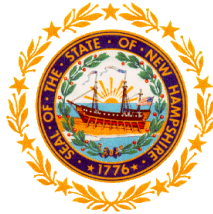


Monica I. Mezzapelle
STATE TREASURER



**THE STATE OF NEW HAMPSHIRE
STATE TREASURY**

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February 26, 2021

Honorable Chuck Morse
President of the Senate
Honorable Sherman Packard
Speaker of the House

Dear Senator Morse and Speaker Packard:

Attached is the debt affordability study for fiscal year 2020 prepared by the State Treasury and Public Resources Advisory Group, the State's financial advisor. In developing this year's study, we have examined the impact of projected debt issuance and revenue performance on the State's net tax-supported debt ratios. Please note that this study accounts for net tax-supported (General Fund ("GF") unrestricted) debt outstanding, but not bonding repaid with Highway Funds or other self-supporting debt with a dedicated revenue source. Although declining since fiscal year 2014, reaching 6.4% in fiscal year 2018, in fiscal year 2020, the debt service to GF unrestricted revenue ratio increased to 6.7%. This was a direct result of the impact on the State's finances caused by the COVID-19 pandemic. However, as presented in this analysis, the ratio is projected to decline in fiscal year 2021, increase again in fiscal year 2022, and maintain a declining trend beginning in fiscal year 2023. The ratio of net tax-supported debt service to GF unrestricted revenues is a metric closely monitored by the credit rating agencies.

The Base Case presented on page 3 of the study reflects the recommended bonding level of \$120 million that is just under the \$125 million authorized for the current biennium and maintained at that level thereafter, except for fiscal year 2022 which includes an additional \$50 million in bonding authorization relative to the PFAS remediation project pursuant to Chapter 30, Laws of 2020. Therefore, this analysis continues the recommendations made in the study prepared last year by proposing the following biennial authorizations: 2022-23 (\$120 million), 2024-25 (\$120 million), and 2026-27 (\$120 million). To calculate the ratio of net tax-supported debt service to GF unrestricted revenue we have used fiscal year 2020 actual unrestricted revenue, and fiscal year 2021 budgeted revenue, as adjusted to reflect the effects of the pandemic in the current fiscal year. Subsequent to 2020, the Base Case assumes revenue increases of 2% in fiscal year 2022 and 1% in fiscal year 2023, no growth in fiscal years 2024 and 2025, and 1% growth in fiscal years 2025 and 2026.

The projected amounts of new net tax-supported debt in fiscal years 2022 through 2027 would include new capital appropriations authorized to be bonded and paid from GF unrestricted revenues. Also reflected in the attached analysis are the continued effect of the issuance of \$131 million in school building aid debt in fiscal years 2010 and 2011 (debt service funded by an allocation of Meals & Rooms Tax revenues to the Education Trust Fund).

Hon. Chuck Morse
Hon. Sherman Packard
February 26, 2021
Page 2

Sensitivity 1, found on page 9 of the study, assumes the same debt issuance as in the Base Case and revenue decline of 5% in fiscal year 2022, followed by no growth from fiscal years 2023 through 2027. The purpose of this scenario is to examine how a more severely negative revenue performance might impact the State's borrowing capacity and debt ratios. Sensitivity 2 on page 11 of the study assumes the same debt issuance and revenue performance assumed in the Base Case, but reduces the personal income growth rate from 2.7% in fiscal year 2020 to 1.7% in fiscal years 2021 through 2027. Both of these sensitivity analyses project that the State's debt service to revenue ratio is expected to remain slightly above or below 7% beyond fiscal year 2020, well below the 10% rating agency warning threshold.

Lastly, we have presented on page 13 a scenario to highlight the impact of State guaranteed debt combined with the more severe Sensitivity 1 revenue decline beginning in fiscal year 2022. In the very worst case scenario in which the State would be required to assume all guarantee liabilities in a poorly performing revenue environment, the debt service to revenue ratio would reach 8% in fiscal year 2024. The debt affordability ratios are clearly impacted by accounting for guaranteed debt in this scenario, a sensitivity worth evaluating for credit strength purposes. However, based on our communications with the rating agencies, the level of guaranteed debt does not presently impact the State's credit rating, due in part to the demonstrated success of State bond guarantee programs.

This analysis reveals that although the State's net tax-supported debt service to unrestricted revenue ratio rose in fiscal year 2020 and is projected to increase again in fiscal year 2022, the ratio remains manageable under the Base Case scenario projecting to return to recent historical low levels using the baseline assumptions presented here. In addition to being recognized by the rating agencies for continuing sound debt management practices, maintaining lower bonding levels provides the State with budgetary flexibility to address unanticipated borrowing needs and better position the State to absorb potential debt service associated with debt guarantees made in support of local economic development.

Please contact me for any questions you may have.

Respectfully,

Monica I. Mezzapelle
State Treasurer

Attachment: Fiscal Year 2020 Debt Affordability Memorandum and Study

Cc: Honorable Christopher T. Sununu, Governor
Representative Kenneth Weyler, Chair, House Finance Committee
Representative John Graham, Chair, House Public Works and Highways
Senator, Gary Daniels, Chair, Senate Finance Committee
Senator John Reagan, Chair, Senate Capital Budget Committee
Charlie Arlinghaus, Commissioner, Department of Administrative Services
Michael W. Kane, Legislative Budget Assistant

PUBLIC RESOURCES ADVISORY GROUP

MEMORANDUM TO: Monica Mezzapelle
State Treasurer
State of New Hampshire

FROM: Public Resources Advisory Group ("PRAG")

SUBJECT: Debt Affordability Study Update

DATE: February 26, 2021

As requested, we have updated the debt affordability study for the State of New Hampshire. This study analyzes General Fund unrestricted revenue for fiscal year 2020 and net tax-supported General Fund debt outstanding at June 30, 2020. The school building aid bonds are included in the study, with an adjustment made to include in General Fund unrestricted revenue the portion of Education Trust Fund meals and rooms tax revenue dedicated to pay that debt service. The rating agencies opine that “The...rating is supported by a traditionally sound economy, strong governance and low debt and pension burden.” (Moody’s Investors Service report dated December 4, 2020); “The state’s overall debt burden (including capital leases) is low, on both a per capita basis... [and] personal income. Amortization is rapid...” (Standard & Poor’s report dated December 4, 2020), and; “New Hampshire’s long-term liabilities, including debt and pension liabilities... are low... and are expected to remain a low burden on resources.” (Fitch Ratings report dated December 7, 2020). Thus, the credit rating agencies recognize the State’s fiscal prudence in regard to debt.

