
OFA Bill Analysis

SB 106

AN ACT CONCERNING LEGISLATIVE OVERSIGHT AND APPROVAL FOR THE EXPENDITURE OF FEDERAL TRANSPORTATION INFRASTRUCTURE FUNDING.

SUMMARY:

The bill establishes the Connecticut Infrastructure Strategy Board to report to the legislature on strategy and recommendations regarding the use of federal funding received by the state pursuant to the Infrastructure Investment and Jobs Act (IIJA), P.L. 117-58. The bill outlines the membership and responsibilities of the board, requires various state agencies to provide staff assistance to the board, sets deadlines for its activities, and outlines legislative approval responsibilities.

EFFECTIVE DATE: Upon Passage

Establishment of the Connecticut Infrastructure Strategy Board

The bill establishes a 19-member Connecticut Infrastructure Strategy Board. It allows the board to establish organizational guidelines, hire consultants subject to the approval of the Office of Policy and Management (OPM), and requires various state agencies to provide staff assistance to the board.

Board membership consists of one gubernatorial appointment who shall serve as the chair, nine legislative appointments, and nine executive branch officials serving ex-officio. Board members serve without compensation, and initial board terms expire on a staggered basis with subsequent appointments lasting four years. Members are appointed as follows:

- Five members from the private sector, each having specified areas

of expertise, including one by the Governor (chair) and one by each of the following: president pro tempore of the Senate, speaker of the House, and minority leaders of the Senate and House.

- One member from each of the five transportation investment areas (TIAs) defined in CGS. Sec. 13b-57d. The chairs of the board of the local planning agencies in each TIA must nominate three individuals, at least one of whom must be a chief elected official in a municipality in such TIA, for consideration by the respective appointing authorities, which are as follows: Transportation Committee chairs for the southeast corridor TIA; Senate president pro tempore for the I-91 TIA; speaker of the House for the coastal corridor TIA; Senate majority leader for the I-395 TIA; and House majority leader for the I-84 TIA.
- Nine executive branch officials serving ex-officio, including: the Commissioners of Administrative Services, Transportation, Energy and Environmental Protection, Economic and Community Development, Revenue Services, Public Health, Emergency Services and Public Protection, the Secretary of OPM, and the Consumer Counsel.

Duties of the Board

The board is required, no later than January 1, 2023, to report to the Transportation and Appropriation Committees (the committees) on a strategy and recommended allocations for the use of funding received by the state pursuant to IIJA. The board must update the strategy, if necessary, by December 15, 2024, and every two years thereafter. The strategy, including all such updates and revisions, is subject to the approval of the committees and must be posted on the public websites of the board, the Department of Transportation (DOT) and OPM.

In developing the strategy, the board is required to consider DOT's long-range plans and to include criteria for prioritizing infrastructure projects. Additionally, the board may conduct public hearings, consult with stakeholders and other relevant documentation, and request

information from any public entity in the state.

Legislative Approval

Within 15 days of receipt of the board's initial report, the committees must meet to either approve or modify the board's recommended allocations. If the committees do not act within 15 days, the board's recommendations shall be deemed approved.

On and after July 1, 2024, within 15 days of receipt of any IJJA funds, the board must again submit recommended allocations to the committees, who must either approve or modify such recommendations within 15 days.

OPM must report any proposed changes to both the board and the committees. The committees must either approve or modify the proposed changes within 15 days.

Disbursement and Accounting of Funds

Disbursement of IJJA funds by OPM must be in accordance with the board's recommendations, as modified or approved by the committees. If allocations are not found to be allowable under federal rules, OPM must immediately notify the committees regarding the amounts, intended recipients, and reasons that such allocations are not allowed.

The bill further requires the board and OPM, not later than January 1, 2024 and annually thereafter, to jointly report to the committees on: (1) a full accounting of funds received and disbursed, (2) a plan for the disbursement of any remaining funds, (3) a description of any projects wholly or partially funded via IJJA, and (4) the status of each such project and timeline for completion.

DOT Reporting Requirements

The bill requires DOT, on or before February 1, 2023, and annually thereafter, to report to the committees on: (1) the department's capital plan, (2) the condition of the state's transportation infrastructure, and (3) DOT's long-range transportation plan. The committees must hold a public hearing on the report within 30 days, at which time DOT must

provide a detailed summary and fiscal analysis of the report.

The bill also requires DOT to establish a separate internet page dedicated to the status of the department's various capital projects, as outlined in the bill.

BACKGROUND

Federal Transportation Funding

Federal transportation funds are provided to states on a reimbursable basis through dozens of programs and funding categories. In general, federal funds are not received by state DOTs until after projects have been authorized by the relevant federal agency, states have made payments for actual costs incurred, and states have submitted bills to the federal agency for reimbursement of such costs. Given that DOT typically has hundreds of federal-aid projects ongoing at any given time, the actual number of individual disbursements to the department is high.

Additionally, federal programs typically include established funding ratios that define the federal and state cost share responsibilities. For transportation formula funding, the federal share is 80%-90%, though it could be higher for certain projects including eligible safety or innovation projects. For competitive grant programs, the federal share can vary widely but is typically below 50% of total project costs. In Connecticut, the state share for federal transportation projects is normally provided through bond funds.

Infrastructure Investment and Jobs Act

In November 2021, IIJA was signed into law, directing \$1.2 trillion in funding nationwide for roads, bridges, ports, and airports as well as expanded clean water, broadband, and climate initiatives. Under the law, Connecticut is expected to receive approximately \$5.38 billion in transportation formula funding over five years, which is 43% higher than the previous federal authorization for Connecticut's ongoing transportation capital programs. The law also includes over \$100 billion in competitive grant programs, as well as an additional \$30 billion specific to the Northeast Corridor, for which Connecticut may be

eligible to apply, among other provisions. It should be noted that IIJA funds largely represent a continuation and expansion of existing federal programs.

COMMITTEE ACTION

Appropriations

Joint Favorable Substitute

Yea 49 Nay 0