

# PRELIMINARY FISCAL NOTES

## Appropriations Committee Meeting

April 15, 2014



### **OFFICE OF FISCAL ANALYSIS**

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Below are preliminary fiscal impacts for the bills on today's agenda. These estimates were prepared under a short time frame and could be revised after further analysis. For bills on the agenda with proposed substitutes, the fiscal impact is based on the substitute language.

#### **IV. BILLS REFERRED FROM THE FLOOR FOR REVIEW**

##### **Bills Referred from the House Floor - Tuesday, April 8**

**5. sHB 5050 - An Act Improving College Completions** - refer to fiscal note on file copy 241.

**6. sHB 5134 - An Act Concerning the Acquisition of Real Property to be Used for School Construction**

The bill allows municipalities to consider, when acquiring land by eminent domain to use for school construction, either the assessed value of a property or the average of two independent appraisals of the property, when determining compensation to the property owner. It is anticipated that municipalities would choose the less expensive of the two options.

**7. sHB 5145 - An Act Concerning Various Revisions to the Department of Mental Health and Addiction Services' Statutes** - refer to fiscal note on file copy 146.

**8. sHB 5290 - An Act Revising Motor Vehicle Laws**

A section by section fiscal impact is presented below. The other sections of the bill have no fiscal impact to the state or municipalities because they make technical, clarifying, or conforming changes to current practice or federal regulation.

**Section 10** removes the partial year fee for a Commercial Driver's License (CDL) and is anticipated to result in an annual potential revenue loss to the Special Transportation Fund (STF) of \$6,000. This estimate is based on: (1) the cost of the fee at \$17.50 and (2) 348 partial year fee payments in FY 13.

**Section 11** allows the Department of Motor Vehicles (DMV) to establish procedures for issuing an expedited motor vehicle driver's license and collect up to \$75 per transaction. This is anticipated to result in a potential revenue gain to the STF of less than \$1,000. Few transactions are anticipated.

**Section 13** prohibits DMV from granting or renewing a motor vehicle dealer's license that is delinquent in paying sales tax for any business. This may result in a revenue loss to the STF in lost registration fees from dealers that have outstanding delinquent taxes. To the extent that this provision results in the payment of delinquent taxes then the state would experience a revenue gain.

**Section 14** requires licensed motor vehicle repairers to produce records to DMV within 24 hours. This may result in a potential revenue gain to the STF of less than \$10,000 for increased violations for non-compliance with DMV regulations. It is anticipated few violations will occur. The fee for each violation is \$1,000.

**Section 16** eliminates a provision requiring DMV to mail regulation changes to licensed motor vehicle dealers. This is anticipated to result in a potential savings to DMV dependent on the amount of regulations that need to be mailed annually. The cost to mail a regulation to all licensed motor vehicle dealers is approximately \$2,100.

**Section 17** requires licensed motor vehicle dealers to produce records within 24 hours. This may result in a potential revenue gain to the STF of less than \$10,000 for increased violations for non-compliance with DMV regulations. It is anticipated few violations will occur. The fee for each violation is \$1,000.

**Section 19** makes procedural changes to statute regarding vehicles towed from private property and is anticipated to result in a potential revenue gain to the STF of \$500. It is anticipated that few violations will occur. In FY 13 there were 3 infractions which totaled \$230.

**Section 27** requires DMV under certain circumstances to renew a non-commercial license with a passenger endorsement for any person who has been disqualified due to a medical condition. This may result in a revenue gain to the STF of less than \$1,000. It is anticipated few cases will occur.

**9. HB 5314 - An Act Concerning Payments on Advances from the federal Unemployment Account** - refer to fiscal note on file copy 295.

**10. sHB 5361 - An Act Concerning a State Authorization Reciprocity Agreement Regarding Distance Learning Programs**

The bill requires the Office of Higher Education (OHE) to develop a plan regarding a nation-wide state authorization reciprocity agreement establishing uniform standards for distance learning programs. This is not anticipated to result in a fiscal impact, as OHE has staff who are qualified to assist in the creation of the plan.

## **11. sHB 5378 – An Act Implementing the Recommendations of the Legislative Program and Review and Investigations Committee Concerning Medicaid-Funded Emergency Department Visits**

**Sections 1 and 3 through 5** require the DSS, DMHAS and DCF, through their contract with their administrative services organizations (ASO), to provide intensive case management (ICM) services to Medicaid clients, including those with behavioral health needs. ICM is already being utilized in the Medicaid population. To the extent that this bill results in additional clients being served by ICM or results in an impact on the mix of services being utilized by Medicaid clients, there may be savings to the state. As previously stated, a 1% reduction in total annual emergency department expenditures will result in a \$2.3 million savings. The ASO ICM services in the bill are targeted at all Medicaid clients who might benefit from ICM, but particularly high utilizers of emergency departments. The bill requires various reporting and assessment requirements of the ASO which are not anticipated to result in a cost to the state Medicaid program.

