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Before the Appropriations Committee
March 15, 2024

RE: HB-5047 – AN ACT IMPLEMENTING THE GOVERNOR’S RECOMMENDATIONS FOR GENERAL GOVERNMENT

The Connecticut Council of Small Towns (COST) ***strongly supports*** Section 15 of HB-5047 which increases the maximum grant that a municipality may receive under the Small Town Economic Assistance program (“STEAP”) from \$500,000 to \$1 million.

The STEAP program was established in 2001 to mirror the Urban Act program. It is a competitive grant program administered by the Office of Policy & Management to assist small towns in funding various capital projects, including economic development projects, infrastructure projects, recreation and solid waste disposal projects, housing projects, and social service-related projects, such as senior centers, domestic violence and emergency homeless shelters, and day care centers.

Given the increase in the cost of construction in the 23 years since the inception of the program, increasing the eligible grant amount to \$1 million is long overdue. It is also worth noting that awards under the Urban Act are not capped.

COST urges lawmakers to support this provision to assist Connecticut’s small towns in addressing local economic and community development needs.

Sections 18 and 19 of HB-5047 include provisions to 1) cap school construction grants to \$500 million per year, and 2) authorize the state Department of Administrative Services to adopt regulations to set the maximum allowable reimbursable cost per square foot for school building projects.

Although we recognize the need to rein in school construction costs, COST is concerned that capping the amount that may be authorized on an annual basis is likely to render some projects ineligible, regardless of how worthy. This is a big concern given increases in construction costs and efforts to upgrade HVAC systems to improve indoor air quality.

COST ***opposes*** provisions in Section 18 and 19 of the bill which cap construction costs in this manner.



Thank you for the opportunity to comment regarding HB-5047.

COST is an advocacy organization committed to giving small towns a strong voice in the legislative process. COST champions the major policy needs and concerns of Connecticut's suburban and rural towns.