

# OFFICE OF FISCAL ANALYSIS

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<http://www.cga.ct.gov/ofa>

sSB-535

AN ACT ESTABLISHING THE APPRENTICESHIP CONNECTICUT INITIATIVE AND CONCERNING ECONOMIC DEVELOPMENT AND MANUFACTURING BONDS FOR SUBMARINE FACILITY CAPITAL IMPROVEMENTS.

## ***OFA Fiscal Note***

### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 19 \$</b>	<b>FY 20 \$</b>	<b>Out Years \$</b>
Treasurer, Debt Serv.	GF - Potential Cost	See Below	See Below	72.3 million total

Note: GF=General Fund

***Municipal Impact:*** None

### ***Explanation***

The bill authorizes \$50 million in General Obligation bonding for work force pipeline programs to be administered by the Department of Labor. To the extent that the authorized bonds are allocated by the State Bond Commission, the state would need to repay the principal amount of the bond plus associated fees and interest. If bonds were approved for use and issued in FY 19, the state could begin repayment of up to \$2.5 million in FY 20. A later issuance date would not result in repayment cost in the biennium.

The bill also obligates \$100 million of funds previously authorized for the Manufacturing Assistance Act to a qualified submarine manufacturer. This may change the expenditure rate of the authorized GO bonds, with a commensurate change in future debt service payments.

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***The Out Years***

Under current market conditions, the state would repay a \$50 million bond over 20 years at an approximate total cost of \$72.3 million (for principal and interest, including the initial \$2.5 million payment described above), or approximately \$3.6 million per year on average.