Moody's
INVESTORS SERVICE

SPECIAL COMMENT

2010 State Debt Medians Report

Based on 2009 Data

Table of Contents:

Analyst Contacts:

NEW YORK 1.212.553.1653

Kimberly Lyons 212.553.4673
Analyst
Kimberly.Lyons@moodys.com

Robert Canfield 212.553.3801
Senior Associate
Robert.Canfield@moodys.com

John Ceffalio 212.553.0334
Assistant Vice President-Analyst
John.Ceffalio@moodys.com

Maria Coritsidis 212.553.4173
Assistant Vice President-Analyst
Maria.Coritsidis@moodys.com

Ted Hampton 212.553.2741
Assistant Vice President-Analyst
Ted.Hampton@moodys.com

» contacts continued on the last page

State Debt Increase in 2009 Related to a Variety of Factors

State net tax-supported debt increased by 10.3% in 2009 to $460 billion from $417 billion in 2008 (see Figure 1), a substantial increase from the 2008 growth rate of 4.7%. The accelerated growth in net tax-supported debt resulted from a number of factors, including but not limited to:

» Pent up demand for municipal bonds in 2009 after most states halted and/or significantly reduced debt issuance during the market disruption experienced in the fall of 2008;

» Introduction of Build America Bond and Qualified School Construction Bonds through provisions of the American Recovery and Reinvestment Act of 2009, which created unprecedented incentives for municipal debt issuers;

» The need for budget relief as a result of the national recession; and

» A low interest rate environment.

Median net tax-supported debt per capita increased by 8.1% to $936 from $865, while net tax-supported debt as a percentage of personal income remained steady at 2.5%.

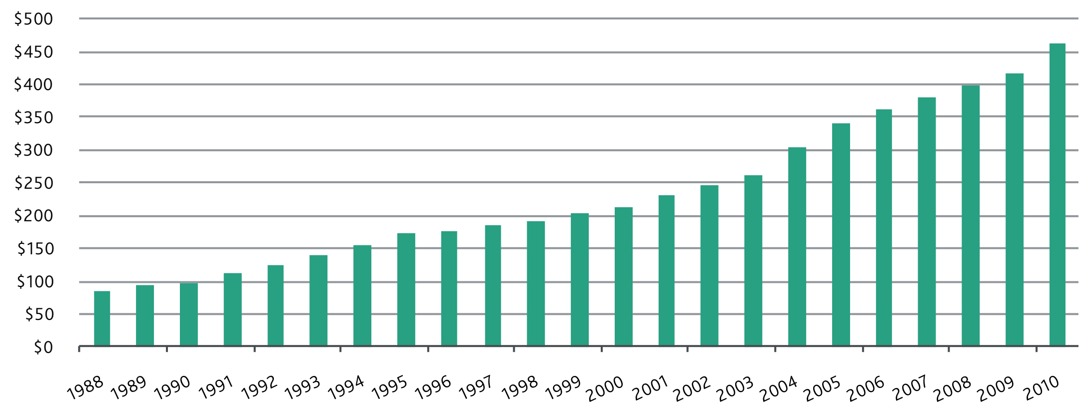
2009 was a notable year for debt issuance with a variety of unique factors contributing to the significant increase in debt including the aforementioned stabilization of the bond market following the fall 2008 market disruption, and the passage of the American Recovery and Reinvestment Act of 2009 (ARRA). With ARRA, the federal government helped to stabilize the municipal bond markets by introducing two new debt structures that substantially lowered the debt service costs for municipal issuers, Build America Bonds (BABs) and Qualified School Construction Bonds (QSCBs). Most BABs provide state or local governmental issuers with a federal subsidy equal to 35% of the total interest payable on the bonds substantially lowering debt service costs for issuers. QSCBs issued in 2009 provided a federal subsidy to investors through federal tax credits in an amount equal to 35% of the total coupon interest payable by the issuer. QSCBs can only be utilized for financing school capital construction costs. Most states have taken advantage of the BABs while only two, West Virginia and Colorado issued QSCBs in 2009.

The continuation of a low interest rate environment coupled with the effects of the recession on state finances also contributed to the growth in state debt. As we normally would see in a low interest rate environment, state governments refunded existing debt to achieve interest rate savings. However, during 2009, a significant portion of savings achieved from refundings was used to plug budget gaps. As states struggled to balance rising expenditure pressures with severely declining revenues, debt restructuring – in the form of issuing bonds to defer debt service -- became a common solution to address budgetary gaps. In addition to restructuring debt, some states simply issued long-term debt to fund operations. Most notably, the State of Connecticut closed its fiscal 2009 operating budget gap with use of deficit bonds in the amount of $947 million. The low interest rate environment also prompted states like New York to continue to refinance auction rate securities and variable rate demand bonds for which interest rates had risen during the credit crisis.

