

STATE BONDING CAPACITY

Vermont State Treasurer's Office
February 2026



CAPITAL DEBT AFFORDABILITY ADVISORY COMMITTEE (CDAAC)

- **State Treasurer (Chair)**
- **Secretary of Administration**
- **Vermont Municipal Bond Bank representative**
- **2 Governor Appointees**
- **Treasurer Appointee**
- **State Auditor (non-voting)**
- **Legislative Economist or other designee of JFO (non-voting)**

CAPITAL DEBT AFFORDABILITY ADVISORY COMMITTEE

- **The CDAAC was created by State statute in 1989 (32 V.S.A. § 1001)**
- **Annually reviews affordability of Vermont's net tax-supported debt**
- **Reviews amount of bonds, notes, and other obligations the State has (moral obligation)**
- **Report due by September 30 to Governor and General Assembly– recommending amount of Net Tax-Supported Debt (NTSD) that may prudently be authorized for next fiscal year debt issuance**
- **Report to include the criteria that recognized bond rating agencies use to judge the quality of issues of State bonds, including**
 - **Debt Per Capita**
 - **Projected Debt Service as a Percentage of Revenues (combined General and Trans. Funds)**
 - **Projected Debt Outstanding as a Percentage of Total State Personal Income**
- **Recommendation is advisory; in practice, Governor and General Assembly have always adopted**

CDAAC CONSIDERATIONS

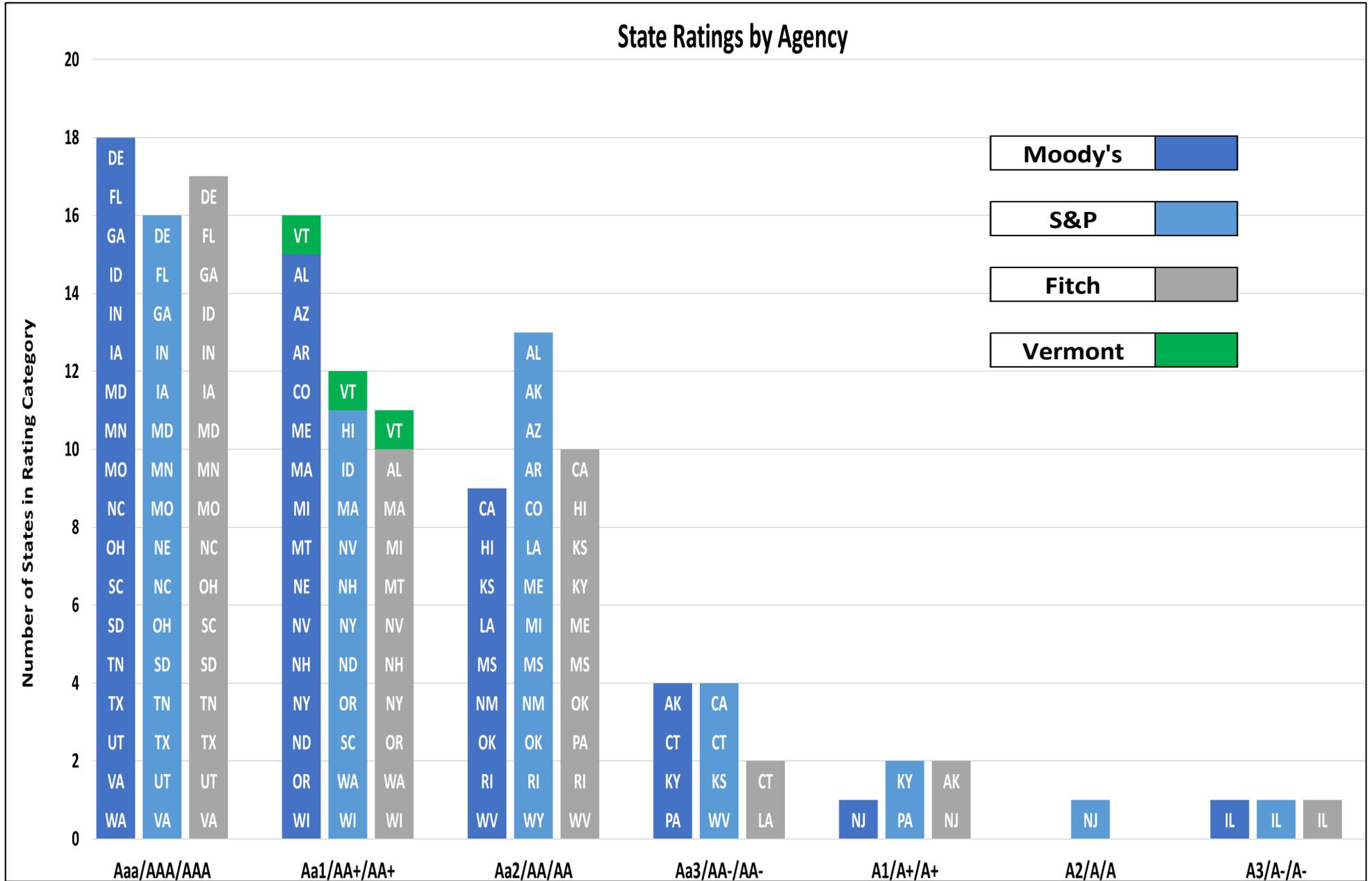
- 1. Amount of NTSD outstanding, and authorized but unissued amount**
- 2. Projected schedule of NTSD for next 10 years**
- 3. Projected debt service requirements**
- 4. Criteria used by bond rating agencies**
- 5. Amount of contingent liability debt outstanding and projected (moral obligation)**
- 6. Impact of capital spending upon economic conditions and outlook for the State**
- 7. Cost-benefit of various levels of debt financing, types of debt, maturity schedules**
- 8. Projections of capital needs authorized by JFO, Agency of Transportation, other depts.**
- 9. Any other factor relevant to State to meet its projected debt service requirements**
- 10. Effect of new debt authorizations on each of the above considerations**

Vermont Bond Ratings

- The major credit rating agencies are:
 - Moody's Investors Service
 - S&P Global Ratings
 - Fitch Ratings
- The Rating Agencies generally look at several key indicators when assessing ratings:
 - **Economy**, which typically includes assessments of state demographics, income and wealth assessment, GDP and growth prospects;
 - **Financial Performance**, which typically assesses a state's ability to generate revenues and manage expenditures;
 - **Governance assessments** reflect qualitative assessments of a state's policies and constitutional authorities, and
 - **Long-Term Liabilities**, including debt, leases, pension and OPEBs.
- In November 2025, Moody's affirmed the State's rating of Aa1 and Fitch and S&P affirmed the rating of AA+, all with Stable outlooks. These are all the 2nd highest rating assigned.
- Vermont's high bond ratings result in low interest rates (borrowing cost)

BOND RATINGS CHART				
	Moody's	S&P	Fitch	Meaning
Investment Grade	Aaa	AAA	AAA	High quality; minimal risk of default
	Aa1	AA+	AA+	High quality; very low credit risk
	Aa2	AA	AA	
	Aa3	AA-	AA-	
	A1	A+	A+	Upper-medium grade; low credit risk but somewhat specific susceptible to adverse factors
	A2	A	A	
	A3	A-	A-	
	Baa1	BBB+	BBB+	Medium grade; moderate credit risk; may have some

