

Agency Report
Department of Administrative Services
Lottery Bond Debt Service Savings

Analyst: Daron Hill

Request: Acknowledge receipt of a report on the state's Lottery Bond debt service savings as a result of refinancing.

Recommendation: Acknowledge receipt of the report.

Analysis: ORS 286A.160(3) requires the Department of Administrative Services (DAS) to report the amount of incurred expenses and debt service savings related to the issuance of refunding bonds to the Joint Committee on Ways and Means or the Emergency Board. On January 28, 2015, DAS and the State Treasurer completed the sale of the 2015 Series C/D/E/F Refunding Lottery Revenue Bonds. Proceeds from the sale were used to refinance qualifying outstanding Lottery Revenue Bonds that had been issued previously.

The State Treasurer has determined that bonds qualify for refinancing when the present value savings is 3% or more of the originally issued amount. The refunding resulted in statewide lottery funds debt service savings of \$173,528 for the 2013-15 budget and savings of \$27,475,176 over the remainder of the life of the bonds.

The 2015-17 savings are about \$2 million lottery funds and will be accounted for in the final recommended budget plan by the co-chairs of Ways and Means.

The Legislative Fiscal Office recommends acknowledging receipt of the report.