



PUBLIC FINANCE MANAGEMENT BOARD

FY 2021 Annual Documentation

The Office of Rhode Island General Treasurer Seth M. Magaziner

September 2022

FY 2021 PFMB Annual Documentation

In 2016, at the request of General Treasurer Seth Magaziner, the Rhode Island General Assembly enacted a series of reforms to strengthen Rhode Island's debt management practices, including improved research and reporting, stronger oversight, and policies aimed at providing taxpayer savings through more efficient bond issuance. The Public Finance Management Board (PFMB), a volunteer Board of public finance experts formed to advise state and municipal issuers of public debt, has worked with Office of the General Treasurer staff to effectuate these goals.

Included among the new policies adopted in 2016 is a new requirement that the PFMB publish a comprehensive study of Debt Affordability no less than every two years. The most recent study was released on December 16, 2021 and can be accessed at www.debt.treasury.ri.gov. These Debt Affordability Studies contain detailed information about the amount of public borrowing at the state, quasi-public and municipal levels, comparisons to peers and rating agency guidance, and a range of information on best practices for public debt management.

Chapter 42-10.1-8 of Rhode Island General Law also requires the PFMB to provide certain data to the General Assembly on an annual basis, including:

- Information on state debt outstanding
- PFMB revenue and expense data
- PFMB meeting minutes
- Ratings reports from state debt issuances

Pursuant to RIGL 42-10.1-8, this information for FY 2021 is included herein.

Due to COVID and the restrictions on holding large meetings the PFMB did not host any municipal training sessions during FY 2021. It is anticipated that training sessions will be held in the future. The PFMB continued its traditional function of allocating tax-exempt volume capacity to quasi-public agencies.

The PFMB and Office of the General Treasurer staff are available to answer any questions about this material and stand ready and willing to assist all stakeholders interested in learning more about public liabilities at the state and local level.

Information on FY 2021 State Debt Outstanding

State of Rhode Island
Office of the General Treasurer
Debt Service System Inventory by Maturity Date

Amount					Principal	Interest	Principal	Interest
Original					Paid in	Paid in	Outstanding	Outstanding
Issue	Description	Issue	Year	Maturity Date	FY 2021	FY 2021	6/30/2021	6/30/2021
78,960,000.00	G.O. CCDL of 2010, Refunding Series A	Refunding Series A	2010	10/1/2020	10,925,000.00	243,500.00	-	-
8,000,000.00	LPC, Central Power Plant Project - 2017 Refunding Series E	Refunding Series E	2017	10/1/2020	2,190,000.00	54,750.00	-	-
11,805,000.00	LPC, Energy Conservation Project - 2009 Series B	B	2009	4/1/2021	1,510,000.00	75,500.00	-	-
13,165,000.00	G.O. CCDL of 2016, Series B (Federally Taxable)	B	2016	5/1/2021	2,705,000.00	47,337.50	-	-
53,800,000.00	G.O. CCDL of 2016, Refunding Series C (Tax-Exempt)	Refunding Series C	2016	8/1/2022	4,870,000.00	637,500.00	10,315,000.00	520,625.00
17,520,000.00	LPC, Energy Conservation Project - 2013 Series C	C	2013	4/1/2023	1,925,000.00	303,500.00	4,145,000.00	313,500.00
9,170,000.00	LPC, Information Technology Project - 2013 Series D	D	2013	4/1/2023	985,000.00	133,300.00	2,115,000.00	116,600.00
5,005,000.00	LPC, Energy Conservation Project - 2017 Refunding Series C	Refunding Series C	2017	5/1/2023	585,000.00	96,750.00	1,350,000.00	102,750.00
36,310,000.00	LPC, Kent County Courthouse Project - 2013 Refunding Series A	Refunding Series A	2013	10/1/2023	3,875,000.00	739,875.00	12,860,000.00	985,750.00
36,575,000.00	LPC, Training School Project - 2013 Refunding Series B	Refunding Series B	2013	10/1/2024	3,365,000.00	847,625.00	15,270,000.00	1,574,000.00
15,290,000.00	LPC, Traffic Tribunal Project - 2013 Refunding Series E	Refunding Series E	2013	10/1/2024	1,370,000.00	304,900.00	6,110,000.00	584,875.00
11,650,000.00	LPC, Pastore Center Energy Conservation Project - 2014 Series	A	2014	11/1/2024	1,185,000.00	268,675.00	5,325,000.00	478,625.00
30,380,000.00	LPC, Information Technology Project - 2014 Series C	C	2014	11/1/2024	3,080,000.00	775,500.00	13,970,000.00	1,440,750.00
78,700,000.00	G.O. CCDL of 2014, Refunding Series A	Refunding Series A	2014	11/1/2025	6,820,000.00	1,166,500.00	21,555,000.00	3,408,550.00
31,980,000.00	LPC, Energy Conservation Project - 2011 Series A	A	2011	4/1/2026	2,085,000.00	204,212.50	2,980,000.00	414,525.00
9,050,000.00	LPC, Nursing Education Center Project - 2017 Series A	A	2017	6/1/2027	830,000.00	338,250.00	5,935,000.00	1,080,750.00
122,950,000.00	G.O. CCDL of 2012, Refunding Series A	Refunding Series A	2012	8/1/2027	17,675,000.00	2,883,006.26	49,770,000.00	3,503,778.19
175,155,000.00	G.O. CCDL of 2015, Refunding Series A	Refunding Series A	2015	8/1/2027	5,375,000.00	5,070,275.00	105,570,000.00	16,910,850.00
162,115,000.00	G.O. CCDL of 2014, Refunding Series D (Tax-Exempt)	Refunding Series D	2014	8/1/2027	12,965,000.00	7,261,375.00	138,745,000.00	23,503,125.00
35,100,000.00	G.O. CCDL of 2018, Series B (Federally Taxable)	B	2018	4/1/2028	3,150,000.00	1,092,810.00	25,905,000.00	3,797,060.00
19,635,000.00	LPC, School for the Deaf Project - 2017 Refunding Series	Refunding Series D	2017	4/1/2029	1,595,000.00	881,250.00	16,030,000.00	3,811,500.00
25,000,000.00	G.O. CCDL of 2019, Series B (Federally Taxable)	B	2019	5/1/2029	2,245,000.00	684,600.00	20,575,000.00	2,872,650.00
7,465,000.00	LPC, R. I. College Energy Conservation Project - 2014 Series	B	2014	11/1/2029	440,000.00	215,575.00	5,910,000.00	990,537.50
145,035,000.00	G.O. CCDL of 2011, Series A	A	2011	8/1/2030	6,450,000.00	1,022,187.50	18,700,000.00	1,782,418.75
66,920,000.00	G.O. CCDL of 2017, Refunding Series B (Tax-Exempt)	Refunding Series B	2017	8/1/2031	-	3,346,000.00	66,920,000.00	26,613,000.00
6,910,000.00	LPC, U.R.I. Energy Conservation Project - 2017 Series B	B	2017	6/1/2032	410,000.00	312,000.00	6,110,000.00	1,826,500.00
81,400,000.00	G.O. CCDL of 2012, Series B	B	2012	10/15/2032	3,545,000.00	2,490,362.50	56,470,000.00	73,394,256.25
40,650,000.00	G.O. CCDL of 2013, Series A (Tax-Exempt)	A	2013	10/15/2033	1,650,000.00	1,497,237.50	30,535,000.00	10,225,318.77
12,500,000.00	G.O. CDL of 2013, Series B (Federally Taxable)	B	2013	10/15/2033	525,000.00	414,919.53	9,040,000.00	3,087,717.35
10,195,000.00	LPC, U.R.I. Energy Conservation Project, 2018 Series A	A	2018	11/1/2033	515,000.00	477,775.00	9,680,000.00	3,246,850.00
20,100,000.00	LPC, Eleanor Slater Hospital Project, 2018 Series B	B	2018	11/1/2033	970,000.00	898,550.00	18,205,000.00	6,108,350.00
33,625,000.00	G.O. CCDL of 2014, Series B (Tax-Exempt)	B	2014	11/1/2034	1,285,000.00	1,366,625.00	26,690,000.00	10,416,250.00
12,500,000.00	G.O. CCDL of 2014, Series C (Federally Taxable)	C	2014	11/1/2034	525,000.00	414,919.53	9,040,000.00	3,087,717.35
58,835,000.00	G.O. CCDL of 2016, Series A (Tax-Exempt)	A	2016	5/1/2036	130,000.00	2,066,200.00	58,160,000.00	16,075,750.00
91,000,000.00	G.O. CCDL of 2017, Series A (Tax-Exempt)	A	2017	5/1/2037	3,275,000.00	3,478,000.00	78,730,000.00	29,278,250.00
114,275,000.00	G.O. CCDL of 2018, Series A (Tax-Exempt)	A	2018	4/1/2038	2,185,000.00	4,355,943.76	107,815,000.00	45,849,100.14
123,600,000.00	G.O. CCDL of 2019, Series A (Tax-Exempt)	A	2019	5/1/2039	2,890,000.00	4,941,050.00	117,975,000.00	170,252,650.00