State Comparisons



BENCHMARK - AAA RATED STATES

2025 STATES RATED TRIPLE-A BY TWO OR MORE RATING AGENCIES (as of September 30, 2025)

Triple-A Rated States ⁽¹⁾	Moody's	S&P	Fitch
Delaware	Yes	Yes	Yes
Florida	Yes	Yes	Yes
Georgia	Yes	Yes	Yes
Idaho	Yes	No	Yes
Indiana ⁽²⁾	Yes	Yes	Yes
Iowa	Yes	Yes	Yes
Maryland ⁽³⁾	No	Yes	Yes
Minnesota	Yes	Yes	Yes
Missouri	Yes	Yes	Yes
North Carolina	Yes	Yes	Yes
Ohio	Yes	Yes	Yes
South Carolina	Yes	No	Yes
South Dakota	Yes	Yes	Yes
Tennessee	Yes	Yes	Yes
Texas ⁽²⁾	Yes	Yes	Yes
Utah	Yes	Yes	Yes
Virginia	Yes	Yes	Yes
VERMONT	No	No	No

- (1) Seventeen (17) states rated by nationally recognized rating agencies Moody's, S&P and Fitch have at least two triple-A ratings as of September 30, 2025.
- (2) Indicates issuer credit rating since state does not have any G.O. debt or the rating agency does not provide a rating on the state's G.O. debt.
- (3) Moody's downgraded Maryland from Aaa to Aa1 on May 14, 2025.

DEBT PER CAPITA

Peer Group States (All states with at least two triple-A rating)
5-Year Average Mean and 5-Year Average Median Excluding Vermont:
MEAN: \$1,060 MEDIAN: \$645
5-Year Average Vermont: \$1,124

Triple-A Rated States ¹	Moody's Ratings ²	S&P Ratings ²	Fitch Ratings ²	Moody's Debt Per Capita					5-Year Average
				2020	2021	2022	2023	2024	
Delaware	Aaa/Stable	AAA/Stable	AAA/Stable	3,289	3,400	4,143	4,266	4,526	3,925
Maryland	Aa1/Stable	AAA/Stable	AAA/Stable	2,323	2,410	2,818	3,147	2,952	2,730
Virginia	Aaa/Stable	AAA/Stable	AAA/Stable	1,677	1,746	1,823	2,047	2,035	1,866
Ohio	Aaa/Stable	AAA/Stable	AAA/Stable	1,158*	1,146*	1,718*	1,642	1,558	1,600
Minnesota	Aaa/Stable	AAA/Stable	AAA/Stable	1,406	1,400	1,462	1,638	1,542	1,490
VERMONT	Aa1/Stable	AA+/Stable	AA+/Stable	1,061	1,102	1,185	1,173	1,100	1,124
Georgia	Aaa/Stable	AAA/Stable	AAA/Stable	971	987	1,087	1,144	1,100	1,058
Utah	Aaa/Stable	AAA/Stable	AAA/Stable	720	866	899	827	693	801
Florida	Aaa/Stable	AAA/Stable	AAA/Stable	780	710	756	661	711	724
North Carolina	Aaa/Stable	AAA/Stable	AAA/Stable	586	581	686	700	635	638
Idaho	Aaa/Stable	AA+/Stable	AAA/Stable	540*	490*	464	591	784	613
Texas	Aaa/Stable	AAA/Stable	AAA/Stable	379	365	682	680	654	552
South Dakota	Aaa/Stable	AAA/Stable	AAA/Stable	493	482	561	557	560	531
South Carolina	Aaa/Stable	AA+/Stable	AAA/Stable	469	415	435	444	421	437
Missouri	Aaa/Stable	AAA/Stable	AAA/Stable	464	413	398	378	397	410
Iowa	Aaa/Stable	AAA/Stable	AAA/Stable	150	157	408	392	408	303
Indiana	Aaa/Stable	AAA/Stable	AAA/Stable	251	233	217	366	356	285
Tennessee	Aaa/Stable	AAA/Stable	AAA/Stable	292	266	285	294	271	282
MEAN³				950	962	1,070	1,163	1,153	1,060
MEDIAN³				586	581	684	680	693	645

(1) States rated by Moody's, S&P and Fitch that carry at least two triple A ratings.

(2) Ratings as of September 30, 2025.

(3) These calculations exclude all Vermont numbers.

* Indicates that the state was not rated triple-A by two or more of this rating agencies during the year shown and amount not used in calculating the mean or median for the indicated year.

DEBT AS A PERCENTAGE OF PERSONAL INCOME

Peer Group States (All states with at least two triple-A ratings)
5-Year Average Mean and 5-Year Average Median Excluding Vermont:
MEAN: 1.7% MEDIAN: 1.1%
5-Year Average Vermont: 1.9%

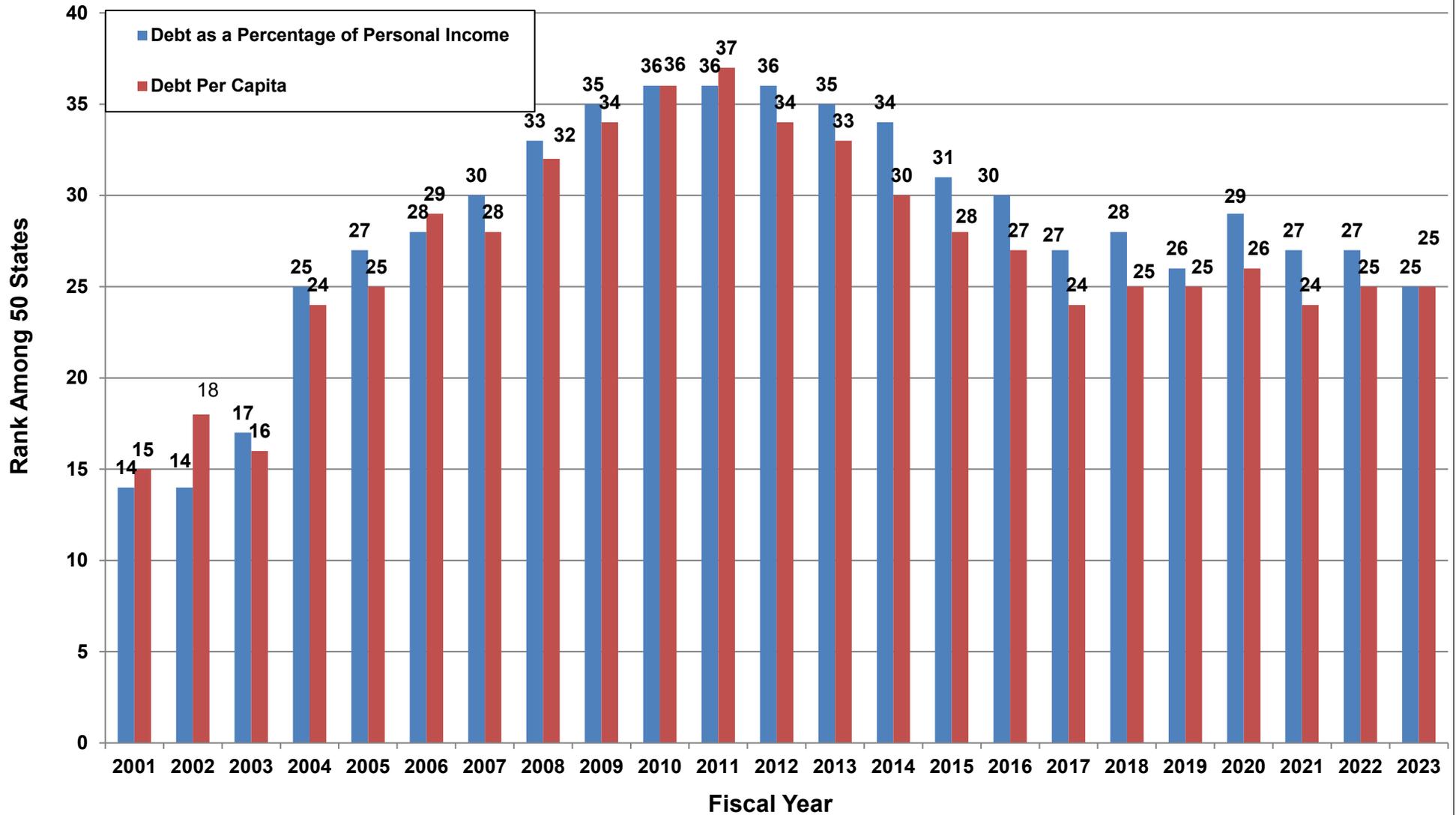
Triple-A Rated States	Moody's Debt as % of Personal Income					5-year Average
	2020	2021	2022	2023	2024	
Delaware	6.1	6.0	7.0	6.9	6.8	6.6
Maryland	3.5	3.5	4.1	4.4	3.9	3.9
Virginia	2.8	2.8	2.8	3.0	2.8	2.8
Ohio	2.1*	2.1*	3.0*	2.8	2.5	2.7
Minnesota	2.4	2.3	2.2	2.4	2.1	2.3
Georgia	2.0	1.9	2.0	2.0	1.8	1.9
VERMONT	1.9	1.9	2.0	1.9	1.6	1.9
Utah	1.5	1.7	1.6	1.4	1.1	1.5
Florida	1.5	1.3	1.2	1.0	1.0	1.2
North Carolina	1.2	1.2	1.2	1.2	1.0	1.2
Idaho	1.2*	1.0*	0.9	1.1	1.3	1.1
Texas	0.7	0.7	1.1	1.1	1.0	0.9
South Carolina	1.0	0.9	0.8	0.8	0.7	0.8
South Dakota	0.9	0.8	0.9	0.8	0.8	0.8
Missouri	0.9	0.8	0.7	0.7	0.6	0.7
Indiana	0.5	0.5	0.4	0.6	0.6	0.5
Iowa	0.3	0.3	0.7	0.7	0.6	0.5
Tennessee	0.6	0.5	0.5	0.5	0.4	0.5
MEAN¹	1.7	1.7	1.8	1.8	1.7	1.7
MEDIAN¹	1.2	1.2	1.2	1.1	1.0	1.1

