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Standard & Poor's Raises State's Credit Outlook from Negative to Stable

BATON ROUGE, La. -- Standard and Poor's (S&P) announced today that it has raised the outlook on the state's credit from negative to stable, according to State Treasurer John M. Schroder, Sr.

"We've had several calls with the rating agencies over the past few months, and we were hopeful after our discussions that we would see an improvement," said Treasurer Schroder. "The better our ratings, the cheaper it is for the state to borrow money to pay for infrastructure and other projects."

S&P, Moody's and Fitch are the three national rating agencies that rate the credit-worthiness of the state's bonds. S&P's action today followed a similar decision from Moody's in early July to raise the outlook on the state's bonds to stable.

In a statement, S&P stated "by more closely aligning revenue expectations with recurring expenditures, we believe the recent practice of balancing budgets with one-time measures is also now less likely."

The rating agency listed several positives for Louisiana including a constitutional requirement for a balanced budget and a strong legal framework for debt repayment. The rating agency also pointed out weaknesses such as a sluggish economy, fluctuating oil and gas prices and pension liability.

S&P affirmed the state's AA- long-term rating on General Obligation debt and A+ long-term rating on appropriation bonds.

The press release from S&P can be viewed [here](#).

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