitutes an unfair insurance practice.

EFFECTIVE DATE: January 1, 2020

§ 238 — HEALTH CARRIER CONTRACTS

Prohibits health carrier contracts from penalizing the disclosure of health care costs or available alternative treatments

The bill prohibits a health carrier contract with another party from containing a provision that prohibits or penalizes, including through increased utilization review, reduced payments, or other financial disincentives, disclosure of certain information to an insured concerning covered benefits. This includes information about (1) a covered benefit's cost and cash price and (b) the availability, cost, and cash price of any health care service or product that is therapeutically equivalent to a covered benefit.

EFFECTIVE DATE: January 1, 2020

§ 239 — MANAGED CARE PLANS

For managed care organizations, requires that deductibles be calculated in the same way that existing law requires of coinsurances and extends this requirement to amounts charged by MCO subcontractors

Under current law, MCOs must calculate coinsurances based on the

lesser of (1) the amount the provider charges for the specific good or service or (2) the amount payable by the MCO for the goods or services. The bill (1) includes in the latter category any amounts payable by an MCO's subcontractor and (2) requires MCOs to calculate deductibles using the same criteria.

EFFECTIVE DATE: January 1, 2020

§ 240 — SURPRISE BILLS FOR LABORATORY SERVICES

Broadens the definition of a surprise health insurance bill by including non-emergency services rendered by an out-of-network clinical laboratory if an insured is referred to it by an in-network provider

The bill broadens the definition of a "surprise bill" for health insurance purposes by including a bill for non-emergency services rendered by an out-of-network clinical laboratory if the insured was referred by an in-network provider. In doing so, it requires health carriers (e.g., insurers and HMOs) to (1) cover any such services resulting in a surprise bill at the in-network level of benefits and (2) include the revised definition of surprise bill in policy documents and on their websites.

By law, an insured person's bill is already a "surprise bill" if (1) it is for non-emergency health care services rendered by an out-of-network provider at an in-network facility during a service or procedure performed by an in-network provider or previously authorized by the health carrier and (2) the insured person did not knowingly elect to receive the services from the out-of-network provider.

By law, if an insured person receives a surprise bill, he or she has to pay only the coinsurance, copayment, deductible, or other out-of-pocket cost that would apply if the services were rendered by an in-network provider. A health carrier must reimburse an out-of-network provider or the insured person, as applicable, for the services at the in-network rate as payment in full, unless the carrier and provider agree otherwise (CGS § 38a-477aa(c)). The law also requires a health carrier to describe what constitutes a surprise bill (1) in the insurance policy, certificate of coverage, or handbook given to an insured person and (2) prominently on its website (CGS § 38a-591b(d)).

By law, it is a violation of CUTPA for a health care provider to request payment, except for a copayment, deductible, coinsurance, or other out-of-pocket expense, from an insured person for a surprise bill (CGS § 20-7f).

EFFECTIVE DATE: January 1, 2020

§§ 241-243 — ADVERSE DETERMINATION REVIEW TIMEFRAMES

Reduces, from 72 to 48 hours, the maximum time for certain health benefit and adverse determination reviews, but creates an exception for weekends

Existing law establishes a structure and timeframe for health carriers and independent review organizations (IROs) to conduct benefit reviews and notify the covered individual whether a specific medical service is reimbursable by his or her health insurance plan. This bill shortens, from 72 to 48 hours, the maximum time a health insurer or IRO can take, after receiving all the required health information, to notify an insured or his or her authorized representative of decisions for one of the following urgent care reviews:

1. initial utilization reviews and benefit determinations,

2. expedited internal adverse determination reviews that are based on medical necessity, and

3. expedited external or final adverse determination reviews.

However, the bill retains the 72 hour requirement if any portion of the 48 hours falls on a weekend.

Existing law, unchanged by the bill, requires that (1) urgent initial utilization reviews be conducted as soon as possible, (2) urgent internal adverse determination reviews be conducted within a reasonable period of time appropriate to the covered person's condition, and (3) urgent expedited external reviews be conducted as quickly as the covered person's condition requires.

The bill does not apply to urgent care reviews involving substance use disorders and certain mental disorders, which by law must be

completed within 24 hours.

EFFECTIVE DATE: January 1, 2020

§ 244 — DISABILITY INCOME PROTECTION POLICY DISCRETIONARY POLICIES

Prohibits provisions in disability income protection policies that allow insurers discretion to interpret the policy in a way that is inconsistent with state law

The bill prohibits certain health carriers from including in a disability income protection policy a provision that allows the carrier discretion to interpret the policy's terms, or establishes standards for interpreting or reviewing the policy, that are inconsistent with state law. It applies to each insurer, health care center, hospital or medical service corporation, or fraternal benefit society that delivers, issues, renews, amends, or continues in Connecticut a disability income protection policy on or after January 1, 2020.

EFFECTIVE DATE: January 1, 2020

§ 245 — SHORT TERM ACUTE CARE GENERAL AND CHILDREN'S HOSPITAL REPORTING

Requires certain hospitals to report to the Health Systems Planning Unit on trauma activation fee charges

The bill requires short term acute care general and children's hospitals to include in a report they annually send to the Health Systems Planning Unit information and data the Office of Health Strategy (OHS) prescribes concerning trauma activation fee charges. (By law, the unit is within OHS.)

EFFECTIVE DATE: October 1, 2019

§ 246 — MEDICAL NECESSITY

Requires certain health insurance policies to cover medically necessary services to treat emergency conditions

The bill requires certain health insurance policies to provide coverage for medically necessary health care services for emergency medical conditions.

Under the bill and existing law:

1. an "emergency medical condition" is a condition that a prudent layperson, acting reasonably, would believe requires emergency medical treatment and

2. "medically necessary health care services" are those that a physician, exercising prudent clinical judgment, would provide to prevent, evaluate, diagnose, or treat a condition and that are (a) in accordance with generally accepted standards of medical practice; (b) clinically appropriate; and (c) not primarily for the patient's, physician's, or other health care provider's convenience and not more costly than an alternative, therapeutically equivalent service.

The provision applies to health insurance policies delivered, issued, renewed, amended, or continued in Connecticut that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; or (4) hospital or medical services, including those provided under an HMO plan.

EFFECTIVE DATE: January 1, 2020

§ 247 — HDHP TASK FORCE

Establishes a task force to study high deductible health plans (HDHPs)

The bill establishes an HDHP task force to study the structure and impact of HDHPs on enrollees in Connecticut and report its findings to the Insurance and Real Estate Committee by February 1, 2020. The task force must make recommendations about:

1. measures to ensure access to affordable health care services under HDHPs;

2. the financial impact of HDHPs on enrollees and their families;

3. the use of health savings accounts (HSAs) and the impact of alternative payment structures on HSAs, including the status of the accounts under the federal tax code;

4. measures to ensure that each cost-sharing payment due and paid

under an HDHP accurately reflects the enrollee's cost-sharing obligation for his or her specific plan;

5. measures to ensure prompt payment of refunds for enrollees who overpay;

6. measures to enhance enrollee knowledge of how payments are applied to deductibles; and

7. payment models where a physician can receive reimbursement from a health carrier for services provided to enrollees.

The task force consists of the healthcare advocate or his or her designee and the following appointed members:

Appointing Authority	***Number of Appointments***	***Qualifications***
House speaker	2	One who represents the Connecticut College of Emergency Physicians and one who represents a small employer sponsoring an HDHP
Senate president pro tempore	2	One who is an insurance producer with knowledge of HDHPs, and one who is an HDHP enrollee
House majority leader	1	Primary care physician participating in an HDHP
Senate majority leader	1	Emergency room physician
House minority leader	1	Represents the Connecticut Association of Health Plans
Senate minority leader	1	Represents the Connecticut State Medical Society
Governor	3	One who represents the Connecticut Hospital Association, one who represents a health plan issuing HDHPs, and one who is a tax attorney knowledgeable about HSAs

Under the bill, task force appointments must be made within 30 days of the bill's passage, and vacancies are filled by the appointing

authority. The members must elect two chairpersons. The healthcare advocate must schedule the first meeting within 60 days of the bill's passage.

The bill requires the Insurance and Real Estate Committee administrative staff to serve as such for the task force. The task force terminates when it submits its report or December 1, 2020, whichever is later.

EFFECTIVE DATE: Upon passage

§ 248 — AFTER SCHOOL PROGRAM GRANTS

Allows SDE to award grants to a combination of eligible entities; requires SDE to earmark at least 10% of after school program grant funds for (1) towns with a small population or (2) boards of education in towns with a small population; allows grant recipients to spend grant funds on after school program transportation

By law, the State Department of Education (SDE) may administer a program to provide grants to local or regional boards of education, municipalities, and nonprofit organizations for after school programs. These programs provide educational, enrichment, and recreational activities for children in grades kindergarten through 12 when school is not in session. The bill allows SDE to award grants to a combination of these entities (e.g., a board of education and a nonprofit organization).

Beginning in FY 20, and each fiscal year thereafter, the bill also requires SDE to award at least 10% of the funds appropriated for after school grants to (1) municipalities with a population of 7,500 or fewer or (2) local or regional boards of education for towns with a population of 7,500 or fewer. Any of these funds that are not awarded by October 15 of the fiscal year must be made available to be awarded to any municipality or board of education, regardless of population criteria.

Additionally, the bill allows grant recipients to expend program funds to provide after school program transportation beginning in FY 20.

EFFECTIVE DATE: July 1, 2019

§ 249 — SCHOOL DISTRICT UNIFORM CHART OF ACCOUNTS

Adds "federal impact aid" to the items required in school- and district-level chart of accounts

Existing law requires the State Department of Education (SDE) to develop and implement a uniform accounting system for school revenues and expenditures that includes a school- and district-level chart of accounts. The chart of accounts must include, among other things, the following received by a local or regional board of education, regional education service center, charter school, or charter management organization: all revenue amounts and sources, cash donations, and real or personal property totaling $500 or more in the aggregate.

The bill adds "federal impact aid" received by the above entities to the list of required items in the chart of accounts. The bill does not define this type of aid.

EFFECTIVE DATE: July 1, 2019

§ 250 — MINIMUM BUDGET REQUIREMENT CALCULATION WORKSHEET

Requires SDE to compile a minimum budget requirement calculation worksheet for each school district, provide such worksheet to each school district, and post it online

Beginning FY 20, and each fiscal year thereafter, the bill requires the State Department of Education (SDE) to (1) compile a minimum budget requirement calculation worksheet for each school district, (2) provide such worksheet to the appropriate local and regional board of education, and (3) make each worksheet available on its website.

EFFECTIVE DATE: July 1, 2019

§§ 251-256 — YOUTH SERVICE BUREAUS

Transfers from the SDE to DCF responsibilities related to youth service bureaus.

The bill transfers from the State Department of Education (SDE) to the Department of Children and Families (DCF) responsibility for administering the youth service bureau (YSB) grant and enhancement grant programs. YSBs provide resources and community-based services and programs for children, youth, and their families.

In doing so, it requires DCF to, among other things:

1. adopt regulations that establish minimum standards for YSBs and criteria to qualify for state cost-sharing grants;

2. provide to the YSBs (a) cost-sharing and other grants to cover certain related costs and (b) grant management services, program monitoring and evaluation, and technical assistance; and

3. biennially report to the legislature, on the referral or diversion of children younger than age 18 from the juvenile justice to adult criminal court system.

The bill also allows YSBs that applied for a grant during FY 19 to be eligible for such a grant through the program. The deadline under current law for such applications is FY 18 with prior approval for the town's contribution for the grant.

Currently, the amount of grants payable to YSBs must annually be reduced proportionately if the total grant amounts exceed the amount appropriated for them for that year. Starting FY 20, the bill additionally requires the grant amounts to be increased proportionately if the total for the fiscal year is less than the amount appropriated for the grants that year.

EFFECTIVE DATE: July 1, 2019

§ 257 — CARE 4 KIDS REPORTING

Requires quarterly reporting by OEC to the legislature about the Care 4 Kids child care subsidy program

The bill requires the Office of Early Childhood (OEC) commissioner to report to the Appropriations and Education committees by October 1, 2019, and quarterly thereafter, about the Care 4 Kids child care subsidy program that the office administers, specifically regarding (1) expenditures of state and federal funds for the program and (2) program enrollment by priority group. (OEC establishes ranked priority groups of eligible families to determine preference when

awarding Care 4 Kids subsidies.)

EFFECTIVE DATE: July 1, 2019

§ 258 — GRANTS FOR STATE-LICENSED CHILD CARE CENTERS FOR DISADVANTAGED CHILDREN

Limits how certain state grants to state-licensed child care centers for disadvantaged children may be used; creates a floor, rather than a ceiling, for the amount of per child cost grants from the state to such centers

The bill limits how certain state financial assistance for state-licensed child care centers for disadvantaged children may be used. Existing law allows the state, through the Office of Early Childhood (OEC) commissioner, to enter into contracts with municipalities, human resource development agencies, or nonprofit corporations for state financial assistance in developing such centers. Beginning in FY 20, and each fiscal year thereafter, the bill requires any state financial assistance for these centers that exceeds the funding they received in FY 19 to be used exclusively to increase the salaries of educators employed by these centers.

Additionally, current law requires such contracts for the development of these centers to provide for a state grant for:

1. a portion of the program's cost, as determined by the OEC commissioner, if the program is not federally assisted;

2. half the amount by which the program's net cost, as approved by the commissioner, exceeds its federal grant; or

3. up to the per child cost established in state law for each child (a) aged three or four years and (b) aged five years who is ineligible to enroll in school.

The bill requires the third state grant option, the per child cost grant, to be in an amount that is at least equal to, rather than no more than, the per child cost in state law. By law, the per child cost is capped at $8,927 through FY 19. (Section 260 below extends that cap through FY 20 and raises it beginning FY 21.)

EFFECTIVE DATE: July 1, 2019

§ 259 — SCHOOL READINESS PROGRAM GRANTS

Requires state-licensed school readiness programs receiving per child grants exceeding $8,927 to use the excess exclusively to increase staff salary

Beginning FY 20, and each fiscal year thereafter, the bill requires state-licensed school readiness programs that operate full-day, year-round programs and receive school readiness per-pupil state grants to use any grant amount exceeding $8,927 per child exclusively to increase the salary of individuals directly responsible for teaching or caring for children in school readiness program classrooms.

By law, a school readiness program is a nonreligious, state-funded program that provides a developmentally appropriate learning experience for children ages three to five years who are too young to enroll in kindergarten (CGS § 10-16p).

EFFECTIVE DATE: July 1, 2019

§ 260 — SCHOOL READINESS PROGRAM PER CHILD COST RATE

Extends the current cap on the per child cost rate through FY 20 and raises it beginning FY 21; eliminates the OEC commissioner's authority to establish new rates or revise existing rates during a fiscal year

The bill extends the current cap on the per child cost (i.e., $8,927) of the Office of Early Childhood (OEC) school readiness programs through FY 20. For FY 21 and the subsequent fiscal years, the bill raises the cap to $9,027.

Additionally, the bill removes the OEC commissioner's authority to establish new rates for the school readiness programs so long as there are available appropriations and the rates are established to improve program quality and access. Under current law, this authority was set to take effect beginning FY 20.

It also removes the commissioner's authority to revise the rates for the school readiness program during a fiscal year if she determines that revised rates are necessary to improve the quality of, increase access to, or fill spaces in these programs.

EFFECTIVE DATE: July 1, 2019

§ 261 — MAGNET SCHOOL TRANSPORTATION GRANT

Extends the education commissioner's authority to award magnet school transportation grants

The bill extends the education commissioner's authority to award (1) *Sheff* magnet school transportation grants through FY 20 and each following fiscal year and (2) supplemental *Sheff* magnet school transportation grants through FY 19 and each following year. Regarding the supplemental grants, the bill keeps the same payment schedule as in current law: (1) 70% of the grant must be paid on or before June 30 and (2) the remainder must be paid by September 1 of the following fiscal year upon completion of a comprehensive financial review. The amount of the grants, as under current law, cannot exceed $2,000 for each child transported.

EFFECTIVE DATE: July 1, 2019

§§ 262 & 263 — MINORITY EDUCATOR LOAN REIMBURSEMENT GRANT PROGRAM

Establishes the minority educator loan reimbursement grant program as part of the existing minority teacher incentive program OHE administers

The bill establishes the minority educator loan reimbursement grant program as part of the existing Connecticut minority teacher incentive program the Office of Higher Education (OHE) administers.

Beginning FY 20, and each fiscal year thereafter, the bill requires OHE, in collaboration with the Minority Teacher Recruitment Policy Oversight Council and the minority teacher recruitment task force, to administer a minority educator loan reimbursement grant program for eligible individuals, within available appropriations.

