

ISSUE BRIEF

SENATE POLICY DEVELOPMENT AND RESEARCH OFFICE
PREPARED IN CONJUNCTION WITH THE SENATE REPUBLICAN POLICY COMMITTEE

Commonwealth Debt History

The Commonwealth of Pennsylvania may incur debt to finance capital programs (projects for construction, renovation, improvement, and acquisition of state land and buildings), voter-approved bond initiatives, and disaster relief measures. Pennsylvania's Constitution limits the amount of collective debt that can be incurred for capital programs to 175% of average annual tax revenues for the immediately preceding five fiscal years. The majority of debt financing is accomplished via general obligation bonds; such bonds are secured by the Commonwealth's general revenue and taxing power. The following table presents state debt from 1974 to 2006.

Cumulative Commonwealth Debt as of 31 December (\$ Thousands, Current Dollars)

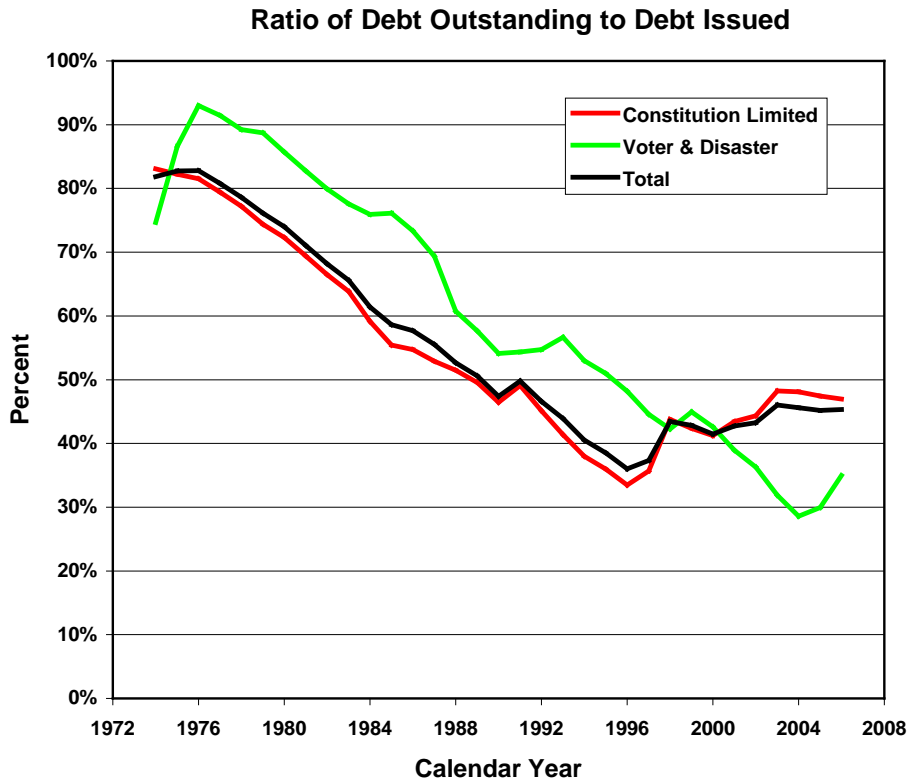
Year	Constitution Limited		Voter & Disaster		Total	
	Issued	Outstanding	Issued	Outstanding	Issued	Outstanding
1974	4,118,730	3,421,926	703,000	524,916	4,821,730	3,946,842
1975	4,513,730	3,712,416	608,000	526,606	5,121,730	4,239,022
1976	5,071,730	4,135,356	624,000	580,416	5,695,730	4,715,772
1977	5,199,730	4,128,629	679,000	620,836	5,878,730	4,749,465
1978	5,348,730	4,130,201	694,000	619,316	6,042,730	4,749,517
1979	5,378,730	4,001,401	747,000	662,656	6,125,730	4,664,057
1980	5,482,130	3,963,148	796,600	682,611	6,278,730	4,645,759
1981	5,614,730	3,896,709	797,000	659,476	6,411,730	4,556,185
1982	5,679,730	3,775,176	814,000	650,661	6,493,730	4,425,837
1983	5,816,730	3,712,821	850,000	659,576	6,666,730	4,372,397
1984	6,214,880	3,676,088	973,000	738,906	7,187,880	4,414,994
1985	6,253,700	3,466,883	1,147,353	873,514	7,401,053	4,340,397
1986	6,503,730	3,558,766	1,242,703	911,499	7,746,433	4,470,265
1987	6,859,730	3,628,297	1,295,118	898,239	8,154,848	4,526,536
1988	7,575,507	3,898,368	1,126,805	684,255	8,702,312	4,582,623
1989	7,978,007	3,952,188	1,164,305	671,000	9,142,312	4,623,188
1990	8,238,007	3,825,651	1,189,305	643,678	9,427,312	4,469,329
1991	8,380,921	4,113,477	1,328,646	721,811	9,709,567	4,835,288
1992	8,894,697	4,013,734	1,594,297	872,521	10,488,994	4,886,255
1993	9,427,659	3,901,407	1,880,335	1,065,413	11,307,994	4,966,820
1994	10,428,132	3,960,371	2,134,254	1,130,343	12,562,386	5,090,714
1995	10,714,132	3,852,487	2,206,754	1,124,757	12,920,886	4,977,244
1996	11,117,131	3,723,379	2,289,429	1,103,305	13,406,560	4,826,684
1997	10,633,231	3,796,760	2,396,769	1,067,971	13,030,000	4,864,731
1998	9,512,830	4,162,151	2,450,569	1,035,978	11,963,399	5,198,129
1999	10,217,330	4,328,759	2,124,500	954,849	12,341,830	5,283,608
2000	10,642,960	4,387,596	2,058,000	876,689	12,700,960	5,264,285
2001	11,302,630	4,910,056	2,067,000	804,345	13,369,630	5,714,401
2002	12,502,630	5,544,954	1,998,000	725,437	14,500,630	6,270,391
2003	13,218,630	6,376,414	2,067,000	659,191	15,285,630	7,035,605
2004	14,042,130	6,756,659	2,069,500	591,126	16,111,630	7,347,785
2005	14,722,130	6,982,565	2,189,500	655,970	16,911,630	7,638,535
2006	15,530,130	7,292,149	2,445,500	854,901	17,975,630	8,147,050

source: Governor's Executive Budget

Outstanding debt related to voter-approved programs and disaster relief at the close of CY 2006 include: Growing Greener, \$210 million (M); Pennsylvania Infrastructure Investment Authority (PENNVEST), \$114.9 M; water supply and wastewater

infrastructure, \$65 M; water facilities, \$9.5 M; agricultural conservation easements, \$8.2 M; 1996 disaster relief, \$8.0 M; local criminal justice purposes, \$5.6 M; economic revitalization, \$2.5 M; Keystone Recreation, Park, and Conservation projects, \$1.4 M; land and water development, \$1.3 M; and volunteer company loans, \$1.2 M.

The following graph shows Commonwealth debt generally declined from 1976 to 1996, with the “total” ratio varying between 40% and 50% since 1998.



The following graph shows debt *per capita*; total debt reached a minimum of \$500 in 2000, and is now \$655, due nearly entirely to new capital programs.

