

FISCAL YEAR 2015 ANNUAL REPORT

Georgia State Financing and Investment Commission



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COMMISSION MEMBERS

COMMISSION MEMBERS

Governor Nathan Deal | Chief Executive Officer, Chairman

Casey Cagle | Lt. Governor, Vice-Chairman

Greg S. Griffin | State Auditor, Secretary and Treasurer

David Ralston | Speaker of the House of Representative

Samuel S. Olens | Attorney General

Gary W. Black | Commissioner, Department of Agriculture

Steve McCoy | State Treasurer

Steve Stancil | Director, Construction Division,
Executive Secretary

Diana Pope | Director, Financing and Investment Division

INTRODUCTION, MISSION, VISION AND CORE VALUES

INTRODUCTION

The Georgia State Financing and Investment Commission (GSFIC), created by Constitutional Amendment in 1972, is responsible for the proper application of proceeds from general obligation debt and the issuance of all public debt by the State. No agency or authority can incur debt or employ other financial or investment advisory counsel without Commission approval. GSFIC consists of the Financing and Investment Division and the Construction Division.

The Financing and Investment Division (F&I Division) is responsible for the issuance of general obligation bonds, the review of state authority debt financing, and the investment and accounting of all general obligation bond proceeds. Investment earnings support the operations of GSFIC and also enable the F&I Division to retire state debt prior to maturity. The F&I Division prepares the State's Debt Management Plan and monitors agency expenditures of bond proceeds for compliance with federal tax regulations. In 2006, the legislature created the Georgia Higher Education Facilities Authority (GHEFA). GHEFA is attached to GSFIC for administration purposes and staffed by the F&I Division.

The Construction Division provides all of the support services for GSFIC and is responsible for disbursing bond proceeds and for managing capital outlay projects funded, in whole, or in part, with bond proceeds.

The Construction Division also provides the following services for State Agencies:

- ADA Compliance Assistance
- Procurement Services
- Construction Services
- Design Review Services

MISSION, VISION AND CORE VALUES

The Georgia State Financing and Investment Commission's core values are dedicated to continuous quality improvement in all of its activities.

Mission

Building Georgia's future by providing financial and construction management with the highest level of customer service, integrity, fairness and efficiency.

Vision

To be the State's premier resource for financial and construction management services.

Core Values

Excellence • Leadership • Fairness • Stewardship

YEAR-IN-REVIEW
FINANCING AND INVESTMENT DIVISION

YEAR-IN-REVIEW

FINANCING AND INVESTMENT DIVISION

Core functions of GSFIC includes the issuance and management of State general obligation and state authority debt, and providing construction management services for capital improvement projects.

The Financing and Investment Division

[General Obligation Bond Issuance Highlights](#)

During Fiscal Year 2015, GSFIC, for and on behalf of the State, issued general obligation bonds funding \$899.3 million of capital projects. GSFIC also issued \$159.3 million of general obligation refunding bonds which will provide \$16.1 million in debt service savings to the State.

Georgia maintained triple-A credit ratings on its general obligation debt from the three major credit rating agencies - Moody's, Standard & Poor's, and Fitch - as it has every year since 1997. Georgia is one of nine states with the coveted triple-A rating from all three rating agencies - the other states with triple-A ratings are Delaware, Iowa, Maryland, Missouri, North Carolina, Texas, Utah, and Virginia. The triple-A rating allows the State to sell its bonds at the lowest possible interest rates which results in the lowest possible debt service payments and thus savings for Georgia's citizens.

The highest bond ratings enable the State to invest in vital infrastructure in a fiscally responsible manner as well as providing more employment opportunities for Georgia's construction industry. The State's debt management plan, which is developed by GSFIC in collaboration with the Governor's Office of Planning and Budget, is a critical component of demonstrating Georgia's conservative fiscal management to both the rating agencies and the purchasers of Georgia's bonds and helps guide State leaders in determining manageable levels for new debt authorizations.



Georgia Bioscience Training Center

YEAR-IN-REVIEW

TIA Program

The Transportation Investment Act of 2010 ("TIA") became effective in January 2013 after voters in three middle-Georgia regions – River Valley, Central Savannah River Area (CSRA), and the Heart of Georgia Altamaha (HOGA) – approved a 10-year one percent sales tax to fund regional and local transportation improvements; over \$1 billion in new revenue is expected to be generated for the TIA program and dedicated to transportation improvements in these regions.

Prior to the vote, regional commission roundtables of local elected officials, with significant public input, selected TIA program projects for each region. 75% of collected revenue in each region is used for construction of these projects. The remaining 25% is disbursed monthly to the region's governments for their discretionary use on local transportation-related efforts.

GSFIC is responsible for receiving the monthly TIA collections from the Department of Revenue, and distributing 25% of those amounts to each local government, both municipal entities and counties, within the three regions. GSFIC received a total of \$141 million in tax collections in Fiscal Year 2015. Of that amount, GSFIC distributed \$35.7 million to local governments, and \$105.7 million provided funds for TIA program projects. Since the program's inception, a total of \$341 million has been received through June 30, 2015 as shown in the table below:

Special District	Total TIA Collections Through FY 2015	Distributions to Local Jurisdictions (25%)	Distributions to TIA Program Projects (75%)
Central Savannah River Area	\$157,170,954	\$39,292,739	\$117,878,216
River Valley	\$112,217,484	\$28,054,371	\$84,163,113
Heart of Georgia	\$71,165,547	\$17,791,387	\$53,374,160
Total	\$340,553,985	\$85,138,497	\$255,415,489



TIA project in the CSRA region to benefit the public by replacing the existing bridge and increasing the load limits to accommodate for the increased traffic and loads.

YEAR-IN-REVIEW
CONSTRUCTION DIVISION

YEAR-IN-REVIEW

CONSTRUCTION DIVISION

Construction Division

GSFIC's team of construction professionals and information technology specialists are dedicated to leveraging today's technology to improve the State's construction program. In addition to continuing long term strategic initiatives, a number of new initiatives were provided from extensive vendor and customer feedback opportunities. All of these were done with the goal of improving GSFIC's procedures and processes and enhancing the Agency's performance. Additionally, GSFIC continued to conduct frequent, scheduled meetings with many of its using agencies including Board of Regents monthly, Technical College System of Georgia bimonthly, State Board of Education monthly, Department of Juvenile Justice monthly and Georgia Building Authority as needed.

Enterprise Project Management Solution

The desire to improve operational efficiencies drove the continued efforts in e-Builder since its launch in FY2013. In FY2015, Executive and Program Level Dashboards and reports were implemented to assist the measurement of productivity using e-Builder. As a result, there was a significant decrease of 30% in processing time for Change Orders and Invoices. These customized Executive Dashboards were developed to help assist management in gaining better insight in project delivery statistics. A Project Manager Closeout Checklist was created to reinforce what documents were needed by the end (transfer) of a project and to ensure availability to the using agency. Additionally, Design Review Group's (DRG) checklist was incorporated to the Plan Review process to assist Design Professionals in knowing what documents are required to be uploaded for a successful review process.

