



130th MAINE LEGISLATURE

LD 144**LR 1167(02)**

An Act To Fund Capital Improvements to Career and Technical Education Centers and Regions To Bolster Maine's Future Workforce

Fiscal Note for Bill as Amended by Committee Amendment " "**Committee: Education and Cultural Affairs****Fiscal Note Required: Yes**

Fiscal Note

Current biennium cost increase - General Fund

Fiscal Detail and Notes

Requiring the State to pay the debt service costs for up to \$20 million in bonds issued by the Maine Governmental Facilities Authority (MGFA) to career and technical education centers and career and technical education regions for equipment purchases, including any capital improvements necessary to use the new or updated equipment, will result in increased costs to the General Fund. The total cost to the State will depend on the number of projects approved and the principal and interest cost for each project. An estimate prepared on behalf of MGFA by Bank of America Securities for a similar bill in the 129th Legislature using a 5% coupon rate and issued with a \$3.78 million premium on 7/01/21 estimated a total debt service cost of \$25,102,750 over 10 years with \$2,505,000 in debt service costs in the first year, fiscal year 2021-22. It is reasonable to assume that a General Fund appropriation for a similar amount will be required in fiscal year 2022-23 if this bill is enacted. Any additional costs to the Maine Governmental Facilities Authority to review applications and set up debt service payment schedules are expected to be minor and can be absorbed within existing budgeted resources.

Additional costs to the Department of Education to establish criteria for the approval of applications and to administer the application process and the debt service payment schedule can be absorbed within existing budgeted resources.