



House of Representatives

General Assembly

File No. 536

February Session, 2024

Substitute House Bill No. 5347

House of Representatives, April 17, 2024

The Committee on Finance, Revenue and Bonding reported through REP. HORN of the 64th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

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

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

1 Section 1. (*Effective from passage*) The Commissioner of Administrative
2 Services, having reviewed applications for state grants for public school
3 building projects in accordance with section 10-283 of the general
4 statutes, as amended by this act, 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, as determined by said commissioner
8 together with the amount of the estimated grant with respect to each
9 eligible project, and having submitted such listing of eligible projects,
10 prior to December 15, 2023, to a committee of the General Assembly
11 established under section 10-283a of the general statutes, as amended by
12 this act, for the purpose of reviewing such listing, is hereby authorized
13 to enter into grant commitments on behalf of the state in accordance

14 with said section with respect to the priority listing of such projects and
15 in such estimated amounts as approved by said committee prior to
16 February 1, 2024, as follows:

| T1 | School District | Estimated | Estimated |
|-----|--------------------------------------|---------------|--------------|
| T2 | School | Project Costs | Grant |
| T3 | Project Number | | |
| T4 | | | |
| T5 | BRISTOL | | |
| T6 | Edgewood Pre-K Academy | | |
| T7 | 24DASY017090RNV0624 | \$16,803,560 | \$11,701,999 |
| T8 | | | |
| T9 | LEARN | | |
| T10 | New Early Childhood School at 51 | | |
| T11 | Daniels Avenue | | |
| T12 | 24DASY245090APF0624 | \$95,736,656 | \$76,589,325 |
| T13 | | | |
| T14 | STAMFORD | | |
| T15 | South School - Upper | | |
| T16 | 24DASY135283N0624 | \$85,871,466 | \$51,522,880 |
| T17 | | | |
| T18 | STAMFORD | | |
| T19 | South School - Lower | | |
| T20 | 24DASY135284N0624 | \$72,463,942 | \$43,478,365 |
| T21 | | | |
| T22 | BRISTOL | | |
| T23 | Bristol Central High School Culinary | | |
| T24 | Arts | | |
| T25 | 24DASY017091A0624 | \$1,426,955 | \$993,731 |
| T26 | | | |
| T27 | BRISTOL | | |
| T28 | Bristol Eastern High School Culinary | | |
| T29 | Arts | | |
| T30 | 24DASY017092A0624 | \$1,448,285 | \$1,008,586 |
| T31 | | | |
| T32 | DANBURY | | |
| T33 | Danbury High School | | |
| T34 | 24DASY034154A0624 | \$16,500,000 | \$10,429,650 |
| T35 | | | |
| T36 | HARTFORD | | |
| T37 | Montessori Magnet at Batchelder | | |
| T38 | 24DASY064322RNV0624 | \$102,569,302 | \$97,440,837 |

| | | | |
|-----|-----------------------------------|--------------|--------------|
| T39 | | | |
| T40 | HARTFORD | | |
| T41 | S.A.N.D. Elementary School | | |
| T42 | 24DASY064323RNV0624 | \$82,837,086 | \$78,695,232 |
| T43 | | | |
| T44 | HARTFORD | | |
| T45 | Maria C. Colon Sanchez Elementary | | |
| T46 | School | | |
| T47 | 24DASY064324RNV0624 | \$96,945,196 | \$92,097,936 |
| T48 | | | |
| T49 | NEWINGTON | | |
| T50 | John Wallace Middle School | | |
| T51 | 24DASY094112AB0624 | \$10,717,573 | \$6,277,283 |

17 (2) Previously Authorized Projects That Have Changed Substantially
 18 in Scope or Cost which are Seeking Reauthorization.

| | | | |
|-----|-------------------------------------|--------------|--------------|
| T52 | School District | Authorized | Requested |
| T53 | School | | |
| T54 | Project Number | | |
| T55 | | | |
| T56 | HARTFORD | | |
| T57 | Betances Learning Lab Magnet School | | |
| T58 | 21DASY064316RNV0621 | | |
| T59 | | | |
| T60 | Estimated... | | |
| T61 | Total Project Costs | \$43,709,774 | \$66,825,200 |
| T62 | Total Grant | \$41,524,285 | \$63,483,940 |
| T63 | | | |
| T64 | HARTFORD | | |
| T65 | Fred D. Wish Museum School | | |
| T66 | 21DASY064318RNV0621 | | |
| T67 | | | |
| T68 | Estimated... | | |
| T69 | Total Project Costs | \$49,320,000 | \$67,290,900 |
| T70 | Total Grant | \$46,854,000 | \$63,926,355 |
| T71 | | | |
| T72 | HARTFORD | | |
| T73 | E. B. Kennelly School | | |
| T74 | 21DASY064317RNV0621 | | |
| T75 | | | |
| T76 | Estimated... | | |

| | | | |
|-----|---------------------|--------------|--------------|
| T77 | Total Project Costs | \$51,416,225 | \$88,130,000 |
| T78 | Total Grant | \$48,845,414 | \$83,723,500 |

19 Sec. 2. Subsection (a) of section 10-283 of the general statutes is
 20 repealed and the following is substituted in lieu thereof (*Effective July 1,*
 21 *2024*):

22 (a) (1) Each town or regional school district shall be eligible to apply
 23 for and accept grants for a school building project as provided in this
 24 chapter. Any town desiring a grant for a public school building project
 25 may, by vote of its legislative body, authorize the board of education of
 26 such town to apply to the Commissioner of Administrative Services and
 27 to accept or reject such grant for the town. Any regional school board
 28 may vote to authorize the supervising agent of the regional school
 29 district to apply to the Commissioner of Administrative Services for and
 30 to accept or reject such grant for the district. Applications for such grants
 31 under this chapter shall be made by the superintendent of schools of
 32 such town or regional school district on the form provided and in the
 33 manner prescribed by the Commissioner of Administrative Services.
 34 The application form shall require the superintendent of schools to
 35 affirm that the school district considered the maximization of natural
 36 light, the use and feasibility of wireless connectivity technology and, on
 37 and after July 1, 2014, the school safety infrastructure criteria, described
 38 in section 10-292r, in projects for new construction and alteration or
 39 renovation of a school building. The Commissioner of Administrative
 40 Services shall review, in consultation with the Commissioner of
 41 Education, each grant application for a school building project for
 42 compliance with educational requirements and [on the basis of
 43 categories for building projects established by the Commissioner of
 44 Administrative Services in accordance with this section] specifications.
 45 The Commissioner of Education shall evaluate, if appropriate, whether
 46 the project will assist the state in meeting its obligations pursuant to the
 47 decision in *Sheff v. O'Neill*, 238 Conn. 1 (1996), or any related stipulation
 48 or order in effect, as determined by the Commissioner of Education. The
 49 Commissioner of Administrative Services shall consult with the
 50 Commissioner of Education in reviewing grant applications submitted

51 for purposes of subsection (a) of section 10-65 or section 10-76e on the
52 basis of the educational needs of the applicant. The Commissioner of
53 Administrative Services shall review each grant application for a school
54 building project for compliance with standards for school building
55 projects pursuant to regulations, adopted in accordance with section 10-
56 287c, and, on and after July 1, 2014, the school safety infrastructure
57 criteria, described in section 10-292r. Notwithstanding the provisions of
58 this chapter, the Board of Trustees of the Community-Technical
59 Colleges on behalf of Quinebaug Valley Community College and Three
60 Rivers Community College and the following entities that will operate
61 an interdistrict magnet school that will assist the state in meeting its
62 obligations pursuant to the decision in *Sheff v. O'Neill*, 238 Conn. 1
63 (1996), or any related stipulation or order in effect, as determined by the
64 Commissioner of Education, may apply for and shall be eligible to
65 receive grants for school building projects pursuant to section 10-264h
66 for such a school: (A) The Board of Trustees of the Community-
67 Technical Colleges on behalf of a regional community-technical college,
68 (B) the Board of Trustees of the Connecticut State University System on
69 behalf of a state university, (C) the Board of Trustees for The University
70 of Connecticut on behalf of the university, (D) the board of governors
71 for an independent institution of higher education, as defined in
72 subsection (a) of section 10a-173, or the equivalent of such a board, on
73 behalf of the independent institution of higher education, (E)
74 cooperative arrangements pursuant to section 10-158a, and (F) any other
75 third-party not-for-profit corporation approved by the Commissioner of
76 Education.

