STANDARD & POOR'S

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Washington; Appropriations; General Obligation

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Credit Profile		
US$699.075 mil various purp GO rfdg bnds ser R-2012C due 07/01/2029		
Long Term Rating	AA+/Stable	New
US$346.075 mil various purp GO bnds ser 2012D due 02/01/2037		
Long Term Rating	AA+/Stable	New
US$260.14 mil mtr veh fuel tax GO rfdg bnds ser R-2012D due 07/01/2029		
Long Term Rating	AA+/Stable	New
US$188.595 mil mtr veh fuel tax GO bnds ser 2012E due 02/01/2042		
Long Term Rating	AA+/Stable	New
Washington GO		
Long Term Rating	AA+/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services assigned its 'AA+' long-term rating to the state of Washington's:

- $365.07 million various purpose general obligation (GO) bonds, series 2012D;
- $203.18 million motor vehicle fuel tax (MVFT) GO bonds, series 2012E;
- $699.08 million various purpose GO refunding bonds, series R-2012C; and
- $260.14 million MVFT GO refunding bonds series R-2012D.

At the same time, we affirmed our 'AA+' long-term rating and underlying rating (SPUR) on the state's existing GO and MVFT GO debt. In addition, we affirmed our 'AA/A-1+' rating on the state's variable rate 1996 series A and B GO bonds. The short-term rating reflects the liquidity rating of the bank providing liquidity support to the bonds (Landesbank Hessen-Thueringen Girozentrale). Finally, we also affirmed our 'AA' rating on the state's appropriation-backed debt. The outlook on all ratings is stable.

The ratings reflect our view of the state's:

- Relatively well-educated workforce and good income indicators;
- Sales tax-based revenue structure that exhibits sensitivity to economic cycles, but to a lesser degree than those of states that rely primarily on personal and corporate income taxes;
- Good internal liquidity;
- Strong financial policies and practices, including consistently good responsiveness to recurring downward revisions to state revenue forecasts; and
- Moderately high per capita debt burden but well-funded pension plans.

The state's full faith, credit, and taxing powers secure the new and refunding series of GO bonds. The state's MVFT GO bonds are first payable from state excise taxes on motor vehicle and special fuels. The series 2012D bonds are being issued to finance various capital and infrastructure projects in the state, including state buildings and facilities for higher education, and certain water supply projects. Proceeds from the series E bonds will be directed toward transportation-related projects within the state. The refunding bonds are being issued to refund portions of the state's existing GO and MVFT GO bonded debt. The state will have a total of $17.9 billion GO bonds outstanding after the current offering. Of this, $6.9 billion of the state's GO debt is payable first from state excise taxes on motor vehicle and special fuels.

In November, the state's independent economic and revenue forecast council revised down the state's revenue projections by $122 million through fiscal 2013. This was on top of its September forecast, which had lowered the state's revenue projections by $1.4 billion through fiscal 2013. According to the forecasts, revenue deterioration would have eradicated the state's budgeted-for ending reserve of $723 million and led to a negative ending position of $1.27 billion by the end of the biennium. In response, the governor's supplemental fiscal 2012 budget called for $1.73 billion of new cuts and $515 million in increased revenues in order to provide for a projected $600 million ending balance. In December, the legislature approved $480 million of deficit solutions through a mix of cuts, deferrals, and revenue transfers, leaving the remaining gap to be addressed in the regular legislative session, which began in January.

Despite the negative revenue revision (equal to 4.7% of biennial revenue), we are maintaining the 'AA+' rating and stable outlook on the state's GO debt. Foremost, we continue to believe the state's economy will recover at a slightly faster pace than that of the nation. In addition, the state continues to exhibit responsiveness to recurring fiscal setbacks, demonstrated by its addressing of a significant portion of the projected shortfall. Actions taken thus far would reduce the projected negative ending position to $901 million. . Finally, the state's internal liquidity remains strong (despite negative cash in the general fund), and the projected revenue downturn is backloaded in the biennium, allowing time for budget adjustments to take effect.