Continuing to maximize the benefits of e-Builder, the Procurement department facilitated the competitive sealed bid process for two pilot projects in the e-Builder Bidding Module during the second half of 2014. Effective January 1, 2015, after successfully facilitating the bidding process for the pilot projects, Procurement implemented the new Bidding Module for all GSFIC managed projects utilizing the Design-Bid-Build delivery method. Additionally, Procurement manages all Furniture, Fixtures and Equipment (FF&E) purchase order processes through e-Builder. In an effort to foster continuous improvement, a committee was formed to discuss future enhancements to e-Builder as requested by Project Managers, Procurement, Design Review Group, vendor partners and agencies.

Design Review Group

DRG continues to bring efficiency and collaboration to the review process. Finding that roughly 70% of the time contractors were not ready for the fire protection inspection, a new checklist was created and implemented. This abbreviated list is forwarded to the CCSs, PMs, and Construction Managers prior to conducting an 80% and 100% fire alarm/fire sprinkler inspection. Since its implementation, this checklist has helped increase efficiency. Additionally, DRG has been invited to participate in the Design Professional selection process for GSFIC managed construction projects. In this new capacity, a DRG representative provides experienced insights when interviewing potential design professionals. By this early DRG engagement, the ultimate goal is to improve the level of completeness of the Design Documents submitted to the DRG which will eventually aid in efficiency of the design review process.

Procurement

The Procurement Department is charged with the overall process of acquiring services in support of GSFIC's Construction Division and the projects it manages. This includes the acquisition and delivery of services; description of requirements, selection and solicitation of sources; and preparation, award and administration of contracts. In FY2015, the Procurement staff facilitated over 150 selections for GSFIC managed projects that resulted in contracts for construction related services such as building commissioning, design professional services, construction management agreements, FF&E purchases as well as various other consulting contracts. In addition to the selections facilitated in support of the GSFIC managed projects, Procurement facilitated the bidding process for approximately 77 projects being managed by various other state agencies.

Building Information Modeling

GSFIC's construction division continued to implement Building Information Modeling (BIM) as a technology tool to improve the construction process from the initial design phase through facility operations. With the primary goal of BIM for facility management, several initiatives were accomplished during FY2015. A BIM model of the State Capitol's main levels was developed showing tourist spaces and is available for virtual tours. Collaboration with Georgia State Patrol and GBA representatives were paramount in this effort and their model requirements are currently being integrated. Additionally, relevant data from the South Deck model is being integrated into Maximo, a comprehensive enterprise asset management lifecycle and building maintenance management software, since meeting with GBA Maximo operators. A virtual tour of the GBA chiller plant was created to assist with the planned utility upgrades. Information from scans performed on site by GSFIC BIM lab 3D imaging equipment, combined with proposed plans, were used to generate a 3D model and a subsequent virtual environment. Utilizing this technology with other agencies like Board of Regents, University of Georgia's Baldwin Hall was selected as the pilot project for implementing BIM for facility management using AIM, the campus wide facility maintenance platform. This endeavor was navigated by collaborative meetings with UGA's campus architects and engineering staff.



GSU Law Library BIM Model



GSU Law Library Photograph

Vendor and Agency Surveys

In an ongoing commitment to fulfill GSFIC's mission of providing construction management with the highest level of customer service, integrity, fairness and efficiency, insight surveys were conducted with over 50 vendors and 25 state agencies. This was an opportunity for our valued partners to provide honest and candid feedback to GSFIC in a confidential one-on-one setting. With 100% participation, this effort created a portal for unprecedented suggestions, insights and ideas for improving our processes and how to better add value to our fellow state agencies. Long term, GSFIC is using these insights to prioritize, create goals, action items and strategies for implementing these suggestions – from how work is procured all the way to close-out and warranty processes.

Career Management Institute

Career Management Institute (CMI) is a long term strategy training program developed to provide employees with the tools needed to operate at the optimal level in their current positions and as a career road map. After 3 years in development, CMI was launched to employees in FY2012 and included the configuration and implementation of 300 e-learning modules into the Learning Management System (LMS). Since its initial launch and inception, there have been several advancements including:

- 260 additional new Custom-off-the-Shelf (COTS) enrollment courses purchased and loaded in the CMI.
- 3 custom solutions developed and released outlined below:
 - Continuous Skill Development which provides information about identifying professional development opportunities that allow learners to increase job-relevant knowledge, skills/abilities, and attitudes (KSAs) and keep abreast of industry changes. This module also guides learners through completing on-the-job activities to help them apply newly learned KSAs and satisfy the CMI career path requirement.
 - The Contract Compliance Specialist (CCS) responsibility in meeting contract requirements in which the learner is able to review contract areas and identify, analyze and summarize key content items that will help ensure construction quality and avoid misinterpretations.
 - CMI Solution Credit Protocol to be used when an employee feels they have already successfully performed the goals and objectives of a CMI custom "to be developed" solution. This credit protocol helps managers recommend if HR should award completion credit to an employee based on observable job performance skills rather than completing the course with a passing score.
- 1 Career Path graduate.
- 4 certification program courses added to the CMI in the field of Human Resource, Project Management, Sustainability and Public Speaking.
- Increased CMI participation by 10% from 26% to 36%.
- 975 courses were successfully completed in the CMI by GSFIC employees.
- 9 Core Curriculum graduates.
- Redesign of the CMI homepage to better monitor the program's progress and track statistical data.

State ADA Coordinator's Office

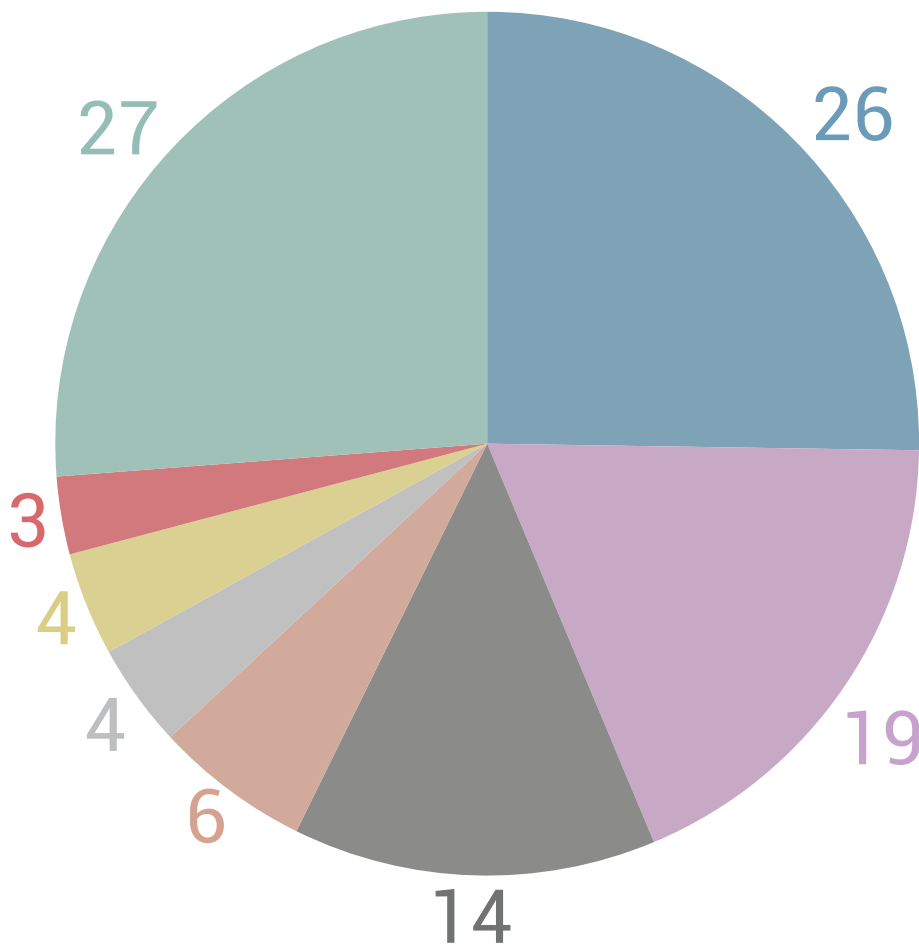
The State ADA Coordinator's Office provides comprehensive technical services for state agencies so that those programs, services and activities operated by the State of Georgia are accessible and usable by everyone. In 2015, the office advanced its facility-related responsibilities by completing its most recent ADA State Facilities Bond to improve disability access at 43 existing facilities within various state agencies.

