

# MOODY'S

## RATINGS

### Rating Action: Moody's Ratings assigns Aa3 to Kansas State University, KS's revenue bonds; outlook stable

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06 Apr 2026

New York, April 06, 2026 -- Moody's Ratings (Moody's) has assigned an Aa3 to Kansas State University, KS's Revenue Bonds Series 2026D (Kansas State University Project) issued through the Kansas Development Finance Authority with an estimated par amount of \$22 million. We maintain Aa3 issuer and parity revenue bond ratings, as well as a Aa3 on the foundation's revenue bond. The university had total adjusted debt outstanding of \$624 million, inclusive of foundation and athletics debt, as of June 30, 2025. The outlook is stable.

#### RATINGS RATIONALE

Kansas State University's Aa3 issuer rating acknowledges its substantial wealth and scale and regionally important role as a public land-grant university with close ties to the State of Kansas (Aa2 stable). Total cash and investments of nearly \$2 billion provide for strong coverage of both total adjusted debt and expenses. Growing state appropriations support fiscal stability and enable strategic capital investments in the near term. K-State favorably has a manageable debt burden and minimal pension exposure. However, disciplined financial management will be crucial to support adequate operating performance and debt affordability. In addition to weak operating performance and thin debt service coverage, credit challenges include a highly competitive student market, thinner unrestricted liquidity than peers, and federal policy risks that add operational complexities.

Assignment and maintenance of the Aa3 on the university's general revenue bonds reflects the broad nature of the pledge, which includes net tuition and auxiliary revenue and state appropriations.

The Aa3 on the foundation's revenue bonds reflects strong legal security features and high project essentiality. The bonds are backed by university general revenue under a long-term lease agreement with an LLC of the closely affiliated Kansas State University Foundation. Payments under the lease are not subject to appropriation, abatement or termination risks.

#### RATING OUTLOOK

The stable outlook reflects our expectations that the university will attain balanced financial operations, debt service coverage generally at or above 1.5x and over 100 monthly days cash on hand.

#### FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Material and sustained improvement in operating performance and debt affordability
- Significant improvement in strategic positioning driven by strengthening student demand, philanthropy, and research
- Outsized growth of nominal wealth and revenue

#### FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Inability to improve operating performance to sustain debt service coverage of at least 1.5x
- Material decline in unrestricted monthly liquidity relative to expenses
- Deterioration in state credit quality, leading to a reduction in state financial support

## PROFILE

Kansas State University (K-State) is a comprehensive land-grant university with a \$934 million revenue base as of fiscal 2025 and 18,720 FTE students for fall 2025. In addition to its main campus in Manhattan, Kansas, the university also has branch campuses in Salina and Olathe. K-State is a member of the Big 12 Athletic Conference.

Kansas State University Foundation was organized in 1944 to assist the university in executing its mission. It is primarily responsible for fundraising and management of the long-term investment pool. The foundation is governed by a distinct board of trustees.

## METHODOLOGY

The principal methodology used in this rating was Higher Education published in July 2024 and available at <https://ratings.moodys.com/rmc-documents/425580>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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