

PROGRAM DESCRIPTION

Department Office of Administration HB Section(s): _____
 Program Name Debt Management
 Program is found in the following core budget(s): _____

	BPB Debt Service	HB 5 Debt Annual Fees	L/P Debt Payments	MDFB - Historical Society	Fulton State Hospital Debt Service	ESCO Debt	Debt Mgmt	Jackson County	Bartle Hall Conv Center	Edward Jones Dome	DNR	TOTAL
GR	60,287,732	30,654	0	2,308,794	12,329,785	0	83,300	3,000,000	2,000,000	2,000,000	4,046,665	86,086,930
FEDERAL	0	0	0	0	0	0	0	0	0	0	0	0
OTHER	12,625,782	0	2,408,932	0	12,335,263	848,500	0	0	0	0	0	28,218,477
TOTAL	72,913,514	30,654	2,408,932	2,308,794	24,665,048	848,500	83,300	3,000,000	2,000,000	2,000,000	4,046,665	114,305,407

1a. What strategic priority does this program address?

Effectively manage outstanding debt by making payments timely and identifying financing opportunities to save the state money.

1b. What does this program do?

This program provides for payment of various fees associated with outstanding state debt, such as paying agent and escrow agent fees, arbitrage rebates, refunding and defeasance costs. It also provides for lead and supporting roles in most state debt financings, the three bond rating agencies. Debt oversight includes special obligation bonds, lease/purchase debt, convention center and dome financings, and certain projects associated with the Missouri Health and Educational Facilities Authority (MOHEFA) and Missouri Development Finance Board (MDFB). The following explains the various debt being managed:

Special Obligation Bonds: The Board of Public Buildings is authorized to issue \$1.545 billion in special obligation revenue bonds in accordance with Sections 8.420 and 8.665, RSMo. The amount of authorization outstanding and not issued as of 7/1/21 is \$352,085,000. There are ten (10) series of Board of Public Buildings bonds outstanding as of 7/1/21 in the amount of \$552,315,000. To date, the final series of bonds will mature on 10/1/39.

MOHEFA: The Missouri Health and Educational Authority issued \$35,000,000 of bonds for the University of Missouri-Columbia arena project. The State has entered into a financing agreement to pay the annual debt service on these bonds. In November 2011, the MOHEFA issued refunding bonds to refund the Educational Facilities Revenue Bonds series 2001. The principal amount of bonds outstanding as of 7/1/21 is \$2,465,000. The bonds will mature on 10/1/21.

Missouri Development Finance Board: In FY 06, the Board issued \$28,995,000 of Missouri Development Finance Board Leasehold Revenue Bonds Series 2005 dated November 1, 2005. These bonds were issued to finance the purchase of one building in Florissant, one building in St. Louis, and one building in Jennings. Missouri Development Finance Board issued \$9,865,000 of Leasehold Revenue Bonds Series 2006 dated May 1, 2006. These bonds were issued to finance the purchase of one building in St. Louis. The State has entered into a lease with the Board. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the bonds. In June 2013, the state issued Refunding Leasehold Revenue Bonds Series A 2013 and Series B 2013 to refund a portion of the outstanding Series 2005 and 2006 Bonds. The principal amount of bonds outstanding as of 7/1/21 is \$20,770,000. The bonds will mature on 10/1/30.

PROGRAM DESCRIPTION

Department Office of Administration
Program Name Debt Management

HB Section(s): _____

Program is found in the following core budget(s):

Missouri Development Finance Board: The Board issued \$189,885,000 of Missouri Development Finance Board State of Missouri Annual Appropriation Bond Series 2014 and Series 2016 to finance the Fulton State Hospital project. The bonds are special, limited obligations of the Board and do not constitute a pledge of the full faith and credit of the State. The State has entered into a financing agreements with the Board. Payments under the financing agreement have been structured in amounts sufficient to pay principal and interest on the bonds, and are subject to annual appropriation by the State legislature. The principal amount of the Fulton bonds outstanding as of 07/01/21 is \$164,435,000. The bonds will mature on 10/1/39.

Missouri Development Finance Board: The Board issued \$33,800,000 of Missouri Development Finance Board State of Missouri Annual Appropriations Bond Series A 20 16 to finance the State Historical Society project. The bonds are special, limited obligations of the Board and do not constitute a pledge of the full faith and credit of the State. The State has entered into a financing agreement with the Board and payments under this agreement have been structured in amounts sufficient to pay principal and interest on the bonds, and are subject to annual appropriation by the State legislature. The principal amount of the Historical Society bonds outstanding as of 07/01/21 is \$27,350,000. The bonds will mature on 10/1/35.