CONSTRUCTION DIVISION REPORT

CONSTRUCTION DIVISION - FY2015 PROJECT OVERVIEW

Delivery Method	# of Projects	Project Contracts			Total Contract Budget
		Design Contract	Construction Contract	Other - Reimbursables, CxA, Special Inspections, FFE, Contingency, Allotments, Testing, Land Acquisition, Hazardous Materials	Total
CM/GC	42	\$56,806,599.62	\$575,061,308.78	\$99,009,181.63	\$730,877,090.03
DB	7	\$372,500.00	\$39,067,079.26	\$4,739,780.74	\$44,179,360.00
DBB	52	\$16,966,924.19	\$180,848,424.83	\$46,264,087.87	\$244,079,436.89
Task Order	2	\$167,743.00	\$2,080,203.00	\$106,847.80	\$2,354,793.80
Grand Total	103	\$74,313,766.81	\$797,057,015.87	\$150,119,898.04	\$1,021,490,680.72

FY2015 PROJECTS BY USING AGENCY



Current Phase	# of Projects
Project Development	22
SD	4
DD	8
CD	14
Construction	37
Closeout	18
Grand Total	103

Technical College System of Georgia
Board of Regents
State Board of Education
Soil and Water Conservation Commission
Department of Transportation
Georgia Building Authority
Department of Juvenile Justice
Other
Georgia Department of Behavioral Health & Developmental Disabilities
Department of Human Services
Georgia Department of Agriculture
Department of Corrections
Department of Defense
Department of Driver Services
Department of Economic Development
Department of Education
Georgia Bureau of Investigation
Georgia Military College
Georgia Public Safety Training Center
Georgia Regional Transportation Authority
Georgia World Congress Center

CONSTRUCTION PROJECTS COMPLETED IN FY2015

Project Information	Project Scope	Size(sf)	Cost (\$)
DBHDD-008A Atlanta Treatment Mall Decatur, Georgia Department of Behavioral Health & Developmental Disabilities	The Georgia Regional Hospital "Treatment Mall" project includes the complete Interior renovation of an existing 1-story brick veneer building. The project includes the complete interior demolition of the facility, including engineering systems. The work also includes the abatement of hazardous material. The project includes functions that will accommodate adult mental health therapies, primarily consisting of waiting and amenity space, office areas, group therapy rooms, clinical support spaces and new engineering systems.	18,500	2,200,000
DBHDD-008B Columbus Treatment Mall Columbus, Georgia Department of Behavioral Health & Developmental Disabilities	Interior renovation of the existing Building #20 to accommodate the treatment plan for both adult and forensic mental health clients, including some necessary security enhancements to the exterior envelope.	16,980	2,200,000
DCY-095 Bill E. Ireland Renovation Milledgeville, Georgia Department of Juvenile Justice	30 Bed Intensive Treatment Unit (ITU) renovation of 17,715 square feet of an existing building. The renovated facility will utilize high security fixtures and equipment. Existing electrical, plumbing and mechanical systems and interior finishes will be replaced.	17,715	4,600,000
DOT-055 District Administration Building Tennille, Georgia Department of Transportation	A three story concrete slab-on-grade, structural steel, brick veneer with metal roof, district office building for the Georgia Department of Transportation. Construction to include parking area, detention pond and interior courtyard area at center of building.	63,650	9,765,000
GBA-180 #2 Capitol Square Renovation Atlanta, Georgia Georgia Building Authority	The scope of work consists of partial removal of the existing floors between five elevated floors including the roof from column line A to C and 2 to 3 and infilling the remaining portion with composite slab and steel beams; placing a new opening in five elevated floors and adding a new steel framed concrete pan/tread filled stair between the basement level and five elevated floors; and infilling a portion of existing area of courtyard in the light well area of the adjacent Parking Deck with 2 hour-rated construction of CMU and concrete structure.	30,189	8,500,000
SBE-024B Major Repairs and Renovations Georgia Academy of the Blind Macon, Georgia Department of Education	The scope of work includes the demolition and replacement of wall and floor tile, light fixtures, plumbing fixtures, toilet accessories, toilet partitions, lockers and exhaust fans in two locker rooms. The locker rooms are to receive a new non-skid floor and new paint. Repairs to the pool area include detection and repair to the swimming pool, repair of the therapy pool, new carpet around the pool and refinishing of the swimming pool and therapy pool. The work also includes repair to the front concrete stairs that are deteriorated.	62,764	638,437
SBE-024D Facility Improvements Atlanta Area School for the Deaf Clarkston, Georgia Department of Education	HVAC upgrades, gate relocations, fire alarm system renovation, kitchen equipment, and demolition of kitchen wall.	1,000	420,000
SBE-025B New Activity Center and Craft Shop Renovation Camp John Hope Fort Valley, Georgia Department of Education	Construction of a new activity center consisting of stained concrete slab on grade, CMU, and metal panels with a metal roof system. Scope also includes renovation of an adjacent craft shop consisting of bathroom modifications, window replacement, and ventilation improvements.	5,142	850,000

