



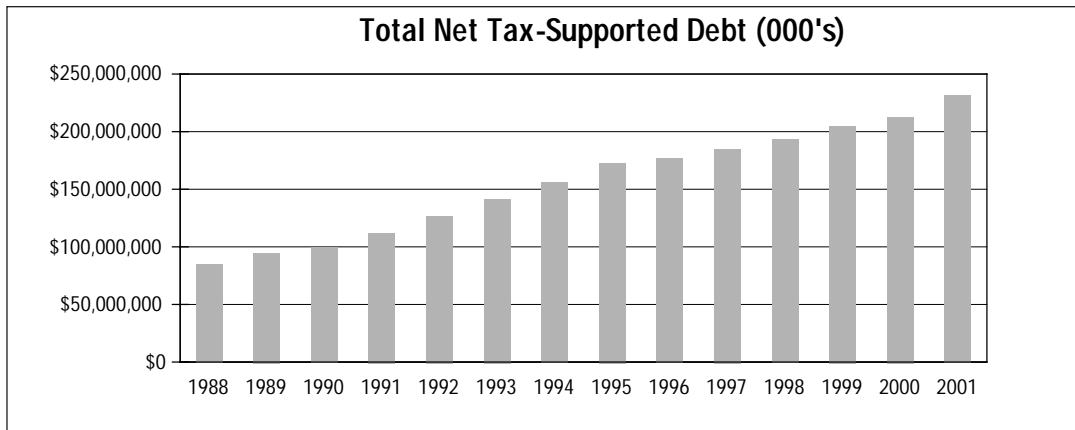
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2001 State Debt Medians

This special comment presents Moody's annual analysis of the State Debt Medians. This year, we have augmented our analysis with the inclusion of a new measure of gross debt, which includes contingent debt liabilities that do not have a direct tax cost but are on the balance sheet of the states. This is discussed more fully below.

Moody's traditional debt medians are based on two measures of state debt burden - debt per capita and debt as a percentage of personal income. They are based on the analysis of tax-exempt and taxable municipal obligations issued by each state and supported by the tax base, and are the debt burden measures most commonly used by municipal analysts. While debt burden is only one among numerous factors that determine a credit rating, it plays a significant role in Moody's determination of credit quality.

The 2001 State Debt Medians reflect net state tax-supported debt as of the end of calendar 2000.



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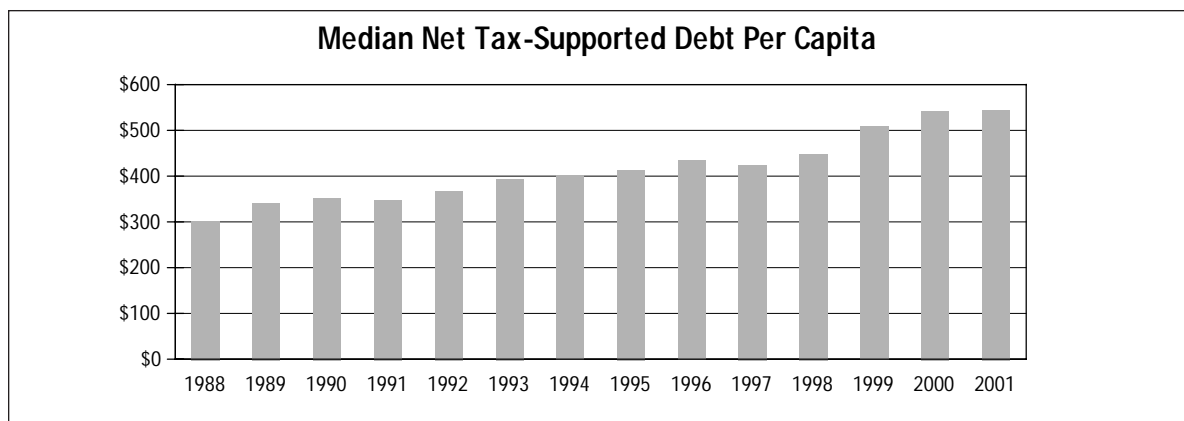
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TRENDS IN STATE DEBT BURDENS AND OUTLOOK

