
OLR Bill Analysis

sSB 961

AN ACT CONCERNING CARBON-FREE SCHOOL REQUIREMENTS FOR NEW SCHOOL CONSTRUCTION AND ESTABLISHING OTHER SCHOOL CONSTRUCTION AND PUBLIC HEALTH REQUIREMENTS FOR SCHOOL DISTRICTS.

SUMMARY

This bill requires, beginning July 1, 2024, public school building new construction, replacement, or extension to be “net-zero energy,” meaning that the building design maximizes energy efficiency and on-site renewable energy production to try to produce as much energy as the building will use.

It requires school districts and superintendents to commission solar power and energy efficiency feasibility studies, respectively, to determine the cost-effectiveness of solar power systems and energy efficiency improvements. If determined to be cost effective, the bill requires energy efficiency projects to be in-service by January 1, 2028, and solar projects to be permitted and contracted for by the same date.

The bill additionally (1) establishes a low- to no-interest loan program for these projects; (2) creates a fund within the Connecticut Green Bank to fund these loans; and (3) capitalizes the fund with \$500 million, principally from the Green Bank, of which 80% (i.e., \$400 million) must be for loan issuance with the remainder for things like school district credit enhancement, audit and feasibility study grants, and training.

Under the bill, school districts must measure and report annually on energy consumption, solar generation, and greenhouse gas (GHG) emissions. The bill correspondingly expands the Green Bank’s authority and responsibilities to, among other things, administer the loan program, supervise the feasibility studies and energy audits prescribed by the bill, and hire certain experts to fulfill its new role.

The bill also separately requires the following:

1. each public school district to include climate change impacts (e.g., flooding, sea level rise, increased storm surge) as risks in its real property asset assessment and management;
2. beginning January 1, 2025, occupied classrooms in public schools to be heated to between 65 and 72 degrees during cold weather periods and cooled to between 78 and 72 degrees during hot weather periods; and
3. beginning January 1, 2024, any grant for new public school construction submitted to the Department of Administrative Services (DAS) to (1) include a requirement for installing a school kitchen with a dishwasher and (2) indicate how solid waste, including recycling and food scraps, will be sorted and collected (and, before the school construction begins, the school district must create a waste management plan to implement waste prevention, recycling, and composting).

Lastly, the bill requires the Department of Public Health (DPH) to (1) adopt certain lead testing, remediation, and notification requirements for public schools and (2) create a poster on the effects of idling cars, which public schools must post in certain locations.

EFFECTIVE DATE: Upon passage

NET-ZERO ENERGY REQUIREMENTS

To meet the bill's net-zero requirement, the bill requires the DAS commissioner to require grant applications for new public school construction, replacement, or extensions, beginning July 1, 2023, to show how the project will achieve net-zero energy to the greatest extent practicable.

The bill establishes several requirements for public school districts and superintendents to attain the net-zero requirement, both in terms of solar power and energy efficiency (see below). The bill also requires that school districts be able to retain, to the greatest extent possible, any

energy cost savings achieved from undertaking new solar power system projects or energy efficiency improvements.

Solar Power

The bill requires each school district to commission a solar power feasibility study for each building it owns and submit the study's results to the Connecticut Green Bank by July 1, 2024.

Under the bill, this feasibility study is a report determining whether a proposed solar power system is cost-effective (i.e., the savings from an improvement equal or exceed the improvement's initial cost over its useful life) and may consider the costs to repair, upgrade, or replace a building's roof. The study must (1) be created by a trained and certified energy professional (i.e., a "qualified professional") who estimates the costs, savings, and GHG emissions reductions for a solar power system on a building's available rooftops, parking lots, and other areas and (2) include a financial plan with funding sources and uses, including federal incentives.

If a proposed solar power system is determined to be cost effective, the superintendent must secure the relevant permits and contracts for it by January 1, 2028. The bill requires superintendents to prioritize projects based on their GHG emissions reductions and cost-effectiveness, undertaking projects with the best combination of the two factors first.

If the feasibility study determines that a solar power system is not cost-effective (i.e., because of roof repair, upgrade, or replacement costs), the bill requires the (1) superintendent to make a good faith effort to ensure that the building's next scheduled roof replacement or major roof repair project will allow the roof to support a solar power system and (2) school district to determine if the replacement or repair will allow for the system. And when it is determined that a roof can support a system, the bill requires the superintendent to have it installed within two years after this determination.

Energy Efficiency

The bill establishes a process for energy efficiency projects similar to its process for determining if solar power projects are feasible and for pursuing those projects.

Under the bill, each superintendent must commission an energy efficiency feasibility study for each building owned by their respective school district and submit the study results to the Connecticut Green Bank by July 1, 2025. An “energy efficiency feasibility study” is a report created by a qualified professional (see *Solar Power*, above) that (1) includes a financial plan with sources and uses of funding, including federal incentives and (2) estimates costs, savings, and GHG emissions reductions for energy efficiency improvements identified in an energy audit (i.e., an inspection or survey of a building’s energy systems and an analysis of current energy consumption and production). The energy audit must also identify opportunities for improvements that would yield energy cost savings and GHG emissions reductions.