CONSTRUCTION PROJECTS COMPLETED IN FY2015

Project Information	Project Scope	Size(sf)	Cost (\$)
SBE-027 Facility Improvements and Repairs Georgia School for the Deaf Cave Springs, Georgia Department of Education	STEM Lab in Kennard Building. Abatement in Kennard Building, Prickett Building, and Dillard Building. Repairs to sanitary and storm sewer by Kennard.	1,068	758,450
SBE-027A Video Room Addition and Library Renovation Atlanta Area School for the Deaf Clarkston, Georgia Department of Education	Video Room Addition and Library Renovation at AASD.	2,507	550,000
TCSG-262 Health Services Building Southeastern Technical College Swainsboro, Georgia Technical College System of Georgia	Swainsboro Campus Health Services Building: Construction of a new three wing building comprised of teaching classrooms, nursing stations, a physical therapy lab, clinical lab all for teaching and training purposes and a library.	39,232	7,300,000
TCSG-297 Major Repairs and Renovations Chattahoochee Technical College Woodstock Campus Woodstock, Georgia Technical College System of Georgia	Full renovation to classroom and administrative offices including HVAC, flooring, paint, electrical, roofing, etc. as well as the addition of a courtyard in between the two building and new hardscape/landscape. ADA has been updated to current code including new paths of egress and ramps for accessibility. The Chattahoochee Technical College Woodstock, Georgia campus includes six (6) distinct building segments.	37,500	4,528,125
TCSG-299 Main Campus Building Renovation Oconee Fall Line Technical College North Sandersville, Georgia Technical College System of Georgia	Renovation and mechanical upgrades at Oconee Fall Line Technical College, Sandersville Campus.	71,645	3,520,000
TCSG-300 Georgia Bioscience Training Center Athens Technical College Social Circle, Georgia Technical College System of Georgia	The Georgia BioScience Training Center (GBTC) will be the corner stone for all future BioScience industry ventures for the state. The GBTC will not only provide the needed job training for future Bio Technicians on the leading edge of the field, but it will also serve as the showcase facility to demonstrate Georgia's serious commitment to the industry. This facility will house state of the art laboratory spaces, classrooms, computer lab, meeting rooms, administrative spaces and all associated storage and functional spaces. The building will also include a large multipurpose conference space, and a small general food service area that can also serve the conference rooms.	48,000	9,600,000
TCSG-301 New Classroom Buildings Lanier Technical College Barrow County Campus Winder, Georgia Technical College System of Georgia	Lanier Technical College will be expanding to include a campus in Barrow County. This Building will be the initial building on site. This is a new building, campus and academic programs New Programs: Industrial Technology Business Technology (CIS, Legal, Accounting, Criminal Justice, Drafting, Business Administration), Public Service Technology (Early Childhood), Allied Health (Clinical Lab, Physical Therapy, Med Assist), Welding Student Services and Administrative Offices (Library).	67,691	13,000,000
J-184 Veterinary Medical Learning Center University of Georgia Athens, Georgia Board of Regents	The new Veterinary Medical Learning Center (VMLC) will service the school's small animal specialties, large and small animal surgery, and large and small animal imaging including a linear accelerator. The campus will house large animal barns including isolation, an intensive care unit and a healthy barn. Additionally, there will be spaces for student rounds, faculty, offices and teaching.	241,453	61,400,000

CONSTRUCTION PROJECTS COMPLETED IN FY2015

Project Information	Project Scope	Size(sf)	Cost (\$)
J-189 Education Classroom Facility Kennesaw State University Kennesaw, Georgia Board of Regents	The building will include a Literacy Center, computer labs, seminar rooms, classrooms, faculty offices, administrative spaces, and other support spaces. It also has a "connector" that allows direct access to the second and third floors of Kennesaw Hall. The project is being designed to meet the requirements of the Energy Efficiency & Sustainable Construction Act (SB 130).	78,400	15,350,000
GDA-029B Metal Storage Building Gainesville, Georgia Georgia Department of Agriculture	New pre-engineered metal storage building and canopy connection for the Georgia Poultry Laboratory in Gainesville, Georgia.	3,000	250,112
GDA-029 Georgia Poultry Laboratory Network Gainesville, Georgia Georgia Department of Agriculture	Poultry Laboratory to house monitoring and diagnostics laboratories (Bacteriology, Virology, Serology, Clinical Services, Histology & Notional Poultry Improvement Plan), Training & Meeting, Administrative / Offices, and Building Support spaces.	35,998	11,260,000
GBA-181 Liberty Plaza Atlanta, Georgia Georgia Building Authority	Liberty Plaza provides a new place of demonstration and celebration with the State Capitol Building and other State Government Buildings as its backdrop. The plaza includes installations of public art, flags representing the original thirteen colonies, and informational plaques and castings promoting Georgia's rich history. The plaza is supported by securable ornamental fencing, performance audio and power feeds, security monitoring and a state of the art storm water and irrigation system. It utilizes a native Georgia plant palette and Georgia granites in promotion of state resources, with colors and textures selected to work in concert with the State Capitol Building. The plaza entrances are designed with large public crowds in mind facilitating access from the city's public transportation and parking systems, and is supported by a new bus stop on Capitol Avenue just south of the plaza.	117,612	4,198,888
Grand Total (20 records)		N/A	160,889,012



Lanier Technical College

CONSTRUCTION FEATURE STORIES

LIBERTY PLAZA



The Georgia Building Authority selected Stevens & Wilkinson to create a new civic plaza for the citizens of Georgia. Known as Liberty Plaza, this significant public gathering space provides a new place of demonstration and celebration with the State Capitol Building and other State Government Buildings as its backdrop. The plaza includes installations of public art, flags representing the original thirteen colonies, and informational plaques and castings promoting Georgia's rich history.

Stevens & Wilkinson worked in concert with the Construction Division of Georgia State Financing and Investment Commission and Astra Group as the general contractor for the successful construction of the plaza. The plaza occupies the site of a former two level parking structure and helipad that was demolished with all steel being recycled and concrete being ground up on site and reused as backfill material. Demolition and construction activities had to accommodate an adjacent parking structure, active Capitol Hill utilities and temporary bracing of the retained Capital Avenue.

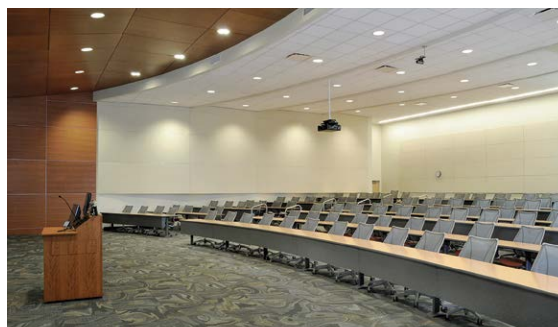
Location

Atlanta, Georgia

Completion

February 2015

UNIVERSITY OF GEORGIA VETERINARY MEDICAL LEARNING CENTER



The University of Georgia's Veterinary Medical Learning Center (VMLC) will service the school's small animal specialties, large and small animal surgery, and large and small animal imaging, including a linear accelerator. The VMLC campus will house multiple large animal barns including isolation, intensive care, food animal, healthy and outpatient. Additionally, there will be spaces for student rounds, faculty, offices, classrooms, a 160 seat auditorium as well as clinical and research laboratories.

The University of Georgia Veterinary Medical Learning Center will be at the forefront of Veterinary Learning by creating richly layered, light-filled environments that provide a wealth of effective spaces and technologies for learning and collaboration between students and faculty across all veterinary specialties. This project will set the example in the industry for promoting health and wellbeing of the animals, their owners, and the students, faculty and staff that care for them.

