

Analysis of Unallocated Balances and New Authorizations for the General Bonding Subcommittee

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9:45 AM



OFFICE OF FISCAL ANALYSIS

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I. Hearing Schedule

The attached information was developed by OFA staff members for the legislative members of the GO Bonding Subcommittee.

General Bonding Subcommittee Hearings on Thursday, March 12, 2015

Time	Agency	Analyst	Page
9:45 - 10:00	Office of Legislative Management	Don Chaffee	4
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II. Agency Write-ups

Office of Legislative Management

OFA Analyst: Don Chaffee

Description	Unallocated 2/1/15 \$	Proposed FY 16 \$	Proposed FY 17 \$
Agency Projects and Programs			
Funding for capital equipment, upgrades to information technology systems and infrastructure repair and improvement projects.	925,000	-	-
Information technology updates, replacements and improvements, renovations and repairs and minor capital improvements at the Capitol complex and the Old State House.	1,450,000	3,198,500	344,500
Production and studio equipment for the Connecticut Network (CT-N).	3,230,000	-	-

Agency Projects and Programs

Funding for capital equipment, upgrades to information technology systems and infrastructure repair and improvement projects (\$925,000 unallocated) - The Office of Legislative Management (OLM) intends to use the unallocated balance for Senate Voting Boards and Senate & House Sound System, which are described below. The timeframe for these two projects is undetermined at this time.

Project Description	Amount \$
Senate Voting Boards	800,000
Senate & House Sound System	125,000
TOTAL	925,000

Replacement of the Senate Voting Boards and software upgrades (\$800,000) - The existing Senate voting display boards were last upgraded in the early to mid-1980's during the restoration of the Capitol. The technology of the display boards has become obsolete and we have experienced temporary failures as they are becoming more heat sensitive. The project would replace the display boards with LED displays that are state of the art technology and upgrade the voting system software in the House and Senate.

Senate Sound System Upgrade (\$125,000) - The existing microphone switching system in the Senate Chamber was installed during the restoration of the Capitol about 25 years ago. This system was custom built for the Chamber at the time and has limited functions with shared microphones. It would be replaced with a current technology

true “request to speak” system which would have the full range of features desirable for a legislative chamber.

Information technology updates, replacements and improvements, renovations and repairs and minor capital improvements at the Capitol complex and the Old State House (\$1,450,000 unallocated; \$3,198,500 in FY 16 and \$344,500 in FY 17 proposed by the Governor) - The unallocated funds will be used for the equipment and infrastructure projects listed in the table below.

Use of OLM Equipment and Infrastructure Project Unallocated Bond Funds

Description	Cost \$
Other	
CTN conversion to high definition	500,000
Minor capital improvements	
CAP heat pump automation	350,000
Old State House renovations	600,000
TOTAL	1,450,000

The Governor’s proposed capital budget provides \$3,198,500 in FY 16 and \$344,500 in FY 17 for equipment and minor capital improvements. The table below provides a breakout of OLM’s request by category.

Proposed FY 16 and FY 17 Bond Authorizations for OLM

Description	FY 16	FY 17
Equipment	1,273,500	69,500
Minor Capital Improvements	1,925,000	275,000
TOTAL	3,198,500	344,500

The tables below provide a detailed description and justification for OLM’s equipment and minor capital improvement funding request.

FY 16 and FY 17 Equipment Request

Description	Amount \$	Justification
FY 16 Equipment Request		
ITS End User Equipment	18,000	Purchase end user computing equipment for the purposes of testing and configuring hardware and software in preparation for Rollout in FY17
Network N7 Switch Upgrade	1,007,500	Many of our core network components are reaching support end-of-life. This effort will replace the remaining 1/2 of the network's older N7 switches, which will no longer be supported after July 2016. Hardware is \$1M and installation \$7.5K

Description	Amount \$	Justification
Closet UPS Replacement	75,000	In tandem with N7 Switch Replacements, replace existing antiquated Uninterruptable Power Supplies (UPSs) to handle increased power needs. A UPS is used to continue to provide power to equipment for a short time if building power is either temporarily lost due to a brownout (so equipment does not reboot), or to provide power until necessary equipment can be shut down properly and without damage.
Network A2 Switch Upgrade	46,500	Many of our network components are reaching support end-of-life. Phase 1 of this effort will replace 30 (~1/2) of the network's older A2 Edge switches, which will no longer be supported by July 2016.
Email Archive Solution	92,000	An email archive solution will record and catalog all email entering and exiting the CGA. It makes it much easier to search for and ultimately retrieve specific emails (especially for FOI requests) without needing to retrieve mailboxes or mailbox databases through the Email Exchange system. It will also allow for the recoverability of messages received and subsequently accidentally deleted in the same day. ~\$9K for Barracuda appliance and ~\$83K for storage.
Network Management System Upgrade (NAC)	34,500	Purchase and installation of a Network Access Control (NAC) appliance. NAC provides visibility into who, what, where, when and how users and their devices (such as personal laptops, smartphones, tablets, etc.) are attaching to the CGA network and allow the ability to grant, restrict, and/or deny access. This will work in conjunction with a NAC Assessment tool which will allow ITS to perform quarantine and remediation on devices on the network. Appliance ~\$22K, installation ~\$12.5K.
TOTAL FY 16	1,273,500	
FY 17 Equipment Request		
Network A2 Switch Upgrade	46,500	Many of our network components are reaching support end-of-life. Phase 1 of this effort will replace 30 (~1/2) of the network's older A2 Edge switches, which will no longer be supported by July 2016.
Second Network Application Management System (Purview)	23,000	Combination Appliance and software that can troubleshoot network issues at the application layer. This appliance will focus on the LOB building (the first has covered the Capitol). HW appliance ~\$11K, installation ~\$12K.
TOTAL FY 17	69,500	