State of Rhode Island
Office of the General Treasurer
Debt Service System Inventory by Maturity Date

Amount Original					Principal Paid in	Interest Paid in	Principal Outstanding	Interest Outstanding
Issue	Description	Issue	Year	Maturity Date	FY 2021	FY 2021	6/30/2021	6/30/2021
120,400,000.00	G.O CCDL of 2021, Series A (Tax-Exempt)	A	2021	5/1/4041	-	-	120,400,000.00	40,222,823.33
15,500,000.00	G.O. CCDL of 2021, Series B (Federally Taxable)	B	2021	5/1/2031	-	-	15,500,000.00	1,376,826.54
10,955,000.00	G.O. CCDL of 2021, Refunding Series C (Tax-Exempt)	Refunding Series C	2021	8/1/2030	-	-	10,955,000.00	1,515,140.42
76,705,000.00	G.O. CCDL of 2021, Refunding Series D (Federally Taxable)	Refunding Series D	2021	10/15/2034	-	-	76,705,000.00	9,422,241.95
					116,105,000.00	51,408,336.58	1,302,065,000.00	520,191,961.54
					Total Principal and Interest Paid in FY 2021		Total Outstanding Debt as of 6/30/21	
					<u>167,513,336.58</u>			<u>1,822,256,961.54</u>

State of Rhode Island-Office of the General Treasurer
Schedule of Tax Supported Debt
As of 6/30/2021

Description	Maturity Date	Principal Paid in FY 2021	Interest Paid in FY 2021	Principal Outstanding 6/30/2021	Interest Outstanding 6/30/2021
General Obligation Bonds					
G.O. CCDL of 2010, Refunding Series A	10/1/2020	10,925,000.00	243,500.00	-	-
G.O. CCDL of 2016, Series B (Federally Taxable)	5/1/2021	2,705,000.00	47,337.50	-	-
G.O. CCDL of 2016, Refunding Series C (Tax-Exempt)	8/1/2022	4,870,000.00	637,500.00	10,315,000.00	520,625.00
G.O. CCDL of 2014, Refunding Series A	11/1/2025	6,820,000.00	1,166,500.00	21,555,000.00	3,408,550.00
G.O. CCDL of 2012, Refunding Series A	8/1/2027	17,675,000.00	2,883,006.26	49,770,000.00	3,503,778.19
G.O. CCDL of 2015, Refunding Series A	8/1/2027	5,375,000.00	5,070,275.00	105,570,000.00	16,910,850.00
G.O. CCDL of 2014, Refunding Series D (Tax-Exempt)	8/1/2027	12,965,000.00	7,261,375.00	138,745,000.00	23,503,125.00
G.O. CCDL of 2018, Series B (Federally Taxable)	4/1/2028	3,150,000.00	1,092,810.00	25,905,000.00	3,797,060.00
G.O. CCDL of 2019, Series B (Federally Taxable)	5/1/2029	2,245,000.00	684,600.00	20,575,000.00	2,872,650.00
CCDL of 2019, Refunding Series E	1/15/2030	600,000.00	3,504,397.50	67,550,000.00	17,749,800.00
CCDL of 2019, Series D	1/15/2030	1,470,000.00	536,196.89	16,030,000.00	2,036,595.00
G.O. CCDL of 2011, Series A	8/1/2030	6,450,000.00	1,022,187.50	18,700,000.00	1,782,418.75
G.O. CCDL of 2021, Refunding Series C (Tax-Exempt)	8/1/2030	-	-	10,955,000.00	1,515,140.42
G.O. CCDL of 2021, Series B (Federally Taxable)	5/1/2031	-	-	15,500,000.00	1,376,826.54
G.O. CCDL of 2017, Refunding Series B (Tax-Exempt)	8/1/2031	-	3,346,000.00	66,920,000.00	26,613,000.00
G.O. CCDL of 2012, Series B	10/15/2032	3,545,000.00	2,490,362.50	56,470,000.00	73,394,256.25
G.O. CCDL of 2013, Series A (Tax-Exempt)	10/15/2033	1,650,000.00	1,497,237.50	30,535,000.00	10,225,318.77
G.O. CDL of 2013, Series B (Federally Taxable)	10/15/2033	525,000.00	414,919.53	9,040,000.00	3,087,717.35
G.O. CCDL of 2021, Refunding Series D (Federally Taxable)	10/15/2034	-	-	76,705,000.00	9,422,241.95
G.O. CCDL of 2014, Series B (Tax-Exempt)	11/1/2034	1,285,000.00	1,366,625.00	26,690,000.00	10,416,250.00
G.O. CDL of 2014, Series C (Federally Taxable)	11/1/2034	525,000.00	351,561.36	9,470,000.00	2,810,781.25
G.O. CCDL of 2016, Series A (Tax-Exempt)	5/1/2036	130,000.00	2,066,200.00	58,160,000.00	16,075,750.00
G.O. CCDL of 2017, Series A (Tax-Exempt)	5/1/2037	3,275,000.00	3,478,000.00	78,730,000.00	29,278,250.00
G.O. CCDL of 2018, Series A (Tax-Exempt)	4/1/2038	2,185,000.00	4,355,943.76	107,815,000.00	45,849,100.14
G.O. CCDL of 2019, Series A (Tax-Exempt)	5/1/2039	2,890,000.00	4,941,050.00	117,975,000.00	170,252,650.00
CCDL of 2019, Series C	1/15/2040	3,215,000.00	5,754,938.33	132,285,000.00	58,178,050.00
G.O. CCDL of 2021, Series A (Tax-Exempt)	5/1/4041	-	-	120,400,000.00	40,222,823.33
Total General Obligation Bonds		94,475,000.00	54,212,523.63	1,392,365,000.00	574,803,607.94

State of Rhode Island-Office of the General Treasurer
Schedule of Tax Supported Debt
As of 6/30/2021

