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STATE FINANCE COMMITTEE

June 14, 2012

2. Approval of minutes of the April 25, 2012 State Finance Committee meeting.
5. Resolution No. 1127 confirming the reappointment of Theresa Whitmarsh as Executive Director of the Washington State Investment Board including letter and resume.
11. Informational Item: Results of the May 22, 2012 bond sale.
14. Resolution No. 1128 authorizes the issuance of State of Washington Various Purpose General Obligation Bonds, in the maximum principal amount of \$505,466,000 pursuant to Chapter 1, Laws of 2012, 2nd Sp. Sess. ("the Bond Act") and Chapter 39.42 RCW for the purpose of providing funds to pay and reimburse state expenditures for various state projects identified in the Bond Act; providing for certain terms and covenants of the bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said bonds in one or more sales.
16. Proposed Motion: "That the Committee pursuant to RCW 39.94.040 approve and direct the State Treasurer to implement the amended 2011-13 biennium finance plan for state financing contracts and issuance of certificates of participation therein as presented to the Committee and on file with the State Treasurer."

State Finance Committee Meeting Minutes
Olympia, Washington
April 25, 2012
11:02 am

The State Finance Committee met in a special meeting after notice duly given to the public.

Present: James L. McIntire, State Treasurer, Chair
Brad Owen, Lt. Governor

Also Present: Ellen Evans, Office of the State Treasurer
Svein Braseth, Office of the State Treasurer
Trish Nightingale, Assistant Attorney General
Bill Tonkin, Foster Pepper PLLC
Jenny Poreé, Montague DeRose and Assoc.
Elisse Larouche, Montague DeRose and Assoc.
Wolfgang Opitz, Office of the State Treasurer
Sue Melvin, Office of the State Treasurer
Pam Johnson, Office of the State Treasurer
Kate O'Looney, Office of the State Treasurer
Johnna Skyles Craig, Office of the State Treasurer
Nona Snell, Office of the State Treasurer
Juliette Schindler Kelly, Office of the Lieutenant Governor
Rich Struna, Washington State Department of Transportation
Amy Arnis, Washington State Department of Transportation
Jeff Caldwell, Washington State Department of Transportation
Nancy Adams, Office of the State Treasurer

Chair McIntire called the meeting to order at 11:02 am on April 25, 2012.

Item 1: Approval of the Minutes

Treasurer James McIntire introduced the motion to approve the minutes from the September 29, 2011 State Finance Committee Meeting. The motion was moved by Lt. Governor Brad Owen, seconded by Chair McIntire, and approved unanimously.

Item 2: Bond Sale Results Briefing

Chair McIntire requested that Ellen Evans, Deputy Treasurer for Debt Management, review the state's most recent bond sales. Ms. Evans explained that since the September State Finance Committee meeting, the state went to the market on October 13, 2011, January 31, 2012 and February 28, 2012. Ms. Evans highlighted the importance of the State Finance Committee's delegation of authority to the Office of the State Treasurer. This flexibility allowed the state to

access the financial markets in a timely way to achieve present value savings of nearly \$155 million on refundings of more than \$1 billion in January. This sale was the largest competitive tax-exempt sale since the beginning of the great recession.

Item 3: Resolution 1125

Chair McIntire introduced Resolution 1125 authorizing the issuance of federal highway grant anticipation revenue bonds also known as GARVEE bonds. Ms. Evans explained that GARVEE bond issuance for the SR 520 Corridor is expected to total approximately \$900 million. Issuance will be split into two sales, the first in May (Series 2012F) and the second in the spring of 2013. Ms. Evans noted that the GARVEE bonds have received ratings of AA from S&P and Aa2 from Moody's. Lt. Governor Owen asked about the process by which the Federal Government commits funding to the project and the state sells the bonds. Amy Arnis, Department of Transportation, explained that the GARVEE bonds are limited obligations of the state payable from all funds received by the state pursuant to its obligation authority under the Federal-Aid Highway Program. She noted that the state has entered into a Memorandum of Understanding with the Federal Highway Administration that provides for the reimbursement to the state for the debt service and costs incurred for the Series 2012F Bonds. Chair McIntire outlined the history and summarized the current status of the federal highway authorization bill. Resolution 1125 was moved by Lt. Governor Owen, seconded by Chair McIntire, and approved unanimously.

