

Monica I. Mezzapelle
STATE TREASURER



**THE STATE OF NEW HAMPSHIRE
STATE TREASURY**

25 CAPITOL STREET, ROOM 121
CONCORD, NH 03301
(603) 271-2621
FAX (603) 271-3922
TDD Access: Relay NH 1-800-735-2964

February 23, 2022

Honorable Jeb Bradley
President of the Senate
Honorable Sherman Packard
Speaker of the House

Dear Senator Bradley and Speaker Packard:

Attached is the debt affordability study for fiscal year 2022 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 unrestricted) debt outstanding, but not bonding repaid with Highway Funds or other self-supporting debt with a dedicated revenue source. With that in mind, I am pleased to report that the declining trend briefly interrupted by the economic crisis caused by the COVID-19 pandemic continued in fiscal year 2022, generating a debt service to unrestricted revenue ratio of 4% compared to 5% in fiscal year 2021. Additionally, using modest revenue growth assumptions, the debt service to unrestricted revenue ratio is projected to increase slightly over time and return to the 4% level by fiscal year 2029. The ratio of net tax-supported debt service to 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 for the biennium and maintained at that level thereafter. Therefore, this analysis continues the recommendations made in the study prepared last year by proposing the following biennial authorizations: 2024-25 (\$120 million), 2026-27 (\$120 million), and 2028-29 (\$120 million). To calculate the ratio of net tax-supported debt service to unrestricted revenue we have used actual fiscal year 2022 unrestricted revenue and subsequent to fiscal year 2022, the Base Case uses conservative revenue growth assumptions, which include a modest revenue increase of 1% in fiscal year 2023, decline of -1% in fiscal year 2024, no growth in fiscal year 2025, and 0.5% revenue increase in each of fiscal year 2026 through 2029.

The projected amounts of new net tax-supported debt in fiscal years 2023 through 2029 would include new capital appropriations authorized to be bonded and paid from unrestricted revenues. Also reflected in the attached analysis is the continued effect of the issuance of \$131 million in school building aid debt in fiscal years 2010 and 2011 (debt service funded by a portion of the Meals & Rooms Tax revenues).

Sensitivity 1, found on page 10 of the study, assumes the same debt issuance as in the Base Case, and no revenue growth in fiscal year 2023 through 2029. The purpose of this scenario is to

Hon. Jeb Bradley
Hon. Sherman Packard
February 23, 2022
Page 2

examine how a stagnant revenue performance after fiscal year 2023 might impact the State's borrowing capacity and debt ratios. Sensitivity 2 on page 12 of the study assumes the same debt issuance and revenue performance assumed in the Base Case, but at a higher interest rate of 6%. The purpose of this analysis is to evaluate how the State's debt ratios would perform under an extended period of higher interest rates. Both of these sensitivity analyses project that the State's debt service to unrestricted revenue ratio is expected to remain low reaching 4.3% in fiscal year 2027 under the Sensitivity 2 scenario, well below the 10% rating agency warning threshold.

Lastly, we have presented on page 14 a scenario to highlight the impact of State guaranteed debt combined with no revenue growth beginning in fiscal year 2023, as presented in Sensitivity 1. In the very worst case scenario in which the State would be required to assume all guarantee liabilities during a prolonged period of slow economic growth, the debt service to revenue ratio would reach 4.9% in fiscal year 2027. The debt affordability ratios are clearly impacted by accounting for guaranteed debt in this scenario, however, the ratios remain well below any levels of concerns, a sensitivity worth evaluating for credit strength purposes. Additionally, 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 indicates that the State's debt service to unrestricted revenue ratio of 4% in fiscal year 2022 and projections through fiscal year 2029 are deemed healthy under the Base Case scenario using the baseline assumptions presented here. The results indicate that the State's debt levels remain manageable which, in addition to being considered credit positive by rating analysts, provides the State with additional budgetary flexibility to address priorities, unanticipated operating and borrowing needs, and better positions the State to absorb potential debt service associated with debt guarantees made in support of the local economies.

Please contact me for any questions you may have.

Respectfully,

Monica I. Mezzapelle
State Treasurer

Attachment: Fiscal Year 2022 Debt Affordability Memorandum and Study

Cc: Honorable Christopher T. Sununu, Governor
Representative Kenneth Weyler, Chair, House Finance Committee
Representative Mark McConkey, Chair, House Public Works and Highways
Representative Laurie Sanborn, Chair, House Ways and Means Committee
Senator, James Gray, Chair, Senate Finance Committee
Senator Daniel Innis, Chair, Senate Capital Budget Committee
Senator Timothy Lang, Chair, Senate Ways and Means Committee
Charlie Arlinghaus, Commissioner, Department of Administrative Services
Michael W. Kane, Legislative Budget Assistant

MEMORANDUM TO: Monica Mezzapelle
State Treasurer
State of New Hampshire

FROM: Public Resources Advisory Group ("PRAG")

SUBJECT: Debt Affordability Study Update

DATE: February 22, 2023

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 2022 and net tax-supported General Fund debt outstanding at June 30, 2022. 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 recognize the State's fiscal prudence regarding debt, opining that the State "benefits from high personal incomes and a diverse economy, low debt and pension burdens, and... flexibility to adjust revenues and expenditures." (Moody's Investors Service report dated March 3, 2022); "The State's debt ratios... are low compared with those of other states... we expect the state's debt profile will remain steady in the near term." (Standard & Poor's report dated March 2, 2022), 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 March 3, 2022).

