



STATE OF LOUISIANA

Governor Bobby Jindal

Bond Rating Agency Presentation Standard & Poor's

June 12, 2008

Angele Davis
Commissioner of Administration



Overview

- Fiscal Status
- Economic Outlook
- Hurricane Recovery
- Strategic Investments
- Ethics and Financial Reform



STATE OF LOUISIANA

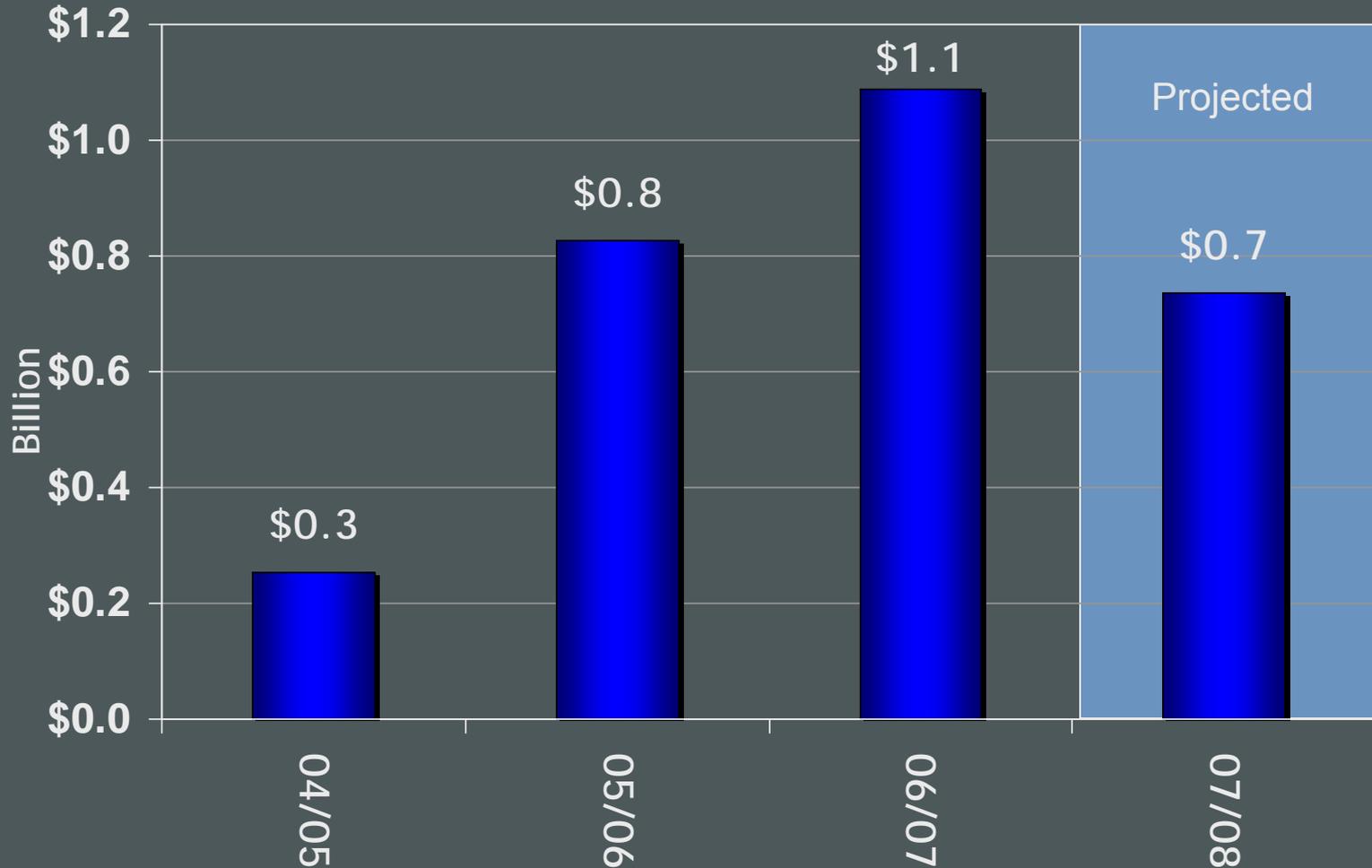
6/12/2008



Fiscal Status

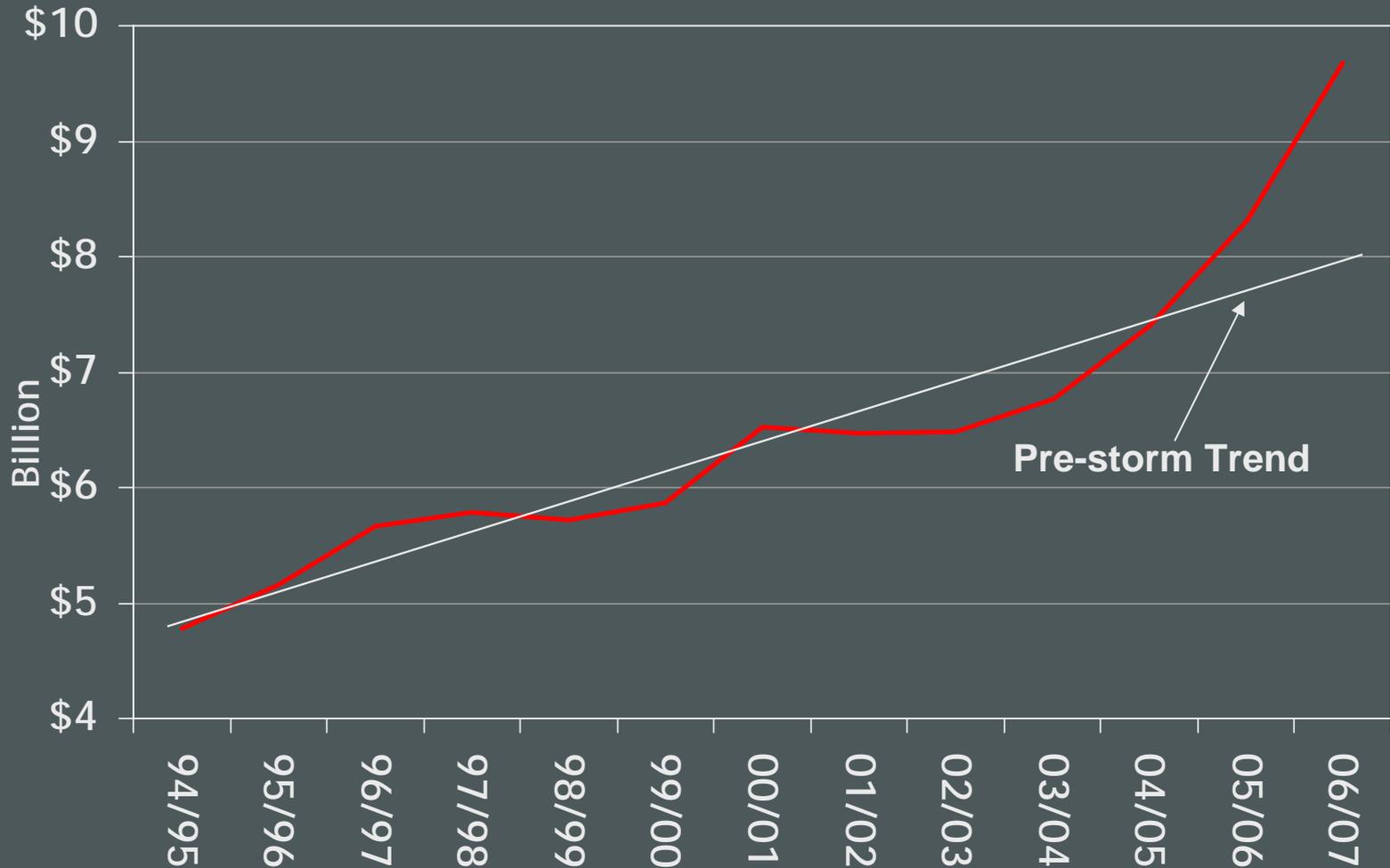


Fiscal Year Surpluses



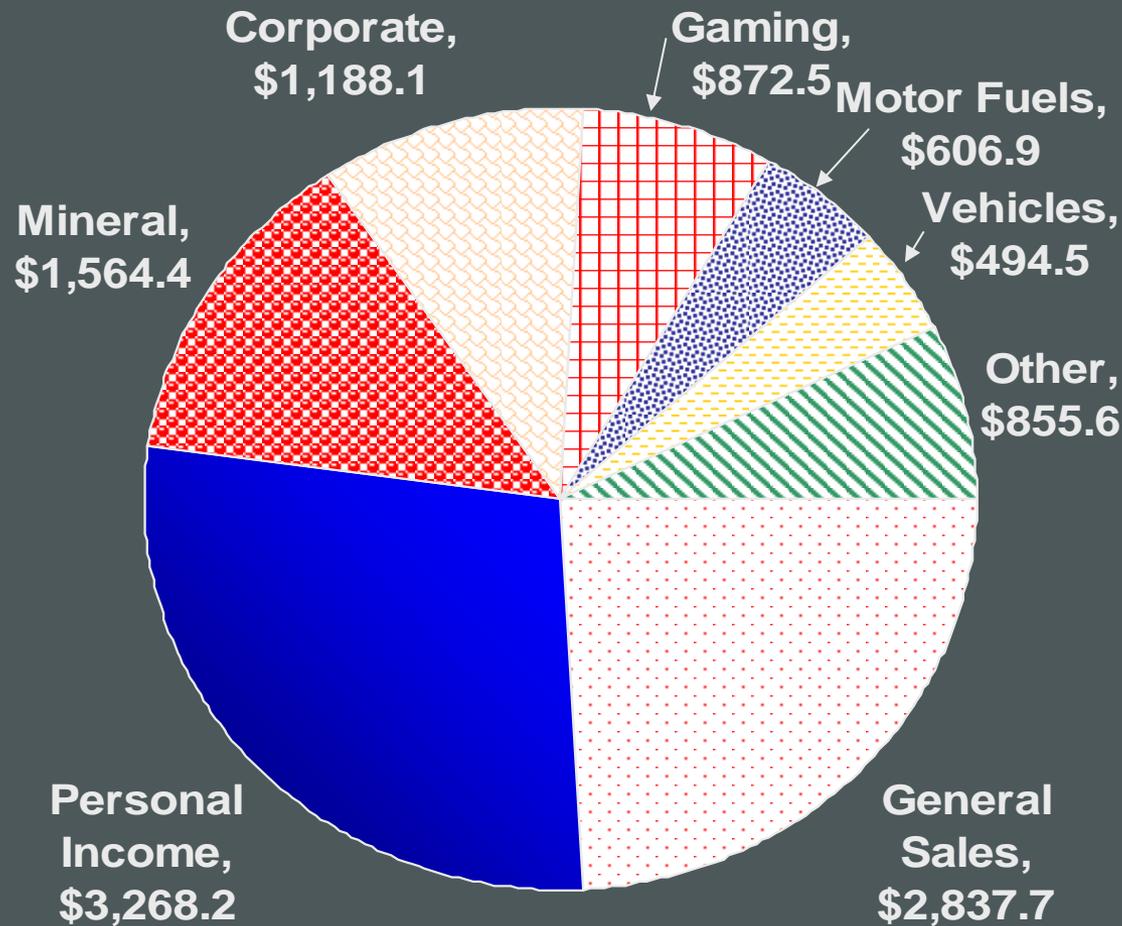


State General Fund Actual Revenue





