

Debt Service Summary

Types of Debt

The State of Kansas uses debt financing to pay for certain state expenditures. Debt can be divided into five distinct categories.

Traditional Bonds. The first category is traditional debt financing through the issuance of bonds.

Except for the Kansas Department of Transportation, which issues bonds to finance highways and other transportation projects, the Kansas Development Finance Authority (KDFA) is the issuer of revenue bonds for the state and some local governments. KDFA was created by the Legislature in 1987 as an independent instrumentality of the state to operate as a public corporation rather than as a state agency. The Authority charged by the Legislature with providing state agencies and other public and private organizations with access to the capital markets.

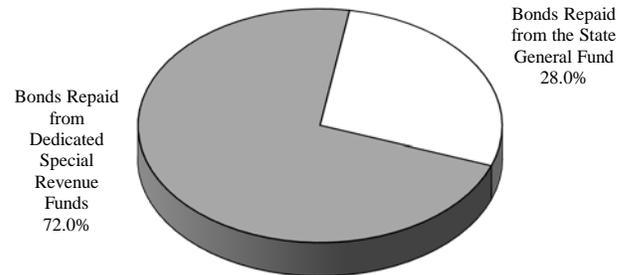
KDFA accomplishes this purpose in part by issuing debt to fund capital improvements and certain public purpose programs. KDFA issues debt for local government projects, acquisition, and renovation of state office space, construction and renovation of state university facilities, prison construction and expansion and energy conservation improvements. KDFA also issues bonds or other debt instruments to finance health care facilities, affordable multifamily housing, and beginning farm loans. Most of the debt issued by KDFA can be characterized as pledge-of-revenue debt, meaning that bonds debt are serviced by a dedicated stream of revenue, such as a pledge of dormitory or parking garage revenues.

The remaining obligations KDFA issues on behalf of the state can be characterized as State General Fund appropriation bonds, such as those bonds issued to renovate the Capitol Building. Of the state's total bonded indebtedness, only 28.0 percent is an obligation of the State General Fund, as illustrated by the pie chart.

Provisions in the *Kansas Constitution* allow for the limited issuance of general obligation bonds subject to certain restrictions. However, no bonds have been

issued under these provisions for decades. No other provisions in the constitution or state law limit the amount of debt that can be issued for Kansas agencies.

Total Bond Indebtedness



FY 2012

As of June 30, 2010, various state agencies had legislative authorized but unissued debt of \$358.0 million compared to \$515.4 million as of June 30, 2009, and \$479.3 million as of June 30, 2008. Although the amount of debt for financing capital improvement projects has increased in the past several years, debt service still constitutes a small part of the overall state budget. In the past, the state has consistently demonstrated strong fiscal management practices, carefully maintaining expenditures in line with revenues, thereby avoiding the need for restrictive statutory debt limits.

PMIB Loans. The second category consists of a few loans issued by the Polled Money Investment Board. These loans usually charge interest sufficient to recoup the loss of earnings that would otherwise be made on the investment of idle funds. An example of a loan would be the legal authorization to finance the 27th payroll that occurred in FY 2006 makes provision for a PMIB loan up to \$6.0 million in case the other financing mechanisms fail to provide sufficient resources to cover the obligation. To date no such loan has been necessary.

Facilities Conservation Improvement Program. The third category includes the financing of energy improvements for state facilities under a program administered by the Department of Administration, the Facilities Conservation Improvement Program. The

financing is provided through lease purchase agreements with a financial institution, and the debt service is repaid from the energy savings generated by the improvements.

Master Lease Purchase Program. The fourth category is the Master Lease Purchase Program administered by the Department of Administration. This program often finances equipment acquisitions by state agencies and represents a line-of-credit concept.

Third Party & Other Debt. Third Party debt is used to make purchases, and the vendor maintains an affiliation with a finance company in order to provide financing to the purchasing agency. The finance company constitutes the third party. There are other similar financing arrangements. In some cases the vendor itself provides financing, or the vendor recovers the cost of sales promotion by adjusting the price structure accordingly.

Ratings

Although the state has no general obligation debt, and thus no general obligation debt rating, KDFRA works with the rating agencies to facilitate the state's issuer "shadow" credit rating. Standard & Poor's "AA+" credit rating reflects the state's general creditworthiness. Credit factors include a very low debt burden, continued economic diversification, and historically conservative and responsible fiscal management.

The issuer rating assigned by Moody's Corporation remains "Aa1." Moody's rating is an issuer rating, which like the Standard & Poor's rating, and be characterized as an implicit general obligation rating that reflects the state's history of favorable financial management, the strength and stability of the Kansas economy, and relatively low debt levels. The rating is based on Kansas' traditionally strong fiscal discipline.

Debt Projects

Following are brief descriptions of new, changing, or expanded projects that are debt financed. For details

of all debt financed projects, refer to the table at the end of this section.

Kansas Racing & Gaming Commission

Expanded Lottery. The 2007 Legislature approved the Kansas Expanded Lottery Act, which authorizes electronic gaming machines at parimutuel racetracks and four destination casinos located across the state. The act requires gaming facility managers to pay for the costs of regulation. The Kansas Racing and Gaming Commission received a \$5.0 million loan from the Pooled Money Investment Board (PMIB) for the initial expenses of the agency's regulation activities and is required to repay the loan with interest by June 30, 2012. The Commission indicates it will directly bill each of the approved gaming facility managers for their share of the PMIB loan with interest. For FY 2012, it is estimated that the Commission will make an interest payment of \$1,210,132 and a principal payment of \$5.0 million.