In this debt affordability study update, the term "Sensitivities" refers to the changes in assumptions related to General Fund unrestricted revenue growth and growth of interest rates (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. \$60 million of tax-exempt general obligation debt to be issued in each of fiscal years 2023 through 2029. Each issue is assumed to be amortized over 20 years and bear an interest rate of 5.0%, 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 incorporates biennial authorizations for the University System of New Hampshire ("USNH"); however, this analysis does not separately estimate specific USNH authorization amounts over the forecast period.
2. General Fund Unrestricted Revenues reflect actual revenues for fiscal year 2022, with the Education Trust Fund portion of meals and room tax revenues designated for the debt service of school building aid included. Based on guidance you have provided to



us, General Fund Unrestricted Revenues are assumed to grow by 1.0% in fiscal year 2023, decrease by 1.0% in fiscal year 2024, remain unchanged in fiscal year 2025, and grow 0.5% in each of fiscal years 2026 through 2029.

3. Total personal income is based on the U.S. Department of Commerce, Bureau of Economic Analysis 2021 figure of \$101,675 million and is projected to grow at an average annual rate of 4.0%.
4. Population is based on the U.S. Census Bureau 2021 figure of 1,388,992 and is projected to grow at an average annual rate of 0.5% 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, issuances of State guaranteed debt through fiscal year 2029 total \$105.0 million and are assumed to be issued as follows (page 9 of the Appendix):

Expected Issuances of State Guaranteed Debt		
Fiscal Year	Dollar Amount	Purpose
2024	\$25,560,000	Superfund, BFA, Pease
2025	25,560,000	Superfund, BFA, Pease
2026	25,440,000	Superfund, BFA, Pease
2027	14,220,000	BFA
2028	14,220,000	BFA

3. New State guaranteed debt is assumed to be taxable, with level debt service over 20 years at an average interest rate of 6.0%.
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 \$60 million in each of fiscal years 2023 through 2029. Combining these issuances and repayments of outstanding debt, the total issuance is approximately \$15.6 million more than retirements over the fiscal years 2023 through 2029, causing the State's net general fund debt to increase from \$507.8 million at June 30, 2022 to \$523.4 million at June 30, 2029, a 3.1% increase.

Presently, New Hampshire's ratios of debt to personal income and debt per capita are significantly below the 2022 Moody's medians for states. Moody's discontinued providing debt service to revenues ratio in its 2022 medians for states; instead, S&P median for debt service to governmental expenditures for states in its 2022 publication *Increase in U.S. State Debt Levels In 2021 Was Likely A Blip* dated July 6, 2022, is used in this analysis. New Hampshire's net general fund debt service to revenues ratio at 4.0% for fiscal year 2022 was higher than the S&P median of 3.3% 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 2022 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

	<u>Moody's Median</u>	<u>New Hampshire</u>	
	2022	June 30, 2022	June 30, 2029 Est.
Debt to Personal Income	2.1%	0.5%	0.4%
Debt Per Capita	\$1,179	\$364	\$362
Debt Service to Revenues	3.3%*	4.0%	4.0%

* S&P debt service to governmental expenditures median. 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 remain at 4.0% at June 30, 2029, above the S&P 2022 ratio. Debt to personal income would decline over the period from 0.5% at June 30, 2022 to 0.4% at June 30, 2029 and debt per capita would decrease slightly from \$364 to \$362. 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 Stagnant Revenues and Higher Interest Rates

Given the uncertainty regarding the economy and the markets, it is difficult to make long-term forecasts with a high degree of precision. Accordingly, Sensitivity 1 for General Fund unrestricted revenues was developed, assuming no revenue growth for fiscal years 2023 through 2029. Under these assumptions, New Hampshire’s debt ratios would change as summarized in the chart below:

Debt Ratios Assuming No Revenues Increases in FY 2023-2029

Summary of Debt Ratios for Net General Fund Debt

	<u>Moody's Median</u>	<u>New Hampshire</u>			
	2022	Base Case		Stagnant Revenue Assumption	
		FY 2022	FY 2029 Est.	FY 2022	FY 2029 Est.
Debt to Personal Income	2.1%	0.5%	0.4%	0.5%	0.4%
Debt Per Capita	\$1,179	\$364	\$362	\$364	\$362
Debt Service to Revenues	3.3%*	4.0%	4.0%	4.0%	4.1%

* S&P debt service to governmental expenditures median. 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 revenues at the level of fiscal year 2022 followed by no revenue growth through 2029, the ratio of debt service to revenues would increase to 4.1% in fiscal year 2029, compared to 4.0% in fiscal year 2029 in the Base Case. At the 4.1% level, this ratio would continue to be 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 10 and 11 of the Appendix).



In the increasing interest rate environment, a second sensitivity analysis was developed with regard to interest rate for future debt issuances. That rate is assumed to be 6%. The results are as follows:

Debt Ratios Assuming Higher Interest Rates					
Summary of Debt Ratios for Net General Fund Debt					
	<u>Moody's Median</u>	<u>New Hampshire</u>			
		<u>Base Case</u>		<u>6% Interest Rate FY 2023-2029</u>	
		<u>2022</u>	<u>FY 2022</u>	<u>FY 2029 Est.</u>	<u>FY 2022</u>
Debt to Personal Income	2.1%	0.5%	0.4%	0.5%	0.4%
Debt Per Capita	\$1,179	\$364	\$362	\$364	\$362
Debt Service to Revenues	3.3%*	4.0%	4.0%	4.0%	4.2%

* S&P debt service to governmental expenditures median. 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 in the first sensitivity analysis, the ratio of debt service to revenues would increase to 4.2% in fiscal year 2029 with a 6.0% interest rate, compared to 4.0% in fiscal year 2029 in the Base Case. At the 4.2% level, this ratio would continue to be 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 12 and 13 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 \$64.8 million of outstanding guaranteed debt at June 30, 2022, which, when added to the State's net General Fund debt, brings the total to \$572.6 million, as shown in the table below:

Net General Fund and Guaranteed Debt at June 30, 2022	
	<i>(\$ in millions)</i>
Net General Fund Debt	\$507.8
Guaranteed Debt	
Business Finance Authority	53.9
Qualified School Construction Bonds (QSCBs)	10.9
Total Guaranteed Debt	<u>\$64.8</u>
Total Net General Fund and Guaranteed Debt	<u>\$572.6</u>

There is approximately \$105.0 million of authorized but unissued State guaranteed debt at June 30, 2022, as shown in the table below:

Authorized But Unissued State Guaranteed Debt at June 30, 2022	
Purpose	Amount
	<i>(\$ in millions)</i>
Local Superfund Sites	\$20.0
Business Finance Authority	71.1
Pease Development Authority	<u>13.9</u>
Total	<u>\$105.0</u>



For this scenario, we assumed that the Business Finance Authority would issue \$14.2 million in each of fiscal years 2024 through 2028; Pease Development Authority would issue \$4.6 million in each of fiscal years 2024 through 2026; and the Local Superfund would issue \$6.7 million in each of fiscal years 2024 through 2025 and \$6.6 million in fiscal year 2026, as shown in aggregate on page 9 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 \$656.2 million at June 30, 2029, which is \$132.8 million more than the Base Case. The “worst case” (Case 3 in the table below) scenario combines outstanding and additional issuances of State guaranteed debt with the no annual revenue increase assumption (Sensitivity 1), shown in the Appendix on page 14. The resulting debt ratios are summarized in the chart below:

**Summary of Debt Ratios Including State Guaranteed Debt
New Hampshire**

	Moody's Median	Case 1 (Base Case) Net General Fund Debt		Including Guaranteed Debt			
				Case 2 All Guaranteed Debt		Case 3 All Guaranteed Debt and Stagnant Revenues	
		2022	FY 2022	FY 2029 Est.	FY 2022	FY 2029 Est.	FY 2022
Total Debt Outstanding (000,000)	---	\$507	\$523	\$573	\$656	\$573	\$656
Debt to Personal Income	2.1%	0.5%	0.4%	0.5%	0.5%	0.5%	0.5%
Debt Per Capita	\$1,179	\$364	\$362	\$410	\$454	\$410	\$454
Debt Service to Revenues	3.3%*	4.0%	4.0%	4.0%	4.7%	4.0%	4.8%

* S&P debt service to governmental expenditures median. 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, 2029, the State's debt to personal income would be 0.5% in Case 2 as opposed to 0.4% in the Base Case. Debt per capita would be \$454 in Case 2 versus \$364 in the Base Case; and debt service to revenues would be 4.7% compared to 4.0% in the Base Case, reaching a high of 4.9% in fiscal year 2027. With an assumption of stagnant revenues added to Case 2, the “worst case” (Case 3) scenario, debt service to revenue ratio increases to 4.8% in fiscal year 2029, while reaching a high of 4.9% in fiscal year 2027. Debt per capita and debt to personal income ratio would remain well below the 2022 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 \$420 million of new, net tax-supported general obligation debt in fiscal years 2023 through 2029, as outlined above, the amount of debt outstanding would increase slightly over the period, as existing debt is retired slower 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 0.5% to 0.4% at the end of fiscal year 2029; debt service to revenues would fall back to 4.0% by June 30, 2029 after rising to 4.1% in fiscal years 2024-2025 and 2027-2028; and debt per capita would decrease slightly from \$364 to \$362. At these levels, the debt ratios would remain low and slightly improved over fiscal year 2022 figures.



Sensitivity analyses show that with revenue not increasing in fiscal years 2023 through 2029, the debt service to revenue ratio would be 4.1% by fiscal year 2029, slightly above the 4.0% level in the Base Case and it would reach 4.2% in the second sensitivity case with higher interest rates. At these levels, the debt service to revenue ratio in both sensitivity scenarios would still be well below the warning level for excessive debt service burden of 10%.

When existing and additional State guaranteed debt are added to the Base Case scenario, debt to personal income is projected to remain unchanged at 0.5% through fiscal year 2029, debt per capita is projected to increase from \$410 in fiscal year 2022 to \$454 by fiscal year 2029, and the debt service to revenues ratio is forecast to increase to 4.7% in fiscal year 2029. (Please note that the State did not pay debt service for its guaranteed debt in fiscal year 2022). At these levels, the debt ratios would remain low. Even with the increase of debt per capita by from \$410 to \$454, that ratio is only 39% of the 2022 Moody's median of \$1,179.

Under the “worst case” scenario with no increase of General Fund unrestricted revenues after fiscal year 2022 and the addition of State guaranteed debt, the projected ratio of debt service to revenues would rise from the projected Base Case level of 4.0% to 4.8% for fiscal year 2029.

At this time, there are no concerns about the State's projected debt ratios over the next six years.