Most negative influences on the state's forecast relate to macroeconomic risk, such as the European sovereign debt crisis, eroding consumer confidence, and uncertainty stemming from the effects of the federal deficit reduction efforts currently underway. Washington state's economy nonetheless remains well-poised for recovery, albeit at a slower pace than in previous recessions. We forecast that the U.S. real GDP will increase 1.9% during 2012, and IHS Global Insight projects Washington's economy to expand by 1.9%. Total employment in Washington is expected to grow faster than the nation, at 1.7% compared with 1.2%. This would be consistent with the state's track record. Washington's real state GDP has increased at an average (geometric mean) annual rate of 2.46% versus the nation's 2.22% since 1997. Strong performance in the high wage industries of aerospace and high technology suggest continued increases in total state personal income, which are forecast to grow by 1.6% in 2012.

As in other states, the housing sector has been a source of drag on the state's economy. Home construction troughed in 2009 and, according to the state's economist, is unlikely to rebound until home prices recover. Home prices in the Seattle metropolitan area declined 1.0% in October according to the Standard & Poor's/Case-Shiller home price index; on a year-over-year basis, prices were down 6.2%, which was worse than the 10- and 20-city national indices, which were down 3.0% and 3.4%, respectively. Downward pressure on the real estate market may be dissipating as there is a trend toward fewer newly delinquent mortgages in the state.

Washington's financial liquidity remains adequate and shows improvement despite its negative $774 million general fund cash balance at the end of December 2011. At the same point in 2010, general fund cash was negative by $1.05 billion. The state has access to cash for liquidity in its treasury and treasury trust funds, the former of which is subject to legislative appropriation. This cash is held in the custody of and invested on a comingled basis by the state treasurer. As a result of its good access to internal liquidity, the state does not rely on external borrowing for cash flow management. Of the $1.4 billion in downward revenue revision, $500 million is expected in fiscal 2012 with $900 million of the weaker revenue attributable to fiscal 2013. If the timing of the weaker revenue performance follows the forecast's expectation, the state's budget adjustments should have time to take effect. As such, we continue to view the state's internal liquidity sources as sufficient to support its general fund budget operations.

For December 2011, the treasury and treasurer's trust fund's average cash balance was $3.52 billion. Its month-end cash balance was $3.52 billion, which is above the $3.35 billion balance at the same time in 2010. Investments are conservative in our view, with 50% of funds invested in U.S. Treasurys and agencies. Repurchase agreements, which are subject to a maximum term of 180 days, represent 25% of investments. In addition to the state's investment guidelines, state policies require that collateral in repurchase agreements for U.S. Treasury, agency, and money market instruments be priced at 102% of market value. Mortgage-backed repurchase agreements of more than seven days are subject to a higher, 105% requirement.

The state's direct tax-supported debt burden (GO and appropriation-backed) is moderately high, in our opinion, at $2,628 per capita, 5.7% of general fund expenditures, 6.2% of total personal income, and 5.2% of gross state product (GSP). Gross GO and lease appropriation-backed debt service is also moderately high, at 5.16% of general government-wide (all funds) spending in fiscal 2011. Portions of the state's debt are funded from self-supporting or reimbursable sources. When adjusting for these offsetting revenues, debt service is moderate in our view, at 5.3% of general fund expenditures. We anticipate that continuing transportation needs, including two major urban highway projects, will likely translate into continuing GO issuance in the next two to three years. The state currently projects that it may issue up to approximately $350 million and $600 million in new GO and MVFT GO bonds, respectively, in the summer months of 2012.

Unlike a majority of states (approximately 30) in the U.S., Washington maintains a positive balance in its unemployment insurance fund of $2.6 billion, sufficient to fund benefits for an estimated 14 months.

Based on the analytic factors we evaluate for states, on a scale of 1 (strongest) to 4, we have assigned Washington a composite score of '1.8'.

Outlook

The stable outlook reflects our view that the state's financial management is strong, as demonstrated by its continued willingness to make timely and proactive budget amendments as it deems necessary to maintain budgetary balance. The state's automatic budget stabilization fund deposits serve its credit well when the economy -- and revenues -- take a negative turn. At present, the state's reserves are low and, absent additional budget corrections, could deteriorate further despite its practice of making regular reserve contributions -- a reflection, we believe, of the halting economic recovery. The low reserves limit the state's rating from moving upward and, in fact, render its rating vulnerable to downward movement if revenues deteriorate further without very timely corrective budget action.

Fiscal 2011-2013 Biennium

Washington's $31.7 billion, two-year budget was signed by the governor on June 15, 2011. It addressed what as, at the time, a projected $4.9 billion deficit by making $4.5 billion in program reductions. The balance of budget solutions comes from fund transfers and from using the state's beginning balance left from the prior biennium. By agreeing to a budget package that resolves the state's anticipated deficit largely with recurring measures, the state has helped preserve its credit strength in our view.

