

## 2017-19 Biennium Budget Decision Package

**Agency: 010 Bond Retirement and Interest**

**Decision Package Code/Title: AB 2017-19 Budget – Maintenance Level**

**Budget Period: 2017-19**

**Budget Level: M2 – Inflation and Other Rate Changes**

**Agency Recommendation Summary Text:** Adjustments to reach Maintenance Level. Expenditures include:

1. Debt service on existing bonds as of 8/31/2016.
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 August 2016.

**Fiscal Summary:** Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1	10,340,000	61,356,000	1,150,371,000	1,110,408,000
Fund 057-1	(2,932,000)	(5,293,000)	9,000	0
Fund 09H-1	1,822,000	1,356,000	428,000	428,000
Fund 10P-1	(146,000)	(76,000)	0	0
Fund 10T-1	(7,000)	0	0	0
Fund 108-1	(2,500,000)	(2,500,000)	0	0
Fund 18B-1	(68,000)	(68,000)	0	0
Fund 20H-1	812,000	812,000	2,944,000	2,944,000
Fund 303-1	9,574,000	79,314,000	687,851,000	729,603,000
Fund 304-1	390,000	10,000	14,463,000	11,436,000
Fund 305-1	(856,000)	(1,383,000)	6,677,000	6,659,000
Fund 355-1	(400,000)	(355,000)	0	0
Fund 357-1	(91,000)	0	0	0
Fund 381-1	17,000	(14,000)	284,000	282,000
Fund 383-1	(2,645,000)	(4,004,000)	104,219,000	79,277,000
Fund 389-1	(20,447,000)	(9,612,000)	43,247,000	43,246,000
Fund 389-2	12,581,000	12,478,000	112,491,000	112,404,000
Fund 550-1	556,000	312,000	62,000	0
Fund 608-1	(55,000)	0	0	0
Fund 609-1	(55,000)	0	0	0
<b>Total Cost</b>	<b>5,890,000</b>	<b>132,333,000</b>	<b>2,123,046,000</b>	<b>2,096,687,000</b>
<b>Program 401</b>				

Fund 001-1	13,836,000	73,686,000	1,150,371,000	1,110,408,000
Fund 057-1	-2,924,000	-4,408,000	9,000	0
Fund 10P-1	-120,000	-62,000	0	0
Fund 10T-1	-6,000	0	0	0
Fund 18B-1	-61,000	-61,000	0	0
Fund 355-1	-385,000	-296,000	0	0
Fund 357-1	-91,000	0	0	0
Fund 381-1	17,000	-14,000	284,000	282,000
<b>Total – Program 401</b>	<b>10,266,000</b>	<b>68,845,000</b>	<b>1,150,664,000</b>	<b>1,110,690,000</b>
<b>Program 402</b>				
Fund 608-1	-55,000	0	0	0
Fund 609-1	-55,000	0	0	0
<b>Total – Program 402</b>	<b>-110,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Program 403</b>				
Fund 001-1	-3,496,000	-12,330,000	0	0
Fund 383-1	-2,862,000	-4,517,000	89,176,000	64,301,000
<b>Total – Program 403</b>	<b>-6,358,000</b>	<b>-16,847,000</b>	<b>89,176,000</b>	<b>64,301,000</b>
<b>Program 404</b>				
Fund 09H-1	1,518,000	1,130,000	428,000	428,000
Fund 108-1	-2,500,000	-2,500,000	0	0
Fund 20H-1	676,000	676,000	2,944,000	2,944,000
Fund 303-1	9,574,000	79,314,000	687,851,000	729,603,000
Fund 304-1	390,000	10,000	14,463,000	11,436,000
Fund 305-1	-856,000	-1,383,000	6,677,000	6,659,000
Fund 383-1	217,000	513,000	15,043,000	14,976,000
Fund 389-1	-14,443,000	-3,607,000	43,247,000	43,246,000
Fund 550-1	462,000	260,000	62,000	0
<b>Total – Program 404</b>	<b>-4,962,000</b>	<b>74,413,000</b>	<b>770,715,000</b>	<b>809,292,000</b>
<b>Program 405</b>				
Fund 389-1	-6,004,000	-6,005,000	0	0
Fund 389-2	12,581,000	12,478,000	112,491,000	112,404,000
<b>Total – Program 405</b>	<b>6,577,000</b>	<b>6,473,000</b>	<b>112,491,000</b>	<b>112,404,000</b>
<b>Program 406</b>				
Fund 057-1	-8,000	-885,000	0	0
Fund 09H-1	304,000	226,000	0	0

