CAPITAL DEBT AUTHORIZATION

Vermont State Treasurer's Office
January 2025

VERMONT
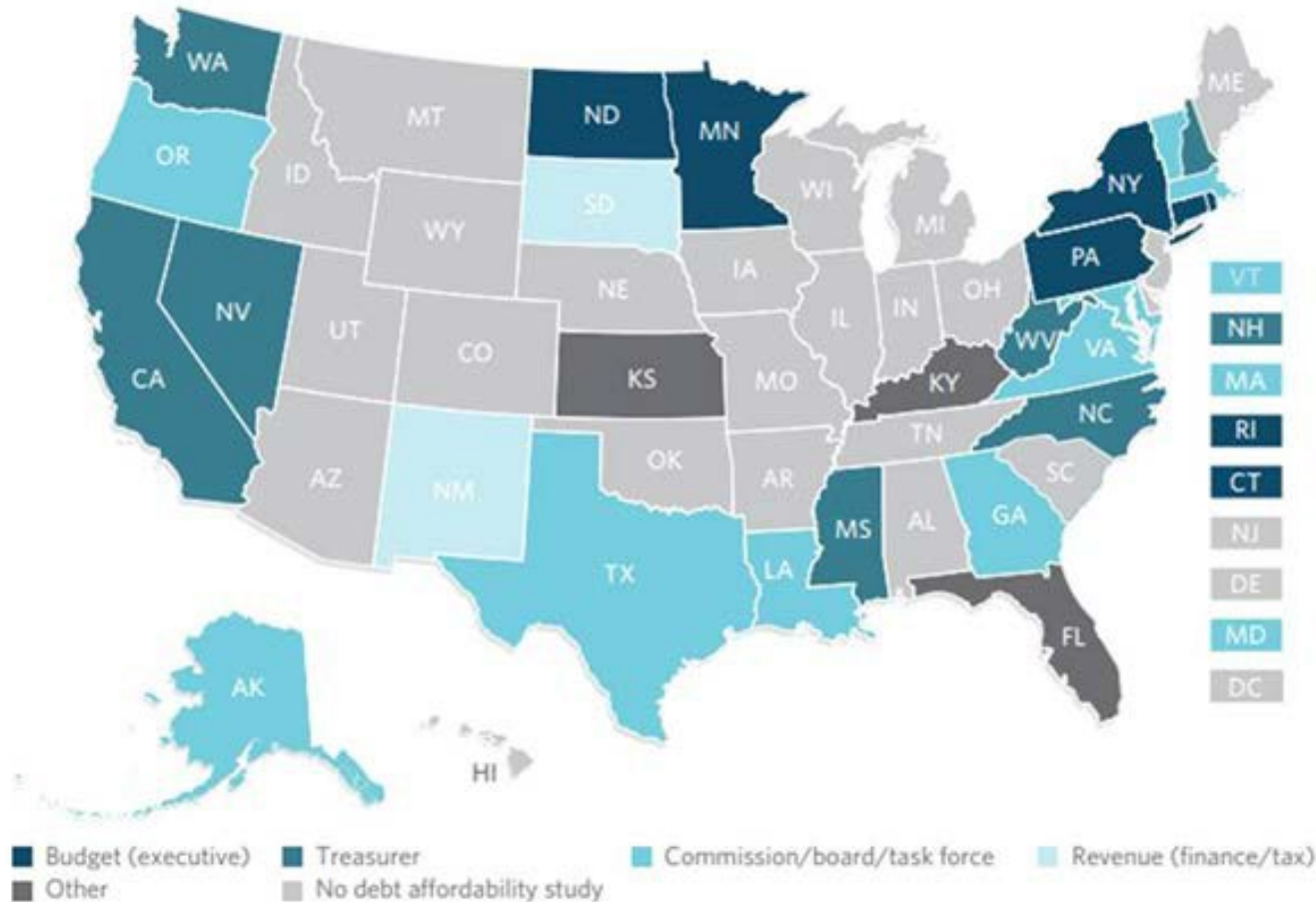
CAPITAL DEBT AFFORDABILITY ADVISORY COMMITTEE (CDAAC)

- State Treasurer (Chair)

- Secretary of Administration

- Vermont Municipal Bond Bank representative

- 2 Governor Appointees

- Treasurer Appointee

- State Auditor (non-voting)

- Legislative Economist of other designee of JFO (non-voting)

Figure 10

Varying Offices Produce Debt Affordability Studies

Legend:
- Budget (executive)
- Treasurer
- Commission/board/task force
- Revenue (finance/tax)
- Other
- No debt affordability study

Notes: In Kansas, the study is authored by an independent authority. In Kentucky, a legislative office serves as the author. The Florida Division of Bond Finance, within the State Board of Administration, conducts that state's study.[73] Hawaii produced its first state debt affordability study in December 2016, after the data collection for this report had concluded. The state's study is therefore not included in this analysis.

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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 and condition of bonds, notes, and other obligations the State has a contingent liability or 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

  - 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

BENCHMARK - AAA RATED STATES

STATE OF VERMONT
2024 STATES RATED TRIPLE-A BY TWO OR MORE RATING AGENCIES
(as of September 30, 2024)

2023 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	Yes	Yes	Yes
Minnesota	Yes	Yes	Yes
Missouri	Yes	Yes	Yes
North Carolina	Yes	Yes	Yes
Ohio [3]	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[4]	**No**	**No**	**No**

(1) Seventeen (17) states are rated triple-A by two or more of the nationally recognized rating agencies as of September 30, 2024.

(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.

Ohio was upgraded to AAA by Fitch on September 8, 2022, to Aaa by Moody's on December 1, 2023, and to AAA by S&P on December 8, 2023.

DEBT PER CAPITA

STATE OF VERMONT
DEBT PER CAPITA COMPARISON

Peer Group States (All states with at least two triple-A rating)
5-Year Average Mean and 5-Year Average Median Excluding Vermont:
MEAN: $1,021   MEDIAN: $630
5-Year Average Vermont: $1,132

| Triple-A Rated States[1]	Moody's Ratings[2]	S&P Ratings[2]	Fitch Ratings[2]	Moody's Debt Per Capita					
				2019	2020	2021	2022	2023	5-Year Average
Delaware	Aaa/Stable	AAA/Stable	AAA/Stable	3,206	3,289	3,400	4,143	4,266	3,661
Maryland	Aaa/Negative	AAA/Stable	AAA/Stable	2,343	2,323	2,410	2,818	3,147	2,608
Virginia	Aaa/Stable	AAA/Stable	AAA/Stable	1,502	1,677	1,746	1,823	2,047	1,759
Ohio	Aaa/Stable	AAA/Stable	AAA/Stable	1,156*	1,158*	1,146*	1,718*	1,642	1,642
Minnesota	Aaa/Stable	AAA/Stable	AAA/Stable	1,415	1,406	1,400	1,462	1,638	1,464
VERMONT	**Aa1/Stable**	**AA+/Stable**	**AA+/Stable**	**1,140**	**1,061**	**1,102**	**1,185**	**1,173**	**1,132**
Georgia	Aaa/Stable	AAA/Stable	AAA/Stable	996	971	987	1,087	1,144	1,037
Utah	Aaa/Stable	AAA/Stable	AAA/Stable	792	720	866	899	827	821
Florida	Aaa/Stable	AAA/Stable	AAA/Stable	812	780	710	756	661	744
North Carolina	Aaa/Stable	AAA/Stable	AAA/Stable	531	586	581	686	700	617
South Dakota	Aaa/Stable	AAA/Stable	AAA/Stable	618	493	482	561	557	542
Idaho	Aaa/Stable	AA+/Stable	AAA/Stable	506*	540*	490*	464	591	528
Texas	Aaa/Stable	AAA/Stable	AAA/Stable	389	379	365	682	680	499
South Carolina	Aaa/Stable	AA+/Stable	AAA/Stable	503	469	415	435	444	453
Missouri	Aaa/Stable	AAA/Stable	AAA/Stable	487	464	413	398	378	428
Tennessee	Aaa/Stable	AAA/Stable	AAA/Stable	305	292	266	285	294	288
Indiana	Aaa/Stable	AAA/Stable	AAA/Stable	270	251	233	217	366	267
Iowa	Aaa/Stable	AAA/Stable	AAA/Stable	207	150	157	408	392	263
MEAN[3]				958	950	962	1,070	1,163	1,021
MEDIAN[3]				618	586	581	684	680	630

(1) States that carry at least two triple A ratings.
(2) Ratings as of September 30, 2024.
(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.