**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 - Case 2	Page 4
Debt Service on Outstanding General Obligation Debt	Page 5
Debt Service on Projected General Obligation Debt (5%)	Page 6
Debt Service on Projected General Obligation Debt (6%)	Page 7
Estimated Debt Service on Outstanding State Guaranteed Debt	Page 8
Estimated Debt Service on State Guaranteed Debt to Be Issued	Page 9
Assumptions to Sensitivity Case 1 (No Revenue Increase in FY 2023-2029)	Page 10
Sensitivity Case 1 Results	Page 11
Assumptions to Sensitivity Case 2 (Increased Interest Rates)	Page 12
Sensitivity Case 2 Results	Page 13
"Worst Case" Scenario (State Guaranteed Bonds and Stagnant Revenues) - Case 3	Page 14

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Assumptions to Base Case - Issuance of \$60 Million Annually in FY 2023-2029
School Building Aid Bonds Included

- (1) \$60 million issued annually in FY 2023 through 2029 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.
- (2) 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.
- (3) General Fund Unrestricted Revenues reflect actual revenues for FY 2022, with ETF portion of meals and rooms tax revenues designated for the debt service on school building aid bonds added.
Assumes revenue increase of 1.0% in FY 2023, -1.0% in FY 2024, 0.0% in FY 2025, and 0.5% in each of FY 2026 through 2029.
- (4) Total Personal Income - source: U.S. Department of Commerce, Bureau of Economic Analysis for 2021 figure of \$101,675 million. Assumes 4.0% growth annually thereafter.
- (5) Population - source: U.S. Census Bureau 2021 figure of 1,388,992. Assumes 0.5% growth annually thereafter.
- (6) For certain sensitivities, State guaranteed debt that is added to Net General Fund Debt includes the outstanding \$10.9 million of Qualified School Construction Bonds ("QSCBs") and Business Finance Authority ("BFA") debt totaling \$53.9 million at June 30, 2022.
- (7) Debt Service includes State guaranteed debt outstanding or to be issued for the following: local Superfund sites, BFA and Pease Development Authority ("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.
\$25.6 million is issued in each of FY 2024 and 2025, \$25.4 million in 2026, and \$14.2 million in each of FY 2027 and 2028.
Estimated authorized but unissued State guaranteed debt of \$105.0 million includes:
\$20.0 million for local Superfund sites, \$71.1 million for BFA, and \$13.9 million for PDA.

Footnotes on the attached charts refer to the assumptions above.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Issuance of \$60 Million Annually in FY 2023-2029 - Base Case
School Building Aid Bonds Included

	Actual 2022	Projected							TOTAL
		2023	2024	2025	2026	2027	2028	2029	2023-2029
Net General Fund Debt (000's)									
Beginning Outstanding		\$507,818	\$509,035	\$510,335	\$511,844	\$516,267	\$517,621	\$520,182	
Issuances (1)		\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$420,000
Retirements:									
Existing Debt		58,783	55,100	51,291	44,777	44,245	39,440	35,147	328,784
New Debt (1)		<u>0</u>	<u>3,600</u>	<u>7,200</u>	<u>10,800</u>	<u>14,400</u>	<u>18,000</u>	<u>21,600</u>	<u>75,600</u>
Total Retirements		\$58,783	\$58,700	\$58,491	\$55,577	\$58,645	\$57,440	\$56,747	\$404,384
Net New Debt		\$1,217	\$1,300	\$1,509	\$4,423	\$1,355	\$2,560	\$3,253	\$15,616
Ending Outstanding (2)	507,818	\$509,035	\$510,335	\$511,844	\$516,267	\$517,621	\$520,182	\$523,434	
Existing Debt Service (000's)	\$79,159	\$80,193	\$74,397	\$68,306	\$59,618	\$56,963	\$50,184	\$44,021	
New Debt Service (000's) (1)	<u>0</u>	<u>1,500</u>	<u>8,010</u>	<u>\$14,340</u>	<u>20,490</u>	<u>26,460</u>	<u>32,250</u>	<u>37,860</u>	
Total Debt Service (000's)	\$79,159	\$81,693	\$82,407	\$82,646	\$80,108	\$83,423	\$82,434	\$81,881	
General Fund Unrestricted Revenues (000's)(3)	\$1,999,338	\$2,017,965	\$1,997,643	\$1,997,426	\$2,007,156	\$2,016,926	\$2,026,742	\$2,036,603	
Debt Service as a Percent of Revenues	4.0%	4.0%	4.1%	4.1%	4.0%	4.1%	4.1%	4.0%	
Total Personal Income (000,000's) (4)	105,742	109,972	114,371	118,945	123,703	128,651	133,797	139,149	
Debt to Personal Income	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	
Population (000's) (5)	1,396	1,403	1,410	1,417	1,424	1,431	1,438	1,446	
Debt Per Capita	\$364	\$363	\$362	\$361	\$363	\$362	\$362	\$362	

Footnotes explained on page 2.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Effect of State Guaranteed Bonds on Debt Ratios - Case 2

	Actual	Projected							TOTAL
	2022	2023	2024	2025	2026	2027	2028	2029	2023-2029
Net General Fund Debt (000's)									
Beginning Outstanding (6) (7)		\$572,631	\$570,200	\$592,629	\$614,438	\$638,164	\$646,979	\$658,520	
G.O. Issuances		\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$420,000
State Guaranteed Issuances (6) (7)		0	25,560	25,560	25,440	14,220	14,220	0	105,000
Retirements G.O. Debt		58,783	58,700	58,491	55,577	58,645	57,440	56,747	404,384
State Guaranteed Debt (7)		<u>3,648</u>	<u>4,430</u>	<u>5,260</u>	<u>6,136</u>	<u>6,760</u>	<u>5,239</u>	<u>5,553</u>	<u>37,027</u>
Total Retirements		\$62,431	\$63,131	\$63,751	\$61,714	\$65,406	\$62,679	\$62,301	\$441,411
Net New Debt		(\$2,431)	\$22,429	\$21,809	\$23,726	\$8,814	\$11,541	(\$2,301)	\$83,589
Ending Outstanding	\$572,631	\$570,200	\$592,629	\$614,438	\$638,164	\$646,979	\$658,520	\$656,219	
G.O. Debt Service (000's)	\$79,159	\$81,693	\$82,407	\$82,646	\$80,108	\$83,423	\$82,434	\$81,881	
State Guaranteed Debt Service (000's) (6) (7)	0	<u>7,765</u>	<u>9,876</u>	<u>11,987</u>	<u>14,087</u>	<u>15,209</u>	<u>14,208</u>	<u>14,208</u>	
Total Debt Service (000's)	79,159	89,458	92,283	94,632	94,195	98,633	96,642	96,089	
General Fund Unrestricted Revenues (000's) (3)	\$1,999,338	\$2,017,965	\$1,997,643	\$1,997,426	\$2,007,156	\$2,016,926	\$2,026,742	\$2,036,603	
Debt Service as a Percent of Revenues	4.0%	4.4%	4.6%	4.7%	4.7%	4.9%	4.8%	4.7%	
Total Personal Income (000,000's) (4)	\$105,742	\$109,972	\$114,371	\$118,945	\$123,703	\$128,651	\$133,797	\$139,149	
Debt to Personal Income	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
Population (000's) (5)	1,396	1,403	1,410	1,417	1,424	1,431	1,438	1,446	
Debt Per Capita	\$410	\$406	\$420	\$434	\$448	\$452	\$458	\$454	

