

OFFICE OF FISCAL ANALYSIS

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EMERGENCY CERTIFICATION

HB-6689

AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH, 2023, AND MAKING APPROPRIATIONS THEREFOR, AND MAKING DEFICIENCY AND ADDITIONAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE THIRTIETH, 2021.

OFA Fiscal Note

State Impact: See Below

Municipal Impact: See Below

Explanation

The bill includes appropriations in nine funds totaling \$22.7 billion in FY 22 and \$23.6 billion in FY 23. The table below summarizes the appropriations by fund.

Fund Summary

Gross Appropriations by Fund	FY 22 \$	FY 23 \$
General Fund	20,799,817,965	21,661,037,548
Special Transportation Fund	1,833,792,686	1,921,830,975
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	26,608,864	26,955,096
Mashantucket Pequot and Mohegan Fund	51,472,796	51,472,796
Criminal Injuries Compensation Fund	2,934,088	2,934,088
Tourism Fund	13,069,988	13,069,988
Total Gross Appropriations	22,908,759,400	23,860,269,827
General Fund Lapses		
Unallocated Lapse	(43,815,570)	(48,215,570)

Primary Analyst: CP
Contributing Analyst(s):

6/7/21

Unallocated Lapse - Judicial	(5,000,000)	(5,000,000)
CREATES Savings Initiative Lapse	(4,607,283)	(73,487,242)
Total General Fund Lapses	(53,422,853)	(126,702,812)
Transportation Fund Lapses		
Unallocated Lapse	(12,000,000)	(12,000,000)
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	20,746,395,112	21,534,334,736
Special Transportation Fund	1,721,792,686	1,809,830,975
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	26,608,864	26,955,096
Mashantucket Pequot and Mohegan Fund	51,472,796	51,472,796
Criminal Injuries Compensation Fund	2,934,088	2,934,088
Tourism Fund	13,069,988	13,069,988
Total Net Appropriations	22,743,336,547	23,621,567,015

Spending Cap

The bill is under the spending cap by \$22.2 million in FY 22 and \$35.7 million in FY 23.

Growth Rate

The FY 22 growth rate for all appropriated funds is 2.6% over the FY 21 appropriation. The FY 23 growth rate for all appropriated funds is 3.9% over the FY 22 appropriation. See the table below for details.

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

Fund	FY 21	FY 22	FY 22		FY 23	FY 23	
	Approp.	Approp.	Change		Approp.	Change	
	\$	\$	\$	%	\$	\$	%
General	20,086.3	20,746.4	660.1	3.3%	21,534.3	787.9	3.8%
Transportation	1,816.3	1,721.8	(94.5)	(5.2%)	1,809.8	88.0	5.1%
Other Appropriated	267.8	275.1	7.3	2.7%	277.4	2.3	0.8%
TOTAL	22,170.4	22,743.3	572.9	2.6%	23,621.6	878.2	3.9%

Sections 10 - 41 are Identified Below

Section	Agency	Description
10(a)	OPM/Various	OPM shall recommend reductions in executive branch expenditures to achieve budget savings in the General Fund by \$43,815,570 in FY 22 and \$43,215,570 in FY 23. Those shall not apply to The University of Connecticut Health Center.
10(b)	OPM/Judicial	OPM shall recommend reductions in Judicial Department expenditures to achieve budget savings, for FY 22 and FY 23 by \$5 million. Such reductions shall be achieved as determined by the Chief Justice and Chief Public Defender.
11	OPM/Various	OPM shall recommend reductions in executive branch agencies for retirement, restructuring or efficiency savings in the General Fund of \$4,607,283 for FY 22, and \$73,487,242 for FY 23. The provisions of this section shall not apply to The University of Connecticut Health Center.
12(a) & 12(b)	DOT/OPM	(a) OPM is authorized to make reductions in executive branch expenditures within the STF for each of FY 22 and FY 23 by \$12,000,000. (b) OPM is authorized to make reductions in 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/Various	OPM cannot reduce allotments to achieve unallocated lapses in FY 22 and FY 23 in municipal aid, education equalization aid grants, mental health and substance abuse services, Connecticut Children's Medical Center, Justice Education Center, Connecticut Youth Employment program, fire training schools, Youth Violence Initiative, Youth Services Prevention, Capitol Child Development Center, the Probate Court, Juvenile Justice

