
OLR Bill Analysis

sSB 1006

AN ACT INCREASING CERTAIN BOND AUTHORIZATIONS FOR CAPITAL IMPROVEMENTS.

SUMMARY:

This bill authorizes up to \$789 million in new general obligation (GO) bonding for FY 12 and up to \$869.2 million for FY 13. The authorizations provide funding for various capital programs, including school construction, clean water, and economic development projects; the Local Capital Improvement Program (LOCIP); and farmland preservation. The bill also establishes a new program to provide grants to allow municipalities, on or after October 1, 2011, to jointly buy or lease equipment or vehicles for required government functions or services. It authorizes up to \$10 million per year in GO bonds for FY 12 and FY 13 for the grants.

In addition to these GO bond authorizations, the bill authorizes up to \$471.78 million in revenue bonds over the two years for Clean Water Fund loans and reallocates \$16.4 million in funds under the Connecticut State University System's 2020 program (CSUS 2020) for a renovation and addition to the Buley Library at Southern Connecticut State University.

The bill cancels \$2.86 million in authorizations for a new laboratory for the Department of Public Health (DPH) and allows some the remaining funds to be reallocated for a lab addition for the Department of Energy and Environmental Protection (DEEP).

It merges three existing programs for energy efficiency and renewable energy projects in state buildings and transfers responsibility for the programs to DEEP. Under current law, each program has a separate bond authorization, funds different types of

projects and is administered by a different agency.

Finally, the bill makes various changes to existing bond authorizations, including expanding their purposes and transferring responsibility for projects to new agencies.

EFFECTIVE DATE: July 1, 2011, except for FY 13 bond authorizations, which take effect July 1, 2012.

§§ 1-6 & 11-14 — STATUTORY BOND AUTHORIZATIONS

The bill authorizes new bonding for FY 12 and FY 13 as shown in Table 1.

TABLE 1: STATUTORY BOND AUTHORIZATIONS FOR FY 12 & FY 13

§	Agency	Purpose/Fund	FY 12	FY 13
1	Office of Policy & Management	Economic and community development project grants (Urban Act)	\$50,000,000	\$50,000,000
2	Office of Policy & Management	Small Town Economic Assistance Program (STEAP)	20,000,000	20,000,000
3	Office of Policy & Management	Capital Equipment Purchase Fund	0	22,900,000
4	Office of Policy & Management	Local Capital Improvement Program (LOCIP)	30,000,000	30,000,000
5	Construction Services (transferred from Education – see below)	School construction projects	523,000,000	584,000,000
6	Education	School construction interest subsidy grants	13,400,000	8,300,000
11	Agriculture	Farmland preservation	10,000,000	10,000,000
12	Environmental Protection	Clean Water Fund grants	92,600,000	94,000,000
13	Environmental Protection	Clean Water Fund loans (revenue bonds)	233,420,000	238,360,000
14	Economic and Community Development	Manufacturing Assistance Act	40,000,000	40,000,000
15	Office of Policy & Management	Intertown Capital Equipment Purchase Incentive Program (see below)	10,000,000	10,000,000

§ 15 — INTERTOWN CAPITAL EQUIPMENT PURCHASE INCENTIVE PROGRAM

The bill establishes a new grant program, administered by the Office of Policy and Management (OPM) secretary, to help municipalities jointly buy or lease needed vehicles or capital equipment starting

October 1, 2011.

The program provides grants to pay up to 50% or \$250,000, whichever is less, of the cost of buying or leasing (1) a maintenance vehicle, pickup truck, tractor, truck tractor, utility trailer, or similar vehicle or (2) any other equipment, including data processing equipment with a unit price under \$1,000, that has an expected remaining useful life of at least five years from the purchase or lease date. The municipality must use the vehicle or equipment to perform or deliver a required government function or service.

The bill requires the OPM secretary, by September 1, 2011, to develop guidelines establishing:

1. application and administrative procedures for the program;
2. criteria for spending the grants and for allocating them among the municipalities jointly acquiring the equipment; and
3. priorities for awarding grants, including limits on how often a municipality may apply, or the dollar amount it may receive, in a given time frame.

By October 1, 2011 and each year thereafter, the secretary must issue a notice that the grants are available and solicit proposals for funding. Eligible municipalities may apply for grants when and how the secretary prescribes. The secretary must review the applications and determine the vehicles or equipment to fund and the grant amounts in accordance with program guidelines.

§ 7 — CSUS 2020 PROJECT

The bill adds a project at Southern Connecticut State University (SCSU), additions and renovations to Buley Library, to Phase I of the CSUS 2020 plan, a system-wide capital improvement program. It funds the project by reallocating \$16,386,585 in GO bond authorizations from two existing SCSU projects, (1) new academic laboratory building/parking garage (reduced by \$11,482,000) and (2) code compliance/infrastructure improvements (reduced by \$4,904,585). The

reallocation allows SCSU to complete the Buley Library renovation and supports work on its new addition.

By law, the following types of revisions in the CSUS 2020 plan require both the formal approval of the CSUS Board of Trustees and passage of a public or special act: (1) the addition or deletion of a project or (2) an increase or decrease in the original project cost by 10% or more for projects estimated to cost \$1 million or less, or 5% or more for projects estimated to cost more than \$1 million, unless the change in cost is due solely to changes in material costs (CGS § 10a-91d(c)).

§§ 23, 24 & 27 — CANCELLATIONS AND REALLOCATION OF FUNDS FOR NEW PUBLIC HEALTH LABORATORY

The bill cancels parts of two authorizations for a new public health laboratory and allows reallocation of some of the funds. It:

1. cancels \$630,250 of a \$5 million authorization for development of a new DPH lab and allows the remaining \$4,369,750 funds to also be used for a laboratory addition for the DEEP in Windsor; and
2. cancels \$2,228,700 of an authorization for the DPH lab and related costs, reducing it from \$32,798,900 to \$30,570,200.

