

U.S. Charter Schools Fiscal 2020 Medians: Despite Pandemic, Financial Metrics Continue Positive Trend

July 12, 2021

Key Takeaways

- While median enrollment levels remained relatively stable in fiscal 2020, most median financial metrics continued to demonstrate improvement.
- Charter schools in Utah and Colorado continue to lead the sector in certain median financial metrics, supporting a median rating of 'BBB-', followed by schools in Texas and California with a median rating of 'BB+'.
- Size continues to support higher ratings generally for networks versus single-site charter schools.
- We expect fiscal 2021 medians to better capture the impact of the pandemic on schools' financial and demand profiles.

S&P Global Ratings saw some strengthening in median metrics across its 297 rated charter schools in fiscal 2020, despite a slight uptick in the proportion of speculative-grade ratings overall. These improvements among key financial median metrics reflect a maturing sector supported by a stable-to-growing per-pupil funding environment. Following COVID-19 closures toward the end of fiscal 2020, drastic per-pupil funding cuts largely did not materialize as originally feared. At the same time, some of our rated entities reported expense savings as a result of the transition to remote learning in spring 2020. However, we believe most of the growth across our charter medians remains organic.

Generally, enrollment seemed to rise among many of our rated schools in fall 2020 as the pandemic fueled greater demand for charter schools with flexibility on hybrid or in-person learning approaches. Nevertheless, home school or private options did hamper enrollment growth for some charter schools, particularly in the lower grades. We expect one-time revenues and expenses related to the pandemic, along with varied enrollment stories, to flow through schools' financial statements in fiscal 2021, which may have a material impact on fiscal 2021 median results.

In our view, charter schools will benefit in the short term from substantial federal funding. While these funds are one-time in nature, we believe they will afford most schools the financial flexibility to manage any revenue shortfalls and recoup additional expenses related to the pandemic. We will continue to monitor how management teams across the sector use these funds to support their

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respective organizations. For more information related to our view of how economic conditions and federal stimulus affect the charter sector, please see our commentary, "State, Local Government, School District, And Charter School Sector Views Revised Back to Stable," published March 24, 2021, on RatingsDirect.

Charter Schools: By The Numbers

1,090

Median fiscal 2020 enrollment figure



3.3 million



Number of students attending charter schools nationwide*

25%

Percentage of rated universe that received a paycheck protection program (PPP) loan



2x



Federal relief Elementary and Secondary School Emergency Relief Fund (ESSER) III funds will be double the amount of ESSER II funds for most charter schools

\$1.3 billion

Total amount of PPP loans issued for charter schools nationwide*



1 in 5



Charter school students who face hurdles accessing the internet§

26



States plus D.C. with rated charter schools



1991

When the first charter school law was enacted (in Minnesota)

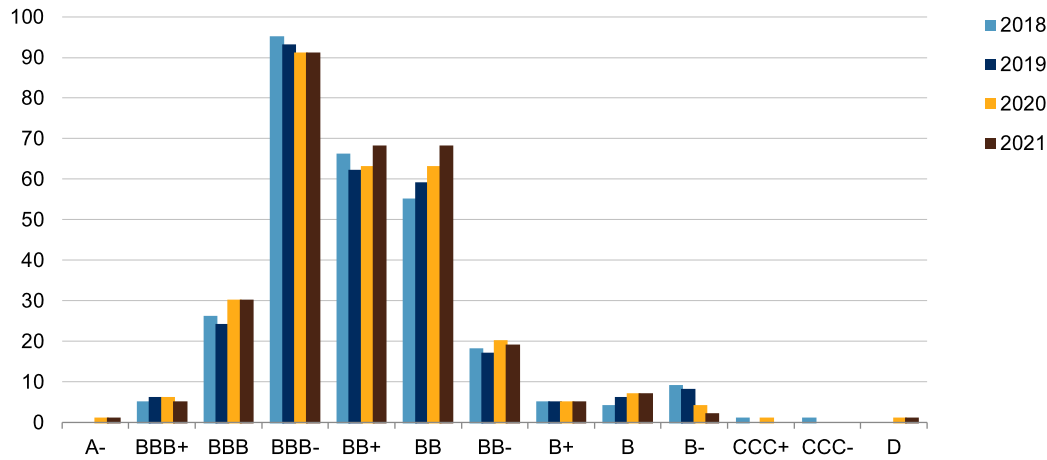
*Melissa Chang, Sources: Good Jobs First and S&P Global Ratings.
§National Charter School Alliance.
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Rated Charter School Universe Continues To Expand

Charter school ratings currently range from 'A-' to 'D' (see Chart 1). The proportion of investment-grade ratings in 2021 decreased marginally compared with 2020, to 42.4% from 43.8%. This trend is consistent with previous years. However, the composition of issuers in our portfolio continues to grow and change (see Table 1). Notably, our number of charter school ratings increased by 12% from 2015 to 2020, as more charter schools have gained access to capital markets.

Chart 1

U.S. Charter School Ratings Distribution As Of June 30, 2021



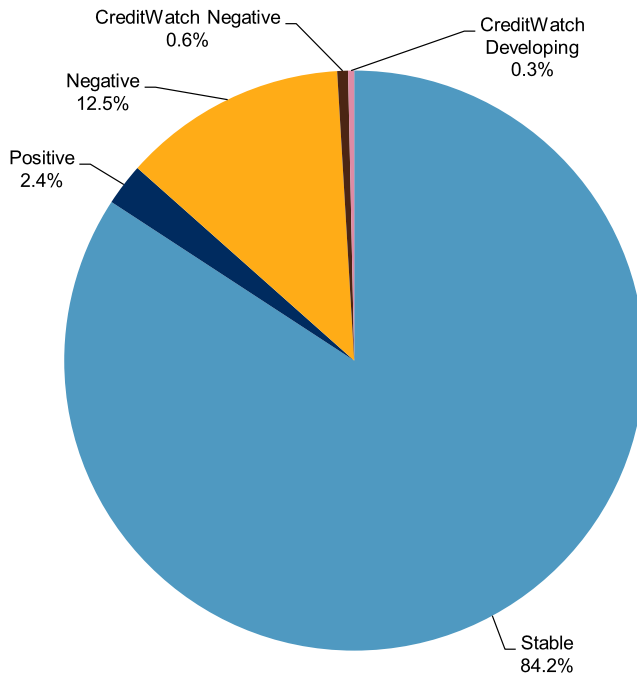
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The nature of the charter school sector lends itself to inherent risk and volatility, where charter nonrenewal or revocations can affect credit quality swiftly. We continue to closely monitor all our rated schools' charter contracts and understand that all of our rated schools up for renewal in 2021 have successfully been renewed, with the exception of one credit currently awaiting news from its authorizer.

