

# RatingsDirect®

---

## Summary:

# Syracuse University, New York; CP; Private Coll/Univ - General Obligation

### Primary Credit Analyst:

Stephanie Wang, Harrisburg + 1 (212) 438 3841; stephanie.wang@spglobal.com

### Secondary Contact:

Ruchika Radhakrishnan, Toronto + 1 (647) 297 0396; ruchika.r@spglobal.com

## Table Of Contents

---

Credit Highlights

Outlook

Related Research

## Summary:

# Syracuse University, New York; CP; Private Coll/Univ - General Obligation

## Credit Profile

### Onondaga Civic Development Corp., New York

Syracuse University, New York

Onondaga Civic Dev Corp (Syracuse Univ) rev rfdg bnds (Syracuse University) ser 2020A dtd 06/24/2020 due 12/01/2035

<i>Long Term Rating</i>	AA-/Stable	Affirmed
-------------------------	------------	----------

Onondaga Civic Dev Corp (Syracuse Univ) taxable rev rfdg bnds

<i>Long Term Rating</i>	AA-/Stable	Affirmed
-------------------------	------------	----------

## Credit Highlights

- S&P Global Ratings affirmed its 'AA-' long-term rating on Onondaga Civic Development Corp., N.Y.'s series 2020A tax-exempt and series 2020B taxable revenue bonds, issued for Syracuse University (the university).
- S&P Global Ratings affirmed its 'AA-' long-term rating on the series 2019 tax-exempt debt issued by the Onondaga County Trust for Cultural Resources, N.Y. for the university.
- S&P Global Ratings affirmed its 'A-1+' short-term rating on the university's \$75 million taxable commercial paper (CP) notes program backed by self-liquidity.
- The outlook, where applicable, is stable.

## Security

Total debt at the end of fiscal 2023 equaled \$675.8 million, including \$2.7 million of finance leases and \$14 million of operating leases, which we believe does not have a significant impact on debt ratios. Securing the bonds is a general obligation of the university. The university also has a \$75 million commercial paper program, although there was no balance outstanding at the end of fiscal 2023. The 'A-1+' short-term rating is based on our assessment of the university's liquidity. With close to \$411.7 million in discounted assets as of March 31, 2024, that can be liquidated on the same day, we believe there would be sufficient coverage on any failed rollovers should there be a balance. We expect some use of internal reserves coupled with debt in the next few years for strategic initiatives, although timing and amount are uncertain.

## Credit overview

We assessed Syracuse's enterprise risk profile as very strong, characterized by healthy enrollment with record applications. Retention and student quality also remain solid. We assessed Syracuse's financial risk profile as very strong, characterized by sound operating surpluses and moderate financial resource ratios as reflected by cash and investments. Combined, we believe these credit factors lead to an anchor of 'aa-' and a final rating of 'AA-'.

The 'AA-' rating reflects our assessment of Syracuse's following strengths:

- Comprehensive nature, with considerable program diversity and growing enrollment;
- History of solid operating surpluses driven by growth in net tuition revenue and auxiliary revenue; and
- Low maximum annual debt service (MADS) burden of 2.5% with conservative debt profile.

The rating reflects our assessment of Syracuse's following weaknesses:

- Somewhat weaker demand profile with a higher acceptance rate and lower matriculation rate relative to rating category medians and similarly rated peers;
- Modest cash and investment to operating expenses relative to similarly rated peers; and
- Relatively high student fee dependence, with tuition, fees, and auxiliary revenue accounting for 78.5% of fiscal 2023 revenue.

Founded in 1870, Syracuse University is a private, coeducational university that offers nearly 400 undergraduate, graduate, and professional degree programs through its 13 schools and colleges. It offers a number of highly competitive niche programs from, among others, the S.I. Newhouse School of Public Communications, Maxwell School of Citizenship and Public Affairs, and the School of Architecture.

### **Environmental, social, and governance**

We analyzed Syracuse's environmental, social, and governance credit factors related to its market position and financial performance. We view all environmental, social, and governance credit factors as neutral in our credit rating analysis.

## **Outlook**

The stable outlook reflects our expectation that the university will maintain enrollment and healthy operating surpluses. Financial resources are expected to remain in-line with current levels. Debt plans are possible but still uncertain at this time.

### **Downside scenario**

We could consider a negative rating action within the two-year outlook period if financial resources decline substantially or significant debt is issued without commensurate growth in financial resources. Enrollment declines and weakened operations to deficit levels would also be viewed negatively.

### **Upside scenario**

We could consider a positive rating action within the two-year outlook period if there was growth in financial resource ratios especially relative to operating expenses to levels consistent with a higher rating. Improvement in demand metrics such as selectivity and matriculation to levels consistent with higher rated peers along with the maintenance of operating surpluses would also be viewed favorably.

(For more information, see our full analysis on Syracuse published Sept. 6, 2024, on RatingsDirect.)

## Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Ratings Detail (As Of September 6, 2024)		
Syracuse Univ Taxable Commercial Paper ser CP due 06/05/2067		
<i>Short Term Rating</i>	A-1+	Affirmed
<b>Onondaga County Trust for Cultural Resources, New York</b>		
Syracuse University, New York		
Onondaga County Trust for Cultural Resources (Syracuse Univ)		
<i>Long Term Rating</i>	AA-/Stable	Affirmed

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.spglobal.com/ratings](http://www.spglobal.com/ratings) for further information. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

Copyright © 2024 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.spglobal.com/ratings](http://www.spglobal.com/ratings) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.spglobal.com/usratingsfees](http://www.spglobal.com/usratingsfees).

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.