



# Commonwealth of Massachusetts

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Capital Debt Affordability Committee  
Advisory Recommendation for Fiscal 2022

December 04, 2020



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# 1. Introduction



## Capital Debt Affordability Committee Overview

### Enabling Act

- The Capital Debt Affordability Committee was established by **Chapter 165 of the Acts of 2012, Section 60B** for the purposes of reviewing on a continuing basis the amount and condition of the Commonwealth's tax-supported debt, as well as the debt of certain state authorities.

### Roles and Responsibilities

- Responsible for **providing an estimate** of the total amount of new Commonwealth debt that can **prudently** be authorized [i.e. issued] for the next fiscal year, taking into account certain criteria, to the Governor and Legislature on or before December 15 of each year.
  - Estimates are advisory and not binding on the Governor or the Legislature.
  - The Legislature is responsible for authorizing Commonwealth debt.
  - The Governor determines the total amount of capital spending for each fiscal year and the amount of new Commonwealth debt that he considers advisable to finance such spending.

### Membership

- The Committee consists of **seven voting members**, including the Secretary of Administration and Finance (who chairs the Committee), the State Treasurer, the Comptroller, the Secretary of Transportation, one appointee of the Governor and two appointees of the State Treasurer.
- The Committee also includes **nonvoting members**, including the House and Senate chairs and the ranking minority members of the Committees on Bonding, Capital Expenditures and State Assets, and the Committees on Ways and Means.



## Statutory and Administrative Limits on Direct Debt

### Statutory Debt Limit

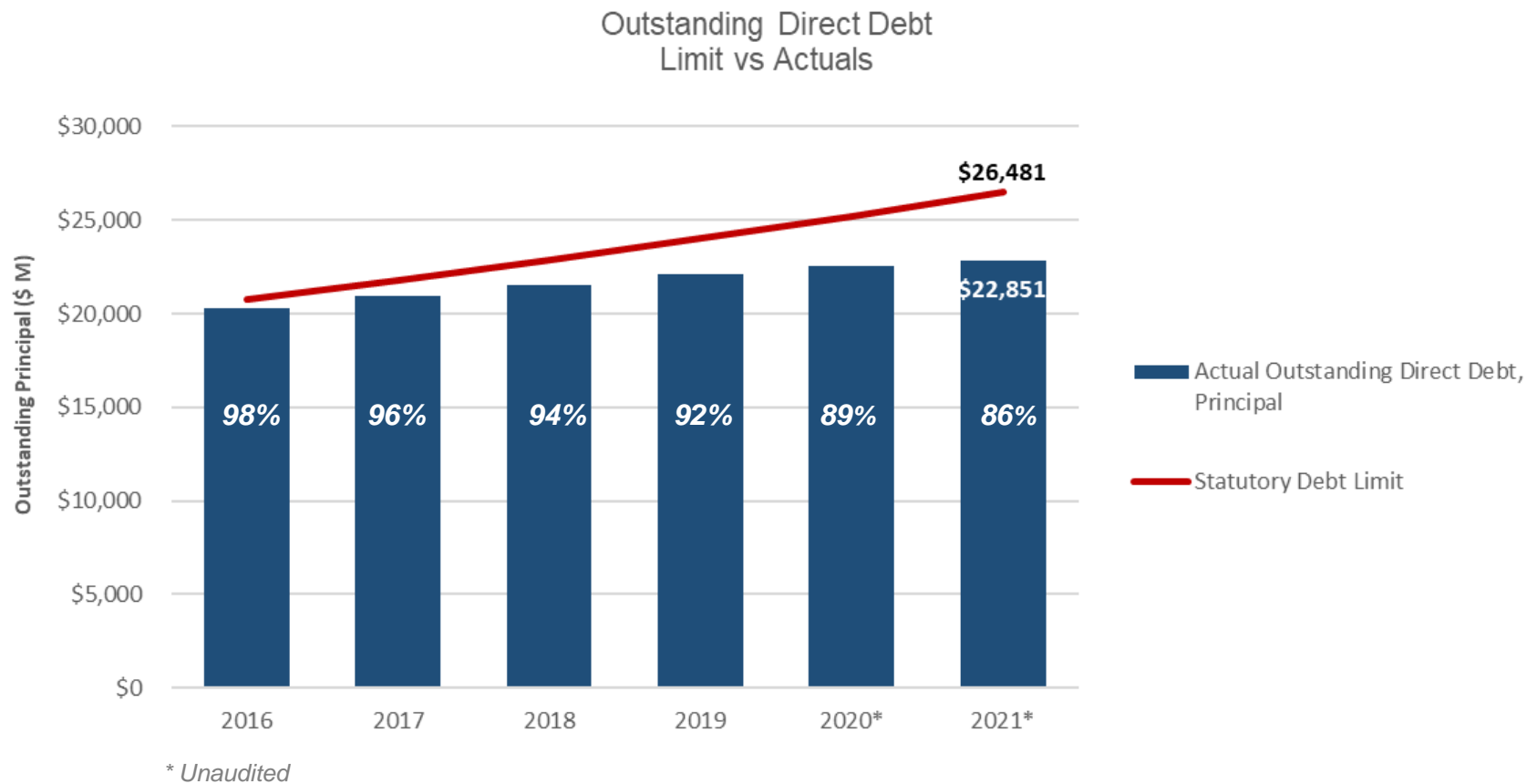
- **Outstanding Debt Limit:** The amount of outstanding principal of Commonwealth “direct” debt is capped at **105%** of the previous fiscal year’s limit
  - FY 19 Limit: \$24.0 billion
  - FY 20 Limit\*: \$25.2 billion
  - FY 21 Limit\*: \$26.5 billion
  - FY 22 Limit\*: \$27.8 billion

### Debt Affordability Policy

- **Annual Borrowing Limit:** Annual Debt Service Payments < **8%** of budgeted revenues
  - FY 19 Limit: \$3.7 billion
  - FY 20 Limit: \$3.8 billion
- **Growth Limit:** Annual growth in the bond cap ≤ **\$125 million.**



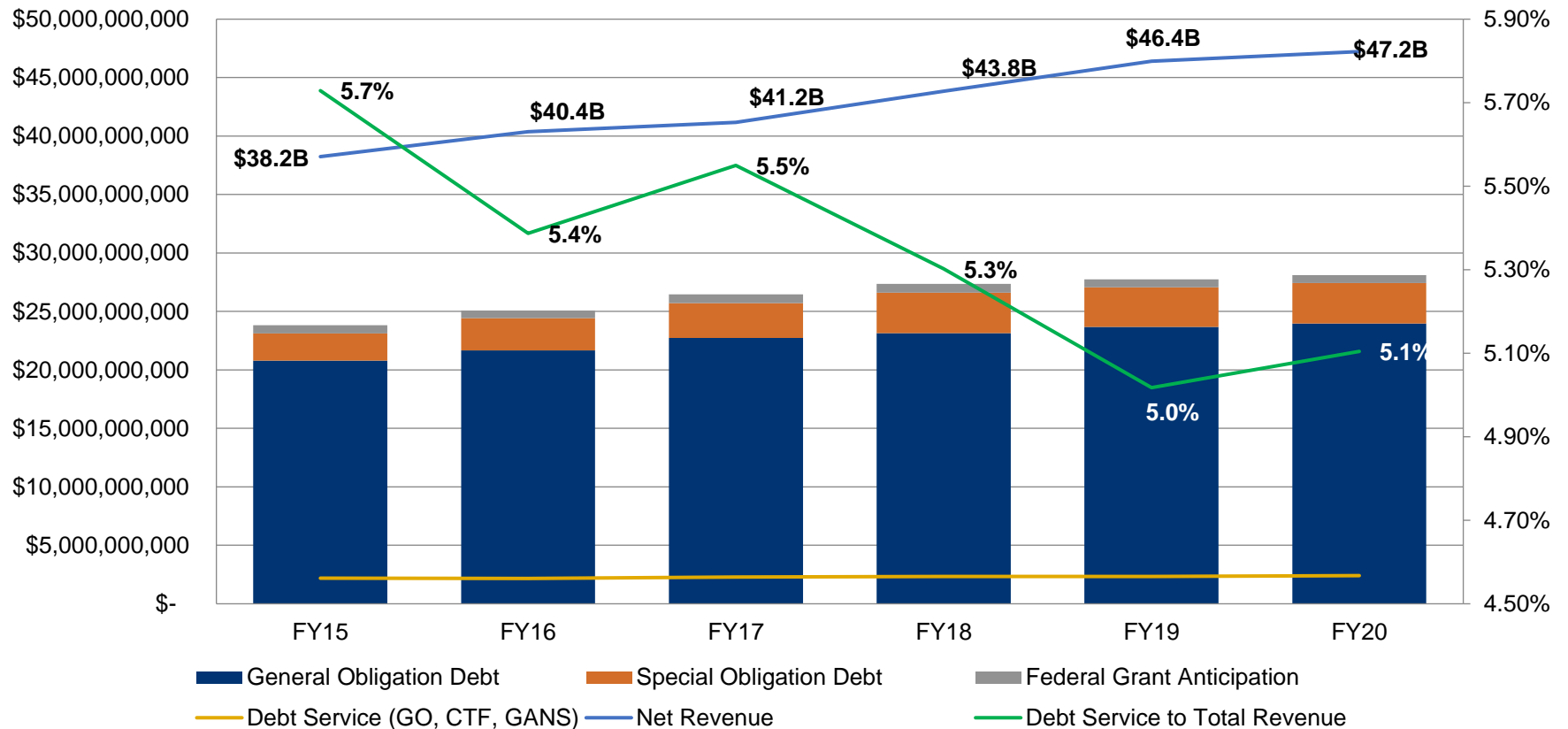
## Historical Statutory Debt Limit vs. Actual Outstanding Direct Debt





## Long Term Debt Service vs. Net Revenues

### ❖ Long Term Debt Service, Less Than 6% of Net Revenues





## Debt Affordability Primary Considerations (1 of 2)

<b>State Debt Outstanding</b>	➤ Amount of state bonds that, during the next fiscal year, will be (1) outstanding and, (2) authorized but unissued
<b>Capital Plan Spending</b>	➤ The Commonwealth's Capital Investment Plan (CIP) prepared by the Secretary of Administration and Finance (A&F)
<b>10 Year Debt Service</b>	➤ Projections of debt service requirements during the next 10 fiscal years
<b>Credit Ratings</b>	➤ The criteria that bond rating agencies use to judge the quality of issues of state bonds
<b>Authorization</b>	➤ The effect of authorizations of new state debt on each of the factors in this subsection





## Debt Affordability Primary Considerations (2 of 2)

<b>Debt Ratios Analysis</b>	➤ Identification of pertinent debt ratios, such as debt service to General Fund revenues, debt to personal income, debt to estimated full-value of property, and debt per capita
<b>State Comparisons</b>	➤ A comparison of the debt ratios for the 5 other states in New England, New York and 5 other states the committee determines to offer a fair comparison to the commonwealth
<b>Fixed, Variable, and Hedged Debt</b>	➤ A description of the percentage of the state's outstanding general obligation bonds constituting fixed rate bonds, variable rate bonds, bonds that have effective rates through a hedging contract
<b>Other Tax Supported Debt</b>	➤ The amount of issuances, debt outstanding, and debt service requirement of other classes of commonwealth tax supported debt as well as other debt of commonwealth units



## Debt Affordability and Revenue Analysis Approach

### Debt Service Included in Affordability Analysis

- For the purposes of the debt affordability analysis, **debt service includes** programs expected to be funded both within and outside of the bond cap, including:
  - ✓ Principal and interest payments on all general obligation debt;
  - ✓ Special obligation bonds secured by a specified portion of the motor fuels excise tax;
  - ✓ Special obligation bonds issued to fund the Accelerated Bridge Program and the Rail Enhancement Program;
  - ✓ Special obligation bonds secured by the Convention Center Fund;
  - ✓ General obligation contract assistance payment obligations; and
  - ✓ Budgetary contract assistant payment obligations on certain capital lease financings.

