
OLR Bill Analysis

sSB 85

AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE, CONCERNING THE UCONN 2000 PROGRAM AND ESTABLISHING GRANT PROGRAMS FOR SUPPLEMENTAL GRADUATE STUDENT LOANS, WAR OR VETERANS' MEMORIALS OR MONUMENTS AND AGING-IN-PLACE.

TABLE OF CONTENTS:

SUMMARY

§§ 1-7 — NEW BOND AUTHORIZATIONS FOR STATE CAPITAL PROJECTS

Authorizes new state GO bonds for FY 27 for various state capital projects

§§ 8-15 & 37 — SUPPLEMENTAL GRADUATE LOAN PROGRAM

Creates the Supplemental Graduate Loan Program to provide loans to eligible graduate students and authorizes \$30 million in GO bonds for the program

§§ 16, 24, 25, 30, 31 & 35 — BOND AUTHORIZATIONS FOR PREVIOUSLY ENACTED PROGRAMS AND GRANTS

Increases bond authorizations for various existing grants and purposes by authorizing new bonding for these purposes in FY 27

§§ 17-20, 24, 26, 28-30, 32-34 & 36 — UCONN RELATED BOND CHANGES

Cancels and adds various bond authorizations for specified programs and projects related to UConn, including the UConn 2000 infrastructure program

§ 21 — CONNECTICUT HOUSING FINANCE AUTHORITY BOND AUTHORIZATION ALLOWABLE USES

Expands the allowable uses of an existing bond authorization for the Connecticut Housing Finance Authority

§§ 22 & 23 — OTHER BOND CANCELLATION

Cancels a \$75 million bond authorization to OPM for state matching funds for projects and programs allowed under the federal Infrastructure Investment and Jobs Act or the Inflation Reduction Act of 2022

§ 27 — CHANGES TO DEPARTMENT OF PUBLIC HEALTH GRANT PROGRAM

Modifies a bond-funded DPH grant program for water bottle filling stations at certain schools by making municipalities eligible and expanding allowable grant uses to include automated external defibrillators

§ 38 — GRANTS PROGRAM FOR WAR OR VETERANS’ MEMORIALS OR MONUMENTS

Requires DVA to administer a grant program for capital expenditure projects to place or maintain war or veterans’ memorials or monuments; authorizes \$2 million in GO bonds for the program

§ 39 — AGING-IN-PLACE GRANT PROGRAM

Creates a grant program to aid certain homeowners with making accessibility modifications so they can remain in their primary residences

§§ 40 & 41 — “HOMES FOR CT” LOAN PROGRAM CHANGES

Makes several changes to the “Homes for CT” loan program, including modifying the interest rate used to set the cap on what participating lenders may charge

§ 42 — TOWN AID ROAD GRANTS

Expands the purposes for which municipalities may use Town Aid Road grants, allowing them to buy certain equipment

§ 43 — FEDERAL TRANSPORTATION LOAN PROGRAM ASSISTANCE AND STATE SPECIAL TAX OBLIGATION BONDS

Allows certain state transportation bonds issued under a federal program to mature at any time allowed under the federal program, but not longer than the useful life of the projects being financed

SUMMARY

This bill (1) authorizes new state general obligation (GO) bonds and new bond programs; (2) adjusts several existing bonds and bond programs; and (3) makes various other changes, including to the UConn 2000 infrastructure program, as summarized in the section-by-section analysis that follows.

EFFECTIVE DATE: Various, see below.

§§ 1-7 — NEW BOND AUTHORIZATIONS FOR STATE CAPITAL PROJECTS

Authorizes new state GO bonds for FY 27 for various state capital projects

The bill authorizes new GO bonds for FY 27 for the state capital projects listed in the table below. The bonds are subject to standard issuance procedures and have a maximum term of 20 years.

Table: New GO Bond Authorizations for FY 27 for State Capital Projects

§	Agency	Project	Amount
2(a)	Department of Administrative	Replace the current fleet garage in Wethersfield, including site acquisition,	\$20,000,000

§	Agency	Project	Amount
	Services (DAS)	planning activities, and construction costs	
2(b)	Department of Emergency Services and Public Protection	Purchase, construct, and maintain a new mesonet system (a network of automated real-time weather stations)	1,500,000
2(c)	Department of Correction	Security upgrades, including new doors, information technology upgrades, security cameras, and other work to ensure the safety of the department's employees and inmates	10,000,000
		Electronic health records systems, including digital medical care request systems, devices, and access points	10,000,000
2(d)	Department of Energy and Environmental Protection	Natural diversity data base mapping enhancements and other information technology resources to streamline the department's permitting and environmental review processes	5,000,000