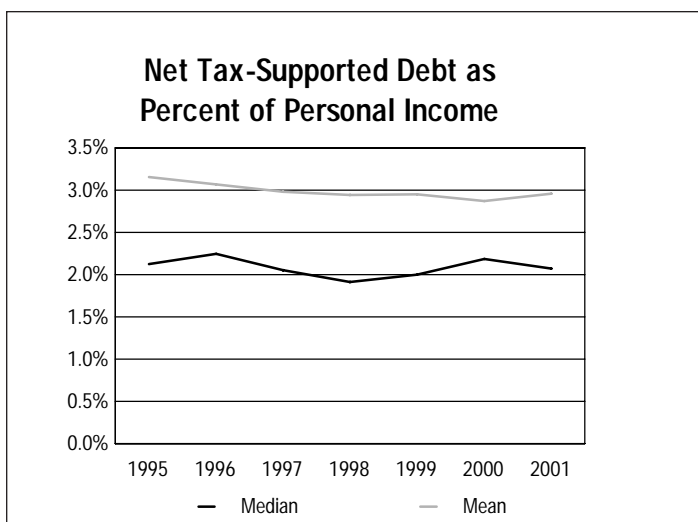
State debt burdens, as measured by median debt ratios, portray a mixed picture in 2000. Debt per capita rose slightly, from \$540 per capita to \$541. Despite a relatively large increase in net tax-supported debt, this slight increase is the result of the jump in population resulting from the release of the new 2000 census of population. The new figures create a discontinuity from prior published ratios which were based on interim year census population estimates.



Median debt to personal income declined slightly, but the average rose. Total net tax-supported debt grew 8.9%, the largest amount since 1995, while states' personal income grew by 5.4%. As a result, the mean debt to personal income ratio grew from 2.87% to 2.97%, reflecting the higher issuance volume of the relatively larger states. These trends, however, are very small and the debt to personal income ratio has largely been stable as a measure of state debt burden over the last 12 years, varying only slightly from year to year.

These indicators show that state debt affordability remains strong, growing in close proximity to state personal income growth. Growth in state tax-supported debt reflects the high demand for state infrastructure rehabilitation and repair, particularly in the areas of transportation and education, elementary and secondary as well as public higher education. States have elected to use debt to finance these initiatives given strong state economies and the affordability of debt in a still relatively low interest rate environment.

Despite the current economic slowdown and some weakening of states' financial condition, Moody's expects these debt issuance trends to continue in 2001, as the need for public investment in critical infrastructure grows.



Moody's Publishes New Gross State Debt Ratios

States issue a variety of debt obligations that we typically exclude when calculating the net tax-supported debt figure used in our debt rankings. Tobacco bonds are a recent example. Others include issues directly or indirectly supported by a state's credit, such as moral obligation bonds, state-aid-supported intercept programs, self-supporting enterprise debt further backed by state full faith and credit pledges or other state guarantees. These obligations are excluded from the debt rankings because states have not been called upon and do not expect to make any payments from state tax resources in support of the debt service on those bonds.

Yet, even if a specific debt instrument does not meet the definition of tax-supported debt, it still may leverage state resources in some form and may also create a contingent liability for the state. In some cases, however remote or unlikely, the state may be forced to or elect to commit its own tax resources should the debt security weaken or fail.

While a specific debt program may not be counted as part of net tax-supported debt, Moody's will continue to monitor these programs and identify them on the debt statements of state issuers as part of the gross debt calculation. Beginning this year, we will publish formal 50 state ratios on both a net and gross basis. In this way, investors and analysts will be able to begin to assess the extent to which a state has extended its credit reputation to contingent debt programs.

The chart of gross debt also shows the debt burden based on the ratio of gross amount to net tax-supported debt. This indicates the extent to which a state has indirectly leveraged its resources based on the full array of a state's issued debt commitments. The primary difference between the gross and net debt burden is often the presence of debt issued for self-supporting programs, such as veterans' housing loans and debt resulting from the state's guarantee or intercept support of local school district debt. These two programs account for some of the major differences between gross and net tax-supported debt.

How Does Moody's Use Debt Ratios?

Moody's uses the debt ratios in its annual state rankings such as those published here. To compile rankings, we need to summarize an extremely complex quantity of debt information in a single number for each state. This process necessarily involves a number of arbitrary or imprecise decisions. When we turn to the bond rating, however, we have the ability to consider much more complex information in a more qualitative way. Our focus is on relative degrees of financial flexibility among states. The debt rankings are a starting point, but by no means the only information considered. In addition to the debt ranking, for example, we also consider similar comparisons of unfunded pension obligations. That is, we assess the degree to which the state has fixed obligations that are not captured in the debt rankings. Some of these take the form of bonds, but others are embedded in the operating budget.

