

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

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.: 10647

OFA Fiscal Note

See Fiscal Note Details

The amendment:

(1) Eliminates the Connecticut Retirement Security Authority, which does not result in any fiscal impact.

(2) Accelerates the date of repeal of Business Entity Tax included in Sections 338-339 of the underlying bill, which results in a revenue loss of \$11 million in FY 20 only.

(3) Accelerates the phase-out of the capital stock tax included in Section 340 of the underlying bill. This results in a revenue loss of \$5.7 million in FY 20 and \$9.5 million in FY 21.

(4) Eliminates the provisions of the bill increasing the annual filing fees for LLC's and LLP's, which results in a revenue loss of \$12 million annually beginning in FY 21.

(5) Results in savings of \$2,250,000 in FY 21 and \$4,250,000 in FY 22 as Section 504 allows the Office of Policy and Management to make allotment reductions to the Department of Mental Health and Addiction Services to achieve privatization savings.

(6) Reduces the FY 20 and FY 21 College & Hospital PILOT grant to

Primary Analyst: RJW
Contributing Analyst(s):

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Middletown by \$4 million. This results in a savings to the General Fund, and a corresponding revenue loss to the City of Middletown.

(7) Repeals administrative changes to sSB 1, which has no fiscal impact.

(8) Requires the Department of Insurance to adopt regulations to establish and implement standards for individual and group short-term disability and family leave income protection coverage for employees in Section 513, and makes related changes in Sections 514 through 521. These sections have no fiscal impact.

(9) 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.

(10) Eliminates the annual percentage increase in the minimum wage based on the employment cost index in Section 506, reducing the associated costs in FY 24 and beyond.

(11) 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.

(12) 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.

(13) 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 \$60 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.

(14) 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.

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.