



CAPITAL DEBT AFFORDABILITY COMMITTEE

Nancy K. Kopp, Chair

REVISED

October 1, 2014

The Honorable Martin J. O'Malley
Governor of Maryland
State House
Annapolis, Maryland 21401

The Honorable Thomas V. M. Miller, Jr.
President of the Senate
Maryland General Assembly
State House
Annapolis, Maryland 21401

The Honorable Michael E. Busch
Speaker of the House
Maryland General Assembly
State House
Annapolis, Maryland 21401

Gentlemen:

The Capital Debt Affordability Committee, created pursuant to Section 8-104, *et seq.*, of the State Finance and Procurement Article, is required to submit to the Governor and the General Assembly each year an estimate of the maximum amount of new general obligation debt that prudently may be authorized for the next fiscal year. The Committee is also required to submit an estimate of the amount of new academic facilities bonds that prudently may be authorized.


In light of the statutory deadline of October 1, I, as Chair of the Committee, am submitting to you this letter including the Committee's recommendations, pending completion of the official 2014 Capital Debt Affordability Report. The Committee met on October 1, 2014 and considered a recommendation to maintain the authorization projected in the 2013 CDAC Report and approved a total of \$1,170 million for new general obligation authorizations by the 2015 General Assembly to support the fiscal year 2016 capital program. The Committee specifically recognized that should the economic and fiscal information underlying its recommendation change significantly the Committee could reconvene and make any necessary modifications.

Based on its review of the condition of State debt in light of the debt affordability guidelines, the Committee therefore, recommends a limit of \$34.5 million for new academic facilities bonds for the University System of Maryland for fiscal year 2016.

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The Committee is in the process of finalizing its complete Annual Report, which will be submitted as soon as possible.

Sincerely,


Nancy K. Kopp
State Treasurer
Chair, Capital Debt Affordability Committee

cc: The Honorable Peter Franchot, State Comptroller
The Honorable T. Eloise Foster, Secy. Dept. of Budget and Management
The Honorable James T. Smith, Jr., Secy. Dept. of Transportation
Mr. Paul B. Meritt