

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sSB-432

AN ACT CONCERNING STATE CONTRACTS WITH NONPROFIT HUMAN SERVICES PROVIDERS.

As Amended by Senate "A" (LCO 5531)

House Calendar No.: 489

Senate Calendar No.: 259

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Policy & Mgmt., Off.	GF - Cost	200,000	200,000
State Comptroller - Fringe Benefits ¹	GF - Cost	80,000	80,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Office of Policy and Management (OPM) to (1) conduct a review of the state purchase of service contracts with nonprofit human service providers, (2) provide a report on this review once every five years beginning February 1, 2026, (3) conduct a review of any reports that nonprofit human services providers are required to file with state agencies and (4) submit a report on this review once every three years beginning February 1, 2025.

This results in a cost to OPM of up to \$200,000 beginning in FY 25 for two additional staff and a cost of \$82,300 beginning in FY 25 to the Office

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.25% of payroll in FY 25.

of the State Comptroller for associated fringe benefits.

The bill also requires private provider organizations to receive payment within 45 days after the receipt of a claim, or receipt of services, whichever is later. This is not anticipated to result in a fiscal impact to the state.

Senate "A" alters the original bill by moving out the date of one of the reports required by OPM, reduces the number of contracts OPM must review each year, removes various other requirements, and requiring private providers to receive payment within 45 days of a claim.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.