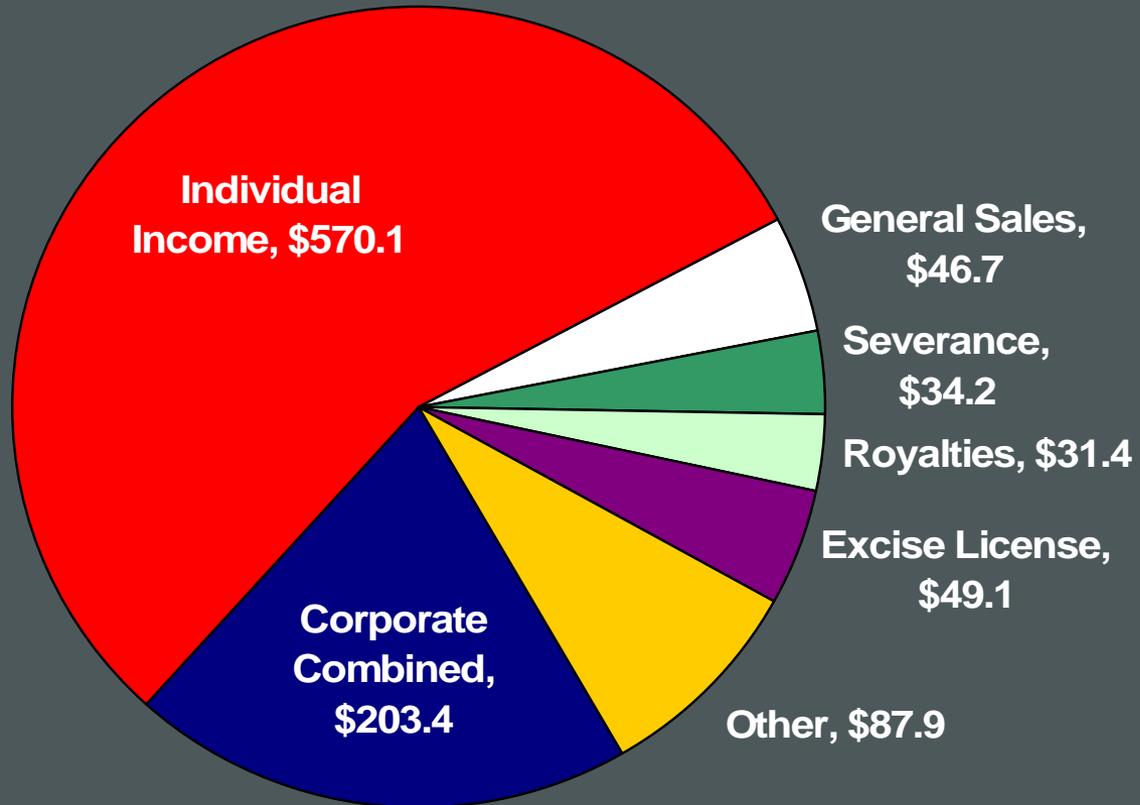
FY 2006/07 Actual Revenue





FY 2006/07 Revenue Surplus

Total = \$1,022.8
(millions)



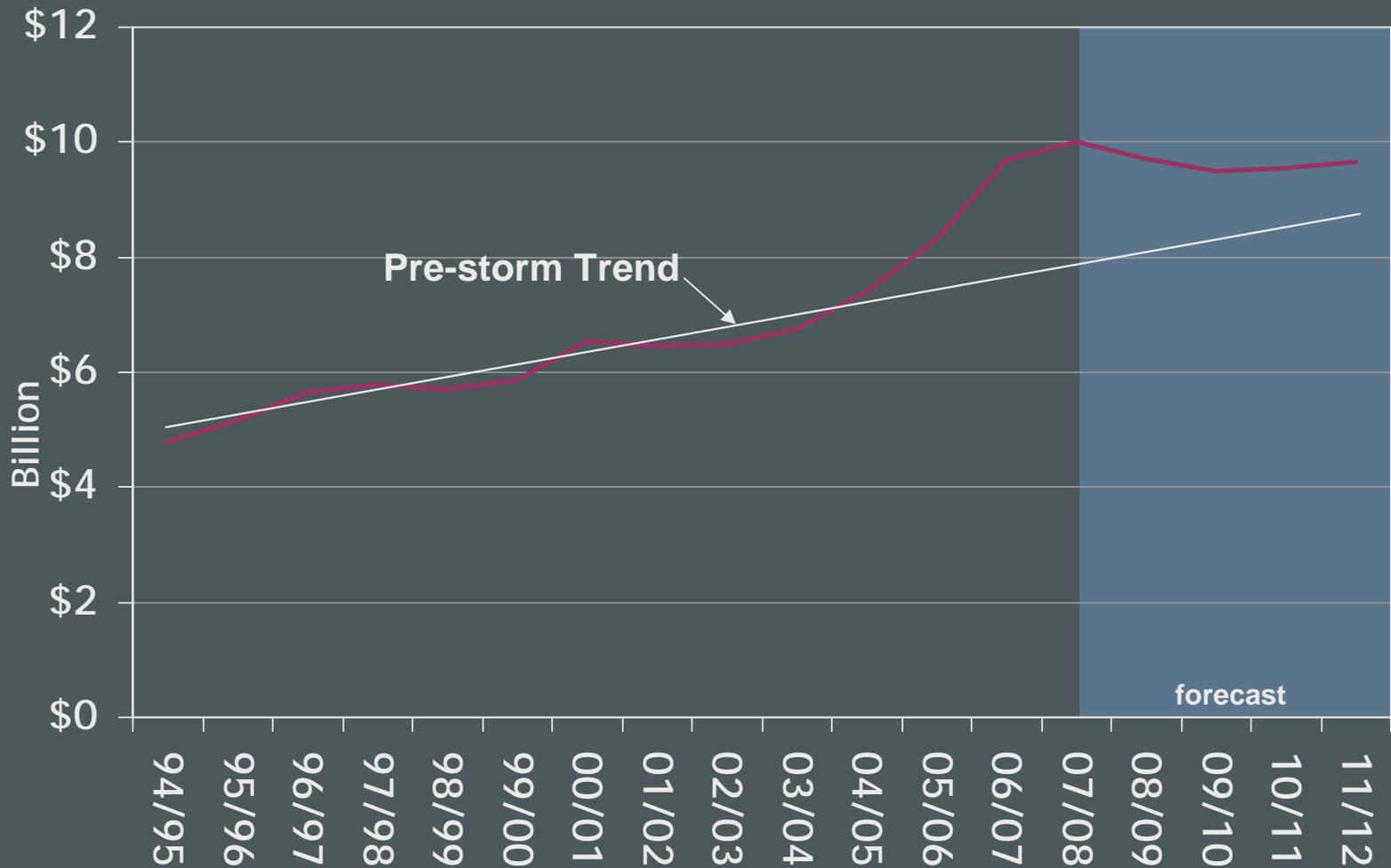


Appropriation of 2006-2007 Surplus

Transportation (Roads, Bridges, Ports)	\$453,000,000
Coastal Protection and Restoration	\$300,000,000
Higher Education Facility Major Repairs	\$75,000,000
Infrastructure for Economic Development	\$67,000,000
Retirement - Unfunded Accrued Liability	\$60,000,000
Biomedical Research Facilities	\$50,000,000

