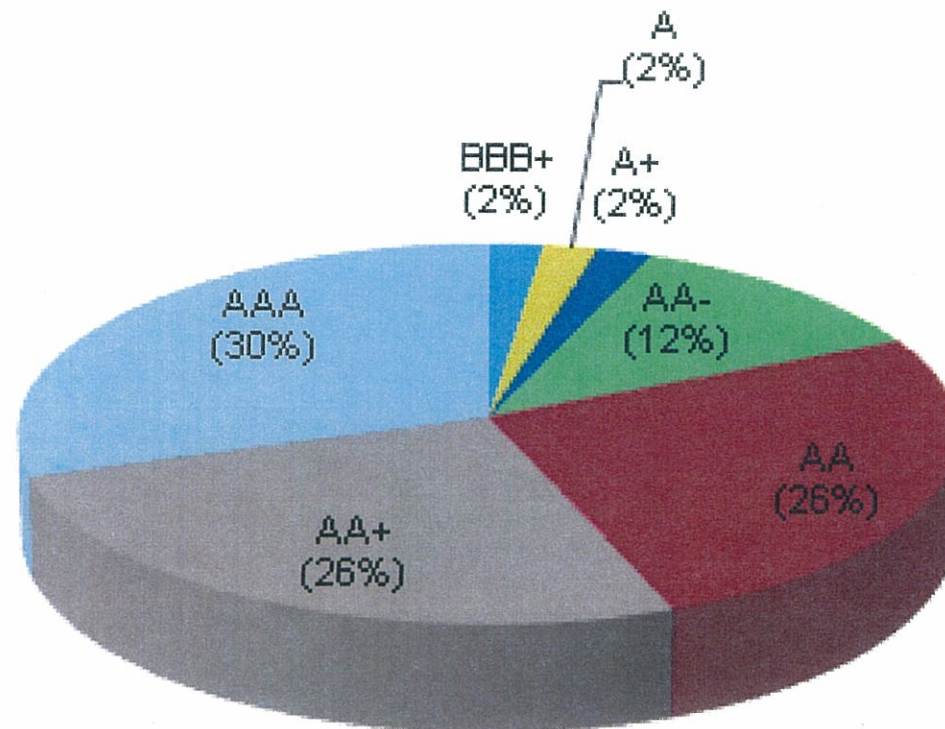


8/17/16

Burkes  
Handout

## How Does Arkansas Compare to other states?

- AAA Rating 15 states
- AA+ Rating 13 states
- **AA Rating 13 states (including Arkansas)**
- AA- Rating 6 states
- A+ Rating 1 state
- A Rating 1 state
- BBB+ Rating 1 state (IL)



## S&P Global Ratings' U.S. State Ratings

Ratings as of July 26, 2016

State	Rating	Outlook	State	Rating	Outlook
Alabama	AA	Stable	Montana	AA	Stable
Alaska	AA+	Watch Neg	Nebraska (ICR)	AAA	Stable
Arizona (ICR)	AA	Stable	Nevada	AA	Stable
Arkansas	AA	Stable	New Hampshire	AA	Stable
California	AA-	Stable	New Jersey	A	Negative
Colorado (ICR)	AA	Stable	New Mexico	AA+	Negative
Connecticut	AA-	Stable	New York	AA+	Stable
Delaware	AAA	Stable	North Carolina	AAA	Stable
Florida	AAA	Stable	North Dakota (ICR)	AA+	Stable
Georgia	AAA	Stable	Ohio	AA+	Stable
Hawaii	AA	Positive	Oklahoma	AA+	Negative
Idaho (ICR)	AA+	Stable	Oregon	AA+	Stable
Illinois	BBB+	Negative	Pennsylvania	AA-	Negative
Indiana (ICR)	AAA	Stable	Rhode Island	AA	Stable
Iowa (ICR)	AAA	Stable	South Carolina	AA+	Stable
Kansas (ICR)	AA-	Stable	South Dakota (ICR)	AAA	Stable
Kentucky (ICR)	A+	Stable	Tennessee	AAA	Stable
Louisiana	AA	Negative	Texas (ICR)	AAA	Stable
Maine	AA	Stable	Utah	AAA	Stable
Maryland	AAA	Stable	Vermont	AA+	Stable
Massachusetts	AA+	Negative	Virginia	AAA	Stable
Michigan	AA-	Stable	Washington	AA+	Stable
Minnesota	AA+	Positive	West Virginia	AA-	Stable
Mississippi	AA	Stable	Wisconsin	AA	Stable
Missouri	AAA	Stable	Wyoming (ICR)	AAA	Negative

## S & P Global Ratings Framework for Rating U.S. States

### Government framework **1.6**

- Fiscal policy framework
- System support
- Intergovernmental funding

### Financial management **1.5**

- FMA
- Budget management

### Economy **2.9**

- Demographic profile
- Economic structure
- Wealth and Income indicators
- Economic development

### Budgetary performance **1.5**

- Budget reserves
- Liquidity
- Tax/revenue structure
- Revenue forecasting
- Service levels
- Structural performance

