STATUS REPORT

NET STATE TAX SUPPORTED DEBT

2010-2011 AND 2011-2012 FISCAL YEAR STATUS AND 2012-2013 FISCAL YEAR PROJECTION

As of December 31, 2011

Presented to

Governor Bobby Jindal

Senator John A. Alario, Jr.
President of the Senate

Representative Charles “Chuck” Kleckley
Speaker of the House

Representative Joel C. Robideaux
Chair, Joint Legislative Committee on Capital Outlay

By
State Treasurer John Neely Kennedy, Chair
State Bond Commission

February 16, 2012

2010 - 2011 FISCAL YEAR STATUS
AND
2011-2012 FISCAL YEAR STATUS THROUGH DECEMBER 31, 2011

GENERAL OBLIGATION ISSUES:

General Obligation - Fiscal Year 2010-2011:

The State of Louisiana issued a number of general obligation debt issuances during the fiscal year 2010-2011. Those issuances were done for the purpose of providing new funds for capital outlay or economic refunding purposes which provided the state current and future debt service savings.

On October 13, 2010, the State issued its General Obligation Refunding Bonds Series 2010-A in the par amount of $206,495,000 through a competitive bond sale. The proceeds of the Series 2010-A Bonds, including the par amount of $206,495,000 plus a premium of $38,314,557.70 (representing a bid rate of 2.8595294%) were utilized to fund an escrow in the amount of $242,889,110.00 which was utilized to refund all of the outstanding State of Louisiana General Obligation Bonds Series 2000-A, Series 2002-A, and Series 2003-A, in the par amounts of $27,705,000; $60,395,000 and $132,460,000, respectively, and to fund the underwriters discount of $1,920,403.50. The refunding was economic and will provide $24,755,392.78 in future debt service savings to the State. The premium was also utilized to offset existing Fiscal Year 2010-2011 debt service costs, thereby providing an equal amount of savings to the General Fund for that fiscal period.

Concurrently, the State also issued, through a competitive sale, its General Obligation Refunding Bonds Series 2010-B in the par amount of $91,510,000. The proceeds of the Series 2010-B Bonds, including the par amount of $91,510,000 plus a premium of $17,003,223.40 (representing a bid rate of 2.4147844%) were utilized to fund an escrow in the amount of $108,513,223.00 in order to refund a portion of the outstanding State of Louisiana General Obligation Bonds Series 2004-A in the par amount of $91,075,000 and to fund the underwriters discount of $400,813.80. The refunding was economic and will provide $1,959,094.72 in future debt service savings to the State.

On March 10, 2011, the State issued its General Obligation Bonds Series 2011-A in the par amount of $300,000,000 through a competitive bond sale. The proceeds of the Series 2011-A Bonds, including the par amount of $300,000,000 plus a premium of $28,035,644.20 (representing a bid rate of 3.8714846%) were utilized to finance certain capital projects described in the comprehensive capital budget of the State. The premium was utilized to offset existing Fiscal Year 2010-2011 debt service costs, thereby providing an equal amount of savings to the General Fund for that fiscal period.

On June 1, 2011, the State issued its General Obligation Refunding Bonds Series 2011-B in the par amount of $177,130,000 through a competitive bond sale. The proceeds of the Series 2011-B Bonds, including the par amount of $177,130,000 plus a contribution from the State of $500,430.00 (representing a bid rate of 2.8595294%) were utilized for the purpose of currently refunding a like amount of its General Obligation Variable Rate Demand Refunding Bonds, Series 2008-A.

General Obligation - Subsequent Event – Fiscal Year 2011-2012 through December 31, 2011:

As of December 31, 2011, the State of Louisiana had the following General Obligation Bond Series outstanding: Series 1993-A, 1993-B, 2001-A, 2004-A, 2005-A, 2006-B, 2006-C, 2009-A, 2009-B, 2010-A, 2010-B, 2011A, and 2011B with a total par value of $2,462,075,000 and outstanding related financing costs of $830,218,693. All outstanding series, excluding Series 2011-B, are fixed rate, 20 year transactions. Series 2011-B, is a variable rate issue with a 3 year original maturity and has two related floating to fixed interest rate swaps associated with it. There is no letter of credit supporting the Series 2011-B Bonds. The 2006-B and 2011-B Series are General Obligation issues but as described in the subsequent section entitled "Debt Issuance

Not Considered Net State Tax Supported Debt" are not included in the Net State Tax Supported Debt ("NSTSD") calculation.

GASOLINE AND FUELS TAX ISSUES:

Gasoline and Fuels Tax Fiscal Year 2010-2011:

During Fiscal Year 2010-2011, the State also completed one new issue (Series 2010-B) related to the State's Transportation Infrastructure Model for Economic Development program ("TIMED"), as more fully described below.

The Transportation Trust Fund was established pursuant to (i) Article VII, Section 27 of the State Constitution and (ii) La. R.S. 47:820.1 to 47:820.5, inclusive, as amended and supplemented (collectively, the "Transportation Act") for the purpose of funding construction and maintenance of State and federal roads and bridges, the statewide flood-control program, ports, airports, transit, State Police traffic control and to fund the Parish Transportation Fund.

The Transportation Trust Fund is funded by a levy of $0.20 per gallon on gasoline and motor fuels and on special fuels (diesel, propane, butane and compressed natural gas) used, sold or consumed in the State. This levy was increased from $0.16 per gallon (the "Existing Taxes") to the current $0.20 per gallon pursuant to Act 16 of the 1989 First Extraordinary Session of the Louisiana Legislature, as amended. The additional tax of $0.04 per gallon (the "Act 16 Taxes") became effective January 1, 1990 and will cease at such time as a statutory list of projects is completed or all outstanding bonds or refunding bonds payable from the Act 16 Taxes are paid in full, whichever is later.

