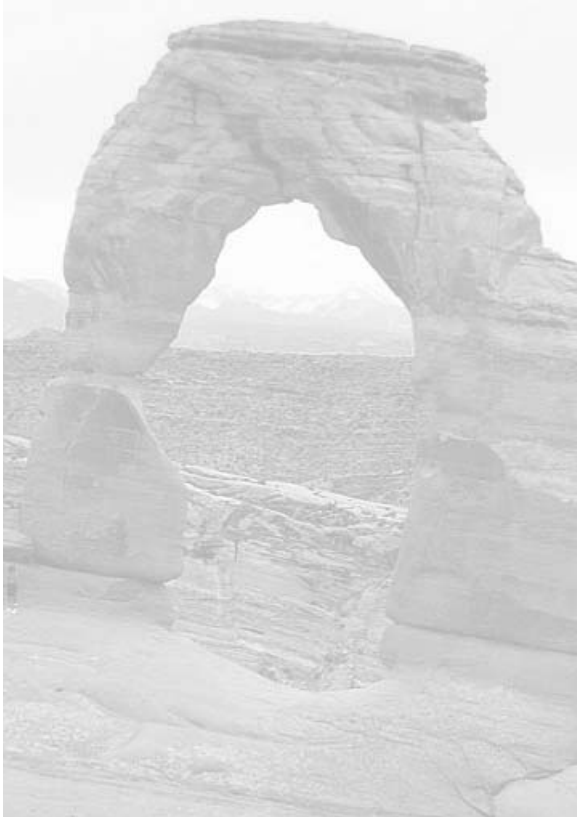
# *State of Utah*

## Capital Budget and Debt Service Summary

- Capital budget overview
- Capital table showing three-year comparisons
- Capital facility projects recommended for FY 2007 and supplemental projects for FY 2006
- Debt service table showing three-year comparisons
- Bonds outstanding



# Capital Budget and Debt Service

*Randa Bezzant, Analyst*

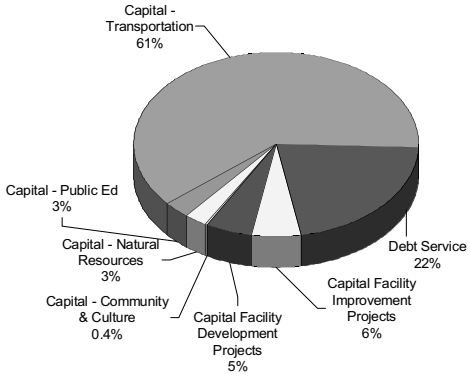
## Recommendations: Governor's Goals and Initiatives

(See following tables for full list of recommendations)

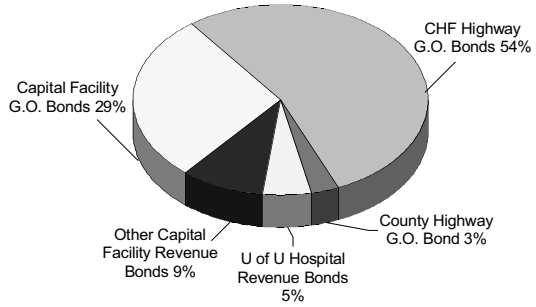
### Capital Budget and Debt Service Overview

- The capital budget includes appropriations for the acquisition, development, construction, and improvement of fixed public assets.
- The debt service budget includes appropriations for debt services payments on all capital facility general obligation bonds, highway general obligation bonds, and State Building Ownership Authority revenue bonds.

