

**PA12-189**

SB0025

Finance	10-12, 14-27, 36-44, 46-52, 54-57, 112-114, 116-119, 125-130, 136-139, 154- 157, 175-179, 210-212, 215-217, 224-228, 233- 256, 268-269	100
House	8493-8529	37
<u>Senate</u>	<u>4449-4454</u>	<u>6</u>
		<b>143</b>

**JOINT  
STANDING  
COMMITTEE  
HEARINGS**

**FINANCE  
REVENUE  
AND BONDING  
PART 1  
1 – 232**

**2012  
INDEX**

1

March 12, 2012

rgd/gbr FINANCE, REVENUE AND BONDING 10:30 A.M.  
COMMITTEE

CHAIRMEN: Senator Daily  
Representative Widlitz

MEMBERS PRESENT:

SENATORS: Cassano, Frantz,  
Guglielmo, LeBeau, Leone,  
Roraback, Stillman

REPRESENTATIVES:

Ackert, Albis, Altobello,  
Aman, Aresimowicz, Ayala,  
Berger, Butler,  
Candelora, Chapin, Davis,  
Floren, Frey, Gibbons,  
Hennessy, Johnson,  
Larson, Lopes, Luxenberg,  
Megna, Morin, Moukawsher,  
Mushinsky, Perone,  
Piscopo, Robles, Rojas,  
Sanchez, Scribner,  
Shaban, Smith,  
Srinivasan, Villano,  
Williams, C. Wright,  
E. Wright, Zalaski

SENATOR DAILY: Good morning. We'd like to open our public hearing, so we would ask that everybody find a seat.

And Secretary Barnes is the first to offer testimony. So take it away.

SECRETARY BENJAMIN BARNES: Good morning, Senator Daily, Representative Widlitz. It is, as always, a pleasure to appear before you.

With your forbearance I would like to take the opportunity to testify on four of the bills that you have before you today. Those are Senate Bill 25, which is the bond package; Senate Bill 26, which has to do with consensus revenue deadlines; House Bill 5420 on room remarketers; and 5423 on oversight of large capital projects.

With respect to Senate Bill 25, this bill authorizes an additional \$316 million in general obligation bonds and an additional \$90 million in special tax obligation bonds in FY 2013 for various state agency projects and grant and aid programs. These are in keeping with the Governor's emphasis on infrastructure and programmatic investments. They create and retain jobs and enhance government efficiency.

I'd like to point out just a couple of highlights in this package and then I'm of course happy to take any questions about any of the specific items.

Within this package are additional bond authorizations for \$15 million for information-technology capital investment program. This is -- as you may recall last year we changed -- reorganized information technology moving DOIT into DAS as part of a -- now it's called BEST, which is a much better acronym.

So BEST is implementing an aggressive series of major technology implementations. At the same time a small portion of -- actually one staff member. There was originally going to be three, but it turned out to be one -- is in OPM undertaking a long-range technology planning effort intended to ensure that we are concentrating our resources in the most effective way.

This program, by doing -- it's very much analogous to that capital equipment purchasing fund. It would be short-term debt that would allow us to make multiyear commitments to large technology implementations so that, you know, a project that might cost \$20 million and be implemented over three years, we could make a commitment for that entire project by using the capital, by using a bond authorization and this mechanism for financing that.

So this will enable us to plan out a series of technology investments that we think are necessary to prioritize them and coordinate them in a way that is most advantageous to the State, and as I said, to make those multiyear commitments.

Also in this package is funding for the capital construction at fire training schools. There's a series, a list of fire training schools that have been requested for renovation. This would provide funding for rebuilding the entire stock of fire training schools around the state.

We're not proposing that we do them all at once, but this would give us the ability to undertake a single set of design-build specifications to implement at various locations. That will make it more cost-effective for us to construct these facilities. We also believe that this gives us the ability to plan out an orderly process of rebuilding that set of facilities over the next few years.

We have additional funding for infrastructure repairs and improvements. That's money to upgrade the State's supply of buildings for providing state services. We have funding for housing projects and other programs. There's \$62.5 million for various housing programs. In addition there's \$10 million for grants for nursing homes that are seeking to convert to other uses as part of our nursing home rebalancing program.

There's \$90 million for state bridge projects and then there's about \$50 million for our education initiative plus \$9 million for Sheff compliance activities. So there are a number of other smaller adjustments in total. It's 315.8 million dollars in GO and 90 million in special tax obligation bonds.

encourage you to give this a closer review.

Lastly, item 5423 is AN ACT CONCERNING OVERSIGHT OF LARGE CAPITAL PROJECTS. We believe that this bill would add expensive time-consuming and redundant layers of oversight to any capital project costing 50 more -- \$50 million or more.

The projects that are likely to be impacted by this are projects for higher ed, community college and CSU projects as well as vocational-technical school projects. These are areas of concentration with significant unmet capital needs. We have a number of vo-tech schools in the pipeline and a number more that will require attention in the coming years.

Similarly there have been some significant CSU and community technical college projects recently, but there are more left to be done. We believe that adding this type of review to them will delay the projects, make them more expensive and prevent additional years of enjoyment out of those facilities by the public. So we urge you not to act favorably upon House Bill 5423.

And I'm happy to take your questions about any of those bills or any other bills.

REP. WIDLITZ: Thank you very much for your testimony. One question on the first bill, the bonding bill.

SB25

There's \$5 million in bonding for the underground storage tank remediation. Does that satisfy the conditions that the federal government has placed on us to -- without decertifying our program which would cause concern to many of the people in the gas station industry?

SECRETARY BENJAMIN BARNES: We certainly believe that it does. Unfortunately the EPA has not

provided a specific set of -- they said, you must deal with the problem and you must provide for some level of -- you can't continue as you have been.

This would certainly step it up. It comes along with an effort to change how we pay claims, which we believe will satisfy the goals of the EPA that we have a viable program.

We also, of course, are proposing to get out of the business, but to try to do it in an orderly way that deals with the backlog of claims while directing future claims to a private insurance model. So we intend for this to be satisfying of the EPA's requirements, but again we won't know that until after we've done it.

So we -- but we believe that this will prevent them from decertifying us.

REP. WIDLITZ: Thank you very much. And just a follow-up to the bill that you had some concerns about, House Bill 5423.

Could you explain a little bit more about why you think this would be such a problem? I think the intent here is just to allow our colleagues more scrutiny of projects that are costly before they go ahead. It just seemed to me that it really isn't that much of an issue to have a little more transparency.

Thank you.

SECRETARY BENJAMIN BARNES: Well, in addition to transparency, which I certainly am not going to argue is not appropriate, this bill for instance requires that any agency that is going to be carrying out a capital improvement costing \$15 million or more, they need to then, in addition to the contract for design and the contract for project management and the contract for the contract, they must then

7  
rgd/gbr FINANCE, REVENUE AND BONDING 10:30 A.M.  
COMMITTEE

March 12, 2012

higher with a private nongovernmental agency to perform an independent analysis of such project including all estimates required and all the estimates for timing and cost, operational expenses, state revenues and all that, which presumably had been done by the state agency in developing the project, but they have to be redone by an outside review including an examination of comparable investments that would be an alternative to such project.

I believe that the decisions about whether or not a project is worth doing are properly maintained by the Legislature. And I think that hiring an outside, you know, review is intended to provide ammunition to those who would not make those necessary investments.

I appreciate that the process would give additional ways to General Assembly, however the General Assembly does authorize bonds for projects and is represented on the bond commission where the -- off the allocation of those funds is made to specific projects. Those -- that's a process that has been working quite effectively for many years and we believe is the best way for us to ensure transparency and the wise use of our bond funds going forward.

REP. WIDLITZ: Thank you for your answers and thank you, Madam Chair.

Senator LeBeau.

SENATOR LeBEAU: Thank you, madam chairs.

I have a series of three or four questions, if that would be alright. Just kind of a -- mostly in the bond bill, Mr. Secretary. They are a little bit scattered.

Just you were talking about the Office of Policy and Management and the technology capital investment program not exceeding

SB 25

\$50 million. How does that relate to the -- does this have anything to do with the comptroller's Core Connecticut program? Or is this entirely different?

SECRETARY BENJAMIN BARNES: Core-CT is not included in that project, although I suppose in the future it could be. There is an ongoing upgrade to Core-CT. Core-CT had been funded by standalone bond authorizations in the past and there are authorizations in place to undertake the upgrade now in progress.

Obviously there are, you know, a system like that requires upgrading on a periodic basis forever. And so we could easily incorporate a subsequent round several years into the future into this plan.

The largest projects in that plan include things like the changes to how we process unemployment -- the unemployment system is held together with bailing wire, I'm told -- the eligibility system within the Department of Social Services that clearly would be a tremendous benefit to solving a number of concerns there as well as coordinating with the health insurance exchange.

The portal that would provide access to government services by businesses and residents -- on the part of businesses and residents is due for a major upgrade. So there are some additional projects, but they tend to be large scale, multi-agency projects.

So for instance, we're looking at developing platforms for various business processes that could be replicated. Much the way, the example that's already sort of in place in Connecticut is the online permitting, which is developed by the Department of Consumer Protection, but is increasingly being used by other agencies who have permitting needs. They use the same code and the same system to facilitate their online permitting.

We would like to have, for instance, if we do -- one of the areas is in electronic records management. If we develop a solution on electronics records management, that that would be available for different agencies to use to meet their needs.

SENATOR LeBEAU: Thank you, Madam Chairman.

Thank you, Mr. Secretary.

In Section -- they have dollars. Let me see -- Section 9, the grants in aid for capital startup costs, the development of new interdistrict magnet school programs to meet the Sheff versus O'Neill settlement. Nine -- you have startup costs for 9 -- a little over \$9 million.

Do you have an idea of how many schools we're talking about here? Is this -- can you -- do you have a figure for approximate startup costs for each school?

SECRETARY BENJAMIN BARNES: Yeah. These are seven or eight. We're not sure. So it's a little over a million dollars per school as they roll out additional grades.

SENATOR LeBEAU: Thank you.

A little further down you also have dollars that are being appropriate or being authorized for facility improvements, minor capital repairs, portions of facilities that house licensed school readiness programs and state-funded daycare centers and not exceeding \$5 million.

How will those dollars be awarded? Will that -- will this be an RFP process? Are we looking at those special needs that have been identified by OPM?

SECRETARY BENJAMIN BARNES: Well, there is a

considerable backlog. We had a very active program of financing school readiness facilities through CHFA, that has not taken -- not originated any new loans for about four years. So we have -- there is a backlog of projects you know, expansion projects that are out there.

I'm not going to lie and say, I think \$5 million begins to even scratch the surface of the needs that we will face if we are going to be as aggressive with respect to early childhood education as I believe we need to be. However we thought it was appropriate to set this up.

I mean, I will tell you that our education program is ambitious in many respects, but is -- there are some issues that are being left for another day including, I would hope, a mechanism for financing of school readiness facilities that we hope to be able to present to this Legislature in perhaps next year or in coming years. But in the meantime we thought it was appropriate to have some funds that the department could allot, presumably on a competitive basis to those projects that are ready to go and will be able to add additional capacity relatively quickly.

As you know, right now we added 500 additional school readiness slots into the budget. We would have added more. Obviously everything has a cost. We certainly considered whether we could go higher than that, but we believe that that's about the number of subsidized slots that the existing infrastructure of providers can accommodate.

So we do need to start adding capacity to the building themselves or adding new facilities if we're going to grow in future years. So that's -- this is a down payment on that.

SENATOR LeBEAU: Down payment or opening the door on that a little bit.

11

March 12, 2012

rgd/gbr FINANCE, REVENUE AND BONDING 10:30 A.M.  
COMMITTEE

SECRETARY BENJAMIN BARNES: Yes.

SENATOR LeBEAU: And I appreciate that. I think it's obviously one of the most important things we can do, is to help our youngest kids at that crucial age in life.

Section 35 is -- myself and Representative Ayala are very concerned with the \$90 million -- and I don't want to speak for Andres, but I know he is -- that \$90 million for bridge improvement, rehabilitation and replacement projects. There's a 90 million-dollar upgrade from 33 to 123. Very much appreciate that if it's needed.

Could you tell us a little bit about the process you will use in determining which bridges? Were you kind of working on the -- there's a list of bridges that are, you know, we have about 400 bridges that are, I think, category 4, that they need help.

SECRETARY BENJAMIN BARNES: Uh-huh.

SENATOR LeBEAU: And how are you going to determine which of those bridges are going to be worked on?

SECRETARY BENJAMIN BARNES: DOT has a process that -- I mean, I don't want to speak, pretend to speak knowledgeably about the details of that process. DOT has identified what they believe would be the additional \$90 million worth of bridge work that could be accomplished with this based on their existing prioritization of those -- based on condition of bridges, criticality of their, you know, their criticality to the network, et cetera.

So I would be happy to ask the commissioner to provide that list and the underlying logic behind it.

SENATOR LeBEAU: We have a meeting with him today

at one o'clock. Myself and Representative Ayala will follow-up on that.

And thank you for your input. Thank you for answering the questions.

Madam Chairman, thank you.

SECRETARY BENJAMIN BARNES: Thank you.

REP. WIDLITZ: Thank you.

Representative Moukawsher.

REP. MOUKAWSHER: Thank you, Madam Chair.

I think you might have addressed, you know, one of the questions I had, but when you were summarizing the general obligation bonds, I think you -- I thought you said that within that figure there was \$90 million for state bridges. Was that -- did I not hear you correctly on that?

SECRETARY BENJAMIN BARNES: \$90 million for state bridges is in the special transportation fund, so those are special tax obligation bonds.

REP. MOUKAWSHER: Okay. That's all I wondered, because I know special tax obligation bonds are intended for transportation purposes.

SECRETARY BENJAMIN BARNES: That's correct. I may have misspoken.

REP. MOUKAWSHER: And you know, when I was looking at the bill it does have, you know, I think it's in Section 34 or 35, it addresses the 90 million. And then I think there's a section thereafter that talks about special obligation bonds for railroad rolling stock, I think.

Is there additional money for either, you know, maintenance facilities? Or --

SECRETARY BENJAMIN BARNES: That is a fixed -- the language, it does not change the authorization. So that just changes the language of the -- it's a technical fix on the language and I can provide you with more detail on that if you'd like.

REP. MOUKAWSHER: It's in Section 38. So there isn't any additional money being authorized for that? Or --

SECRETARY BENJAMIN BARNES: That is correct.

REP. MOUKAWSHER: Okay.

SECRETARY BENJAMIN BARNES: That's correct.

REP. MOUKAWSHER: And just in overall, if you could just give us a picture of where we'll be with respect to our total funding obligations. I know that year to year some bonds are paid off and, you know, we have a type of cap for bonding, but could you just give me a sense of where we are?

I mean, last year we authorized the large amounts of bonding for the bioscience center, for Jackson Labs. And so could you just give me a picture of where we're at in terms of our overall bonding picture?

SECRETARY BENJAMIN BARNES: We are well below the bond cap, although the bond cap moves around based on economic conditions. So as we come out of attempts to -- as you emerge from a recession, the bond cap tends to be less of a -- to be less onerous. But we are well beneath the bond cap this year.

I would suggest that -- we have built into our -- if you look in the budget book that was presented by the Governor, schedule 8 or whatever it's called, which is the longterm prognosis of the special transportation fund. I'll start with that. That includes all the bonding that we've proposed and that fund

is -- shows a small operating deficit out in the fifth year, but that's -- but very small relative to the overall fund.

I believe that the special transportation fund can accommodate a relatedly aggressive level of transportation infrastructure expenditure over the coming years including, for instance, that accommodates all of the spending, some of which has not actually occurred, although it's all been authorized for the rolling stock and for the rail yard and other rail improvements as well as a couple of major bridge projects under -- that are underway on the shoreline. In particular the Moses Wheeler Bridge and the Q-Bridge. So there's some big projects underway drawing cash down. Those are all well accommodated as well as expected continued level of investment going out into the future.

In the general obligation side we certainly do face some constraints. The Governor has indicated that he very much would like to keep us within the annual bond allocation limit of \$1.4 billion. That's in line with where we've been over the last -- I mean, it's been a little over and a little under, but 1.4 billion has been the level that we've been at in recent years on a calendar year basis.

We were just under that in 2011 and we aim to be under that in 2012. Although there's no question that the increased funding for the bioscience initiative as well as other, you know, the whole panoply of needs across the state makes that a challenge. But we certainly are intending to do that and will work very hard to ensure that only those projects that are ready to go and are most valuable make the cut.

One of the big issues is the school construction program, which in the past has been I believe well over half a billion dollars alone. Hundreds of millions of

dollars in school construction where that -- the amount of school construction activities fell off very significantly during the recession. There are a couple of factors there.

One is the reluctance of local officials to come up with the match and to advance the projects. In addition, we've had a very aggressive school construction program for a number of years, so there are fewer schools to rebuild. Some districts have successfully rebuilt most of the most critical schools.

Where that number will rebound to as the economy improves is uncertain, but we certainly are counting on it bouncing, if not all the way back to its prerecession levels, at least back to three quarters or 90 percent of those levels. Depending on how that plays out we will have more or less constraint overall in order to stay within our \$1.4 billion self-imposed limit.

REP. MOUKAWSHER: Okay. Thank you.

REP. WIDLITZ: I'm sorry. Senator Roraback followed by Representative Williams.

SENATOR RORABACK: Thank you, Madam Chair.

Good morning. I just have a couple quick questions. The bonding bill has \$5 million to assist nursing homes with conversion to other purposes. And I was wondering if Secretary Barnes could give us a little bit more detail on what is envisioned.

SECRETARY BENJAMIN BARNES: It's ten, I believe.

SENATOR RORABACK: I'm sorry. It is ten. My mistake. It is ten.

SECRETARY BENJAMIN BARNES: We have, as you know, an ongoing effort in, we call it, rebalancing, which is to say that we are going to -- we are

working on a number of fronts to encourage care in the community rather than in institutions for people in nursing homes and related facilities. So we believe it's more cost-effective and more humane to treat them in the -- to treat people in their communities and their homes or in a less restrictive environment.

One of the consequences of this is in order to save money through that you have to actually reduce the number of people in nursing homes, which will ultimately lead to contraction of that industry to some degree, but certainly a noticeable degree.

One of the things that we're concerned about is that, you know, nursing homes are valuable employers, are valuable members, you know, participants in community/economic life. And we want to make sure that they are given an opportunity as part of this rebalancing effort to refocus their business in areas that we believe are sustainable in the long run.

For instance, rehabilitative care is one area that nursing homes have been, you know, adding the ability to serve clients on an out-patient bases, coordination of community care, so utilizing their professional staff to assign and supervise employees working in the field providing care in people's homes, changing their business model to assisted living or other less medically intensive housing models. Working on developing congregate care is another area.

So there are a number of related, but different business models that we would -- that we want to encourage some nursing homes to consider converting to for the interests of the State's ongoing operating costs and the welfare of our residents. And these funds would be available on a competitive basis for those facilities to make those conversions.

SENATOR RORABACK: And if I can follow up, Madam Chair?

So the notion is that privately owned nursing homes would apply for capital dollars from the State of Connecticut to assist them in converting their facilities from the current use nursing homes to other uses. Is that the general concept?

SECRETARY BENJAMIN BARNES: Yes.

SENATOR RORABACK: And do you anticipate a reduction in the number of licensed beds in the state over time in connection with this conversion process?

SECRETARY BENJAMIN BARNES: Yes.

SENATOR RORABACK: And do you know by any order of magnitude what that --

SECRETARY BENJAMIN BARNES: We have set as a goal using the -- last year under the Money Follows the Person Program and this effort, that we would convert (inaudible).

I'm sorry. My social service person is not here. So I can't really --

It is more than a thousand -- a reduction of more than a thousand. And I'll get you the specific numbers that we had intended to reduce nursing home -- at least the number of Medicaid clients that the State is supporting in nursing homes.

Obviously Medicaid makes up about half of nursing home populations. So a significant retrenchment in the number of Medicaid clients seeing care in nursing homes will have a discernible impact on the industry.

SENATOR RORABACK: And there's been discussion about an aging population housed by the Department of Corrections and the potential

desirability of moving some of the sick and aging inmates into settings which are not minimum-security or maximum-security facilities.

Is it contemplated that any of these dollars would allow nursing homes to convert to essentially prisons for old prisoners who are sick?

SECRETARY BENJAMIN BARNES: No. We had not, and that was not the intention here. I don't believe that that's a capital intensive activity. I think that that's a staffing issue more than a, you know, I don't they're going to --

SENATOR RORABACK: I'm not endorsing the idea. I just know it's been discussed in the hallways and --

SECRETARY BENJAMIN BARNES: This was not intended for that. They are, I suppose related. They're both about nursing homes, but they are -- this is an unrelated initiative.

SENATOR RORABACK: Thank you.

And the last question I have is the oversight of large capital projects seems to contemplate that when we're going to spend more than \$15 million for a particular project, that the Legislature would get into the act in a deeper way than we do today, notwithstanding our representation on the bond commission, that somehow this committee and whatever committee might have cognizance over the project would sink their teeth into the proposal.

HB5423

Do you know where this proposal came from? Who's asking for this?

SECRETARY BENJAMIN BARNES: I don't.

SENATOR RORABACK: Okay. That makes two of us. I'll let you know if I find out as well.

27

March 12, 2012

rgd/gbr FINANCE, REVENUE AND BONDING 10:30 A.M.  
COMMITTEE

our regions and towns as they seek to join together on regional projects to increase efficiencies and improve their local services.

So would you care to comment on that? Is that a fair statement?

SECRETARY BENJAMIN BARNES: Yes, that is. I have not. I assume that this bill if passed would increase revenue. And I guess there have been some estimates by industry. We have not had an opportunity at OPM to independently estimate the potential revenue from this.