EFFECTIVE DATE: July 1, 2026

§§ 8-15 & 37 — SUPPLEMENTAL GRADUATE LOAN PROGRAM

Creates the Supplemental Graduate Loan Program to provide loans to eligible graduate students and authorizes \$30 million in GO bonds for the program

The bill requires the Connecticut Higher Education Supplemental Loan Authority (CHESLA) to create, subject to available funding, a Supplemental Graduate Loan Program to provide loans to eligible graduate students. It makes the program's loans available to students in or from the state who are enrolled in an eligible advanced academic or professional degree program, as determined by CHESLA, that is pursued after earning a bachelor's degree. The bill requires CHESLA to adopt eligibility criteria and administrative guidelines for the new loan program under its board of directors' existing authority to adopt written procedures for CHESLA's loans.

The bill authorizes \$30 million in new GO bonds for FY 26 for the program. The bonds are subject to standard issuance procedures and have a maximum term of 20 years. The bill includes a standard provision requiring that, as a condition of bond authorizations for grants to private entities, each granting agency include repayment

provisions in its grant contract in case the facility for which the grant is made stops being used for the grant purposes within 10 years of the grantee receiving it. The required repayment is reduced by 10% for each full year that the facility is used for the grant purpose.

Additionally, the bill requires CHESLA to have a separate, non-lapsing program account to contain program funds, including appropriations and bond proceeds. The account must be used to issue program loans and for the program's reasonable and necessary administrative expenses.

EFFECTIVE DATE: Upon passage

Background — Related Bill

sSB 8 (File 3), favorably reported by the Higher Education and Employment Advancement Committee, establishes a substantially similar CHESLA loan program for graduate students and also authorizes \$30 million in GO bonds for the program, while additionally carving out at least \$60 million from the state's private activity bond cap for CHESLA, and increasing, from \$300 million to \$750 million, the maximum amount of CHESLA's bonds backed by a special capital reserve fund that can be outstanding at any time.

§§ 16, 24, 25, 30, 31 & 35 — BOND AUTHORIZATIONS FOR PREVIOUSLY ENACTED PROGRAMS AND GRANTS

Increases bond authorizations for various existing grants and purposes by authorizing new bonding for these purposes in FY 27

The bill increases bond authorizations for various existing grants and purposes by authorizing new bonding for these purposes in FY 27, as shown in the table below. It also makes conforming changes to the corresponding bond supertotals.

Table: FY 27 Authorizations for Previously Enacted Programs and Grants

§	Agency	Purpose/Fund	FY 27
16	DAS	School construction projects	\$50,000,000
25	Office of the Chief Medical Examiner	Facility design, alterations, renovations, additions, and construction, including land acquisition	34,600,000

§	Agency	Purpose/Fund	FY 27
31	Connecticut Technical Education and Career System	Design and construction of a new Windham Technical High School	150,000,000
35	DAS	Purchase of equipment, minor improvements, and other associated costs for a new data center	32,000,000

EFFECTIVE DATE: July 1, 2026

§§ 17-20, 24, 26, 28-30, 32-34 & 36 — UCONN RELATED BOND CHANGES

Cancels and adds various bond authorizations for specified programs and projects related to UConn, including the UConn 2000 infrastructure program

The bill makes several changes to bond authorizations for programs and projects related to UConn, including effectively transferring several current GO bond authorizations to the UConn 2000 infrastructure program. (By law, bonds issued as part of the UConn 2000 infrastructure program are excluded from the state’s cap on bond issuances (CGS § 3-21(f)(2)).)

The bill repeals a law authorizing \$46.1 million in GO bonds over a five-year period (FY 22 through FY 26) for a program to generally facilitate recruiting eminent faculty and their research staffs to the university, while simultaneously authorizing the same bonding amount for this program under Phase III of the UConn 2000 infrastructure program (this phase covers FYs 05 through 31).

The bill similarly cancels current GO bond authorizations to the UConn Health Center for (1) deferred maintenance, code compliance, and infrastructure improvements (\$30 million each in FYs 24, 25, and 27), (2) system telecommunications infrastructure upgrades, improvements, and expansions (\$3 million each in FYs 26 and 27), and (3) equipment, library collections, and telecommunications (\$25 million in FY 26 and \$10 million in FY 27), while also authorizing for the health center, under UConn 2000 Phase III, (1) \$90 million, (2) \$6 million, and (3) \$35 million, respectively, for the same purposes. Lastly, the bill eliminates a current \$3 million GO bond authorization for FY 26 to

UConn for improvements to digital learning infrastructure at a regional campus while also authorizing the same amount for the same purpose under UConn 2000 Phase III. For these eliminated authorizations, the bill makes conforming changes to the corresponding bond supertotals.

