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## OLR Bill Analysis

### sSB 887

#### ***AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES.***

#### **SUMMARY**

This bill authorizes up to \$1.75 billion for FY 22 and \$1.57 billion for FY 23 in state general obligation (GO) bonds for state capital projects and grant programs, such as school construction, housing development and rehabilitation programs, and municipal aid. It also cancels or reduces approximately \$143.6 million in current GO bond authorizations.

The bill authorizes up to \$836.9 million in new special tax obligation (STO) bonds for FY 22 and \$929.6 million for FY 23 for transportation projects. It also authorizes up to \$518 million in revenue bonds over the two years for Clean Water Fund loans.

Among its other changes, starting in 2022, the bill:

1. requires the State Bond Commission to meet at least quarterly to allocate bonds; and
2. requires the governor, Senate president, and House speaker to jointly agree on the grants and projects to be included in each Bond Commission agenda.

EFFECTIVE DATE: July 1, 2021, for FY 22 bond authorizations and July 1, 2022, for FY 23 authorizations. Other provisions are effective July 1, 2021, unless otherwise noted below.

#### **§§ 1-38, 55 & 86-87 — NEW BOND AUTHORIZATIONS FOR STATE AGENCY PROJECTS AND GRANTS**

The bill authorizes new GO bonds for FYs 22 and 23 for the state projects and grant programs listed in the table below. The bonds are

subject to standard issuance procedures and have a maximum term of 20 years.

The bill includes a standard provision requiring, as a condition of bond authorizations for grants to private entities, each granting agency to include repayment provisions in its grant contract in case the facility for which the grant is made ceases to be used for the grant purposes within 10 years of the grantee receiving it. (The bill exempts the Office of Policy and Management (OPM) and Department of Administrative Services grants from this requirement.) The required repayment is reduced by 10% for each full year that the facility is used for the grant purpose.

**Table 1: GO Bond Authorizations for State Projects and Grant Programs**

<b>§</b>	<b>Agency</b>	<b>For</b>	<b>FY 22</b>	<b>FY 23</b>
2(a)	Office of Legislative Management	Replacement of legislative drafting and information system	\$2,000,000	0
		State Capitol Complex: alterations, renovations, improvements, and technology upgrades	4,780,000	0
2(b), 21(a)	OPM	Information technology capital investment program	15,000,000	15,000,000
2(c), 21(b)	Department of Administrative Services (DAS)	Infrastructure repairs and improvements, including (1) fire, safety, and Americans with Disabilities Act (ADA) compliance; (2) improvements to state-owned buildings and grounds, including energy conservation and off-site improvements; and (3) preservation of unoccupied buildings and grounds, including office development, acquisition, renovations for additional parking, and security improvements	0	5,000,000
		Removal or encapsulation of asbestos and hazardous materials in state-owned buildings	5,000,000	5,000,000
		Connecticut Building at the Eastern States Exposition in Springfield: alterations, renovations, and improvements	1,000,000	0

		Capital construction, improvements, repairs, renovations, and land acquisition at Fire Training Schools	0	5,000,000
2(d), 21(c)	Department of Emergency Services and Public Protection (DESPP)	Alterations, renovations, and improvements to buildings and grounds, including utilities, mechanical systems, and energy conservation projects	10,700,000	0
		Alterations, renovations, and improvements to buildings and grounds, including utilities	0	28,200,000
		Upgrade and replace the Connecticut Land Mobile Radio Network	39,000,000	0
		Alterations, renovations, improvements, and repairs to Connecticut Police Officer Standards and Training Council buildings and grounds	1,000,000	
2(e)	Department of Motor Vehicles	Development of a master plan for department facilities	500,000	0
2(f), 21(d)	Military Department	State matching funds for anticipated federal reimbursable projects	1,810,000	3,250,000
		Alterations, renovations, and improvements to buildings and grounds, including utilities, mechanical systems, and energy conservation projects	200,000	200,000
2(g), 21(e)	Department of Energy and Environmental Protection (DEEP)	Alterations, renovations, and new construction at state parks and other recreation facilities, including ADA improvements	0	15,000,000
		Projects in state buildings and assets that decrease environmental impacts, including renewable energy or combined heat and power projects and projects to (1) improve energy efficiency; (2) reduce greenhouse gas emissions from building heating and cooling, including by installing renewable thermal heating systems; (3) expand electric vehicle charging	20,000,000	10,000,000

