

Analysis of State Bond Commission Agenda Items

September 29, 2020



OFFICE OF FISCAL ANALYSIS

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General Obligation (GO) Bonds	Item #	New Allocation
Department of Administrative Services		
Grants-in-aid to Alliance districts to assist in paying for general improvements to school buildings	5	30,000,000
Infrastructure repairs and improvements at state-occupied facilities	7	4,453,602
Infrastructure repairs and improvements at state-occupied facilities	8	3,000,000
Department of Education		
Grants-in-aid to targeted local and regional school districts for alterations, repairs, improvements, technology, and equipment in low-performing schools	6	10,000,000
Legislative Management		
Replacement, repair and repaving of the roads and sidewalks at the State Capitol Complex,	1	450,000
Alterations, renovations and restoration to the State Capitol, including interior and exterior restoration and compliance with the Americans with Disabilities Act,	2	5,000,000
Exterior masonry repairs and window replacement at the Old State House in Hartford,	3	850,000
Office of Policy and Management		
Information Technology Capital Investment Program	4	9,600,000
Urban Act - Grants-in-aid for urban development projects	9	449,000

GO New Allocation **63,802,602**

The following is intended to provide legislative members of the State Bond Commission (SBC) with additional information and analysis of the items on the agenda, as it was when first published.

I. Summary

Calendar Year 2020 General Obligation (GO) Bonds

Total New GO Bond Allocations by Month	2020 \$	2019 \$
April Agenda	190,474,478	115,900,704
June Agenda		287,886,324
Allocations Effective July 1	351,016,428	321,861,428
July Agenda	323,425,938	
(Current Agenda) September Agenda	63,802,602	354,586,683
December Agenda		131,670,331

CY Total Through September	928,719,446	1,080,235,139
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CY Allocation Cap	2,125,000,000	2,079,000,000
Allocation Remaining Under Cap (as of September)	1,196,280,554	998,764,861

C.G.S. 3-21 (as amended by P.A. 17-2 (JSS) Sec. 712) limits GO bond allocations at \$2 billion per calendar year beginning in CY 17. Based on annual increases calculated using CPI, the limit for CY 20 is \$2,125 million.

Calendar Year 2020 Special Tax Obligation (STO) Transportation Bonds

Total New STO Bond Allocations by Month	2020 \$	2019 \$
April Agenda	705,455,155	159,736,062
June Agenda		113,591,250
July Agenda	205,996,859	
(Current Agenda) September Agenda		20,391,810
December Agenda		135,022,793

CY Total Through July	911,452,014	293,719,122
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II. Agenda Items

Items #1 & 2 Office of Legislative Management: Replacement and Repair at the State Capitol Complex (\$5,450,000 in combined new GO bonds)

These items provide initial funding for repairs in and around the State Capitol.

Item #1 focuses on resurfacing the roadways and parking areas and replacing deteriorating sidewalks along with related lighting and security upgrades. The initial \$450,000 is needed to study improving exterior access to the building, and developing alternate traffic patterns to improve building security, complete the design process and bid the replacement of the parking areas and sidewalks. In addition, the security and exterior lighting upgrades would be completed, and piping installed to tie the Capitol into the hot and chilled water loop.

Item #2 is for preconstruction design costs (\$5,000,000) and immediate repairs, and will address:

- The design and bid phases for the following:
 - Cleaning of exterior granite, marble, and sandstone masonry to remove soiling, biological growth, paint, metallic stains, and sealant and sealant residue.
 - Pointing joints in granite, marble, sandstone, and brick masonry with mortar matching original mortar and providing lead joint covers on exposed horizontal wash joints.
 - Reinstalling loose exterior masonry.
 - Repairing granite, marble, and sandstone by pinning cracked stone.
 - Patching stone losses with stone dutchmen.
 - Removing abandoned anchors and patching holes with dutchmen plugs.
 - Grouting joints between existing dutchmen and mother stones.
 - Patching losses using composite patching mortar, grouting cracks using cementitious and epoxy grouts.
 - Patching cracks, using cementitious patching mortar and pointing mortar matching adjacent stone surfaces.
 - Patching ornamental marble units using polyester stone patching adhesive, filling open veins in stone marble units, and retooling deteriorated stone surfaces to match adjacent stone surfaces.
 - Consolidating friable marble before and after cleaning.
 - Replacing damaged and deteriorated brick with new brick to match.
 - Replacement of window frames.
 - Preparing and sealing joints at window perimeters.
 - Stripping, preparing and painting metal cresting, wood dormers including windows, and bronze railing.
 - Preparing and providing lacquer coating on bronze railing.
- Exterior door refinishing.
- Repairs to exterior stairs.
- Cleaning of interior stonework.
- Replacement of the House chamber handicapped lifts.
- Renovations and upgrades to the elevators.
- Energy efficiency upgrades to the heating and cooling systems.
- Backlighting of the Judiciary Room and House Chamber stained glass skylights and windows that receive no natural light.

