

Illinois Earns Credit Upgrade From S&P

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SPRINGFIELD - Governor JB Pritzker today celebrated S&P Global Ratings' upgrade of Illinois bonds. This latest action means that Illinois has received a total of seven upgrades in less than two years under Governor Pritzker. This fiscal progress was achieved due to strong fiscal leadership by Gov. Pritzker and Democrats in the General Assembly.

S&P Global Ratings announced a ratings upgrade to A- for Illinois' General Obligation bonds, its third upgrade of Illinois' bonds since July 2021. The last time Illinois had an A- rating from S&P was before May of 2016. Fitch Ratings upgraded Illinois' bonds by

two notches last spring, the first Fitch upgrade for Illinois' General Obligation bonds since June 2000. Illinois received two upgrades from Moody's Investor Service in two separate actions in April 2022 and June 2021.

"I am thrilled to see our hard work at righting the past fiscal wrongs of our state reflected in today's action by S&P with another credit rating upgrade—the third such upgrade in just two years," said Governor JB Pritzker. "Our continued fiscal responsibility and smart budgeting will save Illinois taxpayers millions from adjusted interest rates, and my partners in the General Assembly and I look forward to building on that success."

The upgrade follows unveiling of the Governor Pritzker's proposed fiscal year 2024 budget which builds on four years of historic progress with balanced budgets, a Budget Stabilization Fund on track to hit \$2.3 billion, elimination of the state's bill backlog and reaching \$1 trillion GDP. The proposed spending plan maintains the Governor's commitment to fiscal responsibility while growing Illinois into an economic powerhouse and makes transformative, generational investments in early childhood education and efforts to fight poverty.

"The upgrade on the GO debt reflects our view that Illinois' commitment and execution to strengthen its budgetary flexibility and stability, supported by accelerating repayment of its liabilities, rebuilding its Budget Stabilization Fund to decade highs; and a slowing of statutory pension funding growth, will likely continue during the outlook period," S&P Global stated.

S&P last upgraded the state's bonds in May 2022 and today's analysis credited the state's recent actions in paying longstanding debts, rapid and early repayment debts taken on during the pandemic-induced recession and transparent reporting both from the Comptroller and the Governor's Office of Management and Budget.

S&P Global upgraded Illinois' rating on its General Obligation bonds to A- (stable outlook) from BBB+ (stable outlook), and also upgraded Build Illinois sales tax bonds to A (stable outlook) from A- (stable outlook).

The rating of a state's bonds is a measure of their credit quality. A higher bond rating generally means the state can borrow at a lower interest rate, saving taxpayers millions of dollars.

Between 2015 and 2017, the State of Illinois suffered eight credit rating downgrades and sat at the top of many analysts' lists of the worst managed states in the nation. At its worst, Illinois' bill backlog hit nearly \$17 billion.