NET STATE TAX SUPPORTED DEBT REPORT

2016-2017 AND 2017-2018 FISCAL YEAR STATUS AND
2017-2018 FISCAL YEAR PROJECTION

As of December 31, 2017

Presented to

Governor John Bel Edwards

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

Representative Taylor Barras
Speaker of the House

Senator J.P. Morrell
Chair, Joint Legislative Committee on Capital Outlay

By
State Treasurer John M. Schroder
Chair, State Bond Commission

March 15, 2018

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The State Bond Commission has prepared the 2017 Net State Tax Supported Debt (NSTSD) Report in accordance with Article VII, Section 6(F) of the Louisiana Constitution, as amended, La. R.S. 39:1367, et seq. and the Debt Limit Rule of the State Bond Commission. The report outlines changes in the State's debt position that occurred over Fiscal Year 2016-2017 and through December 31, 2017 for Fiscal Year 2017-2018, as well as projections for future fiscal years affecting the State's debt limitation.

The report also provides information on the State's credit ratings, total outstanding debt and debt trends, inclusive of debt not considered NSTSD.

NSTSD Outstanding and Debt Per Capita

As of December 31, 2017, the state had $11.13 billion in total NSTSD debt outstanding, of which $7.3 billion was principal and $3.8 billion was interest. Of the total $11.13 billion outstanding amount, $4.8 billion (43%) was for General Obligation Debt, $1.02 billion (9%) was for Appropriation Dependent Debt, $5.3 billion (47%) was for Revenue Debt, and $51.9 million (1%) was for Self-Supporting Debt.

The principal amount outstanding increased from the prior reporting year (December 31, 2016) by $92.3 million due to the issuance of $487.71 million of new General Obligation Bonds during the calendar year 2017. Based on the outstanding principal as of December 31, 2017 ($7.3 billion) and on the July 1, 2017, population estimate of 4,684,333, the NSTSD per capita debt ratio was $1,588, a $19 increase from last year's per capital debt ratio.

NSTSD is further discussed on the following page in the "**INTRODUCTION**" and in the sections entitled "**NSTSD UPDATE**" and "**NSTSD OVERVIEW AND ISSUANCE**".

NSTSD Capacity Projections for Funding Capital Outlay Projects

Based on the existing outstanding debt classified as NSTSD and revenue projections adopted by the Revenue Estimating Conference on December 14, 2017, debt capacity is available within the 6% NSTSD limitation as the current percentage remains below 6% through Fiscal Year 2037. The debt capacity available over the next ten years within the 6% allowable percentage is projected to be $315 million in Fiscal Year 2019 and $300 million every year thereafter. See the section entitled "**NSTSD PROJECTION MODEL AND ASSUMPTIONS**" for details.

Debt Trends

Total outstanding debt classified as NSTSD and Non-NSTSD increased by $173 million in Fiscal Year 2016-2017 when compared to Fiscal Year 2015-2016. Five issuance transactions occurred in Fiscal Year 2016-2017 of which all are classified as NSTSD. Of the five transactions, the State Bond Commission issued four on behalf of the State, two were new money General Obligation Bonds to fund capital outlay projects and two were refundings.

The cost of servicing debt classified as NSTSD and Non-NSTSD was $701 million in Fiscal Year 2016-2017 of which $392 million was attributable to General Obligation Bonds. The projected cost of servicing this same type of debt increased in Fiscal Year 2017-2018 to $715 million of which $418 million is attributable to General Obligation Bonds.

Non-NSTSD is more fully defined on the following page in the "**INTRODUCTION**". See the section entitled "**DEBT TRENDS**" for additional information.

Credit Ratings

The State's General Obligation Bonds rating was downgraded in March 2017 from AA to AA- by S&P with the outlook remaining negative. During the same time period Moody's and Fitch affirmed their ratings of Aa3 and AA-, respectively. Moody's outlook is negative while Fitch has a stable outlook. See the section entitled "**STATE CREDIT RATINGS**" for details in addition to information on Moody's debt per capita and as a percent of personal income.

INTRODUCTION

Net State Tax Supported Debt

Pursuant to Article VII, Section 6(F) of the Louisiana Constitution of 1974, as amended, the State is prohibited from issuing Net State Tax Supported Debt ("NSTSD") if the debt service, including sinking fund requirements, is above 6% of the estimated State General Fund and Dedicated Funds, and any other Funds required by law to be included in any Fiscal Year, in the official forecast adopted by the Revenue Estimating Conference (REC) at its first meeting after the beginning of each Fiscal Year. La. R.S. 39:1367 further defines the NSTSD limitation and specifies debt obligations which are included in the NSTSD limitation; however debt obligations may be excluded by a specific legislative instrument receiving a favorable two-thirds vote of the entire legislature.

NSTSD is categorized by:
(1) State of Louisiana General Obligation Bonds secured by the full faith and credit of the State,
(2) State of Louisiana Revenue Bonds secured by dedicated revenue sources,
(3) Appropriation Dependent debt issued by various entities and secured by annual appropriation of funds by the Legislature,
(4) Self-supporting debt issued by various entities and secured by tolls and other revenues derived by the entity.

The REC forecast has typically included gross tax revenue funds that flow into the State General Fund, as well as any statutory dedications of those funds. Other Dedicated Funds and Self-Generated Funds have not been included. However, Act 419 of the 2013 Regular Session modified this practice by directing the REC to forecast all funds required to be deposited in the state treasury, which includes all gross tax revenue funds, all statutorily dedicated funds, and all self-generated funds, subject to the exceptions listed in Article VII, Section 10(J) of the LA Constitution. Pursuant to AG Opinion 14-0034 issued on May 5, 2014, the calculation on the NSTSD limitation must include the additional statutorily dedicated funds and self-generated funds. According to the opinion, the effect of Act 419 on the NSTSD limitation was unintentional. Additional revenue recognized under Act 419 is not necessarily available to pay debt service.

In order to alleviate concerns that additional NSTSD will be issued under the increased debt limit without the benefit of additional revenues to pay the debt service on debt that constitutes NSTSD, the State Bond Commission ("SBC") adopted a resolution on August 21, 2014 which states that the Commission shall not approve the issuance of any debt that constitutes NSTSD if the issuance of that debt shall cause the amount of money necessary to service outstanding NSTSD to exceed six percent (6%) of the estimate of money to be received by the state general fund and dedicated funds for each respective fiscal year as determined by the REC under the methods used by the REC prior to the effective date of Act 419. Therefore for purposes of this report, REC revenues do not include Act 419 revenues.

Non-Net State Tax Supported Debt

Pursuant to La. R.S. 39:1367(E)(2)(b)(iii) and R.S. 39:1367(E)(2)(b)(v), certain bonds have been excluded from the NSTSD Limitation as follows:
(1) State of Louisiana General Obligation Bonds secured by the full faith and credit of the State, currently Series 2012D and 2013C;
(2) Appropriation Dependent debt secured by annual appropriation of funds by the Legislature, currently Series 2014 and 2017 issued by the Louisiana Community Development Authority for the benefit of the Louisiana Community and Technical College System Act 360 projects as more fully discussed under the section entitled "**DEBT NOT CONSIDERED NSTSD OVERVIEW AND ISSUANCE**".

NSTSD UPDATE

This section provides an update on all debt that is classified as NSTSD debt.

NSTSD per Capita

As of **December 31, 2017**, the total **principal** amount outstanding was **$7,298,625,000** with associated interest and other costs estimated at $3,832,314,000 providing a total outstanding debt cost through final maturity in Fiscal Year 2046-2047 of $11,130,939,000. Based on principal outstanding ($7,298,625,000), the NSTSD per capita debt ratio as of December 31, 2017, based on the July 1, 2017 population estimate of 4,684,333, was **$1,558**, **an increase of $19 per person over last year's per capita debt ratio of $1,539.**

The per capita increase is attributed to the $487.71 million of new General Obligations Bonds (Series 2017A and 2017B) issued in calendar year 2017. A historical trend of NSTSD per capita is shown below in figure 1.