Board of Regents

Research Initiative Debt Service. The Legislature authorized the issuance of \$125.0 million in bonds. Those projects include:

- Equipment for the Life Sciences Center at the University of Kansas
- Construction of the Bioscience Research Center at the University of Kansas Medical Center
- Construction of the Food Safety & Security Research Facility at Kansas State University
- Construction of the Engineer Complex at Wichita State University
- Construction of the Polymer Research Center at Pittsburg State University

The state is responsible for the first \$50.0 million in debt service, financed through a transfer from the State General Fund to a special revenue account at the Board of Regents. For FY 2012, the Governor concurs with a debt service payment of \$5,948,667. The remaining obligation of \$1,229,760 will be spread out over the following three years. As the state portion of

each university's obligation is paid off, the university becomes responsible for the remaining portion.

University of Kansas

School of Pharmacy Debt Service. The 2008 Legislature approved the \$50.0 million project to expand the School of Pharmacy. The \$50.0 million will finance the construction of a new building on the Lawrence Campus and an additional floor on the Center for Primary Care/Women's Research Institute building on the Wichita campus. The expansion will increase the number of students admitted each year for 105 to 190. The Legislature's approval included \$20.0 million in bonding authority; however the revenue stream for the \$30.0 million did not materialize as expected. As a result, the FY 2009 Legislature approved \$30.0 million in bonding authority. The debt service for FY 2011 is \$1,631,243 and will increase to \$4,079,411 as debt service on the second bond becomes due. All debt service is financed by the State General Fund.

Department of Corrections

RDU Relocation Debt Service. To fund the debt service payment related to the 2001 relocation of the Reception and Diagnostic Unit (RDU) from Topeka Correctional Facility to El Dorado Correctional Facility the Governor recommends expenditures of \$1,402,000 from the State General Fund for FY 2011. Of the total amount, \$835,000 is for principal and \$567,000 is for interest. For FY 2012, \$1,403,000 is recommended including \$880,000 for principal and \$523,000 for interest. After FY 2012, the total remaining debt service will be \$12,633,000.

Revenue Refunding Bonds Debt Service. For FY 2011, the Governor recommends \$2,267,000 for FY 2011 from all funding sources to pay the debt service for the construction of El Dorado Correctional Facility in 1991 and Larned Correctional Mental Health Facility in 1992. Of this amount, \$2,025,000 is for principal and \$242,000 is for interest. Included in the principal payment is \$1,689,697 from the Correctional Institutions Building Fund and \$335,303 from the State General Fund. For FY 2012, the Governor recommends \$3,439,000 from all funding sources. Of this amount, \$3,300,000 is for principal and \$139,000

is for interest. Of the total principal payment, \$475,303 will be from the State General Fund and \$1,689,697 will be paid from the Correctional Institutions Building Fund. The FY 2012 debt service represents the final payments for these bonds.

Facility Infrastructure Improvements Debt Service.

In FY 2007, the Department of Corrections was authorized to issue \$19.2 million in bonds to provide additional funding for substantial maintenance needs at the correctional facilities, which included replacing locking systems, upgrading utility tunnels, adding water treatment systems, ensuring ADA compliance, and upgrading security and fire alarm systems. For FY 2011, the Governor recommends \$1,544,000 from the State General Fund to finance the debt service payment for facility improvements. Of the total amount, \$675,000 is for principal and \$869,000 is for interest. For FY 2012, the Governor recommends \$1,545,000 from the State General Fund, including \$705,000 for principal and \$840,000 for interest. The total outstanding debt service after the FY 2012 payments are made will be \$24,689,000.

Prison Capacity Expansion Projects Debt Service.

To address the Sentencing Commission's FY 2007 estimate of an increasing inmate population, the 2007 Legislature approved the Governor's recommendation to give the Department of Corrections bonding authority of up to \$39.5 million to expand prison capacity. The State Finance Council approved the issuance of the bonds on October 17, 2007. However, because of legislation passed during the 2007 Legislative Session, the Sentencing Commission's FY 2008 estimate resulted in lower prison population projections than the FY 2007 estimate. Consequently, the 2008 Legislature reduced the Department of Corrections bonding authority to \$19.5 million and limited the use of the bond proceeds to only the planning phase of prison construction. The Department issued \$1.7 million in bonds to finance the planning of prison capacity expansion projects at Ellsworth, El Dorado, Stockton, and Yates Center. The remaining \$17.8 million in bonding authority was rescinded by the 2009 Legislature. For FY 2011, the Governor recommends \$129,000 from the Correctional Institutions Building Fund for the debt service related to the planning of prison construction. Of this amount, \$95,000 is for principal and \$34,000 is for interest. For the FY 2012 payment of \$131,000, \$100,000 is for principal and \$31,000 is for interest.

After FY 2012, the total remaining debt service will be \$896,000.

Adjutant General

Armory Rehabilitation Plan. The agency was authorized to issue \$22.0 million in bonds to fund the Armory Rehabilitation Plan over a five-year period starting in FY 2001. The plan has rehabilitated selected state-owned armories and replaced other armories. Bonds were issued totaling \$2.0 million in November 2000, \$2.0 million in November 2001, \$6.0 million in June 2003, \$6.0 million in June 2004, and \$6.0 million in November 2005. The 2005 Legislature authorized the issuance of an additional \$9.0 million in bonds to complete the Amory Renovation Plan. The bonds were to be issued in \$3.0 million increments each, starting in FY 2007 and ending in FY 2009. The final \$3.0 million was not submitted and approved by the State Finance Council until FY 2010. For FY 2011, the Governor recommends \$2,474,131 from the State General Fund to finance the debt service payments. For FY 2012, the Governor recommends \$2,752,074 from the State General Fund to finance the debt service payment on bonds issued for the Armory Rehabilitation Plan. Of the recommended amount, \$1,625,000 will be used for principal and \$1,127,074 for interest.