The Transportation Infrastructure Model for Economic Development Account (the "TIMED Account") was established in the Transportation Trust Fund. Monies in the TIMED Account may be expended for certain projects identified in the Transportation Act aggregating $2.53 billion and to fund not exceeding $160 million of additional capital transportation projects. The State issued $263,902,639.95 of Gasoline and Fuels Tax Revenue Bonds, 1990 Series A, dated April 15, 1990, payable from: (i) Act No. 16 Taxes; (ii) any Act 16 Taxes and Existing Taxes deposited in the Transportation Trust Fund; and (iii) any additional taxes on gasoline and motor fuels and special fuels pledged for the payment of the 1990 Series A Bonds. On May 17, 1999, the State issued $94,260,000 of State of Louisiana Gasoline and Fuels Tax Revenue Refunding Bonds 1999, Series A in order to refund the entire outstanding principal balance ($92,235,000) of the outstanding 1990 Series A Bonds to provide for a net long term savings of $6,793,731 over the term of the refunding. As of June 30, 2004, the 1999 Series A Bonds are fully paid.

On August 27, 2002, the State, through the Department of Transportation and Development ("DOTD"), issued $275,000,000 State of Louisiana Gasoline and Fuels Tax Revenue Bonds 2002, Series A for the purpose of providing funds to (i) finance the construction of certain highway and bridge projects, and (ii) to pay the costs of issuance of the 2002 Series A Bonds, including the bond insurance premium. On May 12, 2005, the State, through the DOTD, issued $525,000,000 of Louisiana Gasoline and Fuels Tax Revenue Bonds, 2005 Series A for the purpose of financing improvements to the State transportation system and paying costs of issuance of the Series 2005 Series A Bonds. On November 1, 2006, the State, through the DOTD, issued $1,107,490,000 of Louisiana Gasoline and Fuels Tax Revenue Bonds, 2006 Series A for the purpose of financing improvements to the State transportation system and paying costs of issuance of the Series 2006 Series A Bonds. The 2002 Series A, 2005 Series A, and 2006 Series A Bonds are special and limited obligations of the State issued on behalf of the State by the Commission and are payable solely from and secured by (i) Act 16 Taxes; (ii) any Act 16 Taxes and Existing Taxes deposited in the Transportation Trust Fund; and (ii) any additional taxes on gasoline and motor fuels pledged for the repayment of the 2002 Series A, 2005 Series A, and 2006 Series A Bonds. The 2002 Series A, 2005 Series A, and 2006 Series A Bonds are not general obligations of the State and the full faith and credit of the State is not pledged to their payment. The 2005 Series A Bonds and 2006 Series A Bonds were issued on complete parity with the outstanding 2002 Series A Bonds. As of December 31, 2011, the outstanding principal balance of the 2002 Series A Bonds was $228,260,000, the outstanding principal balance of the 2005 Series A Bonds was $525,000,000 and the outstanding principal of the 2006 Series A Bonds was $1,107,490,000.

On November 16, 2006, the Commission authorized the issuance of $485,000,000 of Gasoline and Fuels Tax Revenue Bonds, 2008 Series A. On December 21, 2006, the Commission entered into a Forward Bond Purchase Agreement with Morgan Keegan & Company, Inc., on behalf of itself and Citigroup Global Markets, Inc., which provided that, under certain terms and conditions, the Commission, on behalf of the State, would sell and deliver the 2008 Series A bonds to Morgan Keegan & Company, Inc. and Citigroup Global Markets Inc. on December 1, 2008.

In connection therewith, the Commission entered into separate, but substantially identical, forward starting interest rate hedge agreements with four counterparties, namely Morgan Keegan Financial Products, Inc ("MKFP"), Merrill Lynch Capital Services, Inc. ("MLCS"), Citibank N.A. ("Citibank") and JPMorgan Chase Bank, N.A. ("JPMC"), each with an effective date of December 1, 2008.

Due to market volatility and credit availability, the originally proposed $485,000,000 2008 bonds were not issued on December 1, 2008. The Commission concurrently negotiated extensions of the forward starting interest rate swap agreements with MKFP, MLCS, Citibank, and JPMC, to an effective date of May 1, 2009.

In 2009, the Commission issued $485,000,000 aggregate principal amount in four separate subordinate lien revenue bond series, as follows:

a. The $200,000,000 Gas and Fuels Tax Second Lien Variable Rate Revenue Bonds, Series 2009A-1 were issued in a variable rate weekly mode with a stated maturity of 35 years and were backed by a letter of credit for a one year period from JPMC.
b. The $103,125,000 Taxable Gas and Fuels Tax Second Lien (Build America Bonds) Series 2009A-2 were issued May 7, 2009. The 2009A-2 Bonds were issued in a weekly rate mode at a variable rate of 3 month LIBOR plus 275 basis points, with a floor of 3%. They are callable by the State at any time with a 60 day notice. Although the Bonds have a stated maturity of 2043, the Bonds have a soft put which is exercisable on May 7, 2012. If the put is exercised, the State must amortize the outstanding bonds over a three year payment time frame.
c. The $121,250,000 Taxable Gas and Fuels Tax Second Lien Revenue (Build America Bonds) Series 2009A-3 were issued on May 27, 2009. The 2009A-3 Bonds were issued in a weekly mode at a variable rate of 3 month LIBOR plus 250 basis points. Although the 2009A-3 Bonds have a stated maturity of 2043, the 2009A-3 Bonds have a hard put which is exercisable on May 27, 2014. When exercised, the State must redeem the 2009A-3 Bonds either through a refinancing or through utilization of the available collected gas and fuels taxes. The associated hedge agreement on the 2009A-3 Bonds, as described below, has a 3 year hard put which expires May 1, 2012. As a consequence, the 2009A-3 Bonds may be unhedged for a period of two years from May 1, 2012 through May 1, 2014.
d. The $60,635,000 Taxable Gas and Fuels Tax Second Lien Revenue (Build America Bonds) Series 2009A-4 were issued July 1, 2009. The bonds were issued in a weekly rate mode at a variable rate of 3 month LIBOR plus 250 basis points. Although the 2009A-4 Bonds have a stated maturity of 2043, the 2009A-4 Bonds have a hard put which is exercisable on July 1, 2012. When exercised, the State must redeem the 2009A-4 Bonds either through a refinancing or through utilization of the available collected gas and fuels taxes. The associated hedge agreement on the 2009 A-4 Bonds, as described below, has a 3 year hard put which expires July 1, 2012. As a consequence, a termination payment or receipt may be due on that date.

Concurrent with the above listed bond issues, the State Bond Commission was able to negotiate extensions on the forward starting interest rate hedge agreements (described below) that were to expire on May 1, 2009, to the effective delivery dates of each series. The effective date for each of the MKFP and JPMC hedge agreements were further extended from May 1, 2009 to May 7, 2009. The effective date for each of the MLCS hedge agreements were further extended from May 1, 2009 to May 27, 2009. The effective date for each of the Citibank hedge agreements were further extended from May 1, 2009 to July 1, 2009. Each bond series was issued in an amount to cover the respective hedge agreement exposure of each provider. As a result of the extensions and bond issuances, as described herein, the cash flows on all four hedges were placed in effect and begun on the dates stated above.

The MKFP hedge agreement, in the notional amount of $186,000,000 and the MKFP hedge agreement in the notional amount of $56,500,000 were utilized in connection with the issuance and delivery of the 2009 A-1 Bonds and the 2009A-2 Bonds.

The JPMC hedge agreement, in the notional amount of $46,500,000 and the JPMC hedge agreement in the notional amount of $14,125,000, were utilized in connection with the issuance and delivery of the 2009 A-1 Bonds and the 2009A-2 Bonds.

The MLCS hedge agreement, in the notional amount of $121,250,000, was utilized in connection with the issuance and delivery of the 2009A-3 Bonds. The MLCS hedge agreement is subject to termination May 1, 2012.

The Citibank hedge agreement, in the notional amount of $46,500,000 and the Citibank hedge agreement in the notional amount of $14,125,000, were utilized in connection with the issuance and delivery of the 2009A-4 Bonds. The Citibank hedge agreement is subject to termination July 1, 2012.

On June 1, 2010, the Commission, on behalf of the State, executed an interest rate mode change on the 2009A-1 Bonds from the weekly rate mode to an indexed mode, and the 2009A-1 Bonds now bear interest at the SIFMA rate plus 0.755 basis points. In conjunction with the conversion of the interest rate mode on the 2009 Series A-1 Bonds, the irrevocable letter of credit was terminated. The existing MKFP hedge agreement in the notional amount of $186,000,000 and JPMC hedge agreement in the notional amount of $14,125,000, which are associated with the refunded 2009A-2 Bonds, were amended on June 1, 2010, for the purpose of providing that such agreements would continue to provide a hedge of the Commission's exposure to variable interest rates with respect to the Series 2010 A Refunding Bonds.

On June 1, 2010, the Commission, on behalf of the State, issued the Series 2010-A Refunding Bonds in the aggregate principal amount of $103,125,000, for the purpose of current refunding the 2009 Series A-2 Bonds on June 1, 2010. The 2010A Series Refunding Bonds were issued in an indexed mode and bear interest at the SIFMA rate, plus 9.75 basis points, and mature on May 1, 2043. The 2010 Series A Refunding Bonds are secured by and payable solely from a second lien on, pledge of and security interest on the Pledged Property. The existing MKFP hedge agreement in the notional amount of $56,500,000 and JPMC hedge agreement in the notional amount of $46,500,000 which are associated with the refunded 2009A-2 Bonds, were amended on June 1, 2010, for the purpose of providing that such agreements would continue to provide a hedge of the Commission's exposure to variable interest rates with respect to the Series 2010A Refunding Bonds. The MKFP and JPMC hedge agreements are subject to termination in 2014.

As of July 1, 2010, the outstanding principal balance of the Gasoline and Fuels Tax Second Lien Variable Revenue Bonds Series 2009A-1 was $200,000,000; the outstanding principal balance of the Taxable Gasoline and Fuels Tax Second Lien Bonds (Build America Bonds) Series 2009A-3 and 2009A-4 were, respectively, $121,125,000 and $60,625,000; and the outstanding balance of the Taxable Gasoline and Fuels Tax Second Lien Revenue Bonds Series 2010A was $103,125,000.

On August 26, 2010, the Commission, on behalf of the State, issued the 2010 Series B Gasoline and Fuels Tax Second Lien Revenue Bonds in the amount of $394,310,000 in order to provide sufficient funds to complete all but two of the enumerated TIMED projects as authorized under Article VII, Section 27 of the State Constitution (the remaining unfunded projects are the Florida Avenue Bridge and the LA 3241 Corridor). A determination as to future funding related to the Florida Avenue Bridge and LA 3241 Corridor projects has not been made at this time. The par amount of the 2010B Bonds together with premium provided $425,002,558 in project funds for the TIMED program. The 2010B Bonds have a final maturity date of May 1, 2045.