State of Vermont
Net Tax Supported Debt Per Capita
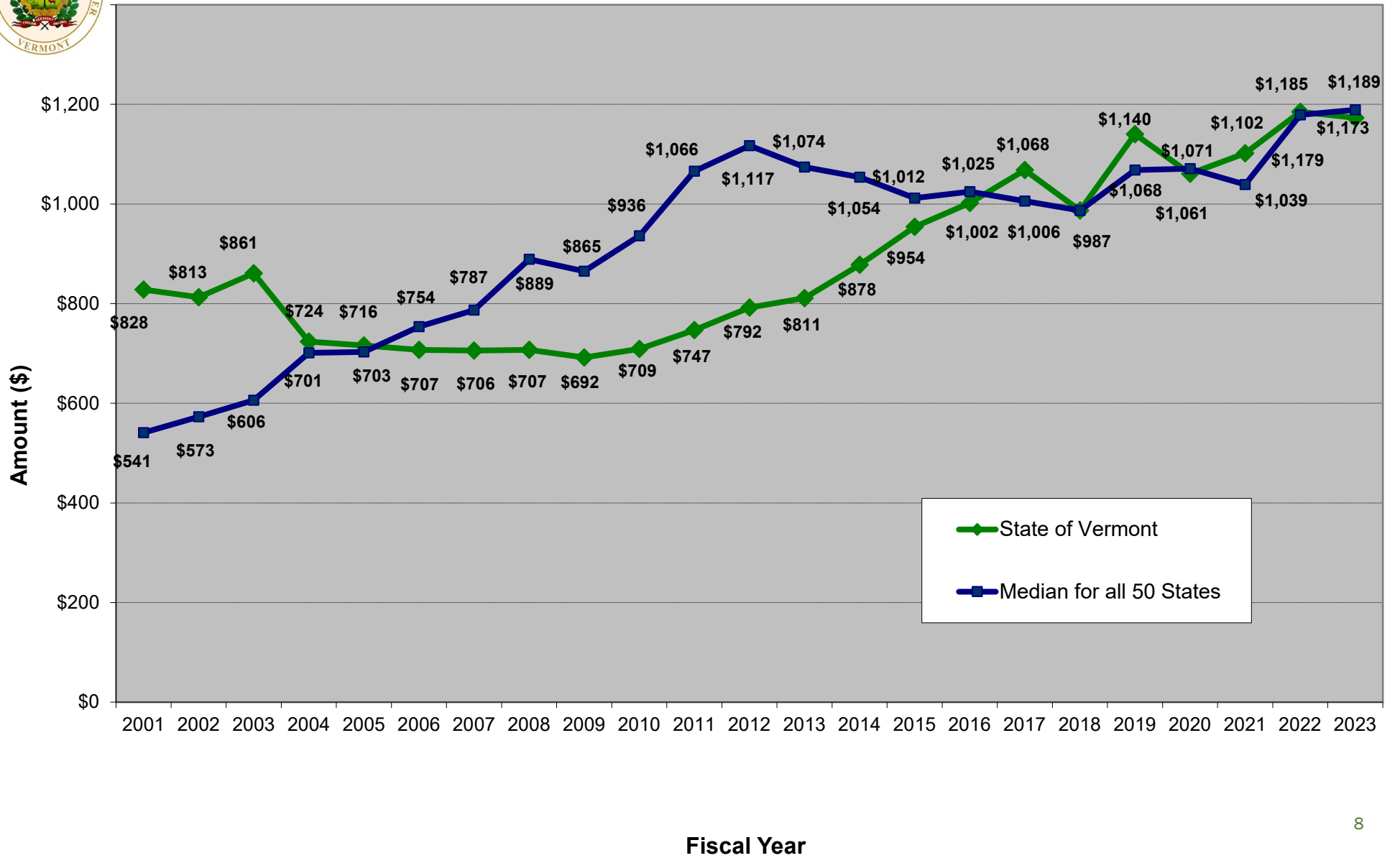
DEBT AS A PERCENTAGE OF PERSONAL INCOME

STATE OF VERMONT
DEBT AS % OF PERSONAL INCOME COMPARISON

<u>**Peer Group States (All states with at least two triple-A ratings)**</u>
5-Year Average Mean and 5-Year Average Median Excluding Vermont:
**MEAN: 1.8%   MEDIAN: 1.2%**
5-Year Average Vermont: 2.0%

Triple-A Rated States	Moody's Debt as % of Personal Income					
	2019	2020	2021	2022	2023	5-year Average
Delaware	6.5	6.1	6.0	7.0	6.9	6.5
Maryland	3.8	3.5	3.5	4.1	4.4	3.9
Virginia	2.7	2.8	2.8	2.8	3.0	2.8
Ohio	2.3*	2.1*	2.1*	3.0*	2.8	2.8
Minnesota	2.6	2.4	2.3	2.2	2.4	2.4
Georgia	2.3	2.0	1.9	2.0	2.0	2.0
VERMONT	**2.2**	**1.9**	**1.9**	**2.0**	**1.9**	**2.0**
Utah	1.9	1.5	1.7	1.6	1.4	1.6
Florida	1.7	1.5	1.3	1.2	1.0	1.3
North Carolina	1.2	1.2	1.2	1.2	1.2	1.2
Idaho	1.2*	1.2*	1.0*	0.9	1.1	1.0
South Carolina	1.2	1.0	0.9	0.8	0.8	0.9
South Dakota	1.3	0.9	0.8	0.9	0.8	0.9
Texas	0.8	0.7	0.7	1.1	1.1	0.9
Missouri	1.1	0.9	0.8	0.7	0.7	0.8
Tennessee	0.7	0.6	0.5	0.5	0.5	0.6
Indiana	0.6	0.5	0.5	0.4	0.6	0.5
Iowa	0.4	0.3	0.3	0.7	0.7	0.5
MEAN[1]	**1.9**	**1.7**	**1.7**	**1.8**	**1.8**	**1.8**
MEDIAN[1]	**1.3**	**1.2**	**1.2**	**1.2**	**1.1**	**1.2**

(1) These calculations exclude all Vermont numbers and include only states rated triple-A by two or more of the rating agencies during the periods shown, as of September 30, 2024.