**Section 2** does not result in a fiscal impact to DSS to include the name of a client's primary care physician on their Medicaid identification card.

## **12. sHB 5497 An Act Implementing an I-Best Program on a Regional Basis**

The bill requires the Department of Labor to geographically expand an existing pilot program using Integrated Basic Education and Skills Training (I-BEST), within available appropriations. The bill does not specify whether the regional expansion of I-BEST under the existing pilot program is (1) subject to the 100 participant cap (which is currently in statute), (2) subject to available appropriations, (3) considered a pilot program itself, or (4) required to operate for a specific length of time.

sHB 5030, the FY 15 revised budget, as favorably reported by the Appropriations Committee, includes approximately \$2.5 million available for the I-BEST program through DOL in FY 15, including \$900,000 to expand the program to cover unemployed clients.

## **13. sHB 5500- An Act Concerning Provider Audits under the Medicaid Program**

The bill institutes a priority list of providers subject to the Department of Social Services' Medicaid audit process based on past audit results. The bill makes other technical and definitional changes to the audit process. These changes are not anticipated to substantially alter recoveries realized under the current audit procedures.

**Bills Referred from the Senate Floor - Wednesday, April 9**

**14. SB 48 - An Act Concerning Nutrition Standards for Child Care Settings** - refer to fiscal note on file copy 26.

**15. SB 190 - An Act Requiring Health Insurance Coverage for Tomosynthesis for Breast Cancer Screenings** - refer to fiscal note on file copy 186.

**16. sSB 200 - An Act Expanding Health Insurance Coverage of Specialized Formula for Individuals with Eosinophilic Gastrointestinal Disorders** - refer to fiscal note on file copy 187.

**17. sSB 203 - An Act Concerning a State-Wide Sexual Abuse and Assault Awareness Program**

There is no fiscal impact to the Department of Children and Families to identify, over a six month period, a state-wide sexual abuse and assault awareness program in collaboration with the Departments of Education and Social Services, as tools, curricula and programs designed to raise awareness and reduce risk factors related to child sexual abuse are available through federal, state and community resources.

Additionally, there is no cost to local or regional school districts or the State Department of Education to make available on its Internet web site, age appropriate education materials for grades two through five, and may include (1) warning signs a child victim might exhibit and (2) resources to further student, teacher, and parental education and outreach.

**18. sSB 211 - An Act Concerning the Soldiers, Sailors and Marines Fund** - refer to fiscal note on file copy 170.

**19. sSB 229 - An Act Concerning Sudden Cardiac Arrest Prevention**

The bill requires the State Board of Education (SBE) to develop or approve a sudden cardiac arrest awareness education program for use by local and regional boards of education, and to make the program available on their website. This does not result in a cost to the SBE or local and regional school districts, as sudden cardiac arrest awareness programmatic information is available free of charge.

**20. SB 242 - An Act Concerning Sick Leave for Teacher Assistants and Radiologic Technologists** - refer to fiscal note on file copy 274.

**21. SB 392 - An Act Concerning Health Care Provider Network Adequacy** - refer to fiscal note on file copy 287.

**22. sSB 394 - An Act Concerning Requirements for Insurers' Use of Step Therapy**

The bill does not result in a cost to the state health plan as the plan does not currently utilize step therapy. This bill does not impact other pharmacy plan procedures for the state health plan. The bill is not anticipated to result in a cost to fully insured municipalities. The original bill included a 30 day window before a prescription could be determined ineffective in the step therapy regimen. The 30 day window for certain drugs may have been insufficient to determine effectiveness or lack thereof, and thereby require fully insured municipalities to cover the cost of brand name prescriptions they otherwise might not have had to cover under current practice. The 60 day window is anticipated to be sufficient to determine the efficacy of a prescription. The bill is not considered a health mandate under the federal ACA. Pursuant to federal law, self-insured municipalities are exempt from state health mandates.

**23. sSB 408 - An Act Concerning Mental Health Options for Adult Medicaid Recipients - refer to fiscal note on file copy 329.**

**24. SB 483 - An Act Concerning Funding for the Incumbent Worker Training Program - refer to fiscal note on file copy 290.**

**Bills Referred from the House Floor - Wednesday, April 9**

**25. HB 5038 - An Act Concerning Healthy Children - refer to fiscal note on file copy 130.**