The approach to financing school construction, for example, varies widely from state to state, and our debt rankings do not begin to capture the complexity of various arrangements. California issues state G.O. bonds to fund schools and supports the debt service in its own general fund budget. That G.O. debt is a major component of the state's debt load. Local school districts in California provide matching contributions by issuing their own bonds for their share of the cost. School districts in the New England states, in contrast, raise school construction funds via local bonds, but the state reimburses the localities for this expense based on equalization formulas in state law. The New England states have no contractual commitment to bondholders to maintain this reimbursement program, and we do not include school debt in our calculation of the debt ratios of the New England states. But we do when we consider how flexible its school funding budget might be during a time of economic stress. Similarly, the State of Michigan provides a guarantee for over \$9.8 billion of school bonds issued by local school districts. We do not include this debt in the state's net tax-supported debt figure for purpose of the rankings, but we are very cognizant of the contingent obligation. Cases such as these abound in almost every state, in education, transportation and environmental programs.

As can be seen from the tables in this report, there is no direct correlation between a state's debt ratio and its rating. Massachusetts, for example, was upgraded to Aa2 from Aa3 even though it is among the most indebted states in the country. Debt factors do sometimes play a large role in ratings. The low debt burdens in North Carolina and South Carolina, for example, are important to their Aaa ratings. Pennsylvania, Rhode Island and Louisiana are examples of past upgrades where improving debt profiles were significant considerations, in addition to other financial and economic factors, in contributing to these upgrades.

What About GARVEES And Tobacco Bonds?

The innovation of federal GARVEEs (Grant Anticipation Revenue Vehicles) and proposals to securitize states' revenue streams from the Master Settlement Agreement with the tobacco companies have generated a new round of questions regarding the treatment of these new debt instruments for purposes of Moody's debt rankings. Moody's includes GARVEEs in the calculation of net tax-supported debt. While the federal revenues that secure GARVEES are not technically part of the state's tax base, recent changes in federal transportation funding have made the differences between a state's own gas tax and the funds it receives from federal gas taxes relatively small. "Equity" provisions included in TEA-21 are designed to ensure that states' aid receipts do not fall below a minimum floor level that is closely related to the amount that they contribute to federal gas tax revenues. In addition, TEA-21 continues the trend of increasing flexibility regarding the uses of federal funds. As a result, bonds that leverage federal transportation funds have essentially the same impact on a state's fixed costs and fiscal flexibility as bonds that leverage the state's own gas tax.

Tobacco Bonds Are Not Tax-Supported But They Are A Form Of Debt

In contrast, we do not include tobacco settlement securitizations in our calculation of net tax-supported debt, as we do not view these resources as part of the state tax base. Nevertheless, it is overly simplistic to conclude that because Moody's has excluded these bonds from its calculation of tax-supported debt, that they are not a form of debt. Rather, they are a form of debt that falls outside the technical definition of the debt concept we use in our rankings. Like the school financing commitments described above, they will still enter in our rating assessment and will be included in our gross debt definition and ratios.

Moody's Net Tax-Supported Debt Ratio Is Not A Public Policy Guideline

Although we exclude tobacco bonds from the calculation of the net tax-supported debt measure that we use in our rankings, we caution issuers not to assume that this means that these transactions have no impact on their financial condition. Just as we look beyond a state's debt ranking in arriving at a bond rating, we assume that sophisticated decision-makers also look beyond whether Moody's includes the debt in its rankings. All else equal, two states are in different situations if one has leveraged its future tobacco settlement payments and one has not. The state that has issued tobacco bonds has committed a resource that will not otherwise be available to support its future spending demands. These differences will affect the budget options of policy makers in future years.

Several factors are motivating states to consider tobacco bonds. One is the desire to lock up the decision of how to spend the funds. If the perpetual stream of payments can be converted to a lump sum, then the resource allocation decision can be made only once rather than repeatedly through the annual or biennial appropriations process. This is attractive to advocates of particular spending choices who expect to succeed in the current legislative environment in their states.

A second motivation we observe is the desire to shield state finances from the risk that the tobacco settlement payments will be unreliable. The payments will decline with declines in cigarette sales and could be affected by potential bankruptcies of the tobacco companies. Even under optimistic assumptions, tobacco settlement payments will remain relatively flat. When tobacco payments are folded into the general fund budget, a natural tendency develops to commit the new resources to recurring spending programs.

Furthermore, equity arguments often make health care programs for children and the elderly top candidates for new spending programs. Given the demographic patterns in most states, spending demand for these programs is very likely to grow more rapidly than the tobacco payments. Even when the state law creating new health programs says otherwise, health programs often function as entitlements, because it is so difficult to turn needy patients away when others of similar circumstances have received benefits.