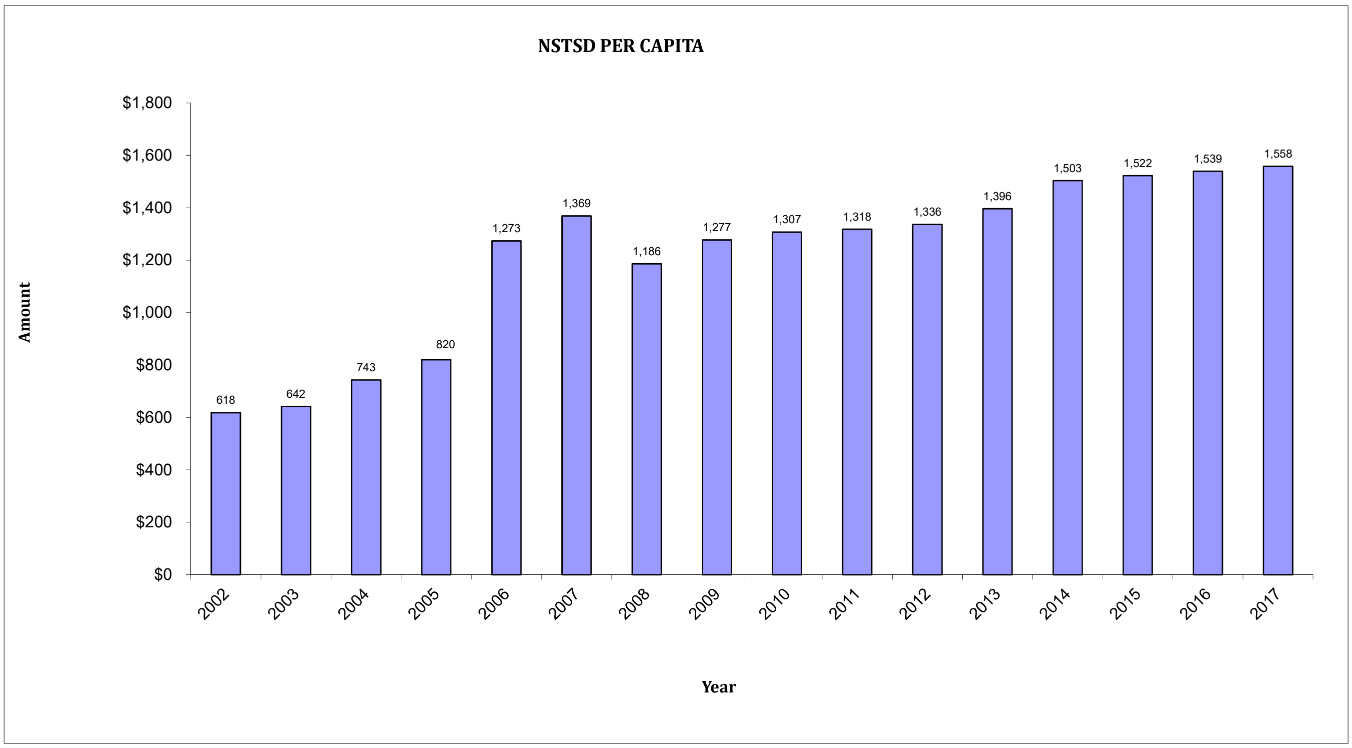

FIGURE 1

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NSTSD Outstanding

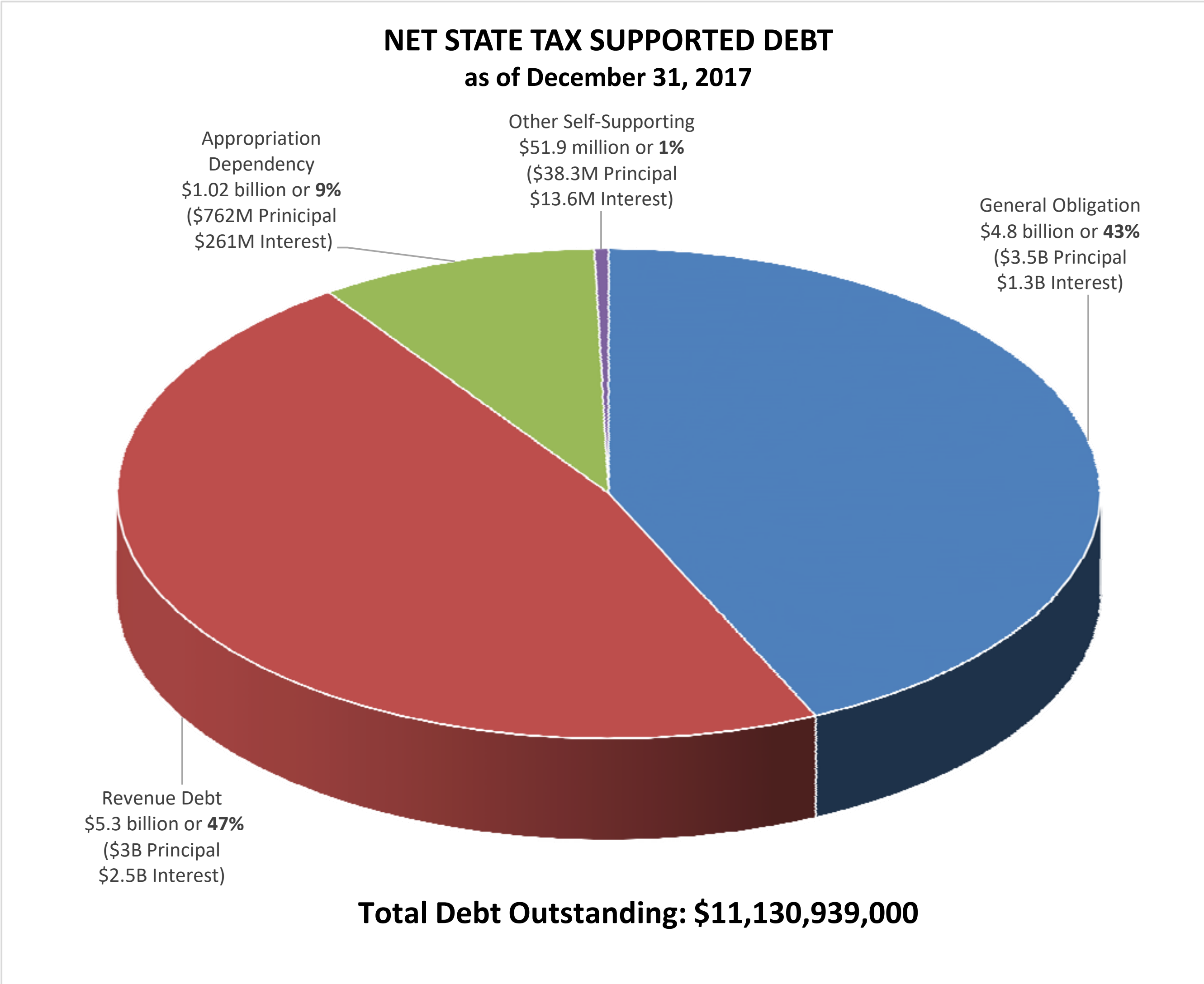

FIGURE 2

Figure 2 illustrates outstanding NSTSD debt separated into four major categories:

- General Obligation Debt, issued to finance capital outlay projects. Excludes General Obligation Bonds issued pursuant to Act 41 of the 2006 First Extraordinary Session and not considered NSTSD debt.
- Revenue Debt, which includes the State's Gasoline and Fuel Tax Revenue Bonds, issued to finance the Transportation Infrastructure Model for Economic Development "TIMED") projects; State Highway Improvement Revenue Bonds, issued to finance certain road projects in the State Highway System but not part of the Federal Highway System; and Unclaimed Property Special Revenue Bonds, issued to provide federal match funds to use for construction of I-49 North project in the City of Shreveport and I-49 South project in the City of Lafayette.
- Appropriation Dependent Debt. Excludes Appropriation Dependent Debt issued pursuant to Act 360 of the 2013 Regular Session and not considered NSTSD Debt.
- Other Self-Supporting Debt.

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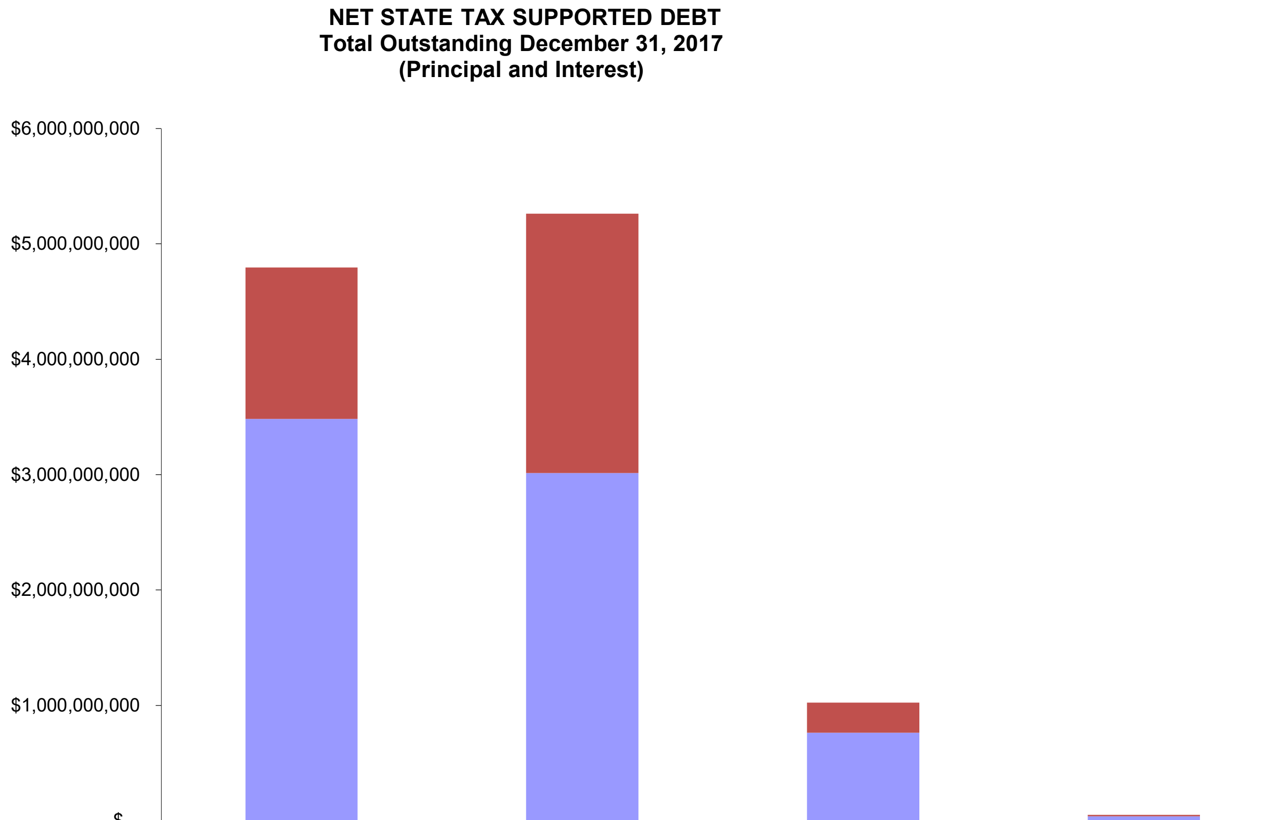

	General Obligation	Revenue Debt	Appropriation Dependency	Other Self-Supporting
Interest	$1,313,376,000	$2,244,662,000	$260,677,000	$13,599,000
Principal	$3,482,675,000	$3,015,590,000	$762,095,000	$38,265,000
P&I	$4,796,051,000	$5,260,252,000	$1,022,772,000	$51,864,000

FIGURE 3

Figure 3 illustrates outstanding NSTSD as of December 31, 2017 broken down by principal and interest for each category used in reporting NSTSD. Due to the issuance of new General Obligation Bonds between December 31, 2016 and December 31, 2017, principal increased resulting in the increase of NSTSD per capita as previously noted. However, during the same reporting period, there were various economic refundings that resulted in a decrease in interest providing for a net change of outstanding NSTSD (principal and interest) from the prior reporting period of $39.2 million. The changes were as follows:

- General Obligation Debt increased by $393.3 million
- Revenue Debt decreased by $233.7 million
- Appropriation Dependent Debt decreased by $195 million
- Other Self-Supporting Debt decreased by $3.9 million

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NSTSD PROJECTION MODEL AND ASSUMPTIONS

The SBC is prohibited from approving the issuance of NSTSD if the debt service required by such debt issuance would exceed 6% in any fiscal year of Taxes, Licenses and Fees as estimated by the Revenue Estimating Conference. In order to determine the principal amount that can be issued in any one fiscal year and remain within the debt limitation, certain 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.

Pursuant to La. R.S. 39:1367(E)(2)(b)(iii) and La. R.S. 39:1367(E)(2)(b)(v), the Projection Model scenarios do not include debt service requirements associated with the State of Louisiana General Obligation Bonds Series 2012D and Series 2013C and LCDA (LCTCS Act 360 Project) Revenue Bonds, Series 2014 and Series 2017. However, it should be noted that these issues are included in Net State Tax Supported Debt ratios as calculated by the rating agencies.

The NSTSD projection model uses the following assumptions to make the mandated statutory calculations. Any changes in a variable will result in a change to the results.

Revenues: The revenue base for Fiscal Years 2017-2018 through 2021-2022 is the Revenue Estimating Conference ("REC") forecast of December 14, 2017. Revenue forecasts beyond the REC forecast, beginning in Fiscal Year 2022-2023, incorporates a 2% growth factor.

General Obligation Bonds: Future General Obligation Bond issues assume 20 year maturities, level debt structure and an average coupon of 5.50%.

