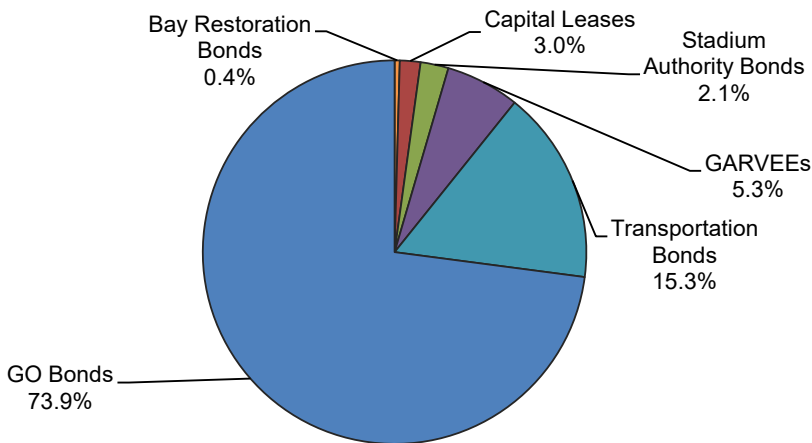


Estimated Total State Debt Outstanding on June 30, 2019



Total Outstanding on June 30, 2019 = \$13.6 billion

- General obligation (GO) bonds fund State construction projects like K-12 schools, higher education projects, and State facilities, such as prisons.

- Grant Anticipation Revenue Vehicles (GARVEE) are supported by federal transportation funds and fund construction of the Intercounty Connector.

- Capital leases funded with tax revenues support a health lab, garage, energy performance contracts, and equipment.

- Bay restoration bonds support projects that improve wastewater treatment facilities.

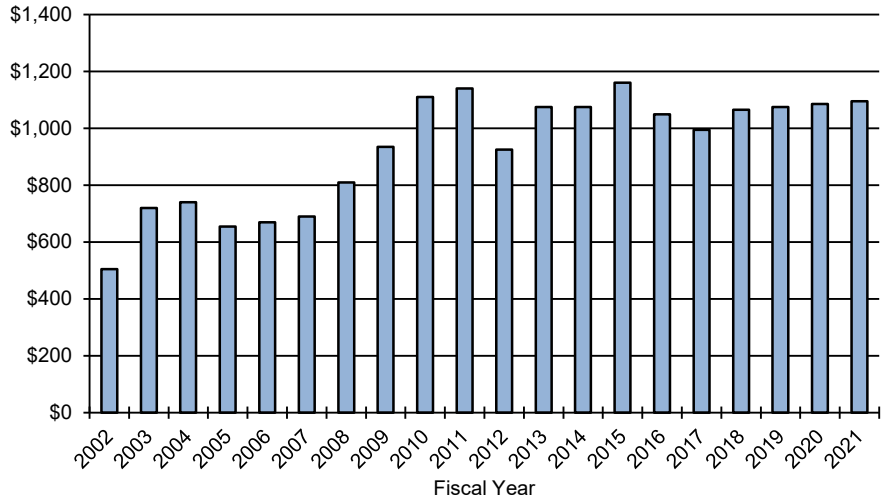
Total State General Obligation Bond Authorizations (\$ in Millions)

- Maryland limits State debt. State debt outstanding cannot exceed 4% of State personal income and State debt service cannot exceed 8% of State revenues.

- Authorizations were reduced in fiscal 2012 to stay within debt limits. As revenues improved, authorizations were increased.

- Since fiscal 2016, authorizations have increased \$10 million annually.

- Bonds are not issued immediately after being authorized. On average, it takes five years to issue all bonds. Consequently, increases in debt service costs lag increases in authorizations.



General Obligation Bond Debt Service Costs (\$ in Millions)

- Debt service costs increased from \$495 million in fiscal 2002 to an estimated \$1,342 million in fiscal 2021.

- From fiscal 2002 to 2021, debt service costs increase 5.4% annually.

- Authorizations increased substantially from fiscal 2002 to 2011 and have not increased at as high a rate since fiscal 2011. Since debt service cost increases lag authorizations, the effect of slowing authorizations is not realized immediately.

- Debt service costs increases slow to 2.6% annually from fiscal 2021 to 2025.