Moody's Net Tax-Supported Debt Ratio Is Not A Public Policy Guideline (Cont'd)

Tobacco settlement payments aside, states already manage complex revenue budgets with large degrees of revenue forecasting risk. Although the future of tobacco sales is uncertain, so are other facets of a state's tax revenue base, which may include certain industries in decline. Annual tobacco settlement payments to the fifty states are in the range of \$8 to \$10 billion annually, or less than 2% of the \$500 billion in annual tax revenues collected by the fifty states. We expect that states that have a record of deliberate multi-year budget planning designed around structural budget balance goals will manage this new revenue successfully.

Some Securitizations Do Not Shift Tobacco Industry Risks

Securitization can serve to shift the risks related to the tobacco settlement payments from the states to investors. However, under some structures, the state or locality continues to receive the excess cash flow available after debt service is paid (known as the "residual"). Under this arrangement, investors have the first claim on the tobacco payments and then the state receives the balance. These structures do not shift much risk to investors, especially if the bonds are structured to achieve high ratings. Under this structure, the state is in the "first loss position" and has shed little of the risk associated with the uncertainty of the settlement payments.

Net Tax-Supported Debt Per Capita*

		Rating	
1	Connecticut	\$3,037	Aa2
2	Hawaii	\$2,987	Aa3
3	Massachusetts	\$2,957	Aa2
4	New York	\$2,020	A2
5	New Jersey	\$1,935	Aa1
6	Delaware	\$1,616	Aaa
7	Rhode Island	\$1,497	Aa3
8	Washington	\$1,316	Aa1
9	Kentucky	\$999	Aa2***
10	Mississippi	\$918	Aa3
11	Florida	\$883	Aa2
12	West Virginia	\$878	Aa3
13	Wisconsin	\$859	Aa2
14	New Mexico	\$843	Aa1
15	Vermont	\$828	Aa1
16	Maryland	\$819	Aaa
17	Illinois	\$815	Aa2
18	Kansas	\$802	NGO
19	California	\$733	Aa2
20	Ohio	\$698	Aa1
21	Georgia	\$679	Aaa
22	Utah	\$634	Aaa
23	Pennsylvania	\$603	Aa2
24	Louisiana	\$565	A2
25	Minnesota	\$546	Aaa
26	Virginia	\$537	Aaa
27	Alabama	\$506	Aa3
28	Nevada	\$502	Aa2
29	Maine	\$487	Aa2
30	New Hampshire	\$463	Aa2
31	Michigan	\$449	Aaa
32	Oregon	\$417	Aa2
33	South Carolina	\$398	Aaa
34	Arizona	\$382	NGO
35	Montana	\$361	Aa3
36	North Carolina	\$340	Aaa
37	Oklahoma	\$320	Aa3
38	Tennessee	\$308	Aa1
39	South Dakota	\$291	NGO
40	Missouri	\$288	Aaa
41	Indiana	\$283	Aa1***
42	Arkansas	\$260	Aa2
43	Texas	\$251	Aa1
44	Wyoming	\$250	NGO
45	North Dakota	\$207	Aa3***
46	Colorado	\$129	NGO
47	Alaska	\$127	Aa2
48	Iowa	\$89	NGO
49	Idaho	\$78	NGO
50	Nebraska	\$25	NGO
.....			
	MEAN:	\$820	
	MEDIAN:	\$541	
.....			
	Puerto Rico	\$4,410**	Baa1

* Based on 2000 population figures. Population figures from the U.S. Census Bureau.

** This figure is not included in any totals, averages, or median calculations but is provided for comparison purposes only. Puerto Rico population is 1999 estimate.