Section	Agency	Description
		Outreach Services, the American School for the Deaf.
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 (CGS). This provision has no fiscal impact since these funds are non-programmatic and are only used in conjunction to close out the end of the fiscal year in accordance with GAAP.
16 (a)	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.
16 (b)	RSA/OPM	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 (a)	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.
17 (b)	RSA/OPM	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.

Section	Agency	Description
		Funds generated through 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. The Governor shall present a plan for any such transfer.
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 20 and FY 21 of Part B IDEA (federal funds) from SDE to the Office of Early Childhood for the Birth-to-Three Program.
23(a)(b)	SDE	Ensures that money appropriated for the Priority School District grant in FY 20 and FY 21 is spent in the appropriate year, and through the appropriate sub-grant. This allows eligible school districts to receive funding.
24	OLM	Office of Legislative Management shall apply terms consistent with those contained in section I(c) of Attachment F to the ratified 2017 SEBAC agreement, dated June 25, 2017, between the state and the State Employees Bargaining Agent

Section	Agency	Description
		Coalition, approved pursuant to subsection (f) of section 5-278 of the general statutes, and applicable to the fiscal years ending June 30, 2020, and June 30, 2021, to nonpartisan legislative employees for the fiscal years ending June 30, 2022, and June 30, 2023.
25	OPM/Various	OPM shall allocate funding of \$40 million in FY 22 and \$80 million in FY 23 appropriated in the Private Providers account as follows: (1) \$10 million in both FY 23 and FY 24 for cost of living adjustments to employees who provide state-administered human services in the Departments of Correction, Housing, Public Health, Social Services, Children and Families, Aging and Disability Services and Mental Health and Addiction Services, the Office of Early Childhood and the Judicial Department and (2) \$30 million in FY 22 and \$70 million in FY 23 for costs associated with a settlement between the state and Department of Developmental Services' contracted providers.
26	SDE	Requires SDE to submit a report comparing, on a regional basis, salaries paid by technical education and career schools and salaries paid by public schools.
27(a)	SDE	Provides \$125,000 in both FY 22 and FY 23 for a grant to the Career Pathways Pre-Apprenticeship Technology Collaborative administered by The Justice Education Center, Inc., at Eli Whitney Technical High School in New Haven.
27(b)	SDE	Provides \$500,000 in FY 22, and \$1 million in FY 23 to expand the Career Pathways Pre-Apprenticeship Technology Collaborative administered by The Justice Education Center, Inc.
27(c)	SDE	Provides \$100,000 in both FY 22 and FY 23 to The University of

Section	Agency	Description
		Connecticut and Fairfield University for the operation of the Connecticut Writing Project.
27(d)	SDE	Provides \$50,000 in both FY 22 and FY 23 to the FIRST Robotics Competition (FRC) teams in municipalities with a population greater than fifty thousand, provided no individual grant exceeds \$10,000.
27(e)	SDE	Provides \$400,000 in both FY 22 and FY23 to provide grants totaling \$200,000 to each Groton and Thompson to be used in accordance with the plan developed by the local or regional board of education for each town pursuant to section 10-262u of the general statutes.
27(f)	SDE	Provides \$463,479 in both FY 22 and FY 23 for a grant to Project Oceanology in Groton.
27(g)	SDE	Provides \$15,000 in both FY 22 and FY 23 for the South Windsor nutritional program.
28	SDE	Provides \$2,418,000 in both FY 22 and FY 23 for the Regional Vocational-Technical School for hiring up to seventeen world languages teachers in the technical education and career schools, except that any funds appropriated in FY 22 remain available on or after January 1, 2022, and any funds appropriated for the fiscal year ending June 30, 2023, may be used for the hiring of up to fourteen teachers for any shortage area in such schools.
29(a)	Various	The unexpended balances in the agencies listed in Section 29(b) do not lapse in FY 21 and are carried forward as described below.
29(b)(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.
29(b)(2)(A)	OPM/DDS	Up to \$2 million in FY 22 and \$21.7 million in FY 23 to OPM in the private providers account for costs associated with a settlement between the state and DDS contracted providers.