Description	Maturity Date	Principal Paid in FY 2021	Interest Paid in FY 2021	Principal Outstanding 6/30/2021	Interest Outstanding 6/30/2021
Capital Leases					
LPC, Central Power Plant Project - 2017 Refunding Series E	10/1/2020	2,190,000.00	54,750.00	-	-
LPC, Energy Conservation Project - 2009 Series B	4/1/2021	1,510,000.00	75,500.00	-	-
LPC, Energy Conservation Project - 2013 Series C	4/1/2023	1,925,000.00	303,500.00	4,145,000.00	313,500.00
LPC, Information Technology Project - 2013 Series D	4/1/2023	985,000.00	133,300.00	2,115,000.00	116,600.00
LPC, Energy Conservation Project - 2017 Refunding Series C	5/1/2023	585,000.00	96,750.00	1,350,000.00	102,750.00
LPC, Kent County Courthouse Project - 2013 Refunding Series A	10/1/2023	3,875,000.00	739,875.00	12,860,000.00	985,750.00
LPC, Training School Project - 2013 Refunding Series B	10/1/2024	3,365,000.00	847,625.00	15,270,000.00	1,574,000.00
LPC, Traffic Tribunal Project - 2013 Refunding Series E	10/1/2024	1,370,000.00	304,900.00	6,110,000.00	584,875.00
LPC, Pastore Center Energy Conservation Project - 2014 Series	11/1/2024	1,185,000.00	268,675.00	5,325,000.00	478,625.00
LPC, Information Technology Project - 2014 Series C	11/1/2024	3,080,000.00	775,500.00	13,970,000.00	1,440,750.00
LPC, Energy Conservation Project - 2011 Series A	4/1/2026	2,085,000.00	204,212.50	2,980,000.00	414,525.00
LPC, Nursing Education Center Project - 2017 Series A	6/1/2027	830,000.00	338,250.00	5,935,000.00	1,080,750.00
LPC, School for the Deaf Project - 2017 Refunding Series	4/1/2029	1,595,000.00	881,250.00	16,030,000.00	3,811,500.00
LPC, R. I. College Energy Conservation Project - 2014 Series	11/1/2029	440,000.00	215,575.00	5,910,000.00	990,537.50
LPC, U.R.I. Energy Conservation Project - 2017 Series B	6/1/2032	410,000.00	312,000.00	6,110,000.00	1,826,500.00
LPC, U.R.I. Energy Conservation Project, 2018 Series A	11/1/2033	515,000.00	477,775.00	9,680,000.00	3,246,850.00
LPC, Eleanor Slater Hospital Project, 2018 Series B	11/1/2033	970,000.00	898,550.00	18,205,000.00	6,108,350.00
Total Capital Leases		26,915,000.00	6,927,987.50	125,995,000.00	23,075,862.50
R.I. Economic Development Corporation					
Job Creation Guaranty Program I	11/1/2020	-	-	2,250,000.00	301,265.00
Job Creation Guaranty Program II	11/1/2020	11,830,000.00	458,413.00	-	-
Fidelity Building I	5/1/2021	2,374,248.00	149,568.00	-	-
Fidelity Building II	5/1/2027	590,410.00	363,644.00	4,577,285.00	1,147,038.00
I-195 Land (variable rate)	4/1/2023	1,660,000.00	319,250.00	33,780,000.00	11,692,238.00
Historic Structure Tax Credit	5/15/2024	8,540,000.00	968,184.00	27,055,000.00	1,485,120.00
Fleet Bank	5/1/2027	570,000.00	373,651.00	4,480,000.00	1,183,514.00
Transportation Motor Fuel	6/15/2027	3,980,000.00	1,381,250.00	23,645,000.00	3,814,750.00
Total R.I. Economic Development Corporation		29,544,658.00	4,013,960.00	95,787,285.00	19,623,925.00
Convention Center Authority	5/15/2035	15,385,000.00	7,512,892.00	147,650,000.00	42,705,021.00
Garrahy Garage	5/15/2042	1,310,000.00	1,716,405.00	41,895,000.00	21,645,132.00
Grand Total		167,629,658.00	74,383,768.13	1,803,692,285.00	681,853,548.44

PFMB Revenue and Expense Data

Public Finance Management Board

	FY 2019	FY 2020	FY 2021
<i>10.067.1910994</i> Revenues	\$ 278,694	\$ 502,035	\$ 445,812
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<i>10.067.1910104</i> Expenditures			
Personnel	\$ 233,835	\$ 245,157	\$ 250,586
Annual Retainer for Financial Advisor	\$ 30,000	\$ 30,000	\$ 15,000
Debt Study Expense	\$ -	\$ 96,390	
Debt Portal Expense	\$ -	\$ -	
Legal	\$ 29,940	\$ 13,613	\$ 3,180
Banking and Debt Management Fees	\$ -	\$ -	
All other Operating*	\$ 51,521	\$ 2,496	\$ 8,270
Total Expenditures	\$ 345,296	\$ 387,656	\$ 277,036

*FY19 other operating expenses includes payment to FA for PawSox analysis

The Public Management Board
Summary of Debt Issuance by Quasi-Agency and The State of Rhode Island
Fiscal Year 2021

Agency	Bond Issuance	Date of Issuance	Maturity Date	Original Issue Amount	PFMB Fee Due	Total Fee Received	Date Received
Rhode Island Health and Education Building Corporation	Public Schools Revenue Bond Financing Program, Series 2020 C	8/4/2020	5/15/2040	\$6,400,000.00	\$1,600.00	\$1,600.00	8/4/2020
Rhode Island Health and Education Building Corporation	General Obligation School Refunding Bonds, 2020 Series B, Town of E. Greenwich	10/22/2020	5/15/2037	\$29,655,000.00	\$7,413.75	\$7,413.75	10/22/2020
Rhode Island Health and Education Building Corporation	Higher Education Facility Revenue Refunding Bonds, Rhode Island School of Design Issue, Series 2020	12/16/2020	8/15/2035	\$52,905,000.00	\$13,266.25	\$13,266.25	12/22/2020
Rhode Island Health and Education Building Corporation	Public Schools Revenue Bond, Series 2021 A, City of N. Kingstown Issue	3/23/2021	5/15/2037	\$12,840,000.00	\$3,210.00	\$3,210.00	3/23/2021
Rhode Island Health and Education Building Corporation	Public Schools Revenue Bond, Series 2021 C, City of Newport Issue	5/12/2021	5/15/2033	\$17,920,000.00	\$4,480.00	\$4,480.00	5/12/2021
Rhode Island Health and Education Building Corporation	Public Schools Revenue Bond, Series 2021 D, City of Providence Issue	5/25/2021	5/15/2041	\$100,690,000.00	\$25,172.50	\$25,172.50	5/25/2021
Rhode Island Health and Education Building Corporation	Public Schools Revenue Bond Financing Program Revenue Bonds Series 2021 E (Town of Westerly Issue)	6/22/2021	5/15/2031	\$11,205,000.00	\$2,801.25	\$2,801.25	6/22/2021

The Public Management Board
Summary of Debt Issuance by Quasi-Agency and The State of Rhode Island
Fiscal Year 2021

Agency	Bond Issuance	Date of Issuance	Maturity Date	Original Issue Amount	PFMB Fee Due	Total Fee Received	Date Received
Rhode Island Housing and Mortgage Finance Corporation	Multi-Family Development Bonds 2020 Series 1-T (Federally Taxable)	4/22/2020	10/1/2030	\$44,075,000.00	\$11,018.75	\$11,018.75	10/20/2020
Narragansett Bay Commission	Wastewater System Refunding Revenue Bond, 2020 Series C	10/26/2020	11/1/2047	\$190,633,840.00	\$47,658.46	\$47,658.46	10/28/2020
RI Infrastructure Bank	Efficient Buildings Fund Revenue Bonds	10/29/2020	10/1/2040	\$13,970,000.00	\$3,492.50	\$3,492.50	10/29/2020
Rhode Island Housing and Mortgage Finance Corporation	Homeownership Opportunity Bonds	10/21/2020	10/1/2035	\$142,100,000.00	\$35,527.50	\$35,527.50	11/17/2020
Narragansett Bay Commission	Revenue Refunding Bonds, 2020 Series B (Taxable Compound Interest Bonds)	10/26/2020	11/1/2047	\$268,710,600.00	\$67,177.65	\$67,177.65	11/23/2020
Rhode Island Housing and Mortgage Finance Corporation	Homeownership Opportunity Bonds, Series 72-A (Non-AMT)	6/18/2020	10/1/2032	\$58,380,000.00	\$14,595.00	\$14,595.00	12/21/2020
Rhode Island Health and Education Building Corporation	\$12,780,000 2021 A and \$3,175,000 2021B	3/5/2021	3/1/2051	\$15,955,000.00	\$3,988.75	\$3,988.75	3/5/2021
Rhode Island Convention Center Authority	Refunding Revenue Bonds	3/25/2021	5/15/2026	\$32,170,000.00	\$8,042.50	\$8,042.50	4/1/2021

The Public Management Board
Summary of Debt Issuance by Quasi-Agency and The State of Rhode Island
Fiscal Year 2021