Item 4: Guidelines for Use of Federal Highway Grant Anticipation Revenue Bonds

Chair McIntire requested that Ms. Evans explain the proposed State Finance Committee guidelines for the state's use of federal highway grant anticipation revenue bonds. Ms. Evans clarified that these guidelines highlight key terms of Resolution 1125 and restrict the use of GARVEE bonds to a greater degree than Resolution 1125. Adoption of the guidelines was moved by Lt. Governor Owen, seconded by Chair McIntire, and approved unanimously.

Treasurer McIntire adjourned the meeting at 11:16 am.

STATE FINANCE COMMITTEE
STATE OF WASHINGTON

By _____
James L. McIntire
State Treasurer and Chairman

By _____
Brad Owen
Lieutenant Governor and Member

ATTEST:

Ellen Evans, Deputy State Treasurer
and Secretary

**OFFICE OF THE STATE FINANCE COMMITTEE
OLYMPIA, WASHINGTON**

RESOLUTION NO. 1127

A RESOLUTION OF THE STATE FINANCE COMMITTEE OF THE STATE OF WASHINGTON CONFIRMING THE RE-APPOINTMENT OF MS. THERESA WHITMARSH AS EXECUTIVE DIRECTOR OF THE STATE INVESTMENT BOARD FOR A TERM OF THREE YEARS, AS PROVIDED BY RCW 43.33A.100.

WHEREAS, the State Investment Board has determined to re-appoint Theresa Whitmarsh, as the Board's executive director; and

WHEREAS, such employment is subject to confirmation of the State Finance Committee under the terms of RCW 43.33A.100; and

WHEREAS, the State Investment Board has submitted the name of Theresa Whitmarsh to the State Finance Committee, and requested that the State Finance Committee consider confirming Ms. Whitmarsh's continued employment by the State Investment Board as that Board's executive director; and

WHEREAS, the State Finance Committee has fully considered the professional qualifications of Ms. Whitmarsh for the position of the State Investment Board executive director, and other information relevant to such employment; and

WHEREAS, the State Finance Committee finds that Ms. Whitmarsh continues to be qualified for the position of the State Investment Board's executive director;

NOW THEREFORE, BE IT RESOLVED BY THE STATE FINANCE COMMITTEE acting for and on behalf of the State of Washington:

Section 1. The employment of Ms. Theresa Whitmarsh by the State Investment Board as that Board's executive director should be, and hereby is, confirmed.

Section 2. This confirmation is subject to the employment term, and other conditions, set out in RCW 43.33A.100 and other applicable law.

Section 3. This resolution shall be effective immediately upon its adoption.

ADOPTED at an open meeting of the State Finance Committee, State of Washington, held at Olympia, Washington, after notice thereof duly and regularly given as required by law, this 14th day of June, 2012.

STATE FINANCE COMMITTEE
STATE OF WASHINGTON

JAMES L. MCINTIRE
State Treasurer and Chairperson

CHRISTINE O. GREGOIRE
Governor and Member

BRAD OWEN
Lieutenant Governor and Member

ATTEST:

ELLEN EVANS
Deputy State Treasurer and Secretary



STATE OF WASHINGTON
STATE INVESTMENT BOARD

2100 Evergreen Park Drive SW • P.O. Box 40916 • Olympia, Washington • 98504-0916
(360) 956-4600 • Fax (360) 956-4785 • www.sib.wa.gov

June 11, 2012

The Honorable Christine Gregoire, Governor
The Honorable Brad Owen, Lieutenant Governor
The Honorable James L. McIntire, State Treasurer
State Finance Committee
Office of the State Treasurer
Post Office Box 40200
Olympia, Washington 98504-0200

Honorable Members of the State Finance Committee:

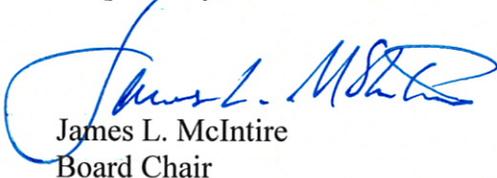
At its June 7, 2012, meeting, the Washington State Investment Board re-appointed Ms. Theresa J. Whitmarsh as its executive director for a three-year term from October 1, 2012, until September 30, 2015. In accordance with RCW 43.33A.100, this appointment is forwarded for confirmation by the State Finance Committee. We respectfully request this matter be placed on the June 14, 2012, State Finance Committee meeting agenda.