But assuming it's several million dollars, that would in significant part go toward the regional performance incentive grant and that, I believe, would be a good thing. We were very pleased with that and I think that that would be a source of funds for local governments to undertake some efforts that they might otherwise not be able to afford.

REP. E. WRIGHT: Thank you very much. Thank you.

Thank you, Madam Chair.

REP. WIDLITZ: Thank you.

Representative Aman's questions have been answered. So we'll go onto senator Stillman followed by Representative Piscopo.

SENATOR STILLMAN: Thank you, Madam Chair.

Good morning.

SECRETARY BENJAMIN BARNES: Good morning.

SENATOR STILLMAN: How are you, Secretary Barnes?  
It's nice to see you as usual.

The section in the bill on education funding --

SECRETARY BENJAMIN BARNES: Uh-huh.

SB25

SENATOR STILLMAN: And I have this fancy new little thing here and now I've lost the bill.

Anyway, I -- this is above and beyond the bill that's in the Education Committee for school construction, I believe.

SECRETARY BENJAMIN BARNES: That's correct. These are above and beyond the general school construction program.

SENATOR STILLMAN: Okay. Also I noted -- I noticed in there that there's -- sorry. I'm trying to find the bill again -- that's it's specific to one of the -- I think it's Section 9 of the bill, of your bill, not the education bill.

SECRETARY BENJAMIN BARNES: Yeah.

SENATOR STILLMAN: Excuse me. It's section -- within section -- yeah. It's Section 9. Actually it starts on line 139 of the bill. And starting on line 139 is the new interdistrict magnet school programs.

SECRETARY BENJAMIN BARNES: Uh-huh.

SENATOR STILLMAN: Is this for one specific project? Or is this -- there's a little over \$9 million set aside or is it for a variety of alterations?

SECRETARY BENJAMIN BARNES: This is about seven or eight projects in -- that are in startup, in the startup phase here. It's not one single one. It's a number projects and we could -- I can get a list of those for you.

SENATOR STILLMAN: Thank you. I'd appreciate that. I'm sure the committee would as well.

And also just scrolling down, in the grants in aid for alterations and repairs, et cetera, there's \$25 million to be made available for high-quality school models. Do you have any

information you could share with us as to what that means?

And are we also -- because there's also 25 million in the next section for local and regional school districts for alterations for technology and equipment for low-performing schools. So it looks like you're obviously honing in on the low-performing schools in trying to create a high school -- a high-quality school model, but that's \$50 million in total.

Could you expand somewhat on that?

SECRETARY BENJAMIN BARNES: Yes. I mean, this is -- I think the two of them are intended to provide for projects that are directly supportive of our school reform efforts. Obviously the school construction program is intended to meet the needs of schools that are in need of replacement because of age and condition, what have you. And we're not proposing any change to that.

But we believe there may be smaller capital improvements, changes in how buildings need to be organized and laid out, additional facilities that are necessary in order to make progress in meeting the objectives overall in the state in terms of closing the achievement gap and raising performance.

We segregated into these two categories to reflect our view that there are two ways in which we can do that. One of which is to provide funding for those high-performing school models that we think are -- deserve replication or expansion. So a program that is having success in a district and requires additional funding in order to be implemented in other schools or what have you, that that would be an example.

Obviously some of the choice schools might fall into that and that would be -- they would

be eligible for those funding, whether it's a magnet school or a charter program that wanted to expand a demonstrably high-performing model. That's that.

The other area is for low-performing districts that we believe need money to target improvements. I mean, I know from my experience in urban school districts that there are a number of low-performing schools that, in addition to whatever other challenges they face, have some difficult to finance critical facilities issues, you know, that there's a, you know, a problem that they can't use half the gym because the floor is starting to peel up. And they can't raise the hundreds of thousands of dollars in their local budget that's required to make that, to add a new floor.

Or whatever the issue is, that there may be smaller issues that can -- that are standing in the way of progress at low-performing schools. So we thought that it was appropriate to split the capital funding that we were committing to this program between those two, those two areas so that we weren't just rewarding the -- obviously this is an issue that's come up in education many times.

Do you reward failure by providing additional resources to the schools that are failing? Or are you in fact just giving them the resources they need to succeed? We try to address that by doing both.

SENATOR STILLMAN: So these would be -- could be projects that for some reason didn't make it through to the department maybe due to timing or some new problem within a school where it might need some repair?

Because when the Education Committee reviews the school construction bill, first the subcommittee and then the committee in its whole, much -- there are many items on there

that are reimbursable because they fall under statute for repair. So this is outside of that.

SECRETARY BENJAMIN BARNES: Yes, and I think that we envisioned that this would largely be projects that were either not reimbursable under the school construction program or would only be partially reimbursable. And because of the time that the cycle for doing that would be impractical to use that process for.

But obviously \$25 million doesn't get you much in terms of school construction. I mean, that that's a small school for \$25 million or maybe, you know, three or four moderate renovation projects at small schools. So that it's not a -- we're not -- if there was a project that was being anticipated by a district that would fall under the purview of the school construction program I believe we would direct them to that. That has longer lead times, although the larger projects have larger project development time schedules as well.

This is for things where, you know, reconfiguring a couple of classrooms into a new use for several hundred thousand dollars, or several million dollars on a slightly broader scale would facilitate new programming that is supportive of our school reform efforts.

Maybe some emergency, or at least short-time schedule things that might otherwise fall under a renovation project, but if they can take care of it quickly then they could refocus on their school reform efforts, like you know, a boiler upgrade or something there. Energy efficiency or something like that, but smaller projects. Obviously it's not enough money to really supplant the school construction program.

SENATOR STILLMAN: Because it does say, including

acquisition costs. Could that be a neighboring property to a school?

SECRETARY BENJAMIN BARNES: That could be. Yes. They could expand. You're right. They could buy, expand their playground or athletic fields. I think if they're going to be building something, they might -- we would probably direct them back to the school construction program since we can't support a lot of construction with this budget.

SENATOR STILLMAN: Thank you.

Also there's \$5 million in here also for school readiness programs, facilities that house licensed school readiness programs and state-funded daycare centers that are operated by municipalities and organizations. And it's \$5 million that's set aside. And I'm certainly well aware that we're all -- many of us who are working on education issues are focused on early childhood, quality early childhood education, so I'm assuming this is sort of feeding into that.

But would you be -- since it's a grant in aid to municipalities as part of this, are you anticipating a match from those municipalities if they have a project? Or is this a straight grant from the State to a municipality for, let's say, upgrading a classroom to accommodate a regional early childhood education program?

SECRETARY BENJAMIN BARNES: Well, \$5 million doesn't get you very far, so we are mindful of that. As I said to Senator LeBeau earlier, we see this as a down payment on a program that we hope will be more significant.

I would not at all be surprised if one of the things we're able to do with this is to develop a pipeline of projects that would be able to be financed with an ongoing mechanism, possibly using CHFA, which has financed school

readiness programs in the past. So we may use this for that, in which case there would actually be debt financing with them as well.

So given the scale of this I fully expect that there will be match and debt financing and other mechanisms involved. I don't believe that we can afford or it's appropriate for us to use the school construction model that we have for school readiness facilities, but we certainly need to find a way to encourage that development in areas where there's a short supply or where the facility limitations are creating an obstacle to broader access to daycare.

SENATOR STILLMAN: So this 5 million is to support the 500 slots that the Governor has said? Or is this separate from that?

SECRETARY BENJAMIN BARNES: It may. We believe that the 500 slots can largely be supported within the existing infrastructure. Although there may be some facilities that say, look, if you can just give me \$50,000 to fix up those rooms in the back I can add more classrooms and we certainly -- that would be allowable here.

We see this as a down payment on another generation of capacity that we will fund slots for in the coming years.

SENATOR STILLMAN: Okay. So I just want -- so that's what this money can go for to actually -- for the investment in a capital improvement to provide those slots.

SECRETARY BENJAMIN BARNES: Correct.

SENATOR STILLMAN: Okay. Certainly if there's something that can be -- if we could expand them, I mean, I'd like to double that, quite frankly. I wish we could afford to provide the 10,000 we need.

SECRETARY BENJAMIN BARNES: I don't think that would trigger a veto of the bill by the Governor.

SENATOR STILLMAN: I'm sure not, but we'd have to obviously find the resources. But --

SECRETARY BENJAMIN BARNES: I understand.

SENATOR STILLMAN: And that is the problem.

Certainly 500 is a start and we appreciate that. And knowing that there is this fund available fully will create some opportunity for not just, you know, the priority school districts, which is where we're focusing, I believe, or the Governor would like to focus in the beginning. But there are other areas within the state that could also use some help to provide that access because it's really about access for that quality education.

SECRETARY BENJAMIN BARNES: I certainly agree.

SENATOR STILLMAN: Yeah. Thank you. And one last comment if I may? I just want to thank the Governor and your being here to support the monies for the fire training school.

Been a very long time proponent from the -- even before my years as the Senate chair of the Public Safety Committee, but I'm delighted to see some movement there. It's long overdue and I want to thank the Governor for putting this proposal in front of us and, you know, moving forward the fact that, you know, this is the year of education. Those facilities are used to educate our firefighters.

I know it's not the same education policy that the Governor is speaking of at the moment, but for people who are not familiar with the project, it is to ensure that our firefighters are as well educated as they can be when they get out there and save lives and save property and protect themselves at the same time.

So I thank the Governor for including that in this bill.

Thank you, sir.

SECRETARY BENJAMIN BARNES: Thank you.

REP. WIDLITZ: Representative Piscopo followed by Representative Davis.

REP. PISCOPO: Thank you, Madam Chair.

Good morning Mr. Secretary.

SECRETARY BENJAMIN BARNES: Good morning.

REP. PISCOPO: I just have a question on the bond package you have in front of us, Senate Bill 25. I'm just -- I'm reading through it and Section 12 seems to define and it's in quotes, state monies.

Are you redefining use of other funds for the purposes of bonding? Or can you -- could I get your take on Section 12 and how it applies to the bond package?

SECRETARY BENJAMIN BARNES: Section 12 is we believe the standard language. That's in -- parallel language is in all bond acts just as part of the normal authorization process. I don't believe that we've done anything there that is atypical.

REP. PISCOPO: Thank you, Mr. Secretary.

Thank you, Madam Chair.

REP. WIDLITZ: Representative Davis.

REP. DAVIS: Thank you, Madam Chair.

And thank you for coming here today Mr. Secretary. I had just a quick the quick questions about 5423. And we were discussing

SECRETARY BENJAMIN BARNES: Well, I certainly understand the motivation for it so I'm not going to say completely unnecessary. I think your review is paramount. I just would argue that it should happen at an earlier stage in the process.

I'm not certain if you exempt all the things that this bill would potentially require, then it requires nothing and then what's the point? I'm not sure I understand what -- if there's a particular type, I mean, if you only require the review of the wasteful and wrongheaded projects, I suppose you could do that, but it's in the eye of the beholder.

So it's really, it's difficult to exempt things from it and still have it have meaning from your perspective if you support the bill.

REP. DAVIS: No. I agree and I was just wondering what your perspective would be if there are areas that could be exempted perhaps so that they do move forward or that review already does take place, but if there's projects in between that this would cover and make sure that we do take a second look, but --

SECRETARY BENJAMIN BARNES: I'm sure the board of regents or the vo-tech system and their proponents would be happy to argue for exempting their projects from the bill.

REP. DAVIS: I'm sure. I'm sure pretty much every proponent of all the projects would be.

Turning our attention to 25, the act authorizing and adjusting the bonds. I just had a couple questions. And I seen here for the micro-grid system that we're potentially looking to pilot, pilot programs for the micro-grid. And it says critical municipal infrastructure.

I was just wondering if you could expand upon these critical municipal infrastructures and

perhaps taking a look at, you know, are they just municipal facilities? Or would this include perhaps hospitals that are privately owned or by nonprofits? Or somewhere along those lines?

I believe it's --

SECRETARY BENJAMIN BARNES: Which section is that in? I want to make sure I --

REP. DAVIS: It's in subsection 3 of Section 9.

SECRETARY BENJAMIN BARNES: Okay.

REP. DAVIS: 9B, subsection 3.

SECRETARY BENJAMIN BARNES: Okay. The -- yeah. That -- yeah. The -- I mean, obviously municipal infrastructure should -- we certainly think that it should, I mean, the amount of funds there are not so great as to allow for broad -- I mean, it's a pilot program. It's clearly not a broad-based effort.

Obviously I don't think that we would preclude inclusion of privately owned facilities in this. In many cases municipal infrastructure is, you know, located close by and is available. Hospitals actually are relatively, in many cases, have cogeneration facilities on premises. This I think is intended to look at, you know, the local emergency operations centers, local emergency responders' ability to continue to develop/maintain shelters for instance at municipal facilities.

I don't think that we are intending to exclude, you know, including private facilities that are nearby, but this is really in order to begin to tackle some of the logistics, the practical implications of microgrids. There are -- I believe there's separate legislation that deals with some of the regulatory constraints on microgrids, which are considerable.

I think that what we learn from this pilot will enable us to more successfully roll out a microgrid program if it still seems advisable based on what we learn here. I mean, this is a true pilot in that respect.

REP. DAVIS: Sure. Yeah. And that, yeah. That's what I was getting to because it seems like \$5 million perhaps would be a low amount of money to be able to really get microgrids off the ground in many of these municipalities.

So my follow-up question, perhaps you've already led into it is, what exactly would we be doing with these funds? And it's more of the investigational logistics side, the regulatory side and being able to see what we can do and, perhaps targeting certain municipal infrastructures as well. I mean, that's what we're looking to do with this \$5 million? Or --

SECRETARY BENJAMIN BARNES: We'll do that by implementing. We'll take applications and we will do a few of them. These are projects that have some internal ability to support themselves in some cases.

Hopefully coming out of this we will be able to develop a financial and regulatory model based on a couple of different approaches that are brought forward by municipalities that wish to -- or other entities that wish to participate. And we will make -- be able to draw some complexions about what the best way to structure technically and legally any such effort is.

REP. DAVIS: Great. And I, just kind of more generally across the bill, last -- what was it? The special session, we improved these public-private partnerships for some infrastructure upgrades. I was just wondering if there's any anticipation of how many of these projects that we are bonding for in this

bill, or authorizing the bonding for in this bill do you anticipate to be part of a public-private partnership?

SECRETARY BENJAMIN BARNES: That's an interesting question. Because of the constraints on the public-private -- the way that the bill for public-private partnership was written, there's a limitation on the amount of state support that can be involved.

So something, for instance like fire training schools, which one might think, well, a private company could come in and do that and operate them. That would not be eligible under this program. They don't produce a lot of revenue and would not be appropriate for a public-private partnership under our law.

However there is certainly a potential for public-private partnership in the area of school readiness facilities. That is an area that's been identified.

REP. DAVIS: The nursing home operations (inaudible).

SECRETARY BENJAMIN BARNES: The nursing home, the nursing home area. There might be something there.

If I think of anything else I'll be happy to get back to you. I haven't really -- I haven't looked at this capital authorization through that lens. I think most of the items that we were considering as potential early candidates for public-private partnerships are in areas that have already been authorized using existing authorizations.

I don't believe that there's much in this new authorization that was intended to satisfy that, that demand.

REP. DAVIS: Sure. And I just -- and going back to perhaps an earlier question, you may have

answered it with Senator LeBeau with the section about meeting our needs for Sheff versus O'Neill.

I was just wondering -- and we're talking about capital start-up projects -- do we have any idea of how many new magnet schools we are needing to create at this point? Or is it just a situation where we're looking to spend this money and have it be ready for whatever they come back with and say that we need to generate?

SECRETARY BENJAMIN BARNES: These are existing startups and they --

REP. DAVIS: Oh, ones that have already begun?

SECRETARY BENJAMIN BARNES: Well, it's not that the -- the construction projects are in various stages. A lot of the Sheff magnets begin in lease space, they begin adding grades and equipping their facilities and in some cases, moving to larger facilities while they go through the relatively time-consuming process of identifying a permanent site and building a new school.

So these are funds for that transition. So they're using this, these capital funds for their startup costs for equipping new classrooms as they add grades, that sort of thing.

REP. DAVIS: And when targeting the low-performing schools that Senator Stillman was talking about, what kind of criteria are we using to target them? Are we looking for perhaps some of the ones that we're using to increase ECS funds in the education reform bill and kind of matching it up with those? Or what other kind of criteria are we using to target these low-performing schools? And --

SECRETARY BENJAMIN BARNES: I believe we would use, likely -- there are two categories of

low-performing schools in the education bill. One is for these conditional funding districts which are the 30 lowest performing districts and then there are the commissioner's network of schools. Probably those are, I believe, entirely within the 30 districts.

I think that that would be one lens that the commissioner of education could use. Although there may be low-performing schools that are outside of those 30 districts that would certainly be eligible for this we have a limited eligibility to those. But I would expect that those districts would certainly -- as home to most of the low-performing schools, would receive the lion's share of the many.

REP. DAVIS: So this grants and aid, is this a program that's already in existence and we're just adding additional money available to it? Or is this creating a new program for these low-performing schools to tap into?

SECRETARY BENJAMIN BARNES: No. Although a number of years ago there was a program called the school improvement grant which was -- I think that's what it was called. There was a similar nonschool construction capital program for schools to make improvements that were -- didn't rise to the level of the school construction program.

So the department does have a history of administering similar grants although the application and criteria have not been established. They would be established by the State Board of Education.

REP. DAVIS: All right. Well, thank you Mr. Secretary. You've been quite helpful.

And thank you, Madam Chairman.

REP. WIDLITZ: Thank you.

Chairman Daily.

SENATOR DAILY: Thank you again, Mr. Barnes.

I too was somewhat surprised at lines 139 through 161 in Senate Bill Number 25. But if your answers are good enough for Senator Stillman, they're good enough for me.

I'd like to return to two things. The hotel room tax.

HB5420

SECRETARY BENJAMIN BARNES: Uh-huh.

SENATOR DAILY: Is there anything in our statute that exempts that which is not being paid to us now?

SECRETARY BENJAMIN BARNES: As I understand it, the issue has to do with how we -- that the sales price under our existing statute refers to the amount for which tangible personal property is sold by a retailer or the total amount of rent for which occupancy of a room is transferred by an operator.

So essentially it defines the seller. I mean, obviously a retailer is the person who sells to the customer.

SENATOR DAILY: Uh-huh.

SECRETARY BENJAMIN BARNES: But an operator of a hotel, at least at the time the original statute was written was assumed to be the ultimate entity that would transfer the room to the consumer, did not envision this additional middleman in the process.

So I believe it's because the way the statute defines the price is that which is sold -- that which is paid to the operator of the hotel even though it is our position, or at least it appears that a number of hotel rooms are being sold to consumers by entities other than the operator of the hotel.

45

March 12, 2012

rgd/gbr FINANCE, REVENUE AND BONDING 10:30 A.M.  
COMMITTEE

SENATOR DAILY: Thank you. I suppose it's easy to claim anything any of us want anything.

SECRETARY BENJAMIN BARNES: Sometimes too easy.

SENATOR DAILY: Could we go back to the underground storage tank language?

SB 25

SECRETARY BENJAMIN BARNES: Yes.

SENATOR DAILY: 5 million in bonding is what the administration proposes.

SECRETARY BENJAMIN BARNES: Yes.

SENATOR DAILY: What is our liability in that area right now, both what's been approved and what would be in hopper?

SECRETARY BENJAMIN BARNES: I'm speaking in round numbers, but we have about 15 million in approved and close to a hundred million in applied. 80 Million?

A VOICE: (Inaudible.)

SECRETARY BENJAMIN BARNES: 80 million that's been applied for.

SENATOR DAILY: So how does 5 million help those businesses that are approved that have already spent the money and the others that are in the hopper and have already spent the money if we only have \$5 million with which to pay our debt?

And I know I'm assuming that everybody in the 80 million would be approved. Maybe they won't, but we'll still use that number.

SECRETARY BENJAMIN BARNES: Well, clearly it's only the beginning of a process of paying. I mean, we are not required to pay these out all at once. And I would argue that that doesn't make sense for us to do.

The idea is that we believe that \$5 million will allow us to make a meaningful dent in the small businesses, municipalities and other innocent victims of this. And then begin a process of paying them out in priority order and paying them out, presumably at some discount based on how quickly they seek to be paid out.

So this will allow us to prioritize the claims and to try to minimize the state's liability overall. But there's no question the \$5 million is a beginning step in what will undoubtedly be several times to that before we've satisfied all of those, those claims and closed out the program.

SENATOR DAILY: Close to 20 times that.

SECRETARY BENJAMIN BARNES: Well, I'm hoping it will be less than 20, but --

SENATOR DAILY: I know. I understand. I heard you. I just find it troubling.

REP. WIDLITZ: Are there any further questions?

Representative Villano.

REP. VILLANO: Thank you, Madam Chair.

Ben, A single follow-up question with regard to Sheff versus O'Neill, the 9 billion -- \$9 million allocating in Senate Bill 25 for improvements.

My question is, can you tell this committee how close we are, or conversely, how distant we are from fully complying with the Sheff versus O'Neill agreement reached in 2008. How many more years do we have to bond for?

SECRETARY BENJAMIN BARNES: That remains to be seen. Unfortunately its compliance is not entirely quantifiable in every respect. So

ultimately there we believe that we have a good shot at bringing ourselves into compliance and removing ourselves from court supervision in the next few years, but it's unclear exactly when that will happen.

A great deal of it depends on the behavior of parents and their response to the various initiatives that we have. We certainly have intended in this budget to fund those programs that we believe are instrumental to our compliance at the level that they need to be funded at. And we are working to try to achieve compliance to that.

I'm happy to try to get a more detailed report from somebody who's very familiar with the ongoing monitoring of the settlement, but my understanding is that we have, I believe, two year -- two or three years more of targets that we have agreed upon with the plaintiffs that we will try to achieve. Those targets are ambitious, but we believe that we have a good shot -- we have a shot at making them and we are endeavoring to do everything that we know to do to get to those. I can get a more detailed report and pass it along to the committee if you'd like.

