

State of Connecticut

\$875,000,000 Special Tax Obligation Bonds, 2023 Series A

\$340,000,000* Special Tax Obligation Refunding Bonds, 2023 Series B
(Transportation Infrastructure Purposes)



October 4, 2023

Investor Presentation

**Preliminary, subject to change*

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This investor presentation that you are about to view is provided as of October 4, 2023 for a proposed offering of the State of Connecticut (the “State”) of its Special Tax Obligation Bonds Transportation Infrastructure Purposes 2023 Series A and Special Tax Obligation Refunding Bonds Transportation Infrastructure Purposes 2023 Series B (collectively, the “2023 Series A and B Bonds”). This presentation has been prepared for information purposes only and for your sole and exclusive use in connection with the proposed transaction. The information contained herein is subject to completion and amendment. Any offer or solicitation with respect to the 2023 Series A and B Bonds will be made by means of a final official statement. If you are viewing this presentation after the date stated above, events may have occurred that have a material adverse effect on the financial information provided.

This Investor presentation is furnished solely to provide limited introductory information regarding the 2023 Series A and B Bonds, and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions appearing in the 2023 Series A&B POS (hereinafter defined, and sometimes referred to herein as the “POS”), including the Appendices thereto.

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Transaction Summary



Key Terms	Summary	
Issuer	State of Connecticut (the "State")	
Issue	Special Tax Obligation Bonds Transportation Infrastructure Purposes	Special Tax Obligation Refunding Bonds Transportation Infrastructure Purposes
Series	2023 Series A	2023 Series B
Par Amount	\$875,000,000	\$340,000,000*
Tax Status	Tax-Exempt	Tax-Exempt
Purpose*	To fund a portion of the projects and uses authorized in the public and special acts	To refund a portion of the outstanding 2012 Series A and 2013 Series A Bonds
Structure*	Fixed rate bonds maturing July 1, 2024 - July 1, 2044	Fixed rate bonds maturing January 1, 2025 - July 1, 2034
Optional Redemption*	To be determined at pricing	Non-Callable
Security and Sources of Payment	Special obligations of the State payable solely from pledged revenues and other receipts, funds or moneys pledged thereto pursuant to the act and the indenture	
Debt Service Reserve Account	Funded at Maximum Annual Debt Service ("MADS") of Aggregate Senior Lien Bonds	
Rating/Outlook	Moody's: Aa3 (Stable) S&P: AA (Stable) Fitch: AA- (Stable) Kroll: AAA (Stable)	
Pricing Date*	Retail Pricing: Tuesday, October 17, 2023	Institutional Pricing: Wednesday, October 18, 2023
Closing Date*	November 1, 2023	
Senior Manager	RBC Capital Markets, LLC	

*Preliminary, Subject to change.



Key Credit Provisions of the STO Program

Pledged Revenues ^(a)	<ul style="list-style-type: none">Includes: motor fuels taxes; oil companies tax payments; 0.5% of the 6.35% general retail sales and use taxes; sales and use tax on automobile sales – dealer and casual sales; motor vehicle registrations, licenses, permits, and fees; motor vehicle fines, penalties, and other charges; Federal payments; investment earnings; and highway use fees
Debt Service Priority Covenant (Statutory Lien) ^(b)	<ul style="list-style-type: none">The Act and the Indentures provide that the State shall at all times assure that Pledged Revenues be applied first to Debt Service
Pledged Revenue Coverage Requirement (Rate Covenant)^(c)	<ul style="list-style-type: none">State covenants under Senior Indenture to provide Pledged Revenues annually of at least 2.0x Senior Lien Debt Service. As a sovereign, the State has the obligation to enhance or create new revenues to fulfill the covenant
Balanced Budget Requirement ^(b)	<ul style="list-style-type: none">State Constitution requires a balanced budget (i.e., general budget expenditures authorized for any fiscal year cannot exceed the estimated amount of revenue for such year). The Act and the Indentures require that revenues in the STF meet or exceed expenses including debt service and the Pledged Revenue Coverage Requirement
Additional Bonds Test ^(b)	<ul style="list-style-type: none">Requires 2.0x Senior Bonds Debt Service coverage from Pledged Revenues for current and all succeeding years on outstanding and additional bonds
Reserve Account Requirement ^(c)	<ul style="list-style-type: none">Maximum Annual Debt Service for aggregate Senior Lien bonds. The Reserve Account is cash-funded, held with the trustee, and conservatively invested
Constitutional Lockbox ^(b)	<ul style="list-style-type: none">State Constitution amended after 88% approval of general election on November 6, 2018: STF shall remain a perpetual fund, the resources of which shall be expended solely for transportation purposes (including debt service on STO Bonds)

(a) State of Connecticut STO and Refunding Bonds, 2023 Series A&B Preliminary Official Statement dated October 4, 2023 (“2023 Series A&B POS”) – THE OPERATIONS OF THE SPECIAL TRANSPORTATION FUND