Ms. Whitmarsh's resume is enclosed.

I will attend the June 14 State Finance Committee meeting to represent the Washington State Investment Board's request and to be available for any questions regarding this re-appointment.

Please do not hesitate to contact me at (360) 902-9001 if you need additional information.

Respectfully,



James L. McIntire
Board Chair

Enclosure

cc: Theresa J. Whitmarsh

Theresa J. Whitmarsh
19006 Old Highway 99 SW
Rochester, Washington 98579

360.956.4710 work
360.273.5721 home

- Qualifications**
- Recognized leader with proven ability to create and communicate a compelling vision and move complex organizations to achieve defined goals.
 - Profound knowledge of business, technology, insurance and finance.
 - Proven track record formulating and executing major new product and service initiatives in complex markets; as well as new policy initiatives in the public sector.
 - Customer focused; built strong relationships with stakeholders and partners through a quick grasp of their issues and a flexible approach to problem solving.
 - Seasoned public speaker; persuasive negotiator.
 - Outstanding senior manager with excellent personnel skills.

Experience
2009-current

Executive Director, Washington State Investment Board, Olympia, Washington:
Serve as the Board's chief executive officer, overseeing a staff of 80 that implements the Board's investment policy decisions. Responsible for all aspects of running a \$80 billion investment management firm with mandates for 36 state funds comprised of defined benefit and defined contribution retirement plans; deferred compensation program; workers' compensation; and several other trust and public funds. Serve as primary liaison between Board and staff and key spokesperson for the Board with media, policymakers and system stakeholders. *Selected accomplishments:*

- Provided calm and steady leadership as interim executive during a time of significant market turmoil, retaining all key staff and keeping team focused on mission and goals despite the market and organizational uncertainty.
- Significantly advanced risk and research capabilities at the WSIB leading to better decision tools and more robust Board and staff discussions.
- Improved relations with key beneficiary groups through carefully listening to their needs and adjusting Board meeting agendas to enhance public attendance.
- Quickly established solid relationships with Legislative leadership leading to continued confidence in the WSIB as a trusted fiduciary of state assets.

2003-2009

Chief Operating Officer, Washington State Investment Board, Olympia, Washington:
Recruited by newly appointed executive director to build an operational infrastructure to support a more complex and innovative investment environment for a fund that is under increasing demand for returns. Managed all investment operations staff, including research and risk management; investment accounting; trade settlement; business and office services; human resources; information technology; legal and compliance; and, contracts. Responsible for agency-wide strategic planning and plan execution; managed a \$701 million biennial budget and major vendor relationships. Served as staff lead to Board's Administrative and Audit Committees. *Selected accomplishments:*

- Increased the organization's capacity for change by developing an agency-wide strategic planning process and project management methodology so division projects are developed and executed on time and on budget.
- Enhanced operational efficiency by breaking down long-standing barriers between investments and operations by creating a strong service ethic in operations and formal coordination channels between the front and back offices.
- Upgraded entire IT infrastructure, implementing fixed income electronic trade order management system and compliance system to replace manual processes, introducing mobile computing options for investment officers and developing a data warehouse

- Streamlined money manager vendor selection process, reducing time from proposal to engagement from more than six months to six weeks.
- Increased fund transparency through establishment of investment compliance function and by calling for first-ever external audit of financial statements.
- Established a cost accounting system for all non-appropriated funds, including investment management fees, and established monitoring program to industry benchmarks to ensure the WSIB maintains position as a low cost provider.
- Established an enterprise risk management program, including risk principles, risk assessment tools, a risk oversight committee and reporting structure for the Board and Audit Committee.
- Measurably improved operations staff morale by building a strong operations management team through targeted recruitments and promotions.
- Positioned the WSIB as a global leader among public funds by serving as a founding member of an international pension collaboration initiative.
- Initiated building out robust analytical infrastructure comprised of research and risk staff, and systems that will provide quantitative analysis to enhance investment decision making.