*** Issuer Rating.

Net Tax-Supported Debt as a % of 1999 Personal Income*

1	Hawaii	11.0%
2	Massachusetts	8.5%
3	Connecticut	8.0%
4	New York	6.2%
5	New Jersey	5.5%
6	Delaware	5.5%
7	Rhode Island	5.3%
8	Mississippi	4.6%
9	Washington	4.4%
10	Kentucky	4.4%
11	West Virginia	4.2%
12	New Mexico	4.0%
13	Florida	3.3%
14	Vermont	3.3%
15	Wisconsin	3.2%
16	Kansas	3.1%
17	Utah	2.8%
18	Illinois	2.7%
19	Georgia	2.6%
20	Maryland	2.6%
21	Ohio	2.6%
22	Louisiana	2.5%
23	California	2.5%
24	Alabama	2.2%
25	Pennsylvania	2.2%
26	Maine	2.0%
27	Virginia	1.9%
28	Minnesota	1.8%
29	Nevada	1.8%
30	South Carolina	1.8%
31	Montana	1.7%
32	Arizona	1.6%
33	Michigan	1.6%
34	Oregon	1.6%
35	New Hampshire	1.5%
36	Oklahoma	1.4%
37	North Carolina	1.4%
38	Tennessee	1.2%
39	Arkansas	1.2%
40	South Dakota	1.2%
41	Missouri	1.1%
42	Indiana	1.1%
43	Wyoming	1.0%
44	Texas	1.0%
45	North Dakota	0.9%
46	Alaska	0.4%
47	Colorado	0.4%
48	Iowa	0.4%
49	Idaho	0.3%
50	Nebraska	0.1%
.....		
	MEAN:	3.0%
	MEDIAN:	2.1%
.....		
	Puerto Rico	46.6%**

* Personal Income figures were released by the U.S. Bureau of Economic Analysis on September 20th, 2000.

** This figure is not included in any totals, averages, or median calculations but is provided for comparison purposes only. Puerto Rico personal income is 1999 estimate.

Total Net Tax Supported Debt

		Rating	
1	New York	\$38,336,000	A2
2	California	\$24,837,623	Aa2
3	Massachusetts	\$18,772,490	Aa2
4	New Jersey	\$16,281,388	Aa1
5	Florida	\$14,117,300	Aa2
6	Connecticut	\$10,344,278	Aa2
7	Illinois	\$10,118,874	Aa2
8	Ohio	\$7,921,124	Aa1
9	Washington	\$7,754,138	Aa1
10	Pennsylvania	\$7,404,677	Aa2
11	Georgia	\$5,554,915	Aaa
12	Texas	\$5,231,907	Aa1
13	Wisconsin	\$4,608,706	Aa2
14	Michigan	\$4,459,652	Aaa
15	Maryland	\$4,339,488	Aaa
16	Kentucky	\$4,039,154	Aa2*
17	Virginia	\$3,800,354	Aaa
18	Hawaii	\$3,618,773	Aa3
19	North Carolina	\$2,739,034	Aaa
20	Minnesota	\$2,683,893	Aaa
21	Mississippi	\$2,610,253	Aa3
22	Louisiana	\$2,526,161	A2
23	Alabama	\$2,250,403	Aa3
24	Kansas	\$2,156,247	NGO
25	Arizona	\$1,960,660	NGO
26	Tennessee	\$1,752,773	Aa1
27	Indiana	\$1,722,477	Aa1*
28	Missouri	\$1,608,669	Aaa
29	South Carolina	\$1,598,237	Aaa
30	West Virginia	\$1,588,264	Aa3
31	Rhode Island	\$1,569,751	Aa3
32	New Mexico	\$1,532,842	Aa1
33	Oregon	\$1,426,403	Aa2
34	Utah	\$1,416,093	Aaa
35	Delaware	\$1,266,551	Aaa
36	Oklahoma	\$1,102,748	Aa3
37	Nevada	\$1,003,834	Aa2
38	Arkansas	\$693,886	Aa2
39	Maine	\$621,193	Aa2
40	New Hampshire	\$572,221	Aa2
41	Colorado	\$553,748	NGO
42	Vermont	\$503,847	Aa1
43	Montana	\$325,893	Aa3
44	Iowa	\$260,546	NGO
45	South Dakota	\$219,872	NGO
46	North Dakota	\$132,763	Aa3*
47	Wyoming	\$123,665	NGO
48	Idaho	\$101,229	NGO
49	Alaska	\$79,500	Aa2
50	Nebraska	\$43,452	NGO
.....			
	Puerto Rico	17,024,353**	Baa1

* Issuer Rating.

