OFFICE OF FISCAL ANALYSIS

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EMERGENCY CERTIFICATION

HB-5523

AN ACT CONCERNING ALLOCATIONS OF FEDERAL AMERICAN RESCUE PLAN ACT FUNDS AND PROVISIONS RELATED TO GENERAL GOVERNMENT, HUMAN SERVICES, EDUCATION AND THE BIENNIUM ENDING JUNE 30, 2025.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 $	FY 26 $
Various State Agencies	Various - See Below	See Below	See Below

Note: Various=Various

Municipal Impact:

Municipalities	Effect	FY 25 $	FY 26 $
Various Municipalities	See Below	See Below	See Below

Explanation

Section 1 outlines the final allocations of the federal American Rescue Plan Act (ARPA) funds for the purposes detailed in the bill. The reallocations for FY 25 total approximately $372.5 million.

Section 2 allocates $250,000 of an existing carry forward to provide administration of a program.

Section 3 prohibits the Secretary of the Office of Policy and Management from withholding appropriations from the Office of the State Comptroller, the Office of the State Treasurer, or the Office of the Attorney General to meet certain savings authorized pursuant PA 23-204 for FY 25.

Primary Analyst: PR
Contributing Analyst(s):

5/6/24

Section 4(a) temporarily increases the threshold that the Governor can transfer between accounts within an agency before requiring Finance Advisory Commission approval from the lesser of $125,000 or 10% of an account's appropriation to the lesser of $350,000 or 25% of an account's appropriation.

Section 4(b) temporarily permits the Governor to transfer funds between agencies to fund any projected shortfalls in the actuarial determined employer contribution (ADEC): (1) the in the State Employee Retirement System (SERS), (2) the Teachers' Retirement System (TRS), or (3) the Judges Retirement System (JRS).

Section 5 reclassifies $129 million of directed savings authorized by PA 23-204 FY from personal service savings to general savings achieved from all budgeted accounts for FY 25.

Section 6 permits the Secretary of the Office of Policy and Management to reallocate any American Rescue Plan Act (ARPA) funds that remain unspent or are determined not allowable to other allowable uses beginning January 1, 2025.

Section 7 specifies that any unobligated ARPA funds will first go to resolve any agency deficiencies if the Comptroller projects a cumulative FY 25 General Fund deficit of greater than 1% as of October 1, 2024. If no such deficit is projected or there **are** remaining funds after resolving the projected deficit, then any unobligated funds, up to $40 million, shall be distributed to the institutions of higher education. Any remaining obligations after distributing funds to the institutions of higher education shall be used in accordance ARPA guidelines.

Section 8 allows funding of up to $3 million within the Office of Legislative Management's (OLM) minor capital improvement account to be carried forward into FY 25 for the same purpose.

Section 9 allows funding of up to $100,000 within OLM's Statue account to be carried forward into FY 25 for the same purpose.

Section 10 carries forward the unexpended balance of a $1,350,000 carry forward appropriation originally made to the Department of Emergency Services and Public Protection (DESPP) by Special Act 21-15 for the purpose of Marlborough Fire Department facility upgrades.

Section 11 allows funding of up to $120,000 in personal services and up to $50,000 in other expenses within the Commission on Women, Children, Seniors, Equity and Opportunity to be carried forward into FY 25 for the same purposes.

Section 12 requires the Office of Legislative Management to apply terms consistent with the SEBAC 2022 Wage Re-Opener Agreement to the nonpartisan legislative employees resulting in a cost of approximately $2.6 million in FY 25.

Section 13 allows the Probate Court Administration Fund (PCAF) to retain $12 million at the end of FY 24, which results in an estimated loss of $2.3 million in revenue to the General Fund in FY 25. By statute, the PCAF is permitted to retain 15% of their operating balance, $9.7 million, at the end of the fiscal year.