1996 - 2003

Vice President, Business Development, Solucient, L.L.C., Evanston, Illinois:

Senior executive of an established health care data company. Served as a senior dealmaker and national account executive in the commercial markets division, growing company revenues through direct sales and channel partner relationship management. Lead technology and account management teams to successful delivery in new, complex client engagements. Directed the activities of business and technology staff in the creation of new financial reporting software products to assist Fortune 1000 companies manage their employee benefits. Developed and executed business plans, including determining ROI for new product releases. Targeted new markets and created strategic alliances in those markets to lead to sales. Closed initial new product deals (beta releases) for division, including negotiating complex contracts.

Selected accomplishments:

- Created a new, highly profitable financial reporting product line, saving failing business unit from spin-off and preserving its core capabilities for the growing corporation.
- Brought in and closed largest single deal in history of company (\$5.4 million).
- Built Western U.S. Region presence for company from scratch, leading to numerous new business opportunities and sales.

1993 - 1996

Assistant and Deputy Director for Insurance Services, Washington State Department of Labor and Industries, Olympia, Washington:

Served as the senior executive of the Washington State Fund, the 13th largest workers' compensation carrier in the nation. Managed up to 1200 staff responsible for the assessment, collection and administration of more than \$700 million in annual insurance premiums and paid out more than \$1.2 billion in benefits to claimants. Directed a \$100 million biennial operating budget. Chaired the Workers' Compensation Advisory Committee, comprised of leading business and labor leaders who set policy direction for agency, successfully mediating numerous conflicts between these key stakeholders. Served as the state's spokesperson on industrial insurance issues to the legislature, business and labor groups, and news media. Established industrial insurance premium rates.

Selected accomplishments:

- Improved financial performance of the industrial insurance fund through investment strategies and operational initiatives that resulted in a base rate reduction for insureds of ten percent and a rebate to customers of \$200 million.
- Created organizational coherence by integrating disconnected agency initiatives and focusing on reducing long-term disability in injured workers, resulting in a reduction of time-loss duration for five straight quarters.
- Introduced significant new technology to the agency, including an enhanced call center and on-line access to claims files for employers. Oversaw the completion of a \$26 million

document imaging system, including roll out to 12 field service locations.

1990 - 1993

Assistant Director for Public Affairs, Labor & Industries, Olympia, Washington

Prior to leading the industrial insurance program at Labor & Industries, served as agency director's senior advisor for public affairs, advising on policy, legislation and customer service, positioning the agency with opinion makers as an innovative organization that out-performed private sector.

- Created strong issues management focus within the agency, through education of executive team members and ongoing consulting that consistently surfaced and resolved issues before they became problematic.
- Brought in prestigious *Innovations in State and Local Government* award from The Ford Foundation and The JFK School of Government at Harvard.
- Served as consultant to the Washington State Investment Board that oversaw \$30 billion in pension and industrial insurance funds, advising on public issues related to legal and operational reviews of Board actions. Served as the Board chair's designee to work with law and accounting firms who were conducting reviews to ensure final products would lead to increased public confidence in Board decisions.
- Served at request of Governor Booth Gardner as one of four leads that directed all activities related to his 1992 health care reform legislation.

1986 - 1989

Communications Director, Independent Insurance Agents and Brokers of California, San Francisco, California:

Managed the public affairs activities for a politically active trade association during a time when the state was experiencing sweeping reform of its insurance laws.

- Served as executive staff member, researching and advising officers and board members on major insurance market movements as a result of reforms.
- Developed and implemented a communications strategy that positioned the association as an objective source of accurate insurance information for lawmakers, insurance regulators, journalists and consumer groups, leading to unprecedented credibility for insurance agents.
- Served as founding editor of weekly award-winning newsletter, which was read avidly by members, the media, state lawmakers and industry leaders.