State debt issuance in 2010 (which will be the basis of our 2011 debt medians analysis) will likely increase as states continue to generate economic activity while taking advantage of low interest rates and the lower overall net cost of funds provided by the issuance of BABs and QSCBs. States will continue to look to long-term financing to alleviate budget pressure, particularly with the exhaustion of ARRA funding in fiscal 2011. Debt growth may also be impacted by state governments providing support of debt for lower levels of government in the absence of readily available bond insurance. This type of support may or may not have a direct impact on a state's debt burden depending on how the support is structured.

FIGURE 1

Total Net Tax-Supported Debt of the 50 States ($B)



Net Tax-Supported Debt is defined as debt secured by state operating resources which could otherwise be used for state operations. Any debt to which state resources are pledged for repayment is considered to be net tax-supported debt.

Every year, Moody's prepares a special comment that presents an analysis of state debt medians. The 2010 Debt Medians report examines the condition of net state tax-supported debt as of calendar year-end 2009. As in prior years, the data presented (Figures 1, 2, 3 and Table 6) reflect the historical trend up to the immediately preceding year's state debt issuance while the data point label corresponds to the year in which the report is produced (i.e. The data labeled 2010 reflect debt as of calendar year-end 2009). Two measures of state debt burden – debt per capita and debt as a percentage of personal income – are commonly used by analysts to compare the debt burden of one state to another. Debt burden is one of many factors that Moody's uses to determine state credit quality. In considering debt burden, the focus is largely on net tax-supported debt, which Moody's characterizes as debt secured by state resources. Moody's also examines gross debt, which includes contingent debt liabilities that may not have direct tax support, but represent commitments to make debt service payments under certain conditions (e.g. state guarantees, bonds backed by state moral obligation pledges).

This year, we are also adding a table that reflects net tax-supported debt as a percent of gross domestic product, by state. This ratio is useful when comparing U.S. state credits to sovereign and subsovereign credits as debt-to-GDP is an important input into the ratings assigned to these sectors. This ratio is usually higher for governments outside of the U.S. because debt issuance outside of the U.S. is more centralized. Even so, comparison of this metric is an important part of our continued benchmarking against other sectors now that U.S. state credits are rated on the same scale as sovereign and subsovereign credits.

Growth of Net Tax-Supported Debt Doubles

State total net tax-supported debt increased by 10.3% in 2009 to $460 billion, more than double the rate of increase recorded in the previous year. The accelerated rate of growth is reflective of the contrasting market conditions between 2009 and 2008. Debt issuance in 2008 was muted by a combination of factors, starting with the downgrade of collateralized mortgage obligations brought on by the softening real estate market and ultimately the lack of liquidity as some of the world's largest investment banks protected their balance sheets and credit tightened. In 2009, bond markets began to stabilize and bonds that were not issued as originally planned in 2008 were brought to market in 2009. The historically low interest rate environment encouraged states to borrow for economic stimulus. In the beginning of the year, states with auction rate securities refinanced those bonds to avoid the high interest costs associated with them. Later, states issued large amounts of fixed rate bonds to retire variable rate debt as liquidity agreements were not available in all situations and the expense of available liquidity outweighed the benefit of short-term interest rates. During 2009, states benefited from a lower cost of funds due to the debt structures introduced by ARRA which expanded the investor base of municipal issuers from the traditional holders of tax-exempt bonds to purchasers of taxable bonds.

Of the states that had the largest increases in net tax-supported debt, Utah experienced growth of 118% due to the state undertaking its single largest debt issuance ever of $1 billion in general obligation bonds to finance highway projects. A portion of the bonds were issued as Build America Bonds. It is important to note that, even with the near-term increase (some of the new debt amortizes over five years), Utah's overall net tax-supported debt is still low relative to other states, ranking 31st out of 50 in total net tax-supported debt for 2009.

One of the largest bond issues in 2009, the State of California's $3.2 billion of Economic Recovery Bonds issued in October 2009, was secured by a double barreled pledge of sales tax revenue and general obligation. The Economic Recovery Bonds were issued to provide budgetary relief for the state which continued to endure a deep recession. In total, California grew its debt burden by 31% in 2009 over the prior year. The State of Alaska also experienced a large 59% increase in debt. The state increased its issuance of general obligation debt by $165 million (the first new money general obligation bond issued by the state since 2003), as well as state lease obligations. Similar to Utah, Alaska has a lower debt burden relative to other states and, even with the 59% increase in total tax-supported debt, the state ranks 40th out of 50 in total net tax-supported debt for 2009.