Gasoline and Fuels Tax Bonds: The Gasoline and Fuels Tax Bonds are projected as follows:

2017A Actual debt service and swap payments through December 31, 2017, projected level debt service with a forecasted interest rate based on a blended swap rate plus FRN spread over index equal to 4.293%, 30 year maturity.

2017D-1 Actual debt service and swap payments through December 31, 2017, projected level debt service with a forecasted interest rate based on a blended swap rate plus FRN spread over index equal to 4.193%, 30 year maturity.

2017D-2 Actual debt service and swap payments through December 31, 2017, assumes interest rate of 4.336% through 2022 (blended swap rate plus 0.50% FRN spread over index) and interest rate of 4.70% thereafter through final maturity (projected 2022 swap novation based on forward swap rates as of December 2017 for swap beginning May 1, 2022 plus 70 basis points FRN spread).

The Series 2017A Bonds have a mandatory tender date of May 1, 2020 while the Series 2017D-1 and 2017D-2 Bonds have mandatory tender dates of December 1, 2020.

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TABLE 1
Actual Existing Debt

Fiscal Year Ending 6/30	Current Debt Service (in thousands) As of 12/31/17	Revenue Projections (in thousands) As of 12/14/17	Excess Capacity (in thousands) As of 12/31/17	Current Percentage As of 12/31/17	Allowable Percentage
2018	653,913	12,110,200	72,699	5.40%	6.00%
2019	656,753	11,112,200	9,979	5.91%	6.00%
2020	643,062	11,293,700	34,560	5.69%	6.00%
2021	633,543	11,422,600	51,813	5.55%	6.00%
2022	621,993	11,663,700	77,829	5.33%	6.00%
2023	608,721	11,896,974	105,097	5.12%	6.00%
2024	596,565	12,134,913	131,530	4.92%	6.00%
2025	583,341	12,377,612	159,316	4.71%	6.00%
2026	560,253	12,625,164	197,256	4.44%	6.00%
2027	523,100	12,877,667	249,560	4.06%	6.00%
2028	490,336	13,135,221	297,777	3.73%	6.00%
2029	487,247	13,397,925	316,629	3.64%	6.00%
2030	440,654	13,665,884	379,299	3.22%	6.00%
2031	425,503	13,939,201	410,849	3.05%	6.00%
2032	429,821	14,217,985	423,259	3.02%	6.00%
2033	409,745	14,502,345	460,395	2.83%	6.00%
2034	379,521	14,792,392	508,022	2.57%	6.00%
2035	319,209	15,088,240	586,085	2.12%	6.00%
2036	283,127	15,390,004	640,274	1.84%	6.00%
2037	269,808	15,697,805	672,061	1.72%	6.00%

Table 1 reflects actual existing debt service requirements for future years as of December 31, 2017 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 2036-2037 Fiscal Year. The difference between the last two columns of the table reflects a snapshot of borrowing margin available as of December 31, 2017; it does not represent "actual" margin, as it does not include future debt issues that are planned or committed to be sold.

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TABLE 2
Actual Existing Debt and Future Issuances Allowed under the Debt Limit

Fiscal Year Ending	Projected Debt Service	Revenue Projections	Excess Capacity	Current Percentage	Allowable Percentage
6/30	(in thousands)	(in thousands)	(in thousands)		
	As of 12/31/17	As of 12/14/17	As of 12/31/17	As of 12/31/17	
2018	653,913	12,110,200	72,699	5.40%	6.00%
2019	663,512	11,112,200	3,220	5.97%	6.00%
2020	670,992	11,293,700	6,630	5.94%	6.00%
2021	683,892	11,422,600	1,464	5.99%	6.00%
2022	697,074	11,663,700	2,748	5.98%	6.00%
2023	708,527	11,896,974	5,291	5.96%	6.00%
2024	721,105	12,134,913	6,990	5.94%	6.00%
2025	732,609	12,377,612	10,048	5.92%	6.00%
2026	734,250	12,625,164	23,260	5.82%	6.00%
2027	721,827	12,877,667	50,833	5.61%	6.00%
2028	713,788	13,135,221	74,325	5.43%	6.00%
2029	727,175	13,397,925	76,701	5.43%	6.00%
2030	680,581	13,665,884	139,372	4.98%	6.00%
2031	665,428	13,939,201	170,924	4.77%	6.00%
2032	669,750	14,217,985	183,329	4.71%	6.00%
2033	649,679	14,502,345	220,462	4.48%	6.00%
2034	619,451	14,792,392	268,092	4.19%	6.00%
2035	559,144	15,088,240	346,150	3.71%	6.00%
2036	523,060	15,390,004	400,340	3.40%	6.00%
2037	509,746	15,697,805	432,123	3.25%	6.00%

Table 2 illustrates the impact of the existing debt, as reflected in Table 1, as well as the State issuing all available debt limit as follows:

(1) $315,000,000 General Obligation new money proceeds in Fiscal Year 2018-2019;
(2) $300,000,000 General Obligation new money proceeds every year thereafter through Fiscal Year 2027-2028.

Figure 4 on the following page provides an illustration of Table 2.

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Table 2 Chart

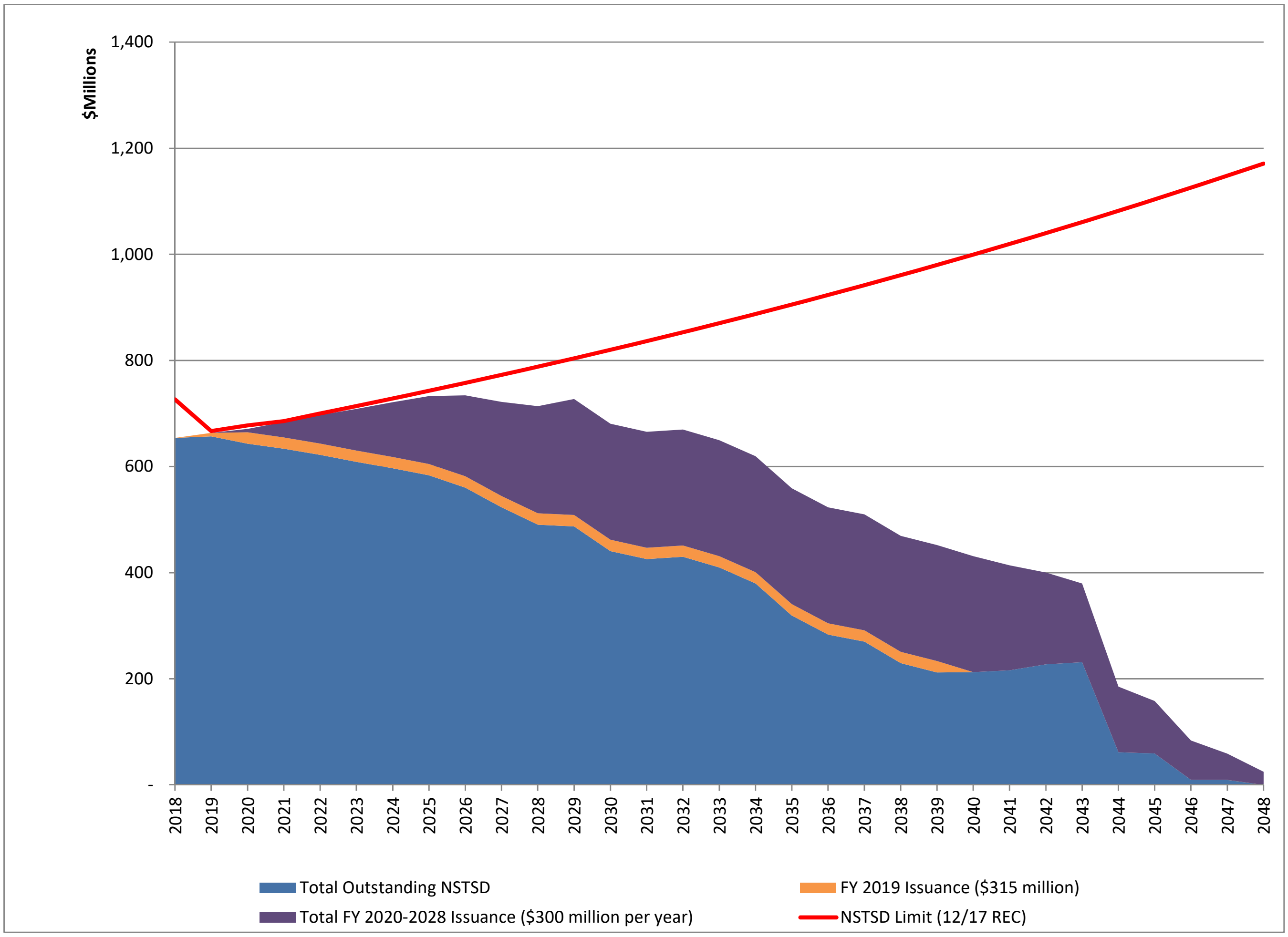

FIGURE 4

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TABLE 3
Actual Existing and Annual Incremental Capital Outlay Act Authorization

Fiscal Year Ending 6/30	Projected Debt Service (in thousands) As of 12/31/17	Revenue Projections (in thousands) As of 12/14/17	Excess Capacity (in thousands) As of 12/31/17	Current Percentage As of 12/31/17	Allowable Percentage
2018	653,913	12,110,200	72,699	5.40%	6.00%
2019	665,014	11,112,200	1,718	5.98%	6.00%
2020	677,602	11,293,700	20	6.00%	6.00%
2021	696,852	11,422,600	(11,496)	6.10%	6.00%
2022	717,038	11,663,700	(17,216)	6.15%	6.00%
2023	735,503	11,896,974	(21,685)	6.18%	6.00%
2024	755,079	12,134,913	(26,984)	6.22%	6.00%
2025	773,598	12,377,612	(30,941)	6.25%	6.00%
2026	782,246	12,625,164	(24,736)	6.20%	6.00%
2027	776,828	12,877,667	(4,167)	6.03%	6.00%
2028	775,796	13,135,221	12,317	5.91%	6.00%
2029	793,855	13,397,925	10,021	5.93%	6.00%
2030	747,262	13,665,884	72,691	5.47%	6.00%
2031	732,107	13,939,201	104,245	5.25%	6.00%
2032	736,423	14,217,985	116,656	5.18%	6.00%
2033	716,349	14,502,345	153,792	4.94%	6.00%
2034	686,127	14,792,392	201,417	4.64%	6.00%
2035	625,816	15,088,240	279,478	4.15%	6.00%
2036	589,735	15,390,004	333,665	3.83%	6.00%
2037	576,417	15,697,805	365,451	3.67%	6.00%

Table 3 illustrates the impact of the existing debt, as reflected in Table 1, as well as the State issuing the following:

> $385,000,000 General Obligation new money proceeds each year beginning in Fiscal Year 2018-2019 through Fiscal Year 2027-2028 to reflect the annual incremental Capital Outlay Act Authorization. The $385,000,000 is based upon the new capacity added to the Capital Outlay Act in Fiscal Year 2018.

