



Commission on Government Forecasting and Accountability

703 Stratton Ofc. Bldg., Springfield, IL 62706

MONTHLY BRIEFING FOR THE MONTH ENDED: JUNE 2016

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REVENUE: FY 2016 Federal Sources Weak While Other Revenues Finish Close to Expectations

Jim Muschinske, Revenue Manager

Overall base revenues fell \$172 million in June when compared to the same month last year. The majority of the decline was attributed to the corporate income tax, in part to due to continued adjustments made by the Department of Revenue related to the previous incorrect allocation of the personal property replacement tax. The Department explains that they have been adjusting PPRT receipts monthly to estimate the correct income tax/replacement tax split for pass-through withholding while the system/programming changes are made. June had the same number of receipting days as last year.

For the month, the gross corporate income tax fell \$257 million, or \$231 million net of refunds. Inheritance tax took a surprising dive in June, falling \$25 million. Other sources declined by \$21 million, while public utility taxes dipped \$12 million.

Gross personal income taxes were up \$75 million, or \$68 million net of refunds, and \$66 million net of the Advancement of Education Fund and Commitment to Human Services Fund. Sales taxes managed to grow \$28 million last month, while insurance taxes posted gains of \$15 million. Corporate franchise taxes rose \$7 million, interest income \$2 million, and liquor taxes \$1 million.

Overall transfers fell \$109 million in June. The decline reflects \$49 million in fund sweeps executed last year. Lottery transfers dropped \$13 million, riverboat transfers were down \$3 million, while all other transfers were off \$44 million.

Despite growing \$107 million in June, Federal sources continued to disappoint. During FY 2016, reimbursable spending predominately shifted to the Healthcare Provider Relief Fund, rather than GRF.

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Year End

Excluding last year's interfund borrowing as well as the Budget Stabilization Fund transfer, base general funds finished down \$5.515 billion. The drop reflects comparatively lower income tax rates for the first part of the fiscal year, the one-time nature of some pharmaceutical court settlements recovered by the Attorney General's Office last fiscal year, no fund sweeps, and the dismal performance of federal sources.

Gross personal income taxes were down \$2.383 billion, \$2.107 billion net of refunds, or \$2.539 billion when diversions to the education and human service funds are included. Gross corporate income taxes finished behind last year's receipting by \$795 million, or \$718 million net of refunds. Other sources were \$159 million lower, public utility taxes were off \$80 million, inheritance taxes fell \$27 million, while corporate franchise taxes declined \$4 million and vehicle use \$2 million.

Excluding last year's \$1.284 billion in funds sweeps, overall transfers were down \$118 million. While the Refund Fund transfer was up \$14 million, riverboat transfers were down \$15 million, lottery transfers were off \$2 million, and all other transfers fell \$115 million.

Federal sources finished down \$665 million compared to last fiscal year. Federal sources to the general funds have been off the expected pace for all of the fiscal year. A contributing factor to the poor year for general funds federal source performance has been a large amount of Medicaid bills being paid from the

Healthcare Provider Relief Fund, rather than the GRF. [Federal reimbursement is deposited into the fund from which it was spent]. Through June, \$1.640 billion more in federal sources has been receipted into the HPRF when compared to the same period last fiscal year. It would not be surprising to see a continued emphasis in reimbursable spending from non-general funds in the future.

Review of FY 2016 Revenue Estimates

The table on page 5 displays and compares the last official forecasts presented in Feb/March by both CGFA and the DoR/GOMB. Since the total of the two forecasts were separated by a scant \$15 million, the overall variance of the estimates compared to actuals was virtually the same. However, for the most part, the Commission's forecasts outperformed those of IDoR/GOMB. On a net basis, CGFA's estimate of net personal income tax was only off by 0.8 percent, as opposed to the IDoR/GOMB's variance of 4.3%. While both forecasts overestimated corporate income tax by a similar amount, CGFA's estimate of sales tax was only off by 0.2 percent, while IDoR/GOMB's estimate was off by a still respectable 1 percent.

The demands placed on the general funds budget shifted much of reimbursable spending from the general funds to non-general funds, namely the Healthcare Provider Relief Fund. As a result, CGFA's federal source estimate fell short by just over \$1 billion, while GOMB's estimate was nearly \$1.5 billion short of expectations.