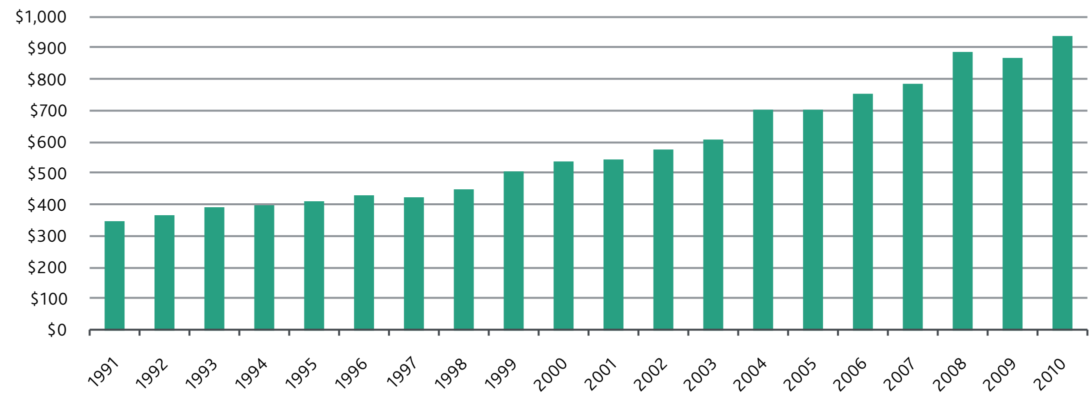
Growth in Median Net Tax-Supported Debt Per Capita Over 8%

Median net tax-supported debt per capita at calendar year-end 2009 increased by 8.1% to $936 (see Figure 2). The large percentage growth is in line with the growth in total net tax-supported debt. Unlike last year, when most states experienced a decline in total debt burden due to postponement of debt issuance coupled with scheduled amortization of outstanding debt, in 2009 most states experienced robust growth in debt burden. Even states that have historically limited debt issuance embarked on substantial capital programs in 2009. Colorado issued roughly $330 million to provide funding for K-12 school construction and higher education capital support as well as other statewide capital needs.

Some states were notable in 2009 for having reduced debt burden. The State of Arkansas issued just $15.2 million in debt during 2009. The small debt issuance in conjunction with scheduled amortization of outstanding debt resulted in a 15% decline in the state's net tax-supported debt. The State of Nebraska, which historically has one of the lowest debt burdens of all states due to a constitutional limitation on issuance of general obligation debt, issued just under $15 million of certificates of participation in 2009 and experienced a decline of 10% in net tax-supported debt.

FIGURE 2

Median Net Tax-Supported Debt Per Capita for 50 States



Median Net Tax-Supported Debt, as a Percent of Personal Income Remains Unchanged

Median net tax-supported debt, as a percent of personal income, remained steady at 2.5%, even with the overall increase in net tax-supported debt (Figure 3). Since 1995, median net tax-supported debt has averaged 2.3%, never exhibiting growth or declines of more than two tenths of a percentage point year-over-year.

FIGURE 3

Median Net Tax-Supported Debt as Percent of Personal Income for 50 States

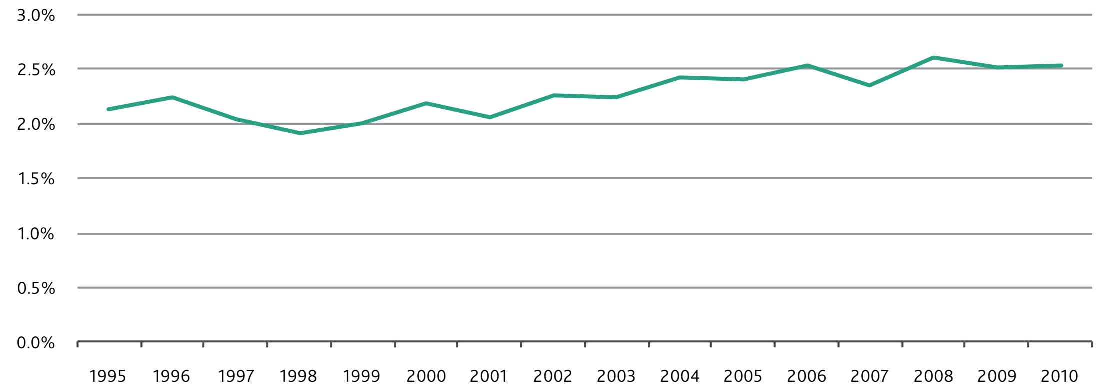
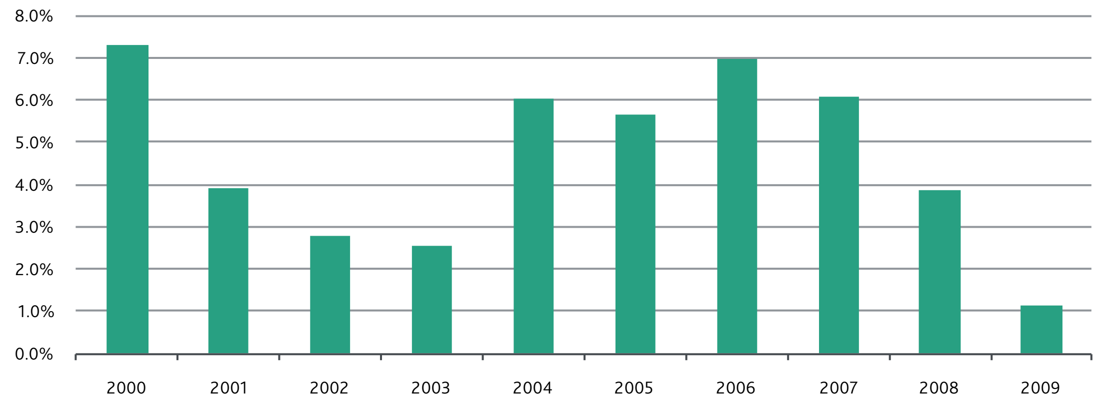