		infrastructure for charging state-owned or leased electric vehicles; (4) reduce water use; and (5) reduce waste generation and disposal		
2(h)	Agricultural Experiment Station	Valley Laboratory in Windsor: construction and equipment for additions and renovation	6,300,000	0
2(i)	Office of the Chief Medical Examiner	Office of the Chief Medical Examiner in Farmington: design of alteration, renovation, and additions	2,500,000	0
2(j), 21(f)	Department of Developmental Services	(1) Fire, safety, and environmental improvements to regional facilities and intermediate care facilities for client and staff needs, including compliance with current codes, and (2) site improvements, handicapped access improvements, utilities, repair or replacement of roofs, air conditioning, and other building renovations and additions at all state-owned facilities	2,000,000	2,000,000
2(k), 21(g)	Department of Mental Health and Addiction Services	(1) Fire, safety, and environmental improvements to regional facilities and intermediate care facilities for client and staff needs, including compliance with current codes, and (2) site improvements, handicapped access improvements, utilities, repair or replacement of roofs, air conditioning, and other building renovations and additions at all state-owned facilities	9,600,000	5,000,000
		Design and install sprinkler systems in direct patient care buildings, including related safety improvements	904,500	3,740,000
		Whiting Forensic Hospital at Connecticut Valley Hospital in Middletown: planning and design for replacement	3,000,000	0
2(l), 21(h)	State Department of Education (SDE)	Technical Education and Career System: alterations, renovations, and improvements to buildings and	15,100,000	14,100,000

		grounds, including new and replacement equipment, tools, and supplies necessary to update curricula, vehicles, and technology		
2(m), 21(i)	Connecticut State Colleges and Universities	New and replacement instruction, research, or laboratory equipment	22,000,000	22,000,000
		System telecommunications infrastructure upgrades, improvements, and expansions	15,000,000	9,000,000
		Advanced manufacturing and emerging technology programs	3,000,000	3,075,000
		All community colleges: deferred maintenance, code compliance, and infrastructure improvements	19,000,000	20,000,000
		All universities: deferred maintenance, code compliance, and infrastructure improvements	20,000,000	20,000,000
		All colleges and universities: security improvements	2,500,000	2,500,000
		Alterations, renovations, and improvements to 185 Main Street in New Britain for the One College Office	2,900,000	0
		Pilot program to expand advanced manufacturing certificate programs to public high schools (CGS § 10a-80f)	2,500,000	2,500,000
		Health and mental health capital and information technology resources	1,000,000	
2(n), 21(j)	Department of Correction	Alterations, renovations, and improvements to existing state-owned buildings for inmate housing, programming and staff training space, additional inmate capacity, support facilities, and off-site improvements	30,000,000	10,000,000
2(o), 21(k)	Judicial Department	Alterations, renovations, and improvements to buildings and grounds at state-owned and maintained facilities	5,000,000	5,000,000
		Technology Strategic Plan Project implementation	2,000,000	2,000,000
		Alterations and improvements in	2,000,000	2,000,000

		compliance with the ADA		
		Security improvements at various state-owned and maintained facilities	2,000,000	2,000,000
2(p)	State Library	Development of a new shared library preservation facility	10,264,000	0
2(q), 21(f)	UConn Health Center	Capital improvements for revenue growth	10,000,000	2,000,000
		Deferred maintenance, code compliance, and infrastructure improvements	27,100,000	8,000,000
		Information technology upgrades	10,000,000	3,000,000
		New and replacement clinical equipment	3,000,000	7,000,000
		Renovations and improvements to research, classroom, and clinical spaces	7,000,000	7,000,000
<b>HOUSING PROJECTS</b>				
9, 28	Department of Housing (DOH)	Housing development and rehabilitation, including improvements to various kinds of state-assisted affordable housing and housing-related financial assistance programs; requires DOH to use up to \$30 million in each FY to revitalize moderate rental housing units in the Connecticut Housing Finance Authority's (CHFA) state housing portfolio	100,000,000	100,000,000
<b>GRANTS</b>				
13(a), 32(a), 55, 87	OPM	Grants for capital purposes to municipalities eligible for the distressed municipalities property tax reimbursement program (CGS § 32-9s)	7,000,000	7,000,000
		Grants to municipalities for purchasing body-worn recording equipment, digital data storage devices, and dashboard cameras; for FY 22, earmarks up to \$500,000 for a study of centralized data storage for recordings from body-worn recording equipment	2,500,000	2,000,000

