



House of Representatives

General Assembly

File No. 863

January Session, 2025

Substitute House Bill No. 7239

House of Representatives, May 8, 2025

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 ESTABLISHING A PUBLIC SCHOOL DISTRICT REPAIR AND IMPROVEMENT PROJECT PROGRAM.

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

- 1 Section 1. (NEW) (*Effective July 1, 2025*) (a) As used in this section:
- 2 (1) "Public school operator" means any (A) local or regional board of
3 education, (B) regional educational service center, (C) interdistrict
4 magnet school operator described in section 10-264s of the general
5 statutes, (D) endowed academy approved pursuant to section 10-34 of
6 the general statutes, or (E) state charter school;
- 7 (2) "District repair and improvement project" means a capital
8 expenditure project, approved by a public school operator, for any of
9 the following: (A) The construction, renovation, repair or enlargement
10 of school buildings or school grounds, including parking lots, athletic
11 fields and playgrounds; (B) improvements to school facilities for
12 compliance with health, safety or code requirements; or (C) the

13 purchase, installation or maintenance of or improvements to fixed
14 school infrastructure, including, but not limited to, heating, ventilation
15 and air conditioning systems, plumbing, electrical systems and roofing;

16 (3) "Number of students enrolled" means the number of all students
17 enrolled in a school or schools, as applicable, under the jurisdiction of a
18 public school operator on October first or the full school day
19 immediately preceding such date;

20 (4) "Number of students eligible for free or reduced price meals or
21 free milk" means the number of students enrolled in a school or schools,
22 as applicable, under the jurisdiction of a public school operator on
23 October first or the full school day immediately preceding such date, in
24 families that meet the income eligibility guidelines established by the
25 federal Department of Agriculture for free or reduced price meals or free
26 milk under the National School Lunch Program, established pursuant
27 to P.L. 79-396; and

28 (5) "Total need students" means the sum of: (A) The number of
29 students enrolled for the school year; (B) thirty per cent of the number
30 of students eligible for free or reduced price meals or free milk; (C)
31 fifteen per cent of the number of students eligible for free or reduced
32 price meals or free milk in excess of the number of students eligible for
33 free or reduced price meals that is equal to sixty per cent of the total
34 number of resident students of the town for the school year; (D) twenty-
35 five per cent of the number of students enrolled who are multilingual
36 learners, as defined in section 10-17o of the general statutes; and (E)
37 thirty per cent of the number of students enrolled who require special
38 education, as defined in section 10-76a of the general statutes.

39 (b) (1) There is established a public school district repair and
40 improvement project program to assist public school operators with the
41 costs of minor capital repairs, improvements and maintenance, mitigate
42 such operators' need for more costly and extensive renovations and
43 construction in the future and improve accessibility to safe and well-
44 maintained school buildings and grounds for students and educators.
45 On February first of each year, not more than the amount as authorized

46 by the General Assembly for the fiscal year from the resources of the
47 district repair and improvement account established under subsection
48 (h) of this section shall be allocated to the Secretary of the Office of Policy
49 and Management, who shall allocate an amount to each public school
50 operator in accordance with the provisions of subsection (c) of this
51 section. The secretary shall credit all such allocated moneys to a
52 subaccount for each public school operator and make district repair and
53 improvement project grants from such subaccounts to such public
54 school operator pursuant to the provisions of this section. The secretary
55 shall maintain records indicating, for each public school operator's
56 subaccount, the amount credited to the subaccount each year, the
57 amount paid out in district repair and improvement project grants and
58 charged to the subaccount and the balance available for additional
59 district repair and improvement project grants.

60 (2) No amounts allocated under this section shall be used to satisfy a
61 local matching requirement for any state assistance program or for any
62 school building project under section 10-283 of the general statutes.

63 (c) (1) Each allocation under subsection (b) of this section shall be
64 made to a public school operator in accordance with the following
65 formula: (A) Fifty per cent of the amount shall be allocated pro rata on
66 the basis of the following ratio: The public school operator's total need
67 students enrolled in a school or schools, as applicable, under the
68 jurisdiction of the public school operator for the fiscal year prior to the
69 year in which the grant is to be paid to the total need students enrolled
70 in all such schools in the state for the fiscal year prior to the year in which
71 the grant is to be paid; (B) twenty per cent of the amount shall be
72 allocated equally among all public school operators; and (C) thirty per
73 cent of the amount shall be allocated pro rata on the basis of the
74 following ratio: The total number of students enrolled in a school or
75 schools, as applicable, under the jurisdiction of a public school operator
76 for the fiscal year prior to the year in which the grant is to be paid
77 multiplied by the inverse of the adjusted equalized net grand list per
78 capita of such public school operator, which shall be the numerator of
79 the fraction, and the sum of the resulting products for all the schools

80 under the jurisdiction of a public school operator, which shall be the
81 denominator of the fraction.

