

ATTACHMENT A

Capital Equipment Purchase Fund

1. Background/Goal of the Program?

- a. The Capital Equipment Purchase Fund is authorized by CGS Sec. 4a-9 and is used for the purchase of state agency equipment. Qualified purchases must:
 - i. Have a unit price of at least \$1,000 and
 - ii. Have a useful life of no less than 5 years
 - iii. Examples of qualified purchases include:
 1. Office equipment, such as printers, scanners, telecom systems
 2. Information Technology (IT) Equipment
 3. Industrial Refrigerators
 4. Medical Equipment and Machinery
 5. State Vehicles

2. Do you need the unallocated balance? If so, for what purpose and when will the funds be spent?

Yes, these funds cover the cost of large capital equipment and Information Technology improvements for state agencies. It also covers the cost of any emergency equipment needs. Any balance of funds will be carried into future years to address agency needs.

3. When was the last time funds for the program were allocated, if ever? Have the funds been requested for allocation by the bond commission? If so, how much and when?

\$25 million was allocated on the December 20, 2024 Bond Commission meeting.

4. What impediments, if any, have there been in accessing and using the bond funds?

There are no impediments in accessing these bond funds.

5. For programs with recent allocations, what portion of the allocation has been spent? What is the typical time between allocation and final expenditure of the funds?

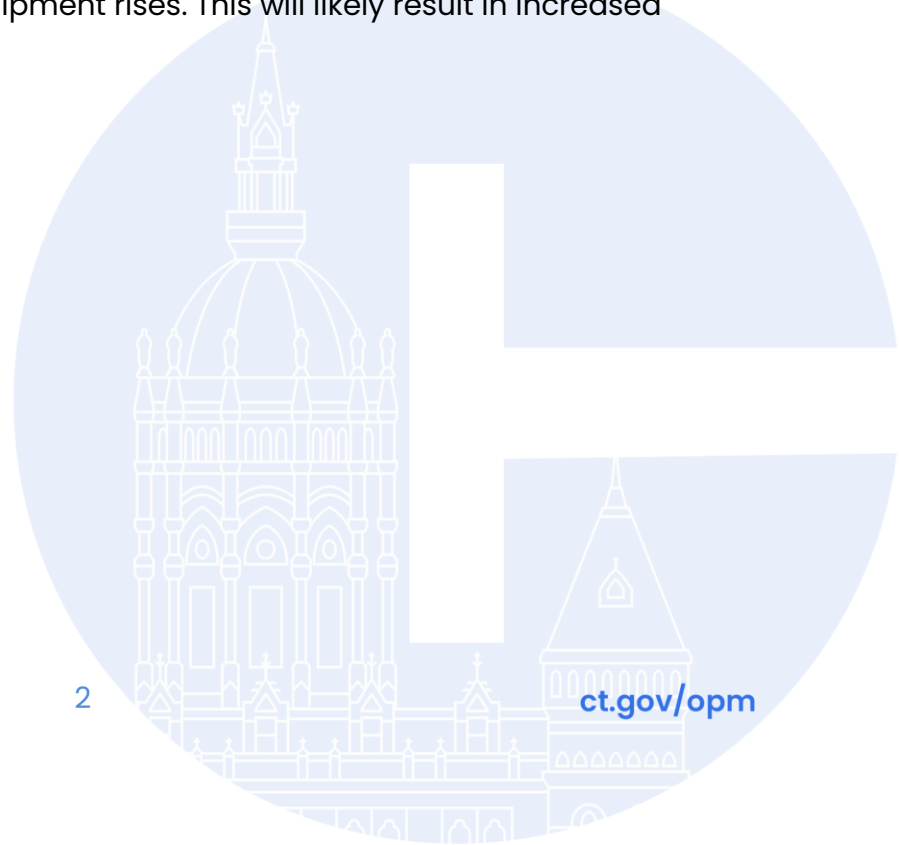
Allocations help to cover the cash flow needs of the program. Typically, an allocation will be spent within 12 to 18 months.

6. If increased bond authorizations have been proposed for FY 26/FY 27, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? Do you anticipate a further need for new authorizations past the biennium?

Capital Equipment Purchase Fund will require additional authorization in the next biennium to meet cash flow demands of state agencies. Since the COVID pandemic, the state's investment in IT infrastructure has increased sharply. The funding increase contained in the Governor's recommended capital budget recognizes the increased IT needs of the state agencies and the escalating costs of equipment due to inflation.

7. For ongoing programs, have the expected annual amounts changed?

The Office of Policy and Management (OPM) expects that the program amounts will increase over time as the cost of equipment rises. This will likely result in increased spending in the near term.



Community Engagement Training to Law Enforcement Units

1. Background/Goal of the Program?

Section 32(a)(3) of Public Act 20-1 authorized the creation of a community engagement training (CET) program for law enforcement agencies in towns with a population of over one hundred thousand and towns adjacent to such cities. Public Act 21-111, Section 13(a)(1) authorized an additional \$500,000.

2. Do you need the unallocated balance? If so, for what purpose and when will the funds be spent?

Yes, OPM expects the \$500,000 unallocated balance will be needed. Once a vendor is identified to provide CET, the funds will be expended on contracted CET-related services.

3. When was the last time funds for the program were allocated, if ever? Have the funds been requested for allocation by the bond commission? If so, how much and when?

\$3 million was allocated on the July 21, 2020 State Bond Commission meeting. To date, about \$60,000 has been spent.

