DEBT MANAGEMENT PLAN

2021 - 2025

GOVERNOR BRIAN P. KEMP

STATE OF GEORGIA

DEBT MANAGEMENT PLAN

FISCAL YEAR 2021 – FISCAL YEAR 2025

Prepared

By

Georgia State Financing and Investment Commission

Financing and Investment Division

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STATE OF GEORGIA
DEBT MANAGEMENT PLAN
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DEBT MANAGEMENT PLAN
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EXECUTIVE SUMMARY

Each year, the Georgia State Financing and Investment Commission (the "Commission") produces its debt management plan (the "Plan") which provides projections of the State of Georgia's (the "State") general obligation ("GO") and guaranteed revenue ("GR") debt and the annual debt service requirements for all outstanding debt and projected new debt. The Plan covers the current fiscal year and the four succeeding fiscal years. (The State's fiscal year ("FY") extends from each July 1 through the next June 30; thus FY 2021 covers the period of July 1, 2020 through June 30, 2021.) The resulting projected annual debt service requirements are compared to the actual treasury receipts of the State for the immediately preceding fiscal year, as well as projected future treasury receipts of the State, to determine the ratio of highest annual debt service ("HADS") requirements to the prior year's State treasury receipts. This ratio, which is established by the Constitution of the State (the "Constitution") at a maximum of 10%, but for reasons discussed within the Plan is limited by Commission policy to a maximum of 7%, along with several other ratios discussed in the Plan, informs the Governor and the General Assembly in their consideration of the authorization of new State debt during the annual budget process. Projected authorizations of new debt may be increased or decreased depending on the capital needs of the State and projections of estimated treasury receipts in future years.

The following table shows general obligation debt authorizations for capital projects and bond issuances for each fiscal year and the resulting ratio of annual debt service (for aggregate general obligation and guaranteed revenue debt) to prior year State treasury receipts. The amount of bonds issued in a fiscal year may exceed the amount of new authorizations if there are any unused authorizations carried over from prior fiscal years. As State revenues recovered from the 2007-2009 recession and the subsequent shallow economic recovery, authorizations for new debt were restricted to critical infrastructure projects, and the State vigorously pursued opportunities to refund its debt and lower debt service payments, the HADS ratio shown below declined to 4.9% for fiscal year 2020 from its peak of 8.1% for fiscal year 2011. The approximately $1.129 billion of general obligation debt authorized for FY 2021 addressed needs for new facilities for: K-12 education, higher education facilities for The University System of Georgia ("USG") and the Technical College System of Georgia ("TCSG"), improvements to state roads and bridges, public safety, economic development, improvements to the State's freight rail system, and other facilities of the State. The planning level for new general obligation debt authorizations is $985 million for FY 2022 and $950 million per year, thereafter. The Plan also includes the potential issuance of up to $390 million of new guaranteed revenue bonds, as further discussed herein. The HADS ratios shown in the following table are based on the actual (FY 2016 through FY 2020) or scheduled (FY 2021 through FY 2025) debt service payments for all outstanding general obligation bonds and guaranteed revenue bonds plus the projected debt service appropriations for new debt authorizations as per the Plan.

	Actual Amounts					Projected Amounts				
Fiscal Year	2016	2017	2018	2019	2020	2021*	2022	2023	2024	2025
New GO Authorizations	$1,099	$952	$1,166	$1,184	$1,096	$1,129	$985	$950	$950	$950
GO Bond Issuances	$1,008	$920	$1,041	$1,229	$915	$1,133	$1,312	$950	$950	$950
GR Issuances							$390			
HADS Ratio	6.0%	5.5%	5.5%	5.1%	4.9%	4.7%	5.5%	5.4%	5.4%	5.2%

*As of December 31, 2020; $ - millions

Various State authorities are authorized by State law to enter into multi-year debt obligations which are secured by revenues of the authority; however, these obligations are not State general obligation debt or guaranteed revenue debt included in the debt service ratio defined in the Constitution. The Commission must authorize any new debt to be issued by State authorities. These debt obligations, which are backed only by project or system revenues, are commitments only of the issuing State Authority and there is no legal recourse to the State for their repayment. The obligations of State authorities are discussed in more detail in a later section of this Plan.

There are other types of multi-year obligations, which even though they do not meet Georgia's statutory definition of debt, sometimes are considered debt of the State or the USG by the credit markets and rating agencies and thus that debt does have credit rating implications for the State. The two primary types of such obligations are: (1) lease obligations of State agencies and (2) the debt of foundations and cooperative organizations associated with the USG and its various institutions. In compliance with various Statements of the Governmental Accounting Standards Board ("GASB"), these obligations are reflected in the State's Comprehensive Annual Financial Report ("CAFR"); they are discussed later in the Plan.

CONSTITUTIONAL AND STATUTORY FRAMEWORK FOR STATE DEBT

Prior to 1973, the State's capital project needs were met through the issuance of revenue bonds by ten separate State authorities with the security for those bonds being annually renewable lease/rental agreements between the issuing authority and one or more State departments and/or agencies. In November 1972 the electorate of the State approved a comprehensive amendment to the Constitution (the "1972 Amendment") which took effect January 1, 1973 to permit the State to finance its capital project needs directly through the issuance of general obligation debt and guaranteed revenue debt. The 1972 Amendment also included a prohibition against the State entering into any new lease/rental agreements if those agreements would serve as security for financings by State authorities or other public institutions. With the passage of the 1972 Amendment and the statutory implementation of the 1972 Amendment by the General Assembly through the enactment of the Georgia State Financing and Investment Commission Act in 1973 (the "Commission Act"), the State was granted the ability to incur legally binding general obligation and guaranteed revenue debt backed by the full faith and credit of the State. The ability to incur general obligation debt and guaranteed revenue debt enabled the State to achieve higher credit ratings for its debt – and thus lower interest rates – than State authority revenue bond debt secured by lease obligations which were subject to annual appropriations of the General Assembly. The State's first issue of general obligation bonds subsequent to the 1972 Amendment was in

September 1974 after an adjudication of the constitutionality of the new debt structure and process was approved by the Supreme Court of the State of Georgia - $20,000,000 series 1974A bonds (of a total $170,053,000 which had been authorized by the General Assembly) with annual maturities from 1975 through 1999. At that time, there also was an aggregate amount of approximately $1.052 billion of State authority debt secured by leases with State agencies and departments outstanding, but all that debt has been paid in full.

With the ratification of a new Constitution in 1983, the ratio of maximum fiscal year general obligation and guaranteed revenue debt service to prior year State treasury receipts was revised to 10% from its initial level of 15%. Since 1983, amendments to the State debt provisions of the Constitution have been approved in 1984, 1986, 1992, 2010, and 2012. These amendments included: allowing general obligation bonds to be issued for public library facilities not owned by the State; allowing general obligation bonds and guaranteed revenue bonds to be issued for the purpose of making loans to counties, municipal corporations, political subdivisions, local authorities and other local government entities for water or sewerage facilities or systems or for regional or multijurisdictional solid waste recycling or solid waste facilities or systems; allowing for multiyear contracts for energy efficiency improvement projects; and allowing for multiyear lease agreements for real property.

The Constitution and the Commission Act establish the parameters regarding the issuance of general obligation and guaranteed revenue debt which forms a firm foundation for the high ratings assigned by the bond rating agencies to the State's debt, and thus significantly contributes to the credit markets' high regard of the State's debt. Some of the key provisions include:

- a prohibition against incurring additional debt (either via issuance of general obligation bonds or guaranteed revenue bonds) which would cause the highest aggregate annual debt service in the then current year or any subsequent year to exceed 10% of the total State treasury receipts for the fiscal year preceding the issuance of the additional debt;
- explicit descriptions of the types of capital projects which can be funded with general obligation and guaranteed revenue debt;
- a requirement that the maximum annual debt service for proposed new debt be appropriated at the time the debt is authorized;
- a requirement for full appropriation each fiscal year of the amount necessary to pay the aggregate debt service coming due for that year;
- a provision that debt service appropriations for new debt authorizations which were not issued do not lapse at the end of the fiscal year in which they were authorized;
- a provision for repeal, prior to their issuance, of debt authorizations by the General Assembly;
- guidelines as to how general obligation and guaranteed revenue debt may be refunded to ensure that there is no incremental increase in debt service in any future year and to prohibit the extension of the debt as a result of the refunding;
- limitations on cash flow borrowing for operating budget purposes;
- a prohibition against the issuance of any new Authority debt secured by lease agreements with State agencies or departments as had been utilized extensively by the State prior to the 1972 Amendment;
- a provision that should the amount appropriated for debt service payments be insufficient for any reason to make all payments due with respect to general obligation debt the first

revenues thereafter received in the general fund of the State must be set aside to the extent necessary to cure any such payment deficiency;

- an explicit right established by the Constitution for any general obligation debt holder to bring suit, if necessary, to compel the appropriate state fiscal officer to meet the obligation to set aside the first revenues received after a determination that insufficient funds have been set aside for payment of all payments due with respect to general obligation debt of the State; and
- guidelines as to the issuance of guaranteed revenue debt including a requirement that there be a debt service reserve funded at the time the debt is incurred which is equal to the highest annual debt service amount for that debt, and provisions for the replenishment of that reserve from state treasury receipts should there be a need to utilize any of the funds within the reserve for payment of debt service.

The issuance of all State debt, which includes debt issued by State authorities, is subject to Commission approval. The Commission is comprised of seven members (all members serve on an ex-officio basis) with the officer designations as established in the Constitution: the Governor of the State serves as Chairman of the Commission, the President of the Georgia State Senate (the Lieutenant Governor) serves as Vice-Chairman, and the State Auditor serves as Secretary and Treasurer; other members of the Commission are: the Attorney General, the Commissioner of Agriculture, the Speaker of the House of Representatives, and the State Treasurer.

Pursuant to the Constitution and the Commission Act, the Commission is charged with the following responsibilities:

- the issuance of all public debt of the State,
- the proper application of the proceeds of such debt to the purposes for which it is incurred,
- the investment of all proceeds to be administered by the Commission,
- providing debt related financial advisory services to State authorities and agencies,
- providing construction services for State agencies for general obligation debt funded projects, and
- additional responsibilities as provided by law.

In summary, the Constitution provides for the issuance, and limitations and conditions thereon, by the State of both general obligation debt and guaranteed revenue debt, and establishes that the full faith, credit and taxing power of the State is pledged to the repayment of both of these types of public debt. During the legislative session each year as part of the appropriations process, the General Assembly may authorize new general obligation debt to be issued by the State and/or guaranteed revenue debt to be issued by various State authorities; the Governor may approve or veto individual debt authorizations included in the appropriations bill. The Constitution also provides for the issuance of revenue debt which may be issued by certain State authorities as authorized by State statute. The non-guaranteed revenue debt issued by State authorities cannot be secured by the full faith, credit, and taxing power of the State; rather, such debt can be secured only by revenues generated by the specific projects or systems that are being funded.

TYPES OF DEBT OBLIGATIONS

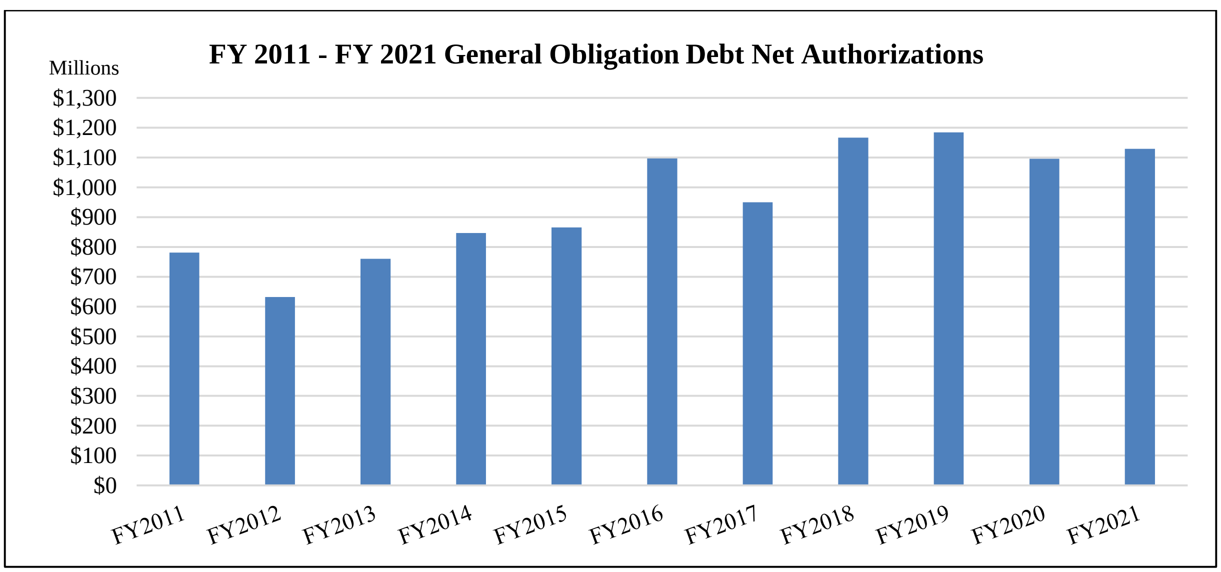
General Obligation Debt

The Constitution limits the use of general obligation debt to the following purposes:

- to acquire, construct, develop, extend, enlarge, or improve land, waters, property, highways, buildings, structures, equipment, or facilities of the State, its agencies, departments, institutions, and of certain State authorities;
- to provide educational facilities for county and independent school systems and for public library facilities for county and independent school systems, counties, municipalities, and boards of trustees of public libraries or boards of trustees of public library systems; and,
- to make loans to counties, municipal corporations, political subdivisions, local authorities, and other local government entities for water or sewerage facilities or systems, or for regional or multi-jurisdictional solid waste recycling or solid waste facilities or systems.