*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.
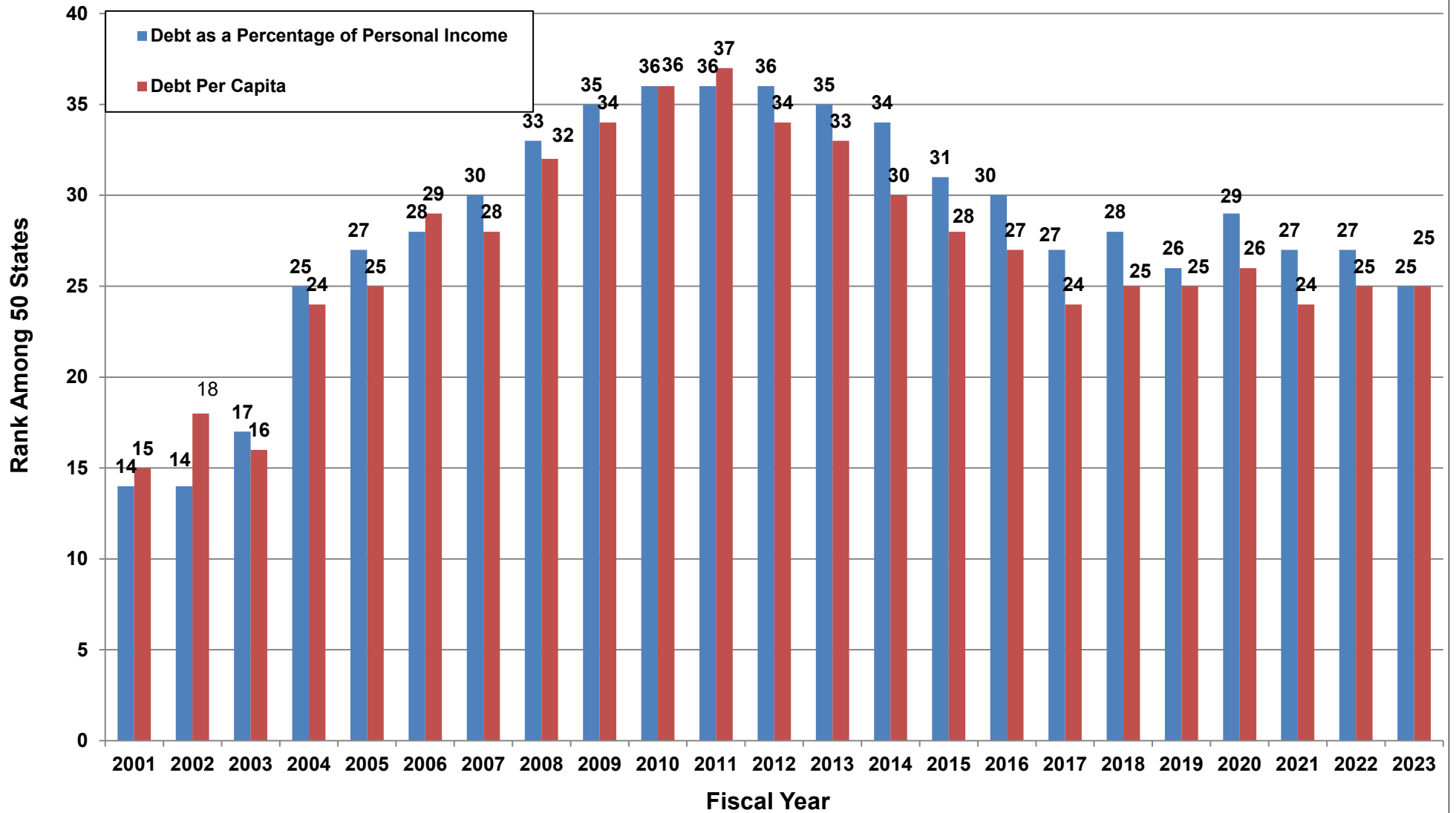
State of Vermont
Net Tax Supported Debt as a Percent of Personal Income
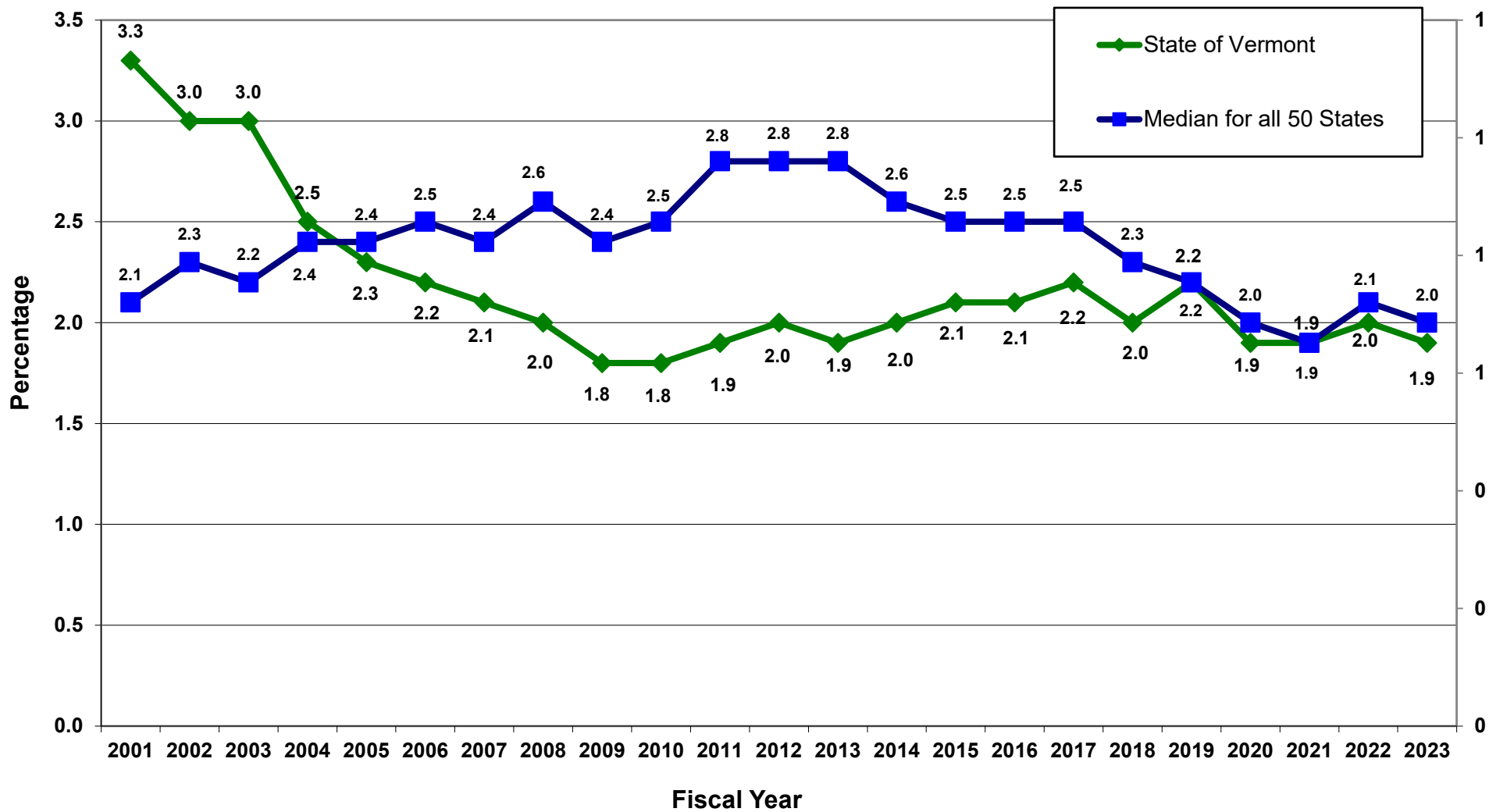
State of Vermont
Historical State Debt Rankings

