



Debt Affordability Study Shows Room For Capital Investments

NCASA Staff

The state is well-positioned for a school capital bond, according to a [presentation](#) shared by legislative staff with the House Capital Appropriations Committee on Tuesday. Speakers from the Fiscal Research Division and the Office of State Budget and Management (OSBM) noted the [2021 Debt Affordability Study](#) states \$3.22 billion in General Fund debt could be issued next fiscal year. If debt were issued in equal amounts over the next 10 years, then the annual debt issued would be approximately \$1.5 billion. Regarding interest rates, the Debt Affordability Study notes, “Interest rates remain near historic lows with the 10-year benchmark Treasury dropping to under 1.5%.” For the most recent bonds issued, the interest rate was 1.468%. NCASA is continuing our work in a school bond coalition to determine if legislation authorizing a statewide school bond referendum can move forward during this legislative session.