

Katie Hobbs
Governor



**Elizabeth
Alvarado-Thorson**
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR
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August 8, 2023

The Honorable Katie Hobbs
Governor, State of Arizona
1700 W. Washington
Phoenix, AZ 85007

The Honorable Warren Petersen
President, Arizona State Senate
1700 West Washington
Phoenix, AZ 85007

The Honorable Ben Toma
Speaker, Arizona House of Representatives
1700 West Washington
Phoenix, AZ 85007

Dear Governor Hobbs, President Petersen, and Speaker Toma:

Pursuant to A.R.S. § 35-501(C), the Arizona Department of Administration is submitting the FY 2022 Report of Outstanding Indebtedness additions listed in Laws 2022, Chapter 350, Senate Bill 1262. The additions require reporting on Credit Lending and Support Programs. The data represented herein is as reported by each entity. The Arizona Department of Administration does not attest to the accuracy of the information as submitted and presented.

If you have any questions regarding this report, please contact Ashley Ruiz, Assistant Director, at 602-542-5406.

Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth Alvarado-Thorson".

Elizabeth Alvarado-Thorson
Director



FY 2022 REPORT OF CREDIT LENDING AND SUPPORT PROGRAMS

Submitted by:

Arizona Department of Administration

August 2023

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INTRODUCTION

In compliance with Arizona Revised Statutes (A.R.S.) §§ 35-501 section 1, C and G:

C. The Department of Administration shall include the following information in the reports prescribed by subsection B of this section:

1. A list of each lending program and credit support program and the statutory or other authority for each program.
2. The total dollar amount of all monies offered pursuant to lending programs, specified by program.
3. The total dollar amount of all debts guaranteed or to which credit enhancements are given pursuant to credit support programs, specified by program.
4. An estimate of the cost of likely defaults on lending programs and credit support programs, specified by program. If practicable, the department shall use recognized standard accounting practices in the private sector to evaluate the likelihood and cost of the defaults.

G. For the purposes of this section:

1. "Credit Support Program" means any program that is operated by this State or a public body that is entirely controlled or funded by this State, that guarantees or provides a credit enhancement, including state support for interest or principal payments, to the debt of a private party or political subdivision of this state and that offers monies if the private party or political subdivision fails to pay the debt.
2. "Lending Program" means any program that is operated by this State or a public body that is entirely controlled or funded by this State and that offers monies to a private party or political subdivision of this state if the private party or political subdivision is expected to repay the monies to this State.