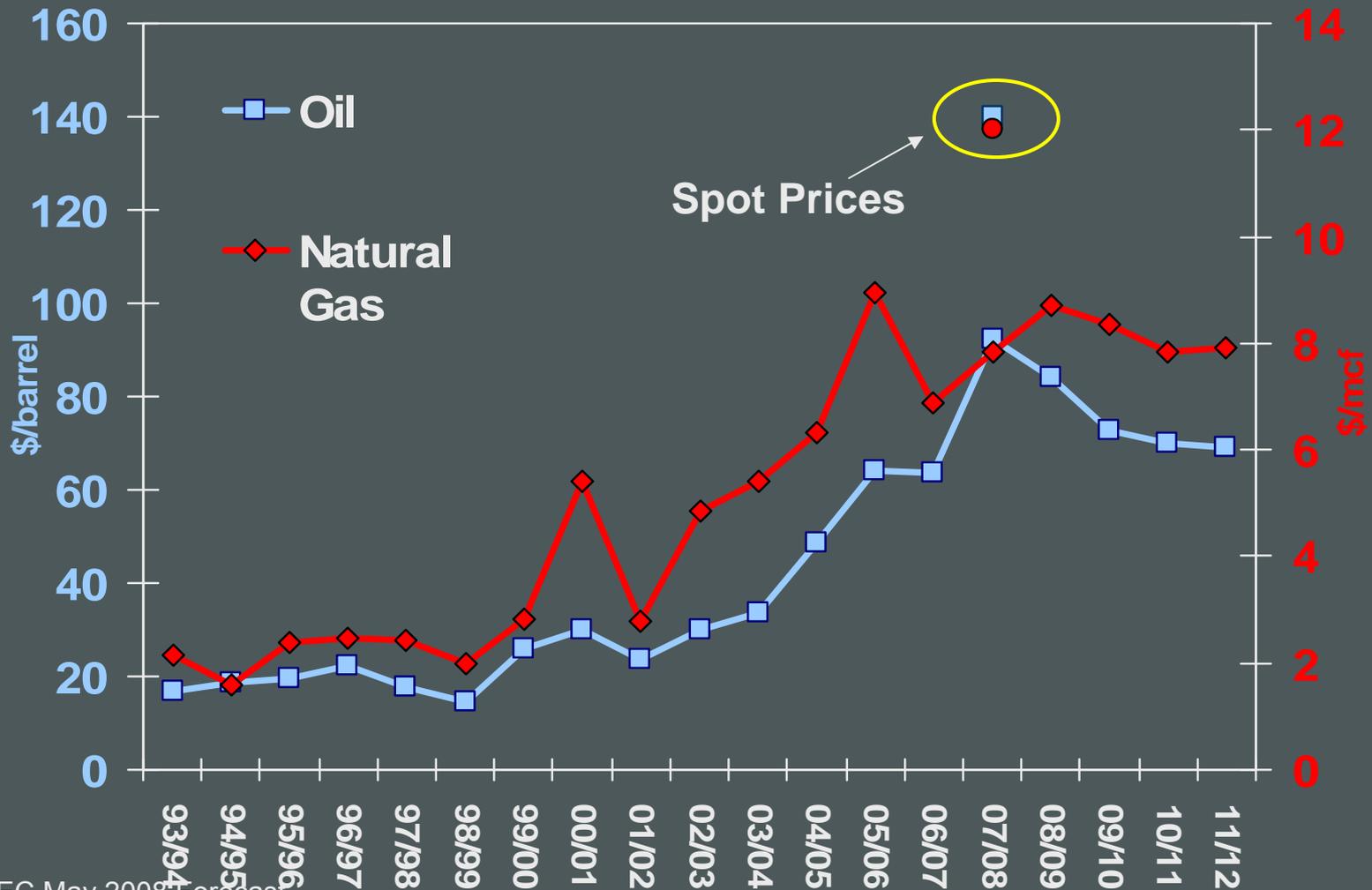


State General Fund Revenue



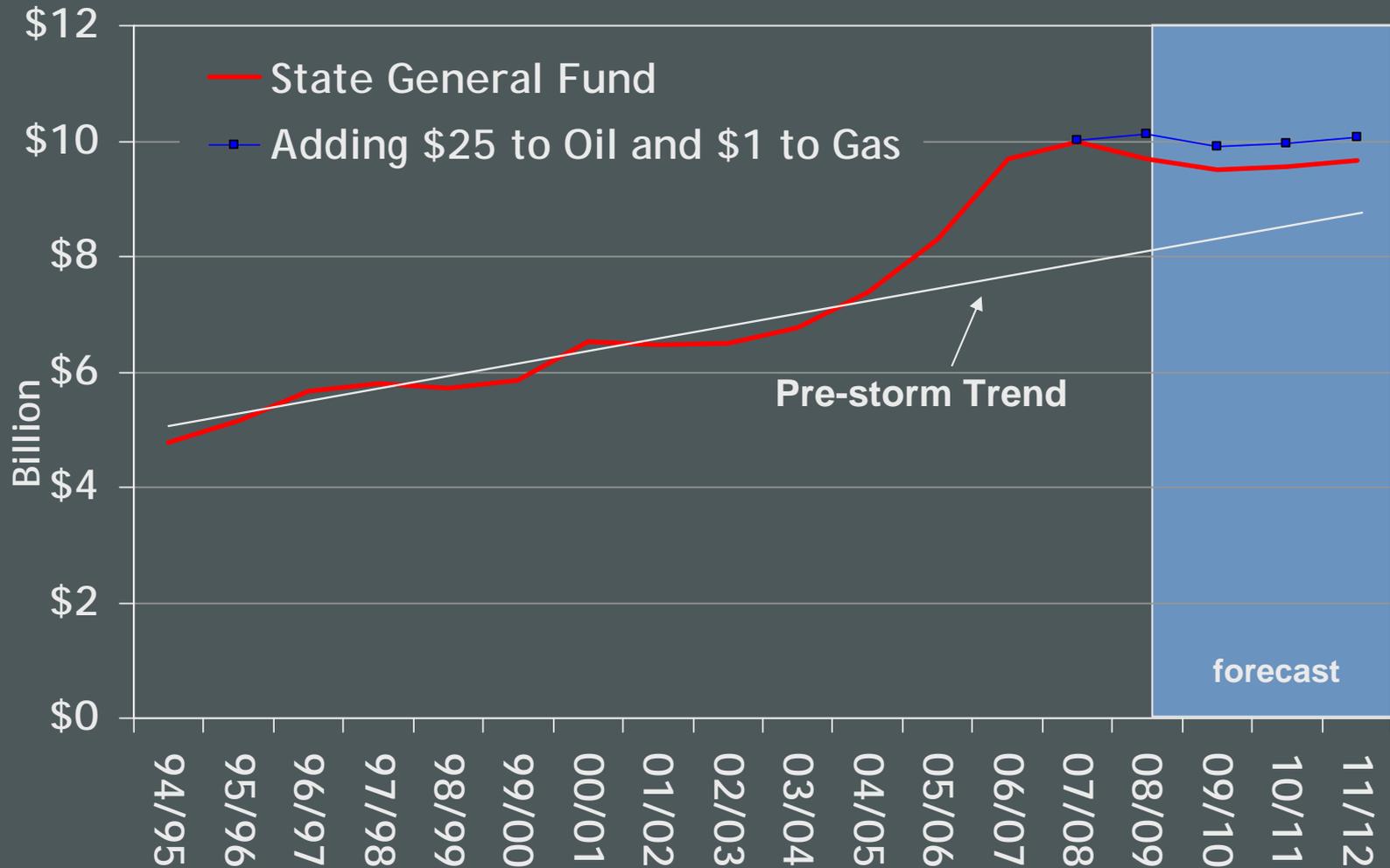


Forecast Energy Prices



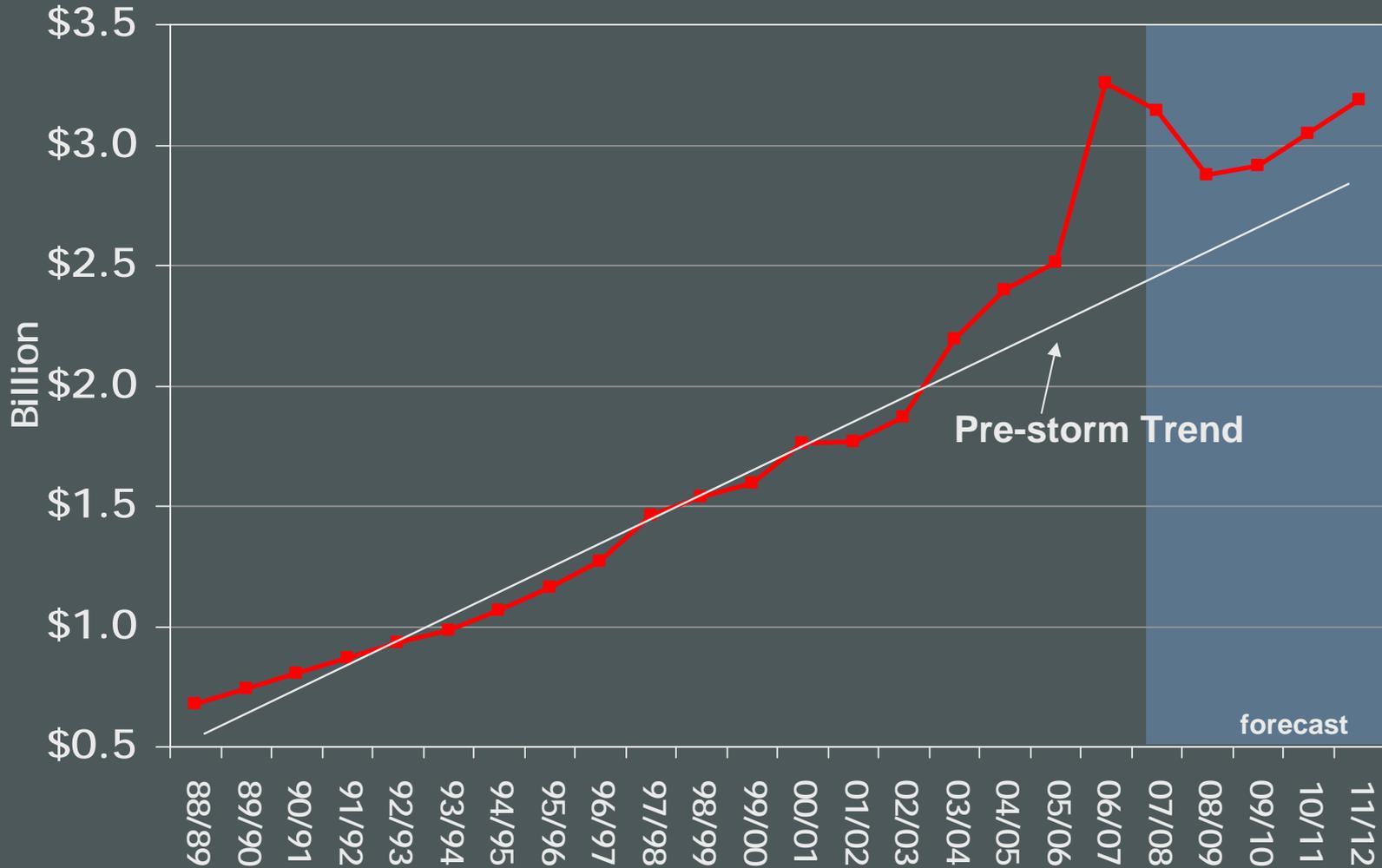


State General Fund Revenue



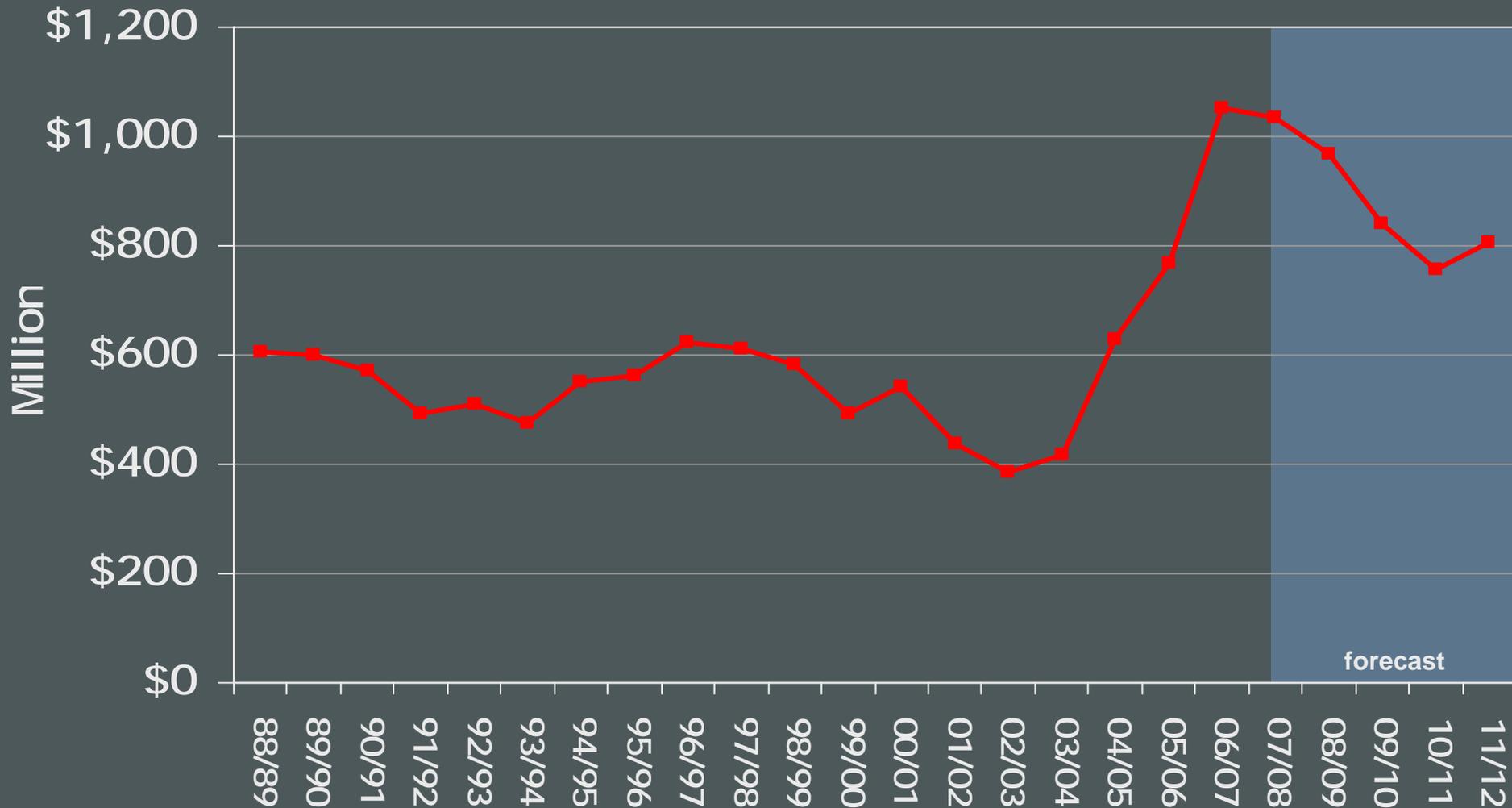


Personal Income



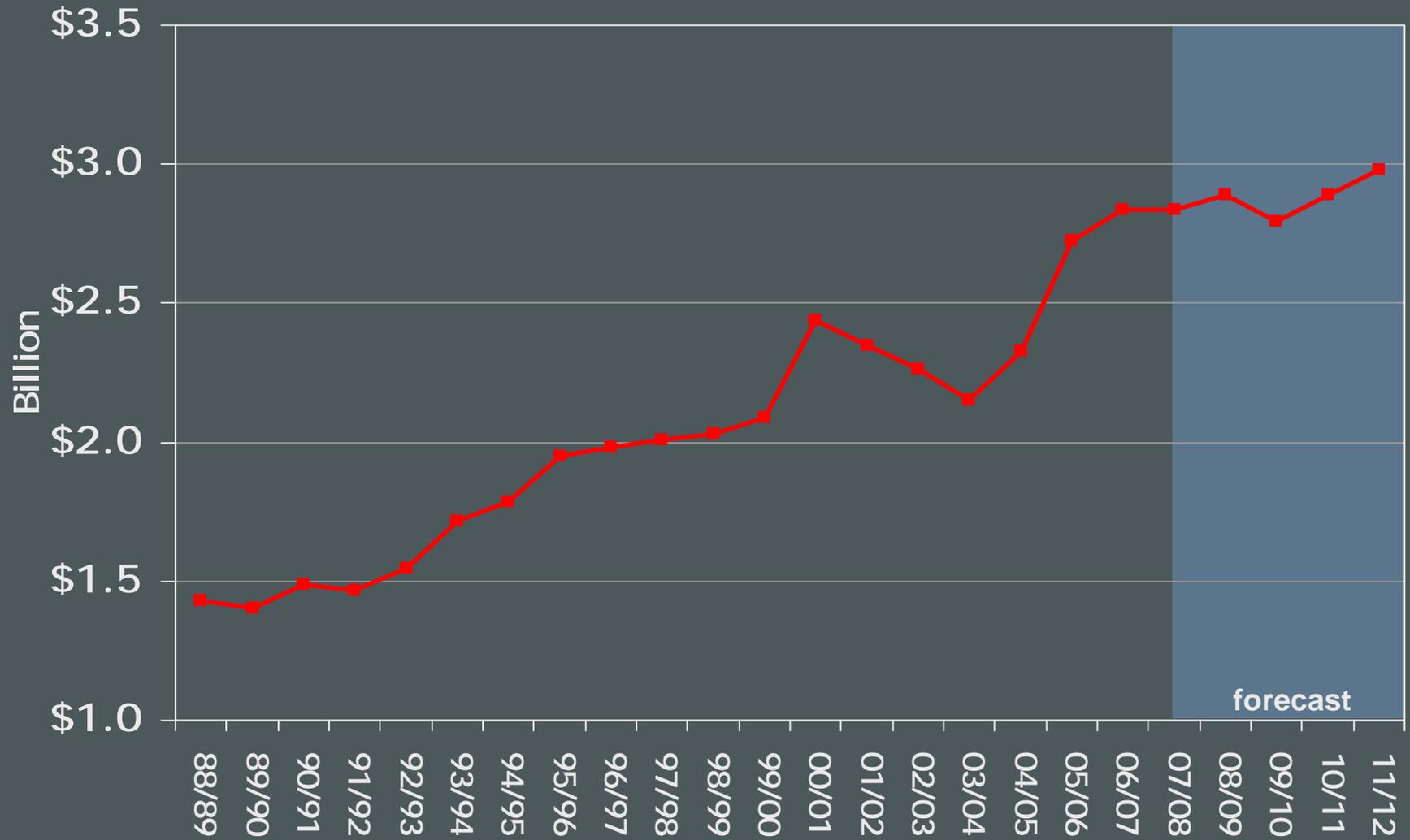