REP. VILLANO: The parents might have something to say about how far we --

SECRETARY BENJAMIN BARNES: So much of this is based on the election of schools by parents. I mean, this is all being done in a manner that is based on the choice being exercised by parents. So the ability of magnet schools in Hartford to attract suburban students is in large part -- not entirely, but one of the factors is the decisions being made by those, the parents of those suburban children.

Similarly the ability of Hartford parents, or our success at getting Hartford -- parents of minority students in Hartford to seek education outside or in integrated

environments is, you know, subject to a whole host of decisions by those parents.

REP. VILLANO: Thank you, Ben.

SECRETARY BENJAMIN BARNES: You're welcome.

REP. WIDLITZ: Any further questions?

Thank you, Mr. Secretary.

SECRETARY BENJAMIN BARNES: Thank you.

REP. WIDLITZ: Also just a reminder, would you get us a list of the bridges that are included for the -- in the bond issue?

SECRETARY BENJAMIN BARNES: Yes, I certainly will.

REP. WIDLITZ: Thank you very much.

SECRETARY BENJAMIN BARNES: Thank you.

REP. WIDLITZ: Next we have Commissioner Kevin Sullivan who has some very interesting legislation proposed for today.

COMMISSIONER KEVIN SULLIVAN: Good morning, Representative Widlitz, Representative Williams, other members of the committee. Thank you for raising a number of our bills for the hearing today. I will be as quick as I can because I know that you have public folks who want to testify here this morning.

Senate Bill 357 actually makes a number of changes that we need. The first Section 1 grows out of work we have done with the OPM office of labor relations. It addresses a very real situation in which Connecticut General Statutes 1215 acts as a bar to either the State or a state employee being able in a disciplinary proceeding, a personnel proceeding to produce the actual evidence of the tax records that may have been an issue if there had been misconduct by that employee.

HB 5421  
HB 5425  
HB 5420  
SB 354  
SB 356  
HB 5426

be forced into the position of defending  
itself.

Are you aware of that type of suit either in  
your town or in any other town?

JOAN PASKEWICH: I thought I heard of something in  
Waterbury, but I think the circumstances are a  
little bit different. I have not been faced  
with that.

I don't know how -- because you have an  
effective date of reevaluation, how you could  
establish what that difference would have been  
if you had conducted it three years ago. I  
think maybe you would have had to either have  
completed a reval and not implemented it in  
order for you to know that you were overpaying  
or underpaying or whatever and we haven't  
reached that place yet.

REP. AMAN: Okay. Thank you again for coming  
forward.

REP. WIDLITZ: Thank you very much for your  
testimony. Best of luck to you.

JOAN PASKEWICH: Thank you.

REP. WIDLITZ: The next person signed up is Senator  
Martin Looney. He's not here.

We will move onto Anthony Dignoti followed by  
Tim Phelan and Howard Rifkin.

SENATOR DAILY: I think we should note, though,  
that we do have Senator Looney's written  
testimony available for each member to read.

ANTHONY DIGNOTI: Good afternoon, Senator Daily,  
Representative Widlitz, committee members. My  
name is Anthony Dignoti. I am the president  
of the Connecticut Fire Department  
Instructors' Association. I'm here today to  
speak on Senate Bill 25.

The Connecticut Fire Department Instructors' Association, which represents 240 certified fire service instructors and training officers in our state, strongly supports Senate Bill 25, Section 2B2 which will provide the funding to construct, improve, repair, renovate and acquire land for the regional fire schools.

Our members train firefighters at the Connecticut Fire Academy, nine regional fire schools and at local fire departments. The regional fire school's facilities host critical fire service training on firefighter 1 and 2, a live fire training, hazardous materials, technical rescue and a variety of other fire service skills and topics.

During the past year local fire departments are the first responders to deal with a variety of emergency situations and hazardous conditions due to the major weather events that hit our state. Fire departments respond to building collapses, power line emergencies, carbon monoxide incidents, flooding and fires. Now more than ever we need to provide training for our firefighters that deal with all types of emergencies.

The regional fire schools are critical to hundreds of local fire departments that do not have the facilities to properly and safely provide training to their firefighters. The recent completion of the New Haven and soon-to-be completed Hartford County regional fire schools are prime examples of facilities that will meet the needs of the fire service in this state, today and well into the future.

Every day firefighters across the state provide excellent public safety services to the citizens of this state. They deserve high-quality training facilities equipped to that provide training. The plan to improve all of our state regional fire schools began many, many years ago and needs to continue.

The proposed funding will assure that all of our regional fire schools will be capable of providing state-of-the-art training at facilities that are safe for all our firefighters.

On behalf of our association I would like to thank you for your consideration and anticipated support on this bill.

REP. WIDLITZ: Thank you very much for your testimony. We are very excited to have that included in this bill as well and it's well deserved.

Are there any questions?

Thank you very much for your testimony and for being here today.

ANTHONY DIGNOTI: Thank you.

REP. WIDLITZ: Next is Tim Phelan followed by Howard Rifkin and Betsy Crum.

TIM PHELAN: Good afternoon, Representative Widlitz and Senator Daily, Representative Williams, other members of the Finance Committee. It's good to see everybody today.

I'm Tim Phelan, President of the Connecticut Retail Merchants Association. The Connecticut Retail Merchants Association is a statewide trade association representing retailers large and small throughout the state of Connecticut. I'm today to talk very, very briefly, as I know your schedule is busy, on Senate Bill 354.

This bill acts -- adds a new requirement to any retailer that sells prepaid calling cards or phones that have prepaid minutes by requiring that retailers collect and remit to the state-mandated e-911 fee to the State Department of Revenue Services. And while this is not something that the retail industry

107

March 12, 2012

rgd/gbr FINANCE, REVENUE AND BONDING 10:30 A.M.  
COMMITTEE

allowance or in the exemption for the smaller phones.

Thank you.

REP. WIDLITZ: Thank you for your testimony and we'll be happy to work on that with you.

Are there questions from committee members?  
No.

Thank you very much, Tim.

TIM PHELAN: Okay. Thank you.

REP. WIDLITZ: Howard Rifkin followed by Betsy Crum and Ron Cretaro. He's not here. Okay.

Betsy Crum followed by Ron Cretaro.

BETSY CRUM: Good afternoon. My name is Betsy Crum and I'm the executive director of the Connecticut Housing Coalition. And thank you for let me testify today.

We represent, the coalition represents a broad network of community-based affordable housing activity all over the state. We have more than 250 member organizations that include nonprofit developers, human service agencies, resident associations and other housing practitioners.

And I want to point out that we also have an affiliate organization called the Public Housing Resident Network. James White who was to testify earlier could not make it today, but I just want the folks who are here from the Public Housing Resident Network to just raise their hands so that you know that they took time out from their day today to come and support Senate Bill 25, which is AN ACT AUTHORIZING AND ADJUSTING BONDS FOR THE STATE FOR CAPITAL IMPROVEMENTS.

Our coalition strongly, very strongly supports

this as it will provide significant new resources for housing and other essential investments in Connecticut's future. Specifically we support \$30 million as a first installment on the proposed ten-year \$300 investment to preserve and revitalize our existing public and assisted-housing stock.

It will significantly safeguard our historic commitment to affordable housing and represents a reinvestment in over 58 years of state housing, state housing investment that would cost well over \$3 billion if it had to be replaced. So it's a very smart investment.

We support the \$20 million for new affordable housing development which would add to the \$50 million authorized last year and \$12.5 million to restart the elderly congregant housing program which is a program that provides services and affordable housing on site for frail/elderly to allow them to age in place.

There's many, many good reasons to support these investments and we hear every day at the coalition from people who need housing, families, senior citizens, people with disabilities. Housing is critical and plays a huge role in sustaining a healthy state and I just want to highlight a few facts for your attention.

On average in Connecticut a full-time worker needs to earn \$23.58 an hour just to afford a modest two-bedroom apartment. And more than half of the jobs in the state currently pay less than that on an hourly basis. An estimated two thirds, 66 percent of all renters in Connecticut are unable to afford the typical apartment's rent. So that's two out of every three. Housing is now the number one subject of all calls to Help Line 211 and over the next ten years, if this, if the Governor's plan is implemented it will create more than 6700 construction and

industry-related jobs.

I guess I'll just wrap it up by saying that this sustained investment in our stock, it comes at a fantastic time. I think we are starting to see some changes and at the same time there's the need -- in some ways for housing has never been greater.

So thank you for your time and consideration and I urge you to support this bill.

REP. WIDLITZ: Thank you very much for testimony.

And thank you very much to all of those who came up and supported the bill today. I hope you've enjoyed your visit to the capitol and sorry we made you sit around and wait for so long. But we appreciate you're being here.

Are there questions from the committee?

Representative Mushinsky.

REP. MUSHINSKY: Yes. Thank you for coming up. And you didn't mention veterans in your testimony, but would you be okay with adding them as a particular group?

We've identified some need in my area of Connecticut for veterans housing.

BETSY CRUM: Well, certainly in these programs veterans housing is -- has been built. And in fact, I've been at the housing coalition for about a year, but prior to that developed three different affordable housing programs for veterans. One in Bridgeport that had a -- that was a public housing revitalization project that included a set-aside for veterans; one in Newington right now that is just about to break ground as well as another one out in Griswold, out in Jewett city that was a project on the supportive housing initiative.

Veterans are certainly in great need of affordable housing as are, you know, many other. As you can see, well, it's the number one call on 211. So veterans, you know, are an important group that is coming back with great housing need.

REP. MUSHINSKY: Thank you. Thank you very much for your testimony.

BETSY CRUM: Thank you.

REP. WIDLITZ: Okay. Next Ron Cretaro followed by Donna Ralston and Mag Morelli.

RON CRETARO: Representative Widlitz and members of the committee, I'm Ron Cretaro, the Executive Director of the Connecticut Association of Nonprofits. We represent more than 500 not-for-profits across state who are working everyday to improve their communities. We appreciate the committee's raising senate bill 356, AN ACT EXPANDING THE NEIGHBORHOOD ASSISTANCE ACT and fully support expanding the tax credit to limited liability partnerships, limited liability companies, limited net partnerships and S corporations which fall under Chapter 2 and 3 A of the Connecticut General Statutes.

SB25

Those companies that come under that statute are currently unable to participate in the Neighborhood Assistance Act. Traditionally the businesses that have participated in the program are the C corporations and those businesses that are liable for corporation business tax under Connecticut General Statutes 208.

With the Neighborhood Assistance Act they can receive a credit up to 60 percent of their approved contribution to certain nonprofit programs or a hundred percent for certain energy conservation programs, however over time more and more businesses filed as limited liability companies and S corporations

DONNA RALSTON: You're welcome.

REP. WIDLITZ: Mag Morelli followed by Ted Schroll and Karen Schuessler. Schuessler.

Sorry for mangling that.

MAG MORELLI: Thank you, Representative Widlitz, members of the committee. My name is Mag Morelli and I'm the President of Leading Age Connecticut, a membership organization representing over 130 mission-driven and not-for-profit provider organization serving older adults across the continuum of long-term-care, including housing for the elderly, home care and skilled nursing facilities. Leading Age Connecticut was formally called Connecticut Association for Not-for-profit Providers for the Aging or CANPFA.

On behalf of Leading Age Connecticut, I'd like to testify in support of Senate Bill 25 and specifically in support of both the Governor's commitment to housing development, including the expansion of congregate elderly housing, and the proposal to assist in modernizing, restructuring, diversifying and/or downsizing existing nursing homes as part of the State's longterm care right-sizing effort.

There's a growing demand for affordable senior housing units across the state as is demonstrated by the lengthy waiting lists being maintained by our 24 elderly housing site members. The waiting lists are reflective of the success our state's nationally praised model -- providing affordable community-based services to congregate and elderly housing residents, which has allowed older adults to age in place and remain in their affordable housing units.

Unfortunately the shortage of available units

is thwarting efforts to provide other older adults with the same opportunity. Linking affordable senior housing with services is one of the answers to our State's quest to balance the long-term-care system. Connecticut has already developed several models of housing with services by allowing assisted-living services to be delivered within our state congregates and HUD 02 housing sites and the four pilot sites. We have excellent models. We just need to develop more sites to make more units available and Governor Malloy's housing proposals recognize this and we strongly support it.

From the nursing home perspective we are very pleased that the Governor has not abandoned the nursing home as Connecticut creates a right-sizing strategic plan for our long-term-care system.

The nursing home is a very important element of the long-term-care continuum and we strongly support the Governor's initiative to provide the resources needed to assist in modernizing, restructuring, diversifying and/or downsizing existing nursing home buildings. Such resources will enable the nursing home providers to build better models of care that will strengthen the full continuum and meet consumer demand, market needs and the goals of the long-term-care plan.

The proposed investment of state and federal funds to help nursing home providers reevaluate their current business models and if necessary redesign their services, buildings and campuses. Just as importantly, it will allow for the modernization of our nursing homes so that we can provide the necessary every level of care within a design and service model that consumers are demanding.

We also need to build an infrastructure of

nursing home care that makes sense for our changing health care system. Modernization efforts will allow nursing homes to create both the models of care that are desired by consumers and the systems of care that will be required in the new landscape of health care reform.

Greenhouse models, culture change modifications, energy efficiencies, electronic health records, transportation systems and other capital improvements should be allowed within the systems of grants, loans and funding.

Leading Age Connecticut continues to encourage the State to strengthen and invest in the long-term care system and to provide the opportunity and environment for individual providers to transform our system of aging services one solution at a time. The time is now to look towards innovative solutions and create the future of aging services.

Thank you for this opportunity.

REP. WIDLITZ: Thank you for your testimony.

Any questions? Okay. Thank you very much.

MAG MORELLI: Thank you.

REP. WIDLITZ: Ted Schroll followed by Karen Schuessler.

TED SCHROLL: Good afternoon, Representative Widlitz and members of the Finance Revenue and Bonding Committee. My name is Ted Schroll. I'm a legislative representative for the Connecticut State Firefighter's Association. The association represents approximately 26,000 career and volunteer firefighters in Connecticut. We are here to speak in favor of a portion of Senate Bill 25.

SB354

Our association has been actively involved in

a project known as the regional fire training school capital improvement project. This project started with \$200,000 in bond funding to study the State's needs for capital improvements for eight existing regional fire training schools.

The study completed by the Connecticut Department of Public Works, now construction services, in 2001 determined that this was a \$62.2 million project. In the ensuing years the Legislature has appropriated approximately \$26 million to this project. Approximately 12 million has been allocated to provide rehabilitation for the New Haven and regional fire training schools and land acquisitions for the Willimantic and Beacon Falls training schools. As you will note it has been 12 years and only two of the projects have been allocated. This delayed project is because of the slower dispersal of funding.

Governor Malloy has recognized this year that the one way to move this project forward toward a rapid conclusion is to fully fund the rest of the project. Section 2B2 of Senate Bill 25 is the funding vehicle to do that. This section of Senate Bill 25 would provide \$28.2 million and would allow the Department of Construction Services to move forward attempting to do more than one project at a time. In fact, this amount would allow for multiple projects.

We ask that this committee agree with Governor Malloy and approve Section 2B2 as proposed. Without this additional funding this project will virtually stop where it is. The remaining 14 million will only fund two and possibly only one of the remaining six schools. This committee has previously supported this project as was possible to do. We ask that you continue to support during this critical time.

When completed, this project will have a

significant positive impact upon the training of Connecticut's firefighters. This impact will in turn allow these well-trained firefighters to provide first-class services to the citizens of the State of Connecticut.

And I'm open for any questions, please.

REP. WIDLITZ: Thank you.

Representative Johnson.

REP. JOHNSON: Thank you, Madam Chair.

And thank you for your testimony today.

Could you tell me a little bit about the impact of having the -- of having no fire schools in some areas, like in Eastern Connecticut, and some of the problems that our firefighters are faced with trying to obtain training?

TED SCHROLL: Well, especially Eastern Connecticut -- as long as you bring that up -- especially Eastern Connecticut, Eastern Connecticut training school in Willimantic is the only fire school that's on the east of the -- east side of the Connecticut River all the way from the Sound to the Massachusetts State line.

So they prob -- they are handling or training actually more firefighters. They provide more contact hours toward our firefighters than almost any other training schools in the state.

So Eastern Connecticut is a major factor in that case, but the other things besides that, if without some of the other schools being rehab-ed at the same time or rebuilt in the other times, is that a good portion or a major portion of our firefighters that train in these regional schools are volunteers. And most of their training is done evenings. It's

a matter of the firefighter from Willimantic, the closest place he can get training might be New Haven. It could be Stamford. It could be Beacon Falls.

So this means him coming home from work, having to travel that far for his training and move around the state to try to and get those courses taken.

REP. JOHNSON: And just to follow up. In terms of the design, why is it necessary to change the design? And what are the conditions of some of the training school places at this point in time?

TED SCHROLL: Well, a portion of the schools are going to be, as Secretary Barnes mentioned I think in his testimony, a portion of the schools who come with a basic design, in order to save some money on these, is there's going to be some tweaking of some of the buildings or whatever.

In the other fire schools what -- they're going to use a basic design on most all the other schools, again except for Eastern Connecticut. Because of Eastern Connecticut for the amount of firefighters that they are training and because of the size of the state, their project is going to be a little bit bigger than most of the rest of the ones in the state.

REP. JOHNSON: And can you tell us approximately how much our volunteer firefighters save us?

TED SCHROLL: He's a career firefighter. So (inaudible).

Nationally -- and Nationally the only thing I can remember that comes to mind, because we had some things going on in Washington a while back. Nationally I think they save the citizens of the nation approximately \$84 billion a year.

Because we've seen that at least, you know, in my area, that they don't keep people in jobs. Companies make their decisions independent of whatever tax benefits they receive and they received them anyway. They walked away, you know, with all this money. And so I think it's important.

KAREN SCHUESSLER: Yeah. I agree. It's --

REP. MOUKAWSHER: Yeah. I think it's important the public knows who's benefiting and that, you know, there's some responsibility on their part and maybe they would be more responsible if the public was aware.

KAREN SCHUESSLER: Yeah. If there was, yeah.

REP. MOUKAWSHER: I enjoy talking with somebody that agrees with me. Thank you.

REP. WIDLITZ: Thank you very much for your testimony.

Next we have Neil Griffin.

And I see Senator Looney is back, so we'll have you come up next. Thank you.

NEIL GRIFFIN: Thank you. Good afternoon, Representative Widlitz and members of the committee. My name is Neil Griffin. I'm the president of the Connecticut Chapter of NAHRO and the executive director of the Glastonbury Housing Authority.

Speaking on behalf of CONN-NAHRO's executive board of member agencies, I'd like to express our overwhelming support for Section 32 of Senate Bill 25 that provides bonding for housing revitalization development and in congregate development as well.

In addition to the funding approved last year in Senate Bill 1008, the Governor's proposal

to provide funding to preserve and upgrade state-sponsored housing is the first significant investment in housing since -- available to state finance housing portfolio since governor William O'Neill proposed a \$125 million capital budget in 1989. So there's been a substantial deferral of capital improvements amongst the state housing portfolio since then.

I believe the need for funding is adequately evidenced by the recent response to DECD's State Housing Rehabilitation and Preservation, NOFA. On January 13th of this year DECD announced the availability of funding with applications due on March 1st. Within this tight timeframe of 47 days, 46 applications were submitted requesting some 57 million dollars, or 47 dollars million greater than the total of 10 million that was made available under this funding, NOFA.

The membership of CONN-NAHRO would recommend that some of the funding used by this bill be used to perform a standardized capital needs assessment, which would provide the administration and legislation standardized information on the current and future needs of the portfolio and would certainly assist in the estimating of future funding and the management of it.

Briefly I want to talk about the provision about congregate development. In my opinion I think this is, not only an opportunity for the State to expand one of its premier programs for frail/elderly, but to save the State money as well. The congregated program allows seniors to extend in their homes by providing assisted-living services within their congregant unit through two different subsidy programs.

This prevents the residents from having to move to a skilled nursing facility prematurely, saving the State thousands of

dollars per month per resident. And I think as the State is moving forward to try to leverage its skilled nursing beds, it provides an opportunity to save those beds for those that really have the need, as opposed to bringing people in prematurely.

Basically if the state housing proposal has provided adequate capital funding it will help to stabilize the affordable rents to the poorest of our renters. It will get many existing units that are offline back online that have been vacant because of the need for capital funding. And it will certainly work to preserve the desperately needed affordable housing stock. With that CONN-NAHRO strongly supports the preservation of the state housing portfolio and its membership urges passage of Section 32 of Senate Bill 25.

Thank you.

REP. WIDLITZ: Perfect timing. Thank you.

Any questions? Comments?

Representative Butler.

REP. BUTLER: Thank you, Madam chair.

And thank you for your testimony.

As the cochair of housing I'm certainly thrilled about this money that is available as well. I just want to get a feel for how many units that are offline that could be restored. Certainly what it would mean for the maintenance across the state would be huge, but do we have a feel for how many units are offline that could be brought back online?

NEIL GRIFFIN: I don't have that information with me right now. I now see CHFA was looking into trying to put a firm number to that at one point in time, especially after the information was released during the press

conference a couple months ago, a month ago.

I know I can speak personally for the Glastonbury Housing Authority. We've had some units that are in our state elderly that are -- have vacant sometime due to deferred capital needs. It's some 20-plus units right now, so if we had access to that type of funding it would bring 20 of our 140 units in our elderly portfolio back online. Right now they're just in need of some desperate capital repairs and there's -- we have an application in as well seeking funding to help us with this process.

REP. BUTLER: Okay. Well, I can appreciate that. I think that we really need to get ahold of that number because there's certain municipalities such as Waterbury that have over a thousand, approaching 1500 people on a waiting list and we have -- hundreds of units are off line.