Among the largest budget expenses of the state is the Medicaid program, which is funded jointly by the federal and state governments and operates under Washington's Health Care Authority (HCA) and its Department of Social and Health Services (DSHS). For fiscal 2012, the budgets for the state's HCA and DSHS total approximately $8.8 billion, of which the state funds approximately $4.4 billion. The state receives approximately $500 million per month in federal inflows, with the largest share going to the Medicaid program. The state is reimbursed for prior state disbursement of funds that paid for service delivery. Net of federal inflows, state cash outflows approximate $500 million per month.

The fiscal 2011-2013 budget included no tax increases but made significant cuts. Among the largest spending reductions were the suspension of two education initiatives for class-size reduction and teacher pay increases ($1.2 billion of budgetary savings), higher education ($535 million), pension benefit ($344 million), kindergarten through grade four (K-4) class size enhancement ($215 million), K-12 employee salaries ($179 million), and state employee pay ($177 million).

Evolving budget position

After closing what had been a projected $4.9 billion budget deficit with $4.5 billion in program reductions for the fiscal 2011-2013 biennium, early in fiscal 2012 Governor Chris Gregoire began calling for state agencies to identify additional spending reductions. In August, the governor requested agencies to prepare proposals for accommodating funding reductions of up to 10% for the biennium. Following release of the September revenue forecast, the governor called a special session of the legislature allowing for the projected shortfall to be addressed in a more strategic way than through across-the-board allotment reductions, which she has the authority to impose (except for education, debt service, and pension-related costs). Targeted reductions are necessary in our view since more than 60% of expenditures in the budget are legally required for education, pensions, debt service, or are mandated by federal requirements in order to receive federal matching or reimbursement funding. The governor sought $2 billion in budget fixes to allow for some fiscal cushion in the event revenues deteriorate further. In November, the governor released her supplemental budget, which included $2 billion in spending cuts and would leave the state with a $600 million reserve. The governor also proposed a temporary half-cent sales tax increase to 7% until July 2015. The state estimates that the increase would produce $494 million in additional state revenue in fiscal 2013, most of which would support education. The revenue from the sales tax would reduce the extent of the proposed cuts but requires a majority vote of the public. Other revenue measures proposed by the governor would require a majority vote of the legislature (estimated budgetary value of $59.1 million in fiscal 2013) or a two-thirds vote of the legislature (estimated budgetary value of $282 million in fiscal 2013).

The November revenue forecast, while down from the June forecast, still calls for 7.0% general fund revenue growth during the 2011-2013 biennium versus the prior biennium. During the special session, the legislature reached agreement on $480 million in spending cuts, fund shifts, and payment deferrals. The remaining gap is expected to be addressed in the legislature's regular 60-day session that began in January. The state's December revenue report showed that November collections were $19.7 million (1.2%) above the forecast. Adjusted for the timing of some of the state's property tax collections, revenue would have fallen $14.2 million (0.9%) below the state's expectation.

Audited Financial Performance

The state has a strong track record of maintaining good reserves, but the recession's toll fully materialized in the state's budget reserve by fiscal 2010. At June 30, 2010, however, the state's ending assigned and unassigned fund balance (per GASB 54) of $1.001 billion was equal to 4.1% of expenditures on a GAAP basis, which we consider good. During expansionary phases of the economic cycle, the state consistently returns operating surpluses and good reserve positions. State authority to defer payments, to borrow from the treasury and treasurer trust funds, and, to issue cash flow notes if needed all serve as contingency liquidity measures, but they have not been needed thus far. The absence of a formal policy for the state's budget reserve level allows for low balances to persist through protracted periods of economic and revenue softness.

The state's reliance on retail sales and business and occupation (gross receipts) taxes for a combined 69% of general fund tax revenues (on a budgetary basis) typically afford more revenue stability than other states enjoy because many of them rely on personal income tax revenues. Spending priorities are regularly evaluated through the state's "priorities of government" approach to zero-based budgeting. Independent and formal revenue and caseload forecasts inform budget decisions, and political leaders have demonstrated a willingness to make difficult adjustments when necessary.

On a scale ranging from 1 (strongest) to 4, we have assigned a score of '1.9' to Washington's budget performance.