Kansas State Fair

Debt Service. In 2001, the State Fair was authorized the issuance of bonds up to a total of \$29.0 million to finance capital improvements. The bond proceeds allowed the State Fair to make extensive improvements to the fairgrounds in Hutchinson, as specified in the Board's capital improvement master plan. The Governor recommends \$2,249,854 for the

FY 2011 debt service payment, including \$1,255,000 for principal and \$994,854 for interest. The financing for the debt service payment will come from the following sources: \$1,549,854 from the State General Fund and \$700,000 from the State Fair Capital Improvements Fund. The State Fair Capital Improvements Fund is typically financed from three sources: an annual transfer from the State Fair Fee Fund, a matching transfer from the State General Fund, and an annual contribution from the City of Hutchinson and Reno County. At the end of FY 2010, the State Fair transferred \$300,000 from the State Fair Fee Fund to the State Fair Capital Improvements Fund. The matching funds from the State General Fund are typically transferred at the start of the following fiscal year; however, because limited State General Fund resources, the State General Fund match was not provided in FY 2011. The City of Hutchinson and Reno County will contribute a total of \$300,000 for the bond repayment in FY 2011. This is the last fiscal year that the City of Hutchinson and Reno County have pledged to contribute to the bond repayment.

The Governor recommends \$2,250,469 for the FY 2012 debt service payment. The financing of FY 2012 debt service interest payment includes \$1,850,469 from the State General Fund and \$400,000 from the State Fair Capital Improvements Fund. The State Fair Capital Improvements Fund will receive a minimum of \$350,000 at the end of FY 2011 from the State Fair Fee Fund. However, the 2010 Legislature did not authorize matching funds from the State General Fund for FY 2012. The Governor recommends transferring \$159,207 from the Economic Development Initiatives Fund to the State Fair Capital Improvements Fund to provide the minimum amount necessary for the agency to make all required bond payments in FY 2012. It is also recommended that the State Fair transfer a minimum of \$350,000 from the State Fair Fee Fund to the State Fair Capital Improvements Fund in FY 2012.

Indebtedness of the State

| | FY 2009 Actual | FY 2010 Actual | FY 2011 Estimate | FY 2012 Estimate | Prin. Balance June 30, 2012 Estimate |
|---|-------------------|-------------------|---------------------|---------------------|--|
| State General Fund Budgeted Debt Service | | | | | |
| Department of Administration | | | | | |
| Principal--Statehouse Renovations | 3,625,000 | 35,000 | 7,335,000 | 7,835,000 | 250,920,000 |
| Interest | 6,673,121 | 6,318,922 | 8,936,413 | 15,675,788 | |
| Principal--Judicial Center Improvements | 70,000 | -- | 75,000 | 80,000 | 440,000 |
| Interest | 31,028 | 28,242 | 25,150 | 22,225 | |
| Principal--Energy Conservation | 1,472 | 3,780 | -- | -- | -- |
| Interest | 22,175 | -- | -- | -- | |
| Principal--Public Broadcasting Digital | -- | 106,512 | 340,000 | 370,000 | 2,645,000 |
| Interest | 281,379 | 172,405 | 269,200 | 254,544 | |
| Principal--KPERs Actuarial Liability | 10,070,000 | -- | 10,805,000 | 11,255,000 | 457,455,000 |
| Interest | 26,056,878 | 25,714,041 | 25,335,952 | 24,887,328 | |
| Principal--Debt Restructuring | -- | -- | -- | -- | 131,600,000 |
| Interest | -- | -- | 2,470,809 | 2,220,675 | |
| Principal--NBAF | -- | -- | -- | -- | 6,525,000 |
| Interest | -- | -- | -- | 2,780,807 | |
| Kansas Public Employees Retirement System | | | | | |
| Principal--13th Check Repayment | 2,465,000 | -- | 2,986,242 | 2,825,000 | 6,095,000 |
| Interest | 1,491,896 | 658,812 | 518,748 | 385,092 | |
| Kansas Board of Regents | | | | | |
| Principal--KPERs Obligation | 1,350,000 | -- | 1,470,000 | 1,545,000 | 3,435,000 |
| Interest | 406,004 | 349,175 | 284,039 | 210,697 | |
| Principal--Postsecondary Inst. Improve. | -- | -- | -- | -- | 22,500,000 |
| Interest | 680,469 | 1,318,135 | 932,375 | 816,750 | |
| Pittsburg State University | | | | | |
| Principal--Armory/Classroom Project | -- | -- | 170,000 | 175,000 | 3,395,000 |
| Interest | 166,969 | 160,515 | 153,999 | 147,199 | |
| University of Kansas | | | | | |
| Principal--Pharmacy School Construction | -- | -- | 735,000 | 1,870,000 | 49,395,000 |
| Interest | -- | 405,006 | 896,243 | 2,209,411 | |
| University of Kansas Medical Center | | | | | |
| Principal--Energy Conservation Projects | 395,000 | 415,000 | 440,000 | 470,000 | 9,760,000 |
| Interest | 513,000 | 501,418 | 485,793 | 466,193 | |
| Wichita State University | | | | | |
| Principal--Aviation Research Facilities | 1,275,000 | -- | 1,405,000 | 1,465,000 | 4,645,000 |
| Interest | 363,382 | 306,083 | 242,275 | 178,614 | |
| Adjutant General | | | | | |
| Principal--Armory Rehab & Repair | 95,000 | -- | 1,440,110 | 1,625,000 | 22,080,000 |
| Interest | 714,932 | 1,023,712 | 1,019,658 | 1,127,075 | |
| Principal--Training Center | 135,087 | 300,000 | 315,000 | 330,000 | 7,935,000 |
| Interest | 112,728 | 388,642 | 400,772 | 392,556 | |
| Principal--Armory/PSU Facility | -- | -- | 60,000 | 65,000 | 1,225,000 |
| Interest | 60,132 | 57,964 | 55,575 | 53,188 | |