So it's essential that we actually get ahold of that number and really prioritize what we're going to do. Bring these units back online to make some housing available, especially since that these, you know, waiting lists are so long across the state, it would certainly help to address that issue.

So thank you for your testimony today. And if you come across that number, I'd very much like you to share it with us.

NEIL GRIFFIN: We'll do.

REP. BUTLER: Thank you, Madam Chair.

REP. WIDLITZ: Thank you.

Thank you very much for your testimony.

NEIL GRIFFIN: Thank you very much.

REP. WIDLITZ: Senator Looney.

JEFF SONESTEIN: Thank you.

SENATOR DAILY: Hilary Teed followed by Chris Tracy and Chuck Moran.

HILARY TEED: Good afternoon. My name is Hilary Teed and I'm a public policy specialist at CCPA the Connecticut Community Providers Association.

We appreciate Governor Malloy's commitment to support the safety net by including a cost-of-living adjustment for private providers and for including bonding for community-based services in his fiscal year 13 budget adjustments.

I'm speaking in support of Section 9E in which the Governor recommends the allocation of bond funds for grants in aid to private nonprofit mental health clinics for children. CCPA represents organizations that provide services and supports for people with disabilities and significant challenges including children and adults with substance abuse disorders, mental illness, developmental and physical disabilities. Community providers deliver quality health and human services to 500,000 Connecticut residents each year. We are the safety net.

The Governor's original biennial budget recommended bonding authorizations for community providers who are funded by DMHAS, DDS, DSS and DCF, but does not include bond funds for psychiatric clinics for children, which are also known as child guidance clinics funded in part by DCF.

S.B. 25, Section 9E adds up to 1 million in funding for these outpatient clinics for fire safety and environmental improvements, including expansion. Much like residential settings, psychiatric clinics must address infrastructure needs if they are to continue to be able to serve children and families in

community-based settings.

With minimal reserves they do not have a ready source of funds to meet their very basic infrastructure needs such as roof repair, gutter repair or replacement, furnace replacement, sidewalk renovation to meet safety standards as well as the many types of maintenance that any business requires. They can't increase their rates nor can they add a surcharge to their pricing. These organizations rely heavily on state support and safety nets providers.

Tropical Storm Irene at the October nor'easter bear out the need for bonding allocations. Just like homeowners and businesses throughout the state, community providers needed to clear their roofs, secure generators to provide services in safe settings and handle emergency situations such as leaking ceilings and flooded basements. This bonding will do much to remedy the health and safety and environmental needs going forward.

Thank you for your consideration in approving a bond package that supports funding for grants and aid for private nonprofit mental health clinics for children. We have also submitted testimony in support of S.B. 356, which would expand the Neighborhood Assistance Act to organizations taxed under the provisions of Chapter 213a, limited liability company.

Thank you for your consideration.

SENATOR DAILY: Thank you very much for testimony.

Are there questions?

Thank you again.

HILARY TEED: Thank you.

SENATOR DAILY: Chris Tracy followed by Chuck Moran

147

March 12, 2012

rgd/gbr FINANCE, REVENUE AND BONDING 10:30 A.M.  
COMMITTEE

and Kathy Branch-Stebbins.

CHRIS TRACY: Good afternoon, Senator Daily.

SENATOR DAILY: Good afternoon.

CHRIS TRACY: Representative Widlitz and the committee, I thank you very much for your time. You will have, I think, the presentation rather than a text that was presented to the legislative office down one level last month, in which we were brought -- we brought each of the training directors forward in order to explain the need for the rehabilitated fire schools.

On that I thank Secretary Barnes and Senator Stillman for speaking on behalf of Senate Bill 25 2b2 and hope that all you will follow up and vote in favor of the funding, the bonding.

I also copied forward some letters from back in 2009. At the time, then Department of Public Works Commissioner Raeanne Curtis and Assistant Director of Project Management Don Ouillette had exchanges. And at that time we had still not spent very much of the money. In fact, Senator Leone had concerns about the bonding subcommittee being able to carry these forward.

So I thank the Governor. I thank you all in advance because, in spite of the Senate Bill 759 from that year and the Governor's proposal also not going through, we managed to get two schools up. New Haven is running today; Hartford, shortly. Chief Haber was here. And we're also able to see land acquired for the Eastern School that Representative Johnson spoke to and the Valley School up in the Beacon Falls area.

So there's a map on the second page of the handout. And I'd be glad to get you a colored version of the presentation if anyone needs it of the states of the State, as far as the fire

schools are concerned. But it illustrates, I think, how important these facilities are for the funding and completion.

And I think an answer to the question about what savings there are to these being done, whether career or volunteer, I think we all agree with the position taken by Representative Widlitz, it's priceless.

So that's the extent of my testimony, is to submit you this information. And I'm glad to answer any questions you may have on the fire schools or their funding.

SENATOR DAILY: Thank you very much.

I certainly agree with Representative Widlitz and I think most of us do. I mean, there's a crying need and hopefully we'll feel a little better as we start to do more to address that need.

Thank you very much for your time.

CHRIS TRACY: Thank you.

SENATOR DAILY: And for your patience waiting with us today.

CHRIS TRACY: Not at all. Thank you.

SENATOR DAILY: Thank you.

Chuck Moran followed by Kathy Branch-Stebbins and Nancy Hadley.

CHUCK MORAN: Good afternoon, Senator Daily, Representative Widlitz and members of the Finance Review and Bonding Committee. My name is Chuck Moran. I'm the legislative chair and past president for the Connecticut Lodging Association and also regional hotel operations manager for the Waterford Hotel Group. I'm here before you this afternoon in favor of H.B. 5420, AN ACT CONCERNING THE IMPOSITION OF

CHUCK MORAN: Thank you very much. You're very welcome.

REP. WIDLITZ: Kathy Brach-Stebbins followed by Nancy Hadley and the mayor of Stamford.

KATHY BRANCH-STEBBINS: Good afternoon, committee chairs and members of the committee. My name is Kathy Branch-Stebbins. I'm the executive director of Connecticut NAHRO. CONN-NAHRO is a membership organization comprised of many of the public housing authorities in Connecticut and other individuals and organizations involved in affordable housing.

I'm here in support of S.B. 25, Section 35, specifically the Governor's affordable housing proposal and congregate housing support. The first -- this is the first significant investment in affordable housing available to the state finance housing portfolio since 1989. These bond funds are needed to maintain Connecticut's affordable and congregate housing stock, which are some of Connecticut's greatest economic assets.

This funding is more than just preserving an economic asset for Connecticut. It provides important economic stimulus for Connecticut at a critical time in the economy. And this funding is also going to provide jobs for Connecticut citizens who will be the ones making the renovations to do this affordable housing redevelopment work.

And preserving this housing sends yet another economic message, businesses come to our state knowing that we have housing for all of the workers that a business venture will need. That means our affordable housing stock is truly an economic asset in Connecticut's portfolio and it's one worthy of preservation.

From the perspective of Connecticut's public housing authorities, due to a lack of funding the housing has become increasingly difficult

to maintain. It has caused regular increases in base rates which hit the poorest of the poor. As incomes fall so does the rental income to the authority and that ends up on the shoulders of tenants.

An example of the need for these resources is the Enfield Housing Authority which recently had a comprehensive capital and physical needs assessment performed for its 456 units of housing. The report determined that the five-year capital needs for the Enfield Housing Authority's portfolio would be over \$5.5 million. And that's just for the five-year capital needs assessment.

The state-financed portfolio does not receive any ongoing operating subsidy or capital improvement funding. And without the infusion of capital improvement funding local housing authorities such as Enfield could be forced to drastically increase rents to low-income households.

In Stratford the housing authority has seen state properties, which were once the flagship of their housing portfolio, now ranked second to the federal housing development's due to the capital dollars that were put into those properties over the past 15 years.

I also want to mention that congregate housing provides Connecticut with important affordable housing for -- with supportive services for elderly residents. For over 20 years it has enabled frail/elderly of limited income in Connecticut to live independently and age in place.

The support of the State DECD for this program has not only provided elderly with the opportunity to live a life of dignity with minimal assistance, but it saved the State of Connecticut thousands of dollars per person per month versus the cost of a nursing home.

I just want to mention there's one more executive director testifying soon. And if you have any questions I'd be happy -- I hope that you'll speak with him -- from Vernon Housing Authority. And I urge you to take advantage of his expertise.

So CONN-NAHRO and its members urge the committee to move forward with the Governor's proposal to preserve Connecticut's affordable housing. And I thank you for your support of Senate Bill 25.

REP. WIDLITZ: Thank you for your testimony and thank you for waiting in to give it. A long day.

Are there any questions? Okay. Thank you very much.

Nancy Hadley followed by Mayor Michael Pavia followed by Victor Antico.

NANCY HADLEY: Good afternoon, Chairman Widlitz. It's been a long afternoon. It's been interesting to hear.

To members of the committee, my name is Nancy Hadley. I'm the new executive director of Mutual Housing Association of Southwestern Connecticut. This January I succeeded Larry Clutch, who had 19 years leadership of this 20-year-old nonprofit development corporation.

SB25

Mutual owns, develops and manages 12 developments, 450 affordable housing units in Trumbull, Bridgeport, Fairfield, Norwalk and Stamford. They include family housing, elderly housing and supportive housing.

Just last Friday we started the two-week construction closing process on an additional 51 units in Wilton. On the job creation front I just wanted you to know that this \$7 million construction project will generate quickly 15 to 20 full-time

construction jobs, a myriad of jobs for all the sub-trades that are going to be working on this. The economic spinoff to the suppliers will be significant. Once a development opens in June of 2013 we'll have jobs for property management, maintenance, resident service coordinator, food-service coordinator and a variety of service contracts like landscaping and security and the rest.

So from a job creation standpoint, Senate Bill 25 and the housing components, the bonding is going to generate construction jobs quickly because there's a pent-up demand to make that happen. And there are developers, nonprofit and for-profit that are ready to do that, both create jobs and create the needed affordable housing.

The financing of the Wilton development includes the low-income housing tax credit from CHFA, DECD funding. \$2 million of private contribution from the good folks of Wilton plus a ground lease on land that the Town of Wilton owns.

The original plan was for 75 units however due to a shortage of funding the first phase is only 51 units. The second phase means needs congregant capital funding and the services that go with it in order that we have a continuum for the seniors that are going to live in Wilton, so that we can keep them as they age in place. If we don't, where would they go? The continuing of services is necessary, therefore our support of the congregant elderly capital program is important.

Finally I want to address the public housing modernization and preservation money that's in Senate Bill 25. Mutual owns 69 units of family housing known as Parkside Gables in Stamford, Connecticut. Parkside Gables is one of the original moderate housing programs of the Department of Housing. It's now in the

CHFA portfolio. This 20-year-old development has no mortgage, yet requirements of the Department of Housing have limited the tenant's income to 30 percent of median.

Over the years MHA has been diligent in keeping every single operating cost down, however through no fault of the tenant nor mutual there is significant deferred maintenance. Today we have several tenants in Stamford paying the minimum rent of \$300 a month for a three-bedroom unit. That in no way relates to the actual operating costs, but the formula for their income requires the \$300 a month. That has contributed to the deferred maintenance.

I hope that the bonding included in Senate Bill 25 will enable Mutual to apply for the essential rehabilitation funding to give this segment of the CHFA portfolio another 20-year life expectancy. We urge your support of Senate Bill 25, especially for housing component.

Thank you.

REP. WIDLITZ: Thank you for your testimony and for waiting to give it.

Are there any comments? Questions?

Okay. Thank you very much.

NANCY HADLEY: Okay. Thank you.

REP. WIDLITZ: Mayor Pavia from Stamford.

Welcome.

MICHAEL PAVIA: Thank you, Representative Widlitz. It's a pleasure to be here before your committee.

Is that it? Thank you.

201

March 12, 2012

rgd/gbr FINANCE, REVENUE AND BONDING 10:30 A.M.  
COMMITTEE

do have your written testimony with the flowchart which is very helpful.

Representative Mushinsky.

REP. MUSHINSKY: I'm hearing widely varying estimates for these revenues. So could we ask fiscal analysis to pin it down for us?

REP. WIDLITZ: We don't have anybody here from fiscal, OFA.

REP. MUSHINSKY: It doesn't have to be right now, but when the bill comes up.

REP. WIDLITZ: Well, should the bill go forward we will have a complete OFA analysis.

REP. MUSHINSKY: Okay. Thank you.

REP. WIDLITZ: Any other -- any questions?

Okay. Thank you very much. We do have your written testimony and appreciate that.

CARL SZABO: Thank you.

REP. WIDLITZ: Representative Mushinsky, I think we did have the figure. 6 million, 6 to 7 million dollars initially in the discussion, but we'll see.

Okay. Next, Rafe followed by John Emra followed by Jeffrey Arin.

RAPHAEL PODOLSKY: Thank you very much Representative Widlitz, members of the committee. My name is Raphael Podolsky. I'm a lawyer with the Legal Assistance Resource Center in Hartford which is part of the legal aid programs.

I'm going to be very brief because you've heard other witnesses on this issue. I'm speaking in support of Senate Bill Number 25, and in particular, Sections 27 to 30 which

deal with the public housing revitalization.

The Governor has proposed something that has not been done for years in Connecticut, which is to take a good candid look at the state portfolio of public housing stock and address the fact that it is in need of rehabilitation. The reason it needs rehabilitation is because it has really been an impossible situation for housing authorities.

Connecticut more than half a century ago created its own -- it was one of four states, that it funded its own program of public housing, was one of the pioneers nationally at the time. And in doing so however, it assumed it was going to be middle-income housing that was going to pay for itself. It soon turned out that the greatest needs in Connecticut were low-income needs. And the low-income -- and the result was that housing authorities could not show -- I'm sorry, could not charge the level of rents to adequately maintain the property.

At various times in the 1970s and 1980s the State helped out with rehabilitation money and then it stopped doing that. What it has proposed in this bill is \$30 million a year over ten years to take the state portfolio and essentially rehabilitate and revitalize it.

This is long, long, overdue. It's a really important investment. It's something that needs to be done. We're very pleased to see it in the bill and we hope very much that you will maintain it there.

Thank you. I'm happy to answer any questions I could -- I can about state housing portfolio or anything related to this aspect of the bill.

REP. WIDLITZ: Thank you, Rafe, for your testimony.

Are there questions? No?

Thank you very much.

RAPHAEL PODOLSKY: Thank you very much.

REP. WIDLITZ: John Emra followed by Jeffrey Arin and Kathleen Burns.

JOHN EMRA: Good afternoon, Representative Widlitz and members of the committee. My name is John Emra with AT&T. I'm here this afternoon to testify in support of Senate Bill 354, AN ACT CONCERNING THE ENHANCED EMERGENCY 911 PROGRAM.

Connecticut's 911 system is funded through a monthly user charge which is established through an annual proceeding at the Public Utility Regulatory Authority. It bases that monthly charge that users pay based on the total budget that's necessary to run the 911 system. Currently the fee is set at 50 cents which is the statutory limit.

Wired telephone customers are assessed on a monthly basis 50 cents. What's known as postpaid wireless customers, those are customers who typically have contract for services, be it a long-term contract or a month-to-month contract, and pay for their usage on a postpaid basis. They likewise pay for their 911 contribution on their bill on a monthly basis.

Prepaid wireless users are a different story. Because there's not an ongoing business transaction that happens with that customer, essentially the only time you have a business relationship with that customer is at the point of sale. There are a number of mechanisms that have been tried to be created to try to recapture those 911 fees.

So for instance, carriers like AT&T, we will decrement, that is take minutes from a customer on a monthly basis to try to take

JOHN EMRA: Sure. So the model legislation that this flows from originally called for the retailers who are responsible here for collecting those 911 fees and remitting them to the State. So there's a job here for them to do and there's a cost associated with it.

The model legislation calls for them to receive 3 percent of the monies that they collect and be able to keep that to handle their administrative costs. The legislation that's before you calls for them to collect 1 percent, so that's the difference.

If you looked at the 20 states where this has been done, there's one state I believe that has 0 percent for the retailers. There's one state that is 5 percent. The typical norm is around 3 percent, 2 percent, 3 percent. So this is -- this number that's in this legislation is below what has been done in a lot of states and is below the model act. But to answer your question, that's kind of -- some states have sort of fallen all over the place on where that number happens to be. Some is at zero. Some is at 5 percent.

REP. WIDLITZ: Thank you very much.

Are there questions?

Okay. Thank you.

JOHN EMRA: Thank you.

REP. WIDLITZ: Okay. Let's see. Jeffrey Arin followed by Kathleen Burns and Rives Potts.

JEFFREY ARIN: Good afternoon, Cochairs Widlitz and Daily, members of the committee. My name is Jeffrey Arin. I'm the current vice president of housing and legislation for Connecticut NAHRO. I'm also the executive director of the Vernon Housing Authority and I also volunteer as a commissioner for the Coventry Housing Authority.

SB25

I'm here in support of Senate Bill 25, Section 32 which will provide bonding for the State of Connecticut public housing revitalization.

I've been working in the public housing industry in Connecticut for the past 17 years and this is the first time in my tenure I've seen this level of financial commitment proposed to help sustain our state public housing properties. This is a noble first step towards sustaining the long-term viability of over 13,000 state public housing units.

As the preeminent association of public housing authority professionals in the state, we at CONN-NAHRO are intimately aware of the vast need for an influx of capital improvement funds to reinvigorate our aging state public housing stock. As you may know, state housing is not subsidized and we must survive on the rents received from the elderly, disabled and low-income families to whom we provide housing.

Unfortunately, due to the lack of subsidy from the State, the only way we can currently raise funds needed to perform major maintenance and repairs is to increase the base rents on those we serve. Disappointingly, these are the people that can least afford to be paying for this, especially in this economy.

It is unsuitable to keep raising rents when incomes are stagnating or going down. There becomes a threshold where tenants on fixed incomes can no longer afford the ever-increasing base rents that are needed to sustain a property. This is causing situations which may leave housing authorities with vacancies which it cannot fill, and more importantly people without a place to live.

These circumstances have seemed almost insurmountable for many housing authorities in the State and have led many to ponder the fate

of our state public housing and those that reside in these communities. Due to these reasons we at CONN-NAHRO are enthusiastically supporting the infusion of bond money that Senate Bill 25, Section 32 will generate.

This will be a tremendous start to provide needed capital improvements without increasing rents to those that can least afford it. We ask that you please consider the plight of the residents of the State of Connecticut public housing and support this bond funding and future funding proposed by the Governor to sustain these properties.

We at CONN-NAHRO are hopeful that this will lead to a complete capital needs assessment of our state public housing stock and a formula-driven funding program for needed capital improvements.

Thank you for this opportunity and I'd be happy to answer any questions you may have.

REP. WIDLITZ: Thank you very much for waiting to testify. We appreciate your testimony.

Are there any questions?

Thank you very much.

JEFFREY ARIN: Thank you.

SENATOR DAILY: Kathleen Burns followed by Rives Potts, Donna Wertenbach and Alberta (inaudible). Oh, Witherspoon.

KATHLEEN BURNS: Good afternoon, Senator Daily, Representative Widlitz, distinguished members of the Finance Committee. I am Kathleen Burns, General Manager of the Noank Shipyard and Seaport Marine. I also am the chairman of the Connecticut Marine Trades Association. On behalf of my staff and the membership of CMTA we urge to support Raised Bill Number 5425.

ALBERTA WITHERSPOON: Good afternoon, Madam Chairman and cochair and the other distinction members of this committee. I'm here in support of Senate Bill 25.

My name is Alberta Witherspoon. I live at 358 Orange Street in New Haven, Connecticut. I am also a board member of Publicly Assisted Housing Resident Network, PHRN. I'm also a resident commissioner at the City of New Haven Housing Authority.

PHRN is a statewide organization made up of residents in both state and federal public housing who work together, not just to talk about problems and public housing, but more importantly, work on solutions to those problems. We are all bound by a common vision to assure the rights of public housing residents to have a seat at the table in governance of their housing and a voice in the matter that concerns their tenancy.

I would like to state my strong and enthusiastic support for Senate Bill 25, which provides 300 -- I mean, I'm sorry, \$30 million in state bonds for public housing revitalization. This is in the first down payment of the Governor Malloy's 10-year \$300 million plan to preserve and improve state-funded housing.

This investment is long overdue. There are more than 14,000 families, seniors and people with disabilities living in housing that was built to help the state finance. They are working families struggling to make ends meet and people living on fixed incomes who simply cannot afford other housing.

Public and assisted housing is located in 98 cities and towns and in every part of the state, but years of neglect and lack of funds have resulted in desperate problems that Connecticut Housing Finance Authority and the Department of Economic and Community

Development have known for many, many years. That most -- the most of the -- I'm sorry, portfolio needs moderate and subsidized revitalization.

The 17,000 housing units we once had in the portfolio have been -- went down to about 14,000 with so many families struggling in the economic -- in this economic -- we cannot afford to lose a single unit of valuable affordable housing. All across Connecticut residents of public housing are actively involved in making their communities better, a better place to live. They deeply care and work hard to improve the condition of public housing. They want their children to live in an environment that is safe and decent.

Governor Malloy proposed \$300 million in bonds financing over the next ten years to preserve and revitalize this housing stock. Protecting our homes and guiding over 50 years of state housing investment, I urge you to support this proposal.

Thank you for your -- for this opportunity to speak to you today. Thank you.

REP. WIDLITZ: Thank you very much, Ms. Witherspoon.

Are there any questions?

Yes, Representative.

REP. BUTLER: Thank you, Madam Chair.

And thank you for coming to the capitol again. I know you're a strong advocate for housing and just want to applaud you for the work you do. You're in a unique position to actually see our housing stock close up and personal. And being on a local housing authority commission, you know the challenges that are out there.

