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New Jersey School District That Threatened Bankruptcy Has Rating Cut.

Takeaways

- The Toms River Regional School District's bond rating was cut two notches by S&P Global Ratings after local officials discussed filing for bankruptcy.
- S&P analysts wrote that there is "ongoing governance risk" that the district could indicate an intention to file for bankruptcy in the future or experience a significant reduction in reserves.
- Toms River Schools Business Administrator William Doering said the ratings move is "yet another fallout of the district being pushed to the brink of bankruptcy" after the NJDOE took over $175 million in aid from the district.

The Toms River Regional School District had its bond rating slashed two notches by S&P Global Ratings after local officials discussed filing for bankruptcy instead of adopting a budget that would have raised taxes.

The rating company cut the local board of education's grade to A from AA- and placed the credit under review for a possible further downgrade, according to a release late Tuesday.

Toms River school board members opted not to pass a budget that would have hiked property taxes at the end of June, and Board President Ashley Lamb authorized staff to consult with bankruptcy attorneys and begin the process of filing for Chapter 9 protection.

Continue reading.

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