



DEPARTMENT OF ADMINISTRATIVE SERVICES

Testimony of Commissioner Michelle Gilman

Department of Administrative Services

General Bonding Subcommittee

March 27, 2023

Good morning, Senator Moore, Representative Napoli, Senator Hwang, Representative Piscopo and distinguished members of the General Bonding Subcommittee. My name is Michelle Gilman, and I am the Commissioner of the Department of Administrative Services (“DAS”).

DAS utilizes bond funds in connection with a number of different programs, including property and facilities management, the state hazardous materials remediation program, construction services, and the Bureau of Information Technology Solutions (“BITS”). The Office of School Construction Grants and Review utilizes bond funds for the reimbursement of construction of school buildings under the School Construction Grant Program.

Attached please find several documents providing detailed information on these programs:

1. DAS’s 2022 Unallocated Bond Report, which provides detailed information on all of the programs for which DAS has unallocated bonds;
2. The 5-Year Capital Improvement Plan, which is a planning document that identifies projects capital improvements needed in the next five years at various buildings under DAS control;
3. The DAS Facilities Management Pipeline Report, which is a detailed report on large and small construction projects in various stages of design and construction, including recently completed project activity; and
4. The DAS Facilities Management Annual Capital Expenditure Program Request for FY 2023-2024, which provides a review of our capital requests to the State Bond Commission in FY 23-24
5. DAS’s Answers to Questions Posed by OFA

I would be happy to answer any questions you may have.

1. Capitol Area System (CAS)

Description: The Capitol Area System “CAS” thermal plant and system loop located in Hartford, Connecticut is under DAS authorization. CAS operates the district heating and cooling loop which services 15 buildings in the Capitol region, including the Legislative Office Building, the State Office Building, the Supreme Court, as well as non-state entities such as The Bushnell Theater, totaling over three million square feet of building space.

Justification: This program will fund ongoing and necessary operations and modernization efforts of the plant as well allow for the study of decarbonization opportunities. In addition, to be in CT EO1 compliance and maintain social environmental equity.

<i>New Authorization Request</i>	<i>Fiscal Year</i>	<i>Status</i>
2024	\$18,900,000	Agency Ask
2024	\$19,000,000	Recommendation

2. Electric Vehicles

Description: The goal of this program is to achieve a 50% replacement of Internal Combustion Engine (ICE) vehicles with Electric Vehicles (EVs) by January 1, 2026, to comply with Public Act No. 22-25 – Section 1 4a-67d (c) of the CT General Statutes, which mandates that 50% of light-duty cars and trucks in the states light-duty fleet must be zero emission vehicles by January 1, 2026. The focus of this program is two-fold: (1) infrastructure installations to support the electric vehicles and (2) vehicle replacements from Internal Combustion Engine (ICE) vehicles to electric vehicles (EVs).

Justification: Compliance with Public Act No. 22-25 – Section 1 4a-67d(c) to allow for fleet operations through the Department of Administrative Services to achieve 50% of light-duty cars and trucks in the light-duty fleet to comply with the goal of zero emission vehicles by January 1, 2026. Currently, the total agency increased lease costs per year are \$2,205,584 with the EV initial purchase increase at \$16,971,042.

<i>New Authorization Request</i>	<i>Recommendation</i>
PA 22-25	\$35,000,000

3. HVAC

Description: Grants for in-aid for school air quality improvements, including, but not limited to, upgrades to, replacement of or installation of heating, ventilation and air conditioning equipment, provided not more than fifty million dollars of such proceeds may be used to provide reimbursements for such improvements that were completed not earlier than March, 1, 2020, and not later than July 1, 2022.

<i>Public Act</i>	<i>Fiscal Year</i>	<i>Authorization</i>	<i>Unallocated Balance</i>
<i>PA 22-118 360</i>	2023	\$75,000,000	\$75,000,000
	2024	\$150,000,000	Requested
	2024	\$150,000,000	Recommended
	2025	\$150,000,000	Requested
	2024	\$150,000,000	Recommended

1. Americans with Disabilities Act Improvements Program

Description: This program will finance various ADA improvements at state owned facilities and with programs in terms of accessibility. Areas of consideration include: approach and entrance to facilities, and public spaces, access to goods and services (Including forms, communications systems and equipment) bathrooms, drinking fountains, public telephones, fire alarms, etc.

Justification: As a state entity, Connecticut has a legal responsibility to ensure that all our facilities, programs and services are compliant with the Americans with Disabilities Act “ADA”. The State is taking a more active approach to evaluating and ensuring compliance with ADA. In April 2021, DAS Facilities Management performed a Statewide Agency ADA Outreach requesting that agencies submit projects that would improve the ADA accessibility to public buildings. Several agencies responded with priority projects, funding in the amount of \$135,000 was provided, and the projects have been completed. DAS Facilities Management currently has \$240,000 worth of ADA design in progress, which will need almost \$3 million construction funding to complete these projects in the next few years. Please see the DAS Pipeline Report under Active ADA Improvement Projects.