217

March 12, 2012

rgd/gbr FINANCE, REVENUE AND BONDING 10:30 A.M.  
COMMITTEE

I just want to get a kind of an understanding of the New Haven housing stock. Could you tell me a little bit of the vacancy rate that you have? And then what some of this money would do in terms of your revenue stream and addressing some of the, not only the vacancy, but the repairs that the City would, you know, or the housing authority I should say wouldn't have to, to address those repairs.

ALBERTA WITHERSPOON: This money would help to put some of those units that are -- that have problems back online and it would make available more units for seniors to move into.

And our vacancy rate, it depends on which property. Well, where I live the vacancy rate is about -- we have about four or five vacancies there, no more. And in the family development, I think there's, like, about 26 vacancies in one of the family units that are near where I live. Overall, oh, I would say we might have possibly about a hundred units that are not online.

REP. PERILLO: Okay. And that's the citywide?

ALBERTA WITHERSPOON: Yes. Citywide.

REP. PERILLO: Okay. All right. Well, thank you again for your testimony and coming here today.

Thank you, Madam Chairman.

SENATOR DAILY: You're welcome, sir.

And thank you very much for your testimony and for your patience in staying all day.

ALBERTA WITHERSPOON: Thank you.

SENATOR DAILY: Frank Rotella.

FRANK ROTELLA: Thank you. It's my first time as speaker. And I may not know all the rules,

SB357  
SB25

but I'd like to thank you for this opportunity.

Thank you. My name is Frank Rotella. I'm from Meriden, Connecticut. I'm representing myself and I would like to speak about -- let's see. There's two issues. I guess, it's Senate Bill 25, and I'm going to hook that one up with Senate Bill Number 357. Okay.

And first I'd like to say that the bonds of the State of Connecticut for capital improvements, transportation and other purposes are being abused by the people who are applying for them. Now the bonds for capital movements, transportation and other purposes, I'm talking about the pie-in-the-sky bonding for what we call the -- let's see, the big -- the train coming in, the north -- the one that's supposed to go to Springfield -- Boston/Springfield/New York, the thing that's supposed to be taking place in 2016. I feel that's a waste of money.

I live in the city of Meriden. I've lived there all my life. I was born there in 1942. I've lived there up until the present time. And the bonding money that we could use in the city of Meriden -- which I think is practically the center of the state of Connecticut -- in highway improvements, our transportation improvements and our other things that the people really need and our housing authority.

We've got a housing authority in the City of Meriden called the Meriden Housing Authority, MHA, City of Meriden, which I believe -- and I don't want to slander anybody, but they are not top notch. They are -- not met with HUD regulations. They are what's known as -- well, they are not in compliance. Okay. They are not top of the grade. All right.

We've got five projects in the state -- in the city. We've got community towers, which is

run by Meriden Housing Authority. We've got the mills project which is run by the housing authority and they are both in dire need of repair.

The mills complex is in downtown Meriden and they've been trying to take that down for about a lot of years. Okay. And they've got federal money. It used to be a Hope VI. Now they've got another program and they've also got state money that's available because it's in a transit district and you people are trying to get going around Meriden railroad station because that big train, that pipe dream is supposed to save the State of Connecticut and bring people down through Meriden on this great thing that's supposed to be coming in 2016, that's supposed to revitalize or take over out State of Connecticut.

Well, it's a pipe dream, folks. Like I said, I was born in 1942. I've been growing -- city hall in city of Meriden since I was 14 years of age. That's 1956. I've seen all these pie-in-the-sky so-called we're going to save the City of Meriden. We're going to save the State of Connecticut. Well, folks we're in dire financial problems.

The State is broke. They're borrowing money that they don't have. This country is broke. We're borrowing money from people outside of our country. All right. Now we're bonding things. Okay. Basically we're robbing Peter and we're paying Paul and we still owe Joseph and the other guy.

Now the problem I'm having with all this is our government, state, local and federal think all they've got to do is turn on the faucet and we're going to get all this money. Well, we ain't getting all this money because the country is in deep trouble. We're borrowing money from other countries.

**JOINT  
STANDING  
COMMITTEE  
HEARINGS**

**FINANCE  
REVENUE  
AND BONDING  
PART 2  
233 – 424**

**2012**



Page 26  
line 19

Testimony before the Finance, Revenue and Bonding Committee  
James White, President - Publicly-assisted Housing Resident Network, PHRN,  
in **SUPPORT of Senate Bill 25**

March 12, 2012

Senator Daily, Representative Widlitz and members of the Committee:

*With a spoon  
destined*

Good afternoon. My name is James White and I live at 22 Lourdes Court in Meriden, Connecticut. I am the President of the Publicly-Assisted Housing Resident Network (PHRN) and the Resident Commissioner for the Meriden Housing Authority. PHRN is a statewide organization made up of residents in both state and federal public housing who work together to not just talk about the problems in public housing but, more importantly, work on the solutions to those problems. We are all bound by a common vision: to assure the rights of public housing residents to have a seat at the table in the governance of their housing, and a voice in matters that concern their tenancy.

I would like to state my strong and enthusiastic support for Senate Bill 25, which provides \$30 million in new bond funds for public housing revitalization. This is the first down payment on the Governor Malloy's 10-year, \$300 million plan to preserve and improve state-funded housing. This investment is long overdue

There are more than 14,000 families, seniors and people with disabilities living in housing that was built with the help of state financing. They are working families struggling to make ends meet and people living on fixed incomes who simply cannot afford other housing. Public and assisted housing is located in 98 cities and towns in every part of the state. But years of neglect and lack of funds have resulted in desperate problems. The Connecticut Housing Finance Authority and Department of Economic and Community Development have known for many, many years that most of the portfolio needs moderate or substantial revitalization. The 17,000 housing units we once had in this portfolio have been whittled down to about 14,000. With so many families struggling in this economy, we cannot afford to lose a single unit of valuable affordable housing.

All across Connecticut, residents of public housing are actively involved in making their communities better places to live. They care deeply and work hard to improve the conditions of public housing. They want their children to live in an environment that is safe and decent. Governor Malloy proposes \$300 million in bond financing over the next ten years to preserve and revitalize this housing stock, protecting our homes and guarding over fifty years of state housing investments. I urge you to support this proposal.

Thank you for the opportunity to speak to you today.

Connecticut Publicly-assisted Housing Resident Network, Inc., PHRN  
30 Jordan Lane, Wethersfield, CT 06109  
PH: (860) 563-2943

31

pg. 25

Ined:

# Legal Assistance Resource Center of Connecticut, Inc.

44 Capitol Avenue, Suite 301 ♦ Hartford, Connecticut 06106  
(860) 278-5688 x203 ♦ cell (860) 836-6355 ♦ fax (860) 278-2957 ♦ RPodolsky@LARCC.org

## S.B. 25 -- Public housing revitalization

Finance and Bonding Committee public hearing -- March 12, 2012  
Testimony of Raphael L. Podolsky

**Recommended Committee action: APPROVAL OF THE BILL**

We strongly support the housing provisions of S.B. 25, which are contained specifically in Sections 27 to 30 of this bill.

Connecticut is one of four states that, more than half a century ago, led the nation by using state funds to finance public housing. The state family public housing program is known as "Moderate Rental Housing." Unlike federal public housing, however, that housing came with no operating subsidies on the assumption that it would pay for itself. Federal public housing, in contrast, recognized that low-income housing for people in great financial need would necessarily require subsidy, because the occupants would not have enough income to be able to pay the full cost of the housing. In the 1970s and 1980s, Connecticut occasionally bonded rehabilitation funds for its state public housing. Until very recently, however, that practice had largely stopped. The result was predictable -- a decline in maintenance of the housing and, in some cases, the actual boarding up and loss of critically-needed units.

S.B. 25, for the first time in decades, confronts this problem head-on by authorizing bonding for the first year of a ten-year program to rehabilitate and revitalize our state public housing stock. In particular, it includes \$30 million for the first year of that plan. These funds will not only have an enormous impact on public housing itself but, like any rehabilitation or construction program, will serve as a powerful economic driver for the economy. Continuing to ignore the decline of the public housing stock does not save money for anyone. It merely increases the cost of rehabilitation. The revitalization of state-financed public housing is long overdue.

S.B. 25 also explicitly includes \$12.5 million for the development of congregate housing and \$1 million for accessibility modifications for persons transitioning from institutional care to less expensive home residency in the Money Follows the Person program.

We strongly urge the Finance Committee to approve this bill.

24



National Association of Housing and Redevelopment Officials  
Connecticut Chapter  
P. O. Box 93  
Rockfall, CT 06131  
Phone: (860) 508-4896  
Fax: (860) 788-2331

[www.conn-nahro.org](http://www.conn-nahro.org)

*Written Testimony submitted to Finance, Revenue and Bonding Committee by  
Cathy Branch Stebbins, Executive Director  
On behalf of the membership of Conn-NAHRO  
March 12, 2012*

*Conn-NAHRO is the Connecticut chapter of the National Association of Housing and Redevelopment Officials; its membership is comprised of Public Housing Authorities and other individuals and organizations involved in affordable housing*

*Chairmen Daily and Widlitz and Members of the Finance, Revenue and Bonding Committee:*

*My name is Cathy Branch Stebbins, Executive Director of CONN-NAHRO, the Connecticut Chapter of the National Association of Housing and Redevelopment Officials. CONN-NAHRO is comprised of many public housing authorities in Connecticut and other individuals and organizations involved in affordable housing.*

*I am here in support of SB25, and specifically the Governor's affordable housing proposal and congregate housing support. The proposal to provide \$50 million in each year of biennium represents the first significant investment in affordable housing available to the state financed housing portfolio since 1989 when Governor Bill O'Neill proposed a capital budget that included \$125 million for housing. These bond funds are desperately needed to maintain Connecticut's affordable and congregate housing. We support this proposal on behalf of the members and Public Housing Authorities whom we represent and also support this proposal on behalf of the many families and elderly residents who currently reside in these units that are in need of renovation.*

*We also support the Governor in his position that this funding is more than just preserving an economic asset for the State of Connecticut—it provides important economic stimulus for the State of Connecticut at a critical time in its economic recovery.*

*This funding is going to provide jobs for Connecticut citizens who will be the ones making the renovations to this important asset called affordable housing.*

*Preserving this housing sends yet another economic message—businesses come to our State knowing that we have housing for all of the workers that a business venture will need. From administrative staff to cafeteria workers to drivers and other workers who are living and serving Connecticut at the middle and lower end of the wage scales, Connecticut has housing available for all of the workers that a business needs. That means our affordable housing stock is an economic asset in Connecticut's economic portfolio and one worthy of preservation.*

*From the perspective of Connecticut's Public Housing Authorities, due to the lack of funding, the housing has become increasingly difficult to maintain. It has caused regular increases in base rents which hit the poorest of the poor, just to obtain enough revenue to make ends meet. In these difficult economic times, as incomes fall, so does the rental income to the Authority. This infusion of resources could not come at a better time for all parties involved.*

*An example of the need for these resources is the Enfield Housing Authority, which recently had a comprehensive capital and physical needs assessment performed for its 456 units of housing. The report determined that the five-year capital needs for the Enfield Housing Authority's portfolio to be over \$5.5 Million. The need grows substantially to nearly \$8.6 Million in ten years and to over \$13.7 Million in twenty years.*

*The State financed portfolio does not receive any ongoing operating subsidy and/or capital improvement funding. Without an infusion of capital improvement funding, local housing authorities such as Enfield could be forced to drastically increase rental rates to low-income households.*

*In Stratford, the Housing Authority has seen its state properties, which once were the flagship of its portfolio, now rank second to the federal housing developments due to the capital dollars put into those properties over the past 15 years.*

*Congregate Housing provides the State of Connecticut with important, affordable housing with supportive services for elderly residents. For over twenty years, it has*

*enabled frail elderly of limited income in Connecticut to live independently and age in place. The support from the State of Connecticut Department of Economic and Community Development for this program has not only provided elderly the opportunity to live a life of dignity with minimal assistance, but has actually saved the State thousands of dollars per person per month versus the cost of Nursing Home Care.*

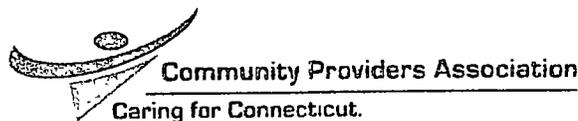
*We strongly recommend that the State government not only continue to subsidize Congregate Housing, but supplement the operational subsidy further to enable us to enhance our resident programs with improved additional in home medical, mental and physical care services. As mentioned previously, support for this Program not only improves the quality of our most disadvantaged residents, but actually saves the State money.*

*There are housing authority executive directors here to testify and provide you with more specific examples of why this proposal is so important to communities and to the State. I urge you to take advantage of the expertise and knowledge they bring today.*

*Conn-NAHRO and its members urge the Housing Committee and the Legislature to move forward with the Governor's proposal to preserve Connecticut's moderate and low-income housing as a valuable, economic asset and as valued communities and neighborhoods to the families and elderly who are currently residing there.*

*Thank you for your support of SB25.*

20



March 12, 2012

To: Finance, Revenue, and Bonding Committee

From: Hillary Teed, Public Policy Specialist

Re. **S.B. No. 25 AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES.**

My name is Hillary Teed and I am a Public Policy Specialist at Connecticut Community Providers Association (CCPA). We appreciate Governor Malloy's commitment to support the "safety net" by including a Cost of Living Adjustment for private providers and for including bonding for community-based services in his FY13 budget adjustments. **I am speaking in support of section (9) (e), in which the Governor's recommends the allocation of bond funds for grants-in-aid to private nonprofit mental health clinics for children.**

SB356

CCPA represents organizations that provide services and supports for people with disabilities and significant challenges including children and adults with substance use disorders, mental illness, developmental, and physical disabilities. Community providers deliver quality health and human services to 500,000 of Connecticut's residents each year. We are the safety net.

We Are The Safety Net



Caring for Connecticut

The Governor's original biennial budget recommended bonding authorizations for community providers funded by DMHAS, DDS, DSS and DCF but did not include bond funds for psychiatric clinics for children, the "child guidance clinics" funded in part by DCF.

S.B. 25 Sec. 9(4)(e) adds up to \$1 M in funding for these outpatient clinics for "fire, safety and environmental improvements, including expansion." Much like residential settings, psychiatric

**CCPA**

CCPA Testimony – March 12, 2012 – page 2  
S.B. No. 25 AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR  
CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES.

clinics must address infrastructure needs if they are to continue to be able to serve children and families in community-based settings.

With minimal reserves, they do not have a ready source of funds to meet their very basic infrastructure needs such as roof and gutter repair or replacement, furnace replacement, sidewalk renovation to meet safety standards and the many types of maintenance that any business requires. They can't increase their rates. They can't add a surcharge to their pricing. These organizations rely heavily on state support as safety net providers.

Tropical Storm Irene and the October Nor'easter bear out the need for the bonding allocation. Just like homeowners and businesses throughout the state, community providers needed to clear their roofs, secure generators to provide services in safe settings and handle emergency situations such as leaking ceilings and flooded basements. This bonding will do much to remedy the health and safety and environmental needs going forward.

Thank you for your consideration in approving a bond package that supports funding for grants-in-aid to private nonprofit mental health clinics for children.

We have also submitted testimony in support of S.B. 356 which would expand the Neighborhood Assistance Act (NAA) to organizations taxed under the provisions of chapter 213a, limited liability companies. Thank you for your consideration.

22

Chris Tracy  
PG 18  
line 15

*Connecticut State Firefighters Association  
Education Committee*

**Report on Rebuilding Connecticut's  
Regional Fire Training Facilities**



**60 MILLION DOLLAR  
RENOVATION PROJECT**

*Funding Requests to Rebuild  
Regional Fire Training Facilities*

- Individual School Requests from 1971-1999
- 8 Regional Fire Schools join forces in 2000
- \$25,000,000 Request from State in 2001
- \$200,000 State funded Study In 2001
- Study performed in Spring of 2002
- Final Report issued July 1, 2002
- Recommended Completion July 2007

*2002 Study Results*

- 2 Fire Schools to be Rebuilt at Present Sites
  - New Haven, Hartford County
- 3 Fire Schools to be Upgraded
  - Burrville, Eastern, Fairfield
- 3 Fire Schools to be Built at New Locations
  - Middlesex, Wolcott, Valley
- Total Price: \$60,000,000
  - Spread over 5 Years
  - Standard design to include

*2002 Study Results*

- 13 Room Class A Burn Building
- 5 Story Tower
- Classroom/Administrative Building
- Maintenance/Storage Building

*2002 Study Results*

- Propane Training Props
  - Car Fires
  - Truck Fires
  - Multi-Prop
- Specialized Training Props
  - Confined Space Rescue
  - Trench Rescue
  - Flashover Simulator

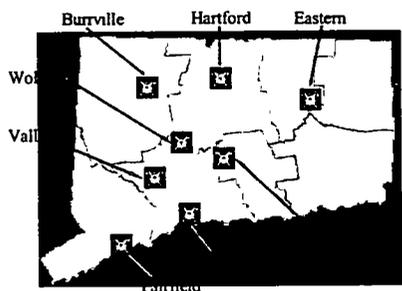
*2012 Status*

- New Haven Regional Fire School ribbon cutting ceremony in September of 2011
- Connecticut State Fire Academy & Hartford County Fire School under construction – est. completion in June of 2012
- 6 remaining Regional Fire School facilities in various stages of decay and/or condemnation
- 2 (Stamford & Danbury) not in original study

*Current Regional Fire Schools*

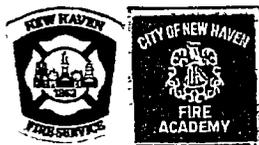
- Burrville Regional Fire School
- Eastern Connecticut Fire School
- Fairfield Regional Fire School
- Hartford County Fire School
- Middlesex County Fire School
- New Haven Regional Fire Academy
- Valley Fire Chiefs Training School
- Wolcott Regional Fire School
- Stamford (added '05) & Danbury (added '11)

*2002 Regional Fire School Projects*

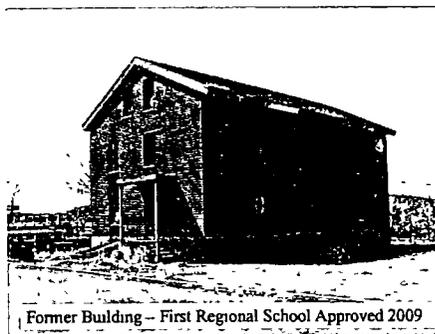


*Connecticut's Regional Fire Training Facilities*

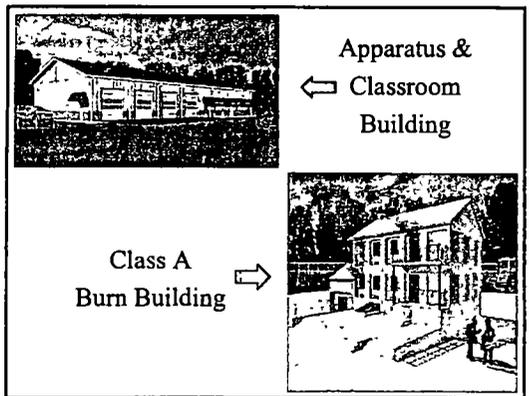
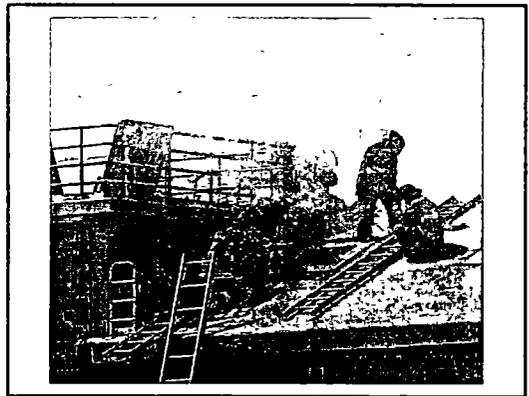
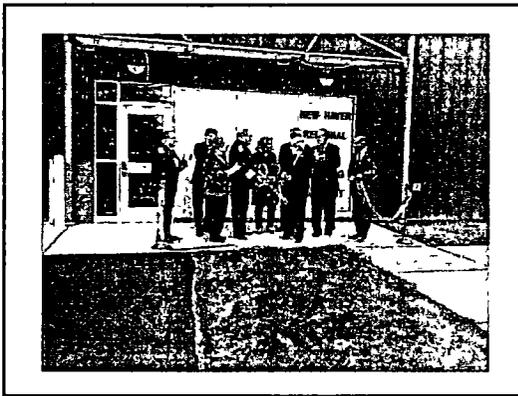
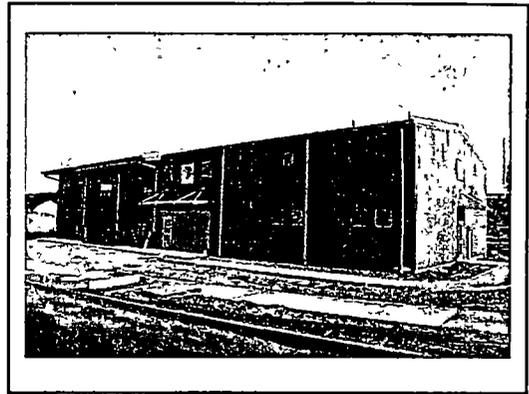
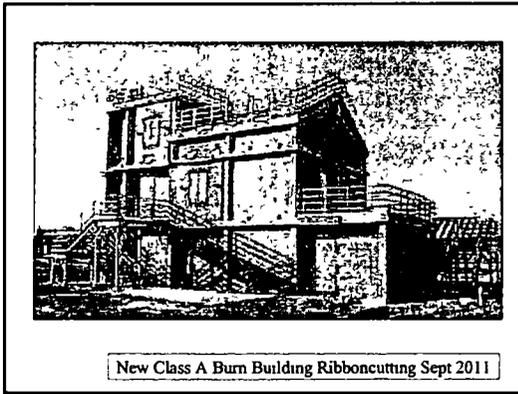
Current Conditions  
January 2012