1978-1985

Prior to joining the insurance trade group, held a variety of increasingly responsible journalism and communications positions, culminating in serving as the editor of a finance newsletter *Major Risk*, reporting on underwriting criteria and capacity at the major property/casualty insurers in the United States and at Lloyds of London. Published in *Barron's* as freelance reporter covering a huge investment scam.

Education

Masters of Business Administration, *Technology and Innovation Management*, Pacific Lutheran University, 2000

Bachelor of Arts, *English Literature*, Seattle Pacific University, 1978

Other

Director, International Centre for Pension Management, University of Toronto, Canada



JAMES L. McINTIRE, Chairman
State Treasurer

CHRISTINE O. GREGOIRE, Member
Governor

State of Washington
STATE FINANCE COMMITTEE

BRAD OWEN, Member
Lieutenant Governor

June 14, 2012

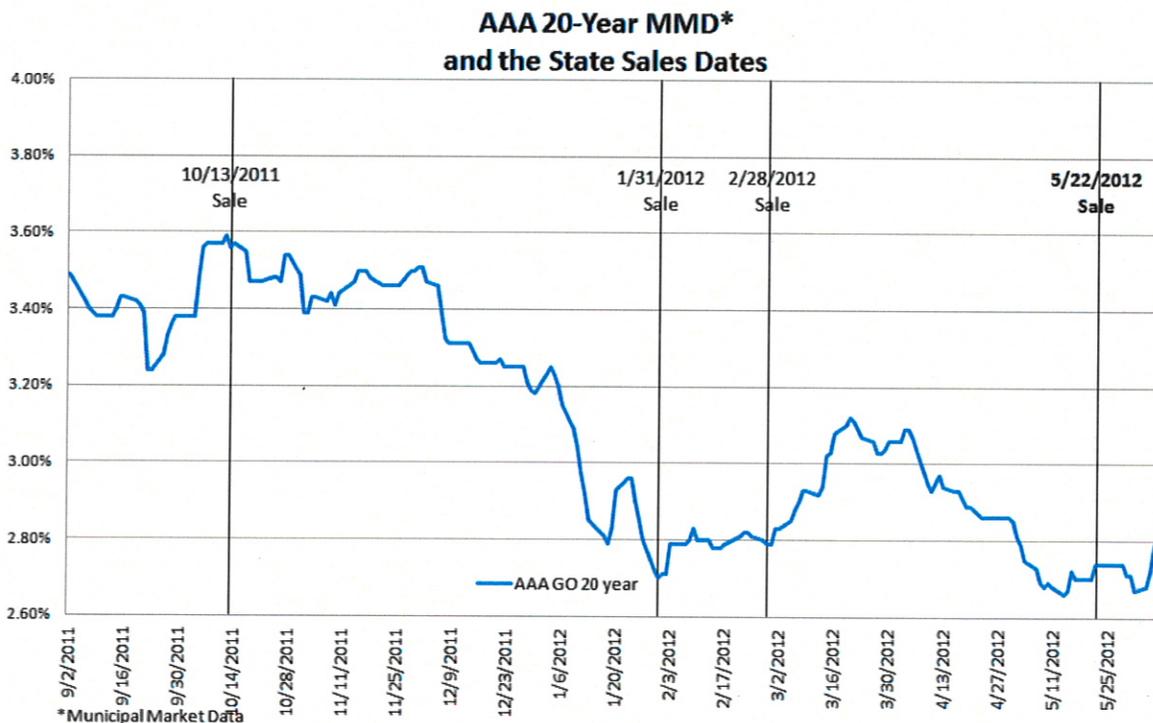
MEMORANDUM

TO: The Honorable James L. McIntire
The Honorable Christine O. Gregoire
The Honorable Brad Owen

FROM: Ellen Evans
Deputy State Treasurer / Secretary

RE: **Report on GARVEE Bond Sale (Series 2012F):** May 22, 2012

Since the last State Finance Committee meeting on April 25, 2012, the State Finance Committee, acting by and through the State Treasurer, issued GARVEE bonds (Series 2012F) on May 22, 2012. The purpose of the bonds and the results of the sale are summarized below.