In this debt affordability study update, the term “Sensitivities” refers to the changes in assumptions related to General Fund unrestricted revenue growth and personal income growth rate (Sensitivity 1 and 2, respectively). The term “Cases” refers to alternate scenarios in the event that the State is required to take on debt guarantees, as presented on pages 4 and 5 of this memorandum.

Assumptions

The following assumptions were used in preparing the base case analysis that projects the State’s future debt ratios:

1. General obligation debt of \$47.22 million New Money 2020 Series C Bonds issued in December 2020 as well as \$49.53 million of Tax-Exempt Refunding Series D Bonds (to refund \$60.31 million of outstanding GO bonds) and \$37.55 million of Taxable Refunding Bonds (to refund \$35.555 million of outstanding GO bonds) resulting in net issuance of \$38.435 million credited to General Fund.
2. \$110 million of tax-exempt general obligation debt to be issued in fiscal year 2022 and \$60 million in each of fiscal years 2023 through 2027. Each issue is assumed to be amortized over 20 years and bear an interest rate of 5.00%, with 60% of principal amortized in equal annual installments over the first ten years and 40% in equal annual installments over the remaining ten years. Future net tax-supported general obligation debt issuance includes the biennial authorizations for the University System of New



Hampshire (“USNH”), however, this analysis does not attempt to separately estimate specific USNH authorization amounts for fiscal years 2021 through 2027.

3. General Fund Unrestricted Revenues reflect actual revenues for fiscal year 2020 and estimated revenues for fiscal year 2021, with the Education Trust Fund portion of meals and room tax revenues designated for the debt service of school building aid included; and, based on guidance you have provided to us, General Fund Unrestricted Revenues in fiscal year 2022 and 2023 are assumed to increase by 2% and 1%, respectively, with no growth assumed in fiscal years 2024 and 2025 and 1% growth assumed in each of fiscal years 2026 and 2027.
4. Total personal income is based on the U.S. Department of Commerce, Bureau of Economic Analysis 2019 figure of \$86,345 million and is projected to grow at an average annual rate of 2.7%.
5. Population is based on the U.S. Census Bureau 2019 figure of 1,359,711 and is projected to grow at an average annual rate of 0.2% per year.

We have also projected the State's debt ratios including certain State guaranteed debt. In doing so, we have made the following assumptions:

1. State guaranteed debt consists of debt issued for local Superfund sites, Business Finance Authority ("BFA"), and Pease Development Authority ("PDA"). The analysis excludes State guaranteed debt issued for water pollution control, local schools (but does not exclude Qualified School Construction Bonds (“QSCB”)) and local landfills.
2. Based on maximum amounts authorized in statute, future issuances of State guaranteed debt total \$126.6 million and are assumed to be issued as follows (page 8 of the Appendix):

Expected Issuances of State Guaranteed Debt		
Fiscal Year	Dollar Amount	Purpose
2022	\$29,880,000	Superfund, BFA, Pease
2023	29,880,000	Superfund, BFA, Pease
2024	29,760,000	Superfund, BFA, Pease
2025	18,540,000	BFA
2026	18,540,000	BFA

3. New State guaranteed debt is assumed to be taxable, with level debt service over 20 years at an average interest rate of 6.00%.
4. An analysis of each case is contained in the Appendix to this report.

Effect of General Obligation Debt Issuance on Debt Ratios

The Base Case (page 3 of the Appendix) shows the effect on the State’s debt ratios, based on the above assumptions, including the issuance of \$110 million in fiscal year 2022 and \$60 million in each of fiscal years 2023 through 2027. Combining these issuances and repayments of outstanding debt, the total issuance is approximately \$63.30 million less than retirements over the fiscal years 2021 through 2027, causing the State's net general fund debt to decrease from \$568.434 million at June 30, 2020 to \$505.135 million at June 30, 2027, a total decrease of \$63.299 million or 11.14%.



Presently, New Hampshire's ratios of debt to personal income and debt per capita are significantly below the 2019 Moody's medians for states. New Hampshire's net general fund debt service to revenues ratio at 6.7% for fiscal year 2020 was higher than the median of 3.8% but well below the level that credit analysts use as a warning sign of excessive debt service burden of 10.0%, which is also the State's statutorily prescribed limit (RSA 6-C:2). By issuing general obligation debt over this period in the amounts identified above, New Hampshire's debt ratios are projected to remain well below the 2019 Moody's medians for states, with the exception of the debt service to revenues ratio, as summarized in the following chart:

Summary of Debt Ratios for Net General Fund Debt			
	Moody's Median	New Hampshire	
	2019	June 30, 2020	June 30, 2027 Est.
Debt to Personal Income	2.0%	0.6%	0.5%
Debt Per Capita	\$1,071	\$417	\$366
Debt Service to Revenues	3.8%*	6.7%	5.5%

* Ten percent is rule of thumb used by rating agency analysts as a warning level that should not be exceeded, as a greater relative amount would place too heavy a fixed cost burden on the budget, thereby limiting fiscal flexibility.

As can be seen, the ratio of debt service to revenues is projected to decrease to 5.5% at June 30, 2027. Debt to personal income would decline over the period from 0.6% at June 30, 2020 to 0.5% at June 30, 2027 and debt per capita would decline from \$417 to \$366. These ratios relative to Moody's medians form the basis for an assessment of the weight of the State's debt position.

Sensitivity Analyses: Effects of Declining Revenues and Lower Personal Income Growth Rate

Given the uncertainty regarding the economy and the markets, especially with effects of the coronavirus pandemic, it is difficult to make forecasts with a high degree of certainty. Accordingly, Sensitivity 1 for General Fund unrestricted revenues was developed, assuming revenue decline of 5% in fiscal year 2022 and no revenue growth in fiscal years 2023 through 2027. Under these assumptions, New Hampshire's debt ratios would change as summarized in the chart below:

Debt Ratios Assuming More Significant Revenue Declines in FY 2022-2027					
Summary of Debt Ratios for Net General Fund Debt					
	Moody's Median	New Hampshire			
	2019	Base Case		Declining Revenue Assumption	
		FY 2020	FY 2027 Est.	FY 2020	FY 2027 Est.
Debt to Personal Income	2.0%	0.6%	0.5%	0.6%	0.5%
Debt Per Capita	\$1,071	\$417	\$366	\$417	\$366
Debt Service to Revenues	3.8%*	6.7%	5.5%	6.7%	6.1%

* Ten percent is rule of thumb used by rating agency analysts as a warning level that should not be exceeded, as a greater relative amount would place too heavy a fixed cost burden on the budget, thereby limiting fiscal flexibility.

With the more significant revenue declines, the ratio of debt service to revenues would decline to 6.1% in fiscal year 2027, compared to 5.5% in fiscal year 2027 in the Base Case. At the 6.1% level, this ratio would be still well below the 10% rule of thumb. Other ratios would not change since the amount of bonds issued would remain the same. (The details of this analysis are shown on pages 9 and 10 of the Appendix).