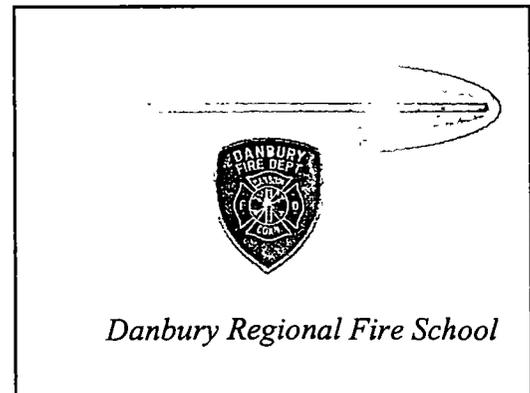
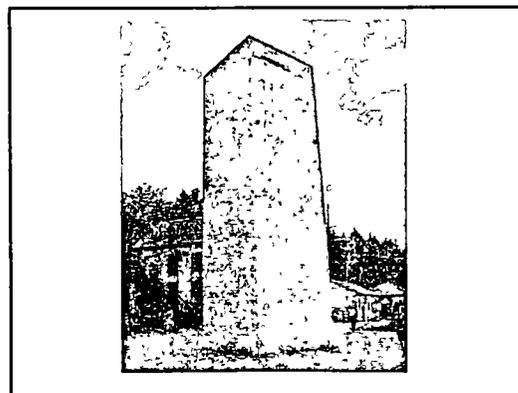
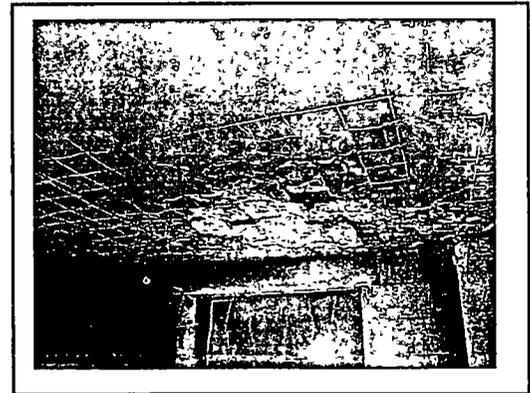
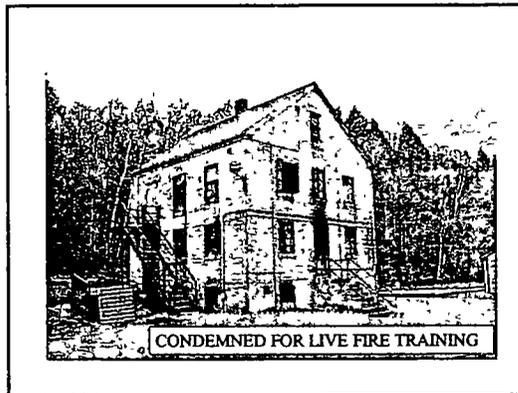
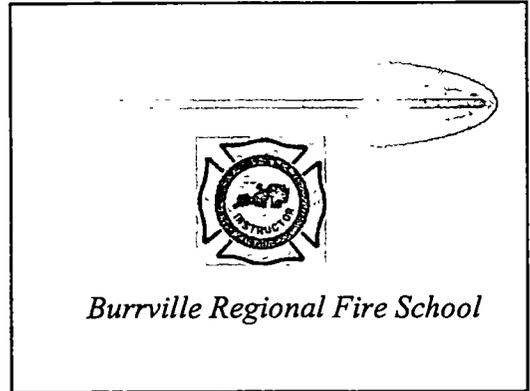


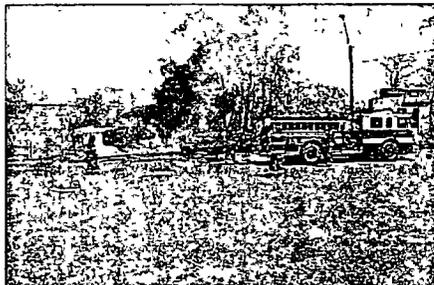
*New Haven Regional Fire Academy*



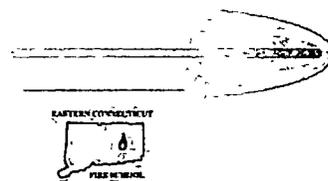
Former Building – First Regional School Approved 2009



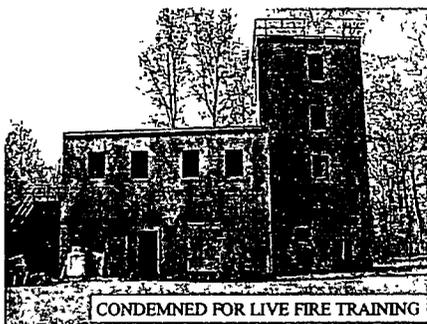




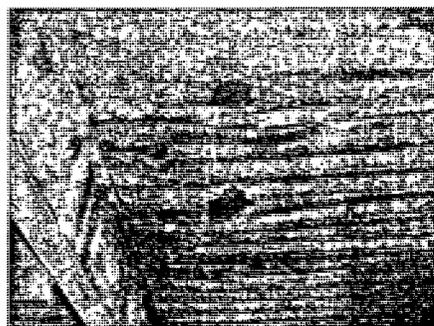
NEWEST REGIONAL FIRE SCHOOL AS OF 2011

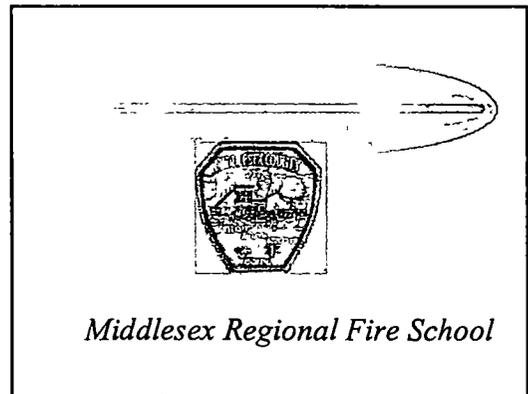
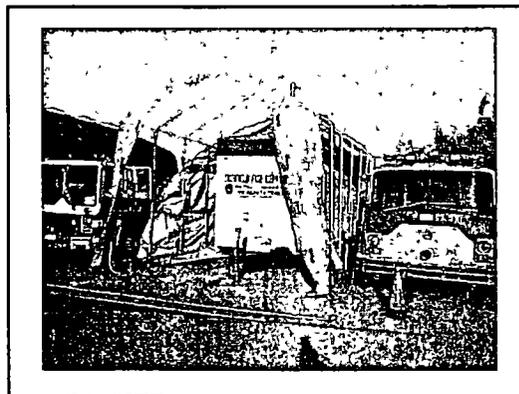
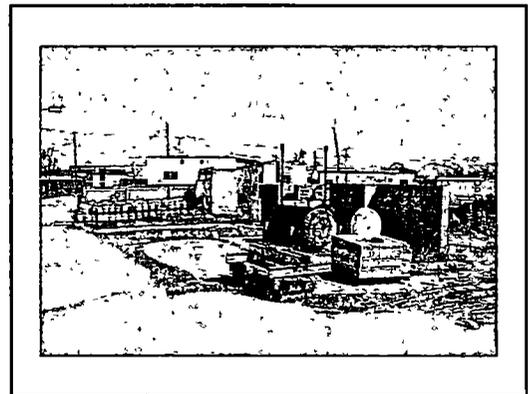
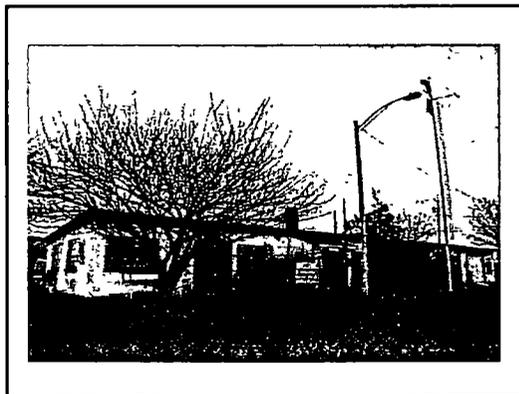
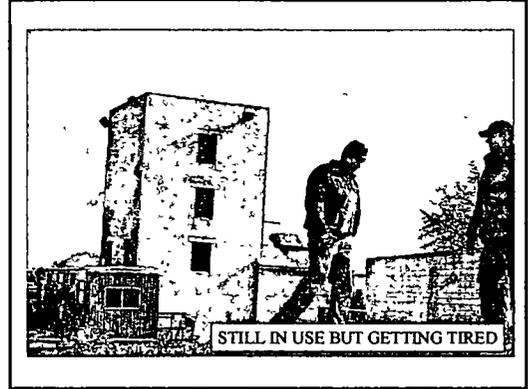
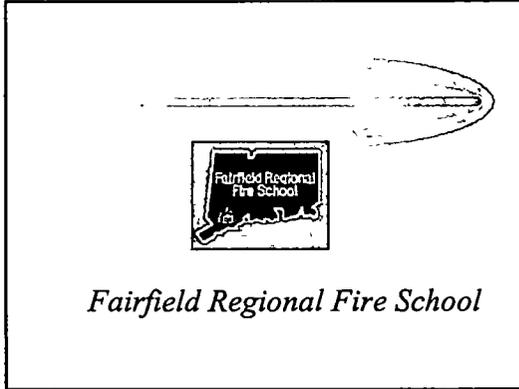


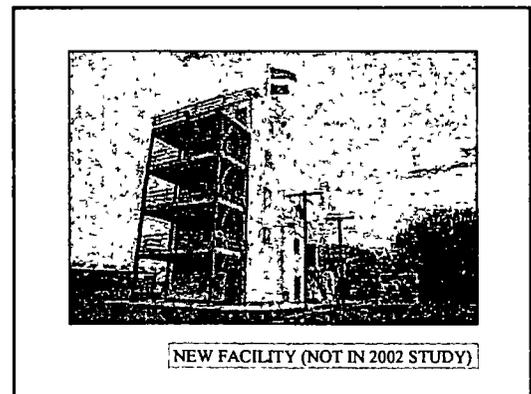
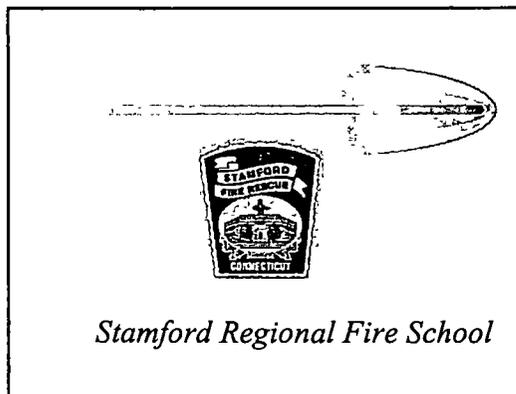
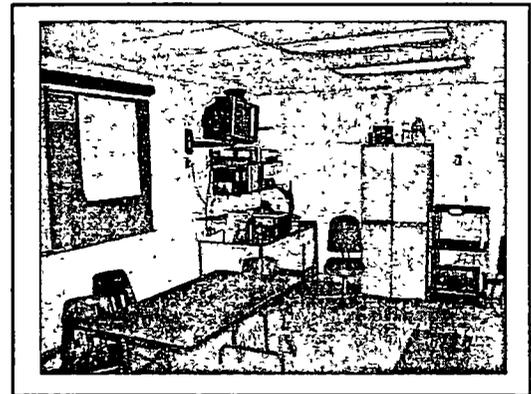
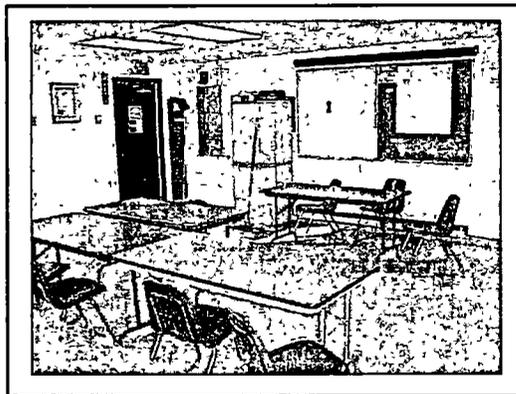
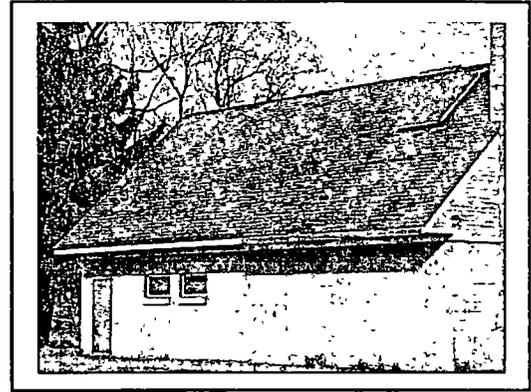
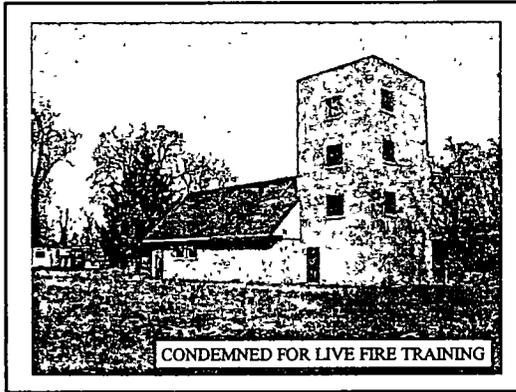
*Eastern Connecticut Fire School*



CONDEMNED FOR LIVE FIRE TRAINING

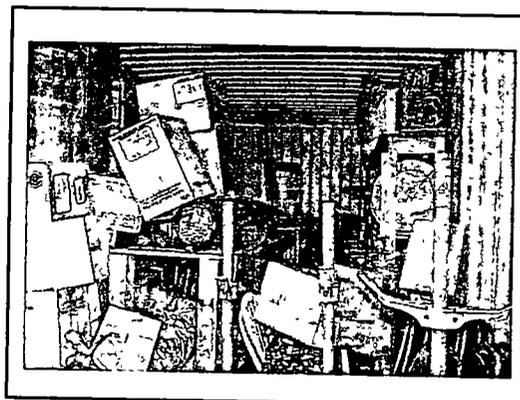
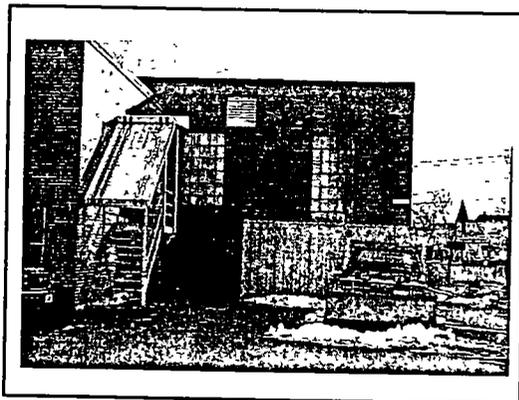
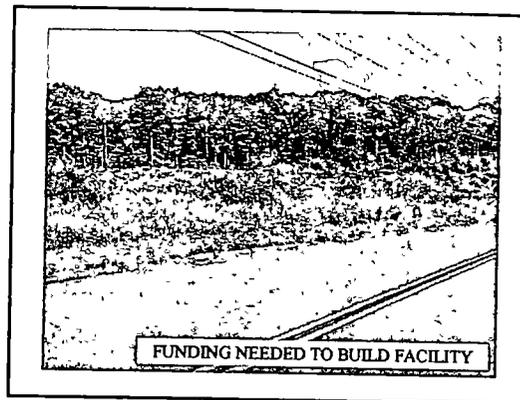




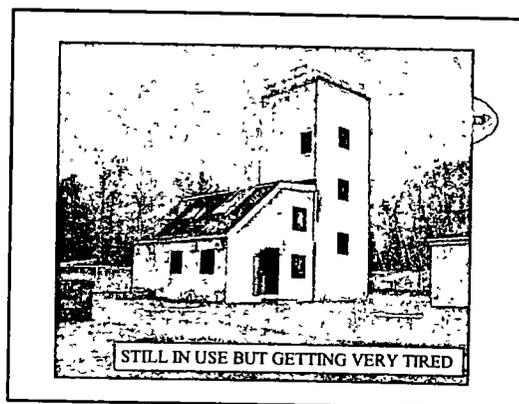


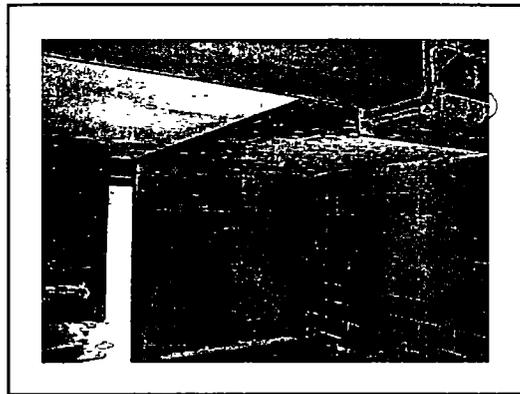


*Valley Chiefs Regional Fire School*



*Wolcott State Regional Fire School*





*Funding Process*

- Support of Major Fire Organizations
- Support of Local Governments
- Support of Local Fire Officials
- Support of Legislature
- Support of Governor

*Funding Process*

- Public Safety Committee
- Bonding Subcommittee
- Revenue, Finance and Bonding Committee
- Legislature's Approval
- Governor's Signature
- Release of Funds by Bonding Commission

**THANK YOU FOR YOUR SUPPORT**

CONNECTICUT STATE FIREFIGHTERS ASSOCIATION  
EDUCATION COMMITTEE














DEDICATED TO EDUCATING THE FIRE SERVICE

16



Connecticut Chapter  
National Association of Housing and Redevelopment Officials  
P. O. Box 93  
Rockfall, CT 06481  
Phone: 860-508-4896  
Fax: 860-788-2331

Testimony of  
Neil J. Griffin Jr.  
President

Submitted to Finance, Revenue & Bonding Committee  
March 12, 2012

**SB 25 AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR  
CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES**

**STRONG SUPPORT**

*Conn-NAHRO is the Connecticut Chapter of the National Association of Housing and Redevelopment Officials, the Connecticut Chapter represents over 112 Connecticut housing authorities and other non-profit and community development member agencies. Member agencies have the responsibility of effectively managing or administering housing for 150,000 families/individuals and over 62,000 housing units in Connecticut.*

Speaking on behalf of Conn-NAHRO's Executive Board and member agencies, I would like to express our overwhelming support for S.B. 25's provisions that provide bonding for housing revitalization, affordable housing and elderly congregate housing.

The Governor's proposal to provide \$30 million in FY 13 as the start of a ten year commitment of \$300 million to preserve and upgrade state-sponsored housing represents the first significant investment in affordable housing available to the state financed housing portfolio since 1989 when Governor Bill O'Neill proposed a capital budget that included \$125 million for housing.

Within the State housing portfolio, there are 13,298 affordable units of State public housing that requires significant capital improvements that are not being funded. The capital improvements in the portfolio range from repairs to place vacant units back on line to redevelopment of a property. The alternative expenditure to replace this current affordable housing stock through new development efforts would exceed \$3 billion.

If the state housing portfolio is provided adequate capital funding it will help stabilize affordable rents to the poorest of our renters, get existing units back online that have been vacant and preserve our desperately needed affordable housing stock.

Conn-NAHRO strongly supports the preservation of the state housing portfolio and its membership urge passage of SB 25.



**Testimony to the Finance, Revenue and Bonding Committee**

**Presented By Mag Morelli, President**

**March 12, 2012**

**In Support Of Senate Bill 25, An Act Authorizing and Adjusting Bonds of the State  
for Capital Improvements, Transportation and other Purposes**

Good morning Senator Daily, Representative Widlitz, and members of the Committee. My name is Mag Morelli and I am the President of LeadingAge Connecticut, a membership organization representing over 130 mission-driven and not-for-profit provider organizations serving older adults across the continuum of long term care including housing for the elderly, home care and skilled nursing facilities. (LeadingAge Connecticut was formerly named the *Connecticut Association of Not-for-profit Providers for the Aging*.) Our members are sponsored by religious, fraternal, community, and municipal organizations that are committed to providing quality care and services to their residents and clients. Our member organizations, many of which have served their communities for generations, are dedicated to expanding the world of possibilities for aging.

On behalf of LeadingAge Connecticut, I would like to testify in support of Senate Bill 25 and specifically in support of both the Governor's commitment to housing development, including the expansion of congregate and elderly housing with services, and his proposal to assist in modernizing, restructuring, diversifying and/or downsizing of existing nursing homes as part of the long term care rightsizing effort.

***Affordable Senior Housing with Services***

There is a growing demand for affordable senior housing units across the state as demonstrated by the lengthy waiting lists being maintained by our twenty-four elderly housing site members. The waiting lists are reflective of the success of our state's nationally praised model of providing affordable community based services to congregate and elderly housing residents which has allowed older adults to age in place and remain in their affordable housing units. Unfortunately, the shortage of available units is thwarting efforts to provide other older adults with the same opportunity.

Linking affordable senior housing with services is one of the answers to our state's quest to balance the long term care system. Connecticut has already developed several nationally acclaimed models of housing with services including allowing assisted living services to be delivered within our state congregate and HUD 202 housing sites and the four pilot affordable assisted living demonstration sites. We have excellent models – we just need to develop more sites to make more units available. Governor Malloy's housing proposals recognize this and we strongly support their passage.