As many charter schools' enrollment pictures stabilize and federal relief begins to bolster balance sheets, our charter school outlook distribution looks somewhat rosier than this time last year. In May 2020, 14% of charter schools were on negative outlook and none were on positive outlook. As of June 30, 2021, 12% of our rated universe is on negative outlook, with 2% on positive outlook (see Chart 2). Ten positive rating actions occurred in the second quarter of 2021 alone, pointing to the start of a post-pandemic recovery.

Chart 2

U.S. Charter Schools Outlook Distribution As Of June 30, 2021



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The Methodology Behind Our Median Calculations

S&P Global Ratings produced these medians from fiscal 2020 audited results for charter schools with public ratings based on its charter schools criteria. For organizations where our group rating methodology criteria applies, we have included financials of either the obligated group or the consolidated group, depending on which we believe are more meaningful to the rating outcome based on the relationship between the obligated group and consolidated group.

These medians are not requirements for any particular rating, but rather reflect the sector's general credit trends at the specified levels. As economic conditions and the number of rated schools change, so will the reported medians. We view financial ratio analysis as important in our assessment of a charter school's credit quality. However, it is just one of many factors we assess. Our ratings encompass a variety of enterprise profile and other qualitative factors (demand and competition, academic performance, management and governance, growth plans, local area demographics, state legislatures, and charter structure) that are all key to our analysis. We publish these medians as general benchmarks and measures to observe broader industry trends. Credit analysis involves an assessment of many qualitative factors that are beyond the scope of this article. Therefore, these medians should not be considered thresholds to achieve a particular rating.

How medians have changed

While sectorwide medians for fiscal 2020 remained similar to previous years' results (see Table 1), several key metrics improved. Schools' demand profiles strengthened somewhat, as evidenced by enrollment growth and steady waitlist and retention ratios. Operationally, schools overall saw stronger margins and lease-adjusted maximum annual debt service (MADS) coverage. Balance sheets grew and most debt ratios improved, except for debt per student. These medians also reflect changes in our rating universe as issuers move in or out of the universe.

Anecdotally, many of our rated charter schools experienced increased demand amid the pandemic. Charter schools overall responded nimbly to the crisis last spring and were able to swiftly adopt the technology necessary for virtual learning. Enrollment growth and federal relief from ESSER I, II, and III, along with stable-to-growing state budgets, will likely support schools' operations and liquidity positions in fiscal 2021 and beyond. Thus, we may see inflated medians metrics in the coming fiscal years, and we will consider how to adjust for one-time funding, though schools' long-term growth will be most influenced by continued economic stability and demographic shifts.

Table 1

Charter School Sectorwide Medians

	2020	2019	2018	2017	2016	2015
No. of issuers	297	287	282	282	277	265
Enrollment	1,090	1,053	1,084	1,020	979	945
Waitlist (% of enrollment)	22.4	24.6	26.8	29.1	29.5	31
Student retention rate (%)	89	89	89	90	90	N.A.
EBIDA margin (%)	15.36	15.5	15.19	15.24	15.73	15.6
Excess margin (%)	4.67	3.96	3.93	3.47	3.51	3.8
Lease-adjusted MADS coverage (x)	1.51	1.46	1.4	1.36	1.38	1.4
Current MADS (\$000s)	1,492	1,333	1,405	1,332	1,259	1,282
Lease-adjusted MADS burden (% of revenue)	11.3	11.6	12.1	12.4	12.7	N.A.
Days' unrestricted cash on hand	126.0	117.9	111.1	109.3	100.5	91
Unrestricted cash and investments to debt (%)	23.5	21	19.4	17.7	16.1	16.2
Unrestricted net assets (% expenses)	30.4	26.9	25.1	24.9	24.6	20
Debt per student (\$)	15,376	14,424	14,714	14,592	14,581	13,693
State revenue per student (\$)	8,173	7,842	7,432	7,253	7,205	6,976
Total expense per student (\$)	10,493	10,231	9,627	9,239	9,144	8,879
Total revenue (\$000s)	13,154	11,740	11,258	10,282	9,431	N.A.
Debt to capitalization (%)	82.6	84.96	85.9	87	87.6	89.5

MADS--Maximum annual debt service. N.A.--Not available.

Financial medians continue to improve across rating levels

As in past years, several financial medians generally tended to improve with credit quality in fiscal

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2020 (see Table 2). Notable exceptions to this trend are state revenue per student and total expense per student, which do not appear to be correlated with rating level and are more likely tied to state funding or regional cost-of-living factors, which ultimately incorporate key demographic characteristics unique to each region.

While entities rated 'BBB' and higher tend to have a size advantage by serving significantly more students, the medians for 'BBB-' and 'BB+' enrollment levels are about the same. Size alone does not determine a rating, but we believe that more modest operations, particularly those below 400 students, are riskier creditwise, given that they have less financial flexibility and are more susceptible to demand profile fluctuations. Most financial metrics also improve higher up the rating scale, which is in line with our expectations and consistent with previous trends.