A second sensitivity analysis was developed with regard to personal income growth rate. It assumes that the average annual personal income growth rate in fiscal years 2020 remains at 2.7% and declines to 1.7% in fiscal years 2021 through 2027. The results are as follows:

Debt Ratios Assuming Lower Personal Income Growth Rate					
Summary of Debt Ratios for Net General Fund Debt					
	<u>Moody's Median</u>	<u>New Hampshire</u>			
		<u>Base Case</u>		<u>1.7% PI Growth Rate FY 2020-2027</u>	
		<u>2019</u>	<u>FY 2020</u>	<u>FY 2027 Est.</u>	<u>FY 2020</u>
Debt to Personal Income	2.0%	0.6%	0.5%	0.6%	0.5%
Debt Per Capita	\$1,071	\$417	\$366	\$417	\$366
Debt Service to Revenues	3.8%*	6.7%	5.5%	6.7%	5.5%

* Ten percent is a rule of thumb used by rating agency analysts as a warning level that should not be exceeded, as a greater relative amount would place too heavy a fixed cost burden on the budget, thereby limiting fiscal flexibility.

The ratio of debt to personal income would decrease from 0.6% in fiscal year 2020 to 0.5% for fiscal year 2027, reaching the same level as the ratio in the Base Case, well below the 2.0% Moody's median. Other ratios would not change from the Base Case because the amount of bonds issued would not change. (The details of this analysis are shown on pages 11 and 12 of the Appendix).

Effect of State Guarantees on Debt Ratios

Page 4 of the Appendix shows the effect of State guarantees on New Hampshire's debt ratios in the Base Case. For this analysis there was \$73.7 million of outstanding guaranteed debt at June 30, 2020, which, when added to the State's net General Fund debt, brings the total to \$636.0 million, as shown in the table below:

Net General Fund and Guaranteed Debt at June 30, 2020	
<i>(\$ in millions)</i>	
Net General Fund Debt	\$568.4
Guaranteed Debt	
Business Finance Authority	52.3
Qualified School Construction Bonds (QSCBs)	15.3
Total Guaranteed Debt	<u>\$67.6</u>
Total Net General Fund and Guaranteed Debt	<u>\$636.0</u>

There is approximately \$126.6 million of authorized but unissued State guaranteed debt at June 30, 2020, as shown in the table below:

Authorized But Unissued State Guaranteed Debt at June 30, 2020	
<u>Purpose</u>	<u>Amount</u>
<i>(\$ in millions)</i>	
Local Superfund Sites	\$20.0
Business Finance Authority	92.7
Pease Development Authority	<u>13.9</u>
Total	<u>\$126.6</u>



For this scenario, we assumed that the Business Finance Authority would issue \$18.54 million in each of fiscal years 2022 through 2026; Pease Development Authority would issue \$4.64 million in each of fiscal years 2022 and 2023 and \$4.62 million in fiscal year 2024; and the Local Superfund would issue \$6.70 million in each of fiscal years 2022 and 2023 and \$6.60 million in fiscal year 2024, as shown in aggregate on page 8 of the Appendix.

The table below compares the ratios in three cases. The first case is the Base Case, excluding guaranteed debt. The second case (Case 2 in the table below), which is a more pessimistic scenario shown on page 4 of the Appendix, includes all the outstanding and additional debt issuances for State guaranteed debt described above. In this second case, the State's exposure would reach approximately \$660.2 million at June 30, 2027, which is \$155.1 million more than the net General Fund debt expected to remain outstanding at that time (Base Case). The last “worst case” (Case 3 in the table below) scenario combines outstanding and additional issuances of State guaranteed debt with additional annual declining revenue assumption (Sensitivity 1), shown in the Appendix on page 13. The resulting debt ratios are summarized in the chart below:

Summary of Debt Ratios Including State Guaranteed Debt

New Hampshire

	Including Guaranteed Debt						
	Moody's Median	Case 1 (Base Case) Net General Fund Debt		Case 2 All Guaranteed Debt		Case 3 All Guaranteed Debt and Declining Revenues	
		2019	FY 2020	FY 2027 Est.	FY 2020	FY 2027 Est.	FY 2020
Total Debt Outstanding (000,000)	---	\$568	\$505	\$636	\$660	\$636	\$660
Debt to Personal Income	2.0%	0.6%	0.5%	0.7%	0.6%	0.7%	0.6%
Debt Per Capita	\$1,071	\$417	\$366	\$467	\$478	\$467	\$478
Debt Service to Revenues	3.8%*	6.7%	5.5%	7.1%	6.5%	7.1%	7.2%

* Ten percent is a rule of thumb used by rating agency analysts as a warning level that should not be exceeded, as a greater relative amount would place too heavy a fixed cost burden on the budget, thereby limiting fiscal flexibility.

As would be expected, all debt ratios rise as a result of additional State guaranteed debt issuances. At June 30, 2027, the State's debt to personal income would be 0.6% in Case 2 as opposed to 0.5% in the Base Case. Debt per capita would be \$478 in Case 2 versus \$366 in the Base Case; and debt service to revenues would be 6.5% compared to 5.5% in the Base Case, reaching a high of 7.3% in fiscal year 2024. With an assumption of additional declining revenues added to Case 2, the “worst case” (Case 3) scenario, debt service to revenue ratio increases to 7.2% in fiscal year 2027. Debt per capita and debt to personal income ratio would remain below the 2019 Moody's medians in all cases.

Conclusion

The State's debt ratios are considered low by the rating agencies. If the State issues a total of \$410 million of new, net tax-supported general obligation debt in fiscal years 2022 through 2027, as outlined above, the amount of debt outstanding would fall over the period, as existing debt is retired faster than new debt is issued, and the effect on the debt ratios would be as follows: debt to personal income would decrease from the current level of 0.6% to 0.5% at the end of fiscal year 2027; debt service to revenues would decrease from 6.7% to 5.5% by June 30, 2027; and debt per capita would decline from \$417 to \$366. At these levels, the debt ratios would not only remain low, but would, in fact, improve.



Sensitivity analyses show that with more significant revenue declines in fiscal years 2022 through 2027, the debt service to revenue ratio would be 6.1% by fiscal year 2027, above the 5.5% level in the Base Case. Debt to personal income ratio would experience minimal decline and remain at 0.5% in fiscal year 2027 in the scenario with lower personal income growth rate assumption, same level as in the Base Case. At these levels, the debt service to revenue ratio in the sensitivity scenario would still be well below the warning level for excessive debt service burden of 10% and the debt to personal income ratio would remain well below the 2019 Moody's median.