Section 14 formalizes the transfer approved in PA-23-1 SSS in FY 25 of $150,000 from the Secretary of the State (SOTS) to the Elections Enforcement Commission (SEEC).

Section 15 directs $7 million in Medicaid funding appropriated to the Department of Social Services (DSS) in FY 25 for the purpose of providing rate increases for providers of behavioral health services to children in health clinics.

Section 16 allows the Department of Energy and Environmental Protection to disburse funding for a microgrid project at the submarine base in Groton. This results in no fiscal impact as the project was originally awarded the funding in 2021.

Section 17 makes a clarifying change to the Department of Correction's statutes concerning the vocational village program resulting in no fiscal impact to the state.

Section 18 requires OPM in consultation with DOC, to conduct a needs assessment of postsecondary educational programs in correctional facilities and provide a report by January 1, 2025. This results in a one-time cost of $143,800 to OPM in FY 25 for a Durational Project Manager to complete the assessment and report.

Section 19 allows the Judicial Department to carry forward up to $125,000 funds that would otherwise lapse from the Youth Services Prevention account at the end of FY 24. These funds are required to be allocated to the University of New Haven performance-based accountability project in FY 25.

Section 20 allows the Judicial Department to carry forward any funds available at the end of FY 24 to be expended on juvenile programs at the discretion of the Judicial Department in FY 25. It is estimated that they will carry forward approximately $1.1 million from the Youth Services Prevention account and approximately $600,000 from the Youth Violence Initiative account.

Section 21 allocates grants from the Youth Services Prevention account to various organizations totaling $7,127,700 in FY 25.

Section 22 adds applicants who graduate with an associate degree to the pool of eligible recipients who could qualify for the student loan reimbursement program within the Office of Higher Education. Additionally, the section replaces leaving with good academic standing with receiving a hardship waiver for those applicants who did not graduate. To the extent these changes result in additional applicants qualifying for loan reimbursement, there could be higher or lower costs to the Office of Higher Education (OHE) beginning in FY 25. The cost impact is dependent on the number of applicants who are impacted by these changes and the magnitude of their student loan payments.

Sections 23 and 24 make various technical changes to the administration of the grant program funded by the Hartford Sewerage System Repair and Investment Fund including that do not result in a fiscal impact to the state, including: (1) adding a ceiling of $50,000 to be awarded to any applicant, and (2) allowing compensation of judge trial referees to be an expenditure under the fund.

Sections 25 - 30, which limits the capacity of the Department of Administrative Services (DAS) to recover from a deceased person's estate charges for the aid, care, or treatment the person received in a state humane institution, is estimated to result in an annual revenue loss of up to $225,000.

Section 31 eliminates the state's claim for the cost of incarceration for an inmate whose criminal record is erased, resulting in a potential revenue loss to the state to the extent fewer inmates pay for their incarceration.

Section 32 exempts the first $50,000 received in inheritance from any lien by the state regarding a person paying the cost of their incarceration resulting in a potential revenue loss to the state to the extent fewer inmates pay for their incarceration.

Section 33 specifies that any real or personal property that is deemed an asset of the estate can be used to pay for the costs of a person's incarceration resulting in a potential revenue gain to the state to the extent additional inmates pay for their incarceration.

Section 34 results in no fiscal impact. The section makes clarifying changes to DESPP's missing persons information clearinghouse.

Section 35, which specifies the type of hospital the state is required to partner with for a two-year pilot program for persons with autism spectrum disorder, has no fiscal impact to the state.

Section 36 requires the Chief Workforce Officer within the Office of Workforce Strategy (OWS) to report on the recommendations for establishing a career pipeline program and associated funding. It is anticipated that OWS, in consultation with other relevant state agencies, will be able to develop the plan within existing resources and report back the necessary level of funding required for the pipeline program.

