

OFFICE OF FISCAL ANALYSIS

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sHB-6439

AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM
ENDING JUNE THIRTIETH, 2023, AND MAKING
APPROPRIATIONS THEREFOR.

OFA Fiscal Note

State Impact: See Below

Municipal Impact: See Below

Explanation

The Appropriations Committee budget includes appropriations in nine funds totaling \$22.6 billion in FY 22 and \$23.5 billion in FY 23 as summarized in the table below.

Fund Summary

Gross Appropriations by Fund	FY 22 \$	FY 23 \$
General Fund	20,644,118,544	21,463,976,380
Special Transportation Fund	1,831,191,586	1,934,009,438
Banking Fund	29,426,724	29,521,021
Insurance Fund	120,836,466	122,471,874
Consumer Counsel and Public Utility Control Fund	30,799,823	30,976,441
Workers' Compensation Fund	25,982,461	26,328,693
Mashantucket Pequot and Criminal Injuries Compensation	51,472,796	51,472,796
Tourism Fund	14,290,007	14,290,007
Total Gross Appropriations	22,751,052,495	23,675,980,738
General Fund Lapses		
Unallocated Lapse	(60,215,570)	(36,215,570)
Unallocated Lapse - Judicial	(5,000,000)	(5,000,000)
CREATES Savings Initiative Lapse	(4,607,283)	(73,487,242)
Total General Fund Lapses	(69,822,853)	(114,702,812)
Transportation Fund Lapses		
Unallocated Lapse	(12,000,000)	(12,000,000)

Primary Analyst: RJW

Contributing Analyst(s): SB, DC, ME, CG, EMG, WL, PM, AN, MP,
CP, MR, PR, ES, JS, CW

5/7/21

Gross Appropriations by Fund	FY 22 \$	FY 23 \$
Temporary Federal Support for Transportation Operations	(100,000,000)	(100,000,000)
Total Transportation Fund Lapses	(112,000,000)	(112,000,000)
Net Appropriations by Fund		
General Fund	20,574,295,691	21,349,273,568
Special Transportation Fund	1,719,191,586	1,822,009,438
Banking Fund	29,426,724	29,521,021
Insurance Fund	120,836,466	122,471,874
Consumer Counsel and Public Utility Control Fund	30,799,823	30,976,441
Workers' Compensation Fund	25,982,461	26,328,693
Mashantucket Pequot and Criminal Injuries Compensation	51,472,796	51,472,796
Tourism Fund	14,290,007	14,290,007
Total Net Appropriations	22,569,229,642	23,449,277,926

Spending Cap

The budget is under the spending cap by \$2.4 million in FY 22 and \$15.6 million in FY 23. These calculations assume a deficiency appropriation of \$7.6 million in FY 21 to the OPM Private Provider account. Further, the FY 23 base has been adjusted to reflect the previously-scheduled elimination of the exemption for unfunded liabilities of the State Employees Retirement System and the Judges Retirement System in that year per CGS Sec. 2-33a.

Growth Rate

The FY 22 growth rate for all appropriated funds is 1.8% over FY 21 estimated expenditures. The FY 23 growth rate is 3.7% over FY 22. See the table below for details.

FY 22 and FY 23 Budget Growth Rates (by fund - in millions)

Fund	FY 21	FY 22	FY		FY 23	FY 23	
	Approp.	Approp.	Change		Approp.	Change	
	\$	\$	\$	%	\$	\$	%
General	20,086.	20,574.3			21,349.3		3.77%
Transportation	1,816.	1,719.2		-	1,822.0		5.98%
Other Approp.	267.	275.7			278.0		0.82%
TOTAL	22,170.	22,569.2			23,449.3		3.70%

Back of the Budget Language

Sections 10 - 34 of the back of budget language are identified below.

