



STATE OF MAINE  
**OFFICE OF THE STATE TREASURER**  
39 State House Station, Augusta, ME 04333-0039  
[www.maine.gov/treasurer](http://www.maine.gov/treasurer)

**JOSEPH C. PERRY**  
State Treasurer  
**GREGORY OLSON**  
Deputy State Treasurer

**TO:** Senator Peggy Rotundo  
Representative Drew Gattine  
Joint Standing Committee on Appropriations and Financial Affairs

**FROM:** Joseph C. Perry, State Treasurer

**DATE:** February 3, 2025

**RE:** L.D. 210 An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026 and June 30, 2027"

Good morning, Senator Rotundo, Representative Gattine and members of the Joint Standing Committees on Appropriations and Financial Affairs. My name is Joe Perry, and I am the State Treasurer. Thank you for this opportunity to come before you today to discuss the Debt Service portion of Office of the Treasurer's budget. I am here today to testify in support of the fiscal year 2026-2027 biennial budget bill, LD 210.

There are currently \$65,000,000 of authorized but unissued bonds, recently approved at referendum. In projecting debt service needs, the Office of the Treasurer presumes an additional \$200,000,000 of new authorized bonds would be approved over the biennium.

Debt service is outlined on page A-630 and includes one initiative. The initiative adjusts funding levels and projects the bond sales to be \$100,000,000 in FY2026 and \$100,000,000 in FY2027. With that level of new issuance, and pending maturities, we project being able to reduce the debt service appropriation by \$4.7M in FY26 and \$5.3M in FY 27, for an overall reduction of roughly \$10M.

This bill also includes language to allow OST to carry forward balances into future the biennium, which can be seen on page 127 of the Language, Section DDDD.

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## Office of the State Treasurer - Debt Service Dashboard

	FY24	Rate	FY25	Rate	FY26	Rate	FY27	Rate	FY28	Rate
1 Bond Issue <small>assumes \$65M new authorizations per FY</small>	-	0.00%	65,000,000	5.00%	100,000,000	5.00%	100,000,000	5.00%	100,000,000	5.00%
2 Current Debt Service Principal <small>already authorized, already issued</small>	105,075,000		93,780,000		83,515,000		73,745,000		63,945,000	
3 Current Debt Service Interest <small>already authorized, already issued</small>	26,457,457		21,998,088		17,712,488		13,721,788		10,068,338	
4 New Principal (from FY25 bond issue)					6,500,000		6,500,000		6,500,000	
New Interest (from FY25 bond issue)					3,250,000		2,925,000		2,600,000	
5 New Principal (from FY26 bond issue)					-		10,000,000		10,000,000	
New Interest (from FY26 bond issue)					-		5,000,000		4,500,000	
6 New Principal (from FY27 bond issue)					-		-		10,000,000	
New Interest (from FY27 bond issue)					-		-		5,000,000	
7 BAN Interest (cash pool IB) <small>FY22-25 assumes 1/2 of the bond issue amount via BAN/IB for 1/2 the year</small>	-	5.00%	975,000	6.00%	1,500,000	6.00%	-	6.00%	-	6.00%
8 Line of Credit (TAN) Interest <small>FY19-23, no TAN</small>	-	5.00%	-	6.00%	-	6.00%	-	6.00%	-	6.00%
<b>Total Debt Service Budget</b>	<b>131,532,457</b>		<b>116,753,088</b>		<b>112,477,488</b>		<b>111,891,788</b>		<b>112,613,338</b>	
Current Appropriation	119,024,973		117,205,145		117,205,145		117,205,145		117,205,145	
Over/Short	(12,507,484)		452,058		4,727,658		5,313,358		4,591,808	
Supplemental			(11,178,000)							
Transfer from Debt Service Earnings	1,821,262		11,178,000							
Carry Forward Balance	10,686,222		1							
Savings/Appropriation Needed	0		452,059		4,727,658		5,313,358		4,591,808	