BPA Focus 2028
Managing for Financial Health

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What is the Cost of Poor Financial Health?

Credit Spreads for Tax-Exempt Bonds
20-Year Maturity

Spread to AAA MMD (basis points)
Chicago Board of Education

Borrowing entity for Chicago Public Schools (CPS)

- $6.9 Billion in outstanding debt
- CPS serves approximately 400,000 students
- Bond ratings of B1/B+/B+ are below investment grade

Comments from recent rating reports:

**Moody’s** –
- “Precarious liquidity position”
- “Debt and Pension Burdens are well above average”

**Standard & Poor’s** –
- “Reliance on market access to meet operating and debt service obligations in 2016”

**Fitch** –
- “Severe operating imbalance”
- “Little to no independent ability to raise revenues”
- “Poor Labor History”
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