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KBRA Revises Outlook for Board of Ed of Chicago Ultd Tax GO Bonds (Dedicated Rev) Series 2016 A&B & Ultd Tax GO Bonds (Dedicated Alt Rev) to Positive

Kroll Bond Rating Agency (KBRA) has affirmed the BBB long-term rating and revised the Negative Outlook to Positive for the Board of Education of the City of Chicago (“Board”) Unlimited Tax General Obligation Bonds (Dedicated Revenues) Series 2016 A&B. Concurrently, KBRA has affirmed the BBB- rating and revised the Negative Outlook to Positive for the Board’s outstanding unlimited tax bonds. The rating distinction reflects an opinion reviewed by KBRA external counsel that pledged property taxes under the Alternate Revenue structure would likely be treated as special revenues in a Chapter 9 proceeding. This opinion was only provided in conjunction with the Series 2016 A&B Bond issuance. The rating actions are summarized below.

The Positive outlook reflects KBRA’s assessment of recent reforms that have provided the Board with additional State and local resources to re-build reserves, re-establish structural balance and improve liquidity, while reducing reliance on short-term borrowing and non-recurring sources. The hold harmless provision of the State’s new school funding formula, provides significant budget flexibility, and operations have additionally been abetted by an increase in local sources. KBRA will closely monitor operational and financial performance during the course of the current fiscal year.

To read the full press release, [click here](#).