ESCO Debt: FMDC has utilized authority in Section 8.235.4, RSMo to finance projects to produce energy savings, reduce consumption, reduce pollution, and increase productivity at facilities around the State. Projects have been financed for 15 years at interest rates between 2.20% and 4.03%. In 2011, the outstanding leases were refinanced to reduce the interest rate to 2.3%. The principal amount of contracts outstanding as of 7/1/21 is \$2,926,488. The leases will mature on 11/1/23.

Convention Center and Sports Complex: In accordance with Sections 67.638-67.645, RSMo certain cities and counties are allowed to create a "Convention and Sports Complex Fund" for the purpose of developing, maintaining or operating sports, convention, exhibition, or trade facilities. The State may then contribute annually to each fund. The State has agreed to and is currently contributing to the Bartle Hall Convention Center and the Jackson County Sports Complex in Kansas City.

Section 67.650-67.658, RSMo allows for the establishment of the Regional Convention and Sports Complex Authority. The Authority issued Series A 1991 (State sponsored) Bonds in 1991. The proceeds were used in addition to proceeds from St. Louis City and St. Louis County sponsored bonds, to build the Edward Jones Dome in St. Louis. In 1993, the Authority refunded the callable portions of the Series A 1991 Bonds by issuing Series A 1993 Refunding Bonds. In 2003, the Authority refunded the outstanding bonds with Series A 2003 Refunding Bonds. On August 20, 2013, the Authority issued \$65,195,000 of Convention and Sports Facility Project Refunding Bonds Series A 2013 for the purpose of refunding Convention and Sports Facility Project Refunding Bonds Series A 2003. The State contributes \$10 million annually to the Authority to be used for debt service payments on the bonds. The State is also required to contribute \$2 million annually for maintenance of the facility. Final debt service payment to the Authority will be made on August 1, 2021. The final contribution for maintenance will be made on August 1, 2023. The amount of bonds outstanding as of 7/1/21 is \$9,520,000.

The personal service and expense and equipment costs associated with this program, are not included in the costs presented in this form. Those costs are included in the Accounting Operations within the Division of Accounting. It is not cost beneficial to track the costs by program because of the overlap of job duties. The cost listed in this form are for the direct payment for debt and fees associated with that debt.

PROGRAM DESCRIPTION

Department Office of Administration

HB Section(s): _____

Program Name Debt Management

Program is found in the following core budget(s):

SUMMARY OF OUTSTANDING BONDS

<u>Bond</u>	<u>Final Maturity Fiscal Year</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Repaid</u>	<u>Principal Outstanding July 1, 2021</u>
Board of Public Buildings Bonds				
Series A 2015 Lafferre Hall Project	2040	36,805,000	5,675,000	31,130,000
Series B 2015 State Facilities, Capitol, and Higher Education Projects	2030	60,000,000	21,785,000	38,215,000
Series A 2016 State Facilities, Capitol, and Higher Education Projects	2036	100,000,000	30,705,000	69,295,000
Series A 2017 Higher Education Projects	2032	77,165,000	17,015,000	60,150,000
Series A 2018 State Facilities and Capitol Projects	2038	47,740,000	7,610,000	40,130,000
Series A 2011 Refunding	2029	143,020,000	56,210,000	25,080,000
Series A 2014 Refunding	2031	88,680,000	23,320,000	65,360,000
Series A 2015 Refunding	2025	20,250,000	0	20,250,000
Series A 2020 Refunding	2026	38,920,000	9,065,000	29,855,000
Series B 2020 Refunding	2029	<u>172,850,000</u>	<u>0</u>	<u>172,850,000</u>
Board of Public Buildings Total* * Outstanding Issues Only		785,430,000	171,385,000	552,315,000
Missouri Health and Educational Facilities Authority:				
Series 2011 - Refunding	2022	20,125,000	17,660,000	2,465,000

PROGRAM DESCRIPTION

Department Office of Administration **HB Section(s):** _____
Program Name Debt Management

Program is found in the following core budget(s):

