

# Bond Case Briefs

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## S&P U.S. Local Governments Credit Brief: New York School Districts

### **Overview**

New York school districts have continued to exhibit stable credit quality over the past several years, in part due to the significant federal stimulus aid received as a response to the COVID-19 pandemic. In total, New York School Districts received nearly \$1 billion in temporary federal aid in fiscal 2022. Furthermore, increased Foundation Aid funding for many school districts across the state further supported the overall fiscal health of the portfolio. Given these dynamics, S&P Global Ratings expects credit quality for New York school districts to remain stable in the near term despite a shallow recession predicted for the first half of 2023.

S&P Global Ratings maintains ratings on roughly 323 New York school districts. Overall, since April 2022 school district credit quality has remained stable, with two school districts experiencing rating movement due to strengthened financial position:

Hamilton Central School District rating was raised to 'A+' from 'A' on strengthened financial position;

New Rochelle City School District rating was raised to 'AA' from 'AA-' on strengthened financial position.

Additional recent rating actions of note include an outlook revision for Sherburne-Earlville Central School District to stable from negative in November 2022 due to improved reserves; Weedsport Central School District's outlook revised to stable from negative in November 2022 on improved reserves and liquidity. The ratings of 10 school districts within the portfolio have been withdrawn because of retirement of those entities' debt obligations and six new ratings were added. Currently, all 323 of our ratings in this portfolio have a stable outlook.

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