(1) These calculations exclude all Vermont numbers and include only states rated by Moody's, S&P and Fitch that are rated triple-A by two or more of the rating agencies during the periods shown, as of September 30, 2025.

*Indicates that the state was not rated triple-A by two or more of the rating agencies during the year shown. Amount not used in calculating the mean or median for the year.



State of Vermont Historical State Debt Rankings



DEBT METRIC PROJECTIONS

Fiscal Year (ending 6/30)	Net Tax-Supported Debt Per Capita (in \$)			Net Tax-Supported Debt as Percent of Personal Income			Net Tax-Supported Debt Service as Percent of Revenues ⁽⁵⁾		
	State of Vermont	Moody's Median	State's Rank ⁽⁴⁾	State of Vermont	Moody's Median	State's Rank ⁽⁴⁾	State of Vermont ⁽³⁾	Moody's Median	State's Rank ⁽⁴⁾
Actual ⁽¹⁾									
2015	954	1,012	28	2.1	2.5	31	4.2	5.3	n.a.
2016	1,002	1,027	27	2.1	2.5	30	4.2	4.3	n.a.
2017	1,068	1,006	24	2.2	2.5	27	4.3	4.1	n.a.
2018	987	987	25	2.0	2.3	28	4.0	4.2	n.a.
2019	1,140	1,068	25	2.2	2.2	26	4.1	4.1	n.a.
2020	1,061	1,071	26	1.9	2.0	29	4.3	3.8	n.a.
2021	1,102	1,039	24	1.9	1.9	27	4.0	3.9	n.a.
2022	1,185	1,179	25	2.0	2.1	26	3.7	2.1	n.a.
2023	1,173	1,178	26	1.9	2.2	27	3.7	n.a.	n.a.
2024	1,100	1,189	29	1.6	2.0	29	3.7	n.a.	n.a.
2025	1,100	1,189	n.a.	1.6	2.0	n.a.	3.7	n.a.	n.a.
Current ⁽²⁾	1,021	n.a.	n.a.	1.3	n.a.	n.a.	3.9	n.a.	n.a.
Projected (FYE 6/30) ⁽³⁾		State Guideline ⁽⁶⁾			State Guideline			State Guideline	
2026	955	662		1.2	1.8		3.5	4.0	
2027	987	680		1.2	1.8		3.1	4.0	
2028	1,021	699		1.2	1.8		3.0	4.0	
2029	1,053	718		1.2	1.8		3.0	4.0	
2030	1,081	737		1.2	1.8		3.0	4.0	
2031	1,044	757		1.1	1.8		3.0	4.0	
2032	1,016	777		1.0	1.8		2.7	4.0	
2033	987	798		1.0	1.8		2.7	4.0	
2034	965	820		0.9	1.8		2.5	4.0	
2035	947	842		0.9	1.8		2.3	4.0	
2036	930	865		0.8	1.8		2.2	4.0	
5-Year Average of Moody's Mean for Triple-A States		1,060			1.7			n.a.	
5-Year Average of Moody's Median for Triple-A States		645			1.1			n.a.	

Note: Shaded figures in the State's debt per capita projection in fiscal years 2026-2036 represent the period when Vermont is expected to exceed the projected, respective State Guideline consistent with the current guideline calculation methodology and the assumption that the State will issue bonds consistent with the proposed two-year authorization (footnote (3)).

(1) Actual data compiled by Moody's Investors Service, reflective of all 50 states. Moody's uses states' prior year figures to calculate the "Actual" year numbers in the table. NOTE: 2025 numbers are the same as 2024 pending availability of Moody's 2025 state debt medians.

(2) Calculated by Public Resources Advisory Group, Inc. using outstanding Long-Term Net Tax-Supported Debt of \$663.006 million as of 6/30/2025 divided by Vermont's 2025 population of 649,206 as projected by EPR.

(3) Projections assume issuance of \$37 Million in FY2026, \$91.3 Million from FY2027-FY2030, \$50 Million from FY2031-FY2036.

(4) Rankings are in numerically descending order (i.e., from high to low debt).

(5) Revenues are aggregate of State's General Fund, including changes related to Act 11 as calculated by EPR, and Transportation Fund. Projected debt service is based on estimated interest rates at 5% over the projected period. Calculated by Public Resources Advisory Group, Inc.

(6) State Guideline equals the 5-year average of Moody's median for the Peer Group of \$645 increasing annually at 2.70%.

VERMONT BOND ISSUANCE

- **General Obligation (G.O.) Bonds** are issued for numerous purposes including construction and renovation of state office buildings and state recreational, cultural, health and correctional facilities; making grants to municipalities for funding wastewater and drinking water facility upgrades, transportation projects; and other capital projects. These are 20 year issuances and are full faith and credit obligations of the State.
- **Transportation Infrastructure Bonds** were issued to pay for rehabilitation, reconstruction or replacement of State and municipal bridges, culverts and roads, State railroads, airports and other buildings with a remaining useful life of 30 years. These were Special Obligation bonds, payable from motor fuel transportation infrastructure assessments. These were issued in 2010, 2012, 2013 for a total of \$36,385,000 and were repaid in June 2022.