Under the bill, the program must provide student loan reimbursement grants to anyone who (1) is a minority as defined under state law, (2) holds certain professional certification (e.g., teacher or superintendent), and (3) is employed as an administrator or teacher by a local or regional board of education. By law, a minority is an individual whose race is other than white, or whose ethnicity is

Hispanic or Latino by the federal Office of Management and Budget for use by the U.S. Department of Commerce's Bureau of Census.

The bill allows anyone who satisfies the eligibility requirements to receive an annual grant for reimbursement of federal or state educational loans (1) in an amount up to 10% of such person's educational loans, up to $5,000 in any year, and (2) for a period no more than 10 years. Individuals may apply to OHE for grants in the time and manner the executive director prescribes and must only be reimbursed for loan payments made while they are employed by a local or regional board of education.

Under the bill, any unexpended funds appropriated for loan grant repayment purposes do not lapse at the end of the fiscal year and are available for expenditure in the next fiscal year.

The bill allows OHE to accept gifts, grants, and donations from any source, public or private, for both the reimbursement grant and minority teacher incentive program.

EFFECTIVE DATE: July 1, 2019

§ 263 — CONNECTICUT MINORITY TEACHER INCENTIVE PROGRAM

Expands the existing Connecticut minority teacher incentive program to provide grants to minority students enrolled in the alternate route to certification program administered through SDE

The bill expands the existing Connecticut minority teacher incentive program to provide grants, within available appropriations, to minority students enrolled in SDE-administered alternate route to certification programs (i.e., a program through which individuals from an alternate profession can attain their initial educator certificate). Current law only provides such grants to OHE-administered programs.

EFFECTIVE DATE: July 1, 2019

§§ 264-269 — EDUCATION GRANT CAPS

Caps six education grants to boards of education for FYs 20 and 21

The bill caps six education grants to local or regional boards of education for FYs 20 and 21. The caps, which are set to expire on June 30, 2019, require that grants be proportionately reduced if the state budget appropriations do not fund the full amounts required by the respective statutory formulas. The caps apply to the following programs:

1. adult education programs (CGS § 10-71);
2. bilingual education (CGS § 10-17g);
3. school districts' special education costs for public agency-placed students under an order of temporary custody (CGS § 10-76d);
4. school districts' excess special education costs (CGS § 10-76g);
5. excess regular education costs for state-placed children educated by private residential facilities (CGS § 10-253); and
6. health grants for private nonprofit schools (CGS § 10-217a).

EFFECTIVE DATE: July 1, 2019

§ 270 — MAGNET SCHOOL GRANT INCREASES

Raises maximum per-student grant amounts for magnet schools; reauthorizes SDE authority to prioritize magnet school grants based on certain enrollment conditions; extends magnet school grant eligibility criteria for two more years, FYs 20 and 21

The bill raises the maximum amount for all per-student interdistrict magnet school operating grants by 2% beginning in FY 20.

By law, the amount of state operating grants for each type of magnet school depends on whether or not (1) the school is run by a local school district ("host magnet") or a regional educational service center (RESC) or other entity and (2) it helps the state achieve the racial integration goals of the *Sheff* court stipulation ("*Sheff* magnet") or not ("non-*Sheff* magnet").

Sheff is the 1996 school desegregation case in which the state Supreme Court ruled that Hartford school children were not being given an equal educational opportunity because of racial and economic

segregation. Settlement agreements subsequent to the *Sheff* decision rely on voluntary desegregation methods including interdistrict magnet schools. The *Sheff* region includes Hartford and 21 surrounding towns.

The bill also raises the maximum per student grant amounts for Thomas Edison Magnet Middle School in Meriden by 2% beginning in FY 20.

By law and unchanged by the bill, the amounts of the grants provided must be proportionately adjusted, if necessary, within available appropriations.

The bill also reauthorizes SDE's authority to prioritize magnet school grants for FYs 20 and 21 based on individual school enrollment, including increases in enrollment due to planned and approved new grades.

Also, it reinstates magnet school grant eligibility criteria for two more years, FYs 20 and 21, using eligibility criteria that expired on June 30, 2018.

The bill also makes conforming changes.

EFFECTIVE DATE: July 1, 2019

Grant Increases

The table below shows the various types of magnet schools and their grant amounts under current law and the bill for non-resident students (those attending from outside the host district). Generally, unless otherwise noted, magnet schools currently receive $3,000 for each enrolled student who resides in the host district. The bill raises this per student grant to $3,060 beginning in FY 20. (Magnet school funding is in addition to Education Cost Sharing and other forms of state education funding.)

Magnet School Non-Resident Per-Student Grant Changes

Type of magnet school	*Current law maximum*	*Bill maximum amounts*

	amounts	
Non-*Sheff* host magnet	$7,085	$7,227
Sheff host magnet	13,054	13,315
Non-*Sheff* RESC magnet with less than 55% enrollment from one town	7,900	8,058
Non-*Sheff* RESC magnet with 55% or more of enrollment from one town*	7,085	7,227
RESC magnet enrolling less than 60% of its students from Hartford (i.e., *Sheff* magnet)	10,443	10,652
RESC magnet enrolling less than 50% of its students from Hartford (i.e., *Sheff* magnet)	7,900 for half of the non-Hartford students enrolled over 50% of total enrollment, 10,443 for all the other students	8,058 for half of the non-Hartford students enrolled over 50% of total enrollment, 10,652 for all the other students

*Excludes Thomas Edison Magnet Middle School, see below.

Thomas Edison Magnet School Per-Student Operating Grant

Under current law the per-student grant for most students at the Thomas Edison Magnet Middle School in Meriden is $8,180. The grant amount is lower for some of the students depending on (1) where the student resides and (2) whether the student is counted as part of the October 1, 2013, enrollment count or above it.

Under current law, for any additional students enrolled above the October 1, 2013, number, the grant is $3,000 for students who reside in Meriden and $7,085 for students from outside of Meriden. (The law affects a school that began operations in the 2001-02 school year and, for the 2008-09 school year, enrolled between 55% and 80% of its students from a single town, a description that applies only to the Edison Magnet Middle School.)

The bill increases each of these grant amounts as shown in the table below.

Thomas Edison Magnet Middle School Per-Student Grant Changes

	District Resident Students		***District Non-Resident Students***	
	Current law maximum amounts	***Bill maximum amounts***	***Current law maximum amounts***	***Bill maximum amounts***
Students at or Below the October 1, 2013 Enrollment Count	$8,180	$8,344	$8,180	$8,344
Students Above the October 1, 2013 Enrollment Count	3,000	3,060	7,085	7,227

Magnet School Grant Prioritization

For FY 19 and within available appropriations, the law authorized SDE to limit grant payments based on a magnet school's lowest enrollment as of October 1 for each of the years 2013, 2015, 2016, or 2017. Whichever year was lowest was used as the base year. For FY 19, the law required SDE to prioritize funding approval for magnet school seats above the base enrollment due to planned and approved new grade levels.

For FY 20, the bill similarly authorizes SDE to limit grant payments based on a magnet school's lowest enrollment as of the years mentioned above plus October 1, 2018. For FY 21, it authorizes SDE to limit grant payments based on a magnet school's lowest enrollment as of the years mentioned above, as well as October 1, 2018, and October 1, 2019. For both years, the bill extends the requirement that SDE prioritize funding, subject to the commissioner's approval, for magnet school seats above the base, including increases in enrollment due to planned and approved new grade levels.

Magnet School Operating Grant Eligibility

The bill reinstates, for FYs 20 and 21, magnet school grant eligibility enrollment criteria.

Sheff Magnet Schools. In determining whether grants will be awarded, the commissioner must consider, among other criteria, whether the *Sheff* magnet school is meeting the reduced-isolation setting student enrollment standards for magnet schools. This requirement expired on June 30, 2018, but is reinstated under the bill for FYs 20 and 21.

If a school has not met the minimum standards for racial and geographic integration, it will not be entitled to receive a per-student operating grant unless the commissioner finds it appropriate to award a grant for an additional period and to approve a plan to bring the school into compliance.

Under the *Sheff* agreement, magnet schools are intended to reduce the racial and economic isolation of black and Hispanic students in Hartford. Therefore at least 25% a magnet school's enrollment must be students who are not black or Hispanic (i.e., "reduced-isolation students," who are white, Asian, Native American, Native Hawaiian, or Pacific Islander). For non-*Sheff* magnets, the standards require a minimum of 20% reduced-isolation students (CGS § 10-264r).

Non-Sheff Magnet Schools. The bill extends similar criteria for reduced-isolation setting student enrollment standards for magnet schools that do not serve the *Sheff* region. For FYs 20 and 21, the bill extends the requirement that the commissioner only award a grant to a magnet school that has (1) no more than 75% of the school enrollment from one school district and (2) a school enrollment that meets the reduced-isolation setting standards developed by the commissioner. As with the *Sheff* magnets schools, the commissioner may award a grant if she finds it appropriate to do so and approves a plan to bring the school into compliance.

The bill also extends, for FYs 20 and 21, the commissioner's authority to impose a financial penalty on a magnet school that fails to meet the reduced-isolation setting standards for two or more

consecutive years. The commissioner may also take another measure, in consultation with the magnet school operator, to assist the operator in complying with the standards.

§ 271 — MINIMUM BUDGET REQUIREMENT (MBR)

Renews and modifies the MBR for FYs 20 and 21 with certain permitted reductions and exemptions

The bill extends, to FYs 20 and 21, the prohibition in current law against a town budgeting less for education than it did in the previous fiscal year (i.e., the minimum budget requirement (MBR)). Under current law, the MBR provisions expire at the end of FY 19 (June 30, 2019).

The bill (1) continues to exempt certain high-performing school districts from the MBR, (2) expands a town's authority to reduce its MBR under specified conditions, and (3) continues to prohibit an alliance district from reducing its MBR under any circumstances.

It modifies the allowed MBR reduction for reduced student enrollment by allowing a district to look back over five years and choose any or all five years, with certain limitations, when calculating a drop in student enrollment. Under current law, a district can only count the enrollment decrease from one year to the next.

The bill also creates a new MBR cost exemption for any self-insured school district that increases its education budget due to a catastrophic loss during the prior year.

The bill also renews and extends several MBR reduction options in current law, allowing a town to reduce its MBR in certain circumstances. These include if a town: (1) received a decrease in Education Cost Sharing (ECS) aid compared to the previous year, (2) can demonstrate savings through increased efficiencies or regional collaborations, (3) is a district without a high school that paid tuition for fewer students to attend an out-of-town high school compared with the previous year, or (4) closed a school due to enrollment decline. As under current law, a district may seek one or more of the permissible MBR reductions. For the savings through increased efficiencies, the bill

provides specific examples of what may qualify, for example savings for transportation services and cooperative agreements for central office functions.

It also makes conforming and technical changes.

EFFECTIVE DATE: July 1, 2019

MBR Exemptions

The bill continues MBR exemptions through FY 21 for the following: (1) any school district among the top 10% of districts as measured by the State Department of Education's (SDE) accountability index (see BACKGROUND) and (2) member towns of a newly formed regional school district during the first full FY following its establishment.

The accountability index is the overall performance score that SDE calculates for each public school and public school district using multiple weighted student, school, or district-level measures.

New or Modified MBR Reductions

The following reductions are available for FYs 20 and 21.

Reduced Student Enrollment. The bill modifies the permissible MBR reduction for reduced student enrollment by allowing a district to look back over five years to choose any or all five years when calculating a decrease in student enrollment. But a district is prohibited from choosing a year that has previously been used to determine a drop in enrollment for MBR purposes.

Under this method, the bill permits a district to reduce its MBR by 50% of the net current expenditure per resident student multiplied by the net reduction in the number of enrolled students. By law, resident students are the number of students a school district must educate at the town's expense.

The bill does not set a cap on how much the MBR can be reduced under this allowance. Under current law, the student enrollment reduction is limited depending upon the number of free and reduced

priced lunch (FRPL) students in the district. Districts with (1) 20% or more of their students qualifying for FRPL can reduce their MBR by up to 1.5% of their education budget and (2) less than 20% of students eligible for FRPL can reduce their MBR by up to 3%. However, the cap can be exceeded with local board of education and education commissioner approval.

Catastrophic Insurance Loss. The bill creates a new MBR cost exemption for any self-insured school district that experiences a loss due to one or more catastrophic events during the prior year and increases the following year's education budget as a result. The increase due to the loss is not required to be counted for the following year's MBR.

To qualify, the (1) school district must have opted to self-insure for the liabilities it incurs under state law, primarily for the district's required duties and employee and board member indemnity, and (2) catastrophic event must be declared as such by a nationally recognized catastrophe loss index provider.

Permitted MBR Reductions Renewed

The bill maintains four other types of MBR reductions for FYs 20 and 21 that are allowed under current law:

1. A town that has a reduction in ECS aid when compared to the previous year can reduce its MBR by an amount that equals the amount of the reduction.

2. A town without a high school that pays tuition to other towns for its resident students to attend there and is paying for fewer students than it did in the previous year can reduce its MBR by the full amount of its lowered tuition payments.

3. A town that is permanently closing a school due to declining enrollment at the school in FYs 13 to 20, inclusive, may be granted an MBR reduction for FYs 20 and 21 in an amount determined by the education commissioner.

4. A town can reduce its MBR to reflect half of any new and documented savings from (a) increased efficiencies within its school district, as long as the education commissioner approves the savings, or (b) a regional collaboration or cooperative arrangement with at least one other district. This reduction is limited to a maximum of 0.5% of the MBR for that fiscal year.

Under the bill, efficiency savings include, but are not limited to:

1. reductions in costs associated with transportation services, school district administration, or contracts that are not the result of collective bargaining or other labor agreements;

2. an agreement to provide medical or health care benefits pursuant to state law;

3. a cooperative agreement relating to the performance of administrative and central office functions, such as business manager functions, for the municipality and the school district as permitted in state law;

4. reductions in costs due to purchasing or joint purchasing of property insurance, casualty insurance, and workers' compensation insurance, following the consultation with the town's legislative body as permitted by law;

5. reductions in costs associated with the purchasing of payroll processing or accounts payable software systems, following the consultation with the town's legislative body to determine whether such systems may be purchased or shared on a regional basis as permitted by law;

6. consolidation of information technology services; and

7. reductions in costs associated with athletic field care and maintenance.

§ 272 — ECS GRANT INCREASES AND DECREASES DETERMINATION

Renews the calculations for ECS grant increases and decreases

The bill updates current law's calculations for whether a town's ECS grant for FYs 20 and 21 is an increase or decrease in aid as it relates to the MBR calculation. By law, when the ECS grant increases from one year to the next, a district's MBR increases by the same amount.

The bill replaces the FYs 18 and 19 ECS grant increase and decrease calculations, which use a base grant amount, with a similar calculation for FYs 20 and 21, based on the prior FY's grant amount. Under the bill, the ECS grant increase or decrease for each town is the difference between the new FY's ECS grant amount and the prior FY's grant amount (i.e., "base amount"). For example, if a town's ECS grant amount for FY 20 is greater than the amount the town was entitled to for FY 19, then the town has an increase equal to the difference of the two amounts. Similarly, if the ECS grant amount is lower than the previous year, the town has an ECS decrease by the difference of the two amounts.

EFFECTIVE DATE: July 1, 2019

§§ 273-284 — TECHNICAL EDUCATION AND CAREER SYSTEM (TECS) DELAY AS AN INDEPENDENT AGENCY

Delays by two years the transition of TECS, formerly known as the technical high school system, into an independent agency

The bill delays, by two years, the transition of the Technical Education and Career System (TECS) (formerly known as the technical high school system) into an independent state agency, separate from the State Department of Education (SDE). Under the bill, the new transition will be complete for the 2022-2023 school year.

Under current law, the new position of TECS executive director, the agency head who is appointed by the governor, is created beginning July 1, 2020. The bill delays this until July 1, 2022. It also delays by two years, until July 1, 2022, the (1) elimination of SBE as the system's oversight body and (2) creation of the new TECS board to oversee the new agency. It also makes corresponding delays, from July 1, 2020 to July 1, 2022, for the new board's and executive director's budget-making responsibilities and conforming changes related to the

elimination of SBE's oversight and the creation of the new TECS board.

The bill extends for two additional years, from June 30, 2021 to June 30, 2023, the current TECS board's existing authority to recommend a superintendent candidate to the education commissioner, who may hire or reject the candidate. Similarly, under the bill, the term of office for a superintendent who is hired this way expires June 30, 2023, rather than June 30, 2021.

Further, the bill delays, from July 1, 2021, to July 1, 2023, the implementation of the new TECS board's duty to recommend a candidate for TECS superintendent to the TECS executive director, who may hire or reject the candidate. The superintendent is in charge of the system's educational program.