FIGURE 4

Personal Income Year-Over-Year % Change



2010 State Debt Outlook: Debt Issuance Expected to Continue Growth Trend

State debt issuance in 2010 is expected to increase, however the rate of growth is not expected to mirror the growth experienced in 2009. While there are signs that the national recession has abated, most states continue to experience budgetary strain which will continue to impact debt issuance. Generally speaking, states will continue to use long-term debt to finance capital needs as the ability to cash fund projects amid weak revenue growth and following dramatic budget reductions is no longer an option and states will continue to view long-term financing as a way of improving economic activity. The Build America Bonds and Qualified School Construction Bonds programs will continue to have a positive impact on debt issuance for the 2010 calendar year, as states continue to utilize these popular structures to lower overall cost of capital, thus providing a greater incentive to use long-term financing to fund capital projects as a means to invigorate the economy.

Some states have exhausted the debt issuing capacity permitted by their debt policies. The majority of states have a debt capacity tool in place to monitor leverage. These policies typically measure dept capacity in terms of debt service as a percent of general fund revenues. As state revenues have declined, debt capacity has also declined. In North Carolina, for example, according to the state's 2010 Debt Affordability Study, the state has reached its maximum target of limiting authorized debt service to 4% of general fund revenues. As a result, the current budget proposal for the state does not include any net tax-supported debt issuance for fiscal year 2011. Other states, such as Minnesota, are examining debt policies to see if they still make sense in the current economic and fiscal environment.

TABLE 1

Net Tax-Supported Debt

PER CAPITA

			RATING
1	Connecticut	$4,859	Aa2
2	Massachusetts	$4,606	Aa1
3	Hawaii	$3,996	Aa1
4	New Jersey	$3,669	Aa2
5	New York	$3,135	Aa2
6	Delaware	$2,489	Aaa
7	California	$2,362	A1
8	Washington	$2,226	Aa1
9	Rhode Island	$2,127	Aa2
10	Oregon	$1,859	Aa1
11	Illinois	$1,856	Aa3
12	Wisconsin	$1,720	Aa2
13	Kentucky	$1,685	Aa1*
14	Maryland	$1,608	Aaa
15	Mississippi	$1,478	Aa2
16	New Mexico	$1,398	Aaa
17	Alaska	$1,345	Aa1
18	Louisiana	$1,271	Aa2
19	Kansas	$1,140	Aa1*
20	Florida	$1,123	Aa1
21	Georgia	$1,120	Aaa
22	West Virginia	$1,079	Aa2
23	Minnesota	$1,037	Aa1
24	Utah	$957	Aaa
25	Pennsylvania	$938	Aa1
26	Ohio	$933	Aa1
27	Nevada	$925	Aa1
28	South Carolina	$917	Aaa
29	Virginia	$895	Aaa
30	Alabama	$796	Aa1
31	Missouri	$780	Aaa
32	North Carolina	$765	Aaa
33	Maine	$760	Aa2
34	Michigan	$748	Aa2
35	Arizona	$736	Aa2
36	Vermont	$709	Aaa
37	New Hampshire	$665	Aa1
38	Oklahoma	$570	Aa2
39	Idaho	$538	Aa1*
40	Texas	$520	Aaa
41	Indiana	$492	Aaa*
42	Colorado	$400	Aa1*
43	Montana	$358	Aa1
44	North Dakota	$327	Aa1*
45	Tennessee	$318	Aaa
46	Arkansas	$312	Aa1
47	South Dakota	$135	NGO**
48	Wyoming	$77	NGO**
49	Iowa	$73	Aaa*
50	Nebraska	$15	NGO**
	MEAN:	$1,297	
	MEDIAN:	$936	
	Puerto Rico	$10,167	A3***

* Issuer Rating (No G.O. Debt)