### Budgeted Revenues Included in Affordability Analysis

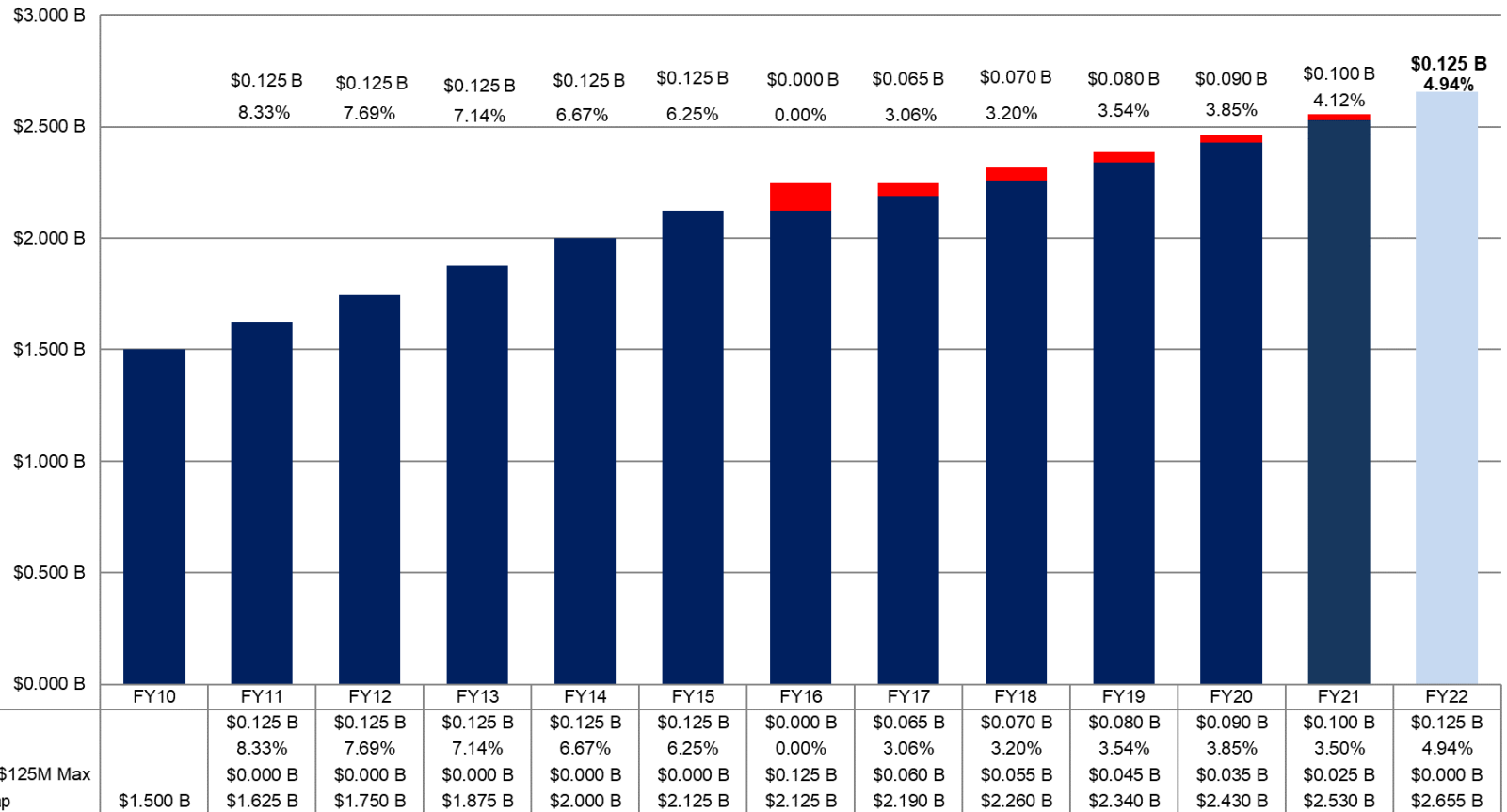
- **Budgeted revenue includes** all Commonwealth taxes and other revenues available to pay Commonwealth operating expenses, including debt service, pensions and other budgetary obligations.
- It does not include off-budget revenues dedicated to the MBTA, the MSBA and the Massachusetts Convention Center Authority (MCCA).
- ❖ *This inclusive definition ensures that while some programs are expected to be funded outside of the bond cap, the related debt service costs of the programs should be fully accounted for under the debt affordability policy in recommending the bond cap at appropriate limits.*



## 2. Advisory Recommendation for Fiscal 2022



## FY 2022 Bond Cap Recommendation: \$125 Million Increase





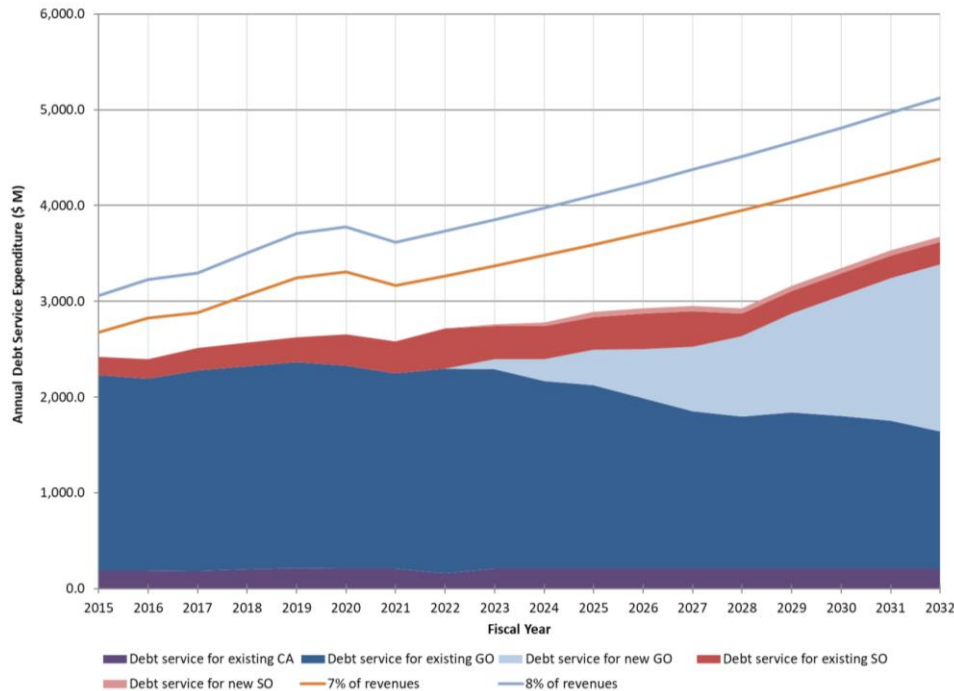
## DAC Debt Affordability Model Inputs

		Input	Description
Held Constant Across Modeling Scenarios	[	<b>Debt Service on Existing Debt</b>	<ul style="list-style-type: none"><li>Projected debt service schedules for existing debt; based on DBC reports</li></ul>
		<b>Contract assistance payments</b>	<ul style="list-style-type: none"><li>Projected payment schedules for existing contract assistance agreements</li></ul>
		<b>Issuance maturity terms for new debt</b>	<ul style="list-style-type: none"><li>Assumed bond maturity distribution across future issuances</li><li>Maturity Terms: 1 -10 yrs; 11 – 20 yrs; &amp; 21 – 30yrs )</li></ul>
		<b>Future Bond Cap Growth</b>	<ul style="list-style-type: none"><li>Assumed rate at which the bond cap will grow annually</li></ul>
Adjusted Across Modeling Scenarios	[	<b>Interest rates for new debt</b>	<ul style="list-style-type: none"><li>Assumed interest rates for future debt issuances by maturity term</li></ul>
		<b>Revenue Growth</b>	<ul style="list-style-type: none"><li>Assumed rate of growth for tax revenue</li></ul>
		<b>FY22 Projected Bond Cap (DAC Recommendation)</b>	<ul style="list-style-type: none"><li>Projected new direct debt issued in FY22</li></ul>



# \$125 Million Bond Cap Scenario 1

## 10-Year Snapshot



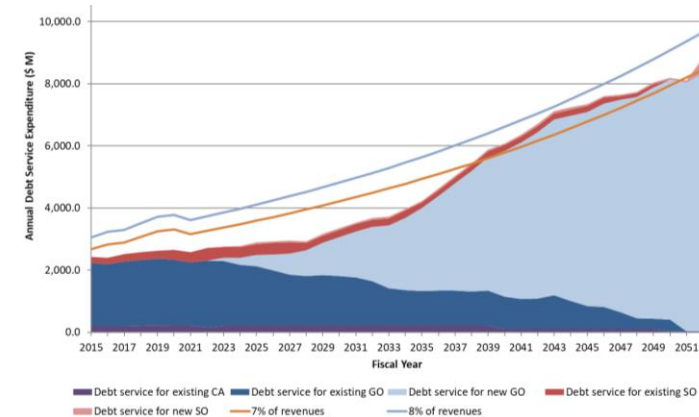
❖ 10 Year Outlook: Debt service remains under 8% limit and 7% target

❖ 30 Year Outlook: Debt service remains under the 8% limit

## Modeling Assumptions

- ❖ Interest Rates: **2.5 % - 5.0%**
  - Based on Moody's & IHS projections
- ❖ Annual Revenue Growth: **3.2%**
  - Based on 20-yr tax revenue Compound Annual Growth Rate (CAGR)
- ❖ Bond cap continues to grow each year

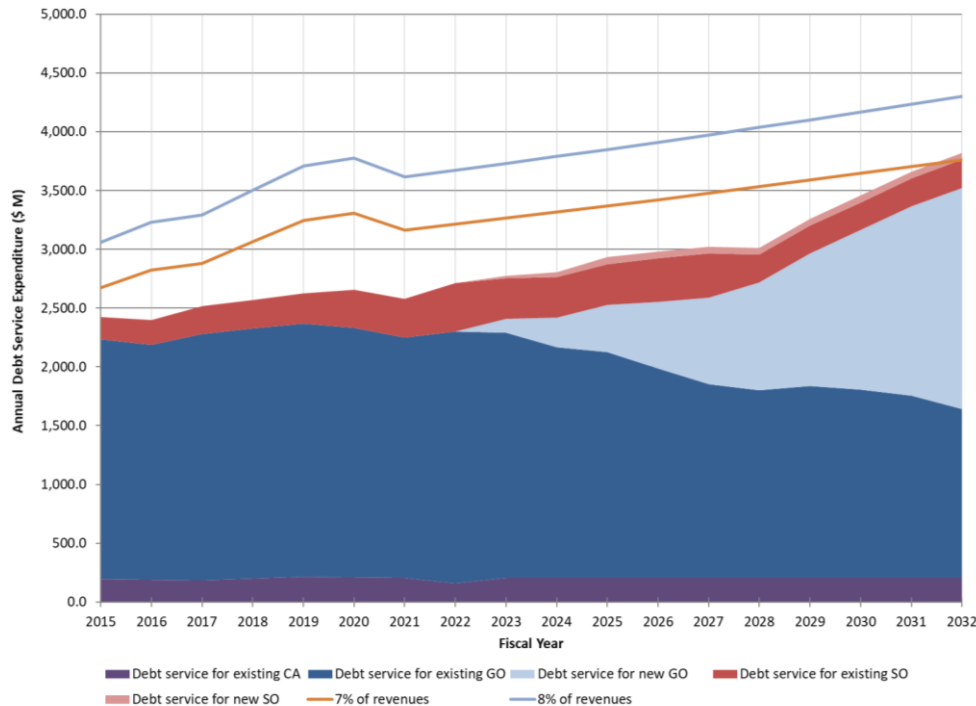
## 30-Year Snapshot





## \$125 Million Bond Cap Scenario 2 – Stress Test

### 10-Year Snapshot



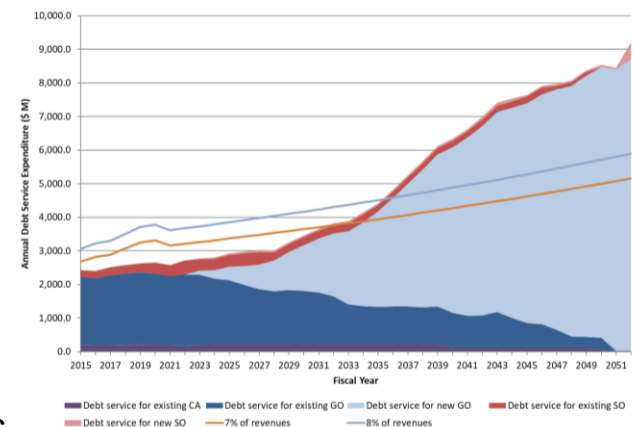
❖ 10 Year Outlook: Debt service remains under 8% limit; meets 7% target in last year (2032)

❖ 30 Year Outlook: Debt service exceeds 8% of budgeted revenues starting in 2036.