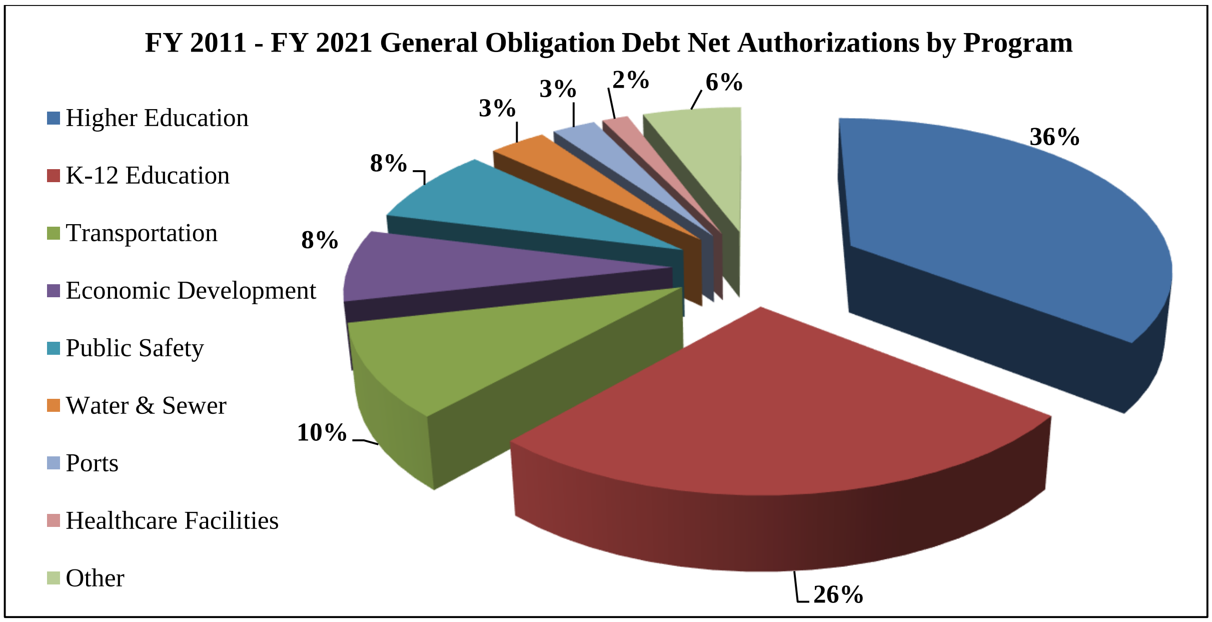
For the first two purposes described above, the State Constitution limits the term of general obligation debt to 25 years. As a matter of practice, however, the General Assembly typically approves the issuance of general obligation debt with a 20-year final maturity from the date that the debt is incurred for major construction and renovation projects, or for a shorter final maturity for minor repair projects and capital equipment needs in order to match the useful life of specific projects and equipment with the term of the debt.

The following chart depicts the net general obligation debt authorized for the period FY 2011 through FY 2021 (net is equal to original authorizations less deauthorizations). As part of its active and responsive financial management of the budget in response to the decline in State revenues during and after the end of the last recession in mid-2009, the State reduced new authorizations for general obligation debt to only the most critical infrastructure projects in order to help bring the various debt ratios back within planning limits sooner rather than later. As State revenues recovered post-recession, new debt authorizations were returned to more normal levels.



General obligation debt may be incurred only if the General Assembly first enacts legislation as part of the annual appropriations bill or the amended annual appropriations bill which states the purpose(s), in either general or specific terms, for the general obligation debt; the bill also must specify the authorized maximum principal amount of the debt and appropriate funds in an amount sufficient to meet the highest annual debt service requirement to fully amortize such debt within the specified time frame. The Governor may approve or veto these authorizations on an individual basis as part of signing the appropriations bill legislation into law. Authorizations for debt and the appropriations made for payment of debt service on that debt do not lapse for any reason and continue in effect until either the debt for which the appropriation was authorized has been incurred or the authorization has been repealed by the General Assembly.

The following chart shows how the FY 2011 through FY 2021 debt authorizations were distributed among major functions and programs of the State.

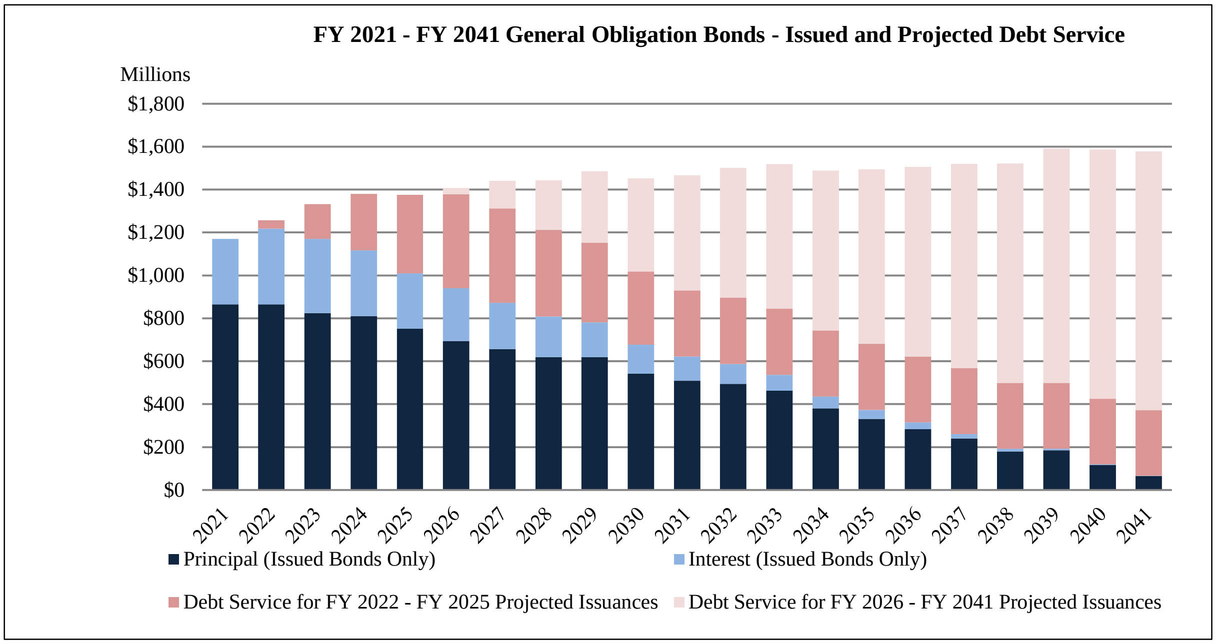


The Constitution requires that each fiscal year the appropriations for debt service payments on all general obligation debt be made to a special trust fund which is designated as the State of Georgia General Obligation Debt Sinking Fund (the "sinking fund"). The amount to be appropriated to the sinking fund must be sufficient to pay that year's debt service on all outstanding general obligation debt plus the highest annual debt service requirement on all authorized but unissued debt. The Constitution also mandates that appropriations to the sinking fund shall be used solely for the payment of debt service for general obligation debt.

As a further safeguard against there being any shortage in the sinking fund necessary to make all required debt service payments, the Constitution provides that should the General Assembly fail to make sufficient appropriation to the sinking fund as described above, or if for any reason the amount in the sinking fund is insufficient to make all required debt service payments, the first revenues thereafter received in the general fund of the State, to the extent necessary to cure the deficiency, are to be set aside and deposited into the sinking fund by the appropriate fiscal officer.

As of June 30, 2020, there was approximately $9.439 billion of general obligation debt outstanding (see Appendix A, page A-1). In August 2020, the State funded slightly over $1.139 billion of its authorized and unissued total of approximately $1.466 billion general obligation debt, leaving $327.405 million of authorizations available for future issuances. The net effect of these transactions, together with scheduled principal payments and early retirements which were made from July 1, 2020 through December 31, 2020, was that as of December 31, 2020 the total principal amount of general obligation debt outstanding increased to approximately $9.881 billion. As of the date of this Plan, there are no plans for additional issuance of general obligation bonds for the remainder of FY 2021.

The following chart depicts the annual debt service on all currently outstanding general obligation debt plus the projected debt service on the debt currently authorized but not yet incurred, as well as projected future new debt authorizations of $985 million in FY 2022 and $950 million annually thereafter.



Guaranteed Revenue Debt

Guaranteed revenue debt is revenue debt which has been issued by a State authority for which the State, via the legislative process, has guaranteed the repayment of the debt. The Constitution limits the use of guaranteed revenue debt to the following purposes:

- toll bridges or toll roads,
- land-based public transportation facilities or systems,
- water facilities or systems,
- sewage facilities or systems,
- loans to, and loan programs for, citizens of the State for educational purposes, and
- regional or multi-jurisdictional solid waste recycling or solid waste facilities or systems.

The amount of guaranteed revenue debt which may be issued to fund water or sewage treatment facilities or systems is limited by the Constitution as follows:

> "No guaranteed revenue debt may be incurred to finance water or sewage treatment facilities or systems when the highest annual debt service requirements for the then current year or any subsequent fiscal year of the State for outstanding or proposed guaranteed revenue debt for water facilities or systems or sewage facilities or systems exceed 1 percent of the total revenue receipts less refunds of the State treasury in the fiscal year immediately preceding the year in which any such debt is to be incurred."

There also is a limit on the amount of guaranteed revenue debt for educational purposes:

> "The aggregate amount of guaranteed revenue debt incurred to make loans for educational purposes that may be outstanding at any time shall not exceed $18 million, and the aggregate amount of guaranteed revenue debt incurred to purchase, or lend or deposit against the security of, loans for educational purposes that may be outstanding at any time shall not exceed $72 million."

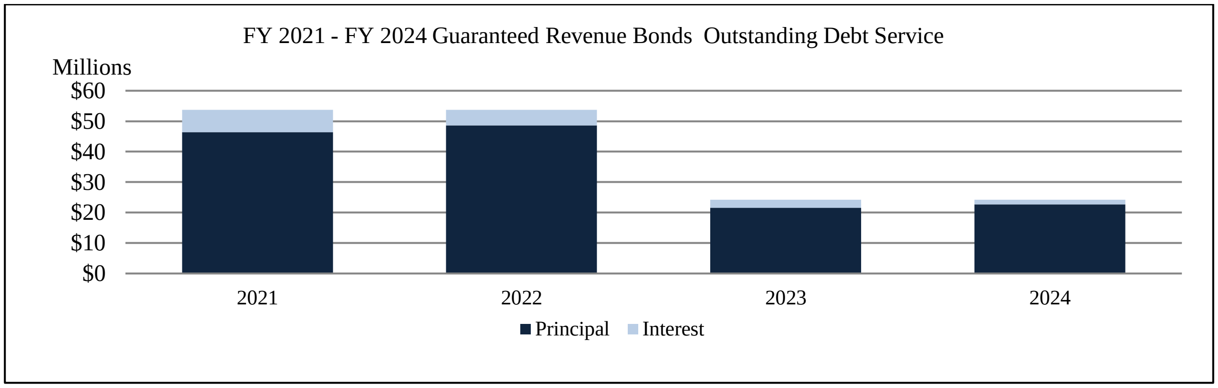
Prior to incurring guaranteed revenue debt, legislation must be enacted by the General Assembly and signed into law by the Governor authorizing the guarantee of the proposed debt obligation. In the legislation, the General Assembly must determine conclusively that such obligations will be self-liquidating over the life of the obligation, specify the maximum principal amount of such obligation, and appropriate an amount at least equal to the highest annual debt service requirement for the obligation which must be deposited into a special trust fund designated as the State of Georgia Guaranteed Revenue Debt Common Reserve Fund (the "common reserve fund") at the time guaranteed revenue debt is incurred. The common reserve fund provides a reserve for debt service payments pursuant to the State guarantee(s) made in connection with each guaranteed revenue debt obligation. Appropriations of the maximum annual debt service made for the benefit of guaranteed revenue debt do not lapse for any reason and the appropriations continue in effect until the debt for which such appropriation was authorized has been incurred. Any such authorization and appropriation of debt service may be repealed provided such repeal occurs prior to the debt being incurred and payment made into the common reserve fund for the highest annual debt service requirement of the debt.