Gasoline and Fuels Tax - Subsequent Event - Fiscal Year 2011-2012 through December 31, 2011:

As of December 31, 2011, the State of Louisiana had the following Gasoline and Fuels Tax Bonds outstanding: Series 2002A, 2005A, 2006A, 2009A-1, 2009A-3, 2009A-4, 2010-A, 2010-B with a total par value of $2,740,060,000 and outstanding related financing costs of $3,036,298,547. The Series 2002A, 2005A, 2006A and 2010B Bonds are fixed rate issues. The remaining series are variable rate issues with 35 year original maturities and have associated floating to fixed interest rate swaps.

Series 2002A, 2005A, and 2006A are senior lien debt supported first by the 4 cent gasoline and special fuels tax and after fulfillment of the General Obligation debt service requirement, the 16 cent gasoline and special fuels tax. All other gasoline and special fuels tax issues are second lien issues secured, after the fulfillment of the General Obligation debt service requirement, solely by the 16 cent gasoline and fuels tax.

APPROPRIATION DEPENDENCY ISSUES:

Appropriation Dependency – Fiscal Year 2010-2011:

On August 31, 2010, the Louisiana Local Government Environmental Facilities and Community Development Authority issued (LCTCS Facilities Corporation Project) Revenue Bonds Series 2010. The bonds were issued at a TIC of 3.8568207% resulting in the receipt of the par value of $64,025,000 plus a premium of $7,102,122.55. The par value and premium value of the proceeds of the Series 2010 Bonds, together with a state appropriation of $16,502,323.30 less payment of underwriters discount of $368,143.75, were utilized (i) to finance $79,677,109.50 of Phase II of the project, (ii) to fund a Debt Service Reserve fund in the amount of $7,112,612.26, and (iii) to pay the costs of issuance of the Series 2010 Bonds of $471,480.34.

On December 9, 2010, the Office Facilities Corporation issued its Lease Revenue Refunding Bonds (Louisiana State Capitol Complex Program) Series 2010 in the par value of $57,610,000. The issue was sold competitively with a winning bid rate of 3.513833%. The total proceeds of the Series 2010 Bond issue of $77,593,742.74, inclusive of the par value of $57,610,000 and a original issue premium of $4,574,270.50, plus a transfer from the Series 2001A Debt Service Reserve Account of $8,369,456.26, and a transfer from the Series 2001 Project Fund of $7,040,015.98 were utilized to (i) establish an escrow fund of state and local government securities in the amount of $70,948,393.99 which is sufficient to refund all of the outstanding Office Facilities Corporation Lease Revenue Bonds (Louisiana State Capitol Complex Program) Series 2001A, (ii) to fund a Debt Service Reserve Fund in the amount of $6,218,427.50, and (iii) to pay the costs of issuance of the Series 2010A Bonds of $178,087.00 plus underwriters discount of $244,934.24. The refunding was economic and will provide net present value savings of $4,169,634.37 to the Corporation and indirectly to the State.

The underlying security for appropriation dependent issues are payments under separate agreements with the State which are subject to, and dependent upon, annual appropriation of funds by the Legislature of the State to the participating entities necessary to enable the entities to make payments for debt service on the bonds.

As of June 30, 2011, the State of Louisiana provided support to a number of appropriation dependency issues totaling $1,097,345,642, in par value, which are considered State Net State Tax Supported Debt and count toward the State's allowable debt limit.

Appropriation Dependency - Subsequent Events - Fiscal Year 2011-2012 through December 31, 2011

On September 14, 2011, the Parish of St. James issued the Parish of St. James, State of Louisiana Revenue Bonds (State of Louisiana – Economic Development Project), Series 2011. The bonds were issued at a TIC of 1.9624745% resulting in receipt of the par value of $26,650,000 plus a premium of $3,612,501.50. The par value and premium value of the proceeds of the Series 2011 Bonds, less payment of underwriters discount of $119,762.05 and cost of issuance of $142,739.45, were utilized (i) to provide funds to construct and equip a direct reduced iron making facility, land, docks, wharves and related improvements for the benefit of Nucor Steel Louisiana LLC or Nucor Corporation; and (ii) to pay the costs of issuance of the Bonds.

On September 30, 2011, the West Calcasieu Parish Community Center Authority issued Revenue Bonds (Events and Community Center Project), Series 2011 resulting in receipt of the par value of $7,855,000, which were utilized for paying the costs of construction, installation and equipping of an Events and Community Center, including architectural and engineering services, together with all furnishings, fixtures and equipment incidental or necessary in connection therewith, and paying the costs of issuance of the Bonds That the Bonds are secured by and payable solely from a pledge and dedication of that portion of the State of Louisiana's 4.00% sales and use tax on the furnishing of sleeping rooms, cottages or cabins by hotels within Wards 4, 5, 6 and 7 of Calcasieu Parish, Louisiana, collected by the Louisiana Department of Revenue and Taxation and remitted to the Treasury, and re-classified by Treasury to the West Calcasieu Community Center Fund, after sufficient amounts are collected to pay the full faith and credit obligations of the State of Louisiana.

On October 11, 2011, a portion of the Louisiana Local Governmental Environmental Facilities and Community Development Authority Revenue Refunding Bonds, (BRCC Facilities Corporation Project) 2002 Series, in the amount of $34,087,800 was refunded by the issuance of the Louisiana Local Governmental Environmental Facilities and Community Development Authority Revenue Refunding Bonds, (BRCC Facilities Corporation Project) Series 2011 in the amount of $31,635,000 in order to provide net present value debt service savings of approximately $2.2 million.