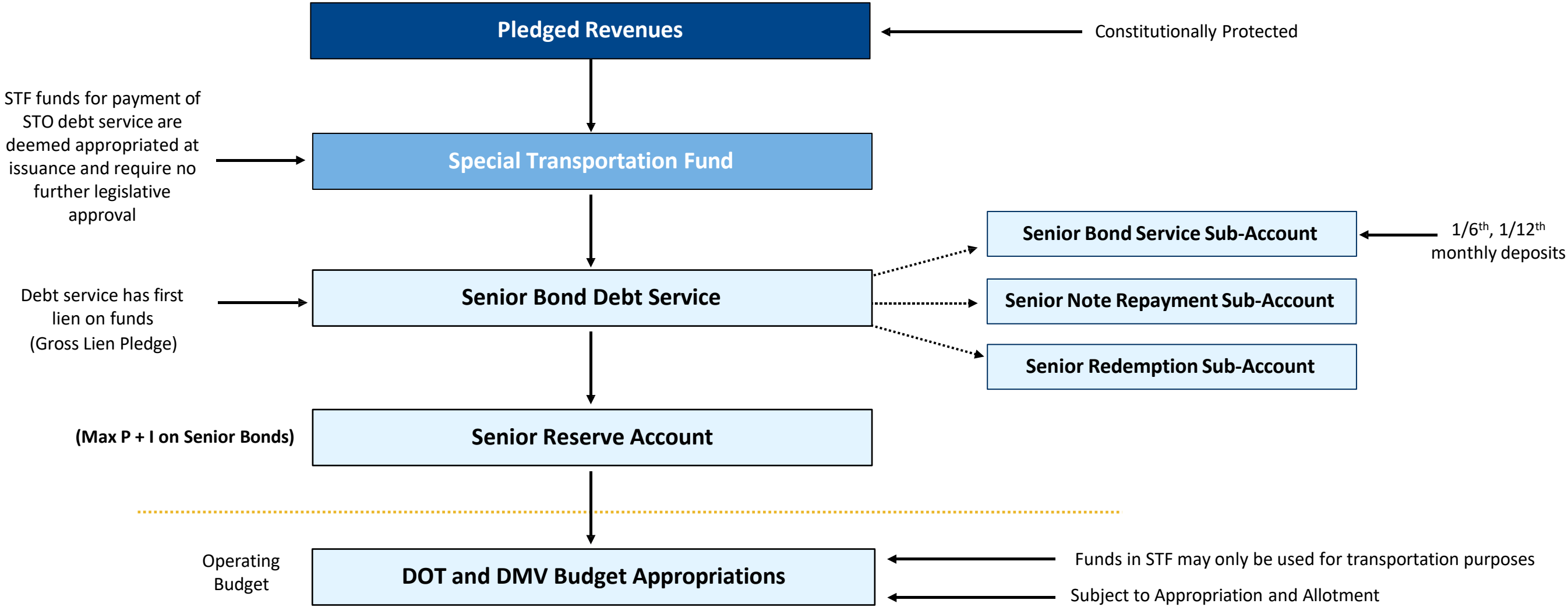
(b) 2023 Series A&B POS – NATURE OF OBLIGATION

(c) 2023 Series A&B POS – APPENDIX D

Closed Flow of Funds and Strong Legal Provisions



Flow of Funds – Closed System



Source: 2023 Series A&B POS – NATURE OF OBLIGATION

Legislative Action Shows Ongoing Commitment to Fully Fund STO Program



	Revenue Lockbox	New Revenue Pledge	Revenue Stream Enhancements
2015	<ul style="list-style-type: none"> Approved statutory transportation “lockbox” making the STF a “Perpetual Fund” (resources limited to transportation purposes, including STO debt service) 	<ul style="list-style-type: none"> Pledged 0.1% of the general retail sales and use tax as a new source of revenue, growing to 0.5% in 2018 	<ul style="list-style-type: none"> Modified the flow of funds for the Oil Companies Tax so that funds flow directly into the STF, eliminating all remaining transfers between the General Fund and the STF
2016			<ul style="list-style-type: none"> Increased fees to oversize/overweight vehicles Expanded definition of vehicles subject to permit fees to include self-propelled vehicles
2017	<ul style="list-style-type: none"> Legislation proposing a constitutional amendment that solidifies the 2015 statutory “lockbox” for the STF 	<ul style="list-style-type: none"> Sales tax on dealer car sales deposited into the STF beginning in FY2021 (five year phase-in) 	
2018	<ul style="list-style-type: none"> Constitutional Amendment – voter referendum in November 2018 with 88% general electorate approval of the “lockbox” 	<ul style="list-style-type: none"> Accelerated start date for sales tax on dealer car sales to FY2019 (five year phase-in) 	<ul style="list-style-type: none"> Revenue Covenant limits appropriations to ensure a surplus
2019		<ul style="list-style-type: none"> Dealer car sales tax adjusted (five year phase in – 100% by FY 2023) 	<ul style="list-style-type: none"> Increased motor vehicle receipts (licenses and registrations)
2021		<ul style="list-style-type: none"> Implement highway use fee effective Jan. 1, 2023 Impose a 2% convenience fee for credit card use^(a) 	<ul style="list-style-type: none"> Increased sales and use tax from sale of recreational cannabis flows to STF, with the increase going to STF (effective July 1, 2023)
2022			<ul style="list-style-type: none"> Increased registration fees for electric vehicles from \$57 to \$120

