
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)