



PRESS RELEASE

LOUISIANA TREASURER JOHN FLEMING, MD

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S&P Global Makes Upgrade to State of Louisiana Bond Rating

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Louisiana Department of the Treasury

BATON ROUGE — Louisiana State Treasurer John Fleming, M.D., today announced S&P Global has upgraded its rating of Louisiana's general obligation bonds, a move that signals Louisiana state government is making many of the right decisions on state spending, debt, and state retirement systems.

Dr. Fleming attributed the high marks to a combination of fiscal restraint, the Louisiana Constitution's array of controls on spending, voters' support for prioritizing debt service, and the commitment by Gov. Landry's administration to reducing spending in the coming year.

"The report recognizes that Louisiana's economy is not where we want it to be, but it makes clear that the state's prudent handling of spending and debt are allowing the state to operate prudently and in a conservative, businesslike fashion," he said.

At the State Bond Commission, Treasurer Fleming quoted from the report, which contains high praise for the direction of state government.

Dr. Fleming cited these statements from the S&P report issued yesterday:

- "The upgrades reflect our view of Louisiana's demonstrated commitment to improving and maintaining reserves above levels that we consider very strong and the state's ongoing efforts to reduce unfunded pension liabilities through strong pension funding discipline."
- "The 'AA' GO rating reflects our view of Louisiana's active budget monitoring coupled with an ability and demonstrated willingness to modify expenditures to maintain structural balance during periods of revenue decline."
- "Louisiana recorded its seventh consecutive positive state general fund result with a \$325.4 million surplus."
- "To address the decline in revenue collections, all state departments have been directed to identify cost savings and include them in their budget requests... the executive budget proposal for fiscal 2025 incorporates \$230 million of expenditure reductions."
- "The constitution requires Louisiana to adopt a balanced budget. If revenues fall short of projections, the governor is empowered to directly cut expenditures... to maintain a balanced budget. Should the governor fail to make necessary adjustments within 30 days, the constitution and statutes require the governor to call a special session of the legislature to address the deficit."
- "We consider Louisiana's financial management practices good under our Financial Management Assessment methodology."
- S&P Global gives Louisiana a perfect 1.0 rating for its financial management framework.
- "We believe Louisiana is currently well positioned to maintain structural balance despite reduced tax rates."
- "Louisiana's tax-supported debt ratios... are moderate by most measures..."
- "Louisiana's debt service burden as a percent of expenditures is also moderate..."

Treasurer Fleming said S&P Global's rating is a blessing for the state, which will result in lowering the cost of bond issues.

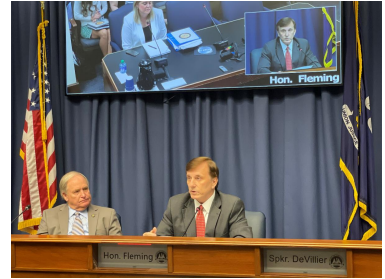
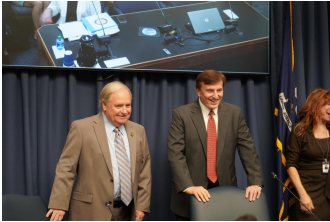
"More importantly, this rating upgrade is a step forward in presenting Louisiana as a state with a solid financial structure and a good place to do business," Fleming said.

“I want to commend our governors and legislators, past and present, as well as the people of the state who made important reforms on debt service, for all they have done to improve Louisiana’s financial standing. It is important that S&P has brought these improvements to the world’s attention.”

S&P Global advertises itself as the world’s foremost provider of ratings, benchmarks, and analytics in the global capital and commodity markets.

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