STATE BOND COMMISSION

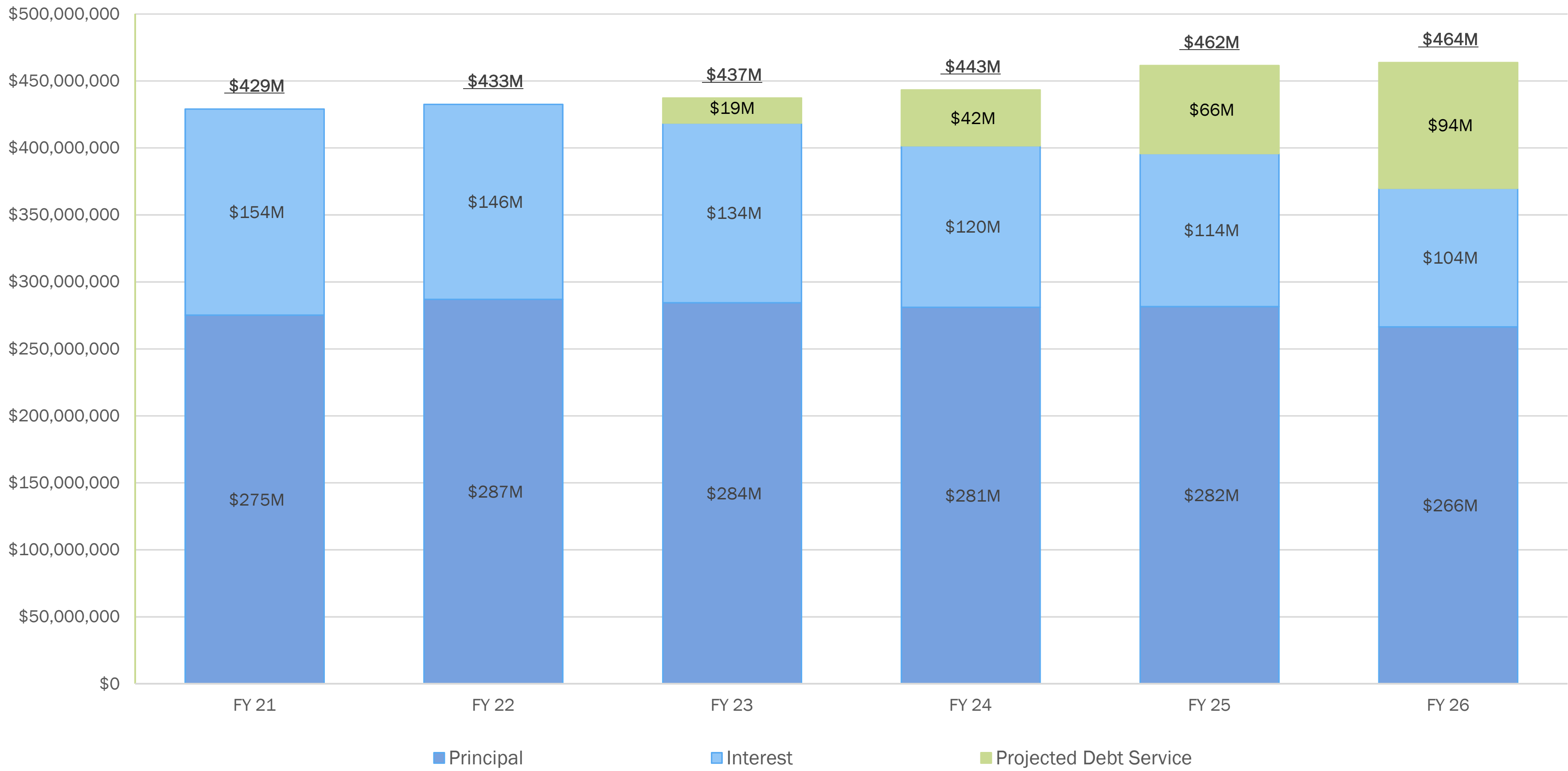
DEPARTMENT OF TREASURY

March 17, 2022

Net State Tax Supported Debt (NSTSD) Limitation Overview

- Constitutional debt limit constrains the amount of debt that can be issued ("debt limit"). Debt service can be no more than 6% of the REC forecast revenues in any fiscal year.
- The 1st REC forecast of the fiscal year establishes the debt limit.
- The January 2022 REC forecast is applicable and will be until the REC adopts an official forecast in FY 2023.
- In order to determine the amount of bond proceeds that can be raised in any year and remain within the debt limit certain assumptions are made as to revenues beyond the REC forecast, interest rates and future issuances.
- Any changes in a variable affecting the projections will result in a change to the outcome. The projection model is revised as needed to account for any changes.
- $675 M of proceeds can be raised annually.