As stated previously the underlying security for appropriation dependent issues are payments under agreements with the State which are subject to, and dependent upon, annual appropriation of funds by the Legislature of the State to the participating entities necessary to enable the entities to make payments for debt service on the bonds.

As of December 31, 2011 the State of Louisiana had 28 outstanding appropriation dependency issues with a total par value of $1,105,996,620 and outstanding related financing costs of $536,185,261. The total $1,642,181,881 is considered Net State Tax Supported Debt and counts toward the State's allowable debt limit.

Other Self-Supporting Issues – Fiscal Year 2010-2011

During Fiscal Year 2010-2011 there were no new issues self-supporting issues or refunding actions associated with existing self-supporting issues which would fall under the state's definition of Net State Tax Supported Debt.

Other Self-Supporting Issues – Subsequent Events – Fiscal Year 2011-2012

During the first six months of Fiscal year 2011-2012 there were no new issues self-supporting issues or refunding actions associated with existing self-supporting issues which would fall under the state's definition of Net State Tax Supported Debt.

DEBT ISSUANCE NOT CONSIDERED NET STATE SUPPORTED DEBT

On July 12, 2006, the State, in response to the need to assist local political subdivisions as the result of Hurricanes Katrina and Rita, issued State of Louisiana General Obligation Gulf Tax Credit Bonds, Series 2006-A and State of Louisiana General Obligation Match Bonds, Series 2006-B in the amounts of $200,000,000 and $194,475,000, respectively, for the purpose of providing loans to political subdivisions of the State affected by Hurricanes Katrina and Rita, to insure the timely payment of principal and interest on their outstanding bonds, notes, certificates of indebtedness, or other written obligations or the repayment of borrowed money of local political subdivisions of the State issued prior to August 28, 2005. The Series 2006-A Bonds were issued, under a special federal program, as tax credit bonds with a two-year maturity and the Series 2006-B Bonds were issued as match bonds with a 20 year maturity under the provisions of the Gulf Opportunity Act of 2005. The Series 2006-A Bonds were refunded with proceeds of the State's General Obligation Refunding Bonds, Series 2008-A on July 17, 2008. The Series 2008-A Bonds were issued in conjunction with a forward bond purchase agreement, which committed several underwriters to purchase the Series 2008-A Bonds no later than July 17, 2008 (see later discussion). Concurrent with the execution of the forward bond purchase agreement, a floating to fixed swap agreement was entered into in order to mitigate future interest rate exposure for the Series 2008-A Bonds.

The State Bond Commission, at its June 15 and July 13, 2006 meetings, authorized the issuance of $200,000,000 in General Obligation Refunding Bonds Series 2008-A in order to provide funds to refund the General Obligation Tax Credit Bonds Series 2006-A and to enter into a Forward Purchase Delivery Contract with Morgan Keegan & Company (as senior managing underwriter) and Goldman, Sachs & Co. (as co-senior manager) to set the terms and obligations for the issuance, on July 17, 2008, by the State, of $200,000,000 variable rate bonds to be acquired by the Underwriters for an aggregate purchase price of $200,000,000. The Series 2008-A Refunding Bonds were issued on July 17, 2008 as Variable Interest Rate Bonds.

On June 1, 2011 all but one outstanding maturity of the Series 2008-A Refunding Bonds were refunded with the issuance of the General Obligation Refunding Bonds Series 2011-B (LIBOR Index) in the par amount of $177,130,0000 maturing by July 15, 2014. Pursuant to La. R.S. 39:1367(E)(2)(b)(iii), the Series 2006B and 2011B bonds are not considered Net State Tax Supported Debt for state law purposes, however, these issues continue to be considered a component of the Net State Tax Supported Debt by all three major rating agencies.

As of December 31, 2011, the outstanding par value of the Series 2006B and 20011B were $161,660,000 and $177,130,000, respectively. The outstanding related financing costs on the Series 2006B and 20011B Series are $70,362,756 and $21,139,484, respectively.

[Remainder of page left intentionally blank]

DECEMBER 31, 2011 STATUS PROJECTED FORWARD THROUGH FISCAL YEAR 2028-2029

As of **December 31, 2011**, the total **par** amount of Net State Tax Supported Debt ("NSTSD") outstanding was **$6,027,491,620,** with associated interest and other costs estimated at $4,338,613,643, providing a total outstanding debt cost through fiscal year 2043-2044 of $10,369,941,262. At par, the current NSTSD per capita debt ratio, based on the July 1, 2011 population estimate of 4,574,836, is **$1,318, an increase of $11 per person over last year's per capita debt ratio of $1,307**.

The State Bond Commission is prohibited from approving the issuance of NSTSD if the debt service required by such debt issuance would exceed 6% in each fiscal year of Taxes, Licenses and Fees as estimated by the Revenue Estimating Conference. In order to determine the par amount that can be issued in any one fiscal year and remain within the debt limitation, certain assumptions (see "Assumptions") are made as to interest rate and future issuance in the NSTSD - Projection Model (the "Projection Model"). The Projection Model is revised each year to allow for changes in interest rate assumptions, actual debt issued, and future revenue estimates of the Revenue Estimating Conference. The current report contains three separate scenarios, represented by Tables 1, 2, and 3, run under the Projection Model.

