

Agency: 010 Bond Retirement and Interest
Decision Package Code/Title: AA Bond Debt Maintenance Level 2015-17
Budget Period: 2015-17
Budget Level: M1 - Mandatory Caseload and Enrollment Changes

Recommendation Summary Text:

Adjustments to reach Maintenance Level. Expenditures include:

1. Debt service on existing bonds as of 8/27/2014.
2. Projected debt service from bond issuance from existing bond bill authorizations and
3. Other debt-related expenditures.

The projected sales are based upon agency cash flow requests submitted in July 2014.

Fiscal Detail

Operating Expenditures		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1	General Fund - Basic Account-State	(4,204,000)	56,931,000	52,727,000
057-1	State Building Construction Account-State	(3,430,000)	(792,000)	(4,222,000)
09H-1	Transportation Partnership Account-State	2,779,000	2,115,000	4,894,000
10P-1	Columbia River Basin Water Supply-State	(461,000)	(391,000)	(852,000)
10T-1	Hood Canal Aquatic Rehabilitation-State	(7,000)	0	(7,000)
16J-1	SR #520 Corridor Account-State	670,000	0	670,000
18B-1	Col Rvr Basin Taxable Bond Water Su-State	(173,000)	(173,000)	(346,000)
218-1	Multimodal Transportation Account-State	62,000	64,000	126,000
303-1	Highway Bond Retirement Account-State	(7,858,000)	41,153,000	33,295,000
304-1	Ferry Bond Retirement Account-State	(593,000)	(969,000)	(1,562,000)
305-1	TIB Bond Retirement Account-State	1,000	8,000	9,000
355-1	State Tax Bld Construction Account-State	(3,217,000)	(2,824,000)	(6,041,000)
357-1	Gardner-Evans High Ed Construction-State	(91,000)	0	(91,000)
381-1	Debt-Limit Reimbursable Bond Ret-State	11,000	(852,000)	(841,000)
383-1	Nondebt-Limit Reimbursable Bond Ret-State	14,202,000	26,398,000	40,600,000
389-1	Toll Facility Bond Retirement Acct-State	(8,690,000)	39,478,000	30,788,000
389-2	Toll Facility Bond Retirement Acct-Federal	61,049,000	60,975,000	122,024,000
550-1	Transportation 2003 Acct (Nickel A)-State	393,000	606,000	999,000
608-1	Accident Account-State	(47,000)	(2,073,000)	(2,120,000)
609-1	Medical Aid Account-State	(47,000)	(2,073,000)	(2,120,000)
Total Cost		50,349,000	217,581,000	267,930,000

Package Description:

Adjustments to reach Maintenance Level. Reflects outstanding as of 8/27/2014 and projected bond sales from existing bond authorizations.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

By statutory provision, the State Finance Committee (SFC) is delegated authority to supervise and control the issuance of all state bonds. Pursuant to Chapter 3, Laws of 1981, the Office of the State Treasurer provides administrative support to the SFC.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

To adjust the OFM Carry Forward Level to reach the agency Maintenance Level.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Strengthens government's ability to achieve results efficiently and effectively.

What are the other important connections or impacts related to this proposal?

Bond financing is used as a revenue source for a portion of the state's capital budget.

What alternatives were explored by the agency, and why was this alternative chosen?

None.

What are the consequences of adopting or not adopting this package?

n/a.

What is the relationship, if any, to the state's capital budget?

Bond financing is used as a revenue source for a portion of the state's capital budget. Bond debt service is an on-going expenditure until the bonds mature.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

n/a.

Expenditure and revenue calculations and assumptions

The State Finance Committee issues general obligation bonds on behalf of the state. The state pledges its full faith, credit and taxing power to the payment of the principal of and interest on the bonds and unconditionally promises to make those payments as they become due.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

The projected sales are based upon agency cash flow requests submitted in July 2014. Assumptions of future interest rates are derived from the OFC/Global Insight June 2014 rates.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
C Professional Svc Contracts	(306,540)	(384,930)	(691,470)
E Goods\Other Services	(3,169,460)	(1,011,070)	(4,180,530)
P Debt Service	53,825,000	218,977,000	272,802,000
Total Objects	50,349,000	217,581,000	267,930,000

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Budget Level: M1 - Mandatory Caseload and Enrollment Changes

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3. Other debt-related expenditures.

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Agency Total**Fiscal Detail**

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	(4,204,000)		
001-1 -General Fund - Basic Account-State		56,931,000	52,727,000
057-1 -State Building Construction Account-State	(3,430,000)	(792,000)	(4,222,000)
09H-1 -Transportation Partnership Account-State	2,779,000	2,115,000	4,894,000
108-1 -Motor Vehicle Account-State	0	0	0
10P-1 -Columbia River Basin Water Supply-State	(461,000)	(391,000)	(852,000)
10T-1 -Hood Canal Aquatic Rehabilitation-State	(7,000)	0	(7,000)
16J-1 -SR #520 Corridor Account-State	670,000	0	670,000
16J-2 -SR #520 Corridor Account-Federal	0	0	0
18B-1 -Col Rvr Basin Taxable Bond Water Su-State	(173,000)	(173,000)	(346,000)
218-1 -Multimodal Transportation Account-State	62,000	64,000	126,000
303-1 -Highway Bond Retirement Account-State	(7,858,000)	41,153,000	33,295,000
304-1 -Ferry Bond Retirement Account-State	(593,000)	(969,000)	(1,562,000)
305-1 -TIB Bond Retirement Account-State	1,000	8,000	9,000
355-1 -State Tax Bld Construction Account-State	(3,217,000)	(2,824,000)	(6,041,000)
357-1 -Gardner-Evans High Ed Construction-State	(91,000)	0	(91,000)
380-1 -Debt-Limit GF Bond Retirement Acct-State	0	0	0
381-1 -Debt-Limit Reimbursable Bond Ret-State	11,000	(852,000)	(841,000)
	14,202,000		