JUNE
FY 2016 vs. FY 2015
(\$ million)

Revenue Sources	June FY 2016	June FY 2015	\$ CHANGE	% CHANGE
State Taxes				
Personal Income Tax	\$1,521	\$1,446	\$75	5.2%
Corporate Income Tax (regular)	134	391	(\$257)	-65.7%
Sales Taxes	733	705	\$28	4.0%
Public Utility Taxes (regular)	68	80	(\$12)	-15.0%
Cigarette Tax	29	29	\$0	0.0%
Liquor Gallonage Taxes	15	14	\$1	7.1%
Vehicle Use Tax	3	3	\$0	0.0%
Inheritance Tax	9	34	(\$25)	-73.5%
Insurance Taxes and Fees	78	63	\$15	23.8%
Corporate Franchise Tax & Fees	20	13	\$7	53.8%
Interest on State Funds & Investments	4	2	\$2	100.0%
Cook County IGT	0	0	\$0	N/A
Other Sources	157	178	(\$21)	-11.8%
Subtotal	\$2,771	\$2,958	(\$187)	-6.3%
Transfers				
Lottery	59	72	(\$13)	-18.1%
Riverboat transfers & receipts	17	20	(\$3)	-15.0%
Proceeds from Sale of 10th license	0	0	\$0	N/A
Refund Fund transfer	0	0	\$0	N/A
Fund sweeps	0	49	(\$49)	N/A
Other	58	102	(\$44)	-43.1%
Total State Sources	\$2,905	\$3,201	(\$296)	-9.2%
Federal Sources	\$212	\$105	\$107	101.9%
Total Federal & State Sources	\$3,117	\$3,306	(\$189)	-5.7%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	(\$151)	(\$144)	(\$7)	4.9%
Corporate Income Tax	(\$29)	(55)	\$26	-47.3%
Fund for Advancement of Education	(\$30)	(29)	(\$1)	3.4%
Commitment to Human Services Fund	(\$30)	(29)	(\$1)	3.4%
Subtotal General Funds	\$2,877	\$3,049	(\$172)	-5.6%
Short-Term Borrowing	\$0	\$0	\$0	N/A
Interfund Borrowing	\$0	\$454	(\$454)	N/A
Budget Stabilization Fund Transfer	\$0	\$0	\$0	N/A
Total General Funds	\$2,877	\$3,503	(\$626)	-17.9%
CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding				5-Jul-16

GENERAL FUNDS RECEIPTS: YEAR END

FY 2016 vs. FY 2015

(\$ million)

Revenue Sources	FY 2016	FY 2015	CHANGE FROM FY 2015	% CHANGE
State Taxes				
Personal Income Tax	\$15,299	\$17,682	(\$2,383)	-13.5%
Corporate Income Tax (regular)	2,334	3,129	(\$795)	-25.4%
Sales Taxes	8,063	8,030	\$33	0.4%
Public Utility Taxes (regular)	926	1,006	(\$80)	-8.0%
Cigarette Tax	353	353	\$0	0.0%
Liquor Gallonage Taxes	170	167	\$3	1.8%
Vehicle Use Tax	30	32	(\$2)	-6.3%
Inheritance Tax	306	333	(\$27)	-8.1%
Insurance Taxes and Fees	398	353	\$45	12.7%
Corporate Franchise Tax & Fees	207	211	(\$4)	-1.9%
Interest on State Funds & Investments	24	24	\$0	0.0%
Cook County IGT	244	244	\$0	0.0%
Other Sources	534	693	(\$159)	-22.9%
Subtotal	\$28,888	\$32,257	(\$3,369)	-10.4%
Transfers				
Lottery	677	679	(\$2)	-0.3%
Riverboat transfers & receipts	277	292	(\$15)	-5.1%
Proceeds from Sale of 10th license	10	10	\$0	0.0%
Refund Fund transfer	77	63	\$14	22.2%
Fund sweeps	0	1,284	(\$1,284)	N/A
Other	550	665	(\$115)	-17.3%
Total State Sources	\$30,479	\$35,250	(\$4,771)	-13.5%
Federal Sources	\$2,665	\$3,330	(\$665)	-20.0%
Total Federal & State Sources	\$33,144	\$38,580	(\$5,436)	-14.1%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	(\$1,493)	(\$1,769)	\$276	-15.6%
Corporate Income Tax	(\$362)	(\$439)	\$77	-17.5%
Fund for Advancement of Education	(\$458)	(\$242)	(\$216)	N/A
Commitment to Human Services Fund	(\$458)	(\$242)	(\$216)	N/A
Subtotal General Funds	\$30,373	\$35,888	(\$5,515)	-15.4%
Short-Term Borrowing	\$0	\$0	\$0	N/A
Interfund Borrowing	\$0	\$454	(\$454)	N/A
Budget Stabilization Fund Transfer	\$125	\$275	(\$150)	-54.5%
Total General Funds	\$30,498	\$36,617	(\$6,119)	-16.7%
SOURCE: Office of the Comptroller, State of Illinois: Some totals may not equal, due to rounding.				
CGFA				
5-Jul-16				