FY16 and FY 17 Minor Capital Improvement Request

Description	Amount \$	Justification
FY 16 Minor Capital Improvement Request		
Capitol & LOB Air Handling Units	275,000	Large air conditioning units with useful lives of 25 years. All of the units are older than that and we have been able to repair them to date, however replacing the units has become necessary.
Hearing Audio & Delegate Management System	1,400,000	The funding request for the "Hearing Room Audio and Delegate Management System" is to replace the existing request to speak microphone system in the ten hearing rooms with a new system. The existing system is six years old and is obsolete. We have had periodic problems with this system over the past couple of years and found that replacement parts are now almost impossible to find and the new equipment from the same manufacturer is not downwardly compatibility. The proposed new system will be a total replacement of the request to speak microphone system and will have the capability for electronic voting using a type of personnel identifier such as the legislator's ID/access card or a biometric reader. An additional requirement of the proposed system is that it be compatible with the CTN broadcast TV equipment by sending information on which microphones are turned on to allow public hearings in the rooms to be covered with less staff.
Replace Communications Master Control System	250,000	The "TV Master Control System" is the internal cable TV system. The current system which dates back the original construction of the LOB is an all analog system. Many of the components are obsolete and replacement parts are sometime hard to locate as broadcast TV is now digital. Comcast our cable TV provider currently sends us an analog cable feed but at some point they will not be able to continue doing this as they have already converted to be an all-digital system except for a few institutional customers like us. Once their equipment reaches its end of life they will not be able to continue to provide the analog feed. We plan to have a new all-digital system designed this spring/summer and once funding is available purchase and install the required digital equipment. Replacing the system will also allow us to pass more of the TV channels Comcast has in their line up to the TVs in the LOB and Capitol. Part of the estimated cost is to replace the remaining analog only TVs with new digital TVs.
TOTAL FY 16	1,925,000	
FY 17 Minor Capital Improvement Request		
Capitol & LOB Air Handling Units	275,000	Large air conditioning units with useful lives of 25 years. All of the units are older than that and we have been able to repair them to date, however replacing the units has become necessary.
TOTAL FY 17	275,000	

Production and studio equipment for the Connecticut Network (CT-N) (\$3,230,000 unallocated) – CT-N is in the process of expanding its coverage of state government deliberations to include: (1) the ten hearing rooms in the Legislative Office Building, (2) the House and Senate chambers in the State Capitol, (3) the Supreme Court, (4) the Appellate Court and (5) five hearing rooms in the State Office Building. The funds will be used to cover the equipment and installation costs listed in the table below. Estimated time to complete implementation of the expanded coverage is four to six months following the final allocation of the total amount.

CT-N Equipment and Costs for Expanded TV Coverage of State Government

Description	Unit \$	Number	Cost \$
Production pods	60,000	17	1,020,000
Cameras	10,000	28	280,000
Remote robotic production system	150,000	2	300,000
Fiber optic transmitters and receivers	300,000	1	300,000
Content management system	120,000	1	120,000
Design, installation/build out	250,000	1	250,000
Studio equipment, control room, racks	360,000	1	360,000
Video server replacement	600,000	1	600,000
TOTAL			3,230,000

Question: The State Bond Commission has not allocated any funding for this project. Is it ready to proceed? Has OLM requested that it be placed on the SBC agenda?

Office of the State Comptroller

OFA Analyst: Holly Williams

Description	Unallocated 2/1/15 \$	Proposed FY 16 \$	Proposed FY 17 \$
Agency Projects and Programs			
Enhancements and upgrades to the CORE financial system	28,700,000	20,000,000	-
Enhancements and upgrades to the CoreCT HR system at the University of Connecticut.	7,000,000	-	-

Agency Projects and Programs

Enhancements and upgrades to the CORE financial system (\$28,700,000 unallocated; \$20,000,000 in FY 16 proposed by the Governor) - The unallocated balance of \$28.7 million will be used to develop a pension module for Core-CT. The module will be used by the Office of the State Comptroller's Retirement Division to automate processing of retirement applications, which is currently a paper process. Electronic processing of applications will help to eliminate the current retirement backlog. As of December 2014, the backlog is 12, 719 applications. The total interest payments for FY 14 attributed to the backlog was \$838,846.

