

# OFFICE OF FISCAL ANALYSIS

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SB-1393

AN ACT CONCERNING AUTHORIZATION OF STATE GRANT  
COMMITMENTS FOR SCHOOL BUILDING PROJECTS AND  
REVISIONS TO THE SCHOOL BUILDING PROJECTS STATUTES.

## ***OFA Fiscal Note***

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

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Treasurer, Debt Serv.	GF - Future Cost	See Below	See Below

Note: GF=General Fund

### ***Municipal Impact:***

Municipalities	Effect	FY 26 \$	FY 27 \$
Various Municipalities	Future Revenue Gain	See Below	See Below

## ***Explanation***

The bill approves a net increase of \$222 million in state grant commitments for school construction projects, which represents potential revenue gain for the specified municipalities. The grants-in-aid will be financed through the issuance of General Obligation (GO) bonds in future fiscal years. The bill does not authorize new GO bonds. The projected debt service cost to the General Fund to issue \$222 million of GO bonds at current market rates is \$318 million over twenty years.

The bill also increases the reimbursement rate for some school construction projects involving preschool and special education. To the extent future projects are found to be eligible for the reimbursement increase and relevant projects are proposed, approved, and completed, there would be increased costs to the state and increased revenue to

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3/27/25

involved municipalities. The impact of the increased reimbursements for future projects on the school construction priority list will be reflected when such projects are considered by the legislature in the future.

***The Out Years***

The ongoing fiscal impact identified above will continue into the future subject to project completion, successful application for reimbursement, and the costs of borrowing.