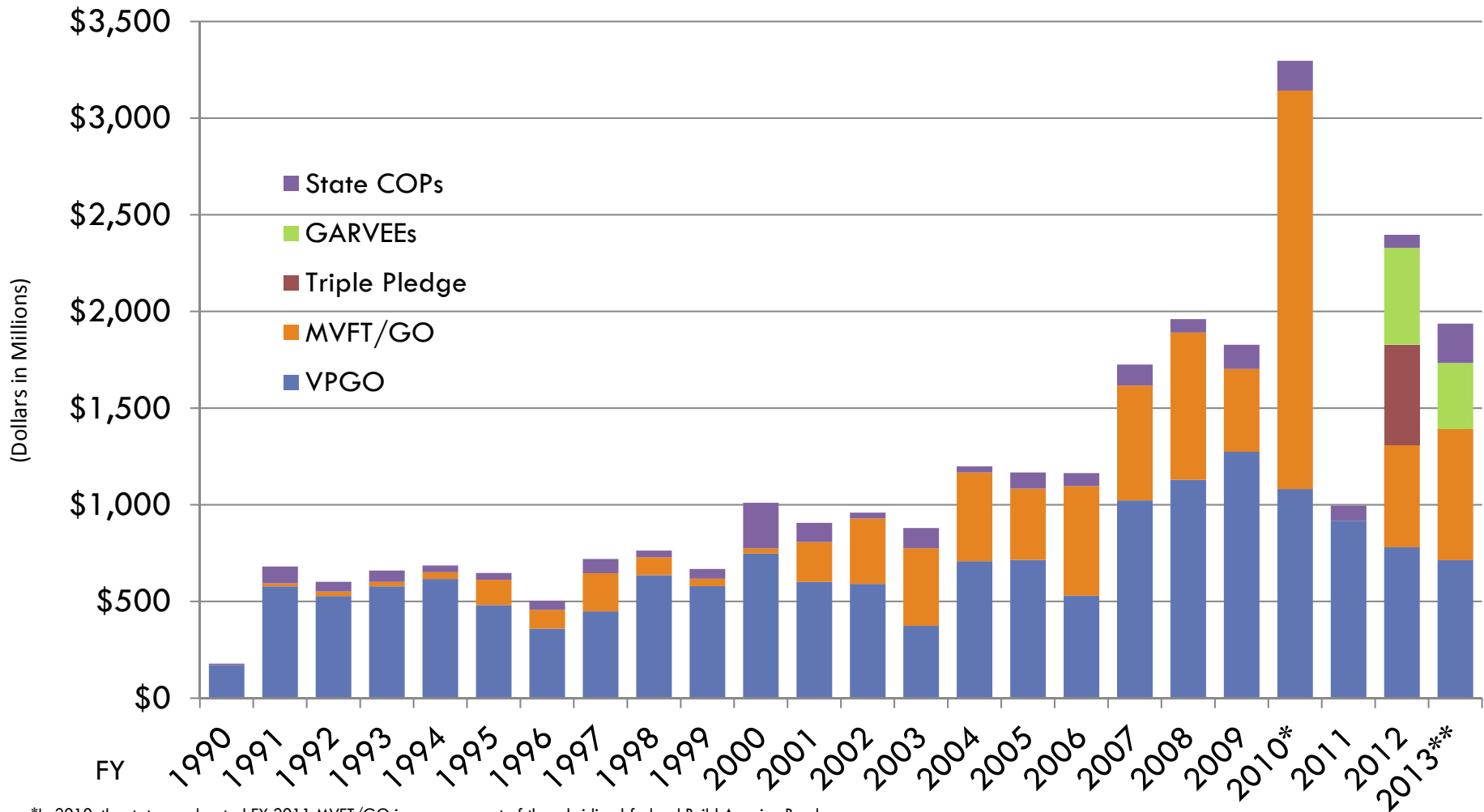


DEBT IN WASHINGTON: USES, AMOUNTS AND MARKETS

Office of the Washington State Treasurer
February, 2013

Washington Borrows to Pay for Capital and Transportation Projects – Not for Operating Purposes