Indebtedness of the State

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | Prin. Balance |
|---|----------------------|----------------------|----------------------|-----------------------|-------------------------|
| | Actual | Actual | Estimate | Estimate | June 30, 2012 |
| | | | | | Estimate |
| Department of Corrections | | | | | |
| Principal--Facilities Improvements | 507,465 | 235,303 | 1,010,303 | 1,180,303 | 16,960,000 |
| Interest | 627,927 | 1,069,745 | 1,111,000 | 978,750 | |
| Principal--Labette Conservation Camp | 150,000 | -- | -- | -- | -- |
| Interest | 9,746 | 3,298 | -- | -- | |
| Principal--El Dorado Rec./Diagnostic Unit | 715,000 | 750,000 | 835,000 | 880,000 | 10,025,000 |
| Interest | 597,649 | 559,851 | 567,000 | 523,000 | |
| Kansas Bureau of Investigation | | | | | |
| Principal--Headquarters Acquisition | -- | -- | -- | -- | -- |
| Interest | 17,475 | 9,295 | -- | -- | |
| Kansas State Fair | | | | | |
| Principal--Fairground Improvements | 745,000 | -- | 1,255,000 | 1,310,000 | 18,750,000 |
| Interest | 1,083,980 | 1,041,532 | 994,853 | 940,469 | |
| Department of Wildlife & Parks | | | | | |
| Principal--KansasCity Regional Office | -- | -- | 6,300 | 6,600 | 1,560,000 |
| Interest | -- | -- | 12,277 | 11,977 | |
| Department of Transportation | | | | | |
| Principal--Transportation Bonds | 7,010,000 | -- | 7,600,000 | 7,910,000 | 172,935,000 |
| Interest | 9,126,075 | 8,848,975 | 8,550,975 | 8,240,776 | |
| Total | | | | | |
| Principal | \$ 28,609,024 | \$ 1,845,595 | \$ 38,282,955 | \$ 41,196,903 | \$ 1,200,280,000 |
| Interest | \$ 49,036,945 | \$ 48,935,768 | \$ 53,263,106 | \$ 62,523,114 | |
| Total--SGF Budgeted Debt Service | \$ 77,645,969 | \$ 50,781,363 | \$ 91,546,061 | \$ 103,720,017 | |
| Special Revenue Fund Budgeted Debt Service | | | | | |
| Department of Commerce | | | | | |
| Principal--Impact Program | 13,380,000 | 9,705,000 | 10,125,000 | 16,455,000 | 120,655,000 |
| Interest | 3,395,378 | 5,188,057 | 6,602,955 | 6,159,205 | |
| Principal--1430 Topeka Fac. Improvement | 70,000 | 75,001 | 80,000 | 80,000 | 1,070,000 |
| Interest | 62,927 | 60,025 | 56,770 | 53,650 | |
| Social & Rehabilitation Services | | | | | |
| Principal--State Security Hospital Const. | 1,850,000 | 1,945,000 | 2,045,000 | 2,260,000 | 33,555,000 |
| Interest | 1,972,195 | 1,962,225 | 1,862,475 | 1,647,350 | |
| Principal--St. Hospital Rehab. & Repair | 1,265,000 | 1,305,000 | 1,345,000 | 1,415,000 | 23,435,000 |
| Interest | 1,316,470 | 1,282,050 | 1,242,900 | 1,175,650 | |
| Department of Labor | | | | | |
| Principal--Unemp. Ins. Benefit IT Sys. | 1,875,000 | 1,950,000 | 2,030,000 | 2,110,000 | 9,435,000 |
| Interest | 763,000 | 689,276 | 616,151 | 532,151 | |
| Principal--Headquarters Improvement | 160,000 | 165,000 | 170,000 | 175,000 | 2,205,000 |
| Interest | 118,358 | 113,158 | 107,548 | 101,428 | |
| Health & Environment--Health | | | | | |
| Principal--Vital Statistics Data System | 470,000 | 490,000 | -- | -- | -- |
| Interest--Vital Statistics Data System | 19,923 | 20,599 | -- | -- | |
| Revolving Fund Water Projects | -- | -- | -- | -- | 574,235,000 |
| Kansas Board of Regents | | | | | |
| Principal--Crumbling Classrooms | 12,665,000 | 13,305,000 | 13,985,000 | 13,420,000 | -- |
| Interest | 2,335,000 | 1,646,747 | 1,009,968 | 325,075 | |
| Principal--Research Initiative | 4,820,000 | -- | 5,225,000 | 3,642,069 | 88,640,000 |
| Interest | 4,886,367 | 4,874,492 | 4,722,317 | 2,306,598 | |