Footnotes explained on page 2.

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

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<u>Principal Repayments</u>							
General Fund	42,763,627	39,059,166	36,786,950	32,724,399	32,662,445	28,333,163	25,209,939
University System Appropriated	10,771,509	10,792,998	9,255,941	6,804,779	6,334,863	5,858,592	4,689,444
School Building Aid	<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>	<u>5,248,000</u>	<u>5,248,000</u>
Total Repayments	58,783,136	55,100,164	51,290,891	44,777,178	44,245,308	39,439,755	35,147,383
<u>Interest Payments</u>							
General Fund	16,942,237	15,398,168	13,736,763	12,153,048	10,590,986	9,158,479	7,812,486
University System Appropriated	2,686,642	2,330,329	1,926,386	1,560,293	1,233,842	930,896	649,707
School Building Aid	<u>1,780,512</u>	<u>1,568,272</u>	<u>1,351,472</u>	<u>1,127,200</u>	<u>893,280</u>	<u>654,800</u>	<u>411,760</u>
Total Payments	21,409,391	19,296,769	17,014,621	14,840,541	12,718,108	10,744,175	8,873,953
<u>Total Debt Service Payments</u>							
General Fund	59,705,864	54,457,334	50,523,713	44,877,447	43,253,431	37,491,642	33,022,425
University System Appropriated	13,458,151	13,123,327	11,182,327	8,365,072	7,568,705	6,789,488	5,339,151
School Building Aid	7,028,512	6,816,272	6,599,472	6,375,200	6,141,280	5,902,800	5,659,760
Total Debt Service	80,192,527	74,396,933	68,305,512	59,617,719	56,963,416	50,183,930	44,021,336

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

		<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<u>Debt Issued in FY2023</u>	Outstanding	60,000	56,400	52,800	49,200	45,600	42,000	38,400
Current Interest Bonds	Principal Payments	0	3,600	3,600	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>	<u>2,190</u>	<u>2,010</u>
	Total Debt Service	1,500	6,510	6,330	6,150	5,970	5,790	5,610
<u>Debt Issued in FY2024</u>	Outstanding		60,000	56,400	52,800	49,200	45,600	42,000
Current Interest Bonds	Principal Payments		0	3,600	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>	<u>2,190</u>
	Total Debt Service		1,500	6,510	6,330	6,150	5,970	5,790
<u>Debt Issued in FY2025</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 FY2026</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 FY2027</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 FY2028</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 FY2029</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	3,600	7,200	10,800	14,400	18,000	21,600
	Interest Payments	<u>1,500</u>	<u>4,410</u>	<u>7,140</u>	<u>9,690</u>	<u>12,060</u>	<u>14,250</u>	<u>16,260</u>
	Total Debt Service	1,500	8,010	14,340	20,490	26,460	32,250	37,860
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 New General Obligation Debt (6%)

		<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<u>Debt Issued in FY2023</u>	Outstanding	60,000	56,400	52,800	49,200	45,600	42,000	38,400
Current Interest Bonds	Principal Payments	0	3,600	3,600	3,600	3,600	3,600	3,600
	Interest Payments	<u>1,800</u>	<u>3,492</u>	<u>3,276</u>	<u>3,060</u>	<u>2,844</u>	<u>2,628</u>	<u>2,412</u>
	Total Debt Service	1,800	7,092	6,876	6,660	6,444	6,228	6,012
<u>Debt Issued in FY2024</u>	Outstanding		60,000	56,400	52,800	49,200	45,600	42,000
Current Interest Bonds	Principal Payments		0	3,600	3,600	3,600	3,600	3,600
	Interest Payments		<u>1,800</u>	<u>3,492</u>	<u>3,276</u>	<u>3,060</u>	<u>2,844</u>	<u>2,628</u>
	Total Debt Service		1,800	7,092	6,876	6,660	6,444	6,228
<u>Debt Issued in FY2025</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>1,800</u>	<u>3,492</u>	<u>3,276</u>	<u>3,060</u>	<u>2,844</u>
	Total Debt Service	0	0	1,800	7,092	6,876	6,660	6,444
<u>Debt Issued in FY2026</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>1,800</u>	<u>3,492</u>	<u>3,276</u>	<u>3,060</u>
	Total Debt Service	0	0	0	1,800	7,092	6,876	6,660
<u>Debt Issued in FY2027</u>	Outstanding					60,000	56,400	52,800
Current Interest Bonds	Principal Payments					0	3,600	3,600
	Interest Payments					<u>1,800</u>	<u>3,492</u>	<u>3,276</u>
	Total Debt Service	0	0	0	0	1,800	7,092	6,876
<u>Debt Issued in FY2028</u>	Outstanding						60,000	56,400
Current Interest Bonds	Principal Payments						0	3,600
	Interest Payments						<u>1,800</u>	<u>3,492</u>
	Total Debt Service	0	0	0	0	0	1,800	7,092
<u>Debt Issued in FY2029</u>	Outstanding							60,000
Current Interest Bonds	Principal Payments							0
	Interest Payments							<u>1,800</u>
	Total Debt Service	0	0	0	0	0	0	1,800
<u>Totals Debt Service on New G.O. Debt</u>	Principal Payments	0	3,600	7,200	10,800	14,400	18,000	21,600
	Interest Payments	<u>1,800</u>	<u>5,292</u>	<u>8,568</u>	<u>11,628</u>	<u>14,472</u>	<u>17,100</u>	<u>19,512</u>
	Total Debt Service	1,800	8,892	15,768	22,428	28,872	35,100	41,112
Rate on Current Interest Bonds:		6.00%						
Rate on Commercial Paper:		3.00%						

