
OLR Bill Analysis

sSB 10

AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE.

SUMMARY

This bill authorizes new state general obligation (GO) bonds for FY 25 for various capital improvements, grant programs, and other initiatives, including up to \$50 million for early childhood programs and initiatives. It authorizes new special tax obligation (STO) bonds for transportation projects, including up to \$100 million for the Fix-it-First bridge repair program. It also adjusts the amounts of current bond authorizations, including increasing the authorization for the Local Capital Improvement Program (LoCIP) by \$15 million.

The bill creates a five-year, \$750 million bonding program to fund certain economic or community development projects. It establishes a 17-member Legacy Investment Fund board to accept applications for program funding from municipalities, community development corporations (CDCs), and nonprofits and sets a process by which the board reviews the applications and submits them to the governor for his review.

Among its other provisions, the bill:

1. extends the UConn 2000 program by two years, to FYs 28 and 29, and authorizes an additional \$638.5 million in new bonding under the program, including \$126.5 million for FY 25;
2. authorizes up to \$45 million in GO bonds over three years for the Office of Legislative Management (OLM) to fund State Capitol and Legislative Office Building (LOB) alterations, renovations, and restoration;
3. requires the Department of Housing (DOH) to report quarterly

to the Finance, Revenue and Bonding Committee on specified bond-funded programs; and

4. makes minor and technical changes.

EFFECTIVE DATE: July 1, 2024, except the changes concerning current authorizations for the Department of Developmental Services (DDS) and Military Department (§§ 24 & 34) are effective upon passage.

§§ 1-15 & 51 — NEW BOND AUTHORIZATIONS FOR STATE AGENCY PROJECTS, GRANTS, AND OTHER PROGRAMS

The bill authorizes new GO bonds for FY 25 for the state projects, grant programs, and other programs listed in the table below. The bonds are subject to standard issuance procedures and have a maximum term of 20 years.

The bill includes a standard provision requiring that, as a condition of bond authorizations for grants to private entities, each granting agency include repayment provisions in its grant contract in case the facility for which the grant is made ceases to be used for the grant purposes within 10 years of the grantee receiving it. The required repayment is reduced by 10% for each full year that the facility is used for the grant purpose.

Table: New GO Bond Authorizations for FY 25

§	Agency	Project	Amount
State Capital Projects			
2(a)	Department of Administrative Services	Reimburse environmental remediation at the former Long Lane School in Middletown	\$20,000,000
		Renovate and improve an opportunity center	1,000,000
2(b)	Department of Labor	Alter, renovate, and improve buildings and grounds, including utilities, mechanical systems, and energy conservation projects	5,000,000
2(c)	Department of Energy and Environmental Protection (DEEP)	Climate resiliency programs	10,000,000
		Water diversion programs	10,000,000

§	Agency	Project	Amount
2(d)	State Department of Education	Develop or purchase, and maintain, a statewide educator professional development and in-service training records database	400,000
2(e)	Department of Correction	Alter, renovate, and improve the Manson Youth Institution in Cheshire	5,000,000
Grants			
9(a)	Office of Policy and Management (OPM)	Transit-oriented development and predevelopment activities	2,000,000
9(b)	Department of Economic and Community Development (DECD)	Grants for the America 250 semiquincentennial initiative	35,000,000
		Grants to nonprofits sponsoring cultural and historic sites	2,000,000
9(c)	DOH	Grants for homelessness assistance capital improvements	15,000,000
9(d)	Department of Aging and Disability Services	Grants for aging in place	1,000,000
Other Programs			
51	Office of Early Childhood	Programs and initiatives enacted to support the state's early childhood education and child care needs	50,000,000

§§ 16-17, 23-24 & 26-45 — CHANGES TO EXISTING GO BOND AUTHORIZATIONS

Increased Authorizations

The bill increases the amounts authorized for the bond authorizations shown in the table below.