Financial Management

Financial management assessment: "strong"

We consider the state's management practices "strong" under our Financial Management Assessment (FMA) methodology. An FMA of "strong" indicates our view that practices are strong, well embedded, and likely sustainable. The state Economic and Revenue Forecast Council, which is made up of representatives appointed by the governor's office, both houses of the legislature, and both major political parties, produces an analytical report on economic and revenue performance each month and, by statute, presents quarterly revenue forecasts covering the current and upcoming biennium. The state uses the council's forecasts, which are based on a modified IHS Global Insight model of the U.S. economy, to set revenue parameters at biennial budget adoption. The state has a record of making budget adjustments within the biennium when the forecast council materially changes its projections. In addition, the state convenes a Caseload Forecast Council three times per year, which forecasts service requirements in such areas as public assistance, state corrections, medical assistance, and K-12 education. The executive branch uses these forecasts, along with historical expenditures, to formulate budget proposals and mid-biennium revisions.

Further guiding budgeting decisions is a rolling, four-year general fund forecast maintained by the governor's Office of Financial Management. The state uses these forecasts to quantify the timing and scope of potential deficits in the subsequent biennium and, in some cases, to begin to address structural imbalances before the next budget cycle begins. Although the state does not have a minimum reserve policy, the state constitution requires the state to set aside 1% of most unrestricted state revenues in each fiscal year into a budget stabilization fund, a form of "rainy day" fund. That fund can and is being tapped in the current biennium under a provision that the state can draw on the fund when employment growth falls below 1% and is also available in the event of a catastrophic emergency, or by 60% supermajority vote of the legislature. When it reaches 10% of estimated general state revenues in that fiscal year, the state can also draw excess funds for education capital projects. In addition, in November 2011, voters approved a measure requiring that any revenue growth that exceeds by one-third the average biennial growth in state revenues during the prior five biennia be transferred to the budget stabilization account.

Other policies and practices include:

- Capital spending that the state budgets for on a biennial schedule but plans on a rolling, 10-year basis and includes funding sources;
- A formal investment management policy that covers eligible investments, maximum maturities (10 years), allocations of nongovernment securities, and internal and external controls; and
- Debt management under an issuance policy that, among other elements, addresses refunding savings thresholds.

Budget management framework

Washington adheres to what we consider generally strong budget management practices. Across different gubernatorial administrations, when confronted with projected budget gaps, the state's political leadership has demonstrated a willingness to consider difficult fiscal adjustments, including both expenditure and revenue measures. In addition, when deficits emerge mid-cycle, the state has generally responded with timely corrective actions. Revenue projections are apolitical and developed according to the state's independent revenue forecasts. When deficits do emerge, however, the state tends to include nonrecurring measures among its solutions and its updates to actual fiscal performance, considering both revenue and spending trends are not regularly available at intra-year intervals.

On a scale ranging from 1 (strongest) to 4, we have assigned a score of '1.5' to Washington's financial management.

Economy

Washington's economy enjoys several fundamental strengths, including an above-average education level among its populace (30% of whom have bachelor's degree or higher). Other positive features of the state's economy are its consistently strong population growth trends (more than 4% higher than the U.S.), relatively low age-dependency ratio (55.4), high per capita GSP (110% of the nation), and high per capita incomes (111% of the U.S.). Similar to other states, recent private sector job gains have been offset by public sector losses. From September through November, the state's private sector added 12,500 jobs while the public sector shed 4,500 jobs for a net gain of 7,900. As of December 2011, unemployment stood at 8.5% in Washington, equal to the national jobless rate. Economic development prospects remain good in our view. In addition to the aforementioned health of Boeing, the state is also home to a vibrant high-technology sector, particularly in and around the Seattle metropolitan area. In addition to Microsoft, the state's second-largest private sector employer, there are approximately 4,200 software companies in the state. Of the approximately 2,500 software jobs lost during the recession, there as been 2,100 jobs added back since December 2009. The outlook for economic growth is currently favorable due to strong rates of expansion in China and other Asian economies to which Washington exports. Washington's economy is trade-intensive and frequently at the top of per capita measures of export value in the U.S. Although during the past five years the state's annual rates of GSP growth have exceeded those of the nation's, in five of the past 12 years, national GDP grew at a faster clip, indicating some propensity for economic volatility.