Net Tax Supported Debt and Moral Obligation Commitments

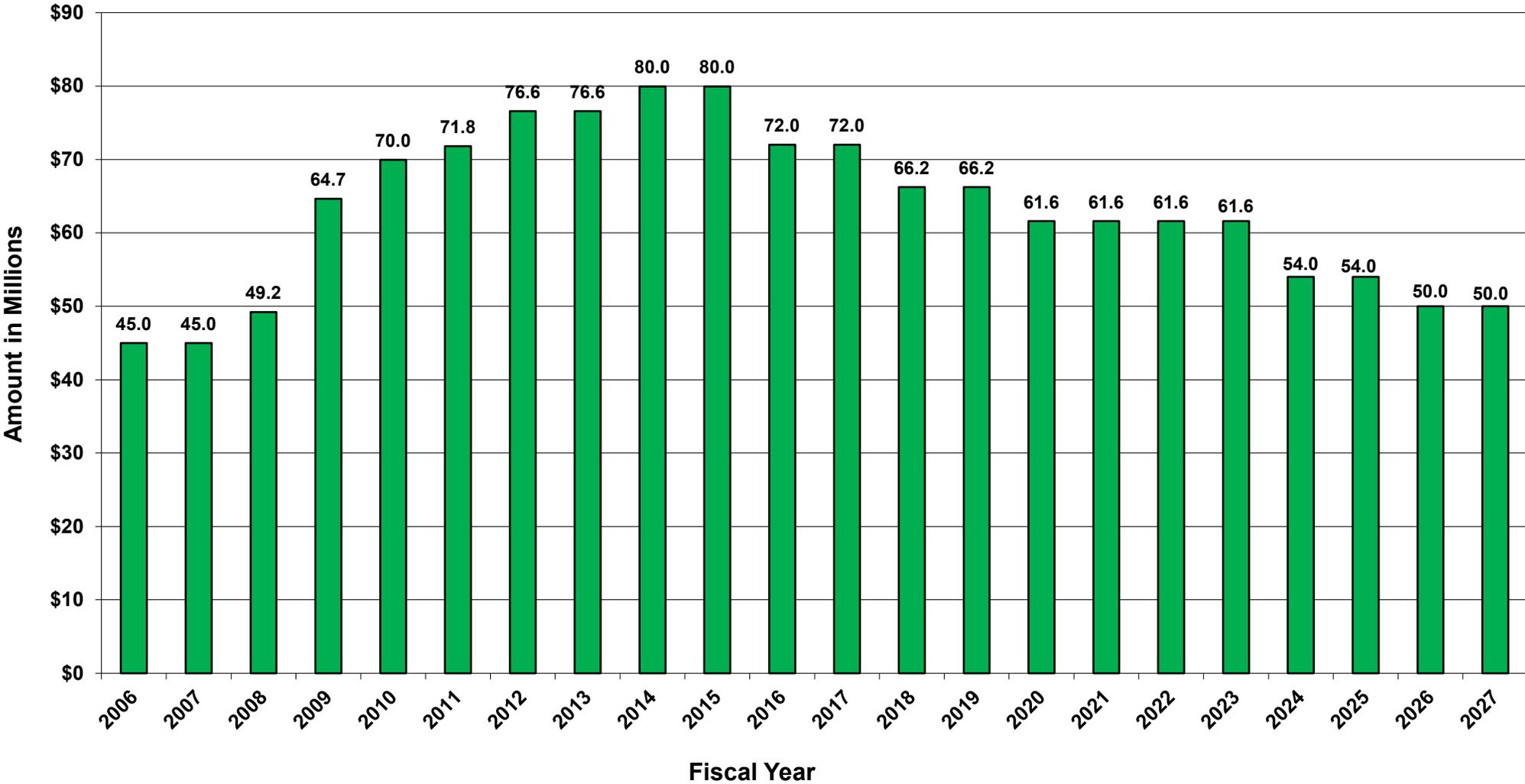
Debt as of June 30, 2025

Net Tax Supported Debt

General Obligation Bonds	\$	550,120,000
Property Transfer Tax Bonds, VHFA Series 2018	\$	25,745,000
Various Leases	\$	65,000,000
Subscription Based Information Technology Arrangements (SBITAs)	\$	22,141,000
Total Net Tax Supported Debt	\$	663,006,000

Reserve Fund Commitments (Moral Obligation)	Maximum per Statute	Outstanding
Vermont Bond Bank	\$ 686,735,000	\$ 686,735,000
Vermont Housing Finance Agency	\$ 155,000,000	\$ 48,953,849
Vermont Economic Development Authority	\$ 181,000,000	\$ 155,000,000
Vermont Student Assistance Corporation	\$ 50,000,000	\$ -
Vermont Telecommunications Authority	\$ 40,000,000	\$ -
University of Vermont	\$ 66,000,000	\$ -
Vermont State Colleges	\$ 34,000,000	\$ -
Total Moral Obligation Commitments	\$ 1,212,735,000	\$ 890,688,849

**General Obligation (G.O.)
Debt Authorizations FY2006-FY2027**



ADDITIONAL CONSIDERATIONS

Rating Agencies now including “long-term liabilities” as rating factors. These are primarily pension and OPEB liabilities.

Moody's Pension Ratios	State of Vermont Rankings			
	2020 ^{1,2}	2021 ^{1,2}	2022 ^{1,2}	2023 ^{1,2}
ANPL as % of Personal Income	8	8	7	7
ANPL as % of State Gross Domestic Product	7	7	6	5
ANPL Per Capita	9	8	8	8
ANPL as % of Own-Source Revenue	14	12	10	9
Debt + ANPL + ANOL + Other Long-term Liabilities as a % of Own-Source Revenue	N/A	13	11	10

¹Rankings are in numerically descending order, with the state having the highest Moody's Adjusted Net Pension Liability statistic ranked 1st and the state having the lowest Adjusted Net Pension Liability statistic ranked 50th.

²Based on a FTSE Pension Liability Index of 4.92% as of June 30, 2023.

**STATE OF VERMONT AND PEER GROUP STATES'
MOODY'S PENSION LIABILITIES METRICS***

Triple-A Rated States	Moody's Adjusted Net Pension Liability (ANPL) ¹			
	As % of PI	As % of State GDP	Per Capita (\$)	As % of Revenues
South Carolina	8.6	8.1	4,918	124.0
Maryland	8.7	7.9	6,577	117.7
VERMONT³	13.2	13.1	8,819	114.9
Texas	5.3	4.2	3,516	95.1
Missouri	3.4	3.0	2,100	69.0
Iowa	7.8	5.5	5,211	60.8
Delaware	3.3	2.8	2,020	48.4
Indiana	1.9	1.5	1,167	34.2
Ohio	1.7	1.4	1,074	29.0
Minnesota	2.3	2.0	1,692	25.4
Florida	1.7	1.7	1,025	24.0
Georgia	1.1	1.1	764	23.2
Virginia	1.4	1.2	877	22.3
North Carolina	1.4	1.3	1,035	22.1
Utah	1.1	1.0	715	17.1
South Dakota	1.2	1.0	800	17.0
Idaho	1.1	0.9	680	15.7
MEAN²	1.3	1.2	946	14.3
MEDIAN²	3.1	2.7	2,066	44.7
VERMONT'S 50 STATE RANK⁴	7	5	8	9

Source: Moody's Revenue growth and lower ANPLs boost capacity to manage long-term debt, October 7, 2024.

¹Based on a FTSE PLI of 4.92%.

