

OFFICE OF FISCAL ANALYSIS

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sSB-5

AN ACT CONCERNING SCHOOL RESOURCES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Education, Dept.	GF - Cost	90 million to 140 million	90 million to 140 million
Education, Dept.	GF - Potential Cost	See Below	See Below
Department of Emergency Services and Public Protection	GF - Cost	87,954	87,954
State Comptroller - Fringe Benefits ¹	GF - Cost	34,219	34,219
Resources of the General Fund	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
Local and Regional School Districts	Revenue Gain	90 million to 140 million	90 million to 140 million
Various Local Boards of Education	Cost/Revenue Gain	See Below	See Below

Explanation

The bill results in significant costs annually beginning in FY 25 to the State Department of Education (SDE) and the Department of Emergency Services and Public Protection (DESPP). It: (1) uncaps funding for the Excess Cost grant; (2) establishes new requirements of SDE relating to

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 41.25% of payroll in FY 25.

artificial intelligence and to social media; and (3) requires DESPP to administer a new grant program. The bill also makes a minor reporting change that has no fiscal impact.

Section 1 results in a cost to the State Department of Education (SDE), annually beginning in FY 25, of an estimated \$90 million to \$140 million. It requires SDE to annually pay to school districts the full amount they are owed under the Excess Cost formula, regardless of the appropriation. There is a corresponding revenue gain to districts of between \$90 million and \$140 million annually beginning in FY 25 as a result of the bill.

Sections 2 and 3 result in potentially significant costs annually beginning in FY 25 to the State Department of Education by requiring SDE to: (1) purchase and make available an artificial intelligence (AI) tool for use in classrooms; and (2) develop a professional development program for teachers to use AI in the classroom. Any costs would vary based on the type of AI purchased and the materials developed for professional development.

Section 4 requires the Department of Emergency Services and Public Protection (DESPP) administer a program to give grants to local or regional boards of education for services to provide school mapping data, resulting in a potential cost to the state of at least \$122,173 in both FY 25 and FY 26. The potential cost is contingent upon funding being made available for the grant program.²

Depending on the requirements of the program, the complexity of the applications, and the number of applications received, DESPP may need to hire one emergency management program specialist. This results in a potential cost to DESPP of \$87,954 for salary and other expenses and a potential cost to the Office of the State Comptroller of \$34,219 for fringe

²The bill does not allocate funds from any source. Historically, DESPP has received funds for similar programs from a variety of sources including appropriations, bond authorizations, and federal funds (including ARPA). If DESPP receives state funding, it is assumed to be a General Fund appropriation or bond authorization.

benefits in FY 25 and FY 26.

A district that chooses not to participate in the grant program will incur no fiscal impact. A district that chooses to participate will incur a cost to build school mapping data. This cost would be at least partially offset by grant funding it receives from DESPP under the bill's provisions. The net impact to districts will depend on: (1) the per facility cost of building school mapping data; (2) the number of facilities mapped; and (3) the grant funding provided by DESPP.

The typical cost of services to provide school mapping data for one building is approximately \$4,000 to \$5,000. There are 900 to 1,100 eligible school buildings in the state.

Section 5 results in potential costs annually beginning in FY 25. It requires the State Department of Education (SDE) to develop a pilot program for participating schools to study the impact of social media in various ways. Costs are associated with hiring a contractor assist with pilot administration and purchasing any necessary materials.

Section 6 expands eligibility for the Care 4 Kids program to include parents or guardians of children who are enrolled in Medicaid and adds them to the priority intake and eligibility list. This makes families enrolled in Medicaid eligible without any of the work, job training, or education requirements. This could result in a cost to the Office of Early Childhood (OEC) to the extent that more families qualify under the provisions of the bill. OEC manages Care4Kids expenditures with the use of the waitlist which may be increased should more families qualify for Care4Kids.

Section 7 has no fiscal impact. It requires local and regional school districts to report certain HVAC maintenance information to the Department of Administrative Services. It is anticipated that districts can meet this requirement with existing resources.

The Out Years

The annualized ongoing fiscal impact identified above would

continue into the future subject to inflation.