The \$20 million proposed authorization for FY 16 would be used to upgrade Core-CT to the newest version of Oracle's PeopleSoft enterprise applications. This upgrade must be done in order to maintain vendor support.

Background: Core-CT utilizes Oracle's PeopleSoft enterprise applications to run the state's Financial, Human Resources and Payroll functions. The State has a maintenance agreement with Oracle to provide technical support, software fixes and regulatory updates. Oracle provides premier support for four years from the product's release date and then an addition three years of extended support. Premier support for Core-CT's Human Resources and Payroll application ended in September 2014 and the Financial application's support ended in November 2014.

Enhancements and upgrades to the CoreCT HR system at the University of Connecticut (\$7,000,000 unallocated) - The funds will be used consistent with the following outline:

Enhancements and upgrades to the UConn CoreCT HR System

OSC Costs for UConn/Core-CT Implementation

Fit Gap Analysis	\$ 457,170
Estimate for Design, Build, Test, Deploy	8,506,852
Total Before Contingency	<u>8,964,022</u>
15% Contingency	1,344,603
Total With Contingency	<u>\$ 10,308,625</u>
Core-CT Staff Augmentation	\$ 1,837,179
15% Contingency	275,577
Total with Contingency	<u>\$ 2,112,756</u>
Total Costs – OSC	<u>\$ 12,421,381</u>

Question: The State Bond Commission has not allocated any funding for this project. Is it ready to proceed? Has OSC requested that it be placed on the SBC agenda?

Department of Consumer Protection

OFA Analyst: Alan Shepard

Description	Unallocated 2/1/15 \$	Proposed FY 16 \$	Proposed FY 17 \$
Agency Projects and Programs			
Grants-in-aid or reimbursement to municipalities in amounts up to \$1,000 per grant or reimbursement, for the initial installation of a drop box for prescription drugs.	100,000	-	-

Agency Projects and Programs

Grants-in-aid or reimbursement to municipalities in amounts up to \$1,000 per grant or reimbursement, for the initial installation of a drop box for prescription drugs (\$100,000 unallocated) - DCP's Drug Control Division informed all municipalities about the program and set a March 1, 2015 application deadline for reimbursement of up to \$1,000. The agency received and accepted applications from 57 municipalities. DCP will provide \$1,000 to those 57 municipalities, which means that \$43,000 of the \$100,000 authorization is unspent and will remain so.

Question: Can the remaining \$43,000 be cancelled?

Office of Government Accountability

OFA Analyst: Grant Gager

Description	Unallocated 2/1/15 \$	Proposed FY 16 \$	Proposed FY 17 \$
Agency Projects and Programs			
Information technology improvements	-	100,000	500,000

Agency Projects and Programs

Information technology improvements (no unallocated balance; \$100,000 in FY 16 and \$500,000 in FY 17 proposed by Governor)

The Office of State Ethics (OSE) is required to register lobbyists and is responsible for the Statement of Financial Interests (SFI), which certain public officials and state employees must file annually. OSE's existing information technology systems have not been upgraded in the past ten years. The proposed authorizations would be used to upgrade the Lobbyist Registration System and SFI System to allow the agency to increase the services it provides to its customers, increase transparency and run its business operations more efficiently.

The FY 16 authorization of \$100,000 would be used to: (1) conduct a project evaluation that will analyze OSE's information technology requirements and (2) allow OSE to work with DAS-BEST and an outside consultant to design new systems. The FY 17 authorization of \$500,000 would be used to create, implement and launch the new systems.

Background: The Office of Governmental Accountability (OGA) was formed in 2011 by PA 11-48. The act consolidated nine agencies under an executive administrator within OGA¹ but stipulated that each agency in OGA retains its independent decision-making authority, including for budgetary and employment decisions.

The nine consolidated agencies are:

- Board of Firearms Permit Examiners (BFPE)
- Freedom of Information Commission (FOIC)
- Judicial Review Council (JRC)
- Judicial Selection Commission (JSC)
- Office of the Child Advocate (OCA)
- Office of State Ethics (OSE)

¹OGA provides consolidated personnel, payroll, affirmative action, and administrative and business office functions, including information technology associated with these functions, for the nine consolidated state agencies.

- Office of the Victim Advocate (OVA)
- State Contracting Standards Board (SCSB)
- State Elections Enforcement Commission (SEEC)

Questions: Do any of OGA's other eight consolidated agencies have old information technology systems that also need to be upgraded? If so, please indicate which ones.

