

Example of Rating Criteria

US States			
Broad Rating Factors	Weighting	Rating Sub-Factors	Weighting
Economy	20%	Income	10%
		Industrial Diversity	5%
		Employment Volatility	5%
Governance	30%	Financial Best Practices	15%
		Financial Flexibility/Constitutional	
		Constraints	15%
/		Revenues	10%
Finances	30%	Balances and Reserves	10%
		Liquidity	10%
Debt	<u>20%</u>	Bonded Debt	10%
		Adjusted Net Pension Liabilities	<u>10%</u>
Total	100%	Total	100%

- The criteria are not static as each state is unique, and Alaska is in particular different from most other states.
- Additional factors include growth expectations, poverty rates, conservative governance, political polarization, structural imbalance, cash flow borrowing, pension liabilities/funding efforts, borrowing on behalf of local governments