Section 37 results in potential savings to the state and municipalities by repealing a section that required DESPP to (1) develop and distribute a form to record information for persons with intellectual and developmental disabilities to municipal police departments and (2) establish a grant program to assist municipalities in implementing a local public safety registration system to incorporate such persons' information in an electronic database maintained by the department and made available to all police officers and public safety answering points.

Sections 38 - 39 align HUSKY C income eligibility with budgeted funds in FY 25, avoiding future costs associated with higher than budgeted eligibility levels.

Section 38 also reduces the effective income eligibility for HUSKY A parents and caretaker relatives from 160% of the federal poverty level (FPL) to 138% FPL, resulting in a Medicaid savings to DSS of $2.1 million in FY 25 and approximately $23 million in FY 26. This assumes the transition of eligible individuals to Covered CT.

Sections 40 - 42 result in an annual cost to the Passport to the Parks account beginning in FY 25, associated with providing funding from the account to Batterson Park and Thames River Heritage Park. The cost will depend on the extent of services provided at Batterson Park, possibly through Riverfront Recapture, and the level of funding provided to the Thames River Heritage Park foundation. Costs associated with the parks may be: (1) at least $250,000 in FY 25 and at least $500,000 in FY 26 (and annually thereafter) for Batterson Park, assuming a relatively passive-use park; and (2) up to $450,000 annually for Thames River Heritage Park. Depending on the level of funding provided, there may also be an annual savings of less than $20,000 each to the towns involved in the parks: Farmington, Groton, Hartford, New Britain, and New London.

Section 43 increases the Passport to the Parks vehicle registration fee from $5 per year of registration to $8 per year starting July 1, 2025, resulting in a revenue gain to the Passport to the Parks account of approximately $10.5 million annually beginning in FY 26. It is anticipated that the account balance will continue to decline before the fee increase takes effect, decreasing from approximately $13.6 million to $6.3 million during the calendar year 2024.

Section 44 results in a cost to the State Comptroller – Fringe Benefits (OSC-FB) account up to $4.5 million for FY 24 and annually thereafter for the fringe benefit cost differential for employees of the University of Connecticut Health Center (UCHC). PA 23-204 provided $4.5 million in FY 24 and $4.3 million in FY 25 in the OSC-FB budget to support UCHC fringe benefit costs.

Sections 45 and 46 require the Department of Public Health (DPH) to provide printed information on Intimate Partner Violence to birthing hospitals and birth centers by 1/1/25, which results in a one-time printing cost to the department of less than $5,000 in FY 25. DPH is also tasked with the electronic distribution of information to obstetricians and other health care providers who practice obstetrics for provision to their pregnant and postpartum patients. This does not result in a fiscal impact to the department. Section 1 allocates $60,000 in APRA funding to DPH in FY 25 for Printed Materials on Intimate Partner Violence.

Section 47 precludes a revenue gain to the state by exempting from the sales and use tax any purchase or lease necessary for the operations of the XL Center.

Section 48 increases, from $80 million to $125 million, the amount of funding that the state or CRDA may provide for renovation costs. Under current law, and unchanged by the bill, the contractor must provide at least $20 million towards the costs.

Section 49 requires the Office of Policy and Management (OPM), in consultation with the Department of Correction, to conduct a needs assessment of postsecondary education programs in correctional facilities and provide a report by January 1, 2025. This results in a one-time cost of $143,800 to OPM in FY 25 for a Durational Project Manager to complete the assessment and report.

Section 50 clarifies the disbursement of Willis Scholarship funds for FY 24 through FY 26 and does not result in a fiscal impact.

Section 51 requires the Connecticut Port Authority (CPA) to submit a quarterly report regarding certain programs, activities, and staffing of the Authority. The CPA can accommodate this provision within existing resources.

Section 52 adds two members to the Transforming Children's Behavioral Health Policy and Planning Committee resulting in no fiscal impact to the state.

Section 53 makes a procedural change regarding FAFSA calculations, to individual need-based student grant amounts for the Willis Scholarship, in FY 25. To the extent that students receive a larger or smaller grant, there could be a corresponding redistribution of financial aid funds among Willis recipients and some students may receive grants who would not qualify under the final FAFSA calculations.