383-1 -Nondebt-Limit Reimbursable Bond Ret-State		26,398,000	40,600,000
	(8,690,000)		
389-1 -Toll Facility Bond Retirement Acct-State		39,478,000	30,788,000
	61,049,000		
389-2 -Toll Facility Bond Retirement Acct-Federal		60,975,000	122,024,000
	393,000		
550-1 -Transportation 2003 Acct (Nickel A)-State		606,000	999,000
	(47,000)		
608-1 -Accident Account-State		(2,073,000)	(2,120,000)
	(47,000)		
609-1 -Medical Aid Account-State		(2,073,000)	(2,120,000)
	0		
996-Z -Estimated All Other Funds-Other		0	0
Total Cost	50,349,000	217,581,000	267,930,000

Staffing
FTEs

Program 401-Debt Subject to the Debt Limit

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 -General Fund - Basic Account-State	(4,988,000)	59,188,000	54,200,000
057-1 -State Building Construction Account-State	(2,360,000)	320,000	(2,040,000)
	(409,000)		
10P-1 -Columbia River Basin Water Supply-State		(351,000)	(760,000)
	(6,000)		
10T-1 -Hood Canal Aquatic Rehabilitation-State		0	(6,000)
	(155,000)		
18B-1 -Col Rvr Basin Taxable Bond Water Su-State		(155,000)	(310,000)
	(2,920,000)		
355-1 -State Tax Bld Construction Account-State		(2,541,000)	(5,461,000)
	(91,000)		
357-1 -Gardner-Evans High Ed Construction-State		0	(91,000)
	11,000		
381-1 -Debt-Limit Reimbursable Bond Ret-State		(852,000)	(841,000)
Total Cost	(10,918,000)	55,609,000	44,691,000

Program 402-Proprietary Debt

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
608-1 -Accident Account-State	(47,000)	(2,073,000)	(2,120,000)
	(47,000)		
609-1 -Medical Aid Account-State		(2,073,000)	(2,120,000)
Total Cost	(94,000)	(4,146,000)	(4,240,000)

Program 403-Reimbursable Debt

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
	785,000		

001-1 -General Fund - Basic Account-State		(2,256,000)	(1,471,000)
	14,230,000		
383-1 -Nondebt-Limit Reimbursable Bond Ret-State		25,470,000	39,700,000
Total Cost	15,015,000	23,214,000	38,229,000

Program 404-Mvft Debt

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
09H-1 -Transportation Partnership Account-State	2,315,000	1,762,000	4,077,000
16J-1 -SR #520 Corridor Account-State	558,000	0	558,000
218-1 -Multimodal Transportation Account-State	51,000	52,000	103,000
303-1 -Highway Bond Retirement Account-State	(7,858,000)	41,153,000	33,295,000
304-1 -Ferry Bond Retirement Account-State	(593,000)	(969,000)	(1,562,000)
305-1 -TIB Bond Retirement Account-State	1,000	8,000	9,000
383-1 -Nondebt-Limit Reimbursable Bond Ret-State	(28,000)	928,000	900,000
389-1 -Toll Facility Bond Retirement Acct-State	(8,690,000)	39,478,000	30,788,000
550-1 -Transportation 2003 Acct (Nickel A)-State	327,000	504,000	831,000
Total Cost	(13,917,000)	82,916,000	68,999,000

Program 405-Revenue Bonds

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
389-2 -Toll Facility Bond Retirement Acct-Federal	61,049,000	60,975,000	122,024,000

Program 406-Bond Sale Expenses

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 -General Fund - Basic Account-State	(1,000)	(1,000)	(2,000)
057-1 -State Building Construction Account-State	(1,070,000)	(1,112,000)	(2,182,000)
09H-1 -Transportation Partnership Account-State	464,000	353,000	817,000
10P-1 -Columbia River Basin Water Supply-State	(52,000)	(40,000)	(92,000)
10T-1 -Hood Canal Aquatic Rehabilitation-State	(1,000)	0	(1,000)
16J-1 -SR #520 Corridor Account-State	112,000	0	112,000
18B-1 -Col Rvr Basin Taxable Bond Water Su-State	(18,000)	(18,000)	(36,000)

	11,000		
218-1 -Multimodal Transportation Account-State		12,000	23,000
	(297,000)		
355-1 -State Tax Bld Construction Account-State		(283,000)	(580,000)
	66,000		
550-1 -Transportation 2003 Acct (Nickel A)-State		102,000	168,000
Total Cost	(786,000)	(987,000)	(1,773,000)

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