



## Fiscal Estimate Narratives

DOA 1/12/2005

LRB Number	05-1531/1	Introduction Number	SB-1 (JR5)	Estimate Type	Original
<b>Subject</b>					
Refunding public debt					

### Assumptions Used in Arriving at Fiscal Estimate

The bill increases the amount of authority by \$360,000,000 for the Building Commission to refund general obligation bonds. Total present value savings are estimated under current market conditions to be \$11 million. The allocation of the savings to particular debt service appropriations depends on which bond maturities are refunded.

The process of selecting debt to be refinanced does not occur until the refunding bonds are sold, and then the exact split of debt service appropriations with their fund source is determined. On average, about 80% of mixed use general obligations bonds are paid from GPR debt service appropriations, so approximately \$8.8 million of the present value savings will be GPR. The savings will be structured to occur in FY 05 and/or subsequent years.

### Long-Range Fiscal Implications

Long term savings in the amount of debt paid.