Section 54 increases the amount of a rebate under the Connecticut Hydrogen and Electric Automobile Purchase Rebate (CHEAPR) program for an environmental justice community resident, from up to 100% of a standard rebate to at least 200%, effective from passage. This change results in faster spending of CHEAPR funds, which primarily come from a fee on motor vehicle registrations. Under current projections, the fee generates approximately $9 million annually for the account.

Section 55 expands the use of certain proceeds from Regional Greenhouse Gas Initiative auctions to also include Department of Energy and Environmental Protection (DEEP) programs that support the department’s engagement with environmental justice communities. This section results in less funding devoted to CHEAPR (as currently required starting in FY 24) and more to DEEP environmental justice community engagement, with the magnitude dependent on how DEEP chooses to allocate the funding between the two. It is anticipated that the funding available will total approximately $5.1 million in FY 24. The amount will vary annually based on the level of auction proceeds.

Section 56 allows municipalities with a population of 100,000 or more to retain the distressed municipality designation for ten years instead of five years after it has been removed from the list of distressed municipalities published by the Department of Economic and Community Development each year. This results in a potential revenue gain to any municipality that meets these criteria associated with eligibility for and priority to various grant programs and state funding for distressed municipalities.

Sections 57-59 establish new notice and publication requirements for cigarette dealer license applications and renewals, which results in a General Fund cost to the Department of Revenue Services (DRS) of $25,000 in FY 24 and $10,000 in FY 25 and annually thereafter associated with form development, printing, and mailing. FY 24 includes a one-time cost of $15,000 associated with development of a form to capture the information required under these sections.

Section 59 provides a process for 10 or more people to object to an applicant's suitability or the proposed place of business by filing a remonstrance with DRS for which the agency must hold a hearing. This does not result in any cost as the volume of hearings is not anticipated to be high enough to require additional resources.[1]

Section 60 transfers jurisdiction of the Union Avenue Detention Center from the City of New Haven to the state beginning 1/1/2026 and results in a cost of approximately $1.5 million in FY 26 and approximately $2.3 million annually thereafter to the state and a potential savings to New Haven. The FY 26 estimate reflects a partial year adjustment. It is estimated that the agency responsible for the detention center will have to hire about 25 new staff and incur overtime costs. There will also be expenses for equipment, food, supplies, etc. This

[1]For illustrative purposes, the Department of Consumer Protection received a total of 37 liquor permit remonstrances from March 2019 through March 2024.

will also result in a savings to New Haven beginning in FY 26 associated with resources for this facility that will no longer be necessary. This savings may include up to $1.3 million annually in overtime expenses.

The section may also result in an increase in the Tiered PILOT grant that New Haven receives in the out years and corresponding cost to the Tiered PILOT grant administered by OPM. Current law allows a reimbursement for property taxes for certain juvenile residential centers that were used for incarceration purposes during the preceding fiscal year.

Section 61 – 63 may result in a fiscal impact to the Department of Social Services (DSS) and municipalities related to school-based child health services. Section 1 allocates $800,000 to the Department of Public Health for school-based healthcare.

To the extent that towns are currently supporting services for newly covered students, towns will experience a revenue gain associated with 50% of the federal share of costs. If towns provide additional services to the newly covered population as specified by the bill, towns will incur associated costs (including potential administrative costs), which will be partially offset by the share of federal reimbursement.

This is also anticipated to result in (1) costs to DSS associated with administering the program and increased claims, and (2) increased revenue to the state associated with 50% of the federal share of Medicaid claims for covered students and services.

This assumes the payment structure for services under the bill's expansion aligns with the current methodology. To the extent that the payment and reimbursement process varies, the fiscal impact to the state and towns may be altered.