$350M Issuance Effect of New GO Debt Cost on the Budget



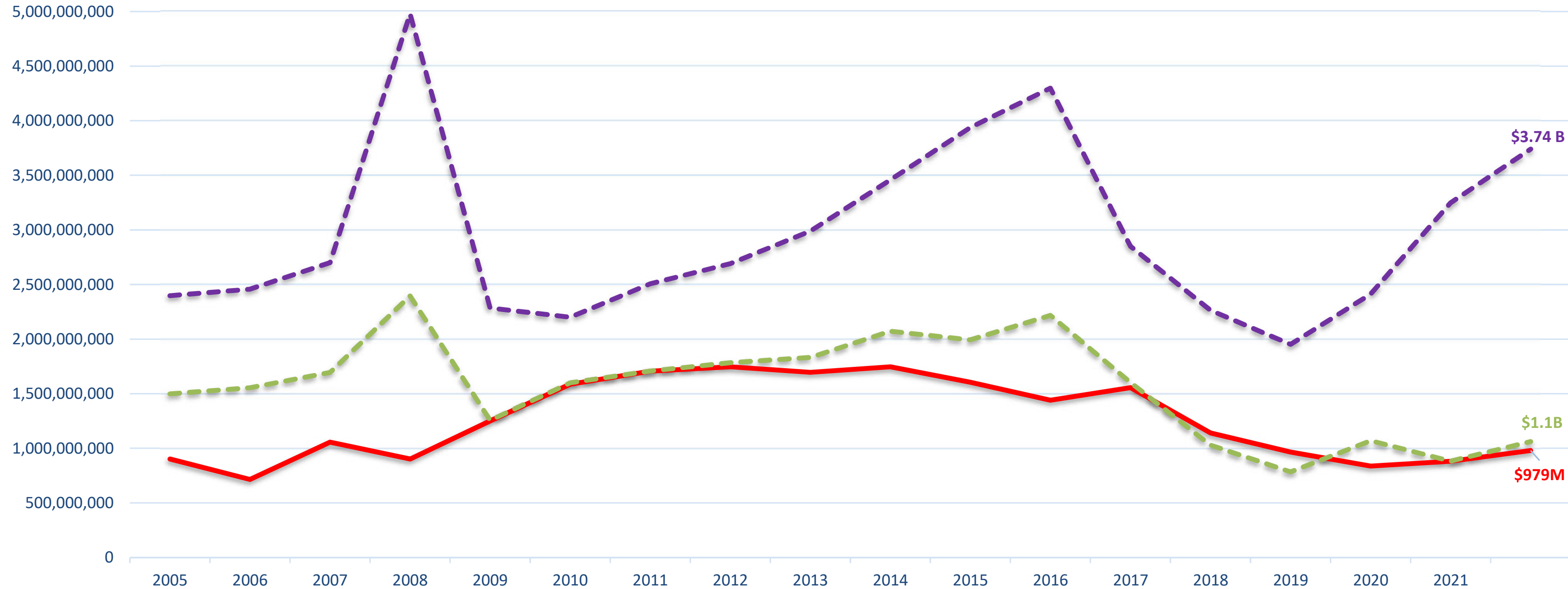
3 Constraints to the Issuance of New GO Debt

1. 6% Constitutional Debt Limit
   - Limits the amount of bonds that can be issued.

2. Cash Lines of Credit Limit
   - Cash lines of credit provide a mechanism to cash flow capital outlay projects that in the future will be funded with General Obligation ("GO") bond proceeds.
   - SBC is limited under the law in the amount of cash lines of credit that can be authorized each fiscal year.
   - In FY 2022, this limit is $979.3 M.

