

Executive Summary

The table below shows the estimated amount available for appropriation to the Public Education Capital Outlay (PECO) program. These amounts reflect the November 4, 2005 estimating conference results.

	PECO Appropriations	Estimated PECO Bonding
FY 2005-06	844.4	616.3
FY 2006-07	1399.3	1097.3
FY 2007-08	659.8	471.0
FY 2008-09	386.4	193.4
FY 2009-10	481.9	317.0
FY 2010-11	420.0	263.0
FY 2011-12	425.0	256.2
FY 2012-13	454.6	279.4
FY 2013-14	813.8	617.8
FY 2013-14	675.5	469.2

The Revenue Estimating Conference more than doubled the forecast of the maximum amount available for the PECO program in the upcoming fiscal year, to \$1399.3 million in total. Of this total amount, \$1097.3 million is from the sale of bonds, up from \$666.4 million in the old forecast, and \$302.0 million will be available as cash. Almost all of the increase in the bond sale is due to the new Gross Receipts Tax forecast, which was increased by \$62.2 million this year, a 7% increase. This large increase is generating a large increase in bonding capacity.

Furthermore, a very favorable interest rate environment has allowed two bond refinancings to take place since the last estimating conference. The lower debt service achieved through these refinancings is generating an additional \$55 million of bonding capacity as well. Over the last eight years, refinancing activity has generated over \$400 million in additional bonding capacity.

For the 2005-06 fiscal year, the Legislature did not appropriate the maximum amount available from the March estimating conference. As a result, unused bonding capacity from the current fiscal year has been included in the 2006-07 fiscal year estimates.

Senate Bill 360- SB360 passed last session directed that a portion of Documentary Stamp Tax collections be redirected to the PECO Trust Fund. These distributions were to be available as cash for specific purposes named in the bill. The estimates provided here do not include these cash distributions to the trust fund.

PUBLIC EDUCATION CAPITAL OUTLAY (PECO) ESTIMATING CONFERENCE

MAXIMUM POSSIBLE PECO APPROPRIATION

Does not include the effects of SB 360

(in millions of dollars)

		<u>06/14/05</u>	<u>11/04/05</u>	<u>Difference</u>
2005-06	Maximum Appropriation	844.4 *	844.4	0.0
	From Bond Sale	616.3 *	616.3	0.0
	From Cash	228.1 *	228.1	0.0
2006-07	Maximum Appropriation	603.9	1,399.3	795.4
	From Bond Sale	430.9	1,097.3	666.4
	From Cash	173.0	302.0	129.0
2007-08	Maximum Appropriation	334.3	659.8	325.5
	From Bond Sale	172.9	471.0	298.1
	From Cash	161.4	188.8	27.4
2008-09	Maximum Appropriation	360.7	386.4	25.7
	From Bond Sale	200.3	193.4	(6.9)
	From Cash	160.4	193.0	32.6
2009-10	Maximum Appropriation	420.6	481.9	61.3
	From Bond Sale	253.8	317.0	63.2
	From Cash	166.8	164.9	(1.9)
2010-11	Maximum Appropriation	525.1	420.0	(105.1)
	From Bond Sale	344.4	263.0	(81.4)
	From Cash	180.7	157.0	(23.7)
2011-12	Maximum Appropriation	645.2	425.0	(220.2)
	From Bond Sale	452.3	256.2	(196.1)
	From Cash	192.9	168.8	(24.1)
2012-13	Maximum Appropriation	541.7	454.6	(87.1)
	From Bond Sale	351.1	279.4	(71.7)
	From Cash	190.6	175.2	(15.4)
2013-14	Maximum Appropriation	810.5	813.8	3.3
	From Bond Sale	597.9	617.8	19.9
	From Cash	212.6	196.0	(16.6)
2014-15	Maximum Appropriation	n/a	675.5	675.5
	From Bond Sale	n/a	469.2	469.2
	From Cash	n/a	206.3	206.3

* Reflects actual appropriation from 2005 session.