Table 1 reflects actual existing debt service requirements for future years as of December 31, 2011, Total Taxes, Licenses & Fees as estimated by the Revenue Estimating Conference on December 14, 2011 for Fiscal Years 2011-12 through Fiscal Year 2015-2016 (with an assumed growth rate of 2% for future fiscal periods) and the current percentage levels assuming no further debt issues as compared to the percentages allowable in La. R.S. 39:1367A(1)(k) through the 2028-2029 Fiscal Year. The difference between the last two columns of the table shows a current snapshot of borrowing margin available; it does not represent "actual" margin, as it does not include future debt issues that are planned or committed to be sold.

Pursuant to La. R.S. 39:1367(E)(2)(b)(iii), Tables 1, 2, and 3 do not include debt service requirements associated with the State of Louisiana General Obligation Bonds Series 2006B ($161,660,000), and Series 2011B ($177,130,000). However, it should be noted that these issues are included in Net State Tax Supported Debt ratios as calculated by the rating agencies.

TABLE 1

Fiscal Year Ending 6/30	Current Debt Service (in thousands) As of 12/31/11	Revenue Projections (in thousands) As of 012/14/11	Current Percentage As of 12/31/11	Allowable Percentage
2012	498,499	9,926,000	5.02%	6.00%
2013	541,408	10,277,900	5.27%	6.00%
2014	518,358	10,690,700	4.85%	6.00%
2015	502,463	11,103,400	4.53%	6.00%
2016	479,268	11,651,200	4.11%	6.00%
2017	458,877	11,884,224	3.86%	6.00%
2018	443,561	12,121,908	3.66%	6.00%
2019	440,551	12,364,347	3.56%	6.00%
2020	430,921	12,611,634	3.42%	6.00%
2021	396,549	12,863,866	3.08%	6.00%
2022	380,323	13,121,144	2.90%	6.00%
2023	363,014	13,383,566	2.71%	6.00%
2024	368,532	13,651,238	2.70%	6.00%
2025	321,617	13,924,263	2.31%	6.00%
2026	325,456	14,202,748	2.29%	6.00%
2027	290,258	14,486,803	2.00%	6.00%
2028	271,501	14,776,539	1.84%	6.00%
2029	269,090	15,072,070	1.79%	6.00%

Table 2 illustrates the impact of the existing debt, as reflected in Table 1, as well as the State issuing: (a) $400,000,000 of General Obligation Bonds in Fiscal Year 2011-2012; (b) issuing $300,000,000 in Fiscal Year 2013-2014 and every year thereafter to reflect the annual incremental Capital Outlay Act authorization on a trailing three year basis; and (c) the authorized LCDA (LCTCS Campus Facilities Corporation) Series 2011A in the amount of $42,646,377.

TABLE 2

Fiscal Year Ending 6/30	Current Debt Service (in thousands) As of 12/31/11	Revenue Projections (in thousands) As of 12/14/11	Current Percentage As of 12/31/11	Allowable Percentage
2012	501,348	9,926,000	5.05%	6.00%
2013	575,190	10,277,900	5.60%	6.00%
2014	592,502	10,690,700	5.54%	6.00%
2015	601,406	11,103,400	5.42%	6.00%
2016	603,507	11,651,200	5.18%	6.00%
2017	608,917	11,884,224	5.12%	6.00%
2018	619,919	12,121,908	5.11%	6.00%
2019	643,753	12,364,347	5.21%	6.00%
2020	661,504	12,611,634	5.25%	6.00%
2021	655,061	12,863,866	5.09%	6.00%
2022	667,321	13,121,144	5.09%	6.00%
2023	679,069	13,383,566	5.07%	6.00%
2024	714,225	13,651,238	5.23%	6.00%
2025	697,541	13,924,263	5.01%	6.00%
2026	732,216	14,202,748	5.16%	6.00%
2027	728,470	14,486,803	5.03%	6.00%
2028	741,795	14,776,539	5.02%	6.00%
2029	772,106	15,072,070	5.12%	6.00%

[Remainder of page left intentionally blank]

Table 3 illustrates the impact of the existing debt, as reflected in Table 1, as well as the State issuing: (a) $400,000,000 of General Obligation Bonds in Fiscal Year 2011-2012; (b) issuing $300,000,000 in Fiscal Year 2013-2014 and every year thereafter to reflect the trailing annual incremental Capital Outlay Act authorization on a trailing three year basis; (c) the authorized LCDA (LCTCS Campus Facilities Corporation) Series 2011A in the amount of $42,646,377; and (d) $200,000,000 issued in Fiscal Year 2013-2014 through Fiscal year 2016-2017 to cover the past issuance delay.