Section 64 results in a cost to DSS of approximately $100,000 associated with expanding eligibility for the Medicaid for Employees with Disabilities (MED-Connect) program, beginning 4/1/25. Section 1 allocates $100,000 for this purpose.

Section 65 establishes a Bureau of Services for Persons Who Are Deaf, Hard of Hearing or Deafblind within the Department of Aging and Disability Services (ADS). Section 1 allocates $200,000 from the American Rescue Plan Act (ARPA) to fund staff to support the Bureau.

Section 66 - 72 make various changes regarding the Advisory Board for Persons Who are Deaf, Deafblind or Hard of Hearing, and are not expected to have fiscal impacts.

Section 73 requires DSS to increase Medicaid rates for methadone maintenance providers who receive the lowest weekly reimbursement rate. To the extent this requires DSS to provide additional rate increases, it results in a cost to the state.

Section 74 results in a cost of at least $300,000 to DSS by requiring an increase in Medicaid ambulance mileage rates for all emergency and nonemergency transports by $1.18. The agency will incur additional costs to increase rates for other emergency and nonemergency ambulance services rates, unspecified by the bill, and to provide mileage reimbursement for in-town trips.

Section 75 results in a cost to the debt free community college program of approximately $5,650,000 annually, beginning in FY 25. The section doubles the minimum grant awards for the debt free community college program from $250 to $500 for full-time students and from $150 to $300 for part-time students. This is anticipated to result in a cost of approximately $2.6 million annually, beginning in FY 25. Additionally, the section adds out of state high school graduates to the list of eligible grant recipients. This is anticipated to result in an additional cost of approximately $3 million annually, beginning in FY 25. Lastly, the section adds transitional program students to the pool of eligible award recipients, which is anticipated to result in an annual cost of less than $50,000. The section makes other procedural and technical changes that do not result in a fiscal impact.

Section 76 moves out the date by one year for a report required from the Office of Policy and Management (OPM) and the Department of

Energy and Environmental Protection regarding certain recommendations. This does not result in a fiscal impact as the agencies have the expertise necessary for this report.

Section 77 increases the annual municipal grant limit under the Small Town Economic Assistance Program (STEAP), which could result in increased or more rapid use of funds authorized for the program. The program is funded through General Obligation (GO) bond funds. Future General Fund debt service costs may be incurred sooner under the bill to the degree that it causes authorized GO bond funds to be expended or to be expended more rapidly than they otherwise would have been. As of May 1, 2024, the unallocated bond balance available under the relevant authorization is $35 million. An additional $35 million of GO bonds become effective on July 1, 2024, under current law. The bill does not change GO bond authorizations relevant to the program. Additionally, this could result in changes to revenue gains to municipalities that qualify for STEAP grants, to the extent some towns are awarded grants greater than $500,000 and/or other towns are not awarded grants because available funding was used for larger grant amounts elsewhere.

Section 78, which allows full-time state employees to take accrued vacation or personal leave while still within their working test periods, results in no net fiscal cost to the state. Currently certain positions do not permit an employee to take vacation or personal leave during the first six months of employment. The section also requires the Department of Administrative Services (DAS) to adopt policy and procedures to implement this change which does not result in any fiscal impact as the agency has the expertise to accomplish this requirement within available resources.

Section 79, which makes various technical changes regarding department heads, results in no fiscal impact.

Section 80 changes the amortization methodology for the judges, family support magistrates and administrative law judges retirement system (JRS) to a fifteen-year layered approach beginning on July 1, 2024, resulting in reduced unfunded liability contributions of approximately $14.3 million in FY 25 and $14.7 million in FY 26.

The revised methodology associated with Section 80 is anticipated to lower the unfunded actuarial accrued liability (UAAL) payments by approximately $127 million between FY 2025 – 2032 but increase payments by approximately $210 million over the FY 2033 – FY 2039 period resulting in a net increase in UAAL payments by $83 million over the total fifteen-year period. Any additional changes to the UAAL will result in future payments with their own 15-year closed period base associated with the change to a layered approach.