Location

Athens, Georgia

Completion

March 2015

LANIER TECHNICAL COLLEGE BARROW ACADEMIC BUILDING



The site is a serene gentle sloping agrarian pasture in Barrow County shared by two Owners; Lanier Technical College, and Barrow County Schools. The architect facilitated discussions between stakeholders which led to a master-plan that offers students a “collegiate” experience. Organizing primary facilities with shared programs between users around a central campus quad supports this methodology. The quad was situated to respect views of the existing pond located on the lower end of the site. A perimeter loop road defines the inner campus.

The initial first phase of this college campus is a 68,000 SF workforce development training center which includes a dichotomy of program under one roof. These programs include both industrial trades (welding, automotive, mechatronics, and refrigeration controls), along with health sciences (nursing, medical assistant, occupational therapy). In addition, this stand alone “campus” building features an administrative suite, library, and a student lounge / bookstore / café.

Location

Athens, Georgia

Completion

March 2015

FINANCING AND INVESTMENT DIVISION REPORT

GENERAL OBLIGATION BOND ISSUANCE SUMMARY

The following table summarizes the status of authorized general obligation debt in Fiscal Year 2015. Leadership is committed to providing funding for necessary capital projects required to meet the State's future needs, while maintaining debt ratios that do not exceed planning limits. At the close of Fiscal Year 2014, the amount of authorized but unissued debt totaled \$450.51 million. The Fiscal Year 2015 budget authorized a net increase of \$865.17 million of general obligation debt for a total amount of approximately \$1.316 billion. On July 10, 2014 the State closed on several series of general obligation bonds which provided funding of \$899.34 million for capital projects. As no additional general obligation debt was incurred subsequently, at the close of Fiscal Year 2015, the authorized but unissued general obligation debt totaled \$416.34 million.

Fiscal Year 2015 Activity					
Budget Year	June 30, 2014 Remaining Authorizations	Debt Authorized (De-authorized) HB744 - FY 2015	July 1, 2014 Available Authorizations	Authorized Projects Funded During FY 2015	June 30, 2015 Remaining Authorizations
FY 2010	\$30,000,000		\$30,000,000	\$30,000,000	\$0
FY 2011	\$108,335,000		\$108,335,000	\$105,835,000	\$2,500,000
FY 2012	\$52,800,000	(\$12,930,000)	\$39,870,000	\$26,880,000	\$12,990,000
FY 2013	\$64,345,000		\$64,345,000	\$46,200,000	\$18,145,000
FY 2014	\$195,025,000		\$195,025,000	\$115,360,000	\$79,665,000
FY 2015		\$878,100,000	\$878,100,000	\$575,060,000	\$303,040,000
Total	\$450,505,000	\$865,170,000	\$1,315,675,000	\$899,335,000	\$416,340,000

A summary of all general obligation debt incurred during Fiscal Year 2015 is shown below; all sales were via a competitive bid process. To fund a total of \$899.34 million for capital projects, the Commission issued \$823.56 million of general obligation bonds (the amount of bonds that needed to be issued was reduced by utilizing \$75.78 million of premium received from the sale of the bonds). In addition, the series 2014D refunding bonds were issued to provide a total of \$16.1 million of debt service savings.

Bid Date	Series	Final Maturity	True Interest Cost	Issue Amount	Winning Bidder
6/17/2014	2014A Tranche 1	2/1/2024	1.63%	\$329,250,000	Wells Fargo Bank
6/17/2014	2014A Tranche 2	2/1/2034	3.37%	\$329,440,000	Bank of America Merrill Lynch
6/17/2014	2014B	2/1/2034	3.33%	\$151,115,000	Citigroup Global Markets Inc.
6/17/2014	2014C	2/1/2034	3.60%*	\$13,750,000	Raymond James & Associates, Inc.
Total Bonds Issued (for New Capital Projects)				\$823,555,000	
6/17/2014	2014D (Refunding)	7/1/2018	0.46%	\$159,350,000	J.P. Morgan Securities, LLC
Total Bonds Issued				\$982,905,000	

*The State designated the 2014C bonds as Qualified School Construction Bonds, which means that the federal government will repay the State for the majority of the interest paid on these bonds. This reduces the effective interest rate on the 2014C bonds to less than 0.3%.

STATE OF GEORGIA CAPITAL PROJECTS FUNDED BY GENERAL OBLIGATION BONDS ISSUED DURING FISCAL YEAR 2015

Agency	Amount
State Board of Education/Department of Education	\$283,275,000
Board of Regents, University System of Georgia	\$173,350,000
Department of Transportation	\$152,695,000
Georgia Environmental Finance Authority	\$50,000,000
Technical College System of Georgia	\$44,620,000
Department of Corrections	\$30,075,000
Department of Natural Resources	\$28,700,000
Georgia World Congress Center	\$22,335,000
Georgia Building Authority	\$22,000,000
Department of Community Affairs	\$18,190,000
Department of Juvenile Justice	\$18,100,000
Department of Public Safety	\$17,270,000
Department of Agriculture	\$8,035,000
State Forestry Commission	\$6,155,000
Public Libraries	\$4,500,000
Department of Public Safety - Public Safety Training Center	\$4,120,000
Department of Revenue	\$4,000,000
Department of Human Services	\$3,150,000
Georgia Bureau of Investigations	\$2,365,000
Department of Behavioral Health and Developmental Disabilities	\$1,410,000
Department of Driver Services	\$1,380,000
Georgia Vocational Rehabilitation Agency	\$1,100,000
Board of Pardons and Paroles	\$815,000
Soil and Water Conservation Commission	\$600,000
Department of Public Health	\$560,000
Department of Defense	\$535,000
Total Projects Funded by General Obligation Bonds	\$899,335,000

OUTSTANDING GENERAL OBLIGATION DEBT

The table below shows that the total amount of outstanding general obligation debt at the end of Fiscal Year 2015 increased by \$7.145 million from the total amount outstanding at the end of Fiscal Year 2014.

Total Bonds Outstanding as of June 30, 2014	\$8,763,845,000
Add: Bonds Issued*	\$823,555,000
Less: Scheduled Principal Maturities	(\$803,770,000)
Less: Net Effect of 2014D Refunding Bonds	(\$12,640,000)
Total Bonds Outstanding as of June 30, 2015	\$8,770,990,000

*The Commission utilized \$75.78 million of premium received from the sale of the series 2014A and 2014B bonds to reduce the amount of bonds that needed to be issued to fund \$899.34 million in projects.

OUTSTANDING GENERAL OBLIGATION DEBT SERVICE

The table below shows the annual debt service requirements for general obligation debt. The maturity schedule for the debt will retire 39.6% of the total outstanding principal within five years and 70.5% of the outstanding principal within ten years.