The bill also adds two additional fiscal years to the period that SBE is required to hire a consultant to assist the TECS board with the system transition plan. Under current law, the consultant requirement is through FY 20. The bill extends it to FYs 21 and 22. The bill also delays by two years, to January 1, 2022, the requirement that SBE report to the Education Committee on the transition plan, any services that could be provided more efficiently with a local or regional board of education or other agency, and any legislative recommendations necessary to implement the transition.

It also requires SDE to provide two additional years of training to TECS staff, who will perform central office and administrative functions in the new system. The training must continue until the end of FY 22, rather than end with FY 20.

The bill also makes conforming changes related to adding TECS to the statutory list of executive branch agencies and the executive director as a department head. It also makes other minor and conforming changes.

EFFECTIVE DATE: Upon passage except one provision regarding the TECS becoming an independent agency is effective July 1, 2022.

§ 285 — UNEXPENDED EDUCATION FUNDS ACCOUNT

Increases, from 1% to 2%, the maximum amount of unspent education funds that a town may deposit from its budgeted education appropriation from the prior fiscal year

Beginning with FY 20, the bill increases the maximum amount of unspent education funds that a town may deposit in a nonlapsing account from 1% to 2% of the town's budgeted appropriation for education for the prior fiscal year. Existing law, unchanged by the bill, permits this deposit by a town board of finance, board of selectmen in a town with no board of finance, or other appropriating authority for a school district. The bill also requires that the deposited funds be spent upon the board of education's authorization and only for educational purposes.

EFFECTIVE DATE: July 1, 2019

§§ 286 & 287 — TOWN-SPECIFIC MINIMUM BUDGET REQUIREMENT (MBR) WAIVERS

Allows the towns of Plymouth and Portland to reduce their budgeted education appropriations for FY 19 without penalty under specific conditions

Plymouth (§ 286)

The bill waives the MBR penalty for the town of Plymouth's budgeted education appropriation shortfall for FY 19, provided that the town increases this appropriation for FY 20 in an amount equal to the amount of its FY 19 shortfall.

By law, the State Department of Education must penalize any town or regional school district that fails to meet its MBR in a fiscal year, as determined by the State Board of Education. For towns in violation of the MBR, the department must withhold twice the amount of the town's budgeted education appropriation shortfall from the town's Education Cost Sharing (ECS) grant in the second fiscal year following the violation (CGS § 10-262i(e)).

Portland (§ 287)

The bill allows the town of Portland to reduce its budgeted education appropriation for FY 19 in an amount equal to the documentable savings achieved in FY 18 through increased district efficiencies approved by the commissioner. However, it caps this

reduction at 0.5% of its budgeted appropriation for FY 18.

Existing law allows a town to reduce its FY 19 budgeted education appropriation for commissioner-approved increased efficiencies up to 0.5% of its budgeted appropriation for FY 17.

EFFECTIVE DATE: Upon passage

§ 288 — MINIMUM BUDGET REQUIREMENT (MBR) PENALTY REDUCTION AND WAIVER OPTION

Decreases the penalty for towns with FY 19 MBR violations by half; allows such towns to avoid the penalty entirely through an increased FY 20 budgeted education appropriation

The bill requires any town with an State Board of Education-determined budgeted education appropriation shortfall for FY 19 to forfeit an amount equal to the shortfall, rather than double the shortfall amount as required by law. Additionally, the bill requires such forfeiture to be withheld by the State Department of Education from the town's Education Cost Sharing grant in FY 21 as required by law.

The bill also allows such a town to avoid this forfeiture penalty if it increases its budgeted education appropriation for FY 20 in an amount equal to the amount of its FY 19 shortfall.

EFFECTIVE DATE: July 1, 2019

§ 289 — SPECIAL EDUCATION EXCESS COST GRANT EXTENSION

Requires SBE to pay a special education excess cost grant to Region 14 irrespective of grant application filing deadlines

The bill requires the State Board of Education (SBE) to pay a special education excess cost grant for FY 20 to the Region 14 school district for excess costs incurred in FY 19, irrespective of statutory grant application filing deadlines. By law, a local or regional school district must file an excess cost grant application with the State Department of Education, in a manner prescribed by the commissioner, annually by December 1, and may submit claims for additional children or costs not included in the December filing by March 1 (CGS § 10-76g(b)).

EFFECTIVE DATE: July 1, 2019

§ 290 — BOARDS OF EDUCATION EXPENSE AND REVENUE DISCLOSURE

Requires boards of education to quarterly post online current and projected expenses and revenue and submit this information to the municipal legislative body or board of selectmen

The bill requires, beginning with FY 20, each local and regional board of education to, each quarter, (1) post its current and projected expenses and revenue on its website and (2) submit a copy of such expenses and revenue to the municipal legislative body or board of selectmen, as applicable.

EFFECTIVE DATE: July 1, 2019

§ 291 — TEMPORARY FAMILY ASSISTANCE (TFA) AND STATE ADMINISTERED GENERAL ASSISTANCE (SAGA) RATES

Freezes TFA and SAGA rates

The bill extends through FY 21, a freeze on payment standards (i.e., benefits) for DSS's TFA and SAGA cash assistance programs at FY 15 rates.

TFA provides temporary cash assistance to families that meet certain income and asset limits. In general, SAGA provides cash assistance to single or married individuals who have low incomes, do not qualify for any other cash assistance program, and who are temporarily unable to work due to medical reasons or qualify as unemployable.

EFFECTIVE DATE: July 1, 2019

§ 292 — STATE SUPPLEMENT PROGRAM (SSP) RATES

Freezes SSP rates

Generally, low-income people who are aged, blind, or have a disability can receive federal Supplemental Security Income (SSI) benefits if they meet certain financial eligibility requirements. The state supplements SSI benefits with SSP benefits for those who are eligible. To calculate the benefit, DSS subtracts from income any applicable disregards, and compares the difference to the program's payment standard. If the net income figure is less than the benefit, the person

qualifies and the benefit equals the difference between them.

The law generally requires the DSS commissioner to annually increase SSP payment standards based on the consumer price index within certain parameters. The bill extends the current freeze on these payment standards at FY 15 rates for the next two fiscal years (FYs 20 and 21).

EFFECTIVE DATE: July 1, 2019

§§ 293, 295 & 297 — RESIDENTIAL CARE HOMES, COMMUNITY LIVING ARRANGEMENTS, AND COMMUNITY COMPANION HOMES

Freezes rates for certain facilities through FY 21

Under the bill, regardless of rate-setting laws or regulations to the contrary, the rates the state pays to residential care homes, community living arrangements, and community companion homes that receive the flat rate for residential services in FY 16 remain in effect through FY 21. State regulations permit these facilities to have their rates determined on a flat rate basis rather than on the basis of submitted cost reports (Conn. Agency Reg. § 17-311-54).

EFFECTIVE DATE: July 1, 2019

§§ 294, 296, 298 & 299 — DDS COMMUNITY COMPANION HOMES

Eliminates DDS community companion homes from existing rate structure and "rated housing facility" definition

As of January 1, 2020, the bill eliminates references to DDS community companion homes from the flat rate structure for residential services. It also eliminates community companion homes from the definition of "rated housing facility" (e.g., boarding facility).

EFFECTIVE DATE: January 1, 2020

§§ 295 & 301 — INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES (ICF/IID) AND BOARDING HOMES

Freezes, with exceptions, rates for certain boarding homes and ICFs/IID

For FY 20 and FY 21, the bill generally freezes rates paid by DSS at

FY 19 levels for (1) ICFs/IIDs and (2) room and board at private residential facilities and similar facilities operated by regional educational service centers that are licensed to provide residential care for individuals with certain disabilities (non-ICFs/IID boarding homes). Within available appropriations, the bill allows these rates to exceed the FY 19 level if capital improvements were (1) made in FY 20 or FY 21 for the health and safety of residents and (2) approved by the Department of Developmental Services (DDS) in consultation with DSS.

The bill also extends through FY 21 a provision allowing DSS to provide fair rent increases to any ICF/IID with an approved certificate of need that undergoes a material change in circumstances related to fair rent.

EFFECTIVE DATE: July 1, 2019

§ 300 — RESIDENTIAL CARE HOMES

Authorizes certain fair rent increases for residential care homes in FYs 20 and 21

For FYs 20 and 21, the bill caps rates for residential care homes at FY 19 levels, respectively, with an exception for homes that receive certain proportional fair rent increases. The bill allows the DSS commissioner to provide such increases within available appropriations to homes with documented fair rent additions placed in service in cost report years ending September 30 in 2018 and 2019 that are not otherwise included in issued rates.

EFFECTIVE DATE: July 1, 2019

§ 302 — NURSING HOME RATES

Requires DSS to provide rate increases, within available appropriations, three times by January 1, 2021, to increase employee salaries and otherwise subjects nursing home rates to certain limits with various exceptions for FYs 20 and 21

By law, Medicaid rates for nursing homes are generally based on cost reports each facility files with DSS. For FY 20, the bill requires the DSS commissioner to determine nursing home rates based on their 2018 cost report filings, adjusted to reflect any rate increases provided after the cost report year ending September 30, 2018. But, the bill also

establishes a minimum and maximum for such rates, with certain exceptions.

The bill generally caps FY 20 nursing home rates at FY 19 levels and FY 21 rates at FY 20 levels, but allows the DSS commissioner to pay a facility a higher rate by providing, within available appropriations, proportional fair rent increases. Within these fair rent increases, the bill allows the DSS commissioner to include, at his discretion, increases for facilities that have undergone a material change in circumstances related to fair rent additions in the previous year's cost report and not otherwise included in issued rates.

The bill also prohibits FY 20 rates for any facility from being more than 2% lower than its FY 19 rate, unless the facility has (1) an occupancy level of less than 70% as reported in its 2018 cost report or (2) a one star overall rating on Medicare's Nursing Home Compare for the three most recent reporting periods as of June 1, 2019, unless the facility is under an interim rate due to new ownership.

The bill also requires the DSS commissioner to increase rates, within available appropriations, to enhance employee wages and benefits. The bill requires him to do so effective July 1, 2019, October 1, 2020, and January 1, 2021. The bill requires the commissioner to adjust the facility's rate to reflect any rate increases paid after the cost report year ending September 30, 2018. The bill allows DSS to decrease rates in the same amount of the increase if a facility receives an increase for wage and benefit enhancements but does not increase employee salaries by September 30, 2019, October 31, 2020, and January 31, 2021, respectively. These provisions supersede the caps and other provisions described above.

EFFECTIVE DATE: July 1, 2019

§ 303 — NURSING HOME RECEIVERSHIPS

Requires nursing home and residential care home appointed receivers to begin closing facilities in certain circumstances and increases, from $3,000 to $10,000, the amount they can spend to correct or eliminate certain deficiencies

The bill requires receivers operating a nursing home or residential

care home to immediately begin closing the facility if (1) its overall occupancy is below 70% and (2) the closure is consistent with the state's strategic rebalancing plan. Under current law, receivers must seek facility purchase proposals within six months of the receiver's appointment. The bill instead requires them to do so within the same timeframe if the receiver determines that the facility's continued operation is viable.

The bill decreases, from six months to 45 days, the time an appointed receiver has to determine whether the facility can continue to operate and provide adequate care to residents within its state, federal, and private payments, while complying with state and federal law.

Existing law allows receivers operating a nursing home or residential care home to correct or eliminate any deficiency in the facility's structure or furnishing that endangers residents' health or safety. The bill increases, from $3,000 to $10,000 the amount receivers can spend for this purpose. The bill makes a conforming change to allow the court to order expenditures in excess of $10,000, rather than $3,000, if the receiver applies for such an order.

EFFECTIVE DATE: July 1, 2019

§ 304 — PETITION FOR FACILITY CLOSURE

Allows certain facilities to submit petitions for closure to DSS; requires DSS to act on such petitions within 30 days; and establishes related notice requirements

By law, ICF-IIDs, nursing homes, rest homes, and residential care homes must generally apply to DSS to terminate a service or substantially decrease their bed capacity through the department's certificate of need process. The bill further allows such facilities to submit a petition for closure to DSS and allows DSS to authorize such closure if the facility's management demonstrates in its petition and to the commissioner's satisfaction that the facility's closure is consistent with the state's strategic rebalancing plan, including bed need by geographical region and that the facility:

1. is not viable based on actual and projected operating losses;

2. has an occupancy rate under 70% of its licensed bed capacity;

3. is in compliance with federal (a) requirements on notification of facility closure, (b) enforcement provisions for skilled nursing facilities that fail to meet certain requirements, and (c) requirements concerning implementation of a quality assurance and performance improvement program; and

4. is not providing special services that would go unmet (presumably, this means the need for the service would not go unmet) if the facility closed.

The bill requires the petitioning facility to notify the Office of the Long Term Care Ombudsman when the facility submits the petition to DSS. DSS must review a petition for closure to the extent it deems necessary. The bill requires the petitioning facility to submit information DSS requests or deems necessary to (1) substantiate that the closure meets the requirements described above and (2) provide oversight during this process. The bill requires DSS to grant or deny the petition within 30 days of receiving it.

On the same date a facility submits such a petition to DSS, it must also provide written notice to all patients, guardians or conservators, if any, or legally liable relatives or other responsible parties if known and post the written notice in the facility in a conspicuous place. The bill requires the notice to state:

1. the date the facility submitted the petition for closure;

2. that only DSS can grant or deny the petition and that the department has up to 30 days to do so;

3. a brief description of reasons for submitting the petition;

4. that no patient shall be involuntarily transferred or discharged within or from a facility under state or federal law due to the petition being filed;

5. that all patients have the right to appeal any proposed transfer or

discharge; and

6. the name, mailing address, and telephone number of the Office of the Long-Term Care Ombudsman and local legal aid office.

The bill also requires the facility's written notice to be accompanied by an informational letter issued jointly from the Office of the Long-Term Care Ombudsman and the Department of Rehabilitation Services (DORS) on patients' rights and services available as they relate to the closure petition. The informational letter must also state the date and time the ombudsman and DORS will hold an informational session at the facility for the same parties receiving notice about their rights and the petition process.

EFFECTIVE DATE: July 1, 2019

§ 305 — PROHIBITION ON NON-COMPETE AGREEMENTS

Makes non-compete agreements in home health care, companion, or homemaker service contracts void and unenforceable

The bill prohibits contracts for provision of homemaker, companion, or home health services that restrict the right of an individual to provide such services in any geographic area of the state for any period of time or to a specific person (i.e., a "covenant not to compete"). Under the bill, such covenants are against public policy, void, and unenforceable.

EFFECTIVE DATE: Upon passage

§§ 306 & 307 — HOSPITAL MEDICAID RATES AND SUPPLEMENTAL PAYMENTS

Requires the DSS commissioner to implement one or more value-based payment methodologies for hospitals and reduce applicable payments based on certain readmissions; prevents DSS from making Medicaid payments to hospitals if such payments are ineligible for federal financial participation; eliminates a requirement that the FY 20 aggregate amount in the supplemental pools be $166.5 million; and requires $15 million to be allocated in FY 20 and $45 million in FY 21, based on certain parameters and within available appropriations

Value-based Payment Methodologies and Readmission Penalties

The bill requires the DSS commissioner to implement one or more value-based payment methodologies for hospitals that he determines

will improve health outcomes and reduce unnecessary costs. The bill allows him to phase in such methodologies over time to the extent he determines necessary. The bill allows methodologies to include those designed to:

1. reduce inpatient hospital readmissions;

2. reduce unnecessary caesarian section deliveries, take appropriate actions to reduce preterm deliveries, and improve obstetrical care outcomes;

3. address outpatient infusions involving high-cost medications through performance-based payments; and

4. other policies as determined by the DSS commissioner.

The bill also requires the DSS commissioner to reduce the total applicable rate payment by 15% for each hospital readmission. Under the bill, a readmission occurs when an individual is admitted to the hospital for observation services for a diagnosis within 30 days of being discharged for the same or similar diagnosis. This provision is in addition to any value-based payment methodologies the commissioner establishes and does not preclude him from establishing additional value-based payment methodologies regarding readmissions. (§ 45 of the bill exempts Connecticut Children's Medical Center and Yale New Haven Children's Hospital from this provision for FYs 20 and 21.)

Regardless of any other provision of state statutes, the bill requires that each applicable hospital rate and supplemental payment methodology (see below) designed by the commissioner incorporate each value-based payment methodology the commissioner establishes, including structuring applicable payment based on each hospital's performance on the applicable measures of each value-based payment methodology.