If the revenue pledged to the payment of the guaranteed revenue debt is not sufficient to meet the debt service requirement and any or all of the debt service payment is required to be made utilizing funds in the common reserve fund, the Constitution mandates that the common reserve fund must be reimbursed from the State's general funds within ten (10) days after the start of the next fiscal year to restore the common reserve fund to the required amount. The requirement to reimburse the common reserve fund for any such payment, however, is subordinate to the obligation to make sinking fund deposits for the payment of general obligation debt.

The Constitution requires that the amount to the credit of the common reserve fund must at all times be at least equal to the aggregate highest annual debt service requirements on all guaranteed revenue obligations outstanding; the Constitution also provides that any excess funding in the common reserve fund at fiscal year-end is to be transferred to the State's general fund.

As of June 30, 2020, there was a total of $112.135 million of guaranteed revenue debt outstanding, all of which had been issued for road projects (see Appendix A, page A-2). Scheduled principal payments from July 1, 2020 through December 31, 2020 reduced the amount of guaranteed revenue debt outstanding as of December 31, 2020 to $91.645 million.

The following chart shows the annual debt service for all currently outstanding guaranteed revenue debt for the period FY 2021 through FY 2024; FY 2024 is the last year of debt service for the currently outstanding guaranteed revenue bonds.



The Plan also includes the potential issuance of up to $390 million additional guaranteed revenue bonds for the State Road and Tollway Authority ("SRTA"). As previously described in the Guaranteed Revenue Debt section, General Assembly approval is required to authorize the debt, as well as the appropriation of the highest annual debt service (currently estimated at approximately $29.3 million) to the Guaranteed Revenue Debt Common Reserve Fund. If authorized by the General Assembly during its 2021 session, approvals by both the SRTA and the Commission are necessary prior to the incurring of this debt, which would add approximately 0.1% to the projected HADS ratio beginning with FY 2022, given current projections regarding state treasury receipts.

Refunding Opportunities

To ensure that the debt service to be paid on the State's outstanding debt is minimized, the Financing and Investment Division continuously monitors market conditions to determine if any outstanding debt could be refunded and thereby reduce the debt service. Refunding bond issues must comply with the requirements of both the Constitution and the Commission's official policies which include: refunding debt may not extend the term beyond the term of the refunded debt; refunding debt may not increase debt service in any fiscal year; and refunding debt should produce minimum present value debt service savings of 3% for a current refunding or 4% minimum present value debt service savings for an advance refunding. There are additional restrictions imposed by federal regulations for the refunding debt to be incurred as tax-exempt debt for federal income tax purposes. (Note: the terms "current refunding" and "advance refunding" are references to federal tax law definitions for two different refunding structures; federal tax laws which went into effect on January 1, 2018 prohibited an advance refunding of tax-exempt bonds from the proceeds of tax-exempt bonds; however, the market since has adapted the term advance refunding to refer to using taxable bonds to "advance refund" tax-exempt bonds.)

Authority Revenue Debt

By statute, certain State authorities are authorized to issue revenue bonds for various revenue-producing undertakings. Since such revenue debt incurred by State authorities is not tax-supported and there is no State guarantee regarding payment of the debt service (except in the case of the previously described guaranteed revenue obligations), the issuance of such debt by State authorities does not directly impact the State's debt burden or debt capacity. Unless specifically exempted by its enabling legislation, the State authority is required to request and receive permission from the Commission before incurring any debt, including any lines of credit for operating cash flow purposes. Following is a brief summary of those State authorities which have revenue bonds or other debt obligations currently outstanding – no State authorities have entered into interest rate management agreements relative to their financings. Unless noted otherwise, all figures are as of June 30, 2020 with the outstanding amounts updated as of December 31, 2020. (See Appendix B for authority debt service schedules as of June 30, 2020.)

- The **Georgia Environmental Loan Acquisition Corporation** ("GELAC"), which was created in July 2010, is a non-profit entity and subsidiary of the Georgia Environmental Finance Authority ("GEFA"). In March 2011, GELAC issued a total of $231.98 million revenue bonds in March 2011 for the purpose of providing funds to enable GELAC to purchase water and sewer loans from GEFA. On June 15, 2020, GELAC prepaid and legally defeased its outstanding bonds which totaled $25.655 million and those bonds are no longer outstanding.
- The **Georgia Higher Education Facilities Authority** ("GHEFA") is authorized to incur debt to finance self-liquidating capital projects for the USG and the TCSG; GHEFA is authorized by statute to have outstanding at any point in time a maximum debt of $500 million. GHEFA issued revenue bonds in 2008, 2009, and 2010 which financed a total of eighteen projects at thirteen separate USG institutions. Subsequently, three GHEFA student housing projects financed by GHEFA were included in the USG's student housing privatization initiative and the outstanding bonds which had been issued to finance those projects were defeased in full and are no longer outstanding. During FY 2015, GHEFA issued bonds to refund the outstanding 2008 bonds. In July 2018, the $18.805 million of outstanding bonds related to the Bainbridge College project which had been funded via the 2009 bonds were defeased. During FY 2019, the remaining outstanding 2009 bonds were refunded and are no longer outstanding. On March 19, 2020, GHEFA issued $47.64 million bonds to refund the outstanding bonds from its 2010 issue. As of June 30, 2020, the aggregate amount of outstanding GHEFA bonds was $182.29 million.
- The **Georgia Housing and Finance Authority** ("GHFA") is authorized to issue bonds and notes for the purpose of facilitating economic development including the underwriting or purchase of single family residential mortgages; the improvement of public health, safety, and welfare; and for other public purposes, including healthcare services. By statute, GHFA may have a maximum aggregate amount of bonds and notes outstanding at any point in time of $3 billion for GHFA's single family residential housing program, excluding refunding bonds and notes. As of June 30, 2020, GHFA had approximately $1.592 billion bonds outstanding, all of which were for its single family residential housing program. GHFA made additional principal redemptions during the second half of calendar year 2020 and issued $110.85 million of additional bonds. As a result of these transactions, GHFA's total outstanding bonds amount was approximately $1.615 billion as of December 31, 2020. At its December 2, 2020 meeting, the Commission authorized GHFA to issue up

to $250 million of new money or refunding bonds during calendar year 2021 for its single-family residential mortgage loans program.

- The **Georgia World Congress Center Authority** ("GWCCA") is authorized by statute to have outstanding no more than $500 million revenue bonds for multi-purpose stadiums and coliseums and certain ancillary facilities at any time. There currently are no GWCCA bonds outstanding; however, in FY 2016 GWCCA received a loan of approximately $30.05 million through GEFA's energy efficiency project multiyear contract program (see program description in a later section of the Plan) with the final loan payment due in FY 2034. GWCCA has authorization to issue up to $500 million of bonds to finance the development of a new hotel with additional convention facilities on GWCCA property adjoining its multi-use stadium facility in Atlanta.
- The **Lake Lanier Islands Development Authority** ("LLIDA") is authorized to issue revenue bonds and borrow money (there is no statutory limitation) for the purpose of improving, developing, and promoting the islands in Lake Lanier as a recreational and convention location. In 2008, LLIDA issued $10 million revenue bonds for roadway and other capital improvements; it also borrowed approximately $15.141 million from GEFA to make improvements to its sewerage system. As of June 30, 2020, LLIDA had a total of approximately $12.549 million principal outstanding of revenue bonds and the GEFA loan; as of December 31, 2020, scheduled repayments of principal further reduced the outstanding balance to approximately $11.751 million.
- The **State Road and Tollway Authority** ("SRTA") is authorized to issue revenue bonds (there is no statutory limitation) for self-liquidating land public transportation systems (roads, bridges, etc.) and projects. As described in more detail below, as of June 30, 2020 the total amount of bonds outstanding was approximately $265.395 million; as of December 31, 2020, the total outstanding amount had increased to approximately $730.363 million, primarily due to the issuance of additional GARVEE bonds, as described below. (Note: the TIFIA loan described in the Northwest Corridor Project discussion below is not included in the preceding figures.)
    - **Guaranteed Revenue Bonds**. As of June 30, 2020, there were three series (2011A, 2011B, and 2016, which refunded bonds that had been issued in 2001 and 2003) of guaranteed revenue refunding bonds outstanding in an aggregate amount of $112.135 million. A scheduled principal payment of the 2011B bonds on October 1, 2020 reduced the aggregate amount outstanding to $91.645 million as of December 31, 2020.
    - **Grant Anticipation Revenue Vehicle ("GARVEE") Bonds**. As of June 30, 2020, SRTA had an aggregate outstanding amount of GARVEE bonds (described in more detail in the following GARVEE Bonds section) of approximately $115.3 million. In December 2020 SRTA issued $484.16 million of the remaining $611.15 million currently authorized GARVEE bonds. There were no scheduled payments of principal between June 30, 2020 and December 31, 2020, thus as of December 31, 2020 the aggregate amount of GARVEE bonds outstanding was $599.46 million. SRTA currently does not anticipate issuing additional GARVEE bonds prior to FY 2024. (See "GARVEE Debt" below.)
    - **I-75 South Express Lanes Project Toll Revenue Bonds**. As of June 30, 2020, the outstanding aggregate accreted value of SRTA's toll revenue bonds, which were issued in June 2014 for the construction of the I-75 South Express Lanes Project in Henry and Clayton counties (south of the City of Atlanta), was approximately $38.177 million. The toll revenue bonds consist of capital appreciation bonds ("CABs") and

convertible capital appreciation bonds ("CCABs") which currently do not pay interest on a periodic basis. In the case of the CABs, at the scheduled mandatory redemption or maturity date of the bond, the bondholder will receive a single payment which represents both repayment of the initial principal amount and the unpaid compounded interest to the redemption or maturity date. In the case of the CCABs, the bonds will function as CABs through May 31, 2024 and then convert to current interest paying bonds on June 1, 2024 (the Conversion Date); after the Conversion Date the CCABs will pay interest on a semi-annual basis on each June 1 and December 1 through maturity. The tolls charged for the use of these managed lanes is the primary source of revenue for the repayment of these bonds. On June 1, 2020, the Authority deposited approximately $10.774 million in an irrevocable escrow account with directions to the trustee to invest the funds in certain U.S. Treasury obligations and to apply the funds (including interest earnings) to the scheduled mandatory sinking fund redemption requirements on the 2014A Term Bonds having a maturity date of June 1, 2024. Any amounts remaining in the escrow account after the June 1, 2024 debt service payment on the 2014A will be applied to the redemption of a portion of the 2014A Term Bonds having a maturity date of June 1, 2034. The escrow account was not structured in such a manner as to constitute a legal defeasance under the Bond Indenture of any of the Series 2014A bonds. The debt service schedule for the toll revenue bonds is shown in Appendix B. As of December 31, 2020, the aggregate accreted value of the outstanding toll revenue bonds had increased to approximately $39.482 million.

- **Northwest Corridor Project Toll Revenue Bonds**. In order to provide a portion of the funding for the Northwest Corridor managed lanes project adjoining I-75 and I-575 in Cobb and Cherokee counties north of the City of Atlanta, SRTA obtained a loan commitment from the United States Department of Transportation in an amount of up to $275 million which is secured solely by the toll revenues of this managed lane project (the "TIFIA Loan"). Users of the Northwest Corridor managed lanes will be charged tolls and these toll revenues will be the sole source of revenue for the repayment of the TIFIA Loan. The project was placed into service on September 8, 2018 and the final draw from the TIFIA Loan commitment was in early September 2019. As of June 30, 2020, there had been approximately $249.7 million disbursed from the TIFIA Loan commitment.