**Where Will My Taxes and Fees Go for Capital Budget and Debt Service?**
**(Total FY 2007 Funding is $ 1,106,440,700)**




**Debt Service Expense**
**(Based on FY 2007 Recommendations)**




*The state has a triple A rating on general obligation bonds from Moody's Investors Service, Standard and Poor's Corporation, and Fitch Ratings; and a double A rating on revenue bonds from Moody's Investors Service and Standard and Poor's Corporation.*

**Address highway capacity and safety conditions**

- Reduce congestion and improve safety using $40,000,000 ongoing General Fund and $80,000,000 one-time General Fund to construct a number of congestion relief and safety projects throughout the state
- Continue building Centennial Highway projects, including Legacy Parkway, by bonding for $83,000,000

**Preserve highway corridors before development occurs**

- Increase funding the Corridor Preservation Fund with a $20,000,000 General Fund supplemental

**Maintain state facilities to increase building life and reduce costly future repairs**

- State law requires annual capital improvement funding to be at least 1.1 percent of the estimated replacement cost of all state facilities; this requires an increase of $6,759,700 in ongoing state funds

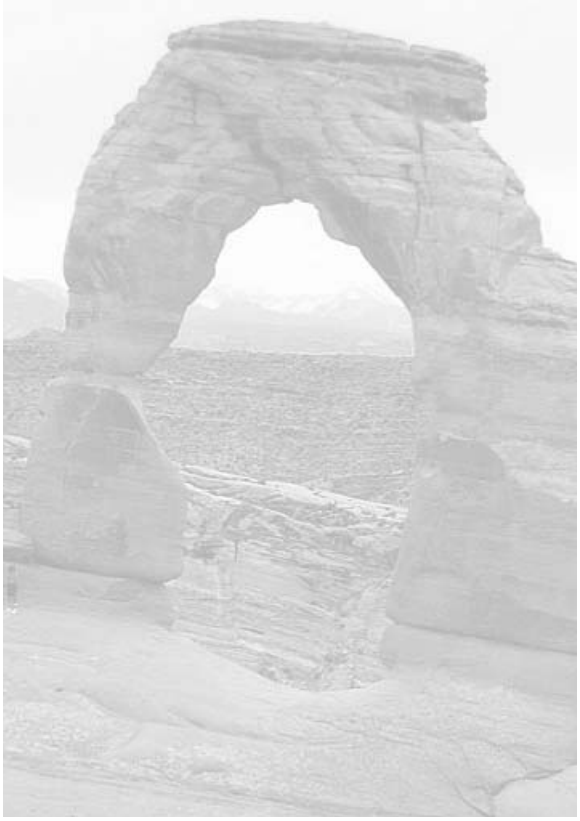
**Equalize capital funding for growing school districts**

- Equalize capital funding for school districts by increasing Public Education's Enrollment Growth Program by $5,000,000 in ongoing school funds

**New Capital Facility Development Project Recommendations**

| | State Funds Recommended |
|---|---|
| Capitol restoration project | $50.0 |
| USTAR infrastructure | 50.0 |
| Utah Valley State College digital learning center | 48.0 |
| Weber State University classroom building and chiller | 24.6 |
| Central Utah Corrections Facility prison expansion | 20.0 |
| Deaf/Blind Schools Connor Street replacement | 10.8 |
| Uintah Basin ATC - Vernal campus | 9.9 |
| Midway fish hatchery | 5.0 |
| Replacement or expansion of three liquor stores | 7.4 |
| Clearfield maintenance station addition | 1.2 |
| **Total** | **$226.9** |

*Capital facility development projects address economic development initiatives, inadequate space needs, and building safety conditions.*