Agency	Bond Issuance	Date of Issuance	Maturity Date	Original Issue Amount	PFMB Fee Due	Total Fee Received	Date Received
Rhode Island Health and Education Building Corporation	Public Schools Revenue Bond Financing Program Revenue Bonds Series 2021 F (Town of E Providence Issue)	6/16/2021	5/15/2041	\$124,470,000.00	\$31,117.50	\$31,117.50	6/16/2021
State of Rhode Island	Appropriation Notes 1&3	3/31/2020	3/17/2021	\$30,000,000.00	\$7,500.00	\$7,500.00	11/23/2020
Rhode Island Industrial Facilities Corporation	Narragansett Brewing Co. Project	6/28/2020	6/28/2031	\$4,460,000.00	\$1,115.00	\$1,115.00	11/23/2020
State of Rhode Island	General Obligation Bonds Consolidated Capital Development	5/4/2021	5/1/2041	\$76,705,000.00	\$19,176.25	\$19,176.25	5/4/2021
Rhode Island Housing and Mortgage Finance Corporation	Multi-Family Development Bonds	1/27/2021	10/1/2040	\$81,885,000.00	\$20,463.75	\$20,463.75	5/7/2021
				Total Amount of Issuances	PFMB Fee Due	PFMB Collected	
				\$1,315,109,440.00	\$328,777.36	\$328,777.36	

**The Public Finance Management Board
Summary of Debt Issuance by Cities and Towns
Fiscal Year 2021**

City or Town	Bond Issuance	Original Issue Amount	PFMB Fee Percentage	PFMB Fee Due	Total Fee Received	Date Received
City of Pawtucket	General Obligation School Bond Anticipation Notes	\$34,000,000.00	0.00025	\$8,500.00	\$8,500.00	7/14/2020
City of Providence	Water System Revenue Bonds 2020 Series B	\$19,100,000.00	0.00025	\$4,775.00	\$4,775.00	7/14/2020
City of Newport	Water System Revenue Bond, 2020 Series A(Taxable)	\$4,131,000.00	0.00025	\$1,032.75	\$1,032.75	8/4/2020
Town of East Greenwich	General Obligation Bonds, 2020 Series A	\$3,485,000.00	0.00025	\$871.25	\$871.25	8/4/2020
Town of New Shoreham	Town of New Shoreham, Rhode Island General Obligation Bonds, 2020 Series A, Series B	\$5,930,000.00	0.00025	\$1,482.50	\$1,482.50	8/21/2020
Town of Cumberland	General Obligation School Bond Anticipation Notes, Series 2020	\$33,000,000.00	0.00025	\$8,250.00	\$8,250.00	9/22/2020
Town of Pascoag	Water System Revenue Bonds	\$1,199,000.00	0.00025	\$299.75	\$299.75	9/29/2020
Town of Cumberland	Rhode Island Water System Revenue Bonds, 2020 Series B	\$2,500,000.00	0.00025	\$625.00	\$625.00	10/1/2020

**The Public Finance Management Board
Summary of Debt Issuance by Cities and Towns
Fiscal Year 2021**

City or Town	Bond Issuance	Original Issue Amount	PFMB Fee Percentage	PFMB Fee Due	Total Fee Received	Date Received
Town of North Kingstown	Bond Anticipation Notes, 2020 Series 2	\$5,800,000.00	0.00025	\$1,450.00	\$1,450.00	9/29/2020
City of Providence	G.O. Refunding Bonds, 2021 Series A and B	\$24,715,000.00	0.00025	\$6,178.75	\$6,178.75	10/7/2020
City of Cranston	G.O. Refunding Bonds, 2020 Series A	\$8,890,000.00	0.00025	\$2,222.50	\$2,222.50	11/17/2020
Town of Jamestown	General Obligation Bonds, 2020 Series A, B	\$5,300,000.00	0.00025	\$1,325.00	\$1,325.00	11/20/2020
City of East Providence	General Obligation Tax Anticipation Notes, 2021 Series 1	\$22,000,000.00	0.00025	\$5,500.00	\$5,500.00	2/8/2021
City of Providence	Redevelopment Agency Special Obligation Bonds, 2021 Series A, B	\$25,000,000.00	0.00025	\$6,250.00	\$6,250.00	3/29/2021
Town of Middletown	RI General Obligation Bonds, 2021 Series A	\$1,225,000.00	0.00025	\$306.25	\$306.25	6/3/2021

**The Public Finance Management Board
Summary of Debt Issuance by Cities and Towns
Fiscal Year 2021**

City or Town	Bond Issuance	Original Issue Amount	PFMB Fee Percentage	PFMB Fee Due	Total Fee Received	Date Received
Town of Smithfield	\$2,050,000 General Obligation Refunding Bonds 2020 Series A (Tax-Exempt) and \$4,355,000 General Obligation Refunding Bonds 2020 Series B (Federally Taxable)	\$6,405,000.00	0.00025	\$1,601.25	\$1,601.25	12/1/2020
City of East Providence	General Obligation School Bond Anticipation Notes, 2021 Series 1	\$40,000,000.00	0.00025	\$10,000.00	\$10,000.00	2/8/2021
Town of North Kingstown	RI General Obligation Bonds, 2021 Series A	\$7,985,000.00	0.00025	\$1,996.25	\$1,996.25	4/1/2021
City of Newport	General Obligation Bond Anticipation Note	\$4,700,000.00	0.00025	\$1,175.00	\$1,175.00	4/1/2021
Town of Tiverton	Tiverton Wastewater District General Obligation Bond Anticipation Note	\$4,356,000.00	0.00025	\$1,089.00	\$1,089.00	5/14/2021
Town of Smithfield	Bond Anticipation Notes	\$40,000,000.00	0.00025	\$10,000.00	\$10,000.00	5/20/2021
Town of Middletown	RI General Obligation Refunding Bonds	\$2,255,000.00	0.00025	\$563.75	\$563.75	6/29/2021

**The Public Finance Management Board
Summary of Debt Issuance by Cities and Towns
Fiscal Year 2021**

City or Town	Bond Issuance	Original Issue Amount	PFMB Fee Percentage	PFMB Fee Due	Total Fee Received	Date Received
Town of Burrillville	Bond Anticipation Notes	\$3,216,000.00	0.00025	\$804.00	\$804.00	5/25/2021
Town of Narragansett	General Obligation Bond, 2021 Series A	\$2,400,000.00	0.00025	\$600.00	\$600.00	2/4/2021
Town of Bristol	General Obligation Bonds, Series 2020 A, B	\$7,030,000.00	0.00025	\$1,757.50	\$1,757.50	11/17/2020
Town of Bristol	Water Authority General Revenue Refunding Bonds, 2021 Series A	\$6,600,000.00	0.00025	\$1,665.00	\$1,665.00	1/26/2021
		Total Amount of Issuances		PFMB Fee Due	PFMB Collected	
		\$321,282,000.00		\$80,320.50	\$80,320.50	

PFMB FY 2021 Meeting Minutes



Public Finance Management Board
Regular Meeting Minutes
June 9, 2021
9:00 a.m.
Webinar ID: 965 1863 2995

A meeting of the members of the Public Finance Management Board (“PFMB”) was held on Wednesday, June 9, 2021, at 9:00 a.m. remotely using telephonic and electronic communications in accordance with the Governor’s Executive Orders 20-05 and 20-25 issued on March 16, 2020 and amended most recently by Executive Order 21-60 on May 25, 2021. All votes were taken remotely by roll call vote.

I. Call to Order

The meeting was called to order at 9:06 a.m.

II. Roll Call of Members

The following members were present: Mr. Jim Thorsen, Mr. Shawn Brown, Ms. Julie Goucher, Mr. Doug Jacobs, Mr. Robert Mancini, Mr. Joe Reddish, Ms. Maribeth Williamson, and Treasurer Magaziner.

Also in attendance: Brendan O’Donnell, CEO of Coastal Brewing, Mr. William Ash, Treasurer, Rhode Island Industrial Facilities Corporation, Mr. Andrew Junkin, Chief Investment Officer, Mr. Frank Quinn, Director of Debt Management, Mr. Jay Gowell, PFMB counsel, John Boxer, Chief Operating Officer from Metropolitan Wealth Management, Ms. Sandra Mack, Bond Counsel, Mack Law Associates, Ms. Amy Crane, Treasury General Counsel, and other members of the Treasurer’s staff.