### Modeling Assumptions

- ❖ Interest Rates: **3.1 % - 5.25%**
  - Based on prior year rates
- ❖ Annual Revenue Growth: **1.6%**
  - Based on 20-yr tax revenue Compound Annual Growth Rate (CAGR)
- ❖ Bond cap continues to grow each year

### 30-Year Snapshot





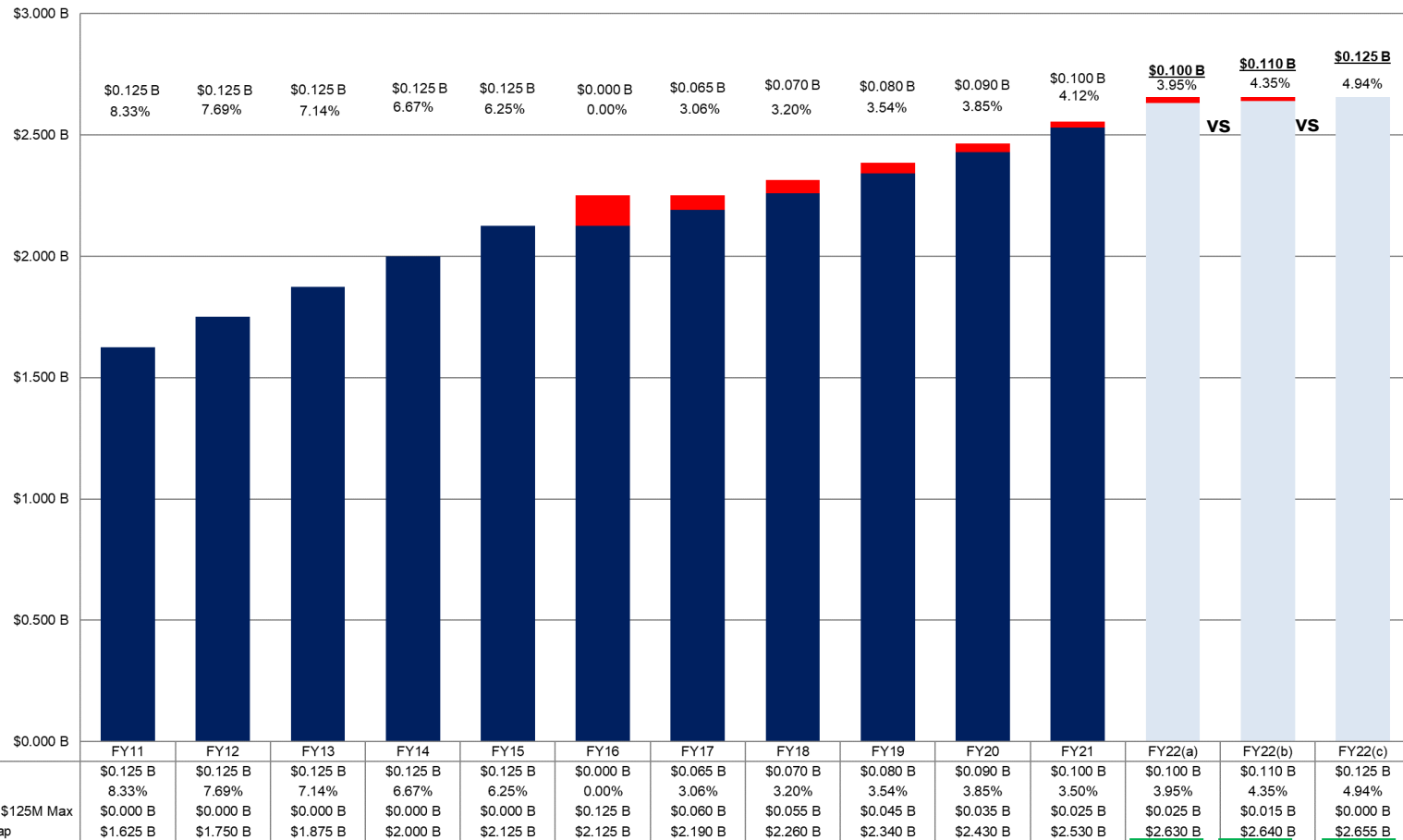
### 3. Additional DAC Modeling





## FY 2022 Bond Cap Scenarios: \$100M vs \$110M vs. \$125M

❖ Average 5-Yr Annual Growth (FY17 – FY21): **3.4%**





## DAC Modeling

- ❖ Per committee feedback and discussion, modeled the projected impact of a \$125M, \$110M, and \$100M bond cap increase under 2 different scenarios.

	A	B	C
FY22 Bond Cap Increase	\$100M	\$110M	\$125M

Model Input	Scenario 1	Scenario 2 (stress test)
<b>FY21 Interest Rates</b> <i>NOTE: Model assumes interest rates increase 0.3% annually through 2026</i>	<b>2.5% - 3.5%</b> Based on Moody's & IHS projections	<b>3.1% - 3.75%</b> Based on prior year assumptions
<b>Revenue Growth</b>	<b>3.2%</b> Lowest 20-yr tax CAGR	<b>1.6%</b> Lowest 10-yr tax CAGR



## DAC Modeling Outcomes: \$100M vs \$110M vs \$125M

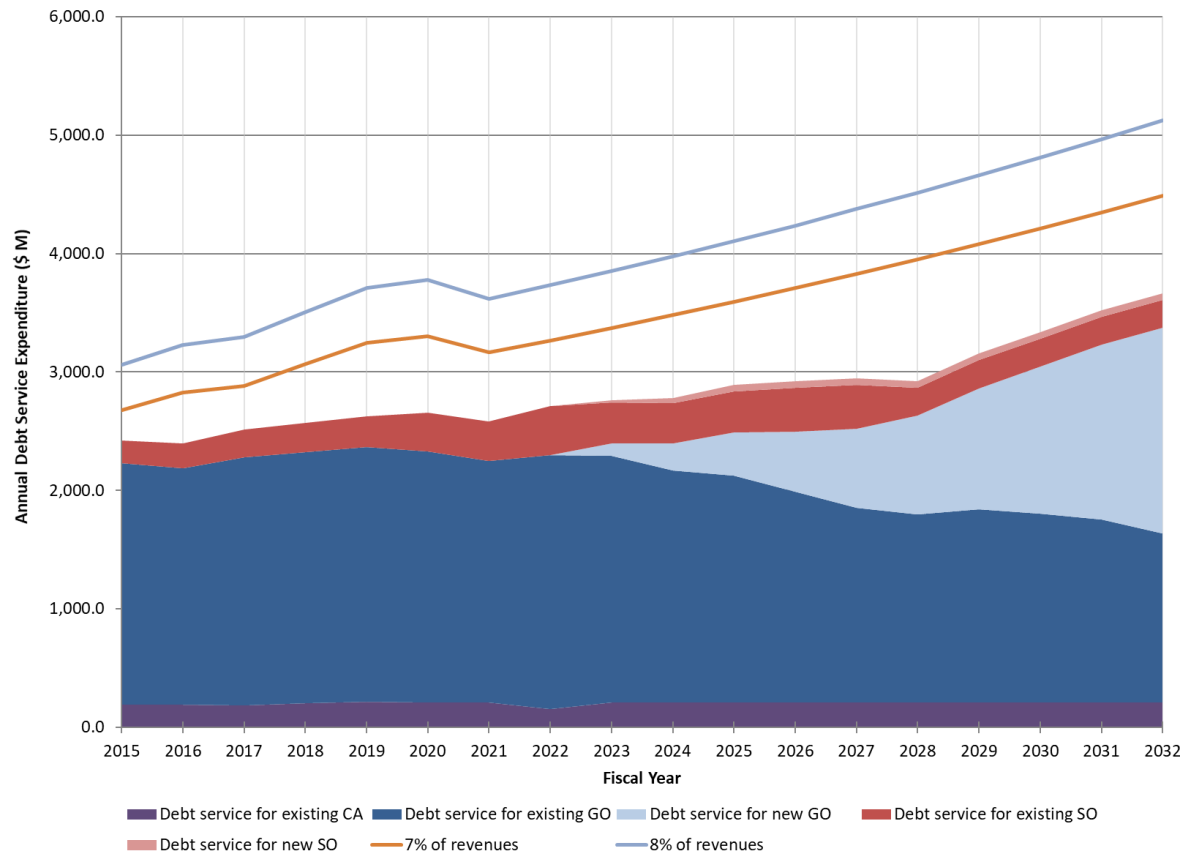
DAC Focus

Model Input	Scenario 1	Scenario 2 (stress test)
<b>FY21 Interest Rates</b> <i>NOTE: Model assumes interest rates increase 0.3% annually through 2026</i>	<b>2.5% - 3.5%</b> Based on Moody's & IHS projections	<b>3.1% - 3.75%</b> Based on prior year assumptions
<b>Revenue Growth</b>	<b>3.2%</b> Lowest 20-yr tax CAGR	<b>1.6%</b> Lowest 10-yr tax CAGR
Debt Service Target	Scenario 1 Target Met?	Scenario 2 Target Met?
10-Year Outlook Annual Debt Service < 8% of Revenues	\$100M: ✓ \$110M: ✓ \$125M: ✓	\$100M: ✓ \$110M: ✓ \$125M: ✓
10-Year Outlook Annual Debt Service < 7% of Revenues	\$100M: ✓ \$110M: ✓ \$125M: ✓	\$100M: ✗ (2032) \$110M: ✗ (2032) \$125M: ✗ (2032)
30-Year Outlook Annual Debt Service < 8% of Revenues	\$100M: ✓ \$110M: ✓ \$125M: ✓	\$100M: ✗ (2036 and on) \$110M: ✗ (2036 and on) \$125M: ✗ (2036 and on)