Section	Agency	Description
10	OPM/Judicial	OPM is authorized to make reductions in executive branch expenditures for FY 22 by \$60,215,570 and FY 23 by \$36,215,570. OPM is also authorized to make reductions in Judicial Department expenditures for FY 22 and FY 23 by \$5 million.
11	OPM/Various	Authorized to make reductions of \$4,607,283 in FY 22 and \$73,487,242 in FY 23 to achieve retirement, restructuring or efficiency savings.
12	DOT/OPM	OPM may reduce DOT expenditures in each of FY 22 and FY 23 by \$100,000,000 to reflect use of federal stimulus funds directed for transportation programs and projects.
13	OPM	Specifies certain areas that OPM may not reduce in order to achieve the unallocated lapses in FY 22 and FY 23.
14	DSS/DCF	Allows the Department of Social Services (DSS) and Department of Children and Families (DCF) to establish an account to allow for the receipt of reimbursement anticipated from the federal government. This allows the state to receive revenue as anticipated in the budget.
15	OPM	Exempts appropriations authorized for purposes of complying with Generally Accepted Accounting Principles (GAAP) from the quarterly allotment process pursuant to Section 4-85 of the Connecticut General Statutes. This provision has no fiscal impact since these funds are nonprogrammatic and are only used in conjunction to close out the end of the fiscal year in accordance with GAAP.
16	RSA/OPM	OPM is authorized to transfer amounts appropriated for Personal Services from agencies to the Reserve for Salary Adjustment (RSA) account to reflect a more accurate impact of collective bargaining related costs. OPM is authorized to transfer funds from the RSA account to any agency in any appropriated fund for salary increases, accrual payments or any other personal services adjustment necessary.
17	RSA/OPM	Allows for the unexpended funds for collective bargaining costs (RSA) to be carried forward from FY 21 into FY 22 and FY 23. Also allows for the unexpended funds for collective bargaining costs (RSA) to be carried forward from FY 22 into FY 23.
18	Various	Allows for the transfer of funds between agencies via the use of FAC to maximize federal matching funds. This allows any General Fund appropriation to be transferred between agencies to maximize federal funding with FAC approval. Funds generated through

Section	Agency	Description
		transfer may be used to reimburse GF expenditures or expand programs as determined by Governor and with FAC approval.
19	Various	Allows for the adjustments to appropriations, with the approval of FAC, to maximize federal funding available to the state. This allows any General Fund appropriation to be adjusted by the Governor with FAC approval in order to maximize federal funding.
20	UCHC/DSS	Allows for the transfer of appropriated funds from the UConn Health Center to DSS's Medicaid account to maximize federal reimbursement. This allows the state to receive revenue as anticipated in the budget.
21	DSS/DMHAS	Directs DSS to make Disproportionate Share (DSH) payments to hospitals in the Department of Mental Health and Addiction Services (DMHAS) for operating expense and related fringes. This allows the state to receive revenue as anticipated in the budget.
22	SDE/OEC	Transfers \$1 million in both FY 22 and FY 23 of Part B IDEA (federal funds) from SDE to the Office of Early Childhood for the Birth-to-Three Program.
23	SDE	Ensures that money appropriated for the Priority School District grant in FY 22 and FY 23 is spent in the appropriate year, and through the appropriate sub-grant. This allows eligible school districts to receive funding.
24(a)	DDS	Requires that DDS receive 80% reimbursement from private providers when actual expenditures are less than the amount received from the department in both FY 22 and FY 23. DDS shall report to OPM the funding retained by the contracted providers.
24(b)	DMHAS	Requires that DMHAS receive 100% of reimbursement (or an alternative amount identified by the agency) from private providers where their actual expenditures are less than the amount received from the department for both FY 22 and FY 23.
25	OPM	Specifies the formula for FY 22 and FY 23 motor vehicle tax grants, totaling \$32.3 million in both fiscal years. This ensures that towns will receive the same amount of Motor Vehicle Tax funding in FY 22 and FY 23 that they received in FY 21. Under current law, OPM is required to make motor vehicle grants via the Municipal Revenue Sharing Account beginning in FY 22.
26	OLM	In distributing funding in Section 1 of the bill this section directs OLM to apply terms consistent with those contained in the 2017 SEBAC agreement to nonpartisan staff for FY 22 and FY 23.
27	OPM	OPM shall allocate funding of \$30 million in both FY 22 and FY 24 in the Private Providers account to

