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Media Release

Moody's and Standard & Poors affirm bond ratings for Charleston County School District

Office of Communications

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Charleston, SC - Moody's Investors Service has assigned an Aa3 rating to Charleston County School District's (CCSD) Installment Purchase Revenue Refunding Bonds (Charleston County School District, South Carolina Project), Series 2024, which have a proposed par amount of roughly $65.2 million. The bonds will be issued through the Charleston Educational Excellence Financing Corporation (CEEFC), SC. Additionally, Moody's maintains the district's Aa2 issuer rating, which is rated one notch higher than the CEEFC. Following the new issuance, the district's installment purchase revenue bond (IPRB) debt will total approximately $374 million. The outlook for the district's long-term ratings is stable.

Standard & Poors (S&P Global Ratings) assigned its "AA-" long-term rating to Charleston Educational Excellence Financing Corporation (CEEFC), S.C.'s $65.2 million series 2024 installment purchase revenue refunding bonds, which is the same transaction previously referenced. At the same time, S&P Global Ratings affirmed its "AA-" long-term rating on the CEEFC's previously issued installment purchase revenue bonds supported by the district. Finally, S&P Global Ratings affirmed its "AA" long-term rating and underlying rating on the district's general obligation (GO) bonds outstanding. The outlook is positive.

According to Daniel Prentice, CCSD's Chief Financial Officer, the district is a good steward of financial resources overall. He detailed that these bonds were originally issued to fund costs associated with the development of Academic Magnet High School, Sanders-Clyde Elementary School, and Sullivan's Island Elementary School. As a result of strong bond ratings and improved interest rates, the transaction will save taxpayers an estimated $5.1 million over the remaining term of the outstanding debt.

"These bond ratings affirm that CCSD is on the right financial track as they take into consideration our FY2025 budget, inclusive of a sustainable budgeted use of fund balance, in order to better align with state and local policy requirements," said Prentice.

Additional news to note

In addition, S&P Global Ratings cited the district's robust reserve position and track record of surpluses to underpin the rating and outlook. The district's operational surpluses and improved budgetary assumptions in recent years have bolstered total available reserves to levels considered very strong.

According to S&P, the positive results from FY2023 were primarily due to conservative budget assumptions and strong tax base growth. An additional surplus to close out FY2024, with an approximate $52.7 million addition to the fund balance, further supported their view.

The district expects to spend down a portion of its fund balance through FY2028 as reserves exceed both state and district policy requirements.

The district is also rolling out a new Weighted Student Funding model that aims, in part, to sustain recent academic achievements made from new programs established with federal Elementary and Secondary School Emergency Relief (ESSER) funds. To fund the new model, officials anticipate gradually reducing reserves to the policy threshold (16.6% of next year's operating budget) by 2028. The district FY2025 budget reflects a $62 million utilization of fund balance for the new funding model and for continuing newly created programs from ESSER funds.

For more information, contact the Office of Communications at (843) 937-6303.

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About the Charleston County School District

Charleston County School District (CCSD) is a nationally accredited school district committed to providing equitable and quality educational opportunities for all its students. CCSD is the second-largest school system in South Carolina and represents a unique blend of urban, suburban, and rural schools spanning 1,300 square miles along the coast. CCSD serves approximately 50,000 students in 88 schools and specialized programs.

CCSD offers a diverse portfolio of educational options and specialized programs delivered to the students of CCSD through neighborhood, magnet, IB (international baccalaureate), Montessori, and charter schools and programs. Rich educational opportunities for students include programs in science, technology, engineering, and mathematics (STEM); music and other creative and performing arts; career and technical preparation programs; military; dual credit; and many more.