- **May 22, 2012 Bond Sale**

On May 22, 2012, the State Finance Committee acting by and through the State Treasurer awarded the sale of the following series:

\$500,400,000 State of Washington Federal Highway Grant Anticipation Revenue Bonds,
Series 2012F (GARVEE) (SR 520 Corridor Program)

The Series 2012F Bonds are the state's first grant anticipation revenue bonds. The Bonds are limited obligations of the state payable from and secured solely by the Pledged Federal Aid, which is all funds received by the state pursuant to its Obligation Authority under the Federal-Aid Highway Program ("FAHP") administered by the Federal Highway Administration ("FHWA"). Pledged Federal Aid includes FAHP Funds received as Direct GARVEE Reimbursements and as Reimbursements. Direct GARVEE Reimbursements mean FHWA Funds received by the state pursuant to a Memorandum of Understanding providing for federal reimbursement of Annual Debt Service and related costs. Reimbursements means all FAHP Funds received by the state from FHWA which represent federal reimbursement for projects or portions of projects not financed with Bond proceeds and which reimbursements are on deposit in the Motor Vehicle Fund or the GARVEE Bond Debt Service Subaccount. The Series 2012F Bonds are not general obligations of the state to which the state's full faith and credit or taxing power is pledged and no state excise taxes on motor vehicle and special fuels are pledged to secure the Series 2012F Bonds.

The Series 2012F Bonds were issued to provide funds for a portion of costs of the SR 520 Floating Bridge and Eastside Project.

The Bonds were sold on a negotiated basis with Citigroup and J.P. Morgan as managing underwriters.

The Bonds had a 12-year final maturity. The True Interest Cost (TIC) for Series 2012F was 2.234663%. The following summarizes the final pricing and maturity amounts:

Series	Maturity	Coupon	Final Pricing		Maturity Amounts
			Yield	Price	
2012F	9/1/2015	3.000%	0.700%	107.346	1,350,000
2012F	9/1/2015	5.000%	0.700%	113.734	38,510,000
2012F	9/1/2016	3.000%	0.910%	108.664	1,100,000
2012F	9/1/2016	5.000%	0.910%	116.956	40,730,000
2012F	9/1/2017	3.000%	1.220%	109.001	1,325,000
2012F	9/1/2017	5.000%	1.220%	119.115	42,570,000
2012F	9/1/2018	4.000%	1.530%	114.635	1,150,000
2012F	9/1/2018	5.000%	1.530%	120.561	44,915,000
2012F	9/1/2019	4.000%	1.730%	115.374	650,000
2012F	9/1/2019	5.000%	1.730%	122.148	47,705,000
2012F	9/1/2020	4.000%	2.030%	114.869	1,850,000
2012F	9/1/2020	5.000%	2.030%	122.418	48,920,000
2012F	9/1/2021	4.000%	2.240%	114.607	1,400,000
2012F	9/1/2021	5.000%	2.240%	122.908	51,890,000
2012F	9/1/2022	4.000%	2.440%	114.052	800,000
2012F	9/1/2022	5.000%	2.440%	123.060	55,140,000
2012F	9/1/2023	5.000%	2.630%	121.143	58,730,000
2012F	9/1/2024	4.000%	2.750%	111.082	5,000,000
2012F	9/1/2024	5.000%	2.750%	119.950	56,665,000
					500,400,000

- **Counsel and Advisors.**

Bond Counsel:	William Tonkin, Foster Pepper PLLC
Financial Advisor:	Rob Shelley, Seattle-Northwest Securities Corporation
	Jenny Porec, Montague DeRose and Associates LLC



JAMES L. McINTIRE, Chairman
State Treasurer

CHRISTINE O. GREGOIRE, Member
Governor

State of Washington
STATE FINANCE COMMITTEE

BRAD OWEN, Member
Lieutenant Governor

June 14, 2012

MEMORANDUM

TO: The Honorable James L. McIntire
The Honorable Christine O. Gregoire
The Honorable Brad Owen

FROM: Ellen Evans
Deputy State Treasurer

RE: **Proposed Resolution No. 1128** authorizes the issuance and sale of State of Washington Various Purpose General Obligation Bonds

Proposed Resolution No. 1128 authorizes the issuance and sale of State of Washington Various Purpose General Obligation Bonds for capital projects authorized by the Legislature for the 2011-13 biennium.