**The State's Long Term Care Rightsizing Initiative: Nursing Home Diversifying, Downsizing and /or Modernization**

LeadingAge Connecticut is very pleased that the Governor has not abandoned the nursing home as Connecticut creates a rightsizing strategic plan for our long term care system. The nursing home is a very important element of the long term care continuum and we strongly support the Governor's initiative to provide the resources needed to assist in modernizing, restructuring, diversifying and/or downsizing existing nursing home buildings. Such resources will enable the nursing home providers to build better models of care that will strengthen the full continuum and meet consumer demands, market needs and the goals of the state's long term care plan.

The proposed investment of state and federal funds can help nursing home providers re-evaluate their current business models and if necessary, restructure, diversify, or redesign their services, buildings and campuses. Just as importantly, it will allow for the **modernization** of our nursing homes so that we can provide this necessary level of care within a design and service model that consumers are demanding. We also need to build an infrastructure of nursing home care that makes sense for our changing health care system. **Modernization efforts** will allow nursing homes to create both the models of care that are desired by consumers and the systems of care that will be required in the new landscape of health care reform. Greenhouse models, culture change modifications, energy efficiencies, electronic health records, transportation systems and other capital improvements should be allowable within the system of grants, loans and funding.

LeadingAge Connecticut continues to encourage the state to *strengthen* and *invest in* the long term care system and to provide the opportunity and environment for individual providers to transform our system of aging services one solution at a time. LeadingAge Connecticut proposes that through the rightsizing initiative, the state create a collaborative and efficient regulatory and reimbursement environment that is adaptive and receptive to individual provider's forward thinking ideas and planning. Such an environment would encourage providers of the long term care continuum to adjust, modernize and diversify their models of care to address current and future consumer needs and expectations. ***The time is now to look toward innovative solutions and begin to create the future of aging services.***

**Home Modifications**

LeadingAge Connecticut supports the proposed bonding to fund home modifications that will allow individuals to remain in the community and in their own homes. Initiatives such as this reinforce the need to view long term care as not just skilled nursing, but as a full continuum of services and supports that begins in one's own home.

Thank you for this opportunity to provide this testimony and I would be happy to answer any questions.

Mag Morelli, LeadingAge Connecticut, 1340 Worthington Ridge, Berlin, CT 06037  
(860)828-2903 [mmorelli@leadingagect.org](mailto:mmorelli@leadingagect.org)



## CONNECTICUT STATE FIREFIGHTERS ASSOCIATION, INC.

March 12, 2012

Senator Eileen Daily, Co-Chair Finance, Revenue & Bonding Committee  
 Representative Patricia Widlitz, Co-Chair Finance, Revenue & Bonding Committee  
 Senator John Fonfara, Vice Chair Finance, Revenue & Bonding Committee  
 Representative Jason Rojas, Vice Finance, Revenue & Bonding Committee  
 Senator Andrew Roraback, Ranking Member Finance, Revenue & Bonding Committee  
 Representative Sean Williams, Ranking Member Finance, Revenue & Bonding Committee

### SENATE BILL #25

My name is Ted Schroll and I am the Legislative Representative for the Connecticut State Firefighters Association. The Association represents approximately 26,000 career and volunteer firefighters in Connecticut.

Our Association has been actively involved in a project known as the Regional Fire Training School Capital Improvement Project. The project started with \$200,000 in bond funding to study the state's needs for capital improvements for 8 existing regional fire training schools. The study completed by CT Dept. of Public Works (now Construction Services) in 2001 determined that this was a \$62.2 Million project. In the ensuing years, the legislature has appropriated approximately \$26 Million to this project. Approximately \$12 Million has been allocated to provide rehabilitation for the New Haven & Hartford Regional Fire Training Schools. As you will note it has been 12 years and only 2 of the projects have been allocated. This delayed project is because of the slow disbursement of funding.

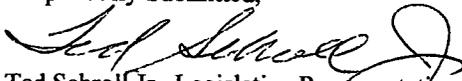
Gov. Malloy has recognized this year that the one way to move this project toward a rapid conclusion is to fully fund the rest of the project. Section 2 (b) (2) of Senate Bill #25 is the funding vehicle to do that. This section of Senate Bill #25 would provide \$28.2 Million and would allow the Department of Construction Services to move forward attempting to do more than one project at a time. In fact this amount would allow for multiple projects.

We ask that this committee agree with Governor Malloy and approve Section 2 (b) (2) as proposed. Without this additional funding, this project will virtually stop where it is. The remaining \$14 Million will only fund 2, and possibly only 1, of the remaining 6 schools.

This committee has previously supported this project as was possible. We ask that you continue your support during this critical time. When completed, this project will have a significant positive impact upon the training of Connecticut's firefighters. This impact will in turn allow these well trained firefighters to provide first class services to the citizens of the State of Connecticut.

### PLEASE SUPPORT SECTION 2 (b) (2) OF SENATE BILL #25

Respectfully Submitted,

  
 Ted Schroll Jr., Legislative Representative  
 Connecticut State Firefighters Association



Finance, Revenue & Bonding Committee  
Public Hearing – March 12, 2012

Testimony of Betsy Crum  
Executive Director, Connecticut Housing Coalition

**Support:** S.B. 25 - AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES.

Senator Daily, Representative Widlitz and members of the Committee, thank you for the opportunity to testify before you today.

My name is Betsy Crum and I am the Executive Director of the Connecticut Housing Coalition. The Coalition represents the broad, vibrant network of community-based affordable housing activity across the state. Our more than 250 member organizations include nonprofit developers, human service agencies, resident associations, and diverse other housing practitioners and advocates. Founded in 1981, the Coalition works to expand housing opportunity and to increase the quantity and quality of affordable housing in Connecticut.

Our Coalition strongly supports S.B. 25, An Authorizing and Adjusting Bods of the State for Capital Improvements, Transportation and other Purposes, which includes significant new resources for housing and other essential investments in Connecticut's future. These include:

- \$30 Million as the first installment on the proposed 10-year, \$300 million investment to **preserve and revitalize our public and assisted housing stock**. This allocation will safeguard the state's considerable historic commitment to affordable housing, protecting over fifty years of state housing investments and safeguarding housing assets that would cost well over \$3 billion if they had to be replaced.
- \$20 Million for **new affordable housing development**, adding to the \$50 million approved in last year's budget. This financing will allow for a continuum of housing type to address the needs of young families, senior citizens and others who need affordable housing in order to relocate to and stay in Connecticut.
- \$12.5 million to develop about 50 new units of **elderly congregate housing** to allow the frail elderly to live in a residential setting with assistance such as a main meal and housekeeping services.

There are so many good reasons to support this investment. At the Connecticut Housing Coalition, we hear every day from families who need housing, and understand the critical role it plays in creating a healthy, sustainable state. I would like to highlight just a few facts:

- On average in Connecticut, a full-time worker needs to earn **\$23.58/hour** to afford a *modest* 2-bedroom apartment. **More than half (50%)** of all jobs pay less than this on an hourly basis.
- An estimated **two-thirds (66%)** of all renters in Connecticut are unable to afford the typical apartment.
- Housing is now the **#1** subject of all calls for help to Infoline/211.
- Over the next ten years, it is estimated that the Governor's plan will create more than **6,700** construction industry and related jobs.

Across the state, there is housing waiting to be revitalized and built. In 2006 the Connecticut Housing Finance Authority identified 278 properties in the state housing portfolio that required some level of modernization or renovation; that number has only grown since then. Our community development industry in Connecticut, which is comprised of nonprofits that are rooted in their cities and towns, stands ready to construct and rehabilitate housing that is high quality, small scale, well-managed and responsive to local needs and conditions. Every year, dozens of high quality affordable housing proposals go unfunded due to lack of resources.

The Governor's plan to make a sustained and significant investment in revitalizing our current stock of state-finance affordable housing and create new affordable housing for families and senior citizens signals his great commitment to the health, prosperity and sustainability of our state and to the well-being of all of the citizens within our state. I urge you to support this important bill.

Thank you for your time and consideration and I would be happy to answer any questions.

Page 1  
Page 2

*TESTIMONY PRESENTED TO THE FINANCE REVENUE AND BONDING  
COMMITTEE  
March 12, 2012*

*Benjamin Barnes  
Secretary  
Office of Policy and Management*

Testimony Supporting Senate Bill No.25

AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL  
IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES

---

Senator Daily, Representative Widlitz and distinguished members of the Finance Revenue and Bonding Committee, thank you for the opportunity to offer testimony on Senate Bill No. 25, An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation and Other Purposes.

This bill authorizes an additional \$316 million in General Obligation bonds (GO) and an additional \$90 million in Special Tax Obligation bonds (STO) in FY 2013 for various State agency projects and grant-in-aid programs. These proposed authorizations are in keeping with the Governor's emphasis on infrastructure and programmatic investments that create and retain jobs and enhance government efficiency.

A highlight of this bill is funding of \$50 million for capital investments information technology to enhance the efficiency and effectiveness of state agencies and programs. The funding will provide for the following initiatives:

- Single Eligibility System-Human Service Programs and Health Exchange
- On-line Licensing
- Automate/consolidate call center functions
- Data Center Consolidation
- Upgrade State Portal - Businesses, Citizens, Employees
- Enterprise systems for permitting, enforcement and customer relations - Department of Energy and Environmental Protection (DEEP), Division of Criminal Justice (DCJ), other agencies
- Technology investments in support of education reform
- Increase transparency and availability of state government data
- Broadband Expansion of Connecticut Education and Public Safety Data Networks
- Document Management

-over-

The bill also provides an additional \$62.5 million for housing projects and programs, including \$12.5 million for congregate housing and \$30 million to begin to make improvements to the aging state-owned public housing portfolio and to provide additional gap financing for affordable housing projects statewide.

Other projects and programs in the bill include:

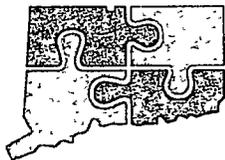
#### General Obligation Bonds

- An additional \$92.5 million for state facility infrastructure;
- An additional \$26.2 million for construction at regional fire training schools;
- New funding of \$5 million for a pilot program to establish energy microgrids to support critical municipal infrastructure;
- New funding of \$5 million for the underground storage tank petroleum clean-up program;
- New funding of \$10 million to assist nursing homes with conversion to other purposes;
- An additional \$9.1 million for ongoing start-up costs for interdistrict magnet schools in compliance with Sheff v. O'Neil; and
- New funding of \$45 million for capital improvements, technology and equipment to improve low performing schools and to replicate high performing school models statewide.

#### Special Tax Obligation Bonds for Transportation

- An additional \$90 million for bridge improvements based on the Department of Transportation's planned projects.

I would like to again thank the committee for the opportunity to present this testimony. I respectfully request the Committee support this bill and I will be happy to answer any questions you may have.



**CONNECTICUT  
ASSOCIATION  
of NONPROFITS**

*...to serve, strengthen  
and support Connecticut's  
nonprofit community.*

**Testimony before the Finance, Revenue & Bonding Committee  
3.12.12**

**In Support of:**

**SB 356, An Act Expanding the Neighborhood Assistance Act  
and  
SB 25, An Act Authorizing and Adjusting Bonds of the State for Capital Improvements,  
Transportation and Other Purposes**

**SB 356**

Senator Dailey, Representative Widlitz and members of the committee, thank you for the opportunity to testify today. My name is Ron Cretaro and I am the Executive Director of Connecticut Association of Nonprofits (CT Nonprofits), the largest membership organization in the state dedicated exclusively to working with nonprofits. We represent more than 500 nonprofits across the state that work every day to improve their communities.

We would like to thank you for raising SB 356, An Act Expanding the Neighborhood Assistance Act and fully support expanding the tax credit to limited liability partnerships, limited liability companies, limited partnerships and "S" Corporations, which fall under chapter 213a of the Connecticut General Statutes (C.G.S.).

Those companies that come under chapter 213a are currently unable to participate in the Neighborhood Assistance Act (NAA). Traditionally, the businesses that have participated in the program are "C" Corporations and those businesses that are liable for corporation business taxes under C.G.S. chapter 208. With the NAA, they can receive a credit of up to 60% of their approved contribution to certain nonprofit programs or 100% for certain energy conservation programs. However, over time more and more businesses have filed as limited liability companies and "S" Corporations resulting in fewer businesses able to participate in the NAA.

The bill before you will expand the NAA to include limited liability partnerships, limited liability companies, limited partnerships and "S" Corporations, allowing them to take the credit against the \$250 business entity tax for which they are liable. It is vital that the state brings businesses under C.G.S. chapter 213a into the NAA and encourages corporate giving and community investment among all businesses.

Further, we respectfully request that the Committee consider allowing the partners of businesses under C.G.S. chapter 213a to pass the tax credit through to the personal income taxes for which they are liable as individuals under C.G.S. chapter 229. Under the current proposal there is not much incentive for these businesses to donate more than the \$250 that they will be able to take the credit against. If they were allowed to pass through the full amount of the available credit (\$150,000) offered to the other businesses in the NAA, they would likely give more to local nonprofits. Allowing the pass through to the personal income tax does not alter the bottom line for the state since the NAA program is capped at \$5 million annually regardless of which tax the credit is taken against.

Last year for the first time in recent memory, the program exceeded the \$5 million cap and resulted in prorated credits. One possible reason for the increased use of the program was several welcomed changes

(OVER)

the General Assembly made last session, including doubling the available credit from \$75,000 to \$150,000 and eliminating the requirement that a business's contribution be equal to or exceed its contribution from the previous year. We encourage the continued expansion of the NAA and respectfully request that the Committee consider raising the cap in the near future. It has proven a valuable program for encouraging nonprofits and businesses to work together towards improving their communities.

### SB 25

I would also like to offer support for SB 25, *An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation and Other Purposes*, which makes adjustments and additional authorizations to the state's bonding program.

This bill includes several important initiatives for nonprofits and those we serve, such as:

- \$5 million for facility improvements and minor capital repairs at nonprofit school readiness programs and day care centers funded through the State Department of Education
- \$1 million for fire, safety and environmental improvements, including expansion, for nonprofit mental health clinics for children funded by the Department of Children & Families
- \$30 million authorized as the start of a ten-year commitment of \$300 million for housing revitalization
- An additional \$20 million, for a total of \$70 million available for affordable housing
- An additional \$12.5 million to re-invigorate the state's elderly congregate housing programs

We thank the Governor and Committee members for their continued support of the state's bonding program to assist nonprofits with capital repairs and improvements that ensure safe and healthy environments for clients and consumers.

Thank you for your attention to these matters. Please do not hesitate to contact me with questions.

Ron Cretaro  
Executive Director  
(860) 525-5080 x22  
[rcretaro@ctnonprofits.org](mailto:rcretaro@ctnonprofits.org)

**H – 1147**

**CONNECTICUT  
GENERAL ASSEMBLY  
HOUSE**

**PROCEEDINGS  
2012**

**VOL.55  
PART 25  
8215 - 8555**

The motion is for suspension of the rules for immediate consideration of Substitute Senate Bill 25.

Is there objection? Is there objection?

Hearing none, the rules are suspended for immediate consideration Substitute Senate Bill 25.

Will the Clerk please call Substitute Senate Bill 25.

THE CLERK:

Substitute Senate Bill Number 25, AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES.

SPEAKER DONOVAN:

Representative Pat Widlitz.

Excuse me. How could I forget? Please forgive me, Representative.

REP. BOUKUS (22nd):

I'm thinking about it.

SPEAKER DONOVAN:

All right. Thank you.

Representative Betty Boukus, Chair of the Bonding Subcommittee.

REP. BOUKUS (22nd):

With that note, thank you, Mr. Speaker. It's good to see you.

SPEAKER DONOVAN:

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

635  
May 9, 2012

Nice to see you, madam.

REP. BOUKUS (22nd):

Mr. Speaker, I move for acceptance of the joint committee's favorable report and passage of the bill in concurrence with the Senate.

SPEAKER DONOVAN:

The question is on acceptance and passage in concurrence with the Senate.

Will you remark?

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Mr. Speaker, the Clerk has in his possession an amendment, LCO 5456. I would like to ask the Clerk to please call the amendment and I be granted leave of the Chamber to summarize.

SPEAKER DONOVAN:

Will the Clerk please call LCO 5456, which is designated Senate "A."

THE CLERK:

LCO 5456, Senate "A", offered by Representative Widlitz, Boukus, et al.

SPEAKER DONOVAN:

Is there objection to summarization?

Hearing none, Representative Boukus, you may

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

636  
May 9, 2012

proceed.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Mr. Speaker, as everyone in the Chamber realizes, last year we did do a bond package and this is just adjustments to the bond package -- pardon me -- to accommodate some of the things we did in the General Assembly this year, also to cover some of the programs that the Governor supports strongly and other activities. So I'll just read a couple that I have here.

Sounds like a plan. Okay. Thank you.

SPEAKER DONOVAN:

-- remark further? Will you remark further on the amendment? Remark further on the amendment?

If not, let me try your minds.

All those in favor of the amendment, please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER DONOVAN:

All those opposed, nay.

The ayes have it. The amendment is adopted.

Remark further on the bill as amended?

Representative Floren.

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

637  
May 9, 2012

REP. FLOREN (149th):

Thank you very much.

Well, the bond bill is exactly as it was presented, rather briefly. But anyway, Betty Boukus gives a whole new meaning to the phrase "show me the money".

No one wants more debt or more debt service. Each of us is concerned about the large amounts of money we've bonded and have bonded in the past. Therefore, this bond package, this work product, for the most part, is still a pure play. It's restrained and it's reasonable.

The major emphasis is on information technology improvements, upgrades, and integration across agencies. Money will -- spent will -- will increase efficiency, cost effectiveness, and cost savings going forward. Other initiatives deal with reducing excess government and excess government office space, correcting deferred maintenance of state-owned properties, and repairing and improving infrastructure. Early childhood education, alternative energy, and affordable housing projects and programs round out the bill before you.

I'd like to thank my colleague, Representative Betty Boukus, and Mary Finnegan, Steve Kitowicz, Linda Miller, and Gary Turco. They are wise, professional, and patient beyond measure.

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

638  
May 9, 2012

To me, the bond package encourages consolidation and efficiency. It creates job opportunities. It contains no earmarks. It's a good bill and it ought to pass.

Thank you.

SPEAKER DONOVAN:

Thank you, Representative.

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

If I may, a quick question to the good Representative?

SPEAKER DONOVAN:

Please proceed, sir.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

In our hearings of the subcommittee, there were some discussions with DAS and fund -- giving funding to DAS for the purpose of looking at consolidating some state agencies and moving them into state buildings, and maybe having -- having the state acquire some buildings that they might currently lease or might be some options to -- to purchase.

Is there money in this bond package for that?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Yes, there is, representative. There is an amount for a potential purchase for properties, to evaluate present buildings that are in a lease situation, to co-locate consolidated agencies. There's also the closure of the garage at 25 Sigourney Street they're looking into.

And many of the regular programs that we know about, ADA, infrastructure, just the regular maintenance that we have on state buildings.

Thank you.

SPEAKER DONOVAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

And, I think, looking at this, was -- is the dollar amount approximately 24 million?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

No, it isn't. It's 180 million.

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

640  
May 9, 2012

SPEAKER DONOVAN:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

I appreciate that answer. I think that that is an important initiative that the State of Connecticut is embarking on.

We've heard a lot of discussions about having to come up with different ways of cost savings. And especially in these times, where commercial real estate has certainly been on the decline, the state has some opportunities here to be able to purchase buildings at a lower cost. And certainly, I think, overall, it would help the -- the real estate market by having the State of Connecticut looking into owning buildings on their own as opposed to leasing. And so I certainly support that initiative.

I hope that we're diligent in reviewing these leases and making sure that we're making the best investment possible. That we're not, maybe, purchasing buildings that are dilapidated, but certainly looking at how we could go make our buck go the furthest.

And, you know, as part of that, I know the Finance Committee had discussed looking at reviewing capital projects and possibly, you know, having a system set up

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

641  
May 9, 2012

in that when where we are looking to expend money of large -- in large quantities.

And so I hope, when DAS goes forward with these projects, that we do look at the cost-benefit analysis before we go forward, maybe bringing in the private sector and people that have a knowledge of buildings prior to these purchases.

But it certainly is a great initiative. And while putting the dollars toward it is an excellent thing to do, we can't forget about the second part of it which will come into the future, and that is proper scrutiny before we put our step forward.

But I certainly stand in support of this initiative.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative.

Representative Craig Miner.

REP. MINER (66th):

Thank you, Mr. Speaker.

Mr. Speaker, if I could, a few questions to the gentlelady.

SPEAKER DONOVAN:

Please proceed, sir.

REP. MINER (66th):

Thank you, Mr. Speaker.

In Section 48, there is some money set aside here. And it looks like the bond funds would be used for the underground tank fund. If the gentlelady could tell me, will these dollars be sufficient to cover those requests that are currently sitting in the hopper at the DEEP?

Through you.

SPEAKER DONOVAN:

Representative Betty Boukus.

REP. BOUKUS (22nd):

Thank you for that question. I believe you're referring to the underground storage tanks.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you.

Mr. Speaker, yes, that's correct. The underground storage tank fund.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Miner -- sorry -- Representative Betty Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

You asked if it would cover the program. Currently, there's a \$17 million liability. The program is for \$9 million a year for four years, \$36 million.

As you are well aware, this is needed for -- to maintain the EPA certification for this program. And it's indicated -- the EPA has indicated that if we withdraw the approval due to insufficient level of state funding to reimburse the claims, that they would withdraw certification. So these dollars are very important.

And I thank you for that question.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker.

I concur with the gentlelady. During the Environment Committee meeting, we had a public hearing. We had plenty of attendance. And that very concern was raised by members of the public, most of whom have significant capital investments in the State of Connecticut. So I'm happy to know that that the money is in this bond package.

If I could point the gentlelady to lines 151, 152 and

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

644  
May 9, 2012

153, through you, Mr. Speaker, the money set aside here, which is for rightsizing nursing homes, if the gentlelady could tell me what that program might be?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Thank you for the question.