Figure 5 on the following page provides an illustration of Table 3 and reflects the debt limit would be exceeded in Fiscal Years 2021 - 2027 under this scenario.

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Table 3 Chart

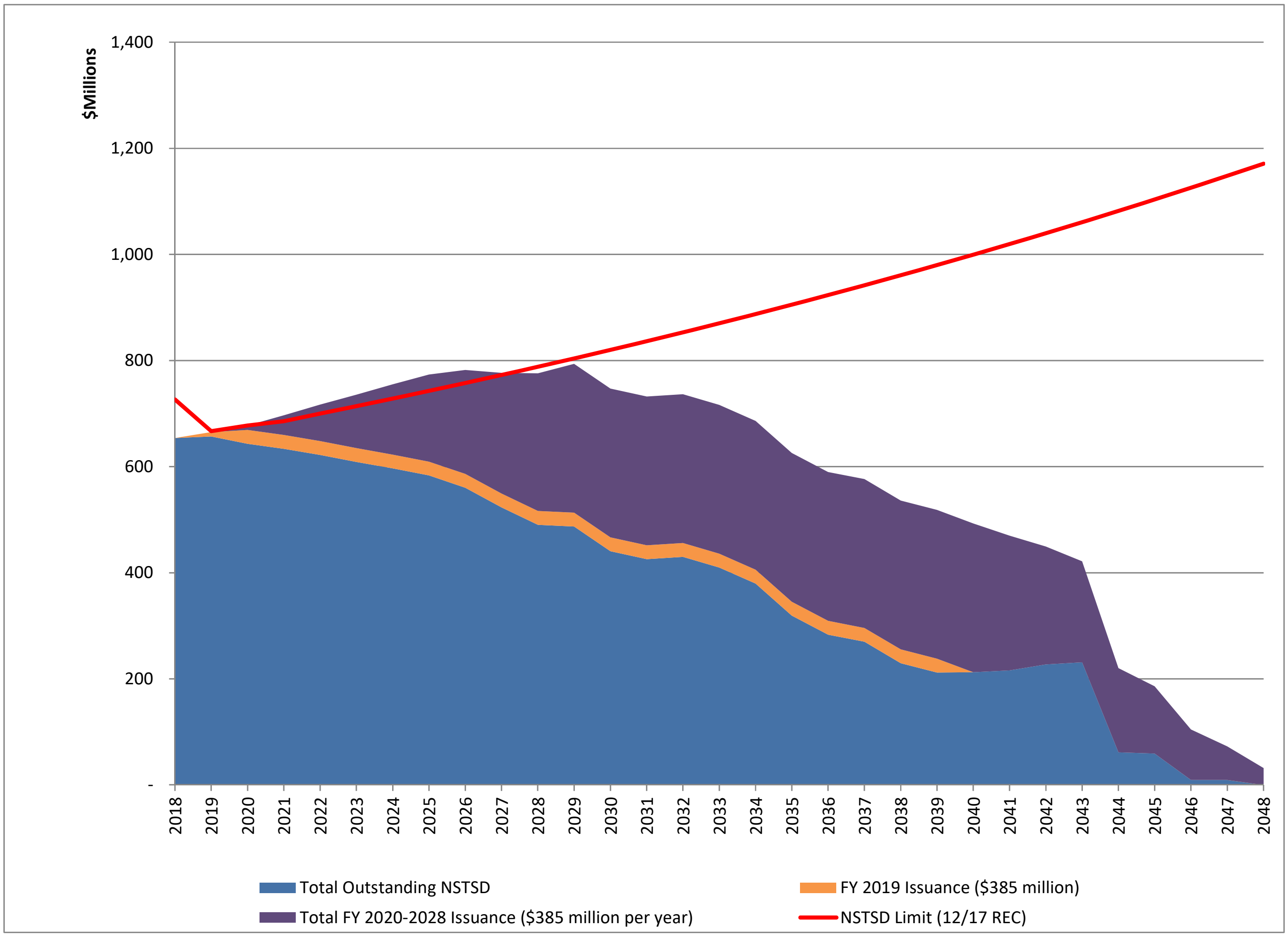

FIGURE 5

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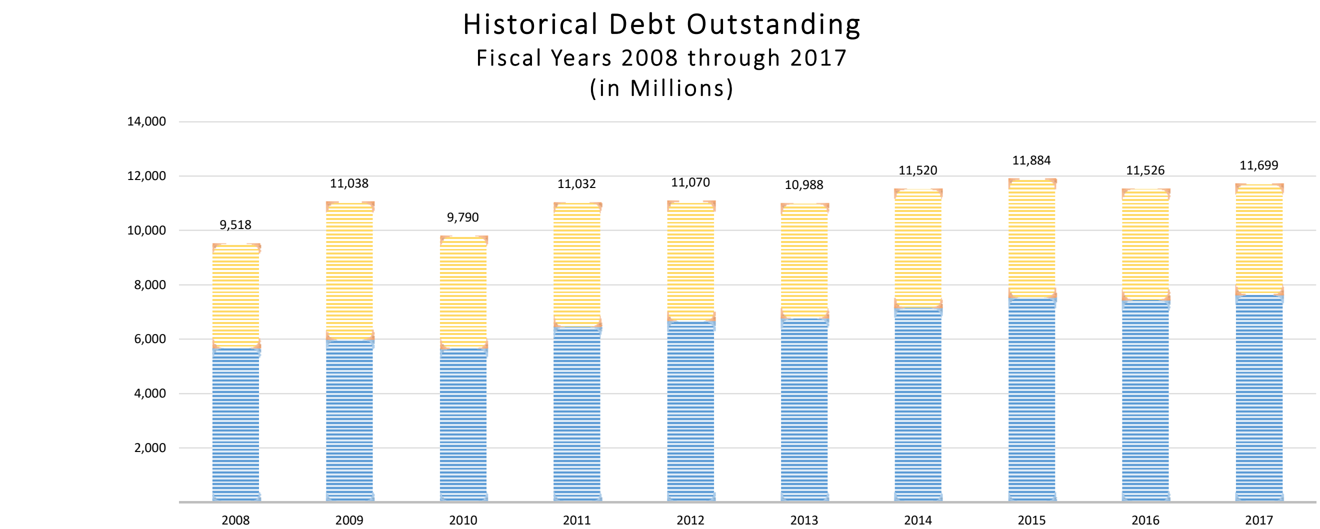
DEBT TRENDS

This section reviews the trend in the State's outstanding debt and how it has changed over time. This includes debt that is classified as NSTSD and the 4 series of bonds that are classified as Non-NSTSD and are secured by the full faith and credit of the State or by an annual appropriation of the Legislature. The 4 series of bonds are the State of Louisiana General Obligation Bonds, Series 2012D and 2013C and the LCDA (LCTCS Act 360 Project) Bonds, Series 2014 and 2017, further described in pages 22-23.



	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Interest	3,835	5,053	4,122	4,572	4,396	4,224	4,365	4,352	4,079	4,062
Principal	5,683	5,986	5,669	6,460	6,674	6,765	7,155	7,533	7,447	7,637
Total NSTSD & Non-NSTSD	9,518	11,038	9,790	11,032	11,070	10,988	11,520	11,884	11,526	11,699

FIGURE 6

Figure 6 illustrates the trend in total debt from Fiscal Year 2008 through 2017. The moving trend is contributed to the issuance of new debt throughout the years as well as the reductions of debt service and refundings for savings measures. Louisiana's conservative practice of issuing 20 year level debt for General Obligation Bonds allows the State to pay debt down fast enough to keep total outstanding debt from growing. In addition Louisiana has taken advantage of market opportunities to refund debt for savings, which has also helped to restrain the cost of servicing outstanding debt.

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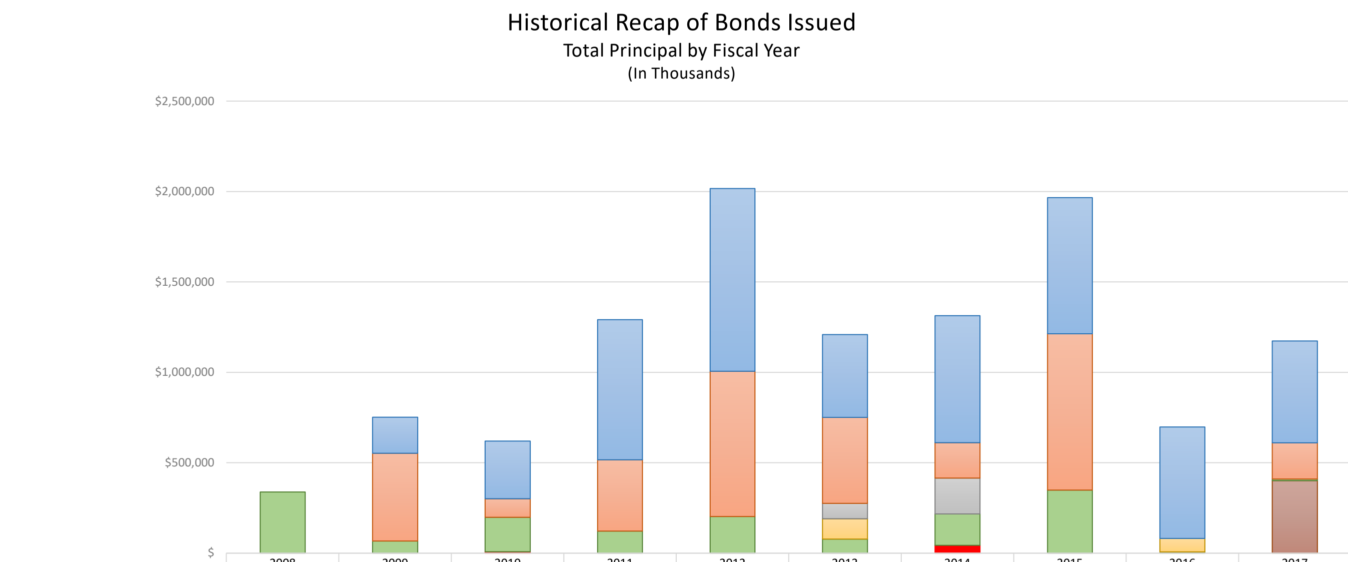
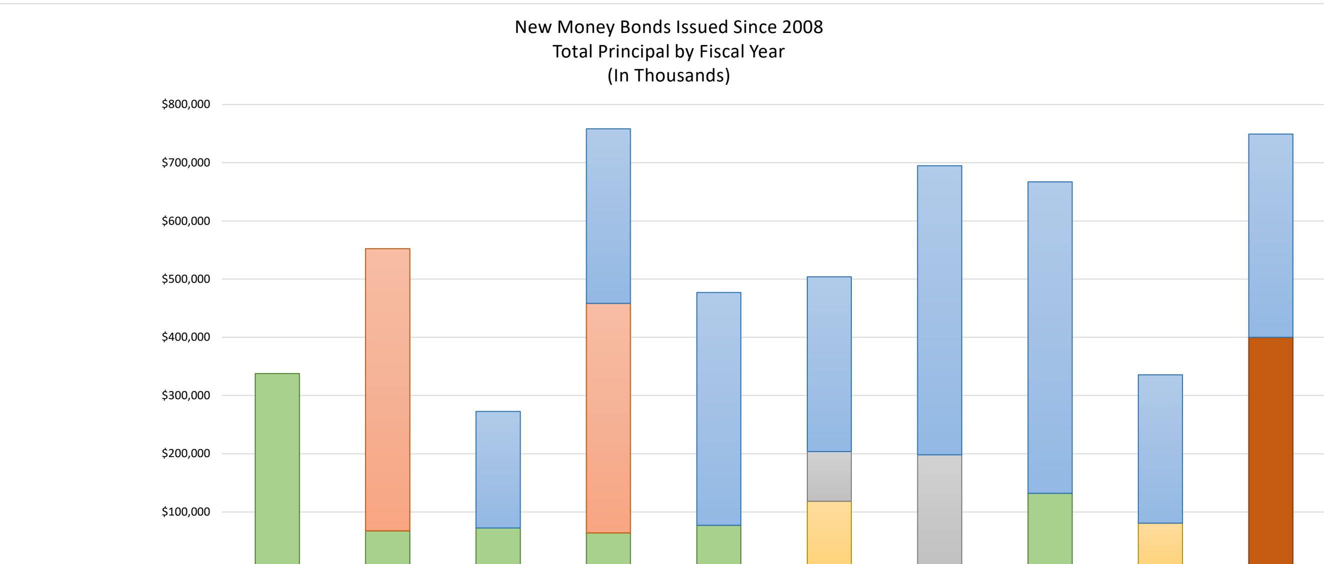