Fund 10P-1	-26,000	-14,000	0	0
Fund 10T-1	-1,000	0	0	0
Fund 18B-1	-7,000	-7,000	0	0
Fund 20H-1	136,000	136,000	0	0
Fund 355-1	-15,000	-59,000	0	0
Fund 550-1	94,000	52,000	0	0
<b>Total – Program 406</b>	<b>477,000</b>	<b>-551,000</b>	<b>0</b>	<b>0</b>
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	x.y	x.y	x.y	x.y
<b>Revenue</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Fund 036-1	(5,058,000)	(5,061,000)	(5,076,000)	(5,092,000)
Fund 045-1	(938,000)	(940,000)	(941,000)	(935,000)
Fund 057-1	1,126,660,000	75,791,000	11,000	
Fund 062-1	(2,469,000)	(2,460,000)	(2,472,000)	(2,465,000)
Fund 070-1	590,000			
Fund 099-1	(2,799,000)	(2,202,000)	(1,573,000)	(1,067,000)
Fund 09C-1	3,179,000	3,276,000	1,619,000	
Fund 09H-1	179,811,000	106,029,000	(30,573,000)	(26,498,000)
Fund 108-1	(66,560,000)	(67,072,000)	(66,650,000)	(66,104,000)
Fund 113-1	(6,780,000)	(6,783,000)	(6,736,000)	(6,945,000)
Fund 144-1	(2,378,000)	(2,161,000)	(1,932,000)	(1,693,000)
Fund 16J-1	(49,567,000)	(49,568,000)	(49,573,000)	(49,562,000)
Fund 20H-1	134,812,000	134,812,000	588,534,000	588,534,000
Fund 215-1	(6,250,000)	(5,374,000)	(4,440,000)	(3,632,000)
Fund 218-1	(13,167,000)	(13,441,000)	(15,043,000)	(14,976,000)
Fund 244-1	10,601,000			
Fund 260-1	(19,085,000)	(18,393,000)	(14,099,000)	(14,070,000)
Fund 271-1	(1,403,000)	(1,353,000)	(1,347,000)	(659,000)
Fund 275-1	(442,000)	(436,000)		
Fund 303-1	335,890,000	327,639,000	318,241,000	308,045,000
Fund 304-1	2,799,000	2,202,000	1,573,000	1,067,000
Fund 305-1	2,378,000	2,161,000	1,932,000	1,693,000
Fund 355-1	66,538,000	8,422,000		
Fund 383-1	106,396,000	104,760,000	104,218,000	79,276,000
Fund 389-1	49,567,000	49,568,000	49,573,000	49,562,000
Fund 550-1	(4,371,000)	(44,995,000)	(76,294,000)	(83,854,000)
Fund 816-1	(57,055,000)	(55,895,000)	(58,505,000)	(34,135,000)

<b>Source 0696</b>				
Fund 144	-2,378,000	-2,161,000	-1,932,000	-1,693,000
Fund 215	-6,250,000	-5,374,000	-4,440,000	-3,632,000
Fund 304	2,799,000	2,202,000	1,573,000	1,067,000
Fund 305	2,378,000	2,161,000	1,932,000	1,693,000
Fund 550	-96,427,000	-92,437,000	-88,370,000	-83,854,000
Fund 099	-2,799,000	-2,202,000	-1,573,000	-1,067,000
Fund 09H	-123,511,000	-119,827,000	-116,087,000	-112,012,000
Fund 108	-66,560,000	-67,072,000	-66,650,000	-66,104,000
Fund 303	292,748,000	284,711,000	275,547,000	265,602,000
<b>Source 0694</b>				
Fund 036	-5,058,000	-5,061,000	-5,076,000	-5,092,000
Fund 045	-938,000	-940,000	-941,000	-935,000
Fund 062	-2,469,000	-2,460,000	-2,472,000	-2,465,000
Fund 113	-6,780,000	-6,783,000	-6,736,000	-6,945,000
Fund 218	-13,167,000	-13,441,000	-15,043,000	-14,976,000
Fund 260	-19,085,000	-18,393,000	-14,099,000	-14,070,000
Fund 271	-1,403,000	-1,353,000	-1,347,000	-659,000
Fund 275	-442,000	-436,000	0	0
Fund 383	106,396,000	104,760,000	104,218,000	79,276,000
Fund 816	-57,055,000	-55,895,000	-58,505,000	-34,135,000
<b>Source 0611</b>				
Fund 070	590,000	0	0	0
Fund 09C	3,179,000	3,276,000	1,619,000	0
Fund 244	10,601,000	0	0	0
<b>Source 0612</b>				
Fund 057	-14,370,000	-3,276,000	-1,619,000	0
<b>Source 0860</b>				
Fund 057	1,141,030,000	79,067,000	1,630,000	0
Fund 09H	303,322,000	225,856,000	85,514,000	85,514,000
Fund 20H	134,812,000	134,812,000	588,534,000	588,534,000
Fund 550	92,056,000	51,812,000	12,076,000	0
<b>Source 0499</b>				
Fund 303	43,142,000	42,929,000	42,694,000	42,443,000

<b>Source 0693</b>				
Fund 389	49,567,000	49,568,000	49,573,000	49,562,000
Fund 16J	-49,567,000	-49,568,000	-49,573,000	-49,562,000
<b>Source 0864</b>				
Fund 355	66,538,000	8,422,000	0	0
<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Obj. C	186,000	(215,000)	0	0
Obj. E	(640,000)	(3,097,000)	3,443,000	3,372,000
Obj. P	6,344,000	135,645,000	2,119,603,000	2,093,315,000

### Package Description

- Adjustments to reach Maintenance Level. Reflects outstanding as of 8/31/2016 and projected bond sales from existing bond authorizations.

**Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. N/A.** Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:** Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

- To adjust the OFM Carry Forward Level to reach the agency Maintenance Level.
- 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.
- The projected sales are based upon agency cash flow requests submitted in July 2016. Assumptions of future interest rates are derived from the OFC/Global Insight June 2016 rates.

### Decision Package Justification and Impacts

#### 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 package strengthens government's ability to achieve results efficiently and effectively.

#### Performance Measure detail:

No measures submitted for package.

#### Fully describe and quantify expected impacts on state residents and specific populations served.

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

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	No	Identify:
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	Yes	Identify: 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.
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

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

None.

What are the consequences of not funding this request?

N/A.

How has or can the agency address the issue or need in its current appropriation level?

**Other supporting materials:** Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

**Information technology:** Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)