DEBT AS A PERCENTAGE OF GROSS STATE PRODUCT

STATE OF VERMONT
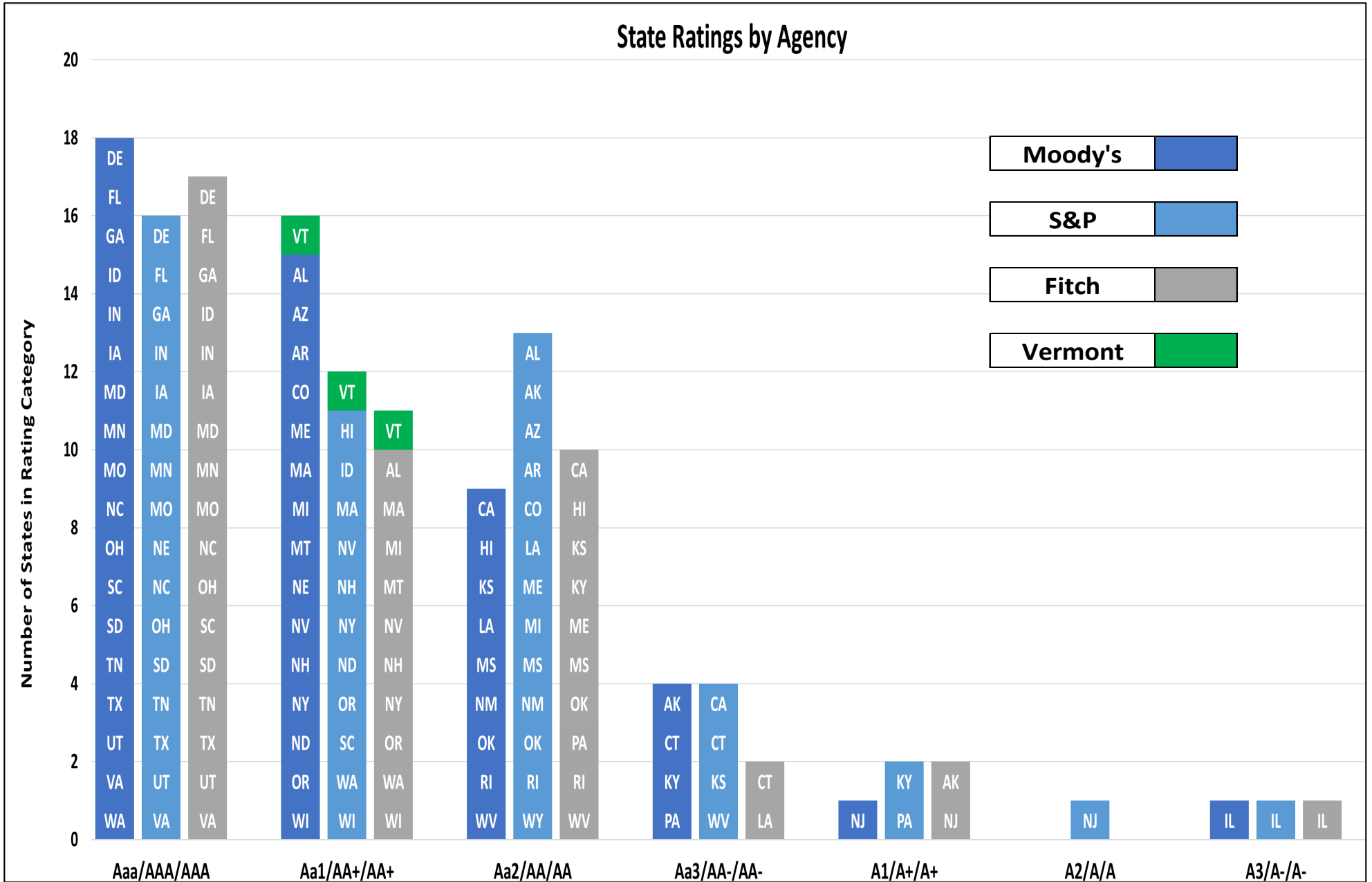**DEBT AS % OF GROSS STATE DOMESTIC PRODUCT COMPARISON**

Triple-A Rated States	Moody's Debt as % Gross State Domestic Product					5-Year Average
	2019	2020	2021	2022	2023	
Massachusetts	7.8*	7.2*	7.4*	7.5*	7.1	7.1
Delaware	4.3	4.3	4.4	5.1	5.0	4.6
New York	4.0	3.7*	4.1*	4.1	3.4	3.8
Oregon	3.6	3.4	3.4	4.1	4.0	3.7
Maryland	3.6	3.3	3.5	4.0	4.1	3.7
Washington	3.8	3.3	3.3	3.8	3.5	3.5
Wisconsin	3.8*	2.5*	2.5	3.0	2.8	2.8
Virginia	2.5	2.6	2.7	2.7	2.7	2.6
Ohio	2.0*	2.0*	2.0*	2.7*	2.3	2.3
Minnesota	2.3	2.1	2.1	2.0	2.1	2.1
Georgia	1.9	1.7	1.7	1.7	1.7	1.7
Florida	1.8	1.5	1.4	1.3	1.1	1.4
Utah	1.5	1.2	1.4	1.4	1.1	1.3
Nevada	1.2	1.0	1.1	1.1	1.0	1.1
North Carolina	1.0	1.0	1.1	1.1	1.0	1.0
New Hampshire	1.3*	1.1*	1.2*	1.2*	1.0	1.0
Idaho	1.2*	1.2*	1.1*	0.9	1.0	1.0
South Carolina	1.2	1.0	0.9	0.8	0.8	0.9
South Dakota	1.1	0.8	0.8	0.8	0.7	0.8
Missouri	1.0	0.9	0.8	0.7	0.6	0.8
Texas	0.7	0.6	0.6	1.0	0.9	0.8
Tennessee	0.6	0.5	0.5	0.5	0.4	0.5
Indiana	0.5	0.5	0.4	0.4	0.5	0.5
Iowa	0.4	0.2	0.3	0.6	0.5	0.4
States with at Least Two Triple-A Ratings (17 States)						
MEAN[1]	1.6	1.5	1.5	1.6	1.6	1.5
MEDIAN[1]	1.2	1.0	1.1	1.1	1.0	1.1
Additional States Rated at Least Aa1/AA+/AA+ (7 States)						
MEAN[1]	3.1	2.6	2.6	3.3	3.3	3.0
MEDIAN[1]	3.7	3.3	3.0	4.0	3.4	3.5
Difference						
MEAN[1]	1.5	1.1	1.1	1.7	1.8	1.4
MEDIAN[1]	2.5	2.2	1.9	3.0	2.4	2.4
Combined States Rated at Least Aa1/AA+/AA+ (24 States, plus Vermont)						
MEAN[1]	1.9	1.7	1.7	2.0	2.1	1.9
MEDIAN[1]	1.5	1.1	1.4	1.3	1.1	1.3
VERMONT	2.0	2.2	1.9	2.1	1.9	2.0

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 May/June 2024, 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**
	Aaa	AAA	AAA	High quality; minimal risk of default
	Aa1	AA+	AA+	High quality; very low credit risk
	Aa2	AA	AA	
Investment Grade	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 Ratings by Agency

Number of States in Rating Category (y-axis, 0 to 20)

Legend:
- Moody's (blue)
- S&P (light blue)
- Fitch (gray)
- Vermont (green)

Aaa/AAA/AAA

Moody's	S&P	Fitch
DE	DE	DE
FL	FL	FL
GA	GA	GA
ID	IN	ID
IN	IA	IN
IA	MD	IA
MD	MN	MD
MN	MO	MN
MO	NE	MO
NC	NC	NC
OH	OH	OH
SC	SD	SC
SD	TN	SD
TN	TX	TN
TX	UT	TX
UT	VA	UT
VA		VA
WA		

(Moody's = 18, S&P = 16, Fitch = 17)

Aa1/AA+/AA+

Moody's	S&P	Fitch
VT	VT	VT
AL	HI	AL
AZ	ID	MA
AR	MA	MI
CO	NV	MT
ME	NH	NV
MA	NY	NH
MI	ND	NY
MT	OR	OR
NE	SC	WA
NV	WA	WI
NH	WI	
NY		
ND		
OR		
WI		

(Moody's = 16, S&P = 12, Fitch = 11)

Aa2/AA/AA

Moody's	S&P	Fitch
CA	AL	CA
HI	AK	HI
KS	AZ	KS
LA	AR	KY
MS	CO	ME
NM	LA	MS
OK	ME	OK
RI	MI	PA
WV	MS	RI
	NM	WV
	OK	
	RI	
	WY	

(Moody's = 9, S&P = 13, Fitch = 10)

Aa3/AA-/AA-

Moody's	S&P	Fitch
AK	CA	CT
CT	CT	LA
KY	KS	
PA	WV	

(Moody's = 4, S&P = 4, Fitch = 2)

A1/A+/A+

Moody's	S&P	Fitch
NJ	KY	AK
	PA	NJ

(Moody's = 1, S&P = 2, Fitch = 2)

A2/A/A

Moody's	S&P	Fitch
	NJ	

(S&P = 1)

A3/A-/A-

Moody's	S&P	Fitch
IL	IL	IL

(Moody's = 1, S&P = 1, Fitch = 1)

Vermont's Credit Strengths and Rating Agency Concerns

Moody's: Aa1 (Stable) May 31, 2024 Analysts: Matthew Butler, Nicholas Samuels	S&P: AA+ (Stable) May 30, 2024 Analysts: Kevin Archer, Scott Nees	Fitch: AA+ (Stable) June 4, 2024 Analysts: Michael D'Arcy, Eric Kim

Strengths

Moody's:
- Resident income is above average, educational attainment is high and unemployment is low
- Financial operations and budget reserves are sound and stable
- Liquidity is very healthy

Factors that could lead to an upgrade:
- Improved demographic and economic trends that more closely track those of the nation and other highly rated states
- Moderated leverage, especially unfunded pensions and retiree healthcare liabilities relative to State revenue

S&P:
- Strong budgetary performance
- Historically high cash balances and reserve balances that continue to be fully funded
- Robust financial management and governance framework
- Well-defined debt affordability and capital planning processes

Factors that could lead to an upgrade:
- Clear evidence that the State's economic and demographic trajectory is on a path aligns with what is seen among 'AAA' rated peers, while also making inroads in paying down its sizable retirement liabilities

Fitch:
- Ample expenditure flexibility with a low burden of carrying costs for liabilities and broad expense-cutting ability
- Strong recent revenue performance
- Taken steps to fiscal flexibility and added to reserves.
- Taken steps to address OPEB liabilities

Factors that could lead to an upgrade:
- Material and sustained improvement in demographic profile
- Increased economic diversification that supports stronger revenue growth
- Sustained reduction in long-term liability burden to below 10% of personal income

Rating Agency Concerns

Moody's:
- Economic growth lags that of the US and an aging population may be a drag on future growth.
- Relative to state revenue, leverage (combined debt and unfunded pensions) is higher than most states.

