

OFFICE OF FISCAL ANALYSIS

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sSB-237

AN ACT CONCERNING PUBLIC TRANSPORTATION.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Department of Transportation	TF - See Below	See Below	See Below
Education, Dept.	GF - Cost	\$3 million	None
Department of Veterans' Affairs	GF - Cost	\$1 million	See Below

Note: TF=Transportation Fund; GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 27 \$	FY 28 \$
Local and Regional School Districts	Potential Revenue Gain	See Below	See Below

Explanation

Section 1 results in a cost of approximately \$28.4 million in FY 27 and \$29.7 million in FY 28 by requiring the Department of Transportation (DOT) to restore service on Shore Line East to pre-COVID levels.¹ Actual costs will depend on several factors including availability of equipment and staff as well as required negotiations with Amtrak.

Section 2 requires DOT to assess various topics in conjunction with any state-wide bus study the agency undertakes in calendar year 2026 and is not anticipated to have a fiscal impact.

Sections 3 and 7 result in potential savings to DOT by eliminating

¹ Shore Line East currently operates 132 trains per week compared to 222 trains per week in 2019 (representing 59.5% of pre-COVID service levels).

certain notice requirements related to proposed transit fare decreases. It is expected that DOT could save up to \$10,000 associated with any round of proposed fare decreases by, for example, having to place fewer newspaper advertisements.

Sections 4 and 8 appropriate \$3 million in FY 27 from the General Fund (GF) to the State Department of Education (SDE) to establish a competitive grant program for local and regional boards of education (BOEs) to provide free bus passes to students in grades nine through 12. The revenue gain to a BOE depends on the provisions of the grant program and award amounts. The cost to SDE may be partially offset by repayments from districts that are found to not have used the grant for its specified purposes.

Section 5 and 9 appropriate \$1 million in FY 27 from the GF to the Department of Veterans Affairs (DVA) to purchase bus passes for veterans. The bill does not provide funding for DVA to purchase bus passes beyond FY 27; therefore, costs in FY 28 and beyond will depend on available agency resources or any future funding provided.

Section 6 results in cost to DOT of up to \$1,150,000 annually, as described below.

This section requires DOT to subsidize transit districts for any revenue loss they incur for providing discounted fares of up to 50% for the following populations: (1) veterans, (2) those 65 or older, (3) those with disabilities, and (4) those 18 or younger. In general, transit districts already offer discounts to those 65 or older and those with disabilities.

The cost to DOT to subsidize currently existing discounts (i.e., for those 65 or older and those with disabilities), is approximately \$750,000 annually. The cost to DOT to subsidize additional discount programs (i.e., for veterans and those 18 or younger), is approximately \$400,000 annually. The total cost for both, assuming all transit districts expand discounts to each of the bill's four target populations, would be \$1,150,000 annually.

Spending Cap

sHB 5032, the FY 27 Revised Budget as favorably reported by the Appropriations Committee, is under the spending cap by \$16.1 million in FY 27. The appropriations contained in sections 8 and 9 of the bill would result in the budget being under the spending cap by \$12.1 million in FY 27.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, any future funding made available for the bus pass programs, growth in bus ridership, and decisions made by transit districts.