FY 2016 Actuals vs. CGFA & IDOR/GOMB Estimates

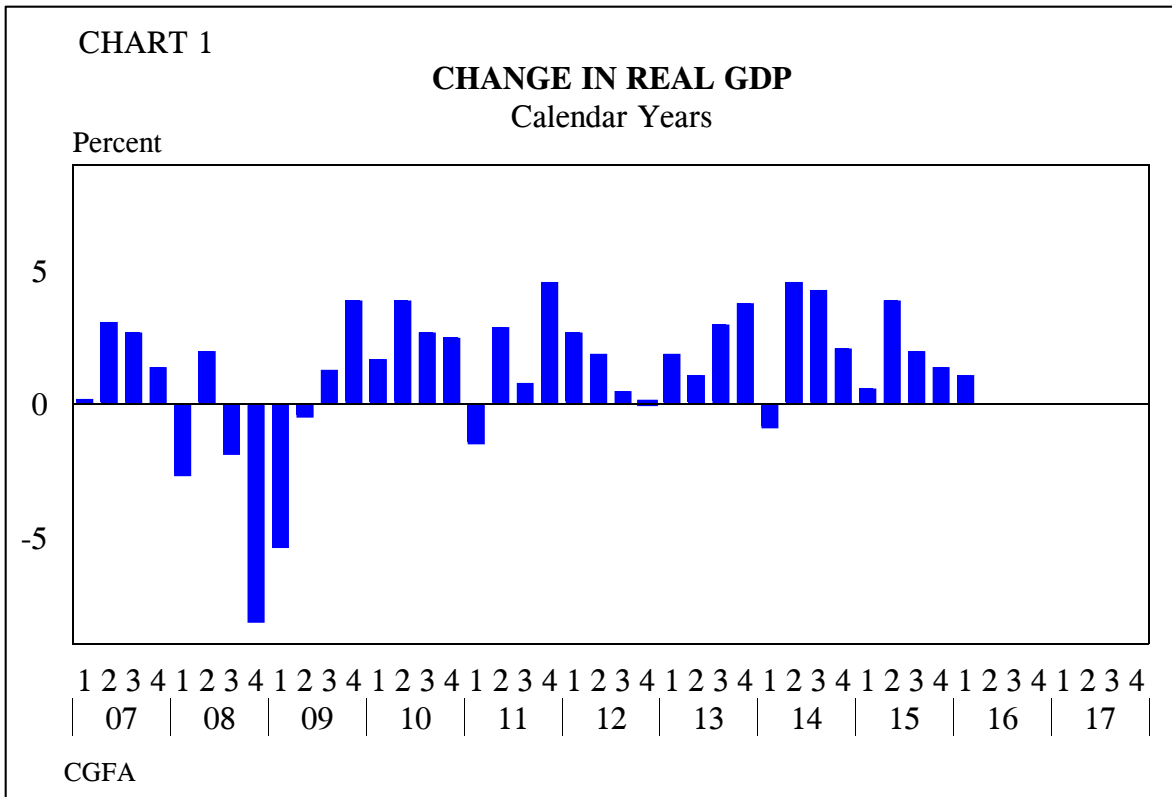
(\$ millions)

