

## Local Capital Improvement Program

By: Jessica Schaeffer-Helmecki, Legislative Analyst II  
December 13, 2019 | 2019-R-0325

### Issue

Provide an overview of the Local Capital Improvement Program.

### Summary

The Local Capital Improvement Program (LoCIP) provides grants to municipalities to reimburse them for (1) eligible capital improvement projects, such as roads, bridges, sewage treatment plants, public housing, and public buildings, and (2) costs incurred in preparing local capital improvement plans and municipal plans of conservation and development. Operating and maintenance costs are ineligible for LoCIP funding (see below for a full list of eligible projects).

The program is an entitlement grant funded through state general obligation bonds (generally \$30 million is allotted each year). In February, the Office of Policy Management (OPM) calculates each municipality's LoCIP allocation using a formula that compares its road mileage, population, population density, and per capita property wealth to the total for all municipalities. By March 1, OPM must notify each municipality of its allocation amount ([CGS § 7-536\(b\)-\(c\)](#)). Grant allocations amounts for 2007 through 2019 are available on [OPM's website](#).

OPM reimburses municipalities for expenditures they make on OPM-approved projects, up to the amount available in the municipality's entitlement account (unallocated balances roll over from year to year). Municipalities must submit an authorization request for each proposed project, which OPM must either approve or deny within 45 days. If a project is approved, the municipality generally has seven years to submit a request for reimbursement to OPM ([CGS § 7-536\(f\)](#)).

## Eligible Projects

The following major categories of municipal capital projects are eligible for LoCIP funding:

1. road construction or repair;
2. sidewalk and pavement improvements;
3. sewage treatment plants and storm, water, or sewer lines;
4. public building (other than school) construction, repair, and upgrades;
5. dam, bridge, and flood control project construction and repair;
6. water treatment and water main construction and renovation;
7. solid waste facility construction and renovation;
8. public park improvements;
9. preparation of a local capital improvement plan covering at least five years;
10. emergency communication and building security system improvements (available for schools);
11. public housing project renovations and certain improvements, including additional housing;
12. veteran memorial monument construction and renovation;
13. thermal imaging systems;
14. bulky waste and landfill projects;
15. preparation of plans of conservation and development once every 10 years;
16. purchase of automatic external defibrillators;
17. floodplain management and hazard mitigation activities;
18. certain on-board oil refining systems;
19. planning for a municipal broadband network capable of achieving certain speeds;
20. bikeway and greenway establishment;
21. land acquisition for open space and costs for making land available for public uses;
22. acquisition of technology related to common core state standards; and

23. technology upgrades, including those to improve the public's access to governmental information (e.g., kiosks).

Ordinary repairs and maintenance of an ongoing nature are not eligible for LoCIP funding, but repairs related to reconstruction and renovation of eligible projects are eligible ([CGS § 7-536\(a\)\(4\) & \(j\)](#)). [LoCIP Guidelines](#), available on OPM's website, provides examples of eligible and ineligible projects and costs.

## **Project Authorization and Reimbursement Requirements**

To receive grant funds, a municipality must submit to OPM on [specified forms](#) a request for (1) project authorization and (2) reimbursement.

OPM will only authorize projects that:

1. are eligible for LoCIP grants;
2. the municipality's legislative body has approved, as reflected in its meeting minutes;
3. are included in the municipality's capital improvement plan (a multiyear plan adopted by the municipality's legislative body that describes needed capital improvements, their estimated cost, and funding sources for those scheduled for the first year of the plan); and
4. the municipality has a sufficient balance in its LoCIP entitlement account to cover.

OPM will only reimburse municipalities:

1. for allowable expenditures associated with OPM-approved LoCIP projects,
2. after the municipality has incurred and expended funds, and
3. for amounts that do not exceed the balance of a municipality's entitlement account.

[LoCIP Guidelines](#), available on OPM's website, provides additional information on authorization and reimbursement requirements.

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