# \$100 Million Bond Cap Scenario 1

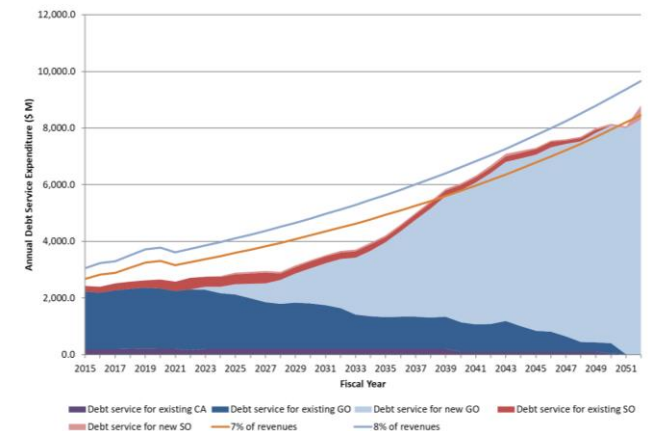
## 10-Year Snapshot



## Modeling Assumptions

- ❖ Interest Rates: 2.5 % - 5.0%
- ❖ Annual Revenue Growth: 3.2%

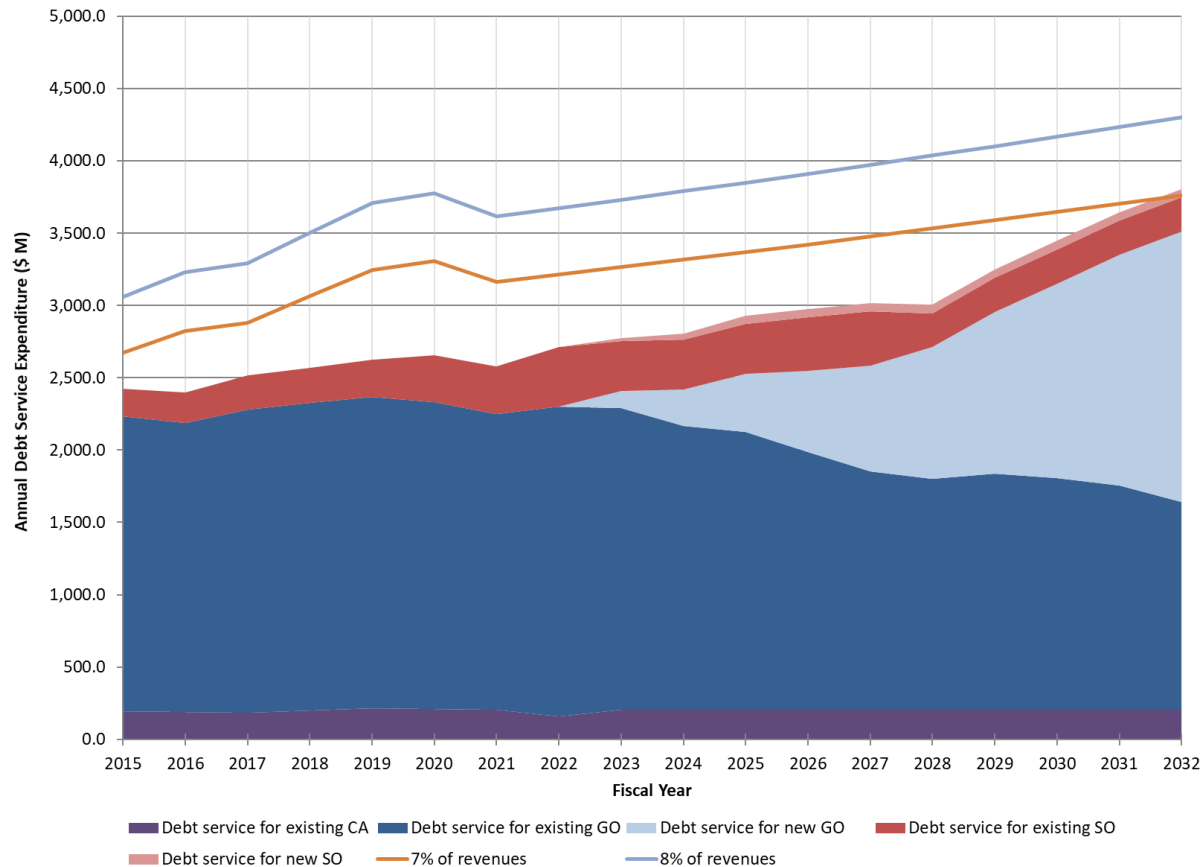
## 30-Year Snapshot





## \$100 Million Bond Cap Scenario 2 – Stress Test

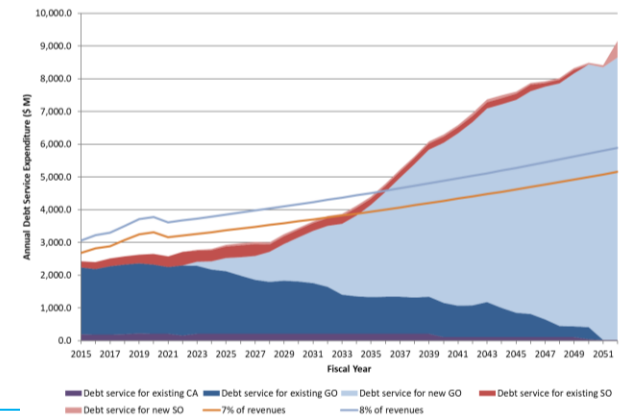
### 10-Year Snapshot



### Modeling Assumptions

- ❖ Interest Rates: 3.1 % - 5.25%
- ❖ Annual Revenue Growth: 1.6%

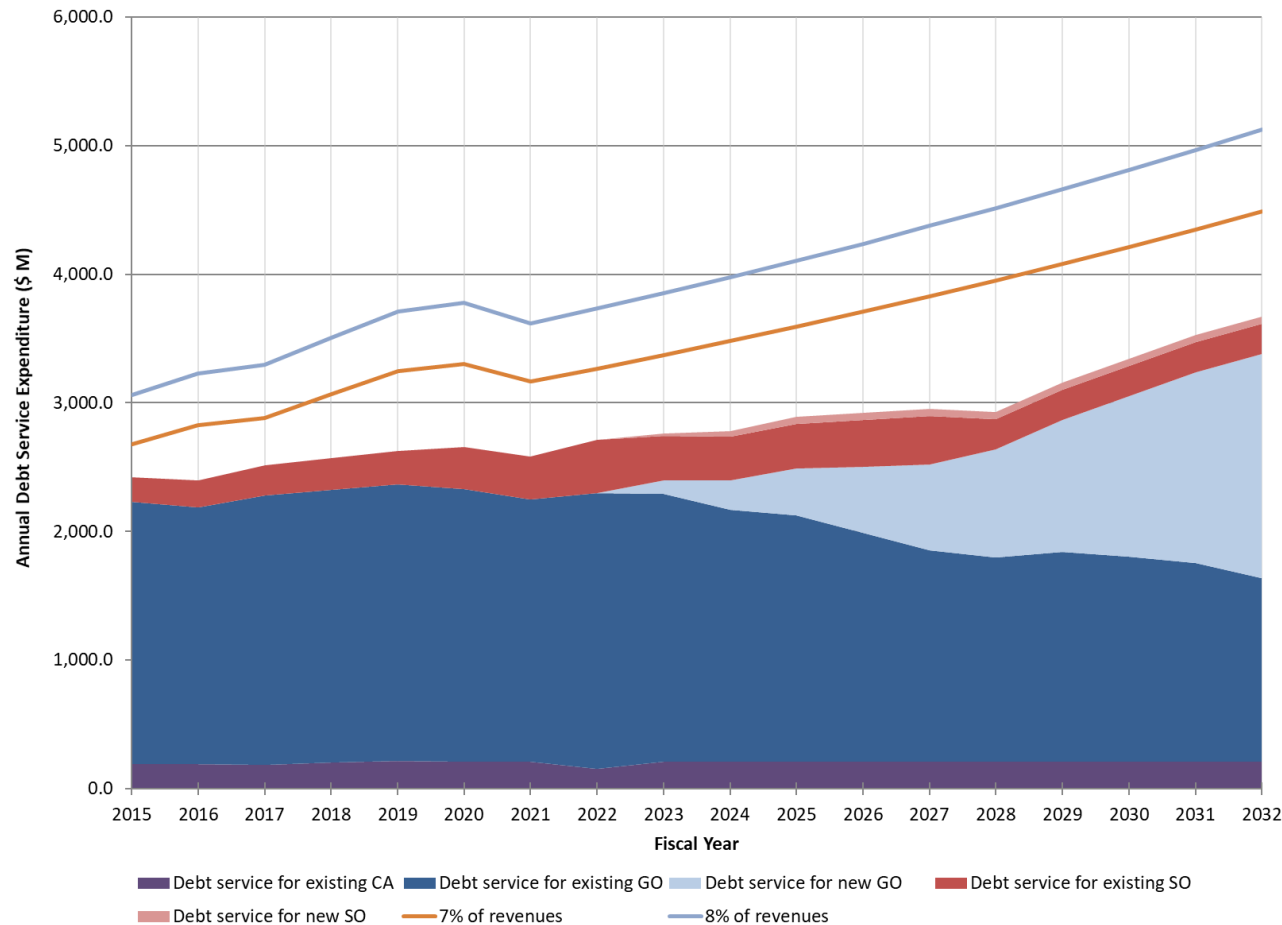
### 30-Year Snapshot





# \$110 Million Bond Cap Scenario 1

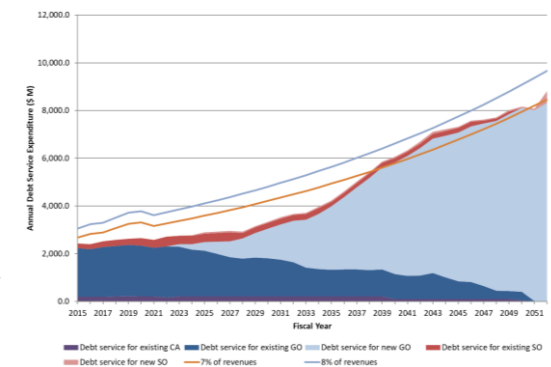
## 10-Year Snapshot



## Modeling Assumptions

- ❖ Interest Rates: 2.5 % - 5.0%
- ❖ Annual Revenue Growth: 3.2%

## 30-Year Snapshot

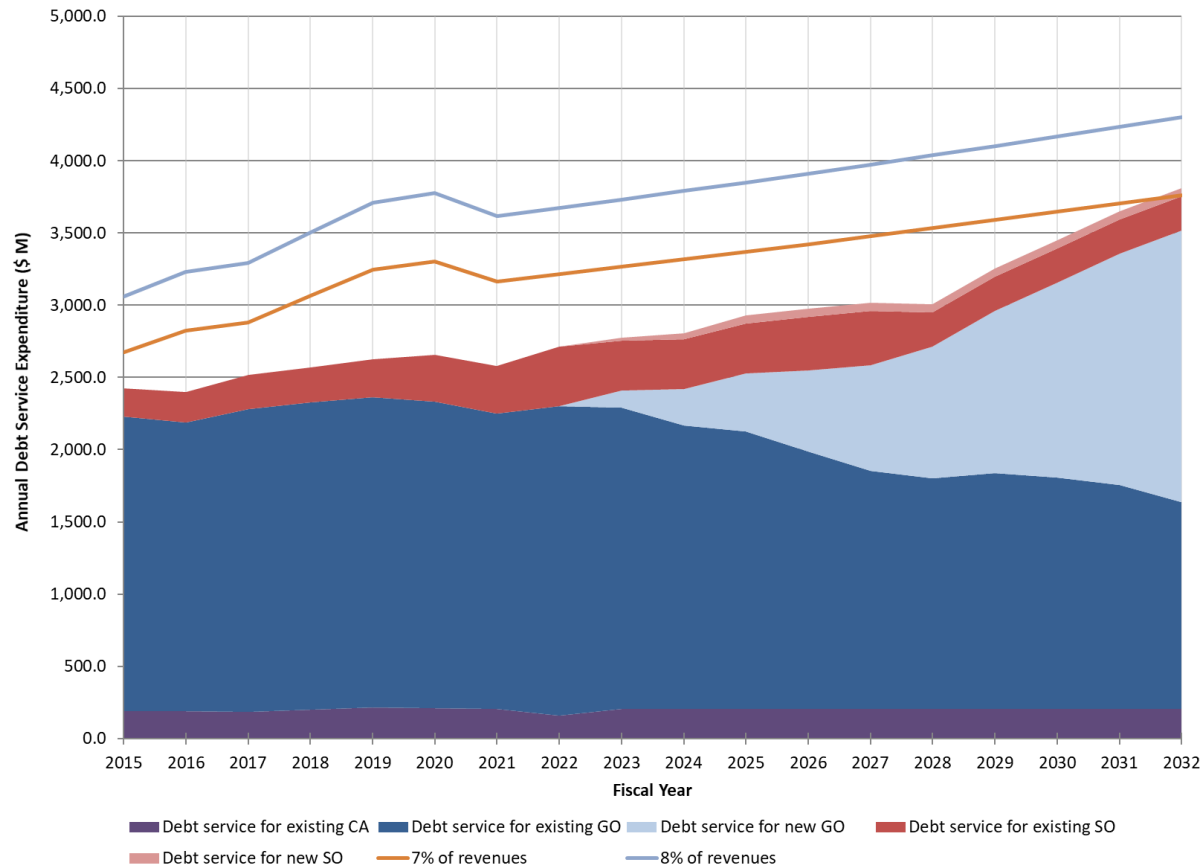




# \$110 Million Bond Cap

## Scenario 2 – Stress Test

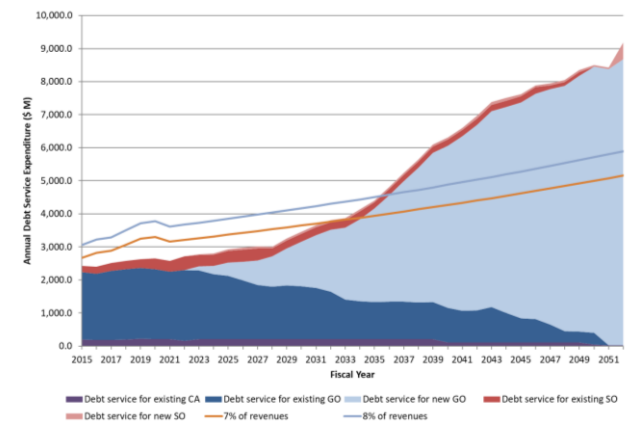
### 10-Year Snapshot



### Modeling Assumptions

- ❖ Interest Rates: 3.1 % - 5.25%
- ❖ Annual Revenue Growth: 1.6%

### 30-Year Snapshot





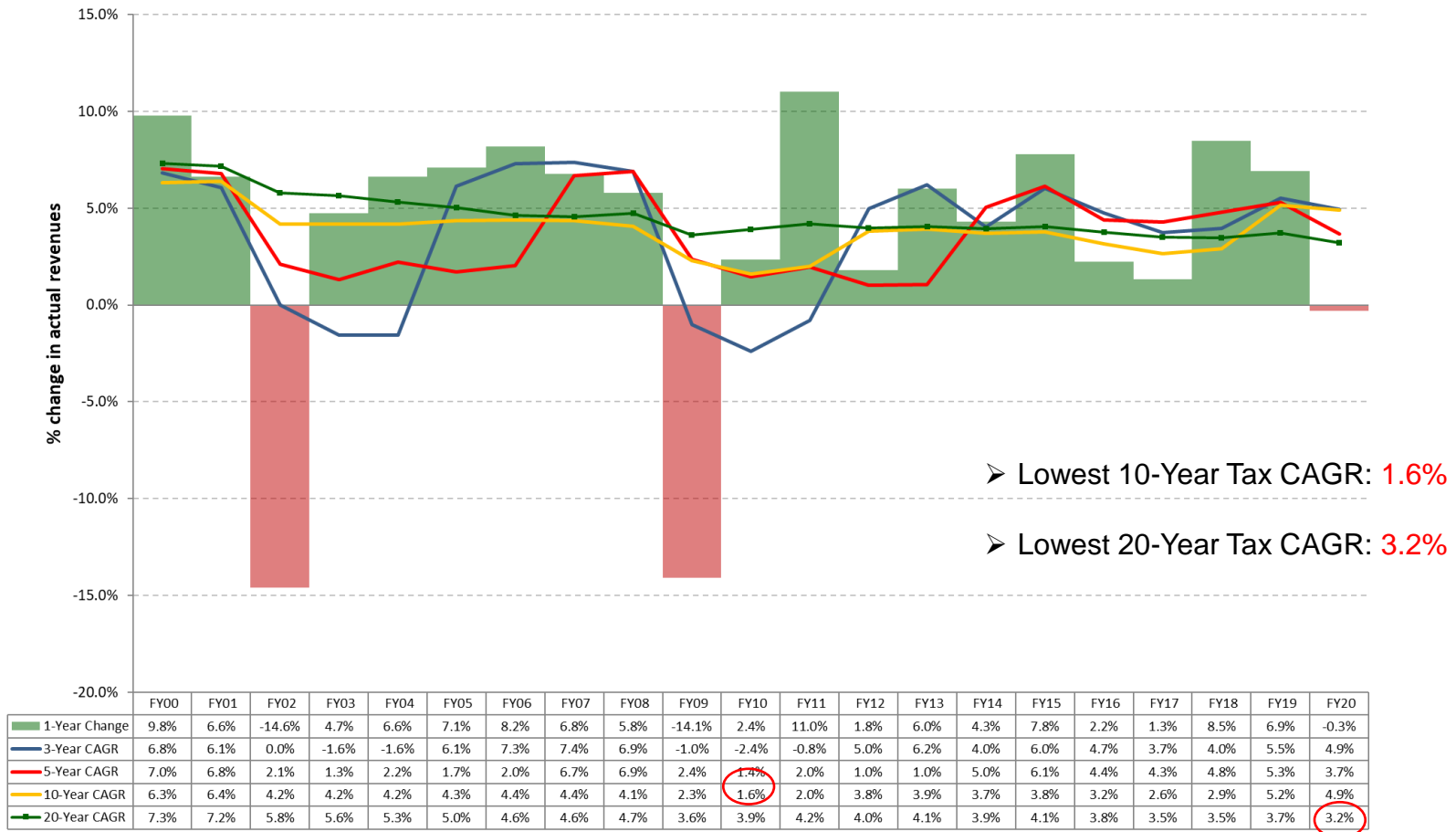
## 4. Revenue & Interest Rates





## Long Term Tax Revenue Growth: CAGR Method

- ❖ CAGR (Compound Annual Growth Rate) is the geometric average annual growth over a given period. It is generally accepted as an accurate way to compare growth rates over different timelines.





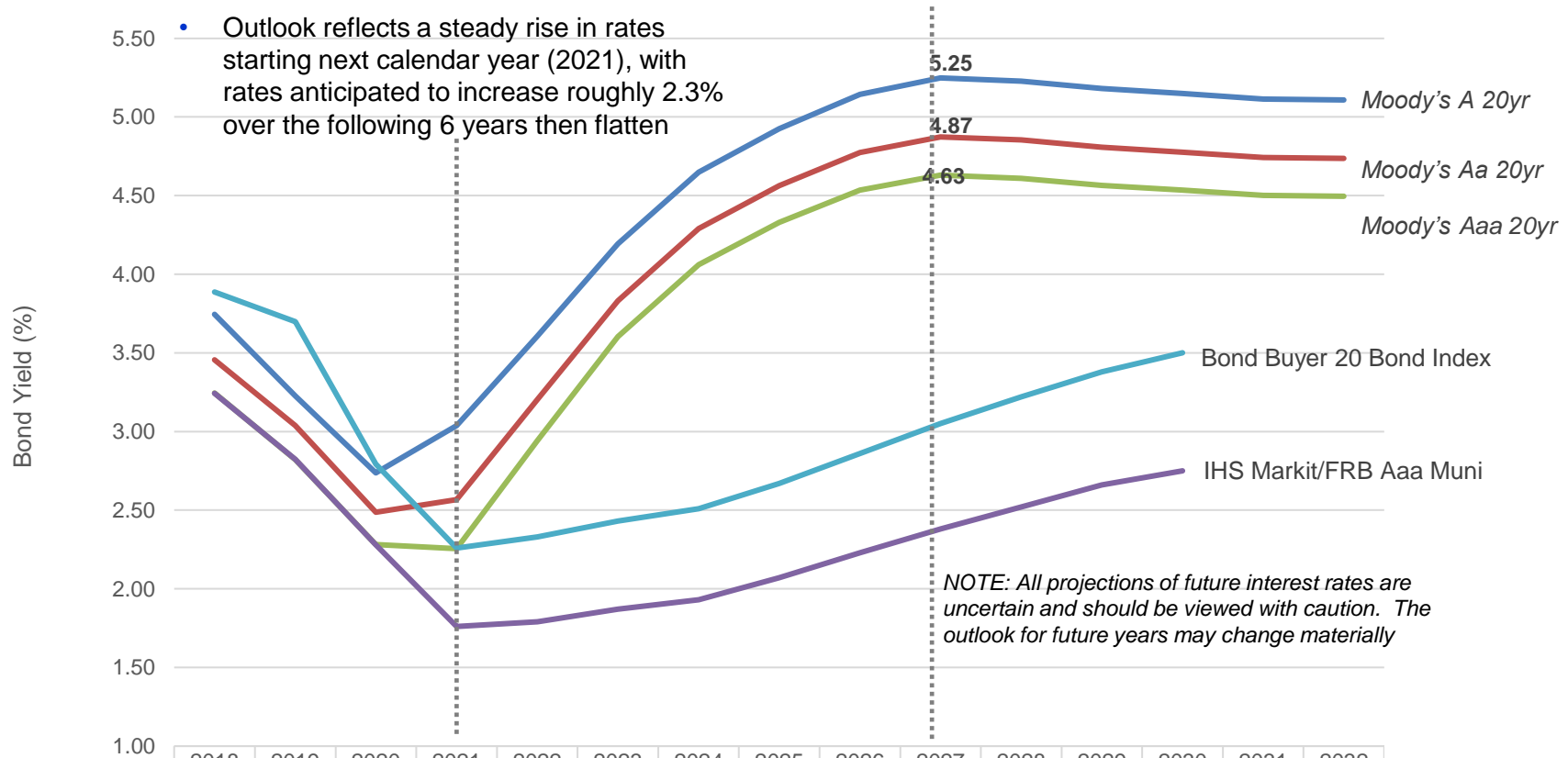
## Economic Roundtable FY21 Revenue Forecasts

October 7, 2020 - Economic Roundtable - FY21 Revenue Forecasts (\$Millions)

	FY20 (preliminary)	FY21 Consensus (Jan 2020)	FY21 Forecasts	...vs FY20		...vs FY21 Consensus	
				\$ Change	% Change	\$ Change	% Change
DOR Lower Bound	\$29,596	\$31,151	\$25,918	(\$3,679)	-12.4%	(\$5,233)	-17.7%
Massachusetts Taxpayers Foundation (MTF)			\$27,270	(\$2,326)	-7.9%	(\$3,881)	-13.1%
<b>A&amp;F October 15 Revision</b>			<b>\$27,592</b>	<b>(\$2,004)</b>	<b>-6.8%</b>	<b>(\$3,559)</b>	<b>-12.0%</b>
DOR Upper Bound			\$28,387	(\$1,209)	-4.1%	(\$2,764)	-9.3%
Beacon Hill Institute (BHI)			\$29,214	(\$382)	-1.3%	(\$1,937)	-6.5%
Alan Clayton Matthews (Northeastern University)			\$29,324	(\$272)	-0.9%	(\$1,827)	-6.2%
Center for State Policy Analysis (cSPA) at Tufts University			\$29,600	\$4	0.01%	(\$1,551)	-5.2%



## Interest Rates: Yield Curve Outlook



	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Moody's A 20yr Muni	3.75	3.23	2.74	3.04	3.61	4.19	4.65	4.93	5.14	5.25	5.23	5.18	5.15	5.11	5.11
Moody's Aa 20yr Muni	3.46	3.04	2.49	2.57	3.20	3.83	4.29	4.56	4.77	4.87	4.85	4.81	4.78	4.74	4.74
Moody's Aaa 20yr Muni	3.24	2.82	2.28	2.26	2.94	3.60	4.06	4.33	4.53	4.63	4.61	4.57	4.53	4.50	4.50
IHS/FRB Aaa Muni	3.24	2.82	2.28	1.76	1.79	1.87	1.93	2.07	2.23	2.38	2.52	2.66	2.75		
Bond Buyer 20 Bond Index	3.89	3.70	2.79	2.26	2.33	2.43	2.51	2.67	2.86	3.05	3.22	3.38	3.50		



## 5. Credit Factors



## Rating Agency Scale Overview

Class	Moody's	S&P	Fitch	Kroll