GO Bonds, GARVEES, and COPs Issued 1990-2013



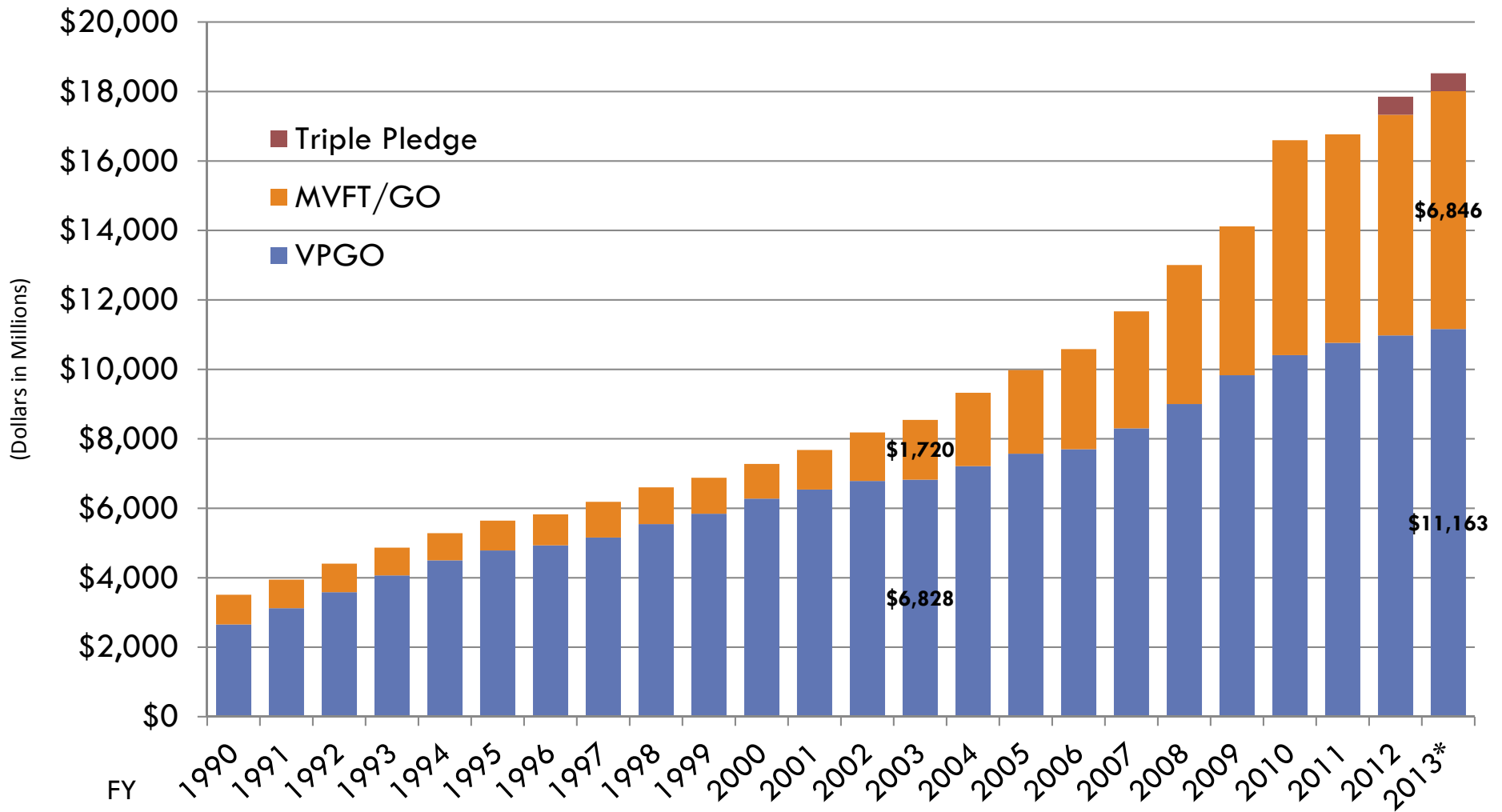
*In 2010, the state accelerated FY 2011 MVFT/GO issuance as part of the subsidized federal Build America Bond program.

**Estimate.

Source: Office of the State Treasurer

MVFT/GO Debt Grew Much Faster than VPGO Debt to Implement the 2003 and 2005 Legislative Revenue Packages and Plans General Obligation Bonds Outstanding 1990-2013

3



*Estimate.
Source: Office of the State Treasurer

Debt Metrics: A Comparison to National Medians

Moody's (based on 2011 data)

Net Tax-Supported Debt

Washington	\$17,677,697,000
Median of States	\$4,242,808,000
WA Rank Compared to Other States	8th

Net Tax-Supported Debt Per Capita

Washington	\$2,588
Median of States	\$1,117
WA Rank Compared to Other States	7th

Net Tax-Supported Debt as % of Personal Income

Washington	6.00%
Median of States	2.80%
WA Rank Compared to Other States	10th

Net Tax-Supported Debt as % of GSP

Washington	5.19%
Median of States	2.40%
WA Rank Compared to Other States	8th

The State Constitution Limits VPGO Debt Service...