Table 2

Fiscal 2020 Charter School Medians By Rating

	BBB+/BBB	BBB-	BB+	BB	BB-	B+/B/B-
No. of credits	35	90	68	67	20	14
Enrollment	2,918	1,189	1,057	874	768	807
Waitlist (% of enrollment)	31.3	31.3	20.9	15.2	7.3	0.0
Student retention rate (%)	89.5	90.0	90.6	87.5	85.8	76.0
EBIDA margin (%)	14.64	16.09	15.93	16.00	12.04	13.29
Excess margin (%)	6.70	5.97	3.87	3.84	4.59	0.55
Lease-adjusted MADS coverage (x)	2.07	1.68	1.46	1.38	1.15	1.06
Current MADS (\$000s)	2,479	1,374	1,823	1,354	1,308	1,271
Lease-adjusted MADS burden (% of revenue)	7.90	10.35	12.25	12.70	13.60	13.35
Days' unrestricted cash on hand	204.4	161.8	115.2	95.2	75.4	72.7
Unrestricted cash and investments to debt (%)	48.2	31.8	23.5	14.4	11.9	12.9
Unrestricted net assets (% expenses)	69.1	40.9	27.3	25.0	11.6	5.4
Debt per student (\$)	10,359	13,582	16,560	18,540	18,740	16,155
State revenue per student (\$)	8,589	7,878	8,204	7,917	8,538	8,281
Total expense per student (\$)	10,806	9,760	11,163	10,181	10,016	10,563
Total revenue (\$000s)	33,232	13,500	14,768	9,796	11,685	8,754
Debt to capitalization (%)	65.8	78.7	83.7	87.9	94.6	96.0

MADS--Maximum annual debt service. Since we only have one rating at 'A-', no medians reported for that rating level.

We continue to see that the variability in financial metric trends remain at the lower rating medians ('BB-' rating and the 'B' category). This is due to the significantly smaller sample size within these categories and the many factors behind the rating at this level stemming from structural or strained financial operations, or challenges related to the enterprise profile, which could incorporate a poor authorizer relationship.

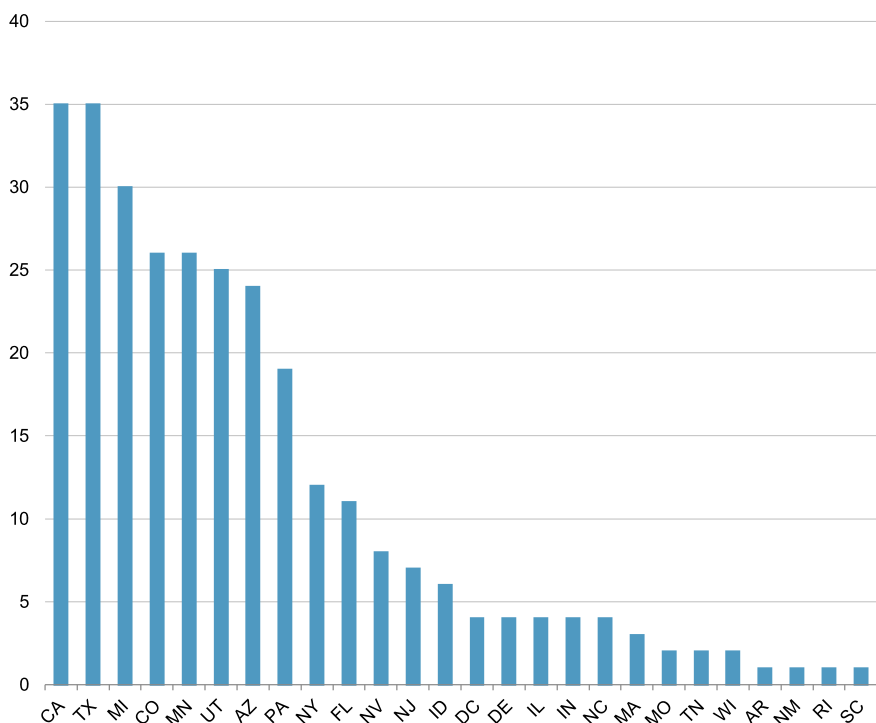
While enrollment levels were up this year compared with last year, schools continue to maintain a lower waitlist as a percentage of total enrollment for the third consecutive year. This could be a factor of more schools in our rated universe maturing, which generally leads to softer waitlists due to fewer available seats for potential new students.

Enrollment and state funding remain key factors underlying state medians

Our coverage of charter school public ratings spans 25 states and the District of Columbia (D.C.; see Chart 3). California and Texas continue to have the largest number of publicly rated charter schools. Also, some states have large charter school networks, with multiple schools supporting a single rating. This results in higher enrollment, operating bases, and total revenue medians. Chart 3 reflects the number of obligated groups supporting rated debt, and not the number of schools or networks.

Chart 3

U.S. Charter School Ratings By State As Of June 30, 2021



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Table 3 provides medians for the states where we have at least 10 ratings.

- New York, Pennsylvania, California, and Minnesota have the highest costs per student and Utah has the lowest. Supported by plentiful facilities funding from the state's lease aid, Minnesota has the highest debt per student, followed by Pennsylvania, which directly relates to these states' greater expenses.
- Utah and Colorado schools continue to have the lowest expenses per student, partially due to lower costs of financing through their state credit enhancement programs and relatively higher excess margins, lease-adjusted MADS coverage, and unrestricted cash ratios. New York's unrestricted cash and excess margins medians are inflated by one school with six years' liquidity, with plans to spend down 70% of cash toward the purchase a new facility.

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- Texas and Arizona schools also have pooled credit enhancement programs that lower their costs of financing and exhibit relatively lower expense per student, supporting relatively higher enrollment levels compared with other states, except for California and Florida.
- California, Pennsylvania, Texas, and Utah generally continue to exhibit higher financial metrics and, not surprisingly, higher median ratings compared with state peers.
- Michigan schools continue to exhibit the lowest median ratings, tied to relatively low medians for unrestricted cash levels, lease-adjusted MADS coverage, waitlists (generally nonexistent), and excess margins compared with those from other states. Additionally, Michigan statute limits the use of per-pupil funding on debt service to 20%, and many charter schools in the state are relatively small, in our opinion, serving high-needs students in low socioeconomic areas with declining demographic trends, primarily population.