Department of Veterans' Affairs

OFA Analyst: Anne Bordieri

Description	Unallocated 2/1/15 \$	Proposed FY 16 \$	Proposed FY 17 \$
Agency Projects and Programs			
Alterations and improvements to buildings and grounds.	1,551,065	700,000	550,000
Power plant upgrades in Rocky Hill	1,750,000	-	-
Boiler repairs and improvements in Rocky Hill.	38,400	-	-
State matching funds for federal grants-in-aid for renovations and code required improvements to existing facilities	1,409,450	1,445,300	-
Planning and feasibility study for additional veterans housing at the Rocky Hill campus, including demolition of vacant buildings	500,000	-	-

Agency Projects

Alterations and improvements to buildings and grounds (\$1,551,065 unallocated; \$700,000 in FY 16 and \$550,000 in FY 17 proposed by the Governor) - DVA's buildings have age-related deterioration because they were built around 1938. The bond funds will be used for as-needed infrastructure repairs, including roof replacement and correction of code violations at the agency's 39 buildings and primary systems (i.e. the power plant, water and steam lines located on the 92-acre campus in Rocky Hill).

The unallocated balance will be used to provide funding for (1) the state share of the fire alarm project (BI-C-285), (2) the pre-design study of the ADA Door project (BI-C-286), and (3) other DVA necessary capital improvement and repairs.

Question: DVA has only received State Bond Commission allocations for two projects in the last two fiscal years. Does DVA have projects that are ready to proceed and not being put on the State Bond Commission agenda by OPM?

Power plant upgrades in Rocky Hill (\$1,750,000 unallocated) - The projects requests have been submitted to the Department of Construction Services (DCS) for power plant upgrades of emergency switches and a back-up generator.

Boiler repairs and improvements in Rocky Hill (\$38,400 unallocated) - The agency received a bond allocation from the SBC of \$32,000 on 8/31/12 for the design phase of the boiler repairs and an allocation of \$41,300 on 1/25/13 for the design phase of replacement of boiler controls. The unallocated balance will be used as the project moves forward.

State matching funds for federal grants-in-aid for renovations and code required improvements to existing facilities (\$1,409,450 unallocated; \$1,445,300 in FY 16 proposed by the Governor)

The unallocated bond balance of \$1,409,450 will be used for the state's 35% match for the Sprinkler Project and the Boiler Project. The remainder of the project cost will be covered by a federal grant-in-aid

Sprinkler Project - DVA Sprinkler & Fire Alarm project is ranked #1 on the FY15 VA Priority 1 funding list. The Agency is working with DCS to complete the final phase of the grant award process.

Boiler Project - DVA has partnered with DEEP for the energy efficiency initiative. Recommendation is to replace the boilers instead of boiler control upgrades for cost benefit and energy efficiency. VA is in support of this change. Therefore, the DVA withdrew the boiler control upgrades grant application for VA FY15 funding and is submitting a "boiler replacement" grant application for VA FY16 funding. The additional 35% state share of \$674,240 is requested in FY16 biennium capital budget.

Question: Is the sprinkler project ready to move forward? Had DVA asked that it be put on the State Bond Commission agenda by OPM?

The OFA write-up for the Governor's proposed bond authorization of \$1,445,300 in FY 16 will be provided to subcommittee members as an addendum.

Planning and feasibility study for additional veterans housing at the Rocky Hill campus, including demolition of vacant buildings (\$500,000 unallocated)

The purpose of the study is to: (1) evaluate the housing assets on the Rocky Hill campus, (2) enumerate the options for demolishing buildings and providing additional housing and (3) provide an estimate of the costs associated with these activities. The Governor has selected the study committee members. DCS has selected the firm to launch the project.

Department of Motor Vehicles

OFA Analyst: Anne Bordieri

Description	Unallocated 2/1/15 \$	Proposed FY 16 \$	Proposed FY 17 \$
Agency Projects and Programs			
Alterations and Improvements to buildings and grounds.	3,400,000	-	-

Agency Projects and Programs

Alterations and Improvements to buildings and grounds (\$3,400,000 unallocated) - The table below provides a list of projects for which these funds will be used.

DMV Bond Fund Projects

Description	Cost \$
Emergency power distribution and central automatic transfer switch configuration	250,000
Architectural services	250,000
Norwalk office improvements	1,500,000
Cheshire Testing Center Improvements	200,000
Replace fire alarm system, doors and handrails at DMV buildings	200,000
Open a second driver's testing center at the Hamden office	1,000,000
TOTAL	3,400,000

Emergency power distribution and central automatic transfer switch configuration (\$250,000) - The Wethersfield Office is in the process of replacing the emergency power generator. The old generator used five automatic transfer-switching devices to distribute power to selected areas of the building. There are currently only four switches available for distribution of emergency power from the new generator as one of the switches malfunctioned and is not repairable. This project will allow the agency to better control the distribution of power throughout the building, allowing more operations to remain functioning during the loss of street power.

Architectural Services (\$250,000) - This will allow DMV to plan, design and go out to bid to improve DMV facilities. The agency has several facilities that are past their design and are no longer up to current building codes. The Wethersfield Office is over 50 years old and is not in compliance with current building, fire and safety codes.