Item #3 Office of Legislative Management: Exterior Masonry Repair and Window Replacement at the Old State House (\$850,000 in new GO bonds)

The requested funds are for Old State House preconstruction design and bid costs to address exterior masonry repairs and modification or replacement of windows to reduce heating and cooling costs. This allocation would be used to replace the entry stairs, energy efficiency upgrades, upgrades to gallery spaces and replacement of non-functions gallery technology.

Item #4 Office of Policy and Management: IT Capital Investment Program (\$9,600,000 in new GO bonds)

This funding will be used to develop and implement information technology enhancements for the Department of Labor (DOL) and the Secretary of State (SOTS). The table below shows the breakdown of the allocation.

Funding for the Information Technology Capital Improvement Program

Description	DOL	SOTS
Consultant Services	3,600,000	4,153,224
Software	-	1,452,000
Hardware	-	394,776
Total	3,600,000	6,000,000

Funding will be used for the following projects:

DOL- Ongoing modernization of the Unemployment Insurance system. Multiple agency business systems will be integrated into a single system.

SOTS- Replacement of the existing state business registration system (CONCORD) with the same technology/architecture used for business.ct.gov. The new business registry will be the data hub for business.ct.gov.

Item #5 Department of Administrative Services: Grants-in-aid to Alliance Districts to Assist in Paying for General Improvements to School Buildings (\$30,000,000 in new GO bonds)

These funds are requested to finance grants-in-aid, based on approved applications received, to Alliance Districts for general improvements to school buildings in accordance Section 10-265h of the General Statutes. Eligible projects include improvements to windows, doors, boilers, heating and ventilation systems, communications/technology systems, lockers, floors, ceilings, restrooms, lighting, energy efficiency, entryways, driveways, parking areas, play areas, athletic fields, various equipment, roof repairs and installation or upgrade of security equipment.

The table below identifies the district and amount of grant funding they will receive from this allocation of funds.

District	Grant Amount \$	District	Grant Amount \$
Ansonia	477,647	Naugatuck	1,080,000
Bloomfield	477,647	New Britain	1,080,000
Bridgeport	2,000,000	New Haven	2,000,000
Bristol	1,080,000	New London	477,647
Danbury	1,080,000	Norwalk	1,080,000
Derby	477,647	Norwich	477,647
East Hartford	1,080,000	Putnam	477,647
East Haven	477,647	Stamford	2,000,000
East Windsor	477,647	Thompson	477,647
Groton	477,647	Torrington	477,647
Hamden	1,080,000	Vernon	477,647
Hartford	2,000,000	Waterbury	2,000,000
Killingly	477,647	West Haven	1,080,000
Manchester	1,080,000	Winchester	477,647
Meriden	1,080,000	Windham	477,647
Middletown	1,080,000	Windsor	477,647
		Windsor Locks	477,647
		Total	30,000,000

Item #6 State Department of Education: Grants-in-aid for Low-Performing Schools (\$10,000,000 in new GO bonds)

These funds are requested to provide grants-in-aid to eligible schools and districts for the purchase of technology needed to ensure teachers and students have access to devices to successfully enable remote learning as needed in response to COVID-19.

Funding will be awarded by the State Department of Education (SDE) through an application process for eligible schools. Funding will be used to support district and school technology needs that have not been met, to date, through either local funding, federal Elementary and Secondary School Emergency Relief Fund (ESSER) funding or the Governor’s Emergency Education Relief Fund (GEER) / Coronavirus Relief Fund (CRF) funding being used to purchase devices on behalf of districts. The priority for the funding will be to enable online access for students and teachers that supports remote learning for students whose families have opted into remote learning; districts operating in a hybrid model where students learn remotely part of the week; and preparation for districts in the event they have to go a fully remote learning model.

BACKGROUND:

- Coronavirus Relief Fund (CRF): \$26.5 million, with \$22 million for devices and connectivity and \$4.5 million for public WiFi hotspots. Please note these funds do not include any of the \$130.8 million in CRF funds allocated to towns for reopening schools.

- Governor’s Emergency Education Relief Fund (GEER): \$15 million, with \$10 million for connectivity and \$5 million for devices.