4. What impediments, if any, have there been in accessing and using the bond funds?

In 2022, OPM released an RFP to identify a vendor that could deliver CET to eligible municipalities. The RFP closed without receiving any proposals. OPM staff reviewed the original RFP release and posting, and several action steps were noted to promote the RFP and increase the likelihood of receiving proposals in a second release. OPM released a second RFP in 2023. That RFP was voided in January of 2024. It received one proposal. Currently, OPM is in the process of exploring options to identify a vendor capable of providing CET to eligible municipalities in Connecticut.

**5. For programs with recent allocations, what portion of the allocation has been spent?
What is the typical time between allocation and final expenditure of the funds?**

Funds have not yet been spent.

**6. If increased bond authorizations have been proposed for FY 25, what expansion or
increase of projects is expected and how quickly are the new funds anticipated to be
needed? Do you anticipate a further need for new authorizations past the biennium?**

N/A

7. For ongoing programs, have the expected annual amounts changed?

No change in amounts.

Consolidation of Higher Education Systems

1. Background/Goal of the Program?

In accordance with CGS 10a-9b, the constituent units of higher education shall work with OPM, Department of Administrative Services (DAS) and Office of the State Comptroller (OSC) to fully utilize CORE-CT to:

- b. Carry out its accounting functions and financial reporting that meet both the constitutional needs and provide for budgetary and financial reporting needs.
- c. Provide for human resources and payroll reporting.
- d. Initiate the process of determining consistent classification and compensation for employees not represented by an employee organization as defined in Section 5-270.

2. Do you need the unallocated balance? If so, for what purpose and when will the funds be spent?

\$3,000,000, may be used for OPM to get greater understanding of the constituent units of higher education human resources and finances in support of CGS 10a-9b. There is an existing memorandum of understanding (MOU), fully executed between OSC, UCONN and OPM on 11/3/2014 which needs to be reviewed by all parties in support of this project. The unallocated balance should be retained pending final completion of implementation.

3. When was the last time funds for the program were allocated, if ever? Have the funds been requested for allocation by the bond commission? If so, how much and when?

The last allocation for this program was for \$1.5 million at the September 30, 2016 bond commission.

4. What impediments, if any, have there been in accessing and using the bond funds?

There have been no impediments in accessing the bond funds.

5. For programs with recent allocations, what portion of the allocation has been spent? What is the typical time between allocation and final expenditure of the funds?

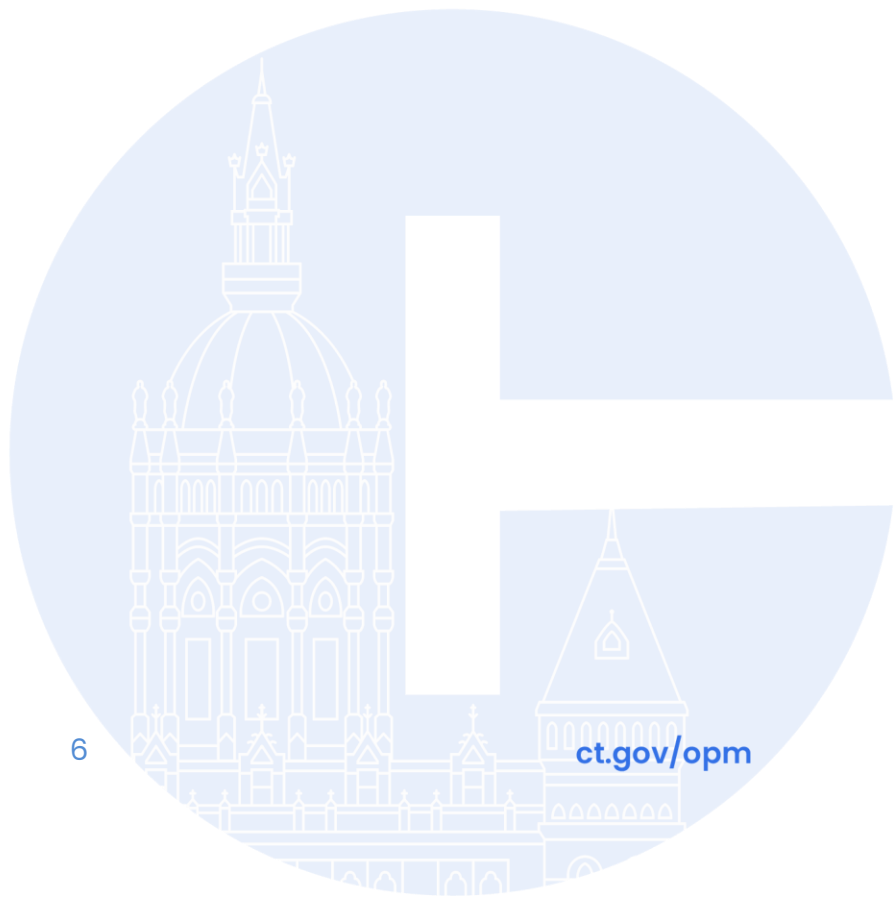
All funds have been spent.

6. If increased bond authorizations have been proposed for FY 26/ FY 27, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? Do you anticipate a further need for new authorizations past the biennium?

No additional authorizations are required at this time.

7. For ongoing programs, have the expected annual amounts changed?

No change expected.