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

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<u>BFA \$20 Million Bond</u>							
Principal	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>
Total	354,000	354,000	354,000	354,000	354,000	354,000	354,000
<u>BFA Loan & Revenue Bond Programs (1)</u>							
Balance	53,900,000	52,434,752	50,881,590	49,235,238	47,490,104	45,640,263	43,679,431
Principal	1,465,248	1,553,162	1,646,352	1,745,133	1,849,841	1,960,832	2,078,482
Interest	<u>3,234,000</u>	<u>3,146,085</u>	<u>3,052,895</u>	<u>2,954,114</u>	<u>2,849,406</u>	<u>2,738,416</u>	<u>2,620,766</u>
Payment	4,699,248	4,699,248	4,699,248	4,699,248	4,699,248	4,699,248	4,699,248
<u>Qualified School Construction Bonds</u>							
Principal	2,182,500	2,182,500	2,182,500	2,182,500	2,182,500	0	0
Interest (gross of tax credit)	<u>529,365</u>	<u>411,729</u>	<u>294,092</u>	<u>176,455</u>	<u>58,818</u>	<u>0</u>	<u>0</u>
Total	2,711,865	2,594,229	2,476,592	2,358,955	2,241,318	0	0
<u>Total Outstanding State Guaranteed Debt</u>							
Principal	3,647,748	3,735,662	3,828,852	3,927,633	4,032,341	1,960,832	2,078,482
Interest	<u>4,117,365</u>	<u>3,911,814</u>	<u>3,700,987</u>	<u>3,484,569</u>	<u>3,262,225</u>	<u>3,092,416</u>	<u>2,974,766</u>
Total	7,765,113	7,647,476	7,529,839	7,412,203	7,294,566	5,053,248	5,053,248

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

Principal*	53,900,000
Number of Years	20
Interest Rate	6.0%
Annual Payments	4,699,248

* Includes \$53.9 million of outstanding BFA loans; no BFA revenue bonds currently outstanding.

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

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<u>Issuances in FY2023 (1)</u>							
Balance		25,560,000	24,865,163	24,128,635	23,347,916	22,520,354	21,643,138
Principal		694,837	736,528	780,719	827,562	877,216	929,849
Interest		<u>1,533,600</u>	<u>1,491,910</u>	<u>1,447,718</u>	<u>1,400,875</u>	<u>1,351,221</u>	<u>1,298,588</u>
Total Debt Service		2,228,437	2,228,437	2,228,437	2,228,437	2,228,437	2,228,437
<u>Issuances in FY2024 (1)</u>							
Balance			25,560,000	24,865,163	24,128,635	23,347,916	22,520,354
Principal			694,837	736,528	780,719	827,562	877,216
Interest			<u>1,533,600</u>	<u>1,491,910</u>	<u>1,447,718</u>	<u>1,400,875</u>	<u>1,351,221</u>
Total Debt Service			2,228,437	2,228,437	2,228,437	2,228,437	2,228,437
<u>Issuances in FY2025 (1)</u>							
Balance				25,440,000	24,748,425	24,015,355	23,238,301
Principal				691,575	733,070	777,054	823,677
Interest				<u>1,526,400</u>	<u>1,484,905</u>	<u>1,440,921</u>	<u>1,394,298</u>
Total Debt Service				2,217,975	2,217,975	2,217,975	2,217,975
<u>Issuances in FY2026 (1)</u>							
Balance					14,220,000	13,833,436	13,423,677
Principal					386,564	409,758	434,344
Interest					<u>853,200</u>	<u>830,006</u>	<u>805,421</u>
Total Debt Service					1,239,764	1,239,764	1,239,764
<u>Issuances in FY2027 (1)</u>							
Balance						14,220,000	13,833,436
Principal						386,564	409,758
Interest						853,200	830,006
Total Debt Service						1,239,764	1,239,764
<u>Total State Guaranteed Debt to be Issued</u>							
Principal	0	694,837	1,431,365	2,208,822	2,727,916	3,278,155	3,474,844
Interest	0	<u>1,533,600</u>	<u>3,025,510</u>	<u>4,466,028</u>	<u>5,186,699</u>	<u>5,876,224</u>	<u>5,679,534</u>
Total Debt Service	0	2,228,437	4,456,875	6,674,850	7,914,614	9,154,379	9,154,378
<u>Total Outstanding and Future Issuances of State Guaranteed Debt (2)</u>							
Principal	3,647,748	4,430,500	5,260,217	6,136,455	6,760,257	5,238,987	5,553,326
Interest	<u>4,117,365</u>	<u>5,445,414</u>	<u>6,726,497</u>	<u>7,950,597</u>	<u>8,448,923</u>	<u>8,968,639</u>	<u>8,654,300</u>
Total Debt Service	7,765,113	9,875,914	11,986,714	14,087,052	15,209,180	14,207,626	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 \$60 Million Annually in FY 2023-2029
No Revenue Increase in FY 2023-2029
School Building Aid Bonds Included

