



2016 CONFERENCE

Infrastructure, Operations, and Maintenance

What it takes to keep the largest Reclamation Project going.

“We never know the worth of water till the well is dry” – Thomas Fuller



OGWRP State Funding and Bonds



Debt Limit

- Article VIII, Section 1 of the State Constitution establishes a state debt limit:
 - The State Treasurer may not issue bonds that would cause the debt service on any new or existing bonds to exceed this limit
- State debt limit is currently 8.25% of the average of the prior six years' general revenues, defined as all unrestricted state revenues

Impact of New Revenue on Debt Capacity

- If additional revenue is authorized and defined as part of the general state revenue:
 - State revenue is based on State property tax, sales & use tax, B & O taxes, and a number of other smaller sources
- For every \$100 million per year in additional revenue, debt capacity will increase by \$6.4 million per year and \$12.7 million per biennium

Debt Service

- For every \$100 million borrowed, the debt service is \$6.6 million per year for 25 years, or \$166 million
 - The total 17-19 Budget is \$38 Billion
 - \$2.4 Billion Debt Service

- * 4-year balanced budget requirement

Bond Authorizations (\$ billions)

2011-13	1.50	Actual
2013-15	1.92	Actual
2015-17	2.31	Actual
2017-19	2.48	*

* Estimate following the September 2016 revenue forecast; the model will be updated to reflect November 2016 revenue forecast and the Governor's budget will be based on this update. Likewise, the bond capacity for the Legislative capital budget will reflect the March 2017 revenue forecast.



Questions?
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“A river cuts through a rock not because of its power but its persistence.” – Unknown