

This bill authorizes \$200,000,000 in general obligation bonds for new school construction. It is estimated that the interest expense (in addition to repayment of the principal) will be \$136,195,615.56 (based on a 20 year amortization). An additional \$251,683,134 in ongoing Uniform School Funds will be required as early as 2003 to fund a 25 percent increase in the number of teachers required to teach in the new schools. The revenues to pay for the bonds will be placed in a sinking fund to be administered by the state treasurer entitled the "2000 Public Education Capital Facilities General Obligation Bonds Sinking Fund."

	<u>FY 01 Approp.</u>	<u>FY 02 Approp.</u>	<u>FY 01 Revenue</u>	<u>FY 02 Revenue</u>
Restricted Funds	\$5,827,087	\$16,826,110	\$5,827,087	\$16,826,110
TOTAL	<u><u>\$5,827,087</u></u>	<u><u>\$16,826,110</u></u>	<u><u>\$5,827,087</u></u>	<u><u>\$16,826,110</u></u>

Individual and Business Impact

The bill empowers the State to raise taxes to pay for the bonds. Individuals and businesses throughout the State would experience property or income tax increases amounting to \$16,826,110 statewide beginning FY 2001 to pay for the bonds. On a \$100,000 home, the property tax increase would amount to about \$16.40.

Office of the Legislative Fiscal Analyst