

Appropriations Committee Meeting - April 21, 2014
Analysis of Whether Costs Described in Fiscal Notes are Included in sHB 5030
(the Revised FY 15 Budget as Favorably Reported by the Appropriations Committee)

Note : For bills on the agenda with proposed substitutes, the fiscal impact is based on the substitute language)

Prepared by: Office of Fiscal Analysis

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|---------------|----------|------------------------------|----------------------------------|--|--|
| 1 | sHB 5042 | 500,000 | - | See Comments | <p>The bill results in a cost of \$1.14 million to Connecticut Innovations, Inc. in FY 15 and FY 16 and a cost of \$1.64 million in FY 17 by (1) requiring CII to administer the Regenerative Medicine Research Fund (the renamed Stem Cell Research Fund under the bill) and (2) eliminating reimbursements to CII to administer to the Bioscience Innovation Fund. CII is a quasi-public state agency that is financed by loan repayments, investment returns, and fees so any additional costs would not be realized by the state's funds.</p> <p>sHB 5030, the revised FY 15 budget, as favorably reported by the Appropriations Committee, provides \$500,000 in appropriations to CII for the administration of these funds.</p> |
| 2 | sHB 5353 | 5,902,565 | - | 5.9 million cost/50,000 Banking Fund Revenue | <p>The bill implements the budget related to the Judicial Department's foreclosure mediation program . Funding is included in the budget for FY 15. The bill extends the program by 4 years until July 1, 2018. The bill also expands licensure to include mortgage servicers which is anticipated to result in up to \$50,000 in additional Banking Fund revenue.</p> |
| 3 | HB 5488 | - | - | - | <p>- The bill expands dependent care coverage for probate court employees. There are no costs in FY 15, FY 16 costs are approximately \$528,327.</p> |
| 4 | sHB 5490 | - | - | - | <p>- The bill results in no fiscal impact as the listed agencies have sufficient expertise to develop a plan</p> |

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| 5 | sHB 5521 | - | Municipal Cost 270-360 per school | Municipal Cost 270-360 per school | The bill results in a cost to the local and regional school districts of approximately \$270-\$360 per school, associated with maintaining and storing epipens. Epipens cost, on average, \$90-\$120 per two-pack, and it is estimated that each school would require two to three packs. |
| 6 | sHB 5580 | - | - | potential savings to municipalities | The bill allows municipalities to post notices of public hearings regarding the sale, lease, or transfer of real property on their Internet web site, rather than a newspaper. This results in a savings that will vary based on how many such hearings each municipality has, and the cost of posting such notices. For example, Fairfield spent approximately \$20,000 on posting legal notices in FY 13, whereas Stamford spends approximately \$50,000 to \$55,000 per year on notices and advertising. However, it is not known how much of the cost to either town was due to the posting of public hearings regarding the sale, lease, or transfer or real property specifically. There is no fiscal impact to DEEP to review pesticides for safety and effectiveness on an ongoing basis. There are approximately 1,100 applications for the registration of new pesticides annually. |
| 7 | HB 5257 | - | - | Various municipalities- Less than \$5,000 | The bill requires municipalities effected by the conversion of a non-profit hospital to for-profit to: 1) hold at least three public hearings regarding the conversion and; 2) to post notice of each public hearing in at least one newspaper. There is a minimal cost, estimated to be less than \$5,000, to hold three public hearings, assuming they are held separately from hearings that would have occurred anyway. |

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| 8 | HB 5229 | - | - | - | The bill could result in a cost to the Department of Social Services of up to \$2.4 million in FY 19 associated with fair rent payments due to the expansion of the small house nursing home pilot program. The bill 1) removes the cap (of one home), 2) specifies that Masonicare Health Facility in Wallingford will be included under the expansion, and 3) increases the number of beds allowed under the pilot from 280 to 380. Based on costs for the recently approved 280 bed small house nursing home pilot in Fairfield (Jewish Home for the Elderly), construction costs to support 100 additional beds are estimated to be approximately \$38.7 million. This will increase the allowable fair rent payments (under Medicaid) by approximately \$2.4 million annually. Based on anticipated design and construction time, these costs are not expected to be incurred until 2019. |
| 9 | sSB 10 | - | Less than \$5,000 | Less than \$5,000 | Annualized cost to the state less than \$10,000 for capping copayments for breast ultrasound screenings at \$20. Potential cost to fully insured municipalities who currently charge copayments in excess of \$20 for breast ultrasound screenings. |
| 10 | sSB 26 | See Comments | See Comments | At least \$4 million | The bill changes the school readiness full-day full-year rate from \$8,661 to \$8,670 to conform to the funding provided in sHB 5030, the revised FY 15 budget, as favorably reported by the Appropriations Committee. The revised budget includes: (1) \$2.2 million for existing full-day full year school readiness seats at the new \$8,670 rate and (2) \$5.3 million for 612 new full-day full-year seats at \$8,670. |

