

Capital Expenditure Cash Fund Impacts

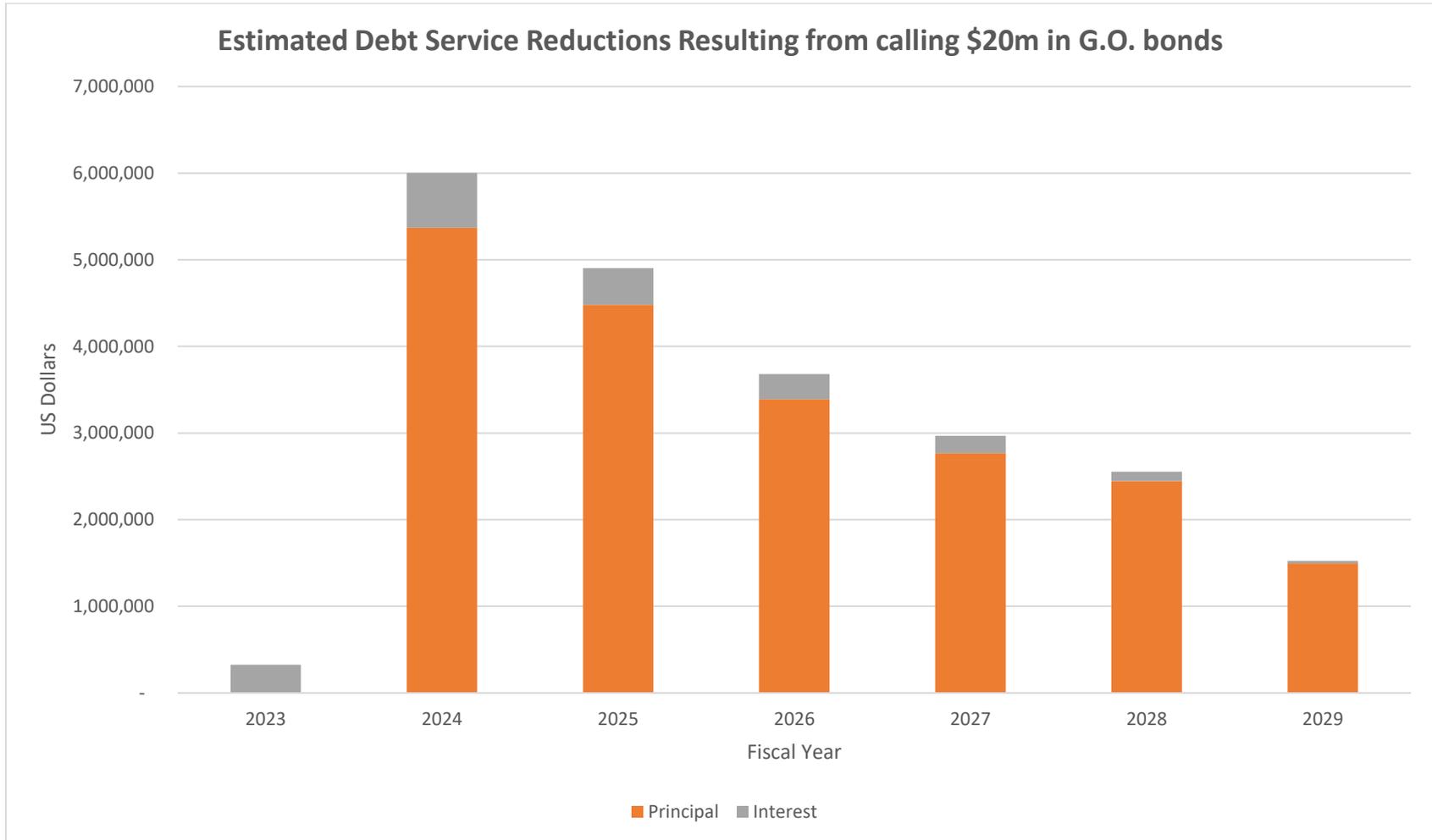
Policy Proposal

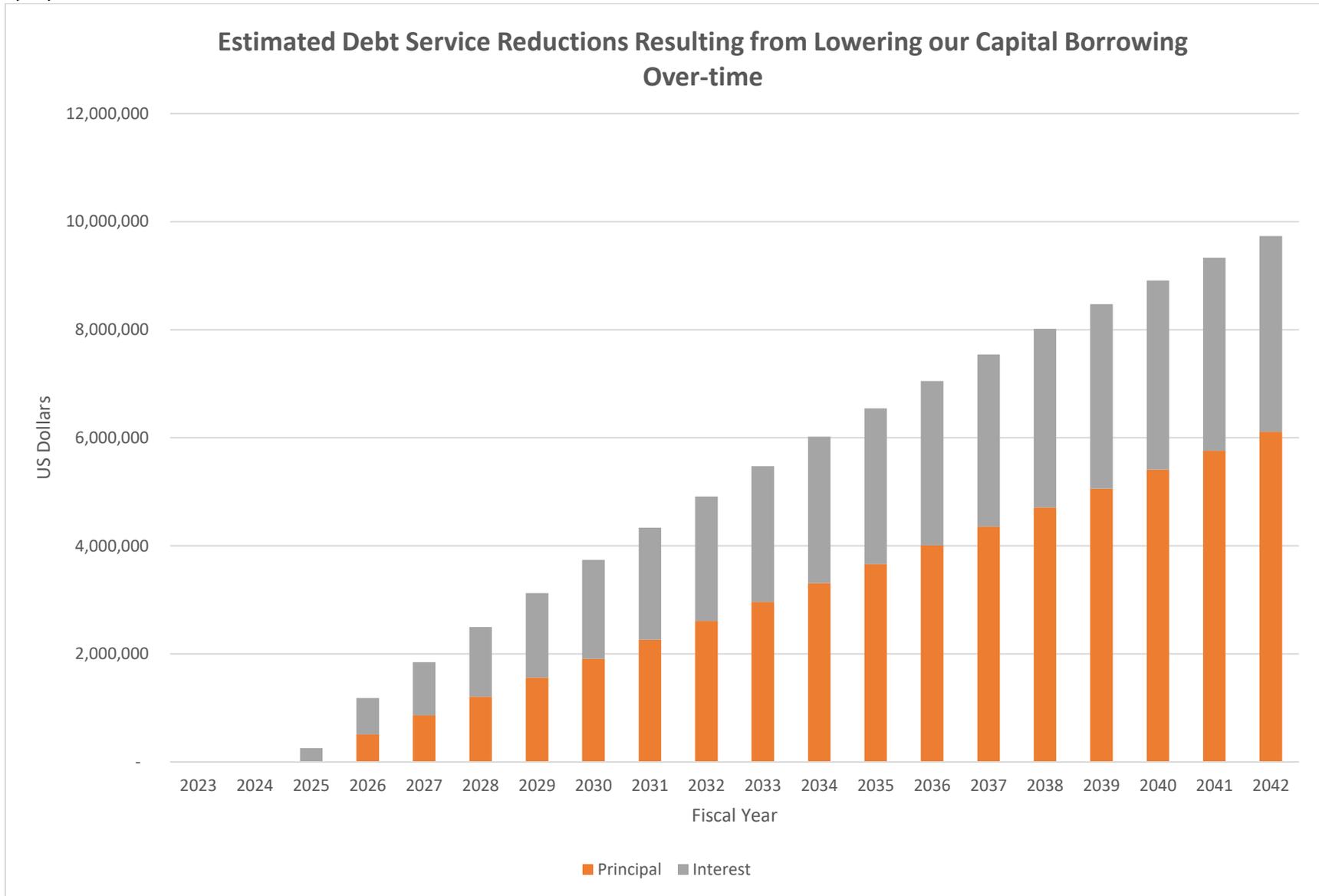
- Establish a Cash Fund to cover a portion of our Capital Expenditures
- Transfer GF to the Cash Fund equal to 4% of the PY GF Appropriations, less our GF Debt Service obligation
- Pay off \$20 million in Callable G.O. Bonds
- Reduce our FY23 Capital Borrowing by \$10.2 million relative to our bonding capacity
- On average, reduce our Capital Borrowing by \$7 m relative to the bonding capacity set for that year