Medicaid Payments Ineligible for Federal Financial Participation

Generally, Medicaid is jointly funded by the state and federal

government. The state administers the Medicaid program and payments made through it receive matching dollars from the federal government in various proportions depending on a number of factors. Under the bill, if Medicaid payments made to hospitals are not eligible for federal financial participation, DSS must adjust hospital payments to ensure that no Medicaid payments are made to hospitals that are not eligible for federal financial participation for all applicable payments and time periods. (For example, a payment could be ineligible for federal financial participation if it was for a service not included in the state Medicaid plan.)

The bill limits Medicaid payments to hospitals to those payments that comply with federal law and prohibits statutes on hospital Medicaid rates and supplemental payments from being interpreted to require DSS to make payments that are ineligible for federal financial participation (e.g., payments in excess of the upper payment limits under federal law).

Supplemental Payments

Federal law allows states to make supplemental Medicaid payments to certain institutional providers, including hospitals. State law has grouped hospitals into "pools" for purposes of distributing these payments.

Under the bill, out of the aggregate amount in the supplemental pools, $15 million must be allocated to hospitals in FY 20 and $45 million in FY 21. The bill requires these allocations to be (1) based on each hospital's performance on quality measures established by DSS and (2) within available appropriations. The bill requires the payments to be allocated proportionately from each of the supplemental pools authorized under existing law (i.e., a supplemental inpatient pool, a supplemental small hospital pool, a supplemental mid-size pool, and other pools DSS may establish in consultation with the Connecticut Hospital Association).

For FY 20, current law requires the amount of funds in the supplemental pools to total in the aggregate $166.5 million. The bill

eliminates this requirement.

The bill eliminates provisions related to notice, scheduling, and aggregate amounts of FYs 18 and 19 supplemental payments.

EFFECTIVE DATE: July 1, 2019

§ 308 — MEALS ON WHEELS

Increases the reimbursement rate for certain meals-on-wheels providers by 10% in FY 20

The bill requires the Department of Social Services (DSS) commissioner to increase, by 10%, the reimbursement rate for meals-on-wheels providers under the Connecticut Home Care Program for Elders (i.e., a Medicaid waiver program providing home and community-based services for individuals age 65 and older who are at risk for institutionalization). Under the bill, the increased rates are effective July 1, 2019, and based on the FY 19 fee schedule.

The bill also makes technical changes, including deleting an obsolete statutory provision.

EFFECTIVE DATE: July 1, 2019

§ 309 — DSS FAIR HEARINGS

Clarifies the deadline for DSS to issue a final decision on an administrative appeal and remedies when it fails to meet the deadline

For administrative fair hearings, current law requires the DSS commissioner, or his designated hearing officer, to (1) render a final decision within 60 days after the hearing or, for emergency housing-related hearings, within 3 business days and (2) take final administrative action within 90 days after receiving the hearing request. The bill eliminates the 60-day deadline and instead requires DSS to ordinarily render a final decision within 90 days after receiving the hearing request. (It retains the 3 business day deadline for final decisions related to emergency housing.)

The bill allows fair hearing final decision deadlines to be extended when:

1. the aggrieved person requests, or agrees to, an extension or

2. the commissioner documents an administrative or other extenuating circumstance beyond his control.

The bill specifies that the department's failure to render a final decision within these time limits cannot be deemed an approval on the merits of the aggrieved person's requested relief. In such instances, it allows the aggrieved person to file a request for a final decision with the designated hearing officer, who must render the decision within 20 days after receiving it.

By law, aggrieved applicants may appeal a final decision to the Superior Court as required under the Uniform Administrative Procedures Act (UAPA).

The bill also makes several technical changes.

EFFECTIVE DATE: Upon passage

§ 310 — COMMUNITIES OF COLOR PILOT GRANT

Authorizes a two-year pilot grant program to build the capacity of certain community-based organizations

The bill requires the DSS Commissioner, within available appropriations, to contract with an eligible nonprofit organization to administer a two-year pilot program to build the capacity of eligible community-based organizations by helping them to improve operational efficiencies through performance-based metrics and adopt long-term fiscal sustainability strategies. In order to administer the program, the nonprofit organization must have (1) at least 15 years of experience coordinating advocacy, service, and outreach efforts for Hispanic charitable organizations that support Hispanic people and (2) a proven track record of establishing networks with non-Hispanic organizations that provide services to fellow communities of color (i.e., nonwhite Hispanic, African-American, or Asian Pacific-American).

Program Administration

Under the bill, the commissioner must require the program administrator to (1) establish a competitive procurement process by issuing requests for proposals (RFPs) to eligible community-based

organizations, (2) establish a results-based grant contract evaluation system that includes goals that eligible organizations must meet in order to be considered for grant contract renewal, and (3) meet commissioner-established goals for program administration, including reporting on program expenditures and complying with administrative expense limitations.

Eligibility for Grants

The bill defines "eligible community-based organization" as a nonprofit organization that:

1. has a 501(c)(3) nonprofit tax-exemption;

2. has been an incorporated nonprofit for at least three years;

3. is Connecticut-based and a direct provider of human services;

4. serves a population that is comprised of at least 51% Hispanic people or non-Hispanic communities of color;

5. is led by a chief executive officer who is Hispanic, African-American or Asian Pacific-American, or is governed by a board with a majority of members who are Hispanic, African-American or Asian Pacific-American; and

6. has an annual operating budget of at least $150,000.

Under the bill, RFPs that the grant administrator issues must state that preference will be given to eligible community-based organizations that (1) are led by a chief executive officer who is, and governed by a board with a majority of members who are, Hispanic, African-American, or Asian Pacific-American; (2) have annual budgets of less than $1 million; and (3) offer services that are culturally competent and language accessible (i.e., services that effectively meet the recipient's social, cultural, and linguistic needs in the recipient's own language).

Use of Grants

The bill requires the program to provide grants to eligible

community-based organizations to support capacity building, training, and technical assistance opportunities in:

1. financial management, including financial planning, budget development, fiscal monitoring, and cash flow analysis;

2. board development, including establishing board committees, a fundraising board, and conducting professional board meetings;

3. fund development, including gift solicitation and event planning;

4. nonprofit management and leadership training;

5. information technology;

6. collaborations and merger planning; and

7. results-oriented outcome training, including developing progress metrics and performance tracking tools.

Reporting

By January 1, 2021, the commissioner must submit a report to the Appropriations and Human Services committees on (1) the number of eligible community-based organizations awarded grants under the program, (2) whether and how the program has improved the capacity of community-based organizations to meet needs, (3) the performance of the program administrator, and (4) a recommendation on whether the program should continue or expand, and any necessary appropriations.

EFFECTIVE DATE: Upon passage

§ 311 — METHADONE MAINTENANCE

Requires the DSS commissioner to amend the state Medicaid plan to provide an $88.52 minimum weekly reimbursement rate for a Medicaid beneficiary's methadone maintenance treatment from chemical maintenance providers but also makes such rates contingent on meeting certain performance measures beginning July 1, 2020, and lowers rates for providers who fail to meet certain standards

The bill requires the DSS commissioner to amend the state Medicaid

plan to provide an $88.52 minimum weekly reimbursement rate for a Medicaid beneficiary's methadone maintenance treatment from chemical maintenance providers. The bill prohibits DSS from reducing a provider's rate to the minimum, as a result of establishing the minimum rate, if the provider is receiving a higher rate.

Under the bill, "methadone maintenance" is a chemical maintenance program under which an addiction to one drug (e.g., heroin) is treated with the drug methadone in a weekly program that includes on and off-site methadone administration, drug testing, and counseling. Chemical maintenance providers are certified and licensed by the federal Substance Abuse and Mental Health Services Administration and DPH and meet all federal and state requirements, including requirements specific to providing chemical maintenance services.

Under the bill, beginning July 1, 2020, and regardless of the minimum reimbursement rate established above, reimbursement for methadone maintenance treatment is contingent on meeting certain performance measures as determined by the DSS commissioner. The bill requires DSS to develop performance measures in consultation with the Department of Mental Health and Addiction Services and chemical maintenance providers, including, by September 30, 2019, initial performance measures and the means by which such measures will be evaluated.

The bill requires the initial evaluation period to be based on claims data for the quarter ending March 31, 2020, and allows performance measures and thresholds to be adjusted (presumably, by DSS) after the initial evaluation period.

Under the bill, providers that fail to meet department-identified standards on performance measures receive rate reductions as follows, but no more than a 10% decrease annually:

1. up to 5% for quarters ending September 30, 2020, and December 31, 2020, and

2. up to 10% for quarters beginning January 1, 2021.

The bill allows DSS to implement policies and procedures to administer the bill's methadone provisions while adopting them in regulation form. It requires DSS to print notice of its intent to adopt regulations on its website and the eRegulations System within 20 days after it implements the policies and procedures. Under the bills, the policies and procedures are valid until DSS adopts final regulations.

EFFECTIVE DATE: July 1, 2019

§§ 312 & 313 — BURIAL EXPENSE ASSISTANCE

Increases the cap for DSS burial assistance by $150

By law, when an individual dies in Connecticut and does not leave a sufficient estate or have a legally liable relative able to cover funeral and burial or cremation costs, the Department of Social Services (DSS) must provide a payment toward them. DSS must also provide this payment for recipients of certain state benefit programs (i.e., State Administered General Assistance, State Supplement Program, and Temporary Family Assistance). The bill increases this maximum payment by $150 to $1,350. The payment must be reduced dollar-for-dollar by certain funds from other sources:

1. the amount in any revocable or irrevocable funeral fund or any prepaid funeral contract;

2. the face value of the decedent's life insurance policy, if any, provided the policy names a funeral home, cemetery, or crematory as a beneficiary;

3. the net value of all liquid assets in the decedent's estate; and

4. contributions over $3,400 towards the funeral and burial costs from all other sources, including friends, relatives, other persons, organizations, agencies, veteran's programs, and other benefit programs.

EFFECTIVE DATE: July 1, 2019

§ 314 — ACQUIRED BRAIN INJURY (ABI) WAIVER ADVISORY COMMITTEE MEETINGS

Reduces the frequency of required ABI waiver advisory committee meetings from four times per year to once annually

By law, DSS administers two home- and community-based Medicaid waivers for individuals with acquired brain injuries. Existing law also establishes an advisory committee related to these waivers. The bill reduces the frequency of required advisory committee meetings from four times per year to once annually.

EFFECTIVE DATE: July 1, 2019

§§ 315 — NATCHAUG HOSPITAL

Increases the inpatient Medicaid reimbursement rate for Natchaug Hospital to $975 per day in FY 21

The bill requires the DSS commissioner to provide an inpatient Medicaid reimbursement rate of $975 per day to Natchaug Hospital for FY 21. Under federal law, state Medicaid provider payments must be consistent with efficiency, economy, and quality of care and sufficient to enlist enough providers so that care and services are available under the plan to at least the extent that such care and services are available to the general population in the geographic area (42 U.S.C. § 1396a(a)(30)(A)).

EFFECTIVE DATE: July 1, 2020

§ 316 — HUSKY A MEDICAID ELIGIBILITY

Expands Medicaid eligibility for HUSKY A parents and caretakers by increasing the income limit from 150% to 155% of the federal poverty level (FPL)

By law, DSS provides Medicaid coverage to children under age 19 and their parents or caretaker relatives through HUSKY A. Under current law, the income limit for parents and caretakers in this program is 150% of the federal poverty level (FPL) ($31,995 for a family of 3 in 2019). The bill expands HUSKY A eligibility by raising the income limit for non-pregnant adults (i.e., parents or caretaker relatives) to 155% FPL ($33,061 for a family of 3 in 2019).

However, federal law requires state agencies to include a 5% income

disregard when making certain Medicaid eligibility determinations. Thus, under the bill and including this disregard, the HUSKY A income limit for parents and caretaker relatives is effectively 160% FPL ($34,128 for a family of 3 in 2019).

EFFECTIVE DATE: October 1, 2019

§§ 317 & 318 — MOTOR VEHICLE SALES AND USE TAX DIVERSION

Reduces the scheduled diversion of motor vehicle sales and use tax revenue to the Special Transportation Fund in FYs 20 and 21

Current law phases in a diversion of motor vehicle sales and use tax revenue to the Special Transportation Fund (STF) from FYs 19 to 23, according to a specified schedule. As the table below shows, the bill modifies this schedule by reducing the required diversion in FY 20 and FY 21.

Schedule of Motor Vehicle Sales and Use Tax Diversion to STF

FY	% of Revenue Diverted to STF	
	Current Law	Bill
20	33	17
21	56	25
22	75	75
23 and thereafter	100	100

EFFECTIVE DATE: July 1, 2019, and applicable to sales occurring on or after that date.

§§ 319-322 — SALES AND USE TAX ON DIGITAL GOODS AND CERTAIN ELECTRONICALLY DELIVERED SOFTWARE

(1) Increases, from 1% to 6.35%, the sales and use tax rate on digital goods and certain electronically delivered software and (2) establishes conditions under which sales of canned or prewritten software and digital goods or taxable services are considered "sales for resale" and thus exempt from sales tax

Rate Increase

The bill increases, from 1% to 6.35%, the sales and use tax rate on:

1. digital goods (i.e., electronically accessed or transferred audio, visual, or audio-visual works; reading materials; or ring tones), and

2. canned or prewritten software that is electronically accessed or transferred, other than when purchased by a business for use by such business, and any additional content related to such software.

Under current law, both are considered computer and data processing services and are thus subject to the 1% rate for such services. By law, unchanged by the bill, canned or prewritten computer software delivered by other means is considered tangible personal property and thus subject to the 6.35% rate.

Sales for Resale

The bill establishes conditions under which sales of (1) canned or prewritten computer software and (2) digital goods or taxable services are considered "sales for resale" and are thus exempt from sales tax.

Under the bill:

1. sales of canned or prewritten computer software are considered sales for resale if the purchaser subsequently sells, licenses, or leases the software unaltered to an ultimate consumer;

2. sales of digital goods are considered sales for resale if they are an integral, inseparable component of another digital good or specified taxable service (i.e., telecommunications service, community antenna television service, certified competitive video service, or other taxable service) that the purchaser subsequently sold, licensed, leased, broadcast, transmitted, or distributed, in whole or part, to an ultimate consumer; and

3. sales of taxable services (e.g., computer and data processing services) are considered sales for resale if they are an integral, inseparable component of digital goods that the purchaser subsequently resold to an ultimate consumer.

In each case, the purchaser must maintain records that substantiate (1) from whom the software, digital goods, or services were purchased and to whom they were resold; (2) the purchase price; and (3) the

nature of the transaction with the ultimate consumer, which for software sales must demonstrate that the same software was provided unaltered.

EFFECTIVE DATE: October 1, 2019, and applicable to sales occurring on or after that date.

§§ 323 & 324 — SALES AND USE TAX ON MEALS AND BEVERAGES

Increases, from 6.35% to 7.35%, the sales and use tax rate on sales of meals and beverages

The bill increases, from 6.35% to 7.35%, the sales and use tax rate on sales of (1) meals sold by eating establishments, caterers, or grocery stores and (2) liquors, soft drinks, sodas, and beverages ordinarily dispensed at, or in connection with, bars and soda fountains. It does so by imposing a 1% sales and use tax rate on such sales that applies in addition to the 6.35% sales and use tax.

By law, a "meal" is food sold in ready-to-eat form or wrapped as "take-out" or "to-go" to be eaten elsewhere. An "eating establishment" includes a restaurant, cafeteria, grinder shop, pizzeria, drive-in, fast food outlet, ice cream truck, hot dog cart, refreshment stand, sandwich shop, private and social club, cocktail lounge, tavern, diner, snack bar, and hotel or boarding house that furnishes both lodging and meals to its guests (CGS § 12-412 (13)).

Existing law, unchanged by the bill, directs a portion of the revenue generated by the 6.35% sales and use tax rate to the (1) Special Transportation Fund and (2) beginning in FY 22, municipal revenue sharing account. Under the bill, the revenue from the additional 1% rate on meals and beverages is not subject to this revenue diversion.

EFFECTIVE DATE: October 1, 2019, and applicable to sales occurring on or after that date.

§§ 323 & 324 — SALES AND USE TAX ON DYED DIESEL FUEL

Lowers, from 6.35% to 2.99%, the sales tax rate on certain dyed diesel fuel

The bill reduces, from 6.35% to 2.99%, the sales and use tax rate applicable to dyed diesel fuel. (Federal law exempts diesel fuel used

for certain non-highway purposes, including marine purposes, from federal fuel taxes and requires exempt diesel fuel to be dyed red so it can be identified.)

The reduced rate applies to dyed diesel fuel that is sold by a marine fuel dock exclusively for marine purposes or stored, accepted, or otherwise used for those purposes. By law, dyed diesel fuel is exempt from the motor fuels tax and the petroleum products gross earnings tax (CGS §§ 12-458 & 12-587).