Distressed Municipalities

1. Background/Goal of the Program?

Provides a state reimbursement of a portion of the property tax loss that municipalities sustain as a result of property tax exemptions granted to qualified manufacturing/service facilities and companies located in certain municipalities designated by the Commissioner of the Department of Economic and Community Development (DECD) as distressed, containing an Enterprise Zone or a zone that is eligible for Enterprise Zone level benefits. The Commissioner of the DECD must certify which manufacturing/service facilities and companies are eligible for these exemptions. OPM reimburses eligible municipalities for up to 50% of the tax revenue lost due to these exemptions. Reimbursement to municipalities is required per CGS Section 32-9s. Exemptions are granted to qualified manufacturing/service facilities and companies per CGS Sections 12-81(59), 12-81(60) and 12-81(70). Municipalities must certify that any bond funds received through this grant will be used only for capital projects.

2. Do you need the unallocated balance? If so, for what purpose and when will the funds be spent?

Yes. \$7 million unallocated balance will be utilized for future reimbursement. Claims have been increasing – FY24 – \$6.7 million, FY 25 \$8.24 million. Claims are due in August, with payments made in December.

3. When was the last time funds for the program were allocated, if ever? Have the funds been requested for allocation by the bond commission? If so, how much and when?

Last allocated on the August 8, 2024 Bond Commission meeting for \$7 million.

4. What impediments, if any, have there been in accessing and using the bond funds?

No impediments at the state level. As required under the public act, there is an additional certification process from the municipalities that the funds will be utilized for capital purposes.

5. For programs with recent allocations, what portion of the allocation has been spent? What is the typical time between allocation and final expenditure of the funds?

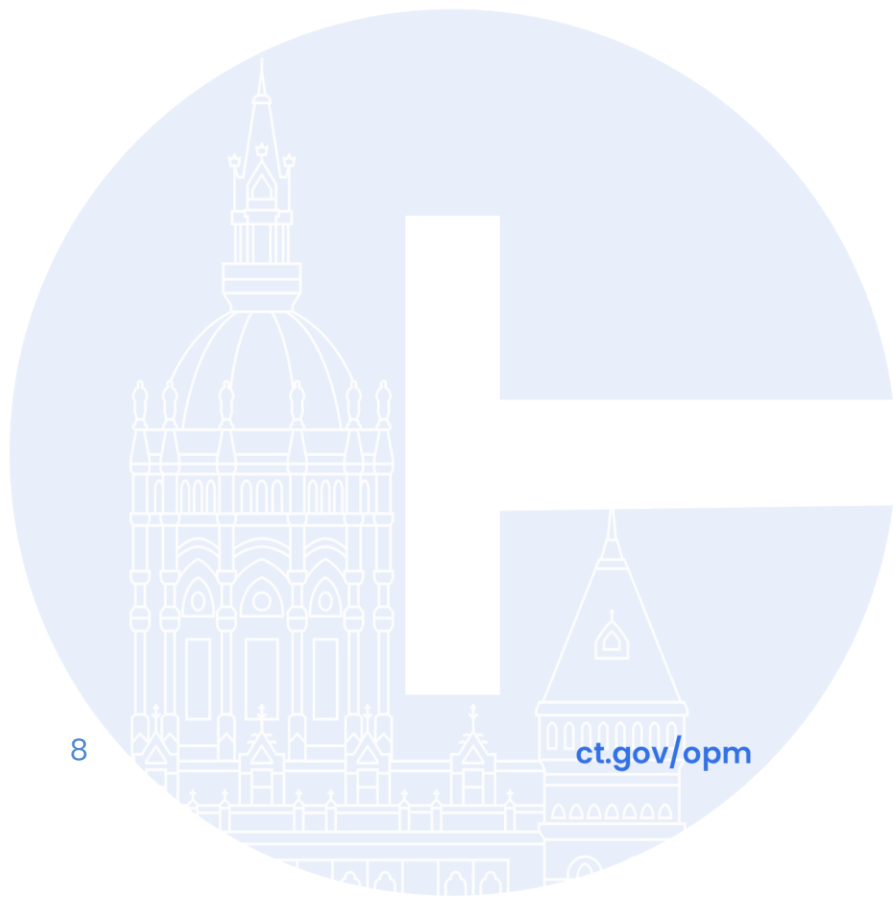
In FY 25 \$8.24 million will be spent. Payments will utilize the \$7 million allocation from August and \$1.24 million from previous allocations.

6. If increased bond authorizations have been proposed for FY 26/FY 27, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? Do you anticipate a further need for new authorizations past the biennium?

OPM has recommended additional authorizations in the Governor's recommended capital budget. This would continue the program at the current levels over the next two years. In order to continue the program, it will require future authorizations.

7. For ongoing programs, have the expected annual amounts changed?

The bonding request has remained stable.



Grants to Municipalities for the Purchase of On-Body Cameras

1. Background/Goal of the Program?

Pursuant to CGS 7-277c, OPM administers the Body Worn Camera and Dashboard Camera Grant Program, providing capital bond funds grant-in-aid to entities applying for reimbursement for a portion of allowable expenses associated with law enforcement unit purchases of body-worn recording equipment, dashboard cameras, and digital data storage device or services. OPM staff assist entities seeking reimbursement and submit capital bond requests to the State Bond Commission. OPM then allocates commission-approved bond funds to the entity approved for reimbursement.