When existing and additional State guaranteed debt are added to the Base Case scenario, debt to personal income is projected to decline from the fiscal year 2020 level of 0.7% to 0.6% by fiscal year 2027, debt per capita is projected to increase from \$467 in fiscal year 2020 to \$478 by fiscal year 2027, and the debt service to revenues ratio is forecast to decrease from 7.1% in fiscal year 2020 to 6.5% by fiscal year 2027. Under the "worst case" scenario with the increase of General Fund unrestricted revenues declines and the addition of State guaranteed debt, the projected ratio of debt service to revenues would rise from the projected Base Case level of 5.5% to 7.2% for fiscal year 2027.

The State's ratio of debt service to revenues remains above the Moody's median level and should be monitored so corrective actions can be taken if revenue growth falls below projections. This becomes particularly important if the 10% "warning level" is approached. At this time, however, there are no concerns, as this ratio is projected to decline over the projected period through fiscal year 2027 and to remain well below 10%.

**THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update**

Appendix -- Analytic Summary

List of Exhibits	Page 1
Assumptions to Base Case	Page 2
Base Case Results	Page 3
Effect of State Guaranteed Bonds on Debt Ratios	Page 4
Debt Service on Outstanding General Obligation Debt	Page 5
Debt Service on Projected General Obligation Debt (5%)	Page 6
Estimated Debt Service on Outstanding State Guaranteed Debt	Page 7
Estimated Debt Service on State Guaranteed Debt to Be Issued	Page 8
Assumptions to Sensitivity Case 1 (Revenues Decline More Significantly in FY 2022-2027)	Page 9
Sensitivity Case 1 Results	Page 10
Assumptions to Sensitivity Case 2 (Lower Growth Rate for Personal Income)	Page 11
Sensitivity Case 2 Results	Page 12
"Worst Case" Scenario (General Fund, State Guaranteed Bonds and Declining Revenues)	Page 13

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Assumptions to Base Case - Issuance of \$110 Million in FY 2022 and \$60 Million Annually in FY 2023-27
School Building Aid Bonds Included

- (1) Includes issuance of \$47.22 million of New Money 2020 Series C Bonds in December 2020 as well as \$49.53 million of Refunding 2020 Series D Bonds (Tax-Exempt) to refund \$60.31 million of outstanding GO bonds) and \$37.55 million of Refunding 2020 Series E Bonds (Federally Taxable) (to refund \$35.555 million of outstanding GO bor resulting in net issuance of \$38.435 million credited to General Fund.
- (2) \$110 million issued in FY 2022 and \$60 million issued annually in FY 2023 through 2027 at an interest rate of 5%, with 60% of the principal amortized in equal payments over the first ten years and 40% of the principal amortized in equal payments over the remaining ten years.
- (3) Ending Outstanding Debt represents total net General Fund Debt to be paid from General Fund Unrestricted Revenues and includes school building aid debt paid for with the Education Trust Fund ("ETF") M&R tax revenue allocation.
- (4) General Fund Unrestricted Revenues reflect actual revenues for FY 2020, estimated revenues for FY 2021; with ETF portion of meals and rooms tax revenues designated for the debt service on school building aid bonds added. Assumes revenue increase by 2% in FY 2022, by 1% in FY 2023, no growth revenue in FY 2024-25 and 1% annual revenue growth in FY 2026-27.
- (5) Total Personal Income - source: U.S. Department of Commerce, Bureau of Economic Analysis for 2019 figure of \$86,345 million. Assum 2.7% growth annually thereafter.
- (6) Population - source: U.S. Census Bureau 2019 figure of 1,359,711. Assumes 0.2% growth annually thereafter.
- (7) For certain sensitivities, State guaranteed debt that is added to Net General Fund Debt includes the outstanding \$15.3 million of Qualified School Construction Bonds (QSCBs) and BFA debt totaling \$52.3 million at June 30, 2020.
- (8) Debt Service includes State guaranteed debt outstanding or to be issued for the following: local Superfund sites, BFA, and PDA . Excludes water pollution control, local landfills and local school guaranteed debt (with exception of QSCBs). Assumes level debt service over 20 years at 6.00% for new State guaranteed debt.
\$29.88 million is issued in each of FY 2022 and 2023, \$29.76 million in 2024 and \$18.54 million in each of FY 2025 and 2026.
Estimated authorized but unissued State guaranteed debt of \$126.6 million includes:
\$20 million for local Superfund sites; \$92.7 million for BFA and \$13.9 million for Pease.

Footnotes on the attached charts refer to the assumptions above.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Base Case: Issuance of \$60 Million Annually in FY 2022-27
School Building Aid Bonds Included

	Actual 2020	Projected							TOTAL
		2021	2022	2023	2024	2025	2026	2027	2021-2027
Net General Fund Debt (000's)									
Beginning Outstanding		\$568,434	\$532,338	\$562,511	\$544,367	\$526,281	\$511,149	\$508,976	
Issuances (1)(2)		\$38,435	\$110,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$448,435
Retirements:		74,531	79,826	71,544	67,886	61,332	44,773	42,841	442,734
Existing Debt (1)									
New Debt (2)		<u>0</u>	<u>0</u>	<u>6,600</u>	<u>10,200</u>	<u>13,800</u>	<u>17,400</u>	<u>21,000</u>	<u>69,000</u>
Total Retirements		\$74,531	\$79,826	\$78,144	\$78,086	\$75,132	\$62,173	\$63,841	\$511,734
Net New Debt		(\$36,096)	\$30,174	(\$18,144)	(\$18,086)	(\$15,132)	(\$2,173)	(\$3,841)	(\$63,299)
Ending Outstanding (3)	568,434	\$532,338	\$562,511	\$544,367	\$526,281	\$511,149	\$508,976	\$505,135	(\$63,299)
Existing Debt Service (000's) (1)	\$102,387	\$98,780	\$105,477	\$93,205	\$86,649	\$77,243	\$58,258	\$54,239	
New Debt Service (000's) (2)	<u>0</u>	<u>0</u>	<u>2,750</u>	<u>\$13,435</u>	<u>19,615</u>	<u>25,615</u>	<u>31,435</u>	<u>37,075</u>	
Total Debt Service (000's)	\$102,387	\$98,780	\$108,227	\$106,640	\$106,264	\$102,858	\$89,693	\$91,314	
General Fund Unrestricted Revenues (000's)(4)	\$1,536,885	\$1,587,288	\$1,618,626	\$1,633,690	\$1,633,477	\$1,633,261	\$1,649,303	\$1,665,498	
Debt Service as a Percent of Revenues	6.7%	6.2%	6.7%	6.5%	6.5%	6.3%	5.4%	5.5%	
Total Personal Income (000,000's) (5)	88,676	91,071	93,529	96,055	98,648	101,312	104,047	106,856	
Debt to Personal Income	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	
Population (000's) (6)	1,362	1,365	1,368	1,371	1,373	1,376	1,379	1,382	
Debt Per Capita	\$417	\$390	\$411	\$397	\$383	\$371	\$369	\$366	