EFFECTIVE DATE: October 1, 2019, and applicable to sales occurring on or after that date.

§§ 325 & 326 — SALES AND USE TAX EXTENDED TO ADDITIONAL SERVICES

Extends the sales and use tax to (1) specified parking services; (2) dry cleaning and laundry services, excluding coin-operated services; and (3) interior design services, except for business-to-business

The bill extends the sales and use tax to the following motor vehicle parking services:

1. motor vehicle parking in lots with fewer than 30 spaces, except for employer-operated lots (a) owned or leased for a minimum of 10 years and (b) operated for the exclusive use of employees (lots with 30 or more spaces are already subject to tax under current law, subject to the same exclusion for employer-operated lots);

2. metered parking;

3. parking in seasonal lots operated by the state or political subdivisions and municipally owned lots; and

4. parking in municipally operated, or state-owned and operated, railroad parking facilities in municipalities located in a designated severe nonattainment area for ozone.

The bill also extends the tax to (1) dry cleaning and laundry services, excluding coin-operated services, and (2) interior design

services described in industry group 54141 of the North American Industry Classification System, excluding such services that are purchased by a business for use by such business. (NAICS industry group 54141 is comprised of establishments primarily engaged in planning, designing, and administering projects in interior spaces to meet the physical and aesthetic needs of people using them, taking into consideration building codes, health and safety regulations, traffic patterns and floor planning, mechanical and electrical needs, and interior fittings and furniture.)

To qualify for the exemption for interior design services purchased by a business for business use, the purchaser must present a certificate, prescribed by the DRS commissioner, to the seller. The certificate must certify that the purchaser is a business and is purchasing such services for its business. Under the bill, the purchaser is liable for the tax otherwise imposed if it provides the certificate to the seller improperly. Anyone who willfully delivers to a seller a certificate that is known to be materially fraudulent or false is guilty of a class D felony (up to five years in prison, a fine of up to $5,000, or both), in addition to any other penalty the law provides.

EFFECTIVE DATE: January 1, 2020, and applicable to sales occurring on or after that date.

§§ 327 & 328 — EXPANDED SALES TAX NEXUS

Lowers the threshold for sales tax economic nexus and broadens its application; lowers the sales threshold for "click-through" nexus

Economic Nexus

The bill lowers the threshold for the sales tax economic nexus law and broadens its application, thus expanding the number of out-of-state retailers making retail sales in the state that must collect and remit Connecticut sales tax.

Under current law, out-of-state retailers that regularly and systematically solicit sales of tangible personal property in Connecticut must collect and remit sales tax if (1) they made at least 200 Connecticut sales during the preceding 12-month period (ending

September 30) and (2) their gross receipts are $250,000 or more during that period.

The bill (1) lowers the threshold to 200 transactions and $100,000 in gross receipts during the 12-month period; (2) expands it to apply to out-of-state retailers making retail sales of services, rather than just tangible personal property; and (3) eliminates the condition that such retailers be regularly or systematically soliciting sales in Connecticut.

Under current law, out-of-state retailers are considered to regularly and systematically solicit sales in Connecticut by:

1. displaying billboards or other outdoor advertisements;

2. distributing catalogs, periodicals, advertising flyers, or other print, radio, or television media; or

3. mail, telegraphy, telephone, computer database, cable, optic, microwave, or other communication

"Click-Through" Nexus

The bill similarly lowers the sales threshold over which retailers selling tangible personal property or services through certain agreements with people located in Connecticut must collect and remit sales tax on their in-state taxable sales. The agreements must provide that in return for the person in Connecticut referring potential customers to the retailer (directly or indirectly by any means, including a website link), the person will receive a commission or other compensation from that retailer.

Under current law, this requirement applies to any retailer that annually earned more than $250,000 in gross receipts from sales in the state under such referral agreements in the preceding four quarters. The act lowers this sales threshold to $100,000.

EFFECTIVE DATE: July 1, 2019, and applicable to sales occurring on or after that date.

§§ 329 & 330 — SHORT-TERM RENTAL FACILITATOR

Requires short-term rental facilitators to collect and remit Connecticut room occupancy tax on the short-term rentals they facilitate for operators on their platforms

Room Occupancy Tax Collection and Remittance Requirement

The bill requires "short-term rental facilitators" to (1) obtain a sales tax permit to collect the room occupancy tax (i.e., 15% sales and use tax for hotels and lodging houses and 11% for bed and breakfast establishments) and (2) be considered retailers for the sales they facilitate for short-term rental operators on their platforms. Under the bill, a short-term rental facilitator must:

1. collect and remit sales tax on each such sale;

2. be responsible for all of the obligations the state sales and use tax law imposes as if it were the lodging house operator and retailer of the sale; and

3. keep the records and information the DRS commissioner requires to ensure proper sales tax collection and remittance, in accordance with existing sales tax record-keeping requirements.

The bill additionally provides that short-term rental operators are not liable for collecting room occupancy tax to the extent that the short-term rental facilitator collected the tax due.

By law, similar requirements apply to marketplace facilitators for the sales they facilitate for sellers on their forums. Marketplace facilitators are generally businesses that (1) facilitate retail sales for sellers by providing a forum that lists or advertises the sellers' goods and services and (2) collect receipts from customers and remit payments to sellers.

Definitions

Under the bill, a "short-term rental facilitator" is any person who:

1. during the prior 12-month period, facilitates retail sales of at least $250,000 by short-term rental operators by providing a short-term rental platform;

2. collects rent for occupancy and remits payments to short-term

rental operators, directly or indirectly, through agreements or arrangements with third parties; and

3. receives compensation or other consideration for such services.

A "short-term rental operator" is any person who has an agreement with a short-term rental facilitator regarding the listing or advertising of a short-term rental in this state (i.e., the transfer for consideration of the occupancy in a furnished residence or similar accommodation for 30 days or less).

A "short-term rental platform" is a physical or electronic place that allows such operators to display available accommodations to prospective guests, including a store, booth, website, catalog, or dedicated software application.

EFFECTIVE DATE: October 1, 2019; conforming change to the definition of retailer is applicable to sales occurring on or after that date.

§ 331 — CERTIFIED SERVICE PROVIDERS

Requires the DRS commissioner to (1) consult with the Streamlined Sales Tax Governing Board to develop a list of certified service providers to facilitate Connecticut sales tax collection and remittance, (2) develop a plan to implement the use of CSPs, and (3) report to the Finance Committee on the plan and legislation to implement it

The bill requires the DRS commissioner to (1) consult with the Streamlined Sales Tax Governing Board to develop a list of certified service providers (CSP) to facilitate Connecticut sales tax collection and remittance and (2) develop a plan to implement the use of such CSPs for collecting, reporting, and remitting sales and use taxes. The plan may require that retailers use CSPs and must identify the costs to retailers for such services.

By February 5, 2020, the commissioner must submit the plan to the Finance, Revenue and Bonding Committee, along with a draft of proposed legislation to implement it.

EFFECTIVE DATE: Upon passage

§§ 332 & 334 — INCOME TAX EXEMPTION FOR TEACHER PENSIONS

Delays, by two years, the scheduled increase in the teacher pension income tax exemption from 25% to 50%

The bill delays, by two years, the scheduled increase in the income tax exemption for income received from the state teachers' retirement system. Under current law, the exemption increases from 25% to 50% for 2019 and subsequent tax years. The bill instead maintains it at 25% for 2019 and 2020 and increases it to 50% beginning in 2021.

The bill provides that taxpayers are not subject to estimated tax payment requirements and interest on underpayments for the 2019 tax year for any additional tax due as a result of this delay before the provision takes effect.

EFFECTIVE DATE: Upon passage; teacher pension provision is applicable to tax years beginning on or after January 1, 2019.

§§ 333 & 334 — TAX CREDIT FOR PASS-THROUGH ENTITY TAX PAID

Reduces the value of the tax credit to 87.5%, rather than 93.01%, of a member's share of taxes paid by the pass-through entity

Existing law imposes an income tax on most pass-through businesses (i.e., affected business entities) at the entity-level, but provides offsetting credits at the personal or corporate income tax level to the pass-through entity's members (i.e., owners).

Under current law, the tax credit equals a member's direct and indirect pro rata share of the tax paid by the pass-through business, multiplied by 93.01%. The bill reduces the value of the credit by reducing the multiplier to 87.5%.

The bill provides that taxpayers are not subject to estimated tax payment requirements and interest on underpayments for the 2019 tax year for any additional tax due as a result of this reduction before the provision takes effect.

EFFECTIVE DATE: Upon passage and applicable to taxable and income years beginning on or after January 1, 2019.

§ 335 — PROPERTY TAX CREDIT LIMIT

Extends, to the 2019 and 2020 tax years, the limits on eligibility for the property tax credit against the personal income tax

For the 2017 and 2018 tax years, the law limits eligibility for the property tax credit against the personal income tax to people who (1) are age 65 or older before the end of the tax year or (2) validly claim at least one dependent on their federal income tax return for that year. The bill extends these limits to the 2019 and 2020 tax years.

By law, taxpayers earn the credit for property taxes paid on their primary residences or motor vehicles, and the amount of property taxes paid that can be taken as a credit declines as adjusted gross income increases until it completely phases out. The maximum credit is $200 per tax return.

The bill also makes technical changes to remove provisions pertaining to prior years, among other things.

EFFECTIVE DATE: Upon passage

§§ 335 & 337 — REAL ESTATE CONVEYANCE TAX ON SALES ABOVE $2.5 MILLION

Establishes a new marginal conveyance tax rate for sales of residential property in excess of $2.5 million and allows taxpayers who pay at such a rate to calculate their property tax credit against the income tax based on the conveyance tax they paid

New Marginal Rate

For residential property, existing law sets the real estate conveyance tax rate at (1) 0.75% of the first $800,000 of the sales price and (2) 1.25% of any portion of the sales price that exceeds $800,000. Beginning July 1, 2020, the bill establishes a new rate of 2.25% on the portion of the sales price that exceeds $2.5 million.

Property Tax Credit Against the Income Tax

For tax years beginning on or after January 1, 2021, the bill allows taxpayers who paid conveyance tax at the new 2.25% rate to calculate their property tax credit against the income tax based on the amount they paid in conveyance tax.

Such taxpayers may calculate their credit in such manner for a

period of three years, beginning in the third tax year after the year in which the taxpayer paid the conveyance tax. The credit in each year equals 33.3% of the amount of conveyance tax the taxpayer paid at the 2.25% rate. Taxpayers who calculate their credit in this manner are not eligible for a tax credit calculated based on the property tax they paid.

By law, eligibility for the property tax credit against the income tax credit is limited to state residents. As under current law, the credit is not refundable, but under the bill, taxpayers who calculate their property tax credit based on conveyance tax paid may carryforward unused portions of the credit for up to six successive tax years.

EFFECTIVE DATE: July 1, 2019, except that the tax credit provision is effective upon passage.

§ 336 — REAL ESTATE CONVEYANCE TAX EXEMPTION FOR CERTAIN PROPERTY WITH CRUMBLING FOUNDATIONS

Exempts from the real estate conveyance tax transfers of certain property with crumbling foundations

The bill exempts from the real estate conveyance tax transfers of certain principal residences with concrete foundations that have deteriorated due to the presence of pyrrhotite. To be eligible, the transferor must have obtained a written evaluation from a licensed professional engineer indicating that the foundation was made with defective concrete.

The exemption applies to the first transfer of the residence after the written evaluation is obtained and is not available to a transferor who received financial assistance to repair or replace the foundation from the Crumbling Foundations Assistance Fund.

The bill also makes technical changes.

EFFECTIVE DATE: July 1, 2019

§§ 338 & 339 — BUSINESS ENTITY TAX

Sunsets the business entity tax beginning January 1, 2020

The bill sunsets the business entity tax beginning January 1, 2020. Under current law, the business entity tax is a $250 tax, due every

other taxable year, imposed on certain business entities (e.g., S corps, limited partnerships, limited liability partnerships, and limited liability companies).

EFFECTIVE DATE: Upon passage, except a conforming change is effective January 1, 2020.

§ 340 — CAPITAL BASE TAX PHASE OUT

Phases out the capital base tax over four years

The bill phases out the capital base tax on corporations over four years, from 2021 to 2024. Currently, the tax rate is 3.1 mills per dollar of a corporation's capital base (i.e., its net worth apportioned to Connecticut). Under the bill, the rate decreases to 2.6 mills in 2021, 2.1 mills in 2022, 1.1 mills in 2023, and zero mills beginning in 2024.

The capital base tax is a component of the state's corporation business tax. Under current law, for most corporations, the corporation business tax rate is (1) 7.5% of net income, (2) 3.1 mills per dollar of capital base (up to $1 million), or (3) $250, whichever produces the larger tax.

EFFECTIVE DATE: Upon passage

§§ 341-343 — CORPORATION BUSINESS TAX SURCHARGE

Extends the 10% corporation business tax surcharge for two additional years, to the 2019 and 2020 income years

The bill extends the 10% corporation business tax surcharge for two additional years, to the 2019 and 2020 income years.

By law, companies must calculate their surcharges based on their tax liability, excluding any credits. As under existing law, the surcharge for 2019 and 2020 applies to companies that have more than $250 in corporation tax liability and either (1) have at least $100 million in annual gross income in those years or (2) are taxable members of a combined group that files a combined unitary return, regardless of the amount of annual gross income.

The bill provides that taxpayers are not subject to estimated tax

payment requirements and interest on underpayments for the 2019 income year for any additional tax due as a result of the surcharge extension before the provision takes effect.

EFFECTIVE DATE: Upon passage; surcharge is applicable to income years beginning on or after January 1, 2019.

§§ 344-346 — BUSINESS FILING FEES

Beginning July 1, 2020, increases, from $20 to $80, the fee that foreign and domestic limited partnerships, limited liability companies, and limited liability partnerships pay for filing an annual report with the secretary of the state

Beginning July 1, 2020, the bill increases, from $20 to $80, the fee that foreign and domestic limited partnerships, limited liability companies, and limited liability partnerships must pay for filing an annual report with the secretary of the state.

EFFECTIVE DATE: July 1, 2019

§ 347 — ANGEL INVESTOR TAX CREDIT

Extends the angel investor tax credit program by five years, to July 1, 2024; increases (1) from $3 million to $5 million, the aggregate amount of angel investor credits CI may reserve each fiscal year and (2) from $250,000 to $500,000, the total amount of tax credits allowed to any angel investor; authorizes CI to prioritize certain unreserved credits for various businesses

The bill extends the angel investor tax credit program by five years, from July 1, 2019, to July 1, 2024. It increases (1) from $3 million to $5 million, the aggregate amount of angel investor credits Connecticut Innovations (CI) may reserve each fiscal year and (2) from $250,000 to $500,000, the total amount of tax credits allowed to any angel investor.

By law, the amount of credits that CI may reserve each year for investments in emerging technology businesses is capped at 75% of the total amount of credit available that year, but CI may exceed the cap if any unreserved credits remain after April 1 in each year. The bill authorizes CI to prioritize the unreserved credits for veteran-owned, women-owned, or minority-owned businesses and businesses owned by individuals with disabilities.

Under this program, angel investors (i.e., investors who are considered "accredited investors" by the Securities and Exchange

Commission) who invest at least $25,000 in approved businesses are eligible for a personal income tax credit equal to 25% of their investment up to a capped amount. A business must apply to CI for approval to receive credit-eligible investments. CI then certifies that the business meets the applicable criteria (e.g., is principally located in the state, has been in operation less than seven years, and has less than $1 million in annual revenue).

EFFECTIVE DATE: July 1, 2019, and applicable to income and tax years beginning on or after January 1, 2019.

§ 348 — SET-ASIDE PROGRAM

Increases the number of businesses and nonprofits eligible to bid on small contractor and minority business set-aside contracts by increasing, from $15 million to $20 million, the annual gross revenue limit for eligible small contractors

The bill increases the number of businesses and nonprofit corporations eligible to bid on small contractor and minority business enterprise set-aside contracts, which, by law, state agencies and certain contractors must reserve for bidding exclusively by these entities, including those owned or operated by women, people with disabilities, and minority group members (i.e., minority business enterprises).

Under current law, independent businesses and nonprofits may bid on these contracts only if their (1) annual gross revenue in the most recently completed fiscal year is under $15 million and (2) principal place of business is anywhere in Connecticut. Those that are affiliated with other entities may bid on the contracts only if their combined annual revenue does not exceed the $15 million ceiling. The bill raises this ceiling to $20 million.

The set-aside program refers to a law under which all state agencies and contractors awarded municipal public works contracts or state quasi-public agency contracts must annually set-aside or reserve (1) 25% of their contracts for exclusive bidding by state certified "small contractors," which include nonprofit organizations, and (2) 25% of that amount (6.25% of the total) for exclusive bidding by small contractors that are certified minority business enterprises.

