

**Monica I. Mezzapelle**  
STATE TREASURER



**THE STATE OF NEW HAMPSHIRE  
STATE TREASURY**

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April 22, 2022

Mr. Michael W. Kane  
Legislative Budget Assistant  
Office of Legislative Budget Assistant  
State House Room 102  
Concord, NH 03301

Dear Mr. Kane,

Please accept this letter as certification of the affordable debt limit as required by RSA 6-C:2. The statute prohibits the legislature from authorizing any additional net tax-supported debt that would result in actual and projected debt service exceeding ten percent of general fund unrestricted revenues for the previous fiscal year. Unrestricted revenues for fiscal year 2021 totaled \$1,843,837,000, therefore actual and projected general fund debt service cannot exceed \$184,383,700.

RSA 6-C:1 defines "net tax-supported debt" as debt:

- Authorized (whether issued or not), the debt service of which is to be paid from general fund unrestricted revenues, or
- Guaranteed by the State, unless specific revenues have been segregated to cover the guarantee, or if the guarantee is a general obligation of a municipality where property taxes may be levied.

Attached are worksheets which present total projected debt service through fiscal year 2028 using the criteria defined in RSA 6-C. The projection includes:

- Current annual general fund debt service through fiscal year 2028,
- Amortization of the \$224 million in general fund bonds currently authorized but unissued, and
- Amortization of all general obligation guarantees within the statutory definition.

The total projected debt service was then compared to ten percent of fiscal year 2021 general fund unrestricted revenues. The result provides the projected remaining annual debt service capacity within the prescribed criteria of RSA 6-C (Attachment 1).

This analysis concludes that the level of "new" net tax-supported debt the legislature could authorize, absent a 3/5 override vote, could not exceed \$1.1 billion (Attachment 2), which is approximately \$800 million higher than last year's calculation of \$300 million. The change was largely driven by the extraordinary performance of general fund unrestricted revenue in fiscal

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year 2021 combined with the rapid repayment structure of the State's outstanding debt. Please note that this calculation is as of June 30, 2021 and does not include the \$127 million already authorized for the 2022-2023 biennium which, if included, would reduce the calculated debt limit amount to about \$1 billion. It is also important to note that the possibility of this scenario unfolding as presented here is remote, as it is highly unlikely the State would ever issue all bonds authorized and unissued, as well as any new authorizations in the same year. That assumption, coupled with the prospect that all outstanding general obligation guarantees would be triggered in the same year with unrestricted revenues remaining flat over the six-year period, provides a conservative set of assumptions for this statutory assessment.

In conclusion, while the statutory limit established in RSA 6-C serves as a guardrail to ensure the State debt levels remain manageable, it is also a calculation at a point in time which should be evaluated in conjunction with the Debt Affordability Study published by the State Treasury each year.

Please contact me if you have any questions.

Respectfully,

Monica I. Mezzapelle  
State Treasurer

Attachments

State Treasury  
Attachment 1 to RSA 6-C Certification

<u>Fiscal</u> <u>Year</u>	<u>Current</u> <u>Actual</u> <u>General Fund</u> <u>Debt Service</u>	<u>Projected Debt</u> <u>Service -</u> <u>\$224M GF</u> <u>Bonds</u> <u>Authorized &amp;</u> <u>Unissued</u>	<u>Projected Debt</u> <u>Service -</u> <u>\$192M</u> <u>Guaranteed</u> <u>Debt</u>	<u>Total</u> <u>Projected</u> <u>General Fund</u> <u>Debt Service</u>	<u>10% of FY 2021</u> <u>General Fund</u> <u>Unrestricted</u> <u>Revenues</u>	<u>Less: Total</u> <u>Projected</u> <u>General Fund</u> <u>Debt Service</u>	<u>Annual Debt</u> <u>Service</u> <u>Capacity</u>
2022	70,804,273	5,600,000	5,912,379	82,316,652	184,383,700	82,316,652	102,067,048
2023	68,179,983	17,804,650	8,413,766	94,398,400	184,383,700	94,398,400	<b>89,985,300 (a)</b>
2024	62,586,291	17,796,475	10,915,153	91,297,919	184,383,700	91,297,919	93,085,781
2025	56,851,128	17,787,925	13,406,079	88,045,132	184,383,700	88,045,132	96,338,568
2026	48,527,065	17,778,150	14,918,793	81,224,009	184,383,700	81,224,009	103,159,691
2027	46,246,141	17,768,250	16,431,508	80,445,899	184,383,700	80,445,899	103,937,801
2028	39,844,595	17,758,250	14,190,189	71,793,034	184,383,700	71,793,034	112,590,666