Bond	Final Maturity Fiscal Year	Principal Amount Issued	Principal Amount Repaid	Principal Outstanding July 1, 2021
MDFB - State Historical Society:				
Series A 2016	2036	33,800,000	6,450,000	27,350,000
MDFB - Fulton Hospital:				
Series 2014	2040	92,660,000	15,050,000	77,610,000
Series 2016	2040	97,225,000	10,400,000	86,825,000
Guaranteed Energy Savings Contracts:				
Leases	2024	69,643,282	66,716,794	2,926,488
MDFB - Office Buildings:				
Series A 2013 - Refunding	2031	21,820,000	6,355,000	15,465,000
Series B 2013 - Refunding	2031	7,450,000	2,145,000	5,305,000
Regional Convention and Sports Complex Authority:				
Series A 2013 - Refunding	2022	65,195,000	55,675,000	9,520,000

2a. Provide an activity measure(s) for the program.
 New bonds Issued during FY21: 1 Total Principal Amount of Bonds Paid During FY21: \$72,634,744

2b. Provide a measure(s) of the program's quality.
 Number debt payments made timely: 28/28
 Missouri was rated AA+ (one notch off AAA), stable outlook by Fitch, and Standard & Poors rating agencies. Missouri was rated Aa1 by Moody's rating agency.

2c. Provide a measure(s) of the program's impact.
 Due to the AA+ rating, Missouri is able to purchase debt a lower rate, saving taxpayer money.

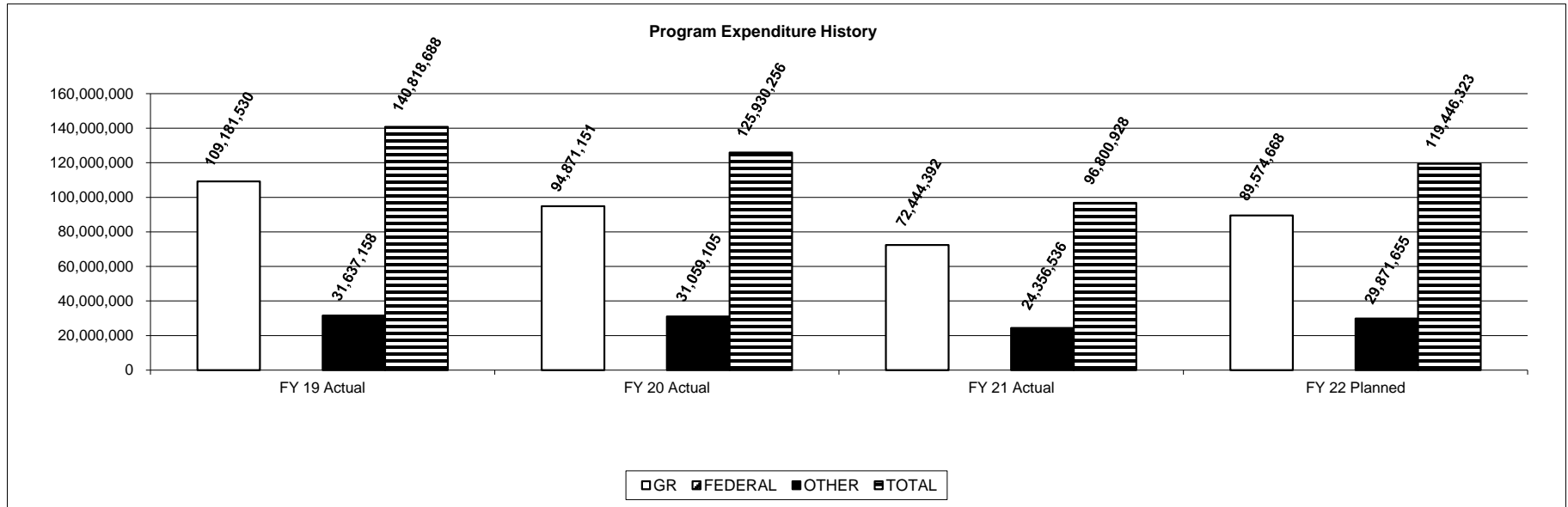
2d. Provide a measure(s) of the program's efficiency.
 Staff spent approximately 40 hours annually on bond oversight.

PROGRAM DESCRIPTION

Department Office of Administration
 Program Name Debt Management
 Program is found in the following core budget(s): _____

HB Section(s): _____

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

- Facilities Maintenance Reserve Fund (0124)
- Missouri Veterans' Homes Fund (0460)
- State Park Earnings Fund (0415)
- Fulton State Hospital Bond and Interest Series A 2014 (0396)
- State Facility Maintenance and Operation Fund (0501)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Chapter 8, RSMo; Sections 67.638-67.645; 67.650-67.658; 178.892-178.896, and 288.128, 288.310, and 288.330, RSMo

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No