Section 81 requires the State Employees Retirement Commission to prepare and submit a revised actuarial valuation which results in no fiscal impact to the state as the fund will bear the actuarial costs.

Sections 82 – 85 modify the qualifications to be a member municipality of the Municipal Redevelopment Authority (MRDA) and duties of MRDA which are not anticipated to result in a fiscal impact.

Section 86 expands what qualifies as a gift under statute to include travel expenses, lodging, food and benefits when applied to a member of the Investment Advisory Council under certain conditions and results in no fiscal impact to the state or municipalities.

Sections 87 – 88 make technical and conforming changes that have no fiscal impact.

Section 89 has no fiscal impact by eliminating a requirement to the Department of Administrative Services and the Office of Policy and Management to review certain reports from the Connecticut Port Authority.

Section 90 replaces the term "executive director of the Office of Higher Education" with the term "Commissioner of Higher Education" and does not result in a fiscal impact.

Section 91 replaces the term "executive director of the Office of Health Strategy” with the term "Commissioner of Health Strategy" and does not result in a fiscal impact.

Section 92 eliminates the $12 million transfer in FY 25 from the Tobacco Settlement Fund to the Tobacco and Health Trust Funding and instead transfer the same amount to the General Fund.

Sections 93 and 94, which make procedural changes regarding the timing of approval of brand name drugs and prior authorization under certain conditions, is not anticipated to result in a fiscal impact to the state.

Sections 95 – 97 transfer the remaining balance (approximately $750,000) from the Biomedical Research Trust Fund in FY 25.

Section 98 requires the Department of Administrative Services to transition certain regional emergency medical services coordinator positions to classified service, which does not result in a fiscal impact.

Section 99 makes a variety of adjustments to the procedure for requesting data or information and results in no fiscal impact.

Section 100 adds provisions under which the Treasurer could withhold payment of unclaimed property claims. This results in a minimal potential revenue gain for the General Fund to the extent violations happen and subject to the amount of such claims.

Sections 101 - 104 exempt copayment-only health plans from certain copayment caps under individual and group health insurance policies, which is not anticipated to result in a fiscal impact to the state or municipalities as these entities do not use copayment only plans.

Section 105 makes clarifying and procedural changes related to presumptive eligibility determinations and has no fiscal impact.

Section 106 requires that DPH develop a public awareness and educational campaign by 1/1/25 to promote community-based screening for common diseases affecting certain high-risk male populations, which is anticipated to result in a one-time consultant cost of approximately $20,000 in FY 25. Section 1 allocates $375,000 in APRA funding to DPH in FY 25 for Men's Health.

Section 107 creates the Higher Education Financial Sustainability Advisory Board within the Legislative Department resulting in no fiscal impact to the state because the board has the expertise to meet the requirements of the bill.

Section 108 has no fiscal impact. It makes changes regarding appointments to the Education Mandate Review Advisory Council.

Section 109 requires OPM to use DPH population estimates when calculating certain municipal grants for FY 25. Any impact is dependent on if these population estimates differ from those currently used in formulaic grants.

Section 110 adds the Secretary of the Office of Policy and Management as an ex-officio member of the Board of Regents for Higher Education and does not result in a fiscal impact.

Section 111 allows the Legislators Commission Office (LCO) to make technical and grammatical changes to this act, which has no fiscal impact.

Sections 112 - 120 result in costs to the State Department of Education (SDE) estimated to be $759,000 in FY 24 and $58.2 million in FY 25. The FY 25 costs are covered by the existing appropriation to the Education Finance Reform account.

The bill provides a small grant increase to vocational agriculture operators in FY 24, and partially phases in substantial changes to grants for magnet school and vocational agriculture operators in FY 25. The changes primarily offset the capping of tuition to these operators. Under current law, tuition to such operators in FY 25 is capped at 58% of FY 24 levels. The savings to districts from the tuition cap is anticipated to be approximately $41.2 million.