Prime	Aaa	AAA	AAA	AAA
High Investment Grade	Aa1	AA+	AA+	AA+
	Aa2	AA	AA	AA
	Aa3	AA-	AA-	AA-
Upper Medium Grade	A1	A+	A+	A+
	A2	A	A	A
	A3	A-	A-	A-
Lower Medium Grade	Baa1	BBB+	BBB+	BBB+
	Baa2	BBB	BBB	BBB
	Baa3	BBB-	BBB-	BBB-

MA General  
Obligation (GO)  
Long Term Ratings  
in Green



## Commonwealth Ratings Overview

Security	Principal Outstanding* (Sept 30, 2020)	Moody's	S&P	Fitch	Kroll
General Obligation Bonds	\$24,103	Aa1	AA	AA+	N/A
Commonwealth Transportation Fund Bonds	\$2,924	Aa1	AA+	N/A	AAA
Gas Tax Bonds	\$55	Aa1	AA+	AA+	N/A
Grant Anticipation Notes	\$662	Aa2	AAA	N/A	N/A
Convention Center Bonds	\$504	A1	BBB+	N/A	N/A

*\$ in millions*



## MA General Obligation (GO) Rating Agency Credit Factor Highlights

### Credit Strength Highlights

- Deep and diverse economy, largely focused on knowledge sectors that pay above average wages.
- High income levels, with per capita income being one of the highest in the nation.
- Exceptional fiscal resilience, with strong gap-closing capacity stemming from a practice of building solid reserve balances and making budget adjustments as needed in response to changing circumstances.
- Strong financial, debt, and budget management policies, including annualized formal debt affordability statements, and multiyear capital investment planning.

### Credit Offset Highlights

- Elevated debt, pension, and other post-employment benefit (OPEB) liabilities relative to other states.
- Aging demographic profile with overall population growth that lags the nation.



## MA General Obligation (GO) Rating Agency Highlights

### Moody's Aa1 Stable

- “Massachusetts’ healthy reserves and ability to access alternate sources of liquidity are important factors as it works to balance budgets while also funding key priorities with uncertain revenue.” *Moody’s Report, June 2020*
- “The “stable outlook reflects our expectation that the commonwealth will continue its trend of strong financial management, taking proactive measures to navigate credit challenges that are emerging as the country enters into an economic downturn.” *Moody’s Report, June 2020*

### S&P AA Stable

- “We believe that Massachusetts’ economy, with a substantial tech sector presence in the Boston area, might be well-positioned to come out of the current recession when pandemic restrictions are fully lifted, although capital gains tax could be a weakness over the coming year in this income tax-dependent state...” *S&P Report, June 2020*
- “The stable outlook reflects our view that Massachusetts will be able to arrange sufficient external cash flow borrowing to provide adequate liquidity through fiscal year-end 2021, and this, in conjunction with its currently sizable budget stabilization fund (BSF), will provide time to make fiscal 2021 budget adjustments that will avoid significant structural deficits, beyond use of its BSF.” *S&P Report, June 2020*