Fiscal Year	Principal	Interest	Total Debt Service
2016	\$743,670,000	\$386,221,151	\$1,129,891,151
2017	\$712,845,000	\$352,421,194	\$1,074,266,194
2018	\$714,090,000	\$318,373,214	\$1,032,463,214
2019	\$670,655,000	\$286,238,586	\$956,893,586
2020	\$625,440,000	\$255,967,686	\$881,407,686
Thereafter	\$5,295,290,000	\$1,257,283,025	\$6,552,573,025
Total	\$8,770,990,000	\$2,856,504,856	\$11,627,494,856

GENERAL OBLIGATION BONDS OUTSTANDING AND AUTHORIZED INDEBTEDNESS

Agency Name	As of June 30, 2015		FY 2016 Net New Debt Authorized*
	Outstanding Bonds	FY 2015 and Prior Years - Debt Authorized but not Incurred	
Department of Education	\$2,353,874,648	\$229,790,000	\$271,535,000
Board of Regents of The University System of Georgia	\$2,280,087,372	\$58,910,000	\$310,310,000
Department of Transportation	\$1,301,783,589	\$2,000,000	\$109,465,000
Technical College System of Georgia	\$717,918,528	\$38,340,000	\$64,995,000
Georgia Environmental Finance Authority	\$435,047,440		\$10,000,000
Georgia Ports Authority	\$315,315,559	\$35,000,000	
Department of Natural Resources	\$235,418,042		\$36,100,000
Department of Corrections	\$200,594,910	\$3,220,000	\$30,355,000
Georgia World Congress Center	\$154,960,372		\$25,000,000
Georgia Building Authority	\$104,053,378	\$4,000,000	\$5,425,000
Department of Juvenile Justice	\$99,228,393	\$24,785,000	\$13,135,000
Department of Economic Development	\$97,318,215		
Department of Community Affairs	\$69,358,158		
Jekyll Island - State Park Authority	\$53,405,215		\$5,000,000
Department of Human Services	\$51,123,815		\$28,550,000
Department of Agriculture	\$51,013,133		\$9,500,000
Department of Public Safety	\$28,094,146		\$11,525,000
Department of Behavioral Health and Developmental Disabilities	\$27,499,692		\$7,460,000
State Forestry Commission	\$23,834,371	\$1,125,000	\$4,460,000
Georgia Research Alliance	\$22,118,943		\$10,810,000
Department of Defense	\$20,762,160	\$500,000	\$6,960,000
Georgia Bureau of Investigations	\$20,555,048		\$11,060,000
Georgia Public Safety Training Center	\$15,993,617		\$2,375,000
Department of Revenue	\$15,147,078	\$5,000,000	\$10,000,000
Public Libraries	\$14,285,121	\$2,280,000	\$11,950,000
Soil and Water Conservation Commission	\$13,318,251	\$2,400,000	\$3,000,000
Department of Labor	\$10,271,011		\$1,250,000
Department of Community Health	\$6,805,450	\$5,000,000	
Georgia Agricultural Exposition Authority	\$6,171,716		
Georgia Public Telecommunications Commission	\$5,780,925		\$620,000
Department of Veterans Services	\$5,588,925		
Department of Public Health	\$757,762		\$10,000,000
State Road and Tollway Authority			\$75,000,000
Other	\$13,505,019	\$3,990,000	\$10,660,000
Total General Obligation Bonds	\$8,770,990,000	\$416,340,000	\$1,096,500,000

*Amounts represent the net effect of the approved FY 2016 budget which provided for de-authorizations totaling \$2.76 million and new authorizations totaling \$1.099 billion.

OTHER GSFIC DEBT APPROVALS

GSFIC is responsible for approving all debt obligations of state authorities and agencies. During Fiscal Year 2015 GSFIC approved the following:

Agency/Authority	Principal Amount	Description
Georgia Higher Education Facilities Authority	Up to \$90 Million	Refunding Bonds (Refund 2008 Bonds)
Georgia Environmental Finance Authority	Up to \$93 Million	FY 2016 Contract Value Authority for Energy Performance Savings Projects
State Properties Commission	Up to \$200 Million	FY 2016 Contract Value Authority for Multi-Year Rental Leases
Board of Regents	Up to \$150 Million	FY 2016 Contract Value Authority for Multi-Year Rental Leases

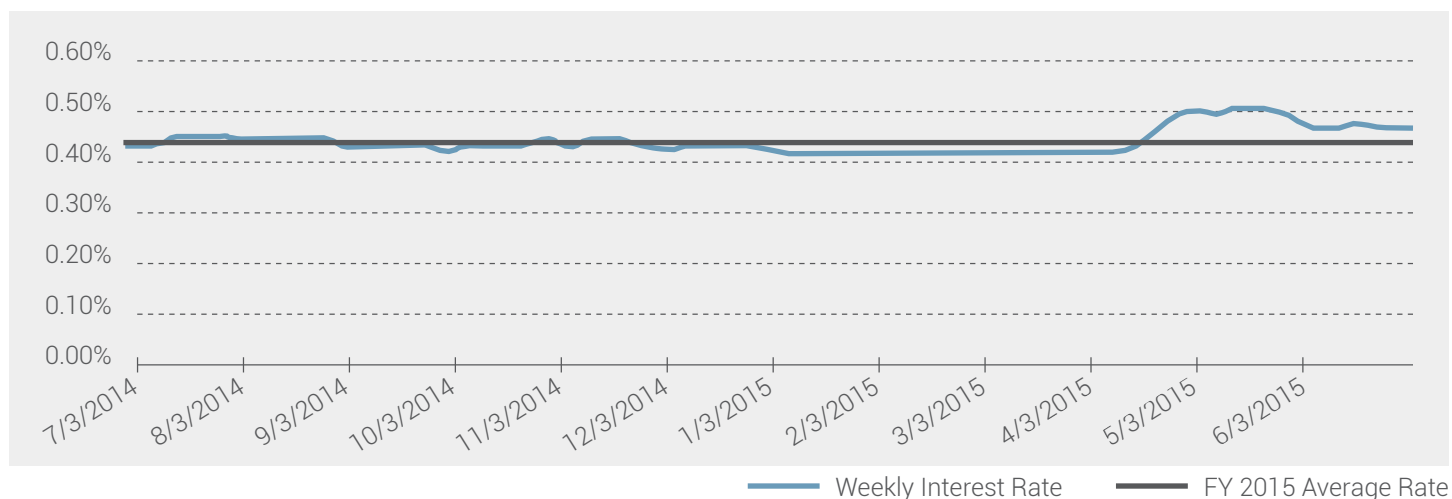


Lanier Technical College

2011G GENERAL OBLIGATION BONDS FLOATING RATE NOTES

Of the State's \$8.77 billion outstanding general obligation bonds, only \$127.3 million is in a variable interest rate mode rather than fixed interest rate bonds. These bonds are the remaining variable rate portion of \$300 million variable rate bonds which were issued in December 2006. During the summer of 2011, the 2006 bonds were restructured by converting the interest rates on the earlier maturities to a fixed rate while leaving the longer maturities outstanding as variable rate bonds indexed to a recognized market index. During Fiscal Year 2015, the average interest rate for the 2011G floating rate notes was approximately 0.45%, compared to 0.46% during Fiscal Year 2014. By having the 2011G bonds in a variable rate mode which is indexed to highly rated bonds which reset on a weekly basis, the estimated interest rate savings during FY 2015 was approximately \$4.6 million compared to if the bonds had been issued as fixed rate bonds. The following chart illustrates the weekly interest rates on the 2011G bonds during Fiscal Year 2015.