** No General Obligation Debt

*** This figure is not included in any totals, means, or median calculations but is provided for comparison

TABLE 2

Net Tax-Supported Debt

AS A % OF 2008 PERSONAL INCOME

1	Hawaii	9.9%
2	Massachusetts	9.2%
3	Connecticut	8.7%
4	New Jersey	7.2%
5	New York	6.5%
6	Delaware	6.2%
7	California	5.6%
8	Kentucky	5.4%
9	Washington	5.3%
10	Oregon	5.2%
11	Rhode Island	5.2%
12	Mississippi	5.0%
13	Wisconsin	4.6%
14	Illinois	4.4%
15	New Mexico	4.4%
16	Louisiana	3.6%
17	West Virginia	3.5%
18	Maryland	3.4%
19	Georgia	3.3%
20	Alaska	3.2%
21	Utah	3.2%
22	Kansas	3.0%
23	Florida	2.9%
24	South Carolina	2.9%
25	Arizona	2.6%
26	Ohio	2.4%
27	Alabama	2.4%
28	Minnesota	2.4%
29	Pennsylvania	2.3%
30	Nevada	2.3%
31	North Carolina	2.3%
32	Maine	2.2%
33	Missouri	2.2%
34	Michigan	2.1%
35	Virginia	2.1%
36	Vermont	1.8%
37	Idaho	1.7%
38	New Hampshire	1.6%
39	Oklahoma	1.6%
40	Indiana	1.5%
41	Texas	1.4%
42	Montana	1.1%
43	Arkansas	1.0%
44	Colorado	1.0%
45	Tennessee	0.9%
46	North Dakota	0.8%
47	South Dakota	0.4%
48	Iowa	0.2%
49	Wyoming	0.2%
50	Nebraska	0.0%
	MEAN:	3.2%
	MEDIAN:	2.5%
	Puerto Rico	75.7%**

** This figure is based on 2008 Personal Income. It is not included in any totals, means, or median calculations but is provided for comparison purposes only.

TABLE 3

Total Net Tax Supported Debt ($000's)

			RATING
1	California	$87,320,000	A1
2	New York	$61,259,793	Aa2
3	New Jersey	$31,951,013	Aa2
4	Massachusetts	$30,371,476	Aa1
5	Illinois	$23,957,015	Aa3
6	Florida	$20,819,974	Aa1
7	Connecticut	$17,093,853	Aa2
8	Washington	$14,832,717	Aa1
9	Texas	$12,892,508	Aaa
10	Pennsylvania	$11,827,000	Aa1
11	Georgia	$11,011,066	Aaa
12	Ohio	$10,766,277	Aa1
13	Wisconsin	$9,726,313	Aa2
14	Maryland	$9,166,095	Aaa
15	Michigan	$7,461,594	Aa2
16	Kentucky	$7,269,586	Aa1*
17	North Carolina	$7,174,650	Aaa
18	Oregon	$7,110,604	Aa1
19	Virginia	$7,056,177	Aaa
20	Louisiana	$5,708,165	Aa2
21	Arizona	$5,463,418	Aa1
22	Minnesota	$5,176,063	Aa1
23	Hawaii	$4,856,686	Aa2
24	Missouri	$4,672,127	Aaa
25	Mississippi	$4,364,174	Aa2
26	South Carolina	$4,184,210	Aaa
27	Alabama	$3,748,559	Aa1
28	Kansas	$3,213,826	Aa1*
29	Indiana	$3,156,986	Aaa*
30	New Mexico	$2,809,156	Aaa
31	Utah	$2,665,545	Aaa
32	Nevada	$2,446,111	Aa1
33	Rhode Island	$2,240,527	Aa2
34	Delaware	$2,202,968	Aaa
35	Oklahoma	$2,100,583	Aa2
36	Colorado	$2,011,683	Aa1**
37	Tennessee	$2,003,673	Aaa
38	West Virginia	$1,962,926	Aa2
39	Maine	$1,002,485	Aa2
40	Alaska	$939,600	Aa1
41	Arkansas	$900,483	Aa1
42	New Hampshire	$880,871	Aa1
43	Idaho	$831,110	Aa1*
44	Vermont	$441,017	Aaa
45	Montana	$349,260	Aa1
46	Iowa	$219,279	Aaa*
47	North Dakota	$211,822	Aa1*
48	South Dakota	$109,528	NGO**
49	Wyoming	$42,066	NGO**
50	Nebraska	$27,032	NGO**
	Totals	$460,009,6500	
	MEAN:	$9,200,193	
	MEDIAN:	$4,274,192	
	Puerto Rico	$40,200,990***	A3

* Issuer Rating (No G.O. Debt)

** No General Obligation Debt

*** This figure is not included in any totals, means, or median calculations but is provided for comparison purposes only.