² Calculated by Public Resources Advisory Group, Inc. These calculations exclude all Vermont numbers and include only states rated by Moody's, S&P and Fitch that are rated triple-A by two or more of the rating agencies, as of September 30th, 2025.

³Vermont numbers include the combined defined benefits plans of the Vermont State Employees' Retirement System and the Vermont State Teachers' Retirement System.

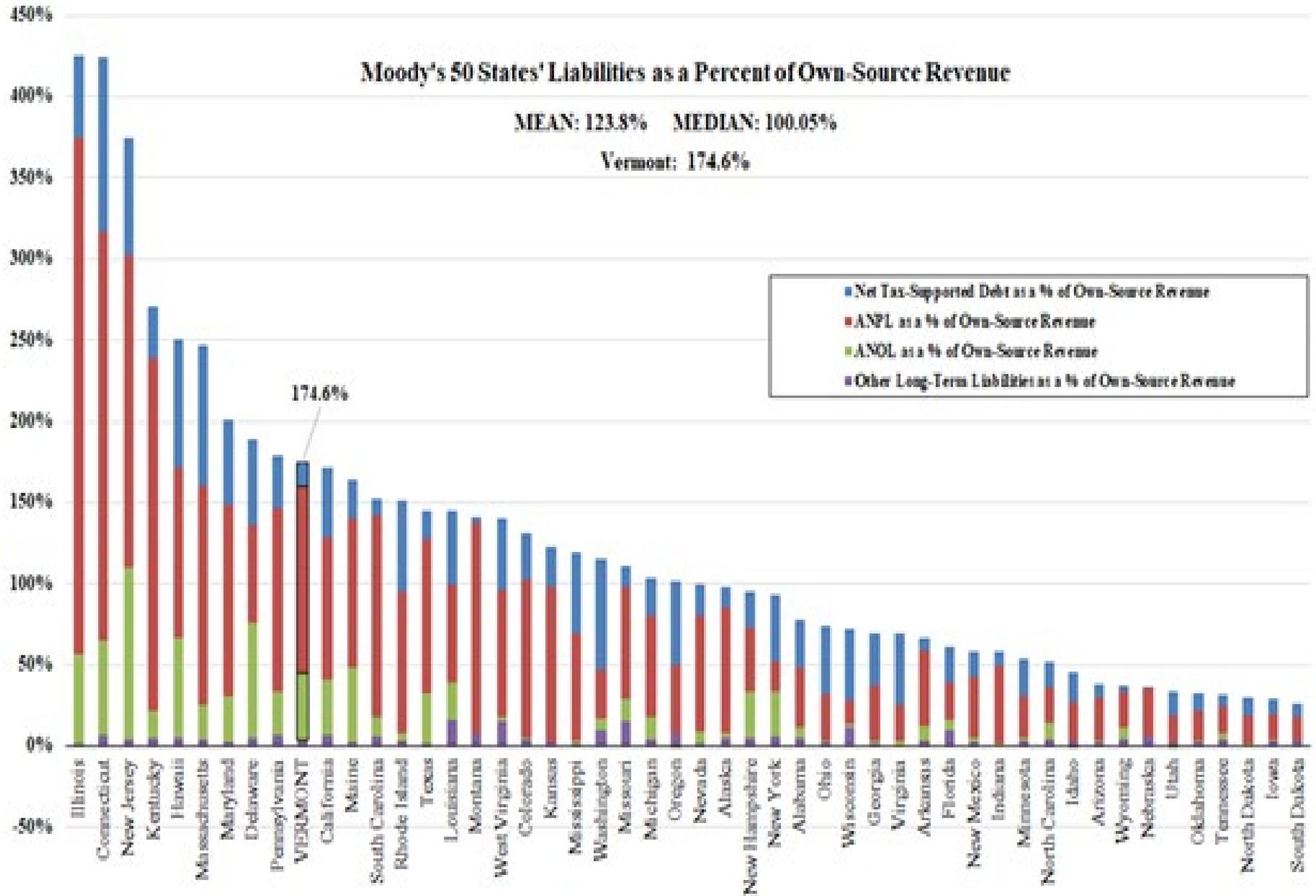
⁴Rankings are in numerically descending order, with the state having the highest Moody's Adjusted Net Pension Liability statistic ranked 1st and the state having the lowest Adjusted Net Pension Liability statistic ranked 50th.

*Source does not take into account differing retirement benefits among states.

Moody's 50 States' Liabilities as a Percent of Own-Source Revenue

MEAN: 123.8% MEDIAN: 100.05%

Vermont: 174.6%



CDAAC Recommendations and Comments

- **In September 2024, CDAAC issued report detailing two-year debt recommendation for 2026-27 biennium of \$100,000,000**
- **This represents a reduction of 7% from the prior biennium and 37% since the 2014-15 recommendation**
- **Recent limited debt issuance by other states, including our peer Triple-A rated states, has resulted in a weakening of Vermont's debt ratio comparative ratings**
- **Other factors – economic volatility and uncertainty, competing capital projects from available federal and local infrastructure funds, potential impacts of labor and materials availability and supply chain issues, increasing costs and/or delaying project timelines, historically high inflation, significantly increased borrowing costs**
- **Significantly higher than average Authorized but Unissued Debt**
- **In September 2025, CDAAC affirmed the 2026-2027 two- year debt recommendation of \$100,000,000**

New Issue – Book Entry Only

Ratings: Moody's: Aa1
Fitch: AA+
S&P: AA+
(See "RATINGS" herein)

In the opinion of Troutman Pepper Locke LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will not be included in computing the alternative minimum taxable income of individuals. However, interest on the Bonds will be included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Under existing law, interest on the Bonds is exempt from State of Vermont personal income taxes and State of Vermont corporate income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX EXEMPTION" herein.



\$59,780,000
STATE OF VERMONT
General Obligation Bonds
2025 SERIES A†
(VERMONT CITIZEN BONDS)
(Negotiated)

\$66,385,000
STATE OF VERMONT
General Obligation Refunding Bonds
2025 SERIES B‡
(Competitive)

Dated: Date of Delivery

Due: As shown on the inside cover hereof

The General Obligation Bonds, 2025 Series A (Vermont Citizen Bonds) (the "Series A Bonds") and the General Obligation Refunding Bonds, 2025 Series B (the "Series B Bonds," and together with the Series A Bonds, the "Bonds") will be issued as fully registered Bonds, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearinghouse for securities transactions. Purchases of beneficial interests in the Bonds will be made in book-entry form (without certificates) in the denomination of (i) in the case of the Series A Bonds, \$1,000 or any integral multiple thereof, and (ii) in the case of the Series B Bonds, \$5,000 or any integral multiple thereof. So long as DTC, or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of, premium, if any, and interest on the Bonds will be made directly to Cede & Co., which will remit such payments to DTC participants, which in return will remit such payments to the beneficial owners of the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

Interest on the Bonds will be payable semiannually on February 15 and August 15, commencing February 15, 2026. The Bonds will be subject to redemption prior to maturity as more fully described herein.

The Bonds will be general obligations of the State of Vermont and the full faith and credit of the State are pledged to the payment of principal of and interest on the Bonds. See "THE BONDS – Security for the Bonds" herein.

The Bonds are offered subject to the final approving opinion of Troutman Pepper Locke LLP, Boston, Massachusetts, and to certain other conditions referred to herein and, with respect to the Series B Bonds, in the Official Notice of Sale. Certain legal matters will be passed upon for the Series A Underwriters by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts. Public Resources Advisory Group, Inc. serves as Municipal Advisor to the State. It is expected that the Bonds will be available for delivery in book-entry form through the facilities of DTC in New York, New York on or about December 17, 2025.