TABLE 3

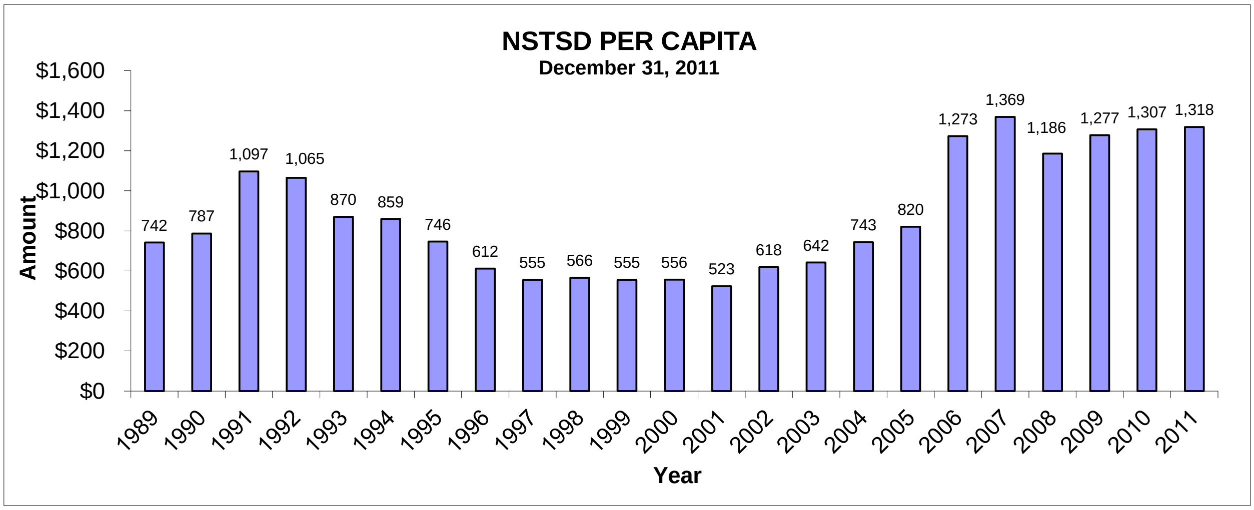
Fiscal Year Ending 6/30	Current Debt Service	Revenue Projections (in thousands)	Current Percentage	Allowable Percentage
	As of 12/31/11	As of 12/14/11	As of 12/31/11	
2012	501,348	9,926,000	5.05%	6.00%
2013	575,190	10,277,900	5.60%	6.00%
2014	600,527	10,690,700	5.62%	6.00%
2015	617,455	11,103,400	5.56%	6.00%
2016	619,556	11,651,200	5.32%	6.00%
2017	624,966	11,884,224	5.26%	6.00%
2018	619,919	12,121,908	5.11%	6.00%
2019	643,753	12,364,347	5.21%	6.00%
2020	661,504	12,611,634	5.25%	6.00%
2021	655,061	12,863,866	5.09%	6.00%
2022	667,321	13,121,144	5.09%	6.00%
2023	679,069	13,383,566	5.07%	6.00%
2024	714,225	13,651,238	5.23%	6.00%
2025	697,541	13,924,263	5.01%	6.00%
2026	732,216	14,202,748	5.16%	6.00%
2027	728,470	14,486,803	5.03%	6.00%
2028	741,795	14,776,539	5.02%	6.00%
2029	772,106	15,072,070	5.12%	6.00%

[Remainder of page left intentionally blank]

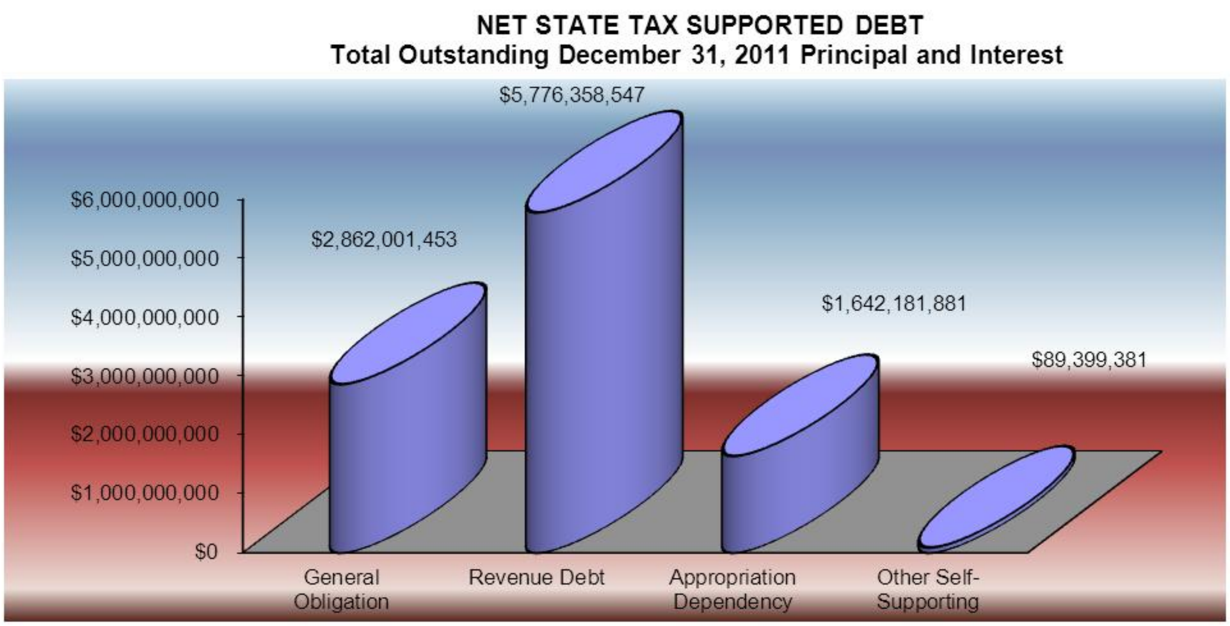
State Credit Rating and Debt

In October 2009, Standard & Poor's and Fitch rating agencies raised the State's General Obligation Bond rating from A+ to AA- with a stable outlook, while Moody's Investor Service affirmed its rating of A1 but raised the outlook from stable to positive. In March, 2010, Fitch recalibrated its ratings and raised the State's General Obligation Bond rating from AA- to AA with a stable outlook. In April, 2010, Moody's also recalibrated its ratings and raised the State's General Obligation Bond rating from A1 to Aa2, also with a stable outlook. Therefore, the State's currently outstanding ratings for its General Obligation Bonds are: Moody's: Aa2/stable; S&P: AA-/stable; and Fitch: AA/stable. These ratings remained in effect as of December 31, 2011.