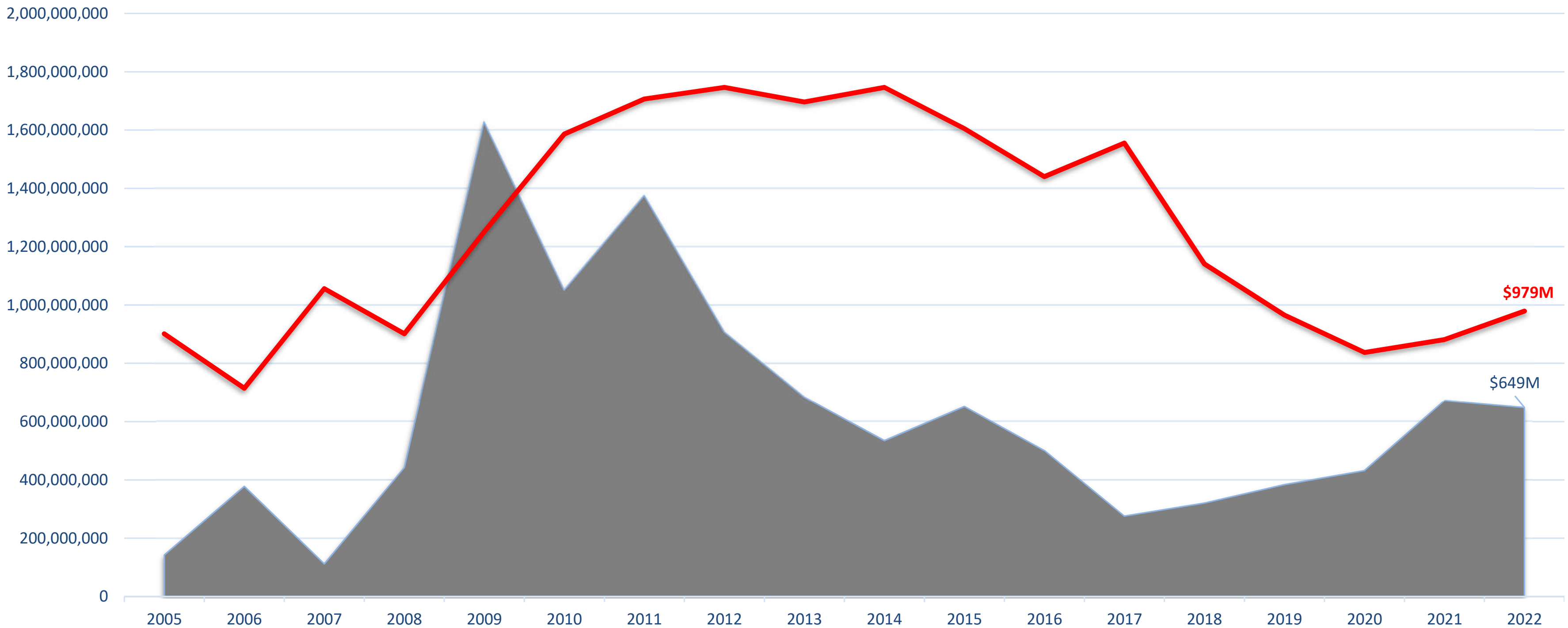
3. Operating Budget
   - GO Debt service is among the state's nondiscretionary fixed costs.
   - In FY 2022 GO debt service is $433 M.
   - In FY 2023 GO debt service is projected to be $437 M.

Legislative Demand for New GO Bonds



- The red line is the maximum amount of cash lines of credit that SBC is authorized to approve each fiscal year.
- The dotted lines are appropriations in the Capital Outlay bill; green is cash lines of credit and purple is cash and non-cash lines of credit.

Capital Outlay Escrow Fund vs SBC's Authority to Issue LOC's



- The grey area represents the cash in the Capital Outlay Escrow Fund. FY 22 balance is as of January 31, 2022.
- The red line represents the maximum amount of cash lines of credit legal limit that SBC is authorized to approve each fiscal year.
- In 2009 General Fund surplus dollars bolstered the Fund; however that cash has depleted over time and the Fund has depended on new GO bond proceeds to fund cash lines of credit reflected in the red line. Recent history shows an increase in cash balance due to appropriated surplus dollars and proceeds from regular GO bond sales.