# CAPITAL BUDGET

All Sources of Funding

| | | | | Governor Huntsman's Recommendations | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual FY 2005 | Authorized FY 2006 | Supple-mentals | Recommended FY 2006 | Base FY 2007 | Ongoing and One-time Adj. | Total FY 2007 | FY 2007 Bond |
| **Plan of Financing** | | | | | | | | |
| General Fund | $141,588,100 | $175,389,300 | $107,469,000 | $282,858,300 | $146,077,300 | $149,729,800 | $295,807,100 | $0 |
| School Funds | 96,362,400 | 84,081,900 | 85,510,000 | 169,591,900 | 67,547,700 | 746,500 | 68,294,200 | 0 |
| Transportation Fund | 265,170,600 | 230,613,300 | 0 | 230,613,300 | 226,372,500 | 2,946,400 | 229,318,900 | 0 |
| Federal Funds | 211,380,900 | 161,638,600 | 0 | 161,638,600 | 165,930,400 | 0 | 165,930,400 | 0 |
| Dedicated Credits | 14,716,100 | 4,075,000 | 0 | 4,075,000 | 2,775,000 | 0 | 2,775,000 | 0 |
| Mineral Lease | 40,340,700 | 43,381,100 | 0 | 43,381,100 | 43,381,100 | 0 | 43,381,100 | 0 |
| Restricted and Trust Funds | 55,537,300 | 113,625,000 | 2,700,000 | 116,325,000 | 112,849,700 | 3,800,000 | 116,649,700 | 0 |
| FY 2007 G.O. Bond | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 83,000,000 |
| Transfers | (115,895,400) | (129,711,500) | 0 | (129,711,500) | (129,554,700) | 0 | (129,554,700) | 0 |
| Beginning Balances | 226,354,200 | 191,393,700 | 0 | 191,393,700 | 75,117,200 | 0 | 75,117,200 | 0 |
| Closing Balances | (191,393,700) | (75,117,200) | 0 | (75,117,200) | 0 | 0 | 0 | 0 |
| Lapsing Funds | (490,900) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Financing** | **$743,670,300** | **$799,369,200** | **$195,679,000** | **$995,048,200** | **$710,496,200** | **$157,222,700** | **$867,718,900** | **$83,000,000** |
| **Departments** | | | | | | | | |
| Administrative Services | $99,592,200 | $74,255,600 | $37,302,000 | $111,557,600 | $93,859,600 | $14,130,700 | $107,990,300 | $0 |
| Community and Culture | 4,184,500 | 4,543,000 | 0 | 4,543,000 | 4,543,000 | 0 | 4,543,000 | 0 |
| Higher Education | 52,073,500 | 30,743,000 | 122,650,000 | 153,393,000 | 0 | 9,942,000 | 9,942,000 | 0 |
| Natural Resources | 13,304,800 | 21,975,400 | 2,867,000 | 24,842,400 | 21,119,500 | 6,950,000 | 28,069,500 | 0 |
| Public Education | 27,288,900 | 32,288,900 | 12,860,000 | 45,148,900 | 27,288,900 | 5,000,000 | 32,288,900 | 0 |
| Transportation | 547,226,400 | 635,563,300 | 20,000,000 | 655,563,300 | 563,685,200 | 121,200,000 | 684,885,200 | 83,000,000 |
| **Total Budget** | **$743,670,300** | **$799,369,200** | **$195,679,000** | **$995,048,200** | **$710,496,200** | **$157,222,700** | **$867,718,900** | **$83,000,000** |
| **% Change from Authorized FY 2006 to Total FY 2007** | | | | | | | **8.6%** | |

*This table shows a summary of capital project costs for all departments and includes roads, General Fund appropriations to loan programs, state parks improvements, the Public Education Capital Outlay Program, and Community and Culture. The table on the following page shows only facility-related projects including the cost of each facility development or acquisition. For more detail on other projects, refer to the capital tables in the individual department sections.*