77 (2) [The Commissioner of Administrative Services shall assign each
78 school building project to a category on the basis of whether such project
79 is primarily required to: (A) Create new facilities or alter existing
80 facilities to provide for mandatory instructional programs pursuant to
81 this chapter, for physical education facilities in compliance with Title IX
82 of the Elementary and Secondary Education Act of 1972 where such
83 programs or such compliance cannot be provided within existing
84 facilities or for the correction of code violations which cannot be
85 reasonably addressed within existing program space; (B) create new

86 facilities or alter existing facilities to enhance mandatory instructional
87 programs pursuant to this chapter or provide comparable facilities
88 among schools to all students at the same grade level or levels within
89 the school district unless such project is otherwise explicitly included in
90 another category pursuant to this section; and (C) create new facilities
91 or alter existing facilities to provide supportive services, provided in no
92 event shall such supportive services include swimming pools,
93 auditoriums, outdoor athletic facilities, tennis courts, elementary school
94 playgrounds, site improvement or garages or storage, parking or
95 general recreation areas.] All applications submitted prior to July first
96 shall be reviewed promptly by the Commissioner of Administrative
97 Services. The Commissioner of Administrative Services shall estimate
98 the amount of the grant for which such project is eligible, in accordance
99 with the provisions of section 10-285a, as amended by this act, provided
100 an application for a school building project determined by the
101 Commissioner of Education to be a project that will assist the state in
102 meeting its obligations pursuant to the decision in Sheff v. O'Neill, 238
103 Conn. 1 (1996), or any related stipulation or order in effect, as
104 determined by the Commissioner of Education, shall have until
105 September first to submit an application for such a project and may have
106 until December first of the same year to secure and report all local and
107 state approvals required to complete the grant application. The
108 Commissioner of Administrative Services shall annually prepare a
109 listing of all such eligible school building projects [listed by category
110 together] with the amount of the estimated grants for such projects and
111 shall submit the same to the Governor, the Secretary of the Office of
112 Policy and Management and the General Assembly on or before the
113 fifteenth day of December, except as provided in section 10-283a, as
114 amended by this act, with a request for authorization to enter into grant
115 commitments. On or before December thirty-first annually, the
116 Secretary of the Office of Policy and Management may submit
117 comments and recommendations regarding each eligible project on
118 such listing of eligible school building projects to the school construction
119 committee, established pursuant to section 10-283a, as amended by this
120 act. Each such listing shall include a report on the following factors for

121 each eligible project: (i) An enrollment projection and the capacity of the
122 school, including who conducted the enrollment projection for the
123 school and the cost of conducting such enrollment projection, (ii) a
124 substantiation of the estimated total project costs, (iii) the readiness of
125 such eligible project to begin construction, (iv) efforts made by the local
126 or regional board of education to redistrict, reconfigure, merge or close
127 schools under the jurisdiction of such board prior to submitting an
128 application under this section, (v) enrollment and capacity information
129 for all of the schools under the jurisdiction of such board for the five
130 years prior to application for a school building project grant, (vi)
131 enrollment projections and capacity information for all of the schools
132 under the jurisdiction of such board for the eight years following the
133 date such application is submitted, [and] including who conducted the
134 enrollment projection for the school and the cost of conducting such
135 enrollment projection, (vii) the state's education priorities relating to
136 reducing racial and economic isolation for the school district, and (viii)
137 an estimation of the total ineligible costs and an itemization of such
138 ineligible costs for such project. On and after July 1, 2022, each such
139 listing shall include an addendum that contains all grants approved
140 pursuant to subsection (b) of this section during the prior fiscal year. For
141 the period beginning July 1, 2006, and ending June 30, 2012, no project
142 [other than a project for a technical education and career school,] may
143 appear on the separate schedule of authorized projects which have
144 changed in cost more than twice. On and after July 1, 2012, no project,
145 other than a project for a technical education and career school, may
146 appear on the separate schedule of authorized projects which have
147 changed in cost more than once, except the Commissioner of
148 Administrative Services may allow a project to appear on such separate
149 schedule of authorized projects a second time if the town or regional
150 school district for such project can demonstrate that exigent
151 circumstances require such project to appear a second time on such
152 separate schedule of authorized projects. Notwithstanding any
153 provision of this chapter, no projects which have changed in scope or
154 cost to the degree determined by the Commissioner of Administrative
155 Services, in consultation with the Commissioner of Education, shall be

156 eligible for reimbursement under this chapter unless it appears on such
157 list. The percentage determined pursuant to section 10-285a, as
158 amended by this act, at the time a school building project on such
159 schedule was originally authorized shall be used for purposes of the
160 grant for such project. On and after July 1, 2006, a project that was not
161 previously authorized as an interdistrict magnet school shall not receive
162 a higher percentage for reimbursement than that determined pursuant
163 to section 10-285a, as amended by this act, at the time a school building
164 project on such schedule was originally authorized. The General
165 Assembly shall annually authorize the Commissioner of Administrative
166 Services to enter into grant commitments on behalf of the state in
167 accordance with the commissioner's categorized listing for such projects
168 as the General Assembly shall determine. The Commissioner of
169 Administrative Services may not enter into any such grant
170 commitments except pursuant to such legislative authorization. Any
171 regional school district which assumes the responsibility for completion
172 of a public school building project shall be eligible for a grant pursuant
173 to subdivision (5) or (6), as the case may be, of subsection (a) of section
174 10-286 when such project is completed and accepted by such regional
175 school district.

176 (3) (A) All final calculations completed by the Department of
177 Administrative Services for school building projects shall include a
178 computation of the state grant for the school building project amortized
179 on a straight line basis over a twenty-year period for school building
180 projects with costs equal to or greater than two million dollars and over
181 a ten-year period for school building projects with costs less than two
182 million dollars. Any town or regional school district which abandons,
183 sells, leases, demolishes or otherwise redirects the use of such a school
184 building project to other than a public school use or a public use during
185 such amortization period shall refund to the state the unamortized
186 balance of the state grant remaining as of the date the abandonment,
187 sale, lease, demolition or redirection occurs. The amortization period for
188 a project shall begin on the date the project was accepted as complete by
189 the local or regional board of education. A town or regional school
190 district required to make a refund to the state pursuant to this

191 subdivision may request forgiveness of such refund if the building is
192 redirected for public use. The Department of Administrative Services
193 shall include as an addendum to the annual school construction priority
194 list all those towns requesting forgiveness. General Assembly approval
195 of the priority list under section 10-283a, as amended by this act,
196 containing such request shall constitute approval of such request. This
197 subdivision shall not apply to projects to correct safety, health and other
198 code violations or to remedy certified school indoor air quality
199 emergencies approved pursuant to subsection (b) of this section or
200 projects subject to the provisions of section 10-285c.

201 (B) If the board of governors for an independent institution of higher
202 education, as defined in subsection (a) of section 10a-173, or the
203 equivalent of such a board, on behalf of the independent institution of
204 higher education, that operates an interdistrict magnet school makes
205 private use of any portion of a school building in which such operator
206 received a school building project grant pursuant to this chapter, such
207 operator shall annually submit a report to the Commissioner of
208 Education that demonstrates that such operator provides an equal to or
209 greater than in-kind or supplemental benefit of such institution's
210 facilities to students enrolled in such interdistrict magnet school that
211 outweighs the private use of such school building. If the commissioner
212 finds that the private use of such school building exceeds the in-kind or
213 supplemental benefit to magnet school students, the commissioner may
214 require such institution to refund to the state the unamortized balance
215 of the state grant.

216 (C) Any moneys refunded to the state pursuant to subparagraphs (A)
217 and (B) of this subdivision shall be deposited in the state's tax-exempt
218 proceeds fund and used not later than sixty days after repayment to pay
219 debt service on, including redemption, defeasance or purchase of,
220 outstanding bonds of the state the interest on which is not included in
221 gross income pursuant to Section 103 of the Internal Revenue Code of
222 1986, or any subsequent corresponding internal revenue code of the
223 United States, as from time to time amended.

224 Sec. 3. Subsection (d) of section 10-283 of the general statutes is
225 repealed and the following is substituted in lieu thereof (*Effective July 1,*
226 *2024*):

227 (d) No school building project shall be added to the list prepared by
228 the Commissioner of Administrative Services pursuant to subsection (a)
229 of this section, unless the applicant, prior to submitting an application,
230 has (1) secured funding authorization for the [local share of the] total
231 project costs and such authorization has become effective pursuant to
232 the general statutes and local ordinance or charter, or (2) scheduled and
233 prepared a referendum, if required, the results of which shall be
234 submitted on or before the fifteenth day of November in the year of
235 application. The reimbursement percentage for a project covered by this
236 subsection shall reflect the rates in effect during the fiscal year in which
237 such [local] total funding authorization is secured.