Public Education Capital Outlay (PECO) Program, Sources Of Revenue (\$ Millions)

	<u>TOTAL</u>	<u>BONDS</u>	<u>CASH</u>	<u>OTHER</u>	<u>TAX RATE</u>	<u>COMMENT</u>
FY 1988-89	385.3	34.6	101.1	249.6	1.50%	See NOTE 1
FY 1989-90	490.2	133.5	156.8	199.9	1.50%	See NOTE 2
FY 1990-91	621.1	322.7	298.4		2.00%	See NOTE 3
FY 1991-92	857.5	643.7	213.8		2.25%	See NOTE 4
FY 1992-93	1070.6	886.6	184.0		2.50%	See NOTE 4
FY 1993-94	869.1	642.3	226.8		2.50%	See NOTE 4
FY 1994-95	981.5	805.4	176.1		2.50%	See NOTE 5
FY 1995-96	635.4	417.0	218.4		2.50%	
FY 1996-97	601.5	441.6	159.9		2.50%	
FY 1997-98	634.9	490.2	144.7		2.50%	
FY 1998-99	627.3	447.9	179.4		2.50%	
FY 1999-00	511.3	367.2	144.1		2.50%	
FY 2000-01	631.7	428.3	203.4		2.50%	
FY 2001-02	1188.8	887.6	287.6	13.6	2.50%	See NOTE 6
FY 2002-03	807.0	613.4	193.6		2.50%	
FY 2003-04	752.4	516.3	236.1		2.50%	
FY 2004-05	761.9	473.4	288.5		2.50%	
FY 2005-06	844.4	616.3	228.1		2.50%	See NOTE 7
FY 2006-07	1399.3	1097.3	302.0		2.50%	See NOTE 7
FY 2007-08	659.8	471.0	188.8		2.50%	See NOTE 7
FY 2008-09	386.4	193.4	193.0		2.50%	See NOTE 7
FY 2009-10	481.9	317.0	164.9		2.50%	See NOTE 7
FY 2010-11	420.0	263.0	157.0		2.50%	See NOTE 7
FY 2011-12	425.0	256.2	168.8		2.50%	See NOTE 7
FY 2012-13	454.6	279.4	175.2		2.50%	See NOTE 7
FY 2013-14	813.8	617.8	196.0		2.50%	See NOTE 7
FY 2013-14	675.5	469.2	206.3		2.50%	See NOTE 7

NOTE 1 : According to statute, the share of General Revenue tax collections going to the State Infrastructure Fund was to increase from \$200 million to \$500 million in FY 1988-89. The PECO Trust Fund was supplemented by a \$255.2 million transfer from the State Infrastructure Fund.

NOTE 2 : Again, the State Infrastructure Fund provided \$150 million for the PECO trust fund. Additionally, a large balance forward in the Educational Enhancement (Lottery) trust fund allowed the transfer of \$49.9 million. A speedup in tax collections added about \$35 million in cash.

NOTE 3 : Taxes were increased effective July 1, 1990, 1991, and 1992. While bonding the new tax collections could not be done until the following fiscal year, the tax increase did provide about \$78 million in cash. Also, lower interest rates allowed a large PECO debt restructuring to occur, saving \$110 million in cash payments for the year in interest and sinking fund obligations (most of which was nonrecurring). The original estimate of funds available was \$221.0 million before the refinancing and tax law change.

NOTE 4 : High bonding levels are attributable to the increases in the Gross Receipts tax rate.

NOTE 5 : High bonding levels are attributable in part to the tax increase. In addition, further debt restructuring due to declining interest rates gave a boost to bonding capacity by lowering outstanding debt service.

NOTE 6 : General Revenue was used to supplement the regular PECO trust fund appropriation. In addition, in Special Session "C" an additional \$260.7 million was appropriated, of which \$192.6 million was funded from the sale of bonds and \$68.1 million from available cash.