	ACTUAL FY 2016	CGFA EST. March-16 FY 2016	DIFFERENCE ACTUALS FROM ESTIMATE	IDOR/ GOMB EST. Feb-16 FY 2016	DIFFERENCE ACTUALS FROM ESTIMATE
Revenue Sources					
State Taxes					
Personal Income Tax	\$15,299	\$15,173	\$126	\$14,644	\$655
Corporate Income Tax (regular)	\$2,334	\$2,700	(\$366)	\$2,690	(\$356)
Sales Taxes	\$8,063	\$8,050	\$13	\$8,140	(\$77)
Public Utility (regular)	\$926	\$958	(\$32)	\$977	(\$51)
Cigarette Tax	\$353	\$355	(\$2)	\$355	(\$2)
Liquor Gallonage Taxes	\$170	\$168	\$2	\$168	\$2
Vehicle Use Tax	\$30	\$34	(\$4)	\$29	\$1
Inheritance Tax	\$306	\$345	(\$39)	\$275	\$31
Insurance Taxes & Fees	\$398	\$365	\$33	\$355	\$43
Corporate Franchise Tax & Fees	\$207	\$211	(\$4)	\$202	\$5
Interest on State Funds & Investments	\$24	\$25	(\$1)	\$19	\$5
Cook County Intergovernmental Transfer	\$244	\$244	\$0	\$244	\$0
<u>Other Sources</u>	<u>\$534</u>	<u>\$511</u>	<u>\$23</u>	<u>\$511</u>	<u>\$23</u>
Subtotal	\$28,888	\$29,139	(\$251)	\$28,609	\$279
Transfers					
Lottery	\$677	\$691	(\$14)	\$692	(\$15)
Riverboat transfers & receipts	\$277	\$280	(\$3)	\$271	\$6
Proceeds from sale of 10th license	\$10	\$10	\$0	\$10	\$0
Refund Fund transfer	\$77	\$77	\$0	\$77	\$0
Fund Sweeps	\$0	\$0	\$0	\$0	\$0
Inerfund Borrowing	\$0	\$0	\$0	\$0	\$0
<u>Other</u>	<u>\$550</u>	<u>\$590</u>	<u>(\$40)</u>	<u>\$616</u>	<u>(\$66)</u>
Total State Sources	\$30,479	\$30,787	(\$308)	\$30,275	\$204
Federal Sources	\$2,665	\$3,711	(\$1,046)	\$4,161	(\$1,496)
Total Federal & State Sources	\$33,144	\$34,498	(\$1,354)	\$34,436	(\$1,292)
Nongeneral Funds Distribution:					
Refund Fund					
Personal Income Tax	(\$1,493)	(\$1,479)	(\$14)	(\$1,428)	(\$65)
Corporate Income Tax	(\$362)	(\$410)	\$48	(\$409)	\$47
Fund for Advancement of Education	(\$458)	(\$456)	(\$2)	(\$444)	(\$15)
Commitment to Human Services Fund	(\$458)	(\$456)	(\$2)	(\$444)	(\$15)
Subtotal General Funds	\$30,373	\$31,697	(\$1,324)	\$31,712	(\$1,339)
Short Term Borrowing	\$0	\$0	\$0	\$0	\$0
Interfund Borrowing	\$0	\$0	\$0	\$0	\$0
Budget Stabilization Fund Transfer	\$125	\$125	\$0	\$125	\$0
Total General Funds	\$30,498	\$31,822	(\$1,324)	\$31,837	(\$1,339)

ECONOMY
Mid-Year Events Raise New Challenges
 Edwards H. Boss, Jr. – Chief Economist

The surprising vote in Britain to exit from the European Union, increased uncertainty in the stock market; rising terrorist attacks spreading to Belgium, Florida and Turkey; a delay in Federal Reserve implementation on its path to interest rate normalization, combined with sluggish U.S. growth all raise questions of how the second half of the year will evolve. A weak first quarter growth this year mirrored that of the previous two years. A major difference, however, as shown in the accompanying chart, is that the slow first quarter growth in those two prior years followed a strengthening in the second half of the previous year. This time, the weakening in the first quarter of 2016 followed a slowing in economic activity in the second half of 2015 rather than a strengthening.

