

Bond Case Briefs

Municipal Finance Law Since 1971

Duval County School District, Florida: Fitch New Issue Report

Key Rating Drivers Revenue Framework: 'bbb': District general fund operations are reliant on state aid funding and enrollment. Revenue prospects are expected to continue to trend below inflation as traditional enrollment (excluding charters) is projected to be relatively flat, offset by expectations for moderate increases in per pupil state aid. The district has limited legal ability to raise revenues. Expenditure Framework: 'aa': Instructional costs are the main driver of expenditures, and overall spending is expected by Fitch to grow above the pace of revenues absent policy action. The district has strong legal control over workforce decisions and low-to-moderate carrying costs related to debt service and retiree benefits obligations. Long-Term Liability Burden: 'aaa': The district's long-term liability burden associated with direct and overlapping debt and Fitch-adjusted net pension liabilities is low at 7.5% of residents' personal income. Fitch expects the burden to remain low based on the district's lack of additional planned debt and moderate changes in overlapping debt of Jacksonville, which comprises the bulk of the overlapping governmental debt. The district participates in the adequately funded Florida Retirement System. Operating Performance: 'a': The district's financial resilience had weakened considerably between fiscal years 2011 and 2017 due to changes in state aid and policies and declines in enrollment. Administrative changes and improved budget actions led to improved reserves, but they remain below historical levels.

ACCESS REPORT

Tue 08 Nov, 2022 - 3:20 PM ET