Corporate Franchise and Income





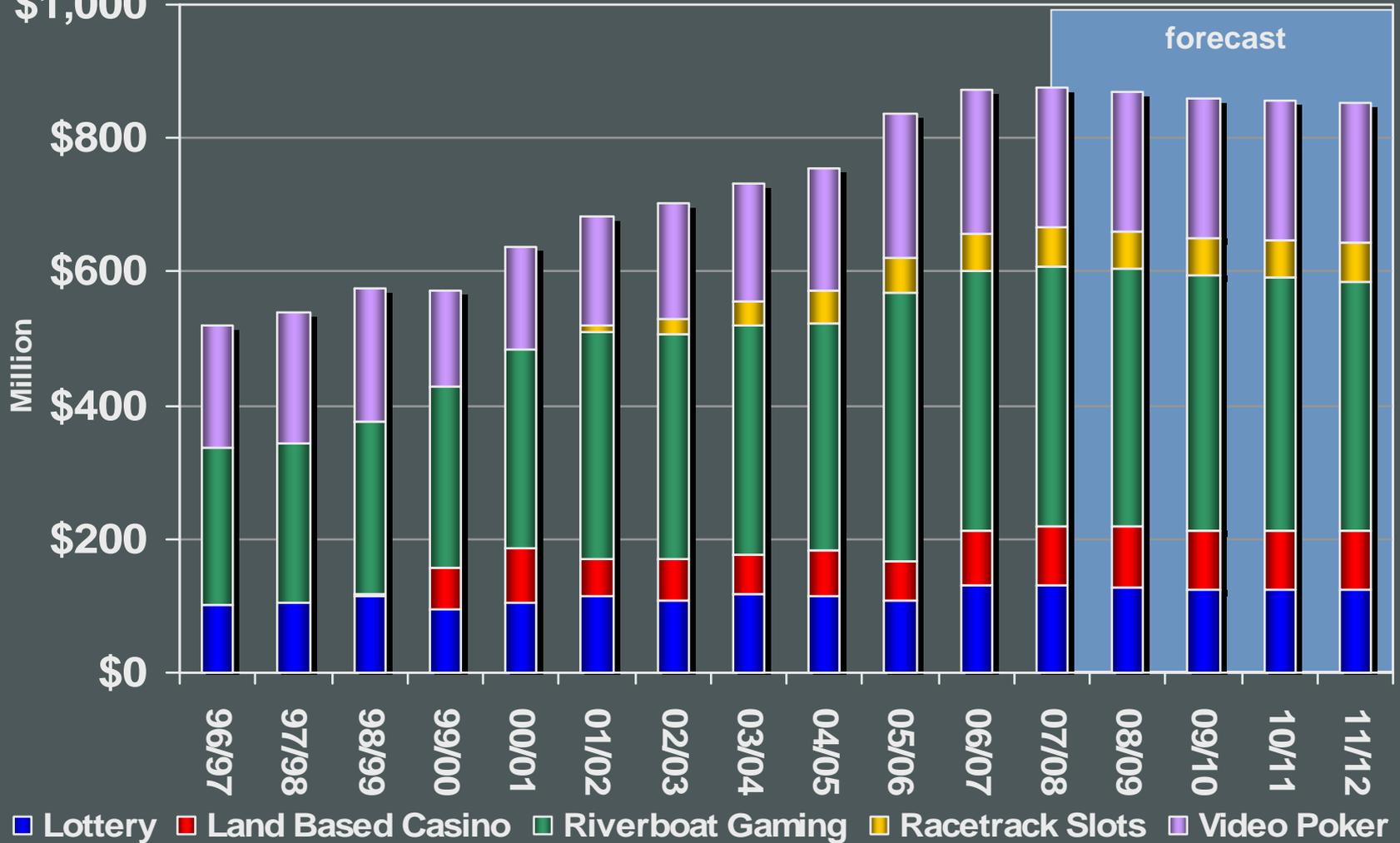
General Sales





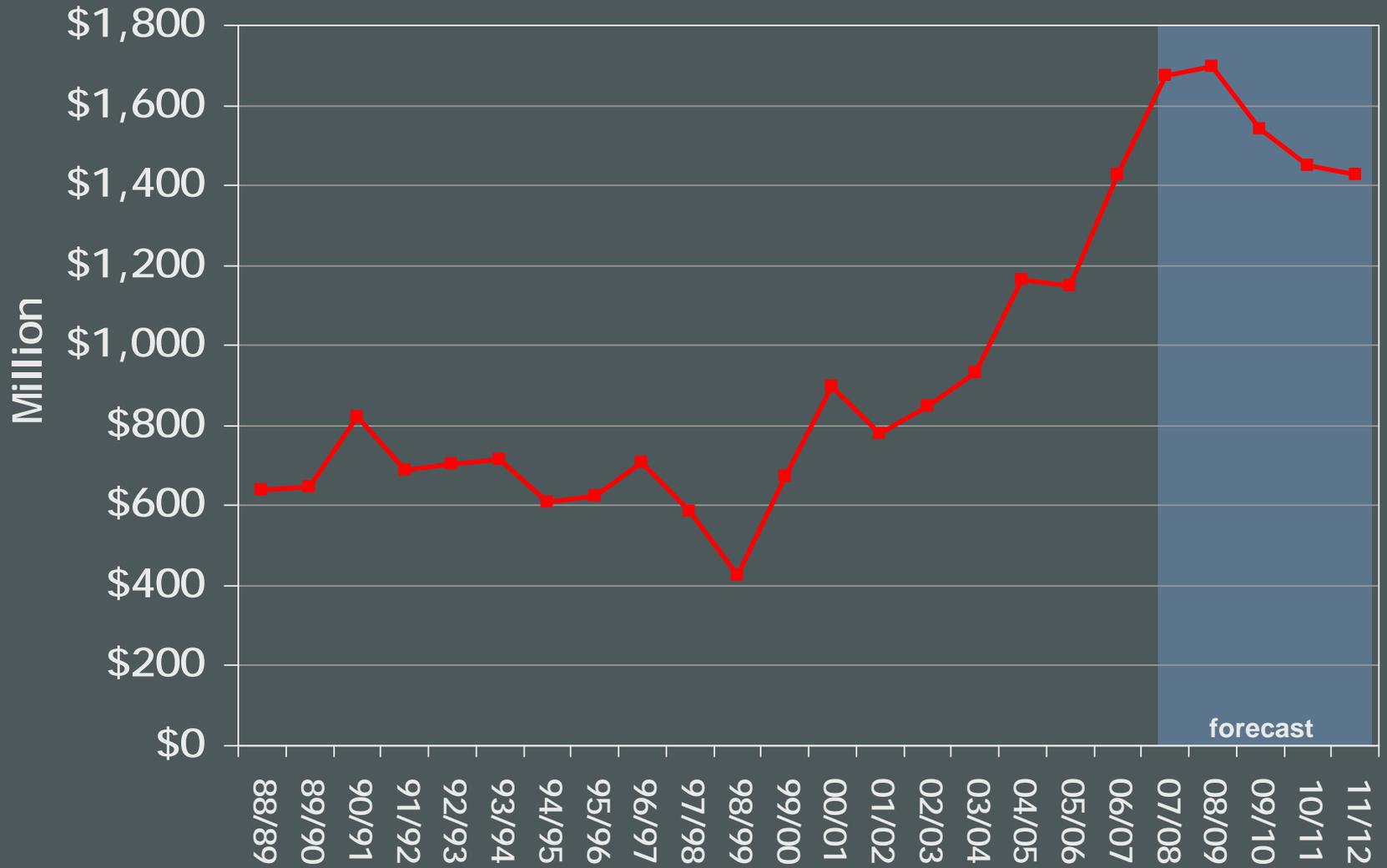
Gaming Revenue

\$1,000



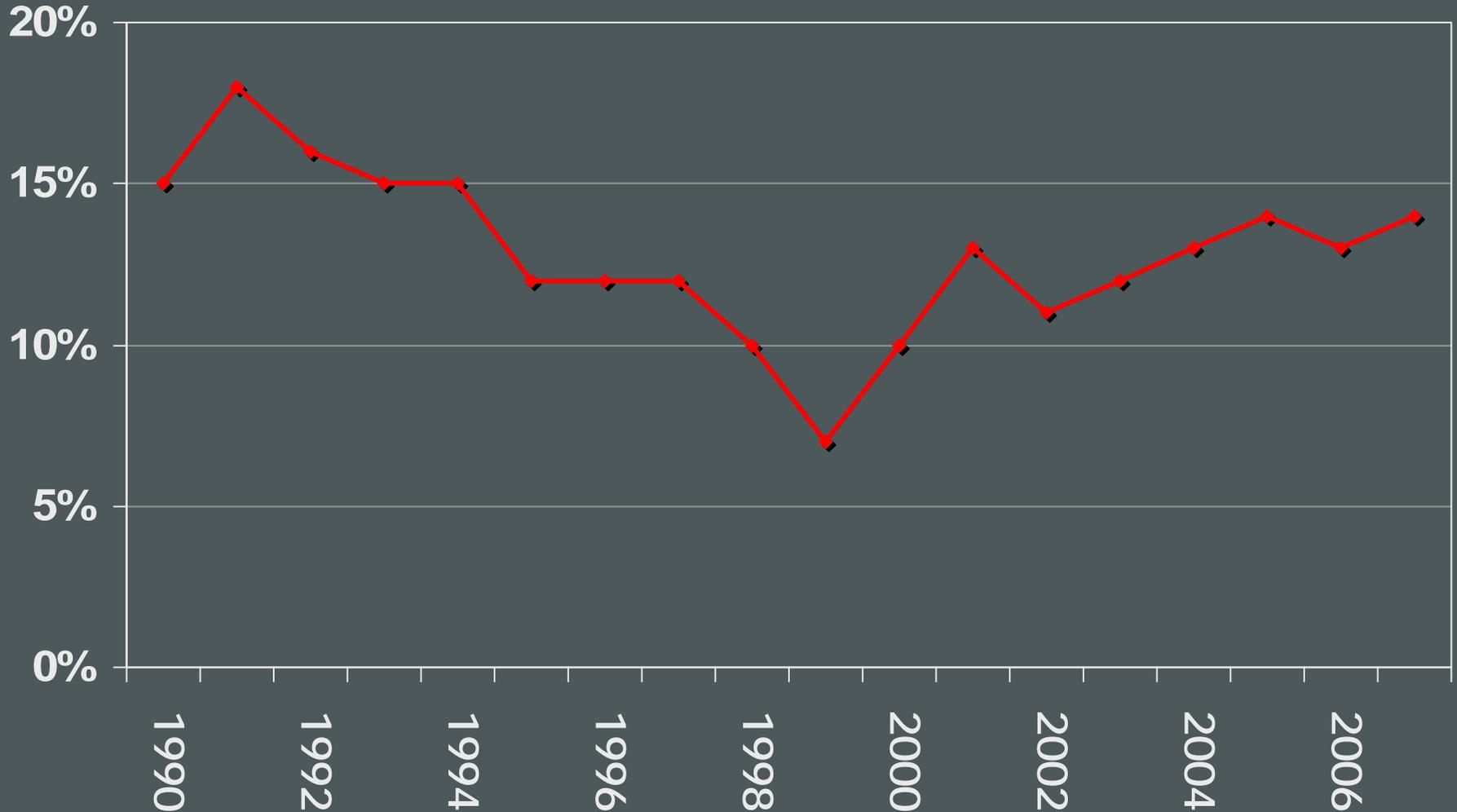


Mineral Revenue





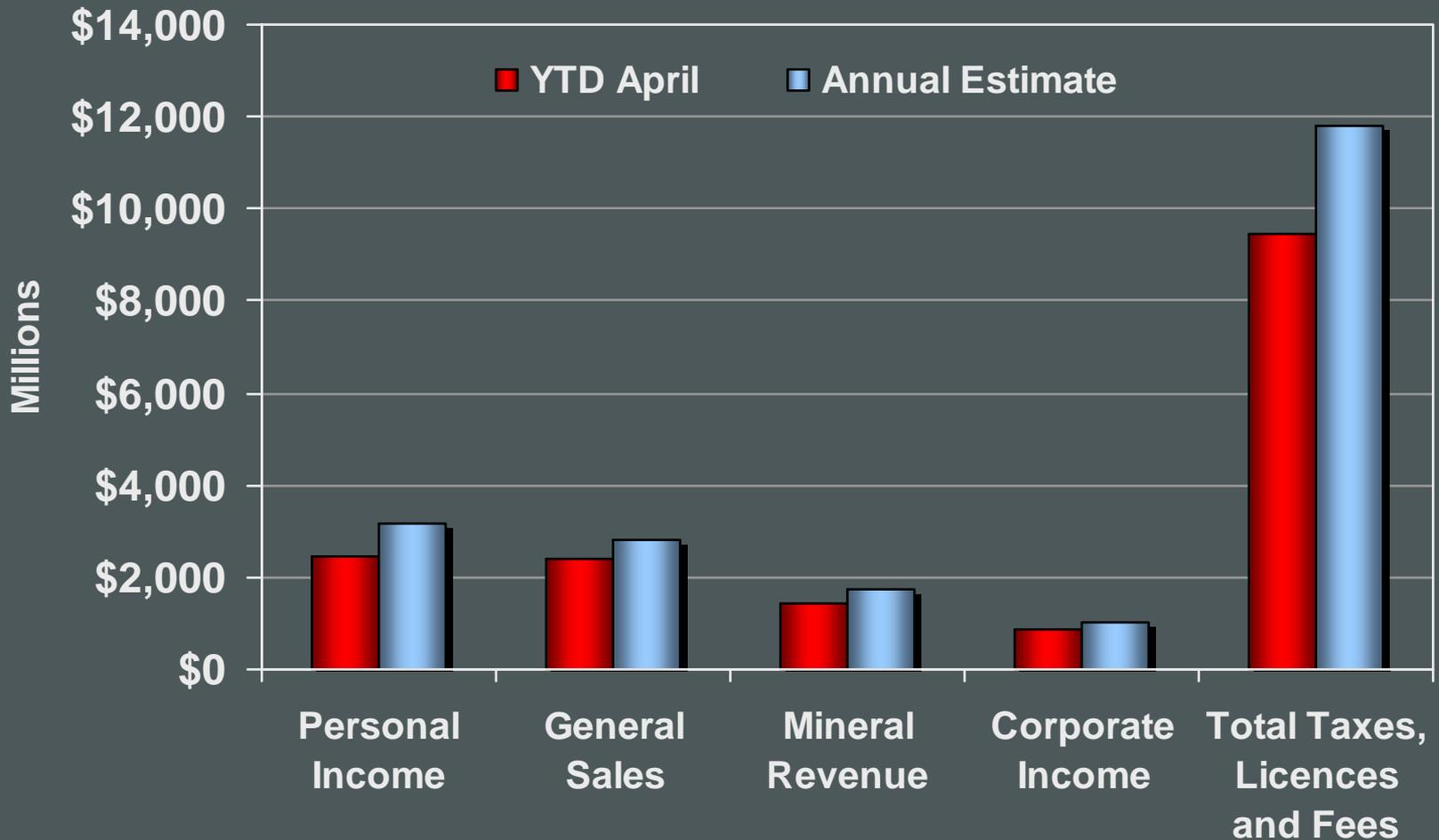
State General Fund from Mineral Revenue