<i>Public Act</i>	<i>Authorization</i>	<i>Unallocated Balance</i>
<i>PA 15-1 2(f)(1)</i>	\$1,000,000	\$750,000
<i>PA 15-1 21(e)(1)</i>	\$1,000,000	\$1,000,000
<i>PA 17-2 (JSS) 397(b)(1)</i>	\$1,000,000	\$1,000,000
<i>PA 20-1 21(b)(1)</i>	\$1,000,000	\$1,000,000
<i>Total</i>	\$4,000,000	\$3,750,000

2. Infrastructure Improvement Program

Description: The program provides for the alterations, improvements and repairs to state owned facilities, including safety code compliance improvements and energy conservation projects. These funds provide for renovations and capital improvements to several million square feet of state-owned space managed by the Department of Administrative Services. This program also is a funding mechanism for state agencies

without appropriate funding sources to finance capital project needs. The program also provides funds for unforeseen capital projects that may arise statewide.

Justification: This ongoing program provides for renovation, alteration, improvement and preservation of existing state-owned buildings and grounds as well as the development, acquisition, renovation of newly acquired buildings and grounds. The program includes parking and security improvements at state-owned and occupied buildings. DAS currently has approximately \$62.6 million-worth of unfunded capital projects in design or predesign. Please see the DAS Pipeline Report on Construction Projects. The DAS 5-year infrastructure improvement plan identifies over \$163.7 million in needed infrastructure improvement projects. Please see the DAS 5 Year Infrastructure Improvement Plan (5yr. CIP).

<i>Public Act</i>	<i>Authorization</i>	<i>Unallocated Balance</i>
<i>PA 13-239 2(c)(3)</i>	\$25,000,000	\$36,439
<i>PA 13-239 21(c)(2)</i>	\$15,000,000	\$696,719
<i>PA 15-1 2(f)(3)</i>	\$25,000,000	\$5,300,000
<i>PA 15-1 21(e)(2)</i>	\$25,000,000	\$1,408,848
<i>PA 17-2 (JSS) 378 (b)(1)</i>	\$10,000,000	\$10,000,000
<i>PA 17-2 (JSS) 397(b)(2)</i>	\$10,000,000	\$10,000,000
<i>PA 21-111 21(b)(1)</i>	\$5,000,000	\$5,000,000
<i>Total</i>	\$115,000	\$32,442,006

3. Eastern States Exposition – Connecticut Building

Description: This program will finance various improvements at the Connecticut Building located at the Eastern States Exposition Fairgrounds in Springfield, MA.

Justification: Representing the State of Connecticut at the annual “Big E” event and various other events throughout the year, the Connecticut Building stands-in as a symbol of the state’s culture and hosts local business wanting to share that culture with us neighbors from the rest of New England. As a publicly accessed facility, it must remain in a safe and efficient condition to allow continued use for years to come. Currently, the facility is in need of ADA, infrastructure, and building repairs. There are also programmatic updates planned for the facility to allow for better operation and easier maintenance. DAS has approximately \$4.5 million-worth of capital projects planned for the facility. Please see the DAS 5 Year Infrastructure Improvement Plan (5yr. CIP).

<i>Public Act</i>	<i>Authorization</i>	<i>Unallocated Balance</i>
<i>PA 21-111 2(c)(2)</i>	\$1,000,000	\$1,000,000

4. School Building Projects

Under the School Construction Grant program, the State of Connecticut provides

reimbursement grants to local and regional school districts and other LEAs to cover a need-based portion of their approved school construction projects. Grants are provided as progress and final payments over the course of each project. The program also directly pays vendors under approved CTECS vocational-technical high school projects and costs for CREC school projects managed by DAS Construction Services. State bonding provides the funding for these grants and payments. To save in the cost of financing to the state, bonds are only allocated when payments are actually to be made. Therefore, the School Construction Grant fund essentially functions on a cash-flow basis, with the State Bond Commission allocating funds, as needed, to cover grant payments.

<i>CGS</i>	<i>Fiscal Year</i>	<i>Amount</i>	<i>Status</i>
<i>10-287d</i>	2023	\$836,000,000	Unallocated
	2023	\$10,059,875,000	Authorized
	2024	\$450,000,000	Requested
	2024	\$0	Recommended
	2025	\$450,000,000	Requested
	2025	\$250,000,000	Recommended

5. Alliance District General Improvement Grant

The Alliance District General Improvements Grant allows Alliance Districts to perform general improvements that are not eligible for School Construction Grant funding. Projects eligible include windows and doors, boilers and other HVAC, communications and technology, lockers, cafeteria equipment, installing or upgrading security equipment, upgrading restrooms, entryways, driveways, parking area, play areas and athletic fields, upgrading and replacing ceiling and floor coverings or light fixtures.

