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Indiana School Corp. 'AA+' Debt Ratings On Watch Neg Due To Uncertainty About Timeline For Available State Aid Payments

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CHICAGO (S&P Global Ratings) Feb. 9, 2017--S&P Global Ratings has placed on CreditWatch with negative implications its 'AA+' ratings on all Indiana school corporation debt issuances rated based on the Indiana state aid intercept statute.

The CreditWatch placement reflects an analytical error regarding S&P Global Ratings' understanding of the workings of the intercept. As part of a routine portfolio review, we learned that the Office of the Treasurer of State would administer the intercept of state aid under IC 20-48-1-11 differently than we had understood. On that basis, even when allowing for the enhancement provisions outlined in S&P Global Ratings' Indiana State Aid Intercept commentary (see "State Credit Enhancement Programs: Current List And Program Descriptions (/en_US/web/guest/article/-/view/sourceId/9876198)"), we believe there is uncertainty that intercept payments will always be made available to ensure timely payment of debt service in full on this 'AA+' rated debt.

S&P Global Ratings understands there is a possibility that Indiana could revise current procedures resulting in an intercept of state aid that provides for timely payment of debt service in full, factoring enhancement provisions. This could result from changes in administrative policies or procedures by the responsible state agencies or through new legislation. In the event such revisions are made in a timely manner, the rating could be affirmed. If revisions are not made, we would likely lower the rating by as much as several notches, according to our State Credit Enhancement Programs Criteria.

We expect to resolve the CreditWatch within approximately 90 days.

INDIANA STATE AID INTERCEPT PROGRAM RATINGS ON CREDITWATCH
OBLIGORS AFFECTED:

Adams Cent Comnty Schs
Anderson Comnty Sch Corp
Argos Comnty Schs
Attica Cons Sch Corp
Avon Comnty Sch Corp
Bartholomew Cons Sch Corp
Batesville Comnty Sch Corp
Baugo Comnty Sch
Beech Grove City Schs
Benton Comnty Sch Corp
Blackford Cnty Schs
Blue River Vy Sch Corp
Bluffton-Harrison Metro Sch Dist
Boone Twp Metro Sch Dist
Bremen Pub Schs
Brown Cnty Sch Corp.
Brownsburg Comnty Sch Corp
Brownstown Cent Comnty Sch Corp
Carmel Clay Sch Corp
Carroll Cons Sch Corp
Caston Sch Corp
Center Grove Comnty Sch Corp
Centerville-Abington Comnty Schs
Central 9 Career Ctr
Central Noble Comnty Sch Corp
Charles A Beard Mem Sch Corp
Clark-Pleasant Comnty Sch Corp
Clarksville Comnty Sch Corp
Clay Comnty Schs
Clinton Cent Sch Corp
Clinton Prairie Sch Corp
Cloverdale Comnty Sch Corp
Comnty Sch Corp of Eastern Hancock Cnty
Concord Comnty Schs
Covington Comnty Sch Corp
Crawford Cnty Comnty Sch Corp
Crawfordsville Comnty Sch Corp
Crothersville Comnty Schs
Crown Point Comnty Sch Corp
Culver Comnty Schs Corp
Daleville Comnty Schs
Danville Comnty Sch Corp
Decatur Cnty Comnty Schs

Decatur Twp Metro Sch Dist
DeKalb Cnty Cent United Sch Dist
DeKalb Cnty Eastern Comnty Sch Dist
DeLaware Comnty Sch Corp
Delphi Comnty Sch Corp
Duneland Sch Corp
East Allen Cnty Schs
East Chicago Sch City
East Noble Sch Corp
East Porter Cnty Sch Corp
East Washington Sch Corp
Eastbrook Comnty Sch Corp
Eastern Greene Schools
Eastern Howard Sch Corp
Eastern-Pulaski Comnty Sch Corp
Edinburgh Comnty Sch Corp
Elkhart Comnty Schs
Elwood Comnty Sch Corp
Evansville-Vanderburgh Sch Corp
Fairfield Comnty Schs
Fayette Cnty Sch Corp
Flat Rock-Hawcreek Sch Corp.
Fort Wayne Comnty Schs
Frankfort Comnty Sch Corp
Franklin Cnty Comnty Sch Corp
Franklin Comnty Sch Corp
Franklin Twp Comnty Sch Corp
Fremont Comnty Schs
Frontier Sch Corp
Garrett-Keyser-Butler Comnty Sch Dist
Gary Comnty Sch Corp
Goshen Comnty Schs
Greater Clark Cnty Sch Corp
Greater Jasper Cons Schs
Greencastle Comnty Sch Corp
Greenfield Cent Comnty Sch Corp
Greensburg Comnty Schs
Greenwood Comnty Sch Corp
Griffith Pub Sch
Hamilton Comnty Schs
Hamilton Hgts Sch Corp
Hamilton Southeastern Schs
Hammond City Sch
Highland Sch Twn
Hobart City Schs
Huntington Cnty Comnty Sch Corp
Indiana Bnd Bank
Indianapolis Brd of Sch Comr
Jac-Cen-Del Comnty Sch Corp
Jay Sch Corp
Jennings Cnty Schs Corp
John Glenn Sch Corp.
Kankakee Vy Sch Corp
Knox Comnty Sch Corp
Kokomo Sch Corp
Lafayette Sch Corp
Lake Central Sch Corp
Lake Ridge Sch Corp
Lake Station Comnty Sch Corp
Lakeland Sch Corp
LaPorte Comnty Sch Corp
Lawrence Twp Metro Sch Dist
Lawrenceburg Comnty Sch Corp
Lebanon Comnty Sch Corp
Liberty-Perry Comnty Sch Corp
Linton-Stockton Sch Corp
Logansport Comnty Sch Corp
Maconaquah Sch Corp
Madison Cons Schs
Madison-Grant United Sch Corp
Manchester Comnty Sch
Marion Comnty Schs
Martinsville Metro Sch Dist