III. Approval of Minutes

On a motion by Ms. Williamson and seconded by Mr. Mancini, it was unanimously:

VOTED: To approve the draft minutes of meeting held December 3, 2020.

IV. Request for Volume Cap Approval:

Treasurer Magaziner invited Mr. Ash to describe RIIFC’s role in approving the Coastal Extreme Brewing Company project. Mr. Ash summarized RIIFC’s role as the state conduit through which industrial facilities may issue bonds on a tax-exempt basis and that he was requesting volume cap approval for the project. He then introduced Mr. O’Donnell whose presentation included a detailed description of the project and the positive contribution it will have on the local economy. Mr. O’Donnell welcomed questions from the Board.

Mr. Reddish asked what efforts the company is making to hire employees within the RI community to reduce state unemployment and what programs it may have in place to address challenges people have with alcohol abuse. Mr. O’Donnell replied they worked with local colleges to hire interns and worked with RI DLT employment office to recruit directly from local communities. With respect to helping people with alcohol challenges, the company has established programs to educate their employees

about alcoholic abuse and has established written policies that are contained in an employee handbook. The company has also worked with a professor in Brown University to help people who experience alcohol dependency. Mr. Reddish said he was more concerned about the consumer side and what types of measures the company takes. Mr. O'Donnell mentioned the company works with liquor stores and bars in emphasizing safe drinking habits. They also monitor in-house customers for being over served and offer lower alcohol content products, which are actually favored by customers. The company also welcomed any advice from the Board.

Mr. Thorsen asked what needed to be done to complete the documentation process. Mr. Ash replied that the approval from the Board is the last step, all other paperwork having been completed. Ms. Mack added there was one change regarding the loan guarantor and the bank has approved the change. Subject to receiving final TEFRA approval by the governor, the transaction will close on June 25.

Treasurer Magaziner noted that this request is relatively small compared to other volume cap requests and invited Mr. Gowell to brief the board on the terms of the resolution. Mr. Gowell provided an overview of the private activity bond regulations and that the company qualified for volume cap approval.

On a motion by Mr. Reddish and seconded by Mr. Jacobs, it was unanimously:

VOTED: To approve the Request by the Rhode Island Industrial Facilities Corporation for a 2021 Private Activity Bond volume cap allocation of \$4,825,000.

Board Resolution attached hereto.

Mr. Jacobs inquired about whether the PFMB would be part of the process by the City of Providence regarding its proposal to issue Pension Obligation Bonds. The Treasurer responded that the Board had no formal role but as a separate matter he had prepared testimony to the legislature which he agreed to distribute to the Board.

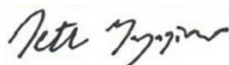
V. Adjourn

There being no other business to come before the Board, on a motion by Ms. Williamson and seconded by Mr. Mancini, it was unanimously:

VOTED: To adjourn the meeting.

There being no further business, the meeting was adjourned at 9:55 a.m.

Respectfully submitted,



**Seth Magaziner,
General Treasurer**

2021 Allocation Resolution No. 1

WHEREAS, the Public Finance Management Board (the “Board”) has been created pursuant to the provisions of Chapter 10.1 of Title 42 of the General Laws of the State of Rhode Island, enacted as Chapter 477 of the Public Laws of 1986, effective June 25, 1986; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the “Code”), places volume cap restrictions on the issuance of certain tax-exempt private activity bonds (“PABs”) issued by the State of Rhode Island (the “State”) and state and local issuing authorities within the State; and

WHEREAS, the provisions of Section 146 of the Code provide that states may allocate available PAB volume cap to state and local issuing authorities; and

WHEREAS, pursuant to Section 146(e) of the Code and Section 3 of Chapter 10.1 of Title 42 of the General Laws of Rhode Island, the Board is authorized to allocate the State’s PAB volume cap among all issuers in the State; and

WHEREAS, the Rhode Island Industrial Facilities Corporation (the “Corporation”) is a public body corporate and agency of the State duly organized and existing under Chapter 45-37.1-1 of the Rhode Island General Laws, 1956, as amended (the “Act”), with offices at 315 Iron Horse Way, Suite 101, Providence, Rhode Island; and

WHEREAS, as provided in the Act, the Corporation is empowered, among other things, to acquire, construct, finance and lease projects, as defined in its enabling statute, in the State, and to issue bonds for any of its corporate purposes payable solely out of revenues and receipts derived from the leasing or sale by the Corporation of its projects and/or any part thereof; and

WHEREAS, at a meeting of the Corporation’s board duly called and held on June 3, 2021, a resolution was approved (a copy of which is attached hereto as Exhibit A), pursuant to which the Corporation authorized the issuance of tax-exempt bonds in an amount not to exceed \$4,825,000 for Coastal Extreme Brewing Company, LLC, AOFJTCNEWRI 001, LLC, Radiant Pig Brewing Company, LLC and CEB, LLC (jointly and severally, the “Obligor”) (a) to finance the acquisition of real property located at 293-298 JT Connell Highway, Newport, Rhode Island (the “Mortgaged Property”); (b) to finance certain qualified expenditures for the rehabilitation and expansion of a brewing and distilling facility located at the Mortgaged Property; and (c) to finance the acquisition and installation of specialized brewing, distilling and restaurant equipment, to be used by Obligor in Obligor operations (the “Project”); and

WHEREAS, the Corporation has applied to the Board for an allocation of \$4,825,000 in available 2021 PAB volume cap for the issuance of tax-exempt revenue bonds for the Project.

NOW, THEREFORE, under the authority granted by law, the Board hereby makes the following findings and allocations:

1. Based upon the provisions of the Code, the Board makes the following allocation of the 2021 PAB volume cap of the State:

A. To the Corporation, an amount equal to \$4,825,000 for the Project.

2. Any amount of the \$4,825,000 allocated hereunder that exceeds the amount of bonds actually issued for the Project on or before December 31, 2021 shall be automatically reallocated, without any further action of the Board, to the Rhode Island Housing and Mortgage Finance Corporation and shall be treated as carryforward under the Code for the purpose of issuing qualified mortgage bonds or mortgage credit certificates.

3. Any amount issued under this allocation may only be issued for purposes authorized under the laws of the State of Rhode Island and the United States of America for which a PAB volume cap allocation is required or authorized under the provisions of the Code.

4. This Resolution shall take effect upon its adoption by the Board effective June 9, 2021.

Dated: June 9, 2021



Public Finance Management Board

Regular Meeting Minutes

December 3, 2020

9:00 a.m.

Public Dial-in +1 312 626 6799

A meeting of the members of the Public Finance Management Board (“PFMB”) was held on Thursday, December 3, 2020 at 9:00 a.m. remotely using telephonic and electronic communications in accordance with the Governor’s Executive Orders 20-05 and 20-25 issued on March 16, 2020 and updated on April 15, 2020, respectively. All votes were taken remotely by roll call vote.

I. Call to Order

The meeting was called to order at 9:04 a.m.

II. Roll Call of Members

The following members were present: Mr. Shawn Brown, Ms. Julie Goucher, Mr. Doug Jacobs, Mr. Brett Smiley, Mr. Robert Mancini, Mr. Joe Reddish, Ms. Maribeth Williamson, and Treasurer Magaziner. Mr. Jim Thorsen resigned from the board and has since been appointed as Director of the Department of Revenue. Treasurer Magaziner introduced the new ERSRI Chief Investment Officer, Mr. Andrew Junkin.

Also in attendance: Mr. Frank Quinn, Director of Debt Management; Mr. Jay Gowell Esq. Legal Counsel from Pannone Lopes Devereaux & O’Gara LLC; Ms. Kara Lachapelle, Chief Financial Officer, and Ms. Bernadette MacArthur, Director of Finance from RI Housing; Mr. Charles Kelley, Executive Director, Mr. Noel Simpson, Deputy Director, Mr. Chad Pastorius and Mr. Kevan McAleer from RISLA, Ms. Amy Crane, Treasury General Counsel and other members of the Treasurer’s staff.

III. Approval of Minutes

On a motion by Ms. Williamson and seconded by Mr. Reddish, it was unanimously

VOTED: To approve the draft minutes of meeting held January 17, 2020.