Footnotes explained on page 2.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Effect of State Guaranteed Bonds on Debt Ratios - Base Case

	Actual	Projected						TOTAL	
	2020	2021	2022	2023	2024	2025	2026	2027	2021-2027
Net General Fund Debt (000's)									
Beginning Outstanding (7) (8)		\$636,023	\$596,855	\$652,983	\$659,877	\$665,740	\$662,615	\$671,684	
G.O. Issuances		\$38,435	\$110,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$448,435
State Guaranteed Issuances (7) (8)		0	29,880	29,880	29,760	18,540	18,540	0	126,600
Retirements G.O. Debt		74,531	79,826	78,144	78,086	75,132	62,173	63,841	511,734
State Guaranteed Debt (8)		<u>3,072</u>	<u>3,926</u>	<u>4,842</u>	<u>5,811</u>	<u>6,533</u>	<u>7,298</u>	<u>7,605</u>	<u>39,086</u>
Total Retirements		\$77,603	\$83,752	\$82,986	\$83,897	\$81,665	\$69,471	\$71,446	\$550,819
Net New Debt		(\$39,168)	\$56,128	\$6,894	\$5,863	(\$3,125)	\$9,069	(\$11,446)	\$24,216
Ending Outstanding	\$636,023	\$596,855	\$652,983	\$659,877	\$665,740	\$662,615	\$671,684	\$660,239	\$24,216
G.O. Debt Service (000's)	\$102,387	\$98,780	\$108,227	\$106,640	\$106,264	\$102,858	\$89,693	\$91,314	
State Guaranteed Debt Service (000's) (8)	<u>6,963</u>	<u>6,129</u>	<u>8,605</u>	<u>11,092</u>	<u>13,569</u>	<u>15,068</u>	<u>16,567</u>	<u>16,449</u>	
Total Debt Service (000's)	109,350	104,909	116,831	117,732	119,833	117,925	106,260	107,763	
General Fund Unrestricted Revenues (000's) (4)	\$1,536,885	\$1,587,288	\$1,618,626	\$1,633,690	\$1,633,477	\$1,633,261	\$1,649,303	\$1,665,498	
Debt Service as a Percent of Revenues	7.1%	6.6%	7.2%	7.2%	7.3%	7.2%	6.4%	6.5%	
Total Personal Income (000,000's) (5)	\$88,676	\$91,071	\$93,529	\$96,055	\$98,648	\$101,312	\$104,047	\$106,856	
Debt to Personal Income	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	
Population (000's) (6)	1,362	1,365	1,368	1,371	1,373	1,376	1,379	1,382	
Debt Per Capita	\$467	\$437	\$477	\$481	\$485	\$482	\$487	\$478	

Footnotes explained on page 2.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Debt Service on Outstanding General Obligation Debt

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
<u>Principal Repayments</u>							
General Fund	52,805,581	56,973,227	51,930,196	48,243,940	43,999,832	32,720,085	31,258,131
University System Appropriated	15,677,918	16,805,127	14,365,479	14,394,101	12,084,274	6,804,779	6,334,862
School Building Aid	<u>6,048,000</u>	<u>6,048,000</u>	<u>5,248,000</u>	<u>5,248,000</u>	<u>5,248,000</u>	<u>5,248,000</u>	<u>5,248,000</u>
Total Repayments	74,531,500	79,826,354	71,543,676	67,886,041	61,332,106	44,772,864	42,840,994
<u>Interest Payments</u>							
General Fund	18,356,442	19,696,754	16,782,979	14,633,329	12,561,982	10,798,053	9,271,207
University System Appropriated	3,628,588	3,931,516	3,097,963	2,561,773	1,997,095	1,560,293	1,233,842
School Building Aid	<u>2,263,872</u>	<u>2,022,192</u>	<u>1,780,512</u>	<u>1,568,272</u>	<u>1,351,472</u>	<u>1,127,200</u>	<u>893,280</u>
Total Payments	24,248,902	25,650,462	21,661,454	18,763,374	15,910,549	13,485,545	11,398,328
<u>Total Debt Service Payments</u>							
General Fund	71,162,024	76,669,981	68,713,175	62,877,269	56,561,814	43,518,137	40,529,338
University System Appropriated	19,306,507	20,736,643	17,463,442	16,955,874	14,081,368	8,365,072	7,568,704
School Building Aid	8,311,872	8,070,192	7,028,512	6,816,272	6,599,472	6,375,200	6,141,280
Total Debt Service	98,780,402	105,476,816	93,205,129	86,649,415	77,242,654	58,258,409	54,239,322

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Debt Service on New General Obligation Debt (5%)

		<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
<u>Debt Issued in FY2021</u>	Outstanding	0	0	0	0	0	0	0
Current Interest Bonds	Principal Payments	0	0	0	0	0	0	0
	Interest Payments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Total Debt Service	0	0	0	0	0	0	0
<u>Debt Issued in FY2022</u>	Outstanding		110,000	103,400	96,800	90,200	83,600	77,000
Current Interest Bonds	Principal Payments		0	6,600	6,600	6,600	6,600	6,600
	Interest Payments		<u>2,750</u>	<u>5,335</u>	<u>5,005</u>	<u>4,675</u>	<u>4,345</u>	<u>4,015</u>
	Total Debt Service		2,750	11,935	11,605	11,275	10,945	10,615
<u>Debt Issued in FY2023</u>	Outstanding			60,000	56,400	52,800	49,200	45,600
Current Interest Bonds	Principal Payments			0	3,600	3,600	3,600	3,600
	Interest Payments			<u>1,500</u>	<u>2,910</u>	<u>2,730</u>	<u>2,550</u>	<u>2,370</u>
	Total Debt Service	0	0	1,500	6,510	6,330	6,150	5,970
<u>Debt Issued in FY2024</u>	Outstanding				60,000	56,400	52,800	49,200
Current Interest Bonds	Principal Payments				0	3,600	3,600	3,600
	Interest Payments				<u>1,500</u>	<u>2,910</u>	<u>2,730</u>	<u>2,550</u>
	Total Debt Service	0	0	0	1,500	6,510	6,330	6,150
<u>Debt Issued in FY2025</u>	Outstanding					60,000	56,400	52,800
Current Interest Bonds	Principal Payments					0	3,600	3,600
	Interest Payments					<u>1,500</u>	<u>2,910</u>	<u>2,730</u>
	Total Debt Service	0	0	0	0	1,500	6,510	6,330
<u>Debt Issued in FY2026</u>	Outstanding						60,000	56,400
Current Interest Bonds	Principal Payments						0	3,600
	Interest Payments						<u>1,500</u>	<u>2,910</u>
	Total Debt Service	0	0	0	0	0	1,500	6,510
<u>Debt Issued in FY2027</u>	Outstanding							60,000
Current Interest Bonds	Principal Payments							0
	Interest Payments							<u>1,500</u>
	Total Debt Service	0	0	0	0	0	0	1,500
<u>Totals Debt Service on New G.O. Debt</u>	Principal Payments	0	0	6,600	10,200	13,800	17,400	21,000
	Interest Payments	<u>0</u>	<u>2,750</u>	<u>6,835</u>	<u>9,415</u>	<u>11,815</u>	<u>14,035</u>	<u>16,075</u>
	Total Debt Service	0	2,750	13,435	19,615	25,615	31,435	37,075
Rate on Current Interest Bonds:								5.00%
Rate on Commercial Paper:								3.00%