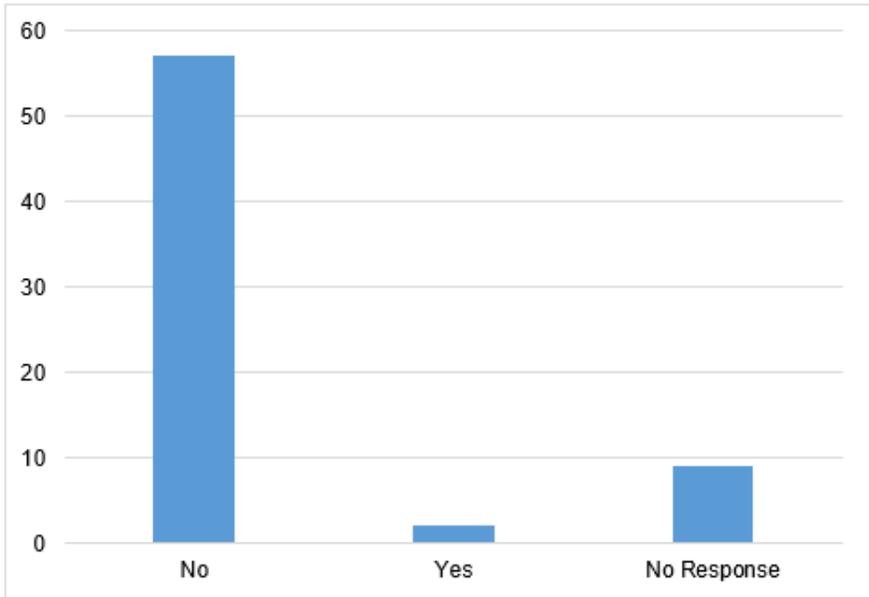
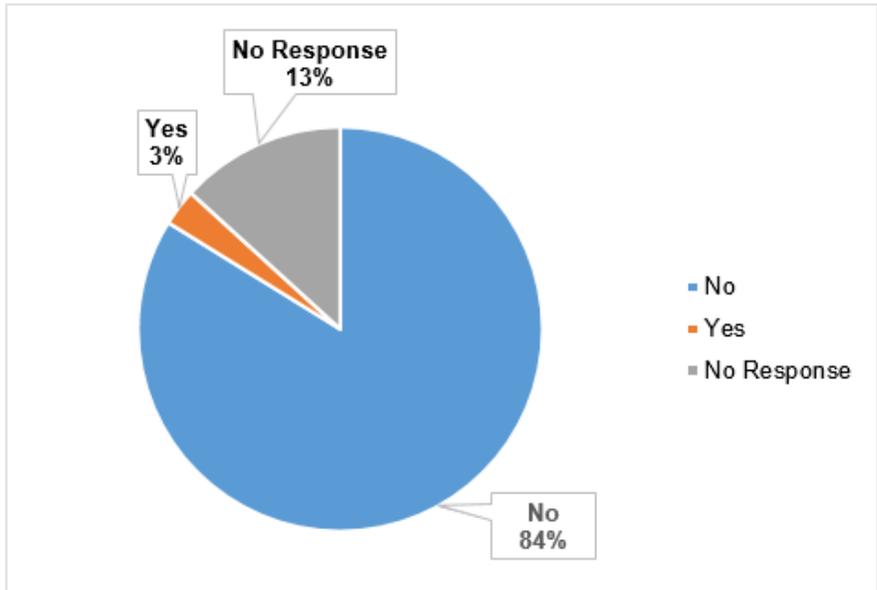
The Department of Administration sent 157 e-mails to 68 entities to determine program participation. The following questions were included in the email:

1. Does your entity participate in either of these programs? If so, which programs?
2. Please attach statutory or other authority for each program.
3. Please attach any program information.
4. Do you know of other entities that may participate in either of these programs?
5. If so, please email us the entity name and contact information (person name, email and phone number).

Entities were asked to complete a questionnaire if they participated in one or both of these programs: **Credit Lending and Support Programs Questionnaire** (see Appendix B).

This report contains a summary of the responses we received from the contacted entities. This report has two appendices: Appendix A is Arizona Revised Statutes (A.R.S.) §§ 35-501 in its entirety and Appendix B is the questionnaire sent to the entities.

Credit Lending and Support Program Responses Summary



Response Type	Number of responses
No	57
Yes	2
No Response	9
Total Entities	68

FY 2022 RESPONSES

FY 2022 Entities with No Program

Entity Name
Arizona Department of Housing
Arizona Department of Revenue
Arizona Finance Authority/Water Infrastructure Authority/Greater Arizona Development Authority
Arizona Industrial Development Authority
Arizona State Parks
Arizona State Retirement System
Arizona State University
Arts Commission
Board of Behavioral Health Examiners
Board of Dental Examiners
Board of Dispensing Opticians
Board of Education
Board of Nursing
Board of Occupational Therapy
Board of Optometry
Board of Osteopathic Examiners
Board of Pharmacy
Board of Physical Therapy
Board of Podiatry Examiners
Board of Psychologist Examiners
Board of Respiratory Care Examiners
Commission for the Deaf and the Hard of Hearing
Corporation Commission
Criminal Justice Commission
Department of Agriculture
Department of Child Safety
Department Of Corrections
Department of Education
Department of Emergency and Military Affairs
Department of Environmental Quality
Department of Forestry and Fire Management
Department of Health Services
Department of Homeland Security
Department of Insurance and Financial Institutions
Department of Public Safety
Department Of Transportation
Department of Water Resources
Early Childhood Development and Health Board

