

Research Update:

Long Beach Unified School District, CA Various GO Bond Series Assigned 'AA-' Rating; Outlook Stable

March 11, 2026

Overview

- S&P Global Ratings assigned its 'AA-' long-term rating to [Long Beach Unified School District](#), Calif.'s estimated \$74.57 million election of 2008 general obligation (GO) bonds, series H; \$280 million election of 2016 GO bonds, series D; \$250 million election of 2022 GO bonds, series B; and \$399.2 million series 2026 GO refunding bonds.
- At the same time, S&P Global Ratings affirmed its 'AA-' long term rating and underlying rating on the district's GO bonds outstanding.
- The outlook is stable.

Rationale

Security

Revenue from unlimited ad valorem taxes levied on taxable property within the district secures the GO bonds. Proceeds from the bonds will be used for the construction, improvement, furnishing, and equipping of certain district facilities; pay for capitalized interest; and fund the costs of issuance. Proceeds from the 2026 GO refunding bonds will be used to refund, on a current basis, a portion of the 2008 election, series A, C, D-1, and E; series B 2009 refunding GO bonds; series A 2010 refunding GO bonds; 2012 refunding GO bonds; 2016 refunding GO bonds; and series A election of 2016 GO bonds for interest expense savings.

Credit highlights

After a decade of positive operating results, the district finished the past two audited fiscal years with negative operating results because of decreased state aid, higher fixed costs, and spending down one-time revenue. In our view, the district's expanding local economy, economic indicators near national levels, and accumulated reserves support its general creditworthiness, although these strengths are partially offset by declining enrollment, growing capital needs, and projections for deficit spending through fiscal 2028. That said, we believe the district's

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conservative budgeting assumptions and the implementation of a stabilization plan reduce the likelihood of material near-term deterioration in its financial position.

Based on the fiscal 2026 first interim report, the district expects to finish the year with a deficit of \$89.2 million or 7.6% of general fund revenue and available reserves of \$305.9 million or about 26% of general fund revenue; multiyear projections show deficit spending, with available reserves decreasing to about 8% of revenue by fiscal 2028. Management reports that it has taken steps to implement a stabilization plan that requires reviewing personnel needs, school consolidations, and improving student attendance rates, which are estimated to generate about \$47.5 million in savings starting in fiscal 2027.

As the district works to implement its stabilization plan, we anticipate some deficit spending over the medium term due to rising costs related to special education and moderation in revenue following a period of higher cost-of-living adjustments and the expiration of almost \$500 million in one-time state and federal pandemic funding.

Our forward-looking view of finances incorporates near-term risk associated with projected deficits and decreasing reserves through fiscal 2028, but the district typically outperforms estimates and multiyear projections because of conservative budgeting practices and revenue assumptions. Should revenue shortfalls be incurred from further enrollment losses or rising fixed costs, we believe the district's established management team will continue to adjust the budget to mitigate any material financial impacts.

For more information on our California school ratings, see: "[U.S. Local Governments Credit Brief: California School Districts Means And Medians](#)," Oct. 29, 2025.

Credit fundamentals supporting the rating include the following:

- The tax base is primarily residential, with access to jobs throughout the greater Los Angeles area, which we view as a strong regional economy, as reflected by its per capita gross county product and per capita personal incomes that are higher than national averages. Local income metrics are comparable with those of similarly rated state peers but above national medians. The district's tax base has grown in the past decade, and officials expect this will continue as a result of ongoing economic development with residential, retail, and industrial projects underway. Management reports that there are several active ongoing economic projects within the district's boundaries, which will result in more than 1,000 new homes.
- Operations have been mostly positive over the past decade, although the fiscal 2026 first interim report indicates a deficit, and the district projects deficit spending through fiscal 2028. However, the district has taken steps to right size its budget in the medium term, which will likely result in it outperforming its multiyear projections.
- Available reserves are above average compared with similarly rated peer medians, although we expect some draws in the medium term based on projections and management's expectation of deficit spending over the next few years.
- Budgeting practices are realistic, with interim monitoring and historical data used to build the budget. The district has a three-year general fund forecast that it updates annually as part of its first interim estimates; maintains a master facilities plan that lists projects but has not been updated since July 2022; adheres to the state's requirement of investing in a county pool, with holdings and earning reported to the board annually; has a formal debt policy that complies with California Senate Bill 1029; and adheres to the state-mandated reserves minimum 2% of expenditures. Cybersecurity practices align with those of peers.