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Debt Service on Outstanding State Guaranteed Debt

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
<u>BFA \$20 million Bond</u>								
Principal	0	0	0	0	0	0	0	0
Interest	<u>354,000</u>	<u>354,000</u>	<u>354,000</u>	<u>354,000</u>	<u>354,000</u>	<u>354,000</u>	<u>354,000</u>	<u>354,000</u>
Total	354,000	354,000	354,000	354,000	354,000	354,000	354,000	354,000
<u>BFA Loan & Revenue Bond Programs (1)</u>								
Balance	32,300,000	31,421,939	30,491,194	29,504,604	28,458,819	27,350,287	26,175,244	24,929,697
Principal	878,061	930,745	986,590	1,045,785	1,108,532	1,175,044	1,245,547	1,320,279
Interest	<u>1,938,000</u>	<u>1,885,316</u>	<u>1,829,472</u>	<u>1,770,276</u>	<u>1,707,529</u>	<u>1,641,017</u>	<u>1,570,515</u>	<u>1,495,782</u>
Payment	2,816,061	2,816,061	2,816,061	2,816,061	2,816,061	2,816,061	2,816,061	2,816,061
<u>Qualified School Construction Bonds</u>								
Principal	2,193,750	2,182,500	2,182,500	2,182,500	2,182,500	2,182,500	2,182,500	0
Interest (gross of tax credit)	<u>764,942</u>	<u>647,002</u>	<u>529,365</u>	<u>411,729</u>	<u>294,092</u>	<u>176,455</u>	<u>58,818</u>	<u>0</u>
Total	2,958,692	2,829,502	2,711,865	2,594,229	2,476,592	2,358,955	2,241,318	0
<u>Total Outstanding State Guaranteed Debt</u>								
Principal	3,071,811	3,113,245	3,169,090	3,228,285	3,291,032	3,357,544	3,428,047	1,320,279
Interest	<u>3,056,942</u>	<u>2,886,318</u>	<u>2,712,837</u>	<u>2,536,005</u>	<u>2,355,621</u>	<u>2,171,472</u>	<u>1,983,333</u>	<u>1,849,782</u>
Total	6,128,753	5,999,563	5,881,927	5,764,290	5,646,653	5,529,016	5,411,380	3,170,061

(1) Assumes level debt service with the following parameters:

Principal*	32,300,000
Number of Years	20
Interest Rate	6.0%
Annual Payments	2,816,061

* Includes \$20.7 million of BFA loans and \$11.6 million of BFA revenue bonds

**THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Debt Service on State Guaranteed Debt to be Issued**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
<u>Issuances in FY2020 (1)</u>								
Balance		29,880,000	29,067,725	28,206,714	27,294,043	26,326,611	25,301,133	24,214,126
Principal		812,275	861,011	912,672	967,432	1,025,478	1,087,007	1,152,227
Interest		<u>1,792,800</u>	<u>1,744,064</u>	<u>1,692,403</u>	<u>1,637,643</u>	<u>1,579,597</u>	<u>1,518,068</u>	<u>1,452,848</u>
Total Debt Service		2,605,075	2,605,075	2,605,075	2,605,075	2,605,075	2,605,075	2,605,075
<u>Issuances in FY2021 (1)</u>								
Balance		29,880,000	29,067,725	28,206,714	27,294,043	26,326,611	25,301,133	
Principal		812,275	861,011	912,672	967,432	1,025,478	1,087,007	
Interest		<u>1,792,800</u>	<u>1,744,064</u>	<u>1,692,403</u>	<u>1,637,643</u>	<u>1,579,597</u>	<u>1,518,068</u>	
Total Debt Service		2,605,075	2,605,075	2,605,075	2,605,075	2,605,075	2,605,075	
<u>Issuances in FY2022 (1)</u>								
Balance			29,760,000	28,950,988	28,093,434	27,184,428	26,220,881	
Principal			809,012	857,553	909,006	963,547	1,021,360	
Interest			<u>1,785,600</u>	<u>1,737,059</u>	<u>1,685,606</u>	<u>1,631,066</u>	<u>1,573,253</u>	
Total Debt Service			2,594,612	2,594,612	2,594,612	2,594,612	2,594,612	
<u>Issuances in FY2023 (1)</u>								
Balance				18,540,000	18,035,998	17,501,757	16,935,460	
Principal				504,002	534,242	566,296	600,274	
Interest				<u>1,112,400</u>	<u>1,082,160</u>	<u>1,050,105</u>	<u>1,016,128</u>	
Total Debt Service				1,616,402	1,616,402	1,616,402	1,616,402	
<u>Issuances in FY2024 (1)</u>								
Balance					18,540,000	18,035,998	17,501,757	
Principal					504,002	534,242	566,296	
Interest					<u>1,112,400</u>	<u>1,082,160</u>	<u>1,050,105</u>	
Total Debt Service					1,616,402	1,616,402	1,616,402	
<u>Total State Guaranteed Debt to be Issued</u>								
Principal	0	812,275	1,673,286	2,582,695	3,241,659	3,940,160	4,176,569	4,427,163
Interest	0	<u>1,792,800</u>	<u>3,536,864</u>	<u>5,222,066</u>	<u>6,179,505</u>	<u>7,097,405</u>	<u>6,860,996</u>	<u>6,610,401</u>
Total Debt Service	0	2,605,075	5,210,149	7,804,762	9,421,163	11,037,565	11,037,565	11,037,565
<u>Total Outstanding and Future Issuances of State Guaranteed Debt (2)</u>								
Principal	3,071,811	3,925,519	4,842,375	5,810,980	6,532,691	7,297,704	7,604,616	5,747,443
Interest	<u>3,056,942</u>	<u>4,679,118</u>	<u>6,249,701</u>	<u>7,758,071</u>	<u>8,535,126</u>	<u>9,268,878</u>	<u>8,844,329</u>	<u>8,460,183</u>
Total Debt Service	6,128,753	8,604,638	11,092,076	13,569,051	15,067,816	16,566,581	16,448,944	14,207,626