FY 2022 Entities with No Program

Entity Name
Economic Security
Health Care Cost Containment System - AHCCCS
Industrial Commission
Juvenile Corrections
Land Department
Lottery
Medical Board
Naturopathic Physicians Medical Board
Northern Arizona University
Nursing Care Institution Administrators and Assisted Living Facility Managers Board
Office of Economic Opportunity
Office of Tourism
Pioneers' Home
Public Safety Retirement System, Correctional Officers Retirement Plan, Elected Officials Retirement Plan
Residential Utility Consumer Office
State Treasurer
University of Arizona
Veterans' Services
Veterinary Medical Examining Board

FY 2022 With a Program

Entity Name
Arizona Commerce Authority*
Governor's Office of Strategic Planning and Budgeting

*Federal Loan Guarantee Program that appears to be outside the statutory scope, not included in our report.

FISCAL YEAR 2022 CREDIT LENDING AND SUPPORT PROGRAMS

ORGANIZATION NAME	PROGRAM TYPE	PROGRAM START DATE	LENDING OR SUPPORT TYPE	TOTAL PROGRAM AMOUNT	ESTIMATED COSTS OF LIKELY DEFAULTS FISCAL YEAR 2022	ADDITIONAL INFORMATION
Governor's Office of Strategic Planning and Budgeting						
	<i>Credit Support Program</i>	11/29/2016	Enhancement	\$107,540,900	\$339,785,000	As of 12/31/2022, there are no guaranteed financings for which the program has been required to disburse funds to pay principal and interest.

*Only State funded programs within the statutory scope are included on this report.

FY 2022 No Response

Entity Name
ADOA Division of School Facilities and School Facilities Oversight Board
Arizona Finance Authority
Arizona Public Credit Enhancement
Board of Medical Student Loans
Board of Private Postsecondary Education
Board of Regents
Department of Game and Fish
Gaming Department
Rio Nuevo

FY 2022 Entities Emailed

Entity Name
ADOA Division of School Facilities and School Facilities Oversight Board
Arizona Commerce Authority
Arizona Department of Housing
Arizona Department of Revenue
Arizona Finance Authority
Arizona Finance Authority/Water Infrastructure Authority/Greater Arizona Development Authority
Arizona Industrial Development Authority
Arizona Public Credit Enhancement
Arizona State Parks
Arizona State Retirement System
Arizona State University
Arts Commission
Board of Behavioral Health Examiners
Board of Dental Examiners
Board of Dispensing Opticians
Board of Education
Board of Medical Student Loans
Board of Nursing
Board of Occupational Therapy
Board of Optometry
Board of Osteopathic Examiners
Board of Pharmacy
Board of Physical Therapy
Board of Podiatry Examiners
Board of Private Postsecondary Education
Board of Psychologist Examiners
Board of Regents
Board of Respiratory Care Examiners
Commission for the Deaf and the Hard of Hearing
Corporation Commission
Criminal Justice Commission
Department of Agriculture
Department of Child Safety
Department Of Corrections
Department of Education
Department of Emergency and Military Affairs
Department of Environmental Quality
Department of Forestry and Fire Management
Department of Game and Fish

FY 2022 Entities Emailed

Entity Name
Department of Health Services
Department of Homeland Security
Department of Insurance and Financial Institutions
Department of Public Safety
Department Of Transportation
Department of Water Resources
Early Childhood Development and Health Board
Economic Security
Gaming Department
Governor's Office
Health Care Cost Containment System - AHCCCS
Industrial Commission
Juvenile Corrections
Land Department
Lottery
Medical Board
Naturopathic Physicians Medical Board
Northern Arizona University
Nursing Care Institution Administrators and Assisted Living Facility Managers Board
Office of Economic Opportunity
Office of Tourism
Pioneers' Home
Public Safety Retirement System, Correctional Officers Retirement Plan, Elected Officials Retirement Plan
Residential Utility Consumer Office
Rio Nuevo
State Treasurer
University Of Arizona
Veterans' Services
Veterinary Medical Examining Board

APPENDIX

**Arizona Revised Statutes (A.R.S.) §§ 35-501 &
Credit Lending and Support Programs
Questionnaire**

APPENDIX A

35-501. Records of bond issues; debt-level analysis and report; definitions

A. On or before June 30 of each year, the department of administration shall ascertain and record in its office all issues of bonds, certificates of participation or other securities issued for a term in excess of one year by this state or a county, city, town, school district, irrigation district, other political subdivision or municipal property corporation within this state. The record shall show the date of issuance, amount, denomination, rates of interest, maturity, dates of the bonds, certificates of participation or securities and other information the department of administration requires.

