



Senate

General Assembly

File No. 567

February Session, 2022

Senate Bill No. 485

Senate, April 21, 2022

The Committee on Finance, Revenue and Bonding reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT AUTHORIZING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS TO INTERDISTRICT MAGNET SCHOOLS OPERATED BY THE CAPITOL REGION EDUCATION COUNCIL.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2022*) (a) For the purposes described
2 in subsection (b) of this section, the State Bond Commission shall have
3 the power from time to time to authorize the issuance of bonds of the
4 state in one or more series and in principal amounts not exceeding in
5 the aggregate twenty million dollars.

6 (b) The proceeds of the sale of such bonds, to the extent of the amount
7 stated in subsection (a) of this section, shall be used by the Department
8 of Education for the purpose of grants-in-aid to the Capitol Region
9 Education Council, established pursuant to section 10-66a of the general
10 statutes, for capital improvements to the buildings or structural
11 components of interdistrict magnet schools established under section
12 10-264h of the general statutes that are operated by the Capitol Region
13 Education Council. For the purposes of this section, "capital

14 improvements" means fixing a defect or design flaw; creating an
15 addition, a physical enlargement or an expansion; creating an increase
16 in capacity, productivity or efficiency; rebuilding property after the end
17 of its economic useful life; replacing a major component or structural
18 part of the property; or adapting property to a new or different use.

19 (c) All provisions of section 3-20 of the general statutes, or the exercise
20 of any right or power granted thereby, that are not inconsistent with the
21 provisions of this section are hereby adopted and shall apply to all
22 bonds authorized by the State Bond Commission pursuant to this
23 section. Temporary notes in anticipation of the money to be derived
24 from the sale of any such bonds so authorized may be issued in
25 accordance with section 3-20 of the general statutes and from time to
26 time renewed. Such bonds shall mature at such time or times not
27 exceeding twenty years from their respective dates as may be provided
28 in or pursuant to the resolution or resolutions of the State Bond
29 Commission authorizing such bonds. None of such bonds shall be
30 authorized except upon a finding by the State Bond Commission that
31 there has been filed with it a request for such authorization that is signed
32 by or on behalf of the Secretary of the Office of Policy and Management
33 and states such terms and conditions as said commission, in its
34 discretion, may require. Such bonds issued pursuant to this section shall
35 be general obligations of the state and the full faith and credit of the state
36 of Connecticut are pledged for the payment of the principal of and
37 interest on such bonds as the same become due, and accordingly and as
38 part of the contract of the state with the holders of such bonds,
39 appropriation of all amounts necessary for punctual payment of such
40 principal and interest is hereby made, and the State Treasurer shall pay
41 such principal and interest as the same become due.

42 (d) The board of the Capitol Region Education Council shall maintain
43 a rolling three-year capital improvement and capital equipment plan
44 that identifies (1) each interdistrict magnet school's expected capital
45 improvement projects and the anticipated cost of such projects, and (2)
46 the specific equipment each interdistrict magnet school is expected to
47 need, based on the estimated cost of the equipment, the useful life of

48 such school's existing equipment and projections of changing
 49 technology. Not later than January 1, 2023, and annually thereafter, the
 50 board shall submit such plan, in accordance with the provisions of
 51 section 11-4a of the general statutes, to the joint standing committees of
 52 the General Assembly having cognizance of matters relating to
 53 education, finance, revenue and bonding and appropriations.

54 (e) Not later than January 1, 2023, and every five years thereafter, the
 55 board of the Capitol Region Education Council shall adopt a long-range
 56 plan of capital improvement priorities and goals for the interdistrict
 57 magnet schools such center operates. Each plan adopted after the initial
 58 plan shall include a summary of activities related to capital
 59 improvements undertaken in the previous five years. The board shall
 60 submit, in accordance with the provisions of section 11-4a of the general
 61 statutes, each plan after adoption to the joint standing committees of the
 62 General Assembly having cognizance of matters relating to education,
 63 finance, revenue and bonding and appropriations.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2022	New section

FIN *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do 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.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	Out Years \$
Treasurer, Debt Serv.	GF - Cost	See Below	28.6 million total

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill authorizes \$20 million in General Obligation bonding for capital improvements to Capital Regional Education Council-operated interdistrict magnet schools, to be administered by the Department of Education. To the extent bonds are fully allocated and expended, total debt service is expected to be approximately \$28.6 million over the 20-year duration of the bonds.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the terms of any bonds issued.

OLR Bill Analysis**SB 485*****AN ACT AUTHORIZING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS TO INTERDISTRICT MAGNET SCHOOLS OPERATED BY THE CAPITOL REGION EDUCATION COUNCIL.*****SUMMARY**

This bill authorizes \$20 million in general obligation bonds for the State Department of Education to provide grants to the Capitol Region Education Council (CREC) for interdistrict magnet school capital improvements. It also requires CREC to develop and maintain capital improvement and capital equipment plans.

Under the bill, “capital improvements” are those that fix a defect or design flaw; create an addition, enlargement, or expansion; increase capacity, productivity, or efficiency; rebuild property after its economic useful life ends; replace a major component or structural part of the property; or adapt the property to a new or different use. The bonds are subject to standard statutory bond issuance procedures and repayment requirements.

EFFECTIVE DATE: July 1, 2022

CREC CAPITAL PLANS

The bill requires CREC’s board to maintain a rolling three-year capital improvement and capital equipment plan and annually submit it to the Appropriations; Education; and Finance, Revenue and Bonding committees, starting by January 1, 2023. The plan must identify each interdistrict magnet school’s (1) expected capital improvement projects and the anticipated costs and (2) specific equipment needs, based on the equipment’s estimated cost, the useful life of existing equipment, and projections of changing technology.

The bill also requires the CREC board to adopt and periodically update a long-range plan with capital improvement priorities and goals for the magnet schools and submit it to the Appropriations; Education; and Finance, Revenue and Bonding committees. The initial plan is due January 1, 2023, with updates due every five years afterward. Each plan after the initial plan must have a summary of capital improvement-related activities from the previous five years.

BACKGROUND

Related Bill

sSB 429, favorably reported by the Education and Finance, Revenue and Bonding committees, similarly requires CREC to develop capital plans.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 45 Nay 4 (04/05/2022)