

OFFICE OF FISCAL ANALYSIS

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

sSB-241

AN ACT CONCERNING OVERSIGHT AND TRANSPARENCY AT THE CONNECTICUT PORT AUTHORITY.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Department of Administrative Services	GF - Cost	230,000	230,000
State Comptroller - Fringe Benefits ¹	GF - Cost	77,000	77,000
State Contracting Standards Board	GF - Cost	Minimal	Minimal
Treasurer, Debt Serv.	GF - Potential Cost	See Below	See Below
Policy & Mgmt., Off.	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 22 \$	FY 23 \$
New London	Potential Revenue Gain	See Below	See Below

Explanation

Section 1 does not result in a fiscal impact, as it requires the Connecticut Port Authority (CPA) and the Office of Policy and Management, to report, quarterly and annually, respectively, on specified contracts and activity, which is within each agencies'

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.3% of payroll in FY 22 and FY 23.

expertise.

The bill requires the Department of Administrative Services (DAS) to verify various reports provided by the CT Port Authority prior to passing those quarterly reports on to the General Assembly. DAS does not currently have the staff or the expertise to perform this function, nor access to the necessary resources to do such a verification. DAS would need a full-time Accountant and four part-time positions (Staff Attorney, and three Project Managers) plus laptops, office supplies and mileage reimbursements to accommodate these responsibilities.

Sections 2 and 3 include CPA under current State Contracting Standards Board requirements. Minimal impact is expected given current contract levels.

Section 4 authorizes \$25 million of new General Obligation bonds (\$5 million annually from FY 22 through FY 26) and requires a memorandum of understanding that would, if ratified, allocate these new bond funds as they become effective. Total debt repayment is anticipated to be over \$35 million, with the earliest payment of up to \$250,000 possible in FY 23 and final payment as early as FY 46.

Section 5 increases the reimbursement rate for CPA property from 45% to 100%. Property of the Authority, under current statute, is treated as state property for PILOT purposes and reimbursed at 45%. The bill increases the cost to fully fund the State Property PILOT and correspondingly results in a revenue gain to the City of New London, to the extent that additional funding is provided.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the terms of any bonds issued or as otherwise described. The ongoing impact of Section 5 depends on 1) changes in municipal grand lists and 2) on the amount of funding provided for the State Property PILOT grant. PA 21-3 specifies a wealth-based, proportionate distribution method for the

grant in the event that appropriations are insufficient to fully fund the grant.