High-paying jobs with both of the state's largest employers, Microsoft and Boeing, support the state's forecast's for a personal income growth rate in excess of that of the U.S. through the forecast's timeframe of 2015 despite a similar overall rate of job growth. Construction employment is still down and somewhat limits the state's recovery although the trend in building permits has stabilized. The extent of the drop-off in the sector is evidenced by the forecast, which indicates that even through 2015, total construction jobs are expected to remain approximately 45,000 below their peak in 2007.

State-projected 3.4% and 3.5% rates of nominal personal income growth in 2012 and 2013, respectively, compare to the state's 7% projected general fund revenue growth over the same period. The divergence in the growth rates indicates relatively stronger economic activity among the higher value sectors in the state.

State revenues, which depend on consumer activity via the retail sales tax (47% of total tax revenues), could be restrained by residents more focused on repairing their personal balance sheets and increasing savings than on returning to pre-recession levels of spending. A backlog of aircraft orders from Boeing represents seven years' worth of orders. Boeing's less severe experience through the recent recession (5,000 layoffs) pales compared to the 2001 recession (50,000 layoffs), suggesting that jobs are likely to be restored at a more tempered pace.

On a scale ranging from 1 (strongest) to 4, we have assigned a score of '1.4' to Washington's economy.

Governmental Framework

Managing toward ongoing fiscal solvency is encouraged by the state's statutory requirement to adopt a balanced budget as well as by the state's discretion, subject to a majority vote of the legislature, to adjust the major components of its revenue base. Legal protections for the state's GO debt include a specific constitutional requirement that the legislature make appropriations in the budget for the interest and principal installment payments on its debt. Although neither state stature nor the state constitution provide a priority for debt service relative to other state payment obligations, no other payment obligation enjoys a specific requirement that an appropriation be made. This has the practical effect of providing debt service with a strong legal position among the state's various payment obligations, in our view.

The governor has authority to make across-the-board reductions to spending allotments when a cash deficit in a particular fund is projected. However, authority to impose disbursement reductions does not include allotments for basic education, pension benefits, or general obligation debt service. The state's office of financial management monitors and makes recommendations about cash management activities to the governor.

An active voter initiative environment complicates the state's governmental framework. We have viewed the active voter initiative environment as limiting the state's fiscal flexibility somewhat. However, the legislature's willingness and ability to set aside provisions of voter-approved initiatives when fiscal conditions warrant has proven beneficial to credit quality, in our view. (Initiatives may be amended with a two-thirds vote of the legislature within two years of passage and a simple majority of the legislature thereafter.) For instance, as they did during the fiscal 2010 and 2011 biennium and during six of the past 12 years, the legislature temporarily suspended Initiatives 732 and 728 (for teacher cost of living salary increases and smaller class sizes, respectively) helping reduce the projected deficit for the upcoming biennium by $1.2 billion.

Similar to many other states, significant spending areas in the state's budget are largely nondiscretionary. The state approximates that as much as 60% of spending, primarily for K-12 education, Medicaid, foster care, debt service, and pensions, is effectively legally required by some combination of state constitution, statute, court decision, or federal mandate. In addition, Washington voters have, over the years, approved initiatives that have reduced the revenue and spending autonomy of the state. In the current budget cycle, a voter initiative added $281 million to the state deficit (through fiscal 2013) by repealing certain temporary taxes the legislature had adopted as a component of balancing the state budget. Other initiatives (I-732 and I-728, for example) mandate spending for certain purposes, such as education.

During the 2011 legislative session, the legislature added a debt commission to the state's recently approved first-time debt affordability study. The debt commission will evaluate the state's use of debt and make policy or constitutional change recommendations. Moreover, the reforms direct the state finance committee to develop a plan to gradually reduce the state's debt burden relative to its operating budget. Without altering the state's 9% of budget constitutional limit, the new law envisions implementing incrementally lower working debt limits to reach a target of 7.75% by 2021. Given that Washington's debt levels are somewhat higher than other states, we believe steps to contain the growth of its debt burden could have favorable implications for the state's credit quality.

On a scale ranging from 1 (strongest) to 4, we have assigned a score of '1.8' to Washington's governmental framework.

Debt And Liability Profile

As noted, Washington's debt is moderately high by several of our measures. Debt paydown is average, in our view, with 44% of outstanding principal amortized over 10 years.