2. Do you need the unallocated balance? If so, for what purpose and when will the funds be spent?

The program will end at the end of FY 2025.

3. When was the last time funds for the program were allocated, if ever? Have the funds been requested for allocation by the bond commission? If so, how much and when?

At the June 7, 2024, State Bond Commission meeting, \$541,332 was approved for reimbursement to local municipalities.

4. What impediments, if any, have there been in accessing and using the bond funds?

There are no impediments in accessing bond funds.

5. For programs with recent allocations, what portion of the allocation has been spent? What is the typical time between allocation and final expenditure of the funds?

This is a reimbursement program and allocations are moved quickly to cover municipalities' costs.

6. If increased bond authorizations have been proposed for FY 25, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? Do you anticipate a further need for new authorizations past the biennium?

No additional authorizations are required currently.

7. For ongoing programs, have the expected annual amounts changed?

No change in expected annual amounts.

Grants-in-aid for Municipal Purposes

1. Background/Goal of the Program?

This is also known as Municipal Grants in Aid / Son of TAR (Town Aid Road). PA 23-205 section 55 continues the funding for the program and is continued in the Governor's proposed FY 26 & 27 budget. Funds are required to be expended for the same purposes for which Town Aid Road grants may be used under CGS section 13a-175a. There is an additional \$91 million for Town Aid Road purposes above the \$60 million Town Aid Road program administered by DOT. Legislation permits a grantee to apply to OPM for a waiver from this requirement to use these funds and Town Aid Road grants for other capital purposes.

2. Do you need the unallocated balance? If so, for what purpose and when will the funds be spent?

There is currently no unallocated balance.

3. When was the last time funds for the program were allocated, if ever? Have the funds been requested for allocation by the bond commission? If so, how much and when?

Last allocated on the December 20, 2024 bond commission meeting. All \$91 million of the FY 2025 authorization was allocated.

4. What impediments, if any, have there been in accessing and using the bond funds?

There are no impediments on the state side. However, there are additional certifications needed from the municipalities that the funds will be utilized for town aid road purposes as required under the public act.

5. For programs with recent allocations, what portion of the allocation has been spent? What is the typical time between allocation and final expenditure of the funds?

In fiscal year 2024 OPM paid \$90,931,216 of the \$91,000,000. This was due to the consolidation of two fire districts and two fire districts that did not certify for payment. Allocations are made in December, municipal certifications are collected in February, with payment no later than June 30th.

6. If increased bond authorizations have been proposed for FY 26/ FY 27, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? Do you anticipate a further need for new authorizations past the biennium?

Bonding total request remains the same. An adjustment of the two consolidated fire district allocations into their respective entities was made for FY 26 & 27.

7. For ongoing programs, have the expected annual amounts changed?

The bonding request has remained the same.

Grants-in-aid for Regional and Local Improvements and Development

1. Background/Goal of the Program?

This program was added to the OPM in FY 2022. The program provides grants to various municipalities for specific projects and purposes as described in the authorization language.

2. Do you need the unallocated balance? If so, for what purpose and when will the funds be spent?

The use of the remaining unallocated balance for this authorization has not yet been determined.

3. When was the last time funds for the program were allocated, if ever? Have the funds been requested for allocation by the bond commission? If so, how much and when?

The following projects received funds via the March 31, 2022 bond commission:

- i. Shelton Constitution Boulevard extension and Commerce Park – \$5M
- ii. Town of Bozrah extension of existing sanitary sewer mains – \$5M
- iii. Griswold Senior Center – \$1.2M
- iv. Track at Portland High School and Portland Middle School – \$500,736
- v. Shakespeare Theater construction – \$3M
- vi. Trumbull Veterans & First Responder Center – \$1.5M
- vii. Fox Hill Memorial Tower rehabilitation – \$2.5M
- viii. YMCA of Wallingford pool renovation – \$1M

4. What impediments, if any, have there been in accessing and using the bond funds?

There have been no impediments to accessing these bond funds.

**5. For programs with recent allocations, what portion of the allocation has been spent?
What is the typical time between allocation and final expenditure of the funds?**