- (1) Assumes level debt service with the following parameters: Number of Years 20
 Interest Rate **6.0%**
- (2) Includes total Outstanding Guaranteed Debt Service

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Assumptions to Sensitivity Case 1 - Issuance of \$110 Million in FY 2022 and \$60 Million Annually in FY 2023-2027;
Revenues Decline More Significantly in FY 2022-2027
School Building Aid Bonds Included

- (1) Includes issuance of \$47.22 million of New Money 2020 Series C Bonds in December 2020 as well as \$49.53 million of Refunding 2020 Series D Bonds (Tax-Exempt) to refund \$60.31 million of outstanding GO bonds) and \$37.55 million of Refunding 2020 Series E Bonds (Federally Taxable) (to refund \$35.555 million of outstanding GO bonds), resulting in net issuance of \$38.435 million credited to General Fund.
- (2) \$110 million issued in FY 2022 and \$60 million issued annually in FY 2023 through 2027 at an interest rate of 5%, with 60% of the principal amortized in equal payments over the first ten years and 40% of the principal amortized in equal payments over the remaining ten years.
- (3) Ending Outstanding Debt represents total net General Fund Debt to be paid from General Fund Unrestricted Revenues and includes school building aid debt paid for with the Education Trust Fund ("ETF") M&R tax revenue allocation.
- (4) General Fund Unrestricted Revenues reflect actual revenues for FY 2020, estimated revenues for FY 2021; with ETF portion of meals and rooms tax revenues designated for the debt service on school building aid bonds added. Assumes revenues decrease by 5% in FY 2022 and no revenue growth in FY 2023-27.
- (5) Total Personal Income - source: U.S. Department of Commerce, Bureau of Economic Analysis for 2019 figure of \$86,345 million. Assumes 2.7% growth annually thereafter.
- (6) Population - source: U.S. Census Bureau 2019 figure of 1,359,711. Assumes 0.2% annual growth thereafter.
- (7) For certain sensitivities, State guaranteed debt that is added to Net General Fund Debt includes the outstanding \$15.3 million of Qualified School Construction Bonds (QSCBs) and BFA debt totaling \$52.3 million at June 30, 2020.
- (8) Debt Service includes State guaranteed debt outstanding or to be issued for the following: local Superfund sites, BFA, and PDA . Excludes water pollution control, local landfills and local school guaranteed debt (with exception of QSCBs). Assumes level debt service over 20 years at 6.00% for new State guaranteed debt.
\$29.88 million is issued in each of FY 2022 and 2023, \$29.76 million in 2024 and \$18.54 million in each of FY 2025 and 2026.
Estimated authorized but unissued State guaranteed debt of \$126.6 million includes:

THE STATE OF NEW HAMPSHIRE

Debt Affordability Study Update

Sensitivity Case 1 - Issuance of \$110 Million in FY 2022 and \$60 Million Annually in FY 2023-27; Revenues Decline More Significantly in FY 2022-2027

School Building Aid Bonds Included

	Actual 2020	Projected							TOTAL 2021-2027
		2021	2022	2023	2024	2025	2026	2027	
Net General Fund Debt (000's)									
Beginning Outstanding		\$568,434	\$532,338	\$562,511	\$544,367	\$526,281	\$511,149	\$508,976	
Issuances (1)(2)		\$38,435	\$110,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$448,435
Retirements:									
Existing Debt (1)		74,531	79,826	71,544	67,886	61,332	44,773	42,841	442,734
New Debt (2)		0	0	6,600	10,200	13,800	17,400	21,000	69,000
Total Retirements		\$74,531	\$79,826	\$78,144	\$78,086	\$75,132	\$62,173	\$63,841	\$511,734
Net New Debt		(\$36,096)	\$30,174	(\$18,144)	(\$18,086)	(\$15,132)	(\$2,173)	(\$3,841)	(\$63,299)
Ending Outstanding (3)	\$568,434	\$532,338	\$562,511	\$544,367	\$526,281	\$511,149	\$508,976	\$505,135	(\$63,299)
Existing Debt Service (000's) (1)	\$102,387	\$98,780	\$105,477	\$93,205	\$86,649	\$77,243	\$58,258	\$54,239	
New Debt Service (000's) (2)	0	0	2,750	\$13,435	19,615	25,615	31,435	37,075	
Total Debt Service (000's)	\$102,387	\$98,780	\$108,227	\$106,640	\$106,264	\$102,858	\$89,693	\$91,314	
General Fund Unrestricted Revenues (000's)(4)	\$1,536,885	\$1,587,288	\$1,508,097	\$1,507,056	\$1,506,843	\$1,506,627	\$1,506,402	\$1,506,168	
Debt Service as a Percent of Revenues	6.7%	6.2%	7.2%	7.1%	7.1%	6.8%	6.0%	6.1%	
Total Personal Income (000,000's) (5)	88,676	91,071	93,529	96,055	98,648	101,312	104,047	106,856	
Debt to Personal Income	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	
Population (000's) (6)	1,362	1,365	1,368	1,371	1,373	1,376	1,379	1,382	
Debt Per Capita	\$417	\$390	\$411	\$397	\$383	\$371	\$369	\$366	

Footnotes explained on page 2.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Assumptions to Sensitivity Case 2 - Issuance of \$110 Million in FY 2022 and \$60 Million Annually in FY 2023-27;
Personal Income Growth Rate 1.7% in FY 2022-2027
School Building Aid Bonds Included