Pension reform is benefitting funded status

Pension reform will likely reduce unfunded actuarial liabilities. Long-term state liabilities include those related to the state's pension system and retiree health care. As of June 30, 2010, the actuarial accrued liability (AAL) of the defined-benefit portion of the state's 12 pension plans totaled $58.6 billion, of which actuarial assets ($61.75 billion) in aggregate accounted for 94.9%. The funded ratio improved after recent changes to the plan 1 (Public Employee Retirement System (PERS) and Teacher Retirement System--TRS). During its 2011 session, the legislature rescinded automatic cost of living adjustments (COLA) to the PERS plan 1 and the TRS plan 1. Elimination of the uniform cola (UCOLA) generates $344 million in general fund savings for the fiscal 2012 and 2013 biennium. More importantly, in our view, over the longer run, elimination of the UCOLA reduces the plan 1 unfunded actuarial accrued liabilities (UAAL) to $4.66 billion from $6.88 billion. This represents a 32% reduction of the prior plan 1 UAAL, according to the state actuary, and in our view is a significant improvement in the state's overall pension funded status.

Based on the most recent comprehensive annual financial report, in 2011, the state's total UAAL for its pension plans is $3.14 billion, equal to $466 per capita, which we view as moderate. However, relative to total personal income, it is just 0.9%, which is low in our view. Contributions to pension funding are generally less than the actuarial required contribution (ARC), and for fiscal 2011, total actual contributions were 64% of the ARC.

OPEB is funded on a pay-as-you-go basis

Other post-employment benefits (OPEB) are funded on a pay-as-you-go basis. The state's OPEB includes an implicit liability from allowing retired employees to purchase health, life, and vision insurance in the same pool as current employees at a subsidized rate. The explicit benefit subsidizes retired members' monthly premiums for enrollment in Medicare parts A and B. On an actuarial basis, the state's portion of the AAL made up $3.49 billion of the total, and the annual OPEB cost was $329 million in fiscal 2011 according to the most recent actuarial valuation report as of June 30, 2011. In fiscal 2010, the state contributed $78.7 million for current pay-as-you-go expenses of the retiree benefits, equal to less than 1% of annual general fund expenditures. We understand that the state does not plan to fully fund the annual required contribution for the foreseeable future.

On a scale ranging from 1 (strongest) to 4, we have assigned a score of '2.3' to Washington's debt and liability profile.

Related Criteria And Research

- USPF Criteria: State Ratings Methodology, Jan. 3, 2011
- USPF Criteria: Appropriation-Backed Obligations, June 13, 2007

Ratings Detail (As Of January 27, 2012)		
Washington adj rate GO bnds ser VR-96A&B due 06/01/2020		
Long Term Rating	AA+/A-1+/Stable	Affirmed
Washington certs of part (Washington St Dept of Gen Admin Tacoma Co-Location Proj) dtd 12/01/1996		
Long Term Rating	AA/Stable	Affirmed
Washington motor veh fuel tax GO rfdg bnds		
Long Term Rating	AA+/Stable	Affirmed
Washington mtr veh fuel tax go bnds ser 2004C dtd 08/06/2003 due 06/01/2009-2030		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
Washington various purp gen oblig bnds		
Long Term Rating	AA+/Stable	Affirmed
Washington GO		
Long Term Rating	AA+/Stable	Affirmed
Washington GO bnds		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
Washington GO Mtr Veh Fuel Tx		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
Washington GO (wrap of insured) (AMBAC) (ASSURED GTY - SEC MKT)		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
Washington GO (wrap of insured) (FGIC & AGM) (SEC MKT)		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
Washington GO (Motor Vehicle Fuel Tax)		
Long Term Rating	AA+/Stable	Affirmed
Washington (St Office Bldg Proj - Dept of Ecology) ser 91 A 99		
Long Term Rating	AA/Stable	Affirmed
Washington certs of part rfdg (Dept of Ecology St Office Bldg Proj) ser RE-2003-B		
Unenhanced Rating	AA(SPUR)/Stable	Affirmed
Washington GO		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed

Ratings Detail (As Of January 27, 2012) **(cont.)**		
Aberdeen, Washington		
Washington		
Aberdeen (Washington) spl rfdg rev bnds (Stafford Creek Corrections Ctr) ser 2009		
Long Term Rating	AA/Stable	Affirmed
FYI Properties, Washington		
Washington		
FYI Properties (Washington) Lease rev bnds (State Of Washington Dis Proj) ser 2009		
Long Term Rating	AA/Stable	Affirmed

Many issues are enhanced by bond insurance.

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