Table 3

Charter School Medians By State

	Arizona	California	Colorado	Florida	Michigan	Minnesota	New York	Pennsylvania	Texas	Utah
No. of issuers	24	36	26	11	29	26	11	19	35	25
Median rating	BB+	BB+	BBB-	BBB-	BB	BB+/BB	BBB-	BB+	BB+	BBB-
Enrollment	1,464	1,638	804	1,717	802	780	830	886	1,672	998
Waitlist (% of enrollment)	17.6	17.8	31.4	39.9	0.1	8.4	86.3	82.5	27.3	31.2
Student retention rate (%)	89.0	90.1	90.2	94.0	86.0	89.0	90.5	95.0	86.0	85.0
EBIDA margin (%)	17.69	10.67	19.26	12.95	13.17	13.60	21.71	12.50	14.81	19.60
Excess margin (%)	4.96	4.67	7.93	1.80	2.63	1.67	14.34	4.41	4.60	6.26
Lease-adjusted MADS coverage (x)	1.30	1.45	1.87	1.30	1.30	1.22	2.11	1.58	1.65	1.60
Current MADS (\$000s)	1803	2425	1264	1460	820	1284	2163	1649	2079	852
Lease-adjusted MADS burden (% of revenue)	15.3	9.5	10.1	12.5	10.6	12.2	14.2	9.3	11.8	12.4
Days' unrestricted cash on hand	107.1	139.1	197.1	180.7	74.1	108.8	276.5	113.5	118.2	158.5
Unrestricted cash and investments to debt (%)	12.5	33.0	32.9	35.5	17.1	17.2	47.8	23.6	20.9	24.0
Unrestricted net assets (% expenses)	13.5	46.0	43.8	43.8	24.8	23.4	92.4	27.5	13.7	39.5
Debt per student (\$)	17,745	13,192	13,659	7,629	11,259	23,112	26,195	19,794	16,400	14,327

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Table 3

Charter School Medians By State (cont.)

	Arizona	California	Colorado	Florida	Michigan	Minnesota	New York	Pennsylvania	Texas	Utah
State revenue per student (\$)	7,688	9,747	7,835	7,253	7,858	8,296	15,632	14,247	9,396	7,397
Total expense per student (\$)	8,877	12,943	9,503	8,029	9,977	12,644	15,427	14,850	10,643	7,786
Total revenue (\$000s)	13,350	21,278	9,190	12,570	7,620	10,150	15,237	16,608	18,127	7,915
Debt to capitalization (%)	93.4	67.9	78.8	79.0	83.1	89.0	54.3	80.8	89.2	82.0

MADS--Maximum annual debt service.

For further state-specific information, please see our most recent charter brief reports on New Jersey, New York, and California.

Medians by authorizer type show largely consistent metrics

Table 4 includes a breakout of medians by authorizer type. Based on the medians, charter schools with a state or local agency authorizer and school district authorizer have more favorable key financial metrics, like coverage and days' unrestricted cash, than those authorized by other authorizer types. We believe that this is primarily enrollment-driven, as these authorizers generally operate in areas with larger enrollment, in states like Arizona, Colorado, Texas, California and Utah, which helps improve these medians. Larger enrollment generally leads to more funding availability based on per-pupil funding appropriated by each state and potentially better margins and potentially healthier liquidity as schools grow materially higher than break-even enrollment levels. We view stable relationships between charter schools and authorizers as a key credit factor, since they help support an environment that allows charter schools to improve their financial operations while supporting the instructional needs of growing populations. Conversely, we view unfavorable relationships as negative credit factors, as they can materially limit a charter school's ability to successfully operate and could even lead to closure of the charter organization if the charter is not renewed. We see this potential conflict in areas where demographic trends demonstrate declining enrollment trends and relatively scarce financial resources as compared with regions with positive demographic trends, as they are a major factor in determining per-pupil funding. Poor academic performance, lack of internal controls, limited governance, and weak financials are other factors that could lead to an adverse charter/authorizer relationship.

Table 4

Charter School Medians By Authorizer

	State or local agency	School district	University, college, and other not-for-profits
No. of issuers	138	93	66
Enrollment	1,403	1,149	780
Waitlist (% of enrollment)	29.4	29.4	3.5

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Table 4

Charter School Medians By Authorizer (cont.)

	State or local agency	School district	University, college, and other not-for-profits
Student retention rate (%)	88.4	91.0	87.6
EBIDA margin (%)	16.95	13.32	14.11
Excess margin (%)	5.21	4.80	2.63
Lease-adjusted MADS coverage (x)	1.60	1.56	1.26
Current MADS (\$000s)	1,862	1,434	1,174
Lease-adjusted MADS burden (% of revenue)	11.65	10.50	12.05
Days' unrestricted cash on hand	127.5	164.0	93.8
Unrestricted cash and investments to debt (%)	23.1	32.7	17.2
Unrestricted net assets (% expenses)	27.6	43.7	24.3
Debt per student (\$)	16,141	13,602	15,941
State revenue per student (\$)	8,442	8,185	7,941
Total expense per student (\$)	9,562	11,843	10,942
Total revenue (\$000s)	15,253	13,850	9,244
Debt to capitalization (%)	85.1	75.5	85.5

MADS--Maximum annual debt service.

Size still has its advantages (large networks vs. single-site schools)

Table 5 provides median metrics of all large network charter schools with 10 or more campuses as well as the same metrics of all smaller, single-site schools with fewer than 500 students enrolled in our portfolio. While enterprise profiles by way of enrollment size and waiting lists are meaningfully stronger for large networks, financial metrics show mixed results. Despite the median rating of 'BB' for the single-site schools and a whole category higher rating median of 'BBB-' for the larger networks, margins, lease-adjusted MADS coverage, days' cash on hand, and unrestricted net assets as a percentage of expenses actually have stronger median figures for the single-sites. Financially, we believe this demonstrates how the larger networks can afford to operate at softer margins and lower coverage levels, and with less cash on hand on a relative basis, given that the sizable absolute values of their financial metrics provide financial flexibility and stability. Many of the challenges that charter schools face manifest in the enterprise profile, namely charter renewal risk, which may not be reflected in financial metrics. A larger network may be better equipped to mitigate these enterprise risks through multiple campuses, and even multiple charters and a more robust management team scaled to meet the demands of a larger organization.