- **Resolution Purpose.** Proposed Resolution No. 1128 authorizes the issuance of State of Washington Various Purpose General Obligation Bonds, in the maximum principal amount of \$505,466,000 for the purpose of providing funds to pay and reimburse state expenditures for various state projects identified in the bond act; providing for certain terms and covenants of the bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said bonds in one or more sales.
- **Background.** Chapter 1, Laws of 2012, 2nd Sp. Sess. (“the 2012 Jobs Now Act”) (ESB 5127) authorizes the State Finance Committee to issue \$505,466,000 in general obligation bonds. The proceeds will be used for various capital projects throughout the state authorized to be funded with bond proceeds by the 2012 Jobs Now Act.

The first issuance of bonds from the 2012 Jobs Now Act is expected in July 2012.

- **Delegation.** Proposed Resolution No. 1128 authorizes the State Treasurer to establish the method of sale of bonds and adopt bond sale resolutions.

- **Description of Bonds.** Proposed Resolution No. 1128 provides for the issuance of tax-exempt Various Purpose General Obligation Bonds or taxable General Obligation Bonds.

I know of no controversy or issue relating to this proposed bond authorization.

- **Counsel and Advisors.**

Bond Counsel:	William Tonkin, Foster Pepper PLLC
Financial Advisor:	Jenny Poreé, Montague DeRose and Associates LLC
	Robert Shelley, Seattle-Northwest Securities Corporation



JAMES L. McINTIRE, Chairman
State Treasurer

CHRISTINE O. GREGOIRE, Member
Governor

State of Washington
STATE FINANCE COMMITTEE

BRAD OWEN, Member
Lieutenant Governor

June 14, 2012

MEMORANDUM

TO: The Honorable James L. McIntire
The Honorable Christine O. Gregoire
The Honorable Brad Owen

FROM: Ellen Evans
Deputy State Treasurer

RE: Proposal for Amended 2011-2013 Biennium Finance Plan for Financing Contracts and Certificates of Participation therein; establishing the maximum aggregate principal amount payable; requesting a Motion to accept.

A. INTRODUCTION

The State Finance Committee is charged with oversight of financing contracts entered into by the state (RCW 39.94.040). At the start of each biennium the Office of the State Treasurer, as staff to the Committee, reports on prior usage of financing contracts and presents a proposed financing plan for the upcoming biennium. In addition, the State Finance Committee is required from time to time to establish an aggregate principal amount payable for financing contracts entered into by the state.

Subsequent to approval by the Committee of the 2011-2013 Biennium Finance Plan for Financing Contracts and Certificates of Participation therein, the State Legislature in the 2012 Supplemental Capital Budget included authorizations for additional financing contracts to be completed during the biennium, as reflected in the proposed amendments herein.

This memorandum presents: 1) the amended finance plan proposed for state and local financing contracts for the 2011-2013 biennium; and 2) the related proposed action item raising the maximum aggregate principal amount of financing contracts (including Certificates of Participation therein) of the state to be outstanding in the 2011-2013 biennium, and authorizing refinancing contracts at any time to achieve interest cost savings.

B. PROPOSED 2011-2013 FINANCE PLAN FOR FINANCING CONTRACTS AND CERTIFICATES OF PARTICIPATION THEREIN, AS AMENDED

Authorization for financing contracts for 2011-2013 for state agencies is provided by ESHB 1497, enacted as Chapter 48, Laws of 2011, 1st Special Session, Section 7011 (2011-2013 capital budget), ESHB 6074, enacted as Chapter 2, Laws of 2012, 2nd Spec. Session, Section 6001 (2012 Supplemental Capital Budget), and ESHB 1175, enacted as Chapter 367, Laws of 2011, Regular Session, Section 601, (2011-2013 transportation budget), as summarized in the tables below.