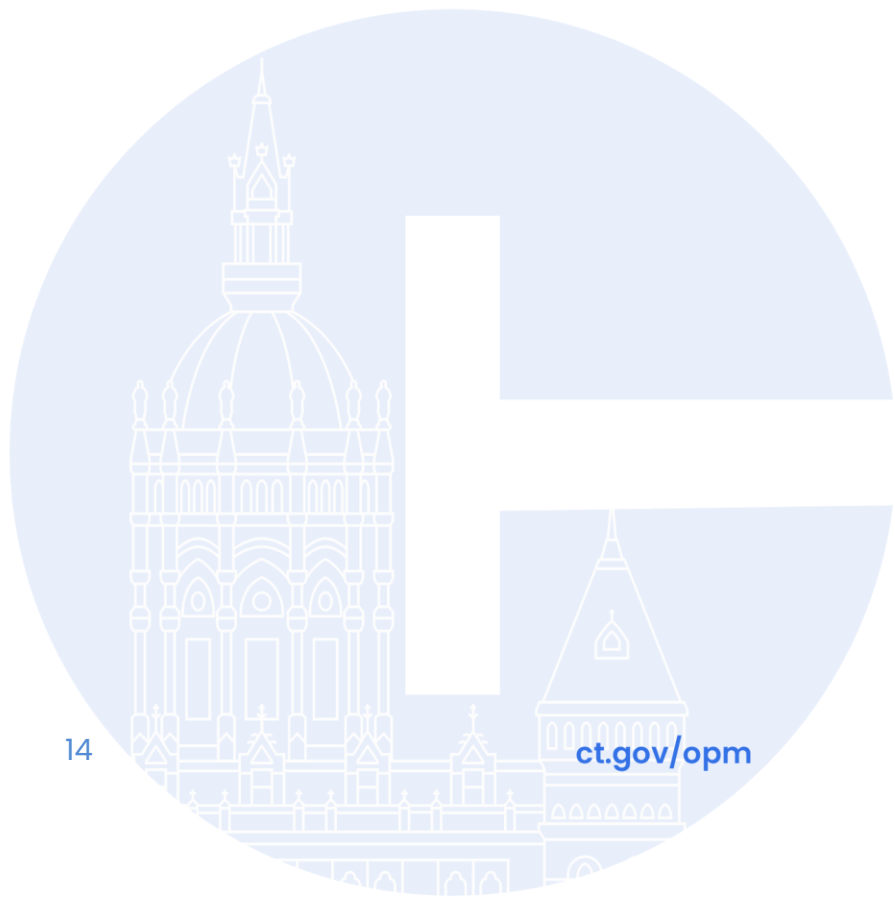
Dependent on the project. The projects that have been allocated typically take between 6 months to multiple years

6. If increased bond authorizations have been proposed for FY 26/FY 27, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? Do you anticipate a further need for new authorizations past the biennium?

No additional resources are needed at this time. OPM has other resources to fund these projects.

7. For ongoing programs, have the expected annual amounts changed?

No Change.



Grants-in-aid to an Acute Care Hospital

1. Background/Goal of the Program?

This authorization was added to the OPM in FY 2023. The program provides grants-in-aid to acute care hospitals licensed under CGS chapter 368v for construction of facilities for adult, inpatient psychiatric beds.

2. Do you need the unallocated balance? If so, for what purpose and when will the funds be spent?

The use of the current \$5 million unallocated for this authorization has not yet been determined.

3. When was the last time funds for the program were allocated, if ever? Have the funds been requested for allocation by the bond commission? If so, how much and when?

The unallocated balance has not been obligated or attached to an existing project.

4. What impediments, if any, have there been in accessing and using the bond funds?

There are no impediments.

5. For programs with recent allocations, what portion of the allocation has been spent? What is the typical time between allocation and final expenditure of the funds?

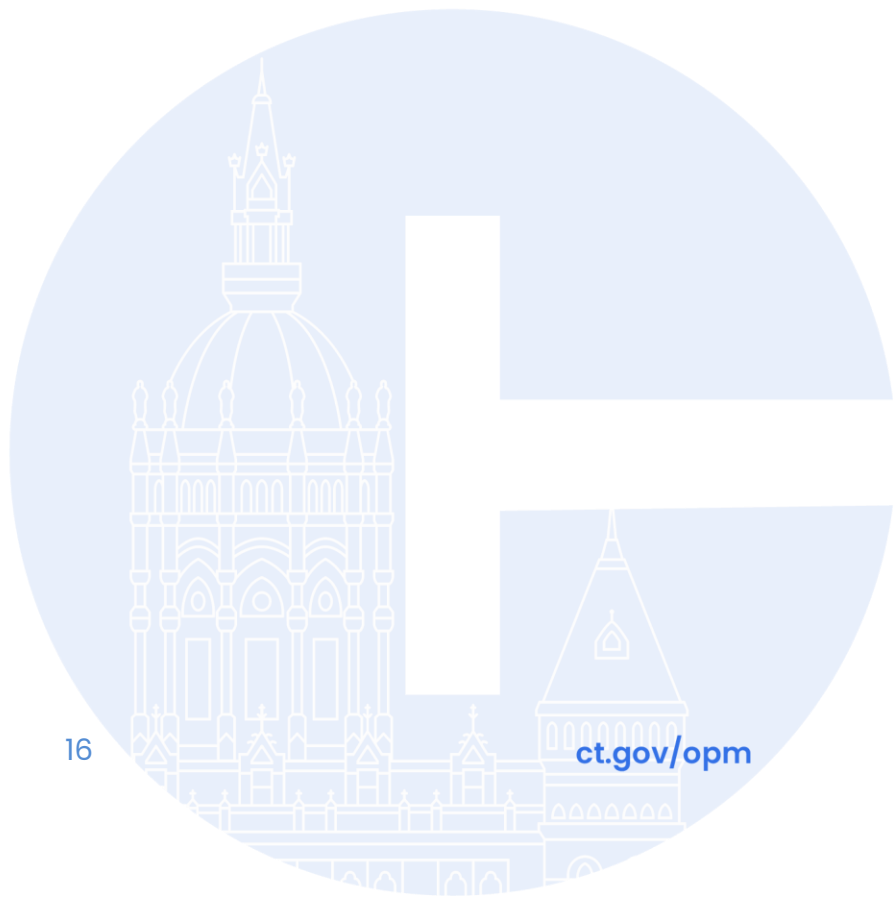
This authorization has not been allocated.

6. If increased bond authorizations have been proposed for FY 26/, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? Do you anticipate a further need for new authorizations past the biennium?

No additional funds are required.

7. For ongoing programs, have the expected annual amounts changed?

No change.