2011G FLOATING RATE NOTES - FY 2015 INTEREST RATES



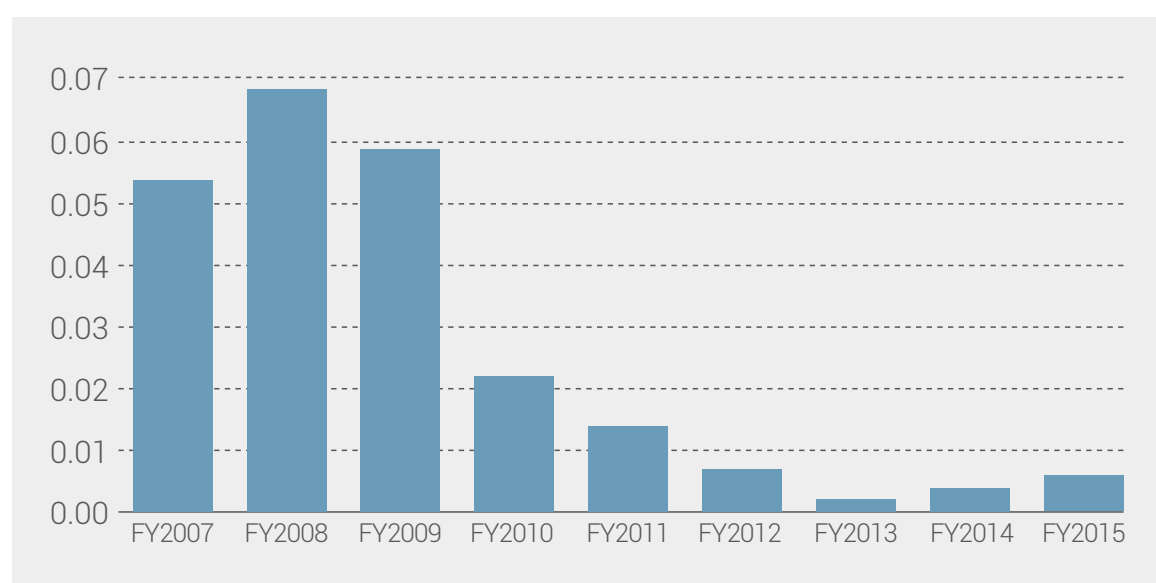
FISCAL YEAR 2015 EARNINGS

Fiscal Year 2015 proved to be challenging for all investors who were seeking yield while also maintaining a risk adverse investment strategy. The Office of the State Treasurer continues to focus on managing the GSFIC portfolios with a very conservative investment strategy which emphasizes preservation of principal while also meeting GSFIC's income and liquidity needs. With interest rates very near to zero, portfolio investments were structured to provide yield while protecting principal from loss due to any near-term increase in market interest rates. Net interest earnings from the investment of bond proceeds of the Capital Projects Fund during Fiscal Year 2015 were \$7.9 million. The portfolios, which had an average total investment rate of return of 0.36 percent, consisted of fixed income securities comprised of Agencies of the United States Government and repurchase agreements.

As of June 30, 2015, GSFIC had the following deposits and investments:

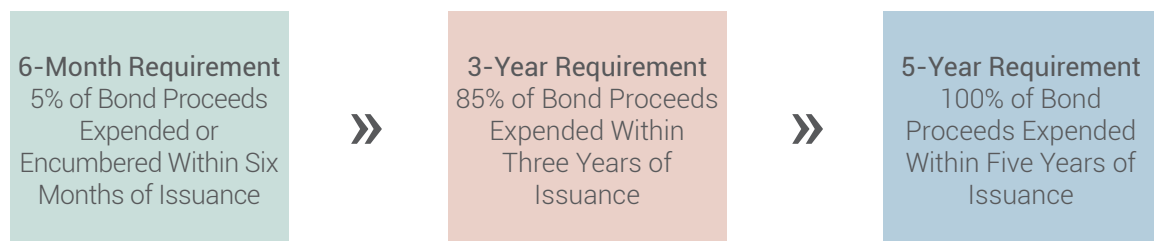
Deposits and Investments	Fair Market Value
Pooled portfolio managed by the Office of State Treasurer:	
Cash held for investment settlements	\$601,136,535
U.S. Government Agency Obligations	\$364,434,815
Total	\$965,571,350

TOTAL RETURNS - CAPITAL PROJECTS FUND INVESTMENT PORTFOLIO



EXPENDITURE OF BOND PROCEEDS

Federal arbitrage regulations apply to tax-exempt bond issues on an aggregate basis by arbitrage group (versus individual projects) and require that the State “reasonably expects” to spend down proceeds of each tax-exempt bond issue group as follows:



To ensure compliance with the “spend down” regulations, GSFIC has procedures and policies in place to help agencies meet the targets at the individual project level.

During Fiscal Year 2015, all six bond issue groups which reached one of the above milestone dates were in compliance with the spend down requirement.

An analysis of compliance at both the agency and individual authorization level shows that during Fiscal Year 2015, the majority of projects met the requirements. Details for items that did not meet the applicable spend-down requirement are provided in a separate report of Fiscal Year 2015 Spend-Down Results.

6-Month: Reasonably Expect to Have 5% Expended/Encumbered

Bond Group	Spend-Down Result At 6 Months	Authorization/Project Details
2014A	29.76% expended/encumbered	98 authorizations were funded, of which 27 items were less than 5% expended/encumbered.
2014C	42.86% expended/encumbered	These bonds funded qualified K-12 education projects. All authorizations met the spend-down requirement.

3-Year: Reasonably Expect to Have 85% Expended

Bond Group	Spend-Down Result At 3 Years	Authorization/Project Details
2011H/I	94.08% expended	53 items were funded, of which 10 were less than 85% expended.
2012A	96.91% expended	94 items were funded, of which 12 were less than 85% expended.

5-Year: 100% Expended

Bond Group	Spend-Down Result At 5 Years	Authorization/Project Details
2009F/G	100% expended	All \$270,405,000 (which funded 131 authorizations) was spent by the 5-year date.
2009H	100% expended	All \$523,450,000 (which funded 91 authorizations) was spent by the 5-year date.

GEORGIA HIGHER EDUCATION FACILITIES AUTHORITY

The Georgia Higher Education Facilities Authority ("GHEFA"), which is administratively attached to GSFIC with the F&I Division staff serving as GHEFA staff, was created in 2006 by Senate Bill 562. GHEFA is authorized to issue and have outstanding at any one point in time \$500 million in revenue bonds to finance capital projects for units of the University System of Georgia ("USG") and the Technical College System of Georgia ("TCSG"). Prior to Fiscal Year 2015, GHEFA had issued a total of \$294.9 million in revenue bonds in three series which financed a total of nineteen projects at fifteen USG institutions; \$281.2 million was outstanding at the beginning of Fiscal Year 2015. All projects financed with GHEFA revenue bonds have been completed and are in operation.