Morgan Stanley

Raymond James

December 2, 2025 (with respect to the Series B Bonds)

December 4, 2025 (with respect to the Series A Bonds)

† The Series A Bonds were purchased by the Series A Underwriters listed above, as described under "UNDERWRITING OF THE SERIES A BONDS" herein.

‡ The Series B Bonds were sold on a competitive sale basis as described herein under "COMPETITIVE SALE OF THE SERIES B BONDS".

2025 Series A and B Bond Issue – December 2025

Series A – Vermont Citizen Bonds
Issued \$59,780,000 par to generate \$66.9 million of project funds (\$7.1 million premium).
TIC – 3.58%

Series B – Refunding Bonds
Issued \$66,385,000 par to refund \$73.0 million of previously issued bonds, resulting in NPV savings of \$2.3 million.
TIC – 2.56%

BOND DEBT SERVICE

State of Vermont
General Obligation Bonds, 2025 Series A (Vermont Citizen Bonds) (Negotiated)

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
06/30/2026			481,561.11	481,561.11
06/30/2027	2,990,000	5.000%	2,914,250.00	5,904,250.00
06/30/2028	2,990,000	5.000%	2,764,750.00	5,754,750.00
06/30/2029	2,990,000	5.000%	2,615,250.00	5,605,250.00
06/30/2030	2,990,000	5.000%	2,465,750.00	5,455,750.00
06/30/2031	2,990,000	5.000%	2,316,250.00	5,306,250.00
06/30/2032	2,990,000	5.000%	2,166,750.00	5,156,750.00
06/30/2033	2,990,000	5.000%	2,017,250.00	5,007,250.00
06/30/2034	2,990,000	5.000%	1,867,750.00	4,857,750.00
06/30/2035	2,990,000	5.000%	1,718,250.00	4,708,250.00
06/30/2036	2,990,000	5.000%	1,568,750.00	4,558,750.00
06/30/2037	2,990,000	5.000%	1,419,250.00	4,409,250.00
06/30/2038	2,990,000	5.000%	1,269,750.00	4,259,750.00
06/30/2039	2,990,000	5.000%	1,120,250.00	4,110,250.00
06/30/2040	2,990,000	5.000%	970,750.00	3,960,750.00
06/30/2041	2,990,000	5.000%	821,250.00	3,811,250.00
06/30/2042	2,990,000	5.000%	671,750.00	3,661,750.00
06/30/2043	2,985,000	5.000%	522,375.00	3,507,375.00
06/30/2044	2,985,000	5.000%	373,125.00	3,358,125.00
06/30/2045	2,985,000	5.000%	223,875.00	3,208,875.00
06/30/2046	2,985,000	5.000%	74,625.00	3,059,625.00
	59,780,000		30,363,561.11	90,143,561.11

\$100 Million G.O. Bond Issue (Projected)

20-Year Bond Issue					
Sources of Funds					
		Bond Principal			89,725,000
		Bond Premium			10,546,403
					100,271,403
Uses of Funds					
		Capital Projects			100,000,000
		Underwriter's Fee			269,175
		Rounding			2,228
					100,271,403
Total Debt Service					136,821,250
Maximum Annual Debt Service					8,976,250
Average Annual Debt Service					6,841,063
Average Life					10.5 years
No.	Year	Principal Amount	Interest Rate	Interest Amount	Debt Service
1	2026	4,490,000	5.000%	4,486,250	8,976,250
2	2027	4,490,000	5.000%	4,261,750	8,751,750
3	2028	4,490,000	5.000%	4,037,250	8,527,250
4	2029	4,490,000	5.000%	3,812,750	8,302,750
5	2030	4,490,000	5.000%	3,588,250	8,078,250
6	2031	4,485,000	5.000%	3,363,750	7,848,750
7	2032	4,485,000	5.000%	3,139,500	7,624,500
8	2033	4,485,000	5.000%	2,915,250	7,400,250
9	2034	4,485,000	5.000%	2,691,000	7,176,000
10	2035	4,485,000	5.000%	2,466,750	6,951,750
11	2036	4,485,000	5.000%	2,242,500	6,727,500
12	2037	4,485,000	5.000%	2,018,250	6,503,250
13	2038	4,485,000	5.000%	1,794,000	6,279,000
14	2039	4,485,000	5.000%	1,569,750	6,054,750
15	2040	4,485,000	5.000%	1,345,500	5,830,500
16	2041	4,485,000	5.000%	1,121,250	5,606,250
17	2042	4,485,000	5.000%	897,000	5,382,000
18	2043	4,485,000	5.000%	672,750	5,157,750
19	2044	4,485,000	5.000%	448,500	4,933,500
20	2045	4,485,000	5.000%	224,250	4,709,250
		89,725,000		47,096,250	136,821,250



School Construction Funding in Vermont

- Vermont historically funded school construction through the Capital Bill, with an appropriation to the Agency of Education, utilizing General Obligation (G.O.) Bonds, representing approximately 20 percent of total capital expenditures—about \$10 million annually—until the suspension of this aid program in 2007. The Legislature subsequently extended the suspension several times with the intent of redesigning the State’s approach while continuing to meet previously authorized obligations. During the suspension period, the State continued to provide limited emergency aid, as well as financial support for PCB testing and remediation.

Outstanding School Construction Debt

DEBT OUTSTANDING BY SCHOOL DISTRICT (ESTIMATED) - CALENDAR YEAR 2026 AND AFTER

Total	\$480,829,857		
1 Burlington School District (Estimate)	\$186,800,000	31 Quarry Valley Unified Union School Districts	770,000
2 Winooski School District	49,500,000	32 Canaan School District	750,000
3 Fairfax Town School District	35,201,727	33 Essex Westford Educational UUSD	720,000
4 Colchester Town School District	32,352,941	34 North Country Union High School District No. 22	705,000
5 Champlain Valley School District	32,058,407	35 White River Valley Unified School District	570,000
6 Hartford Town School District	28,481,091	36 Weathersfield Town School District	560,000
7 South Burlington School District	16,465,325	37 Addison Central School District	484,000
8 Lamoille North School District	10,971,651	38 Windham Southeast School District	483,274
9 Milton Town School District	9,656,250	39 Green Mountain Unified School District	438,480
10 Addison Northwest SD	7,221,555	40 Stowe School District	420,000
11 Patricia A. Hannaford Career Center	6,885,000	41 West River Modified Union Education District	390,000
12 Montpelier Roxbury School District	5,295,845	42 Rutland Town School District	347,500
13 Springfield Town School District	5,120,000	43 Orleans Southwest Union Elementary School District	298,350
14 Maple Run Unified School District	4,635,505	44 Paine Mountain School District	280,000
15 Mill River Unified Union School District	3,905,000	45 Oxbow Unified Union School District	273,000
16 Bellows Falls Union High School District	3,900,000	46 Lincoln Town School District	246,066
17 Rockingham Town School District	3,862,509	47 Taconic & Green Regional School District	215,000
18 Missisquoi Valley School District	3,625,000	48 Thetford Town School District	187,500
19 Northern Mountain Valley Unified Union School District	3,098,750	49 Rivendell Interstate School District	130,000
20 Coventry Town School District	3,093,333	50 Mt Abraham Unified School District	110,000
21 Mountain Views School District	2,564,167	51 Slate Valley Unified Union School District	105,000
22 Twin Valley Unified Union School District	2,377,657	52 Rutland City School District	85,839
23 Harwood Unified Union School District	2,288,059	53 Washington Central Unified Union School District	64,878
24 St. Johnsbury Town School District	2,250,000	54 Middlesex Town School District	26,172
25 Southwest Vermont Union Elementary School District	2,081,800	55 Sharon Town School District	13,610
26 Barre Unified Union School District	2,016,663		
27 Mount Mansfield Unified Union School District	1,823,205		
28 Otter Valley Unified Union School District	1,760,000		
29 Georgia Town School District	1,680,000		
30 Mountain View Union Elementary School District	1,184,748		