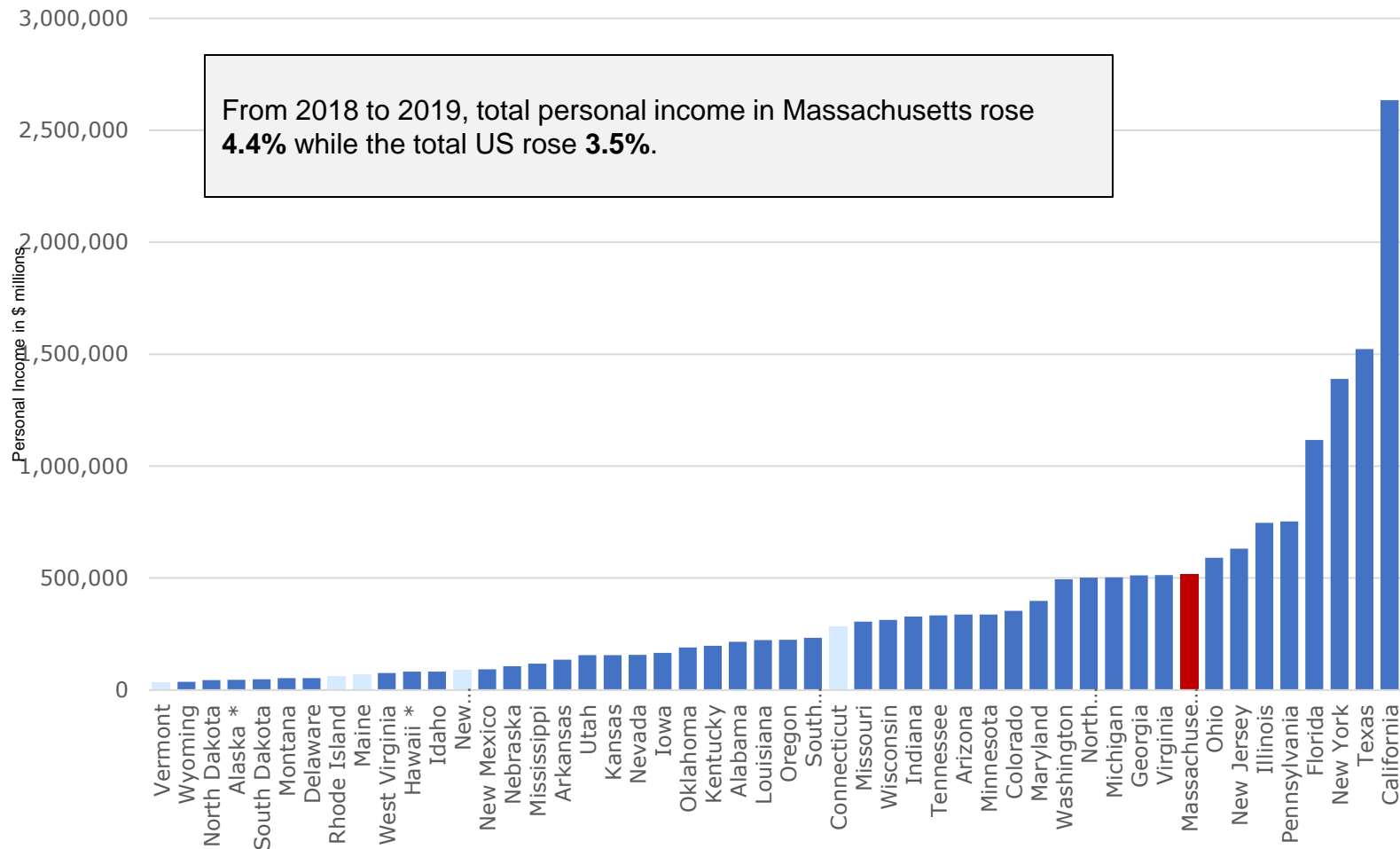
### Fitch AA+ Stable

- “The ‘AA+’ the Commonwealth of Massachusetts is linked to its considerable economic resources, strong budget controls and a record of careful financial management. The Commonwealth carries a long-term liability burden that is well above average for a U.S.state but remains a moderate burden on resources.” *Fitch Report, June 2020*
- “The Stable Outlook on the long-term ratings reflects the expectation that the Commonwealth will continue to act as needed to ensure budget balance and maintain an adequate reserve position.” *Fitch Report, June 2020*