EFFECTIVE DATE: October 1, 2019

§ 349 — CORPORATION BUSINESS TAX CREDITS CAP

Reduces, from 70% to 50.01%, the amount by which a company may reduce its tax liability using R&D and Urban Reinvestment Act (URA) credits

The bill reduces, from 70% to 50.01%, the amount by which a company may reduce its tax liability using research and development and Urban Reinvestment Act (URA) credits. Under existing law, the 50.01% credit cap applies to all other corporation business tax credits.

EFFECTIVE DATE: Upon passage, and applicable to income years beginning on or after January 1, 2019.

§§ 350 & 370 — PUBLIC, EDUCATIONAL, AND GOVERNMENTAL PROGRAMMING AND EDUCATION TECHNOLOGY INVESTMENT ACCOUNT (PEGPETIA)

For FY 20, transfers $7 million to PEGPETIA from the General Fund; beginning in FY 22, eliminates the requirement that $3.5 million be transferred to the General Fund each year from PEGPETIA

The bill requires the comptroller, by June 30, 2020, to transfer $7 million from the General Fund to the PEGPETIA. The bill also eliminates, beginning in FY 22, the requirement that $3.5 million be transferred to the General Fund each year from PEGPETIA.

Generally, the account provides grants for public, educational, and governmental (i.e. community access) programming and education technology initiatives.

EFFECTIVE DATE: July 1, 2019

§ 351 — E-CIGARETTE TAX

Imposes a tax on e-cigarette products at a rate of (1) 40 cents per milliliter for pre-filled e-cigarette products and (2) 10% of the wholesale price for all other e-cigarette products

Imposition of Tax

The bill imposes a tax on sales of electronic cigarette (e-cigarette) products by e-cigarette wholesalers. "E-cigarette products" are electronic nicotine delivery systems; liquid nicotine containers; vapor products; and liquids that, when used in an electronic nicotine delivery system, produce a vapor that includes nicotine and is inhaled by the

system's user (i.e., e-cigarette liquids).

The tax is imposed each calendar month, beginning October 1, 2019, at a rate of:

1. 40 cents per milliliter of e-cigarette liquid, for any e-cigarette product that is pre-filled, manufacturer-sealed, and not intended to be refillable and

2. 10% of the wholesale price for all other e-cigarette products whether or not sold at wholesale, or if not sold, at the same rate upon use by the wholesaler.

"Wholesale sales price" means the price of e-cigarette products or, if no price has been set, their wholesale value. Under the bill, only the first sale or use of the same product by the wholesaler is used to compute the tax.

Under the bill, an e-cigarette wholesaler is (1) a person engaged in the business of selling e-cigarette products at wholesale in the state, (2) a person in the state who purchases e-cigarette products at wholesale from a manufacturer, or (3) a dealer, retailer, or other person that otherwise imports, or causes another to import, untaxed e-cigarette products into the state.

Administration

The bill requires e-cigarette wholesalers, by the last day of each month, to (1) file electronically with DRS a return for the calendar month immediately preceding in the form and manner the DRS commissioner prescribes and (2) submit with the return the tax payment, paid by electronic funds transfer. The bill specifies that no tax credits are allowable against the tax.

At the close of each fiscal year, beginning with FY 20, the bill allows the state comptroller to record as revenue for the fiscal year the amount DRS received from e-cigarette tax revenue within five business days from the last day of July immediately following the end of the fiscal year.

The bill also allows DRS to adopt regulations to implement the tax.

Enforcement and Penalties

The bill imposes on anyone who fails to pay the tax a penalty of 10% of the tax due or $50, whichever is greater. The penalty gathers interest at the rate of 1% per month from the due date of the tax until it is paid. The commissioner may waive all or part of any penalty, subject to existing law's provisions on the Penalty Review Committee, when the taxpayer proves to the commissioner's satisfaction that the failure to pay was due to reasonable cause and not intentional or due to neglect.

The bill additionally applies certain tax collection and enforcement provisions that apply to the admissions and dues tax under existing law. Among other things, these provisions cover (1) refunds for tax overpayments, (2) hearing and appeals processes, (3) penalties for certain willful violations or fraud, and (4) the issuance of tax warrants.

The bill also imposes a penalty on each person, other than an e-cigarette wholesaler, who is required, on behalf of a wholesaler, to collect, truthfully account for, and pay the e-cigarette tax but fails to do so or willfully attempts to evade or defeat the tax or its payment. The penalty (1) equals the total amount of tax evaded, not collected, or not accounted for and paid, including any penalty or interest attributable to the above violations, and (2) applies in addition to other penalties the law provides. The penalty may only be imposed against such a person in the event that the tax, penalty, or interest cannot otherwise be collected from the e-cigarette wholesaler. The penalty amount imposed on such a person may be collected under the same provisions that apply to the admissions and dues tax under current law, including through the issuance of tax warrants.

Under the bill, the dissolution of an e-cigarette wholesaler does not discharge the liability of any person liable for a (1) willful failure to collect or truthfully account for and pay e-cigarette taxes or (2) willful attempt to evade or defeat the tax prior to the dissolution.

EFFECTIVE DATE: October 1, 2019, and applicable to sales occurring on or after that date.

§§ 352 & 353 — ALCOHOLIC BEVERAGES TAX

Increases, by 10%, the excise tax on alcoholic beverages, except beer; reduces, by 50%, the tax rate on beer for off-premises consumption that is sold on the premises covered by a manufacturer's permit at 50% the rate otherwise applicable to beer; requires sellers to pay a floor tax on alcoholic beverages, except beer, in their inventories as of the opening of business on October 1, 2019

The bill generally increases the excise tax on alcoholic beverages, except for beer, by 10%. It reduces, by 50%, the tax rate on beer for off-premises consumption that is sold on the premises covered by a manufacturer's permit. It requires sellers to pay an additional tax on the alcoholic beverages (except for beer) in their inventories as of the opening of business on October 1, 2019. Current and proposed new rates for the alcoholic beverages tax and the inventory tax are shown in the table below.

Current and Proposed Alcoholic Beverages Tax Rates

Alcoholic Beverage	*Unit Taxed*	*Current Rate*	*Proposed Rate*	*Proposed Per-Unit Inventory Tax*
Cider with no more than 7% alcohol (currently taxed at the same rate as beer)	barrel (31 gallons)	$7.20	$7.92	$0.72
	½ barrel	3.60	3.96	0.36
	¼ barrel	1.80	1.98	0.18
	wine gallon or fraction under ¼ barrel	0.24	0.26	0.02
Beer sold for off-premises consumption on the premises covered by a manufacturer's permit	barrel (31 gallons)	7.20	3.60	N/A
	½ barrel	3.60	1.80	N/A
	¼ barrel	1.80	0.90	N/A
	wine gallon or fraction under ¼ barrel	0.24	0.12	N/A
Still wines (up to 21% alcohol by volume) and cider not taxed at the beer rate	wine gallon	0.72	0.79	0.07
Still wines produced by small wineries producing up to 55,000 wine gallons annually (certificate required)	wine gallon	0.18	0.20	0.02
Sparkling and fortified wines	wine gallon	1.80	1.98	0.18
Alcohol (more than 100 proof)	proof gallon	5.40	5.94	0.54

Liquor	wine gallon	5.40	5.94	0.54
Liquor coolers (up to 7% alcohol by volume)	wine gallon	2.46	2.71	0.25

The bill requires sellers to file an inventory report with DRS and pay the tax due on the inventory by November 15, 2019. If a seller fails to file an inventory report and pay the tax by that date, the DRS commissioner must estimate the seller's inventory tax based on information he has or obtains. Regular provisions of the alcoholic beverages tax laws concerning failure to file returns, DRS examination of returns, deficiency assessments or assessments for failure to file a return, tax collection, penalties, and interest apply to the bill's inventory tax. Under those provisions, someone who fails to pay the tax on time is subject to a penalty of 10% of the tax due with a $50 minimum and interest at the rate of 1% per month from the tax due date to the payment date.

As under the alcoholic beverages tax law, taxpayers who willfully fail to pay the inventory tax, file returns, keep required records, or supply required information regarding the tax are subject to a fine of up to $1,000, imprisonment for up to one year, or both, in addition to any other penalties the law imposes. Similarly, willfully delivering or disclosing to the commissioner or his authorized agent any list, return, account, statement, or other document known to be fraudulent or false is a class D felony, punishable by up to five years in prison, up to a $5,000 fine, or both.

The bill also makes the failure to file a report and pay the tax on time grounds for revoking any other DRS-issued license or permit the seller possesses.

The bill requires the Department of Consumer Protection commissioner to cooperate with the DRS commissioner to enforce the inventory tax.

EFFECTIVE DATE: October 1, 2019; tax rate provisions are applicable to sales occurring on or after that date.

§ 354 — ADMISSIONS TAX

Reduces the admissions tax rate on certain venues in two steps: from 10% to 7.5% for sales occurring on or after July 1, 2019, and from 7.5% to 5% for sales occurring on or after July 1, 2020; reduces the admissions tax rate on events at Dunkin' Donuts Park in Hartford, from 10% to 5%, beginning July 1, 2019, and fully exempts such events from the tax beginning July 1, 2020

The bill reduces the admissions tax rate on certain venues in two steps: from 10% to 7.5% for sales occurring on or after July 1, 2019, and from 7.5% to 5% for sales occurring on or after July 1, 2020. The lower rate applies to the following venues:

1. the XL Center in Hartford;
2. Dillon Stadium in Hartford;
3. athletic events presented by a member team of the Atlantic League of Professional Baseball at the New Britain Stadium;
4. Webster Bank Arena in Bridgeport;
5. Harbor Yard Amphitheater in Bridgeport;
6. Dodd Stadium in Norwich;
7. Oakdale Theatre in Wallingford; and
8. events, other than interscholastic athletic events, at Rentschler Field in East Hartford (interscholastic athletic events at Rentschler Field are exempt under existing law).

The bill also (1) reduces the admissions tax rate on events at Dunkin' Donuts Park in Hartford, from 10% to 5%, beginning July 1, 2019, and (2) fully exempts such events from the tax beginning July 1, 2020.

EFFECTIVE DATE: July 1, 2019, and applicable to sales made on or after July 1, 2019.

§ 355 — PLASTIC SINGLE-USE BAGS

Imposes a 10 cent fee on single-use plastic bags provided at the point of sale until June 30, 2021 and bans them beginning July 1, 2021

From August 1, 2019, to June 30, 2021, the bill requires each store to

charge a 10 cent fee for each single-use checkout bag provided to a customer at the point of sale. "Store" means any entity considered a retailer for sales tax purposes that maintains a retail store in the state and sells tangible personal property directly to the public. The store must indicate the number of single-use checkout bags and the total fee charged on any transaction receipt provided to a customer.

Beginning July 1, 2021, the bill prohibits store owners and operators from providing or selling single-use checkout bags to customers.

Scope

The fee and ban applies to "single-use checkout bags," which are plastic bags with a thickness of less than four mils that are provided to a customer at the point of sale. The bill exempts from the fee (1) "compostable plastic bags;" (2) bags provided to contain meat, seafood, loose produce, or unwrapped food items; (3) newspaper bags; and (4) laundry or dry cleaning bags.

"Compostable plastic bags" are plastic bags that:

1. conform to, and are certified and labeled as meeting, the American Society of Testing Materials (ASTM) standard D6400, and
2. are capable of biologically decomposing in a compost site such that the material breaks down into carbon dioxide, water, inorganic compounds, and biomass at a rate consistent with known compostable materials.

The bill prohibits stores from charging a fee for single-use paper bags provided to customers at the point of sale, overriding any special act, municipal charter, or ordinance.

Fee Administration and Enforcement

Each store must report all fees it collects to the DRS commissioner with its sales tax return and remit the fees at the same time and in the same manner as is required for the sales tax.

Under the bill, any unpaid fees are subject to the penalties and

interest that apply under existing law to unpaid sales tax (e.g., a penalty of 15% of the tax owed plus 1% interest). The bill allows the DRS commissioner to collect the fees, as if they were taxes due to the state, in the same manner in which he may collect other taxes, including levying warrants on the property of people who owe fees to the state. The bill additionally applies to the fee certain enforcement-related provisions that apply to the sales tax under existing law, including provisions on deficiency assessments, hearings, appeals, tax abatement, and refunds.

At the close of each fiscal year, beginning with FY 20, the bill allows the comptroller to record as revenue for such fiscal year the amount of fee revenue DRS received within five business days from the last day of July immediately following the end of the fiscal year.

The bill authorizes the DRS commissioner to adopt, in consultation with the Department of Energy and Environmental Protection, regulations to carry out the department's responsibilities under the bill.

EFFECTIVE DATE: August 1, 2019

§ 356 — HOSPITAL PROVIDER TAX

Eliminates a scheduled reduction in the hospital tax rates on inpatient and outpatient services by maintaining the rates at FY 19 levels but requiring the base year for calculating the tax to be adjusted each biennium; among other things, requires the DSS commissioner to issue refunds if he determines for any fiscal year that the effective hospital tax rate exceeds the rate permitted under federal law

Tax Rate and Base

Existing law sets the FY 19 hospital provider tax rate for (1) inpatient hospital services at 6% of each hospital's FY 16 audited net revenue attributable to such services and (2) outpatient hospital services at $900 million, minus the total tax imposed on all hospitals for providing inpatient services, divided by the total FY 16 audited net revenue attributable to outpatient services for all hospitals subject to the tax. Under current law, these rates are scheduled to decrease for FY 20 and thereafter for both inpatient and outpatient hospital services to $384 million, divided by the total FY 16 audited net revenue for all

hospitals subject to the tax.

The bill eliminates the scheduled rate decrease by maintaining the rates for inpatient and outpatient hospital services at FY 19 levels but requiring a base adjustment each biennium. Under the bill, beginning with the FY 20-21 biennium, the fiscal year upon which the inpatient and outpatient hospital services tax is based must be the fiscal year three years prior to the first year of the biennium, rather than FY 16 (i.e., FY 17 for the FY 20-21 biennium).

Audited Net Revenue

As under current law, the tax is based on the hospital's audited net revenue for the applicable fiscal year. The bill makes conforming changes to the definitions of audited net inpatient revenue, audited net outpatient revenue, and audited net revenue to account for the required base year adjustments.

Current law required hospitals to submit to the DRS commissioner any information he required in order to calculate FY 16 audited net inpatient revenue, net outpatient revenue, and net revenue for all hospitals. The bill extends this requirement to FY 20 and thereafter by requiring hospitals to biennially submit the information the commissioner requires to calculate these amounts for the applicable fiscal year. They must provide the information (1) by June 30, 2019, for FY 20 and (2) by January 15 of the second year of the preceding biennium for the FY 22-23 biennium and thereafter.

As under current law, the commissioner must request additional information he needs to fully audit each hospital's net revenue. Once he has completed his examination, the commissioner must notify each hospital of its audited net inpatient revenue, net outpatient revenue, and net revenue for the applicable fiscal year.

As under current law, hospitals that fail to provide the requested information, or fail to comply with a request for additional information, are subject to a penalty of $1,000 per day for each day the failure continues.

Hospital Mergers, Consolidations, or Reorganizations

Under the bill, if a hospital or hospitals subject to the tax merge, consolidate, or otherwise reorganize, then the surviving hospital must assume and be liable for the total tax imposed on the merging, consolidating, or reorganizing hospitals. The surviving hospital must also assume any outstanding liabilities from periods before the merger, consolidation, or reorganization.

The amount of tax due from each hospital is not recalculated if (1) a hospital ceases to operate as a hospital for any reason other than a merger, consolidation, or reorganization or (2) ceases for any reason to be subject to the hospital provider tax. Rather, the total amount of hospital provider tax to be collected under the rates described above must be reduced by the amount of the tax liability imposed on the hospital that is no longer subject to the tax.

Refunds for Exceeding Federally Permissible Tax Rate

If for any fiscal year the Department of Social Services (DSS) commissioner determines that the effective hospital provider tax rate for inpatient services exceeds the rate allowed under federal Medicaid law, the bill requires the amount of excess tax collected to be refunded to hospitals. Each hospital's refund must be in proportion to the amount of inpatient hospital service net revenue on which it was taxed. The effective tax rate must be calculated by comparing the amount of tax hospitals paid on inpatient hospital service net revenue in a state fiscal year with the amount of net revenue received by all hospitals for such services for the equivalent fiscal year.

Beginning by July 1, 2020, each hospital subject to the provider tax must report annually to the DSS commissioner the amount of (1) hospital provider tax it paid and (2) net revenue it received for providing inpatient hospital services in the state fiscal year beginning two years before the reporting date.

