



Office of Fiscal Analysis

PRELIMINARY FISCAL NOTES

Introduction

Below is a summary of preliminary fiscal notes 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.

1. **HB 6902 - An Act Concerning Youth Service Bureaus and Establishment of a Juvenile Diversionary Program**

Section 1, which requires the Department of Children and Families (DCF) and the Court Support Services Division of the Judicial Branch to jointly establish and operate a Diversion First program in one or more municipalities with a population of over 90,000 people, results in a significant cost to both agencies. The extent of the agencies' costs will vary based on the number of municipalities chosen for the program to operate in, the number of juveniles diverted to the program, and the array of services that the program will provide.

Section 2, which requires DCF to implement performance improvement plans for Youth Service Bureaus (YSBs) that do not meet certain minimum performance standards, results in a significant cost to DCF beginning in FY 24 for staff or consultants to perform YSB evaluations and develop these plans. DCF does not currently perform YSB program evaluations. There is also a potential cost beginning in FY 24 to certain municipalities with a population of less than 70,000 to establish a YSB, to the extent that they do not already have one. This cost may be partially mitigated by state or federal funding. There are also potential costs to municipalities beginning in FY 24 that have an established YSB to meet the additional requirements outlined in this section of the bill. There are currently 103 municipalities that are covered by a partially state funded YSB. This leaves 31 municipalities that are unfunded by state allocations.

2. **SB 10 - An Act Promoting Access to Affordable Prescription Drugs, Health Care Coverage, Transparency in Health Care Costs, Home and Community-Based Support for Vulnerable Persons and Rights Regarding Gender Identity and Expression**

Sections 2 - 4 result in potential out year costs to the Insurance Department for additional staff and a potential out year General Fund revenue gain through the Attorney General from fines, both beginning in FY 26, by adopting price caps on certain drugs, as negotiated by the federal government for Medicare, and other related requirements of the bill.

Section 8 results in costs to the Office of the State Comptroller of \$101,621 and \$43,514 in associated fringe benefits costs in FY 24 and FY 25 resulting from an additional staff member to support participation in a multistate prescription drug consortium. There is no fiscal impact to establish a prescription drug discount program.

Section 10 mandates at least two licensed clinical social worker visits for each individual enrolled in home and community-based services waivers administered by the Department of Social Services. This results in significant costs to DSS and would be based on the number of clients receiving services, the rate paid, and the extent to which individuals are receiving services regardless of need.



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Section 11 results in a cost to the Department of Social Services associated with designing and implementing a program to provide Medicaid reimbursement to certified community health workers. The extent of cost to the state depends on the Medicaid rate to be established and the utilization of services provided by community health workers.

Section 13 results in a cost to the Department of Social Services of \$16.5 million in FY 24 and \$43.3 million in FY 25 to increase the income limit for the CoveredCT program to 200% of the Federal Poverty Level.

Section 14 results in additional program costs to the Department of Social Services to the extent the plan to expand income eligibility up to 300% FPL is approved and implemented.

Section 15 results in a one-time cost of up to \$75,000 to the Department of Revenue Services in FY 24 associated with programming updates to the CTax tax administration system and myconneCT online portal, as well as form modification.

Section 16, which requires the Department of Public Health and municipal registrars of vital statistics to issue a new birth certificate to reflect a parent's legally changed name, upon the receipt of certain documents and a fee of \$30 for DPH or \$20 for municipalities, results in a potential minimal revenue gain to the General Fund and various municipalities starting in FY 24, to the extent that new birth certificates are issued due to parents legally changing their names.

3. **sSB 946 - An Act Concerning the Connecticut Home-Care Program for the Elderly**

The bill results in increased costs to the Department of Social Services (DSS) associated with (1) decreasing client cost sharing requirements under the Connecticut Home Care Program from three percent to two percent of the cost of care resulting in a cost to DSS of approximately \$400,000 annually, and (2) requiring that family caregivers, including spouses, be compensated for personal care assistance services.

4. **sSB 977 - An Act Concerning Medical Assistance for Surgery and Medical Services Related to Treatment of Obesity**

The bill results in a cost to the Department of Social Services (DSS) associated with expanding the number of individuals eligible for interventions related to the treatment of obesity under Medicaid. The extent of the cost is based on the number of clients eligible and services required.

