



Justin P. Wilson, Comptroller

May 26, 2016

Tennessee is Triple-A All the Way

The State of Tennessee now holds the highest bond ratings issued by all three major credit rating agencies. Tennessee's triple triple-A status reflects the extremely strong confidence the rating agencies have in the State's capacity to meet its financial commitments.

The State has been informed that it is now rated AAA by Standard & Poor's Ratings Services. S&P conducted a mid-year review and upgraded Tennessee's rating from AA+ to AAA. The other two rating agencies, Moody's Investors Services and Fitch Ratings, have provided Tennessee with their highest ratings of Aaa and AAA, respectively, since 2010.

S&P's report cited Tennessee's strengthening economy, growing reserves, positive year-to-date performance, and continuous sound management of its long-term liabilities.

Tennessee's preliminary unemployment rate for April 2016 was 4.3%, which is below the U.S. preliminary rate of 5%. Additionally, the Tennessee General Assembly recently appropriated an additional \$100 million to the state's rainy day fund, increasing the fiscal year 2017 balance to \$668 million.

These first-class ratings will translate into lower interest rates when the state borrows money, and may result in substantial savings for taxpayers.

"For the first time since 2000 and for only the second time in state history Tennessee has a triple triple-A rating from the credit ratings agencies, one of 11 states to receive this status," Gov. Bill Haslam said. "The state's Rainy Day Fund is more than double what it was in 2011, and we have the lowest debt per capita of any state, no transportation debt and recently recorded the lowest interest rate in state history. The balanced budget the General Assembly just passed takes on no new debt. This historical accomplishment is a result of the strengthening Tennessee economy and the conservative fiscal strategy implemented by the General Assembly, constitutional officers and this administration. Today's news from Standard and Poor's will save Tennesseans' tax dollars and allow us to continue our efforts to provide the best possible service at the lowest possible cost."

"Tennessee has one of the lowest debt burdens in the country and our elected officials are committed to living within our means," Comptroller Justin P. Wilson said. "Our triple triple-A status is an extraordinary achievement that benefits all Tennesseans."

"Tennessee's low taxes, excellent balance sheet, and reasonable regulations have helped create one of the best business environments in the nation," Secretary of State Tre Hargett said. "The Governor and General Assembly should be commended for the state's financial management."

"Tennessee has one of the highest funded pension plans in the nation, and the General Assembly has appropriated money to fully fund employer contributions since 1972," Treasurer David Lillard said. "The management of our long-term liabilities contributes to these outstanding ratings."

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