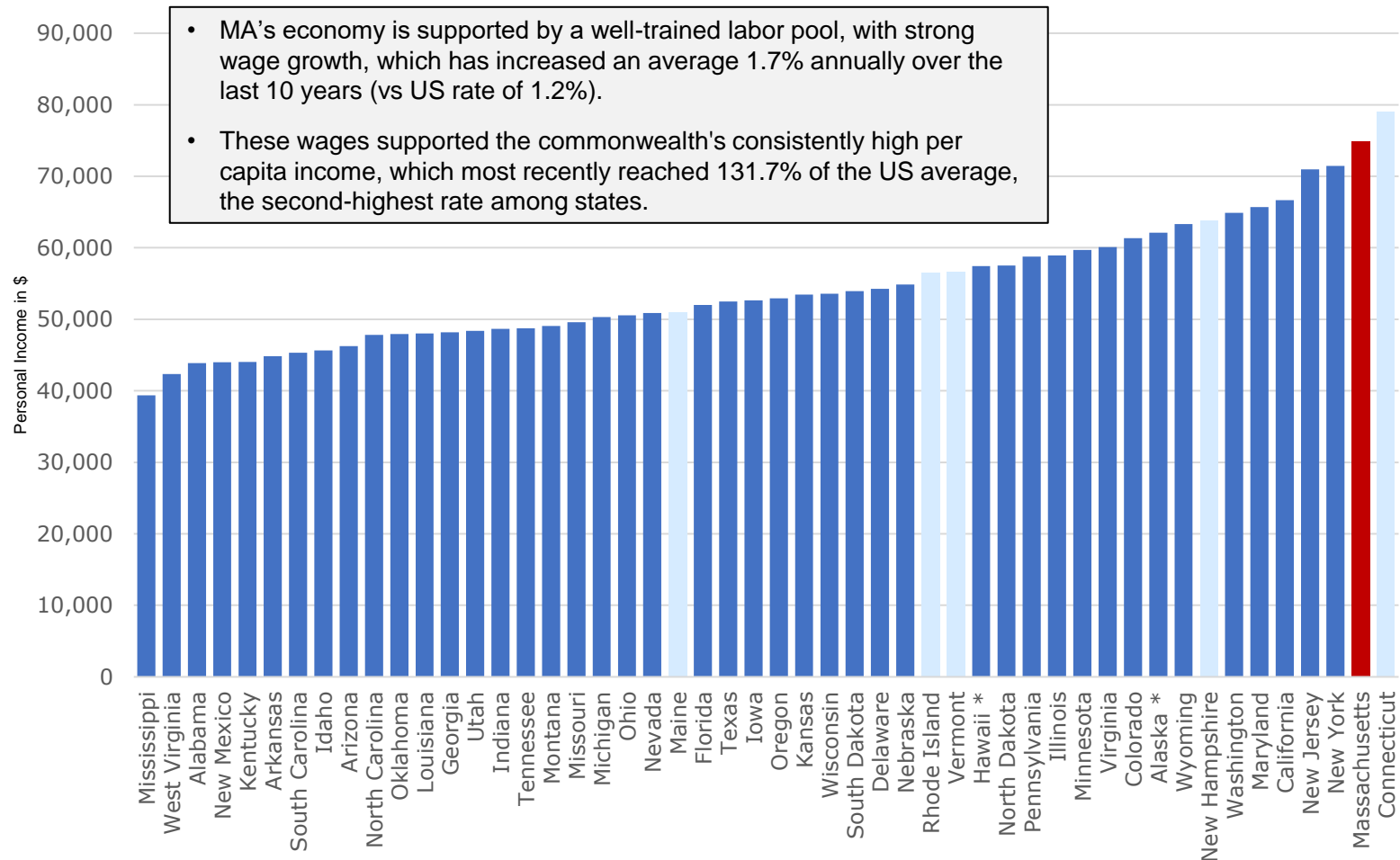


## Total Personal Income by State (2019)



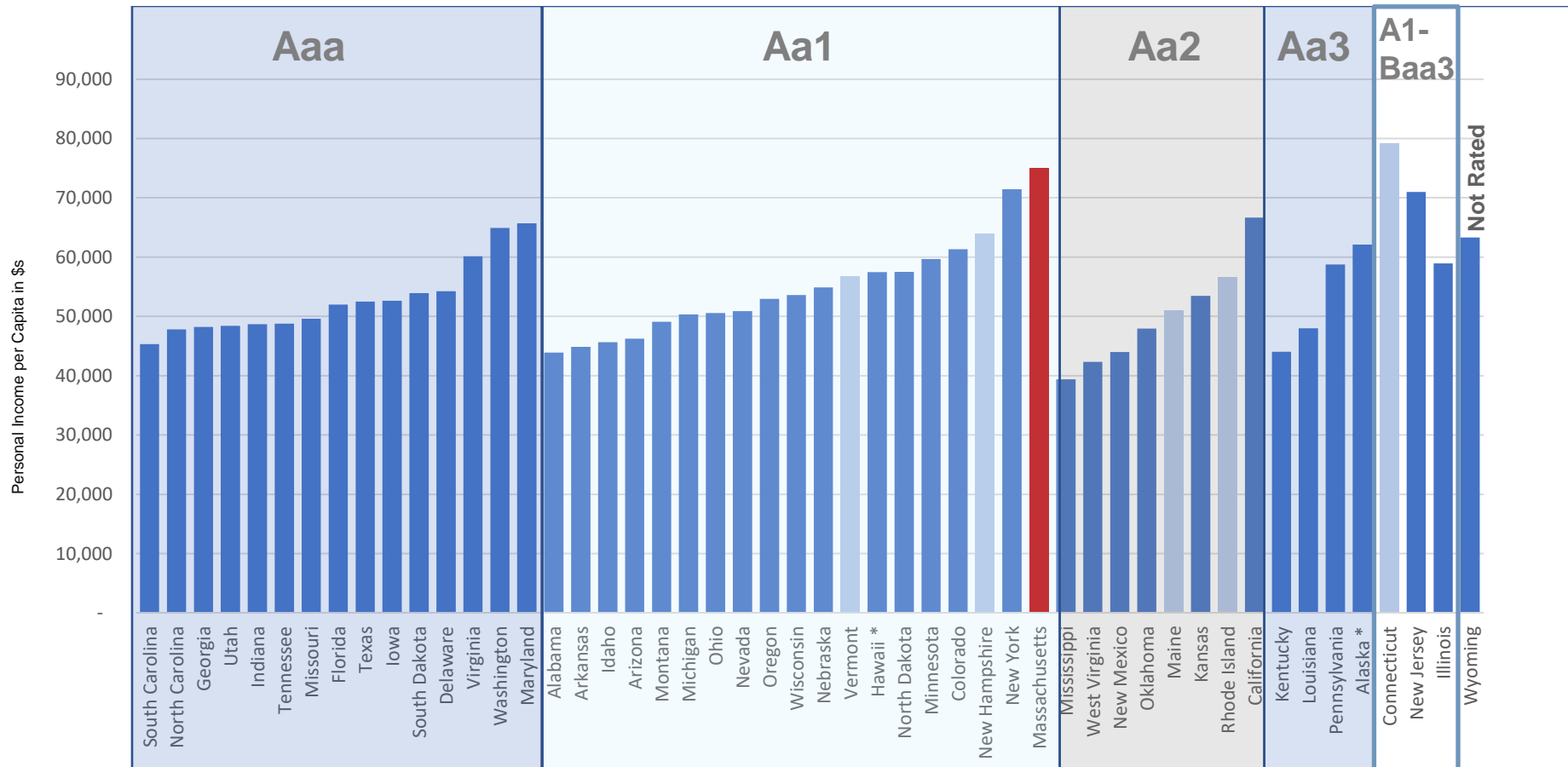


## Personal Income per Capita by State (2019)



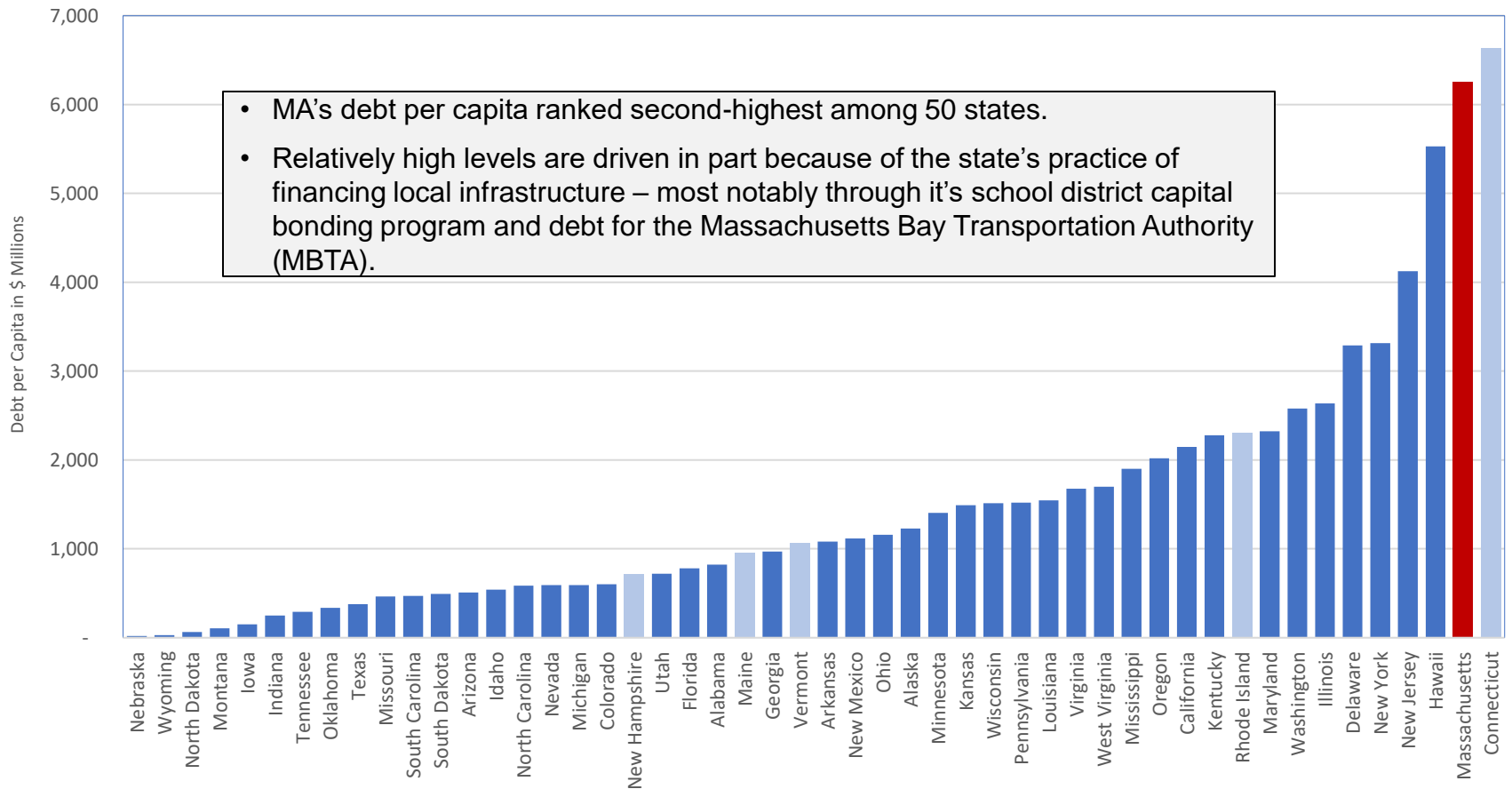


## Personal Income per Capita by Rating



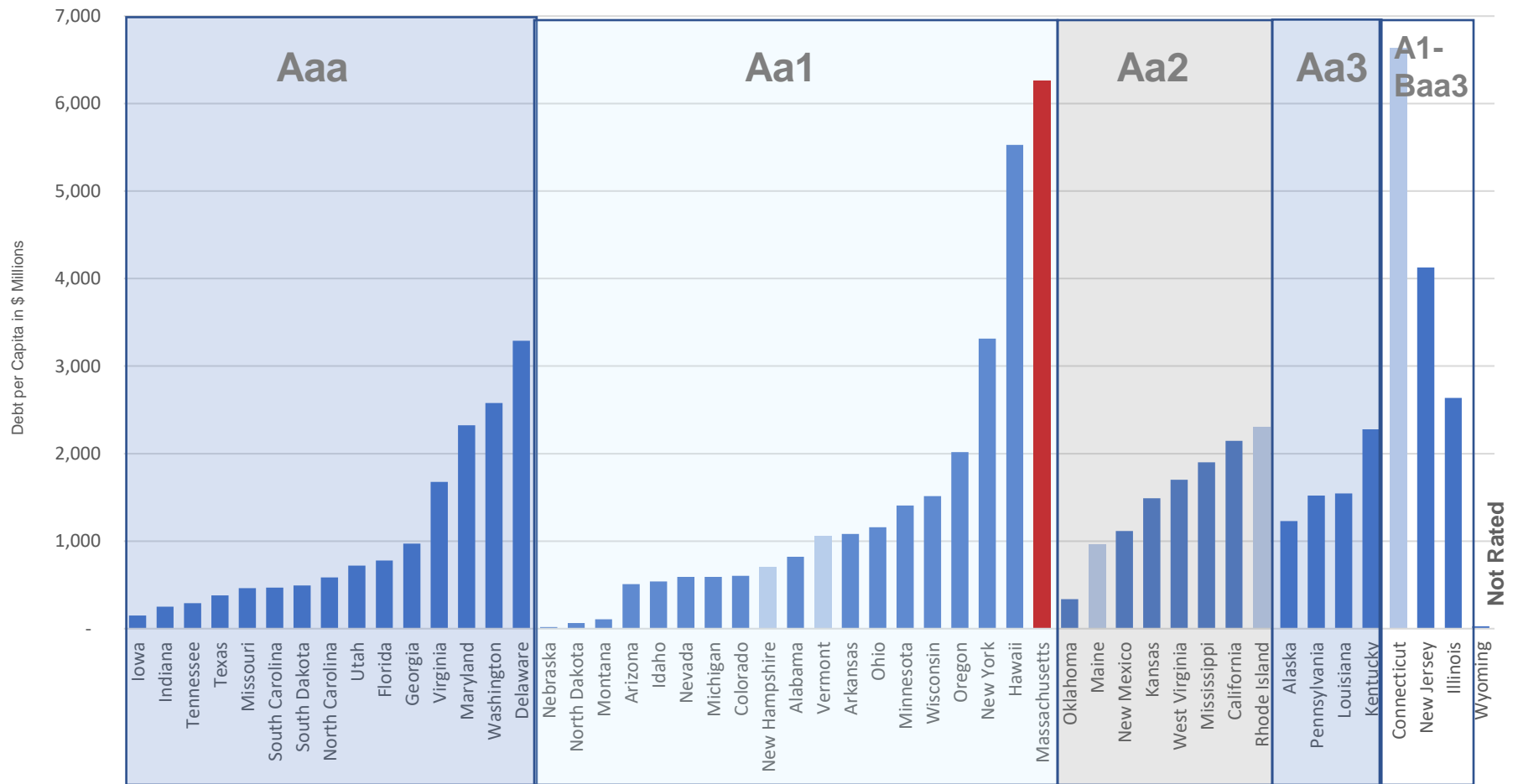


## Debt Per Capita by State (2019)



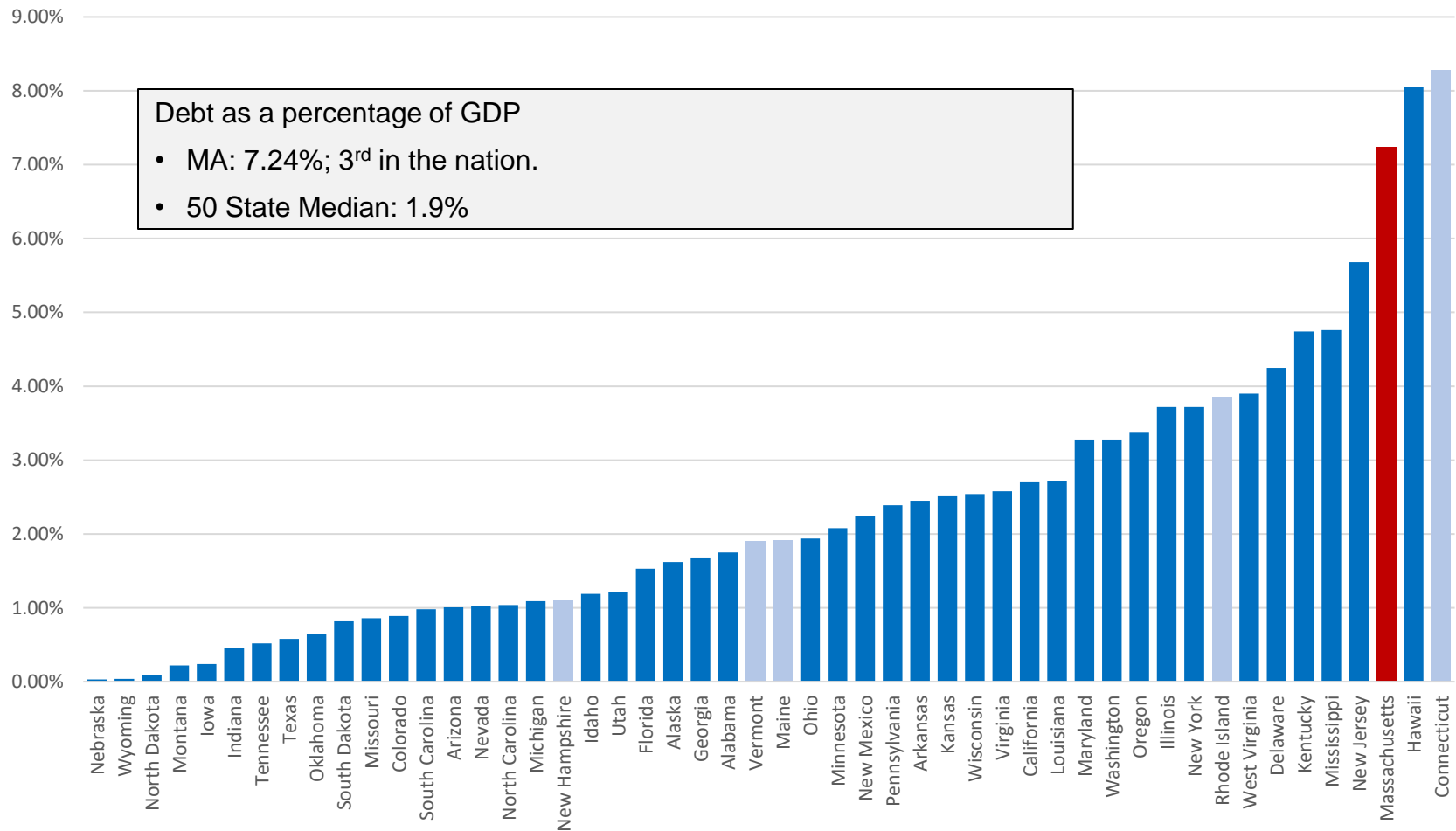


## Debt Per Capita by State and Rating



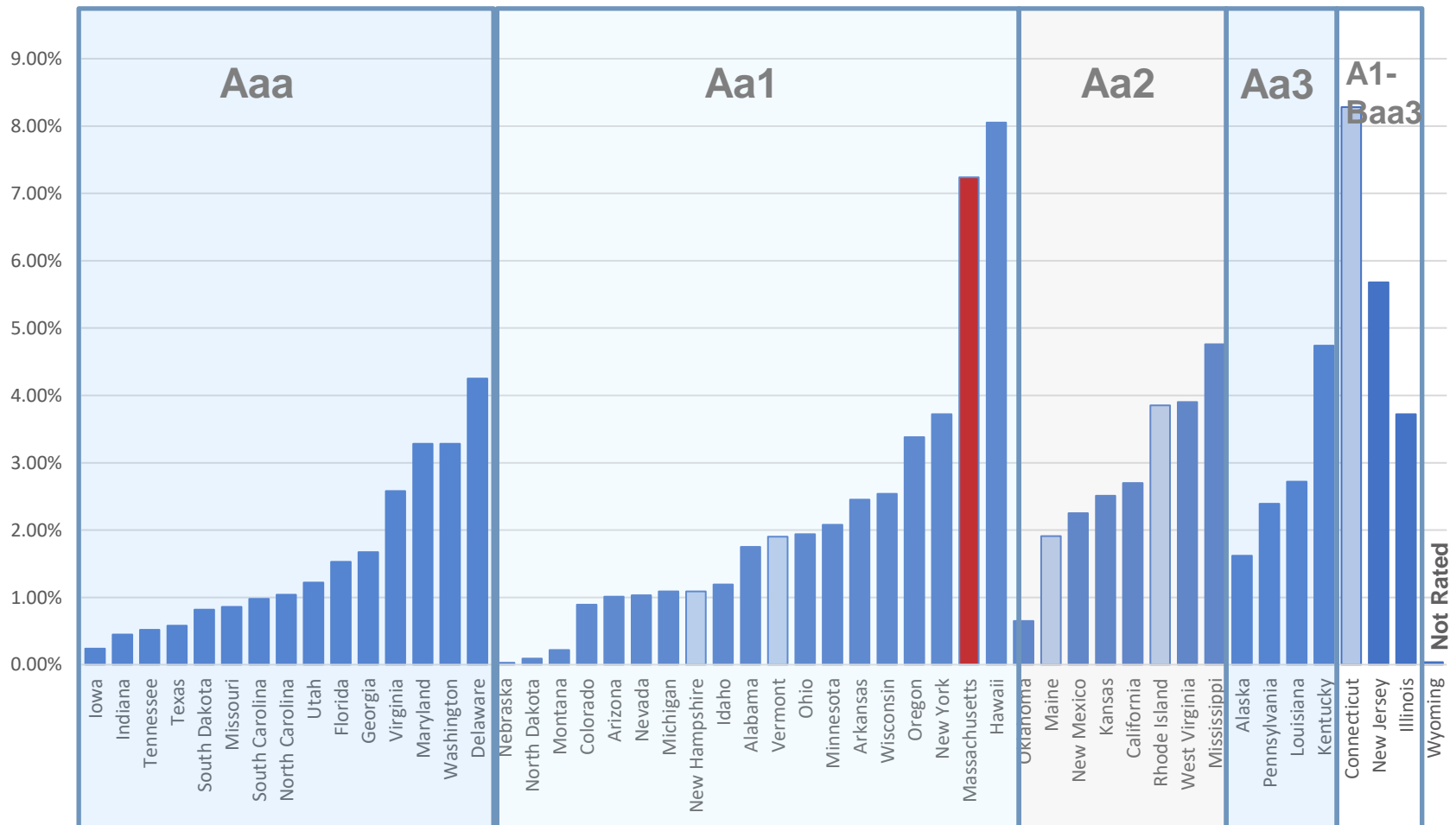


## Debt as a Percentage of State GDP (2019)





## Debt as a Percentage of State GDP by Rating



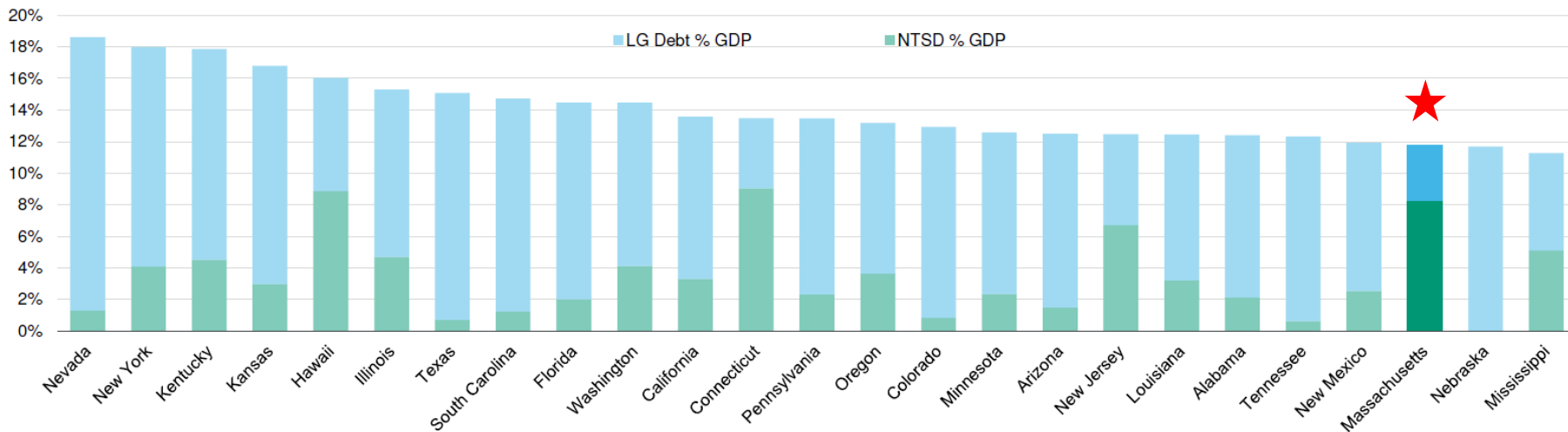


## Moody's: Combined state and local government debt burden in line with peers

- ❖ When factoring in debt issued by local governments MA's leverage is more moderate. State and local debt represents 11.8% of MA's GDP, ranking the state 23rd and approximating the sector median of 11.2%.
- ❖ Debt levels are supported by strong economic fundamentals. Since 2000, economic growth has been stronger than the national average, with much of MA's recent growth in the professional, scientific, and technical services sector which tend to have higher paying jobs. The high technology sector is estimated to make up 10% of state employment, compared with 6.5% to the nation, as a whole.

### Massachusetts' total state and local government debt burden more in line with peers

State NTSD + local government debt as a % of GDP



\*State NTSD debt data as of fiscal 2017 as reported by Moody's; Local Government debt data as of fiscal 2016 as reported by US Census; GDP data as of 2016

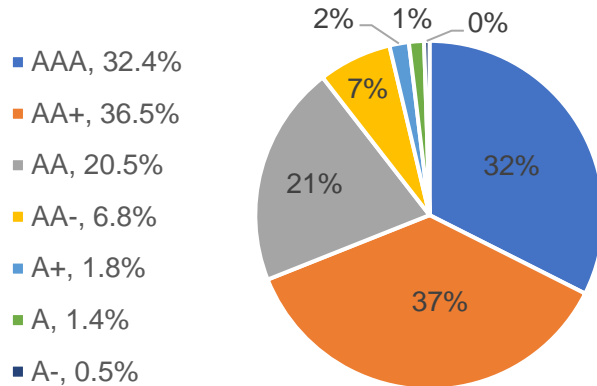
Source: State NTSD data from Moody's Investors Service; Local Government debt data from US Census; GDP from US Bureau of Economic Analysis





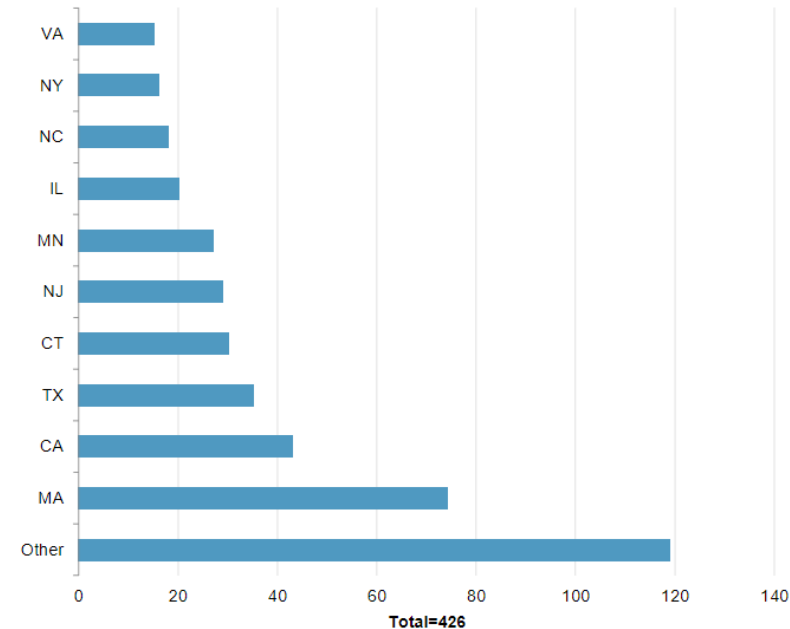
## Municipality Credits in Massachusetts

S&P MA Municipality Ratings



- ❖ Massachusetts remains among the states with the most AAA rated local governments
  - 89% of S&P's 222 municipality ratings are AA to AAA
- ❖ 88% of municipalities are estimated to participate in a broad and diverse Metropolitan Statistical Area (MSA), which helps provide economic resiliency through changing economic and business cycles.

Distribution Of 'AAA' U.S. Municipalities Ratings  
As of Jan. 2, 2020



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## 6. Commonwealth Debt Overview



## Commonwealth Debt Overview

Debt Type	Revenue Pledged	Description	Included in Debt Limit Calculation	Included in DAC Debt Affordability Analysis?
<b>General Obligation (GO) Debt</b>	Debt that can be repaid with all available Commonwealth revenues	Primarily used to fund the Commonwealth's Capital Improvement Plan (CIP). Also supports the UPlan Prepaid College Tuition Program	YES	YES
<b>Special Obligation Debt</b>	Debt repaid from specific pledged revenues: <ul style="list-style-type: none"><li>• Commonwealth Transportation Fund (CTF)</li><li>• Gas tax revenues</li><li>• Convention Center Fund (CCF)</li></ul>	• CTF funds the Accelerated Bridge Program (ABP) and Rail Enhancement Program (REP) bonds.	NO	YES
		• Gas tax supported highway construction projects.	YES	YES
		• CCF funded convention centers in Boston, Springfield and Worcester.	YES	YES
<b>Federal Highway Grant Anticipation Notes ("GANs")</b>	Debt paid by Federal Highway Reimbursements	Funds the Accelerated Bridge Program (ABP) and prior transportation program debt service.	NO	YES



## Commonwealth Outstanding Debt

Commonwealth Debt (\$ in millions)	FY20 Outstanding Debt*	FY21 Projected Debt Service**
General Obligation (GO)	\$23,953.2	\$2,043.2
Special Obligation (SO)	3,483.5	331.2
Federal Grant Anticipation Notes (GANS)	<u>662.3</u>	<u>86.2</u>
<b>Total</b>	<b><u>\$28,098.9</u></b>	<b><u>\$2,460.6</u></b>

• Preliminary and unaudited;

\*\* Actual debt service subject to change.

