AGENDA ITEM 5.I.

RE: S&P Global Ratings Upgrade of Laredo College Credit Rating

STAFF RECOMMENDATION: Information item only.

BACKGROUND: The Board of Trustees is being provided with information regarding the recent action by S&P Global Ratings to upgrade Laredo College's long-term credit rating from AA to AA+ with a Stable Outlook. The rating action was announced on July 17, 2026, and reflects the College's continued financial strength, strong operating performance, and sustained enrollment growth.

S&P Global Ratings cited several key factors supporting the upgrade, including:

- Material improvement in the College's financial resource ratios and consistently strong financial performance.
- Continued growth in student enrollment and positive enrollment trends.
- Strong financial management practices and conservative budgeting.
- Growing cash and investment balances, with financial resources exceeding $120 million in fiscal year 2025.
- A stable property tax base supported by the regional economy.
- No plans to issue additional general obligation or revenue debt during the two-year outlook period.

The report also recognizes the College's experienced leadership team, conservative budget development process, monthly financial reporting to the Board of Trustees, and continued benefits from increased state funding through Texas House Bill 8. S&P further notes expectations for continued operating surpluses and stable financial performance over the outlook period.

The **AA+** rating is the second-highest rating category assigned by S&P Global Ratings and reflects a very strong capacity to meet financial commitments. The Stable Outlook indicates S&P's expectation that the College will maintain stable enrollment, positive operating results, and strong financial resource ratios over the next two years.

BUDGETARY CONSIDERATIONS: None.

CONTACT PERSONS:
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