238 Sec. 4. Section 10-283a of the general statutes is repealed and the
239 following is substituted in lieu thereof (*Effective July 1, 2024*):

240 The listing of eligible school building projects submitted pursuant to
241 section 10-283, as amended by this act, shall be reviewed by a committee
242 consisting of the chairpersons and ranking members of the joint
243 standing committees of the General Assembly having cognizance of
244 matters relating to appropriations and the budget of state agencies,
245 finance, revenue and bonding and education. The listing of eligible
246 projects [by category] shall be submitted to said committee prior to
247 December fifteenth annually to determine if said listing is in compliance
248 with [the categories described in] the provisions of subsection (a) of
249 section 10-283, as amended by this act, and standards established in
250 regulations adopted pursuant to section 10-287c. The committee may
251 modify the listing. Such modified listing shall be in compliance with the
252 provisions of subsection (a) of section 10-283, as amended by this act,
253 and such standards. [and categories.] On or after January first annually,
254 and prior to February first annually, the committee shall submit the
255 approved or modified listing of projects to the Governor and the
256 General Assembly.

257 Sec. 5. Subsection (a) of section 10-284 of the general statutes is
258 repealed and the following is substituted in lieu thereof (*Effective July 1,*
259 *2024*):

260 (a) The Commissioner of Administrative Services shall have
261 authority to receive and review applications for state grants under this
262 chapter, and to approve any such application, or to disapprove any such
263 application if (1) it does not include an attestation from the local fire
264 marshal or the Commissioner of Public Health that the school building
265 project plans comply with the requirements of the State Fire Marshal or
266 the Department of Public Health, (2) it is not accompanied by a life-cycle
267 cost analysis approved by the Commissioner of Administrative
268 Services, (3) it does not comply with the provisions of sections 10-290d
269 and 10-291, as amended by this act, (4) it does not meet (A) the standards
270 or requirements established in regulations adopted in accordance with
271 section 10-287c, or (B) school building categorization requirements
272 described in section 10-283, as amended by this act, (5) the estimated
273 construction cost exceeds the per square foot cost for schools established
274 in regulations adopted by the Commissioner of Administrative Services,
275 [for the county in which the project is proposed to be located,] (6) on and
276 after July 1, 2014, the application does not comply with the school safety
277 infrastructure criteria described in section 10-292r, except the
278 Commissioner of Administrative Services may waive any of the
279 provisions of the school safety infrastructure criteria if the commissioner
280 determines that the application demonstrates that the applicant has
281 made a good faith effort to address such criteria and that compliance
282 with such criteria would be infeasible, unreasonable or excessively
283 expensive, (7) the Commissioner of Education determines that the
284 proposed educational specifications for or theme of the project for which
285 the applicant requests a state grant duplicates a program offered by a
286 technical education and career school or an interdistrict magnet school
287 in the same region, or (8) on and after July 1, 2018, a regional educational
288 service center is designated as the project manager in the application.

289 Sec. 6. Subsection (e) of section 10-285a of the 2024 supplement to the
290 general statutes is repealed and the following is substituted in lieu

291 thereof (*Effective July 1, 2024*):

292 (e) If an elementary school building project for a new building or for
293 the expansion of an existing building includes space for [a school
294 readiness program] an early childhood care and education program that
295 provides services for children from birth to five years, the percentage
296 determined pursuant to this section shall be increased by [five] fifteen
297 percentage points, but shall not exceed one hundred per cent, for the
298 portion of the building used primarily for such purpose. Recipient
299 districts shall maintain such full-day [preschool enrollment] early
300 childhood care and education program for at least ten years.

301 Sec. 7. Subsection (h) of section 10-285a of the 2024 supplement to the
302 general statutes is repealed and the following is substituted in lieu
303 thereof (*Effective July 1, 2024*):

304 (h) Subject to the provisions of section 10-285d, if an elementary
305 school building project for a school in a priority school district or for a
306 priority school is necessary in order to offer a full-day kindergarten
307 program or a full-day preschool program or to reduce class size
308 pursuant to section 10-265f, the percentage determined pursuant to this
309 section shall be increased by [ten] fifteen percentage points, but shall not
310 exceed one hundred per cent, for the portion of the building used
311 primarily for such full-day kindergarten program, full-day preschool
312 program or such reduced size classes. Recipient districts that receive an
313 increase pursuant to this subsection in support of a full-day preschool
314 program, shall maintain full-day preschool enrollment for at least ten
315 years.

316 Sec. 8. Subsection (c) of section 10-285b of the general statutes is
317 repealed and the following is substituted in lieu thereof (*Effective July 1,*
318 *2024*):

319 (c) In order for an incorporated or endowed high school or academy
320 to be eligible for a grant commitment pursuant to this section such high
321 school or academy shall [(1)] provide educational services to the town
322 or towns designating it as the high school for such town or towns for a

323 period of not less than ten years after completion of grant payments
324 under this section. [, and (2) provide that at least half of the governing
325 board which exercises final educational, financial and legal
326 responsibility for the high school or academy, exclusive of the chairman
327 of such board, be representatives of the board or boards of education
328 designating the high school or academy as the high school for each such
329 board's town.]

330 Sec. 9. Subsection (d) of section 10-286 of the 2024 supplement to the
331 general statutes is repealed and the following is substituted in lieu
332 thereof (*Effective July 1, 2024*):

333 (d) For any school building project receiving state grant assistance
334 under this chapter, all change orders or other change directives issued
335 for such project [(1) on or after July 1, 2008, until June 30, 2011, shall be
336 submitted, not later than six months after the date of such issuance, to
337 the Commissioner of Education, and (2) on or after July 1, 2011,] shall be
338 submitted, not later than six months after the date of such issuance, to
339 the Commissioner of Administrative Services, in a manner prescribed
340 by the Commissioner of Administrative Services. Only change orders or
341 other change directives submitted to the Commissioner of Education or
342 Commissioner of Administrative Services, as applicable, in accordance
343 with this subsection shall be eligible for state grant assistance. A
344 construction manager or construction administrator shall not be entitled
345 to any additional compensation beyond the guaranteed maximum price
346 for the cost of construction, as included in the contract pursuant to
347 subparagraph (B) of subdivision (3) of subsection (b) of section 10-287,
348 as amended by this act, as a result of any ineligible costs, change order
349 or other change directive issued for such project.

350 Sec. 10. Section 10-286e of the general statutes is repealed and the
351 following is substituted in lieu thereof (*Effective July 1, 2024*):

352 (a) If the Department of Administrative Services does not complete
353 an audit of a school building project during the [five-year] two-year
354 period from the date the school district files a notice of project
355 completion with the department, the department shall conduct a limited

356 scope audit of such project. The limited scope audit shall review (1) the
357 total amount of expenditures reported, (2) any off-site improvements,
358 (3) adherence to authorized space specifications, (4) interest costs on
359 temporary notes and bonds, and (5) any other matter the Commissioner
360 of Administrative Services deems appropriate.

361 (b) The department shall not make any adjustment to a school
362 construction grant based on the result of an audit finding that a change
363 order was not publicly bid.

364 (c) Notwithstanding the provisions of this section, the Commissioner
365 of Administrative Services may waive any audit deficiencies found
366 during an audit of a school building project conducted pursuant to this
367 section if the commissioner determines that granting such waiver is in
368 the best interest of the state.

369 Sec. 11. Subsection (b) of section 10-287 of the general statutes is
370 repealed and the following is substituted in lieu thereof (*Effective July 1,*
371 *2024*):

372 (b) (1) All orders and contracts for school building construction
373 receiving state assistance under this chapter, except as provided in
374 subdivisions (2) to (4), inclusive, of this subsection, shall be awarded to
375 the lowest responsible qualified bidder only after a public invitation to
376 bid, except for (A) school building projects for which the town or
377 regional school district is using a state contract pursuant to subsection
378 (d) of section 10-292, and (B) change orders, those contracts or orders
379 costing less than ten thousand dollars and those of an emergency nature,
380 as determined by the Commissioner of Administrative Services, in
381 which cases the contractor or vendor may be selected by negotiation,
382 provided no local fiscal regulations, ordinances or charter provisions
383 conflict.

384 (2) All orders and contracts for architectural services shall be
385 awarded from a pool of [not more than the four] at least three of the
386 most responsible qualified proposers after a public selection process.
387 Such process shall, at a minimum, involve requests for qualifications,

388 followed by requests for proposals, including fees, from the proposers
389 meeting the qualifications criteria of the request for qualifications
390 process. Following the qualification process, the awarding authority
391 shall evaluate the proposals to determine [the four] at least three of the
392 most responsible qualified proposers using those criteria previously
393 listed in the requests for qualifications and requests for proposals for
394 selecting architectural services specific to the project or school district.
395 Such evaluation criteria shall include due consideration of the
396 proposer's pricing for the project, experience with work of similar size
397 and scope as required for the order or contract, organizational and team
398 structure, including any subcontractors to be utilized by the proposer,
399 for the order or contract, past performance data, including, but not
400 limited to, adherence to project schedules and project budgets and the
401 number of change orders for projects, the approach to the work required
402 for the order or contract and documented contract oversight
403 capabilities, and may include criteria specific to the project. Final
404 selection by the awarding authority is limited to the pool of [the four] at
405 least three of the most responsible qualified proposers and shall include
406 consideration of all criteria included within the request for proposals.
407 As used in this subdivision, "most responsible qualified proposer"
408 means the proposer who is qualified by the awarding authority when
409 considering price and the factors necessary for faithful performance of
410 the work based on the criteria and scope of work included in the request
411 for proposals.