The final revision to 1st quarter 2016 GDP growth released on June 28th showed that real GDP edged up at a modest annual rate of 1.1%. That was up from the advance estimate of 0.5% and a second estimate of 0.8%, based on more complete information. The 1.1% gain followed an extremely slow 1.4% increase in the final quarter of 2015. Contributing to 1st quarter 2016 growth were personal consumption expenditures, albeit the smallest increase in a year, residential investment aided by low mortgage rates, state and local government spending and exports. Reducing growth were business fixed investment spending, private inventories, federal government spending and increased imports, which act as a subtraction from growth.



Growth probably improved in the quarter just ended prior to the British vote and the uncertainties brought with it such as a sharp upturn in precious metal prices, a plummeting value of currencies with a strengthening in the value of the U.S. dollar, as well as expectations the Federal would postpone any near-term move toward further normalization of key interest rates.

Even while 2nd quarter GDP may rise faster, no sharp rebound is anticipated. Just prior to the British vote, the Federal Reserve Bank of Philadelphia polled 42 forecasters who had lowered their median GDP estimate for the 2nd quarter 2016 to 2.1% from 2.5%.

Beyond the 2nd quarter, the Economics Group at Wells Fargo Bank in a recent report stated, *“Despite the recent rebound in the financial markets, we believe the decision by British voters to leave the European Union will lead to slower growth in the United States during the second half of this year.”* Even so, according to IHS Global Insight, odds of a mild recession in the U.S. are at only 20%. For the year as a whole, its current most likely GDP forecast for 2016 is for U.S GDP growth of 1.9%. This compares to growth of 2.4% in both 2014 and 2015. This continues to be the slowest recovery in the post WWII period as well as being one of the longest.

INDICATORS OF ILLINOIS ECONOMIC ACTIVITY

<u>INDICATORS *</u>	<u>May 2016</u>	<u>April 2016</u>	<u>May 2015</u>
Unemployment Rate (Average)	6.4%	6.6%	5.9%
Annual Rate of Inflation (Chicago)	0.3%	7.5%	0.3%
<hr style="border: 2px solid black;"/>			
	<u>LATEST</u> <u>MONTH</u>	<u>% CHANGE</u> <u>OVER PRIOR</u> <u>MONTH</u>	<u>% CHANGE</u> <u>OVER A</u> <u>YEAR AGO</u>
Civilian Labor Force (thousands) (May)	6,660.4	-0.1%	2.4%
Employment (thousands) (May)	6,233.6	0.1%	1.8%
NonFarm Payroll Employment (May)	6,004,800	-2,500	46,400
New Car & Truck Registration (May)	49,711	-1.5%	-8.0%
Single Family Housing Permits (May)	1,088	9.5%	-1.5%
Total Exports (\$ mil) (April)	4,895	-5.0%	-8.9%
Chicago Purchasing Managers Index (June)	56.8	15.2%	14.9%

* Due to monthly fluctuations, trend best shown by % change from a year ago

Interfund Borrowing Repayment Changed

Lynnae Kapp, Senior Analyst

Public Act 98-0682 allowed for the transfer of up to \$650 million from special funds of the State to the General Revenue Fund (GRF) in FY 2015. On June 30, 2015, \$454 million in Interfund Borrowing was transferred to the General Revenue Fund from the following funds. The borrowing was required to be paid back to the funds of origin within 18 months after the date on which they were borrowed.

As part of the FY2017 Stopgap Budget Implementation Act [PA99-0523], the requirement for GRF to pay back these amounts was eliminated.