Item #7 Department of Administrative Services: Infrastructure Repairs and Improvements at State-owned Buildings (\$4,453,602 in new GO bonds)

These funds are for a construction project to replace the roof and air conditioning system at 300 Corporate Place in Rocky Hill. Existing roofing is from 1995 (single ply membrane). This project includes:

- Replacement of the roof, including the roof of the connector;
- Provide new roof drains and add overflow drains;
- Add a pre-fabricated canopy to the east entrance;
- Replace HVAC equipment on the roof and in the penthouse, generally in kind;
- Replace the boilers with high efficiency gas-fired condensing boilers;
- Replace the antiquated temperature control system with new web based DDC system to optimize system efficiency and provide easier and more flexible monitoring and control;
- Replacement manual radiator control valves with DDC control valves;
- Replace the deteriorated seal strips at the glass atrium roof above the front entrance.

The building is a three-story office building, with a floor plate of about 17,000 SF for a total square footage of about 51,000 SF, built in 1982 and was occupied by the State of Connecticut Chief’s States Attorney’s Office in 1994.

Item #8 Department of Administrative Services: Infrastructure Repairs and Improvements at State-owned Buildings (\$3,000,000 in new GO bonds)

These funds will be used to purchase and equip an existing building as a storage facility warehouse for storage of personal protective equipment (PPE) and emergency response materials. The purchased location would replace the current rental location.

The sole current location for PPE storage in New Britain is rented monthly. The cost of the rental property is approximately \$2.5 million per year, which will be avoided with the purchase funded through this allocation.

Item #9 Office of Policy and Management: Urban Act (\$449,000 in new GO bonds and \$600,000 in previously allocated funds)

A. Town of Newington (\$500,000 in previously allocated funds)

This funding will support the New Britain Avenue Business District streetscape improvement project in Newington. It is anticipated that the improvements in this district will be similar to other streetscape projects in the town, including pedestrian and road safety improvements.¹

The funding was previously allocated to Newington to finance Phase VII of the long-term Newington Town Center Streetscape Program.

¹ Drzewiecki, Erica (2020, July 21) Newington awarded half-million dollars from state to improve streetscapes in town. *New Britain Herald*. <http://www.newbritainherald.com/NBH-Newington+News/375498/newington-awarded-halfmillion-dollars-from-state-to-improve-streetscapes-in-town>

B. Town of South Windsor (\$100,000 in previously allocated funds and \$49,000 in new GO bonds)

This funding supports a grant-in-aid to South Windsor to assist with repairs to parking lot for Union District School/Wood Memorial Library and Museum. The purpose of this request is to reallocate and increase the funds to finance HVAC upgrades to the facility.

C. Town of Rocky Hill (\$400,000 in new GO bonds)

This funding supports a grant-in-aid to Rocky Hill to assist with replacement of the pool and modifications to the wading pool, including a splash pad at Elm Ridge Park.

Since 1987, the State Bond Commission has allocated \$1.2 million towards the development of and improvements to Elm Ridge Park, including \$350,000 for an amphitheater, \$35,000 for a skate park and \$800,000 for a ball field complex.

Item #10 Office of Policy and Management: Grants-in-Aid to Nonprofits (Allowance of use of previously allocated grant according CGS 3-20(z))

Funding under the non-profit grant program is typically provided to organizations that receive funding from the state to provide health or human services to clients of state agencies. The July 25, 2018 bond commission meeting included an allocation of \$10 million to the Cornell Scott Hill Health Center Corporation in New Haven to assist with development of a new 52-bed, 43,800 sq. ft. Recovery and Wellness Center for substance abuse patients.

The action proposed in this agenda is to allow the previously allocated grant to be deposited into the grantee's investment fund, allowing the funds to be used to support federal funding in the form of new markets tax credits. Such a change is allowable in limited circumstances under CGS 3-20(z), which reads as follows:

(z) Notwithstanding any provision of the general statutes or any public act or special act, upon the request of any proposed recipient for a grant for a program or project within the state to be financed by bonds issued pursuant to this section, and subject to the approval of the State Bond Commission and the Treasurer, such grant may be made to a qualified community development entity, or to a partnership, limited partnership, limited liability company or other business entity investing exclusively in a qualified community development entity, provided substantially all of the proceeds of such grant are made available to such proposed recipient to finance such project, or to any reinvestment in such project following a foreclosure brought against such proposed recipient or any affiliate of such proposed recipient on such project. For purposes of this subsection, "qualified community development entity" means an entity certified as a qualified community development entity pursuant to Section 45D(c)(1) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, that has received an allocation of new markets tax credits available for qualified low-income community investments in the state under Section 45D(f)(2) of said Internal Revenue Code.