FY 2007/08 Year-to-Date Revenue Collections

(2 months plus accrual remaining)



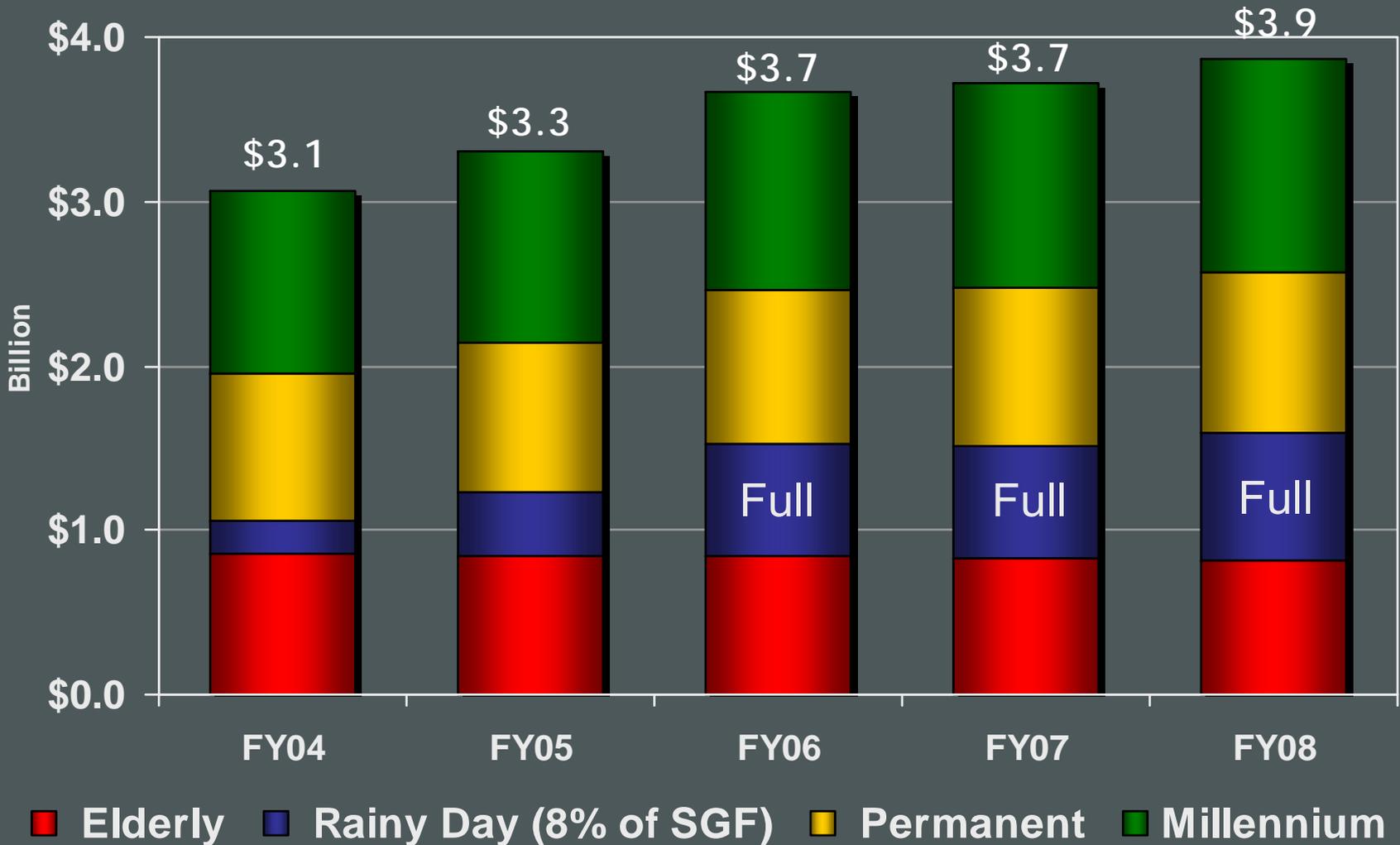


Retirement System Funding Levels

	June 30, 2007	June 30, 2006	June 30, 2005
LASERS	66.8%	63.9%	61.3%
TRSL	69.9%	66.2%	63.6%
STPOL	89.1%	83.1%	79.5
LSERS	80.0%	79.1%	75.3%



