

Section IV. Major Policy Changes

This section describes major policy changes impacting General Fund appropriations and revenue, which are summarized in **Table 4.1** and **Table 4.2**, respectively. Major policy changes impacting the Special Transportation Fund are described in **Section VI. Out Years**.

General Fund Appropriations Summary

Adjustments to appropriations include an increase of \$197.8 million in current service updates and \$357.0 million in net policy changes in FY 23. The most significant changes include policy changes that include funding related to: (1) reducing the mill rate cap, (2) for private provider cost of living increases and enhancements to health and pension benefits under the DSS settlement, (3) excess special education student costs, and the Sheff Settlement. Specific policies are discussed following **Table 4.1**.

Table 4.1 Summary of General Fund Adjustments by Subcommittee
In Millions of Dollars

Description	FY 23		
	Current Services	Policy Revisions	Total
Non- Fixed Costs			
Conservation and Development	4.8	3.7	8.5
Element. & Secondary Education	25.5	93.3	118.8
General Government A	0.9	0.7	1.6
General Government B	(2.3)	259.5	257.2
Health	49.6	9.5	59.1
Higher Education	0.3	(0.1)	0.2
Human Services	18.6	4.1	22.7
Judicial and Corrections	3.1	9.1	12.2
Legislative	-	1.1	1.1
Regulation and Protection	1.1	(5.0)	(3.9)
Lapses	-	(13.0)	(13.0)
Non- Fixed Costs Subtotal	101.7	362.8	464.4
Fixed Costs			
Element. & Secondary Education	(17.0)	9.7	(7.3)
General Government B	25.4	3.4	28.8
Health	(24.3)	-	(24.3)
Human Services	112.1	(18.9)	93.1
Fixed Costs Subtotal	96.2	(5.8)	90.4
TOTAL	197.8	357.0	554.8

Additional Funding for Private Provider COLA

Funding of \$52 million is provided for a COLA for private providers of human services, not including DDS providers. Additional ARPA funding is also provided for additional one-time support for these providers.

Funding for DSS Private Providers

Funding of \$15 million is provided for health and retirement benefits for direct care workers employed by contracted providers to the DDS.

Reimburse Towns for Reduction in the Motor Vehicle Mill Rate Cap

Funding of \$100 million is provided to reimburse certain towns related to reducing the motor vehicle mill rate cap from 45 mills to 32.46 mills.

Funding for Tiered PILOT

Funding of \$3.1 million is provided to maintain Tier I reimbursement rates for towns losing Alliance District designation.

Funding for Wage Increases

Funding of \$47 million is provided for contracted wage increases for state employees.

Transfer Funding to Reflect Centralizing Information Technology Functions in DAS

The budget transfers \$45.6 million and 219 positions to reflect the centralizing of certain executive branch information technology functions across all appropriated funds in DAS.

Provide Funding to Support PCA Agreement

Funding of \$23.0 million is provided to DDS and DSS to support an agreement with the Personal Care Assistants (PCAs).

Support Mobile Crisis Services

Funding of \$3.0 million is provided to support 24/7 coverage for privately funded mobile crisis teams.

Increase Adult Dental and Endodontic Rates

Funding of \$6.5 million is provided to increase the rate for adult endodontic services to align rates with ~~for~~ children's services.

Increase the Minimum Community Spouse Protected Amount

Funding of \$4.5 million is provided to support increased costs associated with increasing the minimum community spouse protected amount from \$27,480 to \$50,000.

Reflect Changes to Temporary Family Assistance (TFA)

Funding of \$5.5 million is provided to support increased benefits and caseload costs associated with adjusting the standard of need to 55% FPL.

Establish Sub-Acute Crisis Stabilization Unit

Funding of \$4.5 million is provided to establish one short-term sub-acute crisis stabilization unit to accept referrals from a children's behavioral health crisis center when a stay of less than two weeks is needed.

Excess Costs - Special Education

Funding of \$15.5 million is provided for tiered reimbursement of special education excess costs.

Sheff Settlement Costs

Funding of \$26.2 million is provided to meet additional requirements related to the Sheff agreement announced in January 2022.

Part I. Overview

Support for Early Child Care Providers

Funding of \$50 million is provided to support wage supplements and childcare enhancement grants for early childcare providers.

Increase Infant/Toddler Rates and Slots

Funding of \$25.3 million to support increasing the infant/toddler rate from approximately \$8,500 to \$13,500 per child per year and increasing the number of spaces by 1,300.

Roberta Willis Scholarship

Funding of \$20 million is provided to enhance the Roberta Willis Scholarship program.

General Fund Revenue Summary

A summary of major revenue policies is listed below. For a comprehensive listing of policies, please see the revenue budget sheets in **Part III**.

Table 4.2 Summary of Major Policy Changes to General Fund Revenues
In Millions of Dollars

Major Policies	FY 23	% of Total
Reduce Federal Stimulus Revenue	(880.0)	89.2%
Child Tax Rebate	(125.0)	12.7%
All Other Revenue Policies	9.0	-0.9%
Transfer FY 22 Surplus to FY 23	125.0	-12.7%
Property Tax Credit Adjustments	(113.0)	11.4%
All Other Adjustments	(3.0)	0.3%
TOTAL	(996.0)	100%

Federal Stimulus

The federal American Rescue Plan, which was signed into law on March 22, 2021, initially allocated \$2,650 million to Connecticut. The amount subsequently was revised to \$2,812 million. The FY 22 and FY 23 biennial budget transfers \$559.9 million in FY 22 and \$1,194.9 million in FY 23 from the American Rescue Plan CT allocation to the General Fund. PA 22-118 eliminates the FY 22 transfer of ARPA funds and reduces the FY 23 revenue replacement transfer by \$880 million to \$314.9 million.

Child Tax Rebate

The budget establishes a one-time rebate for qualifying, domiciled taxpayers in Connecticut equal to \$250 for each child. Taxpayers may claim the credit for up to three children whom they validly claimed as dependents on their federal income tax return for the 2021 tax year. The total projected revenue loss is \$125 million in FY 23 only.

FY 22 to FY 23 Transfer

The revised FY 23 budget transfers \$125 million in surplus funds from FY 22 to FY 23.

Property Tax Adjustments

Beginning with the 2022 tax year, the revised FY 23 budget (1) increases the property tax credit against the personal income tax from \$200 to \$300 and (2) expands the number of people eligible to claim this credit by eliminating provisions under current law that limit the credit to residents who are age 65 or older or claim dependents on their federal tax return. The total estimated revenue loss is \$113 million in FY 23.

Other Budget Policies

All other policies total 0.3% of all budgeted policies for FY 23. For further details on revenue policies see **Section IV and Part III**.