# CAPITAL FACILITIES BUDGET - FY 2007 Governor Huntsman's Recommendations

All Sources of Funding

| | General Fund | School Fund | Trans-portation | Restricted/ Trust | Total Appropriated | Donations / Private / Institutional | Total Project | | |
|---|---|---|---|---|---|---|---|---|---|
| **CAPITAL FACILITY PROJECTS** | | | | | | | | | |
| **Administrative Services** | | | | | | | | | |
| *1* Statewide capital improvements | $35,111,600 | $26,063,300 | $1,746,400 | $0 | $62,921,300 | $0 | $62,921,300 | | *1* |
| *2* CPB - Capitol restoration | 37,698,000 | 0 | 0 | 0 | 37,698,000 | 0 | 37,698,000 | | *2* |
| *3* DABC - Holladay store replacement | 4,446,000 | 0 | 0 | 0 | 4,446,000 | 0 | 4,446,000 | | *3* |
| *4* DABC - Kimball Junction store expansion | 1,292,000 | 0 | 0 | 0 | 1,292,000 | 0 | 1,292,000 | | *4* |
| *5* DABC - Redwood Road store expansion | 1,633,000 | 0 | 0 | 0 | 1,633,000 | 0 | 1,633,000 | | *5* |
| *6* Nat. Grd. - Camp Williams JLTC Building #4 | 0 | 0 | 0 | 0 | 0 | 1,177,000 | 1,177,000 | *(a)* | *6* |
| **Total Administrative Services** | **80,180,600** | **26,063,300** | **1,746,400** | **0** | **107,990,300** | **1,177,000** | **109,167,300** | | |
| **Higher Education** | | | | | | | | | |
| *7* Snow - Traditional Building Skills Institution bldg. | 0 | 0 | 0 | 0 | 0 | 3,500,000 | 3,500,000 | *(b)* | *7* |
| *8* UofU - Pharmacy College bldg (expanded scope) | 0 | 0 | 0 | 0 | 0 | 67,823,000 | 67,823,000 | *(b)* | *8* |
| *9* UofU - Red Butte amphitheatre/rose garden | 0 | 0 | 0 | 0 | 0 | 2,388,000 | 2,388,000 | *(b)* | *9* |
| *10* UofU - Business School remodel/addition | 0 | 0 | 0 | 0 | 0 | 30,787,000 | 30,787,000 | *(b)* | *10* |
| *11* UofU - student recreation center | 0 | 0 | 0 | 0 | 0 | 35,000,000 | 35,000,000 | *(c)* | *11* |
| *12* UBATC - Vernal campus | 0 | 9,942,000 | 0 | 0 | 9,942,000 | 4,500,000 | 14,442,000 | *(d)* | *12* |
| **Total Higher Education** | **0** | **9,942,000** | **0** | **0** | **9,942,000** | **143,998,000** | **153,940,000** | | |
| **Transportation** | | | | | | | | | |
| *13* Clearfield maintenance station addition | 0 | 0 | 1,200,000 | 0 | 1,200,000 | 0 | 1,200,000 | | *13* |
| **Total Transportation** | **0** | **0** | **1,200,000** | **0** | **1,200,000** | **0** | **1,200,000** | | |
| **TOTAL CAP. FACILITY PROJECTS** | **$80,180,600** | **$36,005,300** | **$2,946,400** | **$0** | **$119,132,300** | **$145,175,000** | **$264,307,300** | | |

*(a) Federal government will provide 100% funding for this project.*
*(b) Private donations.*
*(c) Student fees and private donations.*
*(d) Uintah County and industry partners have committed to fund $4,500,000 of the project.*

## CAPITAL FACILITIES BUDGET - FY 2006 Governor Huntsman's Supplemental Recommendations

All Sources of Funding

| | General Fund | School Fund | Trans-portation | Restricted/ Trust | Total Appropriated | Donations / Private / Institutional | Total Project | | |
|---|---|---|---|---|---|---|---|---|---|
| **CAPITAL FACILITY PROJECTS** | | | | | | | | | |
| **Administrative Services** | | | | | | | | | |
| *14* Corrections - CUCF prison expansion | $20,000,000 | $0 | $0 | $0 | $20,000,000 | $0 | $20,000,000 | | *14* |
| *15* CPB - Capitol restoration | 12,302,000 | 0 | 0 | 0 | 12,302,000 | 0 | 12,302,000 | | *15* |
| *16* DNR - Midway fish hatchery | 5,000,000 | 0 | 0 | 0 | 5,000,000 | 3,200,000 | 8,200,000 | *(e)* | *16* |
| **Total Administrative Services** | **37,302,000** | **0** | **0** | **0** | **37,302,000** | **3,200,000** | **40,502,000** | | |
| **Higher Education** | | | | | | | | | |
| *17* Board of Regents - USTAR infrastructure | 50,000,000 | 0 | 0 | 0 | 50,000,000 | 0 | 50,000,000 | | *17* |
| *18* UVSC - digital learning center | 0 | 48,000,000 | 0 | 0 | 48,000,000 | 0 | 48,000,000 | | *18* |
| *19* WSU - classroom building/chiller plant | 0 | 24,650,000 | 0 | 0 | 24,650,000 | 5,000,000 | 29,650,000 | *(f)* | *19* |
| **Total Higher Education** | **50,000,000** | **72,650,000** | **0** | **0** | **122,650,000** | **5,000,000** | **127,650,000** | | |
| **Public Education** | | | | | | | | | |
| *20* Deaf/Blind Schools - Connor Street replacement | 0 | 10,760,000 | 0 | 0 | 10,760,000 | 0 | 10,760,000 | | *20* |
| **Total Public Education** | **0** | **10,760,000** | **0** | **0** | **10,760,000** | **0** | **10,760,000** | | |
| **TOTAL CAP. FACILITY PROJECTS** | **$87,302,000** | **$83,410,000** | **$0** | **$0** | **$170,712,000** | **$8,200,000** | **$178,912,000** | | |

