



**SCOTT MEACHAM
OKLAHOMA STATE TREASURER**

For Immediate Release: September 8, 2008

Standard & Poor's Raises State Bond Rating

Treasurer Meacham says change means more efficient government

OKLAHOMA CITY – For the first time in 47 years, Standard & Poor's Ratings Services (S&P) has raised the State of Oklahoma's General Obligation (GO) bond rating, State Treasurer Scott Meacham announced today.

Meacham, who also serves as Cabinet Secretary for Revenue and Finance, said the improved rating of "AA+" by S&P means lower borrowing costs for financing public infrastructure projects. S&P Analyst James Breeding said that since 1961, Oklahoma's GO rating had been "AA."

In a news release announcing its rating enhancement, S&P said the action comes in response to Oklahoma's "strengthened financial policies and positive action by the state legislature to address the large unfunded liability in the state pension systems."

Meacham said talks he and Governor Brad Henry had with S&P analysts in New York last year appear to have made a difference.

"The points cited by S&P echo exactly what the governor and I told them in August of last year," Meacham said. "Our key points were the continued strength and diversification of Oklahoma's economy, the initiative we led to address the unfunded liability of the Teachers Retirement System and our careful management of state funds through closely guarding the Rainy Day Fund and controlling spending."

Meacham said the improved rating means Oklahoma citizens will benefit by the state paying lower interest rates on public financing for capital improvement projects.

"State tax dollars will go farther, thanks to this higher rating," Meacham said. "The borrowing costs of making essential public improvements will be reduced, freeing up funding for other areas."

The state's Rainy Day Fund has not been tapped since 2003 and has been at its constitutional cap for four consecutive years. The fund currently contains \$596.6 million. Legislation passed in the past few years is steadily reducing the unfunded liability of the Teachers Retirement System – previously considered one of the worst funded public pension systems in the nation.

(more)

The S&P release pointed out that since mid-2004 employment gains in Oklahoma have remained steady with the creation of more than 35,000 new jobs during the past two years. Meanwhile, the state's unemployment rate of 3.3 percent remains below the national rate. Forecasts have overall employment gains at roughly one percent annually over the next five years, the release said.

“This rating change, coming as the majority of the country is facing economic downturn, is further testament to Oklahoma's resilient economy,” Meacham said. “It is also confirmation of our careful and responsible stewardship of public funds.”

Oklahoma's rating of AA+ is higher than several surrounding states, including Texas, Colorado, Louisiana and Arkansas.

#

For more information contact:

Tim Allen, Deputy Treasurer for Policy and Administration, (405) 522-4212