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- Debt and liability profile is higher than those of national peers but remain affordable. We expect the district's debt and liabilities profile will remain stable but higher than that of peers in the medium term, given expected continued growth in its tax base as a result of ongoing economic development within its boundaries and additional debt plans. Although concrete figures have not been determined, the district plans to issue additional debt in August 2027. Prior to the current issuance, the district is estimated to have \$164.57 million from its measure K, \$600 million from its Measure E, and \$1.6 billion from its Measure Q in authorized-but-unissued debt remaining. We do not consider pension and other postemployment benefit liabilities a near-term source of budgetary pressure.
- The institutional framework is in line with those of national peers. For more information on our institutional framework assessment for California school districts, see "[Institutional Framework Assessment: California Local Governments](#)," Sept. 9, 2024.

Environmental, social, and governance

Given its location, the district faces elevated exposure to acute physical risks related to inland and coastal flooding, wildfires, drought, and earthquakes. If realized, these hazards could disrupt operating revenue or generate unanticipated costs, underscoring the importance of maintaining sufficient reserves to mitigate disaster-related effects. However, we think that state building codes have helped offset some of the seismic risk. We also understand that water-preservation initiatives such as the Sustainable Groundwater Management Act and Senate Bill 200 are helping to mitigate the local economy's exposure to drought by providing a framework for groundwater management and financial assistance to upgrade ground wells and filtration systems. We consider the district's social and governance factors as neutral in our analysis.

Outlook

The stable outlook reflects our view that the district will continue to adjust its budget to support the maintenance of reserves that are comparable with those of similarly rated peers during the outlook horizon. The outlook also takes into account our analysis of the district's projected deficits through fiscal 2028.

Downside scenario

We could lower the rating if the district generates materially weaker financial performance than currently projected due to significant enrollment declines or other factors that lead to material draws on available reserves, with no credible plan to rebuild.

Upside scenario

We could raise the rating if the district's financial performance improved materially, if its debt and liabilities profile moderated, it maintained available reserves at a level comparable with those of higher-rated peers, and if it strengthened its institutional practices and policies.

Long Beach Unified School District, California--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	2.61
Economy	1.0
Financial performance	4

Long Beach Unified School District, California--credit summary

Reserves and liquidity	1
Management	2.30
Debt and liabilities	4.75

Long Beach Unified School District, California--key credit metrics

	Most recent	2025	2024	2023
Economy				
Real GCP per capita % of U.S.	121	--	--	121
County PCPI % of U.S.	112	--	--	112
Market value (\$000s)	93,300,758	89,489,477	86,155,766	81,119,779
Market value per capita (\$)	186,898	179,263	172,585	160,566
Top 10 taxpayers % of taxable value	4.0	5.3	5.7	5.8
County unemployment rate (%)	5.2	5.2	5.8	5.1
Local median household EBI % of U.S.	106	--	106	106
Local per capita EBI % of U.S.	98	--	98	98
Local population	499,208	--	499,208	505,210
Financial performance				
Operating fund revenues (\$000s)	--	1,196,394	1,339,819	1,370,471
Operating fund expenditures (\$000s)	--	1,243,142	1,350,425	1,211,905
Net transfers and other adjustments (\$000s)	--	(17,200)	(1,778)	829
Operating result (\$000s)	--	(63,948)	(12,384)	159,395
Operating result % of revenues	--	(5.3)	(0.9)	11.6
Operating result three-year average %	--	1.8	4.7	8.5
Enrollment	--	65,398	66,940	68,397
Reserves and liquidity				
Available reserves % of operating revenues	--	35.8	10.3	8.9
Available reserves (\$000s)	--	428,330	138,491	122,454
Debt and liabilities				
Debt service cost % of revenues	--	11.4	7.1	6.2
Net direct debt per capita (\$)	4,730	3,610	3,830	3,897
Net direct debt (\$000s)	2,361,133	1,802,156	1,912,056	1,969,029
Direct debt 10-year amortization (%)	25	27	29	--
Pension and OPEB cost % of revenues	--	10.0	9.0	9.0
NPLs per capita (\$)	--	1,535	1,535	1,712
Combined NPLs (\$000s)	--	766,408	766,408	865,094

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List

New Issue Ratings

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Ratings List

US\$399,295,000 Long Beach Unified School District, California, General Obligation Refunding Bonds, Series 2026, dated: May 05, 2026, due: August 01, 2043

Long Term Rating AA-/Stable

US\$250,000,000 Long Beach Unified School District, (County of Los Angeles, California), General Obligation Bonds Election of 2022, Series B, dated: April 15, 2026, due: August 01, 2057

Long Term Rating AA-/Stable

US\$280,000,000 Long Beach Unified School District, California, General Obligation Bonds Election of 2016, Series D, dated: April 15, 2026, due: August 01, 2053

Long Term Rating AA-/Stable

US\$74,570,000 Long Beach Unified School District, (County of Los Angeles, California), General Obligation Bonds Election of 2008, Series H, dated: April 15, 2026, due: August 01, 2047

Long Term Rating AA-/Stable

Ratings Affirmed

Local Government

Long Beach Unif Sch Dist, CA Unlimited Tax General Obligation AA-/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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