Within 90 days after receiving completed reports from all such hospitals, the DSS commissioner must notify the DRS commissioner of the amount of any refund due to each hospital in order to comply with

federal law. Within 30 days after receiving this notice, the DRS commissioner must notify the comptroller of the refund amounts; the comptroller must draw an order on the treasurer to pay each such refund. No interest may be added to the refunds.

Request for Federal Waiver to Exempt Certain Hospitals

The bill moves up the date by which the DSS commissioner must next seek the Center for Medicare and Medicaid Services' approval to exempt financially distressed hospitals from the tax on outpatient hospital services. Current law required him to first do so before January 1, 2018. The bill requires him to do so again before July 1, 2019, and, as under current law, every three years thereafter.

EFFECTIVE DATE: Upon passage

§ 357 — USER FEE ON INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES

Increases the user fee on ICF-IDs from $27.26 to $27.76

For calendar quarters beginning on or after July 1, 2019, the bill increases the user fee for ICF-IDs from $27.26 to $27.76. Each facility's total fee is the product of its total resident days during the quarter, multiplied by the user fee.

EFFECTIVE DATE: Upon passage

§§ 358 & 359 — ADVANCE DEPOSIT WAGERS AT OFF-TRACK BETTING FACILITIES

Explicitly prohibits and criminalizes unauthorized off-track betting (OTB) wagers and advance deposit wagers in Connecticut

The bill explicitly prohibits any unauthorized person or business from conducting off-track betting (OTB) or accepting OTB wagers or advance deposit wagers (i.e., an OTB wager on racing events using a telephone or other electronic means) in Connecticut. Under the bill, a violation is an unfair trade practice under the Connecticut Unfair Trade Practices Act (CUTPA). The bill also subjects violators to the penalties for professional gambling and transmitting gambling information, both of which are class A misdemeanors (punishable by up to one year imprisonment, up to a $2,000 fine, or both).

The bill also makes a technical change.

CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the DCP commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than $10,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney's fees; and impose civil penalties of up to $5,000 for willful violations and up to $25,000 for a restraining order violation.

EFFECTIVE DATE: October 1, 2019

§ 360 — TRANSPORTATION NETWORK COMPANY (TNC) FEE

Increases the TNC fee from 25 cents to 30 cents

The bill increases, from 25 cents to 30 cents, the fee TNCs (e.g., Uber and Lyft) must pay on each ride that originates in the state.

EFFECTIVE DATE: July 1, 2019

§ 361 — MOTOR VEHICLE TRADE-IN FEE

Increases the motor vehicle trade-in fee from $35 to $100

The bill increases the motor vehicle trade-in fee from $35 to $100. By law, the DMV commissioner must charge new and used car dealers this fee on each used motor vehicle they accept as a trade-in when selling a new or used vehicle. Proceeds from the fee are deposited in the General Fund.

EFFECTIVE DATE: October 1, 2019, and applicable to transactions occurring on or after that date.

§ 362 — DEBT-FREE COMMUNITY COLLEGE PROGRAM

Requires BOR to establish a program covering tuition and fees for first-time, full-time Connecticut community college students

The bill requires the Board of Regents for Higher Education (BOR)

to establish by January 1, 2020, a debt-free community college program for certain Connecticut high school graduates who enroll as first-time, full-time regional community-technical college students. The program must provide these students with awards on a semester basis that (1) cover the unpaid portion of the tuition and required fees established by BOR (i.e., tuition and fee costs, minus scholarships, grants, and federal, state, and institutional aid awarded to the student) or (2) provide a minimum $250 grant, whichever is greater.

Awards under this program apply to the first 72 credit hours earned by a student in the first 36 months of community college enrollment in a program leading to a degree or certificate. BOR must make awards to qualifying students beginning with the fall 2020 semester, within available appropriations. The bill prohibits BOR from using an award to supplant any financial aid otherwise available to qualifying students, including state or institutional aid.

The bill establishes student eligibility requirements for the program along with program-related administrative duties and reporting requirements for BOR and the regional community-technical colleges.

EFFECTIVE DATE: July 1, 2019

Student Eligibility Requirements

Under the bill, a student must meet various requirements to be eligible to receive an award under the debt-free community college program. These requirements relate to (1) enrollment status, (2) in-state student classification, (3) academic progress during enrollment, and (4) financial need. Students must meet these eligibility requirements for the duration of their first 36 months of community college enrollment.

The bill also establishes separate eligibility requirements for qualifying students who take a medical or personal leave of absence or are called to active duty in the armed forces while enrolled in a community college.

Enrollment Status. To be eligible for the program's award under

the bill, a student must have graduated from a public or private Connecticut high school prior to first-time enrollment at a community college in a program leading to a degree or certificate. The student may commence enrollment in fall 2020 or any semester thereafter and must continue as a full-time student (i.e., one who earned at least 12 credit hours in a semester). For a student with a learning disability documented by the college, the bill defines "full-time" enrollment as the maximum number of credit hours feasible for the student to attempt in a semester as determined by his or her academic advisor.

Under the bill, a "semester" means the fall or spring semester of an academic year and does not include the summer semester or summer session.

In-state Student Classification. Under the bill, only in-state students are eligible for the program. By law, with limited exceptions, eligibility for in-state student classification is based on an applicant's domicile, which is his or her "true, fixed, and permanent home" and the place where he or she intends to remain and return to when he or she leaves (CGS §§ 10a-28 & 10a-29).

Academic Progress. Under the bill, qualifying students must make satisfactory academic progress while enrolled. (Presumably, "satisfactory academic progress" refers to academic performance that allows the student to maintain enrollment in his or her degree or certificate program.)

Financial Need. The bill requires eligible students to complete the Free Application for Federal Student Aid (FAFSA) and accept all available financial aid that is not in the form of a federal, state, or private student loan.

Exceptions for Medical, Personal, or Military Leave. The bill allows a qualifying student who takes an administratively approved medical or personal leave to continue to qualify for the award program upon resuming full-time enrollment. Such student continues to qualify if (1) he or she continues to meet the above requirements upon reenrollment (i.e., enrollment status, residency, academic, and

financial) and (2) the total amount of time of all approved leaves of absence does not exceed six months.

Similarly, a qualifying student who is called to active duty as a member of the armed forces during any semester may continue to qualify for the award program under the bill upon resuming full-time enrollment. Such student must (1) continue to meet the above requirements upon reenrollment and (2) reenroll no later than four years after the date he or she is released from active duty.

Administrative Program Requirements

The bill outlines the type of administrative and legislative reporting requirements that BOR must follow when implementing the program.

Program Administration. The bill requires BOR to adopt rules, procedures, and forms necessary to implement the program and submit a report outlining the adopted measures to the Higher Education and Employment Advancement Committee. (The bill does not specify the dates by which these measures must be adopted and reported.)

Reporting. Under the bill, BOR must report to the Higher Education and Appropriations committees by March 1, 2021, and October 1, 2021, and each semester thereafter, about the program. These reports must include the following:

1. the number of qualifying students (a) enrolled during each semester, (b) receiving minimum awards, and (c) receiving awards for the unpaid portion of eligible institutional costs;

2. the average number of credit hours that qualifying students (a) enrolled in each semester and (b) completed in each semester;

3. the average award amount to be made to qualifying students for the unpaid portion of eligible institutional costs; and

4. the completion rates of qualifying students who receive awards by degree or certificate program.

§ 363 — FAFSA MONTH

Requires BOR to implement an annual "FAFSA month" program to assist high school seniors and their families with completing their federal student financial aid applications

The bill designates December as "FAFSA month" and requires the Board of Regents for Higher Education (BOR) to implement an annual program, by December 1, 2019, to host events for high school seniors and their families to provide assistance with completing their Free Application for Federal Student Aid (FAFSA) with the goal of increasing the number of applications submitted by Connecticut residents each year. (Prospective higher education students must submit their FAFSA forms to the U.S. Department of Education in order to be considered eligible for federal student financial aid.)

EFFECTIVE DATE: July 1, 2019

§ 364 — REVENUE FROM ONLINE LOTTERY GAMING

Requires the governor, through OPM, to (1) determine the feasibility of using revenue from new online lottery gaming to fund the debt-free community college program and (2) propose budget adjustments over the biennium for the program if online lottery games are not feasible; requires such budget adjustments to provide at least $1 million for state, municipal, and regional collaboration initiatives

The bill requires the governor, through the Office of Policy and Management (OPM) secretary, to consult with the Connecticut Lottery Corporation, attorney general, and consumer protection commissioner on the feasibility of allowing the lottery to offer its existing lottery draw games online through the lottery's website, online service, or mobile application. The governor must determine whether (1) the online offering is feasible and (2) the revenue from it is sufficient to offset the costs of the debt-free community college program. Under the bill, the OPM secretary must submit a report to the General Assembly by February 5, 2020, about the feasibility of such offering.

If the governor finds that the online offering is not feasible, the bill requires him to propose budget adjustments, including any revenue source or spending reduction, for the biennium ending FY 21 for the following reasons: (1) to account for the costs of the debt-free community college program and (2) to provide at least $1 million to support recommended state, municipal, and regional collaboration

initiatives in this bill (see § 366 below).

EFFECTIVE DATE: July 1, 2019

§§ 365 & 366 — REGIONALIZATION

Establishes a (1) task force to study ways to encourage the regionalization of municipal functions, activities, and services and (2) regionalization subaccount to support its recommendations

Regionalization Task Force (§ 366)

The bill establishes a 32-member task force to study ways to encourage greater and improved collaboration among the state and municipal governments and regional bodies. Any initiative that the task force recommends must be optional for municipalities.

Membership. Under the bill, the task force consists of the:

1. Office of Policy and Management (OPM) secretary, or her designee;

2. chairpersons and ranking members of the Planning and Development and Finance, Revenue and Bonding committees, or their designees; and

3. Connecticut Advisory Commission on Intergovernmental Relations members.

By law, in addition to the OPM secretary or her designee, the Connecticut Advisory Commission consists of 16 appointed members with relevant experience and the following officials, or their designees: the Senate president pro tempore and minority leader; House speaker and minority leader; and the commissioners, or their designees, of education, energy and environmental protection, and economic and community development.

The bill requires administrative staff of the Finance, Revenue and Bonding committee to serve as administrative staff for the task force. OPM must provide additional support as necessary.

Areas of Study and Reporting. At a minimum, the task force's

study must include the following:

1. an examination of the functions, activities, or services that municipalities currently perform individually but that OPM might perform more efficiently on behalf of those willing to opt in;

2. an examination of the functions, activities or services currently performed by the state or municipalities that may be provided in a more efficient, high-quality, cost-effective, or responsive manner by regional councils of governments (COGs), regional educational service centers (RESCs), or other similar regional bodies that are responsive to residents;

3. cost savings of government services, including joint purchasing, for municipalities and their respective local or regional school districts;

4. cost savings through the sharing of government services, including joint purchasing, among municipalities;

5. standardization and alignment of various state regions;

6. analyses of any other initiatives that may facilitate service delivery in a more efficient, high-quality, cost-effective, or responsive manner; and

7. any recommendation for dividing the revenue in the regional planning incentive account's regionalization subaccount (described below) between the OPM, COGs, RESCs, or similar regional bodies for purposes of regionalizing services.

By February 5, 2020, the task force must submit a report with its findings and any recommendations for legislation to the Planning and Development and Finance, Revenue and Bonding committees. The task force terminates when it submits the report or on February 5, 2020, whichever is later.

Implementing the Task Force's Recommendations (§ 366)

Beginning July 1, 2020, the bill requires the OPM secretary to begin offering regional functions, activities, or services as recommended by the task force. The OPM secretary must establish requirements for the (1) procedures and guidelines for performing regional functions, activities, or services; (2) grant amounts; and (3) deadlines for submitting applications and selecting grant recipients.

The secretary may establish fees to charge municipalities that opt to participate in any regional functions, activities, or services that the agency performs on behalf of municipalities. Similarly, any COG, RESC, or other body offering regional functions, activities, or services, may also establish fees.

Regionalization Subaccount (§ 365)

The bill establishes a regionalization subaccount in the General Fund's regional planning incentive account. Subaccount funds must only be spent on recommendations from the regionalization task force.

Under the bill, the subaccount is funded by revenue that the Connecticut Lottery Corporation (CLC) makes by offering its existing lottery draw games online, in excess of the amount equal to the debt-free college program (see § 362). If CLC does not offer an Internet lottery program, the governor must propose adjustments to the FY 20-21 budget to provide at least $1 million to support regionalism initiatives recommended by the task force, including any revenue source or reduction in spending equal to the costs of the program and initiatives.

EFFECTIVE DATE: Upon passage

§ 367 — MUNICIPAL FISCAL CAPACITY

Requires the OPM secretary to (1) analyze and compare the calculations derived from the PIC index and representative tax system methodology, (2) analyze which one most accurately measures a municipality's fiscal capacity, and (3) report its findings and recommendations to the legislature

The bill requires the OPM secretary to analyze and compare the calculations derived from the public investment communities (PIC) index and the representative tax system methodology used by the New

England Public Policy Center in its May, 2015, Research report (15-1).

By February 5, 2020, the secretary must report to the Planning and Development and Finance, Revenue and Bonding committees with (1) a recommendation on which calculations are more relevant and useful for determining an accurate measure of a municipality's fiscal capacity and (2) an outline of each methodology's respective merits. The recommendation must include necessary legislative changes and an estimate of the appropriations necessary for implementation.

By law, the PIC index measures town wealth using their (1) per capita income; (2) adjusted equalized net grand list per capita; (3) equalized mill rate; (4) per capita temporary family assistance; and (5) unemployment rate (CGS § 7-545(a)(8)).

In its May 2015 report, the New England Public Policy Center measures local revenue capacity using the representative tax system approach. This approach calculates how much revenue each municipality could raise from its underlying tax base if all municipalities used the same standard tax rate. The report computes capacity by applying a standard tax rate to the value of taxable real and personal property in each municipality, captured by the equalized net grand list (ENGL). The standard tax rate is the rate that would need to be applied to statewide ENGL in order to raise revenues exactly equal to statewide non-school spending.

EFFECTIVE DATE: Upon passage

§ 368 — FEE STUDY

Requires OPM to study state fees and report recommended increases by February 5, 2020

The bill requires the OPM secretary to review the existing fees collected by each department and report recommendations for fee increases to the Finance, Revenue and Bonding committee by February 5, 2020. The total amount of the fee increases must be at least $50 million.

EFFECTIVE DATE: Upon passage

§ 369 — BANKING FUND TRANSFER

Transfers $5.2 million from the Banking Fund to the General Fund for each year of FYs 20 and 21

The bill requires the comptroller to transfer $5.2 million from the Banking Fund to the General Fund for each year of FYs 20 and 21.

EFFECTIVE DATE: July 1, 2019

§ 371 — TRANSFER OF STF RESOURCES FROM FY 20 TO FY 21

Transfers $30 million in STF resources from FY 20 to FY 21

By June 30, 2020, the bill requires the comptroller to transfer $30 million of FY 20 STF resources to be accounted for as FY 21 STF revenue.

EFFECTIVE DATE: July 1, 2019

§ 372 — TRANSFER OF FY 20 GENERAL FUND REVENUE TO FY 21

Transfers $85 million in FY 20 General Fund revenue to FY 21

By June 30, 2020, the bill requires the comptroller to designate $85 million of FY 20 General Fund resources to be accounted for as FY 21 General Fund revenue.

EFFECTIVE DATE: July 1, 2019

§ 373 — TRANSFER FROM GENERAL FUND TO FAMILY AND MEDICAL LEAVE INSURANCE TRUST FUND

Transfers $5.1 million from the General Fund to the Family and Medical Leave Insurance Trust Fund for FY 20

For FY 20, the bill requires the comptroller to transfer $5.1 million from the General Fund to the Family and Medical Leave Insurance Trust Fund (established under SB 1 of the current session, as amended by Senate Amendment "A").

EFFECTIVE DATE: Upon passage

§ 374 — GAAP DEFICIT

Deems that $1 is appropriated in FY 21 to pay off the state's GAAP deficit for FYs 13 and 14

The bill deems that $1 is appropriated in FY 21 to pay off the General Fund's unassigned negative balances (i.e., Generally Accepted Accounting Principles (GAAP) deficits) for FYs 13 and 14, which reflect the negative balances that accumulated before the state adopted GAAP in FY 14.

By law, the OPM secretary must annually publish recommended schedules to fully amortize the deficits by FY 28.