If a feasibility study determines that energy efficiency improvements are cost-effective, the bill requires the superintendent to begin making the improvements and have them in service by July 1, 2028.

However, if improvements will only be cost-effective upon the replacement of older equipment at the end of the equipment’s useful life, the bill requires the superintendent to arrange for the equipment’s replacement with energy-efficient equipment when the older equipment no longer works. Superintendents must monitor conditions and expiration dates of the older equipment and make the necessary preparations to replace it when it expires or breaks down, including to upgrade circuit panels to allow for the installation of a heat pump.

The bill exempts from these requirements replacements done on an emergency basis and for cases of financial hardship.

Labor Costs

The bill requires school districts that undertake the solar power system and energy efficiency improvement projects to pay each associated construction employee wages and benefits of at least the

prevailing wage and fringe benefits required in state law for the corresponding classification of the employee's work.

Maintenance Worker Training

The bill requires superintendents to make training available to current maintenance workers on how to operate and manage a solar power or energy efficiency system installed under the bill's provisions.

DAS SCHOOL CONSTRUCTION NOTICE

The bill requires each school district intending to undertake solar power and energy improvement projects to notify DAS' Office of School Construction Grants and Review. The district must show the cost-effectiveness of a project and identify available local and federal government funding sources for it.

The bill allows DAS's office to challenge a proposed project, but it must do so within 30 days after receiving notice of it. If unchallenged, the proposal is deemed approved.

Under the bill, these projects' energy improvements are presumed to be eligible for capital reimbursement consistent with the district's existing reimbursement formula. When calculating the amount of project expenses that are eligible for reimbursement, the bill requires the district to subtract any government funds other than education aid.

NET-ZERO SCHOOLS LOAN PROGRAM

The bill establishes a "Net-Zero Schools Loan Program" to make low- or no-interest loans to public school districts for energy efficiency or renewable energy projects that yield energy cost savings. It provides \$400 million for the program from a new "Public Schools Solar and Energy Efficiency Fund" the bill establishes (see below).

Under the bill, program loans must be for a fixed period and allow them to satisfy non-federal match requirements for federal grants.

Eligible Projects

Under the bill, program-eligible projects include things like:

1. installing on-site Class I renewable energy sources (e.g., solar or wind), energy efficient lighting or building control upgrades, insulation or building envelope upgrades;
2. making heating, ventilation, and air condition repairs or replacements;
3. planting and maintaining native shade tree species that reduce energy consumption; and
4. renovating for strategic daylighting.

Eligible program costs include the reasonable costs to construct, alter, or renovate public school buildings; associated site preparation and development; site or building equipment and furnishing; architectural, engineering, or construction management charges; commissioning of building systems and training staff to maintain them; and associated ordinary and reasonable legal fees.

Program Funding

The bill allocates the loan program funding as follows:

1. 60% of the initial funding for the program must be for all school districts in the state and allotted according to a Connecticut Green Bank-determined formula, which must consider need determined by any solar power or energy efficiency feasibility study;
2. 40% of the program's initial funding must be allocated, on a competitive basis, for school districts in environmental justice communities (see BACKGROUND); and
3. after the program's third year operating, any amount that has not been loaned is available to any school district on a competitive basis.

Labor Costs

Under the bill, each loan program recipient must pay construction employees hired for the loan-funded school improvements wages and

benefits that are at least equal to the state's prevailing wage and fringe benefit rates for the corresponding classification in which they are employed. Loan recipients must also negotiate a project labor agreement in good faith if a project's total cost exceeds \$10 million. The bill specifies that improvements at the same building may not be segmented to avoid these requirements.

Under the bill, a "project labor agreement" is an agreement that:

1. binds all contractors and subcontractors on a covered project to the agreement by including specifications in all relevant solicitation provisions and contract documents;
2. allows contractors and subcontractors to compete for project contracts and subcontracts regardless of whether they are parties to collective bargaining agreements;
3. sets uniform employment terms and conditions for all construction labor hired on the projects;
4. guarantees against strikes, lockouts, and similar disruptions;
5. includes mutually binding procedures for resolving labor disputes;
6. requires contractors to partner with a preapprenticeship program; and
7. includes any other negotiated provisions to promote successful delivery of the covered project.

Apprentice and Workforce Development Requirement

The bill requires that the contractors hired for a project receiving a program loan be enrolled in an apprenticeship program registered with the federal Department of Labor (U.S. DOL) or a federally recognized state apprenticeship agency. They must also partner with a workforce development program in which the following individuals are given opportunities for skill development that will enable them to qualify for higher paying jobs:

1. employees who are residents of the same municipality as the school project and
2. individuals with employment barriers such as prior incarceration or who have been traditionally underrepresented in the relevant job.

A “workforce development program” under the bill is an apprenticeship program registered with the U.S. DOL or a federally recognized state agency that actively trains employees, has functioning training facilities, and regularly graduates apprentices to journey person status who are placed in jobs or preapprenticeship training.

