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TO: Grant Gager, Office of Fiscal Analysis
Brian Tassinari, Office of Policy and Management

FROM: Sarah Sanders, Assistant Treasurer of Debt Management *SS*

DATE: February 11, 2016

SUBJECT: General Fund Debt Service Updates

Enclosed are updates of our current projections for Debt Service payable from the General Fund for fiscal years 2016 and 2017 from our last update in November.

The estimates were updated to reflect slower-than-expected federal reserve bank action on increasing interest rates and lower expectations for interest rate increases over the coming year. Additional adjustments were made for changes in scheduling of bond sales and estimated savings on bonds issued by CCEDA/CRDA payable from the General Fund.

For fiscal year 2016, the difference between our estimates and the adopted budget is currently \$41.5 million. After adjusting for the expected \$35 million deficiency for General Fund debt service, the remaining difference will be \$6.5 million.

For fiscal year 2017, the difference between our estimates and the adopted budget is currently \$84.3 million. The Governor has proposed a \$10 million increase for the mid-term budget adjustments which, if approved with no other adjustments, would change the difference to \$74.3 million.

Summary of General Fund Debt Service Updates versus Adopted Budget

| \$ Millions | FY 2016 (With Estimated Premium) | FY 2017 (With Estimated Premium) |
|---|--|--|
| April 17 Update | \$2,015.4 | \$2,143.5 |
| May 22 Update | \$2,012.0 | \$2,141.9 |
| August 19 Update | \$2,001.6 | \$2,138.4 |
| September 30 Update | \$2,001.6 | \$2,148.4 |
| November 20 Update | \$1,986.9 | \$2,146.7 |
| February 11 Update | \$1,979.1 | \$2,137.4 |
| Adopted Budget for Biennium | \$1,937.6 | \$2,053.1 |
| Difference From Budget- May Update | \$74.4 | \$88.8 |
| Difference From Budget-August Update | \$64.0 | \$85.3 |
| Difference From Budget-September Update | \$64.0 | \$95.3 |
| Difference From Budget-November Update | \$49.3 | \$93.6 |
| Difference From Budget-February Update | \$41.5 | \$84.3 |

Please call with any questions.

Enclosures