[Note] Does not include private bank loans outside of Burlington SD

Outstanding School Construction Debt Service

ESTIMATED SCHOOL DEBT SERVICE BY COUNTY

	Addison	Bennington	Caledonia	Chittenden	Essex	Franklin	Lamolle	Orange	Orleans	Rutland	Washington	Windham	Windsor	Total
	\$18,867,989	\$2,582,865	\$3,062,113	\$475,982,664	\$897,506	\$73,402,672	\$15,867,041	\$954,402	\$7,019,268	\$8,420,372	\$11,687,443	\$13,398,779	\$47,338,558	\$679,481,670
2026	1,908,067	513,807	231,840	41,501,227	66,267	4,220,939	1,472,697	459,955	632,239	1,036,400	1,475,694	1,658,151	5,919,951	\$61,097,234
2027	1,751,282	426,875	229,455	28,087,980	65,787	4,089,308	1,097,699	42,834	617,997	902,936	1,456,488	1,457,675	5,709,187	\$45,935,504
2028	1,538,605	348,493	228,160	27,324,260	65,222	4,017,144	1,084,905	56,847	604,821	824,576	1,161,067	1,432,366	5,286,937	\$43,973,402
2029	1,500,978	338,679	225,101	26,997,216	64,592	3,933,429	974,156	50,792	355,237	696,565	1,074,371	1,283,514	4,117,984	\$41,612,612
2030	1,463,813	328,597	221,607	26,485,805	63,741	3,705,612	868,877	49,523	350,978	680,786	1,067,837	1,264,686	2,726,372	\$39,278,235
2031	1,351,293	318,396	217,725	26,241,197	62,718	3,625,743	820,958	48,173	346,719	640,841	1,053,921	1,247,105	2,657,680	\$38,632,469
2032	1,317,318	308,017	213,550	25,035,739	61,571	3,546,025	804,084	46,799	342,459	624,722	1,035,749	1,199,220	2,592,038	\$37,127,290
2033	1,233,178		209,114	24,582,509	60,338	3,410,268	786,045	45,402	338,200	608,265	804,411	281,167	2,164,132	\$34,523,029
2034	1,186,292		204,374	23,917,344	59,124	3,153,558	768,221	43,874	333,944	590,612	660,116	274,368	1,927,988	\$33,119,816
2035	1,011,118		199,442	23,550,140	57,861	3,079,510	750,027	42,321	260,767	572,592	640,916	267,569	1,876,234	\$32,308,497
2036	979,507		195,086	23,216,800	56,556	3,005,907	701,318	23,497	187,592	505,782	602,908	260,770	1,824,278	\$31,560,000
2037	947,683		190,227	22,257,307	55,341	2,931,382	684,122	22,630	183,332	314,267	400,169	253,971	1,698,781	\$29,939,213
2038	915,688		185,273	20,892,388	54,106	2,857,469	666,748	21,754	179,073	303,437	253,796	247,172	1,650,238	\$28,227,141
2039	462,267		157,425	20,038,897	52,851	2,639,213	646,754		174,814	118,591		240,373	1,300,097	\$25,831,282
2040	447,950		153,735	19,439,974	51,435	2,285,512	627,045		170,555			233,574	1,260,800	\$24,670,579
2041	433,634			19,226,773		2,025,786	495,654		166,296			226,775	1,221,502	\$23,796,419
2042	419,317			18,523,963		1,972,065	478,692		162,036			219,976	1,182,205	\$22,958,254
2043				18,126,991		1,918,304	461,731		157,777			213,177	1,142,908	\$22,020,888
2044				6,629,023		1,864,543	444,769		153,518			206,378	1,079,246	\$10,377,477
2045				4,071,008		1,810,783	427,808		149,259			99,579		\$6,558,436
2046				3,971,917		1,757,022	410,846		145,000			96,587		\$6,381,372
2047				3,872,827		1,623,261	393,885		140,740			93,595		\$6,124,308
2048				3,766,837		1,572,085			136,481			90,603		\$5,566,005
2049				3,668,013		1,520,909			132,222			87,611		\$5,408,755
2050				3,569,190		1,469,733			127,963			84,619		\$5,251,504
2051				3,470,367		1,418,557			123,703			81,627		\$5,094,253
2052				3,371,543		1,367,381			119,444			78,635		\$4,937,003
2053				1,439,387		1,316,205			115,185			75,643		\$2,946,419
2054				1,381,813		1,265,019			110,916			72,651		\$2,830,398
2055				1,324,230								69,649		\$1,393,878

- Exclusively reflects Bond Bank data for loan activity as well as Winooski & Burlington SD Loans (i.e. loans through private banks or other sources not part of dataset)