412 (3) (A) All orders and contracts for construction management services
413 shall be awarded from a pool of [not more than the four] at least three
414 of the most responsible qualified proposers after a public selection
415 process. Such process shall, at a minimum, involve requests for
416 qualifications, followed by requests for proposals, including fees, from
417 the proposers meeting the qualifications criteria of the request for
418 qualifications process. Following the qualification process, the
419 awarding authority shall evaluate the proposals to determine [the four]
420 at least three of the most responsible qualified proposers using those
421 criteria previously listed in the requests for qualifications and requests
422 for proposals for selecting construction management services specific to

423 the project or school district. Such evaluation criteria shall include due
424 consideration of the proposer's pricing for the project, experience with
425 work of similar size and scope as required for the order or contract,
426 organizational and team structure for the order or contract, past
427 performance data, including, but not limited to, adherence to project
428 schedules and project budgets and the number of change orders for
429 projects, the approach to the work required for the order or contract,
430 and documented contract oversight capabilities, and may include
431 criteria specific to the project. Final selection by the awarding authority
432 is limited to the pool of [the four] at least three of the most responsible
433 qualified proposers and shall include consideration of all criteria
434 included within the request for proposals. As used in this subdivision,
435 "most responsible qualified proposer" means the proposer who is
436 qualified by the awarding authority when considering price and the
437 factors necessary for faithful performance of the work based on the
438 criteria and scope of work included in the request for proposals.

439 (B) The construction manager's contract shall include a guaranteed
440 maximum price for the cost of construction. Such guaranteed maximum
441 price shall be determined not later than ninety days after the selection
442 of the trade subcontractor bids. A construction manager shall not be
443 entitled to any additional compensation beyond such guaranteed
444 maximum price as a result of any ineligible costs, change order or other
445 change directive issued for the school building project. Each
446 construction manager shall invite bids and give notice of opportunities
447 to bid on project elements on the State Contracting Portal. Each bid shall
448 be kept sealed until opened publicly at the time and place set forth in
449 the notice soliciting such bid. The construction manager shall, after
450 consultation and approval by the town or regional school district, award
451 any related contracts for project elements to the responsible qualified
452 contractor submitting the lowest bid in compliance with the bid
453 requirements, provided that [(i) the construction manager shall not be
454 eligible to submit a bid for any such project element, and (ii)]
455 construction shall not begin prior to the determination of the guaranteed
456 maximum price. [, except work relating to site preparation and
457 demolition may commence prior to such determination.] On and after

458 July 1, 2024, the construction manager's contract shall include a
459 requirement that the construction manager retain all documents and
460 receipts relating to the school building project for a period of two years
461 following the date of completion of an audit conducted by the
462 Department of Administrative Services pursuant to section 10-287, as
463 amended by this act, for such project.

464 (C) The construction manager shall submit quarterly reports
465 regarding the ineligible project costs for the school building project to
466 date to the town or regional board of education and the Commissioner
467 of Administrative Services. Upon submission of the notice of project
468 completion pursuant to subsection (d) of this section, and prior to the
469 audit conducted by the commissioner, the construction manager shall
470 submit a final report on the total ineligible costs for such project to the
471 town or regional school district and the commissioner.

472 (4) All orders and contracts for any other consultant services,
473 including, but not limited to, consultant services rendered by an owner's
474 representatives, construction administrators, program managers,
475 environmental professionals, planners and financial specialists, shall
476 comply with the public selection process described in subdivision (2) of
477 this subsection. No costs associated with an order or contract for such
478 consultant services shall be eligible for state financial assistance under
479 this chapter unless such order or contract receives prior approval from
480 the Commissioner of Administrative Services in writing or through a
481 written electronic communication.

482 Sec. 12. Subsection (d) of section 10-287 of the general statutes is
483 repealed and the following is substituted in lieu thereof (*Effective July 1,*
484 *2024*):

485 (d) (1) Each town or regional school district shall submit a final grant
486 application to the Department of Administrative Services [within] not
487 later than one year from the date of completion and acceptance of the
488 school building project by the town or regional school district. If a town
489 or regional school district fails to submit a final grant application [within
490 said period of time] on or before such one-year date, the commissioner

491 may withhold ten per cent of the state reimbursement for such project.

492 (2) (A) On and after July 1, [2022] 2024, each town or regional school
493 district shall submit a notice of project completion [within three years]
494 not later than one year from the date of the issuance of a certificate of
495 occupancy for the school building project by the town or regional school
496 district. If a town or regional school district fails to submit such notice
497 of project completion [within said period of time] on or before such one-
498 year date, the commissioner shall deem such project completed and
499 conduct an audit of such project in accordance with the provisions of
500 this chapter.

501 (B) For any school building project authorized by the General
502 Assembly prior to July 1, 2022, the commissioner shall deem as complete
503 any such project in which a certificate of occupancy has been granted,
504 but for which a notice of project completion has not been submitted by
505 the town or regional school district on or before July 1, 2025.

506 Sec. 13. Section 10-287i of the general statutes is repealed and the
507 following is substituted in lieu thereof (*Effective July 1, 2024*):

508 A grant under this chapter for any school building project authorized
509 by the General Assembly on or after July 1, 1996, or for any project for
510 which application is made pursuant to subsection (b) of section 10-283,
511 on or after July 1, 1997, shall be paid as follows: Applicants shall request
512 progress payments for the state share of eligible project costs calculated
513 pursuant to sections 10-65, 10-76e and 10-286, as amended by this act, at
514 such time and in such manner as the Commissioner of Administrative
515 Services shall prescribe provided no payments shall commence until the
516 applicant has filed a notice of authorization of funding for the local share
517 of project costs, and provided further no payments other than those for
518 architectural planning and site acquisition shall be made prior to
519 approval of the final architectural plans pursuant to section 10-292. For
520 any project authorized on or after July 1, 2024, the Department of
521 Administrative Services shall withhold five per cent of a grant if the
522 commissioner determines that the applicant has failed to comply with
523 the provisions of subdivision (3) of subsection (b) of section 4a-60g

524 relating to minority business enterprises. The Department of
525 Administrative Services shall withhold [five] eleven per cent of a grant
526 pending completion of an audit pursuant to section 10-287, as amended
527 by this act, provided, if the department is unable to complete the
528 required audit within six months of the date a request for final payment
529 is filed, the applicant may have an independent audit performed and
530 include the cost of such audit in the eligible project costs.

531 Sec. 14. Subsection (b) of section 10-291 of the general statutes is
532 repealed and the following is substituted in lieu thereof (*Effective July 1,*
533 *2024*):

534 (b) The Department of Administrative Services shall not approve a
535 school building project plan or site, as applicable, if:

536 (1) The site is in an area of moderate or high radon potential, as
537 indicated in the Department of Energy and Environmental Protection's
538 Radon Potential Map, or similar subsequent publications, except where
539 the school building project plan incorporates construction techniques to
540 mitigate radon levels in the air of the facility;

541 (2) The plans incorporate new roof construction or total replacement
542 of an existing roof and do not provide for the following: (A) A minimum
543 roof pitch that conforms with the requirements of the State Building
544 Code, (B) a minimum twenty-year unlimited manufacturer's guarantee
545 for water tightness covering material and workmanship on the entire
546 roofing system, (C) the inclusion of vapor retarders, insulation, bitumen,
547 felts, membranes, flashings, metals, decks and any other feature
548 required by the roof design, and (D) that all manufacturer's materials to
549 be used in the roofing system are specified to meet the latest standards
550 for individual components of the roofing systems of the American
551 Society for Testing and Materials;

552 (3) In the case of a major alteration, renovation or extension of a
553 building to be used for public school purposes, the plans do not
554 incorporate the guidelines set forth in the Sheet Metal and Air
555 Conditioning Contractors National Association's publication entitled

556 "Indoor Air Quality Guidelines for Occupied Buildings Under
557 Construction" or similar subsequent publications;

558 (4) In the case of a new construction, extension, renovation or
559 replacement, the plans do not provide that the building maintenance
560 staff responsible for such facility are trained in or are receiving training
561 in, or that the applicant plans to provide training in, the appropriate
562 areas of plant operations including, but not limited to, heating,
563 ventilation and air conditioning systems pursuant to section 10-231e,
564 with specific training relative to indoor air quality;

565 (5) In the case of a project for new construction, extension, major
566 alteration, renovation or replacement involving a school entrance for
567 inclusion on any listing submitted to the General Assembly in
568 accordance with section 10-283, as amended by this act, on or after July
569 1, 2008, the plans do not provide for a security infrastructure for such
570 entrance;

571 (6) In the case of a project for new construction, extension, major
572 alteration, renovation or replacement on any listing submitted to the
573 General Assembly in accordance with section 10-283, as amended by
574 this act, on or after July 1, 2022, the plans do not provide for the
575 installation of at least one water bottle filling station (A) per one
576 hundred students of the projected enrollment for the school building,
577 (B) on each new floor or wing of the school building, and (C) in any food
578 service area of the school building; [or]

579 (7) In the case of a project for new construction of a school building
580 on any listing submitted to the General Assembly in accordance with
581 section 10-283, as amended by this act, on or after July 1, 2023, the plans
582 do not provide for the installation of level two electric vehicle charging
583 stations, as defined in section 4b-77, in at least twenty per cent of the
584 designated parking spaces for cars or light duty trucks at the school
585 building; or

586 (8) In the case of a project for new construction of a school building
587 on any listing submitted to the General Assembly in accordance with

588 section 10-283, as amended by this act, on or after July 1, 2025, the plans
589 do not provide for an all-gender bathroom.