	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of Transactions	3	7	7	7	11	13	12	13	5	6
General Obligation Bonds	$	$200,000	$319,020	$775,135	$1,011,490	$457,855	$702,245	$752,865	$616,860	$564,230
Gas & Fuels Tax Bonds	$	$485,000	$103,125	$394,310	$803,080	$476,125	$196,340	$864,705	$	$200,000
State Highway Improvement Bonds	$	$	$	$	$	$85,400	$198,135	$	$	$
Unclaimed Property Bonds	$	$	$	$	$	$111,675	$	$	$73,820	$
Appropriation Dependent Debt	$337,675	$67,470	$189,480	$121,635	$202,661	$78,025	$173,530	$348,845	$6,840	$9,740
Self-Supporting Debt	$	$	$7,900	$	$	$	$43,085	$	$	$
State Revenue Anticipation Notes										$400,000

FIGURE 7

Figure 7 illustrates issuance trend since Fiscal Year 2008 through 2017. Issuances include new debt as well as refundings. Fiscal Years 2013 and 2015 appeared to have been the busiest years with 13 transactions, of which 8 transactions were State of Louisiana issues in both years.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Obligation Bonds	$	$	$200,000	$300,000	$400,000	$300,000	$496,440	$534,980	$254,920	$349,150
Gas & Fuels Tax Bonds	$	$485,000	$	$394,310	$	$	$	$	$	$
State Highway Improvement Bonds	$	$	$	$	$	$85,400	$198,135	$	$	$
Unclaimed Property Bonds	$	$	$	$	$	$111,675	$	$	$73,820	$
Appropriation Dependent Debt	$337,675	$67,470	$64,570	$64,025	$77,151	$6,705	$	$132,130	$6,840	$
Self-Supporting Debt	$	$	$7,900	$	$	$	$	$	$	$
State Revenue Anticipation Notes										$400,000

FIGURE 8

Figure 8 illustrates issuances of new money debt only in Fiscal Years 2008 through 2017. The highest total debt issuance occurred in Fiscal Year 2011 totaling $758.34 billion in principal, of which the majority was for the issuance of the State of Louisiana Gasoline and Fuels Tax Revenue Bonds Series 2010B in the principal amount of $394.3 million. The Series 2010B was the last new issuance completed for funding of the Transportation Infrastructure Model for Economic Development ("TIMED") projects as per La. R.S. 47:820.2(B)(1).

Debt Service

Total debt service paid in Fiscal Year 2016-2017 was $701,157,817, of which $374,555,621 was principal and $326,602,196 was interest. Figure 9 below shows total annual debt service payments consisting of both principal and interest in Fiscal Year 2008 through 2017 and projected through Fiscal Year 2023 based on Table 2 under the caption "**NSTSD PROJECTION MODEL AND ASSUMPTIONS**". The grey shaded areas in Fiscal Year 2014-2015 and 2015-2016 were one-time measures that set aside surplus dollars to pay General Obligation debt service through defeasance. The yellow shaded area was also a one-time measure to refinance and defer a portion of Fiscal Year 2015-2016 General Obligation Bond debt service to eliminate a portion of the Fiscal Year 2015-2016 deficit. Debt service in Fiscal Year 2018 includes actuals through December 31, 2017.

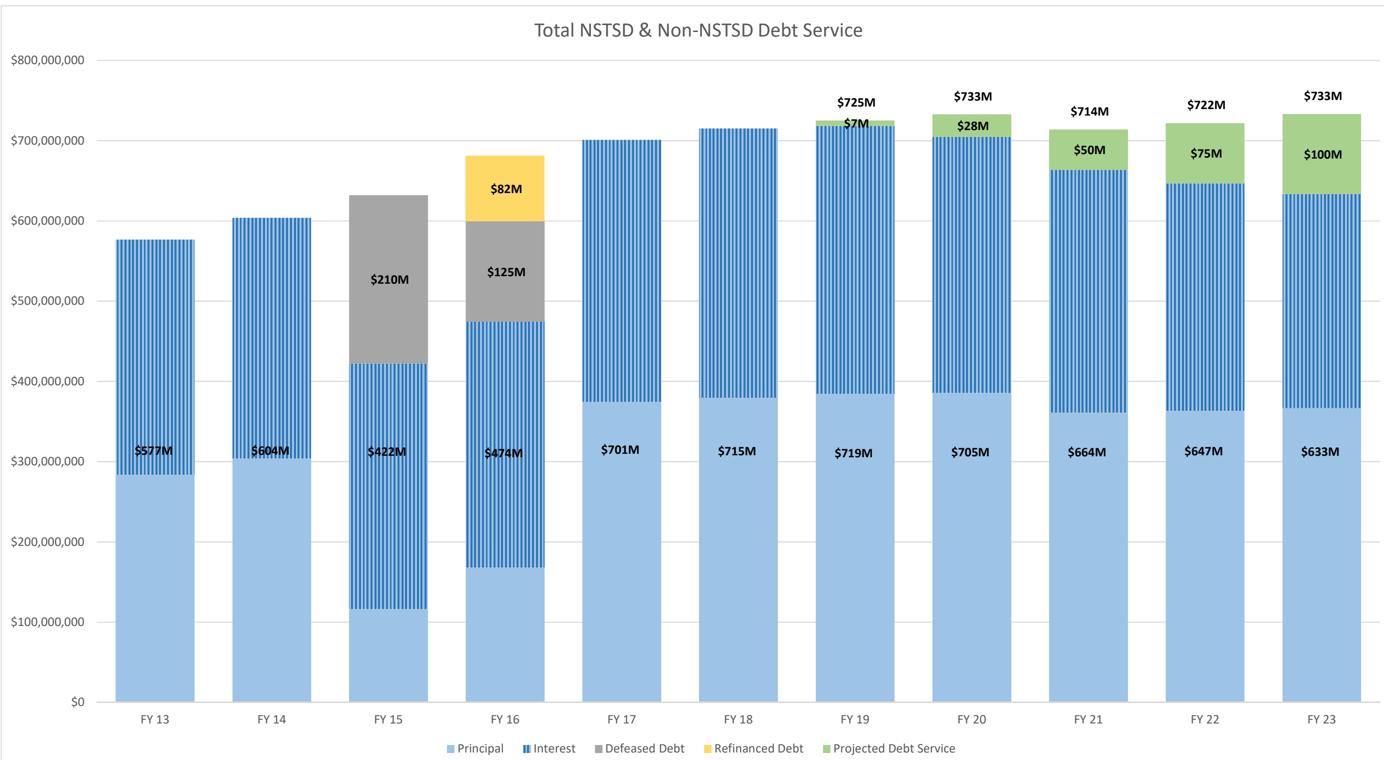


FIGURE 9

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STATE CREDIT RATINGS

In April 2010, Fitch and Moody's recalibrated their ratings and adjusted the State's General Obligation Bond rating from AA- to AA and from A1 to Aa2, respectively, both with stable outlooks. In May 2011, S&P raised the State's General Obligation Bond rating from AA- to AA with a stable outlook. In February 2015, Moody's and S&P changed the State's outlook from stable to negative.

In February and April 2016, Moody's and Fitch downgraded the State's General Obligation Bond rating from Aa2 to Aa3 and AA to AA-, respectively. Moody's maintained a negative outlook while Fitch maintained a stable outlook. During the same time period, S&P affirmed the State's General Obligation Bond rating of AA and maintained the negative outlook.

In March 2017, S&P downgraded the State's General Obligation Bond rating from AA to AA- with a negative outlook. During the same time period, Moody's and Fitch affirmed the State's General Obligation Bond rating of Aa3 with a negative outlook and AA- with a stable outlook, respectively.

Current State credit ratings and outlooks are reflected below in Figure 10.

State of Louisiana Credit Rating Matrix

Rating Agency	General Obligation Debt Rating/Outlook	Gas & Fuels 1st Lien Debt Rating/Outlook	Gas & Fuels 2nd Lien Debt Rating/Outlook	State Hwy Improvement Debt Rating/Outlook	Unclaimed Property Debt Rating/Outlook
Fitch	AA- Stable Outlook	AA- Stable Outlook	AA- Stable Outlook	AA- Stable Outlook	N/A
Moody's	Aa3 Negative Outlook	Aa2 Negative Outlook	Aa3 Negative Outlook	A1 Negative Outlook	A1 Negative Outlook
S&P	AA- Negative Outlook	AA Negative Outlook	AA Negative Outlook	AA- Negative Outlook	A+ Negative Outlook

FIGURE 10

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Distribution of state GO and Issuer Ratings by Rating Category as of March 9, 2018						
Aaa (14 States)	**Aa1 (19 States)**	**Aa2 (8 States)**	**Aa3 (5 States)**	**A1 (1 State)**	**A3 (1 State)**	**Baa3 (1 State)**
Delaware	Alabama	Arizona	Alaska	Connecticut	New Jersey	Illinois
Georgia	Arkansas	Kansas	California			
Indiana	Colorado	Maine	Kentucky			
Iowa	Florida	Mississippi	**Louisiana**			
Maryland	Hawaii	Nevada	Pennsylvania			
Missouri	Idaho	Oklahoma				
North Carolina	Massachusetts	Rhode Island				
South Carolina	Michigan	West Virginia				
South Dakota	Minnesota					
Tennessee	Montana					
Texas	Nebraska					
Utah	New Hampshire					
Vermont	New Mexico					
Virginia	New York					
	North Dakota					
	Ohio					
	Oregon					
	Washington					
	Wisconsin					

Source: Moody's Investors Service, Rating changes for the 50 states from 1970

FIGURE 11

Moody's 2017 State Debt Medians

In May 2017 Moody's released its 2017 State Debt Medians report. This annual report uses various debt measures to compare state debt burdens, which is one of many factors that Moody's uses to determine state credit quality. Selected measures from the report are summarized in the Figure 12 below. Basis used in calculating the debt medians were based on Moody's analysis of calendar year 2016 debt issuances and fiscal year 2016 debt service. Moody's focus in considering debt burden is largely on net tax-supported debt, which they characterize as debt secured by statewide taxes and general resources, net obligations that are self-supporting from pledged sources other than state taxes or operating resources such as utility or local government revenues. Moody's also examines gross debt, which captures debt supported by revenues other than state taxes and general resources. This includes contingent debt liabilities that may not have direct tax support but represent commitments to make debt service payments under certain conditions (i.e., state guarantees and bonds backed by state moral obligation pledges that have never been tapped.

