



# Senate

General Assembly

**File No. 613**

February Session, 2008

Substitute Senate Bill No. 402

*Senate, April 15, 2008*

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING AUTHORIZATION OF STATE GRANT COMMITMENTS FOR SCHOOL BUILDING PROJECTS AND CONCERNING CHANGES TO THE STATUTES CONCERNING SCHOOL BUILDING PROJECTS.***

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

1       Section 1. (*Effective from passage*) The Commissioner of Education,  
2       having reviewed applications for state grants for public school  
3       building projects in accordance with section 10-283 of the 2008  
4       supplement to the general statutes on the basis of priorities for such  
5       projects and standards for school construction established by the State  
6       Board of Education, and having prepared a listing of all such eligible  
7       projects ranked in order of priority, including a separate schedule of  
8       previously authorized projects which have changed substantially in  
9       scope or cost, as determined by said commissioner together with the  
10      amount of estimated grant with respect to each eligible project, and  
11      having submitted such listing of eligible projects, prior to December  
12      15, 2007, to a committee of the General Assembly established under

13 section 10-283a of the general statutes for the purpose of reviewing  
 14 such listing, is hereby authorized to enter into grant commitments on  
 15 behalf of the state in accordance with said section 10-283 with respect  
 16 to the priority listing of such projects and in such estimated amounts  
 17 as approved by said committee prior to February 1, 2008, as follows:

18 (1) Estimated Grant Commitments.

T1	School District	Estimated	Estimated
T2	School	Project Costs	Grant
T3	Project Number		
T4			
T5	NEW HAVEN		
T6	UNH Science & Engineering Magnet		
T7	0357 MAG/N	\$ 59,500,000	\$ 56,525,000
T8			
T9	ASHFORD		
T10	Ashford School		
T11	0016 CV	228,350	157,402
T12			
T13	COVENTRY		
T14	Coventry High School		
T15	0054 CV	543,358	333,785
T16			
T17	COVENTRY		
T18	George Hersey Robertson School		
T19	0055 CV	317,358	194,953
T20			
T21	COVENTRY		
T22	Coventry Grammar School		
T23	0056 CV	215,359	132,295
T24			
T25	DERBY		
T26	New Derby Middle School		
T27	0058 N	28,000,000	19,000,800
T28			

T29	UNION		
T30	New Union Elementary School		
T31	0006 N	6,585,000	3,127,875
T32			
T33	ACES		
T34	Education Center for the Arts		
T35	(Little Theater)		
T36	0037 MAG/EA	6,986,129	6,636,823
T37			
T38	BRISTOL		
T39	Forestville K-8 School		
T40	0076 N/PS	53,000,000	39,182,900
T41			
T42	BRISTOL		
T43	West Bristol K-8 School		
T44	0077 N/PS	52,000,000	38,443,600
T45			
T46	GRISWOLD		
T47	Griswold Middle School		
T48	0034 EA/RR	34,000,000	25,013,800
T49			
T50	GRISWOLD		
T51	New Griswold Elementary School		
T52	0035 N	36,000,000	26,485,200
T53			
T54	MILFORD		
T55	Joseph A. Foran High School		
T56	0174 A/EC	3,800,000	1,493,020
T57			
T58	MILFORD		
T59	Jonathan Law High School		
T60	0175 A/EC	2,400,000	942,960
T61			
T62	NEW HAVEN		
T63	Timothy Dwight School		