		and dashboard cameras		
		Per capita grants to distressed municipalities	50,000,000	0
		Community engagement training for law enforcement units in towns with a population of over 100,000 or in adjacent towns	500,000	0
		Grants to private, nonprofit health and human service organizations that receive state funds to provide direct health or human services to state agency clients, for alterations, renovations, improvements, additions, and new construction, including (1) health, safety, ADA compliance, and energy conservation improvements; (2) information technology systems; (3) technology for independence; and (4) vehicle purchases and property acquisition	25,000,000	25,000,000
		Payment in lieu of taxes (PILOT) grants to municipalities in accordance with PA 21-3	80,000,000	80,000,000
		Grants to municipalities (specifies the grant amounts for each municipality)	76,000,000	76,000,000
		Grant to the Commission on Gun Violence Prevention and Intervention	5,000,000	7,000,000
13(b), 32(b)	DEEP	Grants to municipalities for open space acquisition and development for conservation or recreational purposes	5,000,000	5,000,000
		Grants to municipalities for improvements to incinerators and landfills, including bulky waste landfills	2,900,000	2,900,000
		Microgrid and resilience grant and loan pilot program	5,000,000	5,000,000
		Grants for identifying, investigating, containing, removing, or mitigating contaminated industrial sites in	10,500,000	10,500,000

		urban areas		
		Grants to contain, remove, or mitigate identified hazardous waste disposal sites	5,000,000	5,000,000
		Grants to municipalities for (1) providing potable water and (2) assessment and remedial action to address pollution from perfluoroalkyl and polyfluoroalkyl (PFAS) substances	1,150,000	1,150,000
13(c), 32(c)	Department of Economic and Community Development (DECD)	Brownfield Remediation and Revitalization program	25,000,000	25,000,000
		Small Business Express program	25,000,000	25,000,000
		Connecticut Manufacturing Innovation Fund	10,000,000	10,000,000
		CareerConneCT workforce training programs	1,000,000	1,000,000
		CTNext: economic feasibility study of certain lands in Trumbull	200,000	0
		Grants to nonprofit organizations operating cultural and historical sites, including the Thomaston Opera House	5,000,000	5,000,000
13(d)	Connecticut Port Authority	Grants for improvements to deep water ports, including dredging; requires at least \$20 million to be used for deep water ports outside of New London	50,000,000	0
13(e), 32(d)	Department of Transportation (DOT)	Grants to municipalities for the Town Aid Road program	30,000,000	30,000,000
13(f), 32(e)	SDE	Grants to assist targeted local and regional school districts for alterations, repairs, improvements, technology, and equipment in low-performing schools	5,000,000	5,000,000
13(g)	Connecticut Higher Education Supplemental Loan Authority	Alliance District Teacher Loan Subsidy Program	7,000,000	0
32(f)	DESPP	Grants for improvements and repairs at municipal police stations, including the Plymouth	0	10,000,000

		Police Department		
13(h), 32(g)	Department of Public Health	Health Disparities and Prevention Grant Program; earmarks up to (1) \$25 million for federal qualified health centers (for FY 22, \$300,000 of this amount may be used to conduct a health disparities study) and (2) \$15 million for mental health and substance abuse treatment providers	40,000,000	40,000,000
86	DAS	Grants to local and regional boards of education for school indoor air quality improvements distributed according to school building project grant percentages	100,000,000	100,000,000

### §§ 39-50 — TRANSPORTATION BONDS

The bill authorizes up to \$836.9 million in new STO bonds in FY 22 and \$929.6 million in FY 23 for DOT projects, as shown in Table 2.

**Table 2: STO Bond Authorizations for DOT Projects**

<i>Authorized Program Areas</i>	<i>FY 22</i>	<i>FY 23</i>
<b><i>Bureau of Engineering and Highway Operations</i></b>		
Interstate highway program	\$13,000,000	\$13,000,000
Urban systems projects	16,750,000	16,750,000
Intrastate highway program	63,000,000	72,000,000
Environmental compliance, soil and groundwater remediation, hazardous material abatement, demolition, salt shed construction and renovation, storage tank replacement, and environmental emergency response at or near state-owned properties or related to DOT operations	8,810,000	15,300,000
State bridge improvement, rehabilitation, and replacement	33,000,000	33,000,000
Capital resurfacing and related reconstruction	107,500,000	107,500,000
Fix-it-First bridge repair program	74,000,000	155,000,000
Fix-it-First road repair program	65,785,000	64,783,000
Local Transportation Capital Improvement Program	67,000,000	67,000,000
Grants to municipalities for the Town Aid Road Program	30,000,000	30,000,000
Local bridge program	10,000,000	10,000,000
Highway and bridge renewal equipment	19,000,000	19,000,000

<b>Authorized Program Areas</b>	<b>FY 22</b>	<b>FY 23</b>
Community connectivity and alternative mobility program	12,000,000	12,000,000
<b>Bureau of Public Transportation</b>		
Bus and rail facilities and equipment, including rights-of-way, other property acquisition, and related projects	248,120,000	270,800,000
<b>Bureau of Administration</b>		
Department facilities	68,945,000	43,425,000

### **§§ 51-54, 56 & 88-89 — BOND AUTHORIZATIONS FOR STATUTORY PROGRAMS AND GRANTS**

The bill increases bond authorizations for various statutory grants and purposes and authorizes new bonding for these purposes for FYs 22 and 23, as shown in Table 3.