*(e) Additional funding of $3,200,000 is coming from the Division of Wildlife Resources restricted account and from the state fish hatchery maintenance account.*
*(f) The university has secured $5,000,000 in private funding for this project.*

# DEBT SERVICE

All Sources of Funding

| Plan of Financing | Actual FY 2005 | Authorized FY 2006 | Governor Huntsman's Recommendations: Supple-mentals | Recommended FY 2006 | Base FY 2007 | Ongoing and One-time Adj. | Total FY 2007 |
|---|---|---|---|---|---|---|---|
| General Fund | $61,721,600 | $59,879,700 | ($6,151,800) | $53,727,900 | $57,181,700 | ($3,000,000) | $54,181,700 |
| School Funds | 18,846,700 | 17,164,300 | 0 | 17,164,300 | 17,164,300 | 0 | 17,164,300 |
| Dedicated Credits | 58,508,100 | 33,004,500 | 0 | 33,004,500 | 34,368,900 | 0 | 34,368,900 |
| Restricted and Trust Funds | 127,561,500 | 133,597,800 | 0 | 133,597,800 | 133,597,800 | 1,583,400 | 135,181,200 |
| Transfers | 6,834,600 | 0 | 0 | 0 | 0 | 0 | 0 |
| Beginning Balances | 12,841,000 | 12,635,900 | 0 | 12,635,900 | 7,340,700 | 0 | 7,340,700 |
| Closing Balances | (12,635,900) | (7,340,700) | 0 | (7,340,700) | (9,515,000) | 0 | (9,515,000) |
| **Total Financing** | **$273,677,600** | **$248,941,500** | **($6,151,800)** | **$242,789,700** | **$240,138,400** | **($1,416,600)** | **$238,721,800** |
| **Programs** | | | | | | | |
| **Debt Service** | | | | | | | |
| G.O. Bond Principal | $136,285,000 | $141,895,000 | $0 | $141,895,000 | $134,578,800 | $5,891,200 | $140,470,000 |
| G.O. Bond Interest | 74,304,100 | 73,720,300 | (6,149,800) | 67,570,500 | 70,869,000 | (7,307,800) | 63,561,200 |
| G.O. Bond Fees | 520,300 | 98,700 | (2,000) | 96,700 | 98,700 | 0 | 98,700 |
| Revenue Bond Principal | 47,625,700 | 15,603,400 | 0 | 15,603,400 | 17,729,200 | 0 | 17,729,200 |
| Revenue Bond Interest | 14,489,400 | 17,467,500 | 0 | 17,467,500 | 16,706,100 | 0 | 16,706,100 |
| Revenue Bond Fees | 453,100 | 156,600 | 0 | 156,600 | 156,600 | 0 | 156,600 |
| **Total Budget** | **$273,677,600** | **$248,941,500** | **($6,151,800)** | **$242,789,700** | **$240,138,400** | **($1,416,600)** | **$238,721,800** |
| **% Change from Authorized FY 2006 to Total FY 2007** | | | | | | | **(4.1%)** |

