

Delaware's Strong Fiscal Management Again Earns Triple-A Bond Rating

WILMINGTON, Del. – As Delaware officials prepare to issue \$300 million of General Obligation Bonds later this month, the State has again received the highest possible bond ratings. One of only a handful of states granted Triple-A status from each of the four major bond rating agencies, January's ratings from Fitch Ratings, Moody's Investor Services, S&P Global and Kroll Bond Rating Agency (KBRA) all cited Delaware's long history of proactive fiscal management and recent efforts to boost reserves.

The agencies noted the successful efforts of Governor John Carney and the Delaware General Assembly to bolster reserves by creating a new [Budget Stabilization Fund](#) that has a current balance of \$126 million with S&P stating that "we believe the state can maintain better credit characteristics than the U.S. in a stress scenario."

"Over the last three years, we have climbed out of a \$400 million budget deficit to create a \$200 million dollar surplus," said **Governor John Carney**. "These are funds that will ensure Delaware has the flexibility to continue making improvements to our schools, our local economy, and the overall health of our state."

The ratings agencies cited Delaware's improving economy including the State's growing banking, health care, and incorporations industries, as well as the acceleration of investment activity at the Port of Wilmington, the STAR Campus at the University of Delaware, and logistics facilities in Newport and Delaware City.

Moody's stated that "Delaware has exhibited strong budget

management throughout this extended period of national economic expansion. Its conservative budgeting practices helped to rapidly rebuild its financial resilience after the Great Recession and to maintain strong balances and financial cushion.”

KBRA’s rating noted Delaware’s “strong financial position and liquidity and a diverse economy anchored by financial services, chemicals and related industries, the healthcare sector and higher education.” Fitch stated that Delaware “has exceptional financial resilience and institutionalized protections are designed to ensure surplus operations.”

Ratings agencies assign status based on criteria that includes trends in that state’s economy, its government’s financial performance and management, debt load, long-term costs, and political structure. States whose status indicates that they have the ability to meet debt obligations during periods of recession or fiscal stress, or are able to adapt quickly to such conditions, are granted the highest ratings. Additionally, the higher a state’s credit rating, the lower their cost to repay the bonds.

“Delaware’s triple-A ratings are the result of the sustained hard work of all three branches of State government, all of whom share the same goal, to operate our State as efficiently as possible while ensuring the financial security of current and future generations of taxpayers,” said **Finance Secretary Rick Geisenberger**.

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