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## **S&P U.S. Charter Schools Rating Actions, First-Quarter 2021.**

During the first quarter of 2021 (Jan. 1-Mar. 31), S&P Global Ratings changed its rating or revised its outlook on 13 charter schools (six of these ratings were initially assigned) while maintaining 27 ratings.

The five positive rating actions taken during the quarter reflect an optimistic start to 2021. There were four positive outlook revisions and one upgrade in the first quarter, compared with only four upgrades and three positive outlook revisions in all of 2020. These actions reflect our recently revised stable view of the charter school sector. Revenue pressure at the state level has not materialized, and state budgets will likely be buoyed by federal stimulus in the near term, safeguarding per-pupil funding for now (see “State, Local Government, School District, and Charter School Sector Views Revised Back to Stable,” published March 24, 2021, on RatingsDirect). The positive rating actions in the first quarter were characterized by strengthening financial and demand profiles. New ratings are on pace with last year as well, with six new ratings assigned in 2021 to date.

Negative rating actions have outpaced positive ones over the past several years. We took two negative rating actions in the first quarter of 2021. In one instance, we revised the outlook to negative from stable on an issuer with maximum annual debt service coverage below 1x. In another, we placed the rating on CreditWatch with negative implications, based on the immediate refinancing risk associated with a bullet maturity.

The following tables summarize S&P Global Ratings’ quarterly rating actions, outlook revisions, and maintained ratings for U.S. charter schools. The rating actions, outlook revisions, and maintained ratings are based on our “U.S. Public Finance Charter Schools: Methodology And Assumptions” criteria, published Jan. 3, 2017.

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