5

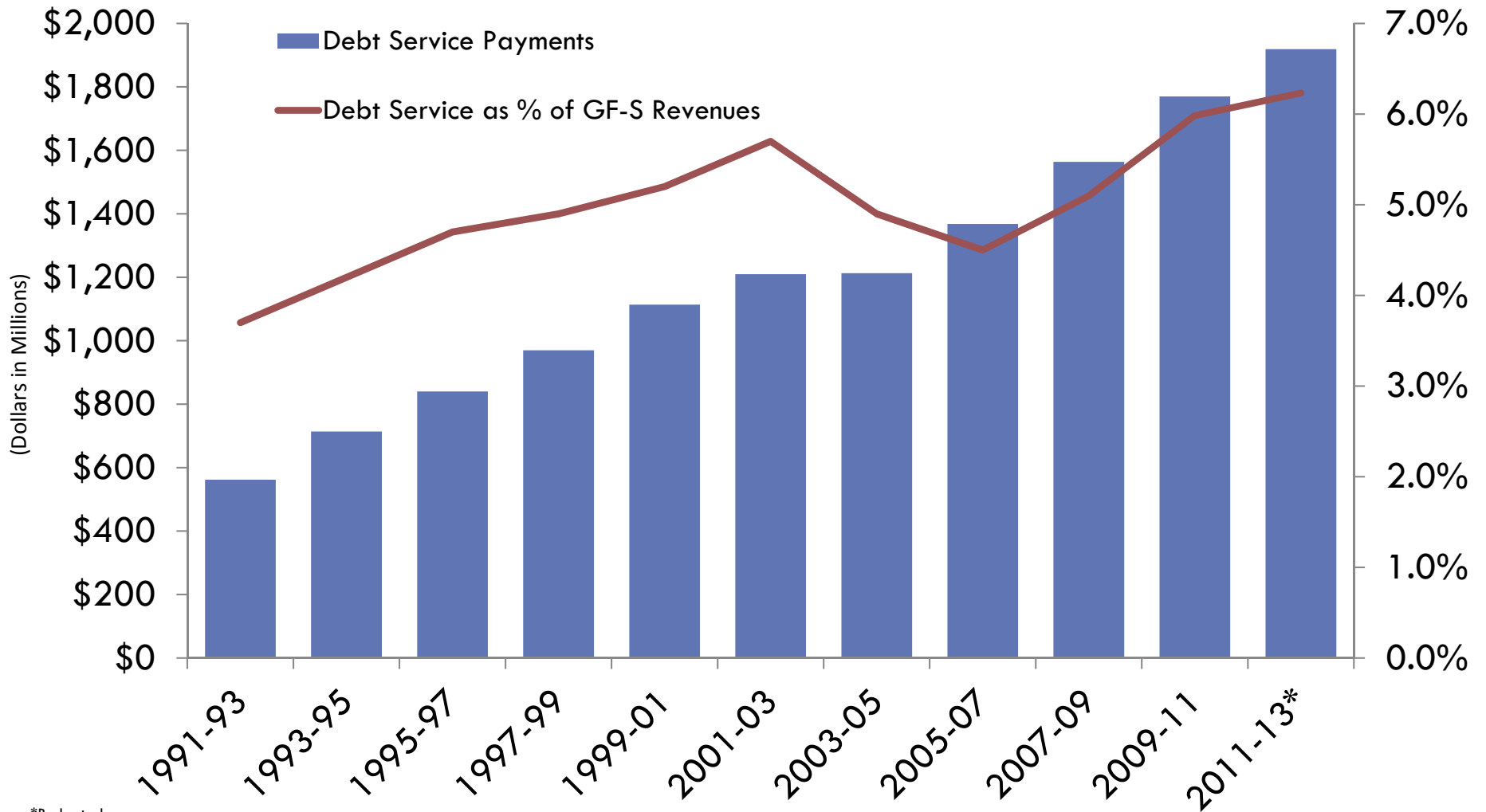
Up until November 2012, the debt limit was 9 percent of general state revenue, with:

- ▣ A three-year moving average;
- ▣ General state revenue includes most taxes (sales tax, B&O) but excludes the state property tax

Passage of SJR8221 created a new 8 percent limit, with:

- ▣ A six-year moving average;
- ▣ General state revenue to include the state property tax

VPGO Debt Service: Biennial Totals and as Percent of General Fund-State Revenues 1991-93 to 2011-13