- **Georgia Military College** ("GMC") was authorized in 2002 by the Commission to incur debt not to exceed $7.0 million to construct new barracks for cadets on its Milledgeville campus. As of June 30, 2020, there was approximately $2.161 million of debt outstanding for this project. As of December 31, 2020, scheduled repayments of principal had reduced the outstanding amount to approximately $2.052 million.

GARVEE Debt

In August 2006, SRTA issued $450 million fixed rate GARVEE bonds and approximately $50 million in a commercial paper mode. SRTA established a structure for the GARVEE bonds as consisting of two separate series, one described as Federal Highway Grant Anticipation Revenue Bonds and the other described as Federal Highway Reimbursement Revenue Bonds at an 80/20 ratio, respectively, with a final maturity of approximately 12 years from the date issued. The master trust indenture for the GARVEE bonds established an additional bonds test requiring that the amount of Federal Obligation Authority available must be equal to at least 3.0 times the maximum annual debt service on all outstanding and any proposed GARVEE debt when issued on parity with the outstanding debt. In April 2008 and March 2009, additional GARVEE bonds totaling $600 million in each year were issued; in 2008, the outstanding commercial paper issued in 2006 was retired with a portion of the proceeds from the bonds which were issued that year. In August 2017, SRTA issued approximately $63.85 million of additional GARVEE bonds to fund right-of-way acquisition for express lanes adjoining the northern portion of Interstate 285 between Interstate 75 in Cobb County and Interstate 85 in DeKalb County (the "2017 Project") and $285.915 million refunding bonds to refund a portion of the then outstanding GARVEE bonds in order to achieve debt service savings. The 2017 bonds have a final maturity of 2029. In December 2020, SRTA issued $484.16 million of additional GARVEE bonds which have a final maturity date of June 1, 2032. SRTA's GARVEE bonds are secured solely by federal highway grant revenues and reimbursements and do not carry either a direct or an implied guarantee of the State.

The August 2017 and December 2020 GARVEE bonds were issued pursuant to Commission action on December 15, 2016 adopting a resolution which authorized SRTA to issue up to $675 million of additional GARVEE bonds for the purpose of funding the 2017 Project; $126.99 million of that authorization remains unissued, but SRTA currently has no plans to issue any additional GARVEE bonds prior to FY 2024. As allowed by the Resolution for the 2017 GARVEE bonds, SRTA and the State Transportation Board modified the description of the 2017 Project to include additional work in the Interstate 285 and Georgia 400 corridors. The 2016 Commission resolution specified that the final maturity of the authorized GARVEE bonds may not be later than June 1, 2035.

The following table summarizes the debt service requirements on the outstanding GARVEE bonds, the most recent Projected Federal Obligation Authority available for debt service, and the resulting debt service coverage factors; however, estimated total federal reimbursements are expected to be higher, as shown in the table on page 30.

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Debt Service Requirements – Outstanding Debt	$127,221,367	$60,442,800	$60,431,800	$60,446,300	$60,441,500
Projected Federal Obligation Authority ($000)	$1,249,000	$1,235,000	$1,237,000	$1,243,000	$1,240,000
Debt Service Coverage	9.2x	20.4x	20.6x	20.6x	20.5x

SRTA's GARVEE bond issues in 2006, 2008, and 2009 initially received ratings of Aa2/AA-/AA- from Moody's Investors Service ("Moody's), S&P Global Ratings, a division of Standard and Poor's Financial Services LLC ("Standard & Poor's"), and FitchRatings ("Fitch"), respectively. Since the initial ratings on those GARVEE bond issues, however, both Moody's and Fitch have lowered their ratings for GARVEE bonds on a programmatic basis nationwide primarily due to the uncertainty surrounding the future level and structure of federal transportation funding, although Standard & Poor's, based on their assessment of the program nationally, continued to rate SRTA's GARVEE bonds as AA- with a stable outlook. When rating the 2017 GARVEE bonds and reviewing the rating on the outstanding bonds which were being refunded as part of the transaction, Fitch maintained its existing A+ rating (with a stable outlook) and Moody's maintained its A2 rating (with a stable outlook) to each series of the Grant Anticipation Revenue Bonds and A1 rating (with a stable outlook) to each series of the Reimbursement Revenue Bonds; Standard & Poor's, however, upgraded its rating to AA (with a stable outlook) on all of SRTA's GARVEE bonds. In December 2020, the rating agencies confirmed the ratings as established in 2017, each with stable outlooks.

With respect to calculations of net tax-supported debt, one of the rating agencies differs in its treatment of GARVEE debt versus the other two rating agencies. Standard & Poor's does not include GARVEE debt in its tax-supported debt calculations while both Moody's and Fitch do include GARVEE debt (with a corresponding allowance granted for the federal revenue sources which support the debt) in their calculations. Given the size of the program, and that both Moody's and Fitch include GARVEE debt in their calculations of tax-supported debt, the State believes that it is prudent that it also consider the effect the GARVEE debt has on the net tax-supported debt ratio projections.

As shown in the table on page 30, including GARVEE bonds in the debt ratio calculations does increase the State's overall debt burden slightly. The ratio of debt service requirements to the prior year's State treasury receipts plus federal reimbursements is projected at 4.8% in FY 2021, 5.4% in FY 2022, 5.3% in FY 2023, 5.3% in FY 2024, and 5.1% in FY 2025; these percentages still are well below the planning level limit of 8% inclusive of the GARVEE debt as established in the Plan.

Multiyear Contracts for Energy Efficiency Projects

In November 2010, an amendment to the Constitution to provide for multiyear contracts for energy efficiency or conservation improvement projects (the "2010 Amendment") was approved by the electorate of the State. The 2010 Amendment allowed the General Assembly, through adoption of general law (2010 General Assembly Senate Bill 194, effective January 1, 2011), to authorize state governmental entities to incur debt for the purpose of entering into multiyear contracts for governmental energy efficiency or conservation improvement projects in which the vendors guarantee that debt service payments for the energy efficiency improvements will be offset fully by specified savings or revenue gains attributable solely to the improvements. Senate Bill 194 also required the Commission to adopt fiscal policies and establish a total multiyear contract value for such contracts and further provided any contract entered into by a state agency not in compliance with the policies and multiyear contract value authority set by the Commission would be void and of no effect. On December 12, 2012, the Commission adopted its "Fiscal Requirements for Energy Performance Contracts" policy as required by Senate Bill 194. The Commission previously authorized $73.5 million for FY 2016 and $55.3 million for FY 2019. Only $6.5 million of the FY 2019 authorization was utilized during FY 2019; however, the Commission authorized the carryover of $8.2 million of the unused authorization into FY 2020. Although the debt service amount is not required to be included in the calculation of the debt service ratio previously discussed in the Plan, nor can it be construed as either general obligation debt or guaranteed revenue debt of the State, the Commission has determined to make such calculations to ensure that conservative debt affordability standards are maintained. The energy project multiyear contracts are recorded as Notes Payable on the financial statements of the State.

Multiyear Contracts for Real Property Leases

In November 2012, an amendment to the Constitution to provide for multiyear rental agreements for real property (the "2012 Amendment") was approved by the electorate of the State. The 2012 Amendment allowed the General Assembly, through adoption of general law (2012 General Assembly Senate Bill 37, effective January 1, 2013), to authorize certain State agencies - the State Properties Commission (the "SPC") and the Board of Regents ("BOR") - to enter into multiyear rental agreements, without obligating funds for the total amount of the obligation that the State will bear under the full term of such agreements, provided the Commission has adopted fiscal policies and established total multiyear contract value authority for the current and future fiscal years. The Commission adopted the requisite fiscal policies at its December 12, 2012 meeting. Although the debt service amount for the multiyear rental agreement contract value authority is not required to be included in the calculation of the debt service ratio previously discussed in the Plan, nor can it be construed as general obligation debt or guaranteed revenue debt of the State, the Commission has determined to make such calculations to ensure that conservative debt affordability standards are maintained. Various accounting rules and standards dictate that the multiyear real property rental agreements are considered leases on the financial statements of the State (see "OTHER LONG-TERM OBLIGATIONS Leases" below).

Through FY 2020 SPC and BOR had closed on an aggregate of approximately $697.531 million of multiyear rental agreements per authorizations approved by the Commission. For FY 2021, as of December 31, 2020, SPC had closed on an additional $38.7 million of multiyear rental agreements related to a total of $109 million of Commission approved multiyear contract authority for FY 2021. On December 2, 2020, the Commission approved SPC's request for $80 million new multiyear contract value authority for FY 2022. The Commission has authorized $15 million multiyear contract value authority for BOR for FY 2021, although BOR had not closed on any additional leases as of the end of calendar year 2020.

OTHER LONG-TERM OBLIGATIONS

Leases

The State routinely acquires use of real property and equipment through leases (including the multiyear contracts for energy projects and real property leases as described in the preceding section). Many of these agreements contain fiscal funding clauses in accordance with O.C.G.A. § 50-5-64 which prohibits the creation of a debt to the State for the payment of any sums under such agreements beyond the fiscal year of execution, or on a current year basis in the years subsequent to the initial fiscal year of execution, if appropriated funds are not available. Although these leases do not directly impact the calculation of the debt service ratio as defined by the State Constitution, they are considered by the rating agencies as tax-supported debt and are included in the rating agency's calculations. For additional information regarding leases, see the State's audited Comprehensive Annual Financial Report for the fiscal year ending June 30, 2020, Note 11, available on the State Accounting Office's website at www.sao.georgia.gov.

In some instances, the lessor obtained acquisition and/or renovation financing for the property being leased by the State via a funding process which involved the issuance of revenue bonds by a local city or county government or local development authority (the proceeds then are loaned to the lessor for the acquisition and/or renovations and the state agency leases the property on an annually renewable basis). When this is the case (for example, the highly specialized archives storage facility originally developed for the Secretary of State which since has been transferred to the BOR), the rating agencies have indicated that despite the legal ability of the State to not renew a lease in a subsequent fiscal year, a non-appropriation of the lease payment in any year during the term of the bond issue would be viewed as an adverse credit event for the State. Numerous and consistent communications from the rating agencies have affirmed that such an event of non-appropriation likely would jeopardize the State's triple-A credit ratings as being indicative of either an unwillingness, or inability, of the State to continue the lease and thus fulfill its credit obligations. While these obligations are not legally equivalent to the debt service payment obligations for general obligation debt or guaranteed revenue debt, the annual payments essentially become a de facto fixed payment obligation which has the practical effect of binding the State to make these lease payments for the entire term of the lease, thus slightly reducing the future financial flexibility of the State.

Public University Foundation Debt

According to the BOR's Finance Office, as of June 30, 2020 there were 165 rental agreements for lease-financed facilities throughout the university system in its Public Private Venture Program ("PPV Program"); the total outstanding principal amount of bonds and leases which financed these facilities totaled approximately $2.98 billion. (This amount includes bonds issued by local authorities, bonds issued by GHEFA (as previously discussed), proceeds from the United States Department of Agriculture, and multiyear contracts for real property leases. Proceeds of these bond issues have been used to construct, renovate and/or rehabilitate, or acquire various types of projects at the colleges and universities, such as student housing, dining, research facilities, faculty and administrative office buildings, parking, and student activity facilities, which then are leased by the foundation or cooperative organization to the BOR on an annually renewable basis. Most of the projects generate revenues (such as housing fees), or the BOR has instituted dedicated student fees (such as student activity or parking fees), which provide revenues to support the annual lease payment; upon renewal of the lease each fiscal year, the lease payment obligation becomes a legal and binding obligation of the BOR for that fiscal year and thus is secured by the entirety of the legally available financial resources of the BOR. These obligations are included on the financial statements of the various USG institutions and the BOR and the State; additional information may be obtained from those documents.

During FY 2015, the BOR implemented a Public Private Partnership ("P3") program for existing and new on-campus student housing at nine (9) member institutions. The P3 program was designed to provide housing options for students choosing to live on campus, leverage private sector innovation and efficiencies in the operation and maintenance of the P3 facilities, and reduce the BOR lease obligations associated with housing. Any debt incurred by the P3 vendor to construct the additional student housing per the P3 program is not a liability of the BOR and is not backed by a rental agreement with the BOR. No existing projects have been converted to P3 status since FY 2015 and currently no conversions are expected during FY 2021.