- (1) \$60 million issued annually in FY 2023 through 2029 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.
- (2) 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.
- (3) General Fund Unrestricted Revenues reflect actual revenues for FY 2022, with ETF portion of meals and rooms tax revenues designated for the debt service on school building aid bonds added.
Assumes no revenue increase in FY 2023 through 2029.
- (4) Total Personal Income - source: U.S. Department of Commerce, Bureau of Economic Analysis for 2021 figure of \$101,675 million. Assumes 4.0% growth annually thereafter.
- (5) Population - source: U.S. Census Bureau 2021 figure of 1,388,992. Assumes 0.5% growth annually thereafter.
- (6) For certain sensitivities, State guaranteed debt that is added to Net General Fund Debt includes the outstanding \$10.9 million of Qualified School Construction Bonds ("QSCBs") and Business Finance Authority ("BFA") debt totaling \$53.9 million at June 30, 2022.
- (7) Debt Service includes State guaranteed debt outstanding or to be issued for the following: local Superfund sites, BFA and Pease Development Authority ("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.
\$25.6 million is issued in each of FY 2024 and 2025, \$25.4 million in 2026, and \$14.2 million in each of FY 2027 and 2028.
Estimated authorized but unissued State guaranteed debt of \$105.0 million includes:
\$20 million for local Superfund sites, \$71.1 million for BFA, and \$13.9 million for PDA.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Sensitivity Case 1 - Issuance of \$60 Million Annually in FY 2023-2029; No Revenue Increase in FY 2023-2029
School Building Aid Bonds Included

	Actual 2022	Projected							TOTAL 2023-2029
		2023	2024	2025	2026	2027	2028	2029	
Net General Fund Debt (000's)									
Beginning Outstanding		\$507,818	\$509,035	\$510,335	\$511,844	\$516,267	\$517,621	\$520,182	
Issuances (1)		\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$420,000
Retirements:									
Existing Debt (1)		58,783	55,100	51,291	44,777	44,245	39,440	35,147	328,784
New Debt (2)		<u>0</u>	<u>3,600</u>	<u>7,200</u>	<u>10,800</u>	<u>14,400</u>	<u>18,000</u>	<u>21,600</u>	<u>75,600</u>
Total Retirements		\$58,783	\$58,700	\$58,491	\$55,577	\$58,645	\$57,440	\$56,747	\$404,384
Net New Debt		\$1,217	\$1,300	\$1,509	\$4,423	\$1,355	\$2,560	\$3,253	\$15,616
Ending Outstanding (2)	\$507,818	\$509,035	\$510,335	\$511,844	\$516,267	\$517,621	\$520,182	\$523,434	
Existing Debt Service (000's)	\$79,159	\$80,193	\$74,397	\$68,306	\$59,618	\$56,963	\$50,184	\$44,021	
New Debt Service (000's) (1)	<u>0</u>	<u>1,500</u>	<u>8,010</u>	<u>\$14,340</u>	<u>20,490</u>	<u>26,460</u>	<u>32,250</u>	<u>37,860</u>	
Total Debt Service (000's)	\$79,159	\$81,693	\$82,407	\$82,646	\$80,108	\$83,423	\$82,434	\$81,881	
General Fund Unrestricted Revenues (000's)(3)	\$1,999,338	\$1,998,055	\$1,997,842	\$1,997,625	\$1,997,401	\$1,997,167	\$1,996,929	\$1,996,686	
Debt Service as a Percent of Revenues	4.0%	4.1%	4.1%	4.1%	4.0%	4.2%	4.1%	4.1%	
Total Personal Income (000,000's) (4)	105,742	109,972	114,371	118,945	123,703	128,651	133,797	139,149	
Debt to Personal Income	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	
Population (000's) (5)	1,396	1,403	1,410	1,417	1,424	1,431	1,438	1,446	
Debt Per Capita	\$364	\$363	\$362	\$361	\$363	\$362	\$362	\$362	

Footnotes explained on page 2.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Assumptions to Sensitivity Case 2 - Issuance of \$60 Million Annually in FY 2023-2029
Higher Interest Rates in FY 2023-2029
School Building Aid Bonds Included

- (1) \$60 million issued annually in FY 2023 through 2029 at an interest rate of 6%,
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.
- (2) 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.
- (3) General Fund Unrestricted Revenues reflect actual revenues for FY 2022, with ETF portion of meals and rooms tax revenues designated for the debt service on school building aid bonds added.
Assumes revenue increase of 1.0% in FY 2023, -1.0% in FY 2024, 0.0% in FY 2025, and 0.5% in each of FY 2026 through 2029.
- (4) Total Personal Income - source: U.S. Department of Commerce, Bureau of Economic Analysis for 2021 figure of \$101,675 million. Assumes 4.0% growth annually thereafter.
- (5) Population - source: U.S. Census Bureau 2021 figure of 1,388,992. Assumes 0.5% growth annually thereafter.
- (6) For certain sensitivities, State guaranteed debt that is added to Net General Fund Debt includes the outstanding \$10.9 million of Qualified School Construction Bonds ("QSCBs") and Business Finance Authority ("BFA") debt totaling \$53.9 million at June 30, 2022.
- (7) Debt Service includes State guaranteed debt outstanding or to be issued for the following: local Superfund sites, BFA and Pease Development Authority ("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.
\$25.6 million is issued in each of FY 2024 and 2025, \$25.4 million in 2026, and \$14.2 million in each of FY 2027 and 2028.
Estimated authorized but unissued State guaranteed debt of \$105.0 million includes:

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Sensitivity Case 2 - Issuance of \$60 Million in FY 2023-2029; Higher Interest Rates
School Building Aid Bonds Included

	Actual 2022	Projected							TOTAL 2023-2029
		2023	2024	2025	2026	2027	2028	2029	
Net General Fund Debt (000's)									
Beginning Outstanding		\$507,818	\$509,035	\$510,335	\$511,844	\$516,267	\$517,621	\$520,182	
Issuances (1)		\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$420,000
Retirements:									
Existing Debt		58,783	55,100	51,291	44,777	44,245	39,440	35,147	328,784
New Debt (1)		<u>0</u>	<u>3,600</u>	<u>7,200</u>	<u>10,800</u>	<u>14,400</u>	<u>18,000</u>	<u>21,600</u>	<u>75,600</u>
Total Retirements		\$58,783	\$58,700	\$58,491	\$55,577	\$58,645	\$57,440	\$56,747	\$404,384
Net New Debt		\$1,217	\$1,300	\$1,509	\$4,423	\$1,355	\$2,560	\$3,253	\$15,616
Ending Outstanding (3)	\$507,818	\$509,035	\$510,335	\$511,844	\$516,267	\$517,621	\$520,182	\$523,434	
Existing Debt Service (000's)	\$79,159	\$80,193	\$74,397	\$68,306	\$59,618	\$56,963	\$50,184	\$44,021	
New Debt Service (000's) (1)	<u>0</u>	<u>1,800</u>	<u>8,892</u>	<u>15,768</u>	<u>22,428</u>	<u>28,872</u>	<u>35,100</u>	<u>41,112</u>	
Total Debt Service (000's)	\$79,159	\$81,993	\$83,289	\$84,074	\$82,046	\$85,835	\$85,284	\$85,133	
General Fund Unrestricted Revenues (000's)(3)	\$1,999,338	\$2,017,965	\$1,997,643	\$1,997,426	\$2,007,156	\$2,016,926	\$2,026,742	\$2,036,603	
Debt Service as a Percent of Revenues	4.0%	4.1%	4.2%	4.2%	4.1%	4.3%	4.2%	4.2%	
Total Personal Income (000,000's) (4)	105,742	109,972	114,371	118,945	123,703	128,651	133,797	139,149	
Debt to Personal Income	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	
Population (000's) (5)	1,396	1,403	1,410	1,417	1,424	1,431	1,438	1,446	
Debt Per Capita	\$364	\$363	\$362	\$361	\$363	\$362	\$362	\$362	

Footnotes explained on page 2.

THE STATE OF NEW HAMPSHIRE
Debt Affordability Study Update
Effect of State Guaranteed Bonds and Stagnant Revenues on Debt Ratios - Case 3

	Actual	Projected							TOTAL
	2022	2023	2024	2025	2026	2027	2028	2029	2023-2029
Net General Fund Debt (000's)									
Beginning Outstanding (7) (8)		\$572,631	\$570,200	\$592,629	\$614,438	\$638,164	\$646,979	\$658,520	
G.O. Issuances		\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$420,000
State Guaranteed Issuances (7) (8)		0	25,560	25,560	25,440	14,220	14,220	0	105,000
Retirements G.O. Debt		58,783	58,700	58,491	55,577	58,645	57,440	56,747	404,384
State Guaranteed Debt (8)		<u>3,648</u>	<u>4,430</u>	<u>5,260</u>	<u>6,136</u>	<u>6,760</u>	<u>5,239</u>	<u>5,553</u>	<u>37,027</u>
Total Retirements		\$62,431	\$63,131	\$63,751	\$61,714	\$65,406	\$62,679	\$62,301	\$441,411
Net New Debt		(\$2,431)	\$22,429	\$21,809	\$23,726	\$8,814	\$11,541	(\$2,301)	\$83,589
Ending Outstanding	\$572,631	\$570,200	\$592,629	\$614,438	\$638,164	\$646,979	\$658,520	\$656,219	
G.O. Debt Service (000's)	\$79,159	\$81,693	\$82,407	\$82,646	\$80,108	\$83,423	\$82,434	\$81,881	
State Guaranteed Debt Service (000's) (8)	0	<u>7,765</u>	<u>9,876</u>	<u>11,987</u>	<u>14,087</u>	<u>15,209</u>	<u>14,208</u>	<u>14,208</u>	
Total Debt Service (000's)	79,159	89,458	92,283	94,632	94,195	98,633	96,642	96,089	
General Fund Unrestricted Revenues (000's) (4)	\$1,999,338	\$1,998,055	\$1,997,842	\$1,997,625	\$1,997,401	\$1,997,167	\$1,996,929	\$1,996,686	
Debt Service as a Percent of Revenues	4.0%	4.5%	4.6%	4.7%	4.7%	4.9%	4.8%	4.8%	
Total Personal Income (000,000's) (5)	\$105,742	\$109,972	\$114,371	\$118,945	\$123,703	\$128,651	\$133,797	\$139,149	
Debt to Personal Income	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
Population (000's) (6)	1,396	1,403	1,410	1,417	1,424	1,431	1,438	1,446	
Debt Per Capita	\$410	\$406	\$420	\$434	\$448	\$452	\$458	\$454	

Footnotes explained on page 2.