



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT
OFFICE OF THE SECRETARY

January 28, 2010

Senator Eileen M. Daily
Representative Cameron C. Staples
Senator Andrew W. Roraback,
Representative Vincent J. Candelora

Ladies and Gentlemen:

Section 2-27b of the General Statutes requires that the State Treasurer compute the aggregate amount of state general obligation bond indebtedness each January 1 and July 1 and certify that the aggregate amount of indebtedness does not exceed 90% of the debt limit as prescribed in section 3-21 of the General Statutes. The debt limit is 1.6 times General fund tax receipts. When the 90% threshold is exceeded, the Governor is required to recommend unallocated bond authorizations for cancellation to bring indebtedness below the 90% limit.

If the General Assembly adopts midterm budget adjustments based on the consensus revenue estimates that the Office of Policy and Management and the Office of Fiscal Analysis provided on January 15, 2010, the 90% threshold would be surpassed by approximately \$242 million on July 1, 2010 and trigger the cancellation requirement. Additionally, exceeding the debt limit could, at some point, preclude the State Bond Commission from approving general obligation bond allocations or issuances.

A handwritten signature in blue ink, appearing to read "Robert L. Genuario".

Robert L. Genuario
Secretary
Office of Policy and Management

c: Governor Rell
Senator Donald Williams, Jr.
Representative Christopher Donovan
Representative Lawrence Cafero, Jr.
Senator John McKinney
Senator Martin Looney
Representative Denise Merrill
Alan Calandro – Office of Fiscal Analysis