Retirement Systems and Other Post-Employment Benefits

These liabilities do not directly impact the calculation of the State's debt service ratio as defined by the Constitution, but they do represent significant ongoing financial commitments which could affect both the current and future financial flexibility of the State. Also, the rating agencies view these liabilities as long-term tax-supported debt and include their own adjusted calculations in various calculations of tax-supported debt as an indicator of financial flexibility of the State and as comparative metrics among the states. For a more complete description and discussion of these liabilities, which involve extremely complex actuarial calculations unique to each pension plan and assumptions regarding investment returns of the various pension funds and other post-employment benefits funds, see notes 15 and 16 in the State's FY 2020 Comprehensive Annual Financial Report which is available via the State Accounting Office's website at www.sao.georgia.gov. The calculations shown in the latter sections of the Plan currently do not include either the pension liabilities or the other post-employment benefits liabilities for the State or the comparison states.

DEBT STRUCTURE

State debt may be issued with fixed interest rates or with a rate structure which can vary according to a prescribed methodology, generally known as variable rate debt. The use of variable rate debt introduces an element of interest rate risk and the potential of increased debt service payments for that debt. That risk can be reduced, but not eliminated entirely, using hedging instruments (although each instrument also would have its own particular risk profile) such as a floating to fixed interest rate swap agreement. To ensure that the level of interest rate risk is reasonable, the rating agencies suggest that an issuer limit the aggregate amount of variable rate debt in its capital structure to a maximum of approximately 15% to 20% of its total debt. The primary benefit to an issuer of utilizing variable rate debt is that generally the interest rate resets on a periodic and frequent basis (such as daily or weekly) with the bond holder able to “put” the bond back to either the issuer or a liquidity provider which has been engaged by the issuer specifically for that purpose, and thus the interest rate prices at the short term rate and the debt service is expected to be lower than if the debt had been incurred on a longer-term fixed interest rate for the full term of the debt. During FY 2017 the State refunded all of its outstanding variable rate general obligation debt with fixed interest rate debt and no other debt has been issued as variable rate debt since that time; there currently are no plans to consider the use of variable rate debt during the period covered by the Plan.

The State’s objective for each new general obligation and guaranteed revenue bond issue is to structure the issue with approximately level annual debt service payments over the life of the bonds. Should any variable rate debt be considered in the future, the maximum allowed interest rate would be utilized to develop a level annual debt service schedule with serialized principal maturity repayments for that debt.

DEBT AFFORDABILITY

The Plan is intended to ensure an acceptable balance is maintained between the provision of capital projects required to meet the State's future needs and the State’s ability and willingness to repay the debt incurred to finance these projects. Through the establishment of reasonable target levels based on the State's expected population growth and per capita income projections balanced with the financial resources available to meet its debt obligations, assurance is provided that the authorization of additional debt by the General Assembly is at prudent levels which would not be expected to not jeopardize the State’s triple-A bond ratings.

There is no specific formula, however, for determining the maximum amount of debt which can be issued by the State in any particular year to accomplish these objectives. Many factors must be considered including: balancing the State's current and projected operating budget for funding ongoing program requirements, current year and out year projected revenues, available fund balances, and an overall plan for managing the operating budget in balance with the need for new or renovated capital projects. The Plan takes into account the concept of debt affordability in determining the maximum amount of tax-supported debt that the State can issue. Also, any model for determining debt affordability is dependent upon the reasonableness and accuracy of economic forecasts and the projected impact on the State's total financial resources. Since FY 2006, the Commission’s debt management plan has utilized a 7% cap (8% including GARVEE debt) for the debt service ratio, rather than the 10% maximum as specified in the Constitution; the 7% cap is in line with the State’s peer group of states rated triple-A by all three of the major credit rating agencies.

Rating Agency Considerations

Due to the economic and financial diversity among the 50 states, many purchasers of governmental bonds historically have relied heavily on the major rating agencies’ analysis of the factors affecting each borrower's ability to meet its debt obligations as reflected by the ratings and outlooks on those obligations. Each issuer's rating and outlook has a major impact on the marketability of its bonds and the interest rates necessary to generate investor demand for the issuer’s debt obligations. The states whose general obligation bonds are rated triple-A generally can sell their bonds at the lowest possible interest rates at any given point in time. Another benefit of triple-A ratings was demonstrated during the credit market disruptions of late 2008 and early 2009 when higher rated issuers were able to access the credit market sooner and in larger amounts than was the case for lower rated issuers. (For some of the referenced time period, credit market access was severely curtailed to almost nonexistent and a functional credit market was restored only in a gradual manner over several months.) The highest rated issuers, including the State of Georgia, were among the earliest issuers to regain access to the market, particularly with respect to larger issue sizes such as the State typically brings to market. A somewhat similar situation, although not for as long, occurred in the second quarter of calendar 2020 due to market conditions resulting from the impact of COVID-19 upon economic activity in the U.S. and internationally.

Rating agencies consider and incorporate into their rating decisions trends relating to an issuer's overall debt and liability burden, revenue base, fund balances and general economic base, as well as a comparison of actual fiscal experience versus budget projections over a three- to five-year period. While specific rating criteria and weightings do vary slightly between the three rating agencies, the rating analysis generally incorporates four primary factors:

- debt burden as measured by ratios,
- quality and strength of the state's economic base,
- fiscal management, and
- actual financial performance versus projections.

The amount of an issuer’s tax supported debt is a very important factor in the determination of its credit rating. Credit analysts usually calculate several ratios, including those which are discussed in greater detail in a later section of the Plan, to use as measure of debt burden. Credit analysts also look for balance, diversity, and growth potential of the economic base and the primary sources of revenue to generate sufficient revenues to consistently meet operating program needs as well as repay all debt obligations – this is what the rating agencies generally refer to as “structural balance.”

When analyzing an issuer’s fiscal management practices, credit analysts compare fiscal results with budgets and plans. Over time, such comparisons tend to serve as a good indicator of the effectiveness and quality of fiscal management by the issuer. Another criterion of sound fiscal management is the existence of laws, policies, and procedures which allow an issuer to exercise strong, but reasonable and flexible, control over its sources and timing of revenue, expenditures, and debt issuance.

Financial performance is a result of both the quality of a state's fiscal management and general economic performance of the local economy. One indicator of financial performance is an issuer's ability to adjust to revenue shortfalls due to unexpected economic downturns, or downturns that are much more severe than initial expectations, such as occurred during the 2007-2009 recession and the very slow, long, and shallow recovery which followed. Another gauge of an issuer's fiscal management and financial performance is its ability to establish and maintain reasonable levels of reserves for cushioning the effects of unexpected adverse economic events, and then its ability to rebuild those reserves in a timely manner subsequent to their use in preparation for future downturns in the economy.

Illustrative of how these various concepts affect the State's general obligation bond rating, the Rating Agency credit reports released in June and July of 2020, as well as the reports issued in August 2020 for the State's issuance of 2020A and 2020B General Obligation Bonds, highlighted the following strengths.

- Moody's Investors Service:
    - Georgia's economy has been strong in recent years and has continually been a draw for businesses and labor….
    - Before coronavirus, Georgia's high economic growth drove revenue growth, with own-source governmental revenue growing at a compound growth rate of 5.4% over the past nine years.
    - Georgia's Aaa rating reflects moderate debt and pension obligations and robust fiscal management and governance.
    - The state's approach to debt management reflects Georgia's commitment to maintaining an affordable debt burden.… The state's commitment to limiting growth in debt is one of several material governance strengths.
    - A history of prompt spending cuts in response to revenue shortfalls has been an important aspect of the state's credit profile.
- S&P Global Ratings:
    - Consistent with its strong management practices, the state has taken proactive measures to align its budget to the changing economic landscape and does not rely on extraordinary federal aid or significant one-time measures for budgetary balance in fiscal 2021.
    - The state's debt burden … is moderate and should remain so despite future debt plans, with tax-supported debt per capita of about $930 and tax-supported debt to personal income of 2%. The state has no significant debt plans and given its rapid amortization and growth in population and incomes, we expect these ratios to continue to see slight moderation over time. Debt service has also been moderating in recent years and was a moderate 6% of expenditures in 2019.
    - Georgia maintains its commitment to adequately funding its pension liabilities and in recent years has started to prefund its other postemployment benefit (OPEB) obligations. We view the state's pension funding discipline as adequate as it annually contributes an amount in its major pension plans to cover static funding, but not enough to meet our minimum funding progress metric. … The state's OPEB liability is moderate with some pre-funding and a legal ability to adjust benefits when necessary.

- We view the state's social risks in line with that of the sector as a whole, supported by strong economic and demographic trends over the past decade. We view its governance risks as being in line with the sector and it has historically maintained a strong management and policy framework to respond to developing risks. Environmental risk is somewhat elevated compared to other states due to some 110 miles of coastline along the Atlantic Ocean and susceptibility to adverse weather events.
  - Georgia's economy should be among the more resilient given its level of employment diversification that mirrors the nation, although trade, transportation, and utilities was 2.1%-points higher than the nation in 2019. Over the last decade, Georgia has benefitted from an expanding economy, strong demographic trends, and improvement in its core urban, metropolitan Atlanta. Before the COVID-19 outbreak, most service sectors of the state's economy were flourishing. Absent any future outbreaks or pull-back in economic activity, the state should be relatively well positioned for future growth.
- Fitch Ratings:
  - Georgia's revenues, primarily composed of income and sales taxes, will continue to reflect the depth and breadth of the economy and its solid growth potential.
  - It [the state] maintains ample expenditure flexibility with a low burden of carrying costs and the broad expense-cutting ability. Georgia's exceptionally strong gap-closing ability during cyclical downturns derives primarily from its superior budget flexibility. Conservative fiscal practices and a cyclical, but still diverse and expanding, economy offers a strong fiscal flexibility. Georgia typically responds to budgetary stress with spending restraint and use of budgetary reserves.
  - Georgia's long-term liability debt burden is low, and overall debt management is conservative. Amortization of principal is rapid.
  - The state is well-positioned to deal with economic downturns, with exceptionally strong gap-closing capacity due to its broad control over revenues and spending coupled with its practice of rebuilding reserves. Georgia has a track record of restoring financial flexibility during economic expansions, which is important given the state's above-average revenue as indicated by historical experience and stress analysis.
  - Major pension systems covering both state employees [ERS] and teachers [TRS] have benefitted from consistent full actuarial contributions.

Some of the State's weaknesses or factors that could lead to a downgrade as cited in the reports include:

- A departure from strong fiscal management and governance practices.
- An inability to effectively address the fiscal challenges being triggered by the expected short but severe economic contraction, consistent with [the agency's] coronavirus baseline scenario, evidenced by a reliance on one-time measures or an inability to sufficiently adjust the budget, leaving the state less financially resilient at the end of the recovery period.
- Growth in long-term liabilities and fixed costs that outpace expansion of the state's economy and revenue base.

Measuring the Debt Burden

When calculating indebtedness, credit analysts use measures which take into account all debt supported, or serviced, by the issuer's sources of tax revenues, such as income taxes and sales and use taxes; in most cases the debt being supported or serviced will include not only general obligation debt, but various leases, GARVEE bonds, and other debt depending upon the security and source of payments for the debt service. Such debt is classified as net tax-supported debt. For the State, net tax-supported debt includes all general obligation debt and guaranteed revenue debt, but does not include any revenue bonds not supported by the guarantee of the State; however, the GARVEE bonds are included by two of the three rating agencies due to the essential infrastructure nature of the projects. Guaranteed revenue debt is included in the calculation of net tax-supported debt because the guarantee is related to all revenues of the State and not just project revenues. Except for the GARVEE bonds as noted above, revenue bonds issued by an instrumentality of the State which do not carry the State's explicit guarantee are not included in the calculation of the State's net tax-supported debt. As described earlier in the Plan, the issuance of revenue bonds by State authorities requires prior approval by the Commission; such approval is granted only after careful evaluation of the dedicated revenue stream that provides the security for these issues, as well as other pertinent factors. As Authority revenues, these revenues are not included in the State's general treasury revenues and thus can be pledged to the repayment of the debt.

The following table summarizes the State's issued principal amounts for new projects as of December 31, 2020; there remained $327.405 million of general obligation debt authorized which had not been incurred as of that date. (There currently is no authorized but not incurred guaranteed revenue debt.)

	Total Principal Issued	Outstanding Principal
General Obligation Debt	$29,954,645,000	$9,880,510,000
Guaranteed Revenue Debt	852,715,000	91,645,000
Total State Obligations	$30,807,360,000	$9,972,155,000

Five debt ratios as shown in the following table frequently are used to measure debt burden. These debt ratios provide a means to monitor the relative debt burden level for the State over a period of years; they also provide a method of comparison of debt burdens among the various states.