B. The reports relating to the issuance of bonds and securities required under subsection A of this section shall be filed with the department of administration within sixty days after the issuance and shall contain the following information:

1. The par amount of the bonds or securities.
2. The interest rate, by maturity of the bonds or securities.
3. The repayment schedule, showing both principal and interest for the issue.
4. The sources of repayment.
5. The original issue price and any premium or discount, by maturity, for the issue.
6. A detailed listing of all issuance costs, regardless of source of payment, including underwriter's compensation, bond counsel fees, financial advisor fees, verification agent fees, placement agent fees, investment securities brokerage fees, registrar fees, trustee fees, credit enhancement fees, rating agency fees, printing costs, registration fees, transfer and recording fees and any other costs directly or indirectly earned or paid as a result of the issuance of the bonds or securities, as determined by the department of administration.
7. The total amount of parity bonds or securities outstanding, including the issue, at the time of issuance.
8. The total amount of any bonds or securities, senior or subordinate to the issue outstanding at the time of issuance.
9. The amount of any constitutional or statutory limitation on the issuance of bonds or securities of the type issued.
10. The remaining amount of bonds or securities that may be issued within the limitation determined in paragraph 9 of this subsection.
11. The amount of any constitutional or statutory voter authorization applicable to the issuance of bonds or securities of the type issued.
12. The remaining amount of bonds or securities that may be issued within the authorization determined in paragraph 9 of this subsection.
13. Any other similar or related information the department of administration may determine.

C. The department of administration shall include the following information in the reports prescribed by subsection B of this section:

1. A list of each lending program and credit support program and the statutory or other authority for each program.
2. The total dollar amount of all monies offered pursuant to lending programs, specified by program.

3. The total dollar amount of all debts guaranteed or to which credit enhancements are given pursuant to credit support programs, specified by program.

4. An estimate of the cost of likely defaults on lending programs and credit support programs, specified by program. If practicable, the department shall use recognized standard accounting practices in the private sector to evaluate the likelihood and cost of the defaults.

D. On or before December 15 of each year, the department of administration shall provide to the governor, the president of the senate and the speaker of the house of representatives a report of the information collected pursuant to subsections A and C of this section. This report shall include an analysis of the outstanding indebtedness of each jurisdiction and the relationship of the outstanding indebtedness to the appropriate debt limitations in article IX, sections 5, 8 and 8.1, Constitution of Arizona.

E. If as a result of the analysis conducted pursuant to subsection D of this section the department of administration determines that the outstanding indebtedness of a jurisdiction is in excess of the debt limitation prescribed by the Constitution or statutes of Arizona, the department of administration shall notify the governing body or board of the jurisdiction, the governor, the president of the senate, the speaker of the house of representatives and, in the case of a school district, the superintendent of public instruction.

F. The department of administration shall notify the person or governing body responsible for complying with this section of a failure to comply in whole or in part with the requirements of this section. Any person or governing body so notified shall comply within thirty days. Any county, city, town, school district, irrigation district or other political subdivision of this state that fails to comply fully with this article shall not issue any additional bonds or other securities.

G. For the purposes of this section:

1. "Credit support program" means any program that is operated by this state or a public body that is entirely controlled or funded by this state, that guarantees or provides a credit enhancement, including state support for interest or principal payments, to the debt of a private party or political subdivision of this state and that offers monies if the private party or political subdivision fails to pay the debt.

2. "Lending program" means any program that is operated by this state or a public body that is entirely controlled or funded by this state and that offers monies to a private party or political subdivision of this state if the private party or political subdivision is expected to repay the monies to this state.

