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STATE TREASURER OF OHIO

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Credits Treasurer Josh Mandel's conservative investment strategy and careful financial management as key factors

COLUMBUS

— Amidst yesterday's news of Fitch downgrading the United States' outlook from stable to negative, Ohio Treasurer Josh Mandel is announcing Fitch giving the highest possible short term rating of F1+ for Ohio's general obligation (GO) bonds. Fitch credited the Ohio

Treasurer's conservative investment strategy and careful financial management as key factors in making this decision.

Fitch also cited notable increases in the state treasurer's liquidity account, even amidst a struggling economy and tepid national growth, as well as the state's bolstering of its once depleted rainy day fund.

"As

Treasurer I have focused on tightening the belt of government, reducing budget costs by streamlining operations and eliminating waste, and being a watchdog over Ohio taxpayers' hard earned money.

We have made tough decisions to ensure that even amidst economic volatility, Ohio taxpayer dollars are protected," said Treasurer Mandel. "State lawmakers in Ohio have tackled budget deficits and spending imbalances head on, and our credit ratings have improved as a result. In the Treasurer's office

we have worked hard to optimize the state's liquidity portfolio, which has also contributed to these positive credit ratings."

Fitch

Ratings affirmed the F1+ short-term rating on Ohio's approximately \$650.7 million adjustable rate GO bonds, for which the Treasurer's office provides liquidity. The F1+ rating is Fitch's best quality grade, and indicates an exceptionally strong capacity for timely payment of financial commitments.

In

Fitch's credit summary that accompanied the release of Ohio's F1+ rating, they noted, "The rating reflects the strength of the state's general obligation credit, the ample liquidity provided by investments in the state treasurer's



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liquidity account, and the procedures in place to insure timely payment of optional tenders of bonds that have not been remarketed." They also noted, "The investment profile is conservative as the fund is invested in U.S. Treasury and agency securities, highly rated commercial paper, and money market funds."

Fitch

also cites Ohio's improved budget stabilization fund balance in their rating. Ohio's budget stabilization fund reached a low point in 2009 under previous administrations when the fund had been depleted down to just \$0.89.

In

July, Ohio's AA+ credit rating outlook was raised by Standard & Poor's from "negative" to "stable," in part because of conservative management of debt in the Treasurer's office.

This rating was given even as S&P issued a historic downgrade of the federal government.

In

August, the State Treasury Asset Reserve of Ohio (STAR Ohio) - a \$4 billion pooled investment fund for government subdivisions ranging from municipalities to school districts - received the highest rating possible from S&P, AAAM, even as 14 similar state and local government investment pools were downgraded.

Related Resources:

View [the Fitch Ratings Press Release: "Fitch Affirms Ohio's Adjustable Rate GO Bonds with State Liquidity at 'F1+' Treasurer's Local Government Investment Fund, STAR Ohio, Receives Highest Rating from Standard & Poor's](#)
View [the Fitch Ratings Press Release: Fitch Affirms United States at 'AAA'; Outlook Revised to Negative](#)

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