Delaware's Series 2016A And B General Obligation Bonds Rated 'AAA'; Other Ratings Affirmed

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NEW YORK (Standard & Poor's) Feb. 12, 2016--Standard & Poor's Ratings Services has assigned its 'AAA' rating, and stable outlook, to Delaware's general obligation (GO) bonds, series 2016A and 2016B. At the same time, Standard & Poor's affirmed its 'AAA' rating, with a stable outlook, on Delaware's GO debt outstanding and its 'AA+' long-term rating, and stable outlook, on the state's appropriation debt outstanding.

The rating reflects what we view as the state's:

Relatively diverse economy, which continues to expand at a modest pace
and in line with national trends;

Strong financial and budget management;

Consistently strong general fund reserves and liquidity even during recessionary periods;

Moderate overall debt burden, with what we consider strong debt
management policies in place; and

Well-funded pension system and progress in addressing other
postemployment benefits liabilities, which are significant.

The 2016A and 2016B bonds are secured by the general obligation of the state
and its full faith and credit pledge. We understand that 2016A bond proceeds
will be used to fund various capital facilities and that the series 20163
(alternative minimum tax) bonds will be used to fund Port of Wilmington
projects.

"The stable outlook reflects what we view as the state's healthy reserve and
liquidity position, which has been relatively stable over a range of economic
cycles," said Standard & Poor's credit analyst Eden Perry.

Proactive budget management has been a key to Delaware's credit stability and
we believe that this will be an important consideration over our two-year
outlook horizon, given the forecasted modest pace of economic recovery and
spending pressures in key program areas of education and health care. Although
not likely, if the state's reserve position was to decline precipitously this
could put downward pressure on the rating.

RELATED CRITERIA AND RESEARCH

Related Criteria

USPF Criteria: Assigning Issue Credit Ratings Of Operating Entities, May
20, 2015
Criteria: Use of CreditWatch And Outlooks, Sept. 14, 2009

USPF Criteria: Debt Statement Analysis, Aug. 22, 2006

USPF Criteria: Financial Management Assessment, June 27, 2006

USPF Criteria: Appropriation-Backed Obligations, June 13, 2007

Ratings Above The Sovereign: Corporate And Government Ratings-Methodology And Assumptions, Nov. 19, 2013

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at www.spcapitaliq.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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