NOTE 7 : Additional cash distributions from the Documentary Stamp Tax to the trust fund and subsequent disbursements as established in Senate Bill 360 are not included in these figures.

Student Station Cost Factors as of Nov 2005

STUDENT STATION COST FACTORS

22-Nov-05

	Consumer Price Index REC National Forecast of October 2005	Student Station Cost Factors	Cost of Elementary School Student Station (\$)	Cost of Middle School Student Station (\$)	Cost of High School Student Station (\$)
Jul-1997	160.4	0.9032	11,520	13,208	17,478
Aug-1997	160.8	0.9054	11,548	13,241	17,521
Sep-1997	161.2	0.9077	11,577	13,274	17,565
Oct-1997	161.5	0.9093	11,599	13,298	17,598
Nov-1997	161.7	0.9105	11,613	13,315	17,619
Dec-1997	161.8	0.9110	11,620	13,323	17,630
Jan-1998	162.0	0.9122	11,635	13,339	17,652
Feb-1998	162.0	0.9122	11,635	13,339	17,652
Mar-1998	162.0	0.9122	11,635	13,339	17,652
Apr-1998	162.2	0.9133	11,649	13,356	17,674
May-1998	162.6	0.9155	11,678	13,389	17,718
Jun-1998	162.8	0.9167	11,692	13,405	17,739
Jul-1998	163.1	0.9184	11,714	13,430	17,772
Aug-1998	163.4	0.9200	11,735	13,455	17,805
Sep-1998	163.5	0.9206	11,742	13,463	17,816
Oct-1998	163.9	0.9229	11,771	13,496	17,859
Nov-1998	164.1	0.9240	11,785	13,512	17,881
Dec-1998	164.5	0.9262	11,814	13,545	17,925
Jan-1999	164.8	0.9279	11,836	13,570	17,957
Feb-1999	164.7	0.9274	11,829	13,562	17,946
Mar-1999	164.9	0.9285	11,843	13,578	17,968
Apr-1999	165.9	0.9341	11,915	13,661	18,077
May-1999	166.0	0.9347	11,922	13,669	18,088
Jun-1999	166.0	0.9347	11,922	13,669	18,088
Jul-1999	166.6	0.9381	11,965	13,718	18,153
Aug-1999	167.1	0.9409	12,001	13,759	18,208
Sep-1999	167.7	0.9443	12,044	13,809	18,273
Oct-1999	168.1	0.9465	12,073	13,842	18,317
Nov-1999	168.4	0.9482	12,094	13,866	18,350
Dec-1999	168.9	0.9510	12,130	13,908	18,404
Jan-2000	169.3	0.9533	12,159	13,941	18,448
Feb-2000	169.9	0.9566	12,202	13,990	18,513
Mar-2000	171.0	0.9628	12,281	14,081	18,633
Apr-2000	170.9	0.9623	12,274	14,072	18,622
May-2000	171.2	0.9640	12,295	14,097	18,655
Jun-2000	172.2	0.9696	12,367	14,179	18,764
Jul-2000	172.7	0.9724	12,403	14,221	18,818
Aug-2000	172.7	0.9724	12,403	14,221	18,818
Sep-2000	173.6	0.9775	12,468	14,295	18,916