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T64	0358 E	39,000,000	30,501,900
T65			
T66	TRUMBULL		
T67	Reg Agriscience/Tech Center		
T68	0100 VE	125,958	119,660
T69			
T70	TRUMBULL		
T71	Trumbull High School		
T72	0101 EA/RR	73,671,120	22,624,401
T73			
T74	VERNON		
T75	Rockville High School (Vo-Ag)		
T76	0132 VE	72,000	68,400
T77			
T78	WATERFORD		
T79	New Great Neck Elem. School		
T80	0101 N	28,890,015	10,316,624
T81			
T82	WATERTOWN		
T83	Watertown High School		
T84	0051 EA/RR	56,024,168	31,412,751
T85			
T86	WATERTOWN		
T87	Fletcher W. Judson School		
T88	0052 EA	15,821,720	8,871,238
T89			
T90	WATERTOWN		
T91	Polk School		
T92	0053 EA	12,486,976	7,001,447
T93			
T94	REGIONAL DISTRICT #14		
T95	Nonnewaug High School (Vo-Ag)		
T96	0088 VE	342,200	325,090
T97			
T98	GROTON		

T99	Claude Chester School		
T100	0181 EC	689,877	399,163
T101			
T102	GUILFORD		
T103	E.C. Adams Middle School		
T104	0094 EC	725,000	240,773
T105			
T106	NAUGATUCK		
T107	Naugatuck High School		
T108	0061 A/EC/RR	6,233,564	4,719,431
T109			
T110	NEW BRITAIN		
T111	New Britain High School		
T112	0164 A/EC/RR	5,113,070	4,072,049
T113			
T114	NEWTOWN		
T115	Central Admin. - Bridgeport Hall		
T116	0111 BE/A/PS	3,254,880	593,039
T117			
T118	EASTCONN		
T119	Central Admin. - Professional		
T120	Development Center		
T121	0091 BE/E	9,583,387	6,434,286

19 (2) Previously Authorized Projects That Have Changed  
 20 Substantially in Scope or Cost which are Seeking First Reauthorization.

T122	School District	Authorized	Requested
T123	School		
T124	Project Number		
T125			
T126	BLOOMFIELD		
T127	Bloomfield Early Childhood		
T128	Magnet School		
T129	011-0074 MAG/N		

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T130			
T131	Estimated...		
T132	Total Project Costs	\$ 18,305,291	\$ 22,300,000
T133	Total Grant	17,390,026	21,185,000
T134			
T135	EAST HADDAM		
T136	New East Haddam 4-8 School		
T137	041-0038 N/PS		
T138			
T139	Estimated...		
T140	Total Project Costs	24,830,000	34,448,072
T141	Total Grant	12,149,319	16,855,442
T142			
T143	ESSEX		
T144	Essex Elementary School		
T145	050-0006 EA/PS		
T146			
T147	Estimated...		
T148	Total Project Costs	15,887,000	13,300,000
T149	Total Grant	4,708,907	3,942,120
T150			
T151	MILFORD		
T152	Alternative Education Center		
T153	084-0167 EA/PF		
T154			
T155	Estimated...		
T156	Total Project Costs	3,300,000	6,175,000
T157	Total Grant	1,449,690	2,712,678
T158			
T159	MILFORD		
T160	Jonathan Law High School		
T161	084-0171 EA/EC		
T162			
T163	Estimated...		
T164	Total Project Costs	2,200,000	2,820,000
T165	Total Grant	887,920	1,138,152
T166			
T167	MILFORD		
T168	Calf Pen Meadow School		
T169	084-0173 EC		
T170			
T171	Estimated...		

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T172	Total Project Costs	600,000	762,592
T173	Total Grant	242,160	307,782
T174			
T175	NAUGATUCK		
T176	Naugatuck High School		
T177	088-0053 EA		
T178			
T179	Estimated...		
T180	Total Project Costs	2,600,000	3,241,006
T181	Total Grant	1,894,360	2,361,397
T182			
T183	NEW HAVEN		
T184	Clemente PK-8 School		
T185	093-0351 A/RR		
T186			
T187	Estimated...		
T188	Total Project Costs	37,840,000	42,000,000
T189	Total Grant	30,272,000	33,600,000
T190			
T191	NORWALK		
T192	Roton Middle School		
T193	103-0232 EA		
T194			
T195	Estimated...		
T196	Total Project Costs	5,800,000	8,016,965
T197	Total Grant	1,988,820	2,749,017
T198			
T199	WATERBURY		
T200	New Elementary School #2		
T201	151-0253 N/PS		
T202			
T203	Estimated...		
T204	Total Project Costs	31,900,000	48,000,000
T205	Total Grant	24,722,500	37,200,000
T206			
T207	WATERFORD		
T208	Quaker Hill Elementary School		
T209	152-0099 N		
T210			
T211	Estimated...		
T212	Total Project Costs	27,940,275	27,940,275
T213	Total Grant	7,485,200	7,485,200