During Fiscal Year 2015, two major events occurred that had a significant effect on the amount of outstanding GHEFA bonds. The first of these was the Board of Regents' implementation of a Public Private Partnership ("P3") Housing Initiative that converted eleven housing projects on seven campuses to long-term leases operated by a private concessionaire – three of these housing projects, at three different campuses, had been financed by GHEFA bonds: Georgia State University (2008 bonds), College of Coastal Georgia (2010A bonds), and East Georgia College (2010A bonds). In order to effect the transaction, it was necessary to legally defease the outstanding bonds on these projects. For GHEFA, this means that the bonds for those three projects are no longer considered outstanding obligations of GHEFA. The aggregate amount of GHEFA bonds defeased by the P3 Housing Initiative for these three projects was \$40.4 million.

The second major event which occurred during Fiscal Year 2015 was the refunding of \$80.2 million of 2008 GHEFA bonds which remained after the defeasance of the bonds for the Georgia State University housing project. On June 9, 2015, GHEFA issued \$85.6 million of refunding bonds to legally defease the \$80.2 million of 2008 bonds and provide more than \$15.6 million debt service savings through lower payments.

As reflected below, the cumulative effect of these transactions was that as of the end of Fiscal Year 2015, GHEFA bonds were outstanding in an aggregate amount of \$243.1 million.

GHEFA Bonds	Balance 6/30/2014	P3 Housing Initiative	New Issuances	Refunded Bonds	Principal Payments	Balance 6/30/2015
Series 2008	\$97,340,000	(\$17,140,000)		(\$80,200,000)		
Series 2009	\$94,465,000				(\$1,770,000)	\$92,695,000
Series 2010	\$89,355,000	(\$23,245,000)			(\$1,310,000)	\$64,800,000
Series 2015 Refunding	-		\$85,570,000			\$85,570,000
Total	\$281,160,000	(\$40,385,000)	\$85,570,000	(\$80,200,000)	(\$3,080,000)	\$243,065,000

GHEFA does not expect to issue additional bonds for new projects during Fiscal Year 2016, but will continue to monitor interest rates to evaluate potential refunding of the outstanding 2009A and 2010A bond issues.

STRATEGIC INITIATIVES

STRATEGIC INITIATIVES

Career Management Institute

CMI intends to continue to develop custom solutions and help fortify the cultural and learning change within GSFIC. With continued enhancements to the program, the following initiatives will continue in FY2016:

- Development of 6 custom solutions outlined below:
 - Identifying and resolving warranty compliant issues within the Quality Assurance Department. These include a process flow chart and a representative set of warranty issues that help the learner effectively prevent continuous problems and damage to completed facilities by demonstrating the ability to identify, investigate and resolve warranty issues.
 - Ensuring accurate change order proposals within the Quality Assurance Department. This will include sample construction contract documents and change order proposals to demonstrate what is fair and reasonable within the context of the contract.
 - A GSFIC Service Desk Guide for the Information Technology Department which will serve as a reference tool on how to list, describe and show the steps and procedures for handling help desk requests.
 - Motivating better learning outcomes (Part 1 of Motivation) to be used by several departments within GSFIC. This will be a custom course identifying the research-based principles for increasing learning outcomes through motivation.
 - Systematically integrating instruction and motivation (Part 2 of Motivation) also to be used by several departments within GSFIC.
 - Lessons Learned job aids to help the learner conduct a productive lessons learned session through development tasks checklists, effective meeting checklists and follow-up tools.
- 1 projected Career Path graduate.
- Development of a Kronos employee timecard training course.
- Creation and development of a new Career Path for the Procurement Agent position within the Procurement Department.

Enterprise Project Management Solution

GSFIC will continue the long term strategy to improve operational efficiencies, drive productivity and deliver best in class customer service through e-Builder. Internally, GSFIC intends to make the Project Schedule Reporting module used to benchmark which projects are ahead, on time or behind schedule, more automated using Microsoft Project and Primavera integration. Beginning January 2016, roll out of the Warranty Complaint process will be launched allowing agencies to notify GSFIC's Quality Assurance team of warranty issues via e-Builder. All key project information and historical data will be available through e-Builder such as general project information, costing data, schedule milestones, critical issues and lessons learned through a customized report currently in development. It is the intent that this will become an invaluable tool for the agencies serviced by GSFIC.



Georgia Bioscience Training Center

Building Information Modeling

It is the goal for FY2016 to improve the outcomes of construction projects by enhancing communication of design intentions to the end-users via virtual tours as well as to improve the coordination between design professional disciplines and increase the quality and completeness of design documents through the use of BIM. While BIM is currently being used for project coordination on select projects, the final goal remains to offer BIM as a basic service for all project collaboration through interactive walk-throughs and animations of project models. Initial steps to use BIM for facility management on the GBA campus will also be implemented. As the driver for these efforts, Design Review Group (DRG) intends to initiate and implement BIM Outreach to the community of end-users with software that enables users to self-navigate through animated models anytime, anywhere. Additionally, a BIM Access training manual for facility managers is under development. This guide will be a resource tool for training facility managers on how to open and retrieve required information from BIM. As part of a broader goal of improving the GSFIC website, BIM will also have an online presence.

Procurement

Embracing the suggestions provided by the agency and vendor feedback surveys, Procurement has begun implementing solutions to address these issues including:

- Working with DOAS to improve ability to search project titles.
- Improving project descriptions and scopes.
- Making the list of debarred firms more prominent.
- When appropriate, allowing more time between site visit and when questions are due.
- Providing helpful hints on "How to do business with GSFIC."

Financing and Investment Division

The F&I Division continues to enhance its eBonds system. Some of the major accomplishments during Fiscal Year 2015 are listed under the Year-In-Review section of this report. During Fiscal Year 2016, the GSFIC staff plans to continue the development of exports and reports within the eBonds and eTIA systems to meet the needs of the Capital Projects Fund and TIA programs.

The F&I Division also continues to expand and enhance its post-issuance compliance function, for it is responsible for documenting compliance with federal tax regulations and GSFIC policy requirements, such as compliance with program requirements for bonds issued pursuant to the American Recovery and Reinvestment Act, federal arbitrage rules and rebate requirements for tax-exempt bonds, the timely expenditure of bond proceeds (federal spend-down requirements), and post-issuance compliance related to the use of general obligation bond financed facilities. One of the continued work activities for Fiscal Year 2016 involves private business use monitoring procedures and activities for facilities financed with tax-exempt bond proceeds since federal regulations limit the private business use of these facilities to a maximum of 10% of the bond proceeds. Monitoring procedures for the private business use of these facilities is necessary to ensure that the private use does not exceed the allowable limits, or that appropriate action is taken whenever necessary to ensure the tax-exempt status of the bonds is protected.



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