Oct-2000	173.9	0.9792	12,489	14,319	18,949
Nov-2000	174.2	0.9809	12,511	14,344	18,982
Dec-2000	174.6	0.9831	12,540	14,377	19,025
Jan-2001	175.6	0.9887	12,611	14,459	19,134
Feb-2001	175.9	0.9904	12,633	14,484	19,167
Mar-2001	176.0	0.9910	12,640	14,492	19,178
Apr-2001	176.5	0.9938	12,676	14,533	19,232
May-2001	177.4	0.9989	12,741	14,608	19,330
Jun-2001	177.8	1.0011	12,769	14,640	19,374
Jul-2001	177.4	0.9989	12,741	14,608	19,330
Aug-2001	177.5	0.9994	12,748	14,616	19,341
Sep-2001	178.1	1.0028	12,791	14,665	19,406
Oct-2001	177.6	1.0000	12,755	14,624	19,352
Nov-2001	177.5	0.9994	12,748	14,616	19,341
Dec-2001	177.2	0.9977	12,726	14,591	19,308
Jan-2002	177.6	1.0000	12,755	14,624	19,352
Feb-2002	177.9	1.0017	12,777	14,649	19,385
Mar-2002	178.5	1.0051	12,820	14,698	19,450
Apr-2002	179.4	1.0101	12,884	14,772	19,548
May-2002	179.5	1.0107	12,891	14,780	19,559
Jun-2002	179.7	1.0118	12,906	14,797	19,581
Jul-2002	180.1	1.0141	12,935	14,830	19,624
Aug-2002	180.6	1.0169	12,970	14,871	19,679
Sep-2002	180.9	1.0186	12,992	14,896	19,712
Oct-2002	181.2	1.0203	13,014	14,920	19,744
Nov-2002	181.4	1.0214	13,028	14,937	19,766
Dec-2002	181.6	1.0225	13,042	14,953	19,788
Jan-2003	182.2	1.0259	13,085	15,003	19,853
Feb-2003	183.2	1.0315	13,157	15,085	19,962
Mar-2003	184.0	1.0360	13,215	15,151	20,049
Apr-2003	183.4	1.0327	13,172	15,102	19,984
May-2003	183.3	1.0321	13,164	15,093	19,973
Jun-2003	183.5	1.0332	13,179	15,110	19,995
Jul-2003	183.8	1.0349	13,200	15,135	20,028
Aug-2003	184.5	1.0389	13,251	15,192	20,104
Sep-2003	185.1	1.0422	13,294	15,242	20,169
Oct-2003	184.9	1.0411	13,279	15,225	20,147
Nov-2003	184.6	1.0394	13,258	15,200	20,115
Dec-2003	184.9	1.0411	13,279	15,225	20,147
Jan-2004	185.8	1.0462	13,344	15,299	20,246
Feb-2004	186.3	1.0490	13,380	15,340	20,300
Mar-2004	187.2	1.0541	13,444	15,414	20,398
Apr-2004	187.6	1.0563	13,473	15,447	20,442
May-2004	188.8	1.0631	13,559	15,546	20,572
Jun-2004	189.4	1.0664	13,602	15,596	20,638
Jul-2004	189.3	1.0659	13,595	15,587	20,627
Aug-2004	189.4	1.0664	13,602	15,596	20,638
Sep-2004	189.7	1.0681	13,624	15,620	20,670
Oct-2004	190.9	1.0749	13,710	15,719	20,801
Nov-2004	191.2	1.0766	13,732	15,744	20,834
Dec-2004	191.1	1.0760	13,725	15,736	20,823