(a) Prior to implementation, the convenience fee for credit card usage was suspended through December 31, 2023
 Source: 2023 Series A&B POS – THE OPERATIONS OF THE SPECIAL TRANSPORTATION FUND

Key Transportation Initiatives



Capital Funding of New and Ongoing Projects			
Project Category	Bond Authorizations (\$ in millions)		
	FY 2023	FY 2024	FY 2025
Highway/Bridges	\$336.6	\$749.5	\$757.3
Public Transportation	\$270.8	\$279.2	\$288.4
Fix-It-First Bridge and Roadway Program	\$219.8	\$203.6	\$243.0
Local Transportation Capital Improvement Programs	\$67.0	\$128.0	\$130.0
Facilities	\$43.4	\$162.0	\$75.0
Other	\$12.0	\$35.4	\$37.1
Total	\$949.6	\$1,557.7	\$1,530.8

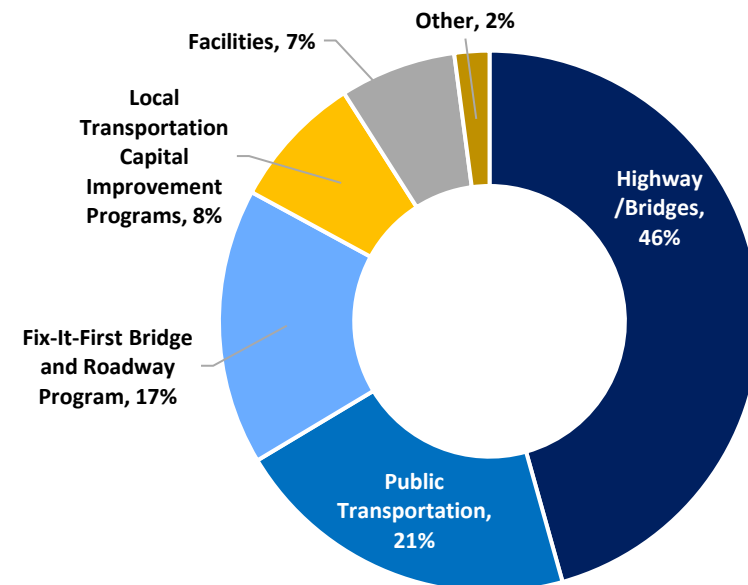
Major Capital Projects

Rehabilitation and Replacement of Bridges Across the State



- **Replacement of Norwalk River Railroad (Walk) Bridge.** The bridge was built in 1896. 240' Vertical Lift Span. This is a \$925 million, 6-year contract that broke ground in May 2023 on the phase to build the bridge itself
- **Route 82 Swing Bridge, East Haddam.** \$60 million rehabilitation of fixed and movable spans of a steel truss bridge, and addition of a cantilevered sidewalk – now 50% complete
- **Windsor Locks Dexter Coffin Bridge.** \$33 million project will be completed in 2024

FY 2023-2025 Bond Authorizations by Project Category



Rehabilitation and Reconstruction of Major Roads Throughout the State



I-95 Interchange at Route 161, East Lyme

- Improve vehicular safety and address traffic operational concerns between Interchanges (acceleration and deceleration lanes)
- On Route 161, address traffic operational concerns and improve safety for motorists, pedestrians, and bicyclists (ramps, signals, sidewalks, and crosswalks), and new wider and longer bridge over Route 161
- \$180 million 4-year initiative, starting in late 2022

Connecticut's Strong Demographics and Resilient Economy



- Connecticut has a resilient economy due to its diverse **industry composition, educated workforce, high per capita income, and extensive transportation network**

Extensive Transportation Network

- Modern transportation network provides easy access to local, regional, and international markets utilizing **interstate highway network, airports, deep draft harbors, bus, and rail systems**

