

OFFICE OF FISCAL ANALYSIS

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sHB-7354

AN ACT CONCERNING AUTHORIZATION OF STATE GRANT COMMITMENTS FOR SCHOOL BUILDING PROJECTS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	Out Years	FY 21 \$
Treasurer, Debt Serv.	GF - Future Cost	237 million	237 million

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	Out Years
Various Municipalities	Future Revenue Gain	160.5 million

Explanation

The bill approves a total of \$160.5 million in state grant commitments for eight new school construction projects on the State's school project priority list.

The grants-in-aid will be financed through the issuance of \$160.5 million in General Obligation (GO) bonds, which will be authorized in future fiscal years. The projected debt service cost to the General Fund to issue \$160.5 million at a 5.25% interest rate for a 20-year term is \$237 million. The bill does not authorize new GO bonds.

The Out Years

The ongoing fiscal impact identified above will continue into the future subject to project completion, successful municipal application

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4/23/19

for reimbursement, and the costs of borrowing.