<i>Public Act</i>	<i>Fiscal Year</i>	<i>Amount</i>	<i>Status</i>
<i>PA 17-2 (JSS) 408(b)</i>	2023	\$30,000,000	Unallocated
<i>PA 20-1 32(b)(1)</i>	2023	\$6,000,000	Unallocated
	2024	\$0	Recommended
<i>Total</i>		\$36,000,000	

6. Regional District Incentive Grant

The funds for this program were included in Public Act 17-2. DAS has never used these funds nor are there any current plans for these funds. OPM and DAS are currently working on the five-year capital investment plan and there remains the possibility that these funds may be utilized in the future.

<i>Public Act</i>	<i>Fiscal Year</i>	<i>Amount</i>	<i>Status</i>
<i>PA 17-2 (JSS) 389 (b)(2)</i>	2023	\$5,000,000	Unallocated
	2024	\$0	Recommended

7. Priority School District Projects Grant

The funds for this program were included in Public Act 20-1. DAS has never used these funds nor are there any current plans for these funds. OPM and DAS are currently

working on the five-year capital investment plan and there remains the possibility that these funds may be utilized in the future.

<i>Public Act</i>	<i>Fiscal Year</i>	<i>Amount</i>	<i>Status</i>
<i>PA 20-1 13(b)</i>	2022	\$30,000,000	Unallocated
<i>PA 20-1 32 (b)(2)</i>	2022	\$25,000,000	Unauthorized
	2023	\$0	
<i>Total</i>		<i>\$55,000,000</i>	

8. Capital construction, improvements, repairs, renovations, and land acquisition at Fire Training Schools

The Burrville Regional Fire School (BI-FP-13 DB) in Torrington and the Fairfield Regional Fire School (BI-FP-14 DB) have been fully accepted and closed out. The Eastern Connecticut Fire School (BI-FP-15 DB) has been fully accepted and closed out as of June 01, 2022. The Waterbury Area Regional Fire School (BIFP-17 DB) in Cheshire, and the Valley Fire Chiefs Regional Fire School (BI-FP-16 DB) in Beacon Falls were both released for a Design Build Solicitation delivery and advertised for qualifications and proposals. Neither project was bonded to proceed, and the holding period for the lowest qualified proposing Design Builders have elapsed and would require the formal selections process to restart. Given the current value of unallocated balances, there may be sufficient funding to complete one school.

<i>Public Act</i>	<i>Authorization</i>	<i>Unallocated Balance</i>
<i>PA 07-7 21(e)(3)</i>	\$8,000,000	\$595,327
<i>PA 12-289 2(b)(2)</i>	\$28,200,000	\$9,171,000
<i>PA 14-98 2(f)(1)</i>	\$15,777,672	\$2,181,272
<i>PA 15-1 2(f)(5)</i>	\$10,000,000	10,000,000
<i>PA 15-1 21 (e)(4)</i>	\$3,000,000	3,000,000
<i>PA 21-111 21(b)(3)</i>	\$5,000,000	5,000,000
<i>Total</i>	<i>\$69,977,672</i>	<i>\$29,947,599</i>

9. Asbestos Removal Program

Description: This program provides funding assistance to Connecticut State Agencies for the investigation and abatement of asbestos and other hazardous materials in state-owned buildings.

Justification: Hazardous building materials including asbestos, lead, PCBs and others present a substantial risk to human health and safety and negatively impact a state agency's ability to undertake renovations, repairs or maintenance of its facilities. This program provides a funding stream for state agencies to eliminate those health hazards and facilitate timely and cost-effective improvements to state facilities. DAS C/S is currently administering \$1.6M in ongoing remediation projects with a remaining available fund balance of \$1.7M. Projected demand based on known or reasonably anticipated needs over the next two fiscal years are estimated at over \$20M - including an estimated \$5M for the DMV Headquarters in Wethersfield; \$7.5M for 61

Woodland Street in Hartford; \$2.5M to complete abatement at the former Cedarcrest Hospital in Newington; \$2M to complete abatement at the former Bergin Correctional Institute; funding for consolidation/closure at other correctional facilities; and \$2M-\$5M for other agency remediation projects.

<i>Public Act</i>	<i>Authorization</i>	<i>Unallocated Balance</i>
<i>PA 20-1 Sec 21(2)(b)</i>	\$10,000,000	\$0
<i>PA 20-1 Sec 21(2)(c)</i>	\$10,000,000	\$0
<i>PA 21-111 Sec 2(c)(1)</i>	\$10,000,000	\$10,000,000
<i>PA 21-111 Sec 21(b)(1)</i>	\$10,000,000	\$10,000,000
2024 Requested	\$5,000,000	
2024 Governor Recommends	\$5,000,000	
2025 Requested	\$5,000,000	
2025 Governor Recommends	\$5,000,000	
<i>Total</i>	40,000,000	