Measure	Louisiana	Mean	Median	Ranking
Net Tax-Supported Debt per Capita	$1,615	$1,473	$1,006	17
Net Tax-Supported Debt as of a % of Personal Income	3.7%	3.0%	2.5%	16
Net Tax-Supported Debt as % of GPD	3.16%	2.64%	2.23%	16
Debt Service Ratio	3.6%	4.4%	4.1%	29

FIGURE 12

Figures 13 and 14 below illustrate a historical trend of Louisiana's debt median ratios on a per capita and percentage of personal income basis when compared to the national and selected southern states average. The selected southern states include Alabama, Arkansas, Georgia, Kentucky, Mississippi and Tennessee.

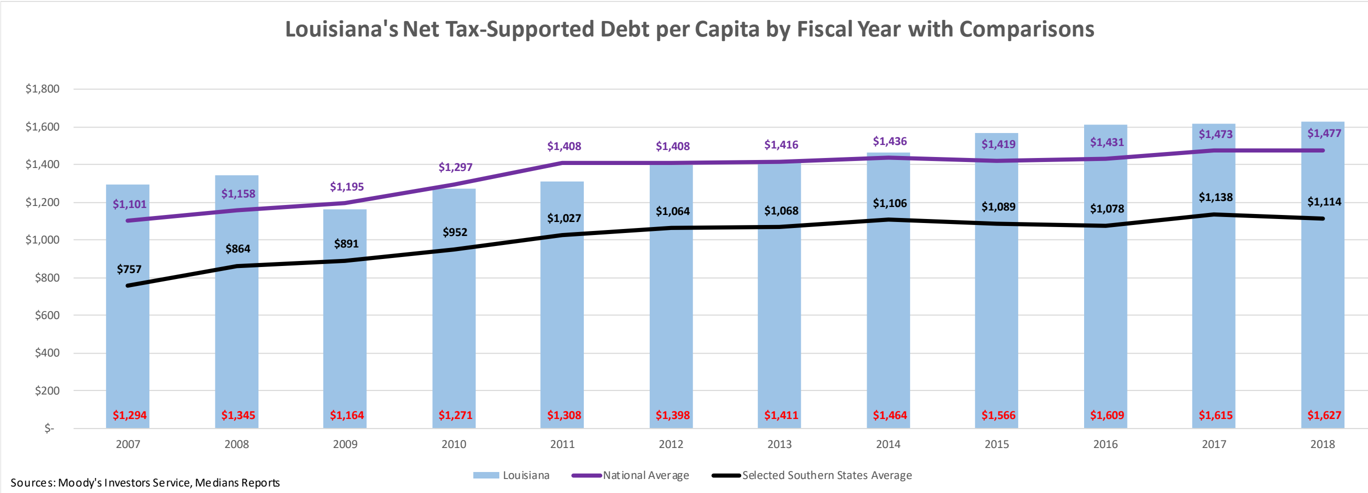

FIGURE 13

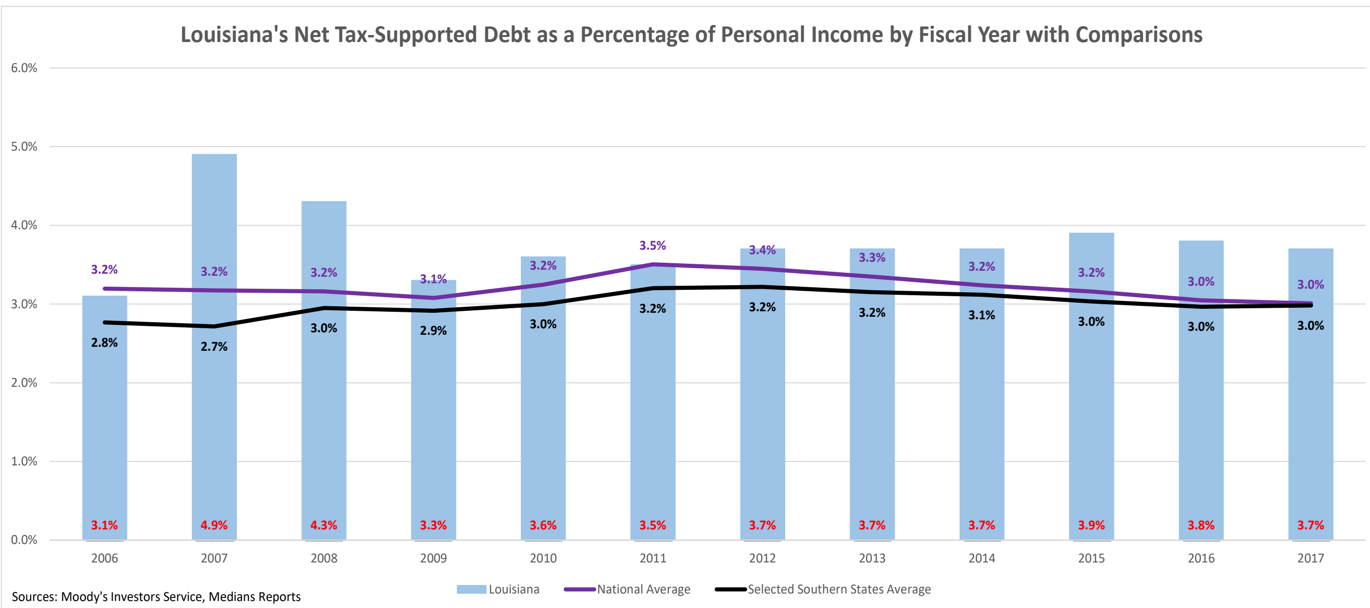

FIGURE 14

NSTSD OVERVIEW AND ISSUANCE

The following sections provide an overview and status of General Obligation Bonds, Revenue Bonds, Appropriation Dependent Debt, and Self-Supporting Debt issued in Fiscal Years 2016-2017 and 2017-2018.

A. General Obligation Bonds

The SBC, on behalf of the State of Louisiana, is authorized to issue General Obligation debt pursuant to Article VII, Section 6(A) of the Louisiana Constitution of 1974, as amended. General Obligation debt is full faith and credit obligations of the State secured by the Bond Security and Redemption Fund created and established in the State Treasury. General Obligation debt is issued to finance capital outlay projects described in the comprehensive capital outlay budget of the State or for economic refunding purposes which provide the State current and future debt service savings at a lower effective interest rate. In Fiscal Years 2016-2017 and 2017-2018, through December 31, 2017, the State issued General Obligation Bonds as follows:

Fiscal Year 2016-2017

Series Name	Issue Date	Final Maturity Date	Par (millions)	Premium (millions)	Underwriter's Discount	Other Cost of Issuance	Interest Rate
2016D (new money)	09/08/16	09/01/36	$161.530	$25.619	$332,752	$208,18	3.00% to 5.00%
2016A (BANs redemption)	09/22/16	09/01/36	215.080	$39.776	$227,788	$160,678	3.00% to 5.00%
2017A (new money)	03/31/17	04/01/37	$187.62	$16.104	$399,192	$251,503	3.50% to 5.00%

The Series 2016D bonds were sold in a competitive sale on August 30, 2016 with Bank of America Merrill Lynch winning the bid with a TIC of 2.677488%. The Bonds were issued in a fixed rate mode with proceeds of $186.715 million utilized to finance certain capital projects in the comprehensive capital outlay budget.

The Series 2016A bonds were sold in a negotiated sale on September 22, 2016 with J.P. Morgan Securities LLC as Senior Underwriter and Wells Fargo Securities and Jefferies as Co-Managers with a TIC of 2.915987%. The Bonds were issued in a fixed rate mode with proceeds of $254.625 million utilized to redeem the Series 2016A BANs.

The Series 2017A bonds were sold in a competitive sale on March 22, 2017 with Bank of America Merrill Lynch winning the bid with a TIC of 3.445778%. The Bonds were issued in a fixed rate mode with proceeds of $203.32 million utilized to finance certain capital projects in the comprehensive capital outlay budget.

Fiscal Year 2017-2018 through December 31, 2017

Series Name	Issue Date	Final Maturity Date	Par (millions)	Premium (millions)	Underwriter's Discount	Other Cost of Issuance	Interest Rate
2017B (new money)	09/20/17	10/01/37	$300.09	$41.667	$891,723	$351,007	3.00% to 5.00%

The Series 2017B bonds were sold in a competitive sale on September 12, 2017 with Bank of America Merrill Lynch winning the bid with a TIC of 2.949609%. The Bonds were issued in a fixed rate mode with proceeds of $340.865 million utilized to finance certain capital projects in the comprehensive capital outlay budget.

As of December 31, 2017, the State of Louisiana had 22 General Obligation Bond series outstanding, classified as NSTSD, with a total par value of **$3,482,675,000** and outstanding related interest costs of $1,313,376,000. An additional two series, the 2012D and 2013C Series, are also outstanding General Obligation issues, but are not included in the NSTSD calculation as described in the section entitled "Debt Not Considered Net State Tax Supported Debt." All outstanding series are fixed rate, 20 year transactions.

B. Revenue Bonds

Gasoline and Fuels Tax Revenue Bonds

The SBC, on behalf of the State of Louisiana and the Department of Transportation and Development, is authorized to issue revenue debt secured by a 20 cents per gallon tax on gasoline and motor fuels and special fuels (diesel, propane, butane and compressed natural gas) pursuant to Article VII, Section 27 of the Louisiana Constitution, as amended, and La. R.S. 47:802.1 to 47:820.5. Gasoline and fuels tax debt was authorized to be issued up to December 31, 2012 for the purposes of providing funds for any project listed in La. R.S. 47:820.2(B)(1), the Transportation Infrastructure Model for Economic Development ("TIMED") projects. All TIMED projects are complete except LA 3241 and the Florida Avenue Bridge.

