State of Louisiana

Division of Administration
Office of the Commissioner

FOR IMMEDIATE RELEASE
Contact: Meghan Parrish, 225-342-7178

Bond Commission Moves Forward With Sale of $200 Million in New GO Bonds

Capital Outlay Project Funding No Longer in Question

BATON ROUGE – Today, the Louisiana State Bond Commission awarded Citigroup Global Markets Inc. the winning bid to sell $200 million in General Obligation (GO) bonds that will fund community projects statewide.

Citigroup's offer was the lowest among several bids. "We continue to receive favorable market rates that allow us to continue ongoing projects and begin important new projects all over the state," said Commissioner of Administration Kristy Nichols. "Today's sale demonstrates our strong financial position."

The projects funded by the new money bond sale include University Medical Center in New Orleans, campus renovations at Grambling State, Louisiana Tech, and LSU, the National World War II Museum and LSU Shreveport's Children's Hospital.

Recently, Fitch Ratings assigned an "AA" rating, Moody's Investor Service assigned an "AA2" rating, and Standard and Poor's assigned an "AA" rating to these new bonds as well as a refunding of previously held bonds. All agencies also described Louisiana's rating outlook as "stable."

Standard & Poor's said, "We believe the state has a strong budgetary framework embedded in balanced budget requirements, frequent revenue and expenditure forecast updates, and broad executive powers and a track record for prompt expenditure adjustments to eliminate deficits."

Fitch stated that the rating reflects "the state's focus on spending control amidst challenged financial operations and an economy that, while heavily reliant on natural resources and the volatile energy industry, has shown slow but steady growth since the recession."

Among the factors in its rationale for its assigned rating, Moody's cited Louisiana's "flexibility to address unexpected budgetary developments mid-year," as well as healthy liquidity and a lower unemployment rate relative to the nation.

###