Norwalk Office Improvements (\$1,500,000) - The funds will be used to replace: (1) the roof, (2) the complete HVAC system, (3) lighting fixtures, and (4) customer service area counters. It will also be used to repair drainage in the parking lot and purchase an

emergency generator. The table below provides a cost breakout for each component of the project.

Cost Breakout of Norwalk Office Improvements

Project	Cost \$
Roof replacement	485,000
HVAC replacement	150,000
Emergency Generator	160,000
Architectural Services	40,000
Contingency	93,000
Parking & drainage repairs	150,000
Sidewalk & Landscaping	150,000
Customer service area	175,000
Architectural Services	40,000
Contingency	57,000
TOTAL	1,500,000

Cheshire Testing Center Improvements (\$200,000) - The funds will be used for: (1) additional parking spaces, (2) improvement of surface-water drainage and dispersal, (3) repair of roof surface areas and resealing of the entire roof, (4) repair of gutters and (5) replacement of the HVAC system.

Replace fire alarm system, doors and handrails at DMV buildings (\$200,000) - The funds will be used to replace: (1) the fire alarm system at DMV-owned buildings in Wethersfield, Enfield, Winsted, Norwalk, Norwich and Old Saybrook, and (2) doors and hardware including stairwell handrails to bring the Wethersfield office up to current building and fire codes.

Open a third driver’s testing center at the Hamden office (\$1,000,000) - The funds will be used to open an additional driver testing center in Hamden. This will direct customers in the New Haven and surrounding area from the Cheshire testing center and main offices to Hamden. The Hamden Office, owned by DMV, has space available on the second floor for a testing center and the funds will be used for improvements for flooring, electrical, walls, partitions, doors and office equipment.

Question: No funds have been allocated for these projects. Is DMV ready to proceed on them? Has the agency requested that OPM items on the State Bond Commission agenda?

Labor Department

OFA Analyst: Chris Wetzel

Description	Unallocated 2/1/15 \$	Proposed FY 16 \$	Proposed FY 17 \$
Agency Projects and Programs			
Subsidized Training and Employment Program (STEP-UP)	1,300,000	5,000,000	5,000,000
Armed forces Subsidized Training and Employment Program - Unemployed Armed Forces Member Subsidized Training and Employment Program (STEP).	5,000,000	-	-

Agency Projects and Programs

Subsidized Training and Employment Program (STEP-UP) (\$1,300,000 unallocated; \$5,000,000 in FY 16 and \$5,000,000 in FY 17 proposed by the Governor)

The table below indicates the number of firms and workers that participated in the prior three rounds of STEP-UP program funding:

STEP-UP Program Participation

STEP-UP Funding Round	Firms	Workers
Round 1: February 2012 thru June 2013	506	1,660
Round 2: July 2013 thru July 2014	170	800
Round 3: August 2014 thru December 31,2014	158	292
TOTAL	834	2,752

Question 1: What percentage of workers continued to be employed beyond the six-month subsidized training period?

DOL response: Of the 2,752 participants in the STEP-UP program, 44% completed the six-month STEP-UP program. Of those workers who completed the six months of subsidized employment, 98% were employed with the participating company one month after the completion of the STEP-UP program.

Question 2: Are there any unspent STEP-UP funds remaining from the initial \$20 million bond allocation?

DOL response: As reported in Core-CT as of January 9, 2015, \$19,187,710 of the initial \$20.0 million STEP-UP bond allocation has been expended leaving an unliquidated encumbrance of \$817,290 on the state books. The entire initial \$20.0 million bond

allocation will be expended shortly as wage subsidies contracts continue to be paid out, employer contracts become fully expended and STEP-UP program participants successfully complete and exit the program.

Question 3: What indications does DOL have regarding the current level of interest in additional STEP-UP funding? How many companies have contacted DOL?

DOL response: Connecticut companies continue to have an interest in the STEP UP program. STEP-UP Coordinators in each region report an increase in calls from employers seeking additional STEP-UP information.

Question 3: Does DOL plan to make any changes to the STEP-UP program if the additional \$10 million is authorized? How much of the \$10 million will be used for grants under Small Business STEP-UP and Small Manufacturer STEP-UP? What will be the average hourly wage of workers hired: (a) under the Small Manufacturers portion of the program and (b) under the Small Business portion of the program? How much will be used by DOL for administrative costs?

DOL response: DOL does not plan on making any changes to the STEP UP program. DOL will continue to fund 50% to Small Business and 50% to Small Manufacturers.

Statutory language currently provides 4% to the Workforce Investment Boards.

Background: STEP-UP provides grants-in-aid to small businesses and manufacturers to subsidize on-the-job training costs during an eligible employee's first six months. PA 11-1 of the October Special Session authorized \$10,000,000 in each of FY 12 and FY 13 for STEP-UP. The State Bond Commission allocated the first \$10 million for STEP-UP in January 2012, the second \$10 million in March 2013 and 3.7 million in July of 2014.