### Outstanding GO Debt as of Sept 30, 2020

- Outstanding Debt: \$24.2 billion
  - Fixed Rate Debt: \$22.4 billion (93%)
  - Variable Rate Debt: \$1.7 billion (7%)



## Commonwealth Debt Related Obligations

Debt Type	Revenue Pledged	Description	Included in Direct Debt Limit Calculation?	Included in Debt Affordability Analysis?
<b>GO Contract Assistance</b>	Debt related payments by the Commonwealth to: <ul style="list-style-type: none"><li>• MA Clean Water Trust</li><li>• MassDOT</li><li>• MassDevelopment</li><li>• Social Innovation Financing Trust Fund</li></ul>	Payments are used by these agencies to fund: <ul style="list-style-type: none"><li>• A portion of the debt service on certain outstanding bonds</li><li>• Social Innovation Financing Trust Fund's "Pay for Success" contracts</li></ul>	No	Yes
<b>Contingent Liabilities</b>	Debt obligations of certain independent authorities and agencies of the Commonwealth that are expected to be paid without Commonwealth assistance, but for which the Commonwealth has some liability if expected payment sources do not materialize.	Agencies in which the Commonwealth's credit has been pledged include: <ul style="list-style-type: none"><li>• MBTA</li><li>• MassDevelopment</li><li>• Steamship Authority</li><li>• Regional Transit Authorities</li><li>• UMass Building Authority</li></ul>	No	No



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## General Obligation Contract Assistance Requirements

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Commonwealth Contract Assistance (\$ in millions)	Contract Assistance End Date	FY 21 Payment
MassDOT	2050	\$125.0
MA Clean Water Trust	2049	63.4
MassDevelopment	2050	12.8
Social Innovation Financing Trust	2023	<u>5.3</u>
<b>Total</b>		<b><u>\$206.6</u></b>



## Commonwealth Contingent Liabilities

Commonwealth Contingent Liabilities	Description	Outstanding Debt*
<b>Mass. Bay Transportation Authority (MBTA)</b>	MA is contingently liable for MBTA bonds and notes, as well as other MBTA payment obligations issued or entered into prior to July 1, 2000. Because the Commonwealth has agreed to pay 90% of the debt service on these bonds (via contract assistance); the remaining 10% of these bonds represents the contingent liability. Outstanding bonds are scheduled to mature annually through 2030.	\$141.6
<b>UMass Building Authority (UMBA)</b>	UMBA is authorized to have up to \$200 million in Commonwealth-guaranteed debt. In addition to guaranty, bonds are secured by certain UMBA revenues including dormitory rental income and student fees.	\$108.9
<b>Regional Transit Authorities (RTAs)</b>	MA is subject to a guaranty pursuant to statutory provisions requiring the MA to provide an RTA with funds sufficient to meet the principal and interest on its revenue anticipation notes as they mature to the extent that funds sufficient for this purpose are not otherwise available.	\$101.2
<b>Steamship Authority</b>	MA is subject to a guaranty pursuant to statutory provisions requiring MA to provide the Steamship Authority with funds sufficient to meet the principal of and interest on their bonds and notes as they mature to the extent that funds sufficient for this purpose are not otherwise available.	\$80.9
<b>MassDevelopment</b>	MA is contingently liable to meet debt service reserve and debt service payment requirements for MassDevelopment bonds issued to fund nonprofit hospital and health centers. No such bonds have been issued to date.	-

\* As of September 30, 2020

- ❖ Contingent liabilities relate to debt of certain independent authorities and agencies that are expected to be paid without Commonwealth assistance, but for which the Commonwealth has some kind of liability if expected payment sources do not materialize. At this time there is no expectation that the Commonwealth will be required to provide such assistance.