NSTSD per capita as of December 31st from 1988 through 2011



The following chart illustrates the categories included in the definition of NSTSD, and the various types of debt included in each category



Notes for preceding chart:

- *General Obligation includes ALL outstanding General Obligation Bonds* ***with the exception of the G.O. Match Bonds Series, 2006B and G.O. Refunding Bonds, Series 20011B****.*

- *Revenue Debt includes State of Louisiana-Gasoline & Fuels Tax Revenue Bonds (Series 2002A, Series 2005A, Series 2006A and Series 2009A-1, A-3, A-4, Series 2010A and 2010B) payable from the proceeds of the four and sixteen cents per gallon gasoline and special fuels tax.*

- *Appropriation Dependency; Office Facilities Corporation 2003, 2009A and 2010A; Louisiana Correctional Facilities Corporation Series 2007A; LPFA Public Safety Fire Marshal's Headquarters Series 2002A; the Community Colleges LCDA - Bossier Parish Community College Series 2002A and 2003A, LCDA - Baton Rouge Community College Series 2002B, 2003B and 2011, LCDA- Delta Community College Series 2008A, LPTFA - South Louisiana Community College Series 2002A; LCDA –LCTCS Facilities Corporation Project Series 2009A&B and Series 2010A; LAFA Taxable Refunding Revenue Bonds (Lacassine Syrup Mill Project)- Series 2009; LAFA Woodworth Office Building Renovation Project Series 2006B; LAFA Office Building Project Series 2007A; LAFA Multiple Buildings and Equipment Project Series 2007B; IDB City of New Orleans (New Orleans Federal Alliance) Series 2008A; LPFA LSU Alexandria Student Housing Series 2006C; LPFA Southern University Millennium Student Housing Series 2006A; LPFA UNO Series 2006B; England District Sub-District No. 1 Series 2005; Board of Commissioners of the Port of New Orleans – State/CG Railway Inc. Project Series 2005A; Louisiana Transportation Authority (LA1 Project) Series 2005A&B; LPFA Hurricane Recovery, Series 2007A; St. James Economic Development Project, Series 2011A; and West Calcasieu Parish Community Center Authority, Series 2011.*

- *Other Self-Supporting Debt includes Crescent City Connection (Series 2002A); Greater Baton Rouge Port Commission (Series 1999A&B); Greater New Orleans Expressway Commission (Series1999 and 2003A).*

Assumptions

The revenue base for Fiscal Year 2011-2012 through Fiscal Year 2015-2016 is the Revenue Estimating Conference Forecast of December 14, 2011. Revenue forecasts for succeeding years incorporate a 2% growth factor. Future General Obligation issues assume a 20 year maturity, level debt structure at an all in cost of financing of 5%. Existing variable rate General Obligation Bond issues are projected at an all in cost of funds of 4.5% with a 3 year maturity. Gasoline and Fuels Tax Bond Series 2009A-1, A-3, A-4 and 2010A issues are projected at an all in cost of funds factor of 4.5% with a 35 year maturity.

As noted previously, the Net State Tax Supported Debt model utilized in the aforementioned calculations utilizes specified assumptions in order to make the mandated statutory calculations. Any changes in a variable will result in a change to the aforementioned results.

[Remainder of page left intentionally blank]

In addition to the debt limitations contained in Article VII, Section 6F of the Constitution of 1974 and La. R.S. 39:1367 et. seq., which is the basis for this report, two additional statutory debt limitations contained in La. R.S. 39:1365(25) and La. R.S. 39:1402(D) exist. The results of those limitations are reflected below.

ADDITIONAL DEBT LIMITATIONS IMPOSED BY STATUTE

A. Debt Limitation Imposed By La. R.S. 39:1365(25)

The legislature shall not authorize any general obligation bonds or other general obligations secured by the full faith and credit of the state if the total principal amount of such debt outstanding plus the amount of such debt authorized by the legislature but unissued exceeds two times the average annual revenues of the Bond Security and Redemption Fund for the last three fiscal years completed prior to such authorization.

General Obligation (Principal) Issued as of December 31, 2011[(1)]	$ 2,462,075,000
General Obligation Debt Authorized but Unissued as of December 31, 2011	$ 1,746,475,000
Total General Obligation Debt Issued plus Authorized but Unissued	$ 4,208,550,000
Bond Security and Redemption Fund Average Collections Last 3 Years Times 2	$23,423,522,000

Fiscal Year	2010-11	$11,418,794,926
Fiscal Year	2009-10	$10,930,986,993
Fiscal Year	2008-09	$12,785,501,081

[(1)] For purposes of this calculation all issuances of General Obligation Debt, including the Series 2006B and 20011B, which are excluded for purposes of calculating NSTSD, are reflected.

B. Debt Limitation Imposed By La. R.S. 39:1402(D)

The State Bond Commission shall not issue general obligation bonds or other general obligations secured by the full faith and credit of the State at any time when the highest annual debt service requirement for the current or any subsequent fiscal year for such debt, including the debt service on such bonds or other obligation then proposed to be sold by the State Bond Commission, exceeds ten per cent of the average annual revenues of the Bond Security and Redemption Fund for the last three fiscal years completed prior to such issuance.

Bond Security and Redemption Fund Average Collections for Last 3 Years	$11,711,761,000
Times 10%	$ 1,171,176,000
Highest Annual General Obligation Debt Service Requirement FY 2012-2013	$306,350,661