TABLE 4

Gross Tax Supported Debt ($000's)

			GROSS TO NET RATIO
1	California	$96,059,000	1.10
2	New York	$61,298,583	1.00
3	New Jersey	$37,742,524	1.18
4	Massachusetts	$31,588,631	1.04
5	Florida	$28,982,074	1.39
6	Connecticut	$24,560,913	1.44
7	Illinois	$24,386,715	1.02
8	Washington	$23,073,617	1.56
9	Michigan	$22,203,691	2.98
10	Texas	$19,055,178	1.48
11	Minnesota	$17,901,463	3.28
12	Pennsylvania	$17,231,600	1.46
13	Ohio	$16,217,353	1.51
14	Oregon	$15,372,119	2.16
15	Wisconsin	$11,246,698	1.16
16	Virginia	$11,034,158	1.56
17	Georgia	$11,011,066	1.00
18	Colorado	$10,189,322	5.07
19	Maryland	$9,166,095	1.00
20	Alabama	$8,093,610	2.16
21	Louisiana	$7,848,648	1.37
22	Utah	$7,750,004	2.91
23	Kentucky	$7,269,586	1.00
24	North Carolina	$7,174,650	1.00
25	Hawaii	$6,841,854	1.32
26	Arizona	$5,521,088	2.76
27	Tennessee	$5,200,576	5.19
28	Maine	$5,035,407	1.60
29	Indiana	$5,026,801	1.04
30	Missouri	$4,743,292	1.02
31	South Carolina	$4,384,210	1.05
32	Mississippi	$4,364,174	1.00
33	Alaska	$4,057,000	4.32
34	Arkansas	$4,023,296	4.47
35	New Mexico	$4,017,156	1.43
36	West Virginia	$3,898,597	1.99
37	Delaware	$3,849,663	1.75
38	Kansas	$3,471,816	1.08
39	Rhode Island	$3,391,384	1.51
40	Iowa	$3,187,813	14.54
41	Nevada	$3,085,881	1.26
42	New Hampshire	$2,227,956	2.53
43	Oklahoma	$2,124,561	1.01
44	Idaho	$1,636,330	1.97
45	North Dakota	$1,358,676	6.41
46	Vermont	$1,352,227	3.07
47	Montana	$555,828	1.59
48	South Dakota	$498,182	4.55
49	Nebraska	$42,692	1.58
50	Wyoming	$42,066	1.00
	Totals	$610,395,823	
	MEAN:	12,207,916	2.24
	MEDIAN:	6,181,471	1.49
	Puerto Rico	$44,688,990	1.11

** This figure is not included in any totals, means, or median calculations but is provided for comparison purposes only.

TABLE 5

Net Tax-Supported Debt as % of Gross State Domestic Product

	2009	NTSD TO STATE GDP RATIO
1	Massachusetts	7.98%
2	Hawaii	7.63%
3	Connecticut	7.41%
4	New Jersey	6.82%
5	New York	5.15%
6	Mississippi	4.96%
7	Washington	4.40%
8	Kentucky	4.15%
9	Rhode Island	4.08%
10	Illinois	3.92%
11	Oregon	3.85%
12	California	3.68%
13	New Mexico	3.68%
14	Wisconsin	3.45%
15	West Virginia	3.29%
16	Maryland	3.21%
17	Delaware	3.02%
18	Kansas	2.79%
19	Florida	2.76%
20	South Carolina	2.66%
21	Louisiana	2.48%
22	Georgia	2.44%
23	Ohio	2.39%
24	Alabama	2.35%
25	Pennsylvania	2.22%
26	Arizona	2.13%
27	Maine	2.04%
28	Michigan	2.02%
29	North Carolina	1.96%
30	Minnesota	1.79%
31	Vermont	1.75%
32	Nevada	1.74%
33	Missouri	1.73%
34	Virginia	1.58%
35	Idaho	1.50%
36	Oklahoma	1.37%
37	Alaska	1.32%
38	Indiana	1.23%
39	New Hampshire	1.20%
40	Utah	1.16%
41	Arkansas	1.12%
42	Montana	1.10%
43	Texas	1.10%
44	North Dakota	0.80%
45	Colorado	0.71%
46	South Dakota	0.63%
47	Tennessee	0.59%
48	Iowa	0.18%
49	Wyoming	0.14%
50	Nebraska	0.04%
	MEAN:	2.63%
	MEDIAN:	2.18%