The five regional Workforce Investment Boards administer the program. As of December 2014, 834 employers had hired 2,752 workers. The average hourly wage of workers hired under the Small Manufacturers portion of the program was \$14; the average hourly wage of workers hired under the Small Business portion was \$15.50.

Small Business STEP-UP Grants - Eligible small businesses can receive grants if a new employee:

- Was unemployed immediately before hire,
- Lives in a municipality with either (a) an unemployment rate at least as high as the state unemployment rate as of September 1, 2011, or (b) a population of 80,000 or more and
- Has a family income under 250% of the federal poverty level, adjusted for family size.

Employers can receive grants subsidizing a percentage of a new employee’s training and compensation. The percentage subsidized diminishes over the employee’s first 180 days on the job. The maximum subsidy is \$20 per hour.

The table below shows the subsidy level schedule for the program:

Small Business STEP-UP Program Subsidy Schedule

Period	% of cost subsidized per eligible employee²
Days 1-30	100%
Days 31-90	75%
Days 91-150	50%
Days 151-180	25%

Small Manufacturer STEP-UP Grants - Eligible small manufacturers can receive grants if an employee is newly hired. The manufacturer must provide any necessary training at the job site, but there are no additional residency, unemployment or previous employment requirements.

These grants subsidize the costs of new employee training and compensation up to a fixed monthly limit that phases out over time. No individual grant can exceed the employee’s salary, or total more than \$12,500.

The table below shows the subsidy level schedule for the program:

Small Manufacturer STEP-UP Program Subsidy Schedule

Month of Employment	Maximum cost subsidized per eligible employee \$
1	2,500
2	2,400
3	2,200
4	2,000
5	1,800
6	1,600

Armed forces Subsidized Training and Employment Program (\$5,000,000 unallocated) - The funds provide grants to businesses to subsidize on-the-job training costs and compensation for the first 180 days of employment for a new employee. The original program was available to unemployed veterans who served in either Operation Enduring Freedom in Afghanistan or military operations in Iraq, and was honorably

²Maximum of \$20/hour

discharged after at least 90 days. PA 13-63, "AAC Concerning the Definition of New Employee in the Unemployed Armed Forces Member Subsidized Training and Employment Program,": (1) expands eligibility to include all unemployed, honorably discharged US armed forces members who served for at least 90 days, including pre-9/11 veterans and (2) eliminates requirement that the Armed Services member serve in a combat zone³.

The program is open to any business that: (1) has operations in Connecticut, (2) has been registered to do business in any state for at least 12 months, and (3) is in good standing regarding all state and local taxes.

The grant covers a portion of the employee's compensation, not counting benefits, up to a maximum of \$20 per hour. The grant amount phases out according to the following schedule:

Armed Forces STEP Program Subsidy Schedule

Days of Employment	Maximum percentage of employee wages covered
Day 1-30	100%
Day 31-90	75%
Day 91-150	50%
Day 151-180	25%

The Department of Labor (DOL) is permitted to use up to four percent of the allocation to cover the cost of hiring regional workforce investment boards and outside consultants to run the program. DOL may use an additional four percent in FY 13 for the program's marketing and operation costs. DOL is required to report biannually on the number of businesses participating in the program, and the number of unemployed veterans hired as a result of the program.

The Subsidized Training and Employment Program (STEP) for armed forces members is similar to the STEP program that received a \$10 million allocation at the January 2012 State Bond Commission meeting. That program uses bond funds to subsidize on-the-job training costs and compensation for a new employee's first six months. It is open to small businesses and manufacturers meeting certain requirements for employees that are unemployed prior to hire, live in certain municipalities and meet family income requirements.

Question: No funds have been allocated for this program since 2012. How many veterans have participated in it? How many applications has DOL received from veterans in the last year?

³ A zone in which there is hostile fire or imminent danger and the member is serving an area in direct support of military operations in the combat zone.

State Library

OFA Analyst: Alan Shepard

Description	Unallocated 2/1/15 \$	Proposed FY 16 \$	Proposed FY 17 \$
Grant-in-aid Programs			
Distressed municipalities - Grants-in-aid to public libraries located within distressed municipalities, as defined in section 32-9p of the general statutes, for construction, renovations, expansions, energy conservation and handicapped accessibility.	5,762,284	-	-
Grants-in-aid to public libraries that are not located in distressed municipalities, as defined in section 32-9p of the general statutes, for construction, renovations, expansions, energy conservation and handicapped accessibility.	13,500,000	-	-
Grants-in-aid to public libraries for construction, renovations, expansions, energy conservation and handicapped accessibility	7,604	5,000,000	7,000,000
Grants-in-aid to public libraries for communication infrastructure to connect to the Connecticut Education Network	-	3,600,000	-