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

Gross Tax Supported Debt

		Gross to Net Debt Ratio	
1	New York	\$38,930,000	1.02
2	California	\$29,249,648	1.18
3	Massachusetts	\$19,959,130	1.06
4	Connecticut	\$17,375,766	1.68
5	New Jersey	\$17,013,734	1.04
6	Florida	\$14,670,700	1.04
7	Michigan	\$13,218,269	2.96
8	Illinois	\$10,920,709	1.08
9	Pennsylvania	\$10,402,432	1.40
10	Texas	\$9,131,907	1.75
11	Ohio	\$8,110,529	1.02
12	Washington	\$7,969,838	1.03
13	Virginia	\$7,620,733	2.01
14	Minnesota	\$7,487,857	2.79
15	Kentucky	\$6,324,812	1.57
16	Wisconsin	\$6,163,926	1.34
17	Georgia	\$5,554,915	1.00
18	Alabama	\$4,630,492	2.06
19	Colorado	\$4,563,748	8.24
20	Maryland	\$4,340,000	1.00
21	Maine	\$4,199,947	6.76
22	Oregon	\$3,853,942	2.70
23	Hawaii	\$3,656,949	1.01
24	Tennessee	\$3,625,434	2.07
25	Utah	\$3,403,378	2.40
26	Louisiana	\$3,106,189	1.23
27	Indiana	\$3,103,292	1.80
28	Arkansas	\$2,954,363	4.26
29	West Virginia	\$2,748,624	1.73
30	North Carolina	\$2,739,034	1.00
31	Nevada	\$2,651,090	2.64
32	Mississippi	\$2,616,418	1.00
33	Kansas	\$2,156,247	1.00
34	New Hampshire	\$1,989,085	3.48
35	Arizona	\$1,960,660	1.00
36	Rhode Island	\$1,900,931	1.21
37	Alaska	\$1,880,150	23.65
38	Delaware	\$1,782,266	1.41
39	Missouri	\$1,608,669	1.00
40	South Carolina	\$1,598,237	1.00
41	New Mexico	\$1,532,842	1.00
42	Oklahoma	\$1,102,748	1.00
43	Vermont	\$961,716	1.91
44	Iowa	\$791,563	3.04
45	North Dakota	\$581,154	4.38
46	Montana	\$436,744	1.34
47	South Dakota	\$238,027	1.08
48	Idaho	\$140,684	1.39
49	Wyoming	\$123,665	1.00
50	Nebraska	\$48,982	1.13
.....			
	Puerto Rico	\$19,642,537**	1.15