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| 11 | sSB 56 | - | See Comments | See Comments | The bill will result in an indeterminate cost to the state and municipalities' workers' compensation programs to provide workers' compensation benefits (medical and wage replacement) for mental-mental claims (mental impairment claims with no associated physical injury). Average cost per case from range from \$20,000 to \$150,000. A basic claim for the state is approximately \$88,000 over the life of the claim. |
| 12 | sSB 62 | - | 443,766 | 443,766 | The bill, which allows the Department of Administrative Services (DAS) commissioner to relieve state employees from re-taking promotional exams for the same position under certain circumstances, is expected to cost approximately \$443,766 in FY 15. The bill is expected to require modifications to the DAS database to accommodate retention of passed promotional exam results for all current employees, the position's job description and employee's service or performance rating. The modification is estimated to have a one-time cost for consultants of \$300,000 in FY 15. Additionally, it is anticipated that DAS will need to hire two Human Resource Assistants in FY 15 for a total salary cost of \$105,200 (plus \$38,566 in fringe benefits) to review applicant's service and performance ratings as this would be a new requirement. |

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| 13 | SB 132 | 700,000 | - | 490,000 | <p>The bill appropriates \$490,000 in FY 15 to the Consortium of Connecticut Art Museums. The appropriations contained in the bill would result in the FY 15 budget being under the spending cap by approximately \$210,000.</p> <p>sHB 5030, the FY 15 revised budget, as favorably reported by the Appropriations Committee, includes \$700,000 to the "Art Museum Consortium" account. In effect, the appropriation to this account will provide grants-in-aid to the museums which SB 132 implicitly proposes to fund.</p> |

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| 14 | sSB 174 | - | See Comments | See Comments | The bill will result in a cost to the Department of Social Services (DSS) associated with retroactive Medicaid payments for enrollees in the Connecticut Home Care Program for Elders (CHCPE). Eligible enrollees are those who are not subject to a penalty period as specified under the bill. For purposes of an example, making retroactive payments for 301 individuals for the three months prior to their application would result in a cost of \$180,000. The net cost to the state under Medicaid would be \$90,000. This assumes an average monthly cost per enrollee of \$2,000; however, it should be noted that an individual's cost of care prior to entering the program could be higher or lower than the program's average. This also assumes the approval for such payments by the Centers for Medicare and Medicaid Services (CMS). The cost described above could be reduced due to instituting a penalty period associated with the improper transfer of assets. Actual savings would be dependent upon 1) the number of applicants who made improper transfers, 2) the length of each individual's penalty period, and 3) the cost of care for the Medicaid recipient. |

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| 15 | sSB 224 | - | Municipal Cost | Municipal Cost | This bill requires each local or regional board of education to maintain a staffing ratio of at least one school nurse or nurse practitioner for every 750 students. It is anticipated that this requirement would result in local and regional school districts hiring additional school nurses, at an estimated average annual salary of \$50,000 plus fringe benefits. It is estimated that approximately 18% of schools are not in compliance with this new requirement, and would be required to hire an additional nurse. The bill also requires that newly hired nurses complete the school nurse orientation program offered by the State Department of Education and the Association of School Nurses of Connecticut within one year of being hired. The cost of this course is \$100 per nurse, paid by the local and regional school district. |
| 16 | SB 244 | 3,250,000 | 3,250,000 | 3,250,000 | The bill requires the Department of Social Services to increase the fee schedule for the Connecticut Home Care (CHC) program by 1%, effective July 1, 2014. Based on total projected program expenditures of \$325 million in FY 15, a 1% rate increase would cost an additional \$3,250,000 in FY 15. |
| 17 | sSB 246 | - | - | Potential cost- see comments | The bill results in a potential cost to municipalities to maintain electronic and essential documents in accordance with guidelines set by the public records administrator, to the extent that any guidelines require a change in the recordkeeping practices of municipalities. |

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| 18 | sSB 322 | 164,446 | - | 164,446 | The bill is expected to result in a cost of \$164,446 in FY 15 for two new positions. The bill requires the Office of the Healthcare Advocate to establish an information and referral service to help residents and providers with certain aspects of behavioral health care. As these requirements are in addition to the Healthcare Advocate's current responsibilities, additional personnel will be necessary. The cost noted above includes \$120,332 for salary and \$44,114 for fringe benefits. sHB 5030 (AA Making Adjustments to State Expenditures for the Fiscal Year Ending June 30, 2015) contained total funding of \$225,020 for two new behavioral health specialists at the Office of the Healthcare Advocate. |
| 19 | sSB 410 | - | 183,730 | 183,730 | The bill will result in a cost of \$183,730 (\$134,443 in salary and \$49,287 in fringe benefits) in FY 15 and \$192,080 (\$140,553 in salary and \$51,527 in fringe benefits) to the Department of Social Services (DSS) and the State Comptroller's-Fringe Benefits to hire an administrator for the Office of Administrative Appeals (OAA) established by the bill. It is anticipated current DSS administrative hearings officers will be consolidated into the OAA under the new director; no additional staff or resources are anticipated for the consolidation. |

