

# NEW YORK STATE

## VARIABLE RATE CAPACITY REPORT

**Introduction:** Article 5-D of State Finance Law, limits the amount of variable rate debt to up to 15 percent of outstanding State-supported debt. The cap, which fluctuates as new bonds are issued and existing bonds are retired, is closely monitored by the Division of the Budget. The following report is designed to show on an annual basis, the projected variable rate cap amount, utilization, and available cap room over a long-term horizon.

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- A. Division of the Budget Variable Rate Capacity Report

**NYS Division of the Budget**  
**Variable Rate Capacity**  
**March 31, 2016**

(thousands of dollars)	2016	2017	2018	2019	2020	2021
Outstanding Principal <sup>(1)</sup>	50,229,221	51,091,844	54,978,603	57,759,103	59,972,840	60,908,856
Current Statute: Variable Rate Cap (15% of Debt Outstanding)	7,534,383	7,663,777	8,246,790	8,663,865	8,995,926	9,136,328
<b>Existing Variable Rate Debt</b>						
Unhedged Variable Rate	182,042	172,592	160,702	150,497	139,777	121,182
Projected Variable Rate Issuances	0	0	0	0	0	0
<b>Total Projected Variable Rate Exposure</b>	<b>182,042</b>	<b>172,592</b>	<b>160,702</b>	<b>150,497</b>	<b>139,777</b>	<b>121,182</b>
<b>% Variable Rate Exposure to Debt Outstanding</b>	<b>0.4%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.2%</b>
<b>Excess Variable Rate Cap</b>	<b>7,352,341</b>	<b>7,491,185</b>	<b>8,086,089</b>	<b>8,513,369</b>	<b>8,856,149</b>	<b>9,015,146</b>
<i>Policy Reserve - 35% of Existing Fixed Rate Swaps <sup>(2)</sup></i>	636,439	588,601	541,406	509,965	463,790	375,166
<i>Policy Reserve - 35% of Planned Fixed Rate Swaps <sup>(2)</sup></i>	0	0	0	0	0	0
<i>Policy Reserve - 35% of Fixed Rate Swaps <sup>(2)</sup></i>	636,439	588,601	541,406	509,965	463,790	375,166
<b>Total Projected Variable Rate Exposure (with Policy Reserve)</b>	<b>818,481</b>	<b>761,193</b>	<b>702,107</b>	<b>660,462</b>	<b>603,566</b>	<b>121,557</b>
<b>% Var Rate Exposure to Debt Outstanding (with Policy Reserve)</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.3%</b>	<b>1.1%</b>	<b>1.0%</b>	<b>0.2%</b>

(1) Debt Outstanding estimates are based on the 2016-17 Enacted Budget and represents only State-Supported debt, the statutory measure used to calculate the cap.

(2) Not required by statute to be charged against the variable rate cap.