Section	Agency	Description
29(b)(2)(B)	OPM/Various	Up to \$13,150,000 in both FY 22 and FY 23 to OPM in the private providers account to support cost of living adjustments to employees who provide state-administered human services in the Departments of Correction, Housing, Public Health, Social Services, Children and Families, Aging and Disability Services and Mental Health and Addiction Services, the Office of Early Childhood and the Judicial Department.
29(b)(3)	DSS	Up to \$40 million in FY 22 to DSS for Medicaid.
29(b)(4)	DEEP	Up to \$2.5 million in both FY 22 and FY 23 for deposit into the passport to the parks account.
29(b)(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.
29(b)(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.
29(b)(5)(c)	BOR	Up to \$22,568,668 in FY 22 and \$25,150,479 in FY 23 to the Board of Regents for the Connecticut state universities block grant account.
29(b)(5)(D)	BOR	Up to \$889,254 in FY 22 and \$988,447 in FY 23 to the Board of Regents for Charter Oak State College.
29(b)(5)(E)	BOR	Up to \$140,000 in both FY 22 and FY 23 to the Board of Regents for Charter Oak State College for costs associated with the waiver of graduation fees.
29(b)(5)(F)	BOR	Up to \$100,000 in both FY 22 and FY 23 to the Board of Regents for the Connecticut state universities block grant account for the Western Connecticut Safety School Program.
29(b)(5)(G),29(b)(6)(E)	BOR,UOC,UHC	The funds provided to the constituent units in 5(A) through 5(F) and 6(A) through 6(D) will not result in associated General Fund payment of fringe benefits through the Office of the State Comptroller.

Section	Agency	Description
29(b)(6)(A)	UOC	Up to \$7,516,899 in FY 22 and \$8,570,352 in FY 23 to the University of Connecticut.
29(b)(6)(B)	UCHC	Up to \$4.9 million in FY 22 and \$30.2 million in FY 23 to the University of Connecticut Health Center.
29(b)(6)(C)	UOC	Up to \$250,000 in both FY 22 and FY 23 to the University of Connecticut's block grant account for the Vets Program.
29(b)(6)(D)	UOC	Up to \$2.5 million in both FY 22 and FY 23 to the University of Connecticut's block grant account for the Connecticut Institute for Resilience & Climate Adaptation.
29(b)(7)	SDE	Provides up to \$600,000 to the American School for the Deaf in FY 22.
29(b)(8)	DOC	Provides up to \$1.7 million in funding to the Department of Correction for Community Support Services in FY 22 and FY 23. These services are provided by private providers for offenders on community release, transitional supervision or parole status.
29(b)(9)	DECD	Provides up to \$15 million in FY 22 for statewide marketing.
29(b)(10)	DAS	Up to \$4,000,000 to the Department of Administrative Services, for Other Expenses, for the fiscal year ending June 30, 2022, and made available to conduct a disparity study and equity study.
29(b)(11)	DOT	Up to \$2,300,000 in FY 22 for DOT to conduct a feasibility study and develop an operational plan concerning ground transportation services in eastern Connecticut.
29(b)(12)	DESPP	Provides up to \$1.35 million in funding to the Department of Emergency Services and Public Protection for fire department support in FY 22.
29(b)(13)	DECD	Provides up to \$20 million in FY 22 and up to \$10.7 million to DECD in the Other Expenses account for grants to Connecticut Humanities.

