



# Executive Summary

The purpose of this report is to provide a high-level overview of the State's outstanding debt as of September 30, 2019. Per West Virginia Code, the West Virginia State Treasurer's Office (WVSTO) prepares quarterly debt update reports. The March and September reports are shorter in length, three-month updates. The June and December reports are more detailed, covering six months of the fiscal year. In addition, the WVSTO compiles an Annual Debt Report as of June, summarizing the entire fiscal year.

This report is the first one for fiscal year 2020. Tax supported debt as of September 30, 2019, increased \$19.5 million from the June 30, 2019 balance. Non tax-supported debt increased \$25.5 million during the same time period.

The State of West Virginia currently has two types of outstanding debt:

1. Tax-Supported: This type of outstanding debt includes general obligation bonds, revenue bonds, as well as leases and notes payable obligations.
2. Non Tax-Supported: This type of outstanding debt includes revenue bonds.

Outstanding debt definitions:

- General Obligation Bonds: These bonds are approved by the voting, tax-paying citizens and are typically supported by tax revenue.
- Tax-Supported Revenue Bonds: These bonds are supported by lottery revenues or the general revenue fund.
- Non Tax-Supported Revenue Bonds: These bonds are supported by a revenue source such as taxes, tuition, tolls, fees, etc.
- Leases and Notes Payable: This category includes debt agreements for items such as office space, buildings, vehicles, and equipment.

The focus of this letter is to provide more information about the Roads to Prosperity General Obligation Bonds. The Roads to Prosperity Amendment of 2017 authorized bonds in the aggregate amount of \$1.6 billion to be issued over a four-year period through June 2021. In June 2018, \$800 million was issued, and the State of West Virginia has begun paying the debt service on these bonds. The State of West Virginia will pay approximately \$55.4 million per year in debt service until the maturity date of June 2043. The funds from these bonds are being used for more than 700 projects spread across all 55 counties in the state, including new roads and bridges as well as repairs to existing roads and bridges. A list of specific projects can be found at the following website: <https://transportation.wv.gov/driveforwardwv/Pages/default.aspx>. The State of West Virginia is authorized to issue an additional \$600 million in general obligation bonds during fiscal year 2020.

If you have comments or questions, please feel free to let me know.

## Contact Information:

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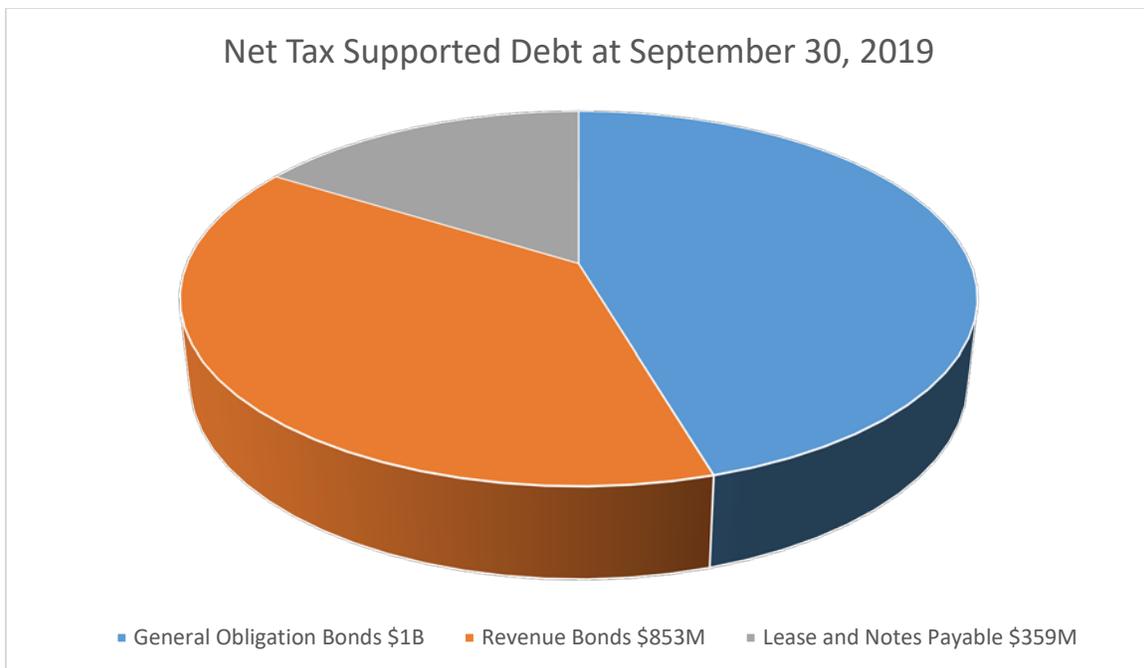


# Debt Position Report

Update: September 30, 2019

One of the most important measurements of debt for a state, city, county or any other municipal bond issuer is the amount of net tax-supported debt outstanding. The State of West Virginia had a net tax-supported debt of \$2.22 billion as of September 30, 2019.