- (1) Includes issuance of \$47.22 million of New Money 2020 Series C Bonds in December 2020 as well as \$49.53 million of Refunding 2020 Series D Bonds (Tax-Exempt) to refund \$60.31 million of outstanding GO bonds) and \$37.55 million of Refunding 2020 Series E Bonds (Federally Taxable) (to refund \$35.555 million of outstanding GO bonds resulting in net issuance of \$38.435 million credited to General Fund.
- (2) \$110 million issued in FY 2022 and \$60 million issued annually in FY 2023 through 2027 at an interest rate of 5%, with 60% of the principal amortized in equal payments over the first ten years and 40% of the principal amortized in equal payments over the remaining ten years.
- (3) Ending Outstanding Debt represents total net General Fund Debt to be paid from General Fund Unrestricted Revenues and includes school building aid debt paid for with the Education Trust Fund ("ETF") M&R tax revenue allocation.
- (4) General Fund Unrestricted Revenues reflect actual revenues for FY 2020, estimated revenues for FY 2021; with ETF portion of meals and rooms tax revenues designated for the debt service on school building aid bonds added. Assumes revenue increase by 2% in FY 2022, by 1% in FY 2023, no growth revenue in FY 2024-25 and 1% annual revenue growth in FY 2026-27.
- (5) Total Personal Income - source: U.S. Department of Commerce, Bureau of Economic Analysis for 2019 figure of \$86,345 million. Assi 1.7% annual growth after 2020.
- (6) Population - source: U.S. Census Bureau 2019 figure of 1,359,711. Assumes 0.2% annual growth thereafter.
- (7) For certain sensitivities, State guaranteed debt that is added to Net General Fund Debt includes the outstanding \$15.3 million of Qualified School Construction Bonds (QSCBs) and BFA debt totaling \$52.3 million at June 30, 2020.
- (8) Debt Service includes State guaranteed debt outstanding or to be issued for the following: local Superfund sites, BFA, and PDA . Excludes water pollution control, local landfills and local school guaranteed debt (with exception of QSCBs). Assumes level debt service over 20 years at 6.00% for new State guaranteed debt. \$29.88 million is issued in each of FY 2022 and 2023, \$29.76 million in 2024 and \$18.54 million in each of FY 2025 and 2026. Estimated authorized but unissued State guaranteed debt of \$126.6 million includes:

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Sensitivity Case 2 - Issuance of \$110 Million in FY 2022 and \$60 Million Annually in FY 2023-27; Lower Personal Income Growth Rate in FY 2021-2027
School Building Aid Bonds Included

	Actual 2020	Projected							TOTAL 2021-2027
		2021	2022	2023	2024	2025	2026	2027	
Net General Fund Debt (000's)									
Beginning Outstanding		\$568,434	\$532,338	\$562,511	\$544,367	\$526,281	\$511,149	\$508,976	\$568,434
Issuances (1)(2)		\$38,435	\$110,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$448,435
Retirements:									
Existing Debt (1)		74,531	79,826	71,544	67,886	61,332	44,773	42,841	442,734
New Debt (2)		<u>0</u>	<u>0</u>	<u>6,600</u>	<u>10,200</u>	<u>13,800</u>	<u>17,400</u>	<u>21,000</u>	<u>69,000</u>
Total Retirements		\$74,531	\$79,826	\$78,144	\$78,086	\$75,132	\$62,173	\$63,841	\$511,734
Net New Debt		(\$36,096)	\$30,174	(\$18,144)	(\$18,086)	(\$15,132)	(\$2,173)	(\$3,841)	(\$63,299)
Ending Outstanding (3)	\$568,434	\$532,338	\$562,511	\$544,367	\$526,281	\$511,149	\$508,976	\$505,135	\$505,135
Existing Debt Service (000's) (1)	\$102,387	\$98,780	\$105,477	\$93,205	\$86,649	\$77,243	\$58,258	\$54,239	
New Debt Service (000's) (2)	<u>0</u>	<u>0</u>	<u>2,750</u>	<u>13,435</u>	<u>19,615</u>	<u>25,615</u>	<u>31,435</u>	<u>37,075</u>	
Total Debt Service (000's)	\$102,387	\$98,780	\$108,227	\$106,640	\$106,264	\$102,858	\$89,693	\$91,314	
General Fund Unrestricted Revenues (000's)(4)	\$1,536,885	\$1,587,288	\$1,618,626	\$1,633,690	\$1,633,477	\$1,633,261	\$1,649,303	\$1,665,498	
Debt Service as a Percent of Revenues	6.7%	6.2%	6.7%	6.5%	6.5%	6.3%	5.4%	5.5%	
Total Personal Income (000,000's) (5)	88,676	90,184	91,717	93,276	94,862	96,474	98,115	99,782	
Debt to Personal Income	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	
Population (000's) (6)	1,362	1,365	1,368	1,371	1,373	1,376	1,379	1,382	
Debt Per Capita	\$417	\$390	\$411	\$397	\$383	\$371	\$369	\$366	

Footnotes explained on page 2.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Effect of State Guaranteed Bonds and Declining Revenues on Debt Ratios

	Actual	Projected							TOTAL
	2020	2021	2022	2023	2024	2025	2026	2027	2021-2027
Net General Fund Debt (000's)									
Beginning Outstanding (7) (8)		\$636,023	\$596,855	\$652,983	\$659,877	\$665,740	\$662,615	\$671,684	
G.O. Issuances		\$38,435	\$110,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$448,435
State Guaranteed Issuances (7) (8)		0	29,880	29,880	29,760	18,540	18,540	0	126,600
Retirements G.O. Debt		74,531	79,826	78,144	78,086	75,132	62,173	63,841	511,734
State Guaranteed Debt (8)		<u>3,072</u>	<u>3,926</u>	<u>4,842</u>	<u>5,811</u>	<u>6,533</u>	<u>7,298</u>	<u>7,605</u>	<u>39,086</u>
Total Retirements		\$77,603	\$83,752	\$82,986	\$83,897	\$81,665	\$69,471	\$71,446	\$550,819
Net New Debt		(\$39,168)	\$56,128	\$6,894	\$5,863	(\$3,125)	\$9,069	(\$11,446)	\$24,216
Ending Outstanding	\$636,023	\$596,855	\$652,983	\$659,877	\$665,740	\$662,615	\$671,684	\$660,239	\$24,216
G.O. Debt Service (000's)	\$102,387	\$98,780	\$108,227	\$106,640	\$106,264	\$102,858	\$89,693	\$91,314	
State Guaranteed Debt Service (000's) (8)	<u>6,963</u>	<u>6,129</u>	<u>8,605</u>	<u>11,092</u>	<u>13,569</u>	<u>15,068</u>	<u>16,567</u>	<u>16,449</u>	
Total Debt Service (000's)	109,350	104,909	116,831	117,732	119,833	117,925	106,260	107,763	
General Fund Unrestricted Revenues (000's) (4)	\$1,536,885	\$1,587,288	\$1,508,097	\$1,507,056	\$1,506,843	\$1,506,627	\$1,506,402	\$1,506,168	
Debt Service as a Percent of Revenues	7.1%	6.6%	7.7%	7.8%	8.0%	7.8%	7.1%	7.2%	
Total Personal Income (000,000's) (5)	\$88,676	\$91,071	\$93,529	\$96,055	\$98,648	\$101,312	\$104,047	\$106,856	
Debt to Personal Income	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	
Population (000's) (6)	1,362	1,365	1,368	1,371	1,373	1,376	1,379	1,382	
Debt Per Capita	\$467	\$437	\$477	\$481	\$485	\$482	\$487	\$478	

Footnotes explained on page 2.