



**Monica I. Mezzapelle**  
COMMISSIONER OF THE TREASURY

**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: [mmezzapelle@treasury.state.nh.us](mailto:mmezzapelle@treasury.state.nh.us)  
TDD Access: Relay NH 1-800-735-2964

October 7, 2020

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 unrestricted general fund revenues for the previous fiscal year. Unrestricted general fund revenues for fiscal year 2019 totaled \$1,622,002,000, therefore actual and projected general fund debt service cannot exceed \$162,200,200.

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

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

Attached are worksheets which present total projected debt service through fiscal year 2026 using the criteria defined in RSA 6-C. The projection includes:

- Current annual general fund debt service through fiscal year 2026,
- Amortization of the \$254 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 2019 general fund unrestricted revenues. The result provides the projected remaining annual debt service capacity within the prescribed criteria of RSA 6-C (Attachment 1).

Mr. Michael W. Kane  
October 7, 2020  
Page 2

This analysis concludes that the statutory threshold or the level of new net tax-supported debt the legislature could authorize, absent a 3/5 override vote, could not exceed \$600 million (Attachment 2). While the RSA 6-C calculated authorization limit of \$600 million is considerably higher than the bonding authorization levels we recommended in the recently released Debt Affordability Study (\$120 million of new net tax-supported bond authorizations for the 2022-23 biennium and beyond), the statutory limit established in RSA 6-C serves its intended purpose of keeping State debt levels manageable.

It is also important to note that the possibility of this scenario unfolding as presented here is remote. It is highly unlikely that 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 general fund unrestricted revenue remaining flat over the six-year period, provides a conservative set of assumptions for this statutory assessment.

Respectfully,

Monica I. Mezzapelle  
Commissioner of the Treasury

Attachments

State Treasury  
Attachment 2 to RSA 6-C Certification

<u>Fiscal Year</u>	<u>Current Actual General Fund Debt Service</u>	<u>Amortization of 254M in General Fund Bonds Authorized &amp; Unissued</u>	<u>\$166M Guaranteed General Fund Debt</u>	<u>Total Projected General Fund Debt Service</u>	<u>10% of FY 2019 General Fund Unrestricted Revenues</u>	<u>Less: Total Projected General Fund Debt Service</u>	<u>Remaining Debt Service Authorizations Allowable</u>
2020	90,896,878	6,350,000	6,962,816	104,209,694	162,200,200	104,209,694	57,990,506
2021	85,373,717	20,189,950	8,465,299	114,028,966	162,200,200	114,028,966	<b>48,171,234 (a)</b>
2022	76,642,622	20,180,250	10,341,354	107,164,227	162,200,200	107,164,227	55,035,973
2023	66,474,099	20,169,875	12,218,500	98,862,474	162,200,200	98,862,474	63,337,726
2024	61,183,247	20,158,850	13,117,435	94,459,532	162,200,200	94,459,532	67,740,668
2025	55,922,580	20,148,125	14,016,371	90,087,076	162,200,200	90,087,076	72,113,124
2026	47,595,512	20,136,600	13,898,734	81,630,846	162,200,200	81,630,846	80,569,354

(a) Correlates to \$600M in authorizations

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

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

	Principal	Coupon	Interest	Debt Service	Fiscal Year Total
3/1/2020			15,007,999.50	15,007,999.50	15,007,999.50
9/1/2020	18,155,230	5.00%	15,007,999.50	33,163,229.50	
3/1/2021			14,554,118.75	14,554,118.75	47,717,348.25
9/1/2021	19,062,990	5.00%	14,554,118.75	33,617,108.75	
3/1/2022			14,077,544.00	14,077,544.00	47,694,652.75
9/1/2022	20,016,140	5.00%	14,077,544.00	34,093,684.00	
3/1/2023			13,577,140.50	13,577,140.50	47,670,824.50
9/1/2023	21,016,950	5.00%	13,577,140.50	34,594,090.50	
3/1/2024			13,051,716.75	13,051,716.75	47,645,807.25
9/1/2024	22,067,800	5.00%	13,051,716.75	35,119,516.75	
3/1/2025			12,500,021.75	12,500,021.75	47,619,538.50
9/1/2025	23,171,190	5.00%	12,500,021.75	35,671,211.75	
3/1/2026			11,920,742.00	11,920,742.00	47,591,953.75
9/1/2026	24,329,740	5.00%	11,920,742.00	36,250,482.00	
3/1/2027			11,312,498.50	11,312,498.50	47,562,980.50
9/1/2027	25,546,230	5.00%	11,312,498.50	36,858,728.50	
3/1/2028			10,673,842.75	10,673,842.75	47,532,571.25
9/1/2028	26,823,540	5.00%	10,673,842.75	37,497,382.75	
3/1/2029			10,003,254.25	10,003,254.25	47,500,637.00
9/1/2029	28,164,720	5.00%	10,003,254.25	38,167,974.25	
3/1/2030			9,299,136.25	9,299,136.25	47,467,110.50
9/1/2030	29,572,960	5.00%	9,299,136.25	38,872,096.25	
3/1/2031			8,559,812.25	8,559,812.25	47,431,908.50
9/1/2031	31,051,600	5.00%	8,559,812.25	39,611,412.25	
3/1/2032			7,783,522.25	7,783,522.25	47,394,934.50
9/1/2032	32,604,180	5.00%	7,783,522.25	40,387,702.25	
3/1/2033			6,968,417.75	6,968,417.75	47,356,120.00
9/1/2033	34,234,390	5.00%	6,968,417.75	41,202,807.75	
3/1/2034			6,112,558.00	6,112,558.00	47,315,365.75
9/1/2034	35,946,110	5.00%	6,112,558.00	42,058,668.00	
3/1/2035			5,213,905.25	5,213,905.25	47,272,573.25
9/1/2035	37,743,420	5.00%	5,213,905.25	42,957,325.25	
3/1/2036			4,270,319.75	4,270,319.75	47,227,645.00
9/1/2036	39,630,590	5.00%	4,270,319.75	43,900,909.75	
3/1/2037			3,279,555.00	3,279,555.00	47,180,464.75
9/1/2037	41,612,120	5.00%	3,279,555.00	44,891,675.00	
3/1/2038			2,239,252.00	2,239,252.00	47,130,927.00
9/1/2038	43,692,720	5.00%	2,239,252.00	45,931,972.00	
3/1/2039			1,146,934.00	1,146,934.00	47,078,906.00
9/1/2039	45,877,360	5.00%	1,146,934.00	47,024,294.00	47,024,294.00
			-	-	
	\$ 600,319,980.00		\$ 363,104,582.50	\$ 963,424,562.50	\$ 963,424,562.50

**Sources:**

Par Amount	600,319,980.00	48,171,234.03	Target DS
Fixed Coupon		5.0%	