

OFA
PRELIMINARY FISCAL NOTES

Appropriations Committee
Meeting

March 8, 2010

OFFICE OF FISCAL ANALYSIS

Room 5200, Legislative Office Building

Hartford, CT 06106 • (860) 240-0200

E-Mail: ofa@cga.ct.gov

www.cga.ct.gov/ofa

The following contains 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.

Contingency Reserve Bills - Numbers 1-8

The following are Contingency Reserve Bills (which have no fiscal impact):

SB 372, SB 373, SB 374, SB 375, HB 5413, HB 5414, HB 5415, HB 5416

9. SB 354 - An Act Concerning Biomedical Research Trust Fund Research Grants

The bill, which expands the Department of Public Health's allowable grants-in-aid under the Biomedical Research Trust Fund to include those related to Alzheimer's disease and diabetes, does not result in a fiscal impact.

Under CGS Sec. 19a-32c, the total amount of grants-in-aid made during a fiscal year shall not exceed 50% of the total amount held in the Trust Fund as of the date such grants-in-aid are approved. This bill does not alter this funding structure, but widens the scope of allowable grantees in FY 11 and years following. As of June 30th, 2010, the estimated unobligated balance in the Fund is \$7.6 million.

10. SB 355 - An Act Concerning Capital Improvements Required by the Department of Developmental Services

This bill allows the Department of Social Services (DSS) to adjust the room and board rates of certain Department of Developmental Services (DDS) group home providers to reflect the costs of capital improvements. The FY 10 - FY 11 biennial budget included a room and board rate freeze for all such providers. The bill allows adjustments only when capital improvements for the health and safety of residents are required by the Commissioner of DDS and made during FY 10 and FY 11.

If such improvements are required, DSS would fund the increased room and board costs through the Aid to the Disabled account. DSS and DDS jointly approve on average \$2.5 to \$3.0 million in capital improvements for homes each year, involving 125 to 175 group homes. Assuming that the majority of projects relate to safety corrections or improvements (\$2.5 million) and using an average useful life of 10 years and an interest rate of 4.5%, the preliminary estimated cost of this bill would be approximately \$320,000 annually.

11. HB 5391 - An Act Concerning Quasi-Public Agency Compliance Audits

The bill permits the Auditors of Public Accounts to perform quasi-public agency compliance audits biennially, rather than annually. This would result in savings in staff hours equivalent to the amount of one full-time employee. The average salary of audit staff is \$83,600 not including fringe benefits. It is anticipated that the Auditors would shift staff workload from quasi-public audits to state agency audits.