Medora Comnty Sch Corp. (fka Carr Sch)
Merrillville Comnty Sch Corp
Michigan City Area Sch
Middlebury Comnty Schs
Milan Comnty Sch Corp
Mill Creek Comnty Sch Corp
Mishawaka Sch
Mississinewa Comnty Sch Corp
Mitchell Comnty Schs
Monroe Cent Sch Corp
Monroe Cnty Comnty Sch Corp
Monroe-Gregg Sch Dist
Mooresville Cons Sch Corp
Mount Vernon Comnty Sch Corp
Mount Vernon Metro Sch Dist
Muncie Comnty Schs
Munster Sch Tw
Nettle Creek Sch Corp
New Albany-Floyd Cnty Cons Sch Corp
New Castle Comnty Sch Corp
New Durham Twp Metro Sch Dist Sch Corp
New Prairie United Sch Corp
Nineveh-Hensley-Jackson United Sch Corp
Noblesville Schs
North Adams Comnty Schs
North Central Parke Community Schools
North Gibson Sch Corp
North Harrison Comnty Sch Corp
North Judson-San Pierre Schs
North Knox Sch Corp
North Lawrence Comnty Schs
North Miami Community Schools
North Montgomery Comnty Sch Corp
North Newton Sch Corp
North Posey Cnty Metro Sch Dist
North Putnam Comnty Sch Corp
North Spencer Cnty Sch Corp
North Vermillion Comnty Sch Corp
Northeast Dubois Cnty Sch Corp.
Northeast Sch Corp
Northeastern Wayne Sch Corp.
Northern Comnty Schs Tipton
Northern Wells Comnty Schs
Northwest Allen Cnty Schs
Northwestern Cons Sch Dist
Northwestern Sch Corp
Oak Hill United Sch Corp
Oregon-Davis Sch Corp
Orleans Comnty Schs
Paoli Comnty Sch Corp
Penn-Harris-Madison Sch Corp
Perry Cent Community School Corporation
Perry Twp Schs
Peru Comnty Sch Corp
Pike Cnty Sch Corp
Pike Twp Metro Sch Dist
Pioneer Regional School Corporation
Plainfield Comnty Sch Corp
Plymouth Comnty Sch Corp
Portage Twp Schs
Porter Twp Sch Corp
Randolph Cent Sch Corp.
Rensselaer Cent Sch Corp
Richland- Bean Blossom Comnty Sch Corp
Rising Sun Ohio Cnty Comnty Sch Corp
River Forest Comnty Sch Corp
Rochester Comnty Sch Corp
Rockville School Corporation
Rossville Cons Sch Dist
Rush Cnty Schs
Salem Comnty Sch Corp
Scott Cnty Sch Dist #1
Scott Cnty Sch Dist #2

Seymour Comnty Sch Corp
Shelby Eastern Schs
Shelbyville Cent Schs
Shenandoah Sch Corp
Sheridan Comnty Schs
Smith-Green Comnty Schs
South Adams Schs
South Bend Comnty Sch Corp
South Cent Comnty Sch Corp
South Dearborn Comnty Sch Corp
South Gibson Sch Corp
South Harrison Comnty Sch Corp
South Henry Sch Corp
South Knox Sch Corp
South Madison Comnty Sch Corp
South Newton Sch Corp
South Putnam Comnty Sch Corp
South Ripley Comnty Sch Corp
South Spencer Cnty Sch Corp
South Vermillion Comnty Sch Corp
Southeast Dubois Cnty Sch Corp.
Southeast Fountain Sch Corp
Southeastern Sch Corp
Southern Hancock Cnty Comnty Sch Corp
Southwest Allen Cnty Schs
Southwest Dubois Cnty Sch Corp
Southwest Parke Comnty Sch Corp
Southwest Sch Corp
Southwestern Cons Sch Dist of Shelby Cnty
Southwestern Jefferson Cnty Cons Sch Corp
Spencer-Owen Comnty Schs
Springs Vy Comnty Schs
Steuben Cnty Metro Sch Dist
Sunman-Dearborn Comnty Sch
Taylor Comnty Sch Corp
Tell City-Troy Twp Sch Corp.
Tippecanoe Sch Corp
Tippecanoe Vy Sch Corp
Tipton Comnty Sch Corp
Tri-Cnty Sch Corp
Tri-Creek Sch Corp
Triton Sch Corp
Tri-Township Consolidated School Corporation
Twin Lakes Sch Corp
Union Cnty-Coll Corner Jt Sch Dist
Union Sch Corp
Union Twp Sch Corp (Porter Cnty)
Union-North Utd Sch Corp
Valparaiso Comnty Sch Corp
Vigo Cnty Sch Corp
Vincennes Comnty Sch Corp
Wabash City Schs
Wabash Cnty Metro Sch Dist
Wa-Nee Comnty Sch
Warren Twp Metro Sch Dist
Warrick Cnty Sch Corp
Warsaw Comnty Schs
Washington Comnty Sch Inc
Washington Twp Metro Sch Dist
Wawasee Comnty Sch Corp
Wayne Twp Metro Sch Dist
Wes-DeL Comnty Schs
West Cent Sch Corp
West Clark Comnty Schs
West Lafayette Comnty Sch Corp.
West Noble Sch Corp
Western Boone Cnty Comnty Sch Corp
Western Sch Corp
Western Wayne Schs
Westview Sch Corp
Whiting City Sch
Whitko Comnty Sch Corp

Whitley Cnty Cons Schs
Yorktown Comnty Schs

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