Pursuant to Article VII, Section 27, the 20 cent per gallon gasoline and motor fuels and special fuels tax is required to be deposited in the Transportation Trust Fund established within the State Treasury as a special permanent trust fund and appropriated and dedicated solely and exclusively for the construction and maintenance of roads and bridges of the state and federal highway systems, Statewide Flood-Control Program, or its successors, ports, airports, transit, state police for traffic control purposes and the Parish Transportation Fund. The tax was increased from a 16 cent per gallon tax to a 20 cent per gallon tax pursuant to Act 16 of the 1989 First Extraordinary Session of the Louisiana Legislature. The additional 4 cents per gallon tax became effective January 1, 1990 and will cease at such time as the TIMED projects are complete or all outstanding debt secured by the tax is paid in full, whichever is later.

A total of $2.171 billion of new money Gasoline and Fuels Tax Bonds were issued from 1990 to 2006 for the TIMED projects secured by the gasoline and motor fuels and special fuels tax on a 1st lien basis. A total of $879.32 million of new money bonds were issued from 2008 to 2010 secured by the gasoline and motor fuels and special fuels tax on a 2nd lien basis. The 1st lien is closed and there is no legislative approval for additional 2nd lien bonds, therefore additional TIMED projects are expected to be funded on a pay-as-you-go basis. Refundings are permitted as long as there are savings in every year.

All 1st lien bonds were issued as fixed rate bonds; however, various 2nd lien bonds were issued as variable rate bonds hedged with multiple Interest Rate Swap Agreements to mitigate exposure to variable interest rates with respect to the bonds. The variable rate bonds and Interest Rate Swap Agreements were initially executed on December 21, 2006 with a Forward Bond Purchase Agreement in the amount of $485 million (2nd lien) with Morgan Keegan & Company, Inc. and Citigroup Global Markets, Inc. In connection with the Forward Bond Purchase Agreement, the SBC entered into Forward Starting Interest Rate Swap Agreements with four counterparties (Morgan Keegan Financial Products, Inc., Merrill Lynch Capital Services, Inc., Citibank N.A., & JPMorgan Chase Bank, N.A.) with an effective date of December 1, 2008.

The bonds were to be issued and delivered on December 1, 2008; however, due to market volatility and credit availability, the issuance was delayed. Four series of bonds totaling $485 million were issued from May to July 2009 and the corresponding Forward Starting Interest Rate Swap Agreements were extended to the effective delivery dates of each bond series. The 2009 bonds have been converted/remarketed/refunded as variable or fixed rate bonds and the various Interest Rate Swap Agreements have been amended/novated/terminated over the years. Swap payments are 2nd lien; however, any termination payment is considered a 3rd lien. A recap of the TIMED bonds and swap agreements outstanding as of December 31, 2017 is attached as Exhibit 2.

Fiscal Year 2016-2017

Series Name	Issue Date	Final Maturity Date	Par (millions)	Premium (millions)	Underwriter's Discount	Other Cost of Issuance	Interest Rate
2017A (refunding) (2nd lien)	05/01/17	05/01/43	$200	$0	$0	$11,484	70% 1 month LIBOR + 0.60%

The Series 2017A were privately placed with Bank of America Merrill Lynch. The Bonds were issued in a variable rate mode to currently refund Gasoline and Fuels Tax Second Lien Revenue Refunding Bonds, Series 2013B-1 in the principal amount of $200 million. The Series 2017A bonds have a mandatory redemption date of May 1, 2020. The associated swaps with Raymond James and JPMorgan terminate on May 1, 2043 and May 1, 2041, respectively. Details of the existing swaps are included in Exhibit 2.

The Series 2013B-1 refunded bonds were variable rate bonds bearing interest at 1 month LIBOR plus 0.47% with a mandatory redemption date of May 1, 2017 and were hedged with two floating to fixed rate swap agreements. The refunding was required due to the mandatory redemption on May 1, 2017.

Fiscal Year 2017-2018 through December 31, 2017

Series Name	Issue Date	Final Maturity Date	Par (millions)	Premium (millions)	Underwriter's Discount	Other Cost of Issuance	Interest Rate
2017B (refunding) (1st lien)	08/30/17	05/01/28	$69.69	$13.848	$68,833	$59,215	5.00%
2017C (refunding) (2nd lien)	08/30/17	05/01/45	$297.405	$42.651	$337,308	$290,860	4.00% to 5.00%
2017D-1 (refunding) (2nd lien)	11/27/17	05/01/43	103.125	$0	$0	$66,365	70% 1 month LIBOR + 0.33%
2017D-2 (refunding) (2nd lien)	11/27/17	05/01/43	121.250	$0	$0	$78,029	70% 1 month LIBOR + 0.33%

The Series 2017B and 2017C bonds were sold in a negotiated sale with Citigroup as Senior Underwriter and US Bancorp and Jefferies as Co-Managers with a TIC of 3.564008%. The Bonds were issued in a fixed rate mode with the total par amount of $358.095 million utilized to provide funds necessary to refund all or a portion of gasoline and fuels tax bonds Series 2012A and 2010B. The refunding was an economic refunding that provided the State gross savings of $54.227 million and present value savings of $36.843 million.

The Series 2017D-1 and 2017D-2 were privately placed with Bank of America, N.A. (the "Bank"). The Bonds were issued in a variable rate mode to currently refund Gasoline and Fuels Tax Second Lien Revenue Refunding Bonds, Series 2013B-2 and Series 2014A in the principal amount of $103.125 million and $121.25 million, respectively. The Series 2017D-1 and 2017D-2 bonds have a mandatory redemption date of December 1, 2020. The associated swaps with BONY, Raymond James, and JPMorgan terminate on May 1, 2022, May 1, 2043 and May 1, 2041, respectively. Details of the existing swaps are included in Exhibit 2.

The Series 2013B-2 refunded bonds were variable rate bonds bearing interest at 1 month LIBOR plus 0.55% with a mandatory redemption date of May 1, 2018 and were hedged with two floating to fixed rate swap agreements. The refunding was required due to the mandatory redemption on May 1, 2018.

The Series 2014A refunded bonds were variable rate bonds bearing interest at 1 month LIBOR plus 0.47% with a mandatory redemption date of May 1, 2018 and were hedged with two floating to fixed rate swap agreements. The refunding was required due to the mandatory redemption on May 1, 2018.

Subsequent to the issuance of the Series 2017A, 2017D-1 and 2017D-2, the 2017 Federal Tax Reform lowered the corporate tax rate which impacted the benefit of purchasing tax-exempt loans as compared to taxable loans. As ways of protection against federal tax rate changes, the legal agreement between the state and the bank included "yield protection" language which allowed for the bank to increase the yield on tax-exempt bonds to maintain its original equivalency to a taxable bond. After negotiations with the Bank, the interest rate on the Series 2017A bonds remains unchanged while the interest rate on the Series 2017D-1 and 2017D-2 increased to 1 month LIBOR plus 50 basis points.

As of December 31, 2017, the State of Louisiana had 13 Gasoline and Fuels Tax Revenue Bond issues outstanding with a total par value of **$3,015,590,000** and outstanding related interest costs of $2,244,662,000.

State Highway Improvement Revenue Bonds

Pursuant to Article VII, Section 6 and 9(A)(6)of the Louisiana Constitution and La. R.S. 48:196.1, the SBC, on behalf of the State of Louisiana and the Department of Transportation and Development, is authorized to issue revenue debt secured by registration and license fees or taxes for trucks, tandem trucks, truck-tractors, semitrailers and trailers pursuant to La. R.S. 47:462, except those collected within the parishes of Orleans, Jefferson, St. Charles, St. John the Baptist, Tangipahoa and St. Tammany. The bonds are authorized to be issued to provide funds for the construction of certain roads which are a part of the State Highway System but not part of the Federal Highway System, therefore not eligible for federal highway funding assistance, and which are included in the priority listing pursuant to the State of Louisiana Highway Priority Program provided for in La. R.S. 48:228-233.

The pledged registration and license fees or taxes are first deposited into a special fund outside of the State Treasury, but maintained by the State Treasury, for the payment of State Highway Improvement Bond debt service. Remaining funds are then transferred to the Bond Security and Redemption Fund and then on to the State Highway Improvement Fund for use by the Department of Transportation and Development for the purposes listed above. Only two series of bonds have been issued and the State does not anticipate any additional bonds to be issued secured by the same source of revenues, other than economic refundings.

Fiscal Year 2016-2017 and 2017-2018 through December 31, 2017

No additional State Highway Improvement Debt was issued in Fiscal Years 2016-2017 and 2017-2018 through December 31, 2017.

As of December 31, 2017, the outstanding par value of the State Highway Improvement Revenue Bonds was **$256,285,000** with outstanding related interest costs of $121,373,000.

Unclaimed Property Special Revenue Bonds

Pursuant to La. R.S. 9:165 and 9:165.1, the SBC, on behalf of the State of Louisiana and the Department of Transportation and Development, is authorized to issue revenue debt secured by the Unclaimed Property Leverage Fund created and established pursuant to La. R.S. 9:165(C)(1), subject to appropriation by the legislature, for the purpose of providing federal match funds to be used by the Department of Transportation and Development for the construction of I-49 North from Interstate 220 in the City of Shreveport to the Louisiana/Arkansas border ("I-49 North Project") and I-49 South from Interstate 10 in the City of Lafayette to the Westbank Expressway in the City of New Orleans ("I-49 South Project").

Revenues from the collection of abandoned and unclaimed property ("Unclaimed Property Revenues") are initially deposited into an Escrow Fund with the State's Central Depository, then to the Bond Security and Redemption Fund from which the State Treasurer, as administrator, shall (1) retain at least $500,000 for the payment of unclaimed property claims, (2) deduct an amount equal to the costs incurred for authorized external auditing, and (3) deduct an amount not to exceed 7% of the total gross collections of unclaimed property during any fiscal year for the remaining costs of administering the Uniform Unclaimed Property Act.

After the payment of unclaimed property claims, audit and administrative fees, $15 million of abandoned and unclaimed property is required to be deposited in the Unclaimed Property Leverage Fund of which $7.5 million is deposited in the I-49 North account and $7.5 million in the I-49 South account, which is used first by the SBC for the payment of debt service for the respective series of bonds (I-49 North and I-49 South), then to the Department of Transportation and Development for the purposes of funding the I-49 North and I-49 South projects, both of which are subject to appropriation by the legislature. The Unclaimed Property Leverage Fund I-49 North and South Accounts have been fully leveraged and the lien has been closed. The proceeds of the bonds also funded Debt Service Reserve Accounts in the event there are insufficient funds in the Unclaimed Property Leverage Fund for the payment of debt service, the Trustee will make up the shortfall from the Debt Service Reserve Accounts. Pursuant to Cooperative Endeavor Agreements among the State, acting by and through the Division of Administration, SBC and Department of Transportation and Development, the State has agreed, subject to appropriation by the legislature, to replenish the Debt Service Reserve Accounts, in the event funds on deposit in the Debt Service Reserve Accounts are used to pay such debt service.