82 (2) For the purposes of this subsection, the adjusted equalized net
83 grand list per capita of a public school operator shall be determined as
84 follows:

85 (A) For a local board of education, the adjusted equalized net grand
86 list per capita shall be the same as the adjusted equalized net grand list
87 per capita, as defined in section 10-261 of the general statutes, of the
88 town of such board;

89 (B) For a regional board of education, a regional educational service
90 center, an interdistrict magnet school operator described in section 10-
91 264s of the general statutes or an endowed academy, the adjusted
92 equalized net grand list per capita shall be determined by such entity's
93 rank under section 10-285a of the general statutes, where the adjusted
94 equalized net grand list per capita shall be the same as the adjusted
95 equalized net grand list per capita of a town with the same ranking; and

96 (C) For a charter school, the adjusted equalized net grand list per
97 capita shall be the same as the adjusted equalized net grand list per
98 capita, as defined in section 10-261 of the general statutes, of the town
99 in which such charter school is located.

100 (d) On March first of each year, the Secretary of the Office of Policy
101 and Management shall notify each public school operator of the amount
102 allocated to such public school operator pursuant to subsections (b) and
103 (c) of this section and shall post on said office's Internet web site such
104 allocation amounts and the calculations for all public school operators.

105 (e) Allocated moneys credited to the subaccount of a public school
106 operator in accordance with subsection (b) of this section shall be issued
107 as a grant by the secretary to the public school operator not later than
108 June thirtieth of each fiscal year. Such public school operator shall use
109 such grants for reimbursement and costs associated with district repair
110 and improvement projects.

111 (f) Not later than September 1, 2027, and annually thereafter, each
112 public school operator issued a grant pursuant to subsection (e) of this
113 section in the preceding fiscal year shall submit a report to the Secretary
114 of the Office of Policy and Management, in a form and manner
115 prescribed by the secretary, describing each district repair and
116 improvement project for which amounts were expended in such fiscal
117 year and the amounts expended for each such project. Such report shall
118 include a certification by the public school operator that (1) the district
119 repair and improvement project was approved by the public school
120 operator or a board, council or other body responsible for overseeing
121 such project, and (2) no grant money allocated under this section to such
122 public school operator for such fiscal year was used to satisfy a local
123 matching requirement for any state assistance program or for any school
124 building project under section 10-283 of the general statutes. The
125 secretary shall post all reports submitted pursuant to this subsection on
126 said office's Internet web site.

127 (g) Each public school operator receiving a district repair and
128 improvement project grant under this section shall retain, for a period
129 of not less than three years following the completion of such project,
130 detailed accounting records of all expenses incurred relative to the
131 district repair and improvement project for which a grant is received. If
132 the Secretary of the Office of Policy and Management determines that
133 such records are not maintained or a review of such records indicates
134 that such grant, or any portion thereof, was used for other than its
135 intended purpose, the secretary shall provide written notification to the
136 public school operator of such finding. Upon issuing a finding under
137 this section, the secretary may require the public school operator to
138 promptly pay to the state an amount equal to the amount of the grant or
139 may cause the amount of any future grant made under this section to be
140 reduced by such amount.

141 (h) There is established an account to be known as the "district repair
142 and improvement account", which shall be a separate, nonlapsing
143 account. The account shall contain any moneys required by law to be
144 deposited in the account. Moneys in the account shall be expended by

145 the Secretary of the Office of Policy and Management for the purposes
146 of this section.

147 (i) For the purposes described in subsections (b) and (c) of this section,
148 the State Bond Commission shall have the power from time to time to
149 authorize the issuance of bonds of the state in one or more series and in
150 principal amounts not exceeding in the aggregate sixty million dollars,
151 provided thirty million dollars of said authorization shall be effective
152 July 1, 2026.

153 (j) The proceeds of the sale of such bonds, to the extent of the amount
154 stated in subsection (i) of this section, shall be used by the Office of
155 Policy and Management for the purposes of subsections (b) and (c) of
156 this section.