Trust Fund Ending Balances





Preliminary Future Debt Issues

General Obligation

- \$500 Million FY 08/09
- \$400 Million FY 10/11

Appropriation Supported

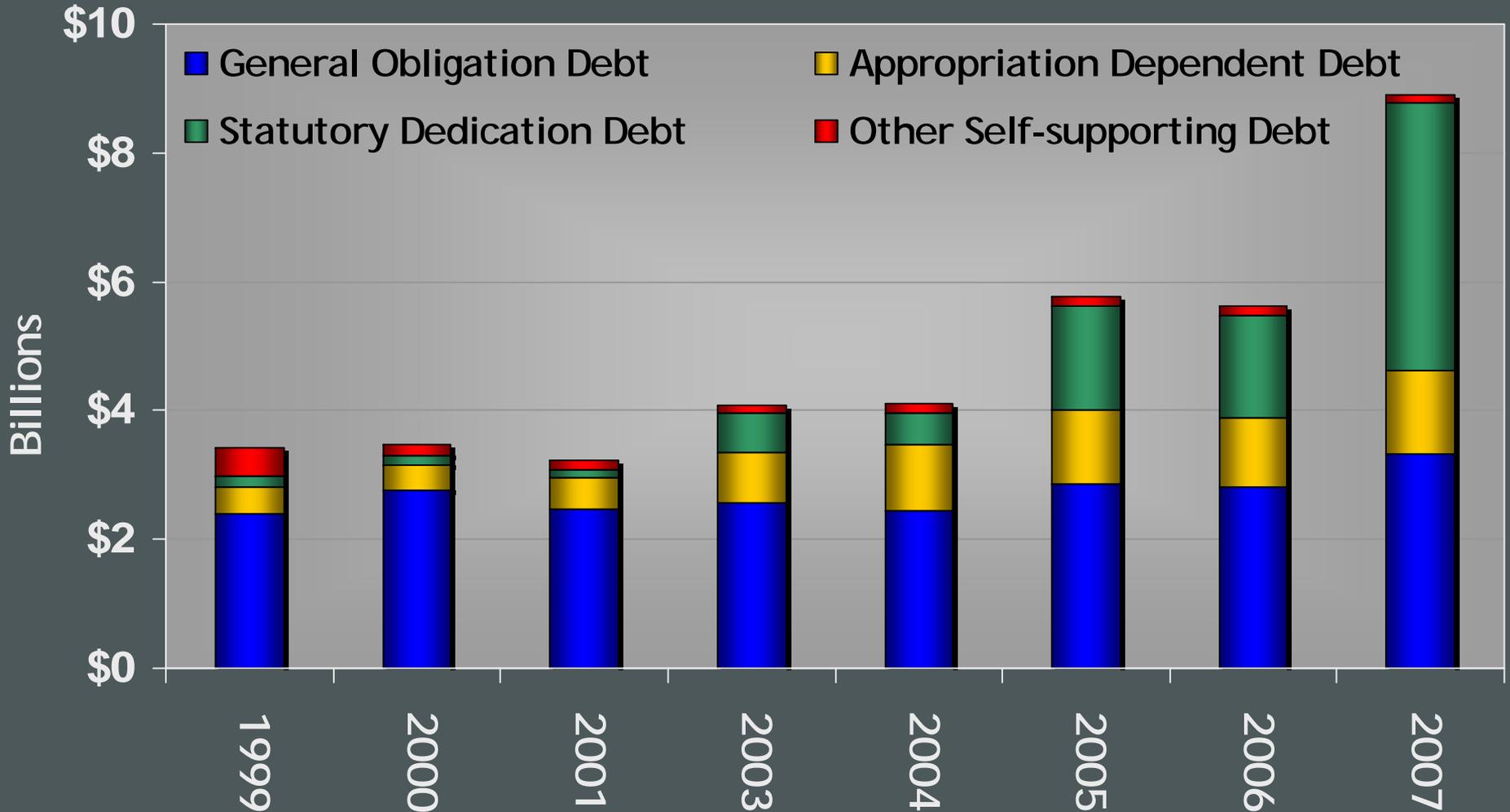
- \$254 Million for Higher Education
 - \$10 Million Sowela
 - \$200 Million for LCTCS
 - \$43.8 Million for Delta
- \$80 Million for Office Facilities Corporation

Gas & Fuel Tax Revenue

- \$485 Million Bonds Dec. 2008



Net State Tax Supported Debt





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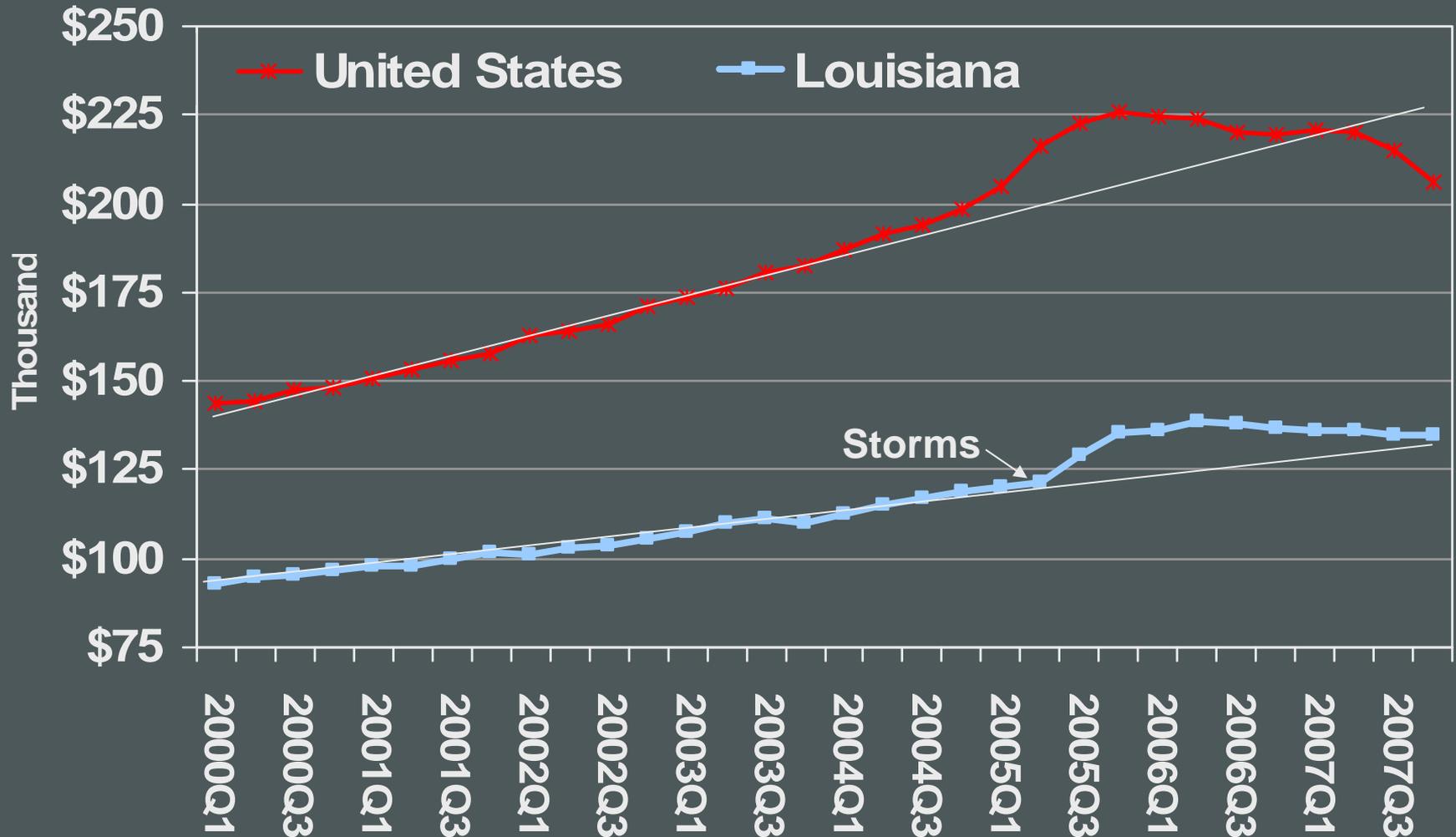