IV. Request for Volume Cap Approval:

Mr. Gowell provided an overview of the private activity bond regulations and the 2020 volume cap and carryforward applications.

Consideration for the Request by Rhode Island Student Loan Authority

Mr. Kelley briefly provided an update as to how RISLA is operating during the COVID crisis and mentioned that the default rate remains at a very low level of approximately 2%. Mr. Jacobs inquired about the delinquency rate. Mr. Pastorius replied that the peak appeared in April at around 5% and then reverted to a more typical level of 1.5%. Mr. Jacobs asked other questions related to the program that Mr. Kelley answered.

Mr. Reddish inquired about RISLA’s outreach to students during the pandemic to which Mr. Kelley

responded that it is being conducted primarily by electronic means and that RISLA works closely with college financial aid offices should payment issues arise.

On a motion by Ms. Reddish and seconded by Mr. Mancini, it was unanimously
VOTED: To approve the Request by Rhode Island Student Loan Authority for allocation of portion of residual volume cap and allow carry forward of same amount - \$80,000,000.

Consideration for the Request by Rhode Island Housing

Ms. Kara Lachapelle, CFO, gave a generally favorable report on the current status of RIHousing with respect to loan delinquencies, the overall real estate market, the homeownership program, the tax-exempt financing program and the multi-family development program.

On a motion by Mr. Mancini and seconded by Mr. Smiley, it was unanimously
VOTED: To approve the Request by Rhode Island Housing for allocation of a portion of residual volume cap and allow carry forward of the same amount - \$218,690,000

V. Executive Director & Staff Update

Mr. Quinn introduced Mr. Jian Lei, who is the new Financial Management Analyst in Treasury. He reported that there have not been any general obligation bonds issued during 2020 because of the COVID crisis, however it is expected that the state will issue new money and possibly refunding bonds in spring 2021.

Consideration of the Provisional 2021 meeting schedule

On a motion by Ms. Williamson and seconded by Treasurer Magaziner, it was unanimously
VOTED: To approve the provisional 2021 meeting schedule.

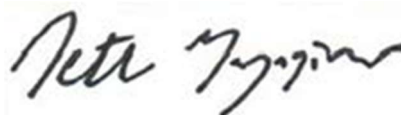
Treasurer Magaziner gave an update on the status of the school construction program reporting that multiple school districts have begun to break ground for new facilities and have been inquiring about acquiring additional funding from the State. A progress report updating the status of the program will be issued soon.

VI. Adjourn

There being no other business to come before the Board, on a motion by Treasurer Magaziner and seconded by Ms. Williamson, it was unanimously
VOTED: To adjourn the meeting.

There being no further business, the meeting was adjourned at 9:29 a.m.

Respectfully submitted,



**Seth Magaziner,
General Treasurer**

PFMB FY 2021 Ratings Reports



RATING ACTION COMMENTARY

Fitch Rates Rhode Island's \$135MM GOs 'AA'; Outlook Stable

Tue 28 Sep, 2021 - 4:30 PM ET

Fitch Ratings - New York - 28 Sep 2021: Fitch Ratings has assigned a 'AA' rating to the following state of Rhode Island GO bonds:

--\$90.5 million consolidated capital development loan of 2021 series E (tax-exempt);

--\$44.5 million consolidated capital development loan of 2021 series F (federally taxable).

In addition, Fitch has affirmed the following state of Rhode Island ratings:

--Issuer Default Rating (IDR) at 'AA';

--State of Rhode Island (RI) GO bonds at 'AA';

--RI certificates of participation (COPs) at 'AA-';

--RI Convention Center Authority revenue bonds at 'AA-';

--RI Commerce Corporation (historic structures tax credit financing program) revenue bonds at 'AA-'.

The Rating Outlook is Stable.

The bonds will be sold on or about Oct. 6, 2021 via competitive sale. New money proceeds will be used for various capital projects including educational facilities, affordable housing, highway improvement, environmental projects and various initiatives approved in a spring 2021 voter referendum. Par amounts are preliminary and subject to change.

SECURITY

The state's GO bonds are supported by a pledge of its full faith and credit.

State appropriation-backed debt, including the Commerce Corporation's historic structures tax credit revenue bonds, is supported by payments from the state subject to annual legislative appropriation.

ANALYTICAL CONCLUSION

Rhode Island's 'AA' IDR and GO rating are based on conservative and prudent fiscal management, and a moderate long-term liability position, offset by below-average long-term economic growth for a U.S. state. The state's institutionalized budget management practices, including budgets that spend only 97% of forecast revenue, substantial spending control and a rainy day account routinely maintained at 5%, have positioned Rhode Island to absorb economic and fiscal cyclicity at the current rating level, including the lingering effects of the coronavirus pandemic.

The 'AA-' rating for appropriation-backed debt, one notch below the state's 'AA' IDR, is based on the additional optionality for debt service paid from annual legislative appropriations.

Economic Resource Base

Rhode Island's economy, weighted toward education and health services, has grown slower than national trends over time with a somewhat weaker demographic profile, weaker than most states with below-average population growth. Fitch anticipates modest economic expansion going forward as the state emerges from the pandemic-driven uncertainty.

KEY RATING DRIVERS

Revenue Framework: 'a'

Fitch anticipates Rhode Island's revenues will grow modestly on a nominal basis over the long term, given our expectations for economic growth. The state has complete legal control over its revenues.

Expenditure Framework: 'aa'

The state maintains ample expenditure flexibility with low carrying costs and the broad expense-cutting ability common to most U.S. states. Medicaid remains a key expense driver and a focus of expenditure-control efforts. Moderate growth prospects for revenues temper Fitch's assessment of the natural pace of spending relative to expected revenue growth.

Long-Term Liability Burden: 'aa'

Rhode Island's long-term liabilities are moderate but well above the median for U.S. states, with pension obligations exceeding outstanding debt. Impressively, Rhode Island fully funds both pension and other post-employment benefit (OPEB) annual contributions at actuarially determined levels.

Operating Performance: 'aaa'

Rhode Island has high gap-closing ability, wide-ranging budgetary management capabilities and a strong commitment to maintaining a prudent reserve through normal economic circumstances. Measures implemented over the past decade

positioned the state to effectively deal with the pandemic's fiscal implications while maintaining a high level of financial flexibility.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--Material and sustained improvement in the state's long-term economic trajectory could support stronger revenue growth prospects and a more robust revenue framework assessment. Continued efforts to modernize the state's revenue structure to better align with economic activity could also support an improved assessment.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--Sharp deterioration in economic revenue growth prospects that challenges the state's revenue outlook and its ability to maintain structural balance and reduces the currently high level of financial flexibility.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Sovereigns, Public Finance and Infrastructure issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of three notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit

<https://www.fitchratings.com/site/re/10111579>.

CURRENT DEVELOPMENTS

2021 Budget Reflected Uncertainty, Exceeded Expectations

Given volatile and unpredictable economic and fiscal conditions triggered by the pandemic, the state did not enact a fiscal 2021 budget until December 2020, nearly halfway through the fiscal year. Actual performance outpaced expectations. Preliminary results indicate actual general revenue collections of \$4.4 billion came in \$213.6 million (5.1%) ahead of the May 2021 estimate from the revenue estimating conference (REC), with business income and personal income tax collections particularly strong. With expenditures largely on target, the state projects a robust \$332.4 million general revenue free surplus (7.5% of general revenues).

Enacted 2022 Budget Reflects Improved Fiscal Outlook

Rhode Island's \$4.6 billion general revenues fiscal 2022 budget does not include material fiscal policy changes, although the state does fully fund the fifth year of a six-year phaseout of a motor vehicle excise tax with \$140 million in supporting appropriations to local governments.

Given strength at the close of fiscal 2021, the spending plan repays fiscal 2020's \$120 million draw on the state's budget stabilization and cash reserve account and maintains the reserve at the required 5% of general revenue for fiscal 2022 (\$228.3 million). K-12 education aid increases \$39 million (approximately 4%) from the fiscal 2021 enacted budget and remains fully funded in accordance with the revised formula the state recently phased in.