Table 5

Large Networks Versus Smaller Single-Site Schools Medians Comparison

	Large networks (10+ campuses)	Small single-sites (<500 enrollment)
Fiscal year	2020	2020

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Table 5

Large Networks Versus Smaller Single-Site Schools Medians Comparison (cont.)

	Large networks (10+ campuses)	Small single-sites (<500 enrollment)
No. of issuers	28	30
Median rating	BBB-	BB
Enrollment	8,080	406
Waitlist (% of enrollment)	18.4	14.7
Student retention rate (%)	88.0	87.2
EBIDA margin (%)	10.67	16.79
Excess margin (%)	2.83	5.52
Lease-adjusted MADS coverage (x)	1.45	1.76
Current MADS (\$000s)	12,386	381
Lease-adjusted MADS burden (% of revenue)	10.1	10.4
Days' unrestricted cash on hand	112.20	140.10
Unrestricted cash and investments to debt (%)	23.3	28.0
Unrestricted net assets (% expenses)	29.9	40.3
Debt per student (\$)	15,500	17,666
State revenue per student (\$)	9,984	7,945
Total expense per student (\$)	11,999	10,972
Total revenue (\$000s)	131,009	4,643
Debt to capitalization (%)	80.3	73.3

What We're Watching

We believe that COVID-19 federal relief monies will support schools' operations in the coming fiscal years, though since these are one-time funds, we will be watching how wisely schools deploy these resources in a sustainable way. We also believe that schools have the opportunity to successfully leverage federal support through strategic spending to better position themselves to meet organizational goals as the economy continues to recover. We expect most of our rated charter schools' enrollments will rebound from any pandemic-induced declines in fall 2020, though increased competition from home-schooling, online, or traditional options remains a risk. We also believe there remains some uncertainty regarding fall 2021 enrollment and mode of instruction relative to the pandemic recovery and vaccination rollout. We will continue to monitor potential risks across the sector, such as evolving legislation, increasing competition for students amid changing demographics, shifts in labor relations, teacher shortages heading into fiscal 2022, potential changes to per-pupil state aid allocations, and rising pension expenses.

Table 6

Charter School Ratios And Terms

Debt per student	Total debt/enrollment
Debt to capitalization (%)	$[\text{Long-term debt}/(\text{unrestricted net assets} + \text{long-term debt})] \times 100$

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Table 6

Charter School Ratios And Terms (cont.)

EBIDA (\$000s)	Net income before interest, depreciation, and amortization expenses. Generally includes reconciling adjustments to account for differences in reporting under GASB and FASB standards.
EBIDA margin (%)	$(EBIDA / \text{total revenue}) \times 100$
Excess margin (%)	$[(\text{Total revenues} - \text{total expenses}) / \text{total revenues}] \times 100$
Total expense per student	Total expense/enrollment
Lease-adjusted MADS burden (%)	$[(\text{MADS} + \text{operating lease expense}) / \text{total revenues}] \times 100$
Lease-adjusted MADS coverage	$(\text{Net revenue available for debt service} + \text{operating lease expense}) / (\text{MADS} + \text{operating lease expense})$
MADS (\$000s)	The greatest annual debt service, when including principal and interest payments on all obligated and non-obligated group debt, including long-term bonds, capital leases, mortgages, and bank debt. For variable-rate debt, we generally assume a 3.5% interest rate. For draws on lines of credit and commercial paper, assume the actual fixed rate or a 3.5% variable interest rate with principal payments spread over 30 years. Debt guaranteed for a third party is included at 100% if the guarantor has made any payments over the past five years, or the guaranteed entity is generating less than 1x coverage of its MADS. Variable-rate debt swapped to fixed should be run at the swap rate
State revenue per student	Total state revenue reported on statement of activities/enrollment
Total revenue	Total operating revenue + net nonoperating revenue
Days' unrestricted cash on hand	$\text{Unrestricted reserves} / [(\text{total expenses} - \text{depreciation and amortization expense}) / 365]$.
Unrestricted net assets as % of expense	Net assets excluding any restricted items. Generally includes reconciling adjustments to account for differences in reporting under GASB and FASB standards.
Unrestricted reserves to debt (%)	$(\text{Unrestricted reserves} / \text{total long-term debt}) \times 100$
Unrestricted reserves	Unrestricted cash, unrestricted investments, unrestricted board designated. Excluded from unrestricted reserves are debt service funds, donor restricted amounts, funds designated for pension, temporarily or permanently restricted funds, receivables, and other funds that are legally restricted. Generally included in unrestricted reserves are exceptional deferrals of state funding when we determine there has been an established record of payment in full and cash balances have been artificially suppressed at year-end.

MADS--Maximum annual debt service.

Table 7

Charter School Ratings

Entity	State	Rating	Outlook
Idea Public Schools	Texas	A-	Watch Neg
Peak to Peak Charter School - Prairie View, Inc.	Colorado	BBB+	Stable
Newark Charter School, Inc.	Delaware	BBB+	Stable
KIPP DC	District Of Columbia	BBB+	Stable
Global Concepts Charter School	New York	BBB+	Stable
KIPP Texas, Inc.	Texas	BBB+	Stable

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Table 7

Charter School Ratings (cont.)