Diversified Industries

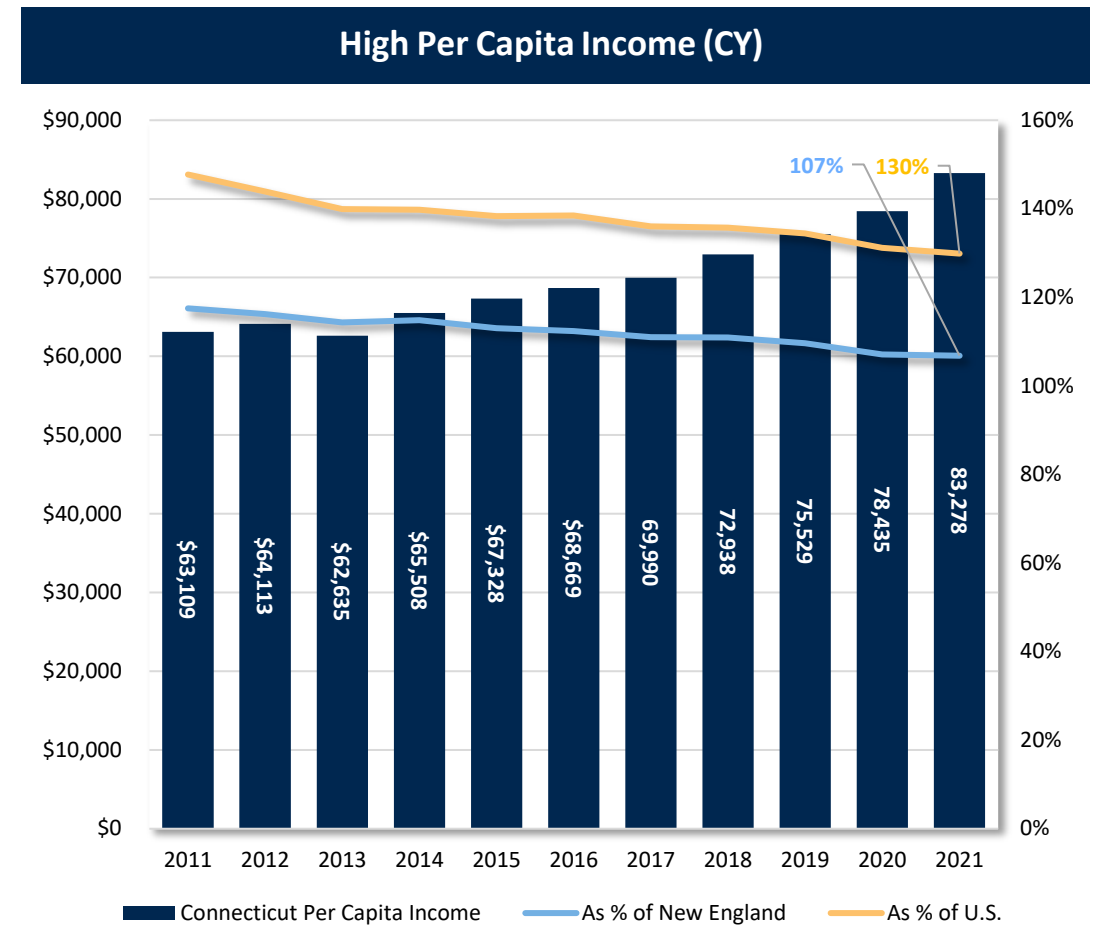
- Leading producer of aircraft engines and parts, submarines and helicopters – **4th ranked state in defense dollar award and 1st ranked in per capita dollars awarded in FFY 2021**, with large employers including Raytheon Technologies, Lockheed Martin, Frontier Communications and General Dynamics' Electric Boat Division
- Finance, insurance, and real estate accounted for 28.1% of FY 2021 GSP** along with historical presence of the insurance industry in the State
- Home to **leading academic medical centers and teaching hospitals**, including Yale New Haven Health, UConn Health, and Hartford HealthCare

Highly Educated Workforce

- Ranked 6th nationally (2021), with **40% of the population aged 25+ holding a bachelor's degree or higher**, and home to over 45 colleges and universities

High Per Capita Income

- The State's per capita income has historically been among the highest in the nation, including 2021, where the **State ranked #2 at \$83,278 (130% of the national average)**



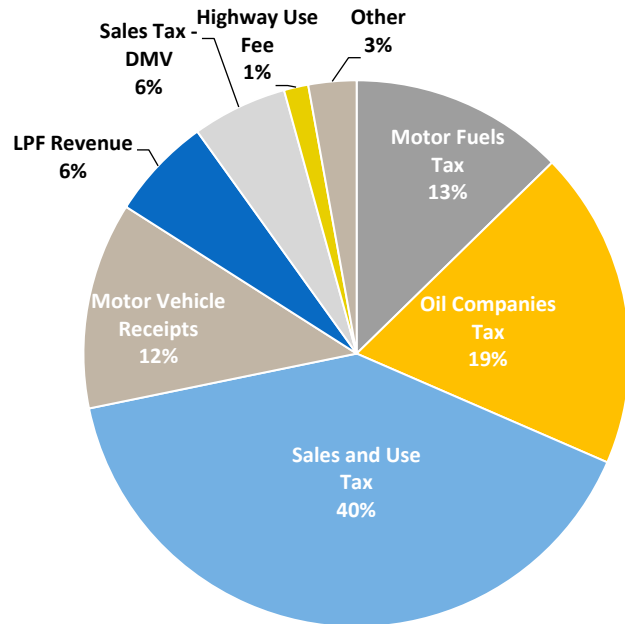
Home to 15 Diverse Fortune 500 Companies



The STO Credit has a Strong and Diverse Revenue Pledge

- Constitutionally protected Pledged Revenues
- Lien perfected at the time of receipt
- Diverse set of revenues
- 68% of Pledged Revenues not directly related to oil consumption

Breakdown of FY 2023 Actual STF Revenues (a)



