

Agency Strategic Plan

Treasury Board

Agency Mission, Vision, and Values

Mission Statement:

(While the Treasury Board is tasked by statute with many duties, the Treasury Board budget is limited to amounts required for debt service on primarily general fund obligations of the Commonwealth.)

Mission: To provide sufficient appropriations for the payment of outstanding and future debt obligations of the Commonwealth.

Agency Vision:

Agency Background Information

Statutory Authority

- § 2.2-2416 through 2420 Code of Virginia establishes and provides the powers and duties of the Board.
- Ch. 482, 2002 Acts of Assembly provided for the sale of future receipts under the tobacco settlement. The Treasury Board was tasked with certain responsibilities under the securitization which occurred in May 2005.
- The General Obligation Bond Acts (2002) provide the authority for the Treasury Board to issue general obligation bonds of the Commonwealth under Article X, Section 9(b) of the Constitution.
- The Higher Education Bond Acts (various) provide the authority for the Treasury Board to issue general obligation bonds of the Commonwealth under Article X, Section 9(c) of the Constitution.
- The Appropriations Act provides the authority for the Treasury Board to pay various tax-supported debt obligations (e.g., the VPBA, VCBA, VPBB, regional jails, capital leases, etc.).

Customer Base:

Customer Description	Served	Potential
Citizens using general obligation bond funded facilities/bondholders		
Institutions of Higher Education	1	1
Treasury Board members (citizen)	3	3
Virginia College Building Authority	1	1
Virginia Public Broadcasting Board	1	1
Virginia Public Building Authority	1	1

Anticipated Changes In Agency Customer Base:

Agency Partners:

Department of Planning and Budget

Provides project draw schedules used as the basis for issuance assumptions, controls capital outlay process.

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Agency Products and Services:

Current Products and Services

- Preparation of budget for payments due on outstanding debt.
- Preparation of estimates on debt service for future issues of debt to be paid through Treasury Board.

Factors Impacting Agency Products and Services

- Estimates for future issues of VPBA, VCBA and GO debt service are based on projected interest rates and issuance dates developed by Treasury, and spending/needs compiled by DPB from agency information. All these factors are subject to fluctuation.

Anticipated Changes in Agency Products and Services

- The Tobacco securitization completed in May 2005 requires the Treasury Board to have an on-going role in the investment and oversight of the Endowment. The full extent of this new role has not yet been determined.
- It is likely that some future issues will be done in a variable rather than fixed rate mode. Although this should result in a lower overall borrowing cost, the budget must include enough "cushion" to provide for fluctuations in variable rates.

Agency Financial Resources Summary:

The Treasury Board is comprised solely of amounts to pay debt service, lease payments and other costs associated with current or future debt obligations of the Commonwealth. The Department of the Treasury provides staffing for the Board, thus there are no human resource or technology costs. The budget is primarily general funds, however a relatively small amount is derived from Higher Education Operating funds (to pay a share of VCBA equipment and 21st Century programs) and Special funds (for certain VPBA projects). Debt service on existing obligations is mostly fixed. Projections on future issues (authorized, but not yet issued) are based on issuance, interest rate and spending assumptions. A minor percentage of the budget goes to pay Board expenses, including per diems, and ongoing costs of bonds issued (e.g., trustee, rebate calculation, and legal fees).

Changes to the base budget are comprised of updating any estimated amounts to actual (where bonds were issued in the interim), refundings which may have occurred creating debt service savings, and updated issuance assumptions (issue date, interest rate, draw schedules) for new projections on future issues.

	<u>Fiscal Year 2007</u>		<u>Fiscal Year 2008</u>	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$328,968,004	\$9,415,155	\$328,968,004	\$9,415,155
Changes To Base	\$29,544,471	(\$145,277)	\$84,237,667	(\$146,791)
AGENCY TOTAL	\$358,512,475	\$9,269,878	\$413,205,671	\$9,268,364