Entity	State	Rating	Outlook
Center for Academic Success, Inc.	Arizona	BBB	Stable
Alliance for College-Ready Public Schools	California	BBB	Stable
Aspire Public Schools	California	BBB	Negative
KIPP Bay Area Schools	California	BBB	Stable
KIPP SoCal Public Schools	California	BBB	Stable
Castle Rock Lifelong Learning Center	Colorado	BBB	Negative
Classical Academy Charter School	Colorado	BBB	Stable
Flagstaff Academy	Colorado	BBB	Negative
James Irwin Charter Schools	Colorado	BBB	Stable
Littleton Academy Charter School	Colorado	BBB	Stable
District of Columbia International School	District Of Columbia	BBB	Stable
Friendship Public Charter School, Inc.	District Of Columbia	BBB	Stable
Bay Haven Charter Academy, Inc.	Florida	BBB	Stable
Mater Academy, Inc.	Florida	BBB	Stable
Pinecrest Academy, Inc.	Florida	BBB	Stable
Liberty Charter School, Nampa	Idaho	BBB	Stable
Xavier Public Charter School	Idaho	BBB	Stable
Chicago Charter School Foundation	Illinois	BBB	Stable
Lawndale Educational and Regional Network Charter School (LEARN)	Illinois	BBB	Stable
Noble Network of Charter Schools	Illinois	BBB	Stable
Star International Academy	Michigan	BBB	Stable
TEAM Academy Charter School	New Jersey	BBB	Negative
The Charter School for Applied Technologies	New York	BBB	Stable
Harmony Public Schools	Texas	BBB	Positive
Responsive Education Solutions	Texas	BBB	Positive
Trinity Basin Preparatory	Texas	BBB	Stable
American Leadership Academy	Utah	BBB	Stable
Hawthorn Academy	Utah	BBB	Stable
Navigator Pointe Academy	Utah	BBB	Stable
Hmong American Peace Academy	Wisconsin	BBB	Stable
Candeo Schools, Inc.	Arizona	BBB-	Stable
GreatHearts Arizona	Arizona	BBB-	Stable
Harvest Preparatory Academy	Arizona	BBB-	Stable
Villa Montessori, Inc.	Arizona	BBB-	Stable
Alliance Patti and Peter Neuwirth Leadership Academy	California	BBB-	Stable
Alliance Gertz Ressler Richard Merkin 6-12 Complex	California	BBB-	Stable

U.S. Charter Schools Fiscal 2020 Medians: Despite Pandemic, Financial Metrics Continue Positive Trend

Table 7

Charter School Ratings (cont.)

Entity	State	Rating	Outlook
American Heritage Education Foundation	California	BBB-	Negative
Caliber Public Schools	California	BBB-	Stable
Classical Academy, Inc.	California	BBB-	Stable
Coastal Academy Charter School, Inc	California	BBB-	Stable
Granada Hills Charter Obligated Group	California	BBB-	Stable
Green Dot Public Schools	California	BBB-	Stable
Learning Choice Academy	California	BBB-	Stable
Literacy First Charter School	California	BBB-	Stable
Ben Franklin Academy	Colorado	BBB-	Stable
Cheyenne Mountain Charter Academy	Colorado	BBB-	Negative
DCS Montessori Charter School	Colorado	BBB-	Stable
Excel Academy Charter School	Colorado	BBB-	Stable
Frontier Academy	Colorado	BBB-	Stable
Independence Academy	Colorado	BBB-	Stable
Liberty Common Charter School	Colorado	BBB-	Stable
Lincoln Academy Charter School	Colorado	BBB-	Stable
North Star Academy	Colorado	BBB-	Stable
Pinnacle Charter School	Colorado	BBB-	Stable
Platte River Academy Charter School	Colorado	BBB-	Stable
University Laboratory School	Colorado	BBB-	Stable
Campus Community School	Delaware	BBB-	Stable
First State Montessori Academy Charter School	Delaware	BBB-	Stable
Choices in Learning Elementary Charter School	Florida	BBB-	Stable
Cornerstone Schools	Florida	BBB-	Stable
Doral Academy, Inc.	Florida	BBB-	Stable
Sarasota School of Arts & Sciences	Florida	BBB-	Stable
Sculptor Charter School	Florida	BBB-	Stable
Idaho Arts Charter School	Idaho	BBB-	Stable
Victory Charter School	Idaho	BBB-	Stable
Foxborough Regional Charter School	Massachusetts	BBB-	Stable
Sabis International Charter School	Massachusetts	BBB-	Stable
Chandler Park Academy	Michigan	BBB-	Negative
Creative Montessori Academy	Michigan	BBB-	Negative
Oakland International Academy	Michigan	BBB-	Stable
Richfield Public School Academy	Michigan	BBB-	Stable
Community of Peace Academy	Minnesota	BBB-	Stable

U.S. Charter Schools Fiscal 2020 Medians: Despite Pandemic, Financial Metrics Continue Positive Trend

Table 7

Charter School Ratings (cont.)

Entity	State	Rating	Outlook
Math & Science Academy Building Company	Minnesota	BBB-	Stable
PACT Charter School	Minnesota	BBB-	Stable
Coral Academy of Science-Las Vegas	Nevada	BBB-	Stable
Foundation Academy Charter School	New Jersey	BBB-	Stable
North Star Academy Charter School of Newark	New Jersey	BBB-	Stable
Academic Leadership Charter School	New York	BBB-	Stable
Bronx Charter School for Excellence	New York	BBB-	Stable
KIPP Albany	New York	BBB-	Stable
KIPP NYC	New York	BBB-	Stable
Riverhead Charter School	New York	BBB-	Stable
Lake Norman Charter School	North Carolina	BBB-	Stable
Mountain Island Charter School, Inc.	North Carolina	BBB-	Stable
Avon Grove Charter School	Pennsylvania	BBB-	Stable
MaST Community Charter School	Pennsylvania	BBB-	Stable
Propel Charter Schools - East	Pennsylvania	BBB-	Negative
Propel Charter Schools - McKeesport	Pennsylvania	BBB-	Negative
Renaissance Academy Charter School	Pennsylvania	BBB-	Stable
School Lane Charter School	Pennsylvania	BBB-	Stable
KIPP Nashville	Tennessee	BBB-	Stable
Memphis Rise Academy, Inc.	Tennessee	BBB-	Stable
A+ Charter School, Inc	Texas	BBB-	Stable
Arlington Classics Academy	Texas	BBB-	Stable
Austin Achieve Public Schools	Texas	BBB-	Stable
Braination, Inc.	Texas	BBB-	Stable
Golden Rule School, Inc.	Texas	BBB-	Stable
Hughen Center, Inc. (The)	Texas	BBB-	Stable
Life School of Dallas	Texas	BBB-	Stable
Orenda Education	Texas	BBB-	Stable
Riverwalk Education Foundation, Inc.	Texas	BBB-	Negative
Ser-Ninos, Inc.	Texas	BBB-	Stable
Uplift Education	Texas	BBB-	Stable
DaVinci Academy of Science & the Arts	Utah	BBB-	Stable
George Washington Academy	Utah	BBB-	Stable
Karl G. Maeser Preparatory Academy	Utah	BBB-	Stable
Lakeview Academy	Utah	BBB-	Stable
Legacy Preparatory Academy	Utah	BBB-	Stable

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Table 7

Charter School Ratings (cont.)