Revenue Source	Revenue Description	FY 2023 ^(a) (\$ in mils)	Time of Receipt
Sales and Use Tax	<ul style="list-style-type: none"> ▪ Sales and Use Tax imposed under Sections 12-408(1)(A) and 12-411(1)(A) of the Connecticut General Statutes ▪ Includes Sales and Use Tax on Motor Vehicles 	\$837.6	Monthly
Oil Companies Tax	<ul style="list-style-type: none"> ▪ 8.1% of the gross earnings from petroleum sales 	383.5	Quarterly
Motor Fuels Tax	<ul style="list-style-type: none"> ▪ Gasoline Tax, Special Fuels Tax and Motor Carrier Road Tax ▪ Distributors required to pay on the 25th calendar day of each month based on gallons of fuel used or sold during the preceding month 	262.0	Monthly
Motor Vehicle Receipts	<ul style="list-style-type: none"> ▪ Fees collected for licenses and services provided by the DMV includes both motor vehicle registrations and operator licenses 	254.6	Daily
Licenses, Permits & Fees	<ul style="list-style-type: none"> ▪ Fees levied for certain permits issued and services provided by the State for transportation purposes ▪ Certain traffic fines 	126.4	Daily
Sales Tax – DMV	<ul style="list-style-type: none"> ▪ The tax imposed on casual sales of motor vehicles, vessels, snowmobiles and aircraft 	117.1	Monthly
Highway Use	<ul style="list-style-type: none"> ▪ Fee on every “carrier” operating heavy, multi-unit motor vehicles on any highway in the State 	29.3	Quarterly
Other	<ul style="list-style-type: none"> ▪ Interest income and Federal Build America Bond Subsidy receipts ▪ Refunds and Transfers to and from other Funds 	82.1 (23.2)	As due/ monthly
TOTAL PLEDGED REVENUES		\$2,069.4	

Source: 2023 Series A&B POS – THE OPERATIONS OF THE SPECIAL TRANSPORTATION FUND

(a) Per the Office of the State Comptroller’s Letter dated September 30, 2023 reporting on Fiscal Year 2023 Year-end, unaudited.

Note: Figures may not add due to rounding.

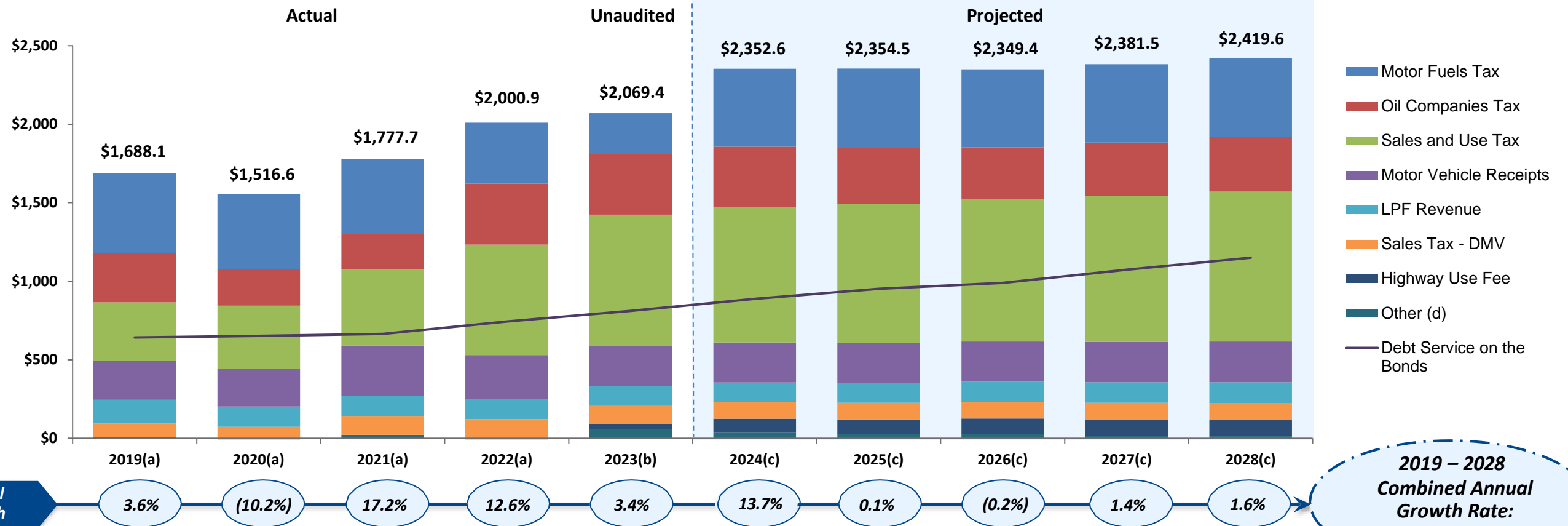
Percentages are based on the total pledged revenues prior to refunds and transfers



Total Pledged Revenues Have Been Stable and Projected to Grow

- Sales and Use Tax has grown at a consistent rate over the last two decades, at a rate of approximately 2% to 3% per year
- Significant portion of Pledged Revenues from sales and use tax and motor vehicle receipts (comprising 60.0% of revenues in FY 2023) lend stability to the revenue stream and limit reliance on the motor fuels tax
- The State has ensured the continued stability of the Special Transportation Fund by introducing new revenue streams, including the Sales and Use Tax and the Highway Use Fee, even during the heights of the COVID-19 pandemic when revenues experienced a 10% decline

Pledged Revenues (\$ millions)



Source: 2023 Series A&B POS – THE OPERATIONS OF THE SPECIAL TRANSPORTATION FUND

(a) Actual per Comptroller's Annual Reports, presented to conform to budgetary categories.