157 (k) All provisions of section 3-20 of the general statutes, or the
158 exercise of any right or power granted thereby, that are not inconsistent
159 with the provisions of this section are hereby adopted and shall apply
160 to all bonds authorized by the State Bond Commission pursuant to this
161 section. Temporary notes in anticipation of the money to be derived
162 from the sale of any such bonds so authorized may be issued in
163 accordance with section 3-20 of the general statutes and from time to
164 time renewed. Such bonds shall mature at such time or times not
165 exceeding twenty years from their respective dates as may be provided
166 in or pursuant to the resolution or resolutions of the State Bond
167 Commission authorizing such bonds. None of such bonds shall be
168 authorized except upon a finding by the State Bond Commission that
169 there has been filed with it a request for such authorization that is signed
170 by or on behalf of the Secretary of the Office of Policy and Management
171 and states such terms and conditions as said commission, in its
172 discretion, may require. Such bonds issued pursuant to this section shall
173 be general obligations of the state and the full faith and credit of the state
174 of Connecticut are pledged for the payment of the principal of and
175 interest on such bonds as the same become due, and accordingly and as
176 part of the contract of the state with the holders of such bonds,
177 appropriation of all amounts necessary for punctual payment of such

178 principal and interest is hereby made, and the State Treasurer shall pay
179 such principal and interest as the same become due.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2025</i>	New section
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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 26 \$	FY 27 \$
Treasurer, Debt Serv.	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
Local and Regional School Districts	Revenue Gain	See Below	See Below

Explanation

The bill authorizes \$60 million in General Obligation bonds (\$30 million in each of FY 26 and FY 27) for the public school district repair and improvement program, to be administered by the Office of Policy and Management. To the extent bonds are fully allocated when available, the bill results in (1) a \$30 million revenue increase across all eligible school districts in each of FY 26 and FY 27 and (2) total state debt repayment is anticipated to be approximately \$85.8 million over the 20-year duration of the bonds, with the earliest annual payment of up to \$1.5 million possible in FY 27.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the terms of any bonds issued.

OLR Bill Analysis**sHB 7239*****AN ACT ESTABLISHING A PUBLIC SCHOOL DISTRICT REPAIR AND IMPROVEMENT PROJECT PROGRAM.*****SUMMARY**

This bill creates the District Repair and Improvement Project (DRIP) program to provide financial assistance for constructing, renovating, repairing, and enlarging public school buildings, grounds, and infrastructure. More specifically, the program gives grants to local and regional boards of education and other public school operators (PSOs) for reimbursement and costs associated with these types of school-related capital projects.

Under the bill, the Office of Policy and Management (OPM) secretary must allocate amounts set for the DRIP program using a formula where, generally, 20% goes to each PSO equally, 50% is proportional to certain student enrollment percentages, and 30% is proportional to specific grand list percentages. The bill imposes various reporting and record keeping requirements on PSOs that get a program grant.

The bill also authorizes up to \$60 million in new general obligation bonds (\$30 million each in FY 26 and FY 27) for OPM to administer the DRIP program. The bonds are subject to standard issuance procedures and have a maximum term of 20 years. The bill relatedly creates the District Repair and Improvement Account as a separate, nonlapsing account that must contain any money required by law to be deposited in it. The account's money must be spent by the OPM secretary for the DRIP program's purposes.

EFFECTIVE DATE: July 1, 2025

PROGRAM PURPOSE

Under the bill, the DRIP program must assist PSOs with the costs of minor capital repairs, improvements, and maintenance; mitigate their need for more costly and extensive future renovations and construction; and improve accessibility to safe and well-maintained school buildings and grounds for students and educators.

ELIGIBLE RECIPIENTS AND PROJECTS

The bill limits DRIP program grants to PSOs for district repair and improvement projects.

Under the bill, a “public school operator” is any (1) local or regional board of education, (2) regional educational service center, (3) endowed academy approved by the State Board of Education, and (4) state charter school. It also includes certain interdistrict magnet school operators. Specifically, this applies to any interdistrict magnet school operator that is (1) the board of governors for a nonprofit, independent higher education institution; (2) the equivalent of such a board, on behalf of the independent higher education institution; or (3) any other third-party nonprofit corporation approved by the education commissioner.

A “district repair and improvement project” is a capital expenditure project approved by a PSO for any of the following purposes:

1. the construction, renovation, repair, or enlargement of school buildings or school grounds, including parking lots, athletic fields, and playgrounds;
2. improvements to school facilities to comply with health, safety, or code requirements; or
3. the purchase, installation, or maintenance of or improvements to fixed school infrastructure, including heating, ventilation and air conditioning systems, plumbing, electrical systems, and roofing.

ALLOCATION REQUIREMENTS

On February 1 of each year, the bill requires the OPM secretary to

allocate amounts from the district repair and improvement account's resources to each PSO according to the bill's allocation formula, totaling no more than the amount the legislature authorizes for the fiscal year. The secretary must credit all allocations to a subaccount for each PSO and make district repair and improvement project grants from the subaccounts. He must also keep records indicating, for each PSO's subaccount, the (1) amount credited to the subaccount each year, (2) amount paid out in district repair and improvement project grants and charged to the subaccount, and (3) balance available for additional district repair and improvement project grants.

