

# OFFICE OF FISCAL ANALYSIS

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

SB-119

AN ACT CONCERNING CLIMATE RESILIENCY FUNDS AND PROJECTS.

## ***OFA Fiscal Note***

### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 23 \$</b>	<b>FY 24 \$</b>
Department of Energy and Environmental Protection	GF - Potential Cost	367,988	353,946
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Potential Cost	149,146	143,454
Treasurer	Climate Change and Coastal Resiliency Reserve Fund - See Below	See Below	See Below

Note: GF=General Fund

***Municipal Impact:*** None

### ***Explanation***

The bill: (1) authorizes the Treasurer to invest municipal Climate Change and Coastal Resiliency Reserve Funds; and (2) requires the Department of Energy and Environmental Protection (DEEP) to maximize the receipt of federal funds for state and municipal climate change resiliency projects.

This is expected to result in ongoing administrative and investment costs associated with the Climate Change and Coastal Resiliency Reserve Fund. Revenues accrued to the fund will depend on levels of

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<sup>1</sup>The 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 40.53% of payroll in FY 23.

municipal opt-in and subsequent investment return within the fund. The associated costs will be paid using a portion of the investment return.

Additionally, the bill requires DEEP to maximize receipt of federal funds for state and municipal climate change resiliency projects. The bill stipulates that federal fund maximization includes: (1) identifying federal funds; (2) applying for or requesting funds on the state's or a municipality's behalf; and (3) notifying municipalities of eligibility. This may result in costs to the state of \$517,134 in FY 23 and \$497,400 in FY 24, including fringe benefits, to the extent DEEP retains additional staff to apply for federal grants on behalf of municipalities. This estimate includes the assumption that DEEP hires three new Civil Engineer 1's, two new Research Analysts, and one new Environment Analyst 2 to carry out these duties.

Lastly, the bill requires DEEP to report biennially to the Environment Committee beginning by January 1, 2023 on the maximization efforts of these funds. This has no fiscal impact as DEEP currently has staff with expertise for this purpose.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.