State Debt Update

Infrastructure and General Government Appropriations Committee
October 21, 2011

Interest Rates: Good Time to Borrow

Rating Agency Comments

- Good Financial Mgt. and Budgeting
  - Reserve Funds
  - Structural Balance
  - Accommodated loss of Stimulus
- Pay Down Debt Quickly
- Reduced Pension and OPEB Liability
Rating Agency Comments

- No Priority Payment of Debt Service
- No Debt Management Policy
- High Age Dependency
- Debt has Doubled in Recent Years

Constitutional Debt Limit

- 1.5% of the FMV of Taxable Property
  - $280 billion FMV (-4% decline)
  - $4.2 Billion Debt Limit
  - $3.7 Billion Debt Outstanding (87% of Limit)
Transportation Spending

Debt Per Capita

Recommendations

- Respite from New Bond Authorizations
- Cash funding of Infrastructure
- Develop a State Debt Management Policy
- Codify Priority of Debt Service Payments