The bill does not specify how grants for magnet school and vocational agriculture operators will be calculated after FY 25.

Section 121 designates $150 million in Education Finance Reform account funding in FY 25. It distributes $139.6 million for (1) the FY 25 cost to SDE of the amendment's changes to magnet school and vocational agriculture grant funding (currently estimated at $58.2 million); and (2) funding sufficient to provide for Education Cost Sharing and Charter School grants under current law ($81.4 million), in combination with the accounts' existing appropriations. It distributes the remaining funding for a variety of initiatives.

The section also specifies that the funding to a variety of initiatives from the Education Finance Reform account shall be expended by September 30, 2024.

Section 122 requires the State Department of Education to develop a plan to convert the State Board of Education to an advisory board within the department. The bill designates $50,000 in FY 25 for this purpose from the Education Finance Reform account.

Section 123 requires the University of Connecticut to conduct a study and develop comprehensive asset and capacity mapping for nonprofits. The bill designates $100,000 in FY 25 for this purpose from the Education Finance Reform account.

Section 124 results in a cost to the State Department of Education estimated to be less than $75,000 in FY 25 and less than $150,000 in FY 26 and annually thereafter. It adds a bonus to the Education Cost Sharing grant for towns that are financially responsible for the education of students who live on Native American tribal lands.

Section 125 requires the State Department of Education to distribute by September 1, 2024 $1.2 million in ARPA funding previously allocated for paraeducator professional development.

Section 126 and 128 result in a cost of $5 million to the state in FY 25 for: (1) expanding the paraeducator health subsidy program established in the biennial budget, PA 23-204, and (2) creating a subsidy program for local or regional boards of education that provide medical coverage to paraeducators to offset the employee's share of the medical premium. PA 23-204 appropriated $5 million to the Department of Education (SDE) in FY 25 for the assistance of paraeducators. The Office of the Comptroller will use these funds through a memorandum of understanding with SDE to cover the costs of the programs outlined above.

Section 127 requires, rather than allows, the State Department of Education (SDE) to allocate funding to the State Education Resource Center. This results in an annual cost to SDE beginning in FY 25 that will vary based on the amount it chooses to allocate. The bill does not specify how much funding SDE must allocate or provide.

Sections 129 – 132 may result in a minimal savings to DEEP beginning in FY 25 associated with potentially fewer public hearings held. The sections allow DEEP to not hold a public hearing for certain permit applications related to transportation capital projects (other than those involving airports) in: (1) wetlands; (2) tidal, coastal, or navigable waters involving certain activities; or (3) within a floodplain, when public participation requirements were met in certain other ways. A public hearing is still required in certain other circumstances, at the discretion of DEEP.

Sections 133 – 136 allow certain quasi-state employees to participate in the state employee health plan which results in a cost to the State Comptroller – Fringe Benefits (OSC-FB) account of up to $1.1 million beginning in FY 25 and annually thereafter dependent on the number of employees that qualify and elect to participate. Each quasi-state agency will reimburse OSC-FB for the state share of medical premiums as well as any other costs incurred for the members' participation resulting in a net zero fiscal impact to the state.

Sections 137 – 242 make various technical and conforming changes with regards to references to agency commissioners, resulting in no fiscal impact.

Sections 243 – 249 provide $340,156,789 in deficiency appropriation to 16 agencies in the General Fund and $6.6 million to three agencies in the Special Transportation Fund. In addition, the bill de-appropriates $283,700,000 across five appropriated funds.

Spending Cap

Of the total $56.5 million net increase in appropriations, $46.5 million is related to the *Carr vs. Becerra* court order which is exempt from the spending cap in FY 24. Consequently, the bill results in a net reduction in spending cap room of $9.9 million (from $10.4 million to $0.5 million under the cap).

The Out Years

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