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

Net Tax-Supported Debt as a Percentage of Personal Income

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Alabama	2.4	2.2	2.0	2.0	1.8	1.9	1.7	1.5	2.3	2.2
Alaska	2.5	2.6	2.4	1.2	0.9	0.9	0.5	0.0	1.0	0.4
Arizona	1.6	1.8	1.6	2.7	2.4	2.1	1.9	1.9	1.6	1.6
Arkansas	0.7	0.7	0.7	0.6	0.7	0.6	0.8	0.6	0.9	1.2
California	2.0	2.5	3.0	3.5	2.8	2.6	2.6	2.6	2.4	2.5
Colorado	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.0	0.03	0.4
Connecticut	8.7	8.9	9.1	9.6	9.7	9.4	8.7	8.7	8.1	8.0
Delaware	8.1	7.5	8.0	8.0	7.6	6.4	5.9	5.7	5.2	5.5
Florida	2.2	2.3	2.9	3.0	2.9	3.0	3.4	3.5	3.4	3.3
Georgia	2.5	2.9	3.0	3.1	3.3	3.1	2.9	2.9	2.8	2.6
Hawaii	10.2	10.4	12.1	10.5	10.3	10.9	10.7	11.2	11.6	11.0
Idaho	0.3	0.4	0.3	0.3	0.3	0.3	0.2	0.4	0.4	0.3
Illinois	2.7	2.7	3.0	3.2	3.2	2.9	2.7	2.6	2.6	2.7
Indiana	0.7	1.0	1.0	1.0	0.9	0.9	0.8	0.9	0.9	1.1
Iowa	0.2	0.4	0.4	0.6	0.6	0.6	0.5	0.5	0.4	0.4
Kansas	0.5	1.3	2.0	2.1	2.0	1.9	1.7	2.0	2.4	3.1
Kentucky	4.7	5.1	5.0	4.7	5.1	4.1	3.9	3.7	3.5	4.4
Louisiana	6.5	6.3	5.9	5.4	4.9	4.4	2.6	2.6	2.4	2.5
Maine	2.2	2.7	2.6	2.7	2.7	2.6	1.9	1.9	2.1	2.0
Maryland	3.4	3.3	3.3	3.5	3.4	3.3	3.1	3.3	3.0	2.6
Massachusetts	8.0	8.5	8.2	8.4	8.3	8.1	7.8	7.8	8.0	8.5
Michigan	1.2	1.6	1.5	1.5	1.5	1.5	1.6	1.7	1.5	1.6
Minnesota	2.2	2.2	2.0	1.9	1.9	2.2	1.9	2.0	1.9	1.8
Mississippi	1.8	1.8	2.1	2.0	3.0	2.9	3.5	4.4	4.7	4.6
Missouri	1.3	1.3	1.2	1.2	1.3	1.3	1.0	1.0	1.0	1.1
Montana	2.2	2.1	1.9	3.2	2.4	1.4	1.4	1.7	1.7	1.7
Nebraska	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.1	0.1	0.1
Nevada	2.9	2.7	2.2	2.1	2.0	1.8	1.6	1.8	1.8	1.8
New Hampshire	2.5	2.7	2.9	2.9	2.9	2.5	2.4	2.3	2.0	1.5
New Jersey	2.2	3.0	2.9	3.7	3.6	3.8	5.1	5.2	5.3	5.5
New Mexico	1.8	1.7	2.1	2.1	2.1	2.0	1.9	2.6	3.1	4.0
New York	5.6	6.1	6.4	6.6	6.9	6.7	6.5	6.6	6.4	6.2
North Carolina	0.6	0.6	0.6	0.8	0.7	0.7	1.0	1.2	1.4	1.4
North Dakota	1.2	1.2	1.1	1.1	1.1	1.0	0.8	0.6	0.7	0.9
Ohio	2.4	2.5	2.5	2.4	2.5	2.5	2.5	2.7	2.7	2.6
Oklahoma	0.4	0.4	1.0	1.0	0.8	0.9	0.8	1.2	1.3	1.4
Oregon	1.5	1.1	1.2	1.2	1.4	1.9	1.2	1.2	1.3	1.6
Pennsylvania	2.7	2.6	2.7	2.6	2.4	2.2	2.0	2.3	2.2	2.2
Rhode Island	6.1	8.8	8.9	8.7	8.5	8.7	6.6	6.5	6.2	5.3
South Carolina	1.8	1.9	1.6	1.7	1.6	1.6	1.6	1.6	1.6	1.8
South Dakota	2.2	2.3	2.3	2.1	1.8	1.8	1.5	1.5	1.5	1.2
Tennessee	1.0	0.8	0.8	0.9	0.9	0.9	0.9	1.0	1.0	1.2
Texas	1.2	1.1	1.2	1.6	1.7	1.5	1.4	1.3	1.2	1.0
Utah	1.6	1.7	1.6	1.7	1.8	1.7	3.1	3.6	3.3	2.8
Vermont	4.5	4.6	4.5	4.7	4.9	4.7	4.2	4.2	3.8	3.3
Virginia	1.2	1.3	1.6	1.7	1.6	1.7	2.1	2.0	2.1	1.9
Washington	4.4	5.0	5.0	5.0	4.8	5.0	4.8	4.6	4.6	4.4
West Virginia	4.7	3.4	3.1	2.5	2.6	2.7	2.8	3.4	3.3	4.2
Wisconsin	2.7	3.1	3.0	3.0	2.9	3.2	2.8	2.8	2.7	3.2
Wyoming	0.0	0.0	0.5	0.4	0.4	0.7	0.7	1.0	1.0	1.0
Median	2.2	2.2	2.1	2.1	2.1	2.1	1.9	2.0	2.2	2.1

STATE RATING CHANGES AND REFINEMENTS SINCE 1980
(March 2001)