Section	Agency	Description
		support funding increases for contracted private providers of health and human services contracted by the state and report to the Appropriations Committee.
28	SDE	Requires the State Department of Education (SDE) to submit a report comparing, on a regional basis, salaries paid by the technical education and career schools and salaries paid by public schools and does not result in a fiscal impact.
29	SDE	SDE shall provide \$500,000 in FY 22 and \$1 million in FY 23, from the Other Expenses account, to expand the Career Pathways Pre-Apprenticeship Technology Collaborative administered by The Justice Education Center, Inc.
29(b)	SDE	SDE shall provide \$100,000 in FY 22 and FY 23 for the Connecticut Writing Project at the University of Connecticut and Fairfield University for the operation of the Connecticut Writing Project.
29(c)	SDE	SDE shall provide \$50,000 in FY 22 and FY 23 from the After-School Program to FIRST Robotics Competition (FRC) teams in municipalities with a population greater than 50,000, provided no grant exceeds \$10,000.
29(d)	SDE	SDE shall provide \$400,000 in FY 22 and FY 23 from Other Expenses, for grants in the amount of \$200,000 to the towns of Groton and Thompson, to be used in accordance with these towns' Alliance District plans.
30	SDE	Requires SDE to use \$2,418,000 in Regional Vocational-Technical School System funds to hire up to 17 world languages teachers. Allows SDE to use funds available starting January 1, 2022 to hire up to 14 teachers within the system for any shortage area.
31	Various	Carries forward up to \$128,260,401 of the unexpended balance of funds appropriated to DSS under Medicaid for the following purposes:
31(1)	DSS	Up to \$1.5 million in both FY 22 and FY 23 to DSS to support increasing the personal needs allowance to \$75.
31(2)	DSS	Up to \$150,000 in both FY 22 and FY 23 to DSS for the Jewish Federation Association of Connecticut (\$100,000) and New Covenant Center (\$50,000).
31(3)	CT Airport Authority	Up to \$4 million in both FY 22 and FY 23 to the Connecticut Airport Authority.
31(4)	DEEP	Up to \$2.5 million in both FY 22 and FY 23 for deposit into the passport to the parks account.
31(5(A))	BOR	Up to \$14 million in FY 22 and \$15 million in FY 23 to the Board of Regents for Debt-Free Community College.
31(5(B))	BOR	Up to \$21,332,962 in FY 22 and \$22,165,000 in FY 23 to the Board of Regents for the community college block grant account. This will not result in associated

Section	Agency	Description
		General Fund payment of fringe benefits through the Office of the State Comptroller.
31(5(C))	BOR	Up to \$8,052,605 in FY 22 and \$8,822,583 in FY 23 to the Board of Regents for the Connecticut state universities block grant account. This will not result in associated General Fund payment of fringe benefits through the Office of the State Comptroller.
31(6)	UOC	Up to \$7,516,899 in FY 22 and \$8,570,352 in FY 23 to the University of Connecticut. This will not result in associated General Fund payment of fringe benefits through the Office of the State Comptroller.
31(7(A))	DCF	Up to \$300,000 in both FY 22 and FY 23 to DCF to support grants of \$100,000 each to True Colors, Inc., r kids Family Center, and Madonna Place.
31(7(B))	DCF	Up to \$500,000 in both FY 22 and FY 23 to DCF for Youth Service Bureaus and Juvenile Review Boards.
31(8)	DOC	Up to \$100,000 in both FY 22 and FY 23 to DOC for a grant to EMERGE Connecticut, Inc.
31(9)	DOH	Up to \$50,000 in both FY 22 and FY 23 to DOH for a grant to House of Bread.
31(10)	DOL	Up to \$100,000 in both FY 22 and FY 23 to DOL for a grant to Stamford Cradle to Career.
31(11)	JUD	Up to \$800,000 in both FY 22 and FY 23 to JUD for grants in each year to: RYASAP Bridgeport (\$150,000), Upper Albany Neighborhood Collaborative (\$250,000), Connecticut Violence Intervention Program (\$100,000), Hartford Communities That Care (\$100,000), Street Safe Bridgeport (\$100,000), Prudence Crandall Center (\$100,000).
31(12)	OPM	Up to \$250,000 in both FY 22 and FY 23 to OPM for Project Longevity.
31(13)	SDE	Up to \$1,150,000 in both FY 22 and FY 23 to SDE for grants in each year to: Color a Positive Thought Bridgeport (\$100,000), Wilson-Gray YMCA (\$250,000), Boys & Girls Club of Stamford (\$100,000), Reach Out and Read (\$150,000), Walter Lockett Foundation (\$100,000), Andover, Hebron and Marlborough (AHM) Youth and Family Services (\$100,000), Boys & Girls Club of New London (\$100,000), Youth Arts (\$250,000).
32 - 34	OPM	Distributes \$126.0 million in Municipal Stabilization, Municipal Revenue Sharing, and Pequot funding in both FY 22 and FY 23.

The Out Years

State Impact: None

Municipal Impact: None

Projected Expenditures FY 24 - FY 26 (in millions)

Fund	FY 24 \$	FY 25 \$	FY 26 \$
General	21,851.2	22,325.9	22,749.4
Transportation	1,926.4	2,021.3	2,108.2
Other Funds	278.0	278.0	278.0
Total	24,055.6	24,625.2	25,135.6