Factors that could lead to a downgrade:
- Substantial growth in debt or unfunded post-employment liabilities
- A slowdown in economic expansion or revenue growth
- A departure from strong fiscal management practices

S&P:
- Trailing the nation in jobs recovery
- Significant pension and OPEB liabilities remain sizable relative to those of state peers

Factors that could lead to a downgrade:
- If economy and demographics significantly underperform relative to those of similarly rated peers, particularly if slow revenue growth were to strain the State's ability to sustain structural balance in outyear budgets

Fitch:
- Anticipated limited growth in revenues given the State's modest economic growth prospects;
- Spending growth will likely be slightly ahead of revenue growth
- Net pension and OPEB liabilities are significant

Factors that could lead to a downgrade:
- Inability to prudently manage the long-term liability burden in context of modest growth expectations
- Reduction in gap-closing capacity caused by softening budgetary discipline or weaker revenue growth that leads to recurring structural imbalances and substantial draws on fiscal reserves

CDAAC Recommendations and Comments

- 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

- This is the first year of the 2026-2027 biennium and the Committee has a two-year debt recommendation of $100,000,000

- This represents a reduction of 7% from the prior biennium and 37% since the 2014-15 recommendation

- Potential of increasing the second year of the biennial recommendation given the factors above

STATE OF VERMONT
HISTORIC AND PROJECTED DEBT RATIOS

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 [5]	Moody's Median	State's Rank [4]
Actual [1]									
2014	878	1,054	30	2.0	2.6	34	4.7	5.1	n.a.
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	1,173	1,178	n.a.	1.9	2.2	n.a.	3.7	n.a.	n.a.
Current [2]	1,121	n.a.	n.a.	1.6	n.a.	n.a.	3.7	n.a.	n.a.
Projected [3] (FYE 6/30)		State Guideline [6]			State Guideline [7]			State Guideline	
2025	1,117	647		1.5	1.8		3.7	4.0	
2026	1,108	664		1.5	1.8		3.6	4.0	
2027	1,100	682		1.4	1.8		3.5	4.0	
2028	1,094	701		1.3	1.8		3.4	4.0	
2029	1,087	720		1.3	1.8		3.3	4.0	
2030	1,049	739		1.2	1.8		3.2	4.0	
2031	1,011	759		1.1	1.8		3.1	4.0	
2032	984	780		1.0	1.8		2.8	4.0	
2033	955	801		0.9	1.8		2.7	4.0	
2034	933	822		0.9	1.8		2.5	4.0	
2035	914	845		0.8	1.8		2.4	4.0	
5-Year Average of Moody's Mean for Triple-A States		1,021			1.8			n.a.	
5-Year Average of Moody's Median for Triple-A States		630			1.2			n.a.	

Note: Shaded figures in the State's debt per capita projection in fiscal years 2025-2035 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.

(2) Calculated by Public Resources Advisory Group, Inc. using outstanding Long-Term Net Tax-Supported Debt of $727,168 million as of 6/30/24 divided by Vermont's 2024 consensus population estimate of 648,600 as provided by EPR.

(3) Projections assume issuance of $75 million of G.O. debt in FY2025, $68.925 million from FY2026 through FY2029, and $50 million from FY2030 through FY2035.

(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, as well as the dedicated property transfer tax revenues associated with the VHFA Property Transfer Bonds. 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 $630 increasing annually at 2.7%.

(7) The 5-year average of Moody's median for the Peer Group is 1.2%. Since the annual number can be volatile, ranging from 1.2% to 1.9% over the last five years, the State
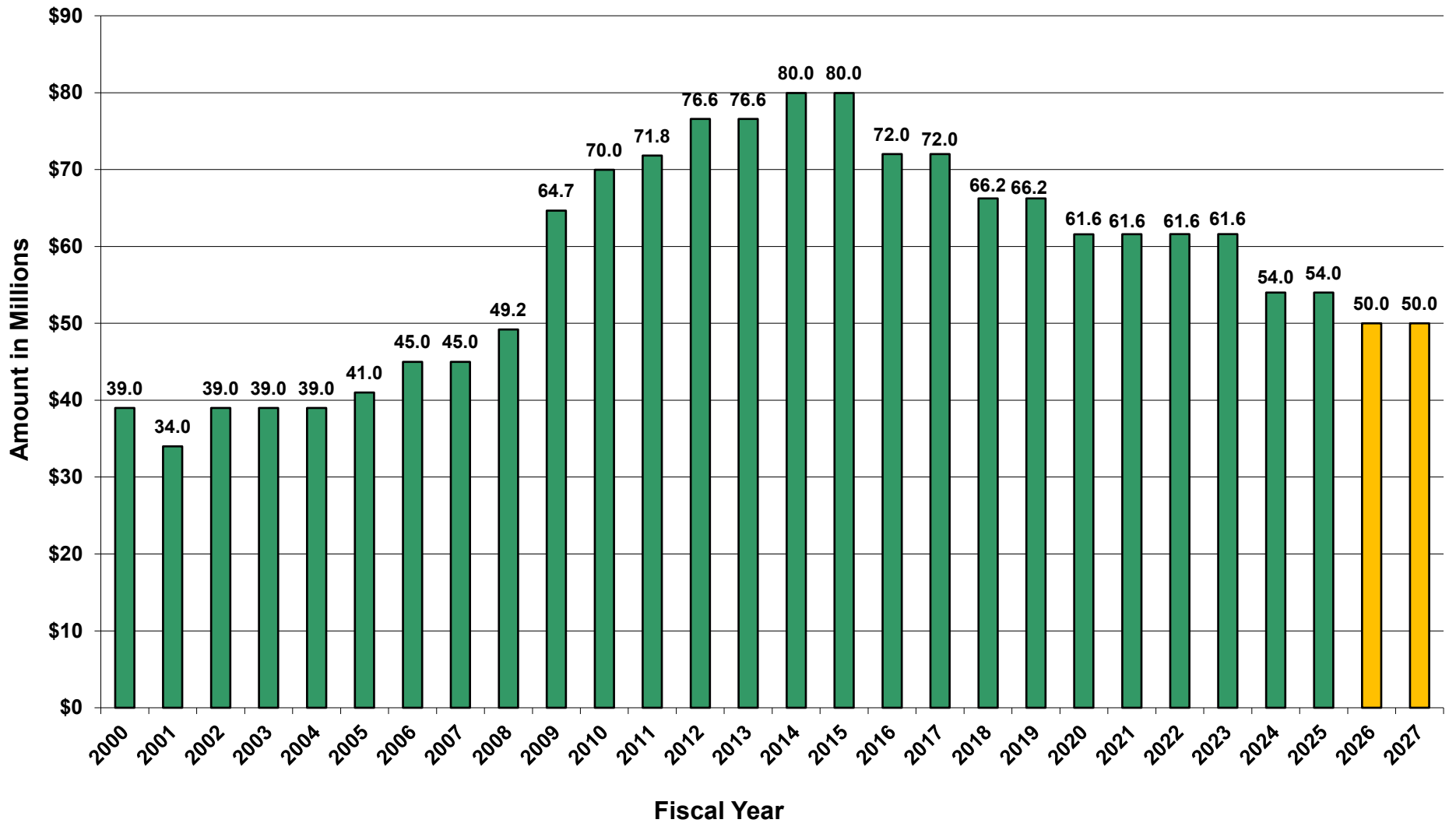
DASHBOARD INDICATORS

	Vermont[a]	Median Triple-A States[b,c]
Long-Term Net Tax-Supported Debt	$727,167,852	$4,344,115,000
Debt As A Percent Of Gross State Product	1.61%	1.0%
Debt Per Capita:	$1,121	$680
Debt As A Percent Of Personal Income:	1.61%	1.1%
Debt Service As A Percent Of Operating Revenue[d]:	3.74%	N/A
Rapidity Of Debt Retirement:	45.6% (In 5 Years)	N/A
	77.7% (In 10 Years)	N/A
	94.2% (In 15 Years)	N/A
	100.0% (In 20 Years)	N/A

_____

(a) Debt statistics for Vermont are as of June 30, 2024. Estimates of FY 2024 Gross State Product, Population, Personal Income and Operating Revenue consensus official State forecasts provided by EPR.

(b) These calculations exclude all Vermont numbers and include only states rated triple-A by two or more of the rating agencies during the periods shown, year ended September 30, 2024.

(c) Source: Moody's Investors Service, 2023 State Debt, Pension and OPEB Medians Report calculated by Public Resources Advisory Group, Inc.

