

Monica I. Mezzapelle
STATE TREASURER



THE STATE OF NEW HAMPSHIRE
STATE TREASURY
25 CAPITOL STREET, ROOM 121
CONCORD, N.H. 03301
603-271-2621
FAX 603-271-3922
E-mail: Monica.Mezzapelle@treasury.nh.gov
TDD Access: Relay NH 1-800-735-2964

March 19, 2024

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

Dear Mr. Kane,

Please accept this letter as certification of the affordable debt limit as required by RSA 6-C:2. The statute prohibits the legislature from authorizing any additional net tax-supported debt that would result in actual and projected debt service exceeding ten percent of general fund unrestricted revenues for the previous fiscal year. Unrestricted revenues for fiscal year 2023 totaled \$2,033,466,000, therefore actual and projected general fund debt service cannot exceed \$203,346,600.

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

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

Attached are worksheets which present total projected debt service through fiscal year 2030 using the criteria defined in RSA 6-C. The projection includes:

- Current annual general fund debt service through fiscal year 2030,
- Amortization of the \$369.3 million in general fund bonds currently authorized but unissued, and
- Amortization of all general obligation guarantees within the statutory definition.

The total projected debt service was then compared to ten percent of fiscal year 2023 general fund unrestricted revenues. The result provides the projected remaining annual debt service capacity within the prescribed criteria of RSA 6-C (Attachment 1).

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This analysis concludes that the level of “new” net tax-supported debt the legislature could authorize, absent a 3/5 override vote, could not exceed \$1,067 million (Attachment 2) compared to \$1,165 million calculated last year. The decrease in debt capacity is primarily due to the additional amount of Business Finance Authority obligations the State can now guarantee, which increased to \$200 million from \$115 million, pursuant to Chapter 79, Laws of 2023. Nonetheless, the positive trend unrestricted general fund revenue has experienced over the past few fiscal years, combined with the rapid repayment of the State’s outstanding debt, have continued to strengthen the State’s debt capacity. Please note that the possibility of this scenario unfolding as presented here is remote, as it is highly unlikely the State would ever issue all bonds authorized and unissued, as well as any new authorizations in the same year. That assumption, coupled with the prospect that all outstanding general obligation guarantees would be triggered in the same year with unrestricted revenues remaining flat over the six-year period, provides a conservative set of assumptions for this statutory assessment.

In conclusion, while the statutory limit established in RSA 6-C serves as a guardrail to ensure the State debt levels remain manageable, it is also a calculation at a point in time which should be evaluated in conjunction with the Debt Affordability Study published by the State Treasury each year (<https://www.nh.gov/treasury/forms-publications/index.htm#bonds>).

Please contact me if you have any questions.

Respectfully,



Monica I. Mezzapelle
State Treasurer

Attachments

State of New Hampshire Treasury
Attachment 1 to RSA 6-C Certification

Fiscal Year	Projected Debt										
	Current Actual		Service - \$369.3M GF Bonds Authorized & Unissued		Projected Debt Service - \$233.9M Guaranteed Debt		Total Projected General Fund Debt Service		Less: Total Projected General Fund Debt Service		Annual Debt Service Capacity
	General Fund Debt Service	General Fund Debt Service	Authorized & Unissued	Bonds	Service - \$233.9M Guaranteed Debt	General Fund Debt Service	General Fund Debt Service	10% of FY 2023 General Fund Unrestricted Revenues	General Fund Debt Service	General Fund Debt Service	
2024	72,561,649		9,232,500		7,017,000	88,811,149	88,811,149	203,346,600	88,811,149	114,535,451	
2025	68,099,186		29,354,775		20,202,230	117,656,191	117,656,191	203,346,600	117,656,191	85,690,409 (a)	
2026	57,908,190		29,340,375		20,190,260	107,438,825	107,438,825	203,346,600	107,438,825	95,907,775	
2027	53,959,721		29,325,375		20,177,740	103,462,836	103,462,836	203,346,600	103,462,836	99,883,764	
2028	47,325,351		29,310,325		20,165,230	96,800,906	96,800,906	203,346,600	96,800,906	106,545,694	
2029	41,312,230		29,294,700		20,151,230	90,758,160	90,758,160	203,346,600	90,758,160	112,588,440	
2030	39,547,339		29,276,950		20,137,150	88,961,439	88,961,439	203,346,600	88,961,439	114,385,161	