The net tax-supported debt calculation does not include claims and judgments, accrued compensated absences, pension costs, other post-employment benefits costs or other liabilities of the state. Those obligations are detailed in the state's Comprehensive Annual Financial Report (CAFR) available from the Division of Finance of the Department of Administration or online at [www.wvfinance.state.wv.us](http://www.wvfinance.state.wv.us).



### DISCLAIMER

***Pursuant to W.Va. Code §12-6A-6, every state spending unit is required to report quarterly on its debt to the West Virginia State Treasurer's Office. The Treasurer's Office prepares this Report using information provided by the spending units and information from other sources considered reliable. This report is unaudited and may be amended when updated information is provided to the Treasurer's Office.***



## West Virginia Net Tax-Supported Debt Outstanding as of September 30, 2019

Type of Debt	Principal Outstanding September 30, 2019
<b>GENERAL OBLIGATION BONDS</b>	
Safe Road Bonds	\$ 118,390,000
Roads to Prosperity Bonds	782,305,000
Infrastructure Improvement Bonds	108,002,634
<b>Total General Obligation Bonds</b>	<b>\$ 1,008,697,634</b>
<b>REVENUE BONDS</b>	
School Building Authority Capital Improvement Bonds	61,921,250
Economic Development Authority, Lottery Revenue Bonds	277,500,000
Economic Development Authority, Excess Lottery Revenue Bonds	176,850,000
Higher Education Policy Commission, Lottery and Excess Lottery Revenue Bonds	263,475,000
Higher Education Policy Commission, Excess Lottery Revenue Bonds (BABs)	50,265,000
School Building Authority, Lottery Revenue Bonds	126,363,000
School Building Authority, Excess Lottery Revenue Bonds	75,972,000
School Building Authority, Excess Lottery Revenue Bonds (QSCBs)	150,480,000
West Virginia Infrastructure & Jobs Development Council (Excess Lottery Revenue Bond)	62,245,000
<b>Total Revenue Bonds</b>	<b>1,245,071,250</b>
<b>TOTAL LEASE OBLIGATIONS / NOTES PAYABLE</b>	<b>358,566,826</b>
<b>GROSS TAX SUPPORTED DEBT</b>	<b>2,612,335,710</b>
<b>DEDUCTIONS FOR ESCROW/SINKING FUND/RESERVE FUNDS</b>	
Economic Development Authority, Excess Lottery Revenue Bonds	(26,147,728)
Economic Development Authority, Lottery Revenue Bonds	(135,940,000)
Higher Education Policy Commission Excess Lottery Revenue Bonds	(79,220,000)
School Building Authority Capital Improvement Revenue Bonds	(61,921,250)
School Building Authority, Excess Lottery Revenue Bonds (QSCBs)	(88,806,059)
<b>Total Deductions</b>	<b>(392,035,037)</b>
<b>NET TAX-SUPPORTED DEBT</b>	<b>\$ 2,220,300,673</b>



# Debt Position Report

Update: September 30, 2019

The State of West Virginia has more than 20 bonding authorities that may issue revenue bonds backed by various pledges of revenue. Each authority has its own specific parameters such as volume caps, interest rate caps, etc., which is codified in relevant sections of the West Virginia Code. The authorities listed below have outstanding debt that is self-supporting and is not considered as part of the state's direct debt burden. This debt is considered non tax-supported debt.

## West Virginia Non Tax-Supported Debt Outstanding as of September 30, 2019

Issuer	Principal Outstanding September 30, 2019
Building Commission/Regional Jail	\$16,410,000
Commissioner of Highways	265,720,000
Concord University	15,090,000
Economic Development Authority	2,983,800,339
Fairmont State University	68,661,016
Glenville State College	38,438,084
Higher Education Policy Commission	56,075,024
Hospital Finance Authority	2,692,574,744
Housing Development Fund	316,740,000
Marshall University	73,695,000
Mountwest Community and Technical College	892,480
Parkways Authority	163,540,000
Shepherd University	36,492,238
Tobacco Settlement Finance Authority	769,628,000
Water Development Authority	160,754,236
West Liberty University	18,913,482
West Virginia Infrastructure & Jobs Development Council	92,285,000
West Virginia State University	11,565,083
West Virginia University	622,338,541
<b>NON TAX-SUPPORTED DEBT (net)</b>	<b>\$8,403,613,267</b>