*Budgeted.
Source: Office of Financial Management

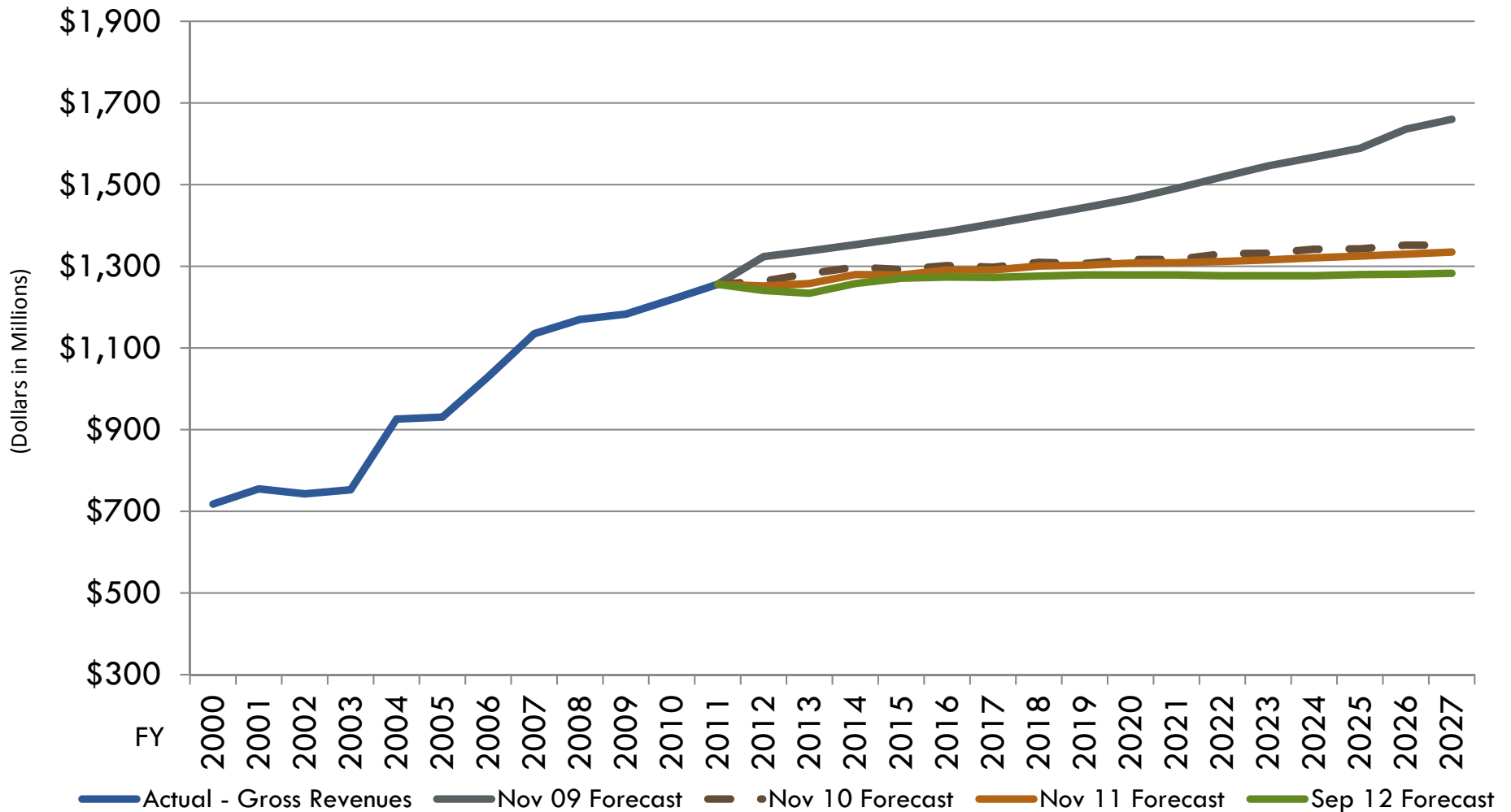
The constitution also limits MVFT/GO bond capacity...

7

- Article VIII(1)(g) “...the state may pledge its full faith, credit and taxing power to guarantee the payment of any obligation payable from revenues received...*provided*, that the legislature shall, at all times, provide sufficient revenues from such sources to pay the principal and interest due on all obligations for which such source of revenue is pledged.”

Motor Vehicle Fuel Tax Revenue: Actual and Forecasted

8



Source: CAFR, Transportation Revenue Forecast Council

Looking forward...

9

- To protect the state's ability to issue VPGO and MVFT/GO bonds, the state has begun to issue a limited number of revenue bonds, not backed by the state's full faith and credit
 - ▣ Triple pledge bonds as a transition to revenue bonds
 - ▣ GARVEE bonds
 - ▣ 2014 toll revenue bonds