Economic Outlook



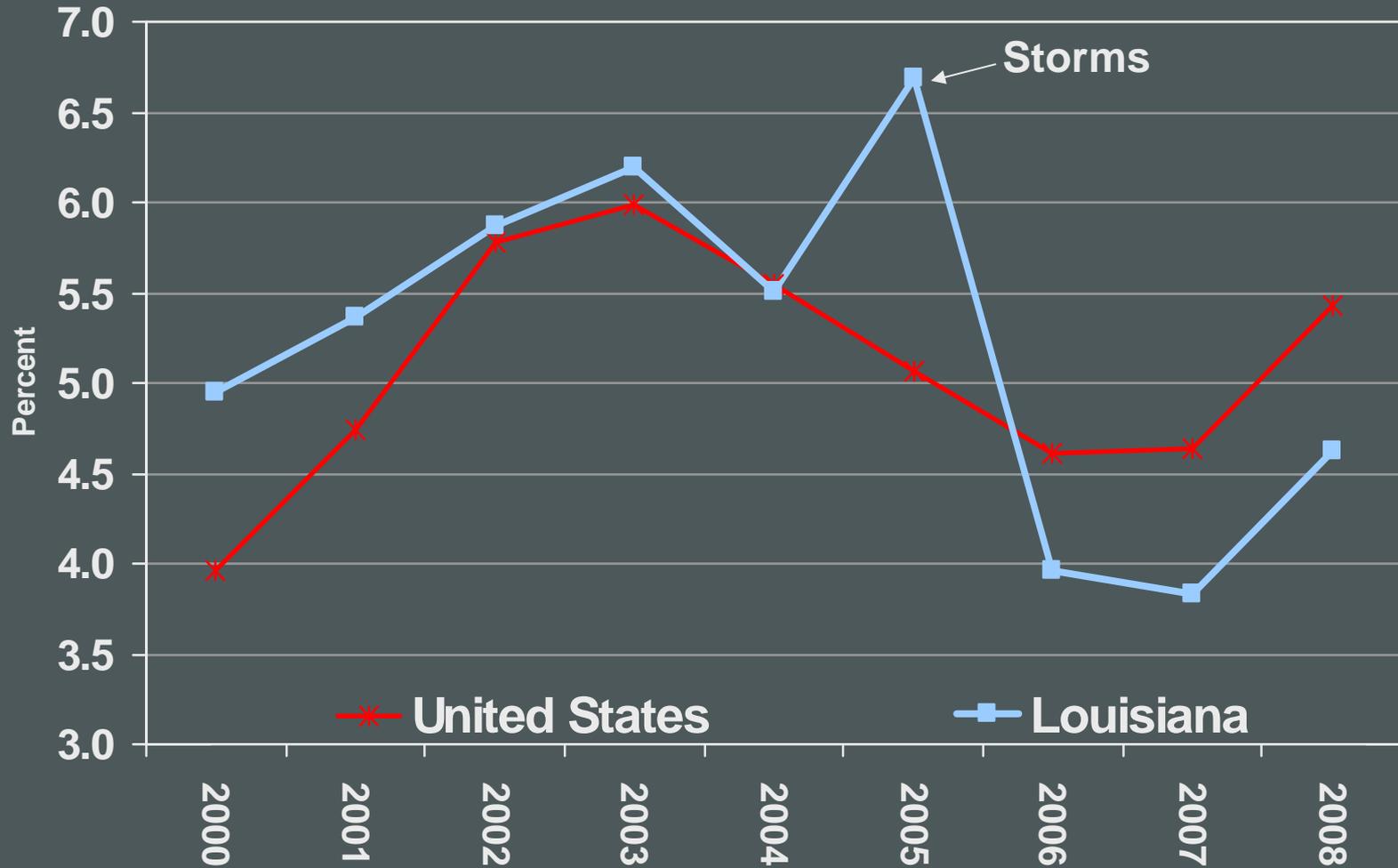
Median Existing Home Price

National Association of Realtors



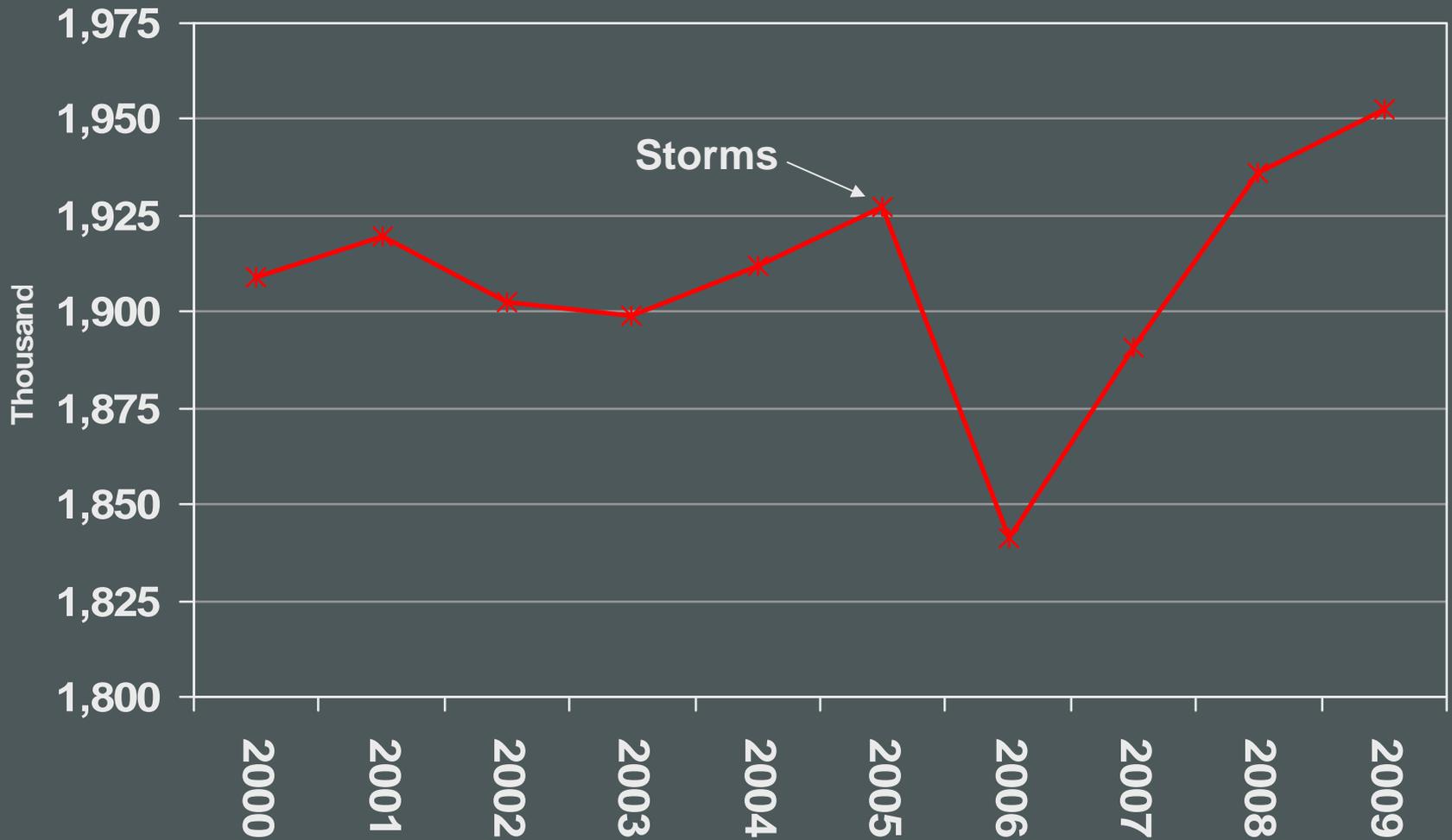


Unemployment Rate



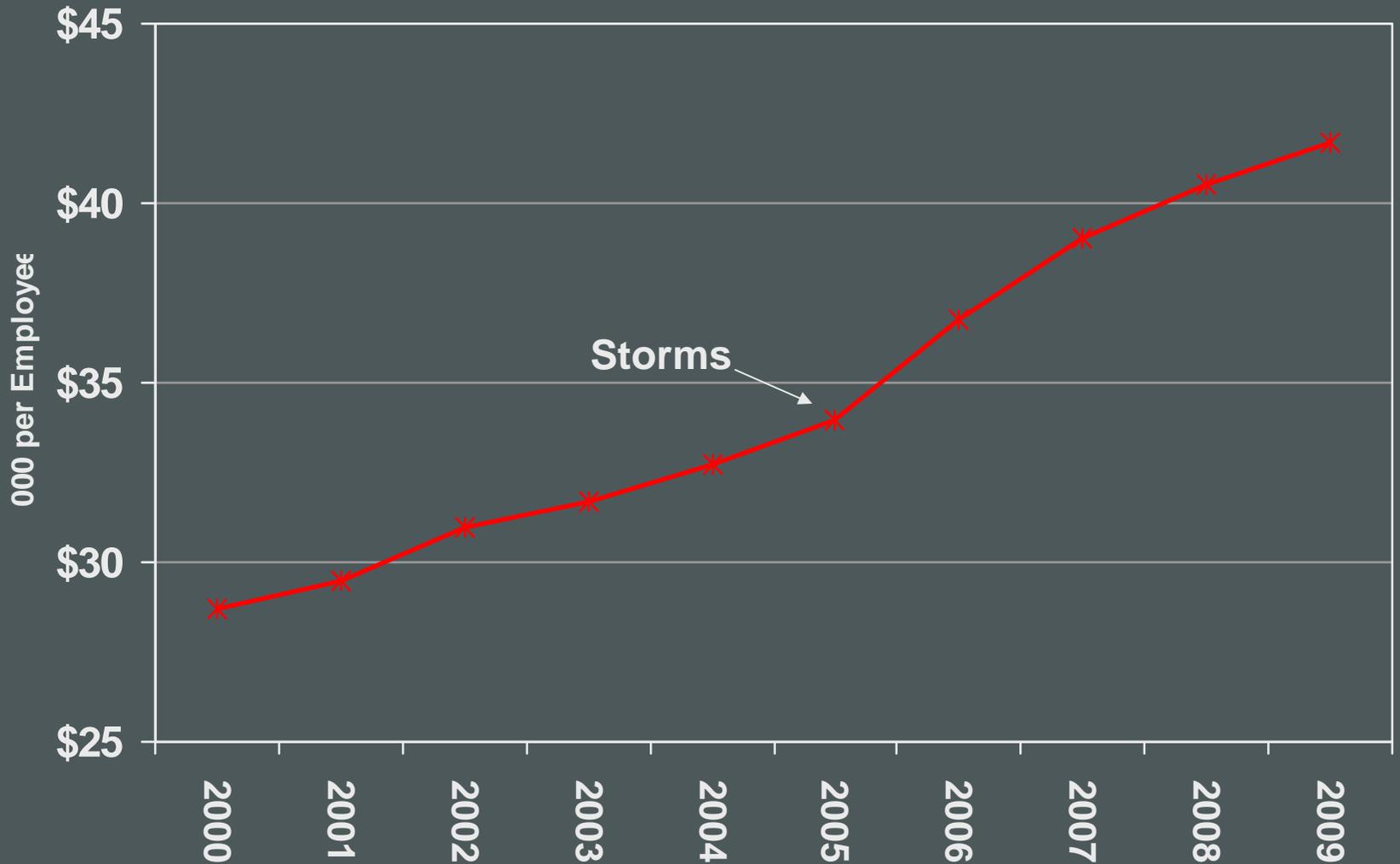


Louisiana Employment



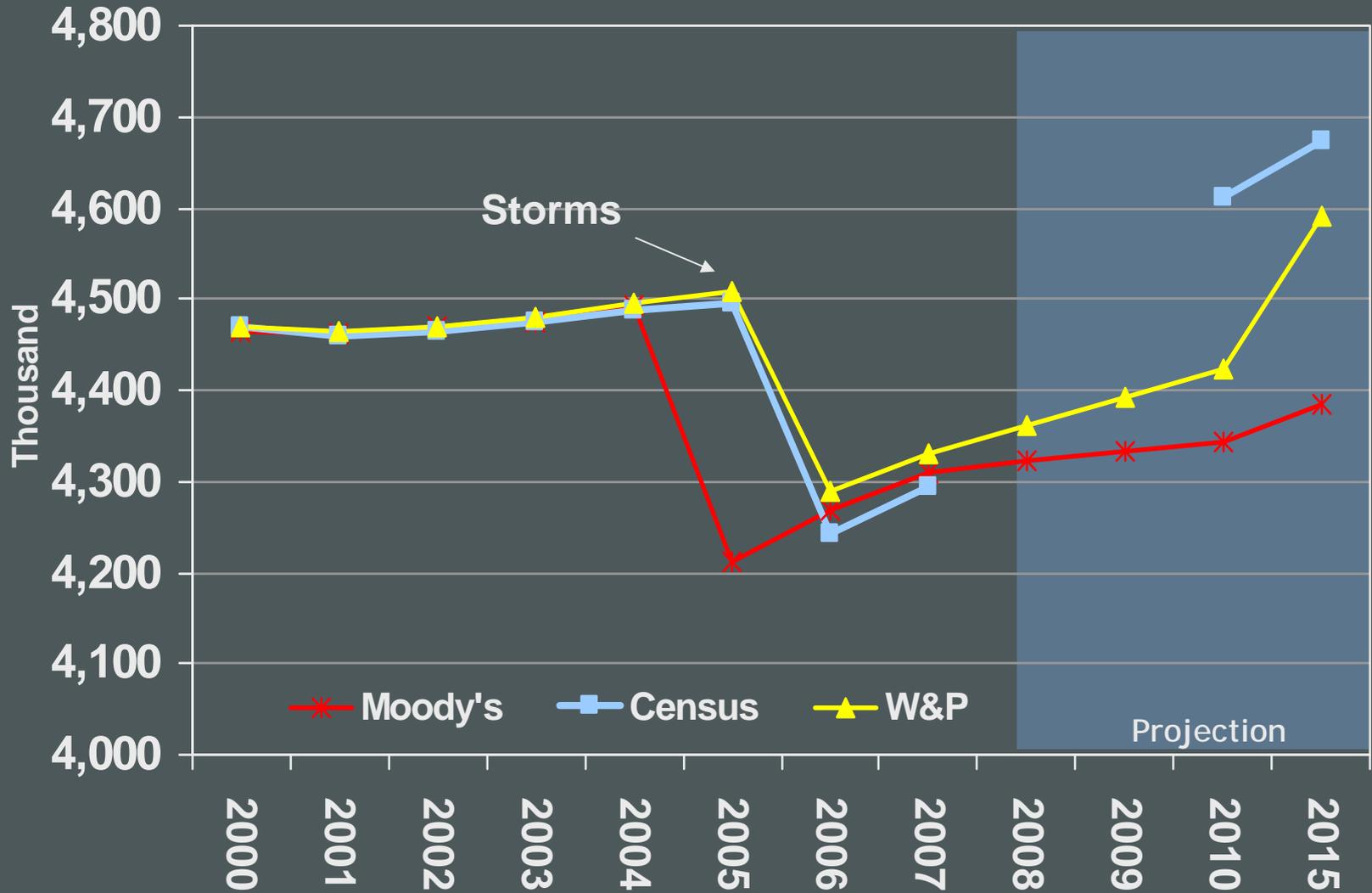


Louisiana Wages





Louisiana Population





State Domestic Product





Long-Term Fiscal Strength

- Continued rebuilding
- Coastal and levee restoration and protection
- Gulf Opportunity Zone projects
- Road Home grants
- Oil and gas royalties from newly opened Gulf of Mexico
- Economic Development prospects
- Private investment



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Recent Business Development Wins



Company	Project description	Location	New direct jobs	Retained jobs	Capital investment (\$MM)
Edison Chouest	Shipyards	Houma	1,000	--	60.0
Coca Cola	Bottling plant	B.R.	113	--	93.0
Zagis USA, LLC	Yarn manufacturer facility	Jefferson	110	--	18.0
Bakrmaid Foods	Bakery	N.O.	75	--	7.0
Schroeder-Williams Lumber Co.	Manufacturing / distribution	North B.R.	40	--	0.3
Albemarle	Corporate headquarters	B.R.	30	--	16.4
CMC Capitol Steel	Steel fabrication	B.R.	15	65	7.0
Stowe Woodward	Manufacturing	Ruston	5	89	5.0