Debt Highlights

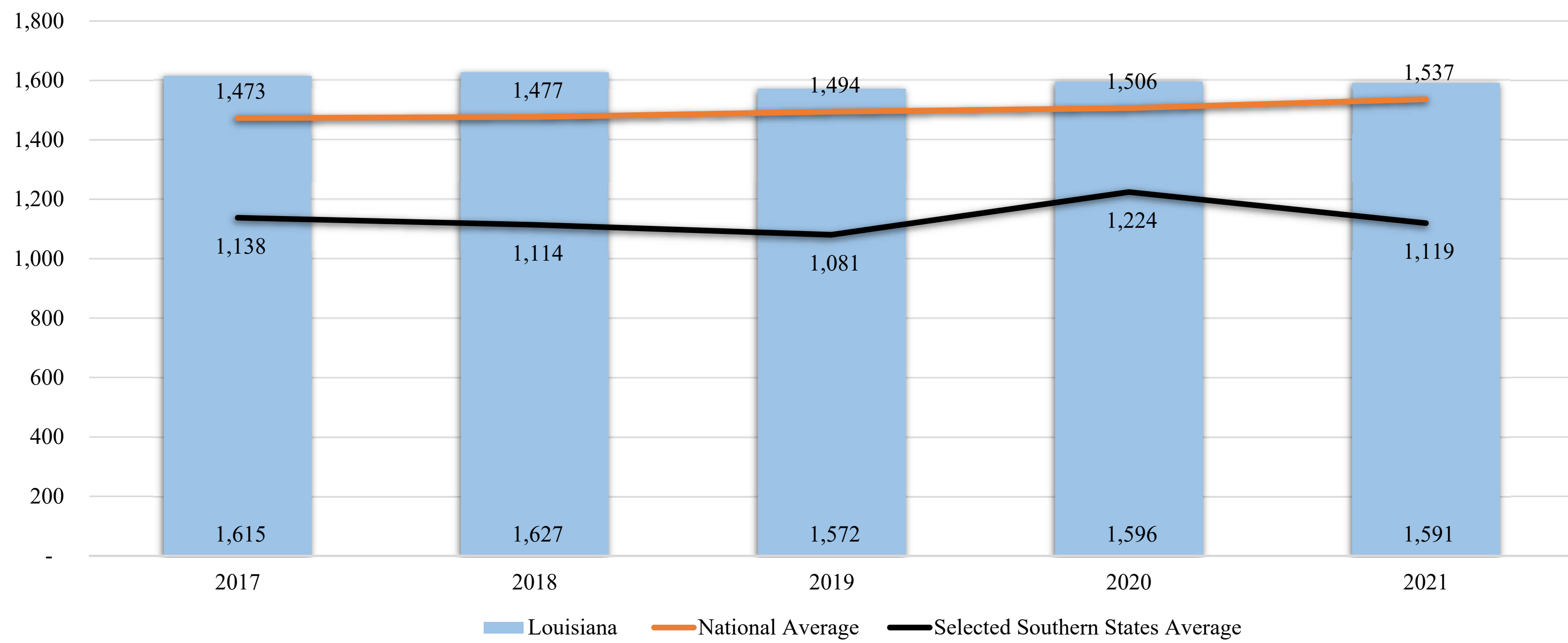
- Moody's Per Capita Debt
  - *Per Capita debt decreased by $5 per person from $1,596 in 2020 to $1,591 in 2021*
  - *Decrease accounts for a slight population decline and a decrease in outstanding principal.*
  - *Rank 17th in the nation*

- Credit Ratings
  - *Moody's, S&P, and Fitch current GO Bond ratings are Aa3, AA-, AA-*
  - *Positive Outlook by Moody's while S&P and Fitch maintain a Stable Outlook*

- FY 21 Debt Transactions
  - *Nine completed, seven by SBC*
  - *Five economic refundings providing the State $202 M in gross savings and $172 M in present value savings*

- FY 22 Debt Transactions
  - *Five completed in FY 22 to date , four by SBC*
  - *Three economic refundings providing the State $118 M in gross savings and $93 M in present value savings*
  - *Future transactions include new GO Bonds and possibly a small GO refunding anticipated price in March*

Per Capita Debt
(Bonded Indebtedness)



Sources: Moody's Investors Service, Medians Reports

Note: Reports are based on Moody's analysis of calendar year debt issuance and fiscal year debt service. Latest report released in June 2021 accounts for debt outstanding as of December 31, 2020