590 Sec. 15. Section 10-292v of the general statutes is repealed and the
591 following is substituted in lieu thereof (*Effective July 1, 2024*):

592 Any school building committee established by a town or regional
593 school district to undertake a school building project, as defined in
594 section 10-282, shall include (1) at least one member who has experience
595 in the construction industry, and (2) the chairperson of the local or
596 regional board of education, or the chairperson's designee, for the school
597 district of such school building project.

598 Sec. 16. Subsection (a) of section 10-506 of the 2024 supplement to the
599 general statutes is repealed and the following is substituted in lieu
600 thereof (*Effective July 1, 2024*):

601 (a) For the fiscal year ending June 30, 2015, and each fiscal year
602 thereafter, the Office of Early Childhood, in consultation with the
603 Department of Education, shall design and administer the Connecticut
604 Smart Start competitive grant program to provide grants to local and
605 regional boards of education for capital and operating expenses related
606 to establishing or expanding a preschool program under the jurisdiction
607 of the board of education for the town. A local or regional board of
608 education may submit an application to the office, in accordance with
609 the provisions of subsection (b) of this section, and [may] shall, upon
610 approval of such application, receive (1) a grant for capital expenses in
611 an amount not to exceed seventy-five thousand dollars per classroom
612 for costs related to the renovation of an existing public school to
613 accommodate the establishment or expansion of a preschool program,
614 and (2) an annual grant for operating expenses (A) in an amount not to
615 exceed five thousand dollars per child served by such grant, or (B) in an
616 amount not to exceed seventy-five thousand dollars for each preschool
617 classroom, provided no town shall receive a total annual grant for
618 operating expenses greater than three hundred thousand dollars. Each
619 local or regional board of education that establishes or expands a
620 preschool program under this section shall [be eligible to] receive an

621 annual grant for operating expenses for a period of five years, provided
622 such preschool program meets standards established by the
623 Commissioner of Early Childhood. Such local or regional board of
624 education may submit an application for renewal of such grant to the
625 office.

626 Sec. 17. Section 10-265r of the 2024 supplement to the general statutes
627 is repealed and the following is substituted in lieu thereof (*Effective July*
628 *1, 2024*):

629 (a) For the fiscal year ending June 30, 2023, and each fiscal year
630 thereafter, the Department of Administrative Services shall administer
631 a heating, ventilation and air conditioning system grant program to
632 reimburse local and regional boards of education, regional educational
633 service centers, incorporated or endowed high schools or academies
634 approved by the State Board of Education, pursuant to section 10-34,
635 and state charter schools for costs associated with projects for the
636 installation, replacement or upgrading of heating, ventilation and air
637 conditioning systems or other improvements to indoor air quality in
638 school buildings.

639 (b) (1) A local or regional board of education, [or a] regional
640 educational service center, incorporated or endowed high school or
641 academy or state charter school may apply, at such time and in such
642 manner as the Commissioner of Administrative Services prescribes, for
643 a grant for a project involving the installation, replacement or upgrading
644 of heating, ventilation and air conditioning systems or other
645 improvements to indoor air quality in school buildings. A local or
646 regional board of education may submit an application for any such
647 project that (A) was commenced on or after March 1, 2020, and
648 completed before July 1, 2022, or (B) is commenced on or after July 1,
649 2022.

650 (2) The commissioner shall develop eligibility criteria for the
651 awarding of grants under the program. Such criteria shall include, but
652 need not be limited to, (A) the age and condition of the current heating,
653 ventilation and air conditioning system or equipment being replaced or

654 upgraded in the school, (B) current air quality issues at the school, (C)
655 the age and condition of the overall school building, (D) the school
656 district's master plan, (E) the availability of maintenance records, (F) a
657 contract or plans for the routine maintenance and cleaning of the
658 heating, ventilation and air conditioning system, and (G) the [local or
659 regional board of education's or regional educational service center's]
660 ability of the local or regional board of education, regional educational
661 service center, incorporated or endowed high school or academy or state
662 charter school to finance the remainder of the costs for such project after
663 receiving a grant under the program. The commissioner shall utilize
664 such eligibility criteria when determining whether to award a grant to
665 an applicant under the program.

666 (3) The commissioner [shall not award a grant under the program to
667 any applicant that, on or after July 1, 2024, has not certified compliance
668 with] may award a grant under the program to an applicant for the
669 performance of the uniform inspection and evaluation of an existing
670 heating, ventilation and air conditioning system pursuant to subsection
671 (d) of section 10-220, except that the commissioner shall not award a
672 grant under the program to any applicant for any other purpose
673 authorized under this section that has not certified compliance with the
674 uniform inspection and evaluation of an existing heating, ventilation
675 and air conditioning system pursuant to subsection (d) of section 10-220.

676 (c) (1) Except as otherwise provided in subdivision [(4)] (5) of this
677 subsection, a local board of education may receive a grant equal to a
678 percentage of its eligible expenses. The percentage shall be determined
679 by its ranking. Such ranking shall be determined as follows: (A) Each
680 town shall be ranked in descending order from one to one hundred
681 sixty-nine according to the adjusted equalized net grand list per capita,
682 as defined in section 10-261, of the town two, three and four years prior
683 to the fiscal year in which application is made, (B) based upon such
684 ranking, a percentage of not less than twenty or more than eighty shall
685 be assigned to each town on a continuous scale, and (C) the town ranked
686 first shall be assigned a percentage of twenty and the town ranked last
687 shall be assigned a percentage of eighty.

688 (2) A regional board of education may receive a grant equal to a
689 percentage of its eligible expenses. The percentage shall be determined
690 by its ranking. Such ranking shall be determined as follows: (A)
691 Multiplying the total population, as defined in section 10-261, of each
692 town in the district by such town's ranking, as determined in
693 subdivision (1) of this subsection, (B) adding together the figures
694 determined under subparagraph (A) of this subdivision, and (C)
695 dividing the total computed under subparagraph (B) of this subdivision
696 by the total population of all towns in the district. The ranking of each
697 regional board of education shall be rounded to the next higher whole
698 number and each such board shall receive the same reimbursement
699 percentage as would a town with the same rank plus ten per cent, except
700 that no such percentage shall exceed eighty-five per cent.

701 (3) A regional educational service center may receive a grant equal to
702 a percentage of its eligible expenses. The percentage shall be determined
703 by its ranking. Such ranking shall be determined by (A) multiplying the
704 population of each member town in the regional educational service
705 center by such town's ranking, as determined in subdivision (1) of this
706 subsection, (B) adding together the figures for each town determined
707 under subparagraph (A) of this subdivision, and (C) dividing the total
708 computed under subparagraph (B) of this subdivision by the total
709 population of all member towns in the regional educational service
710 center. The ranking of each regional educational service center shall be
711 rounded to the next higher whole number and each such center shall
712 receive the same reimbursement percentage as would a town with the
713 same rank.

714 (4) An incorporated or endowed high school or academy approved
715 by the State Board of Education, pursuant to section 10-34, may receive
716 a grant equal to a percentage of its eligible expenses. The percentage
717 shall be determined by its ranking. Such ranking shall be determined in
718 accordance with the provisions of subsection (b) of section 10-285b, as
719 amended by this act.

720 [(4)] (5) The local board of education for (A) any town with a total

721 population of eighty thousand or greater shall receive a grant equal to a
722 percentage of its eligible expenses that is the greater of the percentage
723 calculated pursuant to subdivision (1) of this subsection or sixty per
724 cent, and (B) the town of Cheshire shall receive a grant equal to a
725 percentage of its eligible expenses that is the greater of the percentage
726 calculated pursuant to subdivision (1) of this subsection or fifty per cent.