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| 20 | SB 421 | - | 2.6 million | 2.6 million | <p>The bill modifies the statutes relating to competitive bidding to allow state agencies to give preference to companies based upon the estimated state income tax paid by employees working for the vendors. Various state agencies may incur state administrative costs by approximately \$2.6 million in FY 15.</p> <p>There would be a need to hire 11 staff for a total cost of \$591,277 (\$432,663 for salary and \$158,614 for fringe benefits). Four positions would be needed at the Department of Administrative Services (DAS), two positions at Department of Transportation (DOT), and one additional position at the Department of Corrections (DOC), the Department of Developmental Services (DDS), the Board of Regents for Higher Education (BOR), the University of Connecticut (UConn), and State Department of Education (SDE).</p> <p>DAS would need to develop an IT system which is estimated to cost up to \$2 million to maintain vendor data and communicate between vendors and the state.</p> <p>Furthermore, various state agencies may see increased contract costs if contracts that would otherwise be awarded to the lowest qualified bidder are instead awarded to companies based on the estimated income tax paid.</p> <p>It should also be noted that, there may be a potential loss in federal funds due to federal regulations prohibiting specifying a geographic preference for employment.</p> |

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| 21 | sSB 451 | - | 109,105 | 109,105 | <p>This may increase costs to five municipalities if contracts that would otherwise be awarded to the lowest qualified bidder are awarded to a small or minority contractor.</p> <p>The Department of Administrative Services (DAS) will need to hire two positions, at a cost of \$109,105 (\$79,837 in salary and \$29,268 in fringe benefits) in FY 15, to implement the municipal set-aside program.</p> <p>Additionally, the bill requires DAS, rather than the general contractors or construction manager-at-risk, to select and enter into contracts with manufacturers and fabricators. DAS is required to give geographic preference to certain manufacturers and fabricators. It should be noted that there may be a potential loss in federal funds due to federal regulations prohibiting specifying a geographic preference.</p> <p>The bill also establishes both a Breast Cancer Awareness Day and a Neurological Disorders Awareness Day and requires exercises observing the day as designated by the Governor. Various state agencies may incur costs for engaging in the exercises designated by the Governor. The costs for affected agencies would be dependent upon the location, nature, and size of exercises.</p> |
| 22 | sSB 476 | - | - | - | <p>The bill does not result in a cost to the state or local and regional school districts. The bill allows alliance districts to use alliance funding for full day kindergarten. This does not impact the total amount of alliance district funding and does not result in a cost to local or regional boards of education, or the state department of education.</p> |

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| 23 | SB 55 | - | Minimal | Minimal (less than \$10,000) | The Department of Emergency Services and Public Protection (DESPP) is anticipated to incur minimal costs in the development of the policy by POST. |
| 24 | SB 175 | - | Up to 100,000 | Up to 100,000 | The bill results in a potential cost of up to \$100,000 by requiring the Dept. of Housing to conduct a study on emergency powers at certain public housing for the elderly within available appropriations. To the extent that DOH coordinates this study with local housing authorities and other government agencies, the cost may be mitigated. |

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| 25 | SB 177 | - | See Comment | See Comment | The bill will result in a cost to the Department of Social Services associated with increasing the liquid assets that a community spouse can retain to the maximum amount allowed under federal law (\$117,240). Currently, a community spouse has access to half of the couple's liquid assets as determined by DSS, up to \$117,240. For example, if a couple's total counted assets equal \$150,000, the community spouse would keep \$117,240 under the bill instead of \$75,000, reducing the amount available for the institutionalized spouse. It is not known what portion of the institutional spouse's assets are used to cover the cost of their care prior to Medicaid eligibility. However, by reducing the amount available to the institutional spouse, it is likely that they would achieve Medicaid eligibility sooner. Information on disposition of a couple's assets prior to Medicaid eligibility is not available, therefore the pace of the accelerated eligibility cannot be determined at this time. Based on historical data, there are approximately 150 married Medicaid long-term care enrollees per month (1,800 annually). Medicaid nursing home care costs approximately \$6,000 per month. For purposes of an example, a month of accelerated eligibility for 30 clients per month would have an annualized cost of \$2.2 million, resulting in a net cost to the state of \$1.1 million. If all 150 clients experienced a month of accelerated eligibility, it would result in an annualized increased Medicaid cost of \$10.8 million, or a net cost to the state of \$5.4 million. Based on the \$93,792 range of assets impacted by the bill, enrollees could experience up to 16 months of accelerated eligibility. |
| 26 | SB 24 | - | - | - | The bill results in potential General Fund revenue gain from various fines. |