On March 1 of each year, the OPM secretary must notify each PSO of the amount allocated to it and post on OPM's website the allocation amounts and the calculations for all PSOs. By June 30 of each fiscal year, allocations credited to PSOs' subaccounts must be issued as grants by the secretary to the PSOs.

The bill requires PSOs to use the grants for reimbursement and costs associated with district repair and improvement projects. It prohibits amounts allocated under the DRIP program from being used (1) to meet a local matching requirement for any state assistance program or (2) for any school building project under the Department of Administrative Services' (DAS) school construction grant program.

ALLOCATION FORMULA

The bill requires each allocation to a PSO be done according to a formula where 20% of the program's annual amount goes to each PSO equally and the remaining 80% are based on two different percentages.

Student Enrollment Percentage

Under the bill, 50% of the program's annual amount must be allocated proportionally based on the following ratio for the fiscal year prior to the year in which the grant is to be paid: the (1) PSO's total need students enrolled in a school or schools, as applicable, under the PSO's jurisdiction to (2) total need students enrolled in all PSO schools in the state.

“Total need students” are the sum of:

1. the number of students enrolled for the school year;
2. 30% of the number of students eligible for free or reduced price meals or free milk;
3. 15% of the number of students eligible for free or reduced price meals or free milk that exceeds, presumably, 60% of the total number of resident students of the town for the school year (e.g., if the town has 100 resident students for a given school year and all of them are eligible for free or reduced-price meals or free milk, six would be the result of this calculation);
4. 25% of the number of students enrolled who are multilingual learners, as defined in state law; and
5. 30% of the number of students enrolled who require special education, as defined in state law.

Under the bill, “number of students enrolled” is the number of all students enrolled in a school or schools, as applicable, under the PSO’s jurisdiction on October 1 or the full school day immediately before that date.

“Number of students eligible for free or reduced price meals or free milk” is the number of students enrolled in a school or schools, as applicable, under the PSO’s jurisdiction on October 1 or the full school day immediately before that date in families that meet the income eligibility guidelines set by the federal Department of Agriculture for free or reduced price meals or free milk under the National School Lunch Program.

Grand List Percentage

Under the bill, 30% of the program’s annual amount must be allocated proportionally based on the following ratio: (1) the PSO’s total need students enrolled in a school or schools, as applicable, under the PSO’s jurisdiction for the fiscal year prior to the year in which the grant

is to be paid, multiplied by (2) the inverse of the adjusted equalized net grand list per capita of the PSO (which will be the numerator (upper number) of the fraction) and the sum of the resulting products for all the schools under the PSO's jurisdiction (which will be the denominator (bottom number) of the fraction).

The adjusted equalized net grand list per capita of a PSO varies depending on the entity. For local boards of education and charter schools, it is the same as the adjusted equalized net grand list per capita, as defined in state law, of the town of the board and town in which the charter school is located, respectively. For regional boards of education, regional educational service centers, interdistrict magnet school operators, and endowed academies, it is based on the entity's rank under the DAS school construction grant program so that its adjusted equalized net grand list per capita will be the same as the adjusted equalized net grand list per capita of a town with the same ranking.

REPORTING AND RECORD KEEPING REQUIREMENTS

By September 1, 2027, and annually after, each PSO issued a DRIP program grant must submit a report to the OPM secretary, in a form and way he prescribes, describing each district repair and improvement project for which amounts were expended in the fiscal year and the amounts expended for each project. The report must include a certification by the PSO that (1) the district repair and improvement project was approved by the PSO or a board, council, or other body responsible for overseeing the project and (2) no grant money was used to satisfy a local matching requirement for any state assistance program or for any school building project under the DAS school construction grant program. The secretary must post all reports submitted on the office's website.

The bill also requires each PSO getting a district repair and improvement project grant to keep, for at least three years after the project's completion, detailed accounting records of all expenses incurred for the project. If the OPM secretary determines that the records are not kept or a review of the records shows that the grant, or

any portion of it, was used for other than its intended purpose, the secretary must give written notification to the PSO of his finding. Upon issuing a finding, the secretary may require the PSO to promptly pay the full grant back to the state or may reduce, by that amount, any future DRIP program grant the PSO gets.

BACKGROUND

Related Bill

sSB 1247 (§ 108), favorably reported by the Finance, Revenue and Bonding Committee, also authorizes up to \$60 million in new general obligation bonds (\$30 million each in FY 26 and FY 27) for OPM to administer a public school district repair and improvement project program.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 52 Nay 0 (04/24/2025)