Testimony of Commissioner Michelle H. Gilman
Department of Administrative Services
Priority List Review Committee
January 23, 2023

Good afternoon, Senator McCrory, Representative Currey, Senator Berthel, Representative McCarty, Senator Osten, Representative Walker, Representative Nuccio, Senator Fonfara, Representative Horn, Senator Martin, and Representative Cheeseman.

My name is Michelle Gilman, and I am the Commissioner of the Department of Administrative Services (DAS). I am joined by Noel Petra, Deputy Commissioner for Real Estate and Construction Services, and Doug Rogers, Director of the Office of School Construction Grants and Review. For your consideration, we have provided a listing of eligible school building projects submitted by our agency to the Office of the Governor pursuant to C.G.S. Sec. 10-283(a)(2) and to this Committee in accordance with C.G.S. Sec. 10-283a.

Table 1 lists the twenty school construction projects reviewed by DAS and submitted to the School Construction Priority List Review Committee. The twenty projects consist of thirteen elementary schools, three middle schools, two magnet schools, one special education project, and one central administration project. Eight are new school projects, six are alteration projects, four are categorized as "Extension/Alteration" projects, and two are categorized as purchase of a facility.

The proposed Priority List has estimated total project costs of $1,016,163,152. If the legislature and Governor approve, that would set the State's maximum grant amount for these projects at $622,619,266. In addition, there are two reauthorizations with estimated project costs of $389,604,871 and a potential grant change of $53,075,064.

Please note that the total project costs included in the 2023 Priority List ($1,016,163,152) are an increase of more than 73% over the project costs included in the 2022 Priority List ($586,360,399). In addition, legislation passed in the 2022 session nearly doubled the size of the DAS approved 2022 Priority List by authorizing an additional $496,960,764 in project costs across the state, for a total of $1,083,321,163.

While some of the increase in school construction costs over the past two years can likely be attributed to a post-Covid building boom and inflation, it is worth noting that the potential grant amounts included in the 2023

Priority List are 2.7 times the average potential grant amount of the 2019-2022 lists and 1.5 times the average potential grant amount of the 2015-2018 lists. These substantial increases will put additional strain on the state's resources and lead to significant future increases in debt service in order to manage the increasing costs.

As you are aware, DAS proposed several statutory changes to improve the school project building grant program and increase transparency. The statutory changes were signed into law as part of Public Act 22-118 and included a requirement that DAS provide a listing of the non-priority list projects administratively awarded in the previous fiscal year to provide greater transparency regarding total school construction grant awards. We have included the non-priority list as Section 6 in the Priority List package.

At DAS, we take pride in supporting our districts and RESCs to provide a high quality, safe learning environment for students and school personnel across Connecticut.   In particular, the Office of School Construction Grants and Review works closely with all school districts and regional educational service centers (RESCs) pursuing school construction projects, including those on this year's Priority List and those planning future applications. As part of our process, we ensure all statutory requirements are met.

Thank you for the opportunity to present the 2023 Priority List today. We look forward to working with your committee and the legislature in the coming months and appreciate your continued dedication to Connecticut's schools. We would be happy to answer any questions you may have.