



Testimony of Commissioner Michelle Gilman

Department of Administrative Services

General Obligation Bonding Subcommittee

March 24, 2026

Good morning, Senator Miller, Representative Napoli, Senator Hwang, Representative Piscopo and distinguished members of the General Bonding Subcommittee. I am Michelle Gilman, Department of Administrative Services (DAS) Commissioner. I would like to give you a brief overview of DAS and some significant elements of the governor's proposed FY 27 budget adjustment.

DAS utilizes bond funds in connection with numerous programs, including property and facilities management, the hazardous materials remediation program, construction services, and various statewide technology initiatives. In addition, the DAS Office of Grants Administration (OGA) utilizes bond funds to reimburse public schools for eligible costs under the School Building Projects Grant program.

We have included information below regarding proposed new bond authorizations for the Wethersfield fleet garage replacement facility, the school building grants program, the new data center, and construction projects administered by DAS.

Site Acquisition, Planning Activities, and Construction Costs to Replace the Current Fleet Garage in Wethersfield

FY27 Budget Adjustment: \$20,000,000

The current fleet facility is located at 60 State Street in Wethersfield – a site that it shares with the Department of Motor Vehicles (DMV). The facility would require substantial capital investment to meet modern standards and investing funds to repair the current site would not be cost-effective. The DMV also plans to relocate from the existing facility, enabling the state to surplus the entire 60 State Street location.

This funding will cover the estimated costs of acquiring a new site and designing a new facility, as well as some or all of the demolition and construction expenses associated with a new fleet garage.

School Building Projects Grant Program

FY 27 Budget Adjustment: An additional \$50,000,000 for a total FY 27 Authorization of \$600,000,000

Under Chapter 173 of the Connecticut General Statutes, the State of Connecticut provides grants to local and regional school districts and other LEAs to reimburse a percentage of eligible expenses for authorized school building projects using a statutory formula based on the adjusted equalized net grand list per capita. Grant funds are distributed as “progress payments” and “final payments” to reimburse districts for eligible expenses incurred during a project. This grant program functions on a “cash-flow basis”, meaning that the State Bond Commission allocates funds on an as-needed basis to cover reimbursement requests.

As of June 30, 2025, DAS estimates that current outstanding grant commitments for school building projects total approximately \$4.4 billion. Since there is typically a lapse of one or more years from the date grant commitments are authorized to the date school building projects commence, and the total grant commitment for a particular project is generally paid out in smaller portions over the course of a multi-year project, the amount of unpaid grant commitments will be significantly greater than the cash flow needed to support grant payments.

The current budget includes an authorization of \$550,000,000 for FY 27, and the Governor’s proposed budget adjustment includes an additional authorization of \$50,000,000 for a total of \$600,000,000 in FY 27 to support school building projects. DAS estimates that the department will need additional authorization in FY 27 to cover the cash flow needs for school construction grants.

Additional information regarding state spending on the school building grants program is available in the 2026 Priority List submitted to the Connecticut General Assembly on December 15, 2025, and can be found [here](#). This document contains a summary of the Priority List projects from the last five years.

Purchase of Equipment, Minor Improvements, and Other Associated Costs for a New Data Center

FY 27 Budget Adjustment: An authorization of \$32,000,000

The State of CT operates in two primary data centers (Groton and Springfield) and has additional computing capability in the cloud. Neither the Groton nor the Springfield data center is owned by the state; we are tenants in facilities owned by third parties. The State’s lease with the Groton Data Center ends in January 2029; therefore, the State must find an alternative facility.

To continue the cost-effective and efficient operation of technology, we are planning to establish a new computing center within a co-location facility, set up equipment and networking at that location, and move state networks there.

The total cost of this project is estimated to be \$48 million. \$16 million was authorized for this purpose in FY 26, and it was anticipated that the remaining \$32 million would be authorized in the FY 28-29 budget. Instead, the Governor's proposal would move the remaining \$32 million in the planned budget into the current biennium. This will allow us to access the planned funds earlier, keeping the option to exit the current data center facility open before the end of the lease.

DAS Administered Construction Projects

The DAS Construction Services team provides construction management services to other agencies, including hiring design consultants and contractors and managing those services through the various phases of construction. Agencies are permitted to administer their own projects (known as "agency-administered projects") below a prescribed cost. Anything above that prescribed cost must be administered by DAS. The upper threshold for agency-administered projects is currently \$3M million for Judicial, Military, Department of Energy and Environmental Protection (DEEP), and Connecticut State Colleges & Universities (CSCU), and \$1 million for all other agencies. Please see the attached document entitled "DAS Projects by Agency" for a summary of current projects.

Currently, the total value of DAS-administered projects – from planning through closeout – is approximately \$2.5 billion, representing 187 projects. For projects that are in the planning through active construction phase, that number is approximately \$1.4 billion, representing 119 projects. To administer these projects, the DAS project management team works actively with our consultants and contractors and is supplemented by consulting construction administrators.

DAS's largest project currently under construction is the Bullard Havens Technical High School, with a project cost of \$199 million. Our second-largest project is a window replacement project at Osborn Correctional Institute, with a value of \$116 million. We are also selecting a design firm for a major renovation and addition to the Office of the Chief Medical Examiner facility, with a project value of \$57 million.

Agency-Administered Construction Projects

When agencies administer their own projects, they must follow all DAS procedures and are fully responsible for project management. DAS's primary role is assisting the agency with the hiring of a consulting team. At the end of the project, agencies need to provide DAS with appropriate closeout documentation.

When agencies administer their own projects, they will typically hold funding for their projects and be responsible for making project payments. In the alternative, certain agencies choose to transfer funds to DAS and have payments made by the DAS business office. It is the agency's role to “drive” the project – DAS is “in service” to them, and acts in a supporting role.

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

1. Two Construction Services reports:
 - a. The **DAS Projects by Agency**, which summarizes the formal projects that DAS is designing and constructing on behalf of other agencies that are generally above the statutory threshold; and
 - b. **DAS HazMat Projects Report**, which summarizes the expenditures on various projects from the Hazardous Materials Abatement Fund;
2. Three Facilities Management reports:
 - a. The **5-Year Facilities Management Capital Improvement Plan FY 2026 to FY 2030 (including DAS 5-Year Executive Summary)**, which identifies over \$300 million in planned capital improvement activity over the next 5 years;
 - b. The **DAS Facilities Management Pipeline Report**, which is a detailed report on large and small construction projects in various stages of design and construction under DAS control; and
 - c. The **DAS Facilities Management Annual Capital Expenditure Program Report**, which is a yearly report on planned construction activity for DAS Construction Services.
3. DAS’s Answers to Questions Posed by OFA

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