

OFFICE OF FISCAL ANALYSIS

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HB-5681

AN ACT CONCERNING MUNICIPAL OPPORTUNITY REIMBURSEMENT AND EDUCATIONAL EQUITY.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	Out Years
Treasurer, Debt Serv.	GF - Potential Cost	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	Out Years
Various Municipalities	Potential Revenue Gain	See Below

Explanation

The bill, which increases school construction reimbursement rates for projects within "inclusive municipalities" after FY 23, represents a potential cost to the state and potential revenue gain to municipalities.

To the extent municipalities qualify and are named "inclusive municipalities" and undertake eligible school construction projects in or after FY 24, municipal reimbursements from the state for such projects would be 10 percentage points higher than they would be otherwise. To the extent additional bond funds are authorized and used due to the increased rates, there is potential for additional debt service costs paid by the state.

This bill does not approve school construction projects or authorize

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additional bond funds for school construction. Specific costs from eligible projects, including the marginal increase from increased reimbursement rate, would be determined when projects are approved.

The Out Years

The ongoing fiscal impact identified above would continue subject to project approval and bond fund authorization.