



LONG-RANGE BUILDING PROGRAM FUND BALANCE REVISIONS

The following table provides a revised fund balance calculation for the LRBP capital projects fund. Revisions include:

- o A beginning fund balance change from a FY 2011 transfer or sweep of energy savings funds from the SBCEP
- o A change in the HB 2 administrative costs (5% reductions) paid from the revenues of the capital projects fund
- o Two changes for incorrect debt service amounts in the original fund balance analysis

Long-Range Building Program Fund (05007)	
Fund Balance Projection 2013 Biennium - Revised #2	
Estimated Beginning Fund Balance-(7/1/2011) ^a	(\$6,793,848)
Revenue Projections ¹	
Cigarette Tax	\$3,505,000
Coal Severance Tax	12,669,000
Interest Earnings	808,900
Supervisory Fees	<u>350,000</u>
2013 Biennium Revenues	17,332,900
Executive Proposal-Project Elimination and Transfer ⁵	
Project Eliminations, February 2010	10,685,622
Transfer of LRBP Funds to General Fund	<u>(10,685,622)</u>
	0
Expenditures	
Operating Costs-A & E Division ⁵	(3,760,205)
Debt Service-2003G ²	(3,384,371)
Debt Service-2005A ³	(2,194,029)
Funding Switch ⁴	<u>1,330,000</u>
Total Expenditures	(8,008,605)
Balance Available for Capital Projects	2,530,447
Executive Proposals LRBP Cash Account ⁵	(2,420,000)
Balance	\$110,447
12/15-Executive Transfer Proposal	(1,000,000)
12/15-Revised Ending Cash Balance - (6/30/2013)	<u>(\$889,553)</u>

^a Includes an unexpected deposit "sweep" of \$200,000 from the SBCEP
¹ Based on RTIC revenue estimates
² Refinance of 1996D issue - corrected number
³ Refinance portions of 1997B and 1999C issues - corrected number
⁴ Debt Service Funding Switch, 2001 legislative session
⁵ Based on executive budget proposal - Less the 5% Reduction (HB 2)

During discussions related to HB 316, "Redistribute certain revenue and income to state general fund", which includes 10% reductions to certain revenue and income allocations, it was mentioned that the bill does not reduce funds providing money for debt service obligations. The LRBP capital projects fund is responsible for the debt service associated with capital projects from the mid-1990's. Previous legislatures provided funding from the coal severance tax to pay for, in part, the various debt service obligations. HB 316 includes a 10% reduction in the distribution to the LRBP capital projects fund from the coal severance tax (to 10.8%). It is the subcommittee's decision whether or not to reduce the revenues of the fund by 10% or to consider changing the HB 316 reduction to hold the LRBP capital projects fund harmless related to the debt service responsibility. As shown in the calculation table below, when the

current distribution of coal tax to the LRPB capital projects fund, 12%, is adjusted for the cost of the debt service, and then the non-debt service portion of the distribution is reduced by 10%, the resulting distribution is 11.33%. In other words, the distribution of 11.33% would provide the equivalent of a 10% reduction to the program without impacting the funds received for the debt service obligation.

Calculation of Debt Service Hold Harmless									
10% Reduction of LRPB Capitol Project Reduction									
FY	Total Coal Severance Tax	LRP CST Distribution	2003G DS	2005A DS	Total DS	Non-DS Distribution	Reduced Non-DS Distribution	Total Reduced Distribution	Hold Harmless Distribution
2012	\$52,350,000	\$6,282,000	\$1,692,729	\$1,097,321	\$2,790,050	\$3,491,950	\$3,142,755	\$5,932,805	11.33%
2013	<u>\$53,223,000</u>	<u>\$6,387,000</u>	<u>\$1,691,642</u>	<u>\$1,096,708</u>	<u>\$2,788,350</u>	<u>\$3,598,650</u>	<u>\$3,238,785</u>	<u>\$6,027,135</u>	<u>11.32%</u>
Bien Total	<u>\$105,573,000</u>	<u>\$12,669,000</u>	<u>\$3,384,371</u>	<u>\$2,194,029</u>	<u>\$5,578,400</u>	<u>\$7,090,600</u>	<u>\$6,381,540</u>	<u>\$11,959,940</u>	<u>11.33%</u>

The following table provides a revised fund balance calculation for the LRPB capital projects fund. Revisions include:

- o Changes included in the Revised #2 table
- o Coal Severance Tax total "hold harmless distribution" of 11.33%

Long-Range Building Program Fund (05007)	
Fund Balance Projection 2013 Biennium - Revised #3	
Estimated Beginning Fund Balance-(7/1/2011) ^a	(\$6,793,848)
Revenue Projections ¹	
Cigarette Tax	\$3,154,500
Coal Severance Tax	11,959,940
Interest Earnings	808,900
Supervisory Fees	<u>350,000</u>
2013 Biennium Revenues	16,273,340
Executive Proposal-Project Elimination and Transfer ⁵	
Project Eliminations, February 2010	10,685,622
Transfer of LRPB Funds to General Fund	<u>(10,685,622)</u>
	0
Expenditures	
Operating Costs-A & E Division ⁵	(3,760,205)
Debt Service-2003G ²	(3,384,371)
Debt Service-2005A ³	(2,194,029)
Funding Switch ⁴	<u>1,330,000</u>
Total Expenditures	(8,008,605)
Balance Available for Capital Projects	1,470,887
Executive Proposals LRPB Cash Account ⁵	(2,420,000)
Balance	(\$949,113)
12/15-Executive Transfer Proposal	(1,000,000)
12/15-Revised Ending Cash Balance - (6/30/2013)	<u>(\$1,949,113)</u>
^a Includes an unexpected deposit "sweep" of \$200,000 from the SBCEP	
¹ Based on RTIC revenue estimates-Includes HB 316 and DS Hold Harmless Calculations	
² Refinance of 1996D issue - corrected number	
³ Refinance portions of 1997B and 1999C issues - corrected number	
⁴ Debt Service Funding Switch, 2001 legislative session	
⁵ Based on executive budget proposal - Less the 5% Reduction (HB 2)	