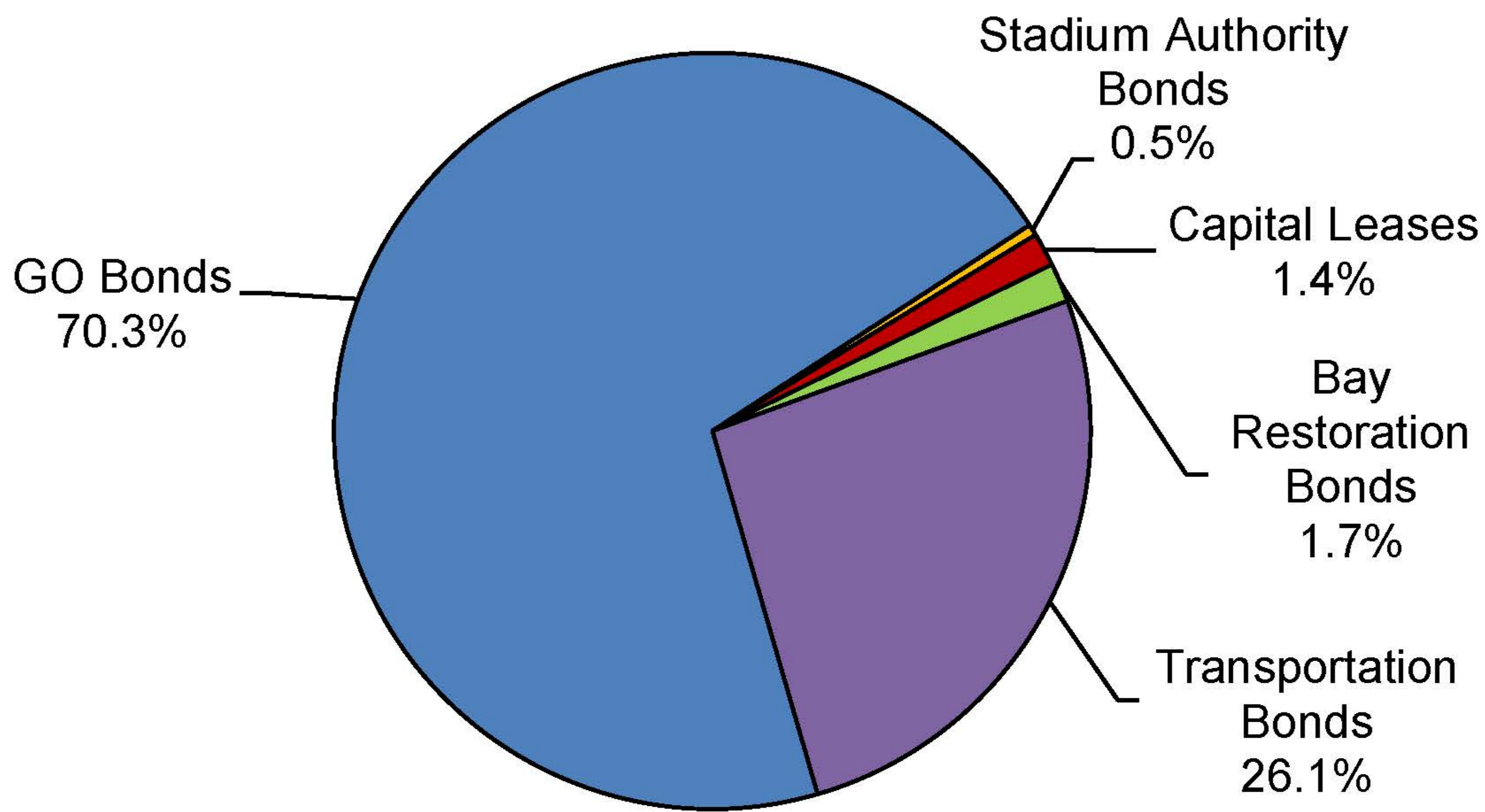


Estimated Total State Debt Outstanding on June 30, 2020

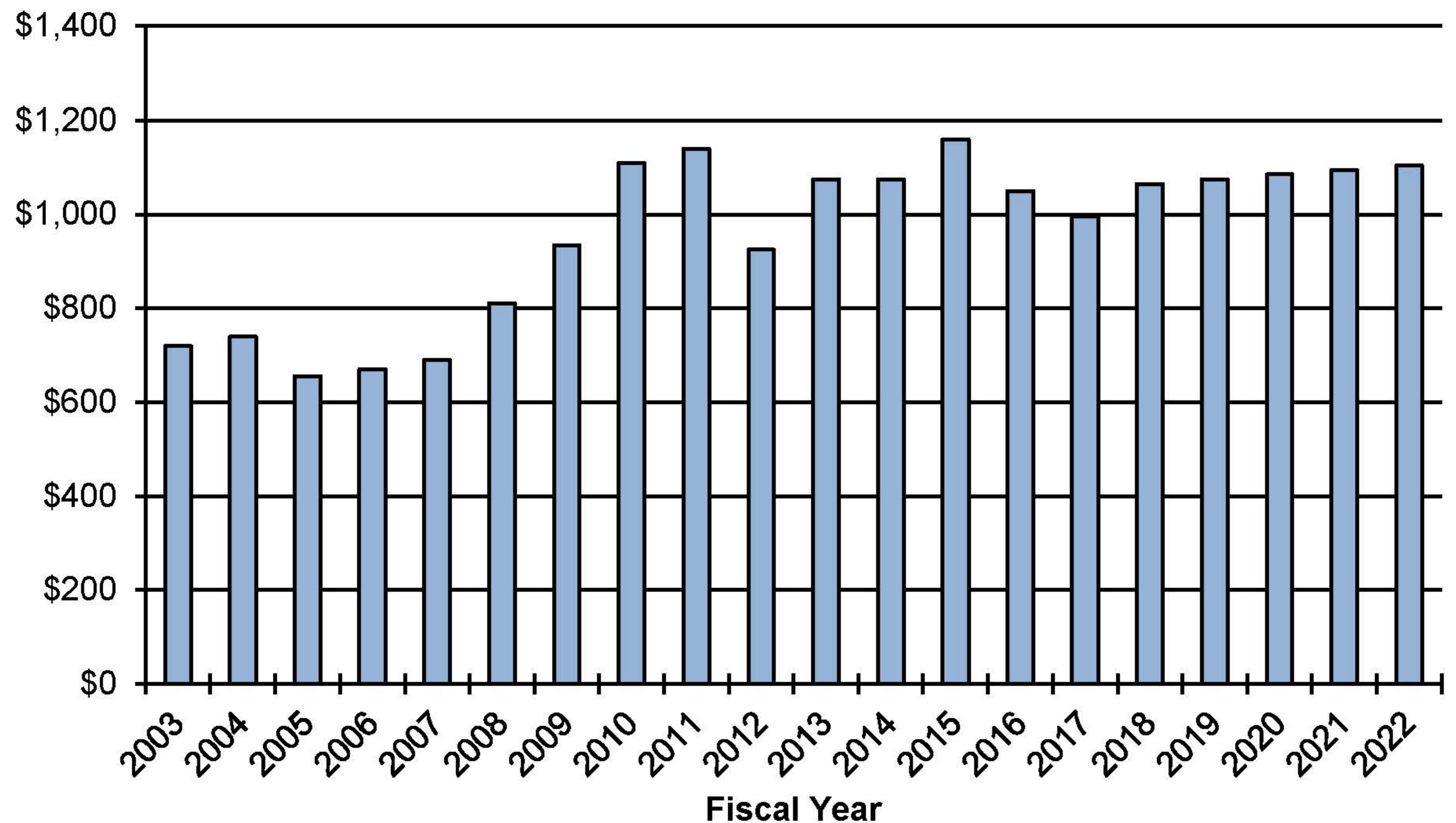


Total Outstanding on June 30, 2020 = \$13.9 Billion

- General obligation (GO) bonds fund State construction projects like K-12 schools, higher education projects, and State facilities, such as prisons.
- Transportation bonds are supported by the Transportation Trust Fund for highway, transit, airport, port, and other transportation facilities.
- 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, the Spending Affordability Committee policy has been to limit to annual authorizations up to \$10 million above the fiscal 2016 level.
- 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 \$497 million in fiscal 2003 to an estimated \$1,387 million in fiscal 2022, which is a 5.6% annual increase.
- The reduction in fiscal 2021 debt service costs is attributable to the July 2020 refunding bond sale, whereby all savings were realized in fiscal 2020.
- Authorizations increased substantially from fiscal 2002 to 2011 and have not increased at as high a rate since fiscal 2011.
- Debt service costs increases slow to 2.4% annually from fiscal 2022 to 2026.