(d) Aggregate of State's General Fund, including changes related to Act 11 as calculated by EPR, and Transportation Fund, as well as the dedicated property transfer tax revenues associated with the VHFA Property Transfer Bonds.
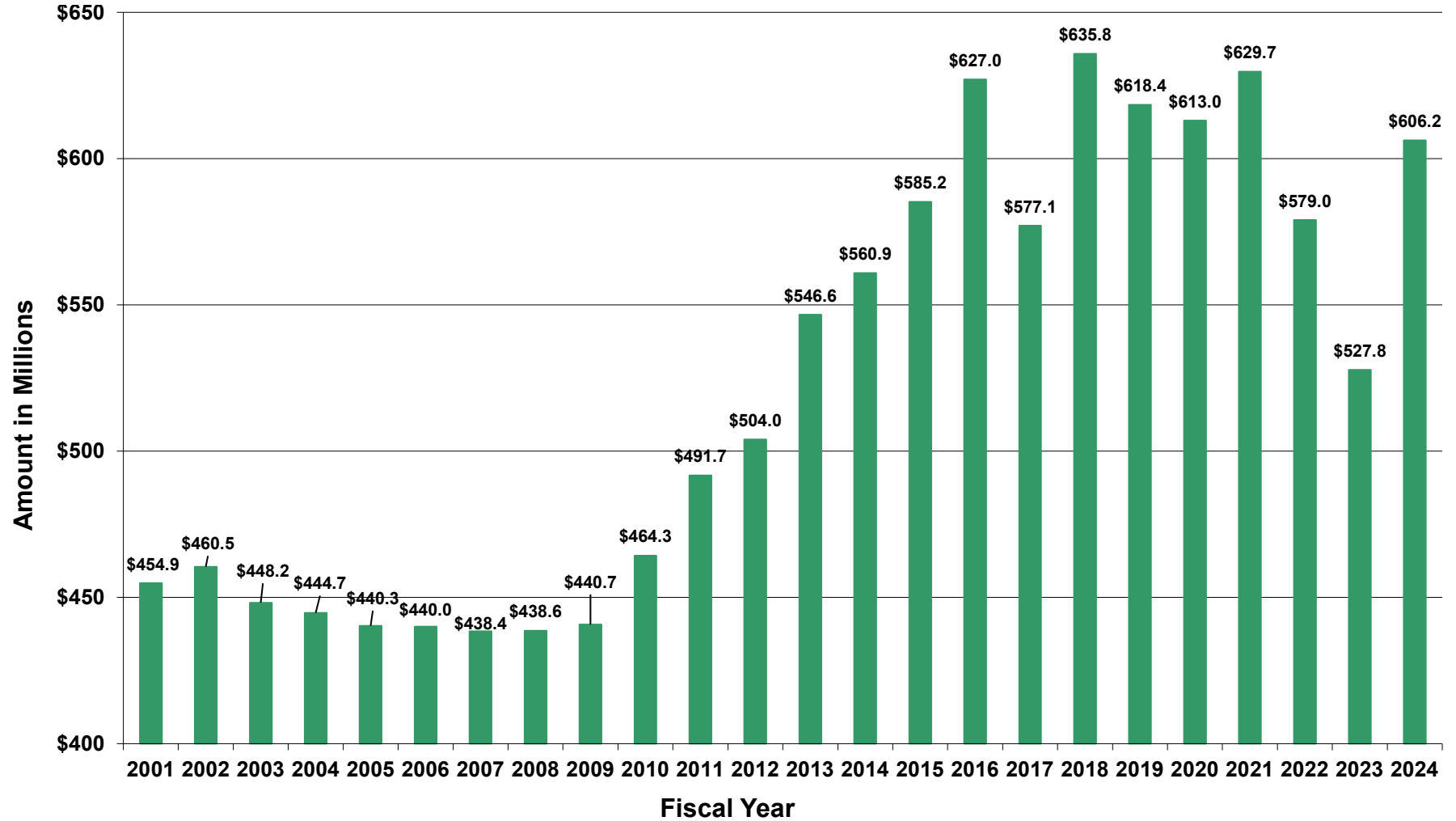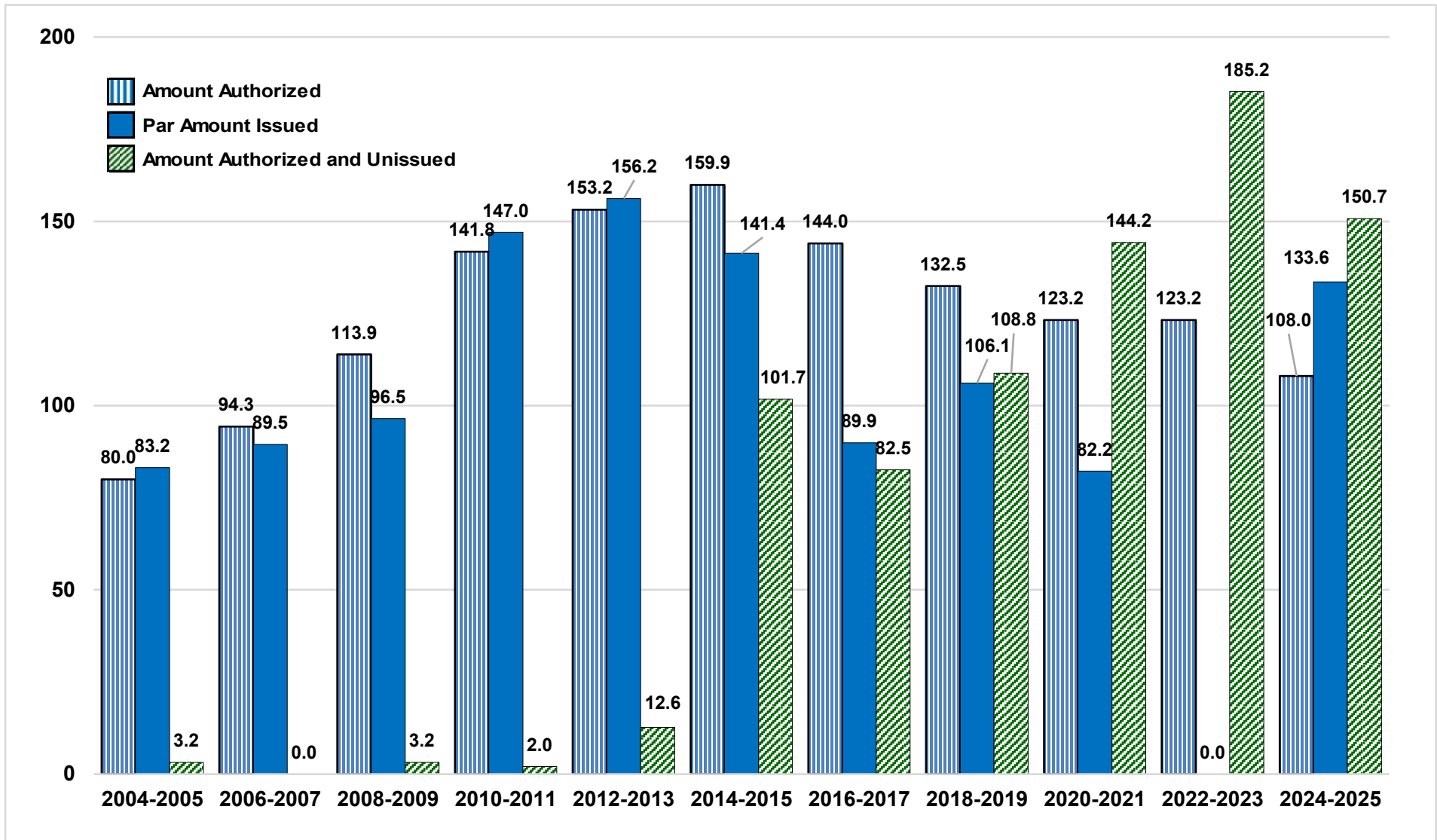
**State of Vermont - General Obligation (G.O.)
Debt Authorizations FY2000-FY2027 ($ millions)**

State of Vermont
General Obligation Debt Outstanding, FY2000-FY2024

Fiscal Year	Amount in Millions
2001	$454.9
2002	$460.5
2003	$448.2
2004	$444.7
2005	$440.3
2006	$440.0
2007	$438.4
2008	$438.6
2009	$440.7
2010	$464.3
2011	$491.7
2012	$504.0
2013	$546.6
2014	$560.9
2015	$585.2
2016	$627.0
2017	$577.1
2018	$635.8
2019	$618.4
2020	$613.0
2021	$629.7
2022	$579.0
2023	$527.8
2024	$606.2

Legend:
- Amount Authorized
- Par Amount Issued
- Amount Authorized and Unissued

Biennium	Amount Authorized	Par Amount Issued	Amount Authorized and Unissued
2004-2005	80.0	83.2	3.2
2006-2007	94.3	89.5	0.0
2008-2009	113.9	96.5	3.2
2010-2011	141.8	147.0	2.0
2012-2013	153.2	156.2	12.6
2014-2015	159.9	141.4	101.7
2016-2017	144.0	89.9	82.5
2018-2019	132.5	106.1	108.8
2020-2021	123.2	82.2	144.2
2022-2023	123.2	0.0	185.2
2024-2025	108.0	133.6	150.7

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.