Jan-2005	191.3	1.0771	13,739	15,752	20,845
Feb-2005	192.0	1.0811	13,789	15,810	20,921
Mar-2005	193.2	1.0878	13,875	15,909	21,052
Apr-2005	194.2	1.0935	13,947	15,991	21,161
May-2005	194.1	1.0929	13,940	15,983	21,150
Jun-2005	194.1	1.0929	13,940	15,983	21,150
Jul-2005	195.1	1.0985	14,012	16,065	21,259
Aug-2005	196.1	1.1042	14,084	16,147	21,368
Sep-2005	198.5	1.1177	14,256	16,345	21,629
Oct-2005	198.3	1.1166	14,242	16,328	21,608
Nov-2005	198.9	1.1199	14,285	16,378	21,673
Dec-2005	199.4	1.1227	14,321	16,419	21,727
Jan-2006	199.9	1.1256	14,357	16,460	21,782
Feb-2006	200.2	1.1273	14,378	16,485	21,815
Mar-2006	200.3	1.1278	14,385	16,493	21,825
Apr-2006	200.0	1.1261	14,364	16,468	21,793
May-2006	200.1	1.1267	14,371	16,477	21,804
Jun-2006	200.2	1.1273	14,378	16,485	21,815
Jul-2006	200.5	1.1289	14,400	16,510	21,847
Aug-2006	200.7	1.1301	14,414	16,526	21,869
Sep-2006	201.0	1.1318	14,436	16,551	21,902
Oct-2006	201.3	1.1334	14,457	16,576	21,934
Nov-2006	201.5	1.1346	14,471	16,592	21,956
Dec-2006	201.8	1.1363	14,493	16,617	21,989
Jan-2007	202.0	1.1374	14,507	16,633	22,011
Feb-2007	202.2	1.1385	14,522	16,650	22,033
Mar-2007	202.5	1.1402	14,543	16,674	22,065
Apr-2007	202.8	1.1419	14,565	16,699	22,098
May-2007	203.1	1.1436	14,586	16,724	22,131
Jun-2007	203.4	1.1453	14,608	16,748	22,163
Jul-2007	203.6	1.1464	14,622	16,765	22,185
Aug-2007	203.9	1.1481	14,644	16,790	22,218
Sep-2007	204.2	1.1498	14,665	16,814	22,250
Oct-2007	204.5	1.1515	14,687	16,839	22,283
Nov-2007	204.7	1.1526	14,701	16,855	22,305
Dec-2007	205.0	1.1543	14,723	16,880	22,338
Jan-2008	205.3	1.1560	14,744	16,905	22,370
Feb-2008	205.6	1.1577	14,766	16,930	22,403
Mar-2008	205.9	1.1593	14,787	16,954	22,436
Apr-2008	206.2	1.1610	14,809	16,979	22,468
May-2008	206.6	1.1633	14,838	17,012	22,512
Jun-2008	206.9	1.1650	14,859	17,037	22,545
Jul-2008	207.3	1.1672	14,888	17,070	22,588
Aug-2008	207.7	1.1695	14,917	17,103	22,632
Sep-2008	208.0	1.1712	14,938	17,127	22,665
Oct-2008	208.4	1.1734	14,967	17,160	22,708
Nov-2008	208.8	1.1757	14,996	17,193	22,752
Dec-2008	209.2	1.1779	15,024	17,226	22,795
Jan-2009	209.6	1.1802	15,053	17,259	22,839
Feb-2009	210.0	1.1824	15,082	17,292	22,882
Mar-2009	210.3	1.1841	15,103	17,317	22,915