(a) Correlates to **\$1.1 billion** in authorizations

**State Treasury**  
**Attachment 2 to RSA 6-C Certification**

**State of New Hampshire Treasury**  
**General Obligation Bonds**  
Debt Service Schedule

	Principal	Coupon	Interest	Debt Service	Fiscal Year Total
3/1/2022			28,035,392.00	28,035,392.00	28,035,392.00
9/1/2022	33,914,510	5.00%	28,035,392.00	61,949,902.00	
3/1/2023			27,187,529.25	27,187,529.25	<b>89,137,431.25</b>
9/1/2023	35,610,240	5.00%	27,187,529.25	62,797,769.25	
3/1/2024			26,297,273.25	26,297,273.25	89,095,042.50
9/1/2024	37,390,750	5.00%	26,297,273.25	63,688,023.25	
3/1/2025			25,362,504.50	25,362,504.50	89,050,527.75
9/1/2025	39,260,290	5.00%	25,362,504.50	64,622,794.50	
3/1/2026			24,380,997.25	24,380,997.25	89,003,791.75
9/1/2026	41,223,300	5.00%	24,380,997.25	65,604,297.25	
3/1/2027			23,350,414.75	23,350,414.75	88,954,712.00
9/1/2027	43,284,470	5.00%	23,350,414.75	66,634,884.75	
3/1/2028			22,268,303.00	22,268,303.00	88,903,187.75
9/1/2028	45,448,690	5.00%	22,268,303.00	67,716,993.00	
3/1/2029			21,132,085.75	21,132,085.75	88,849,078.75
9/1/2029	47,721,120	5.00%	21,132,085.75	68,853,205.75	
3/1/2030			19,939,057.75	19,939,057.75	88,792,263.50
9/1/2030	50,107,180	5.00%	19,939,057.75	70,046,237.75	
3/1/2031			18,686,378.25	18,686,378.25	88,732,616.00
9/1/2031	52,612,540	5.00%	18,686,378.25	71,298,918.25	
3/1/2032			17,371,064.75	17,371,064.75	88,669,983.00
9/1/2032	55,243,170	5.00%	17,371,064.75	72,614,234.75	
3/1/2033			15,989,985.50	15,989,985.50	88,604,220.25
9/1/2033	58,005,320	5.00%	15,989,985.50	73,995,305.50	
3/1/2034			14,539,852.50	14,539,852.50	88,535,158.00
9/1/2034	60,905,590	5.00%	14,539,852.50	75,445,442.50	
3/1/2035			13,017,212.75	13,017,212.75	88,462,655.25
9/1/2035	63,950,870	5.00%	13,017,212.75	76,968,082.75	
3/1/2036			11,418,441.00	11,418,441.00	88,386,523.75
9/1/2036	67,148,410	5.00%	11,418,441.00	78,566,851.00	
3/1/2037			9,739,730.75	9,739,730.75	88,306,581.75
9/1/2037	70,505,830	5.00%	9,739,730.75	80,245,560.75	
3/1/2038			7,977,085.00	7,977,085.00	88,222,645.75
9/1/2038	74,031,120	5.00%	7,977,085.00	82,008,205.00	
3/1/2039			6,126,307.00	6,126,307.00	88,134,512.00
9/1/2039	77,732,680	5.00%	6,126,307.00	83,858,987.00	
3/1/2040			4,182,990.00	4,182,990.00	88,041,977.00
9/1/2040	81,619,320	5.00%	4,182,990.00	85,802,310.00	
3/1/2041			2,142,507.00	2,142,507.00	87,944,817.00
9/1/2041	85,700,280	5.00%	2,142,507.00	87,842,787.00	87,842,787.00
			-	-	
	\$ 1,121,415,680.00		\$ 678,290,224.00	\$ 1,799,705,904.00	\$ 1,799,705,904.00

**Sources:**

Par Amount      **1,121,415,680.00**      **89,985,300.49** Target DS  
Fixed Coupon      5.0%