§§ 8-10 & 31 — RENEWABLE ENERGY AND ENERGY SERVICES PROJECTS IN STATE BUILDINGS

The bill merges three programs with separate GO bond authorizations for funding energy efficiency and renewable energy projects in state buildings. It does so by (1) requiring all three authorizations to fund the same types of projects; (2) transferring responsibility for all three programs to DEEP; and (3) eliminating separate program requirements (see Table 2).

TABLE 2: MERGING ENERGY PROGRAMS FOR STATE BUILDINGS

CURRENT PROGRAM	EXISTING BOND AUTHORIZATION	TYPES OF PROJECTS		ADMINISTERING AGENCY	
		<i>Current Law</i>	<i>The Bill</i>	<i>Current Law</i>	<i>The Bill</i>
Energy services	\$13,000,000	Energy efficiency	Energy efficiency	Public Works	Energy and Environmental

projects in state buildings (§ 16a-38m)		measures under the strategic plan for improving energy management in state buildings	measures under the strategic plan		
Clean and Distributive Generation Grant program (§§ 16a-38n & 16a-38o)	20,000,000	Clean and distributive generation projects in state buildings generated from a Class I renewable energy source	for improving energy management in state buildings Renewable energy Combined heat and power (cogeneration)	Public Utility Control	Protection
Renewable energy or combined heat and power projects (§ 16a-38p)	\$10,000,000	Renewable energy or combined heat and power projects in state buildings		Connecticut Innovations, Inc.	

The bill also eliminates requirements that:

1. bond funds be used only to pay the net project cost or the balance after applying available private incentives;
2. make the funds available through the Renewable Energy Investment Fund; and
3. the state building where the project is performed (a) be certified or in the process of being certified in the Leadership in Energy and Environmental Design (LEED) program, (b) be or in the process of becoming LEED silver-rated, or (c) have or be in the process of receiving a two-globe rating in the Green Globes USA design program.

CHANGES IN EXISTING AUTHORIZATIONS

§§ 5 & 16-22 — Transfer to New Agencies

To coincide with legislation consolidating state agencies (see BACKGROUND), the bill transfers responsibility for the new bond authorization for grants for local and regional school construction projects from the State Department of Education to the new Department of Construction Services (DCS) (see Table 1).

It also transfers responsibility for various existing bond authorizations for the following capital projects related to state buildings and property from the Department of Public Works (DPW) to DCS:

1. various security improvements;
2. removal or encapsulation of asbestos in state buildings;
3. infrastructure repairs and improvements, improvements to state-owned buildings and grounds, and preservation of unoccupied buildings and grounds;
4. capital construction, improvements, repairs, renovations, and land acquisition at fire training schools; and
5. development and implementation of a plan to reduce the number of state-owned and -leased surface parking lots in Hartford.

Finally, it transfers responsibility for existing bond authorizations for the following information technology projects from the Department of Information Technology (DOIT) to the Department of Administrative Services (DAS):

1. development and implementation of the Connecticut Education Network,
2. planning and design for a state data center, and
3. development and implementation of systems to comply with the Health Insurance Portability and Accountability Act.

§§ 25 & 28 – Prior Authorizations for Housing Development and Rehabilitation Projects

The bill makes two corrections in prior authorizations to the Department of Economic and Community Development for housing development and rehabilitation projects. It changes the authorized amount for specific projects in §28 of PA 07-7 from \$9 million to \$10 million to conform to the total authorization for all housing development and rehabilitation projects specified in the preceding section of that act. It also corrects the names of two New Britain housing development projects authorized under PA 10-44 to receive \$15 million from a previous \$21 million authorization.

§ 29 — Department of Environmental Protection (DEP) Water Pollution Grants

The bill expands the permissible uses for a \$16 million authorization to DEP. Under current law, DEP may use these funds for grants to:

1. contain, remove, or mitigate identified hazardous waste disposal sites;
2. municipalities for new water mains to replace supply from contaminated wells;
3. identify, investigate, contain, remove, or mitigate industrial sites in urban areas;
4. municipalities to acquire land for public parks, recreational and water quality improvements, and water mains and water pollution control projects, including sewers; and
5. municipalities for providing potable water.

The bill allows DEP to also use the funds for grants to state and regional planning agencies and municipalities for water pollution control projects.

§ 30 — Authorization for Northwestern Community College

The bill expands the permissible uses of a 2009 authorization for replacing the Joyner Building at Northwestern Community College to

include property acquisition as well as site remediation, design, and construction. The authorization remains unchanged at up to \$1,633,611.

BACKGROUND

Related Bills

sSB 909 (File 259), is identical to § 7 of this bill regarding the Buley Library project at Southern Connecticut State University.

sSB 1010 (File 739), dissolves DPW and establishes DCS for purposes of construction, construction management, and security management. It makes the DCS, rather than the DPW, commissioner responsible for constructing and developing state-owned buildings and real estate. The bill also dissolves DOIT and establishes it as a division within DAS.

sHB 6386 (File 394), creates the DEEP by merging DEP and the Department of Public Utility Control (DPUC). It also transfers various energy-related responsibilities and powers from OPM to DEEP.

Related Act

SB 1239, An Act Concerning the Budget for the Biennium Ending June 30, 2013, assumes (1) the transfer of authority over state-reimbursed school construction projects from the State Department of Education to DCS and (2) the consolidation of the DEP and the DPUC into a new DEEP. SB 1239 was passed by both houses and signed by the governor on May 4, 2011.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 52 Nay 0 (04/21/2011)