Fiscal Impacts

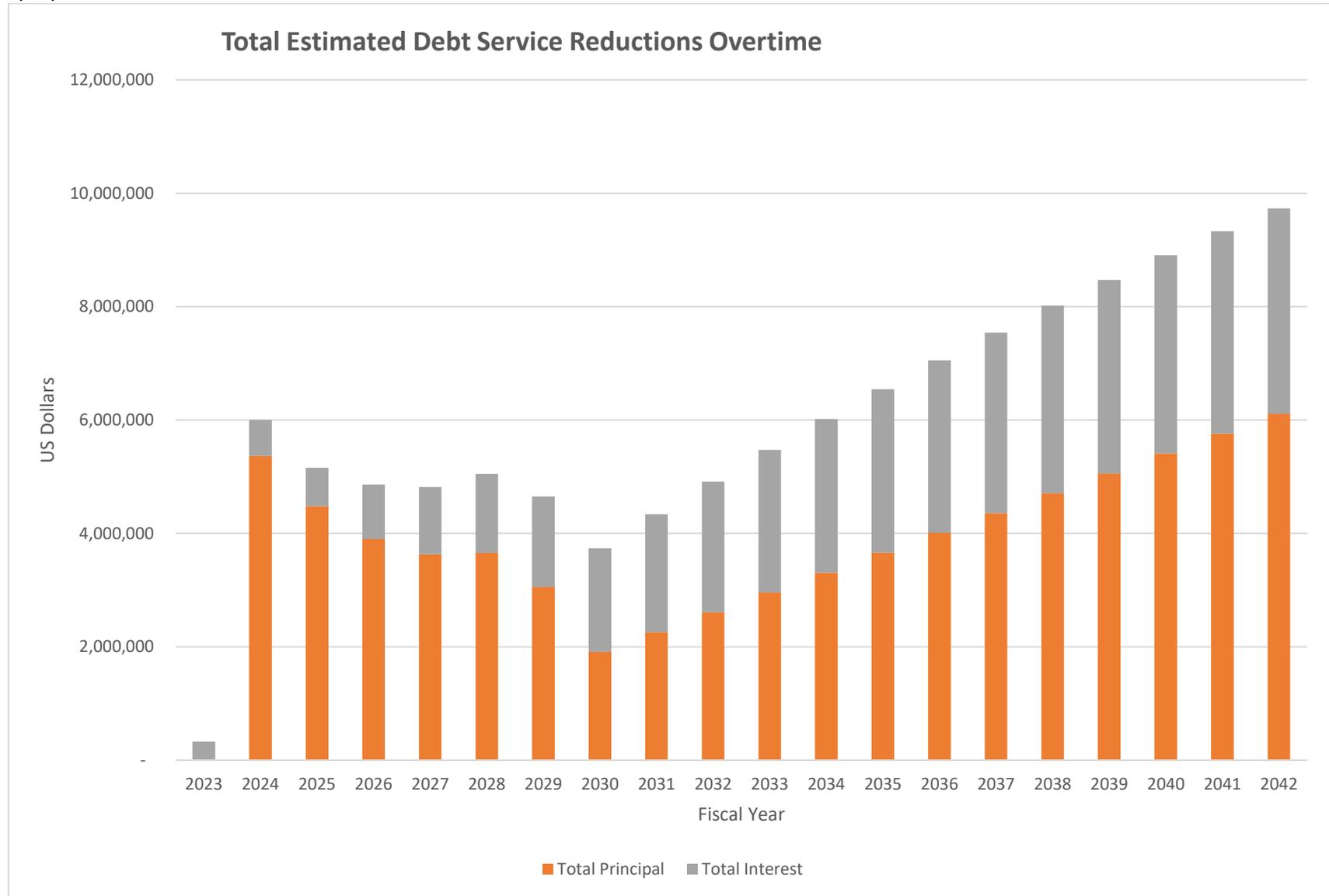
- Immediately reduces G.O. debt that we are carrying
- Requires less GF base funding over time
- Saves Vermont an estimated \$44.7 million in interest payments over the next 20 years (\$2 million from calling bonds, \$42.7 million from reducing our capital borrowing over time)

Fiscal Impact Graphics





Capital Expenditure Cash Fund Policy Proposal - Fiscal Impacts
 Department of Finance and Management
 1/20/2022



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