Table: Increases to Current Authorizations

§	Agency	Purpose	Current Authorization	Proposed Authorization	Increase
16	OPM	Local Capital Improvement Program	\$45,000,000 (for FY 25)	\$60,000,000 (for FY 25)	\$15,000,000
27	Connecticut State Colleges and Universities (CSCU)	Middlesex Community College: renovations and additions to Wheaton and Snow classroom buildings	4,800,000	4,921,648	121,648
29	CSCU	Gateway Community College: acquire, design, and	28,800,000	29,808,000	1,008,000

§	Agency	Purpose	Current Authorization	Proposed Authorization	Increase
		construct facilities for workforce development programs, including for transportation, alternative energy, advanced manufacturing, and health sectors			
31	CSCU	Asnuntuck Community College: alterations, renovations, and improvements to expand library and student services	3,800,000	5,011,570	1,211,570
33	CSCU	Norwalk Community College: alterations, renovations, and improvements to the B wing building	18,600,000	22,100,000	3,500,000
38	CSCU	Naugatuck Valley Community College: design for Kinney Hall renovation	6,000,000	7,494,240	1,494,240
45	DEEP	Microgrid and resilience grant and loan pilot program	25,000,000	40,000,000	15,000,000

Cancellations and Reductions

The bill cancels or reduces all or part of current bond authorizations for the projects shown in the table below.

Table: Cancellations and Reductions in Current Authorizations

§	Agency	Purpose	Current Authorization	Amount Cancelled
17	DOH	Homelessness prevention and response fund	\$30,000,000	\$10,420,007*
23	Department of Transportation (DOT)	Commercial rail freight (see also §§ 22 & 46)	27,500,000	10,000,000
36	OPM	Responsible Growth Incentive Fund	2,000,000	2,000,000

§	Agency	Purpose	Current Authorization	Amount Cancelled
42	CSCU	All universities: deferred maintenance, code compliance, and infrastructure improvements	65,200,000	5,000,000
43	CSCU	All community colleges: deferred maintenance, code compliance, and infrastructure improvements	27,600,000	5,000,000

*The bill also makes a technical correction to this authorization by reducing it by an additional \$1,250,000 to reflect reductions made in 2016 and 2017.

Changes to Current Authorizations' Purposes

The bill changes the purposes of existing bond authorizations, as shown in the table below.

Table: Changes to Current Authorizations' Purposes

§	Amount Authorized	Current Purpose	Change
24	\$15,000,000	DDS: grants for supportive housing for people with intellectual or other developmental disabilities, including autism spectrum disorder	Transfers the authorization to DOH
34	2,000,000	Military Department: acquire property to develop readiness centers in Litchfield County	Eliminates the requirement that this property be located in Litchfield County
39, 41	7,000,000	CSCU: advanced manufacturing and emerging technology programs	Requires that these include programs at Tunxis Community College

§§ 18-21 — UCONN 2000 INFRASTRUCTURE PROGRAM

The bill extends the UConn 2000 program by two years, to FYs 28 and 29, and authorizes an additional \$638.5 million in new bonding under the program. It also extends, from 2027 to 2029 or until completion of the UConn 2000 infrastructure program, UConn's authority to plan, design, acquire, remodel, alter, repair, enlarge, or demolish any real asset or other project on its campuses.

Project Authorizations

As the table below shows, the bill increases bond authorizations for two existing UConn 2000 projects by \$638.5 million in total.

Table: Proposed Changes to UConn 2000 Project Authorizations (in Millions)

<i>Project</i>	<i>Current Authorization</i>	<i>Proposed Authorization</i>	<i>Change</i>
Academic and research facilities	\$450	\$870	\$420
Deferred maintenance, code compliance, Americans with Disabilities Act (ADA) compliance, infrastructure improvements, and renovation lump sum; and utility, administrative, and support facilities	805	1,023.5	218.5

Aggregate and Annual Bond Limits for UConn 2000

The bill increases the program’s aggregate bond cap by \$650.5 million to (1) account for the additional \$638.5 million in newly authorized projects and (2) add back a \$12 million reduction made under PA 23-1, § 6. It also adjusts the annual bond limits for the program for FY 25 through FY 27 and adds new limits for FYs 28 and 29, as shown in the table below. (The \$126.5 million increase for FY 25 includes the \$12 million added back from PA 23-1, § 6.)