	FY 2015 Interfund Borrowing	June 2015
0016	Teacher Certificate Fee Revolving Fund	\$2,000,000
0044	Lobbyist Registration Administration Fund	\$1,000,000
0093	IL State Medical Disciplinary Fund	\$5,000,000
0119	Foreclosure Prevention Program Graduated Fund	\$3,000,000
0159	ISBE Teacher Certificate Institute Fund	\$1,000,000
0209	State Police Firearm Services Fund	\$6,000,000
0246	State Police Vehicle Fund	\$2,000,000
0285	Long Term Care Monitor/Receiver Fund	\$2,000,000
0292	Securities Investors Education Fund	\$5,000,000
0299	Open Space Lands Acquisition & Development Fund	\$40,000,000
0362	Securities Audit & Enforcement Fund	\$4,000,000
0371	Equality in Long-Term Care Quality Fund	\$5,800,000
0539	Death Penalty Abolition Fund	\$8,000,000
0550	Supplemental Low Income Energy Assistance Fund	\$75,000,000
0568	School Infrastructure Fund	\$179,000,000
0640	Fund for Advancement of Education	\$17,681,000
0644	Commitment to Human Services Fund	\$60,000,000
0697	Roadside Memorial Fund	\$1,375,000
0731	IL Clean Water Fund	\$2,000,000
0733	Tobacco Settlement Recovery Fund	\$15,000,000
0796	Nuclear Safety Emergency Preparedness Fund	\$1,500,000
0845	Environmental Protection Trust Fund	\$1,000,000
0891	Foreclosure Prevention Program Fund	\$2,000,000
0906	State Police Services Fund	\$5,000,000
0962	Park and Conservation Fund	\$10,000,000
	TOTAL	\$454,356,000

June 2016 Bond Sale and Downgrades

Lynnae Kapp, Senior Analyst

BOND SALES

The State sold \$550 million in General Obligation bonds in June of 2016, after lowered bond ratings from two ratings agencies (see following page). Illinois had ten bids and received a true interest cost of 3.7425% even with its widest spread yet--185 basis points for the 10-year prices over the Municipal Market Data's AAA benchmark. Market participants stated that Illinois priced its bonds at the perfect time, when the wide spreads were countered by historically low interest rates. "The market is flush with cash and an infusion of global interest against a backdrop of record low interest rates that have investors in search of income opportunities... 'For investors looking for yield this is relatively attractive'." [*Illinois Reaps Benefit of Market Timing*, The Bond Buyer, June 20, 2016]

The State last sold General Obligation bonds in January 2016 for \$480 million, which had been the first bond sale in 20 months. Bond ratings had been lowered a few months before that sale, by all three ratings agencies. Interest rate penalties at that time were expected to be high, but with a drop in demand for stocks and an increase in demand for high yield bonds, the State received a true interest cost of 3.9989%. This rate was lower than the last competitive sale in April 2014 of 4.082%, even though the state's spreads were wider, due to a lower interest rate environment. [*Munis Weaken as BAML Wins 4480M Illinois GOs*, The Bond Buyer, January 15, 2016]

BOND SALES								
DATE	BOND SALE TYPE	AMOUNT	TAXABLE v. TAX- EXEMPT	NEGOTIATED v. COMPETITIVE SALE	TRUE INTEREST COST	S&P	FITCH	MOODY'S
FY 2014								
Jun/Jul-13	GO bonds	\$1.3 billion	tax-exempt	negotiated	5.042%	A-	A-	A3
Dec-13	GO bonds	\$350 million	taxable	competitive	5.397%	A-	A-	A3
Feb-14	GO bonds	\$1.025 billion	tax-exempt	negotiated	4.063%	A-	A-	A3
Mar-14	BI bonds	\$402 million	taxable	competitive	4.271%	AAA	AA+	A3
Apr-14	GO bonds	\$250 million	tax-exempt	competitive	4.082%	A-	A-	A3
May-14	GO bonds	\$750 million	tax-exempt	negotiated	4.096%	A-	A-	A3
FY 2016								
Jan-16	GO bonds	\$ 480 million	tax-exempt	competitive	3.999%	A-	BBB+	Baa1
Jun-16	GO bonds	\$550 million	tax-exempt	competitive	3.743%	BBB+	BBB+	Baa2

DOWNGRADES BY MOODY'S AND S&P

On June 8, 2016, Moody's Investors Service downgraded Illinois' General Obligation Bonds and Build Illinois Bonds one level from Baa1 to Baa2. "The rating downgrade reflects continuing budget imbalance due to political gridlock that for more than a year has kept Illinois from addressing revenue lost due to income tax cuts that took effect in January 2015. The state's structural budget gap equals at least 15% of general fund expenditures, if the state's underfunding of pension contributions is included. If this gap continues into a significant portion of the coming fiscal year, it will put pressure on operating fund liquidity and add to an already sizable bill backlog. We project that the backlog will surpass prior peak levels (about \$10 billion) in coming months, in the absence of a consensus on a budget that offsets the loss of revenue from the 2015 tax cuts. The potential for economic underperformance or unplanned liquidity demands heightens the risk of further financial weakening. Illinois benefits from a large and diverse economic base, legal provisions that ensure continued payment on debt even with no enacted budget, and powers common to US states, such as freedom to increase revenues or constrain spending. However, the long-running partisan standoff is impeding Illinois' ability to exercise these powers or to make progress addressing unfunded retiree benefit liabilities that far exceed those of other states."

