OFA AMENDED BILL ANALYSIS

SB 2012 (as amended by Senate "A")

AN ACT INCREASING CERTAIN BOND AUTHORIZATIONS FOR CAPITAL IMPROVEMENTS

SUMMARY: This bill as amended authorizes the issuance of $332,800,000 in General Obligation (GO) bonds and $30,000,000 in Revenue bonds for the Clean Water Program. It also reduces prior GO authorizations by $215,253,500 of which $210,000,000 is from the Connecticut Development Authority's Building Mortgage Insurance Loan Fund.

Section 2 establishes a program in the Office of Policy and Management for the purpose of financing state agency projects which reduce costs and increase efficiencies through capital investment. It allows up to $2,900,000 to be utilized from the Capital Equipment Purchase Fund in the Department of Administrative Services for this purpose. Further, the bill creates a program for allocating awards to individual state employees or groups of state employees who present innovative ideas to improve efficiency and service delivery. It permits up to $100,000 to be used from the Capital Equipment Purchase Fund for the payment of awards.

Sections 5-7 make various technical changes to the Local Capital Improvement Program (LOCIP) which is administered by the Office of Policy and Management.

The bill deletes references to investment earnings. Since the State issues bonds after disbursement of grant monies, there are no investment earnings which can be credited to the assets of the LOCIP fund.

Further, because the Federal Reimbursement Regulations require that all expenditures be for capital items, the bill adds a specific capital expenditure requirement. It also deletes from the eligible projects the local pavement management program and the use of LOCIP grants to pay current debt service on municipal bonds or notes.

Senate "A" also requires DOH to transfer, prior to the date of the calculation, any balance of loan repayments to DED's energy conservation program. Under PA 92-208, $10,764,561 (estimated) was transferred from the Housing Repayment and Revolving Loan Fund to DED's Energy Conservation Revolving Fund account. As of July 1, 1992, the balance in the revolving fund that is attributable to ECLF is anticipated to be $4,483,619.

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