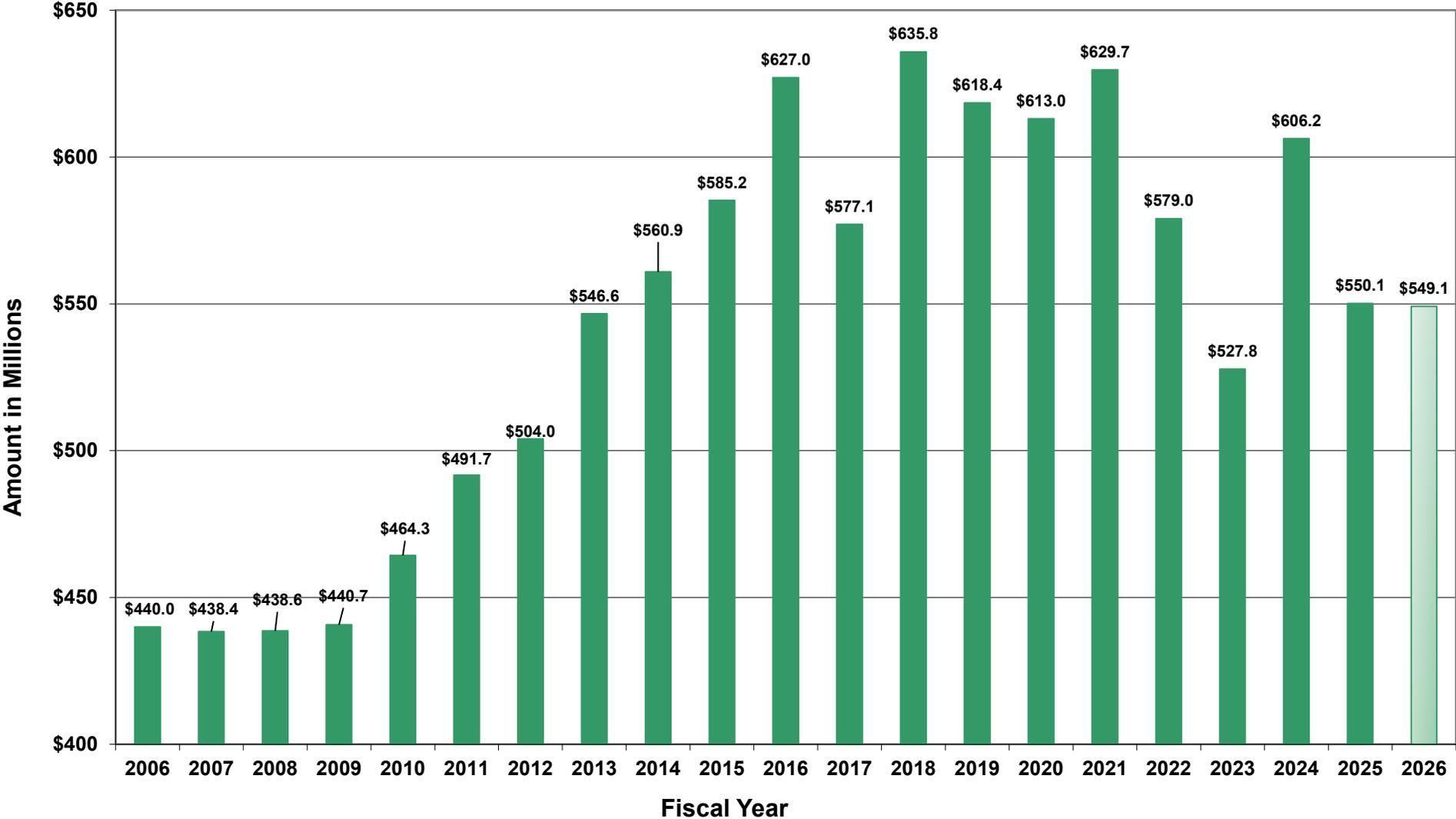
Rhode Island Model

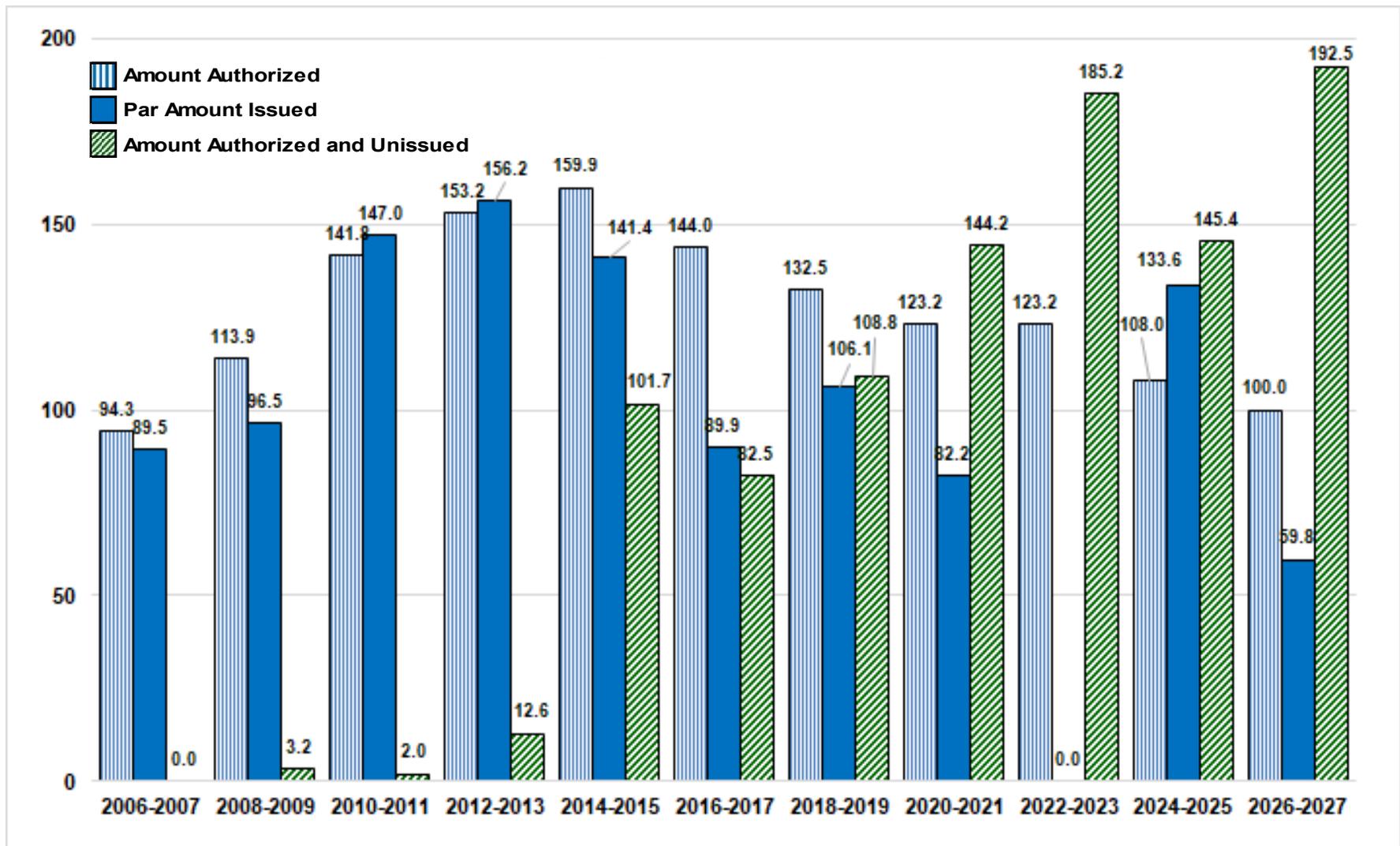
- Rhode Island's "Public School Revenue Bond Financing Program", through which Rhode Island Health & Educational Building (RIHBEC) issues bonds on behalf of cities and towns for school construction, has facilitated almost \$675 million of school bonding over the past few years.
- School Districts issue bonds through RIHBEC and the State pays a subsidy amount for the bond debt service
- This program has a strong credit rating and is not considered State NTSD because
 - The bonds are backed by the local entity's loans which carry a G.O. pledge and first lien on taxes and general fund revenues of the municipality, and
 - There is a State Intercept requirement, which is the ability of RIHBEC to intercept other funds coming to the local district or municipality in order to pay any debt service shortfall

Vermont Considerations

- With respect to legacy school debt, consistent with the February 1, 2024 School Construction Aid Taskforce Report, as long as debt reimbursement are awarded annually and subject to annual appropriation as school aid, these should not count as State net tax supported debt. With that said, a key part of the Rhode Island model was that debt was issued through RIHBEC; to the extent Vermont school district legacy debt was issued through the Vermont Bond Bank (which is true in most cases), then State reimbursement payments to a school district, which the district in turn may (but isn't obliged to) use directly to pay its debt service to VBB creates an even greater degree of separation from State debt.
- With respect to bond capacity, during the most recent CDAAC meetings in Fall 2025, the Committee also reviewed an \$86 million per year (\$172 million for biennium) scenario corresponding to BGS' "2024 10-Year Capital Plan." The resulting debt metric changes were detectable but likely not enough to affect the State's credit ratings.

General Obligation Debt Outstanding, FY2006-FY2026





Notes:

⁽¹⁾ Annual issuances do not include refunding bonds. Authorized but unissued debt has been carried forward and employed in subsequent years' bond issuances.

⁽²⁾ Pursuant to Section 34 of Act 104 of 2011, commencing in fiscal year 2013, premium received from the sale of bonds may be applied towards the purposes for which such bonds were authorized.

⁽³⁾ The "Authorized" amount reflects the two-year authorized amount of the General Assembly. These amounts exclude any amounts authorized that relate to the principal amount of bonds authorized in prior biennial capital bills but not issued due to the use of original issue bond premium to fund capital projects.