Entity	State	Rating	Outlook
Lincoln Academy	Utah	BBB-	Stable
Monticello Academy	Utah	BBB-	Stable
Mountainville Academy	Utah	BBB-	Stable
Noah Webster Academy	Utah	BBB-	Stable
North Star Academy	Utah	BBB-	Stable
Ogden Preparatory Academy	Utah	BBB-	Stable
Providence Hall	Utah	BBB-	Stable
Quest Academy	Utah	BBB-	Stable
Summit Academy	Utah	BBB-	Stable
Syracuse Arts Academy	Utah	BBB-	Stable
Utah Charter Academies, Inc.	Utah	BBB-	Negative
Venture Academy	Utah	BBB-	Stable
Milwaukee Academy of Science	Wisconsin	BBB-	Stable
American Charter Schools Foundation	Arizona	BB+	Stable
Arizona Agribusiness & Equine Center, Inc.	Arizona	BB+	Negative
Arizona School for the Arts	Arizona	BB+	Stable
Eagle South Mountain Property	Arizona	BB+	Stable
Freedom Academy	Arizona	BB+	Stable
Horizon Community Learning Center	Arizona	BB+	Negative
Legacy Traditional Schools	Arizona	BB+	Stable
Paradise Education Center	Arizona	BB+	Stable
Little Scholars of Arkansas (LISA) Academy	Arkansas	BB+	Stable
Equitas Academy Charter School	California	BB+	Stable
Fenton Charter Public Schools	California	BB+	Stable
Grimmway Schools	California	BB+	Stable
King Chavez Academies	California	BB+	Stable
Lifeline Education Charter School	California	BB+	Stable
New Designs Charter School	California	BB+	Stable
Rocklin Academy	California	BB+	Stable
Santa Rosa Academy, Inc.	California	BB+	Stable
Value Schools	California	BB+	Stable
Community Leadership Academy	Colorado	BB+	Negative
Eagle Ridge Academy, Inc.	Colorado	BB+	Stable
Littleton Preparatory Charter School	Colorado	BB+	Stable
Monument Academy	Colorado	BB+	Negative
Latin American Montessori Bilingual Public Charter School	District Of Columbia	BB+	Stable

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Table 7

Charter School Ratings (cont.)

Entity	State	Rating	Outlook
Sage International School Of Boise	Idaho	BB+	Stable
Acero Charter School, Inc.	Illinois	BB+	Stable
Paramount School Of Excellence, Inc.	Indiana	BB+	Stable
Cesar Chavez Academy	Michigan	BB+	Stable
Holly Academy	Michigan	BB+	Negative
Michigan Mathematics and Science Academy	Michigan	BB+	Stable
Universal Academy	Michigan	BB+	Stable
Universal Learning Academy	Michigan	BB+	Stable
Cologne Academy	Minnesota	BB+	Stable
Duluth Edison Charter Schools (Tischer Creek Duluth Building Co.)	Minnesota	BB+	Stable
Eagle Ridge Academy	Minnesota	BB+	Stable
Higher Ground Academy	Minnesota	BB+	Stable
Hmong Education Reform Company	Minnesota	BB+	Negative
Lakes International Language Academy	Minnesota	BB+	Stable
Nova Classical Academy	Minnesota	BB+	Stable
Spectrum High School	Minnesota	BB+	Stable
St Croix Preparatory Academy	Minnesota	BB+	Stable
Yinghua Academy	Minnesota	BB+	Stable
Scuola Vita Nuova Charter School	Missouri	BB+	Stable
Doral Academy of Nevada	Nevada	BB+	Stable
Explore Knowledge Foundation	Nevada	BB+	Negative
Pinecrest Academy of Nevada	Nevada	BB+	Negative
Great Oaks Legacy Charter School	New Jersey	BB+	Stable
Public Preparatory Charter Schools Academies	New York	BB+	Stable
South Bronx Charter School for International Cultures & the Arts	New York	BB+	Stable
Tapestry Charter School	New York	BB+	Stable
Carolina International School	North Carolina	BB+	Stable
Pine Lake Preparatory	North Carolina	BB+	Stable
Chester Charter Scholars Academy Charter School	Pennsylvania	BB+	Stable
Discovery Charter School	Pennsylvania	BB+	Stable
First Philadelphia Preparatory Charter School	Pennsylvania	BB+	Stable
KIPP Philadelphia Charter School	Pennsylvania	BB+	Stable
Philadelphia Performing Arts Charter School	Pennsylvania	BB+	Stable
Propel Charter Schools - Braddock Hills	Pennsylvania	BB+	Negative
Propel Charter Schools - Montour	Pennsylvania	BB+	Negative
Tacony Academy Charter School	Pennsylvania	BB+	Stable

U.S. Charter Schools Fiscal 2020 Medians: Despite Pandemic, Financial Metrics Continue Positive Trend

Table 7

Charter School Ratings (cont.)

