

OFFICE OF FISCAL ANALYSIS

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sHB-6754

AN ACT CONCERNING INCENTIVES TO INCREASE
EMPLOYMENT OF INDIVIDUALS WITH INTELLECTUAL
DISABILITY.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Department of Revenue Services	GF - Revenue Loss	None	Less than 150,000
Department of Revenue Services	GF - Cost	Up to 75,000	None
Department of Economic & Community Development	GF - Cost	See Below	See Below
Various State Agencies	Various - Potential Cost	See Below	See Below

Note: GF=General Fund; Various=Various

Municipal Impact: None

Explanation

The bill, which establishes various financial incentives for employers to employ people with intellectual disability, results in the following fiscal impacts:

Section 1 establishes a tax credit for employers who hire employees with intellectual disability, which results in (1) a General Fund revenue loss of less than \$150,000 annually beginning in FY 25, and (2) a one-time cost of up to \$75,000 in FY 24 associated with programming updates to the CTax tax administration system and myconneCT online portal, and form modification.

Section 2 allows the administrative services commissioner to give a

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price preference when purchasing goods and services from a business that has a workforce consisting of at least 10% individuals with intellectual disability. To the extent the Department of Administrative Services provides these businesses a price preference of up to 10%, this results in a potential cost to various state agencies.

Section 3 results in (1) a cost of \$100,000 to \$150,000 annually to the Department of Economic and Community Development to establish a workforce development program and (2) a cost of at least \$100,000 annually to fund the grants awarded under the program.

Administration. The bill allows DECD to enter into an agreement with a third-party contractor to administer the program. It is anticipated that the program will cost \$100,000 to \$150,000 annually for a contractor to administer the program.

Grants. The bill allows the program to award grants:

- up to \$25,000 for organizations with a workforce consisting of at least 10% but not more than 30% individuals with intellectual disability;
- up to \$75,000 for organizations with a workforce that has more than 30% individuals with intellectual disability.

The total cost to support the grants under the program will be dependent upon the number of eligible applicants and awards selected.

For illustrative purposes, if five organizations are awarded \$25,000 by exceeding the 10% threshold and five are awarded \$75,000 by exceeding the 30% threshold, then the total cost of the grants would be \$500,000.

It is unclear what source of funding will support the program's grants as the bill does not provide funding towards the program.

The Out Years

The annualized ongoing cost impact identified above would continue

into the future subject to inflation. The annualized ongoing revenue impact identified above would continue into the future subject to growth patterns in the employment of persons with intellectual disability.

*Sources: American Association of Intellectual and Developmental Disabilities
Moody's Analytics Total Nonagricultural Employment, March 2023 Baseline Scenario
United States Department of Labor Bureau of Labor Statistics "Persons With A Disability: Labor Force Characteristics 2022"*