Table: Annual Bond Limits for UConn 2000 (in Millions)

<i>FY</i>	<i>Current Limit</i>	<i>Proposed Limit</i>	<i>Change</i>
25	\$44	\$170.5	\$126.5
26	14	165	151
27	9	150	141
28	-	132	132
29	-	100	100

§ 22 — COMMERCIAL RAIL FREIGHT LINE COMPETITIVE GRANT PROGRAM

The bill allows the state to issue STO bonds for DOT’s commercial rail freight line competitive grant program, which is currently funded by GO bonds. This program awards competitive grants for improvements and repairs to, and modernization of, existing rail, rail beds, and related facilities.

§ 25 — NONPROFIT SECURITY INFRASTRUCTURE COMPETITIVE GRANT PROGRAM

By law, the Department of Emergency Services and Public Protection administers a competitive grant program to reimburse eligible nonprofits for security infrastructure improvements. The bill specifies that this law does not prohibit eligible nonprofits from applying for a federal grant in addition to the state grant, as long as the organization does not receive both for the same project.

§§ 46-49 — NEW STO BOND AUTHORIZATION AND CHANGES TO CURRENT AUTHORIZATIONS

The bill authorizes \$10 million in new STO bonds for FY 25 for the DOT commercial rail freight line competitive grant program (§ 49). It also increases the current STO bond authorizations shown in the table below.

Table: Increases to Current STO Bond Authorizations

§	Purpose	Current Authorization	Proposed Authorization	Increase
47	Environmental compliance, soil and groundwater remediation, hazardous material abatement, demolition, salt shed construction and renovation, storage tank replacement, and environmental emergency response at or near state-owned properties or related to DOT operations	\$17,065,000	\$18,565,000	\$1,500,000
48	Fix-it-First bridge repair program	62,250,000	162,250,000	100,000,000

§ 50 — LEGACY INVESTMENT FUND FOR ECONOMIC OR COMMUNITY DEVELOPMENT PROJECTS

Board

Members and Appointing Authorities. The bill establishes the 17-member Legacy Investment Fund board composed of 16 ex-officio members and one appointee. The ex-officio members are the (1) six legislative leaders; (2) chairpersons and ranking members of the Finance, Revenue and Bonding Committee and its general bonding subcommittee; (3) state treasurer, or his designee; and (4) DECD commissioner, or his designee. The appointed member is appointed

jointly by the House speaker and Senate president pro tempore and must be a member of the General Assembly's Black and Puerto Rican Caucus.

Appointment. The appointing authorities must make their initial appointment by August 29, 2024, and fill any vacancy for the balance of the unexpired term.

Meetings and Procedures. The House speaker and Senate president pro tempore must serve as the board's chairpersons and schedule its first meeting to be held by January 1, 2025. The board must meet at least quarterly.

Nine members constitute a quorum for transacting business. The members are not compensated, but may, within available funds, be reimbursed for necessary expenses they incur in performing their duties.

Powers and Duties. The bill gives the board the power and duty to (1) review projects to be recommended to the governor as described below, (2) set bylaws for its procedures, and (3) do anything else necessary and appropriate to carry out its duties.

Staff. The DECD commissioner must hire any additional employees necessary to help the board carry out its duties.

Eligible Projects

To qualify for funding, a project must be proposed by a municipality (e.g., town, city, or borough), community development corporation (CDC), or nonprofit to promote economic or community development, as determined by the board.