727 (d) If there are not sufficient funds to provide grants to all local and
728 regional boards of education and regional educational service centers,
729 based on the percentage determined pursuant to subsection (c) of this
730 section, the commissioner shall give priority to applicants on behalf of
731 schools with the greatest need for heating, ventilation and air
732 conditioning systems or other improvements to indoor air quality in
733 school buildings, as determined by the commissioner based on the
734 eligibility criteria developed pursuant to subdivision (2) of subsection
735 (b) of this section.

736 (e) The following expenses shall not be eligible for reimbursement
737 under this section: (1) Routine maintenance and cleaning of the heating,
738 ventilation and air conditioning system, (2) work that is otherwise
739 eligible for a school building project grant under chapter 173, and (3)
740 work performed at or on a public school administrative or service
741 facility that is not located or housed within a public school building.

742 (f) A local or regional board of education or a regional educational
743 service center may use any federal funds received by such board or
744 center to finance a project for the installation, replacement or upgrading
745 of heating, ventilation and air conditioning systems or other
746 improvements to indoor air quality in school buildings for which a grant
747 is received under this section, and such federal funds shall be deemed
748 to be part or all of the town's local share for such project.

749 (g) Any project for the installation, replacement or upgrading of
750 heating, ventilation and air conditioning systems or other
751 improvements to indoor air quality in school buildings for which a grant
752 is awarded under this section shall be completed by the end of the next
753 calendar year, unless the duration of such project is extended by the

754 commissioner upon a showing of good cause by the local or regional
755 board of education or regional educational service center.

756 (h) Any local or regional board of education or regional educational
757 service center that receives a grant under this section shall (1) be
758 responsible for the routine maintenance and cleaning of the heating,
759 ventilation and air conditioning system, and (2) provide training to
760 school personnel and building maintenance staff concerning the proper
761 use and maintenance of the heating, ventilation and air conditioning
762 system.

763 (i) For the fiscal years ending June 30, 2025, and June 30, 2026, the
764 commissioner shall reconsider any application for a grant under this
765 section that was submitted by a local or regional board of education or
766 regional educational service center prior to July 1, 2024, and which the
767 commissioner had denied. Such board or center shall not be required to
768 submit a new application for such reconsideration, unless the reason for
769 such denial was that such application was incomplete or the
770 commissioner determines that additional information or revision to
771 such application is necessary to be able to award a grant. The
772 commissioner shall provide technical assistance during such
773 reconsideration period to such boards and centers in order to assist such
774 boards in being able to be awarded a grant under 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, 2024</i> | 10-283(a) |
| Sec. 3 | <i>July 1, 2024</i> | 10-283(d) |
| Sec. 4 | <i>July 1, 2024</i> | 10-283a |
| Sec. 5 | <i>July 1, 2024</i> | 10-284(a) |
| Sec. 6 | <i>July 1, 2024</i> | 10-285a(e) |
| Sec. 7 | <i>July 1, 2024</i> | 10-285a(h) |
| Sec. 8 | <i>July 1, 2024</i> | 10-285b(c) |
| Sec. 9 | <i>July 1, 2024</i> | 10-286(d) |
| Sec. 10 | <i>July 1, 2024</i> | 10-286e |
| Sec. 11 | <i>July 1, 2024</i> | 10-287(b) |

| | | |
|---------|---------------------|-----------|
| Sec. 12 | <i>July 1, 2024</i> | 10-287(d) |
| Sec. 13 | <i>July 1, 2024</i> | 10-287i |
| Sec. 14 | <i>July 1, 2024</i> | 10-291(b) |
| Sec. 15 | <i>July 1, 2024</i> | 10-292v |
| Sec. 16 | <i>July 1, 2024</i> | 10-506(a) |
| Sec. 17 | <i>July 1, 2024</i> | 10-265r |

ED *Joint Favorable Subst. C/R*

FIN

FIN *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 25 \$ | FY 26 \$ |
|---------------------------|-------------|-----------|-----------|
| Treasurer, Debt Serv. | GF - Cost | See Below | See Below |
| Office of Early Childhood | GF - Cost | See Below | See Below |

Note: GF=General Fund

Municipal Impact:

| Municipalities | Effect | FY 25 \$ | FY 26 \$ |
|---|-----------|-----------|-----------|
| Various Municipalities; Local and Regional School Districts | See Below | See Below | See Below |

Explanation

School Construction

The bill approves a net increase of \$544 million in state grant commitments for school construction projects, which represents potential reimbursement costs for the state and revenue gain for the specified municipalities. The grants-in-aid will be financed through the issuance of General Obligation (GO) bonds in future fiscal years. The bill does not authorize new GO bonds. The projected debt service cost to the General Fund to issue \$544 million of GO bonds at market rates is \$779 million.

The bill also makes several changes that may impact project costs and reimbursement levels, which in turn would affect levels of state reimbursement and municipal revenue gain. These changes include increasing the reimbursement rate for early childhood programs from five percentage points to fifteen percentage points, increasing the

reimbursement rate for the capital costs of full day kindergarten in priority school districts from ten percentage points to fifteen percentage points, and changing various audit deadlines and increasing the audit holdback from 5% to 11%. The impact of changes to costs for future projects on the school construction priority list will be reflected when such projects are considered by the legislature in the future.

The bill also expands the allowable uses for a school building that received funding within the last 10 or 20 years, dependent on the type of project, without needing to repay the state for a portion of the project reimbursements. The fiscal impact is indeterminate, as it is based on future municipal decisions.

School Air Quality

The bill makes several changes that expand eligible awards under the school air quality grant program, along with requiring reconsideration of any unsuccessful applications submitted prior to July 1, 2024.¹

To the extent school districts seek and are awarded funds for projects under the expanded eligibility, this could result in both potential revenue gain for school districts and increased or more rapid use of state funds authorized for the program.

The program is primarily funded through General Obligation (GO) bond funds.² Future General Fund debt service costs may be incurred sooner under the bill to the degree that it causes authorized GO bond funds to be expended or to be expended more rapidly than they otherwise would have been. \$225 million has been allocated for the program since April 2023. An additional \$150 million of GO bonds become effective on July 1, 2024 under current law. The bill does not change GO bond authorizations relevant to the program.

¹ 80 of 130 project applications were not awarded funding in FY 23. Awards for FY 24 are pending.

² \$75 million of American Rescue Plan Act (ARPA) funds were also allocated to the program.

Smart Start

The bill results in a cost to the Office of Early Childhood (OEC) and General Fund debt service, and corresponding revenue gain to school districts, due to requiring that Smart Start grants be provided to school districts upon approval of an application. The extent of the cost depends on the number of approved applications and classroom needs. Smart Start includes separate grants for both operations and capital improvement.

For context, an annual grant for operating expenses cannot exceed \$5,000 per child served by such grant, or \$75,000 for each preschool classroom. The maximum total annual grant for operating expenses cannot exceed \$300,000 per town. Operating grants are paid using the General Fund.

In addition to the operating grant limits, capital grants cannot exceed \$75,000 per classroom renovated. Capital grants for the Smart Start program are funded through GO bond funds. Future General Fund debt service costs may be incurred sooner under the bill to the degree that it causes authorized GO bond funds to be expended or to be expended more rapidly than they otherwise would have been. As of March 1, 2024, the unallocated bond balance available under the relevant authorization is \$45 million. The bill does not change GO bond authorizations relevant to the program.

The Out Years

The ongoing fiscal impact identified above will continue into the future subject to future municipal decisions, applications for the school construction, school air quality, and Smart Start programs, and the terms of any bonds issued.