Debt Ratio	**How Ratio is Calculated**
Debt per Capita	Net Tax-supported Debt / State Population
Debt as Percent of Personal Income	Net Tax-supported Debt / Total Personal Income of the State's Population
Debt Service as Percent of State Net Revenues	Annual Debt Service Requirement / Net Revenues of the State
Debt as Percent of Full Valuation of Assessed Property	Net Tax-supported Debt / Full Valuation of All Taxable Property
Debt as Percent of State Gross Domestic Product	Net Tax-supported Debt / State Gross Domestic Product

Credit analysts also examine how fast the debt is being repaid by calculating how much, in percentage terms, of the issuer's total long term debt is retired after 5 and 10 years. Analysts use a standard for this measure of 25 percent retired in 5 years and 50 percent retired in 10 years as being more favorable than slower amortizations. The rating agencies comment favorably about the State's more rapid debt repayment.

All the ratios described above serve as important tools to track and monitor the impact of the State's debt. The Plan establishes reasonable amounts and peer-group comparable levels for three of the five debt ratios to help maintain triple-A credit ratings, as well as ensuring that the State remains below the maximum allowable debt limit as established by the Constitution.

Furthermore, as the State has issued a total of $2.198 billion in GARVEE bonds from FY 2007 through the date of the Plan to address transportation infrastructure needs (not including bonds issued to refund previously issued debt), and given that the rating agencies differ in their treatment of this debt for their analytical purposes, it also is prudent to analyze the impact that GARVEE debt has on the State's debt burden. As previously mentioned, however, GARVEE bonds are secured solely from federal highway grant revenues and reimbursements and they do not have any legal claim to the full faith and credit of the State; thus they are not general obligation debt or guaranteed revenue debt of the State and are not included in the debt service coverage ratio as defined by the Constitution. As of December 31, 2020, there was an aggregate of $599.46 million GARVEE bonds outstanding.

The eighteen month long financial crisis recession which ended in mid-2009 was quite severe and the ensuing slower than normal economic recovery which followed resulted in dramatically reduced state treasury receipts which were very slow to recover to previous levels; however, the debt service ratio has improved in each year since then. The COVID-19 recession of 2020, however, was much deeper (although it is expected to be of a much shorter duration than the previous recession) and economic recovery already has begun. It is not certain, however, that a follow-on recession will not ensue due to another significant wave of COVID-19 cases which began in late calendar year 2020 and has continued into early calendar year 2021 which could lead to a significant decrease of economic activity - whether voluntary, government mandated, or a combination of the two in order to slow the rate of new cases.

The Plan indicates that setting new authorizations for general obligation debt at $985 million for FY 2022 and $950 million thereafter, along with the recent recovery and projected growth of State treasury receipts, will result in this ratio remaining below the planning limit for the period covered by the Plan.

The maximum debt ratio planning levels utilized in the Plan are shown in the following table.

Debt Ratio Planning Level	Without GARVEEs	With GARVEEs
Debt Service to Prior Year Revenues	7.0%	8.0%
Debt to Personal Income	3.5%	4.0%
Debt per Capita	$1,200	$1,500

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Trend in State Debt Ratios

The following table presents a historical comparison of the State's net general obligation bonds and guaranteed revenue bonds indebtedness and debt ratios.

Historical Debt Ratios for General Obligation Bonds and Guaranteed Revenue Bonds							
Fiscal Year Ended June 30	**Debt Outstanding ($ millions)**	**Debt as % of Personal Income**	**Debt per Capita**	**Debt as % of Estimated Full Value**	**Annual Debt Service as % of Prior Year Receipts**	**% of Debt To Be Retired in 5 Years**	**% of Debt To Be Retired in 10 Years**
2016	$9,241.3	2.2%	$896	1.0%	6.0%	42%	72%
2017	9,108.3	2.1	873	0.9	5.5	43	73
2018	9,196.6	2.0	874	0.9	5.5	42	73
2019	9,547.3	1.9	899	0.9	5.1	42	73
2020	9,551.6	1.8	892	0.8	4.9	42	73

During the period FY 2016 through FY 2020, the net amount of debt outstanding increased by $310.3 million and the "Debt as % of Personal Income" ratio decreased to 1.8% from 2.2%. Although the ratio "Annual Debt Service as % of Prior Year Receipts" for FY 2016 was only 6.0%, it still was somewhat elevated primarily due to the significant decline in State revenues followed by a slow recovery resulting from the severe impact of the 2007-2009 recession on Georgia's economy. As a result of the continued improvement in the State's economy during the last several years, and despite the COVID-19 recession, this ratio improved to 4.9% for FY 2020. The percent of debt to be retired in 5 years and in 10 years remained at levels viewed favorable by the rating agencies.

Comparison of Debt Burden to Other Triple-A States

Georgia is one of thirteen states which currently are rated triple-A by all three of the three major rating agencies; however, only the ten states shown in the table below are active issuers of general obligation debt (the states not included are Indiana, Iowa, and South Dakota). To assess the reasonableness of its target debt ratios for the Plan, Georgia compares its ratios to those of this peer group.

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The following table presents the debt ratios for the triple-triple-A states, the group median and average, and the 50-state median and average. As shown in the table, Georgia is close to the triple-triple-A average in all categories. In this table, Moody's net tax-supported debt includes GARVEEs, leases as reported in the State's CAFR, and the Development Authority of Clayton County revenue bonds issued in 2012 for the State Archives Building. Moody's debt calculations are based on an analysis of calendar year 2019 debt issuance and fiscal year 2019 debt service.

Moody's Comparison of Debt Ratios for Triple-Triple-A States

State	Net Tax-Supported Debt Per Capita	Ranking Among 50 States	Net Tax-Supported Debt as a % of 2019 Personal Income	Ranking Among 50 States	Net Tax-Supported Debt as a % of 2019 Gross State Domestic Product	Ranking Among 50 States
Delaware	$3,289	6	6.1%	4	4.25%	7
Maryland	2,323	9	3.5	14	3.28	13
Virginia	1,677	16	2.8	19	2.58	17
Georgia	**971**	**27**	**2.0**	**25**	**1.67**	**28**
Florida	780	30	1.5	30	1.53	30
Utah	720	31	1.5	31	1.22	31
North Carolina	586	36	1.2	32	1.04	35
Missouri	464	41	0.9	40	0.86	40
Texas	379	42	0.7	42	0.58	43
Tennessee	292	44	0.6	44	0.52	44
Triple-A Median	750	--	1.5	--	1.37	--
Triple-A Average	1,148	--	2.1	--	1.75	--
50-State Median	1,071	--	2.0	--	1.91	--
50-State Average	1,506	--	2.6	--	2.34	--

Compiled from Moody's 2020 State Debt Medians

For comparison purposes, Moody's measures the ratios of tax-supported debt service to prior year receipts for all fifty states. Moody's considers Georgia's debt service burden to be in the low to moderate range and a credit strength for the State. As shown in the following table, at 5.4% Georgia's budgetary requirements for debt service to prior year receipts ratio is considered moderate, but it is higher than all but two of the triple-triple-A rated states. This is, in part, because unlike most other states, Georgia devotes a substantial portion of its debt capacity each year to providing significant levels of bond-funded capital outlay grant funds to local school systems throughout the State; furthermore, for those states which have such a program, most are not as comprehensive in scope as Georgia's program. Also, as Georgia has been one the fastest growing states for the last several decades, it has devoted substantial capital outlay funding to meet various infrastructure needs in order to remain economically competitive with other states.

Moody's Debt Ratios Comparison for Triple-Triple-A States		
State	**FY 2019 Debt Service to FY 2018 Revenues (%)**	**Ranking among 50 States**
Maryland	6.8%	9
Delaware	5.7	12
Georgia	**5.4**	**14**
Virginia	4.6	20
Utah	3.7	27
Florida	3.6	28
Missouri	3.3	30
North Carolina	2.9	33
Texas	2.5	34
Tennessee	1.2	45
Triple-A Median	3.7	--
Triple-A Average	4.0	--
50-State Median	3.8	--
50-State Average	4.3	--

Compiled from Moody's 2020 State Debt Medians

Debt Issuance Projections

For FY 2021, approved new general obligation debt authorizations totaled approximately $1.129 billion and there was a total of $337.255 million unissued prior years' debt authorizations carried over into FY 2021, for a total of approximately $1.466 billion debt authorizations. In August 2020, the State utilized $1.139 million of debt authorizations for the issuance of the 2020A and 2020B bonds, leaving $327.405 million of debt authorizations to be carried forward into FY 2022 (provided no additional debt is incurred during the remainder of FY 2021, or is deauthorized prior to its being incurred). New general obligation debt authorizations are projected at $985 million for FY 2022 and $950 million per year thereafter as shown in the following table. The Plan also projects that all currently authorized but unissued debt is shown as being issued in FY 2022 and all new authorizations are issued in the year authorized. As is the usual practice of the State, new debt is expected to be structured to achieve approximately level debt service each fiscal year.

Projected General Obligation Bond Authorizations Utilized					
($ Thousands)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Prior Year Authorizations Carry Over	$ 216,125	$ 327,405	-	-	-
New 5 Year Bond Authorizations	143,350	150,000	140,000	140,000	140,000
New 10 Year Bond Authorizations	21,250	-	-	-	-
New 20 Year Bond Authorizations	758,355	835,000	810,000	810,000	810,000
Total GO Bond Authorizations Utilized	$1,139,080	$1,312,405	$950,000	$950,000	$950,000

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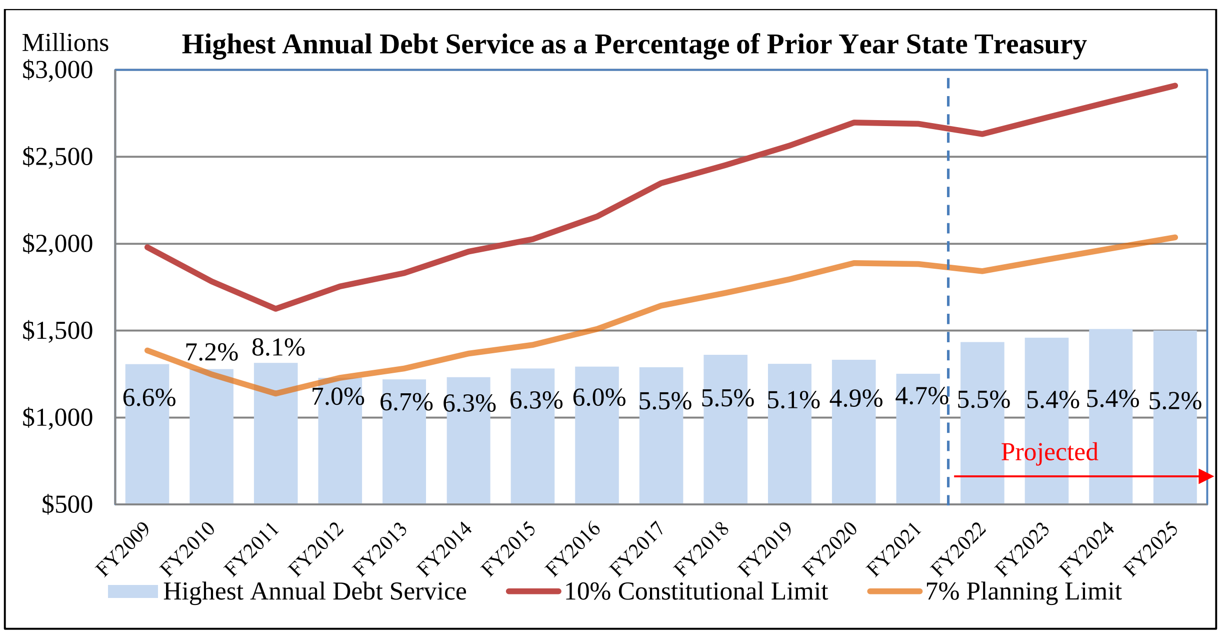
Based on the currently outstanding debt, scheduled debt retirements, and projected debt issuance, the following table summarizes the projected debt outstanding at the end of the fiscal year for each year through FY 2025 and the projected annual debt service in each year.

