

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sSB-287

AN ACT CONCERNING INDOOR AIR QUALITY IN SCHOOLS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Treasurer, Debt Serv.	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
Local and Regional School Districts	Potential Revenue Gain	See Below	See Below

Explanation

The bill potentially shifts costs incurred by the state and local and regional school districts regarding the testing of indoor air quality in schools and associated grant funding, beginning in FY 25.

The bill allows grants under the school air quality grant program to be awarded for the performance of the uniform inspection and evaluation of existing heat, ventilation and air conditioning systems, while continuing to otherwise disallow grants from the program for districts that have not performed such inspection.

To the extent districts seek and are awarded funds for the inspection under the program, this could result in both potential revenue gain for the district and increased or more rapid use of funds authorized for the program. Likewise, if successful inspection grant awards result in

Primary Analyst: DD
Contributing Analyst(s): EMG, WL
Reviewer: JS

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additional districts being in compliance with the inspection requirement, there may be an increase in applications for projects eligible under the existing school air quality grant program in future years, which could also result in potential revenue gain for districts and increased or more rapid use of funds authorized for the program.

The program is primarily funded through General Obligation (GO) bond funds.¹ 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. Since April 2023, \$225 million has been allocated for the program. 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.

The bill also allows local and regional school districts to conduct air quality inspections of 20 percent of the buildings under their jurisdiction each year, over the course of five years. This spreads the cost of such inspections over a five-year period, but does not reduce the overall cost of such inspections.

Lastly, the bill extends the reporting deadline for the Indoor Air Quality Working Group. This has no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

¹ \$75 million of American Rescue Plan Act (ARPA) funds were also allocated to the program.