

Debt Service - State Treasurer

OTT14100

Budget Summary

Account	Actual FY 24	Actual FY 25	Governor Estimated FY 26	Original Appropriation FY 27	Governor Revised FY 27	Legislative FY 27	Difference -Gov FY 27
Other Current Expenses							
Debt Service	2,185,333,369	1,902,404,473	1,974,414,696	2,041,951,996	2,039,989,119	2,039,989,119	-
UConn 2000 - Debt Service	205,492,442	214,177,700	209,033,862	213,698,862	242,026,362	233,226,362	(8,800,000)
CHEFA Day Care Security	3,643,210	3,650,234	4,000,000	4,000,000	4,000,000	4,000,000	-
Pension Obligation Bonds - TRB	315,671,921	330,190,921	268,251,771	284,364,458	284,364,458	284,364,458	-
Grant Payments to Local Governments							
Municipal Restructuring	49,833,072	46,518,776	45,404,138	47,778,925	47,058,347	47,058,347	-
Agency Total - General Fund	2,759,974,014	2,496,942,104	2,501,104,467	2,591,794,241	2,617,438,286	2,608,638,286	(8,800,000)
Debt Service	862,969,139	858,964,824	895,450,787	1,025,610,574	962,448,294	962,448,294	-
Agency Total - Special Transportation Fund	862,969,139	858,964,824	895,450,787	1,025,610,574	962,448,294	962,448,294	-
Total - Appropriated Funds	3,622,943,153	3,355,906,928	3,396,555,254	3,617,404,815	3,579,886,580	3,571,086,580	(8,800,000)

Account	Governor Revised FY 27	Legislative FY 27	Difference from Governor
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Current Services

Adjust General Fund Debt Service

Debt Service	(1,962,877)	(1,962,877)	-
UConn 2000 - Debt Service	28,327,500	19,527,500	(8,800,000)
Municipal Restructuring	(720,578)	(720,578)	-
Total - General Fund	25,644,045	16,844,045	(8,800,000)

Background

Debt service reflects the state's obligation to make payments on services and goods provided in previous years. In FY 27, over 90% of the projected baseline debt service payment is to repay bonds that were issued prior to FY 26. Projected debt service depends on assumptions regarding future borrowing costs and levels of types of bond issuance. Debt service needs are adjusted when bonds are issued, refinanced, or repaid. General Obligation bonds are next expected to be issued in September 2026.

UConn 2000 debt service is similarly based on long-term spending trends and recent increases in bond authorizations under the program. PA 25-2 NSS increased the UConn 2000 bond authorization by \$390 million over five years (\$148 million in FY 26, \$76 million in FY 27, \$55 million in FY 28, \$55 million in FY 29, and \$56 million in FY 30) to support the new Joint Venture Initiative. The first issuance for the Joint Venture Initiative occurred in March 2026.

Governor

Increase funding by a net of \$25,644,045 in FY 27 to reflect projected debt repayment schedules.

Legislative

Increase funding by a net of \$16,844,045 in FY 27 to reflect projected debt service schedules, updated following the March 2026 UConn 2000 bond issuance.

Adjust Special Transportation Fund Debt Service

Debt Service	(63,162,280)	(63,162,280)	-
Total - Special Transportation Fund	(63,162,280)	(63,162,280)	-

Background

Transportation debt service reflects the principal and interest payments associated with Special Tax Obligation (STO) bonds issued to finance the state's share of transportation infrastructure projects. Future debt service requirements are based on

previously issued bonds as well as projections of future STO bond issuances. Debt service needs are lower than previously projected for FY 27 due to:

- adjustments to the timing and amount of future STO bond issuances;
- the refinancing of outstanding bonds; and
- the use of excess funds from the Special Transportation Fund and Debt Service Reserve Fund to retire a portion of outstanding bonds.

Governor

Reduce funding by \$63,162,280 in FY 27 to reflect the updated debt repayment schedule.

Legislative

Same as Governor

Totals

Budget Components	Governor Revised FY 27	Legislative FY 27	Difference from Governor
Original Appropriation - GF	2,591,794,241	2,591,794,241	-
Current Services	25,644,045	16,844,045	(8,800,000)
Total Recommended - GF	2,617,438,286	2,608,638,286	(8,800,000)
Original Appropriation - TF	1,025,610,574	1,025,610,574	-
Current Services	(63,162,280)	(63,162,280)	-
Total Recommended - TF	962,448,294	962,448,294	-