APPENDIX B

Credit Lending and Support Programs

Pursuant to 35-501 C. the Arizona Department of Administration shall report the following information:

1. A list of each lending program and credit support program and the statutory or other authority for each program.
2. The total dollar amount of all monies offered pursuant to lending programs, specified by program.
3. The total dollar amount of all debts guaranteed or to which credit enhancements are given pursuant to credit support programs, specified by program.
4. An estimate of the cost of likely defaults on lending programs and credit support programs, specified by program. If practicable, the department shall use recognized standard accounting practices in the private sector to evaluate the likelihood and cost of the defaults.

Please complete this form for each credit lending and/or support program.

*** Required**

1. Organization Name *

2. Organization Mailing Address *

3. Organization City *

4. Organization Zip Code *

5. Organization County *

If a state agency please use "State" as your county.

Mark only one oval.

- Apache
- Cochise
- Coconino
- Gila
- Graham
- Greenlee
- La Paz
- Maricopa
- Mohave
- Navajo
- Pima
- Pinal
- Santa Cruz
- State
- Yavapai
- Yuma

6. Contact First Name *

7. Contact Last Name *

8. Contact Title *

9. Contact Email *

10. Contact Phone *

11. Name of private party or political subdivision *

12. Program Start Date *

Example: January 7, 2019

13. Maturity Date

Example: January 7, 2019

14. Select credit support or lending program *

If your organization participates in both, please submit a separate form for each program.

Mark only one oval.

Credit Support Program *Skip to question 15*

Lending Program *Skip to question 15*

Type of Lending or Support

15. Select lending or support type *

Mark only one oval.

- Loan *Skip to question 16*
- Guarantee *Skip to question 19*
- Enhancement *Skip to question 22*

Loan

16. Amount of Loan *

17. Explain the terms of the loan. *

18. Additional lending or support type? *

Mark only one oval.

- Select another lending or support type *Skip to question 25*
- Back to questionnaire *Skip to question 45*

Guarantee

19. Amount Guaranteed *

20. Explain the terms of the guarantee. *

21. Additional lending or support type? *

Mark only one oval.

Select another lending or support type *Skip to question 25*

Back to questionnaire *Skip to question 45*

Enhancement

22. Amount of Credit Enhancement *

23. Explain the terms of the credit enhancement. *

24. Additional lending or support type? *

Mark only one oval.

Select another lending or support type *Skip to question 25*

Back to questionnaire *Skip to question 45*

2nd Choice lending or support type

25. 2nd lending or support type *

Mark only one oval.

- Loan (2nd) *Skip to question 26*
- Guarantee (2nd) *Skip to question 29*
- Enhancement (2nd) *Skip to question 32*

2nd Choice Loan

26. Amount of Loan *

27. Explain the terms of the loan. *

28. Additional lending or support type? *

Mark only one oval.

- Select another lending or support type *Skip to question 35*
- Back to questionnaire *Skip to question 45*

2nd Choice Guarantee

29. Amount of Guarantee *

30. Explain the terms of the guarantee. *

31. Additional lending or support type? *

Mark only one oval.

Select another lending or support type *Skip to question 35*

Back to questionnaire *Skip to question 45*

2nd Choice Enhancement

32. Amount/Value of Enhancement *

33. Explain the terms of the enhancement. *

34. Additional lending or support type? *

Mark only one oval.

Select another lending or support type *Skip to question 35*

Back to questionnaire *Skip to question 45*

3rd Choice lending or support type

35. 3rd lending or support type *

Mark only one oval.

Loan (3rd) *Skip to question 36*

Guarantee (3rd) *Skip to question 39*

Enhancement (3rd) *Skip to question 42*

3rd Choice Loan

36. Amount of Loan *

37. Explain the terms of the loan. *

38. Additional lending or support type? *

Mark only one oval.

Back to questionnaire *Skip to question 45*

3rd Choice Guarantee

39. Amount of Guarantee *

40. Explain the terms of the guarantee. *

41. Additional lending or support type? *

Mark only one oval.

Back to questionnaire *Skip to question 45*

3rd Choice Enhancement

42. Amount/Value of Enhancement *

43. Explain the terms of the Enhancement. *

44. Additional lending or support type? *

Mark only one oval.

Back to questionnaire *Skip to question 45*

Questionnaire (continued)

45. Estimated Costs of Likely Defaults *

46. Please share any additional information about this program.

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