State of Louisiana

Division of Administration
Office of the Commissioner

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S&P Removes Negative Watch from Several Higher Education Systems

BATON ROUGE - Today, Standard & Poor's (S&P) announced that they have removed the negative watch placed on the credit ratings of several of Louisiana's higher education institutions. Louisiana State University Bogalusa Community Medical Center Project, University of Louisiana at Lafayette, Delgado Community College Foundation, Nicholls State University, and the University of New Orleans Research Foundation were all on what S&P calls "CreditWatch," with negative implications in a report issued in April of this year. This improvement affirms the long-term ratings and underlying ratings on bonds issued by Louisiana's public universities.

The enacted budget for fiscal year 2016 maintains the State's investment in higher education with a 3.8% increase in funding over the last fiscal year. The State has also increased the stability and predictability of the budgeting process for Louisiana's higher education systems and campuses by enacting the SAVE Program, which provides a new recurring, dedicated revenue stream by securing approximately $350 million each year.

"It has always been our goal to keep higher education fully funded. We outlined a path to protect higher education and – with the help of the Legislature – we delivered on that promise," said Commissioner of Administration Kristy Nichols. "This is great news for our higher education systems, and great news for Louisiana. I want to thank S&P for recognizing our hard work and commitment and removing the negative credit watch."

Legislation enacted in the 2015 legislative session also grants higher education systems and institutions the opportunity for administrative and operational autonomies. This includes discretion in procurement, insurance and property management for institutions which meet performance and accountability benchmarks.

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