The Governor has proposed cancelling the following two earmarked grants-in-aid:

State Library - Earmarked Grants-in-aid

Description	Bond Fund	Authorized Amount \$	Unallocated 2/1/15 \$
Madison - Grant-in-aid to Madison, for expansion of Scranton Memorial Library. SA 05-1, (JSS), Sec. 32(h)(3)	12052(07)SA 05-1 32(h)(3)	500,000	500,000
<i>Comment: Madison received a \$500,000 State Public Library Construction Grant for this project. They weren't able to raise the needed funds and forfeited the grant. They are eligible for a Public Library Construction Grant in the future. Recommended cancelling.</i>			
Somers - Grant-in-aid to Somers for expansion of the Somers Library. PA 07-7, (JSS), Sec. 13(k)(4)	12052(08)PA 07-7 13(k)(4)	439,025	439,025
<i>Comment: Somers received a \$500,000 State Public Library Construction Grant for this project. The project was completed. Recommend cancelling</i>			

Grant-in-aid Programs

Public libraries located in distressed municipalities (\$5,762,284 unallocated) – The State Library Board awarded \$1.96 million in grants as indicated in the table below. The remaining \$3.8 million will be used in the 2016 grant cycle. Grant applications are due September 1st annually and awards are made in November.

Grants to Libraries Located in Distressed Municipalities

Town	Amount \$
Putnam	1,000,000
Groton (Mystic)	20,570
Groton Public	413,875
North Canaan (Douglas)	22,045
Windham (Willimantic)	500,000
TOTAL	1,956,490

Public libraries not located in distressed municipalities (\$13,500,000 unallocated) – The State Library Board awarded \$12.97 million in grants as indicated in the table below. The remaining \$527,950 will be used for the 2016 grant cycle. Grant applications are due September 1st annually and awards are made in November.

Grants to Libraries Not Located in Distressed Municipalities

Town	Amount \$
Branford	1,000,000
Brookfield	1,000,000
Burlington	1,000,000
Canterbury	793,666
Chester	1,000,000
Columbia	1,000,000
Cromwell	1,000,000
Farmington	57,000
Harwinton	1,000,000
Lebanon	1,000,000
New Hartford	621,000
Sharon	500,000
Southington	1,000,000
Voluntown	402,759
Wallingford	229,625
Weston	368,000
Westport	1,000,000
TOTAL	12,972,050

Grants-in-aid to public libraries for construction (\$7,604 unallocated; \$5,000,000 in FY 16 and \$7,000,000 in FY 17 proposed by the Governor) - The proposed new authorizations will provide grants-in-aid to all libraries, regardless of whether they are located in a distressed municipality.

The Governor has recommended cancelling the remaining unallocated balance.

Question: Can the remaining \$7,604 be cancelled?

State Library response: Yes.

Grants-in-aid to public libraries for communication infrastructure to connect to the Connecticut Education Network (no unallocated balance; \$3,600,000 in FY 16 proposed by the Governor)

Question 1: What is the advantage of a public library being connected to the Connecticut Education Network (CEN)?

State Library response: Public libraries connected to CEN receive very high speed 1Gbps (gigabytes per second) connections that are always on and of the highest quality available. There are no bandwidth caps and no “up to” speeds like traditional ISP’s (internet service providers) provide. This is done through economies of scale and at a cost that individual libraries couldn’t obtain on their own nor afford to obtain. Recently the FCC (Federal Communications Commission) changed the definition of broadband internet raising the minimum download speed to 25Mbps (megabytes per second) from 4Mbps. This grant-in-aid will enable CEN to again connect these libraries with speeds that classify as high speed broadband.

Question 2: How many public libraries are not currently connected to CEN? How many of these libraries have indicated an interest in being connected?

State Library response: Currently there are 92 libraries that CEN provides substandard internet access to via DSL (digital subscriber line) connections. These libraries are often constrained by these connections from the time they open their doors until the time they close at night. These libraries all provide CEN with Letters of Agency in order to accept and participate in the consortium filing for federal E-rate dollars to help support and offset the operating expense of the library DSL connections.

Question 3: How many CEN grants-in-aid will be provided with the \$3.6 million?

State Library response: The grants-in-aid will fund connecting 92 libraries that are today connected with 3-6Mbps DSL, directly to the CEN fiber backbone.

Question 4: What will the CEN grant-in-aid cover?

State Library response: The grant-in-aid will cover the capital expense to construct a pair of fiber between the library and the nearest practical connection point to the network backbone. This will minimally provide a 1Gbps connection over fiber and cover equipment costs associated with providing.

Question 5: Is there an annual usage charge for CEN after a library is hooked up to it? If so, does the state provide any assistance to cover this charge?

State Library response: Since CEN started and through FY 15 there has been no annual charge to the libraries use of the network. The state bandwidth and operating expenses incurred in running the network are subsidized by the CEN general fund appropriation.

