

# OFFICE OF FISCAL ANALYSIS

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HB-7424

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

AMENDMENT

LCO No.: 10636

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## ***OFA Fiscal Note***

### ***See Fiscal Note Details***

The amendment:

(1) Eliminates the provision of the bill reducing the Personal Income Tax credit for Pass-Through Entity Taxes paid. This results in a revenue loss of \$50 million annually beginning in FY 20.

(2) Requires that no Citizens' Election Program grant be paid in FY 20 and FY 21 in Section 501. This section further requires that all funds in the Citizens' Election Fund (CEF) be transferred to the General Fund (GF) in both FY 20 and FY 21. Approximately \$21.5 million in FY 20 and \$11.5 million in FY 21 is anticipated to be transferred from the CEF to the GF.

(3) Allows the Office of Policy and Management to make allotment reductions to the Department of Mental Health and Addiction Services to achieve privatization savings, which results in savings of \$2,250,000 in FY 20 and \$4,250,000 in FY 21, in Section 504.

(4) Requires non-union state employees to take three furlough days, in Section 502. This would save \$4.1 million in both FY 20 and FY 21.

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6/3/19  
(FN)

(5) Requires the State Contracting Standards Board (SCSB) to develop a procurement plan for state contracting agencies in order to achieve savings of \$25 million in FY 20 and \$35 million in FY 21, in Section 503. This section further requires SCSB to submit such plan to the Governor and Secretary of the Office of Policy and Management for implementation of such plan by August 1, 2019.

(6) Requires the Department of Administrative Services to implement a plan to consolidate personnel, payroll, affirmative action and business office functions to achieve \$5 million in savings in FY 20 and \$10 million in savings in FY 21, in Section 505.

(7) Requires each commissioner or chief of any budgeted agency to implement a hard hiring freeze, in Section 506. This is estimated to save \$35 million in FY 20 and \$100 million in FY 21.

(8) Reduces the Bioscience account appropriation to the University of Connecticut Health Center in the bill by \$4,138,000 in both FY 20 and FY 21. This results in a savings to the General Fund totaling approximately \$8.2 million in both FY 20 and FY 21, including approximately \$4 million which will accrue to the Office of the State Comptroller - Fringe Benefits.

(9) Reduces the Connecticut State University appropriation to the Connecticut State Colleges and Universities by \$150,000 in both FY 20 and FY 21, which results in an equivalent savings to the General Fund. The amendment also eliminates the requirement that these funds be use for the O'Neill Endowed Chair.

(10) Reduces the FY 20 and FY 21 College & Hospital PILOT grant to Middletown by \$4 million. This results in a savings to the General Fund, and a corresponding revenue loss to the City of Middletown.

(11) Removes the restrictions on the property tax credit for the 2019 and 2020 income years under the Personal Income Tax included in the underlying bill. This results in a revenue loss of \$53 million in FY 20 and FY 21.

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*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*