

# **Bond Case Briefs**

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## **Northside Independent School District (TX) - Fitch New Issue Report**

Key Rating Drivers Revenue Framework: 'a': Fitch expects the natural pace of revenue growth to be solid given ongoing flat enrollment growth and additional state aid allocations for the district's large economically disadvantaged and special populations. The district's statutorily limited independent legal revenue raising ability is common to Texas school districts. Expenditure Framework: 'aa': The natural pace of spending growth is expected to remain in line or modestly above that of revenues. Expenditure flexibility is derived from management's control over workforce costs and moderate carrying costs, reflecting state support for retiree benefits. Fitch expects the district's carrying costs, driven primarily by debt service, to remain moderate based on issuance plans in relation to expected growth in the district's operating budget. Long-Term Liability Burden: 'aa': Long-term liabilities are moderate at approximately 14% of personal income. Fitch expects the burden to remain moderate as population and income growth are likely to be aligned with additional debt needs. The district's net pension liability is modest. Operating Performance: 'aaa': The district's strong history of operating surpluses, maintenance of robust reserve levels and solid expenditure flexibility leave it well positioned to address future cyclical downturns. Strong financial management practices underpin the district's history of favorable operating performance.

### **ACCESS REPORT**

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