Entity	State	Rating	Outlook
Blackstone Valley Preparatory Academy	Rhode Island	BB+	Negative
Palmetto Scholars Academy	South Carolina	BB+	Stable
Cityscape Schools, Inc.	Texas	BB+	Stable
Compass Academy Charter School, Inc.	Texas	BB+	Stable
Eagle Advantage Schools, Inc.	Texas	BB+	Stable
Faith Family Charter School	Texas	BB+	Stable
Meridian World School	Texas	BB+	Stable
Southwest Preparatory School	Texas	BB+	Stable
Wasatch Peak Academy	Utah	BB+	Positive
Academies of Math and Science	Arizona	BB	Stable
Arizona Autism Charter School	Arizona	BB	Stable
BASIS Schools, Inc.	Arizona	BB	Stable
Berean Academy	Arizona	BB	Stable
Choice Academies, Inc.	Arizona	BB	Stable
Kaizen Education Foundation	Arizona	BB	Negative
Noah Webster Basic Schools, Inc.	Arizona	BB	Stable
Albert Einstein Academies	California	BB	Stable
ICEF View Park Preparatory Accelerated Charter High School	California	BB	Stable
ICEF View Park Preparatory Accelerated Charter Middle and Elementary School	California	BB	Stable
John Adams Academies, Inc.	California	BB	Stable
MPM Sherman Way LLC	California	BB	Stable
Nova Academy	California	BB	Stable
Palmdale Aerospace Academy (The)	California	BB	Stable
PUC Schools	California	BB	Stable
River Charter Schools	California	BB	Stable
River Springs Charter School	California	BB	Stable
Aspen Ridge Preparatory School	Colorado	BB	Stable
Loveland Classical Schools	Colorado	BB	Stable
SkyView Academy	Colorado	BB	Stable
Twin Peaks Charter Academy	Colorado	BB	Stable
ASPIRA of Delaware Charter Operations, Inc.	Delaware	BB	Negative
Dayspring Academy for Education and Arts	Florida	BB	Stable
Terrace Community Middle School	Florida	BB	Stable
Compass Public Charter School	Idaho	BB	Stable
Avondale Meadows Academy	Indiana	BB	Stable
Alma del Mar Charter School	Massachusetts	BB	Stable

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Table 7

Charter School Ratings (cont.)

Entity	State	Rating	Outlook
Advanced Technical Academy	Michigan	BB	Stable
Dr. Joseph F. Pollack Academic Center of Excellence	Michigan	BB	Stable
Flint International Academy	Michigan	BB	Negative
Grand Traverse Academy	Michigan	BB	Stable
Hanley International Academy	Michigan	BB	Stable
Landmark Academy	Michigan	BB	Stable
Renaissance Public School Academy	Michigan	BB	Negative
Summit Academy North	Michigan	BB	Stable
Tipton Academy	Michigan	BB	Stable
Trillium Academy	Michigan	BB	Stable
Academia Cesar Chavez	Minnesota	BB	Stable
Educational Properties TCGIS, LLC	Minnesota	BB	Stable
Hope Community Academy	Minnesota	BB	Negative
Noble Academy	Minnesota	BB	Negative
Parnassus Preparatory School	Minnesota	BB	Positive
St. Paul Conservatory for Performing Arts	Minnesota	BB	Stable
Twin Cities Academy	Minnesota	BB	Negative
Brookside Charter School	Missouri	BB	Stable
Mater Academy of Nevada	Nevada	BB	Stable
Nevada Charter Academies, d/b/a Amplus Academy	Nevada	BB	Stable
Somerset Academy of Las Vegas	Nevada	BB	Positive
Friends of Teaneck Community Charter School	New Jersey	BB	Stable
Albuquerque School of Excellence	New Mexico	BB	Stable
Albany Leadership Charter High School For Girls	New York	BB	Stable
Charter School of Educational Excellence	New York	BB	Stable
Collegium Charter School	Pennsylvania	BB	Stable
Green Woods Charter School	Pennsylvania	BB	Stable
Seven Generations Charter Schools	Pennsylvania	BB	Stable
West Philadelphia Achievement Charter Elementary School	Pennsylvania	BB	Watch Neg
Jubilee Academic Center, Inc.	Texas	BB	Stable
Leadership Preparatory School	Texas	BB	Stable
Nova Academy	Texas	BB	Stable
NYOS Charter Sch, Inc.	Texas	BB	Stable
Odyssey Academy, Inc.	Texas	BB	Stable
Texas Leadership Charter Academy	Texas	BB	Stable
Village Tech Schools	Texas	BB	Stable

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Table 7

Charter School Ratings (cont.)

Entity	State	Rating	Outlook
Wayside Schools	Texas	BB	Stable
Channing Hall Charter School	Utah	BB	Stable
Early Light Academy	Utah	BB	Stable
Itineris Early College High School	Utah	BB	Stable
Ronald Wilson Reagan Academy	Utah	BB	Stable
Edkey, Inc.	Arizona	BB-	Stable
Odyssey Preparatory Academy	Arizona	BB-	Stable
Pensar Academy, Inc.	Arizona	BB-	Stable
Urban Discovery Academy	California	BB-	Stable
Lee County Charter Schools	Florida	BB-	Stable
Discovery Charter School	Indiana	BB-	Stable
Crossroads Charter Academy	Michigan	BB-	Negative
New Branches Charter Academy	Michigan	BB-	Stable
Old Redford Academy	Michigan	BB-	Negative
Kaleidoscope Charter School	Minnesota	BB-	Stable
KIPP North Star Academy	Minnesota	BB-	Stable
Prairie Seeds Academy	Minnesota	BB-	Stable
Woodbury Leadership Academy	Minnesota	BB-	Stable
Founders Academy of Las Vegas	Nevada	BB-	Stable
LEAP Academy University Charter School	New Jersey	BB-	Stable
Paterson Charter School for Science & Technology	New Jersey	BB-	Positive
Global Leadership Academy Charter School	Pennsylvania	BB-	Stable
A.W. Brown Fellowship Charter School	Texas	BB-	Negative
Winfree Academy Charter Schools	Texas	BB-	Stable
Julian Charter School	California	B+	Stable
21st Century Charter School	Indiana	B+	Stable
Summit Academy	Michigan	B+	Negative
Evolution Academy Charter School	Texas	B+	Stable
Universal Academy (LTTS Charter School, Inc.)	Texas	B+	Stable
Pointe Schools	Arizona	B	Negative
Conner Creek Academy East	Michigan	B	Stable
Detroit Service Learning Academy	Michigan	B	Watch Neg
Saginaw Preparatory Academy	Michigan	B	Negative
Voyageur Academy	Michigan	B	Stable
High School for Recording Arts	Minnesota	B	Stable
New Millennium Academy	Minnesota	B	Stable

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Table 7

Charter School Ratings (cont.)

Entity	State	Rating	Outlook
Detroit Community Schools	Michigan	B-	Negative
School of Excellence in Education	Texas	B-	Stable
Plymouth Educational Center Charter Sch	Michigan	D	NM

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