	2010	NTSD TO STATE GDP RATIO
1	Massachusetts	8.32%
2	Hawaii	8.11%
3	Connecticut	7.91%
4	New Jersey	6.73%
5	New York	5.35%
6	Mississippi	4.75%
7	Rhode Island	4.73%
8	California	4.73%
9	Kentucky	4.65%
10	Washington	4.60%
11	Oregon	4.40%
12	Wisconsin	4.05%
13	Illinois	3.78%
14	Delaware	3.56%
15	New Mexico	3.52%
16	Maryland	3.35%
17	West Virginia	3.18%
18	Florida	2.80%
19	Georgia	2.77%
20	South Carolina	2.68%
21	Kansas	2.62%
22	Louisiana	2.57%
23	Utah	2.43%
24	Ohio	2.28%
25	Arizona	2.24%
26	Alabama	2.20%
27	Pennsylvania	2.14%
28	Minnesota	2.08%
29	Maine	2.02%
30	Missouri	1.96%
31	Alaska	1.96%
32	Michigan	1.95%
33	Nevada	1.86%
34	North Carolina	1.79%
35	Virginia	1.78%
36	Vermont	1.73%
37	Idaho	1.58%
38	New Hampshire	1.47%
39	Oklahoma	1.43%
40	Indiana	1.24%
41	Texas	1.05%
42	Montana	0.97%
43	Arkansas	0.92%
44	Colorado	0.81%
45	Tennessee	0.79%
46	North Dakota	0.68%
47	South Dakota	0.30%
48	Iowa	0.16%
49	Wyoming	0.12%
50	Nebraska	0.03%
	MEAN:	2.78%
	MEDIAN:	2.22%

*Gross Domestic Product by State numbers have a 1-year lag.

TABLE 6:

NET TAX-SUPPORTED DEBT AS A PERCENTAGE OF PERSONAL INCOME

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Alabama	1.7	1.5	2.3	2.2	2.2	2.2	2.0	2.0	2.2	2.0	2.8	2.5	2.4
Alaska	0.5	0.0	1.0	0.4	0.4	0.3	3.0	2.8	2.6	2.7	2.4	2.2	3.2
Arizona	1.9	1.9	1.6	1.6	1.9	2.1	2.3	2.6	2.2	2.0	2.0	2.5	2.3
Arkansas	0.8	0.6	0.9	1.2	1.2	1.4	1.8	1.6	1.6	1.4	1.7	1.3	1.0
California	2.6	2.6	2.4	2.5	2.5	2.5	3.2	4.7	4.6	4.4	4.3	4.4	5.6
Colorado	0.1	0.0	0.03	0.4	0.7	0.9	0.9	1.0	0.9	0.9	0.8	0.8	1.0
Connecticut	8.7	8.7	8.1	8.0	8.0	8.2	8.4	8.5	8.0	7.8	7.3	8.2	8.7
Delaware	5.9	5.7	5.2	5.5	5.3	5.0	5.6	5.5	5.3	5.5	5.2	5.4	6.2
Florida	3.4	3.5	3.4	3.3	3.4	3.5	3.5	3.4	3.2	3.1	2.8	2.9	2.9
Georgia	2.9	2.9	2.8	2.6	2.9	2.9	2.9	2.8	2.7	3.0	3.0	3.0	3.3
Hawaii	10.7	11.2	11.6	11.0	10.4	10.9	10.4	11.1	12.1	10.6	9.9	9.4	9.9
Idaho	0.2	0.4	0.4	0.3	0.4	0.3	0.5	0.6	0.6	0.6	1.2	1.6	1.7
Illinois	2.7	2.6	2.6	2.7	2.8	3.2	5.8	6.2	5.9	5.5	5.2	4.6	4.4
Indiana	0.8	0.9	0.9	1.1	1.1	1.1	1.3	1.4	1.6	2.1	1.5	1.5	1.5
Iowa	0.5	0.5	0.4	0.4	0.6	0.6	0.5	0.5	0.4	0.3	0.3	0.2	0.2
Kansas	1.7	2.0	2.4	3.1	3.0	3.0	3.3	4.0	3.8	3.7	3.5	3.2	3.0
Kentucky	3.9	3.7	3.5	4.4	4.3	4.4	4.4	4.0	4.5	4.3	4.7	4.8	5.4
Louisiana	2.6	2.6	2.4	2.5	2.4	2.7	2.6	2.4	3.1	4.9	4.3	3.3	3.6
Maine	1.9	1.9	2.1	2.0	1.9	1.8	1.8	2.2	2.0	1.9	1.9	2.2	2.2
Maryland	3.1	3.3	3.0	2.6	2.6	2.8	3.0	2.9	3.0	2.8	3.0	3.3	3.4
Massachusetts	7.8	7.8	8.0	8.5	8.5	8.5	8.5	8.5	9.8	9.4	9.8	8.9	9.2
Michigan	1.6	1.7	1.5	1.6	1.5	1.8	2.2	2.2	2.1	2.2	2.2	2.2	2.1
Minnesota	1.9	2.0	1.9	1.8	1.8	1.9	2.0	2.0	2.1	2.2	2.3	2.1	2.4
Mississippi	3.5	4.4	4.7	4.6	4.7	5.6	5.2	4.8	4.8	4.9	4.8	5.2	5.0
Missouri	1.0	1.0	1.0	1.1	1.3	1.3	1.6	1.5	1.6	1.9	2.1	2.0	2.2
Montana	1.4	1.7	1.7	1.7	1.6	1.4	1.3	1.1	1.4	1.5	1.2	1.2	1.1
Nebraska	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Nevada	1.6	1.8	1.8	1.8	1.7	1.4	2.0	2.0	2.2	1.7	2.0	2.2	2.3
New Hampshire	2.4	2.3	2.0	1.5	1.5	1.4	1.5	1.3	1.4	1.3	1.3	1.3	1.6
New Jersey	5.1	5.2	5.3	5.5	5.6	5.5	5.9	7.4	7.9	7.6	7.5	7.3	7.2
New Mexico	1.9	2.6	3.1	4.0	4.0	3.7	4.1	5.3	4.7	5.3	4.8	4.6	4.4
New York	6.5	6.6	6.4	6.2	5.9	5.9	6.7	7.2	6.7	6.7	6.3	6.3	6.5
North Carolina	1.0	1.2	1.4	1.4	1.4	1.6	2.0	2.5	2.8	2.4	2.8	2.5	2.3
North Dakota	0.8	0.6	0.7	0.9	0.9	0.9	0.9	0.6	1.2	1.0	1.1	1.0	0.8
Ohio	2.5	2.7	2.7	2.6	2.6	2.6	2.7	2.9	2.9	3.0	2.9	2.8	2.6
Oklahoma	0.8	1.2	1.3	1.4	1.3	1.2	1.2	1.2	1.4	1.5	1.5	1.5	1.6
Oregon	1.2	1.2	1.3	1.6	1.5	1.6	4.5	4.7	4.5	4.6	5.0	4.6	5.2
Pennsylvania	2.0	2.3	2.2	2.2	2.3	2.3	2.2	2.3	2.3	2.4	2.4	2.5	2.4
Rhode Island	6.6	6.5	6.2	5.3	5.2	5.0	4.4	4.3	4.1	4.6	4.7	4.5	5.2
South Carolina	1.6	1.6	1.6	1.8	2.5	2.4	2.4	2.2	2.5	2.3	3.3	2.9	2.9
South Dakota	1.5	1.5	1.5	1.2	0.9	0.7	0.9	0.9	0.7	0.8	0.9	0.8	0.4
Tennessee	0.9	1.0	1.0	1.2	0.9	0.8	0.8	0.7	0.8	0.7	0.7	0.7	0.9
Texas	1.4	1.3	1.2	1.0	0.9	0.9	0.8	1.0	1.0	1.3	1.4	1.4	1.4
Utah	3.1	3.6	3.3	2.8	3.0	2.9	3.5	3.2	2.7	2.3	1.9	1.5	3.2
Vermont	4.2	4.2	3.8	3.3	3.0	3.0	2.5	2.3	2.2	2.1	2.0	1.8	1.8
Virginia	2.1	2.0	2.1	1.9	1.8	1.7	1.7	1.8	1.7	1.8	1.9	1.9	2.1
Washington	4.8	4.6	4.6	4.4	4.4	4.8	4.9	4.9	4.9	5.1	5.1	5.1	5.3
West Virginia	2.8	3.4	3.3	4.2	4.0	4.1	3.6	4.6	4.4	3.9	3.9	3.6	3.5
Wisconsin	2.8	2.8	2.7	3.2	3.0	3.3	4.5	4.7	4.3	4.2	4.1	4.0	4.6
Wyoming	0.7	1.0	1.0	1.0	1.4	0.9	0.8	0.7	0.3	0.3	0.2	0.2	0.2
Median	**1.9**	**2.0**	**2.2**	**2.1**	**2.3**	**2.2**	**2.4**	**2.4**	**2.5**	**2.4**	**2.6**	**2.5**	**2.5**

