

DEBT



STATE INDEBTEDNESS

Capital Debt Affordability Advisory Committee

The Capital Debt Affordability Advisory Committee (CDAAC) was created by the 1990 General Assembly to annually estimate the maximum amount of new long-term general obligation debt that may be prudently authorized by the State for the next fiscal year. The Committee's estimate is required by law to be based on a number of considerations, historic and projected, including debt service requirements, debt service as a percent of General and Transportation Fund revenues, outstanding debt as a percent of personal income, and per capita debt ratios. As changed by the General Assembly in 2019, the Committee is comprised of eight members: three are ex-officio State officials, one is a non-voting ex-officio State official, the Legislative Economist, and three are from the private sector appointed (two by the Governor, one by the Treasurer) for six-year terms. The Committee is directed by law to issue a report by September 30 of each calendar year.

In the past, the Committee recommended a maximum of:

\$123,180,000 for the two years fiscal year 2022 to fiscal year 2023

\$108,000,000 for the two years fiscal year 2024 to fiscal year 2025

The Committee's two-year recommendation for fiscal years 2026 and 2027 is \$100,000,000.

Net Tax-Supported Debt Outstanding

The State's aggregate net tax-supported principal amount of debt increased from \$633.735 million as of June 30, 2023, to \$727.168 million as of June 30, 2024, an increase of 14.7%.

Below is a breakdown of the sources of this change (in thousands of dollars):

Net Tax-Supported Debt as of 6/30/23.....	\$633,735
Plus: New G.O. Bonds.....	197,700
Plus: New Lease Principal.....	13,576
Plus: Include SBITAs.....	16,804
Less: Retired G.O. Bonds.....	(119,210)
Less: Retired VHFA Property Transfer Bonds.....	(1,495)
Less: Lease Principal Payments.....	(13,942)
Net Tax-Supported Debt as of 6/30/24.....	\$727,168

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Outstanding General Obligation Debt Net Tax-Supported Debt
as of 6/30/2024 (in thousands of dollars)

Source: Vermont State Treasurers' Office

<u>Type of Debt</u>	<u>Total Outstanding Debt</u>	<u>Debt Service Paid in Fiscal Year 2024</u>
General Fund	\$604,945	\$70,698
Transportation Fund	\$1,300	\$327
VHFA Bonds	\$27,280	\$2,501
Capital Leases	\$76,839	\$15,036
SBITAs	\$16,804	\$12,969
Total	\$727,168	\$101,532

State Bond Ratings

General Obligation Bonds:

Fitch Ratings
(downgraded in July 2019 from AAA)
Fitch rating was affirmed in June 2024

AA+/Stable

Moody's Investors Service
(downgraded in October 2018 from Aaa)
Moody's rating was affirmed in May 2024

Aa1/Stable

Standard and Poor's Global Ratings
(upgraded in September 2000 from AA)
S&P rating was affirmed in May 2024

AA+/Stable



VERMONT DEBT BURDEN COMPARISON

(Source: Moody's Investor Service*)

Debt Per Capita

	2019	2020	2021	2022	2023
Vermont	\$1,140	\$1,061	\$1,102	\$1,185	\$1,173
All States Mean	\$1,493	\$1,506	\$1,535	\$1,872	\$1,808
Triple – A Mean	\$958	\$950	\$962	\$1,070	\$1,163
Triple – A Median	\$618	\$586	\$581	\$684	\$680
Vermont Rank	25	26	24	25	N/A

Debt as a Percent of Personal Income

	2019	2020	2021	2022	2023
Vermont	2.2%	1.9%	1.9%	2.0%	1.9%
All States Mean	2.8%	2.6%	2.5%	3.0%	2.7%
Triple-A Mean	1.9%	1.7%	1.7%	1.8%	1.8%
Triple-A Median	1.3%	1.2%	1.2%	1.2%	1.1%
Vermont Rank	26	29	27	26	N/A

Debt as a Percent of Gross State Domestic Product

	2019	2020	2021	2022	2023
Vermont	2.0%	2.2%	1.9%	2.1%	1.9%
Triple-A Mean	1.6%	1.5%	1.5%	1.6%	1.6%
Triple-A Median	1.2%	1.0%	1.1%	1.1%	1.0%
Vermont Rank	23	26	25	26	N/A