(b) Per the Office of the State Comptroller's Letter dated September 30, 2023 reporting on Fiscal Year 2023 Year-end, unaudited

(c) Pursuant to the May 1, 2023 consensus revenues revised to include legislative changes detailed in Table 2 and estimates of the Office of Policy and Management.

(d) Other revenues are comprised of Federal Build America Bond subsidy receipts, interest income, refunds of taxes, and transfers to/from other funds.



Actual and Projected STF Revenues, Debt Service, and Expenditures

- Balances in the projected STF reflect ongoing improvement in STF revenues and moderate increases in debt service and expenditures
- Current revenue projections result in a projected cumulative surplus of over \$937 million by FY 2025

(\$ in Millions)	Actual				Unaudited	Projected				
	2019(a)	2020(a)	2021(a)	2022(a)	2023(b)	2024(c)	2025(c)	2026(c)	2027(c)	2028(c)
Actual & Projected Revenues										
Motor Fuels Tax ^(d)	\$509.7	\$478.2	\$475.2	\$389.8	\$262.0	\$495.6	\$506.7	\$496.9	\$498.9	\$502.1
Oil Companies Tax ^(d)	313.1	230.4	229.1	387.1	383.5	387.0	357.2	330.0	338.3	346.7
Sales Tax ^(d)	370.6	400.9	482.9	703.4	837.6	860.2	883.2	906.1	930.4	955.3
Motor Vehicle Receipts ^(d)	250.4	241.6	321.4	281.7	254.6	254.1	255.4	256.7	258.0	259.3
Licenses, Permits, Fees ^(d)	150.1	128.7	130.7	126.0	126.4	123.7	126.1	127.0	130.3	131.1
Sales Tax - DMV ^(d)	87.3	73.1	117.2	122.1	117.1	107.5	106.5	107.4	108.4	109.3
Highway Use Fee	-	-	-	-	29.3	90.0	94.1	98.3	100.8	103.3
Federal Grants ^(d)	12.3	12.3	12.0	10.9	10.3	9.2	8.1	6.9	5.6	4.4
Interest Income ^(d)	37.4	21.8	1.9	5.0	71.8	59.3	51.0	45.9	37.5	35.6
Transfers from/(to) Other Funds ^(e)	(5.5)	(35.5)	24.5	(2.8)	(5.5)	(13.5)	(13.5)	(5.5)	(5.5)	(5.5)
Total Revenues	1,725.2	1,551.5	1,794.9	2,023.1	2,087.0	2,373.1	2,374.8	2,369.7	2,402.6	2,441.6
Refunds	(37.1)	(34.9)	(17.2)	(22.3)	(17.6)	(20.5)	(20.3)	(20.3)	(21.1)	(22.0)
Total Net Revenues	1,688.1	1,516.6	1,777.7	2,000.9	2,069.4	2,352.6	2,354.5	2,349.4	2,381.5	2,419.6
Actual & Projected Debt Service and Expenditures										
Projected Debt Service on the Bonds ^(f)	642.2	651.3	664.7	743.7	810.7	887.5	951.2	988.7	1,073.7	1,150.0
Projected Debt Service on Transportation Related General Obligation Bonds ^(g)	-	-	-	-	-	-	-	-	-	-
DOT Budgeted Expenses ^(h)	677.7	697.6	696.4	602.6	643.5	882.7	946.8	981.7	1,017.9	1,055.7
DMV Budgeted Expenses	66.2	62.3	70.3	64.9	70.4	76.6	77.4	80.3	83.5	86.7
Other Budget Expenses ⁽ⁱ⁾	206.1	240.5	258.0	315.7	243.3	295.6	305.1	321.2	334.3	347.9
Program Costs Paid from Current Operations	21.5	16.7	15.7	117.4	17.5	18.0	18.0	18.4	18.8	19.2
Estimated Unallocated Lapses ^(j)	-	-	-	-	-	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)
Total Expenditures	1,613.8	1,668.3	1,705.1	1,844.2	1,785.4	2,148.4	2,286.5	2,378.3	2,516.2	2,647.5
Excess (Deficiency)	74.4	(151.7)	72.7	156.6	284.0	204.2	68.0	(28.9)	(134.7)	(227.9)
Revised Cumulative Excess	320.1	168.4	241.1	397.7	681.7	885.9	953.9	925.0	790.3	562.4

Source: 2023 Series A&B POS – THE OPERATIONS OF THE SPECIAL TRANSPORTATION FUND

(a) Actual per Comptroller's Annual Reports, presented to conform to budgetary categories.

(b) Per the Office of the State Comptroller's Letter dated September 30, 2023 reporting on Fiscal Year 2023 Year-end, unaudited.

(c) Pursuant to the May 1, 2023 consensus revenues revised to include legislative changes detailed in Table 2 and estimates of the Office of Policy and Management.

Note: Figures may not add due to rounding. Additional footnotes included in the Appendix.