OLR Bill Analysis**sHB 5347****AN ACT CONCERNING AUTHORIZATION OF STATE GRANT COMMITMENTS FOR SCHOOL BUILDING PROJECTS AND REVISIONS TO THE SCHOOL BUILDING PROJECTS STATUTES.**

TABLE OF CONTENTS:

SUMMARY§ 1 — PRIORITY LIST GRANT COMMITMENTS

Authorizes 11 school construction state grant commitments totaling \$470.2 million toward total estimated project costs of \$583.3 million; reauthorizes three projects with an additional state grant commitment of \$73.9 million

§§ 2-5 — PRIORITY LIST REQUIREMENTS

Requires that the priority list include additional information about enrollment projections; allows school boards to redirect a school building project to a public use during the grant amortization period; eliminates requirement that DAS assign categories to school building projects; requires applicants to secure funding for all project costs; modifies reasons for which DAS may disapprove an application

§§ 6 & 7 — REIMBURSEMENT RATE INCREASES FOR CERTAIN EARLY CHILDHOOD PROJECTS

Increases the reimbursement rate bonus to 15 percentage points for certain elementary and early childhood projects

§ 8 — GRANTS TO ENDOWED ACADEMIES

Eliminates a requirement that an endowed academy's governing board meet specified composition requirements to be eligible for a grant

§§ 9 & 11 — CONSTRUCTION MANAGERS AND CONSULTANTS

Prohibits construction managers and administrators from receiving additional compensation for certain change orders; eliminates prohibition on construction managers bidding on project elements; requires that consultant awards be made from a pool of at least three

of the most responsible qualified proposers; requires construction managers to report on ineligible costs

§§ 10, 12 & 13 — PROJECT AUDITS

Increases, from 5% to 11%, the percentage of a grant DAS must withhold pending completion of an audit; shortens certain audit and post-project completion deadlines

§ 14 — ALL-GENDER BATHROOMS

Prohibits DAS from including new construction projects on the priority list if the project plans do not provide for an all-gender bathroom

§ 15 — SCHOOL BUILDING COMMITTEE MEMBERSHIP

Requires that school building committees include the school board chair or a designee

§ 16 — SMART START

Requires, rather than allows, school districts to receive a Smart Start grant upon approval of the application

§ 17 — INDOOR AIR QUALITY GRANTS

Makes endowed academies and state charter schools eligible for grants; authorizes grants for inspections and evaluations; requires DAS to reconsider previously rejected grant applications in FYs 25 and 26

SUMMARY

This bill authorizes school construction state grant commitments totaling \$470.2 million toward total estimated project costs of \$583.3 million. It also reauthorizes three projects that have changed substantially in scope and cost with an additional state grant commitment of \$73.9 million.

The bill also makes numerous changes in the school building project and related statutes (§§ 2-17), including the following:

1. increasing, from five to 15 percentage points, the bonus rate for projects that include space for certain early childhood programs and expanding the types of programs eligible for the bonus rate (§ 6);

2. increasing, from 10 to 15 percentage points, the bonus rate for projects relating to (1) the Early Reading Success program or (2) full-day kindergarten or preschool in priority school districts or priority schools (§ 7);
3. prohibiting construction managers from receiving additional compensation beyond the project's guaranteed maximum price as a result of a change order, ineligible costs, or other change directive (§§ 9 & 11);
4. increasing, from 5% to 11%, the percentage of a grant the Department of Administrative Services (DAS) must withhold pending completion of an audit (§ 13);
5. requiring that school districts, upon approval of a Smart Start grant application, receive grants for capital and operating expenses to expand or establish preschool programs (under current law they "may" receive these grants) (§ 16);
6. making endowed academies and state charter schools eligible for indoor air quality grants (§ 17);
7. allowing, under certain conditions, indoor air quality grants for uniform inspection and evaluation of existing heating, ventilation, and air conditioning (HVAC) systems (§ 17); and
8. requiring DAS, for FYs 25 & 26, to reconsider any rejected application that a school board or regional education service center (RESC) submitted before July 1, 2024 (§ 17).

The bill also makes minor, technical, and conforming changes, including repealing obsolete language. Among other things, it conforms the law to current practice by requiring DAS to review applications in consultation with the State Department of Education (SDE) (§ 2). (Generally, SDE reviews applications for compliance with specified educational requirements.)

EFFECTIVE DATE: July 1, 2024, except that the grant commitments

for priority list projects are effective upon passage.

§ 1 — PRIORITY LIST GRANT COMMITMENTS

Authorizes 11 school construction state grant commitments totaling \$470.2 million toward total estimated project costs of \$583.3 million; reauthorizes three projects with an additional state grant commitment of \$73.9 million

The bill authorizes school construction state grant commitments totaling \$470.2 million toward total estimated project costs of \$583.3 million. It also reauthorizes three projects that have changed substantially in scope and cost with an additional state grant commitment of \$73.9 million.

Under the state school construction grant program, the state reimburses towns and local districts for a percentage of eligible school construction costs through state general obligation bonds (with less wealthy municipalities receiving a higher reimbursement). The municipalities pay the remaining costs. For the state-operated Connecticut Technical Education and Career System, also known as the technical high schools, the state pays 100% of the project costs.

School Construction Grant Commitments

For each project authorized by the bill, the table below shows the district, school, project type, estimates for total cost and state grant commitment, and state reimbursement rate.

Table: 2024 School Construction Grant Commitments

| District | School | Project Type | Estimated Project Costs | Estimated Grant | Reimbursement Rate |
|-----------------|---|--|--------------------------------|------------------------|---------------------------|
| Bristol | Edgewood Pre-K Academy | Renovation | \$16,803,560 | \$11,701,999 | 69.64% |
| LEARN | New Early Childhood School at 51 Daniels Avenue | Magnet/ Alteration/ Purchase of Facility | 95,736,656 | 76,589,325 | 80% |
| Stamford | South School – Upper | New | 85,871,466 | 51,522,880 | 60% |
| Stamford | South School – Lower | New | 72,463,942 | 43,478,365 | 60% |

| <i>District</i> | <i>School</i> | <i>Project Type</i> | <i>Estimated Project Costs</i> | <i>Estimated Grant</i> | <i>Reimbursement Rate</i> |
|-----------------|---|---------------------|--------------------------------|------------------------|---------------------------|
| Bristol | Bristol Central High School Culinary Arts | Alteration | 1,426,955 | 993,731 | 69.64% |
| Bristol | Bristol Eastern High School Culinary Arts | Alteration | 1,448,285 | 1,008,586 | 69.64% |
| Danbury | Danbury High School | Alteration | 16,500,000 | 10,429,650 | 63.21% |
| Hartford | Montessori Magnet at Batchelder | Renovation | 102,569,302 | 97,440,837 | 95% |
| Hartford | S.A.N.D. Elementary School | Renovation | 82,837,086 | 78,695,232 | 95% |
| Hartford | Maria C. Colon Sanchez Elementary School | Renovation | 96,945,196 | 92,097,936 | 95% |
| Newington | John Wallace Middle School | Renovation | 10,717,573 | 6,277,283 | 58.57% |
| Totals | | | \$583,319,021 | \$470,235,223 | |

Reauthorized Projects

The bill also reauthorizes three school construction projects with a change in cost and scope, resulting in an additional state grant commitment of \$73,910,096. The table below describes the changes to these projects.

Table: Reauthorized School Construction Projects

| <i>District</i> | <i>School and Project</i> | <i>Current Law</i> | | <i>The Bill</i> | <i>Reimbursement Rate</i> |
|-----------------|-------------------------------------|-------------------------|--------------|-----------------|---------------------------|
| Hartford | Betances Learning Lab Magnet School | Estimated project costs | \$43,709,774 | \$66,825,200 | 95% |
| | | Estimated state grant | 41,524,285 | 63,483,940 | |
| Hartford | Fred D. Wish Museum | Estimated project costs | 49,320,000 | 67,290,900 | 95% |

| | | | | | |
|----------|----------------------|-------------------------|------------|------------|-----|
| | School | Estimated state grant | 46,854,000 | 63,926,355 | |
| Hartford | E.B. Kennelly School | Estimated project costs | 51,146,225 | 88,130,000 | 95% |
| | | Estimated state grant | 48,845,414 | 83,723,500 | |

§§ 2-5 — PRIORITY LIST REQUIREMENTS

Requires that the priority list include additional information about enrollment projections; allows school boards to redirect a school building project to a public use during the grant amortization period; eliminates requirement that DAS assign categories to school building projects; requires applicants to secure funding for all project costs; modifies reasons for which DAS may disapprove an application

Project Report (§ 2)

The law requires DAS to annually submit the priority list to the legislature, governor, and Office of Policy and Management secretary in December. For each project, the list must include enrollment and capacity projections for (1) the school receiving the grant and (2) all schools under the applicable school board’s jurisdiction (for the eight years following the application date in the latter case). The bill additionally requires that the report include (1) who conducted the enrollment projections and their cost and (2) an estimate and itemization of each project’s ineligible costs.

Projects Redirected for Public Use (§ 2)

Existing law establishes a 10- or 20-year amortization period (depending on the grant amount) for school building project grants and generally requires school boards to repay the unamortized balance if they abandon, sell, lease, demolish, or redirect the project’s use during the amortization period to anything other than a school use. The bill additionally allows school boards to redirect the project to a public use during the amortization period without triggering the repayment requirement. (Current law allows towns to seek forgiveness of the unamortized balance if they redirect the project for a public use.)

Project Categories (§§ 2 & 4)

The bill eliminates a requirement that DAS assign school building

projects to one of three categories and makes conforming changes. Generally, the categories are based on whether the project provides mandatory instructional facilities, enhances these facilities, or provides supportive services.

Local Funding Authorization (§ 3)

Current law prohibits DAS from adding a project to the priority list unless the applicant, before applying, has either secured funding authorization for the local share of project costs or has scheduled and prepared a referendum for which results will be submitted by November 15 in the application year. The bill instead requires applicants to secure funding authorization for the total project costs.

