



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #175

### **GPR Debt Service Reestimate (Building Commission)**

[LFB 2015-17 Budget Summary: Page 21, Item #7, Page 63, Item #17, Page 76, Item #1, Page 77, Item #2, Page 118, Item #4, Page 150, Item #2, Page 234, Item #4, Page 253, Item #2, Page 293, Item #12, Page 297, Item #6, Page 306, Item #9, Page 371, Item #7, Page 421, Item #5, Page 438, Item #11, Page 460, Item #5, Page 524, Item #4]

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#### **CURRENT LAW**

Debt service payments are made from sum sufficient appropriations established for principal and interest repayments on the \$7.9 billion in outstanding general obligation bonds as of December 1, 2014, and any additional bonds issued in the biennium. Of the outstanding debt principal, \$4.9 billion will be repaid with GPR.

#### **GOVERNOR**

Provide \$631,900,100 GPR in 2015-16 and \$600,919,600 GPR in 2016-17 to fund the annual debt service payments on GPR-supported bonds issued to date and those amounts to be issued in the biennium.

#### **MODIFICATION**

Decrease the net amount of GPR debt service required in the 2015-17 biennium by \$12,165,000 in 2015-16 and \$10,519,100 in 2016-17 to reflect the projected lapses from GPR debt service appropriations in the biennium. Net GPR debt service, after these GPR-Lapse amounts, would total \$619,796,100 in 2015-16 and \$590,400,500 in 2016-17.

**Explanation:** Since the introduction of AB 21/SB 21, DOA Capital Finance has provided updated information on the estimated debt service payments for the 2015-17 biennium included in the bill. This office has reviewed those estimates that and projects that GPR debt service payments could be reduced by \$12,165,000 in 2015-16 and \$10,519,100 in 2016-17.

These reestimated lapse amounts are associated with: (a) \$10,729,500 in 2015-16 and \$3,994,000 in 2016-17 to reflect the updated estimates of GPR-supported bonds issuance affecting the 2015-17 biennium, as well as the 2015 Series A general obligation bond issue and the 2015 Series A general obligation bond refunding bonds issues carried out since AB21/SB 21 were introduced; and (b) \$1,435,500 in 2015-16 and \$6,525,100 in 2016-17 to reflect lower interest costs than those included in earlier estimates.

<b>Change to Bill</b>	
GPR-Lapse	\$22,684,100

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