\$206 million in business investment announced in 2008 alone



Near-Term Business Development Prospects

Approximately 65 prospects including:

- 18,700 new direct jobs**
- 2,700 retained jobs**
- \$6.8 billion in capital investment**



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Hurricane Recovery

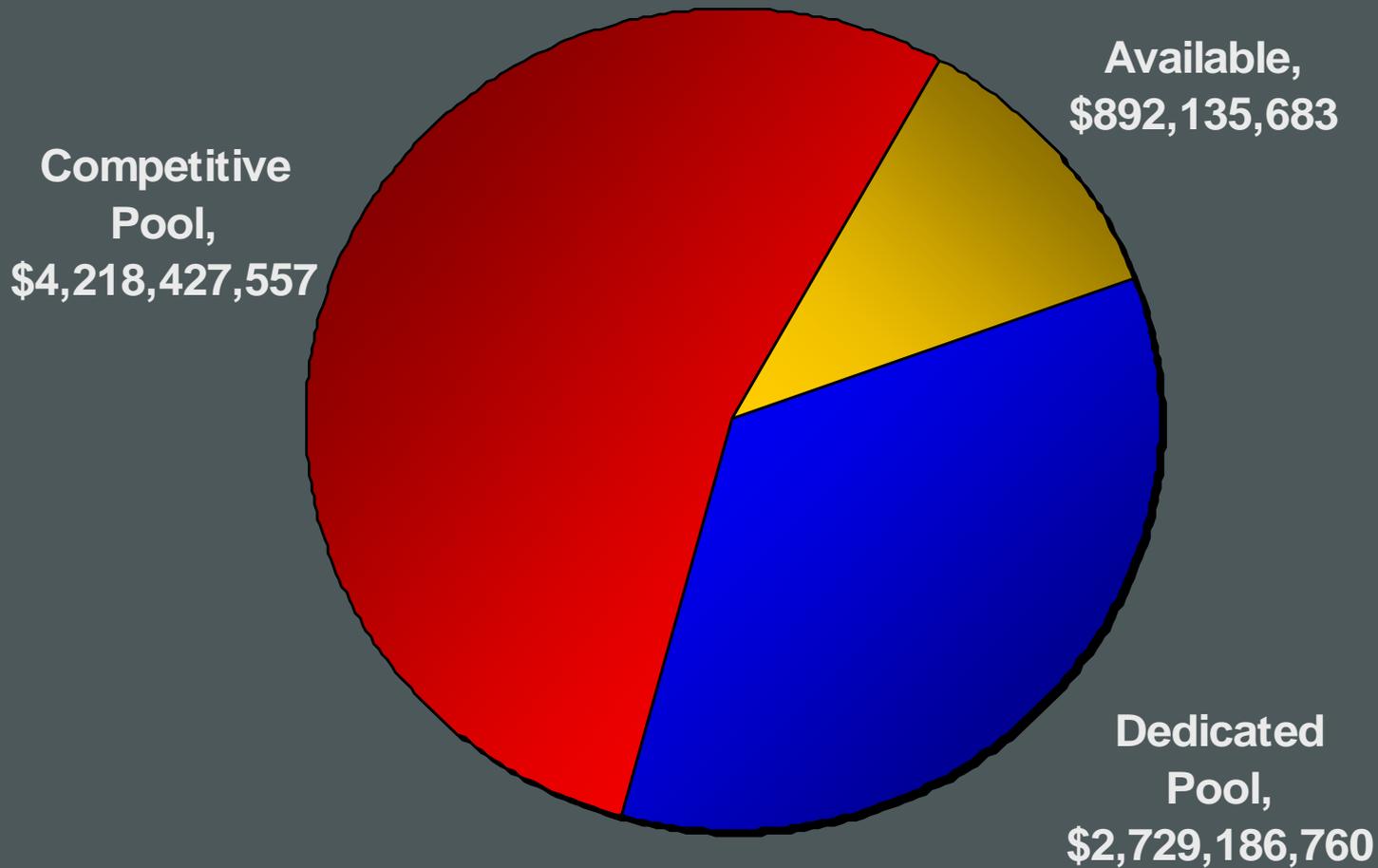


Federal Disaster Recovery Funds

	Allocation	Spending	Remaining	Percent Spent
	<i>(\$ Million)</i>			
Economic Development	380	115	265	30.2%
Education	276	22	254	7.8%
Housing	10,587	6,425	4,161	60.7%
Infrastructure	13,971	3,978	9,992	28.5%
Miscellaneous	745	74	671	10.0%
Total	\$25,959	\$10,614	\$15,345	40.9%

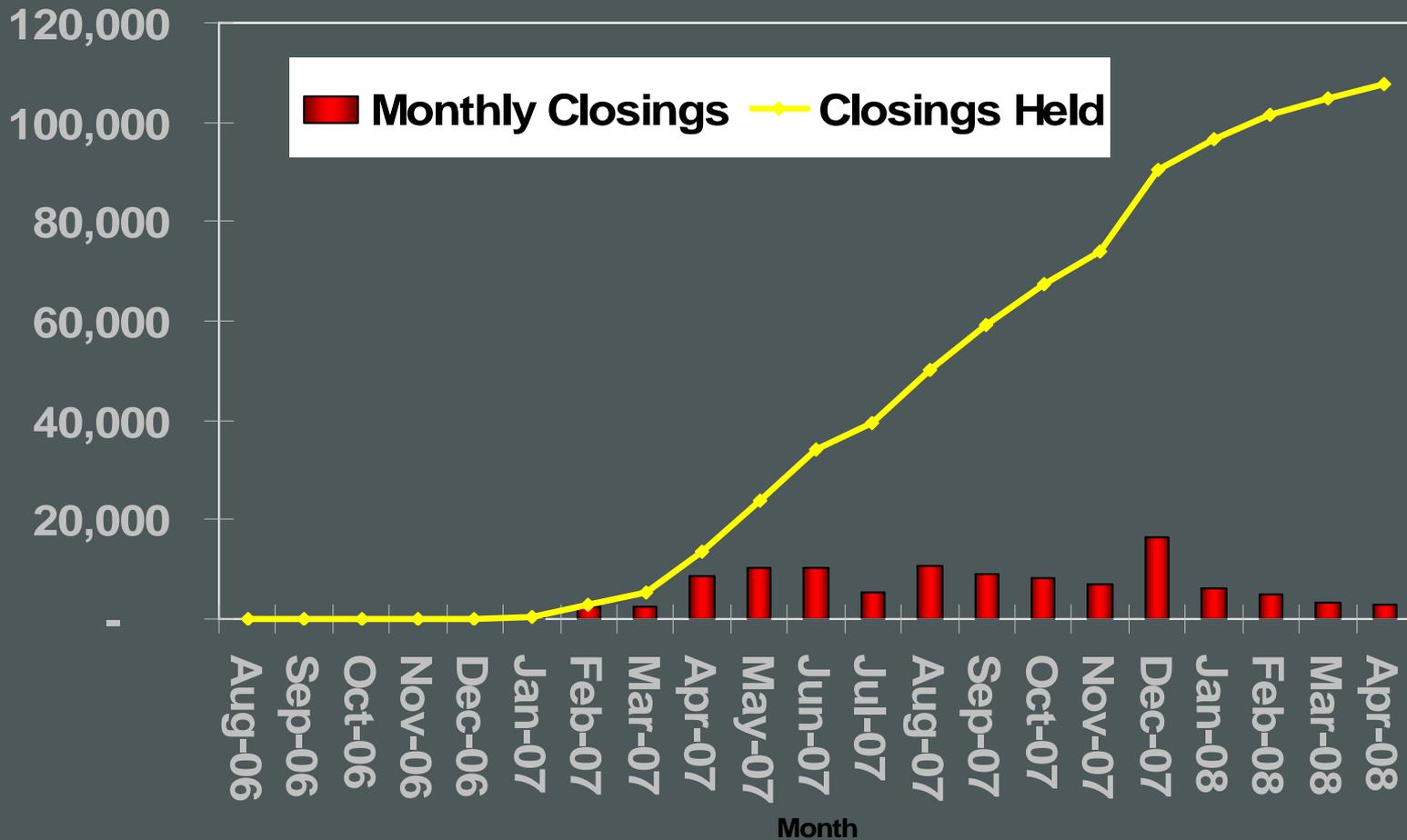


Gulf Opportunity Zone Bonds





Monthly Road Home Closings





Recovery Programs

Fisheries Infrastructure Grants Awarded

- \$19 million to fund 15 projects statewide

Long Term Community Recovery (LTCR)

- \$700 million to support include such things as road, drainage, and sewerage improvements, economic development projects, and improvement of public facilities

K-12 school building repairs

- \$247 million for infrastructure not otherwise covered through the FEMA Public Assistance program



Recovery Programs

Hazard Mitigation Grant Program (HMGP)-provides grants to States and local governments to implement long-term hazard mitigation measures after a major disaster declaration. \$1.47B allocated to the state for HMGP

LIHTC-CDBG (“Piggyback program”)- supports affordability for especially low-income Louisianans in properties receiving Gulf Opportunity Zone Low Income Housing Tax Credits.

- The state of Louisiana currently has \$418M allocated to these projects and almost \$207M in projects have closed to date.



Levee Restoration and Enhancement

- \$15 billion to provide 100-year storm protection to Metro New Orleans
- 150 positions detailed to the project for 3-4 years
- New levees will provide additional protection
- New building codes and higher build elevations provide additional protection
- 17 new coastal restoration efforts totaling an estimated \$6-8 billion. These coastal buffers reduce storm surge intensity.



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Strategic Investments



Strategic Investments

- Workforce Development
- K- 12 Education
 - Pay Raise to keep teachers at southern average
- Higher Education
 - Fully funded Higher Education formula
- Economic Development
- Emergency Preparedness Interoperability System
- Health Care
 - Expand Louisiana Children's Health Insurance Program (LaChip)
- Transparency and Technology
- Ethics Enforcement



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Ethics and Fiscal Reform



Ethics Reform

- Disclosure
- Lobbying Restrictions
- # 1 Ethics ranking
 - Bottom of the list two years ago



Financial Reform

- Budgetary Discipline—\$30.1 billion for the next fiscal year is \$4.2 billion less than the existing operating budget of \$34.3 billion.
- Eliminated reliance on using “one-time” revenue for recurring expenditures.



Financial Reform (Cont'd)

- Non-Governmental Organization Funding Reform
- Hiring freeze (\$66 million in state funds savings)
- Capital Outlay Discipline (no new projects and no new Priority 5 funding)
- Capital Outlay Reform



Business Tax Cuts and Dedications

BUSINESS TAX CUTS

- Elimination of the permanent penny on business utilities sales tax
- One-year acceleration of full phase-in for:
 - Manufacturing Machinery and Equipment sales tax exemption
 - Exclusion of business debt from corporate franchise taxable base

TRANSPORTATION TRUST FUND DEDICATIONS

- Dedication of remaining vehicle-related licenses, fees, and sales tax to Transportation Trust Fund



Current Session Legislation

Revenue Bills

- Bill currently in progress that could result in an expected reduction in revenue of \$255-\$275 million per year beginning in FY10.
- Other bills that will impact in FY09 may reduce revenue by \$4 million.

Expenditure Bills

- Bills currently in progress that could result in an estimated annual cost of \$2 million for FY09.



Summary

- Louisiana State Government's fiscal status is strong.
- The economy is growing and is resistant to national downward pressures. This trend should continue for at least 5-10 years.
- The recovery is progressing.
- Louisiana is strategically investing in Education as well as Economic and Workforce Development.
- Significant Ethics and Fiscal Reforms have been made.