General Assembly

Amendment

January Session, 2019

LCO No. 10657

Offered by:
REP. KLARIDES, 114th Dist.
REP. CANDELORA, 86th Dist.
REP. O’DEA, 125th Dist.
REP. O’NEILL, 69th Dist.

REP. KOKORUDA, 101st Dist.
REP. ZUPKUS, 89th Dist.
REP. DAVIS C., 57th Dist.
REP. LAVIELLE, 143rd Dist.

To: House Bill No. 7424

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

1 In line T469, strike "15,400,000" and substitute "11,262,000" in lieu thereof

2 In line T469, strike "16,000,000" and substitute "11,862,000" in lieu thereof

3 In line T470, adjust AGENCY TOTAL accordingly

4 In line T612, adjust NET - GENERAL FUND accordingly

5 In line T1294, strike the two instances of "9,221,035" and insert...
"5,221,035" in lieu thereof

In line T1383, adjust TOTALS accordingly

Strike sections 82 to 86, inclusive, and 88 to 90, inclusive, in their entirety and renumber the remaining sections and internal references accordingly

After the last section, add the following and renumber sections and internal references accordingly:

"Sec. 501. (NEW) (Effective from passage) (a) Notwithstanding the provisions of chapter 167a of the general statutes and any actuarial assumptions adopted by the Teachers' Retirement Board pursuant to said chapter, on and after the effective date of this section, the credited interest percentage for member accounts shall be not more than four per cent per annum and the return assumption shall be six and nine-tenths per cent per annum.

(b) The Teachers' Retirement Board shall, on or before July 1, 2019, and notwithstanding the provisions of subsection (a) of section 10-183z of the general statutes: (1) Request a revised actuarial valuation for the fiscal years ending June 30, 2020, and June 30, 2021, based on changes to the credited interest percentage for member accounts and the return assumption pursuant to subsection (a) of this section and death benefits calculated pursuant to subsection (h) of section 10-183g of the general statutes; and (2) certify to the General Assembly for such fiscal years the amount necessary, based on such revised actuarial valuation, to maintain the Teachers' Retirement Fund on an actuarial reserve basis.

Sec. 502. Subsection (a) of section 10-183z of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(a) The retirement system for teachers shall be funded on an actuarial reserve basis. The retirement board shall, on or before
December first, annually, certify to the General Assembly the amount necessary, on the basis of an actuarial determination to establish and maintain the retirement fund on such determined actuarial reserve basis and make such other recommendations with regard to the fund and its administration as the board deems necessary. [For the fiscal year ending June 30, 2020, and each fiscal year thereafter, the retirement board shall, in making such actuarial determination, assume that the amount of the contributions required to be withheld under this chapter is six per cent "regular contributions" instead of seven per cent "regular contributions".] On the basis of each evaluation, the retirement board shall redetermine the normal rate of contribution and, until it is amortized, the unfunded past service liability. The General Assembly shall review the board's recommendations and certification and shall appropriate to the retirement fund the amount certified by the retirement board as necessary provided said certification is in compliance with this section.

Sec. 503. (NEW) *(Effective July 1, 2019)* Notwithstanding the provisions of chapter 157 of the general statutes, no grant authorized under said chapter shall be paid during the fiscal years ending June 30, 2020, and June 30, 2021. Notwithstanding the provisions of chapter 157 of the general statutes and section 3-69a of the general statutes, all moneys in the Citizens' Election Fund shall be transferred from said fund and credited to the resources of the General Fund for the fiscal years ending June 30, 2020, and June 30, 2021.

Sec. 504. *(Effective from passage)* (a) For the fiscal years ending June 30, 2020, and June 30, 2021, all state employees who are not members of a collective bargaining unit shall take three unpaid furlough days per fiscal year.

(b) Any unpaid furlough days taken pursuant to this section shall be treated as voluntary schedule reductions pursuant to the provisions in effect on the effective date of this section, of (1) section 5-248c of the general statutes, and (2) section 5-248c-3 of the regulations of Connecticut state agencies, and wage credit for such days shall be in
accordance with the practice in effect on the effective date of this section.

Sec. 505. (Effective from passage) The State Contracting Standards Board shall develop a procurement plan for state contracting agencies to achieve twenty-five million dollars in savings for the fiscal year ending June 30, 2020, and forty million dollars in savings for the fiscal year ending June 30, 2021. Not later than August 1, 2019, the State Contracting Standards Board shall submit such plan to the Governor and the Secretary of the Office of Policy and Management for implementation of such plan. The Secretary of the Office of Policy and Management may make reductions in allotments to state contracting agencies during said fiscal years to achieve such savings.

Sec. 506. (Effective July 1, 2019) The Secretary of the Office of Policy and Management may make reductions in allotments to the Department of Mental Health and Addiction Services, for the fiscal years ending June 30, 2020, and June 30, 2021, in order to achieve privatization savings in the General Fund of $2,250,000 during the fiscal year ending June 30, 2020, and $4,250,000 during the fiscal year ending June 30, 2021.

