



Moody's Upgrades Paso Robles Joint Unified School District Credit Ratings, Recognizing Dramatic Financial Turnaround

Independent credit rating agency cites strong reserves, prudent fiscal management and conservative budgeting in significant improvement since 2018

Paso Robles, Calif. (October 08, 2026) — Paso Robles Joint Unified School District (PRJUSD) has received significant credit rating upgrades from Moody's Ratings, marking a major milestone in the District's financial recovery and reflecting years of disciplined fiscal management.

Moody's upgraded the District's overall credit rating to Aa3 and its general obligation bond ratings to Aa2, recognizing substantial improvements in PRJUSD's financial health and fiscal management. The District's bond rating now stands two levels above its 2018 low.

The upgrades represent a remarkable turnaround from 2018, when Moody's downgraded the District's general obligation bonds to A1 and assigned a negative outlook, citing a rapidly deteriorating financial position and uncertainty surrounding the District's ability to stabilize its finances.

Eight years later, Moody's assessment tells a dramatically different story.

The agency attributed the upgrades to substantial improvement in the District's financial position, specifically recognizing the financial controls, conservative budgeting practices and fiscal discipline implemented since 2018.

Among the most significant indicators of the District's recovery is the growth in available operating reserves. In fiscal year 2018, the District's available operating fund balance had fallen below 5% of annual operating revenue. By fiscal year 2025, that figure had climbed to 37%.

Behind that progress are years of sustained effort and consistent financial leadership. Chief Business Officer Brad Pawlowski, who has served PRJUSD since 2018, has helped guide the District's financial recovery through disciplined budgeting and strengthened financial



practices. His approach to financial planning and labor negotiations has also emphasized long-term sustainability, balancing investments in District employees with the responsibility to maintain a stable financial future. Superintendent Jennifer Loftus, who joined the District in 2024, has continued to build on that foundation, emphasizing fiscal responsibility alongside the District's educational priorities and long-term planning.

Moody's also recognized the District's ability to maintain strong reserves and liquidity despite declining enrollment, a financial challenge facing many California school districts.

"This recognition is the result of years of difficult decisions, careful planning and a sustained commitment to responsible stewardship of public resources," said Superintendent Jennifer Loftus. "Our community places its trust in us to use public funds wisely, and this milestone demonstrates the progress we've made toward building a financially stable school district that can support students today and for years to come."

The upgrades carry practical significance for the District and its taxpayers. Stronger credit ratings indicate lower perceived credit risk and can help a school district obtain more favorable interest rates when issuing bonds to finance school facilities. Lower borrowing costs can ultimately mean more taxpayer-supported funding is available for school improvements rather than interest payments.

Moody's expects the District to maintain its strong financial position in the coming years. The agency specifically noted that projected general fund operating deficits associated with spending down restricted, one-time carryover funds in fiscal years 2027 and 2028 do not reflect a structural imbalance in the District's finances.

The District's improved financial standing is particularly meaningful as PRJUSD plans for the long-term needs of its schools through its recently adopted 2030 Facilities Master Plan.

"This upgrade is an important independent validation of the financial systems and practices we've worked hard to strengthen over the past eight years," said Brad Pawlowski, Assistant Superintendent of Business Services. "Strong fiscal management gives us the stability to plan responsibly, respond to changing circumstances and maintain our focus on supporting students."



While the District continues to navigate challenges associated with declining enrollment and rising operating costs, Moody's assessment confirms that PRJUSD has established a substantially stronger financial foundation than it had in 2018.

The full June 11, 2026, rating announcement is available from Moody's Ratings at <https://ratings.moody.com/ratings-news/467209>.

About Paso Robles Joint Unified School District

Paso Robles Joint Unified School District serves approximately 6,200 students throughout northern San Luis Obispo County. Guided by its core values of integrity, accountability, collaboration, innovation, compassion, and belonging, PRJUSD is committed to providing a safe and supportive environment where every student feels valued and empowered to discover their strengths, build resilience, and develop the knowledge, character, and confidence to thrive in their future.

###

For media inquiries, please contact:
Paso Robles Joint Unified School District
Melissa Godsey
Public Information Officer
mjgodsey@pasoschools.org