Indebtedness of the State

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | Prin. Balance |
|--|----------------|----------------|-----------------|-----------------|----------------------|
| | Actual | Actual | Estimate | Estimate | June 30, 2012 |
| | | | | | Estimate |
| Emporia State University | | | | | |
| Principal--Student Housing | 350,000 | 362,022 | 380,000 | 400,000 | 7,425,000 |
| Interest | 357,938 | 152,959 | 333,880 | 320,960 | |
| Principal--Memorial Union Refurbishing | 131,000 | 31,652 | 595,000 | 565,000 | 13,605,000 |
| Interest | 550 | 91,931 | 395,337 | 507,485 | |
| Principal--Student Rec. Bldg. Addition | 120,000 | 125,000 | 130,000 | 140,000 | 1,590,000 |
| Interest | 104,298 | 98,958 | 93,270 | 87,225 | |
| Fort Hays State University | | | | | |
| Principal--Student Housing | 160,000 | 4,800,000 | -- | -- | -- |
| Interest | 178,824 | 94,404 | -- | -- | |
| Principal--Lewis Field Renovation | 65,000 | 65,000 | -- | -- | 585,000 |
| Interest | 21,065 | 21,872 | 32,710 | 31,476 | |
| Principal--Memorial Hall Renovation | 300,000 | 310,155 | 320,000 | 330,000 | 6,245,000 |
| Interest | 279,574 | 261,920 | 276,017 | 265,045 | |
| Kansas State University | | | | | |
| Principal--Salina Student Housing | 60,000 | 60,000 | 70,000 | 70,000 | 220,000 |
| Interest | 20,274 | 16,658 | 17,755 | 14,675 | |
| Principal--Student Housing | 1,405,000 | 1,450,000 | 1,505,000 | 1,550,000 | 64,285,000 |
| Interest | 2,683,387 | 2,790,701 | 2,936,496 | 2,885,796 | |
| Principal--Student Union Parking | -- | 146,440 | 360,000 | 375,000 | 16,435,000 |
| Interest | 52,487 | 312,732 | 736,183 | 723,043 | |
| Principal--Ackert Hall Restoration | 105,000 | 110,000 | 115,000 | 125,000 | 585,000 |
| Interest | 56,613 | 51,205 | 45,485 | 39,448 | |
| Principal--Rec. Complex Improvements | 505,000 | 530,000 | 550,000 | 585,000 | 1,260,000 |
| Interest | 131,336 | 142,390 | 119,600 | 95,400 | |
| Principal--Farrell Library Expansion | 190,000 | 200,000 | 250,000 | 250,000 | 1,030,000 |
| Interest | 113,211 | 103,160 | 20,620 | 23,100 | |
| Principal--Energy Conservation Projects | 765,000 | 800,000 | 845,000 | 895,000 | 14,770,000 |
| Interest | 795,440 | 773,951 | 744,349 | 726,199 | |
| Principal--Student Union Renovation | 410,000 | 430,000 | 450,000 | 475,000 | 4,335,000 |
| Interest | 251,619 | 283,427 | 262,550 | 240,500 | |
| Principal--Salina Student Life Ctr. Const. | -- | -- | -- | -- | 1,600,000 |
| Interest | 103,597 | 79,100 | 81,600 | 81,600 | |
| Principal--Child Care Center Construction | -- | -- | -- | -- | 6,140,000 |
| Interest | -- | -- | -- | 277,158 | |
| Principal--Recreation Cenrer Expansion | -- | -- | -- | -- | 3,520,000 |
| Interest | -- | -- | 517,929 | 824,622 | |
| Pittsburg State University | | | | | |
| Principal--Student Housing | 220,000 | 230,000 | 240,000 | 630,000 | 18,300,000 |
| Interest | 201,275 | 794,986 | 1,111,369 | 1,093,333 | |
| Principal--Overman Stu. Ctr. Renovation | 100,000 | 105,000 | 110,000 | 115,000 | 1,725,000 |
| Interest | 88,408 | 84,300 | 79,489 | 74,230 | |
| Principal--H. Mann Adm. Bldg. Renovation | 150,000 | 160,000 | 170,000 | 175,000 | 1,905,000 |
| Interest | 96,685 | 90,076 | 82,869 | 75,225 | |

Indebtedness of the State

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | Prin. Balance |
|--|-----------|-----------|-----------|-----------|---------------|
| | Actual | Actual | Estimate | Estimate | June 30, 2012 |
| | | | | | Estimate |
| Pittsburg State University, Cont'd. | | | | | |
| Principal--Scientific Research Fac. Const. | -- | -- | -- | -- | -- |
| Interest | 77,611 | -- | -- | -- | -- |
| Principal--Student Health Center Const. | 807,000 | 50,000 | 45,000 | 45,000 | 685,000 |
| Interest | 3,410 | 7,793 | 26,573 | 27,562 | -- |
| Principal--Parking Expansion | -- | -- | 160,000 | 165,000 | 4,220,000 |
| Interest | -- | 151,421 | 265,125 | 261,063 | -- |
| University of Kansas | | | | | |
| Principal--Student Housing | 795,000 | 690,000 | 715,000 | 740,000 | 14,330,000 |
| Interest | 1,326,919 | 939,188 | 706,888 | 677,100 | -- |
| Principal--Child Care Facility Renovation | 119,804 | 145,000 | 150,000 | 155,000 | 1,595,000 |
| Interest | 111,591 | 89,991 | 84,028 | 76,603 | -- |
| Principal--Parking Facilities | 890,000 | 925,000 | 955,000 | 1,010,000 | 10,510,000 |
| Interest | 626,553 | 523,236 | 439,016 | 419,053 | -- |
| Principal--Stu. Rec. Ctr. Improvements | 1,185,000 | 1,230,000 | 1,280,000 | 1,325,000 | 11,300,000 |
| Interest | 396,175 | 570,166 | 560,765 | 557,108 | -- |
| Principal--Law Enforcement Ctr. Restor. | 670,000 | -- | 715,000 | 740,000 | 15,400,000 |
| Interest | 345,549 | -- | 664,797 | 641,517 | -- |
| Principal--Student Union Addition | 380,000 | 395,000 | 410,000 | 430,000 | 540,000 |
| Interest | 68,569 | 53,217 | 39,378 | 21,929 | -- |
| Principal--Research Equipment | 520,000 | -- | -- | -- | -- |
| Interest | 35,703 | -- | -- | -- | -- |
| Principal--Jayhawk Towers | -- | -- | 610,000 | 630,000 | 22,460,000 |
| Interest | -- | 220,929 | 849,108 | 833,558 | -- |
| Principal--Edward Campus Facility | -- | -- | -- | -- | 19,815,000 |
| Interest | -- | -- | -- | -- | -- |
| Principal--Energy Conservation | -- | -- | 275,000 | 1,075,000 | 20,300,000 |
| Interest | -- | 189,027 | 727,593 | 707,343 | -- |
| University of Kansas Medical Center | | | | | |
| Principal--Research Support Fac. Const. | 240,000 | 250,000 | 260,000 | 275,000 | 3,585,000 |
| Interest | 204,900 | 184,113 | 173,342 | 162,163 | -- |
| Principal--Ctr. for Health in Aging Const. | 130,000 | 135,000 | 140,000 | 150,000 | 1,495,000 |
| Interest | 98,605 | 80,825 | 74,760 | 68,459 | -- |
| Principal--Parking Garage Construction | 130,000 | 130,000 | 135,000 | 145,000 | 10,485,000 |
| Interest | 136,239 | 129,874 | 127,650 | 122,038 | -- |
| Principal--Research Facility | -- | -- | -- | -- | -- |
| Interest | -- | -- | -- | 1,409,132 | -- |
| Wichita State University | | | | | |
| Principal--On Campus Parking | 350,000 | 3,095,000 | -- | -- | -- |
| Interest | 162,005 | 180,520 | -- | -- | -- |
| Principal--Student Housing | 520,000 | 540,000 | 560,000 | 580,000 | 7,555,000 |
| Interest | 433,698 | 416,798 | 397,898 | 377,738 | -- |
| Principal--Energy Conservation | -- | -- | -- | -- | 900,000 |
| Interest | -- | -- | -- | -- | -- |