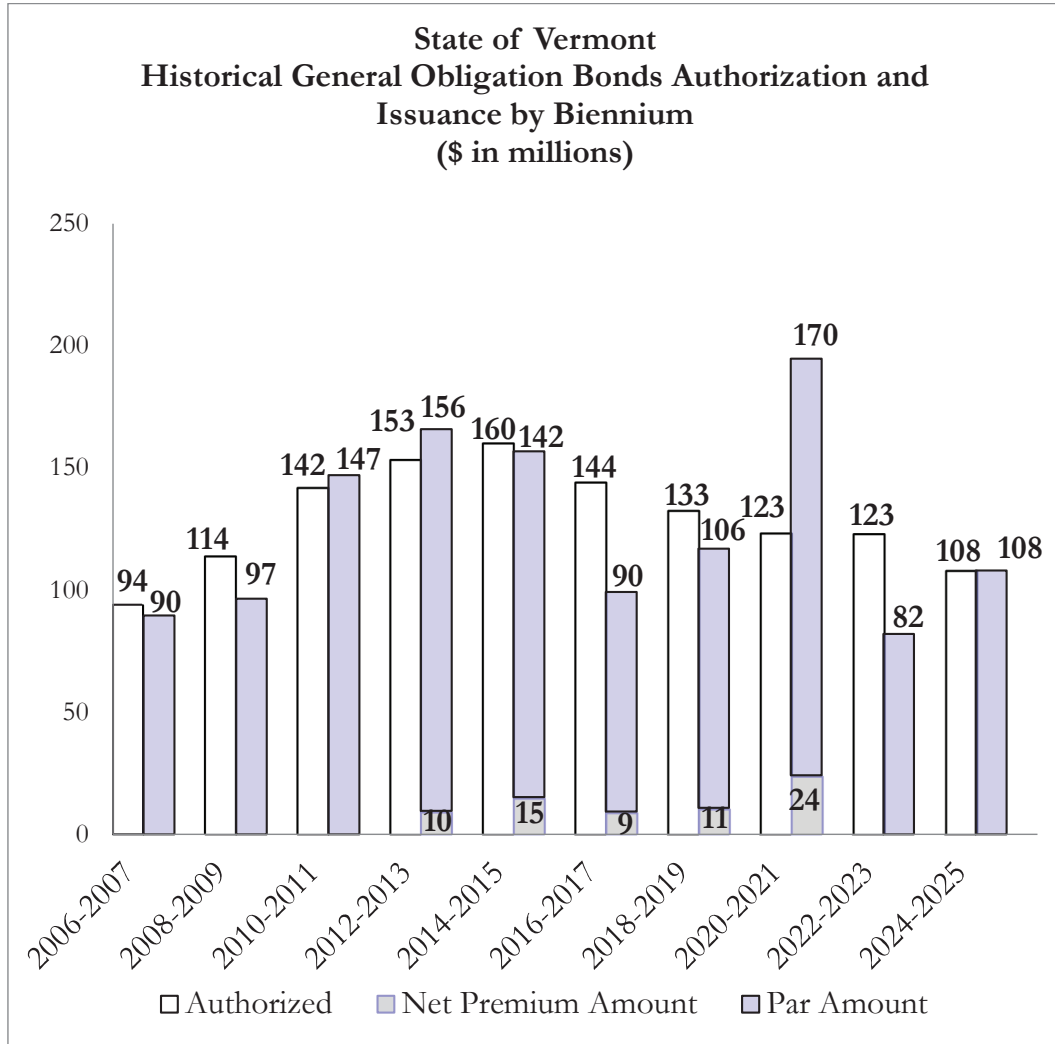
Note on rank: 50 is best, 1 is worst.

**Moody's analyses are based on prior year data. As of 2024, Moody's no longer includes state rankings for these individual categories. Moody's state debt medians for 2024 were not available at the time of publication.*

DEBT AUTHORIZATIONS AND PROJECTION SCENARIOS

Recent Debt Authorizations

The State issued \$107.65 million of General Obligation Bonds near the end of fiscal year 2024, in June 2024.



Notes: Annual issuances do not include refunding bonds. Authorized but unissued debt has been carried forward and employed in subsequent years' bond issuances. Starting in fiscal year 2013, premium received from the sale of bonds may be applied towards the purposes for which such bonds were authorized. Accordingly, the "issuance" amount reflected above, commencing with fiscal year 2013, represents total proceeds (par plus net premium) of the bonds issued that were or are expected to be made available for capital purposes.

Source: Vermont State Treasurers' Office.

