



Subcommittee Meeting – March 18, 2024

Finance, Revenue, and Bonding Committee – General Obligation Bonding Subcommittee

Testimony Submitted by Commissioner Katie S. Dykes

**Governor's Recommended Midterm Capital Budget Adjustments for Fiscal Year (FY) 2025**

Co-Chairs Senator Fonfara and Representative Horn, Senator Martin, Representative Cheeseman, Senator Miller, Senator Moore, Representative Farrar, and members of the General Obligation Bonding Subcommittee, thank you for the opportunity to present testimony for items related to Connecticut's Department of Energy and Environmental Protection (DEEP) in Governor Lamont's proposed capital budget for FY 25.

DEEP fully endorses the Governor's proposed capital budget, which build on the strong investments in the FY 24 & FY 25 Biennial Budget that provided funding for DEEP's capital programs including the Clean Water Fund; infrastructure improvements in State Parks; maintenance and repair of state-owned dams; flood and erosion control; improvements to incinerators and landfills; preservation of open space; hazardous waste cleanup and site remediation; energy efficiency upgrades for private homes, including multifamily dwellings, and for state-owned buildings; and investments in resilience measures to protect CT's residents from the worst impacts of climate change.

The proposed midterm capital budget recommendations for FY 25 authorize an additional \$5,000,000 to the Department of Energy and Environmental Protection's Microgrid and Resilience Grant and Loan Program to address extreme heat risk reduction infrastructure to fund capital expenditures to address extreme heat in communities, such as cooling center improvements to help the most vulnerable residents protect themselves and their families. DEEP will consult with the Department of Public Health and the Division of Emergency Management and Homeland Security on the selection of resilience projects related to extreme heat.

Additionally, Section 2 of SB 301—An Act Concerning Energy Efficiency Standards and Grants for Retrofitting Projects, a bill raised on behalf of the agency this year, proposes a change to the authorizing language for the Multi-Family Retrofitting Projects in Environmental Justice Communities program authorized by Sections 90 and 91 of Public Act 23-205 to increase the flexibility of funding allocated to support energy and environmental upgrades in multifamily residences located in environmental justice communities or alliance districts. Originally limited to loans, the statute as amended would permit DEEP to use for grants up to \$20 million of the previously authorized \$125 million. The amendment would also extend the deadlines by one year to enable DEEP to adjust programmatic approaches based on the increased funding flexibility.

More detailed information about each of DEEP's capital programs can be found in the attached supplemental document.

Thank you for the opportunity to present testimony on the proposed capital budget. Should you have any questions, please do not hesitate to contact Harrison Nantz at [Harrison.Nantz@ct.gov](mailto:Harrison.Nantz@ct.gov).