Moody's Related Research

Special Comments:

» Annual Sector Outlook for US State Governments, February 2010 (123172)

» US States Credit Scorecard, February 2010 (122962)

» US State and Local Governments Remain Inherently Resilient, Despite Growing Pressures, February 2010 (123154)

» Variable Rate Issuance Down Despite Near Record Volume in US Municipal Market, February 2010 (123292)

Rating Methodology:

» Moody's State Rating Methodology, November 2004 (89335)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

» contacts continued from page 1

Analyst Contacts:

NEW YORK	1.212.553.1653
Emily Raimes	212.553.7203
Vice President-Senior Analyst	
Emily.Raimes@moodys.com	
Nicholas Samuels	212.553.7121
Vice President-Senior Analyst	
Nicholas.Samuels@moodys.com	
Nicole Johnson	212.553.4573
Senior Vice President	
Nicole.Johnson@moodys.com	
Edith Behr	212.553.0566
Vice President-Senior Credit Officer	
Edith.Behr@moodys.com	
Robert A. Kurtter	212.553.4453
Team Managing Director	
Robert.Kurtter@moodys.com	

Report Number: 125068

Author
Kimberly Lyons

Senior Associate
Robert Canfield

Senior Production Associate
Shubhra Bhatnagar

MOODY'S
INVESTORS SERVICE