5. **SB 978 - An Act Concerning Expansion of the Covered Connecticut Program - *proposed substitute language***

The substitute bill results in a cost to the Department of Social Services (DSS) due to expanding eligibility for the Covered CT program from 175% of the federal poverty level (FPL) to 200% FPL, effective 1/1/24. This results in a cost of approximately \$4.5 million in FY 24 and \$37 million in FY 25.



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6. **sSB 1001 - An Act Concerning Certain Sewage Disposal Systems** - *proposed substitute language*

The substitute bill is anticipated to result, starting in FY 24, in an annual cost to the Department of Public Health of approximately \$180,000 and an annual cost to the Office of the State Comptroller - Fringe Benefits of \$70,076, for two full-time employees to inspect and permit small community sewerage systems and small commercial subsurface sewage disposal systems.

7. **sSB 1096 - An Act Concerning the Charter School Approval Process**

The bill eliminates the initial certificate of approval for new charter schools and establishes a non-lapsing charter school approval grant account to fund new charter schools, beginning in FY 24. It requires the State Department of Education (SDE) to provide funding from the account to any charter school that received an initial certificate of approval between March 1, 2023 and July 1, 2023, or any charter school that is approved after July 1, 2023. The funding is for each new charter school in the fiscal year immediately following SDE approval. The bill additionally limits SDE approval of new charter schools to two per fiscal year, beginning in FY 24, which limits the account's expenditures in FY 25 and beyond.

The bill specifies that any funding in the Charter Schools account that would otherwise lapse at the end of any fiscal year shall be deposited into the charter school approval grant account, beginning in FY 23. The account may also accept appropriations.

8. **sSB 1109 - An Act Concerning Medicaid Reimbursement to Community Living Arrangements, Intermediate Care Facilities for Individuals with Intellectual Disabilities, Residential Care Homes and Nursing Facilities** - *proposed substitute language*

The substitute bill makes various clarifying and conforming changes that are not anticipated to result in a net fiscal impact to the state.

9. **sSB 1199 - An Act Concerning Equity in Education** - *proposed substitute language*

Section 1 requires the State Department of Education (SDE) to establish an educator apprenticeship initiative beginning in FY 24 and requires SDE to seek certification from the Department of Labor for the purpose of leveraging Federal funding for this purpose. Any impact associated with this provision would depend on the extent to which Federal funding is used for the initiative. Apprenticeships certified by the Department of Labor involve paid positions.

Sections 2 and 3 require local and regional school districts to establish plans for increasing educator diversity, submit the plans to SDE for review and approval, and, beginning in FY 25, implement the plans. This has no fiscal impact as it is anticipated that districts and SDE can complete the requirements with existing resources.

Sections 4 and 12 establishes the Aspiring Educators Diversity Scholarship Program for eligible students to receive scholarships of up to \$10,000 per year of enrollment in teacher preparation programs. HB 6659 provides funding of \$3 million in FY 24 and \$9 million in FY 25 to fund the scholarship. It also provides funding of \$250,000 in both FY 24 and FY 25 to administer the program. Section 4 contains scholarship repayment provisions for recipients who are not employed as teachers



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for three consecutive years immediately following graduation from a teacher preparation program, which may result in a revenue gain to the General Fund in the out years.

Sections 5 to 8 make technical changes and have no fiscal impact.

Section 9 allows the State Department of Education to issue adjunct professor permits to instructors at institutions of higher education to allow them to teach in local and regional school districts. This has no fiscal impact, as it is not anticipated to change the cost to districts of educator personnel.

Section 10 expands the state model curriculum to include cursive and, beginning in kindergarten, world languages. The bill allows districts to incorporate some of the curriculum without adopting all of it and maintains that use of the model curriculum is an option (not a requirement). Districts that choose to implement the world languages aspect of the model curriculum may incur a cost.

Section 11 allows completion of a Learner Engagement and Attendance Program or other credit recovery program to count toward a district's graduation requirements. This has no fiscal impact as it does not change the curriculum any district is required to offer.

Section 13 requires certain Open Choice grant funding that would otherwise lapse to be used to provide services to students participating in the Open Choice program. The bill specifies that any lapsing funding in excess of \$1 million, up to \$2 million, shall be used for this purpose.