# GENERAL OBLIGATION BONDS OUTSTANDING

As of December 1, 2005

| Bond Series or Bond Authorization | Original Amount | Final Maturity Date | Outstanding Principal as of 1-Dec-05 | Amount Exempt From Statutory Debt Limit | Unissued Bond Authorizations [a] |
|---|---|---|---|---|---|
| **Capital Facility Projects** | | | | | |
| 2002A Series | $129,640,000 | July 1, 2007 | $88,575,000 | $0 | |
| 2003A Series | 138,020,000 | July 1, 2010 | 136,925,000 | 0 | |
| 2004B Series | 93,585,000 | July 1, 2011 | 79,230,000 | 0 | |
| 2002 Authorization HB 252 (Adair) - USU engineering building | | | | | $6,206,300 |
| 2004 Authorization HB 2 (Pace) - various projects | | | | | 9,142,400 |
| 2005 Authorization HB 1007 (Buxton) - veterans' nursing home | | | | | 4,600,000 |
| **Capital Facility Projects Subtotal** | | | **$304,730,000** | **$0** | |
| **Highway Projects** | | | | | |
| 1997E Series | $135,000,000 | July 1, 2007 | $20,425,000 | $20,425,000 | |
| 1997F Series | 205,000,000 | July 1, 2007 | 33,850,000 | 33,850,000 | |
| 1998A Series | 210,000,000 | July 1, 2008 | 53,250,000 | 53,250,000 | |
| 2001B Series (Refunding - $208M) | 334,250,000 | July 1, 2009 | 141,675,000 | 141,675,000 | |
| 2002A Series | 151,560,000 | July 1, 2011 | 33,675,000 | 0 | |
| 2002B Series (Refunding) | 253,100,000 | July 1, 2012 | 250,860,000 | 250,860,000 | |
| 2003A Series (Refunding $128.7M) | 269,385,000 | July 1, 2013 | 177,100,000 | 174,100,000 | |
| 2004A Series (Refunding) | 314,775,000 | July 1, 2016 | 314,775,000 | 125,315,000 | |
| 2004B Series | 47,050,000 | July 1, 2019 | 47,050,000 | 47,050,000 | |
| 2000 Authorization SB 273 (Steele) - Interstate 80 interchange at 5600 West | | | | | 6,000,000 [b] |
| 2003 Authorization HB 260 (Harper) - Salt Lake County 1/4 of 0.25 percent | | | | | 26,398,200 [b] |
| **Highway Projects Subtotal** | | | **$1,072,660,000** | **$846,525,000** | |
| **Total General Obligation Bonds Outstanding** | | | **$1,377,390,000** | **$846,525,000** | |
| **Plus Unamortized Premiums** | | | **89,400,700** | **51,290,000** | |
| **Less Deferred Amount on Refunding** | | | **(21,911,400)** | **(16,246,000)** | |
| **Total General Obligation Bonds Payable** | | | **$1,444,879,300** | **$881,569,000** | |
| **Debt Per Capita [c]** | | | **$567** | | |

*(a) Bonds authorized but not yet issued.*

*(b) These bond authorizations are exempt from statutory debt limit calculations.*

*(c) Based on 2005 population estimate of 2,547,389.*

**Constitutional Debt Limit, Utah Constitution Article XIV, Section 1**

| | |
|---|---|
| Total Fair Market Value (FMV) of Taxable Property | $ 185,620,197,249 |
| Constitutional Debt Limit (1.5%) | $ 2,784,303,000 |
| Less: Outstanding General Obligation Debt | (1,444,879,300) |
| Additional Constitutional Debt Incurring Capacity of the State | $ 1,339,423,700 |

*Limits general obligation debt to 1.5 percent of the total FMV of taxable property. The FMV of taxable property is based on the Utah Property Tax 2004 Annual Statistical Report.*

**State Appropriations and Tax Limitation Statutory Debt Limit, Title 63, Chapter 38c, Section 402**

| | |
|---|---|
| Fiscal Year Ending June 30, 2006 Appropriation Limit | $ 2,071,914,000 |
| Statutory General Obligation Debt Limit (45%) | $ 932,361,300 |
| Less: Outstanding General Obligation Debt | (1,444,879,300) |
| Plus: Statutorily Exempt General Obligation Highway Bonds | 881,569,000 |
| Remaining Statutory G.O. Debt Incurring Capacity | $ 369,051,000 |