The \$14.3 billion topline budget number includes federal funding that increased substantially as a result of federal pandemic aid legislation, including ARPA. Importantly, Rhode Island's fiscal 2022 budget does not include allocation of the \$1.2 billion in direct state aid; instead, the budget largely reflects passthroughs of other federal aid provisions, such as \$631 million in K-12 emergency aid and \$303 million for federal unemployment insurance benefits.

Revenue Framework

Rhode Island's personal income tax (PIT) and sales and use tax (SUT) together account for approximately 60% of the state's general revenue receipts. The PIT alone makes up approximately 40%. Both revenue sources are economically sensitive and respond quickly to shifts in the state's economy. Recent steps to expand the tax base have been helpful, including adding software as a service (cloud-based software) and ride-sharing to the SUT base, and adjusting how state and local sales and hotel taxes apply to short-term rentals through hosting platforms like Airbnb. The associated revenue increases are modest, but the changes better position the state to capture growing areas of economic activity.

Economic growth prospects, the key driver of revenue growth prospects, remain modest and below Fitch's expectations for the U.S. and most states. Revenue growth over the past 10 years has been robust, primarily reflecting the rebound from the deep Great Recession trough. The state has also made multiple policy changes in that time span, including most recently the expansion of SUT to cover remote sellers. The expansion covering remote sellers has been particularly beneficial with the state reporting \$276.3 million in revenues in fiscal 2020 - total fiscal 2020 SUT collections were approximately \$1.2 billion. Fitch anticipates the long-term trend for revenue growth, adjusted for policy changes, will be slow and trailing national inflation consistent with our expectations for economic growth in the state. Revenue modernization efforts noted above could help improve the state's growth prospects, if accompanied by steady economic improvement.

Rhode Island has no legal limitations on its independent legal ability to raise revenues through base broadenings, rate increases, or the assessment of new taxes or fees.

Expenditure Framework

As in most states, education and health and human services spending make up Rhode Island's largest operating expenses. Recent increases in education spending relate to implementation of a revised funding formula for K-12 education, which the state has now phased in. Medicaid is the primary driver of health and human services spending.

Absent policy actions, the pace of spending growth is likely to be above the relatively tepid pace of anticipated revenue growth in Rhode Island, requiring proactive budget management to ensure balance. Controlling Medicaid spending had been a priority in recent years with some success in implementing cost-saving measures that lessened the growth trajectory in the existing program. Fitch will continue to monitor the state's ability to sustain these changes over time.

The fiscal challenge of Medicaid is common to all U.S. states, and the nature of the program as well as federal government rules limit the states' options in managing the pace of spending growth. Federal action to revise Medicaid's fundamental programmatic and financial structure does not appear to be a near-term priority of the current federal administration or Congressional leadership. As with all federal initiatives, Medicaid remains subject to regulatory changes that could affect various aspects of the program.

Recent Medicaid caseloads and spending data from Rhode Island indicate that while the pandemic has increased enrollment and spending demands, the growth has been less severe than initially forecast and offset by the 6.2 percentage point enhancement in federal matching funds for Medicaid (federal medical assistance percentage, or FMAP). Enrollment growth has been predominantly in the Affordable Care Act expansion category, for which all states receive a more generous 90% FMAP rate from the federal government.

Rhode Island retains substantial flexibility to cut spending as needed, with the broad expense-cutting authority common to most U.S. states. Fixed carrying costs for debt and retiree benefits are above average for a state but still represent a low budget burden. Unlike most state and local governments, Rhode Island contributes the full actuarially determined contribution toward its OPEBs.

In spring 2019, the state released its second biennial long-term liability burden study that covers both debt and retiree liabilities. Fitch anticipates that a regularly updated study, accompanied by enforcement of prudent management guidelines, will help the state preserve expenditure and long-term liability burden flexibility over time. The state plans on releasing its next report later this year.

Long-Term Liability Burden

On a combined basis, Rhode Island's debt and net pension liabilities as of Fitch's 2020 report on states' long-term liability burdens ("2020 State Liability Report", dated October 2020) totaled 12.7% of 2019 personal income, compared with a median of 5% across the states. More recent data from the state's 2020 audited financial statements indicate a slightly lower ratio of 11.9% relative to 2020 personal income. Fitch's ratio includes tobacco settlement bonds and GARVEE bonds issued by the state as the leveraged revenues would otherwise be available for state operating purposes. Fitch notes that Rhode Island, like many states, does not include tobacco settlement and GARVEE bonds as part of its legal and policy calculations for tax-supported debt.

While well above average for a U.S. state, Fitch considers the state's long-term liability burden a moderate long-term pressure. Rhode Island's debt position has been stable to declining, with disciplined debt issuance tied to liability affordability management policies, and a focus on cash-funding of capital projects. A constitutional requirement to limit appropriated general revenue spending to 97% of forecast revenues helps provide resources to support capital spending on a current basis.

Planned additional debt will not materially affect Fitch's assessment of the state's long-term liability burden. In November 2018, voters approved the first \$250 million installment of the governor's proposed \$500 million in GO bonds to support capital investment in pre-K-12 facilities. Since then, voters have approved various GO bond referendum including a \$400 million authorization this spring. Fitch anticipates issuance will be done in consideration of the state's affordability guidelines as outlined in its biennial long-term liability reports. Fitch estimates the state's outstanding debt and adjusted net pension liabilities as of fiscal 2020 were approximately \$7.8 billion.

Pension Liability Dominates

Fitch's pension liability calculations include 100% of the liability for state employees in the employees' retirement system (ERS), approximately 40% of the teachers' liability in ERS (the state's GASB 68 proportionate share), and 100% of

the liabilities for the judicial retirement benefit trusts and the state police retirement benefits trust. The ERS liabilities encompass over 90% of the net pension liabilities attributed to the state by Fitch.

Comprehensive pension system changes in 2011 significantly reduced the unfunded liability and lowered annual employer contributions. The changes included limiting annual benefit cost-of-living adjustments and introducing hybrid defined benefit and defined contribution plans. Litigation settlements regarding these and earlier pension changes preserved nearly all the originally expected savings.

Operating Performance

Rhode Island retains significant flexibility to address cyclical economic and revenue downturns and has repeatedly demonstrated its commitment to maintaining a solid financial position. Rhode Island also benefits from structural budget features including the governor's ability to reduce allotments and delay spending (pending legislative approval) and a statutory requirement to budget less than 100% of consensus revenue projections. The current 97% expenditure limit provides an annual 3% operating cushion relative to projected revenues, in line with the state's year one result of a 3% revenue decline in a moderate economic downturn as calculated using Fitch's Analytical Stress Test model (FAST).

The state also maintains a budget reserve and cash stabilization account providing an additional source of flexibility. Rhode Island drew on the reserve in fiscal 2009 at the height of the Great Recession. Up until the onset of the pandemic, the state had maintained the reserve at its statutory maximum (5% of general revenue following a 2006 voter-approved constitutional amendment). The strong revenue rebound allowed the state to fully restore the reserve in fiscal 2021 to the 5% constitutional level. The rainy day account is held in the state's general fund and classified as unassigned fund balance in the state's audited financial statements.

Prudent Management During Expansion Positioned the State Well

Conservative budget management, even in times of economic growth, reflects Rhode Island's commitment to fiscal prudence. During the pre-pandemic economic expansion, the state ended most fiscal years with expenditures below, and revenues ahead of, the final amended budget.

Rhode Island also took steps to improve its fiscal flexibility during this time period as well. As noted above, in 2011, the state enacted structural changes to its pension systems that materially reduced the liability and annual contribution requirements. In May 2017, the state's retirement board made various additional changes to its actuarial assumptions, including lowering the assumed rate of return on pension funds within its control to 7.0% from 7.5%. This level remains notably higher than the 6% assumption to which Fitch adjusts all pension plan liabilities.

COPs Rating Overview

The 'AA-' rating on the COPs is based on the credit quality of the state as they are backed by lease rental payments to be made by the state acting by and through its department of administration, the state's central administrative, management and fiscal agency. Such payments, dependent upon annual legislative appropriations, are assigned to the trustee by a grantor trust for the benefit of the certificate-holders. Lease payments, solely representing debt service, are made separately for each project under subleases. The subleases are annually renewable, although renewal is automatic upon appropriation.