On June 9, Standard & Poor's Global Ratings lowered Illinois General Obligation Bonds to BBB+ from A- with a negative outlook. "The downgrade reflects the state's weakened financial management and fiscal position and our view that Illinois' continued delay in developing a long-term plan to address its liabilities is placing increased pressure on the rating...[T]he duration of this mismanagement has undermined Illinois' credit profile and impeded its ability to address its long-term liabilities...The negative outlook reflects our view that Illinois is particularly susceptible to any unanticipated economic stress or revenue underperformance and that its ability to maintain adequate debt-paying capacity is becoming increasingly challenged the longer the political gridlock in Springfield plays out."

Illinois has five swaps on \$600 million of floating-rate debt, which is currently negatively valued at \$155 million. If the State reaches a BBB-/Baa3 rating level, it will trigger the swaps to default. With Moody's the State is only one level above termination. One of the five counterparties to the swap, Deutsche Bank has agreed to lower the termination rating to BB/Ba2, giving the State more leeway. Deutsche Bank accounts for \$99 million of the \$155 million negative value on the swap. [*Illinois Reaps Benefit of Market Timing*, The Bond Buyer, June 20, 2016]

Moody's also downgraded the Metropolitan Pier and Exposition Authority's Expansion bonds from Baa2 to Baa3 due to the Authority's reliance on state appropriations of MPEA tax revenue to pay debt service. S&P also downgraded the MPEA, lowering their rating to BBB from BBB+ with a negative outlook.

TABLE 14 ILLINOIS' GENERAL OBLIGATION RATINGS HISTORY

Date of Rating Action	Fitch		S&P		Moody's	
	Rating	up/down	Rating	up/down	Rating	up/down
June 2016			BBB+	↓1x	Baa2	↓1x
October 2015	BBB+	↓1x			Baa1	↓1x
June 2013	A-	↓1x			A3	↓1x
Jan 2013			A-	↓1x		
Aug 2012			A	↓1x		
Jan 2012					A2	↓1x
Jun 2010	A	↓1x			A1	↓1x
Mar-Apr 2010	A-/A+ recal	↓1x/↑2x			Aa3 recal	↑2x
Dec 2009			A+	↓1x	A2	↓1x
Mar-Jul 2009	A	↓2x	AA-	↓1x	A1	↓1x
Dec 2008	AA-	↓1x				
May 2003	AA	↓1x			Aa3	↓1x
Jun 2000	AA+	↑1x				
Jun 1998					Aa2	↑1x
Jul 1997			AA	↑1x		
Feb 1997					Aa3	↑1x
Sep 1996	AA	<i>initial rating</i>				
Feb 1995					A1	↓1x
Aug 1992			AA-	↓1x	Aa*	↓1x
Aug-Sep 1991			AA	↓1x	Aa1	↓1x*
Mar 1983			AA+	↓1x*		
Feb 1979			AAA	<i>initial rating</i>		
1973					AAA	<i>initial rating</i>

Agency Ratings Comparison	
Fitch/S&P	Moody's
AAA	Aaa
AA+	Aa1
AA	Aa2
AA-	Aa3
A+	A1
A	A2
A-	A3
BBB+	Baa1
BBB	Baa2
BBB-	Baa3
BB+	Ba1
BB	Ba2
BB-	Ba3
B+	B1
B	B2
B-	B3
CCC+	Caa1
CCC	Caa2
CCC-	Caa3
CC	Ca
C	C

Note: "recal" means recalibration, when Fitch and Moody's revised their ratings on municipal bonds to match global/corporate ratings. These are not considered upgrades.

*Moody's rating of Aa was before that level had modifiers of Aa2 and Aa3, so it was considered one level inbetween AA1 and A1