EFFECTIVE DATE: Upon passage

§ 375 — SPECIAL TAX OBLIGATION BOND ISSUANCE CAP

Eliminates the cap on the amount of STO bonds the treasurer may issue in FYs 19 and 20 for transportation projects

The bill eliminates the limitation on the amount of special tax obligation (STO) bonds the treasurer may issue in FYs 19 and 20 for transportation projects. Current law limits such bond issuances to $750 million in each fiscal year.

EFFECTIVE DATE: July 1, 2019

§§ 376 & 387 — 7/7 PROGRAM REPEAL

Repeals the 7/7 program

The bill repeals the 7/7 program, which currently authorizes a package of state and local tax incentives for eligible property owners after they remediate, redevelop, and use formerly contaminated, abandoned, or underutilized properties. The incentives are available in two seven-year stages, with the second stage available only to owners of contaminated and remediated properties.

EFFECTIVE DATE: Upon passage and applicable to tax years beginning on or after January 1, 2019.

§§ 377-383 — NONSTATE PUBLIC EMPLOYER HEALTH CARE PLANS

Allows the comptroller to offer other types of health care plans to nonstate public employers in addition to or instead of the state employee health plan, including other group hospitalization, medical, pharmacy, or other surgical insurance plans the comptroller develops; adds requirements related to such health plans and their premiums;

and creates two reporting requirements for nonstate public employers and the comptroller, respectively

The bill allows the comptroller to offer other types of health care plans to nonstate public employers in addition to or instead of coverage under the state employee health insurance plan, which current law requires him to offer to their employees and retirees, if applicable. These additional plans include group hospitalization, medical, pharmacy, or other surgical insurance plans the comptroller develops. The bill's provisions do not require a nonstate public employer enrolled in the state employee plan to enroll in another plan the comptroller develops under the bill.

By law, a "nonstate public employer" is a municipality or other state political subdivision, including a board of education, quasi-public agency, or public library. A municipality and a board of education may be considered separate employers. "Nonstate public employees" means employees and elected officers of any nonstate public employer.

Plan Requirements (§§ 378 & 381)

The bill prohibits the comptroller from offering high deductible plans designed to be compatible with federally qualified medical or health savings accounts. It allows him to offer plans other than those offered to state employees on July 1, 2019.

The bill requires any health care plan the comptroller develops for nonstate employees to:

1. include the health enhancement program established in accordance with the 2011 revised State Employees Bargaining Agent Coalition (SEBAC) agreement for state employees;

2. be consistent with "value-based insurance design" principals, which, under the bill, are health benefit designs that lower or remove financial barriers to essential, high-value clinical services; and

3. be approved by the Health Care Cost Containment Committee (HCCC) before being offered to nonstate public employers.

The bill requires the comptroller, before HCCC approves the plan and annually thereafter, to:

1. have the premium payments associated with the plans reviewed by an independent actuarial firm to determine the premiums' adequacy relative to experience and total costs and

2. report on the review to HCCC, the Office of Policy and Management (OPM), and the Appropriations Committee.

Plan Premiums

Refunds. (§ 378) The bill eliminates a requirement that the comptroller develop procedures to refund nonstate public employers' premium payments made in excess of incurred claims if they withdraw from the plan before the expiration date of the current coverage. This applies to both the state employee plan in current law and the comptroller-developed plans under the bill.

Plan Premium Account. (§ 380) Current law establishes a separate, nonlapsing state employee plan premium account in the General Fund; the comptroller must (1) deposit the premiums collected from nonstate public employers and employees into this account and (2) administer the account to pay claims and administrative fees to entities providing coverage or services under the state employee health insurance plan.

The bill eliminates the account and instead requires the comptroller to establish accounting procedures to track claims and premiums paid by nonstate public employers. The bill does not specify where funds in the state employee premium account will be transferred.

Premium Adjustments. (§ 378) The bill requires the comptroller to adjust premiums paid by nonstate public employers who enroll in coverage on and after July 1, 2019, to reflect (1) the cost of health care in the county in which the majority of such employer's employees work and (2) differences from the benefits and networks provided to state employees. Adjustments otherwise required under existing law also apply.

Under the bill, the comptroller must phase-in the premium adjustment for health care costs in the county during the two-year period beginning July 1, 2020. The bill prevents the adjustment in either year from exceeding one-half the total adjustment (i.e., generally requiring half the adjustment in the first year and the other half in the second).

Other Provisions (§ 378)

The bill extends several provisions that apply under current law to the comptroller's provision of coverage under the state employee plan to nonstate public employers to the comptroller-developed plans. These provisions include:

1. requiring the comptroller to develop application, renewal, and withdrawal procedures;

2. prohibiting nonstate public employees from enrolling in the plans if they are covered through a nonstate public employer's health plan or insurance arrangements issued under a trust established for a collective bargaining agreement;

3. requiring initial and continuing participation in such plans to be a mandatory subject of collective bargaining and subject to binding interest arbitration as applicable; and

4. authorizing licensed insurers to conduct business with the plans

Under existing law, before the comptroller can offer nonstate public employees coverage under the state employee plan, SEBAC must provide its consent to the clerks of both the House and Senate to incorporate the applicable terms of state law into its collective bargaining agreement. Presumably, any changes to such terms affecting the state employee plan under the bill require the same consent.

Nonstate Public Employer Report (§ 382)

The bill requires each nonstate public employer to annually report to the comptroller, OPM, and the Office of Fiscal Analysis in a form

and manner that the comptroller prescribes. The first report is due October 1, 2019. The report must contain the following:

1. the total number of employees covered under an employer-sponsored health care plan;

2. the number of participants in such plans, including employee dependents;

3. the health care coverage type selected by each covered employee;

4. the total premium for each coverage type, including employee and employer shares and medical and pharmacy coverage;

5. the amount of any employer contributions to health savings or health reimbursement accounts;

6. a summary of benefits and coverage for each health care plan offered by the employer and the number of employees enrolled in each plan; and

7. information about retirement plans and benefits offered or provided by the employer and the employer's total costs for the preceding year associated with providing such plans and benefits.

Under the bill, "health care coverage type" means the type of health care coverage offered by nonstate public employers, including coverage for an employee, employee and spouse, and employee and family.

Comptroller's Report (§ 383)

The bill requires the comptroller to report, by January 1, 2021, and annually thereafter, to the HCCC, OPM, and the Appropriations Committee on municipal group hospitalization, medical, pharmacy, and surgical insurance plans developed by the comptroller. The report must include:

1. the total number of contracts and members,

2. total plan costs and premium payments and other revenues associated with the plans, and

3. the corresponding profit loss ratio for the previous calendar year.

The report must also (1) distinguish between municipal health care plans and the state employee plan and (2) demonstrate cost neutrality by individual municipal insurance plan and in total across all municipal insurance plans.

Under the bill, if the profit loss ratio demonstrates inadequacy in premium payments, the report must include a plan to ensure the fiscal adequacy of the premium rate structure for individual municipal insurance plans and the associated benefit design to eliminate any prior year financial loss and prevent financial loss in the upcoming plan year.

EFFECTIVE DATE: July 1, 2019, except the study provisions, which are effective upon passage.

§ 384 — FIRST FIVE PLUS PROGRAM ASSISTANCE

Extends for four years (FYs 21 through 24) the time during which assistance provided under the First Five Plus program, through an agreement originally executed on December 22, 2011, is exempt from various statutory requirements

The bill extends for four years (FYs 21 through 24) the time during which certain assistance provided under the First Five Plus program is exempt from various statutory requirements. Specifically, the extension applies to (1) any assistance agreement originally executed on December 22, 2011, and (2) the following statutory requirements:

1. limits associated with Manufacturing Assistance Act program funds (e.g., up to 90% of total project costs in municipalities with enterprise zones and generally up to 50% in the other municipalities);

2. thresholds requiring legislative approval for certain financial

assistance or urban and industrial sites reinvestment tax credits for large-scale economic development projects; and

3. limits on the amount of credits taxpayers may, at the Department of Economic and Community Development (DECD) commissioner's discretion, claim against the insurance premium tax.

Under current law, these exemptions expire in FY 20.

By law, the First Five Plus program sunsets on June 30, 2019. Under the program, DECD may fund up to 20 business development projects. The program combines financial assistance and tax incentives under existing programs for eligible projects that create jobs and make capital investments within the law's timeframes.

EFFECTIVE DATE: Upon passage

§ 385 — PAYROLL TAX INFORMATION RETURN AND ANALYSIS

Requires DRS to collect data necessary to evaluate the implementation of an employer payroll tax; establishes a payroll commission to (1) hold informational forums on the tax, (2) analyze the data DRS collects, and (3) report its findings, recommendations, and estimates to the Finance Committee

Information Return Form

The bill requires DRS to collect data necessary to evaluate the implementation of an employer payroll tax beginning January 1, 2021. Under the bill, DRS must develop and produce an information return form and, by August 15, 2019, mail the form to employers, excluding the federal government, state, municipalities, local or regional boards of education, tribal nations, and self-employed individuals. DRS must send the form electronically or by first class mail. Employers must return it by October 1, 2019.

Payroll Commission Analysis

The bill (1) establishes a payroll commission composed of the DRS commissioner, Office of Policy and Management (OPM) secretary, and Finance, Revenue and Bonding chairpersons and ranking members and (2) requires the commission to analyze the data DRS collects from the information return forms. The Finance, Revenue and Bonding

Committee's administrative staff must serve as the commission's staff; DRS and OPM must provide additional support as necessary. The commission may also consult with and solicit advice from tax experts and business leaders.

The bill explicitly authorizes the DRS commissioner to disclose the data collected from the information return forms to the commission's members and staff, and DRS, or OPM staff supporting the commission, but prohibits the members (other than the commissioner) and staff from disclosing any return or return information that they are not otherwise authorized to disclose under state law. The law establishes narrow conditions under which return information may be disclosed and sets penalties for unauthorized disclosures (a fine of up to $1,000, up to one year in prison, or both (CGS § 12-15(g)).

The bill also requires the commission to (1) hold information forums to educate its members and the public about the payroll tax proposal; (2) request and receive comments, written testimony, and information from the public; and (3) consider such comments and testimony in its analysis.

Wage Base Assumptions and Other Recommendations. The commission must analyze the data collected from the information return forms to establish the wage base on which to impose a payroll tax. It must use the wage base it establishes for any of the estimates or calculations described below that require a wage base.

The analysis must also (1) give an opinion on whether the tax may be imposed on the federal government or on tribal nations for wages paid to Connecticut employees and (2) recommend whether the tax should be levied on the state, municipalities, local or regional boards of education, or certain federally tax-exempt organizations for wages paid to Connecticut employees.

The analysis must also recommend how to treat minimum wage employers and employees under a payroll tax by examining the costs and impacts of the following:

1. redefining "minimum fair wage" to include the portion of the payroll tax imposed on the employer that is attributed to an employee's wages,

2. exempting wages of less than a threshold amount (the commission must specify a recommended threshold for this option),

3. providing a credit for employers for the amount of payroll tax paid on behalf of minimum wage employees,

4. leaving the minimum wage unadjusted, or

5. any other option the commission deems reasonable.

Tax Credit for Low-Income Taxpayers. Based on the above wage base assumptions and other recommendations, and various other estimates described below, the commission must recommend a tax credit for low-income taxpayers that results in the net income of all taxpayers being equal to or greater than the projected net income of all personal income taxpayers under the current state personal income tax.

The credit must be (1) refundable, (2) structured in a way that does not result in taxpayers with greater adjusted gross incomes (AGI) having a lower net income than those with lower AGIs, and (3) structured to minimize the revenue decrease. It may also do the following:

1. cap or limit total income or unearned income,

2. be phased out,

3. depend on the payroll tax paid on an employee's wages, or

4. have eligibility requirements (e.g., filing status).

The commission must specify the threshold used for determining a low-income taxpayer and any limits or requirements it deems desirable or necessary to achieve the credit's purposes.

Revenue Estimates. Based on its wage base assumptions and other recommendations, the commission must provide estimates of the total revenue an employer payroll tax would generate. In doing so, it must provide separate estimates based on the assumption that (1) a 5% payroll tax is imposed beginning January 1, 2021, and (2) a payroll tax is phased in over three years at the rate of 1.5% in year one, 3% in year two, and 5% in year three. For the phase-in estimate, the commission must assume the reductions in income tax rates (described below) are phased in proportionately.

The commission must also estimate the total revenue decrease as a result of reducing personal income tax rates as shown in the table below. In calculating this estimate, it must assume that the current income tax rates continue to apply to nonwage income.

Current Income Tax Rates & Proposed Rate Reductions

Current Rate	*Proposed Rate*
3.0%	0%
5.0	0
5.5	0.5
6.0	1.0
6.5	2.5
6.9	2.9
6.99	2.99

It must also estimate the (1) total personal income tax revenue generated from individuals who work in other states and apply a credit against the tax (presumably, the credit for taxes paid to other jurisdictions) and (2) revenue from such individuals under the reduced income tax rates.

Federal Government and Tribal Nation Employees. Assuming that the state cannot levy a payroll tax on federal or tribal nation employees in Connecticut, the commission must calculate the decrease in state personal income tax liability for such employees that would result from the reduced income tax rates shown above.

Federal Income, Social Security, and Medicare Taxes. Based on (1) its wage base assumptions and other recommendations and (2) the

assumption that employers will reduce or forego wage increases in response to a payroll tax, the commission must provide estimates of the decreased federal income, Social Security, and Medicare taxes that employees would pay. It must provide the estimates by income decile and tax type, for both of the payroll tax rate options described above. It must also specify the number or percentage of employees it assumed for these purposes.

Income and Payroll Tax Estimates by Income Decile. Based on its wage base assumptions and other recommendations and the income tax rate reductions described above, the commission must estimate the annual total state income and payroll tax that would be paid by, or on behalf of, an employee for each income decile. It must do so for both of the payroll tax rate options.

For each income decile, the commission must compare the estimated amounts with the amount of state income tax that would be paid by an employee who receives a wage increase equal to the increase in average hourly earnings of all private employees, as reported by the U.S. Department of Labor's Bureau of Labor Statistics in its most recent year-over-year reporting.

Estimated Property Tax Deductions Against the Federal Income Tax. Based on its wage base assumptions and other recommendations and the income tax rate reductions described above, the commission must estimate the total additional amount of property tax deductions that taxpayers may claim under an itemized federal tax return as a result of the income tax rate reductions. In doing so, the commission must exclude any other applicable deduction that taxpayers can claim.

Technological Capabilities. The commission must examine DRS's computer and other technological capabilities to implement a payroll tax.

Report

By January 15, 2020, the commission must report to the Finance, Revenue and Bonding Committee its recommendations, findings, and

estimates, including any not required by the bill it deems appropriate and desirable to accomplish the bill's goals.

The report must also include:

1. withholding schedules the commission develops for both of the payroll tax options based on its wage base analysis and the proposed income tax rate reductions and

2. ways to publicize and educate taxpayers about the payroll tax proposals, including recommendations for funding to support such efforts.

The commission terminates on the later of the date it submits the report or January 15, 2020.

EFFECTIVE DATE: Upon passage

§ 386 — REPEAL OF PASSPORT TO PARKS ACCOUNT TRANSFERS

Repeals an earmark of funds from the account for specified environmental purposes

The bill repeals a provision that, for FYs 18 and 19, earmarked from the Passport to the Parks account (1) $400,000 for soil and water conservation districts and (2) $253,000 for environmental review teams.

EFFECTIVE DATE: Upon passage

§ 387 — STEM GRADUATE TAX CREDIT REPEAL

Repeals the STEM graduate tax credit program

The bill repeals the refundable personal income tax credit for college graduates in science, technology, engineering, or math (STEM) fields. Under current law, the annual credit amount is $500, which qualifying graduates may claim in each of the five successive tax years after they graduate.

EFFECTIVE DATE: Upon passage and applicable to tax years beginning on or after January 1, 2019.

§ 389 — DEFICIENCY HEARINGS

Eliminates the requirement that the Appropriations Committee hold a public hearing on, and meet with, any state agency that has a potential deficiency

Existing law requires the OPM secretary, by the 25th of every month, to submit a list of appropriated accounts in which there is a potential deficiency, along with an explanation for each one. The secretary must submit the list and the explanations to the governor, comptroller, and, through OFA, to the Appropriations Committee.

The bill eliminates the requirement that the Appropriations Committee hold a public hearing on, and meet with, any state agency that has a potential deficiency included on the secretary' s list, by November 15 each year.

EFFECTIVE DATE: October 1, 2019

§ 390 — SALES AND USE TAX IMPOSED ON SAFETY APPAREL

Eliminates the sales and use tax exemption for safety apparel

The bill eliminates the sales and use tax exemption for "safety apparel," which current law defines as clothing and protective equipment worn by employees at work.

EFFECTIVE DATE: January 1, 2020