Section	Agency	Description
29(b)(14)	DAS WC	Up to \$34 million in FY 22 to resolve outstanding workers' compensation claims.
29(b)(15)	DEEP	Provides up to \$5 million to the Department of Energy and Environmental Protection (DEEP) , for Solid Waste Management, for FY 22, to establish and administer a program to support solid waste reduction strategies, including a beverage container recycling grant program.
29(b)(16)	DEEP	Provides up to \$10,000 to DEEP, for Other Expenses, for FY 22, to support initiatives related to sewage spills.
29(b)(17)	DVA	Up to \$20,000 in FY 22 to DVA in the Other Expenses for initiatives related to the Hmong Laotian Special Guerilla Units.
29(b)(18)	DRS	Up to \$30,000 in Other Expenses, in FY 23 for tax system modifications associated with the bottle bill.
29(b)(19)	DECD	Provides up to \$779,853 million in FY 22 and up to \$519,902 in FY 23 in the Other Expenses account for flagship producing theaters.
29(b)(20)	DECD	Provides up to \$2,473,278 million in FY 22 and FY 23 in the Other Expenses account for performing arts centers.
29(b)(21)	DECD	Provides up to \$1,145,259 million in FY 22 and up to \$763,506 in FY 23 in the Other Expenses account for performing arts theaters.
29(b)(22)	DECD	Provides up to \$3 million in FY 22 and FY 23 in the Other Expenses account for small theaters.
29(b)(23)	DECD	Provides up to \$2.5 million in FY 22 and FY 23 in the Other Expenses account for children's museums.
29(b)(24)	DoAG	Provides up to \$250,000 to the Department of Agriculture, for Other Expenses, for each of FY 22 and FY 23, for the costs associated with the Connecticut Veterinary Medical Diagnostic Laboratory.
29(b)(25)	SDE	Provides up to \$360,000 to the State Department of Education, in Other Expenses, for the purposes of model

Section	Agency	Description
		curriculum, in FY 22.
29(b)(26)	SDE	Provides up to \$830,000 to the State Department of Education, in Other Expenses, for the purposes of virtual learning initiatives, in FY 23.
29(b)(27)	DOH	Carries forward FY 21 funding to DOH to provide up to \$5 million in each of FY 22 and FY 23 to fund homeless shelters.
29(b)(28)	OCE	Up to \$1,650,000 in OEC, in Birth to Three in FY 22 and FY 23 for parent fees.
29(b)(29)	DESPP	Provides up to \$200,000 to the Department of Emergency Services and Public Protection for the opioid crisis initiative pilot program in FY 22.
29(b)(30)	SOTS	Up to \$150,000 to the Secretary of the State, in Other Expenses, in FY 22 and FY 23 for election monitor costs in Bridgeport.
29(b)(31)	DVA	Up to \$500,000 in FY 22 to DVA in Other Expenses to reduce reliance on the Institutional General Welfare Account
29(b)(32)	OAG	Provides up to \$650,000 to the Office of the Attorney General, for Other Expenses, for FY 22, to support one-time costs of information technology projects.
29(b)(33)	DEEP	Provides up to \$5 million to DEEP, for Solid Waste Management, for FY 22 and FY 23, and makes these funds available to establish and administer a program to support solid waste reduction strategies.
29(b)(34)	DCF	Up to \$100,000 to DCF, in Other Expenses, in FY 22 for Careline upgrades.
29(b)(35)	DOI	Carries forward FY 21 funding to provide DOI up to \$500,000 in FY 22 in the Other Expenses account for technology expenses, including disaster recovery equipment replacement and actuarial tools.
29(b)(36)	OPM	Up to \$5,000,000 in FY 22 for costs associated with the legalization of cannabis.
29(b)(37)	DECD	Provides \$9,150,000 in FY 22 and