10. HB 6386 - An Act Concerning Safeguarding the Rights, Health, Finances and Quality of Life of Nursing Home Residents

The bill could result in a revenue gain associated with (1) increasing the civil penalty the Department of Social Services (DSS) can impose from 50% to 75% of the value of wage enhancement funds received by a nursing home, and (2) allowing the Department of Public Health to impose a civil penalty on nursing homes for noncompliance. The extent of the revenue gain is based on the number and amount of penalties imposed.

11. sHB 6612 - An Act Concerning Nonprofit Health and Human Services Providers

Sections 1 & 2 of the bill require state agencies to allow qualified contracted providers to retain savings realized by the provider. Since DDS and other agencies have been participating in the OPM incentive program which allows qualified providers to retain savings, this change is not anticipated to result in a fiscal impact. Section 3 eliminates the OPM incentive program. Section 4 requires state agencies to ensure payment for services are made within 30 days of the delivery of services. This provision may result in a cost to DDS because the agency's payment system is based on providers reporting attendance to DDS and the agency paying providers two months in arrears.



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12. sHB 6616 - An Act Concerning Expansion of Husky Health Benefits to those Ineligible Due to Immigration Status - *proposed substitute language*

The substitute bill results in a cost to the Department of Social Services (DSS) due to expanding HUSKY Health coverage for children, regardless of immigration status, from age 12 to age 15, effective 7/1/24. This results in a cost of approximately \$3 million in FY 25.

13. HB 6617 - An Act Supporting Equity in Coverage for Fertility Health Care

Sections 1 and 2 expand coverage for infertility services to include fertility preservation which may result in increased costs to state and municipal health plans. The sections also codify the removal of certain limitations on medically necessary infertility diagnosis and treatment coverage previously issued by the Department of Insurance resulting in no anticipated fiscal impact to the state or municipal health plans.

Under the Affordable Care Act, the state is responsible for defraying premium increases experienced by Exchange enrollees in qualified health plans resulting from new state health insurance mandates. As such, there is a potential cost to the state for such defrayal associated with this bill.

Section 3 results in a cost to the Department of Social Services (DSS) associated with amending the Medicaid state plan to include fertility treatment coverage. The extent of the cost is based on the number of clients eligible, services required, and rates established.

14. sHB 6627 - An Act Concerning the Office of The Attorney General's Proposed Remedies for Deficient Long-Term Care

The bill allows the Office of the Attorney General (OAG) to investigate and prosecute certain alleged violations of long-term care laws and regulations and establishes minimum fines and damages for violations. This may result in a General Fund revenue gain associated with the issuance of civil penalties and damages. To the extent any costs are incurred by OAG for investigation and prosecution, the bill allows the agency to recover them from the violator.

15. sHB 6663 - An Act Establishing the English Learners' Bill of Rights

The bill results in a minimal cost beginning in FY 25 and potential costs annually to local and regional boards of education by requiring the State Board of Education (SBE) to create an English learners bill of rights, specifying several of the rights that SBE must include in the document, and requiring annual distribution of the bill of rights.

Costs to districts will vary based on the final document created by SBE and the degree to which districts are required to establish new services or expand services they currently provide. Districts are currently required by Federal and state law to meet many of the rights specified in the bill. To the extent that the bill of rights expands these requirements, there could be costs associated with providing translation services to English learners and their parents at school orientation sessions.



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Translation services typically cost between \$125 and \$175 per hour with a two-hour minimum. To the extent that the bill expands the number of instances that translation services are provided, there could be a cost to local and regional school districts if translators other than Internet websites are used. As the bill does not specify a date by which the bill of rights must be completed, any such costs could begin in FY 24 or FY 25.

The bill requires districts to begin annually providing copies of the bill of rights to eligible students and their parents in FY 25, which will result in annual minimal printing costs to districts.

16. HB 6881 - An Act Concerning Various Revisions to the Education Statutes Related to Educator Compensation and Paraeducators - *proposed substitute language*

The substitute bill results in costs expected to exceed \$500 million annually beginning in FY 24 to the Office of the State Comptroller (OSC) and local and regional school districts. The bill also results in potential, one-time costs in FY 24 to the State Department of Education.

The substitute bill results in significant costs to local and regional school districts by increasing salaries for educators and paraeducators as well as expanding health care and retirement benefits for paraeducators. These costs are expected to exceed \$500 million annually beginning in FY 24.