Project Application, Review, and Approval Process

Application and Review. The bill requires the board to set up an application and review process with guidelines and terms for project funds provided from bonds authorized under the bill. Once the process has been established, the board's chairpersons must notify each municipality's chief elected official (CEO) and publicize the funds'

availability. Municipal CEOs, CDCs, and nonprofits may in turn apply to the board requesting funds for a project. The board must meet to consider applications submitted and determine which, if any, it will recommend to the governor for approval.

Recommendations to the Governor. Under the bill, the board's chairpersons must submit a list of the board's recommended projects to the governor whenever the board deems it necessary and desirable. For each proposed project, the list must include (1) a description of the project; (2) the municipality in which it is located; (3) any cost estimates, schematics, or plans for the project; (4) the total estimated project costs; (5) total funds sought; and (6) the fiscal year to which the disbursement will be attributed.

Governor's Project Review. After receiving the board's list, the governor must review the projects and may recommend changes to any of them. The board may, at a future meeting, reconsider any of the projects for which the governor recommends a change. Each project for which the governor recommends a bond allocation must be considered at a State Bond Commission meeting within two months after the date the board submitted it to the governor on its list of recommended projects.

Five-Year Bond Program

Authorizations. The bill authorizes up to \$750 million in GO bonds over five years, in amounts of up to \$150 million per year for FY 25 through FY 29. The proceeds from the bonds must be used for funding projects for which the governor determined that bond funding is appropriate and that no other bond authorization is available.

The bonds are subject to standard statutory conditions. Any amount that the State Bond Commission does not allocate in any fiscal year is added to the capped amount for the following year. Any issuance costs and capitalized interest may be added to the capped amounts.

Administrative Costs. The bond funds must be used for costs related to projects the board recommends and governor approves (as

described above) but cannot be used to pay or reimburse administrative costs. DECD must pay these costs within available appropriations.

§ 52 — THREE-YEAR BOND PROGRAM FOR STATE CAPITOL AND LOB IMPROVEMENTS

The bill authorizes up to \$45 million in GO bonds over three years, in amounts of up to \$15 million per year from FY 25 through FY 27, for OLM. If OLM does not use all or part of the capped amount in a fiscal year, that amount is added to the capped amount for the following year. Any issuance costs and capitalized interest may be added to the capped amounts.

The bill requires OLM to enter into a memorandum of understanding (MOU) with the OPM secretary and state treasurer (both acting for the state) about the bond issuance, including the extent to which federal, private, and other available funds should be added to the bond proceeds. The MOU must provide for the issuance of these bonds to fund OLM's projects for alterations, renovations, and restoration of the State Capitol and LOB, including interior and exterior restoration and ADA compliance. The bill requires the State Bond Commission to approve the MOU, which satisfies the standard approval requirements under the GO Bond Procedure Act.

Subject to the caps, the bill deems the principal amount of the authorized bonds to be an appropriation, allocation, and allotment of the bond amounts. The bonds are subject to standard statutory conditions.

§ 53 — DOH REPORT ON BOND-FUNDED HOUSING PROGRAMS

Starting by October 1, 2024, the bill requires DOH to report quarterly to the Finance, Revenue and Bonding Committee specified information on bond funds the department received for (1) the Housing Trust Fund and (2) housing development and rehabilitation under the FYs 24 and 25 bond act or any similar public act. Specifically, DOH must report the following for the prior fiscal year and quarter:

1. the specific programs for which it used these bond funds and amount from each authorization used for each specific program,

2. its activities addressing supportive housing under these programs and how much of each authorization it used for these activities, and
3. the amount from each authorization it gave to the Connecticut Housing Finance Authority to administer housing-related programs.

BACKGROUND

Related Bill

sHB 5002, favorably reported by the Finance, Revenue and Bonding Committee, contains an identical \$50 million GO bond authorization for programs and initiatives enacted to support the state's early childhood education and child care needs.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 47 Nay 4 (04/03/2024)