T214			
T215	WEST HAVEN		
T216	West Haven High School		
T217	156-0127 A/EC		
T218			
T219	Estimated...		
T220	Total Project Costs	600,000	2,029,595
T221	Total Grant	454,260	1,536,606

21 (3) Previously Authorized Project That Has Changed Substantially  
 22 in Scope or Cost which is Seeking Second Reauthorization.

T222	School District	Authorized	Requested
T223	School		
T224	Project Number		
T225			
T226	NEW BRITAIN		
T227	Alternative Behavior Center		
T228	089-0156 N		
T229			
T230	Estimated...		
T231	Total Project Costs	\$ 2,255,000	\$ 3,245,000
T232	Total Grant	1,787,990	2,572,961

23 (4) Previously Authorized Projects For the Regional Vocational-  
 24 Technical School System That Have Changed Substantially in Scope or  
 25 cost Which are Seeking Reauthorization.

T233	School District	Authorized	Requested
T234	School		
T235	Project Number		
T236			
T237	CTHSS (DANBURY)		
T238	Henry Abbott		
T239	900-0002 VT/EA		
T240			
T241	Estimated...		
T242	Total Project Costs	54,659,389	60,000,000
T243	Total Grant	54,659,389	60,000,000
T244			

T245	CTHSS (HARTFORD)		
T246	A.I. Prince		
T247	900-0004 VT/EA		
T248			
T249	Estimated...		
T250	Total Project Costs	72,357,577	78,000,000
T251	Total Grant	72,357,577	78,000,000
T252			
T253	CTHSS (HAMDEN)		
T254	Eli Whitney		
T255	900-0007 VT/EA		
T256			
T257	Estimated...		
T258	Total Project Costs	74,286,000	98,000,000
T259	Total Grant	74,286,000	98,000,000
T260			
T261	CTHSS (DANIELSON)		
T262	H.H. Ellis		
T263	900-0009 VT/EA		
T264			
T265	Estimated...		
T266	Total Project Costs	59,747,000	84,000,000
T267	Total Grant	59,747,000	84,000,000

26       Sec. 2. Section 10-286 of the general statutes is amended by adding  
27       subsection (d) as follows (*Effective July 1, 2008*):

28       (NEW) (d) For any school building project receiving state grant  
29       assistance under this chapter, all change orders or other change  
30       directives issued for such project on or after July 1, 2008, shall be  
31       submitted, not later than six months after the date of such issuance, to  
32       the Commissioner of Education, in a manner prescribed by the  
33       commissioner. Only change orders or other change directives  
34       submitted to the commissioner in accordance with this subsection shall  
35       be eligible for state grant assistance.

36       Sec. 3. Section 10-285c of the general statutes is repealed and the  
37       following is substituted in lieu thereof (*Effective July 1, 2008*):

38 For school building projects approved by the General Assembly  
 39 after July 1, 1993, if state reimbursement pursuant to the provisions of  
 40 this chapter or any special act, for the acquisition, purchase or  
 41 construction of a building was for [one hundred] ninety-five or more  
 42 per cent of the eligible costs of such acquisition, purchase or  
 43 construction and such building ceases to be used for the purpose for  
 44 which the grant was provided within twenty years of the date of  
 45 approval by the General Assembly of the project, title to the building  
 46 shall revert to the state unless the Commissioner of Education decides  
 47 otherwise for good cause.

