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**STATE OF VERMONT**  
**OFFICE OF THE STATE TREASURER**

**To:** Senator Peg Flory, Chair, Senate Committee on Institutions  
Representative Alice Emmons, Chair, House Committee on Institutions

**From:** Beth Pearce, Vermont State Treasurer 

**Date:** April 14, 2016

**RE:** Bond Premium increase for the capital bill

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In reviewing the current version of H.878 – *Capital Construction; appropriation; state bonding*, my staff noted that the bond premium number was not the gross bond premium received in relation to the sale of general obligation bonds in October 2015, but was net of an underwriter discount which is part of the cost of bond issuance. To provide the full available amount of funding available for projects, and to be consistent in the amount of premium included in the FY2016 capital construction bill (Act 26.), we recommend using the full bond premium as the amount available in H.878.

The full amount of premium available for projects for the FY2017 bill is \$9,398,753.35, which is an increase of \$133,732.10 from the \$9,265,021.25 in the current version of the bill.

Catherine Benham in the Joint Fiscal Office will update the “2016 Capital Bill Budget Adjustment FY16-FY17” spreadsheet that is used in support of the funding and uses amounts in the capital projects bill.

cc: Steve Klein, Chief Fiscal Officer, Joint Fiscal Office  
Justin Johnson, Secretary of Administration  
Michael Obuchowski, Commissioner of the Department of Buildings and General Services  
Andy Pallito, Commissioner of Finance and Management  
Rebecca Wasserman, Legislative Counsel  
Speaker of the House, Shap Smith  
President Pro Tempore John Campbell