Indebtedness of the State

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | Prin. Balance |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| | Actual | Actual | Estimate | Estimate | June 30, 2012 |
| | | | | | Estimate |
| Department of Corrections | | | | | |
| Principal--Facilities Improvements | 1,689,697 | 1,784,697 | 1,784,697 | 1,789,697 | 785,000 |
| Interest | -- | 31,851 | 34,000 | 31,000 | |
| Juvenile Justice Authority | | | | | |
| Principal--Topeka & Larned Fac. Restor. | 2,075,000 | 2,180,000 | 2,290,000 | 2,400,000 | 28,105,000 |
| Interest | 1,918,436 | 1,816,602 | 1,710,013 | 1,595,513 | |
| Principal--Juv. Detention Fac. Restoration | 505,000 | 525,000 | 546,351 | 458,601 | 235,000 |
| Interest | 90,871 | 71,682 | 24,489 | 14,052 | |
| Highway Patrol | | | | | |
| Principal--Fleet Acquisition/Service | 230,000 | 240,000 | 255,000 | 265,000 | 1,905,000 |
| Interest | 141,957 | 130,409 | 118,200 | 105,200 | |
| Principal--Olathe Inspect. Fac. Restoration | 45,000 | 50,000 | 50,000 | 50,000 | 115,000 |
| Interest | 13,372 | 12,042 | 10,556 | 8,056 | |
| Department of Wildlife & Parks | | | | | |
| Principal--Johnson County Office | -- | -- | 38,700 | 48,400 | -- |
| Interest | -- | -- | 75,413 | 74,213 | |
| Department of Transportation | | | | | |
| Principal--Highway Projects | 52,990,000 | 99,930,000 | 104,885,000 | 109,970,000 | 1,673,385,000 |
| Interest | 75,949,598 | 75,422,299 | 69,620,654 | 69,609,827 | |
| Principal--Revolving Fund | -- | -- | -- | -- | 72,847,400 |
| Interest | -- | -- | -- | -- | |
| Total | | | | | |
| Principal | \$ 105,862,501 | \$ 151,149,967 | \$ 157,354,748 | \$ 168,683,767 | \$ 2,941,342,400 |
| Interest | \$ 102,547,960 | \$ 103,303,342 | \$ 100,838,838 | \$ 98,487,854 | |
| Total Special Rev. Fund Debt Service | \$ 208,410,461 | \$ 254,453,309 | \$ 258,193,586 | \$ 267,171,621 | |
| Off Budget | | | | | |
| Department of Administration | | | | | |
| Principal--Memorial Hall Restoration | 260,000 | 275,000 | 285,000 | 300,000 | -- |
| Interest | 176,480 | 151,283 | 151,283 | 137,385 | |
| Principal--Eisenhower Building Restoration | 1,180,000 | 1,000,000 | 970,000 | 1,205,000 | 25,285,000 |
| Interest | 1,059,095 | 848,979 | 1,227,756 | 1,195,131 | |
| Principal--Facilities Improvement Projects | 410,000 | 425,000 | 445,000 | 465,000 | -- |
| Interest | 360,837 | 343,925 | 324,269 | 304,800 | |
| Total | | | | | |
| Principal | \$ 1,850,000 | \$ 1,700,000 | \$ 1,700,000 | \$ 1,970,000 | \$ 25,285,000 |
| Interest | \$ 1,596,412 | \$ 1,344,187 | \$ 1,703,308 | \$ 1,637,316 | |
| Total--Off Budget Debt Service | \$ 3,446,412 | \$ 3,044,187 | \$ 3,403,308 | \$ 3,607,316 | |
| Pool Money Investment Board Loans | | | | | |
| Kansas Racing & Gaming Commission | | | | | |
| Principal | -- | -- | -- | 5,000,000 | -- |
| Interest | -- | -- | -- | 1,210,132 | |
| Total--PMIB Loans | \$ -- | \$ -- | \$ -- | \$ 6,210,132 | |