Fiscal Year 2016-2017 and 2017-2018 through December 31, 2017

No additional Unclaimed Property Debt was issued in Fiscal Year 2017-2018 through December 31, 2017.

As of December 31, 2017, the outstanding par value of the Unclaimed Property Special Revenue Bonds was **$169,205,000** with outstanding related interest costs of $85,204,000.

Appropriation Dependent Debt

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. Under the provisions of La. R.S. 39:1367, et seq. and the rules of the SBC, the bonds are considered a component of Net State Tax Supported Debt. In Fiscal Years 2016-2017 and 2017-2018, through December 31, 2017, Appropriation Dependent debt was issued as follows:

Fiscal Year 2016-2017

Series Name	Issue Date	Final Maturity Date	Par (millions)	Premium (millions)	Underwriter's Discount	Other Cost of Issuance	Interest Rate
LPFA 2017A & B (Oaks of Alexandria Project) (refunding)	04/18/17	10/01/36	$9.74	n/a	$67,693	$189,000	1.794% to 3.750%

The Louisiana Public Finance Authority ("LPFA") 2017A&B bonds were issued in a private placement with Raymond James. The bonds were issued in a fixed rate mode to refund Revenue Bonds Series 2006. The refunding was an economic refunding that provided gross savings of $2.084 million and net present value savings of $587,723.

Fiscal Year 2017-2018 through December 31, 2017

Series Name	Issue Date	Final Maturity Date	Par (millions)	Premium (millions)	Underwriter's Discount	Other Cost of Issuance	Interest Rate
LCDA 2017 (Delta Community Project) (refunding)	10/24/17	10/01/27	$22.750	$3.284	$113,750	$275,000	3.641% to 5.00%
LCDA 2017 (LCTCS Act 391 Project) (refunding)	10/24/17	10/01/28	$88.590	$17.453	$442,950	$625,000	5.00%

The Louisiana Local Government Environmental Facilities and Community Development ("LCDA") 2017 (Delta Campus Facilities Corporation Project) bonds were issued in a negotiated sale with Raymond James and Stifel as Underwriters. The bonds were issued in a fixed rate mode to refund Revenue Bonds Series 2008. The refunding was an economic refunding that provided gross savings of $8.163 million and net present value savings of $3.627 million.

The LCDA 2017 (LCTCS Act 391 Project) bonds were issued in a negotiated sale with Stifel, JPMorgan, City, and Raymond James as underwriters. The bonds were issued in a fixed rate mode to refund Revenue Bonds Series 2009 and Series 2010. The refunding was an economic refunding that provided gross savings of $26.811 million and net present value savings of $9.014 million.

As of December 31, 2017 the State of Louisiana had 25 Appropriation Dependent issues outstanding with a total par value of **$762,095,000** and outstanding related interest costs of $260,677,000. An additional series issued by the LCDA in 2014 and in October 2017 for the benefit of Louisiana Community and Technical College System ("LCTCS") Act 360 projects are also outstanding but are not included in the NSTSD calculation as described in the section entitled "Debt Not Considered Net State Tax Supported Debt."

D. Self-Supporting Debt

The underlying security for self-supporting issues are payments from tolls and other revenues derived by the entity, and in the case of the Greater New Orleans Expressway Commission supplemented by certain funds dedicated from vehicular license taxes collected and credited to State Highway Fund No. 2 in the State Treasury. Under the provisions of La. R.S. 39:1367, et seq. and the rules of the SBC, the bonds are considered a component of Net State Tax Supported Debt.

Fiscal Year 2016-2017 and 2017-2018 through December 31, 2017

No additional Self-Supporting Debt was issued in Fiscal Years 2016-2017 and 2017-2018 through December 31, 2017.

As of December 31, 2017, the State of Louisiana had four Self-Supporting issues outstanding with a total par value of **$38,265,000** and outstanding related interest costs of $13,599,000.

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DEBT NOT CONSIDERED NSTSD OVERVIEW AND ISSUANCE

A. General Obligation Bonds

On July 12, 2006, in response to the need to assist local political subdivisions as the result of Hurricanes Katrina and Rita, the SBC, on behalf of the State of Louisiana, issued General Obligation Gulf Tax Credit Bonds, Series 2006A and General Obligation Match Bonds, Series 2006B in the amounts of $200 million and $194.475 million, respectively, for the purpose of providing loans to assist in the payment of debt service on certain bonds, notes, certificates of indebtedness or other written obligations of local political subdivisions of the State and to pay debt service on general obligation bonds of the State, under a debt payment assistance program authorized by the Gulf Opportunity Zone Act of 2005 and by Act 41 of the 2006 First Extraordinary Session of the Legislature. The Series 2006A Bonds were issued as tax credit bonds with a two-year maturity and the Series 2006B Bonds were issued as match bonds with a 20 year maturity.

The Series 2006A Bonds were refunded with proceeds of General Obligation Refunding Bonds, Series 2008A on July 17, 2008. The Series 2008A Bonds were issued in conjunction with a Forward Bond Purchase Agreement, which committed several underwriters to purchase the Series 2008A Bonds no later than July 17, 2008. Concurrent with the execution of the forward bond purchase agreement, a floating to fixed interest rate swap agreement was entered into in order to mitigate future interest rate exposure for the Series 2008A Bonds.

At its June 15 and July 13, 2006 meetings, the SBC authorized the execution of a Forward Purchase Delivery Contract with Morgan Keegan & Company (Senior Managing Underwriter) and Goldman, Sachs & Co. (Co-Senior Manager) to set the terms and obligations for the issuance of $200 million variable rate General Obligation Refunding Bonds, Series 2008A to provide funds to refund the General Obligation Tax Credit Bonds, Series 2006A on July 17, 2008.

On June 1, 2011 all but one outstanding maturity of the Series 2008-A Refunding Bonds were refunded with the issuance of General Obligation Refunding Bonds Series 2011-B (LIBOR Index) in the principal amount of $177.13 million maturing on July 15, 2014. On June 27, 2012, the State issued $144.575 million General Obligation Refunding Bonds, Series 2012D to currently refund General Obligation Match Bonds, Series 2006B in the principal amount of $120.215 million. On May 30, 2013, the State issued General Obligation Refunding Bonds, Series 2013C to currently refund General Obligation Refunding Bonds, Series 2011B (LIBOR Index) in the principal amount of $168.77 million and terminate interest rate swap agreements with Goldman Sachs Capital Markets, L.P. and Morgan Keegan Financial Products, Inc. (the “Swap Providers”) in the amount of $5.703 million and $13.21 million, respectively. The bonds were issued in a fixed rate mode and the refunding provided the State with an estimated gross savings of $18.618 million and net present value savings of $15.718 million (based upon certain assumptions related to the variable interest rates and swaps); however the refunding was also required due to the final maturity on July 15, 2014.

As of December 31, 2017, the outstanding par values of the Series 2012D and 2013C bonds are **$80,930,000** and **$111,725,000,** respectively. The outstanding related interest costs on the Series 2012D and 2013C bonds are $2,666,000 and $29,535,000, respectively.

B. Appropriation Dependent Debt

In the 2013 Regular Legislative Session, Act No. 360 was enacted amending and reenacting La. R.S. 17:3394.3(A), La. R.S. 17:3394.3(C) and La. R.S. 39:1367(E)(2)(b)(v), relative to the issuance of bonds for the financing of capital improvements and enhancements to certain facilities and properties of colleges within the Louisiana Community and Technical Colleges System; to list the projects to be financed; to require private match funds for such projects; to provide that no state funds shall be appropriated for such bonds or projects until July 1, 2015; to provide that such bonds shall not be included in the definition of net state tax supported debt; to provide for an effective date; and to provide for related matters.

On July 17, 2014, the LCDA received approval from the SBC to issue not exceeding $300,000,000 Revenue Bonds, in one or more series, for the purpose of (1) paying a portion of the costs of financing the development, acquisition, purchase, renovation, improvement or expansion of certain public facilities of the LCTCS, including all furnishings, fixtures and facilities for various community and technical college campuses; (2) paying capitalized interest on the bonds; and (3) paying costs of issuance of the bonds. The LCDA issued the first series of bonds on December 18, 2014 as Capital Appreciation Bonds in the principal amount of $128,330,000, at interest rates ranging from 3.25%-5.00%, with the first principal payment beginning on October 1, 2031 and a final maturity of October 1, 2039.

On October 25, 2017, the LCDA issued the second series of bonds in the principal amount of $20.770 million, at an interest rate of 5.00%, with principal payment beginning on October 1, 2020 and a final maturity of October 1, 2028.

As of December 31, 2017, the outstanding par value of the Series 2014 and 2017 are **$128,330,000 and $20,770,000**, respectively. The outstanding related interest cost on the Series 2014 and 2017 Bonds are $118,936,000 and 7,394,000, respectively.

C. Revenue Anticipation Notes

Pursuant to La. R.S. 39:1410.41 et seq., the SBC is authorized to issue Revenue Anticipation Notes ("RANs") to avoid temporary cash flow shortfalls to enable the State to pay expenses in a timely manner from currently budgeted and appropriated revenues of the state general fund.

Pursuant to La. R.S. 39:1367(E)(2)(b)(ii), cash flow borrowings payable from revenue attributable to one fiscal year are not considered Net State Tax Supported Debt.

On October 6, 2016, $400,000,000 of RANs were issued in a private placement with U.S. Bank National Association and JPMorgan Chase Bank, N.A. in a variable rate mode. The total amount drawn was **$370,000,000** and was repaid in full in Fiscal Year 2016-2017.

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ADDITIONAL DEBT LIMITATIONS IMPOSED BY STATUTE

In addition to the debt limitations contained in Article VII, Section 6(F) of the Constitution 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.

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, 2017[1]	$ 3,675,330,000
General Obligation Debt Authorized but Unissued as of December 31, 2017	$ 1,140,750,000
Total General Obligation Debt Issued plus Authorized but Unissued	$ 4,816,080,000
Bond Security and Redemption Fund Average Collections Last 3 Years Times 2	$25,984,916,667

Fiscal Year	2016-2017	$13,936,961,000
Fiscal Year	2015-2016	$12,575,239,000
Fiscal Year	2014-2015	$12,465,175,000

B. Debt Limitation Imposed by LA. R.S. 39:1402(D)

The SBC 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 SBC, exceeds ten percent 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	$12,992,458,333
Times 10%	$1,299,245,833
Highest Annual General Obligation Debt Service Requirement (FY 2019-2020)[1]	$423,021,801

(1) For purposes of this calculation all issuances of General Obligation Debt, including the 2012D and 2013C, which are excluded for purposes of calculating NSTSD, are reflected.

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