48 Sec. 4. Section 10-283 of the 2008 supplement to the general statutes  
 49 is amended by adding subsection (f) as follows (*Effective July 1, 2008*):

50 (NEW) (f) No application for a school building project for  
 51 replacement of a school building or for construction of a new school  
 52 building shall be accepted by the commissioner on or after July 1, 2008,  
 53 unless the applicant identifies all potential sites for the project and  
 54 includes (1) a statement that each site has been reviewed and  
 55 evaluated for programmatic and construction suitability, (2) two  
 56 appraisals concerning the purchase price for each potential site, and  
 57 (3) a Phase 1 environmental site analysis for each site and a Phase 2  
 58 assessment for any site if deemed necessary by the Commissioner of  
 59 Education. For purposes of the grant application pursuant to this  
 60 section, the applicant may use the cost of the most expensive site as  
 61 part of the estimated costs of the project, but if a less expensive site is  
 62 used for the project, the estimated costs of the project may not be  
 63 increased without authorization by the General Assembly on the  
 64 separate schedule of projects that have changed in scope or cost to a  
 65 degree determined by the commissioner pursuant to subsection (a) of  
 66 this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>July 1, 2008</i>	10-286

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Sec. 3	<i>July 1, 2008</i>	10-285c
Sec. 4	<i>July 1, 2008</i>	10-283

**ED**      *Joint Favorable Subst. C/R*      FIN

**FIN**      *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 09 \$	FY 10 \$
Education, Dept.	GF - See Below	See Below	See Below

Note: GF=General Fund

**Municipal Impact:**

Municipalities	Effect	FY 09 \$	FY 10 \$
Local and Regional School Districts	See Below	See Below	See Below

**Explanation**

**Section 1** of the bill authorizes \$345.37 million in state grant commitments for 29 new school construction projects of various types. It also reauthorizes a total of 17 previously authorized projects, 12 for the first time, three for the third time, and one for the fourth time. These projects have changed substantially (more than 10%) in cost or scope. The reauthorizations increase state grant commitments by a net \$87.2 million from the amounts previously authorized for these projects. The total cost of the bill is anticipated to be approximately \$660.0 million; this includes \$433.0 million in principal payments, and \$227.0 million in interest payments.

**Section 2** of the bill results in a potential savings to the state and therefore a potential revenue loss to local and regional school districts by limiting the time period for which change orders may be submitted. The extent of the potential savings and associated revenue loss is dependent upon actual change order submittals, which cannot be projected at this time.

The bill makes various other changes that are technical in nature and/or have no fiscal impact.

***The Out Years***

The annualized ongoing fiscal impact identified with the new school construction projects would continue into the future subject to the debt service repayment schedule. The annualized ongoing fiscal impact associated with change orders, would continue into the future.

**OLR Bill Analysis****sSB 402*****AN ACT CONCERNING AUTHORIZATION OF STATE GRANT COMMITMENTS FOR SCHOOL BUILDING PROJECTS AND CONCERNING CHANGES TO THE STATUTES CONCERNING SCHOOL BUILDING PROJECTS.*****SUMMARY:**

The bill authorizes \$345.37 million in state grant commitments for 29 new school construction projects of various types. It reauthorizes 17 previously authorized projects that have changed substantially in cost or scope, increasing net grant commitments for those projects by \$87.2 million.

It also:

1. imposes a deadline for school districts to submit school project change orders to the State Department of Education (SDE) for cost eligibility review;
2. requires ownership of school buildings for which the state contributed 95% or more, rather than 100%, of the cost, to revert to the state if the building is changed to a non-school use within 20 years after the General Assembly approves the grant for the project; and
3. bars SDE from accepting a school construction grant application for a new or replacement school on or after July 1, 2008 unless it contains specified information about proposed project sites.

EFFECTIVE DATE: July 1, 2008 except for the grant commitments, which take effect on passage.