($ Thousands)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Debt at Beginning of Year	$9,551,605	$9,691,610	$10,507,480	$10,552,150	$10,563,995
GO Authorization Utilized	1,139,080	1,312,405	950,000	950,000	950,000
GR Projected Issuance		390,000			
Scheduled Payments/ Early Retirements/ Refunded Bonds/ Premium Proceeds	(999,075)	(886,535)	(905,330)	(938,155)	(914,625)
Debt Outstanding at End of Fiscal Year	9,691,610	10,507,480	10,552,150	10,563,995	10,599,370
HADS (Issued plus Authorized but Unissued)	1,251,450	1,434,691	1,459,725	1,508,584	1,500,797

The following chart shows historical HADS for FY 2009 through FY 2020 and projected HADS for FY 2021 through FY 2025; it also shows both the 10% constitutional debt limit and the 7% planning limit. As mentioned earlier, as part of the active and responsive financial management of the State's finances in response to the decline in State revenues during and after the end of the last recession in mid-2009, and the subsequent slow recovery of State revenues, the HADS ratio exceeded the 7% planning limit; in response, the State reduced new debt authorizations to critical infrastructure projects for several years. As State revenues recovered, the HADS ratio improved to where it was possible to increase new authorizations for debt incrementally to levels more reflective of the need to fund new projects to be responsive to the challenges created by population and economic growth throughout the State.



Economic and Demographic Projections

The State economist provides projections of Treasury Receipts, personal income, and assessed and actual valuation of taxable property; the Governor's Office of Planning and Budget provides estimates the future population of the State. These projections are summarized in the following table.

Economic and Demographic Projections								
Fiscal Year	**Treasury Receipts (millions)**	**Year over Year Growth**	**Personal Income (billions)**	**Year over Year Growth**	**Population (millions)**	**Year over Year % Growth**	**Estimated Full Value (billions)**	**Year over Year Growth**
2021	$26,310	-2.2%	$552	2.0%	10.821	1.1%	$1,184	2.7%
2022	27,245	3.6	574	3.9	10.943	1.1	1,227	3.7
2023	28,184	3.4	604	5.4	11.071	1.2	1,275	3.8
2024	29,090	3.2	634	5.0	11.196	1.1	1,324	3.9
2025	30,071	3.4	664	4.7	11.335	1.2	1,372	3.7

Projected Interest Rates Assumption

In analyzing debt issuance levels for the Plan, the State has assumed that the credit market's preference for a five percent interest rate will continue for the period covered by the plan. This means that most new issues will generate original issue premium which can be used to downsize the principal amount of bonds accordingly. Effective interest rates are expected to increase some over the period, but not exceed five percent.

Impact of Debt Issuance Projections on State Debt Ratios

As can be seen in the following chart, based on the assumptions utilized in the Plan, the authorization of approximately $1.129 billion of new GO debt in FY 2021 and the projected new GO debt authorizations of $985 million for FY 2022 and $950 million per year thereafter, as well as $390 million of new GR debt for FY 2022, will result in projected ratios that are within the Commission's planning levels. The rating agencies view the percent of debt retired ratios as rapid and favorable. Furthermore, the projected ratios indicate that there still is some available margin should any of the growth rate assumptions, or projections regarding the interest rate environment, prove to be too optimistic.

Projected Debt Ratios (Combined General Obligation and Guaranteed Revenue Debt)							
Fiscal Year Ended June 30	**Debt Outstanding (thousands)**	**Debt as % of Personal Income**	**Debt per Capita**	**Debt as % of Estimated Full Value**	**HADS as % of Prior Year Receipts**	**Debt Retired in 5 Years**	**Debt Retired in 10 Years**
2021	$9,691,610	1.8%	$896	0.8%	4.7%	41%	72%
2022	10,507,480	1.8	960	0.9	5.5	39	68
2023	10,552,150	1.7	953	0.8	5.4	39	68
2024	10,563,995	1.7	944	0.8	5.4	39	68
2025	10,559,370	1.6	935	0.8	5.2	39	68

CONCLUSION

The Plan serves as a guide to the State in ensuring the availability of funding for necessary capital projects required to meet the State's future needs while maintaining the balance between the State's need for capital and the ability and willingness of the State to repay additional debt. In addition, the Plan assists the State in its efforts to preserve triple-A bond ratings from all three rating agencies by assuring the rating agencies that the State can fund the capital projects necessary to sustain its economic growth while still continuing to meet citizen demand for State provided services and facilities in an affordable manner. The State has established maximum limits for the debt ratios and will carefully monitor debt levels and ratios and adjust debt issuances if the ratios consistently exceed the target levels. The Plan will be updated annually and all assumptions will be revisited and reaffirmed or revised as needed to accurately and conservatively project the State's debt capacity. The Plan indicates that the projected new bond authorization amounts will not cause the State to equal or exceed any of its planning levels for the various ratios measured by the Plan during the period covered by the Plan, even though debt outstanding at the end of each fiscal year covered by the Plan will increase as a result of the increased level of annual authorizations.

Following are tables which summarize the assumptions and resulting debt ratios, both with and without inclusion of the GARVEE bonds, based on the currently projected debt issuance schedule. The annual debt service amounts reflect actual debt service for existing debt issued as of calendar year end 2020 plus the highest annual debt service ("HADS") for the current authorized but unissued amounts and projected new authorizations. Additional tables present the outstanding general obligation bonds debt service, outstanding guaranteed revenue bonds debt service, and outstanding revenue bonds debt service of State authorities.

Summary of Projected Debt Ratios
General Obligation and Guaranteed Revenue Debt
(000's omitted)

	(As of 12/2020) **FY 2021**	Projected **FY 2022**	Projected **FY 2023**	Projected **FY 2024**	Projected **FY 2025**
Principal Outstanding at Beginning of Year	**$ 9,551,605**	**$ 9,691,610**	**$10,507,480**	**$10,552,150**	**$10,563,995**
Issuances of New G.O. Bond Authorizations	922,955	985,000	950,000	950,000	950,000
Issuances of Prior Year G.O. Bond Authorizations	216,125	327,405			
Issuance of Guaranteed Revenue Bonds		390,000			
Principal Payments	(913,045)	(886,535)	(905,330)	(938,155)	(914,625)
Premium Proceeds from General Obligation Issuances	(6,565)				
Net Refunding Effect and Early Redemptions	(79,465)				
Principal Outstanding at End of Year (June 30)	**$ 9,691,610**	**$ 10,507,480**	**$10,552,150**	**$10,563,995**	**$10,599,370**
Total Treasury Receipts (millions $)	26,310	27,245	28,184	29,090	30,071
Population (millions)	10.821	10.943	11.071	11.196	11.335
Personal Income (billions $)	552	574	604	634	664
Property Valuation (billions $)	1,184	1,227	1,275	1,324	1,372
Ratios for Outstanding Principal at the End of the Fiscal Year					
Debt to Personal Income	1.8%	1.8%	1.7%	1.7%	1.6%
Debt per Capita	$896	$960	$953	$944	$935
Debt to Estimated Actual Property Value	0.8%	0.9%	0.8%	0.8%	0.8%
Annual Debt Service Ratios*					
Actual Annual Debt Service - Issued (through 12/31/2020)	$ 1,223,424	$ 1,272,461	$ 1,194,629	$ 1,140,622	$ 1,029,969
Guaranteed Revenue Bonds - Projected Issuance	-	29,300	29,300	29,300	29,300
General Obligation Bonds - Projected Issuance	28,026	132,930	235,796	338,662	441,528
Total Projected Annual Debt Service	$ 1,251,450	$ 1,434,691	$ 1,459,725	$ 1,508,584	$ 1,500,797
Debt Service to Prior Year Receipts	**4.65%**	**5.45%**	**5.36%**	**5.35%**	**5.16%**

* Projected annual debt service is based on (1) actual debt service for debt that has been issued as of 12/31/2020 and (2) estimated authorized debt service for projected issuances reflected above (authorizations that have not been issued as of 12/31/2020).

Summary of Projected Debt Ratios
General Obligation, Guaranteed Revenue, and GARVEE Debt
(000's omitted)

	(As of 12/2020) **FY 2021**	Projected **FY 2022**	Projected **FY 2023**	Projected **FY 2024**	Projected **FY 2025**
Principal Outstanding at Beginning of Year	**$ 9,672,255**	**$ 10,185,635**	**$ 10,965,485**	**$ 10,972,345**	**$ 10,944,475**
General Obligation Bond Authorizations - Projected Issuances	1,139,080	1,312,405	950,000	950,000	950,000
GARVEEs Issuance (FY 2021)	484,160				
Guaranteed Revenue Bonds - Projected Issuances		390,000			
Projected Principal Payments	(1,023,830)	(922,555)	(943,140)	(977,870)	(956,310)
Premium Proceeds from General Obligation Issuances	(6,565)				
Refunding Effect (Net) and Early Redemptions	(79,465)				
Principal Outstanding at End of Year	**$ 10,185,635**	**$ 10,965,485**	**$ 10,972,345**	**$ 10,944,475**	**$ 10,938,165**
Total Treasury Receipts (millions $)	26,310	27,245	28,184	29,090	30,071
Estimated Federal Reimbursements (millions $)	1,423	1,447	1,472	1,497	1,522
Total Revenues (millions $)	27,733	28,692	29,656	30,587	31,593
Population (millions)	10.821	10.943	11.071	11.196	11.335
Personal Income (billions $)	552	574	604	634	664
Property Valuation (billions $)	1,184	1,227	1,275	1,324	1,372
Ratios for Outstanding Principal at the End of the Fiscal Year					
Debt to Personal Income	1.8%	1.9%	1.8%	1.7%	1.6%
Debt per Capita	$941	$1,002	$991	$978	$965
Debt to Estimated Actual Property Value	0.9%	0.9%	0.9%	0.8%	0.8%
Ratios for Annual Debt Service					
Estimated Annual Debt Service (Without GARVEEs)	1,251,450	1,434,691	1,459,725	1,508,584	1,500,797
GARVEE Debt Service - Issuances as of 12/31/2020	127,227	60,443	60,432	60,446	60,442
Debt Service to Prior Year Total Revenues	**4.84%**	**5.39%**	**5.30%**	**5.29%**	**5.10%**
Debt Service to Current Year Total Revenues	4.97%	5.21%	5.13%	5.13%	4.94%

APPENDIX A

STATE OF GEORGIA

GENERAL OBLIGATION BONDS AND GUARANTEED REVENUE BONDS

DEBT SERVICE SCHEDULES AS OF JUNE 30, 2020

and

DECEMBER 31, 2020

State of Georgia

Debt Service Schedule
For
All Outstanding General Obligation Bonds
As of
June 30, 2020

Fiscal Year	Principal	Interest	Total
2021	$ 864,370,000	$ 385,018,782	$ 1,249,388,782
2022	803,250,000	346,840,833	1,150,090,833
2023	759,825,000	312,433,985	1,072,258,985
2024	743,070,000	279,636,901	1,022,706,901
2025	682,970,000	248,780,949	931,750,949
2026	639,120,000	219,106,886	858,226,886
2027	655,420,000	191,725,960	847,145,960
2028	597,655,000	164,303,092	761,958,092
2029	574,155,000	138,314,234	712,469,234
2030	494,805,000	114,568,480	609,373,480
2031	459,280,000	94,369,244	553,649,244
2032	446,500,000	75,524,673	522,024,673
2033	412,300,000	57,993,068	470,293,068
2034	327,125,000	42,808,791	369,933,791
2035	275,915,000	31,628,754	307,543,754
2036	227,225,000	21,789,505	249,014,505
2037	181,310,000	13,756,050	195,066,050
2038	119,080,000	7,724,740	126,804,740
2039	123,120,000	3,691,600	126,811,600
2040	52,975,000	802,678	53,777,678
Totals	$9,439,470,000	$2,750,819,204	$12,190,289,204

State of Georgia

Debt Service Schedule
For
All Outstanding Guaranteed Revenue Bonds
As of
June 30, 2020

Fiscal Year	Principal	Interest	Total
2021	$ 48,675,000	$ 5,094,500	$ 53,769,500
2022	21,545,000	2,634,375	24,179,375
2023	22,650,000	1,529,500	24,179,500
2024	19,265,000	481,625	19,746,625
Totals	$112,135,000	$9,740,000	$121,875,000

State of Georgia

Combined Debt Service Schedule
For
All Outstanding General Obligation and Guaranteed Revenue Bonds
As of
June 30, 2020

