

Analysis

Department of Administrative Services

Article XI-G Bond Refunding Report

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Request: Acknowledge receipt of a report on the state's Article XI-G general obligation 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 resulting from the issuance of refunding bonds to the Joint Committee on Ways and Means or the Emergency Board. On May 3, 2017, DAS and the State Treasurer completed the sale of 2017 Series J and L Refunding Article XI-G Bonds. Proceeds from the sale were used to refinance qualifying outstanding Article XI-G general obligation bonds.

DAS and the State Treasurer evaluated the refunding plan on a maturity-by-maturity basis, considering multiple factors, including net present value savings and escrow efficiency. An overall net present value savings of 8.18% of the refunding bond proceeds was achieved. The refunding resulted in statewide General Fund debt service savings of \$1,925,696 for the 2017-19 budget and total savings of \$11,804,705 over the life of the bonds.

The 2017-19 debt service savings will be accounted for in the final recommended budget plan by the co-chairs of the Joint Committee on Ways and Means.

The Legislative Fiscal Office recommends acknowledging receipt of the report.