Capital Budget (ESHB 1497)

<i>Agency</i>	<i>Sec. 7011, Sub Sec.</i>	<i>Authorized Amount*</i>
State Board for Community & Technical Colleges on behalf of:		
Columbia Basin College	1 (a)	\$ 2,500,000
Peninsula College	1 (b)	\$ 2,000,000
Peninsula College	1 (c)	\$ 800,000
Walla Walla Community College	1 (d)	\$ 1,000,000
Walla Walla Community College	1 (e)	\$ 1,000,000
Wenatchee Valley College	1 (f)	\$ 2,700,000
Whatcom Community College	1 (g)	\$ 3,916,000
Central Washington University	2	\$ 2,500,000
Department of General Administration	3 (a)	\$ 6,000,000
Department of General Administration	3 (b)	\$ 250,000
Department of Social and Health Services	4	\$ 15,850,000
<i>Original Capital Budget Total</i>		<i>\$ 38,516,000</i>

Supplemental Capital Budget (ESHB 6074)

<i>Agency</i>	<i>Sec. 6001, Sub Sec.</i>	<i>Authorized Amount*</i>
State Board for Community & Technical Colleges on behalf of:		
Community College of Spokane	(1)(k)	\$ 3,100,000
Everett Community College	(1)(j)	\$ 4,000,000
Lower Columbia College	(1)(i)	\$ 38,615,000
Skagit Valley Community College	(1)(h)	\$ 30,574,000
State Board for Community & Technical Colleges (Administrative System Project)	(1)(l)	\$ 50,000,000
Washington State Parks	(5)(a)	\$ 1,620,000
<i>Supplemental Capital Budget Total</i>		<i>\$ 127,909,000</i>
Amended Capital Budget Total		\$ 166,425,000

Transportation Budget (ESHB 1175)

<i>Agency</i>	<i>Sec. 601, Sub Sec.</i>	<i>Authorized Amount*</i>
Department of Transportation	2 (a)	\$ 10,824,000
Department of Licensing	2 (b)	\$ 7,414,000
Washington State Patrol	2 (c) (i)	\$ 8,241,000
Washington State Patrol	2 (c) (ii)	\$ 40,100,000
Transportation Budget Total		\$ 66,579,000
<u>Total Authorized Projects in the Capital & Transportation Budget</u>		<u>\$ 233,004,000</u>

**In each case, plus financing expenses and required reserves*

POOLED STATE EQUIPMENT AND LOCAL GOVERNMENT EQUIPMENT AND REAL ESTATE

In addition to the \$233 million legislatively authorized financing contracts for state projects, it is projected that state equipment financing and local government equipment and real estate financing under master financing agreements of the state will total no more than \$130 million during the 2011-2013 biennium. These local real estate projects and state and local agency equipment acquisitions are financed by pooled certificate of participation issues.

TOTAL ANTICIPATED FINANCING CONTRACT ISSUANCE

Issuance of financing contracts (including certificates of participation therein) for the 2011-2013 biennium is estimated to reach no more than **\$363,004,000** plus financing expenses and required reserves. In the financing plan for the 2009-2011 biennium issuance was estimated at \$311 million; actual issuance was \$253.11 million.

MAXIMUM AGGREGATE FINANCING CONTRACTS TO BE OUTSTANDING IN 2011-2013 BIENNIUM

Outstanding COP's as of 7-15-11	\$	831,747,165
Outstanding 63-20 financings (Wheeler & Tumwater Office Project)	\$	358,630,000
Anticipated Financing Contracts (2011-2013)	\$	<u>363,004,000</u>
Total	\$	1,553,381,165

C. PROPOSED ACTION ITEM

That the Committee pursuant to RCW 39.94.040 take the following action:

(a) The Committee approves and directs the State Treasurer to implement the proposed 2011-2013 biennium finance plan, as amended, for state financing contracts, including all individual, legislatively authorized state agency financing contracts, and issuance of certificates of participation therein, as submitted to the Committee and on file with the State Treasurer;

(b) The maximum aggregate principal amount of financing contracts (including certificates of participation therein) of the state to be outstanding in the 2011-2013 biennium is approved and established at \$1,553,381,165, plus financing expenses and required reserves; and

(c) Any refinancing contract (including issuance of refunding certificates of participation therein) to be entered into for the purpose of achieving interest cost savings in accordance with the Committee's Debt Issuance Policy's savings threshold is approved, irrespective of its stated principal amount or date of execution.