[4] The $133.6 million Par Amount Issued and $150.7 million Amount Authorized and Unissued in the FY2024-2025 biennium reflects the issuance of the State's General Obligation Bonds, 2023 Series A on September 7, 2023, and 2024 Series A on June 20, 2024.

Net Tax Supported Debt and Moral Obligation Commitments

Debt as of June 30, 2024

Net Tax Supported Debt

General Obligation Bonds	$	606,245,000
Property Transfer Tax Bonds, VHFA Series 2018	$	27,280,000
Various Leases	$	76,838,696
Subscription Based Information Technology Arrangements (SBITAs)	$	16,804,156
Total Net Tax Supported Debt	**$**	**727,167,852**

Reserve Fund Commitments (Moral Obligation)	Maximum per Statute		Outstanding	
Vermont Bond Bank	$	612,491,000	$	612,491,000
Vermont Housing Finance Agency	$	155,000,000	$	53,985,802
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	**$**	**1,138,491,000**	**$**	**821,476,802**

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]
ANPL as % of Personal Income	8	8	7
ANPL as % of State Gross Domestic Product	7	7	6
ANPL Per Capita	9	8	8
ANPL as % of Own-Source Revenue	14	12	10
Debt + ANPL + ANOL + Other Long-term Liabilities as a % of Own-Source Revenue	N/A	13	11

Sources:

Moody's *Debt, Pension and OPEB Liabilities All Up in Fiscal 2021*, September 7, 2022.

Moody's *Ability to Service Long-term Liabilities and Fixed Cost Improves*, September 26, 2023.

[1]Rankings 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.

[2]Based on a FTSE Pension Liability Index of 4.48%.

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	12.3	11.7	5,570	169.0
Maryland	12.1	13.0	9,198	162.2
VERMONT[3]	**18.0**	**18.2**	**11,407**	**154.5**
Texas	7.6	6.0	4,713	134.0
Missouri	4.7	4.2	2,655	92.5
Iowa	5.3	4.3	3,095	74.9
Delaware	9.0	6.5	5,548	67.7
Indiana	4.5	3.9	2,596	67.0
Ohio	2.4	2.0	1,411	41.6
Minnesota	3.2	2.8	2,165	34.6
Florida	1.6	1.7	1,047	34.5
Georgia	2.0	1.7	1,151	34.5
Virginia	2.2	2.0	1,521	32.5
North Carolina	2.2	1.8	1,241	32.0
Utah	2.5	1.9	1,422	31.6
South Dakota	2.8	2.5	1,839	30.1
Idaho	2.1	2.0	1,125	28.3
MEAN[2]	4.6	4.1	2,784	64.3
MEDIAN[2]	2.8	2.5	1,839	34.6
VERMONT's 50 STATE RANK[4]	7	6	8	10

Source: Moody's *Ability to Service Long-term Liabilities and Fixed Cost Improves*, September 26, 2023.

[1] Based on a FTSE PLI of 4.48%.

[2] Calculated by Public Resources Advisory Group, Inc. These calculations exclude all Vermont numbers and include only states rated triple-A by two or more of the rating agencies, as of September 30th, 2024.
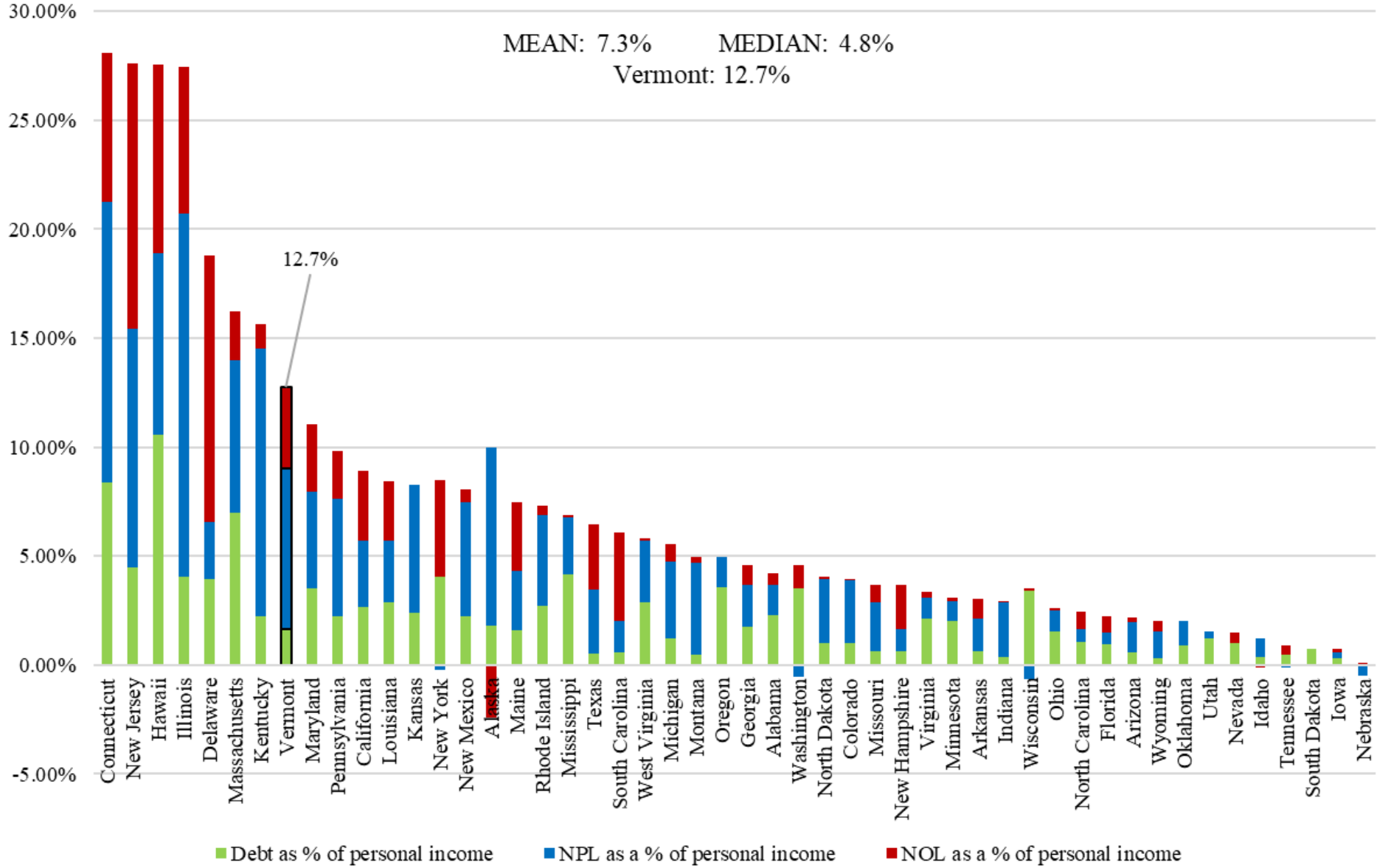
[3] Vermont numbers include the combined defined benefits plans of the Vermont State Employees' Retirement System and the Vermont State Teachers' Retirement System.

[4] Rankings 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.

