

# Connecticut General Assembly



## OFFICE OF FISCAL ANALYSIS

Alan Calandro, Director  
PHONE: (860) 240-0200  
FAX: (860) 240-0052  
<http://www.cga.ct.gov/ofa>

ROOM 5200  
Legislative Office Building  
Hartford, CT. 06106-1591  
[ofa@cga.ct.gov](mailto:ofa@cga.ct.gov)

December 1, 2010

D'Ann Mazzocca, Executive Director  
Office of Legislative Management  
Room 5100  
Legislative Office Building  
Hartford, CT 06106

Dear Ms. Mazzocca:

Section 32 of PA 10-75 requires the Office of Fiscal Analysis (OFA), to report to OLM by 12/1/10, an evaluation of "resources it would need to include information in fiscal notes to evaluate potential impact on public and private sector jobs. Such resources may include, but not be limited to, equipment, software, expertise and personnel."

This correspondence is intended to comply with that requirement. Please note that since OFA currently considers the impact of legislation on state and municipal public sector staffing resources, such impact is not included here since it would not require additional resources. The below estimates are related to expansion to private sector jobs and potentially other public sector jobs; as well as indirect effects not currently considered.

### Resource Estimates

The level of resources that OFA will need to provide this information will largely depend on the number of bills that are required to be analyzed. OFA produces between 600 and 900 fiscal notes on bills<sup>1</sup> per year. Since the legislation does not place any limitations on the type of fiscal notes for which job impact analyses would be required, we evaluated three scenarios to help address the intent of the legislation. Each scenario

---

<sup>1</sup> We are assuming that amendments would be excluded from a job impact analysis. Including amendments would significantly expand the resource requirements.

assumes the use of an industry accepted economic and policy analysis forecasting tool through Regional Economic Models, Inc. of Amherst, Mass (REMI).

**1. Analysis of All Favorably Reported Bills**

If OFA conducts a job impact analysis for every bill favorably reported out of each committee, OFA will need two additional analysts. The cost for these staff would be \$246,800 in the first year and \$152,100 in the second year. This includes the purchase of a REMI license. Detail follows:

<b>Description</b>	<b>Year 1</b>	<b>Year 2</b>
Personnel (2 analysts) <sup>2</sup>	\$120,800	\$126,100
Computer Software/Licenses	123,000	26,000
<b>Total</b>	<b>\$246,800</b>	<b>\$152,100</b>

**2. Analysis of up to Ten Bills**

If the number of bills that OFA is required to analyze is ten or less, we could manage this workload without additional staffing. However, a license for the REMI model would still need to be purchased.<sup>3</sup> OFA staff would research and determine the inputs and utilize the model. The cost of this option would be \$123,000 in the first year and \$26,000 in the next year.

<b>Description</b>	<b>Year 1</b>	<b>Year 2</b>
Computer Software/Licenses	\$123,000	\$26,000
<b>Total</b>	<b>\$123,00</b>	<b>\$26,000</b>

**3. Analysis of up to Five Bills**

If the number of bills that OFA is required to analyze is five or less, we could manage this workload without additional staffing. In addition, if the Department of Economic and Community Development (DECD) assists OFA by providing information from the REMI model, additional resources may not be needed.

While there will be no cost for the REMI license because DECD uses the model for economic development analyses, OFA and DECD will need to arrive at an

---

<sup>2</sup> This option include costs to OLM only and do not include fringe benefits.

<sup>3</sup> REMI provides options to rent (\$61,500 for twelve months) and purchase (\$123,000 initial cost and \$26,000 in subsequent years for updates and technical support) the REMI model. OFA chose the purchase option because over a three year period, it is more cost effective than renting (\$175,000 to purchase vs. \$184,500 to rent).

agreement regarding the level of assistance that DECD would be willing to provide.

It should be noted, that although this is the least costly option it is also the least optimal option. To preserve OFA's independence and objectivity, it would be best for OFA to perform the entire analysis. Having another agency perform part of a nonpartisan office's analysis, could have the effect of weakening the credibility of the product.

I hope that this information is useful. If you have any questions or need additional information please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Calandro", with a long horizontal flourish extending to the right.

Alan Calandro

cc: Senator Donald E. Williams, Jr., President Pro Tempore  
Senator Martin Looney, Senate Majority Leader  
Senator John McKinney, Senate Minority Leader  
Representative Christopher Donovan, Speaker of the House  
Representative Denise Merrill, House Majority Leader  
Representative Lawrence Cafero, House Minority Leader  
Legislative Library  
Robert Wysock, OFA  
Chris Wetzel, OFA