Includes debt supported by statewide taxes (GO Bonds, Revenue Bonds & certain debt issued by various entities and secured by annual appropriation by the Legislature)

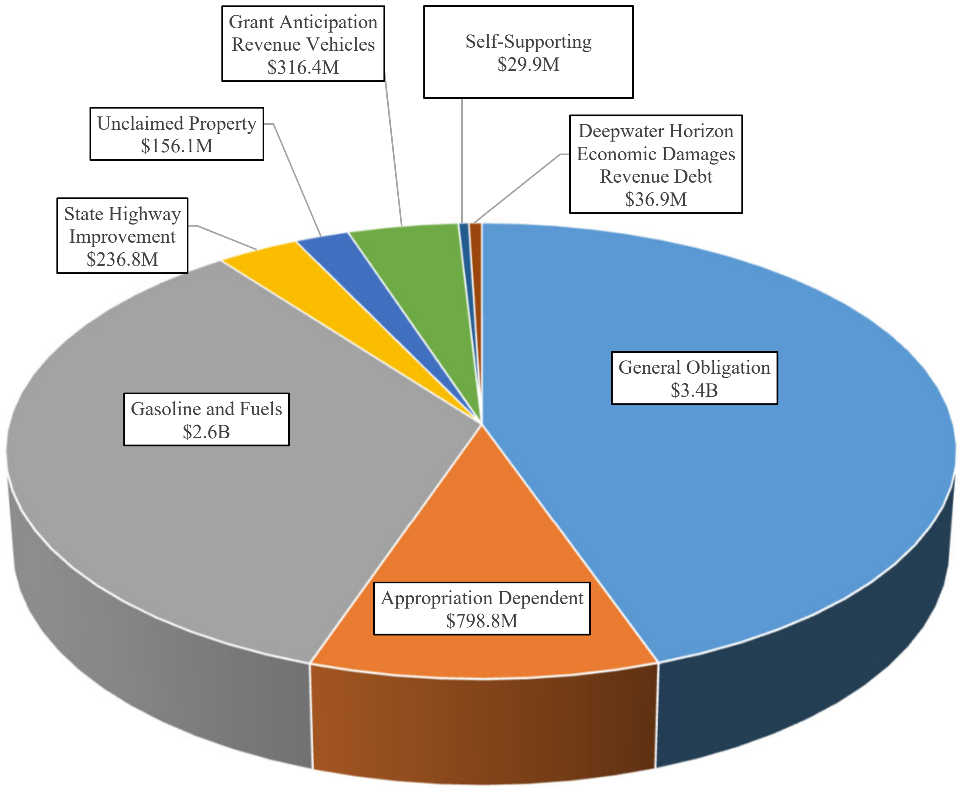
Selected Southern States include: Alabama, Arkansas, Georgia, Kentucky, Mississippi and Tennessee

Louisiana's Credit Rating Compared to Other States

Aaa (15 States)	Aa1 (17 States)	Aa2 (10 States)	Aa3 (5 States)	A3 (1 State)	Baa3 (1 State)
Delaware	Alabama	California	Alaska	New Jersey	Illinois
Florida	Arizona	Hawaii	Connecticut		
Georgia	Arkansas	Kansas	Kentucky		
Indiana	Colorado	Maine	**Louisiana**		
Iowa	Idaho	Mississippi	Pennsylvania		
Maryland	Massachusetts	New Mexico			
Missouri	Michigan	New York			
North Carolina	Minnesota	Oklahoma			
South Carolina	Montana	Rhode Island			
South Dakota	Nebraska	West Virginia			
Tennessee	Nevada				
Texas	New Hampshire				
Utah	North Dakota				
Virginia	Ohio				
Washington	Oregon				
	Vermont				
	Wisconsin				

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

Current Total Principal Outstanding



$7.48 billion Total Principal Outstanding

Gasoline & Fuels Variable Rate Bonds and Swaps

- $424.375 million of variable rate bonds currently outstanding.
- Variable rate bonds are hedged with multiple interest rate swap agreements to mitigate exposure to variable interest rates with respect to the bonds.
- State receives a variable rate from swap counterparty that offsets the variable rate paid on the bonds.
- State pays a fixed rate to swap counterparty.