(a) Correlates to approximately \$1,067 million in new authorizations

Attachment 2 to RSA 6-C Certification

State of New Hampshire Treasury
General Obligation Bonds
 Debt Service Schedule - Bonds Authorized and Unissued

	Principal	Coupon	Interest	Debt Service	Fiscal Year Total
3/1/2024			9,232,500.00	9,232,500.00	9,232,500.00
9/1/2024	11,169,000	5.00%	9,232,500.00	20,401,500.00	
3/1/2025			8,953,275.00	8,953,275.00	29,354,775.00
9/1/2025	11,727,000	5.00%	8,953,275.00	20,680,275.00	
3/1/2026			8,660,100.00	8,660,100.00	29,340,375.00
9/1/2026	12,313,000	5.00%	8,660,100.00	20,973,100.00	
3/1/2027			8,352,275.00	8,352,275.00	29,325,375.00
9/1/2027	12,929,000	5.00%	8,352,275.00	21,281,275.00	
3/1/2028			8,029,050.00	8,029,050.00	29,310,325.00
9/1/2028	13,576,000	5.00%	8,029,050.00	21,605,050.00	
3/1/2029			7,689,650.00	7,689,650.00	29,294,700.00
9/1/2029	14,254,000	5.00%	7,689,650.00	21,943,650.00	
3/1/2030			7,333,300.00	7,333,300.00	29,276,950.00
9/1/2030	14,967,000	5.00%	7,333,300.00	22,300,300.00	
3/1/2031			6,959,125.00	6,959,125.00	29,259,425.00
9/1/2031	15,715,000	5.00%	6,959,125.00	22,674,125.00	
3/1/2032			6,566,250.00	6,566,250.00	29,240,375.00
9/1/2032	16,501,000	5.00%	6,566,250.00	23,067,250.00	
3/1/2033			6,153,725.00	6,153,725.00	29,220,975.00
9/1/2033	17,326,000	5.00%	6,153,725.00	23,479,725.00	
3/1/2034			5,720,575.00	5,720,575.00	29,200,300.00
9/1/2034	18,192,000	5.00%	5,720,575.00	23,912,575.00	
3/1/2035			5,265,775.00	5,265,775.00	29,178,350.00
9/1/2035	19,102,000	5.00%	5,265,775.00	24,367,775.00	
3/1/2036			4,788,225.00	4,788,225.00	29,156,000.00
9/1/2036	20,057,000	5.00%	4,788,225.00	24,845,225.00	
3/1/2037			4,286,800.00	4,286,800.00	29,132,025.00
9/1/2037	21,060,000	5.00%	4,286,800.00	25,346,800.00	
3/1/2038			3,760,300.00	3,760,300.00	29,107,100.00
9/1/2038	22,113,000	5.00%	3,760,300.00	25,873,300.00	
3/1/2039			3,207,475.00	3,207,475.00	29,080,775.00
9/1/2039	23,219,000	5.00%	3,207,475.00	26,426,475.00	
3/1/2040			2,627,000.00	2,627,000.00	29,053,475.00
9/1/2040	24,380,000	5.00%	2,627,000.00	27,007,000.00	
3/1/2041			2,017,500.00	2,017,500.00	29,024,500.00
9/1/2041	25,599,000	5.00%	2,017,500.00	27,616,500.00	
3/1/2042			1,377,525.00	1,377,525.00	28,994,025.00
9/1/2042	26,879,000	5.00%	1,377,525.00	28,256,525.00	
3/1/2043			705,550.00	705,550.00	28,962,075.00
9/1/2043	28,222,000	5.00%	705,550.00	28,927,550.00	28,927,550.00
			-	-	
	\$ 369,300,000.00		\$ 223,371,950.00	\$ 592,671,950.00	\$ 592,671,950.00

Sources:

Authorized and Unissued Par Amount	369,300,000.00	<table border="1"> <tr> <td>29,634,140.89</td> <td>Target DS</td> </tr> <tr> <td>5.0%</td> <td></td> </tr> </table>	29,634,140.89	Target DS	5.0%	
29,634,140.89	Target DS					
5.0%						
Fixed Coupon						

Attachment 2 to RSA 6-C Certification

State of New Hampshire Treasury
General Obligation Bonds
 Debt Service Schedule - Bonds Guaranteed Outstanding and Unissued

	Principal	Coupon	Interest	Debt Service	Fiscal Year Total
3/1/2024			7,017,000.00	7,017,000.00	7,017,000.00
9/1/2024	6,359,000	6.00%	7,017,000.00	13,376,000.00	
3/1/2025			6,826,230.00	6,826,230.00	20,202,230.00
9/1/2025	6,740,000	6.00%	6,826,230.00	13,566,230.00	
3/1/2026			6,624,030.00	6,624,030.00	20,190,260.00
9/1/2026	7,144,000	6.00%	6,624,030.00	13,768,030.00	
3/1/2027			6,409,710.00	6,409,710.00	20,177,740.00
9/1/2027	7,573,000	6.00%	6,409,710.00	13,982,710.00	
3/1/2028			6,182,520.00	6,182,520.00	20,165,230.00
9/1/2028	8,027,000	6.00%	6,182,520.00	14,209,520.00	
3/1/2029			5,941,710.00	5,941,710.00	20,151,230.00
9/1/2029	8,509,000	6.00%	5,941,710.00	14,450,710.00	
3/1/2030			5,686,440.00	5,686,440.00	20,137,150.00
9/1/2030	9,020,000	6.00%	5,686,440.00	14,706,440.00	
3/1/2031			5,415,840.00	5,415,840.00	20,122,280.00
9/1/2031	9,561,000	6.00%	5,415,840.00	14,976,840.00	
3/1/2032			5,129,010.00	5,129,010.00	20,105,850.00
9/1/2032	10,134,000	6.00%	5,129,010.00	15,263,010.00	
3/1/2033			4,824,990.00	4,824,990.00	20,088,000.00
9/1/2033	10,743,000	6.00%	4,824,990.00	15,567,990.00	
3/1/2034			4,502,700.00	4,502,700.00	20,070,690.00
9/1/2034	11,387,000	6.00%	4,502,700.00	15,889,700.00	
3/1/2035			4,161,090.00	4,161,090.00	20,050,790.00
9/1/2035	12,070,000	6.00%	4,161,090.00	16,231,090.00	
3/1/2036			3,798,990.00	3,798,990.00	20,030,080.00
9/1/2036	12,795,000	6.00%	3,798,990.00	16,593,990.00	
3/1/2037			3,415,140.00	3,415,140.00	20,009,130.00
9/1/2037	13,562,000	6.00%	3,415,140.00	16,977,140.00	
3/1/2038			3,008,280.00	3,008,280.00	19,985,420.00
9/1/2038	14,376,000	6.00%	3,008,280.00	17,384,280.00	
3/1/2039			2,577,000.00	2,577,000.00	19,961,280.00
9/1/2039	15,238,000	6.00%	2,577,000.00	17,815,000.00	
3/1/2040			2,119,860.00	2,119,860.00	19,934,860.00
9/1/2040	16,153,000	6.00%	2,119,860.00	18,272,860.00	
3/1/2041			1,635,270.00	1,635,270.00	19,908,130.00
9/1/2041	17,122,000	6.00%	1,635,270.00	18,757,270.00	
3/1/2042			1,121,610.00	1,121,610.00	19,878,880.00
9/1/2042	18,149,000	6.00%	1,121,610.00	19,270,610.00	
3/1/2043			577,140.00	577,140.00	19,847,750.00
9/1/2043	19,238,000	6.00%	577,140.00	19,815,140.00	19,815,140.00
	\$ 233,900,000.00		\$ 173,949,120.00	\$ 407,849,120.00	\$ 407,849,120.00

Sources:

Authorized and Unissued Par Amount	233,900,000.00	<table border="1"> <tr> <td align="center">20,393,006.21</td> <td rowspan="2">Target DS</td> </tr> <tr> <td align="center">6.0%</td> </tr> </table>	20,393,006.21	Target DS	6.0%
20,393,006.21	Target DS				
6.0%					
Fixed Coupon					

Attachment 2 to RSA 6-C Certification

State of New Hampshire Treasury
General Obligation Bonds
 Debt Service Schedule - Additional Capacity

	Principal	Coupon	Interest	Debt Service	Fiscal Year Total
3/1/2024			26,697,295.50	26,697,295.50	26,697,295.50
9/1/2024	32,295,810	5.00%	26,697,295.50	58,993,105.50	
3/1/2025			25,889,900.25	25,889,900.25	84,883,005.75
9/1/2025	33,910,600	5.00%	25,889,900.25	59,800,500.25	
3/1/2026			25,042,135.25	25,042,135.25	84,842,635.50
9/1/2026	35,606,130	5.00%	25,042,135.25	60,648,265.25	
3/1/2027			24,151,982.00	24,151,982.00	84,800,247.25
9/1/2027	37,386,440	5.00%	24,151,982.00	61,538,422.00	
3/1/2028			23,217,321.00	23,217,321.00	84,755,743.00
9/1/2028	39,255,760	5.00%	23,217,321.00	62,473,081.00	
3/1/2029			22,235,927.00	22,235,927.00	84,709,008.00
9/1/2029	41,218,550	5.00%	22,235,927.00	63,454,477.00	
3/1/2030			21,205,463.25	21,205,463.25	84,659,940.25
9/1/2030	43,279,480	5.00%	21,205,463.25	64,484,943.25	
3/1/2031			20,123,476.25	20,123,476.25	84,608,419.50
9/1/2031	45,443,450	5.00%	20,123,476.25	65,566,926.25	
3/1/2032			18,987,390.00	18,987,390.00	84,554,316.25
9/1/2032	47,715,620	5.00%	18,987,390.00	66,703,010.00	
3/1/2033			17,794,499.50	17,794,499.50	84,497,509.50
9/1/2033	50,101,400	5.00%	17,794,499.50	67,895,899.50	
3/1/2034			16,541,964.50	16,541,964.50	84,437,864.00
9/1/2034	52,606,470	5.00%	16,541,964.50	69,148,434.50	
3/1/2035			15,226,802.75	15,226,802.75	84,375,237.25
9/1/2035	55,236,800	5.00%	15,226,802.75	70,463,602.75	
3/1/2036			13,845,882.75	13,845,882.75	84,309,485.50
9/1/2036	57,998,640	5.00%	13,845,882.75	71,844,522.75	
3/1/2037			12,395,916.75	12,395,916.75	84,240,439.50
9/1/2037	60,898,570	5.00%	12,395,916.75	73,294,486.75	
3/1/2038			10,873,452.50	10,873,452.50	84,167,939.25
9/1/2038	63,943,500	5.00%	10,873,452.50	74,816,952.50	
3/1/2039			9,274,865.00	9,274,865.00	84,091,817.50
9/1/2039	67,140,670	5.00%	9,274,865.00	76,415,535.00	
3/1/2040			7,596,348.25	7,596,348.25	84,011,883.25
9/1/2040	70,497,710	5.00%	7,596,348.25	78,094,058.25	
3/1/2041			5,833,905.50	5,833,905.50	83,927,963.75
9/1/2041	74,022,590	5.00%	5,833,905.50	79,856,495.50	
3/1/2042			3,983,340.75	3,983,340.75	83,839,836.25
9/1/2042	77,723,720	5.00%	3,983,340.75	81,707,060.75	
3/1/2043			2,040,247.75	2,040,247.75	83,747,308.50
9/1/2043	81,609,910	5.00%	2,040,247.75	83,650,157.75	83,650,157.75
	\$ 1,067,891,820.00		\$ 645,916,233.00	\$ 1,713,808,053.00	\$ 1,713,808,053.00

Sources:

Par Amount	1,067,891,820.00	85,690,408.70	Target DS
Fixed Coupon		5.0%	