These costs are associated with the following provisions:

- Any collective bargaining agreement negotiated by a local or regional school district and collective bargaining unit after the bill's passage must maintain minimum salary schedules as follows: (1) for educators, minimum salaries at least 3.25 times the Federal poverty level (currently \$64,090); and (2) for paraeducators, minimum salaries at least 3.75 times the Federal poverty level (currently \$73,950).
- Local and regional school districts must offer the Municipal Employee Health Insurance Plan to paraeducators.
- Local and regional school districts must make the full employee contribution to the Municipal Employee Retirement System (MERS) for each paraeducator.

Correspondingly, the proposed bill is anticipated to result in costs that are likely to exceed \$500 million to OSC annually beginning in FY 24 by requiring OSC to provide: (1) grants to towns to supplement salaries of educators and paraeducators for FY 24 and FY 25, (2) payments to local or regional boards of education of at least 50% of the cost of healthcare coverage for paraprofessionals annually beginning in FY 24, and (3) payments to local and regional boards of education of at least 50% of the cost to each board for its payment of the employee contribution to MERS. The bill does not provide funding for these purposes. To the degree funding is provided, costs to local and regional school districts would be at least partially offset.

Additionally, the substitute bill requires districts to schedule paraeducators for at least 20 hours per week. This results in a cost annually beginning in FY 24 to districts to the extent that it increases the total number of paraeducator hours worked.



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The substitute bill results in a cost to the State Department of Education by requiring the public school information system (PSIS) to include certain information about paraeducators. This is expected to result in a one-time cost in FY 24 associated with modifying PSIS to track this information.

Lastly, the substitute bill makes several changes regarding paraeducators that have no fiscal impact.

17. HB 6884 - An Act Concerning the Recruitment Retention and Enhancement of the Teaching Profession

The bill results in significant costs to local and regional school districts annually beginning in FY 24. It also results in (1) a potentially significant revenue loss to the General Fund annually beginning in FY 24; and (2) a significant cost to the General Fund by increasing the unfunded liability of the Teachers' Retirement System.

The bill results in significant costs to local and regional school districts due to requiring any collective bargaining agreement negotiated by a district and collective bargaining unit after the bill's passage to maintain a minimum salary for teachers equal to \$58,320 (four times the July 1, 2023 Federal poverty level for one person).

The bill results in a potentially significant revenue loss to the General Fund annually beginning in FY 24 by establishing a \$500 income tax credit for teachers that hold initial or provisional educator certificates. There were approximately 42,000 certified teachers in Connecticut in the 2022-23 school year. It is not known how many of them held initial educator certificates or provisional educator certificates.

The bill amends the Teachers' Retirement System (TRS) statutes and provides a lifetime pandemic bonus to the retirement benefit of qualified teachers retiring after July 1, 2026. The bonus multiplier increases over time until reaching a maximum on July 1, 2035. The resulting increase to the TRS unfunded liability and actuarially determined employer contribution that is paid by the state are anticipated to be significant and must be calculated by the TRS actuary pursuant to CGS 10-183z. As of the June 30, 2022 actuarial valuation, the TRS has a funded ratio of 57.02%. The funded ratio of the system is the ratio of actuarial assets divided by the actuarial accrued liability as of the valuation date.

The bill changes the kindergarten entry age of 5 from January to September which would likely impact the Office of Early Childhood (OEC) expenditures on child care and school readiness programs to the extent that OEC is required to provide continuity of services for those children impacted by the provisions of the bill.

The bill establishes criminal penalties for threatening or harassing a teacher. The bill results in a potential cost to the General Fund for incarceration or probation and a potential revenue gain from



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ines. On average, the marginal cost to the state for incarcerating an offender for the year is \$2,500^[1] while the average marginal cost for supervision in the community is less than \$800^[2] each year.

The bill makes other changes regarding educators that are not anticipated to have a fiscal impact.

^[1]Inmate marginal cost is based on increased consumables (e.g. food, clothing, water, sewage, living supplies, etc.) This does not include a change in staffing costs or utility expenses because these would only be realized if a unit or facility opened.

^[2]Probation marginal cost is based on services provided by private providers and only includes costs that increase with each additional participant. This does not include a cost for additional supervision by a probation officer unless a new offense is anticipated to result in enough additional offenders to require additional probation officers.