Grants-in-aid to Support Municipalities, Homeowners, and Small Business Impacted by a Catastrophic Event

1. Background/Goal of the Program?

The purpose of this new program is to provide access to state resources immediately following a catastrophic event. The state has several proactive grant and/or loan programs that attempt to mitigate the impact of a natural disaster (Green Bank, Department of Energy and Environmental Protection's (DEEP) Climate Resilience Fund). However, those funds are ongoing and only act to mitigate the impact of such events. This was made apparently clear after the flooding events from last year which washed out roads and rail lines across the state.

These funds are not expected to replace FEMA's funding for individuals or governments, but instead act as gap funding in order to get impacted areas restored and running as quickly as possible. OPM will be working with DEEP, the Department of Housing (DOH), and DECD to get these funds to the most impacted.

2. What stage of the project does the proposed authorization fund?

These funds provide insurance in the event of a catastrophic event. This does not fund a certain stage of the project.

3. Are there any other funds that will support the program?

There are no specific other funds that will support this program. However, OPM, DEEP, DOH, and DECD all have current resources that could be used in addition to this new authorization if required. The state has previously provided similar funding through the Small Business Boost fund and Urban Act program.

4. When is the expected completion date of the program?

This would be ongoing. Additional resources may be required in the future.

Information Technology Capital Investment Program

1. Background/Goal of the Program?

The IT Capital Investment Program (ITCIP) is used to modernize the state's information technology infrastructure to increase efficiency and improve the citizen experience.

The program has been in place since 2013 and continues to be the primary funding source to update large and complex technology systems across the state. Since its inception, a total of 124 projects benefited from the program. Projects include Electronic Health Records at various health and human service agencies, upgraded debt management system, a new business "One Stop Shop" for a fully digital government, and upgrades to the state's accounting system.

2. Do you need the unallocated balance? If so, for what purpose and when will the funds be spent?

The unallocated balance of \$63,638,613, along with the recommended FY26 \$75 million and FY27 \$75 million authorizations, are required for planned allocations to support 36 active projects approved by the Information Technology Strategy and Investment Committee. These active projects have contracts executed and funds are being drawn down according to a development schedule established for each project.

In addition to the 36 active projects, the program anticipates up to 27 additional new project requests requiring new allocations. Project timelines vary but generally most active projects will be completed in the next 1-5 years.

3. When was the last time funds for the program were allocated, if ever? Have the funds been requested for allocation by the bond commission? If so, how much and when?

Funds were allocated at the October 2024 Bond Commission meeting for \$11,000,000.

4. What impediments, if any, have there been in accessing and using the bond funds?

There are no impediments to this program.

5. For programs with recent allocations, what portion of the allocation has been spent? What is the typical time between allocation and final expenditure of the funds?

Once allocations are made to OPM, it typically takes about two months for the funds to be allotted to agencies. The time between agency allotment and final expenditure varies by project and depends on the project lifecycle.

For small to medium-sized projects, the average time from allotment to completion is approximately 12 to 18 months. For larger, more complex projects, completion timelines range from one to five years, depending on factors such as project complexity, scope, procurement approach, and the mix of technology solutions.

As of now, total program expenditures amount to \$582,621,363, representing 85% of the program's total allocations of \$687,361,387. Additionally, \$24,767,912 is encumbered under the program.

6. If increased bond authorizations have been proposed for FY 26/FY 27, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? Do you anticipate a further need for new authorizations past the biennium?

The requested \$75 million for each of FY26 and FY27, along with the existing unallocated balance of \$63.6 million, will support 36 active projects and up to 27 new projects over the next five or more years. Allotments are processed in accordance with each project's drawdown schedule, with the program typically averaging between \$50 and \$60 million in allotments per fiscal year.

Continued bond authorizations will be necessary to keep pace with evolving technology and to enhance services for state constituents.

7. For ongoing programs, have the expected annual amounts changed?

Annual amounts have remained stable.

Local Capital Improvement Fund (LoCIP)

1. Background/Goal of the Program?

Pursuant to CGS section 7-535 through 7-538 LoCIP distributes formula-based entitlement funds to municipalities to reimburse the cost of eligible local capital improvement projects such as roads, bridges or public building construction activities. Descriptions of eligible projects and examples of allowable project costs can be found in the [LoCIP Guidelines](#). A municipality must request and be granted project authorization by OPM to be eligible for reimbursement for allowable project costs.

Public Act 23-124 modified the LoCIP program for Fiscal Year 2024 and forward. Direct grants to municipalities will be processed through a certification process. Funds will be disbursed by June 30, and an annual expense report will be due from the municipality by September 1 each year.

LoCIP Entitlement – FY 23 and prior
LoCIP Grant – FY 24 and forward

The Governor's budget recommendation includes a new provision which starting in FY 2026 municipalities must move prior projects first before receiving additional LoCIP grants.

2. Do you need the unallocated balance? If so, for what purpose and when will the funds be spent?

Yes. The unallocated balance is needed to reimburse municipalities for approved projects prior to Fiscal Year 2024. Payments are made on a reimbursement basis after project authorization. Pending submission of reimbursement, OPM anticipates \$30 million will be requested prior to end of this fiscal year.

3. When was the last time funds for the program were allocated, if ever? Have the funds been requested for allocation by the bond commission? If so, how much and when?

There were two allocations of the program:

- \$45 million allocated at the December 20, 2024 bond commission meeting under the new LoCIP Grant program.