Indebtedness of the State

| | FY 2009 Actual | FY 2010 Actual | FY 2011 Estimate | FY 2012 Estimate | Prin. Balance June 30, 2012 Estimate |
|---------------------------------------|-------------------|-------------------|---------------------|---------------------|--|
| Off Budget | | | | | |
| Department of Administration | | | | | |
| Principal | 178,347 | 176,836 | -- | -- | -- |
| Interest | 6,581 | 27,523 | -- | -- | |
| Total--Off Budget PMIB Loans | \$ 184,928 | \$ 204,359 | \$ -- | \$ -- | |
| Master Lease Program | | | | | |
| Department of Administration | | | | | |
| Principal | 12,047 | -- | -- | -- | -- |
| Interest | 759 | -- | -- | -- | |
| Social & Rehabilitation Services | | | | | |
| Principal | 1,454,545 | -- | -- | -- | -- |
| Interest | 28,372 | -- | -- | -- | |
| Osawatomie State Hospital | | | | | |
| Principal | -- | 62,353 | 4,749 | -- | -- |
| Interest | -- | 2,990 | 211 | -- | |
| Health & Environment--Health | | | | | |
| Principal | 538,113 | 448,453 | 300,574 | 306,866 | 1,086,298 |
| Interest | 131,308 | 104,973 | 91,994 | 76,927 | |
| Department of Labor | | | | | |
| Principal | 82,214 | 86,320 | 90,631 | 65,163 | 18,411 |
| Interest | 17,411 | 13,305 | 8,994 | 4,462 | |
| Fort Hays State University | | | | | |
| Principal | 35,699 | 36,854 | 38,045 | 39,275 | 40,547 |
| Interest | 6,158 | 4,830 | 3,811 | 2,581 | |
| Board of Regents | | | | | |
| Principal | 11,219 | 11,847 | 12,510 | 4,766 | 20,672 |
| Interest | 3,551 | 2,923 | 2,260 | 1,559 | |
| Kansas State University | | | | | |
| Principal | 722,592 | 1,034,082 | 754,241 | 700,743 | 157,934 |
| Interest | 70,565 | 94,276 | 56,086 | 28,761 | |
| Pittsburg State University | | | | | |
| Principal | 10,671 | 58,089 | 31,643 | 29,667 | 69,958 |
| Interest | 882 | 8,754 | 5,490 | 4,012 | |
| University of Kansas Medical Center | | | | | |
| Principal | 989,066 | 566,664 | 162,762 | 43,248 | 6,321 |
| Interest | 53,569 | 16,251 | 7,430 | 1,662 | |
| Emporia State University | | | | | |
| Principal | 22,306 | 23,595 | 24,959 | 5,480 | -- |
| Interest | 3,724 | 2,435 | 1,071 | 46 | |
| Wichita State University | | | | | |
| Principal | 124,450 | -- | -- | -- | -- |
| Interest | 2,298 | -- | -- | -- | |
| Beloit Juvenile Correctional Facility | | | | | |
| Principal | -- | 200,261 | -- | -- | -- |
| Interest | -- | 4,335 | -- | -- | |

Indebtedness of the State

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | Prin. Balance |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|
| | Actual | Actual | Estimate | Estimate | June 30, 2012 |
| | | | | | Estimate |
| Juvenile Correctional Complex | | | | | |
| Principal | -- | 92,743 | 31,309 | 32,616 | 106,255 |
| Interest | -- | 8,361 | 7,107 | 5,800 | |
| Highway Patrol | | | | | |
| Principal | 963,703 | 998,275 | 506,887 | -- | -- |
| Interest | 96,989 | 62,417 | 26,379 | -- | |
| Kansas Bureau of Investigation | | | | | |
| Principal | 307,652 | 318,004 | 328,707 | 113,916 | -- |
| Interest | 35,701 | 25,349 | 14,646 | 3,584 | |
| Principal | \$ 5,274,277 | \$ 3,937,540 | \$ 2,287,017 | \$ 1,341,740 | \$ 1,506,396 |
| Interest | \$ 451,287 | \$ 351,199 | \$ 225,479 | \$ 129,394 | |
| Total--Master Lease Program | \$ 5,725,564 | \$ 4,288,739 | \$ 2,512,496 | \$ 1,471,134 | |
| Off Budget | | | | | |
| Department of Administration | | | | | |
| Principal | 1,496,054 | 1,903,339 | 1,710,004 | 1,127,141 | 1,083,102 |
| Interest | 175,967 | 165,758 | 106,667 | 45,638 | |
| Total--Off Budget Master Lease | \$ 1,672,021 | \$ 2,069,097 | \$ 1,816,671 | \$ 1,172,779 | |
| Facilities Conservation Improvement Program | | | | | |
| Insurance Department | | | | | |
| Principal | 63,054 | 65,325 | 67,678 | 70,115 | 306,641 |
| Interest | 19,648 | 17,477 | 15,267 | 12,830 | |
| Kansas Neurological Institute | | | | | |
| Principal | 125,320 | 130,882 | 191,305 | 191,305 | 1,072,041 |
| Interest | 65,155 | 60,011 | 60,011 | 60,011 | |
| Parsons State Hospital & Training Center | | | | | |
| Principal | 118,438 | 123,392 | 128,553 | 133,930 | 1,200,194 |
| Interest | 68,769 | 64,104 | 59,238 | 53,861 | |
| School for the Blind | | | | | |
| Principal | 27,770 | 29,107 | 30,509 | 31,979 | 226,946 |
| Interest | 15,465 | 14,372 | 13,418 | 11,949 | |
| School for the Deaf | | | | | |
| Principal | 58,826 | 61,286 | 63,850 | 66,520 | 596,110 |
| Interest | 34,126 | 31,884 | 29,422 | 26,752 | |
| Emporia State University | | | | | |
| Principal | 13,856 | 14,659 | 14,659 | 14,659 | -- |
| Interest | 2,358 | 1,555 | 1,555 | 1,555 | |
| Fort Hays State University | | | | | |
| Principal | 214,699 | 226,633 | 225,944 | 243,118 | 3,348,050 |
| Interest | 171,119 | 249,419 | 153,872 | 144,458 | |
| Kansas State University | | | | | |
| Principal | 344,534 | 356,290 | 372,606 | 348,564 | 436,361 |
| Interest | 78,872 | 62,608 | 46,782 | 29,952 | |
| Pittsburg State University | | | | | |
| Principal | 496,216 | 523,889 | 554,917 | 531,665 | 4,021,894 |
| Interest | 265,452 | 252,589 | 222,348 | 196,109 | |

