



COMMONWEALTH OF VIRGINIA

Department of the Treasury

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September 14, 2023

The Honorable Glenn Youngkin
Governor of Virginia
Office of the Governor
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219

The Honorable Janet D. Howell
Co-Chair
Senate Finance and Appropriations Committee
Post Office Box 2608
Reston, Virginia 20195-0608

The Honorable George L. Barker
Co-Chair
Senate Finance and Appropriations Committee
Post Office Box 10527
Alexandria, Virginia 22310

The Honorable Barry D. Knight
Chairman
House Appropriations Committee
1852 Mill Landing Road
Virginia Beach, Virginia 23457

Dear Governor Youngkin, Madame and Messrs. Chairpersons:

It is my pleasure to submit this report pursuant to §22.1-167.2 (D) of the *Code of Virginia* as enacted in 1998 (enclosed), concerning certain bonds of the Virginia Public School Authority (VPSA) secured by a sum sufficient appropriation as provided in Item 137(C)(11) of the 2023 Appropriation Act.

The 1997 Bond Resolution adopted on October 23, 1997 and the School Tax Credit Bond (Qualified School Construction Bonds (QSCB) and Qualified Zone Academy Bonds (QZAB)) Resolution adopted on September 11, 2009, by the VPSA Board of Commissioners, utilized the additional security provided by the sum sufficient appropriation to achieve greater flexibility for

localities participating in pooled bond sales and higher credit ratings for the VPSA's pooled bonds from the three major credit rating agencies.

During the fiscal year ended June 30, 2023, the VPSA issued two additional series of school financing bonds under the 1997 Resolution and no additional series of QZABs under the 2009 Resolution. Accordingly, as of June 30, 2023, the total amount of the Authority's outstanding 1997 Resolution and School Tax Credit Bonds as described in §22.1-167.2 (D) of the Code of Virginia was \$2,793,801,000.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John R. Riley, Jr.", written over a light gray circular stamp.

John R. Riley, Jr.
Chair, Virginia Public School Authority

Enclosure

c: The Honorable Stephen E. Cummings
Secretary of Finance
Commissioners, Virginia Public School Authority

VPSA Bonds Outstanding

as of 6/30/23

Pledge Account (97 Res)	2,434,235,000.00	
School Technology and Security Notes VII (2019)	12,605,000.00	
School Technology and Security Notes VIII (2020)	25,695,000.00	
School Technology and Security Notes IX (2021)	37,890,000.00	
School Technology and Security Notes X (2022)	51,935,000.00	
School Technology and Security Notes XI (2023)	63,640,000.00	191,765,000.00
Chesterfield Purchase Fund 2022	110,775,000.00	
Hanover Purchase Fund 2022	41,285,000.00	
Henrico Purchase Fund 2021A	45,705,000.00	
King George Purchase Fund 2017	19,220,000.00	
Montgomery County Purchase Fund 2016	51,770,000.00	
Montgomery County Purchase Fund 2019	24,570,000.00	
Montgomery Purchase Fund 2022	84,690,000.00	
Prince William Purchase Fund 2013	3,000,000.00	
Prince William Purchase Fund 2014	41,255,000.00	
Prince William Purchase Fund 2015	44,325,000.00	
Prince William Purchase Fund 2016	131,870,000.00	
Prince William Purchase Fund 2017	54,350,000.00	
Prince William Purchase Fund 2018	86,925,000.00	
Prince William Purchase Fund 2019A	92,775,000.00	
Prince William Purchase Fund 2019B Taxable	33,770,000.00	
Prince William Purchase Fund 2020	95,850,000.00	
Prince William Purchase Fund 2021	55,910,000.00	
Prince William Purchase Fund 2022	42,400,000.00	
Stafford Purchase Fund 2023	89,935,000.00	
Warren Purchase Fund 2014	13,920,000.00	
Qualified School Construction 2009 -1	61,120,000.00	
Qualified School Construction 2010 -1	72,655,000.00	
Qualified School Construction 2011 -1	67,400,000.00	
Qualified School Construction 2011 -2	128,960,000.00	
Qualified School Construction 2012 -1	23,265,000.00	
Qualified Zone Academy Bond 2014-1	3,816,000.00	
Qualified Zone Academy Bond 2016-1	2,350,000.00	2,793,801,000.00

Total 4,149,866,000.00

Per monthly Cardinal as of 6/30/23 4,149,866,000.00

difference -

Prepared by: T Edwards 7/18/23

§ 22.1-167.2. Security for payment; appropriations.

A. The Authority is authorized to issue bonds to finance and refinance acquisition of bonds, notes and other obligations of counties, cities and towns (local school bonds) issued for the purpose of financing and refinancing capital projects for school purposes and to pledge to the bonds all or any combination of the following sources: (i) payments of principal and interest on the local school bonds purchased by the Authority; (ii) payments to the localities by the Commonwealth as contemplated under the provisions of § 15.2-2659 (state aid intercept) of the Code of Virginia; (iii) funds in the Literary Fund available and appropriated for such purpose; and (iv) any funds in the general fund of the Commonwealth appropriated for such purpose.

B. The Governor's Budget Bill presented each year to the General Assembly shall include an appropriation to the Authority of a sum sufficient first, from funds in the Literary Fund available for such purpose, and second, from the general fund of the Commonwealth, to cure any shortfall in pledged primary revenues on any debt service payment date on the bonds of the Authority described by this section. A shortfall in pledged primary revenues shall exist when the sum of the payments made on local school bonds due on or before such date and any proceeds derived from the implementation of § 15.2-2659 (state aid intercept) of the Code of Virginia as of such date is less than required to pay the debt service due on the Authority's bonds on such date.

C. The Literary Fund and the general fund of the Commonwealth shall be subrogated to the rights of the Authority to the extent of any such funds paid to the Authority and shall be entitled to enforce the Authority's remedies with respect to the local school bonds and to full recovery of the amount of such shortfall.

D. On or before September 30 of each year, the Authority shall submit to the Governor and the chairmen of the House Appropriations Committee and the Senate Finance Committee a report as of the end of the prior fiscal year detailing the total amount of the Authority's outstanding bonds secured by appropriations as described in subsection B. The report shall also describe any instances where any such appropriation has been used.

(1998, cc. 4, 900.)