Project Review (§ 5)

Current law allows the DAS commissioner to disapprove a grant application if, among other things, it does not comply with the state fire marshal's or Department of Public Health's (DPH) requirements. The bill instead allows her to disapprove an application if it does not include an attestation from the local fire marshal or DPH commissioner that the project plans comply with these requirements.

§§ 6 & 7 — REIMBURSEMENT RATE INCREASES FOR CERTAIN EARLY CHILDHOOD PROJECTS

Increases the reimbursement rate bonus to 15 percentage points for certain elementary and early childhood projects

Current law gives a five-percentage-point reimbursement rate increase for new or expansion elementary school building projects that include space for a school readiness program. The bill (1) increases this bonus rate to 15 percentage points and (2) broadens its availability to include an early childhood care and education program providing services for children from birth to age five. As under existing law, recipient districts must maintain the program for at least 10 years (§ 6).

The bill also increases, from 10 to 15 percentage points, the reimbursement rate bonus for elementary school projects relating to (1) full-day kindergarten or preschool in priority school districts or priority schools or (2) reducing class sizes under the Early Reading Success

program. It specifies that a recipient district's overall reimbursement rate cannot exceed 100% (§ 7).

§ 8 — GRANTS TO ENDOWED ACADEMIES

Eliminates a requirement that an endowed academy's governing board meet specified composition requirements to be eligible for a grant

By law, an endowed academy that functions as a public high school under state law is eligible for school construction grants (i.e., Gilbert School, Norwich Free Academy, and Woodstock Academy). The bill eliminates a requirement that, to be eligible for a school construction grant, at least half of the members of an endowed academy's governing board, other than its chairperson, represent the school boards of the towns that designate them as their high schools. It retains the requirement that the academies provide school facilities to those towns for at least 10 years after the last grant payment.

§§ 9 & 11 — CONSTRUCTION MANAGERS AND CONSULTANTS

Prohibits construction managers and administrators from receiving additional compensation for certain change orders; eliminates prohibition on construction managers bidding on project elements; requires that consultant awards be made from a pool of at least three of the most responsible qualified proposers; requires construction managers to report on ineligible costs

Construction Manager and Administrator Compensation

The bill prohibits school building project construction managers and construction administrators from receiving additional compensation beyond the project's guaranteed maximum price (GMP, see below) because of a change order, ineligible costs, or other change directive.

GMP and Construction Managers

Under existing law, the construction manager's contract must include a GMP for construction costs. This price must be determined no later than 90 days after selecting trade subcontractor bids.

The bill (1) eliminates current law's prohibition on construction managers bidding on project elements and (2) prohibits construction from beginning before the GMP is determined. Current law allows site preparation and demolition work to occur before the GMP is determined.

Consultant and Construction Management Services Award Process

Current law requires that contracts for school building project architectural services be awarded from a pool of up to the four most responsible qualified proposers after a public selection process. The bill instead requires that the award be from a pool of at least three of the most responsible qualified proposers and makes conforming changes. Among other things, the awarding authority must determine at least three of the most responsible qualified proposers after the qualification process (rather than the four most responsible qualified proposers) and award the contract to one of these proposers.

Under the bill, this change also applies to contracts for (1) construction management services and (2) other consultant services, including services rendered by an owner's representatives, construction administrators, program managers, environmental professionals, planners, and financial specialists. The bill requires that DAS approval of orders or contracts for these consultants be in writing or through written electronic communication for the costs to be eligible for state funding.

Construction Manager Reporting and Document Retention

The bill requires that construction manager contracts include a requirement to retain all documents and receipts for two years following the date DAS completes the project audit (see below).

It also requires construction managers to submit to school boards and DAS (1) quarterly reports regarding ineligible project costs to date and (2) a final report on total ineligible costs. It must submit this final report upon submitting the notice of project completion and before DAS audits the project.

§§ 10, 12 & 13 — PROJECT AUDITS

Increases, from 5% to 11%, the percentage of a grant DAS must withhold pending completion of an audit; shortens certain audit and post-project completion deadlines

The bill increases, from 5% to 11%, the percentage of an applicant's reimbursement grant DAS must withhold pending completion of a

project audit. Existing law requires DAS to complete the audit within six months after a request for the final payment, or the applicant may have an independent audit performed and include the audit cost in the eligible project cost.

The law requires towns and regional school districts to submit a notice of project completion for a school building project after issuing a certificate of occupancy for the project. The bill shortens, from within three years to within one year after this issuance, the deadline by which towns and regional districts must submit the notice. By law, DAS must deem the project completed and conduct the audit if the town or district does not submit the notice by the required deadline.

Under current law, if DAS does not complete an audit within five years after receiving a notice of project completion, then it must conduct a limited scope audit (e.g., a review of total reported expenditures and adherence to authorized space specifications). The bill moves up the time at which DAS must conduct the limited scope audit to two years after receiving the notice.

§ 14 — ALL-GENDER BATHROOMS

Prohibits DAS from including new construction projects on the priority list if the project plans do not provide for an all-gender bathroom

Beginning July 1, 2025, the bill prohibits DAS from including new construction projects on the priority list if the project plans do not provide for an all-gender bathroom.

§ 15 — SCHOOL BUILDING COMMITTEE MEMBERSHIP

Requires that school building committees include the school board chair or a designee

The bill requires that local school building committees include the school board chair for the project's district or a designee. Under existing law, the committee must have at least one member with experience in the construction industry. Among other things, the committees approve project plans (CGS § 10-291).

§ 16 — SMART START

Requires, rather than allows, school districts to receive a Smart Start grant upon approval of the application

The bill requires that school districts, upon approval of a Smart Start grant application, receive grants for capital and operating expenses to expand or establish preschool programs. Current law allows (rather than requires) districts to receive these grants.

§ 17 — INDOOR AIR QUALITY GRANTS

Makes endowed academies and state charter schools eligible for grants; authorizes grants for inspections and evaluations; requires DAS to reconsider previously rejected grant applications in FYs 25 and 26

Endowed Academies and Charter Schools

The law allows school boards or regional educational service centers (RESC) to apply to DAS for grants to reimburse costs for projects to install, replace, or upgrade HVAC systems or related improvements. The bill extends eligibility for these grants to endowed academies and state charter schools and makes conforming changes. As under existing law for school boards and RESCs, DAS must consider the academy's or charter school's ability to finance the remainder of the project costs.

Under the bill, endowed academies must receive the same reimbursement rate for indoor air quality grants as they do for school building project grants under existing law. Generally, this percentage may be up to 85%, based on the weighting of the reimbursement rates of towns that have designated the academy as their high school, rounding to the next higher whole number and adding 5% (CGS § 10-285b). The bill does not specify how grant amounts are determined for state charter schools.

Reconsideration of Rejected Applications

The bill requires DAS, for FYs 25 and 26, to reconsider any rejected application that a school board or RESC submitted before July 1, 2024. The bill specifies that the school board or RESC does not need to submit a new application for reconsideration unless the (1) previous application was denied for being incomplete or (2) DAS commissioner determines that additional information or revisions are needed. Under the bill, DAS must provide technical assistance to school boards and RESCs during

the reconsideration period.

State Grants for HVAC Inspections

The law requires school boards to complete a uniform inspection and evaluation of their school buildings' HVAC systems. Current law prohibits the DAS commissioner from awarding grants for HVAC or indoor air quality improvements to school districts that have not certified compliance with the law's inspection and evaluation requirements.

The bill makes an exception by allowing the commissioner to award grants to reimburse the cost of performing the inspections and evaluations. Like current law, the bill prohibits her from awarding other grants under the program if the district has not certified compliance with the inspection and evaluation requirements. (Once in compliance, a district may receive the other HVAC grants for repair, upgrading, and installation work.)

Background — Related Bills

sSB 287 (File 213), reported favorably by the Education Committee, also allows grants for indoor air quality inspections and evaluations; it additionally extends the deadline for completing them as well as the reporting deadline for the working group studying this issue.

sSB 288 (File 214), reported favorably by the Education Committee, makes several changes in the school building project statutes, including specifying procedural requirements for receiving the five-percentage-point bonus for being an "inclusive municipality."

sHB 5052 (File 358), reported favorably by the Energy and Technology Committee, excludes certain energy-related funds from the state funds that must be subtracted from the total project cost when calculating a school construction grant.

sHB 5004 (File 321, § 14), reported favorably by the Environment Committee, gives a 10-percentage-point bonus rate for school building projects involving installation of a renewable energy or energy

efficiency project.

COMMITTEE ACTION

Education Committee

Joint Favorable Substitute Change of Reference - FIN
Yea 43 Nay 0 (03/20/2024)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute
Yea 50 Nay 0 (04/02/2024)