Historical and Projected Debt Service Coverage Levels Remain Strong

- Debt service coverage, inclusive of anticipated future issuances, is projected to remain comfortably in excess of the 2.0x coverage requirement through FY 2026

(\$'s in millions)	Fiscal Year Ending June 30									
	<u>2019^(a)</u>	<u>2020^(a)</u>	<u>2021^(a)</u>	<u>2022^(a)</u>	<u>2023^(b)</u>	<u>2024^(c)</u>	<u>2025^(c)</u>	<u>2026^(c)</u>	<u>2027^(c)</u>	<u>2028^(c)</u>
	Actual				Unaudited	Projected				
1 Special Transportation Fund Net Revenues	\$1,688.1	\$1,516.6	\$1,777.7	\$2,000.9	\$2,069.4	\$2,352.6	\$2,354.5	\$2,349.4	\$2,381.5	\$2,419.6
2 Principal and Interest Requirements of the 2009B – 2023B Senior Bonds ^(d)	587.3	610.8	664.4	743.1	797.3	854.5	865.6	836.7	831.6	817.7
3 Actual and Projected Debt Service Coverage for the 2009B – 2023B Senior Bonds ^(e)	2.9	2.5	2.7	2.7	2.6	2.8	2.7	2.8	2.9	3.0
4 Projected Principal and Interest Requirements for Additional Senior Bonds ^(f)	-	-	-	-	-	-	54.6	142.1	232.2	322.3
5 Actual and Projected Aggregate Debt Service Coverage for Outstanding and Projected Senior Bonds ^(g)	2.9	2.5	2.7	2.7	2.6	2.8	2.6	2.4	2.2	2.1

Source: 2023 Series A&B POS – THE OPERATIONS OF THE SPECIAL TRANSPORTATION FUND

a) Actual per Comptroller's Annual Reports, presented to conform to budgetary categories.

b) Per the Office of the State Comptroller's Letter dated September 30, 2023 reporting on Fiscal Year 2023 Year-end, unaudited.

(c) Pursuant to the May 1, 2023 consensus revenues revised to include legislative changes detailed in Table 2 and estimates of the Office of Policy and Management.

(d) Reflects actual Principal and Interest Requirements on the Senior Bonds then outstanding as paid to the Trustee on a one-sixth interest and one-twelfth principal monthly deposit basis. The difference between debt service in this table and in POS Table 8 is that certain expenses are included in POS Table 8 for budgetary purposes, but are not "debt service" for coverage purposes.

(e) Line 1 divided by Line 2.

(f) Assumes issuance of Additional Bonds under the Senior Indenture authorized and to be authorized by Public and Special Acts, with level debt service, a twenty year final maturity and in the principal amounts and at the average net interest costs listed below for each of the following fiscal years: \$875 million at 5.0% for fiscal year 2024; \$1.0 billion at 5.25% for fiscal year 2025; \$1.1 billion at 5.25% for fiscal year 2026; \$1.1 billion at 5.25% for fiscal year 2027; and \$1.1 billion at 5.25% for fiscal year 2028. Assumes no issuance of Notes. Such amounts for Additional Bonds, and Projected Principal and Interest Requirements for Additional Senior Lien Bonds, reflect adjustments made in projected expenditures funded by the Special Transportation Fund.

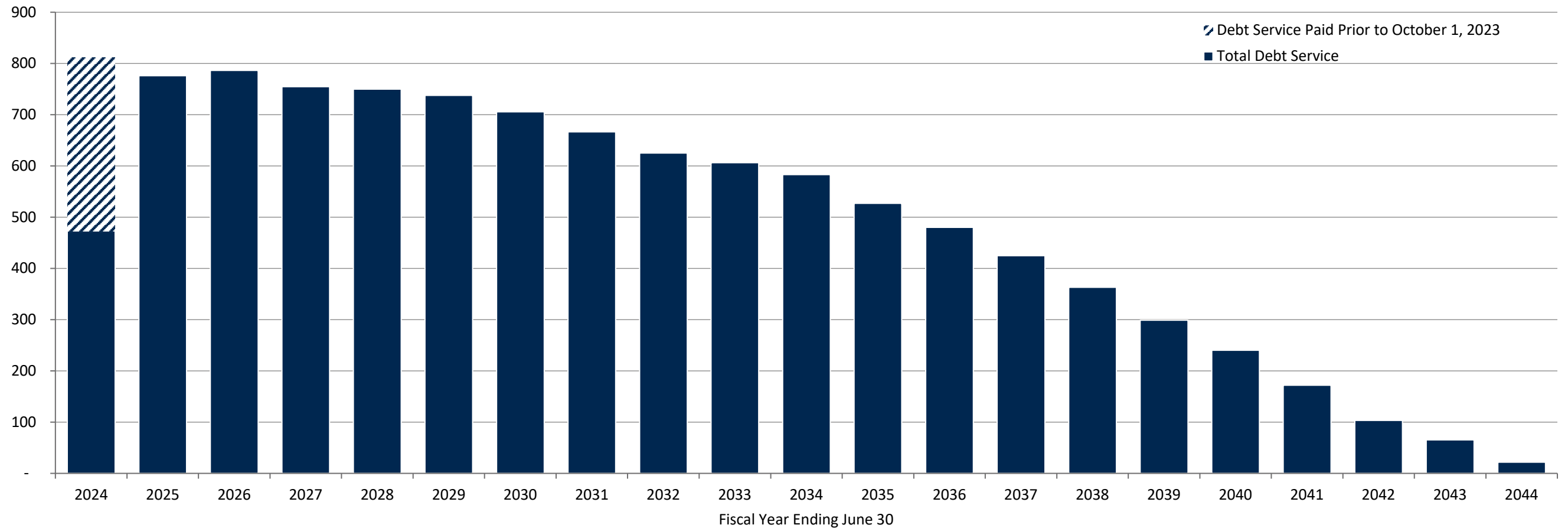
(g) Line 1 divided by the sum of Lines 2 and 4.