The nursing home alterations, is that the one you're referring to, sir?

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker.

That is, yes.

Through you, please.

SPEAKER DONOVAN:

Representative Betty Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

The grants are for nursing homes. Since Money Follows the Person has taken off in the state, many nursing homes have found themselves in need of other areas in which

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

645  
May 9, 2012

to use their services. So not only will that be to support the rightsizing, but it will also be used for alterations, renovations, improvements. And that dollar amount is \$10 million, sir.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Madam Speaker -- Mr. Speaker. And I thank the gentlelady for her answer.

I remember that when we were talking about this matter in front of the Appropriations Committee, there was a policy discussion that occurred as well with regard to taking some of our very ill Department of Corrections inmates and placing them in, perhaps, homes where it would be less expensive to house them and more effective for them to live out the last phase of their life. So I -- I appreciate the answer there.

If I could, please, the gentlelady, if she would look, through you, Mr. Speaker, to lines 335 through 341. It -- it appears that there is a slight downward adjustment on Line Item 341. And is that a reflection that this project has been completed?

Through you, Mr. Speaker.

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

646  
May 9, 2012

SPEAKER DONOVAN:

Representative Betty Boukus.

REP. BOUKUS (22nd):

Would you -- Mr. Speaker, would you have him repeat the lines?

SPEAKER DONOVAN:

Representative Miner, would you please repeat the question.

REP. MINER (66th):

Certainly, Mr. Speaker.

Between lines 335 and 341, there is language in there about repairs and improvements relative to the Americans with Disabilities Act. And the amount has been moved from \$5 million to 4,999,820. And my question is, is that a reflection of a project or series of projects that are completed?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Yes, I'm very pleased to say that that project came under \$120.

SPEAKER DONOVAN:

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

647  
May 9, 2012

Representative Miner.

REP. BOUKUS (22nd):

I mean, 180. I stand corrected.

REP. MINER (66th):

Thank -- thank you, Mr. Speaker.

A job well done. You know, a penny saved is a penny earned.

And if we could go to the next page, Line Items 359 to 365. If the gentlelady could describe for us the reason why, in this case, we've gone from 12,500,000 to 192,500,000.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

This is the program we were speaking of just recently with Representative Candelora regarding the DAS projects that are out there for the state. If you take twelve million, five hundred and you add 180 million to it, you see that this is the technical change that had to be done.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Miner.

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

648  
May 9, 2012

REP. MINER (66th):

Thank you, Mr. Speaker.

So all those projects are -- are on a list somewhere and -- and already been evaluated as being acceptable projects that would be, in theory, shovel-ready in the very near future?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

No. That's -- that's something they're working on right now for a three-year plan out, to be able to assess all the buildings that they're looking at, and the acquisitions they may have also, as we just spoke, regarding agency consolidation, just what is required. So this is falling all under DAS.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker. And I thank the gentle lady for her answer.

If we could just turn my last question on page 15,

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

649  
May 9, 2012

lines -- I guess, it's 437. In the state bridge improvement and rehabilitation project, it appears that the number goes from 33 million to \$123 million.

Through you, Mr. Speaker.

Is that for a finite list of projects that have already been scoped?

Through you.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

This increase, the -- Governor Malloy is, through the last bonding package and now in this -- bonding agenda rather -- now in this bonding package, has placed another \$90 million in this area.

By the way, people, excuse me. I have a cold and I apologize for that. So it will squeak a little here and there.

There is a list, and we're trying to locate it for you right now, sir.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Miner.

REP. MINER (66th):

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

650  
May 9, 2012

Thank you, Mr. Speaker.

And is that a reflection of the State's cost of those projects, imagining that there's a federal match to this?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

This is -- in response to your earlier question and now your present question, the full utilization of 90 million in bridge bonds for priority projects deliverable as soon as possible.

I have a listing here. Did you want me to read the whole thing?

SPEAKER DONOVAN:

Representative Miner.

REP. BOUKUS (22nd):

We've got time.

REP. MINER (66th):

Through you, Mr. Speaker.

As much as I would love to know what the list is, I'm not sure that it would be fair to the others that may have more important questions, but I do thank the gentlelady for her response.

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

651  
May 9, 2012

Thank you, Mr. Speaker.

REP. BOUKUS (22nd):

Thank you.

SPEAKER DONOVAN:

Thank you, Representative.

Would you care to remark further?

Representative Greene (inaudible).

If not, Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

A few questions to the proponent (inaudible).

SPEAKER DONOVAN:

Please proceed, sir.

REP. SAWYER (55th):

Yes, sir.

Through you.

I was looking at the repairs, the major repairs.

There's a huge jump on page 13, line 365. It's  
\$180 million increase in infrastructure. Is there -- are  
there specific projects in line already for that money?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Betty Boukus.

REP. BOUKUS (22nd):

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

652  
May 9, 2012

Thank you, Mr. Speaker.

You're referring to the \$192,500,000. Is that the figure?

REP. SAWYER (55th):

Yes, ma'am. It is.

SPEAKER DONOVAN:

Representative Pam Sawyer.

REP. SAWYER (55th):

Through you, Mr. Speaker.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

In response to that, we have infrastructure improvements to state-owned buildings. The DAS facilities management three-year infrastructure improvement plan has identified over 170 million worth of influx -- infrastructure improvements necessary at state facilities controlled by DAS.

I previously mentioned and, again, I'll mention the closure of the 25 Sigourney Street Garage, the garage that the state owned, 25 Sigourney Street building was closed on March 13, 2012.

The ECS and DAS is doing a cost-benefit analysis of replacement alternatives that range between 35 and 42 million dollars. The project is listed separately from

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

653  
May 9, 2012

the item because it is not included in the infrastructure improvement plan.

The third point is the potential building purchase. DAS is currently evaluating a variety of ways to reduce the state's reliance on leased office space. One of the alternatives is to reduce the state's reliance on leased office facility. And I believe that -- that costs about \$21 million, we spend out every year. So that is a huge savings.

The state current -- the -- the existing office building that would enable DAS to colocate consolidated state agencies is state-owned property. The remaining 2.5 million will be used to provide small state agencies that do not receive bond fund authorizations for infrastructure improvements with a funding for their capital projects.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative Boukus.

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

And, through you.

I looked at the end of the bill for when all of these

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

654  
May 9, 2012

sections would be effective. And almost all of the sections are effective July 1st, which makes sense because it's for next year, until you get down to Section 41, and most of them, through Section 49, are from passage.

Through you, Mr. Speaker.

Could you please describe the difference?

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

I believe that -- that refers to the underground storage part of our -- our bonding and -- I stand corrected. Hold it.

May I have just a moment, Mr. Speaker?

Okay.

Thank you, Mr. Speaker.

REP. SAWYER (55th):

Thank you, Mr. Speaker. And I appreciate the gentlelady's answer.

SPEAKER DONOVAN:

Representative Sawyer.

REP. SAWYER (55th):

Sorry.

SPEAKER DONOVAN:

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

655  
May 9, 2012

Representative Boukus.

Representative Sawyer, you're all set?

REP. BOUKUS (22nd):

I think she's all set.

SPEAKER DONOVAN:

Representative Alberts.

Representative -- I was missing.

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker.

Some questions to the proponent, through you, please.

SPEAKER DONOVAN:

Please proceed, sir.

REP. CHAPIN (67th):

Thank you, Mr. Speaker.

Going back to Section 48, which is the bonding for the underground storage tank, I would assume that since this is the budget adjustment year, we would be authorizing bonds for -- starting July 1, 2013. But I see there is three successive years after that. Is that a normal thing for us to do?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Boukus.

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

656  
May 9, 2012

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Yes, it is not the usual procedure. But we are also very concerned that we do not have enough money there for the EPA to be able to notice that we will be paying the payments. So we put \$9 million each year, out for four years, sir.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker.

And, again, through you.

And I -- I understood your -- your response to a prior question about not wanting them to lose their certification. So I certainly see that as a reasonable thing to do. But as you may or may not know, we have an existing underground storage tank program that has been proposed to be eliminated and totally revamped in a different way.

Can the gentlelady tell me if the 9 million per year for four years is intended to be used under the existing program, or what has been proposed by, I guess, OPM and the -- and the Governor's office?

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

657  
May 9, 2012

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

This is a new proposal.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker.

So would it be --

REP. BOUKUS (22nd):

Bob, you're right in my vision, Bob.

REP. CHAPIN (67th):

-- would it be fair to say that we may see the new program outlined in an implementor bill later on in special session?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Yes, that's a good assumption. Thank you.

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

658  
May 9, 2012

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Chapin.

REP. CHAPIN (67th):

Thank you, Mr. Speaker.

And I thank the gentlelady for her answers.

SPEAKER DONOVAN:

Representative Floren.

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker, and good evening.

Through you, a few questions to the proponent of the amendment --

SPEAKER DONOVAN:

Please proceed, sir.

REP. WILLIAMS (68th):

-- the bill rather.

Thank you, Mr. Speaker.

Through you to Representative Boukus.

Section 2, I think, specifically lines 148 through 149, deal with the issue of microgrids in response to the storm that we had in October and, of course, Hurricane Irene last September.

We have, in line 149, specifically allocated

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

659  
May 9, 2012

\$25 million for the issue of microgrids, and I'm curious. I believe, in the amendment that we -- or the bill that we passed earlier with respect to storm response, we allocated \$15 million for microgrids as a result of an agreement that happened between the four caucuses, the Governor's office, the Department of Energy and Environmental Protection, et cetera.

I'm just curious, which of these two numbers takes precedence, the amount that's in our bond bill here before us or the bill that we passed earlier tonight?

Through you.

SPEAKER DONOVAN:

Representative Betty Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

This 25 million would take precedence.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

And in lines 408 through 419, there is a whole variety of question -- issues with respect to grants-in-aid for congregant housing, et cetera. This all seems to be new

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

660  
May 9, 2012

language, with respect to our existing statutes and the Money Follows the Person program, which of course so many of us have supported over the years. Is this in addition to what we have done in the past on the Money Follows the Person issue?

Through you.

SPEAKER DONOVAN:

Representative Betty Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Yes, it is in addition.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Betty Boukus -- Representative Sean Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

In Section 49, it appears that we have repealed funding for the EMAP program. Am I correct in that assumption? And if I am, am I right -- well, why are we repealing \$15 million?

Through you.

SPEAKER DONOVAN:

Representative Betty Boukus.

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

661  
May 9, 2012

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

We're moving it to another section of the bill. So the emergency mortgage assistance plan is in existence.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

And, through you, to Representative Boukus.

Lines 359 through 365, I think, were spoken about earlier by Representative Sawyer, but was this specifically -- this item specifically in the finance bill that we passed earlier?

This is with respect to infrastructure repairs and improvements. Was this added after the Finance Committee approved the bond package?

Through you.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

It was in the Governor's original budget and we removed it before we voted in the Finance Committee. And

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

662  
May 9, 2012

since then, we put it back in.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

And, through you, to Representative Boukus.

The other day when the House passed the budget adjustments for this biennium, I recall that we bonded for town aid road, I think, to the degree of \$30 million. And I believe that in the past we have done that in the budget, but just clarifying that, are we bonding this year, in this bond package, for town aid road, or is that something that did not make it into this document?

Through you.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Yes, that's correct. \$30 million is in this package for town aid road, similar to the language we used, I believe, it was in 2010.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

663  
May 9, 2012

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

Could Representative Boukus point to the section that we're referring to?

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Oh, yes I can.

Thank you, Mr. Speaker.

If you look into Section 47, I believe you'll see it there.

SPEAKER DONOVAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

So, through you, to Representative Boukus. This actually removes all town aid road funding from our General Fund obligations that we passed the other night and now places that into the bond package that we are about to vote on. Is that correct? ]

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Yes. That -- thank you, Mr. Speaker.

Yes, that is correct.

SPEAKER DONOVAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

I thank the gentlelady for her answers.

SPEAKER DONOVAN:

Thank you.

Representative O'Neill.

REP. O'NEILL (69th):

Yes. Thank you, Mr. Speaker.

Again, a few questions for the chair of the bonding subcommittee.

I notice in the judicial department and there is a Section 31 where there is a cancellation. And I'm wondering why it is that we are canceling these renovations and improvements to the state courthouse facilities.

Through you, Mr. Speaker, if there could be some sort of an explanation.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

Yes. At the request of the Judicial Department, there were \$5 million in that category. We removed, at their request, \$1 million to replace -- to -- place it in an area for a juvenile facility. So it's a separation of five; four left in, one for a new juvenile facility.

Thank you, Mr. Speaker.

REP. O'NEILL (69th):

Thank you, Mr. Speaker.

And the one -- there's \$1 million, I gather, then that I see in the Judicial Department's bond area for this development of a juvenile facility in -- in Meriden or Middletown. I guess -- I'm kind of puzzled that it's left as open-ended as that.

What exactly is this court building supposed to be for? I understand juveniles, but why are we building a new court facility when we already have so many that we're talking about even having to close down? Or at least last year, we were talking about having to close down courthouses.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

This was a request from the Judicial Department. They have been looking for a facility for many, many years. I believe ten years. And the search has not been successful. Therefore, they're trying to pursue construction rather than leasing for a courthouse.

They're able to secure a new location, hopefully, in Middletown or in Meriden. Right now they're splitting up their facilities in order to accommodate this. So this was a request from them, and I believe they think that they will be more successful if they move into this area.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker.

And I understand that it's for the development of a juvenile court building. Just how much actual construction will this \$1 million pay for?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

The funding is proposed for site analysis, project

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

667  
May 9, 2012

budgeting, and beginning the design process.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker. And I thank the lady for her answer.

So then, actually, there won't be anything built. We'll just be looking for a -- a site somewhere, in either Middletown or Meriden. That's what the \$1 million will largely pay for is a site search. Is that correct?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

That is correct. I believe that they'll have a more successful ability to find a place, and then have this funding in place, they can go forward.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker. And, again, and I thank the

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

668  
May 9, 2012

lady for her answer.

I'm looking at Section 22, which I'm wondering if I'm misreading it. It talks about infrastructure repairs and improvements, including fire safety compliance with the Americans with Disabilities Act, improvements to state-owned buildings, grounds, energy conservation, and so on, including office development acquisition, renovations.

And the number there in -- in red, which I assume means it is a cancellation, says \$180. Is -- is that correct? That we're -- actually we have only \$180 left over that we're going to cancel?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Boukus.

REP. BOUKUS (22nd):

Thank you, Mr. Speaker.

There wasn't a \$5 million project that they thought they would have to spend the entire 5 million.

Fortunately, it came in for

\$4,000,999 -- \$4,000,999 -- 820 -- is that right?

Meaning, the 180 was left over.

So, thank you, Mr. Speaker.

SPEAKER DONOVAN:

mr/ch/rgd/gdm/gbr  
HOUSE OF REPRESENTATIVES

669  
May 9, 2012

Representative O'Neill.

Care to remark further? Care to remark further on  
the bill?

REP. O'NEILL (69th):

Thank you, Mr. Speaker.

No.

SPEAKER DONOVAN:

Care to remark further on the bill as amended?

If not, staff and guests please come to the well of  
the House. Members take their seats. The machine will  
be open.

THE CLERK:

The House of Representatives is voting by roll call.

Members to the Chamber. The House is taking a roll call  
vote. Members to the Chamber, please.

SPEAKER DONOVAN:

Have all the members voted? Have all the members  
voted?

Please check the roll call board to make sure your  
vote has been properly cast.

If all the members have voted, the machine will be  
locked.

Clerk, please take a tally.

THE CLERK:

Senate Bill Senate "A" under concurrence.

Total number voting	139
Necessary for adoption	70
Those voting Yea	126
Those voting Nay	13
Those absent and not voting	12

SPEAKER DONOVAN:

The bill as amended has passed.

Clerk, please call 503.

THE CLERK:

On page 26, Calendar 503, Substitute for Senate Bill 310, AN ACT CONCERNING THE REMOVAL OF INDIVIDUALS FROM THE STATE CHILD ABUSE AND NEGLECT REGISTRY, favorable report by the Committee on (inaudible). ]

SPEAKER DONOVAN:

Representative Fox.

REP. G. FOX (146th):

Thank you, Mr. Speaker.

I move for the acceptance of the joint committee's favorable report and passage of the bill in concurrence with the Senate.

SPEAKER DONOVAN:

The question is on acceptance and passage.

Will you remark further?

**S - 649**

**CONNECTICUT  
GENERAL ASSEMBLY  
SENATE**

**PROCEEDINGS  
2012**

**VOL. 55  
PART 14  
4223 - 4505**

rgd/tmj/gdm/gbr  
SENATE

270  
May 9, 2012

Madam President, we -- we hope to be adding some additional items to the consent calendar before calling for a vote on that. And would now ask the Clerk to call from the items marked go, calendar page 10, Calendar 411, Senate Bill Number 25, followed by House Bill 5358.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On page 10, Calendar 411, Substitute for Senate Bill Number 25, AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES, favorable report of the Committee on Finance, Revenue and Bonding.

THE CHAIR:

Senator -- I'm sorry. Senator Prague.

Oops. I'm sorry. Senator -- yeah. Senator Daily.  
Senator Daily.

SENATOR DAILY:

Thank you very much, Madam President.

I move the joint committee's favorable report and seek passage of the bill.

THE CHAIR:

The motion is on acceptance and passage.

Will you remark, ma'am?

SENATOR DAILY:

Yes, I will. Thank you, Madam President.

The contents of the bill are reflected by the title of the bill, and it's the bonding that we do annually to finance certain projects of the State of Connecticut.

rgd/tmj/gdm/gbr  
SENATE

271  
May 9, 2012

THE CHAIR:

Will you remark? Will you remark further?

Senator Roraback.

SENATOR RORABACK:

Thank you, Madam President.

Briefly, through you, if I may, a quick question to the proponent of the bill?

THE CHAIR:

Please proceed, sir.

SENATOR RORABACK:

Thank you, Madam President.

This bill appears to be bonding about \$350 million more than the original bonding bill which came out of the Finance Committee. And Madam President, I just wanted to ask Senator Daily if that additional bonding represents things that were in other bills which have now been transferred to this act.

Through you, Madam President, to Senator Daily.

THE CHAIR:

Senator Daily.

SENATOR DAILY:

Thank you very much, Madam President.

Yes, it does, in part. And it also reflects some additions that were made by the bonding subcommittee after meeting with OPM.

SENATOR RORABACK:

Thank you, Madam President.

I appreciate the answers and I support the bill.

rgd/tmj/gdm/gbr  
SENATE

272  
May 9, 2012

Thank you.

THE CHAIR:

Thank you.

Will you remark? Will you remark?

If not, Senator Daily.

SENATOR DAILY:

Thank you very much, Madam President.

If there's no objection, I would move this to consent.

THE CHAIR:

Seeing no objection so order -- oops.

Senator Looney.

SENATOR LOONEY:

Madam President, since that is a Senate bill which must go to the House of Representatives, I would ask that we proceed to an immediate roll call vote.

THE CHAIR:

Okay.

SENATOR DAILY:

Excuse me. I think I misspoke, too, because it's Senate Amendment "A." That is what we're voting on or should be voting on.

THE CHAIR:

Oh, we have not called Senate "A."

Mr. Clerk, will you please call Senate "A," LCO --

SENATOR DAILY:

rgd/tmj/gdm/gbr  
SENATE

273  
May 9, 2012

5456.

THE CHAIR:

5456.

THE CLERK:

LCO Number 5456, Senate "A," offered by Senators Daily,  
Fonfara, Representatives Widlitz and Boukus.

THE CHAIR:

Senator Daily.

SENATOR DAILY:

Thank you very much, Madam President.

I move the amendment which now becomes the bill.

THE CHAIR:

The motion is on adoption and passage.

Senator Daily.

Will you remark? Will you remark?

If not, all in favor of the amendment, please say, aye.

SENATORS:

Aye.

THE CHAIR:

Opposed?

Thank you. The amendment passes.

Mr. Clerk, we please call -- oh, I'm sorry. Yeah.  
Mr. Clerk, will you please call for a roll call vote, and  
the machine will be open.

THE CLERK:

rgd/tmj/gdm/gbr  
SENATE

274  
May 9, 2012

Immediate roll call has been ordered in the Senate.  
Senators please return to the Chamber. Immediate roll  
call has been ordered in Senate.

THE CHAIR:

Senator Welch.

Senator Guglielmo, you want to vote, please.

Senator Frantz.

Have all members voted? If all members have voted, the  
machine will be closed.

Mr. Clerk, will you call the tally.

THE CLERK:

Senate Bill Number 25.

Total Number Voting	36
Necessary for Adoption	19
Those Voting Yea	36
Those Voting Nay	0
Those Absent and Not Voting	0

THE CHAIR:

The bill is passed.

Mr. Clerk.

SENATOR LOONEY:

Madam President.

THE CHAIR:

Oh, Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, would move for immediate transmittal to  
the House of Representatives of Senate Bill Number 25 as

rgd/tmj/gdm/gbr  
SENATE

275  
May 9, 2012

amended.

THE CHAIR:

I apologize, sir.

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

And Madam President, if the Clerk would now call the item from Senate Agenda Number 2 previously marked House Bill 5358.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On Senate Agenda Number 2, House Bill Number 5358, AN ACT CONCERNING AUTHORIZATION OF STATE GRANT COMMITMENTS FOR SCHOOL BUILDING PROJECTS, favorable report of the Committee on Finance, Revenue and Bonding.

THE CHAIR:

Senator Daily.

Oh, sorry. Excuse me, Senator Daily. It said Finance, but it happens to be Senator Stillman. I apologize.

Senator Stillman.

SENATOR STILLMAN:

Thank you, Madam President.

I move the joint committee's favorable report in concurrence with the House.

THE CHAIR:

The motion is on acceptance and passage in concurrence with the House.