S&P's State Tax-Supported Debt, NPL and NOL as % of Personal Income

MEAN: 7.3%   MEDIAN: 4.8%
Vermont: 12.7%

Legend:
- Debt as % of personal income
- NPL as a % of personal income
- NOL as a % of personal income

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

MEAN: 159%   MEDIAN: 131%

VERMONT: 225%

Legend:
- ■ Other Long-Term Liabilities (ANOL) as % of Own-Source Revenues
- ■ Adjusted Net OPEB Liabilities (ANOL) as % of Own-Source Revenues
- ■ Adjusted Net Pension Liabilities (ANPL) as % of Own-Source Revenues
- ■ Net Tax-Supported Debt (NTSD) as % of Own-Source Revenues
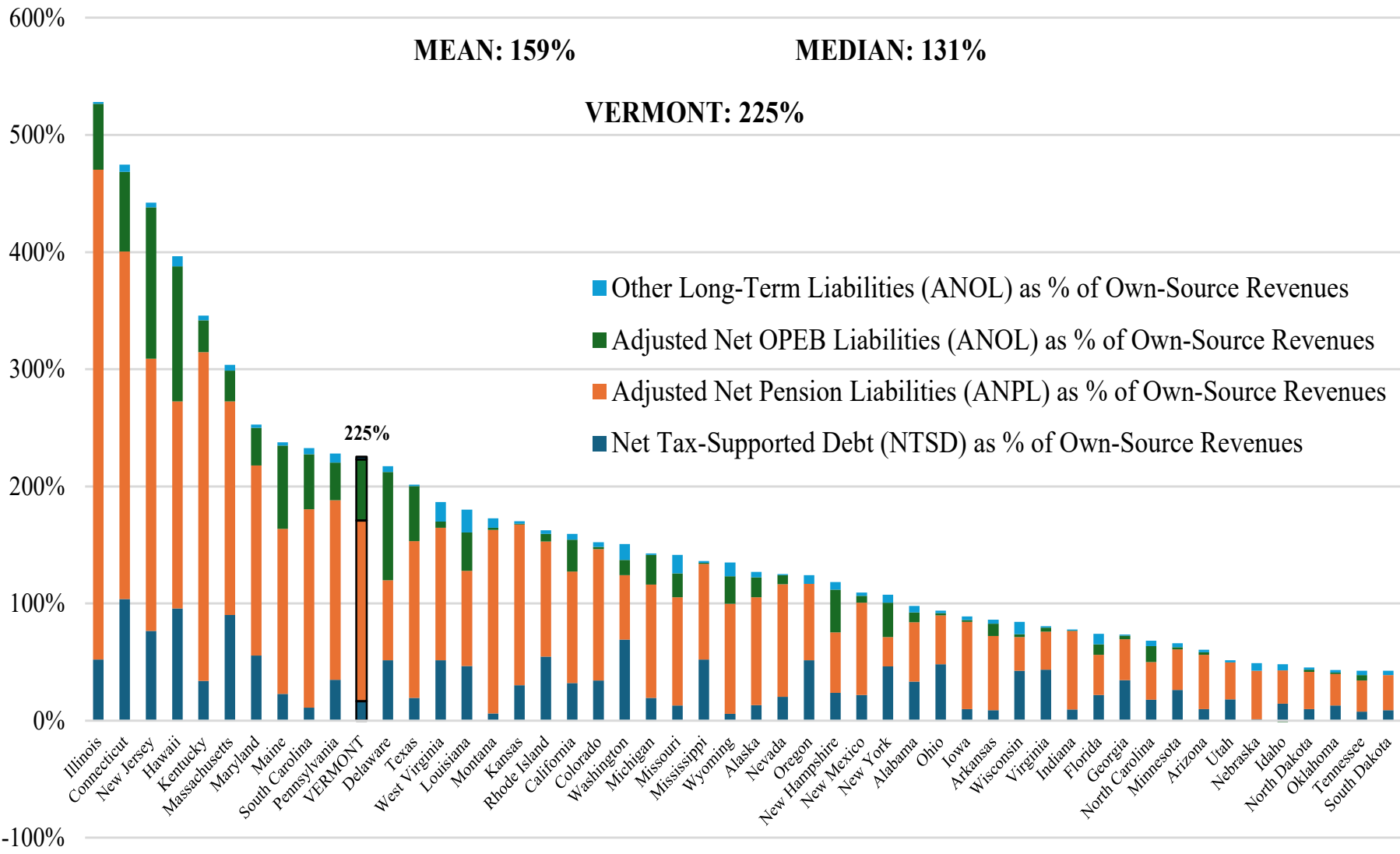
Moody's 50 States' Total Fixed Costs as a Percent of Own-Source Revenue

MEAN: 6.2%   MEDIAN: 4.8%
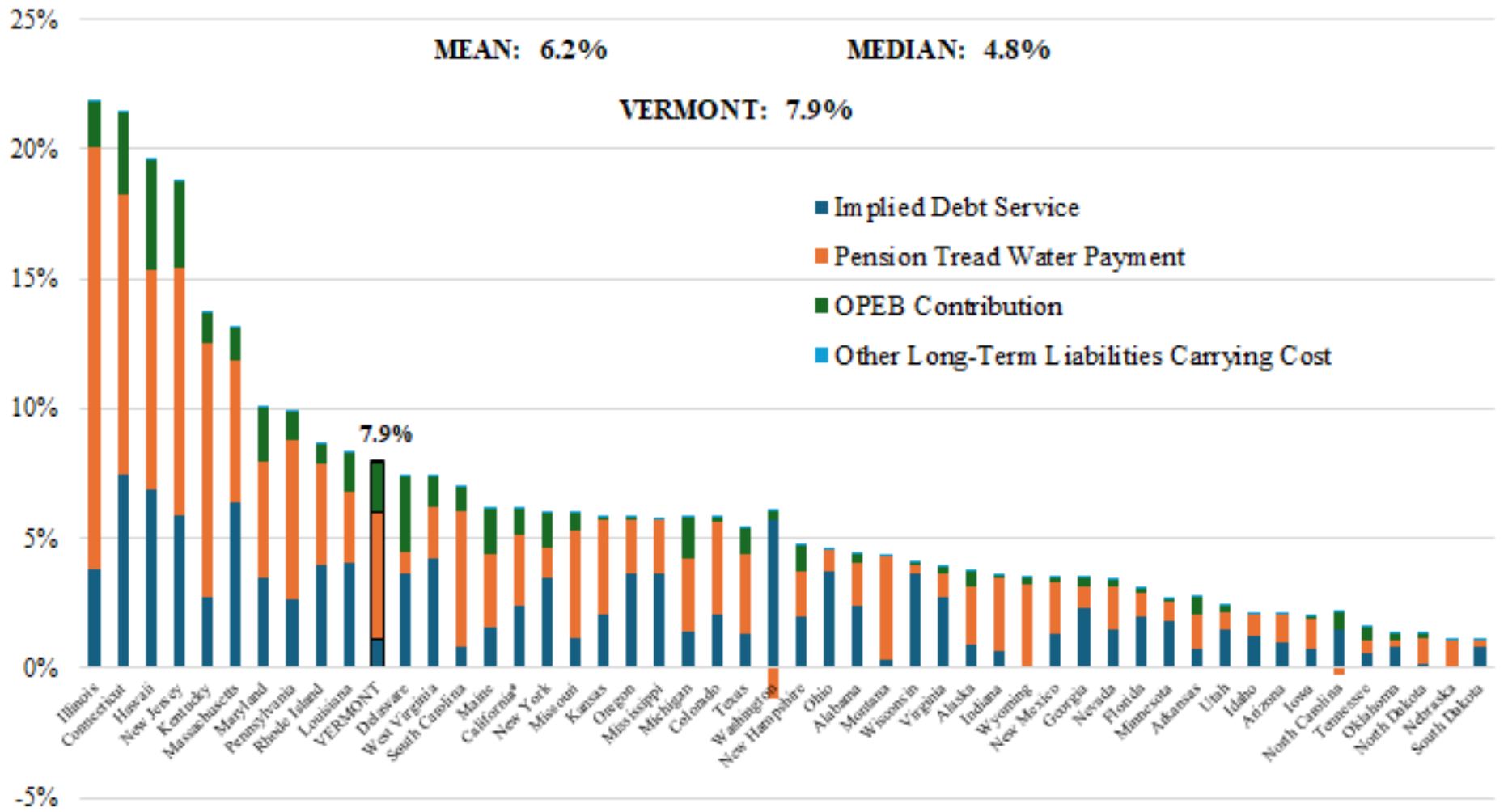
VERMONT: 7.9%

Bond Rating Credit Priorities

- PENSION FUNDING: Continue 100% funding of the annual required contributions (ADECs) to the Vermont State Employees' and State Teachers' Retirement Systems pension funds

- RESERVES: Continue to maintain budget stabilization reserves, and build the General Fund Balance Reserve (or "rainy day reserve") incrementally and over time

- DEBT RECOMMENDATION: Continue unbroken record of adopting the Capital Debt Affordability Advisory Committee's (CDAAC) biennium recommendation; adopt recommended $100 million debt authorization for the 2026-2027 biennium Capital Bill