Conservative and Manageable Outstanding Debt Structure

- As of October 1, 2023 there are \$7.2 billion of Senior Lien Special Tax Obligation Bonds outstanding
- 100% of STO debt is fixed rate with no derivative exposure
- 56% of outstanding STO principal will be retired within the next 10 years (through FY 2034), providing significant capacity for future capital spending

Total Outstanding Debt Service (\$ millions) ^(a)



*(a) Includes debt service on the Refunded Bonds. A portion of the Outstanding Bonds is expected to be refunded from proceeds of the 2023 Series B Bonds.
Source: 2023 Series A&B POS – DEBT SERVICE ON OUTSTANDING BONDS*

Contact Information and Schedule



Anticipated Schedule*

October 2023					November 2023				
Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri
2	3	4	5	6			1	2	3
9	10	11	12	13	6	7	8	9	10
16	17	18	19	20	13	14	15	16	17
23	24	25	26	27	20	21	22	23	24
30	31				27	28	29	30	

Date*	Event
Tuesday, October 17 th	Retail Pricing
Wednesday, October 18 th	Institutional Pricing
Wednesday, November 1 st	Closing

- Federal Holiday
- Retail and Institutional Pricing
- Closing

Key Contacts

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*Preliminary, subject to change.



Appendix

Footnotes to Slide Titled Actual and Projected STF Revenues, Debt Service and Expenditures



SOURCE: Office of Policy and Management and Department of Transportation.

Note: Figures may not add due to rounding

- a) Actual per Comptroller's Annual Reports, presented to conform to budgetary categories.
- b) Per the Office of the State Comptroller's Letter dated September 30, 2023 reporting on Fiscal Year 2023 Year-end, unaudited.
- c) Pursuant to the May 1, 2023 consensus revenues revised to include legislative changes detailed in Table 2 in the POS and estimates of the Office of Policy and Management.
- d) See "Discussion of Projected Pledged Revenues," footnotes to Table 3, and "Description of Revenue Sources of the Special Transportation Fund" in the POS.
- e) Pursuant to C.G.S. Section 14-164m, \$6.5 million will be transferred annually from the Special Transportation Fund to the Emission Enterprise Fund. Section 671 of Public Act 17-2 of the June Special Session reduces the Emission Enterprise Fund transfer to \$5.5 million beginning October 1, 2017. Pursuant to section 371 of Public Act 19-117, a transfer of \$30 million from the Special Transportation Fund occurred in fiscal year 2020 to be used as revenue for the Special Transportation Fund in fiscal year 2021.
- f) These figures represent Principal and Interest Requirements on special tax obligation bonds, and include the Bonds listed in the table under "Debt Service On Outstanding Bonds" in the POS excluding Principal and Interest Requirements on refunded Bonds. The figures also reflect the issuance of Additional Bonds with level debt service and a twenty-year final maturity in the principal amount and at the average interest costs for each of the following fiscal years: \$875 million at 5.0% for fiscal year 2024; \$1.0 billion at 5.25% for fiscal year 2025; \$1.1 billion at 5.25% for fiscal year 2026; \$1.1 billion at 5.25% for fiscal year 2027; and \$1.1 billion at 5.25% for fiscal year 2028. Such amounts for Additional Bonds, and the projected Debt Service on the Bonds, reflect adjustments made in projected expenditures funded by the Special Transportation Fund. See "The Department of Transportation-Implementation of and Funding for the Infrastructure Program" in the POS. Includes budgeted amounts for actual and estimated rebate liability on the Bonds under the Code, as well as ancillary banking and auditing fees. Assumes no issuance of Notes.
- g) Represents payment of that portion of debt service on outstanding general obligation bonds which bear the same ratio to all such debt services as the sum of the amount of bond authorization allocated to the Department by the State Bond Commission in each year that such bonds were issued bears to the total amount of general obligation bonds authorized by the State Bond Commission during all such years.
- h) The major components of the Department's annual budgeted and projected expenses are payments for (i) the rail and bus subsidy; (ii) State highway maintenance costs; (iii) aid to towns for local highway and repair maintenance; and (iv) salaries, data processing and other general administrative costs.
- i) Represents the cost of fringe benefits, pension costs and salary adjustments for the Department, the DMV and the Department of Energy and Environmental Protection.
- j) The Special Transportation Fund budget includes amounts for unallocated lapses to recognize that not all budget expenditures will be fully expended and will lapse for budget purposes. The unallocated lapse is reduced by a corresponding amount as agency lapses are identified within specific accounts.