**§ 1 — GRANT COMMITMENTS FOR LOCAL SCHOOL PROJECTS**

The bill authorizes \$345.37 million in state grant commitments for 29 new school construction projects of various types, with estimated total project costs of \$535.61 million. It also reauthorizes a total of 17 previously authorized projects, 12 for the first time, one for the second time, and four for the third or a subsequent time. These projects have changed substantially (more than 10%) in cost or scope. The reauthorizations increase state grant commitments for these projects by a net \$87.2 million from the amounts currently authorized.

## **§ 2 — DEADLINE FOR SUBMITTING CHANGE ORDERS**

The bill requires school districts to submit school project change orders and other change directives issued after July 1, 2008 to the SDE within six months after issuance. It excludes any change order not submitted within six months and in a manner the education commissioner prescribes from the project costs eligible for a school construction grant.

A change order is an amendment to a school construction project that does not have to be competitively bid. SDE guidelines state that school districts should use change orders only for unforeseen or emergency conditions arising during construction. The education commissioner reviews change orders to determine if their costs are eligible for state reimbursement.

## **§ 3 — REVERSION TO THE STATE UPON A CHANGE IN USE**

By law, if the state grant for a school project equals 100% of its eligible cost, the building must be used for the grant purpose for at least 20 years from the date the General Assembly approves the grant. If within the 20-year period, the building's use is changed, its title reverts to the state unless the education commissioner, for good cause, decides otherwise. The law applies to projects the General Assembly approves on or after July 1, 1993. This bill extends the reversion requirement to projects approved after that date for which the state pays 95% or more of the project cost.

This change conforms to the 2004 reduction in state grant support

for interdistrict magnet school, vocational agriculture center, and regional special education facility projects from 100% to 95% of the eligible cost.

#### **§ 4 — ADDITIONAL APPLICATION INFORMATION REGARDING PROJECT SITES**

Starting July 1, 2008, the bill requires the education commissioner to accept an application for a state school construction grant for a new or replacement school only if it:

1. identifies all potential sites for the project;
2. states that each potential site has been reviewed and evaluated for programmatic and construction suitability;
3. includes two appraisals of the purchase price for each potential site; and
4. includes a Phase 1 environmental analysis of each site and, if the education commissioner considers it necessary, a Phase 2 assessment of any site.

For purposes of a grant application, the bill allows an applicant to include the cost of the most expensive of the proposed sites in the project's estimated costs. But if the district ultimately uses a less expensive site, it cannot increase these estimated project costs unless the project receives legislative reauthorization on the list of projects with a significant change in cost or scope.

#### **BACKGROUND**

##### ***School Construction Grants***

The state reimburses school districts for from 20% to 80% of the eligible costs of local school construction projects. The reimbursement rate depends mostly on town wealth but districts may receive a higher reimbursement for certain types of projects, such as those involving space for school-readiness programs or full-day kindergarten. In addition, certain types of interdistrict projects (vocational agricultural

centers, regional special education facilities, and interdistrict magnet schools) are reimbursed at the rate of 95% of eligible costs. Districts also receive a 10-percentage-point bonus for projects undertaken in cooperation with one or more other districts.

**Phase 1 and 2 Environmental Analyses**

A Phase 1 environmental site assessment is a report prepared for a real estate holding which identifies potential or existing environmental contamination liabilities. It typically addresses both the underlying land as well as physical improvements to the property and includes examination of potential soil contamination, groundwater quality, and surface water quality.

A Phase 2 assessment is a more detailed investigation of a site involving chemical analysis for hazardous substances or petroleum hydrocarbons.

**COMMITTEE ACTION**

Education Committee

Joint Favorable Substitute Change of Reference  
Yea 28 Nay 0 (03/18/2008)

Finance, Revenue and Bonding Committee

Joint Favorable  
Yea 53 Nay 0 (04/01/2008)