PUBLIC SCHOOLS SOLAR AND ENERGY EFFICIENCY FUND

The bill establishes a 30-year nonlapsing “Public Schools Solar and Energy Efficiency Fund” within the Connecticut Green Bank to make loans to public schools for projects authorized under the bill. It capitalizes the fund with \$400 million from the Green Bank and \$100 million from bonds of the state or capital funds. (The bill does not specify the mechanism by which the Green Bank will produce these funds.)

From this \$500 million, \$400 million must be used for the Net-Zero Schools Loan Program the bill establishes (see above); \$75 million must be used to enhance public school districts’ creditworthiness; and \$25 million must be allocated to the Green Bank for audit and feasibility study grants, program oversight, public education, school district official training, and technical assistance for project development. The bill specifies that these funds supplement and do not replace other funding for school districts to construct school facility improvements.

Under the bill, this fund consists of any funds required to be deposited into it (e.g., appropriated funds, repayment of all loans related to loans made from the fund, fund investment gains, and donations or gifts). After the 30 years, the fund’s unspent balance reverts to the General Fund.

ANNUAL SCHOOL DISTRICT REPORTING

Under the bill, each public school district must annually measure and report to the Connecticut Green Bank on its energy consumption, solar generation, and subsequent GHG emissions using Energy Star Portfolio Manager or an equivalent platform. The Green Bank must then make this data publicly available online.

The bill also requires (1) each superintendent to publish annual reports on the state of solar power and energy efficiency systems in each public school in his or her school district and (2) the Green Bank to publicize any shortcomings of the systems and work with the superintendent to overcome obstacles to making improvements.

It allows any consumer, employee, or taxpayer of the state (e.g., labor unions) to request a report on the state of solar and energy efficiency projects in a public school building from the superintendent, which must be published in a report within 30 days after the request.

NEW GREEN BANK RESPONSIBILITIES

The bill correspondingly expands the Connecticut Green Bank's authority and responsibilities by requiring it to do the following:

1. supervise a program giving technical assistance to school districts seeking to develop solar power system and energy efficiency projects under the bill's provisions;
2. supervise a program giving technical assistance, project development, public education, and training for public school district officials who are involved in developing solar power and energy efficiency projects;
3. administer the bill's new Net-Zero Schools Loan Program (see above);
4. supervise energy audits and the solar power and energy efficiency feasibility studies the bill requires;
5. evaluate the program's success and recommend improvements to it; and

6. hire a staff of engineers, policy analysts, financial experts, and community liaisons, or other experts needed to perform its responsibilities.

DPH REQUIREMENTS

Lead Testing

Under the bill, the DPH commissioner must adopt regulations by January 1, 2024, requiring all public school districts to (1) periodically test water samples for lead from all taps used for drinking or cooking in each school facility and (2) remediate lead contamination sources when there is lead (presumably, only if the source is part of school district property).

The bill requires DPH to (1) publish these lead water test results on a publicly accessible website and (2) share the results with the school districts' water utility if it is served by a public system.

Vehicle Idling

The bill requires DPH, by January 1, 2024, to develop an informational poster on the health impacts of idling vehicle emissions. It requires public schools, by February 1, 2024, to (1) display the poster in the school lobby or another visible space and (2) post anti-idling signs in student pick-up and drop-off areas and other locations where vehicles frequently idle.

BACKGROUND

Environmental Justice Communities

By law, an "environmental justice community" is (a) any U.S. census block group, as determined by the most recent census, for which at least 30% of the population consists of low-income people who are not institutionalized and have an income below 200% of the federal poverty level or (b) a distressed municipality (CGS § 22a-20a).

The Department of Economic and Community Development annually designates distressed municipalities, based on high unemployment and poverty, aging housing stock, and low or declining rates of job, population, and per capita income growth (CGS § 32-9p).

The current (2022) distressed municipalities are Ansonia, Bridgeport, Bristol, Chaplin, Derby, East Hartford, East Haven, Griswold, Groton, Hartford, Meriden, Montville, New Britain, New London, North Stonington, Norwich, Plainfield, Putnam, Sprague, Sterling, Torrington, Waterbury, West Haven, Winchester, and Windham.

Towns with current applicable census blocks (that are not also distressed municipalities) are Bethel, Bloomfield, Branford, Brooklyn, Canaan, Clinton, Columbia, Coventry, Cromwell, Danbury, East Haddam, East Lyme, East Windsor, Ellington, Enfield, Essex, Fairfield, Farmington, Glastonbury, Greenwich, Haddam, Hamden, Killingly, Ledyard, Lisbon, Manchester, Mansfield, Middletown, Milford, Naugatuck, New Fairfield, New Haven, New Milford, Newington, North Canaan, Norwalk, Plainville, Portland, Preston, Ridgefield, Rocky Hill, Sharon, Shelton, Simsbury, Southington, Stafford, Stamford, Stonington, Stratford, Thomaston, Thompson, Vernon, Wallingford, Waterford, Watertown, West Hartford, Wethersfield, Willington, Windsor Locks, and Windsor.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 22 Nay 10 (03/10/2023)