Apr-2009	210.7	1.1864	15,132	17,350	22,959
May-2009	211.0	1.1881	15,154	17,374	22,991
Jun-2009	211.4	1.1903	15,182	17,407	23,035
Jul-2009	211.8	1.1926	15,211	17,440	23,079
Aug-2009	212.1	1.1943	15,233	17,465	23,111
Sep-2009	212.5	1.1965	15,261	17,498	23,155
Oct-2009	212.9	1.1988	15,290	17,531	23,198
Nov-2009	213.2	1.2005	15,312	17,555	23,231
Dec-2009	213.6	1.2027	15,340	17,588	23,275
Jan-2010	214.0	1.2050	15,369	17,621	23,318
Feb-2010	214.4	1.2072	15,398	17,654	23,362
Mar-2010	214.7	1.2089	15,419	17,679	23,395
Apr-2010	215.1	1.2111	15,448	17,712	23,438
May-2010	215.5	1.2134	15,477	17,745	23,482
Jun-2010	215.9	1.2157	15,506	17,778	23,525
Jul-2010	216.3	1.2179	15,534	17,811	23,569
Aug-2010	216.8	1.2207	15,570	17,852	23,623
Sep-2010	217.2	1.2230	15,599	17,885	23,667
Oct-2010	217.6	1.2252	15,628	17,918	23,711
Nov-2010	218.1	1.2280	15,664	17,959	23,765
Dec-2010	218.5	1.2303	15,692	17,992	23,809
Jan-2011	219.0	1.2331	15,728	18,033	23,863
Feb-2011	219.4	1.2354	15,757	18,066	23,907
Mar-2011	219.9	1.2382	15,793	18,107	23,961
Apr-2011	220.3	1.2404	15,822	18,140	24,005
May-2011	220.8	1.2432	15,858	18,181	24,059
Jun-2011	221.3	1.2461	15,893	18,222	24,114
Jul-2011	221.8	1.2489	15,929	18,264	24,168
Aug-2011	222.3	1.2517	15,965	18,305	24,223
Sep-2011	222.7	1.2539	15,994	18,338	24,266
Oct-2011	223.2	1.2568	16,030	18,379	24,321
Nov-2011	223.7	1.2596	16,066	18,420	24,375
Dec-2011	224.2	1.2624	16,102	18,461	24,430
Jan-2012	224.7	1.2652	16,138	18,502	24,484
Feb-2012	225.1	1.2675	16,166	18,535	24,528
Mar-2012	225.6	1.2703	16,202	18,576	24,582
Apr-2012	226.1	1.2731	16,238	18,618	24,637
May-2012	226.6	1.2759	16,274	18,659	24,691
Jun-2012	227.1	1.2787	16,310	18,700	24,746
Jul-2012	227.6	1.2815	16,346	18,741	24,800
Aug-2012	228	1.2838	16,375	18,774	24,844
Sep-2012	228.5	1.2866	16,411	18,815	24,898
Oct-2012	229	1.2894	16,446	18,856	24,953
Nov-2012	229.5	1.2922	16,482	18,898	25,007
Dec-2012	230	1.2950	16,518	18,939	25,062
Jan-2013	230.5	1.2979	16,554	18,980	25,116
Feb-2013	230.9	1.3001	16,583	19,013	25,160
Mar-2013	231.4	1.3029	16,619	19,054	25,214
Apr-2013	231.9	1.3057	16,655	19,095	25,269
May-2013	232.4	1.3086	16,691	19,136	25,323
Jun-2013	232.8	1.3108	16,719	19,169	25,367

Jul-2013	233.3	1.3136	16,755	19,210	25,421
Aug-2013	233.8	1.3164	16,791	19,252	25,476
Sep-2013	234.3	1.3193	16,827	19,293	25,530
Oct-2013	234.7	1.3215	16,856	19,326	25,574
Nov-2013	235.2	1.3243	16,892	19,367	25,628
Dec-2013	235.7	1.3271	16,928	19,408	25,683
Jan-2014	236.2	1.3300	16,964	19,449	25,737
Feb-2014	236.7	1.3328	16,999	19,490	25,792
Mar-2014	237.2	1.3356	17,035	19,532	25,846
Apr-2014	237.6	1.3378	17,064	19,565	25,890
May-2014	238.1	1.3407	17,100	19,606	25,944
Jun-2014	238.6	1.3435	17,136	19,647	25,999
Jul-2014	239.1	1.3463	17,172	19,688	26,053
Aug-2014	239.6	1.3491	17,208	19,729	26,108
Sep-2014	240	1.3514	17,236	19,762	26,151
Oct-2014	240.5	1.3542	17,272	19,803	26,206
Nov-2014	241	1.3570	17,308	19,845	26,260
Dec-2014	241.5	1.3598	17,344	19,886	26,315
Jan-2015	242	1.3626	17,380	19,927	26,369
Feb-2015	242.5	1.3654	17,416	19,968	26,424
Mar-2015	242.9	1.3677	17,445	20,001	26,467
Apr-2015	243.4	1.3705	17,481	20,042	26,522
May-2015	243.9	1.3733	17,517	20,083	26,576
Jun-2015	244.4	1.3761	17,552	20,124	26,631