Indebtedness of the State

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | Prin. Balance |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|
| | Actual | Actual | Estimate | Estimate | June 30, 2012 |
| | | | | | Estimate |
| University of Kansas | | | | | |
| Principal | 784,393 | -- | 522,136 | 1,280,261 | 12,532,864 |
| Interest | 737,104 | 849,786 | 1,588,622 | 1,609,541 | |
| El Dorado Correctional Facility | | | | | |
| Principal | 193,772 | 201,462 | 209,457 | 217,770 | 916,008 |
| Interest | 58,205 | 50,515 | 42,520 | 34,207 | |
| Ellsworth & Labette Correctional Facilities | | | | | |
| Principal | 82,884 | 85,943 | 89,115 | 92,405 | 289,458 |
| Interest | 21,595 | 18,645 | 16,625 | 12,735 | |
| Hutchinson Correctional Facility | | | | | |
| Principal | 270,148 | 281,889 | 294,140 | 306,924 | 320,264 |
| Interest | 58,613 | 47,675 | 36,489 | 23,705 | |
| Lansing Correctional Facility | | | | | |
| Principal | 353,097 | 356,886 | 379,140 | 392,873 | 828,953 |
| Interest | 78,668 | 66,585 | 54,102 | 40,369 | |
| Larned Correctional Mental Health Facility | | | | | |
| Principal | 15,871 | 16,457 | 14,762 | 14,762 | 55,428 |
| Interest | 4,137 | 3,571 | 5,294 | 5,294 | |
| Norton Correctional Facility | | | | | |
| Principal | 161,988 | 168,598 | 175,479 | 182,639 | 387,942 |
| Interest | 41,116 | 34,840 | 28,386 | 21,226 | |
| Topeka Correctional Facility | | | | | |
| Principal | 69,252 | 69,164 | 74,003 | 76,734 | 240,371 |
| Interest | 19,498 | 17,688 | 12,974 | 10,243 | |
| Winfield Correctional Facility | | | | | |
| Principal | 135,629 | 141,163 | 146,924 | 152,919 | 324,814 |
| Interest | 34,510 | 29,165 | 23,767 | 17,771 | |
| Total | | | | | |
| Principal | \$ 3,529,747 | \$ 2,853,025 | \$ 3,555,177 | \$ 4,349,142 | \$ 27,104,339 |
| Interest | \$ 1,774,410 | \$ 1,872,489 | \$ 2,410,692 | \$ 2,312,568 | |
| Total--FCI Program | \$ 5,304,157 | \$ 4,725,514 | \$ 5,965,869 | \$ 6,661,710 | |

Indebtedness of the State

| | FY 2009 Actual | FY 2010 Actual | FY 2011 Estimate | FY 2012 Estimate |
|-------------------------------------|-------------------|-------------------|---------------------|---------------------|
| Third Party and Other Debt | | | | |
| Department of Administration | | | | |
| Principal | 40,650 | 28,688 | 31,379 | -- |
| Interest | 12,329 | 9,550 | 6,858 | -- |
| Attorney General | | | | |
| Principal | 42,655 | -- | -- | -- |
| Interest | -- | -- | -- | -- |
| Citizens Utility Ratepayer Board | | | | |
| Principal | 912 | -- | -- | -- |
| Interest | -- | -- | -- | -- |
| Kansas Corporation Commission | | | | |
| Principal | 46,528 | -- | -- | -- |
| Interest | -- | -- | -- | -- |
| Judiciary | | | | |
| Principal | 34,781 | 34,781 | 34,781 | 34,781 |
| Interest | -- | -- | -- | -- |
| Kansas State University | | | | |
| Principal | 77,331 | 86,721 | 72,431 | 59,193 |
| Interest | 34,476 | 33,531 | 32,469 | 31,283 |
| Pittsburg State University | | | | |
| Principal | 206,464 | 180,765 | 178,143 | 168,702 |
| Interest | 4,673 | 11,276 | 8,259 | 6,028 |
| University of Kansas | | | | |
| Principal | 310,133 | 310,133 | 310,133 | 55,000 |
| Interest | -- | -- | -- | -- |
| University of Kansas Medical Center | | | | |
| Principal | 473,750 | 528,035 | 516,917 | 587,598 |
| Interest | 288,333 | 65,810 | 44,333 | 18,406 |
| Wichita State University | | | | |
| Principal | 649,522 | 675,399 | 702,306 | 730,285 |
| Interest | 440,348 | 414,471 | 387,564 | 359,585 |
| Kansas Water Office | | | | |
| Principal | 527,480 | 689,183 | 713,899 | -- |
| Interest | 626,749 | 799,258 | 774,542 | -- |
| Total | | | | |
| Principal | \$ 2,410,206 | \$ 2,533,705 | \$ 2,559,989 | \$ 1,635,559 |
| Interest | \$ 1,406,908 | \$ 1,333,896 | \$ 1,254,025 | \$ 415,302 |
| Total--Third Party Debt | \$ 3,817,114 | \$ 3,867,601 | \$ 3,814,014 | \$ 2,050,861 |