

## Debt Service - State Treasurer OTT14100

### Budget Summary

Account	Actual FY 20	Actual FY 21	Governor Estimated FY 22	Original Appropriation FY 23	Governor Revised FY 23	Legislative FY 23	Difference -Gov FY 23
<b>Other Current Expenses</b>							
Debt Service	1,870,494,945	1,897,276,985	1,929,827,549	2,010,045,782	1,987,098,186	1,987,098,186	-
UConn 2000 - Debt Service	211,812,412	200,003,342	203,228,356	223,746,381	219,070,756	219,070,756	-
CHEFA Day Care Security	3,803,665	3,811,027	5,500,000	5,500,000	5,500,000	5,500,000	-
Pension Obligation Bonds - TRB	118,400,521	118,400,521	203,080,521	306,680,521	306,680,521	306,680,521	-
<b>Grant Payments to Local Governments</b>							
Municipal Restructuring	45,666,625	56,314,629	54,677,710	54,098,049	54,098,049	54,098,049	-
<b>Agency Total - General Fund</b>	<b>2,250,178,168</b>	<b>2,275,806,504</b>	<b>2,396,314,136</b>	<b>2,600,070,733</b>	<b>2,572,447,512</b>	<b>2,572,447,512</b>	-
<b>Special Funds</b>							
Debt Service	651,264,370	664,664,870	748,101,723	842,720,480	842,720,480	842,720,480	-
<b>Agency Total - Special Transportation Fund</b>	<b>651,264,370</b>	<b>664,664,870</b>	<b>748,101,723</b>	<b>842,720,480</b>	<b>842,720,480</b>	<b>842,720,480</b>	-
<b>Total - Appropriated Funds</b>	<b>2,901,442,538</b>	<b>2,940,471,374</b>	<b>3,144,415,859</b>	<b>3,442,791,213</b>	<b>3,415,167,992</b>	<b>3,415,167,992</b>	-

Account	Governor Revised FY 23	Legislative FY 23	Difference from Governor
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### Current Services

#### Adjust Debt Service Based on Current Projections

Debt Service	(22,947,596)	(22,947,596)	-
UConn 2000 - Debt Service	(4,675,625)	(4,675,625)	-
<b>Total - General Fund</b>	<b>(27,623,221)</b>	<b>(27,623,221)</b>	-

#### Background

Debt service reflects the state's obligation to make payments on services and goods provided in previous years. General Fund-backed bond spending increased from \$1.5 billion in FY 13 to a peak of \$2.4 billion in FY 16. Spending has steadily declined since the peak, with FY 21 spending at \$1.4 billion. Bond spending in previous years relates to debt service payments in the current biennium, as payments are made on issued bonds. In FY 23, approximately 90 percent of the projected baseline debt service payment is to repay bonds that were issued prior to FY 22.

UConn 2000 debt service is similarly largely based on long-term spending trends, with around 90% of FY 23 debt service payments based on issuances from prior to FY 22. Future debt service growth is expected to be limited due to three factors: 1) improved market borrowing rates in recent UConn 2000 bond issuances; 2) scheduled declines in new authorization for the UConn 2000 program, and 3) reconfigured UConn 2000 bond issuance schedule that delays some issuance based on programmatic cash flow. Debt service costs for the program are expected to plateau around FY 24. The program includes new bond authorizations annually through FY 27.

#### Governor

Reduce General Fund debt service by \$22,947,596 in FY 23 to reflect improved market rates from recent and projected GO bond sales.

Reduce UConn 2000 debt service by \$4,675,625 in FY 23 to reflect revised bond issuance schedule and market conditions.

#### Legislative

Same as Governor

**Totals**

<b>Budget Components</b>	<b>Governor Revised FY 23</b>	<b>Legislative FY 23</b>	<b>Difference from Governor</b>
Original Appropriation - GF	2,600,070,733	2,600,070,733	-
Current Services	(27,623,221)	(27,623,221)	-
<b>Total Recommended - GF</b>	<b>2,572,447,512</b>	<b>2,572,447,512</b>	-
Original Appropriation - TF	842,720,480	842,720,480	-
<b>Total Recommended - TF</b>	<b>842,720,480</b>	<b>842,720,480</b>	-