### Debt and liability profile **1.9**

- Debt burden
- Pension liabilities
- OPEB risk assessment

Indicative credit level

**Composite Score**  
**1.9**

### Overriding factors

- System support
- Willingness to support debt
- Capital market access constrained
- High level of expected future debt/liabilities
- Weak financial management
- High level of risk relating to derivatives / variable rate debt

**State rating**

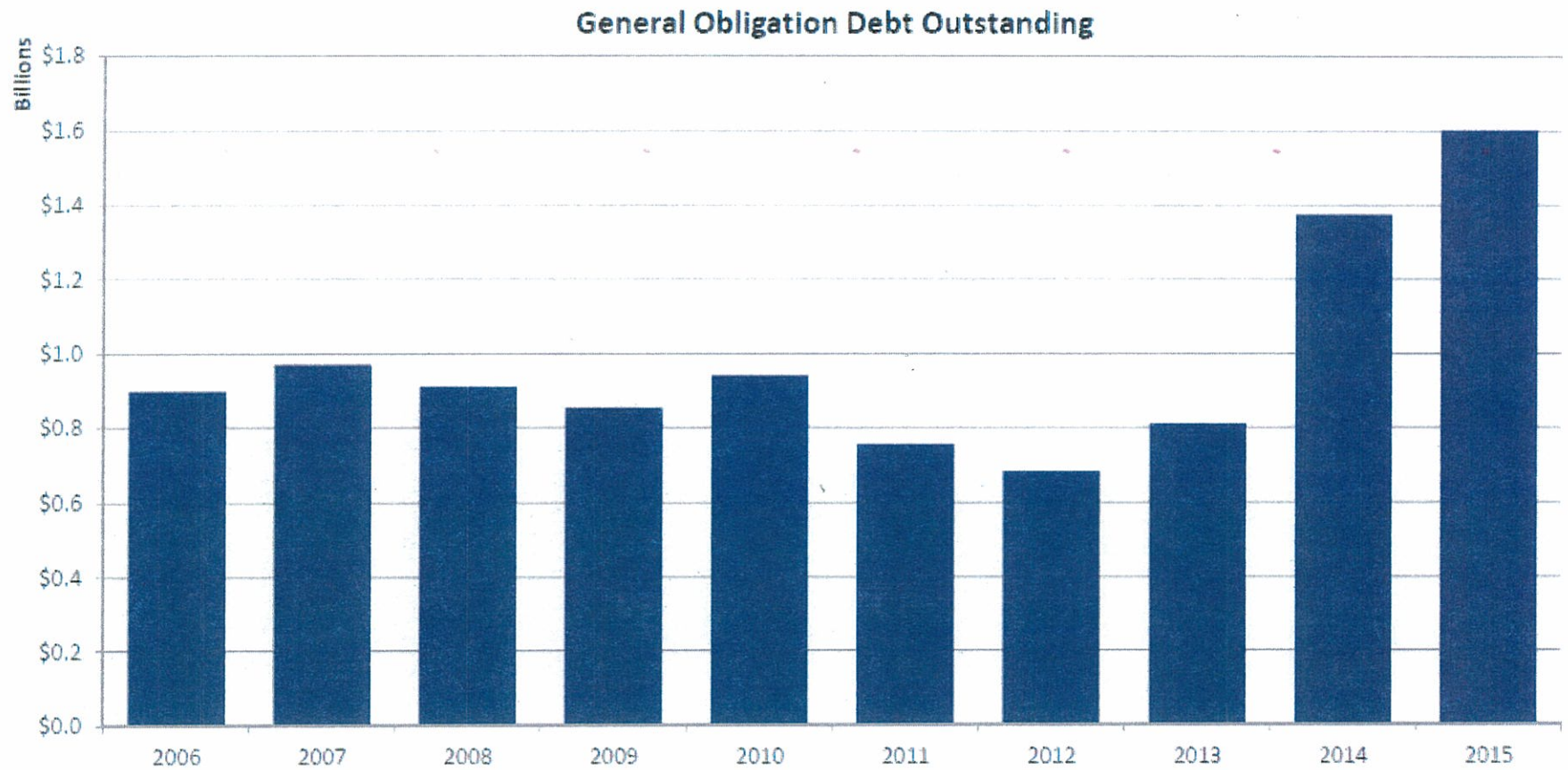
**Table 1**

**Scores And Indicative Credit Level**

<b>Score</b>	<b>Indicative Credit Level</b>
1-1.5	AAA
1.6-1.8	AA+
1.9-2	AA
2.1-2.2	AA-
2.3-2.4	A+
2.5-2.6	A
2.7-3	A-
3.1-4	BBB category

Note: A rating below 'BBB' is possible based on various overriding factors as outlined in paragraphs 11-18.

# HISTORICAL GENERAL OBLIGATION DEBT OUTSTANDING



Historical General Obligation Debt									
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
\$900,402	\$972,193	\$912,295	\$855,599	\$942,722	\$755,868	\$681,698	\$812,213	\$1,373,554	\$1,602,810