Background: CEN is a regional research and education network. The network provides internet services for Connecticut K-12 schools, libraries, and higher education institutions. CEN provides a fiber optic connection to each and every K-12 school district in the state of Connecticut (but not all of the state's public libraries), fully funded by the state's general fund and federal e-rate dollars. CEN also offers an internet service provider program for paying customers. These include both public and private higher education institutions as well as other educational entities.

Question: Will more funding be needed in future years to connect additional libraries? If so, does the State Library have an estimated cost?

Military Department

OFA Analyst: Anne Bordieri

Description	Unallocated 2/1/15 \$	Proposed FY 16 \$	Proposed FY 17 \$
Agency Projects and Programs			
State matching funds for anticipated federal reimbursable projects.	5,377,000	3,271,500	2,883,000
Alterations and improvements to buildings and grounds, including utilities, mechanical systems, energy conservation	1,800,000	450,000	225,000
Construction of a readiness center for the Connecticut Army National Guard Civil Support Team in Windsor Locks.	1,250,000	-	-
Construction of a non-motion based simulation center	-	750,000	-

The Military Department will provide its own materials.

Appendix A

Description of the DVA Rocky Hill Campus

The Connecticut Veterans' Home is located on a 92-acre parcel of land located in a residential neighborhood in the town of Rocky Hill. The site is composed of rolling topography with intermediate flat areas where most of the buildings and site construction occurred between the late 1930s and early 1940s.

There are 34 buildings on the campus. The construction of the majority of them is substantial, with concrete foundations, steel and concrete framework, tunnel systems, masonry-bearing walls and steel-stud infill, including the smaller wood-framed structures.

The masonry buildings are about 75 years old. Although they have been maintained, the buildings' enclosure, masonry, some roofing, windows and doors need extensive restoration and/or replacement. Most of the structural renovation and repair required is in respect to the masonry wall construction and concrete foundations.

Veterans' Housing (where veterans actually live and eat)

- The Commissary, Food Service Facility (Bldg. 2) is a 4-story multi-purpose facility consisting of office, residential, food service and assembly space. The bottom floor serves primarily as an assembly area for residents' entertainment. The first floor contains the majority of the food services department. The food is served in a large dining hall located next to the kitchen. The second and third floors are all resident spaces, which are not occupied at this time due to a deteriorated, non-functional elevator.
- West and East Domiciles (Bldgs. 3 and 4) together provide living space for both male/female veterans. The male sleeping quarters have a capacity of 336 and the female quarters have a capacity of 20, with up to four veterans to a room. Other shared rooms include recreation rooms, large community bathrooms and a small kitchen.
- DVA undertook a renovation project between 2010 and 2012 to upgrade Buildings 2, 3 and 4. The total project cost of \$9.2 million was comprised of a 65% federal share from the VA⁴ and a 35% state share. The project focused on life-safety upgrades, improvements and limited modernization for: (1) infrastructure and safety systems and (2) ADA-accessibility. Buildings 3 and 4 received roof replacements, bathroom renovations, HVAC upgrades to central

⁴The federal share was funded by the federal American Recovery and Reinvestment Act of 2009 (ARRA).

air-conditioning, and sprinkler/fire alarm system improvements. Building 2 received a roof replacement, bathroom renovations and a new sky light for the food service area. The project was managed by the Department of Public Works⁵.

The Veterans Recovery Center (Bldg. 50) is a substance abuse treatment building for veterans that are recovering from a drug or alcohol abuse problem. There are 78 single-resident rooms in this facility. For every two patient rooms there is one shared bathroom. A new roof is currently being put on this building.

The Department of Public Works commissioned a facilities condition survey in 2001. The survey was carried out by a number of project management, architectural and engineering firms and a report was produced in 2005. It identified approximately \$50 million in renovation, repairs, upgrades and life safety issues that would be needed to bring the Recovery Center up to current ADA 21st century standards.

Adult Health Care Facility - In 2008 the DVA completed the construction of the new 125 bed facility, which was funded with \$33.8 million. The project also included the installation of a new water loop system to support the facility, which received funding under a Life Safety Grant for \$4.6 million.

The Old Hospital (Bldg. 5) - In 2012, Governor Malloy asked that all state-owned buildings that were not currently occupied be evaluated for possible occupancy. The Department of Construction Services evaluated the old Hospital and concluded that the building needed too much repair work to make occupancy feasible. The repair work includes: (1) a new roof, (2) electrical and plumbing systems that need major repairs or complete replacement and (3) a majority of rooms that are not conducive to reuse as office space because hospital items have been built into the structure of the rooms.

Other unoccupied buildings - All other unoccupied buildings on the Rocky Hill Campus are in the 75-year-old range. They have been evaluated for reuse but the estimated cost to bring them up to building code and ADA standards is in the millions of dollars.

⁵The functions of the Department of Public Works were transferred to the Department of Construction Services and Department of Administrative Services (DAS) in FY 12. All funds were transferred to DAS in FY 14.