

**Bond Retirement and Interest**

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# **2015 Supplemental Operating Budget**

**October 17, 2014**

**James L. McIntire, State Treasurer**



State of Washington  
**Recommendation Summary**

8:26:35AM

Agency: **010 Bond Retirement and Interest**

10/17/2014

Dollars in Thousands

	FY2 FTEs	General Fund State	Other Funds	Total Funds
<b>2013-15 Current Biennium Total</b>		(6,000)	(21,945)	(27,945)
<b>Total Carry Forward Level</b> Percent Change from Current Biennium		(6,000)	(21,945)	(27,945)
<b>Carry Forward plus Workload Changes</b> Percent Change from Current Biennium		(6,000)	(21,945)	(27,945)
<b>Total Maintenance Level</b> Percent Change from Current Biennium		(6,000)	(21,945)	(27,945)
<b>Subtotal - Performance Level Changes</b>	<b>0.0</b>			
<b>2013-15 Total Proposed Budget</b> Percent Change from Current Biennium		(6,000)	(21,945)	(27,945)

State of Washington  
**Recommendation Summary**

8:28:59AM

Agency: **010 Bond Retirement and Interest**

10/17/2014

Dollars in Thousands

	FY2 FTEs	General Fund State	Other Funds	Total Funds
<b>Program: 401 Debt Subject to the Debt Limit</b>				
<b>2013-15 Current Biennium Total</b>		(6,000)	(3,999)	(9,999)
<b>Total Carry Forward Level</b> Percent Change from Current Biennium		(6,000)	(3,999)	(9,999)
<b>Carry Forward plus Workload Changes</b> Percent Change from Current Biennium		(6,000)	(3,999)	(9,999)
<b>Total Maintenance Level</b> Percent Change from Current Biennium		(6,000)	(3,999)	(9,999)
<b>Subtotal - Performance Level Changes</b>	<b>0.0</b>			
<b>2013-15 Total Proposed Budget</b> Percent Change from Current Biennium		(6,000)	(3,999)	(9,999)
<b>Program: 404 Mvft Debt</b>				
<b>2013-15 Current Biennium Total</b>			(16,958)	(16,958)
<b>Total Carry Forward Level</b> Percent Change from Current Biennium			(16,958)	(16,958)
<b>Carry Forward plus Workload Changes</b> Percent Change from Current Biennium			(16,958)	(16,958)
<b>Total Maintenance Level</b> Percent Change from Current Biennium			(16,958)	(16,958)
<b>Subtotal - Performance Level Changes</b>	<b>0.0</b>			
<b>2013-15 Total Proposed Budget</b> Percent Change from Current Biennium			(16,958)	(16,958)

**Program: 406 Bond Sale Expenses**

<b>2013-15 Current Biennium Total</b>		(988)	(988)
<b>Total Carry Forward Level</b>		(988)	(988)
Percent Change from Current Biennium			
<b>Carry Forward plus Workload Changes</b>		(988)	(988)
Percent Change from Current Biennium			
<b>Total Maintenance Level</b>		(988)	(988)
Percent Change from Current Biennium			
<b>Subtotal - Performance Level Changes</b>	<b>0.0</b>		
<b>2013-15 Total Proposed Budget</b>		(988)	(988)
Percent Change from Current Biennium			

**DRAFT**

**Agency:** 010 Bond Retirement and Interest  
**Decision Package Code/Title:** SS Supplemental 2015  
**Budget Period:** 2013-15  
**Budget Level:** CB - Current Biennium

**Recommendation Summary Text:**

The purpose of this supplemental 2015 budget submittal is to adjust appropriations to expected amounts for debt service and other debt related expenditures.

**Agency Total****Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>
	0		
001-1 -General Fund - Basic Account-State		(6,000,000)	(6,000,000)
	0		
057-1 -State Building Construction Account-State		(4,000,000)	(4,000,000)
	0		
108-1 -Motor Vehicle Account-State		53,000	53,000
	0		
10T-1 -Hood Canal Aquatic Rehabilitation-State		2,000	2,000
	0		
16J-1 -SR #520 Corridor Account-State		(3,000,000)	(3,000,000)
	0		
303-1 -Highway Bond Retirement Account-State		(13,000,000)	(13,000,000)
	0		
304-1 -Ferry Bond Retirement Account-State		(1,000,000)	(1,000,000)
	0		
355-1 -State Tax Bld Construction Account-State		(1,000,000)	(1,000,000)
	0		
996-Z -Estimated All Other Funds-Other		0	0
<b>Total Cost</b>	<b>0</b>	<b>(27,945,000)</b>	<b>(27,945,000)</b>