**Table 3: Statutory Bond Authorizations for FYs 22 and 23**

<b>§</b>	<b>Agency</b>	<b>Purpose/Fund</b>	<b>FY 22</b>	<b>FY 23</b>
51	OPM	Urban Action (economic and community development project grants)	\$100,000,000	\$100,000,000
52	OPM	Small Town Economic Assistance Program (STEAP)	0	15,000,000
53	OPM	Capital Equipment Purchase Fund	10,000,000	10,000,000
54	OPM	Local Capital Improvement Program (LoCIP)	30,000,000	30,000,000
56	DOH	Housing Trust Fund	55,000,000	50,000,000
57	DAS	School construction projects	430,000,000	430,000,000
59	DEEP	Clean Water Fund grants	100,000,000	100,000,000
60	DEEP	Clean Water Fund loans (revenue bonds)	281,000,000	237,000,000
61	DEEP	Connecticut bikeway, pedestrian walkway, recreational trail, and greenway grant program	3,000,000	3,000,000
62	SDE	School security infrastructure competitive grant program	5,000,000	10,000,000
89	DESPP	Nonprofit security infrastructure competitive grant program (see § 88 below)	10,000,000	5,000,000

### **§§ 58-85 — CHANGES TO EXISTING AUTHORIZATIONS**

### ***Bond Cancellations and Reductions***

The bill cancels or reduces, by a total of \$143.6 million, all or part of current bond authorizations for the projects and grants shown in Table 4.

**Table 4: Cancellations and Reductions**

<b>§</b>	<b>Agency and Purpose</b>	<b>Current Authorization</b>	<b>Amount Cancelled</b>
58	Office of Early Childhood: Smart Start competitive grant program (reduces the FY 21 authorization by \$5 million)	63,519,149	15,000,000
63-64	Judicial Department: development of a courthouse facility in Torrington	25,288,700	500,000
65-66	DECD: Grant to Meriden for the West Main Street streetscape project	2,000,000	800,000
68-69	SDE: Grants for Sheff magnet school program capital start-up costs	15,000,000	323,586
70-71	DEEP: grant to Glastonbury to acquire open space for conservation or municipal purposes	10,000,000	7,000,000
72-73	DESPP: planning and design for a new Forensic Science Laboratory	6,000,000	5,000,000
74 & 76	DOL: Workforce Training Authority Fund	10,000,000	10,000,000
78-79	DOL: Workforce Training Authority Fund	20,000,000	20,000,000
81-82	DOL: Workforce Training Authority Fund	20,000,000	20,000,000
83-84	DOL: Workforce Training Authority Fund	20,000,000	20,000,000
85	Connecticut Municipal Redevelopment Authority capitalization	45,000,000	45,000,000

### ***Microgrids (§§ 67 & 75)***

The bill changes the purpose of two existing bond authorizations for energy microgrids. Under current law, the authorizations (\$15 million and \$5 million, respectively) are for a program to establish energy microgrids to support critical municipal infrastructure. The bill instead directs them to the microgrid and resilience grant and loan pilot program.

**Healthy Homes Program (§§ 77 & 80)**

Current law authorizes bonds for the DOH and Connecticut Children’s Medical Center’s (CCMC) Healthy Homes Program that abates lead and addresses other environmental health and safety concerns in homes. The bill eliminates references to CCMC for purposes of these authorizations.

**§ 88 — NONPROFIT ORGANIZATION SECURITY INFRASTRUCTURE COMPETITIVE GRANT PROGRAM**

Existing law requires DESPP to administer a competitive grant program to reimburse eligible nonprofit organizations for security infrastructure improvements. The bill eliminates the July 31, 2020, deadline for applying for the grants, thus allowing for additional rounds of grant applications. The bill also makes a conforming change by eliminating a provision that authorized a second round of grant applications if there were remaining bonds funds after the first round.

**§§ 90 & 91 — STATE BOND COMMISSION**

Beginning January 1, 2022, the bill requires the State Bond Commission to meet at least quarterly to allocate bonds. Additionally, starting in 2022, it requires the governor, Senate president, and House speaker, in consultation with the Senate and House minority leaders, to jointly agree on the grants and projects to be included in the agenda for each meeting held to allocate bonds.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 48 Nay 0 (04/22/2021)