The table below lists these and other changes to Phase III project authorizations. The bill correspondingly increases the UConn 2000 program's total bond authorization and FY 27 bond cap by \$210.1 million.

Table: Changes to UConn 2000 Phase III Project Authorizations (in Millions)

<i>Project</i>	<i>Current Authorization</i>	<i>New Authorization</i>	<i>Change</i>
Digital learning infrastructure improvements at a regional campus	\$0	\$3	\$3
Equipment, library collections, and telecommunications	470	480	10
Lab renovations and equipment	0	20	20
Program to recruit eminent faculty and research staff	0	46.1	46.1
Deferred maintenance, code compliance, and infrastructure improvements – Health Center	0	90	90
Equipment, library collections, and telecommunications – Health Center	75	110	35
System telecommunications infrastructure upgrades, improvements, and expansions – Health Center	0	6	6

EFFECTIVE DATE: July 1, 2026

§ 21 — CONNECTICUT HOUSING FINANCE AUTHORITY BOND AUTHORIZATION ALLOWABLE USES

Expands the allowable uses of an existing bond authorization for the Connecticut Housing Finance Authority

The bill allows the Connecticut Housing Finance Authority (CHFA) to use an existing bond authorization (1) to capitalize assistance issued under its Down Payment Assistance Program (DAP) or (2) for its Emergency Mortgage Assistance Program (EMAP). Under current law, only the latter use is permitted.

EMAP provides emergency mortgage assistance or emergency lien assistance to eligible homeowners who have fallen behind (or anticipate falling behind) on their mortgage payment or non-mortgage expenses due to a financial hardship beyond their control. DAP generally seeks to help first-time homebuyers by providing subordinate mortgage loans to eligible borrowers for down payment or closing cost assistance (or both).

EFFECTIVE DATE: July 1, 2026

Background — Related Bill

sHB 5162 (File 89), favorably reported by the Housing Committee, is identical to this provision.

§§ 22 & 23 — OTHER BOND CANCELLATION

Cancels a \$75 million bond authorization to OPM for state matching funds for projects and programs allowed under the federal Infrastructure Investment and Jobs Act or the Inflation Reduction Act of 2022

The bill cancels a \$75 million GO bond authorization to the Office of Policy and Management (OPM) for state matching funds for projects and programs allowed under the federal Infrastructure Investment and Jobs Act or the Inflation Reduction Act of 2022. It also makes a conforming change to the corresponding bond supertotal.

EFFECTIVE DATE: July 1, 2026

§ 27 — CHANGES TO DEPARTMENT OF PUBLIC HEALTH GRANT PROGRAM

Modifies a bond-funded DPH grant program for water bottle filling stations at certain schools by making municipalities eligible and expanding allowable grant uses to include automated external defibrillators

Existing law authorizes \$3.5 million in GO bonds to the Department of Public Health (DPH) for grants to local and regional boards of education to purchase, install, and maintain water bottle filling stations at schools designated to receive services under Title I of the federal Elementary and Secondary Education Act. The bill (1) extends grant eligibility to municipalities; (2) allows these grants to also be used to purchase, install, and maintain automated external defibrillators; and (3) expands where the two types of devices may be installed to also

include buildings a municipality owns or leases.

EFFECTIVE DATE: Upon passage

§ 38 — GRANTS PROGRAM FOR WAR OR VETERANS' MEMORIALS OR MONUMENTS

Requires DVA to administer a grant program for capital expenditure projects to place or maintain war or veterans' memorials or monuments; authorizes \$2 million in GO bonds for the program

The bill requires the Department of Veterans Affairs (DVA), starting in FY 28, to administer a grant program for municipalities and nonprofits providing human or social services for capital expenditure projects to place or maintain war or veterans' memorials or monuments. It authorizes \$2 million in GO bonds and requires DVA to use the proceeds for the grant program the bill establishes. The bonds are subject to standard statutory bond issuance procedures and repayment requirements.

By January 1, 2027, DVA must (1) develop (a) eligibility criteria for selecting among grant applicants and (b) related application forms and deadlines, and (2) conspicuously post this information on its website.

The bill also requires DVA, starting by January 1, 2028, to annually report to the Veterans' and Military Affairs Committee with information for the preceding calendar year on the number of grant applications received, the number of grants awarded, and a list of the municipalities and nonprofits that received grants.

EFFECTIVE DATE: July 1, 2026

Background — Related Bill

sHB 5298 (File 140), favorably reported by the Veterans' and Military Affairs Committee, has identical provisions that are effective October 1, 2026.

§ 39 — AGING-IN-PLACE GRANT PROGRAM

Creates a grant program to aid certain homeowners with making accessibility modifications so they can remain in their primary residences

The bill requires the aging and disability services commissioner to

create an aging-in-place program to give grants to eligible homeowners for making accessibility modifications that enable them to remain in their primary residences.