Sec. 507. (Effective from passage) The Department of Administrative Services shall develop and implement a plan to provide the personnel, payroll, affirmative action and business office functions under section 60 of public act 05-251 to additional state agencies, to achieve five million dollars in savings for the fiscal year ending June 30, 2020, and ten million dollars in savings for the fiscal year ending June 30, 2021.

Sec. 508. Section 12-704e of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(a) Any resident of this state, as defined in subdivision (1) of subsection (a) of section 12-701, who is subject to the tax imposed under this chapter for any taxable year commencing prior to January 1, 2019, and on or after January 1, 2021, shall be allowed a credit against the tax otherwise due under this chapter in an amount equal to the
applicable percentage, as defined in subsection (e) of this section, of
the earned income credit claimed and allowed for the same taxable
year under Section 32 of the Internal Revenue Code, as defined in
subsection (a) of section 12-701.

(b) If the amount of the credit allowed pursuant to this section
exceeds the taxpayer's liability for the tax imposed under this chapter,
the Commissioner of Revenue Services shall treat such excess as an
overpayment and, except as provided under section 12-739 or 12-742,
shall refund the amount of such excess, without interest, to the
taxpayer.

(c) If a married individual who is otherwise eligible for the credit
allowed hereunder has filed a joint federal income tax return for the
taxable year, but is required to file a separate return under this chapter
for such taxable year, the credit for which such individual is eligible
under this section shall be an amount equal to the applicable
percentage, as defined in subsection (e) of this section, of the earned
income credit claimed and allowed for such taxable year under said
Section 32 of the Internal Revenue Code multiplied by a fraction, the
numerator of which is such individual's federal adjusted gross income,
as reported on such individual's separate return under this chapter,
and the denominator of which is the federal adjusted gross income, as
reported on the joint federal income tax return.

(d) To the extent permitted under federal law, any state or federal
earned income tax credit shall not be counted as income when received
by an individual who is an applicant for, or recipient of, benefits or
services under any state or federal program that provides such benefits
or services based on need, nor shall any such earned income tax credit
be counted as resources, for the purpose of determining the
individual's or any other individual's eligibility for such benefits or
services, or the amount of such benefits or services.

(e) For purposes of this section, "applicable percentage" means
twenty-three per cent.
Sec. 509. (Effective July 1, 2019) Each commissioner or chief of any budgeted agency, as defined in section 4-69 of the general statutes, shall implement a hard hiring freeze for the fiscal years ending June 30, 2020 and June 30, 2021.

Sec. 510. (Effective July 1, 2019) Not later than June 30, 2019, the Comptroller shall designate $372,800,000 of the resources of the General Fund for the fiscal year ending June 30, 2019, to be accounted for as revenue of the General Fund for the fiscal year ending June 30, 2020, and $183,400,000 of such amount shall be made available for the state's contribution to the teachers' retirement fund, pursuant to section 10-183z of the general statutes, for the fiscal year ending June 30, 2020.

Sec. 511. (Effective July 1, 2019) Not later than June 30, 2020, the Comptroller shall designate $189,400,000 of the resources of the General Fund for the fiscal year ending June 30, 2020, to be accounted for as revenue of the General Fund for the fiscal year ending June 30, 2021, and made available for the state's contribution to the teachers' retirement fund, pursuant to section 10-183z of the general statutes, for the fiscal year ending June 30, 2021.

Sec. 512. (Effective July 1, 2019) Upon the determination by the Secretary of the Office of Policy and Management of the amount of savings within the General Fund derived from any amendment to house bill 7424 of the current session for each of the fiscal years ending June 30, 2020, and June 30, 2021, the secretary shall make such amounts available for the state's contribution to the Teachers' Retirement Fund, pursuant to section 10-183z of the general statutes, for each said fiscal year."

This act shall take effect as follows and shall amend the following sections:

<table>
<thead>
<tr>
<th>Section</th>
<th>Effective Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 501</td>
<td>from passage</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 502</td>
<td>July 1, 2019</td>
<td>10-183z(a)</td>
</tr>
<tr>
<td>Sec. 503</td>
<td>July 1, 2019</td>
<td>New section</td>
</tr>
<tr>
<td>Section</td>
<td>Date</td>
<td>Status</td>
</tr>
<tr>
<td>---------</td>
<td>-------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Sec. 504</td>
<td>from passage</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 505</td>
<td>from passage</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 506</td>
<td>July 1, 2019</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 507</td>
<td>from passage</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 508</td>
<td>July 1, 2019</td>
<td>12-704e</td>
</tr>
<tr>
<td>Sec. 509</td>
<td>July 1, 2019</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 510</td>
<td>July 1, 2019</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 511</td>
<td>July 1, 2019</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 512</td>
<td>July 1, 2019</td>
<td>New section</td>
</tr>
</tbody>
</table>