Rhode Island Convention Center Authority Bonds Rating Overview

The 'AA-' rating on the bonds is based on the credit quality of the state, as they are backed by lease rental payments to be made by the state pursuant to a lease and agreement. Such payments, dependent upon annual legislative appropriations, include operating expenses of the authority (excluding depreciation) as well as debt service.

Historic Structures Tax Credit Financing Program Revenue Bonds Overview

Security for the Commerce Corporation's 2019 series A revenue bonds derives from annually appropriated payments from the state pursuant to a payment agreement entered into by the governor, treasurer, commerce corporation, director of the state department of administration, state controller and state budget officer. The payment agreement specifies that in each fiscal year, Rhode Island Commerce Corporation will make a request to the state budget officer for appropriations of the amount necessary for bond payments. The governor covenants that such amount will be included in the executive budget proposal, or in a supplemental budget proposal if the Legislature passes a budget without the funds appropriated.

Payments are due to the trustee five business days before the bond payment date. Principal payments are due May 1, providing ample protection against late budget adoption. There is no debt service reserve fund. The payment agreement remains in effect as long as bonds are outstanding and modification of the agreement requires bondholder consent. There is no lien or security interest on any property.

In addition to the sources of information identified in Fitch's applicable criteria specified below, this action was informed by information from Lumesis.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

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Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg

RATING ACTIONS

ENTITY/DEBT	RATING		PRIOR	
Rhode Island, State of (RI) [General Government]	LT	AA Rating Outlook Stable	Affirmed	AA Rating Outlook Stable
● Rhode Island, State of (RI) /General Obligation - Unlimited Tax/1 LT	LT	AA Rating Outlook Stable	Affirmed	AA Rating Outlook Stable

[VIEW ADDITIONAL RATING DETAILS](#)

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APPLICABLE CRITERIA

[U.S. Public Finance Tax-Supported Rating Criteria \(pub. 04 May 2021\) \(including rating assumption sensitivity\)](#)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

FAST Econometric API - Fitch Analytical Stress Test Model, v3.0.0 (1)

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US Public Finance North America United States

Rating Action: Moody's assigns Aa2 to Rhode Island's GO Consolidated Capital Development Loan of 2021 bonds; outlook stable

28 Sep 2021

New York, September 28, 2021 -- Moody's Investors Service has assigned a Aa2 rating to Rhode Island's General Obligation Bonds Consolidated Capital Development Loan of 2021, Series E (Tax-Exempt) and Series F (Federally Taxable) in the amounts of \$90.5 million and \$44.5 million, respectively. The bonds are expected to price competitively on October 6 and close on October 21. The outlook is stable.

RATINGS RATIONALE

Rhode Island's Aa2 rating incorporates the state's strong financial management practices, including multi-year financial planning, consensus revenue forecasting and consistent maintenance of reserves resulting in positive general fund balances. These strengths are offset by a lagging economy with weak demographic trends and high relative combined debt and pension liabilities.

Recent Developments

Aided by revenue that exceeded estimates and came in more than 9% higher than in fiscal 2020, Rhode Island's fiscal 2021 budget ended with a \$332.4 million surplus on a preliminary basis and budget reserves of \$228 million, or 5.4% of total general revenue. The state is projecting another 4.6% increase in revenue for fiscal 2022. Spending trends have been strongly influenced by federal pandemic aid and the timing of FEMA reimbursements, although the state has attempted to minimize the use of general revenue for coronavirus response initiatives. The state received more than \$2 billion in American Rescue Plan Act (ARPA) funds, which expire in 2026 and has begun to deploy some of these resources.

RATING OUTLOOK

The outlook for the state of Rhode Island is stable. The state will continue to adhere to practices requiring close financial management and budget balance.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Further reduction in overall liability levels
- Sustained economic improvement in line with national trends

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Deterioration of state's liquidity position accompanied by worsening reserve and balance sheet position
- Return to budgeting practices that rely on significant nonrecurring resources

LEGAL SECURITY

The bonds are a general obligation of the state, backed by a pledge of its full faith and credit.

USE OF PROCEEDS

The 2021 Series E and Series F bonds will be used to finance various capital projects of the state.

PROFILE

Rhode Island has a population of just 1.057 million, the 44th smallest. The economy is commensurately small, with total personal income of about \$64.3 billion, ranking 43rd nationally.

METHODOLOGY

The principal methodology used in these ratings was US States and Territories published in April 2018 and

available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1084466 .
Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

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Rhode Island GO Consolidated Capital Development Loans Of 2021, Series E-F, Assigned 'AA' Rating

CENTENNIAL (S&P Global Ratings) Sept. 28, 2021--S&P Global Ratings assigned its 'AA' long-term rating to the following general obligation (GO) consolidated capital development loans of 2021, issued by the State of Rhode Island:

- \$90.5 million consolidated capital development loan of 2021, series E (tax-exempt); and
- \$44.5 million consolidated capital development loan of 2021, series F (federally taxable).

At the same time, S&P Global Ratings affirmed its 'AA' rating on Rhode Island's \$1.31 billion in general obligation (GO) debt outstanding.

In addition, we affirmed our 'AA-' long-term rating on the state's existing appropriation-backed debt, and our 'A' long-term rating on the Rhode Island Commerce Corp.'s (RICC) moral obligation-backed bonds outstanding, based on the application of our "[Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness](#)" criteria (published Nov. 20, 2019). The outlook on all ratings is stable.

The rating reflects our view of factors affecting Rhode Island's general creditworthiness, specifically its:

- Strong budget framework and good financial management;
- Historically steady budgetary performance; and
- Stabilizing reserve and liquidity position.

Credit factors that somewhat mitigate the preceding credit strengths include our opinion of the state's:

- Adequate economic profile; and
- Moderate debt burden and low pension funding levels.

We view Rhode Island's environmental risks as elevated compared with the sector, given its 400-mile coastline adjacent to Narragansett Bay and the northern Atlantic Ocean, which expose the state, coastal communities, and its maritime and tourism industries to a higher incidence of coastal and inland flooding caused by seasonal and extreme weather events, as well as longer-term exposure to sea level rise. At the same time, we view the state's efforts to oversee strategic resiliency action planning in state agencies, engagement with regional greenhouse gas reduction and alternative energy initiatives, and capital investments to harden critical infrastructure exposed to these environmental risks as environmentally focused opportunities. We consider Rhode Island's social risks as slightly above the sector due to longer-term demographic pressures stemming from slowing population growth and net outmigration, and an aging workforce that may alter service demands and limit future economic growth prospects. We view governance risks as being aligned with our view of the sector as a whole.

"The stable outlook reflects our view of Rhode Island's active budget management, strong government framework, and development of multi-year financial forecasts that anticipate current and out-year structural deficits, which positioned the state to navigate through the current economic cycle and evolving public health and safety pressures posed by the pandemic," said S&P Global Ratings credit analyst Scott Shad.

If Rhode Island's core economic metrics were to recover swiftly from the lingering effects of the pandemic-induced recession to levels well above the U.S. average, and growth in the state's economic and demographic conditions improve in a way that we believe is sustainable and better insulated from potential cyclical economic pressures, we could consider a positive rating action. This would likely be in conjunction with Rhode Island demonstrating disciplined management of pension and other postemployment benefits (OPEB) liabilities that results in sustained improvement to funding levels, and preserving structural budget stability--including maintenance of stable reserve balances and liquidity--while managing potential tail-end revenue cliffs and out-year structural gaps that form as extraordinary federal stimulus and transfer payments decline.

We could take a negative rating action if Rhode Island's economic recovery were to stall or significantly underperform forecast expectations, resulting in a sustained weakening of its core economic metrics compared with the U.S. level, and if, at the same time, the state budgetary performance worsens to the point that active budget management proves insufficient to close projected out-year structural deficits between fiscal years 2022 and 2026, resulting in a deterioration of the state's reserve and liquidity. In addition, should asset underperformance weaken the state's pension funding level and material increases occur to the unfunded pension and OPEB liabilities, causing annual contributions to grow to a point that we believe will compound budgetary pressures, we could lower the rating.

Related Research

— [Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors](#), April 28, 2020

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