



## MAGNOLIA PUBLIC SCHOOLS

June 23, 2015

**Contact:** Naush Boghossian  
Larson Communications  
(818) 209 - 2787

### **STANDARD & POOR'S GIVES MAGNOLIA PUBLIC SCHOOLS HIGHEST POSSIBLE LIFT IN BOND RATING**

*Charter network now able to access far lower interest rates when borrowing money for schools*

**Los Angeles** – [Magnolia Public Schools](#), a high-performing network of 11 public charter schools across California, today announced that Standard and Poor's, one of the largest credit-rating agencies in the U.S., lifted Magnolia's rating to BB and revised its outlook from 'negative' to 'stable.' The move will allow Magnolia to borrow money to open more schools or expand facilities at a significantly lower interest rate.

"This outlook demonstrates a strong vote of confidence in our direction and will likely allow us to direct more than \$200,000 in otherwise anticipated borrowing costs over the next ten years back into the classroom," said Magnolia CEO and Superintendent Caprice Young, who was hired in January to improve operations. "Through a continued showing of fiscal soundness and responsible financial stewardship, we expect to apply as many resources as possible toward helping students succeed in the high-quality STEM-focused public education our families have come to expect."

The rating applies to the bond proceeds used to finance the purchase and renovation of the building occupied by Magnolia Science Academy Reseda, but takes into account the finances of the entire organization.

Standard and Poor's indicated that "the stable outlook reflects our anticipation that [Magnolia] has sufficiently addressed the uncertainty and increased charter renewal risk of its LA-authorized charters....[and] our expectation that [Magnolia] will continue to attract sufficient students such that operations will remain positive." The Los Angeles Unified School Board voted on March 10 to renew two charters whose renewal they had rescinded last year as well as one charter whose renewal they had denied, and to settle a lawsuit filed by Magnolia subsequent to the denials of the schools in 2014.

Standard & Poor's took account of the following factors in issuing the improved rating:

- The organization's diverse enrollment;

- The organization's improved liquidity;
- An improving state funding environment with fewer state deferrals and increased per-pupil funding; and
- Recent changes in senior leadership and changes in policies and practices.

The rating increase will translate into significant savings as Magnolia expects to borrow money to purchase a San Diego campus and gym for MSA Reseda.

### **About Magnolia Public Schools**

Magnolia Public Schools is a high-performing network of 11 public charter schools in Los Angeles, San Diego, Santa Clara and Orange County that provides a college preparatory educational program emphasizing science, technology, engineering and math (STEM). Magnolia's mission is to prepare students to succeed in college through a rigorous academic program while reinforcing core values through character development classes that cultivate respect for self and others. Magnolia's vision is to create scientific thinkers who contribute to the global community as socially responsible and educated members of society. [www.magnoliapublicschools.org](http://www.magnoliapublicschools.org)

###