Section	Agency	Description
		\$5,050,000 in FY 23 in the Other Expenses account to support various arts, culture, tourism, and other entities outlined in the bill.
30(a)	APA	Up to \$150,000 of the unexpended balance of funds appropriated to the Auditors of Public Accounts, for Personal Services, in section 1 of public act 19-117, as amended by section 7 of public act 19-1 of the December special session, shall not lapse on June 30, 2021, and such funds shall be transferred to Other Expenses and made available for the purchase of computers and related equipment during the fiscal years ending June 30, 2022, and June 30, 2023.
30(b)	OLM	Up to \$600,000 of the unexpended balance of funds appropriated to Legislative Management, for Other Expenses, in section 1 of public act 19-117, as amended by section 7 of public act 19-1 of the December special session, shall not lapse on June 30, 2021, and such funds shall be carried forward and made available for the purchase of a radio communication system for the State Capitol Police Department during the fiscal years ending June 30, 2022, and June 30, 2023.
30(c)	OLM	The unexpended balance of funds appropriated to Legislative Management, for Redistricting, in section 1 of public act 19-117, as amended by section 7 of public act 19-1 of the December special session, shall not lapse on June 30, 2021, and such funds shall continue to be available for such purpose during the fiscal years ending June 30, 2022, and June 30, 2023.
31	JUD	Distributes \$5.1 million in FY 22 and FY 23 from the Judicial Department Youth Services Prevention account to 157 various organizations. A list of organizations is provided in the bill.
32	JUD	Distributes \$1,995,000 in FY 22 and

Section	Agency	Description
		FY 23 from the Judicial Department Youth Violence Initiative to eight cities: \$375,000 to Bridgeport, \$140,000 to Danbury, \$375,000 to Hartford, \$140,000 to Meriden, \$375,000 to New Haven, \$140,000 to New London, \$350,000 to Waterbury, and \$100,000 to West Haven. A list of organizations is provided in the bill.
33	DEEP	Requires DEEP to submit a report to the Appropriations Committee, no later than January 1, 2022, that details proposed property and facility closures as a result of any reduction in funding for FY 21 and FY 22.
34	Muni Grants	Specifies the distribution of \$37.9 million in Municipal Stabilization grants to towns.
35	Muni Grants	Specifies the distribution of \$36.8 million in appropriated Municipal Revenue Sharing grants to towns.
36	Muni Grants	Specifies the distribution of \$51.5 million in Pequot funding to towns.
37-40	FY 21 Deficiency Appropriations	See below
41	ARPA	Allocates federal American Rescue Plan Act funding of \$1,271.4 million in FY 22, \$1,010.4 million in FY 23 and \$49.9 million in FY 24. Connecticut was allocated a total of \$2,812.2 million in ARPA funding; approximately \$480.5 million is unallocated. See bill for specific list.

Sections 37 & 38 increase net expenditures in FY 21 by \$7.6 million. This results in the FY 21 budget being under the spending cap by \$0.1 million. Please see the table below for detail on Sections 37 – 39.

**General Fund & Transportation Fund
Appropriation Increases and Reductions
(in millions)**

Agency	FY 21 \$
Section 37 - General Fund Increases:	
Dept. of Economic & Community Development	10.5
Office of the Chief Medical Examiner	0.5

Agency	FY 21 \$
Dept. of Correction	1.2
University of Connecticut Health Center	50.0
Total - General Fund Increases	62.1
Section 38 - General Fund Reductions:	
Dept. of Social Services	(55.6)
Total - General Fund Reductions	(55.6)
Section 39 - Transportation Fund Increases:	
Department of Administrative Services	1.1
Total - Transportation Fund Increases	1.1

Section 40 specifies that although \$50 million will be made available in FY 21 to the University of Connecticut Health Center (UCHC) within the Operating Expenses (i.e., block grant) account, to reduce an operating deficit, there will be no associated General Fund payment of fringe benefits through the Office of the State Comptroller. Typically, when Operating Expenses funds defray costs of UCHC employee salaries and wages, the General Fund pays the fringe benefits costs associated with those employees.

The Out Years

Projected Revenues & Expenditures FY 24 - FY 26 (in millions)

Fund	FY 24		FY 25		FY 26	
	Rev.	Expend.	Rev.	Expend.	Rev.	Expend.
General	20,897.5	22,075.4	21,380.7	22,551.5	21,944.8	22,920.8
Transportation	2,062.0	2,002.4	2,095.2	2,083.0	2,129.0	2,160.7
Other Appropriated	277.5	277.4	277.8	277.4	278.2	277.4
Total	23,237.0	24,355.2	23,753.7	24,911.9	24,352.0	25,358.9

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.