



Mourdock says the credit rating upgrade will impact all public entities in the state who borrow money.

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## [UPDATED] Indiana's Credit Rating Hits Historic Mark

*InsideIndianaBusiness.com Report*

[Indiana Treasurer Richard Mourdock says the news will benefit the state financially.](#)

Credit rating agency Standard and Poor's (S&P), citing Indiana's "continued strong management" and economic development efforts, has raised the state's issuer credit rating to AAA, the highest rating it assigns. State officials say it is the first time in history that Indiana has attained S&P's top credit rating. In a news release issued this morning, Indiana Governor Mitch Daniels said, "The experts have certified what Hoosiers know, that Indiana has turned around fiscally and is turning around economically. But our own history and the current tumbles of other states show that continued careful management is key, because it's too easy for these gains to slip away."

Source: [Inside Indiana Business](#)

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#### Press Release

NEW YORK July 18, 2008 ? Standard & Poor's Ratings Services raised its issuer credit rating on the state of Indiana to 'AAA' from 'AA+', reflecting the strong management that has led to improved financial performance and position.

In particular, "property tax reform has realigned state and local spending, clarified the state's responsibilities, and is not expected to impact the state's long-term financial performance," said credit analyst Eden Perry. In addition, "budgeting practices have been strengthened under this administration," she said.

Other positives that the agency noted were:

- Indiana has a stable and diversifying economic base which is becoming less concentrated in manufacturing;
- Its fund balance will grow by the end of the biennium even as it gets caught on up delayed payments to local governments; and
- The state's overall debt is low.



Complete ratings information is available to subscribers of RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at [www.ratingsdirect.com](http://www.ratingsdirect.com). All ratings affected by this rating action can be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com); select your preferred country or region, then Ratings in the left navigation bar, followed by Credit Ratings Search.

Source: Standard and Poor's

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### Press Release

INDIANAPOLIS (July 21, 2008) ? For the first time in the state?s history, Indiana?s credit rating has been raised to AAA, the highest rating assigned by the independent credit rating agency Standard & Poor?s Ratings Service (S&P).

The upgrade from AA+, the state?s rating since January 2006, ?reflects the state?s continued strong management that has led to the property tax reform that has realigned state and local spending and is not expected to impact the state?s long-term financial performance. As well, the state?s commitment to attract diverse jobs through its economic development efforts has translated into a shift away from traditional manufacturing employment,? said the credit agency.

?The experts have certified what Hoosiers know, that Indiana has turned around fiscally and is turning around economically. But our own history and the current tumbles of other states show that continued careful management is key, because it?s too easy for these gains to slip away,? said Governor Mitch Daniels.

The rating increase means, for example, that 228 of the state?s school corporations can borrow money at a lower interest rate.

The report said the administration has made significant financial management changes and strengthened budgeting practices. S&P cited four areas in issuing the AAA credit rating: stable and diversifying economic base despite continued manufacturing concentration; a conservative biennial budget that will add to the fund balance by the end of the biennium; property tax reform that has clarified the state?s financial responsibilities, and low overall debt levels.

Florida, Georgia, North Carolina, Delaware, Virginia, Maryland, Minnesota, Missouri and Utah also have a AAA S&P rating.

Between 2002 and 2004, Indiana?s rating was lowered twice. Beginning in June 2005, it has been raised three times. Indiana?s rating history since 1997: December 18, 1997 to January 18, 2002, AA+ stable; January 18, 2002 to January 20, 2004, AA+ negative; January 20, 2004 to June 29, 2005, AA stable; June 29, 2005 to January 23, 2006, AA positive; January 23, 2006 to July 19, 2008, AA+ stable; beginning July 19, 2008, AAA.

More information is available on Standard & Poor?s Web site at: [www.standardpoors.com](http://www.standardpoors.com).

Source: Office of the Indiana Governor