Under the bill, an “eligible homeowner” is someone who (1) owns and occupies a residential property in Connecticut as his or her primary residence, (2) is at least age 60 or a person with a disability, and (3) has a household income no greater than 60% of the median household income for the area in which he or she resides, as determined by the commissioner. An “accessibility modification” is a physical alteration made to residential property to improve usability, safety, and independence for a person who is elderly or a person with a disability.

The bill caps grants at \$10,000 per eligible homeowner. It also (1) requires the commissioner to create the program’s application form and process, including the criteria for accessibility modifications and for awarding grants, and (2) allows her to adopt regulations to carry out the program.

EFFECTIVE DATE: July 1, 2026

§§ 40 & 41 — “HOMES FOR CT” LOAN PROGRAM CHANGES

Makes several changes to the “Homes for CT” loan program, including modifying the interest rate used to set the cap on what participating lenders may charge

The bill makes several changes to the “Homes for CT” loan program, a CHFA-administered program established under the FYs 26-27 bond act to help owners and developers get funding to build new residential buildings. Under the program, participating banks and credit unions make loans to eligible borrowers and CHFA guarantees repayment, up to specified amounts. The law also authorizes CHFA, within available resources, to make additional subordinate loans to Homes for CT borrowers subject to any terms it sets, such as interest rates and maturity.

The bill caps the interest rate participating lenders may charge under the program at the Wall Street Journal prime rate on the date the borrower and bank or credit union lock in the rate, rather than a specified Federal Home Loan Bank of Boston (FHLBank Boston) rate on

that date, as current law requires. The current cap is the FHLBank Boston's New England Fund rate for short- or long-term advances, based on the advance term that most closely matches the loan's term.

The bill also:

1. specifies that the CHFA loans to Homes for CT borrowers may be amortizing, deferred, or forgivable as to principal and interest;
2. authorizes CHFA to make grants to Homes for CT borrowers, subject to terms it sets; and
3. limits CHFA's authority to provide these loans and grants to available resources allocated by the State Bond Commission.

By law, "Homes for CT" loans must be used for expenses needed to complete residential building construction or build related improvements that CHFA determines are necessary. The program may issue up to \$100 million in loans and pay up to \$10 million to honor loan guarantees. The FYs 26-27 bond act authorizes up to \$20 million in GO bonds for FYs 26 and 27 for the program.

EFFECTIVE DATE: July 1, 2026

Background — Related Bill

HB 5314 (File 110), favorably reported by the Banking Committee and passed by the House, has identical provisions.

§ 42 — TOWN AID ROAD GRANTS

Expands the purposes for which municipalities may use Town Aid Road grants, allowing them to buy certain equipment

The bill expands the purposes for which municipalities may use Town Aid Road (TAR) grants, allowing them to buy certain equipment.

Existing law allows towns to use these grants to do specified work, which includes building and maintaining highways and bridges. Under the bill, towns may also use TAR grant funds to buy and maintain equipment to do that work, such as equipment for street sweeping, roadside mowing, vegetation management, snow and ice removal, and

cleaning catch basins.

Under existing law, unchanged by the bill, the OPM secretary may approve a town's request to use grant funds for other purposes.

EFFECTIVE DATE: July 1, 2026

Background — Related Bill

HB 5501 (File 273), favorably reported by the Planning and Development Committee, has identical provisions that are effective October 1, 2026.

§ 43 — FEDERAL TRANSPORTATION LOAN PROGRAM ASSISTANCE AND STATE SPECIAL TAX OBLIGATION BONDS

Allows certain state transportation bonds issued under a federal program to mature at any time allowed under the federal program, but not longer than the useful life of the projects being financed

Existing law authorizes the treasurer, OPM secretary, and transportation commissioner to enter into loan agreements or other credit agreements with the U.S. Department of Transportation (U.S. DOT), including agreements under the federal Transportation Infrastructure Finance and Innovation Act (TIFIA) and Railroad Rehabilitation and Improvement Financing (RRIF) programs. It also authorizes the issuance of "federal transportation bonds," which are state special tax obligation (STO) bonds that are issued to evidence and secure U.S. DOT loans or other financial assistance made to the state under federal programs.

The bill allows, regardless of existing state STO bond procedures, federal transportation bonds issued under any federal program to mature at any time that is allowed under the federal program, but not longer than the useful life of the projects being financed. Under the bill, "federal program" is any program of financial assistance made by the U.S. DOT to Connecticut, including RRIF, TIFIA, or programs established under them.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2026

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 46 Nay 7 (03/31/2026)