**Staffing****FTEs****Program 401-Debt Subject to the Debt Limit**

<b>Operating Expenditures</b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>
	0		
001-1 -General Fund - Basic Account-State		(6,000,000)	(6,000,000)
	0		
057-1 -State Building Construction Account-State		(3,000,000)	(3,000,000)
	0		
10T-1 -Hood Canal Aquatic Rehabilitation-State		1,000	1,000
	0		
355-1 -State Tax Bld Construction Account-State		(1,000,000)	(1,000,000)
<b>Total Cost</b>	<b>0</b>	<b>(9,999,000)</b>	<b>(9,999,000)</b>

## Program 404-Mvft Debt

<b>Operating Expenditures</b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>
108-1 -Motor Vehicle Account-State	0	42,000	42,000
16J-1 -SR #520 Corridor Account-State	0	(3,000,000)	(3,000,000)
303-1 -Highway Bond Retirement Account-State	0	(13,000,000)	(13,000,000)
304-1 -Ferry Bond Retirement Account-State	0	(1,000,000)	(1,000,000)
<b>Total Cost</b>	<b>0</b>	<b>(16,958,000)</b>	<b>(16,958,000)</b>

## Program 406-Bond Sale Expenses

<b>Operating Expenditures</b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>
057-1 -State Building Construction Account-State	0	(1,000,000)	(1,000,000)
108-1 -Motor Vehicle Account-State	0	11,000	11,000
10T-1 -Hood Canal Aquatic Rehabilitation-State	0	1,000	1,000
<b>Total Cost</b>	<b>0</b>	<b>(988,000)</b>	<b>(988,000)</b>

### **Package Description:**

Supplemental 2015 budget adjustments. Our agency is comprised of one activity. This activity includes the payment of principal and interest on outstanding long-term bond debt of the State and costs associated with bond sales.

### **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. This decision package will adjust appropriations to expected amounts for debt service and other debt related expenditures.

### **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 appropriations to expected amounts for debt service and other related expenditures as follows:

Fund 001 General Fund - FY2

A decrease in the appropriation for debt service of \$6 million related to savings from lower borrowing costs achieved in the June refunding.

Fund 057 State Building Construction Account - FY2

A decrease in the appropriation for underwriter's discount of \$3 million due to lower issuance than originally planned.

A decrease in the appropriation for bond sale expenses of \$1 million due to lower issuance than originally planned.

Fund 10T Hood Canal Aquatic Rehabilitation Account - FY2

An increase in the appropriation for underwriter's discount of \$1 thousand due to projected underwriter's costs.

An increase in the appropriation for bond sale expenses of \$1 thousand due to projected sale costs.

Fund 108 Motor Vehicle Account - FY2

An increase in the appropriation for underwriter's discount of \$42 thousand due to an increase in debt issuance.

An increase in the appropriation for bond sale expenses of \$11 thousand due to an increase in debt issuance.

Fund 16J SR 520 Corridor Account - FY2

A decrease in the appropriation for underwriter's discount of \$3 million due to lower issuance than originally planned.

Fund 303 Highway Bond Retirement Account - FY2

A decrease in the appropriation for debt service of \$13 million related to savings from lower borrowing costs achieved in the June refunding and a decrease in debt issuance.

Fund 304 Ferry Bond Retirement Account - FY2

A decrease in the appropriation for debt service of \$1 million related to savings from lower borrowing costs achieved in the June refunding and a decrease in debt issuance.

Fund 355 Taxable Bond Fund - FY2

A decrease in the appropriation for underwriter's discount of \$1 million due to lower issuance than originally planned.

*Does this decision package provide essential support to one of the Governor's priorities?*

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

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

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

*What are the consequences of not funding this package?*

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

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

*Expenditure and revenue calculations and assumptions*

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

<b><u>Object Detail</u></b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>
C Professional Svc Contracts	0	-4,384,320	-4,384,320
E Goods\Other Services	0	-3,560,680	-3,560,680
P Debt Service	0	-6,000,000	-6,000,000
X OFM Adjustments To Agency Data	0	-14,000,000	-14,000,000
<b>Total Objects</b>	<b>0</b>	<b>-27,945,000</b>	<b>-27,945,000</b>