

# OFFICE OF FISCAL ANALYSIS

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sSB-932

AN ACT CONCERNING AN ALLIANCE DISTRICT TEACHER  
LOAN SUBSIDY PROGRAM.

## ***OFA Fiscal Note***

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

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 22 \$</b>	<b>FY 23 \$</b>
Treasurer, Debt Serv.	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

***Municipal Impact:*** None

### ***Explanation***

The bill authorizes \$7 million of General Obligation (GO) bonds each fiscal year starting in FY 22. To the extent the new bonds authorized are fully allocated and expended, there would be an increase in annual General Fund debt service costs until such bonds are fully repaid. At current market rates, total repayment costs over 20 years for \$7 million of GO bond authorizations are estimated to be approximately \$10 million.

The bill creates an annual new GO bond authorization, which would continue to add \$7 million of new bond authorizations each year until changed or repealed. Additional years of authorization past the initial year would increase the potential costs proportionately – for example, 10 years of authorizations would be \$70 million of bond authorizations at a total estimated debt service cost of \$100 million.

However, when portions of an authorization are specified to become effective in future years, the full authorization amount is typically known at the time of adoption. If considered a valid

authorization, the total potential debt service cost is unknowable, given the lack of a finite amount or time frame of the bond authorization.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the terms of any bonds issued.