- \$30 million allocated at the June 7, 2024 bond commission meeting under the old LoCIP entitlement program.

4. What impediments, if any, have there been in accessing and using the bond funds?

Prior to FY 2024, process includes authorization and reimbursement process. Public Act 23-124 streamlined the process moving forward to a direct grant and a municipal certification process. Administration will be eased as the prior entitlements are paid out.

5. For programs with recent allocations, what portion of the allocation has been spent? What is the typical time between allocation and final expenditure of the funds?

For the December 20, 2024 allocation, the municipal certification is required by April 1st. Those funds are expected to be expended by June 30, 2025.

6. If increased bond authorizations have been proposed for FY 26/FY 27, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? Do you anticipate a further need for new authorizations past the biennium?

No proposed increase; will remain at the same level as FY 2025 at \$45 million each year.

7. For ongoing programs, have the expected annual amounts changed?

The bonding request has remained stable.

Nonprofit Health and Human Service Organizations

1. Background/Goal of the Program?

The purpose of the Nonprofit Grant Program (NGP) funds is to improve the efficiency, effectiveness, safety and/or accessibility of health and human services being delivered by nonprofit organizations. The eligible projects include facility alterations, renovations, improvements, and additions; new construction; health, safety and Americans with Disabilities Act (ADA) projects; energy conservation improvements; information technology systems; technology that promotes client independence; purchase of vehicles; and acquisition of property.

Eight rounds of grants have been administered by OPM to date. OPM has executed and administered over 650 Nonprofit Grant awards with expenditures totaling \$134,450,901.71 between Rounds 1-7. \$10.5 million remained from previous rounds and an additional \$25 million was approved in 2023 resulting in a total of \$35.5 million available for OPM to conduct the eighth round of grant awards. The Request for Applications (RFA) closed October 18, 2023 and resulted in the execution of 92 grant awards in the summer and fall of 2024 totaling \$32,378,152.46. Projects are currently underway.

2. Do you need the unallocated balance? If so, for what purpose and when will the funds be spent?

Due to the expressed need from Connecticut's nonprofit industry, OPM intends to use \$3,170,945.83 remaining from Round 8 and could use the statutorily authorized \$70 million should the State Bond Commission allocate it at some point. The \$73,170,945.83 of funds would be used to administer future rounds of grants to continue supporting the state's nonprofit providers by addressing their qualifying capital needs as described above. We anticipate the RFA for Round 9 to commence in late fall of 2025.

3. When was the last time funds for the program were allocated, if ever? Have the funds been requested for allocation by the bond commission? If so, how much and when?

At the April 6, 2023 meeting, the State Bond Commission allocated \$35.5 million to fund Round 8.

Section 13(a)(1) of P.A. 20-1 as amended by Section 342 of P.A. 22-118 and, Section 13 (a)(2) of P.A. 23-205, Section 32 (a)(2) of P.A. 23-205 authorizes the State Bond Commission to allocate an additional \$70 million which will be requested in the future.

4. What impediments, if any, have there been in accessing and using the bond funds?

There are no impediments at the state level. However, the nonprofit grant program application is difficult for some of the smaller nonprofits who do not have the staff capacity of larger organizations. The sheer volume of requests can delay the process. In the last round OPM received nearly 300 applications which can take several weeks to review and score.

5. For programs with recent allocations, what portion of the allocation has been spent? What is the typical time between allocation and final expenditure of the funds?

Of the \$35.5 million in FY 2023 funding that was allocated and approved for Round 8, \$32,378,152.46 was ultimately committed in executed grant awards. As of March 2025, \$5,994,118.26 has been expended. Historically, the majority of grants have taken one to two years to fully expend with some projects coming in under budget or not getting off the ground for reasons outside of the grant process, therefore, leaving a balance. The Round 8 grant guidelines specifically note that funds must be expended within 12 months and that extensions will only be granted in very limited cases.

6. If increased bond authorizations have been proposed for FY 26/FY 27, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? Do you anticipate a further need for new authorizations past the biennium?

Due to the size of the unallocated balance, and the timing of future rounds, it was not necessary to request additional resources. Additional funds will be needed outside of the biennium to continue the program.

7. For ongoing programs, have the expected annual amounts changed?

No change.

Responsible Growth Incentive Fund

1. Background/Goal of the Program?

The Responsible Growth Incentive Fund provides funding opportunities to eligible applicants for projects that foster transit-oriented development, as defined in CGS section 13b-79o, and/or projects that demonstrate responsible growth through their consistency with the Conservation and Development policies: The Plan for Connecticut (State C&D Plan). The program began in 2015 as a Transit Oriented Development (TOD) Planning Grant and was expanded in subsequent years to include construction/implementation projects as eligible activities, and to add the broader responsible growth component.

2. Do you need the unallocated balance? If so, for what purpose and when will the funds be spent?

No. A separate Responsible Growth grant has not been administered.

3. When was the last time funds for the program were allocated, if ever? Have the funds been requested for allocation by the bond commission? If so, how much and when?

The last TOD round was in 2022 with \$6.8 million awarded.

4. What impediments, if any, have there been in accessing and using the bond funds?

There have been no impediments to accessing the bond funds.

5. For programs with recent allocations, what portion of the allocation has been spent? What is the typical time between allocation and final expenditure of the funds?

Timing is dependent on the project. This authorization has funded a variety of different projects and programs.