*Limits outstanding general obligation debt to no more than 45 percent of the maximum allowable limit on appropriations from the General Fund and from non-Uniform School Fund income tax revenues.*

# STATE BUILDING OWNERSHIP AUTHORITY REVENUE BONDS OUTSTANDING

As of December 1, 2005

| Bond Series or Bond Authorization | Original Amount | Final Maturity Date | Outstanding Principal as of 1-Dec-05 | Amount Exempt From Statutory Debt Limit | Unissued Bond Authorizations [a] |
|---|---|---|---|---|---|
| 1992AB Series | $27,580,000 | August 15, 2011 | $12,020,000 | $0 | |
| 1993A Series | 6,230,000 | January 1, 2013 | 3,320,000 | 0 | |
| 1995A Series | 93,000,000 | May 15, 2007 | 8,100,000 | 0 | |
| 1996AB Series | 61,600,000 | May 15, 2007 | 6,160,000 | 0 | |
| 1997A Series | 4,150,000 | May 15, 2008 | 565,000 | 0 | |
| 1998A Series | 25,710,000 | May 15, 2008 | 2,215,000 | 0 | |
| 1998C Series (Refunding) | 105,100,000 | May 15, 2019 | 104,805,000 | 0 | |
| 1999A Series | 9,455,000 | May 15, 2009 | 1,495,000 | 0 | |
| 2001A Series | 69,850,000 | May 15, 2021 | 67,850,000 | 0 | |
| 2001B Series | 25,780,000 | May 15, 2024 | 24,490,000 | 0 | |
| 2001C Series | 30,300,000 | May 15, 2022 | 30,300,000 | 0 | |
| 2003 Series (Refunding $4.455M) | 22,725,000 | May 15, 2025 | 22,610,000 | 0 | |
| 2004A Series (Refunding $19.095M)) | 45,805,000 | May 15, 2027 | 45,310,000 | 0 | |
| 2004B Series (Refunding) | 8,920,000 | May 15, 2013 | 8,700,000 | 0 | |
| 1999 Authorization SB 2 (Evans B.) - Human Services Brigham City office | | | | | $2,510,000 |
| 2000 Authorization SB 235 (Suazo) - State Fair Park multipurpose building | | | | | 10,500,000 |
| 2005 Authorization HB 287 (Buxton) - three Department of Alcoholic Beverage Control stores | | | | | 7,867,000 |
| **Total State Building Ownership Authority Revenue Bonds Outstanding** | | | **$337,940,000** | **$0** | |
| **Plus Unamortized Premiums** | | | **5,394,300** | **0** | |
| **Less Deferred Amount on Refunding** | | | **(2,293,100)** | **0** | |
| **Total State Building Ownership Authority Revenue Bonds Payable** | | | **$341,041,200** | **$0** | |
| **Debt Per Capita [b]** | | | **$134** | | |

*(a) Bonds authorized but not yet issued.*

*(b) Based on 2005 population estimate of 2,547,389.*

**State Building Ownership Authority (SBOA) Statutory Debt Limit, Title 63B, Chapter 1, Section 306**

| | |
|---|---|
| Total Fair Market Value (FMV) of Taxable Property | $185,620,197,249 |
| Statutory Debt Limit (1.5%) | $ 2,784,303,000 |
| Less: General Obligation Debt | (1,444,879,300) |
| Less: SBOA Lease Revenue Bonds | (341,041,200) |
| Plus: Statutorily Exempt General Obligation Highway Bonds | 881,569,000 |
| Plus: Statutorily Exempt SBOA Lease Revenue Bonds | - |
| SBOA's Additional Debt Incurring Capacity | $ 1,879,951,500 |

*Limits general obligation and SBOA debt to 1.5 percent of the total FMV of taxable property. The FMV of taxable property is based on the Utah Property Tax 2004 Annual Statistical Report.*