Fiscal Year	Principal	Interest	Total
2021	$ 913,045,000	$ 390,113,282	$ 1,303,158,282
2022	824,795,000	349,475,208	1,174,270,208
2023	782,475,000	313,963,485	1,096,438,485
2024	762,335,000	280,118,526	1,042,453,526
2025	682,970,000	248,780,949	931,750,949
2026	639,120,000	219,106,886	858,226,886
2027	655,420,000	191,725,960	847,145,960
2028	597,655,000	164,303,092	761,958,092
2029	574,155,000	138,314,234	712,469,234
2030	494,805,000	114,568,480	609,373,480
2031	459,280,000	94,369,244	553,649,244
2032	446,500,000	75,524,673	522,024,673
2033	412,300,000	57,993,068	470,293,068
2034	327,125,000	42,808,791	369,933,791
2035	275,915,000	31,628,754	307,543,754
2036	227,225,000	21,789,505	249,014,505
2037	181,310,000	13,756,050	195,066,050
2038	119,080,000	7,724,740	126,804,740
2039	123,120,000	3,691,600	126,811,600
2040	52,975,000	802,678	53,777,678
Totals	$9,551,605,000	$2,760,559,204	$12,312,164,204

State of Georgia

Combined Debt Service Schedule
For
All Outstanding General Obligation and Guaranteed Revenue Bonds
As of
December 31, 2020

Fiscal Year	Principal	Interest	Total
2021	$ 280,545,000	$ 203,795,469	$ 484,340,469
2022	886,535,000	385,926,127	1,272,461,127
2023	846,585,000	348,044,185	1,194,629,185
2024	828,800,000	311,821,991	1,140,621,991
2025	751,890,000	278,078,807	1,029,968,807
2026	694,560,000	245,851,338	940,411,338
2027	656,020,000	216,900,621	872,920,621
2028	619,660,000	188,326,520	807,986,520
2029	619,745,000	160,881,451	780,626,451
2030	542,200,000	135,362,174	677,562,174
2031	508,590,000	113,295,444	621,885,444
2032	495,055,000	92,548,809	587,603,809
2033	462,840,000	73,075,532	535,915,532
2034	379,770,000	55,845,379	435,615,379
2035	330,575,000	42,716,377	373,291,377
2036	283,790,000	31,034,617	314,824,617
2037	239,655,000	21,286,048	260,941,048
2038	179,055,000	13,678,760	192,733,760
2039	184,775,000	8,012,065	192,787,065
2040	116,355,000	3,434,268	119,789,268
2041	65,155,000	886,563	66,041,563
Totals	$9,972,155,000	$2,930,802,543	$12,902,957,543

Amounts shown above include the effect of new bonds (2020A and 2020B) which were issued on August 27, 2020, and all early retirement transactions through December 31, 2020; FY 2021 as shown above includes only the scheduled debt service payments for January 2021 through June 2021.
Note: amounts as shown may not add precisely due to rounding.

APPENDIX B

DEBT SERVICE SCHEDULES

For

STATE AUTHORITIES

Georgia Higher Education Facilities Authority

Revenue Bonds
Series 2015 Refunding, Series 2019 Refunding, and Series 2020 Refunding
Debt Outstanding as of June 30, 2020

2021	$ 5,730,000	$ 7,978,325	$ 13,708,325
2022	6,110,000	7,691,825	13,801,825
2023	6,465,000	7,386,325	13,851,325
2024	6,785,000	7,063,075	13,848,075
2025	7,125,000	6,723,825	13,848,825
2026	7,480,000	6,367,575	13,847,575
2027	7,780,000	6,060,475	13,840,475
2028	8,115,000	5,736,069	13,851,069
2029	8,480,000	5,365,919	13,845,919
2030	8,910,000	4,941,919	13,851,919
2031	9,350,000	4,496,419	13,846,419
2032	9,755,000	4,079,919	13,834,919
2033	10,145,000	3,698,619	13,843,619
2034	10,610,000	3,235,419	13,845,419
2035	11,100,000	2,750,669	13,850,669
2036	11,575,000	2,270,219	13,845,219
2037	12,035,000	1,801,025	13,836,025
2038	12,530,000	1,313,188	13,843,188
2039	13,015,000	835,418	13,850,418
2040	5,890,000	339,106	6,229,106
2041	3,305,000	132,200	3,437,200
Total	$ 182,290,000	$ 90,267,533	$ 272,557,533

Note: amounts as shown may not add precisely due to rounding.

Georgia Housing and Finance Authority

Debt Outstanding as of June 30, 2020
(Under the 1976 General Resolution)

Fiscal Year	Principal	Interest	Annual Debt Service
2021	$ 42,170,000	$ 52,726,196	$ 94,896,196
2022	44,345,000	51,506,854	95,851,854
2023	43,165,000	50,388,604	93,553,604
2024	40,945,000	49,280,494	90,225,494
2025	41,170,000	48,204,204	89,374,204
2026	41,525,000	47,035,759	88,560,759
2027	39,095,000	45,936,515	85,031,515
2028	44,060,000	44,822,611	88,882,611
2029	49,405,000	43,441,538	92,846,538
2030	51,805,000	41,846,046	93,651,046
2031	55,605,000	40,201,728	95,806,728
2032	56,670,000	38,381,729	95,051,729
2033	58,790,000	36,498,753	95,288,753
2034	59,590,000	34,541,178	94,131,178
2035	59,260,000	32,504,852	91,764,852
2036	63,680,000	30,487,174	94,167,174
2037	67,395,000	28,272,630	95,667,630
2038	68,415,000	25,878,068	94,293,068
2039	69,195,000	23,489,269	92,684,269
2040	68,920,000	21,075,083	89,995,083
2041	68,710,000	18,659,403	87,369,403
2042	64,490,000	16,299,902	80,789,902
2043	63,400,000	14,069,549	77,469,549
2044	68,435,000	11,636,804	80,071,804
2045	55,910,000	9,301,656	65,211,656
2046	53,645,000	7,240,054	60,885,054
2047	51,685,000	5,223,075	56,908,075
2048	48,490,000	3,250,203	51,740,203
2049	36,575,000	1,497,941	38,072,941
2050	16,340,000	341,781	16,681,781
Total	$ 1,592,885,000	$ 874,039,651	$ 2,466,924,651

Note: Amounts as shown may not add precisely due to rounding.

Lake Lanier Islands Development Authority

Revenue Bonds and GEFA Loan

Debt Outstanding as of June 30, 2020

Fiscal Year	Principal	Interest	Annual Debt Service
2021	$ 1,612,900	$ 522,528	$ 2,135,427
2022	1,683,005	452,422	2,135,427
2023	1,756,247	379,180	2,135,427
2024	1,832,769	302,658	2,135,427
2025	1,912,724	222,703	2,135,427
2026	1,996,269	139,158	2,135,427
2027	966,899	67,470	1,034,369
2028	787,983	26,174	814,157
Total	$ 12,548,795	$ 2,112,294	$ 14,661,088

Note: Amounts as shown may not add precisely due to rounding.

State Road and Tollway Authority

Guaranteed Revenue Refunding Bonds, Series 2011A, 2011B, and 2016

Debt Outstanding as of June 30, 2020

Fiscal Year	Principal	Interest	Annual Debt Service
2021	$ 48,675,000	$ 5,094,500	$ 53,769,500
2022	21,545,000	2,634,375	24,179,375
2023	22,650,000	1,529,500	24,179,500
2024	19,265,000	481,625	19,746,625
Total	$ 112,135,000	$ 9,740,000	$ 121,875,000

State Road and Tollway Authority
GARVEE Bonds Series 2017 and 2017 Refunding
Outstanding as of June 30, 2020

Fiscal Year	Principal	Interest	Annual Debt Service
2021	$ 68,305,000	$ 5,744,500	$ 74,049,500
2022	4,930,000	2,338,800	7,268,800
2023	5,170,000	2,092,300	7,262,300
2024	5,435,000	1,833,800	7,268,800
2025	5,695,000	1,573,000	7,268,000
2026	5,980,000	1,288,250	7,268,250
2027	6,275,000	989,250	7,264,250
2028	6,590,000	675,500	7,265,500
2029	6,920,000	346,000	7,266,000
Total	$115,300,000	$16,881,400	$132,181,400

On December 22, 2020, SRTA issued $484.16 million of additional GARVEE bonds; debt service on these bonds is approximately $53.173 million per year FY 2021- 2032.

State Road and Tollway Authority

Northwest Corridor Project Toll Revenue Bonds (TIFIA Second Lien Bonds)
Projected Debt Service Schedule (as of June 30, 2020)

Fiscal Year	Principal	Interest	Annual Debt Service
2021 - 2023	$ -	$ -	$ -
2024	-	11,839,754	11,839,754
2025	-	11,807,184	11,807,184
2026	1,122,075	11,814,088	12,936,163
2027	2,234,053	11,761,079	13,995,132
2028	3,416,070	11,681,556	15,097,626
2029	4,772,737	11,507,279	16,280,016
2030	6,156,807	11,329,455	17,486,262
2031	7,775,395	11,081,230	18,856,625
2032	8,163,262	10,797,791	18,961,053
2033	8,451,621	10,456,029	18,907,650
2034	8,832,375	10,146,521	18,978,896
2035	9,184,747	9,808,560	18,993,307
2036	9,553,790	9,470,194	19,023,984
2037	9,927,564	9,079,063	19,006,627
2038	10,362,020	8,711,346	19,073,366
2039	10,745,452	8,314,962	19,060,414
2040	11,192,846	7,914,124	19,106,970
2041	11,630,418	7,464,821	19,095,239
2042	12,667,325	7,024,633	19,691,958
2043	13,151,966	6,539,992	19,691,958
2044	13,647,010	6,044,948	19,691,958
2045	14,185,192	5,506,766	19,691,958
2046	14,719,982	4,971,976	19,691,958
2047	15,283,154	4,408,804	19,691,958
2048	15,862,814	3,829,144	19,691,958
2049	16,479,500	3,212,458	19,691,958
2050	17,105,261	2,586,697	19,691,958
2051	17,759,693	1,932,265	19,691,958
2052	18,437,677	1,254,281	19,691,958
2053	19,144,089	546,369	19,690,458
Total	$ 311,964,895	$ 232,843,369	$ 544,808,264

The TIFIA Second Lien Bonds closed on November 14, 2013 and the project was placed into service on September 8, 2018. The final loan draw of approximately $1.54 million was made on September 3, 2019 for a grand total of approximately $249.7 million. Pursuant to the TIFIA loan agreement, interest through FY 2023 will be deferred and added to the outstanding principal balance; the total principal as shown above includes the deferred interest projected to be approximately $62.3 million. Interest is to be paid each January 1 and July 1 starting July 1, 2023 (FY 2024); principal is to be paid each July 1 starting July 1, 2025 (FY 2026). TIFIA principal may be prepaid from excess toll revenues after meeting required payments and deposits. There is no prepayment penalty.
Note: amounts as shown may not add precisely due to rounding.

State Road and Tollway Authority
I-75 South Express Lanes Toll Revenue Bonds
Debt Service Schedule as of June 30, 2020

Fiscal Year	Principal*	Interest	Annual Debt Service
2021	$ 1,305,314	-	$ 1,305,314
2022	1,657,838	-	1,657,838
2023	2,049,876	-	2,049,876
2024	2,405,000	-	2,405,000
2025	396,144	2,383,850	2,779,994
2026	743,769	2,383,850	3,127,619
2027	1,134,118	2,383,850	3,517,968
2028	1,138,108	2,383,850	3,521,958
2029	1,119,347	2,383,850	3,503,197
2030	1,341,865	2,383,850	3,725,715
2031	1,343,849	2,383,850	3,727,699
2032	1,344,138	2,383,850	3,727,988
2033	1,342,816	2,383,850	3,726,666
2034	1,340,000	2,383,850	3,723,850
2035	1,345,000	2,383,850	3,728,850
2036	1,435,000	2,289,700	3,724,700
2037	1,540,000	2,189,250	3,729,250
2038	1,645,000	2,081,450	3,726,450
2039	1,760,000	1,966,300	3,726,300
2040	1,885,000	1,843,100	3,728,100
2041	2,015,000	1,711,150	3,726,150
2042	2,155,000	1,570,100	3,725,100
2043	2,305,000	1,419,250	3,724,250
2044	2,470,000	1,257,900	3,727,900
2045	2,645,000	1,085,000	3,730,000
2046	2,825,000	899,850	3,724,850
2047	3,025,000	702,100	3,727,100
2048	3,210,000	490,350	3,700,350
2049	3,795,000	265,650	4,060,650
Total	$ 52,717,182	$ 45,993,500	$ 98,710,682

*Principal consists of both Capital Appreciation Bonds (which do not pay interest) and Convertible Capital Appreciation Bonds (which do not pay interest until they convert to current interest paying bonds on June 1, 2024).

STATE OF GEORGIA

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Financing and Investment Division

270 WASHINGTON STREET S.W., SUITE 2140 | ATLANTA, GA 30334-8500 | 404.463.5600 | GSFIC.GEORGIA.GOV