6. If increased bond authorizations have been proposed for FY 26/ FY 27, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? Do you anticipate a further need for new authorizations past the biennium?

No new authorizations were requested in the Governor's Recommended capital budget.

7. For ongoing programs, have the expected annual amounts changed?

No changes.

Small Town Economic Assistance Program (STEAP)

1. Background/Goal of the Program?

STEAP funds economic development, community conservation and quality of life projects for municipalities that are ineligible to receive Urban Action bonds. By Statute, municipalities may receive up to \$1,000,000 per year if: (1) they are not designated as a distressed municipality or a public investment community and (2) the State Plan of Conservation and Development does not show them as having a regional center. Under CGS 4-66g, STEAP funds economic development, community conservation and quality of life projects for municipalities that are ineligible to receive Urban Action bonds.

The Governor's budget recommendation includes a new provision which starting in FY 2026 municipalities must move prior projects first before receiving additional STEAP grants.

2. Do you need the unallocated balance? If so, for what purpose and when will the funds be spent?

Yes. Unallocated balance will be utilized with any funds returned from projects which have been closed out. OPM is currently reviewing 2025 STEAP applications.

3. When was the last time funds for the program were allocated, if ever? Have the funds been requested for allocation by the bond commission? If so, how much and when?

STEAP was last allocated in the December 20, 2024 bond commission meeting. \$17 million was approved at that meeting.

4. What impediments, if any, have there been in accessing and using the bond funds?

There have been no impediments to accessing the bond funds.

5. For programs with recent allocations, what portion of the allocation has been spent? What is the typical time between allocation and final expenditure of the funds?

The \$17,000,000 will be utilized with past allocations and returned unspent balances for the 2025 STEAP round of approximately \$30 million. 2025 STEAP awards are expected to be announced on or around the first part of April of this year.

6. If increased bond authorizations have been proposed for FY 25, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? Do you anticipate a further need for new authorizations past the biennium?

No proposed increase in the authorization amount. \$35 million was requested and included in the Governor's Recommended capital budget for FY 2027. In order to continue the program, additional authorizations will be needed beyond the biennium.

7. For ongoing programs, have the expected annual amounts changed?

The bonding request has remained stable.

State Matching Funds for Infrastructure Investment and Jobs Act (IIJA)

1. Background/Goal of the Program?

This authorization was added to OPM in FY 2023. The \$75 million unallocated balance allows the state flexibility when applying for federal funds for future IIJA & Inflation Reduction Act (IRA) eligible projects. These funds will be expended as state agencies identify federal match opportunities.

2. Do you need the unallocated balance? If so, for what purpose and when will the funds be spent?

The use of the current \$75 million unallocated balance has not yet been determined. The balance is expected to be used in the coming biennium as projects are identified.

3. When was the last time funds for the program were allocated, if ever? Have the funds been requested for allocation by the bond commission? If so, how much and when?

Funds have never been allocated, and no requests have been made to date.

4. What impediments, if any, have there been in accessing and using the bond funds?

There have been no impediments. Agencies over the last several years have prioritized funding streams that have expiration deadlines such as ARPA. Once the backlog of grants have been processed, the state expects that agencies will pivot to this program in order to match federal funding that is not time constrained.

5. For programs with recent allocations, what portion of the allocation has been spent? What is the typical time between allocation and final expenditure of the funds?

No allocations have been made.

6. If increased bond authorizations have been proposed for FY 25, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? Do you anticipate a further need for new authorizations past the biennium?

No increase has been requested.

7. For ongoing programs, have the expected annual amounts changed?

No change.

Urban Act

1. Background/Goal of the Program?

Urban Action Grants are discretionary grants to municipalities that (1) are economically distressed as defined by statute, (2) public investment communities or (3) urban centers under the State's Plan of Conservation and Development. Eligible projects include economic development, transit, recreation, solid waste disposal, housing, day care, elderly centers, emergency shelters, historic preservation and various urban development projects. Grants can be provided to nonprofit organizations in order to achieve the goals of the program.

2. Do you need the unallocated balance? If so, for what purpose and when will the funds be spent?

Unallocated is necessary maintain the program and fund future projects. Funds are spent on a variety of projects that can provide a significant economic improvement to the state's municipalities. The current unallocated balance would likely be fully allocated within the next 12 months.

3. When was the last time funds for the program were allocated, if ever? Have the funds been requested for allocation by the bond commission? If so, how much and when?

\$8 million was allocated in the December 20, 2024 State Bond Commission meeting.

4. What impediments, if any, have there been in accessing and using the bond funds?

No impediments in accessing bond funds.

5. For programs with recent allocations, what portion of the allocation has been spent? What is the typical time between allocation and final expenditure of the funds?

This varies greatly by project. Most projects will take up to a year until final payment, but many can take longer. Program is contingent upon how prepared the organization/municipality is who is receiving the grant award.

6. If increased bond authorizations have been proposed for FY 25, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? Do you anticipate a further need for new authorizations past the biennium?

The Governor's proposed budget includes \$75 million in both FY 2026 and FY 2027. These funds will continue to provide grants to both municipalities and nonprofit organizations to support the economic development of the state's communities. On average, the state has allocated approximately \$150 million over the last two years. The biennial request and current unallocated balance adheres to those levels. OPM expects future authorizations for this program will be needed.

7. For ongoing programs, have the expected annual amounts changed?

OPM expects that the amounts will remain stable.