	Date	From	To		Date	From	To
Alabama	7/1/98	Aa	Aa3*	Minnesota	5/3/96 3/25/94	Aa1 Aa	Aaa Aa1
Alaska	10/26/98 6/13/80	Aa A1	Aa2* Aa		4/16/82	Aaa	Aa
Arizona	No General Obligation Debt			Mississippi	3/4/97	Aa	Aa3*
Arkansas	3/3/00 4/14/97 9/19/90 7/11/85	Aa3 Aa A1	Aa2 Aa3* Aa A1	Missouri	1980		Aaa
				Montana	4/9/97 6/28/85 8/21/81	Aa Aa1 Aa	Aa3* Aa Aa1
				Nebraska	No General Obligation Debt		
California	9/7/00 12/8/98 7/15/94 7/6/92 2/10/92 10/6/89 4/10/80	Aa3 A1 Aa Aa1 Aaa Aa Aaa	Aa2 Aa3 A1 Aa Aa1 Aaa Aa	Nevada	5/16/97	Aa	Aa2*
				New Hampshire	5/16/97 11/11/91 11/9/88 1/21/85 7/29/82 3/3/82	Aa Aa1 Aa A1 Aa Aaa	Aa2* Aa Aa1 Aa A1 Aa
Colorado	No General Obligation Debt			New Jersey	8/24/92	Aaa	Aa1
Connecticut	2/16/01 3/7/97 4/9/90 10/18/85	Aa3 Aa Aa1 Aa	Aa2 Aa3* Aa Aa1	New Mexico	7/7/94 2/22/85 8/21/81	Aa Aa1 Aa	Aa1 Aa Aa1
Delaware	3/7/00 12/2/94 8/26/82 12/11/80	Aa1 Aa A1 A	Aaa Aa1 Aa A1	New York	2/10/97 6/6/90 5/27/86	A A1 A	A2* A A1
Florida	2/24/97	Aa	Aa2*	North Carolina	1980		Aaa
Georgia	1980		Aaa	North Dakota	No General Obligation Debt		
Hawaii	10/4/00 4/8/98 3/21/97	A1 Aa3 Aa	Aa3 A1 Aa3*	Ohio	8/15/96	Aa	Aa1*
Idaho	No General Obligation Debt			Oklahoma	2/7/97 6/3/87	Aa Aaa	Aa3* Aa
Illinois	6/11/98 2/10/97 2/3/95 8/12/92 9/5/91	Aa3 A1 Aa Aa1 Aaa	Aa2 Aa3 A1 Aa Aa1	Oregon	4/3/97 1/8/90 7/29/82 7/22/80	Aa A1 Aa Aaa	Aa2* Aa A1 Aa
Indiana	No General Obligation Debt			Pennsylvania	10/23/00 10/3/97 3/6/86	Aa3 A1 A	Aa2 Aa3 A1
Iowa	No General Obligation Debt			Rhode Island	9/7/99 5/4/92	A1 Aa	Aa3 A1
Kansas	No General Obligation Debt			South Carolina	1980		Aaa
Kentucky	No General Obligation Debt			South Dakota	No General Obligation Debt		

* Rating refined due to introduction of modifiers.

STATE RATING CHANGES AND REFINEMENTS SINCE 1980 (Cont'd.)
(March 2001)

	Date	From	To		Date	From	To	
Louisiana	4/6/98	A3	A2	Tennessee	8/9/00	Aaa	Aa1	
	3/12/97	Baa1	A3		1980	Aaa	Aaa	
	2/10/87	A	Baa1	Texas	6/18/99	Aa2	Aa1	
	4/24/86	A1	A		6/27/97	Aa	Aa2*	
	4/4/85	Aa	A1		3/10/87	Aaa	Aa	
Maine	6/4/98	Aa3	Aa2	Utah	1980		Aaa	
	5/12/97	Aa	Aa3*		Vermont	9/28/99	Aa2	Aa1
	8/24/93	Aa1	Aa	10/20/97		Aa	Aa2*	
	2/26/82	Aa	Aa1					
Maryland	1980		Aaa	Virginia	1980		Aaa	
Massachusetts	1/13/00	Aa3	Aa2	Washington	6/20/97	Aa2	Aa1	
	4/28/98	A1	Aa3		1/6/97	Aa	Aa2*	
	11/14/94	A	A1		1/8/90	A1	Aa	
	9/9/92	Baa	A		7/28/86	A	A1	
	3/19/90	Baa1	Baa		1/21/82	A1	A	
	11/15/89	A	Baa1	10/30/81	Aa	A1		
	6/21/89	Aa	A	West Virginia	5/11/99	A1	Aa3	
	2/9/88	A1	Aa		1980		A1	
	Michigan	10/5/00	Aa1	Aaa	Wisconsin	3/19/97	Aa	Aa2*
		3/19/98	Aa2	Aa1		5/20/82	Aaa	Aa
3/7/97		Aa	Aa2*	Wyoming	No General Obligation Debt			
7/18/95		A1	Aa					
4/24/86		A	A1					
11/16/84		Baa1	A					
5/7/82		A	Baa1					
10/2/80	Aa	A						

* Rating refined due to introduction of modifiers.

STATE GENERAL OBLIGATION BONDS
(by rating category)

Aaa (10 States)	Aa1 (7 States)	Aa2 (13 States)
Delaware	New Jersey	Alaska
Georgia	New Mexico	Arkansas
Maryland	Ohio	California
Michigan	Tennessee	Connecticut
Minnesota	Texas	Florida
Missouri	Vermont	Illinois
North Carolina	Washington	Maine
South Carolina		Massachusetts
Utah		Nevada
Virginia		New Hampshire
		Pennsylvania
		Oregon
		Wisconsin
Aa3 (7 States)	A2 (2 States)	
Alabama	New York	
Hawaii	Louisiana	
Mississippi		
Montana		
Oklahoma		
Rhode Island		
West Virginia		

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