



San José Unified School District

2025 General Obligation Bond Financing

June 12, 2025

Financing Team Introductions



San José
Unified
School District

SAN JOSÉ USD FINANCING TEAM

STIFEL

UNDERWRITER

ROLE OVERVIEW:

- » The primary role of the underwriter is to market an issuer's bonds to a wide investor base, set the interest rates on the bonds based on market conditions and ultimately purchase the bonds on day of sale. The underwriter also provides guidance on timing, rating strategy, and structure, including couponing, to enhance investor interest and assists with review of disclosure and legal documents.



MUNICIPAL ADVISOR

ROLE OVERVIEW:

- » Serves as the District's fiduciary, oversees all aspects of financing pursuant to District direction, focuses on protecting District's interests and achieving lowest cost of borrowing, advises on structure & timing for each issuance, reviews disclosure & legal documents and manages annual reporting responsibilities.



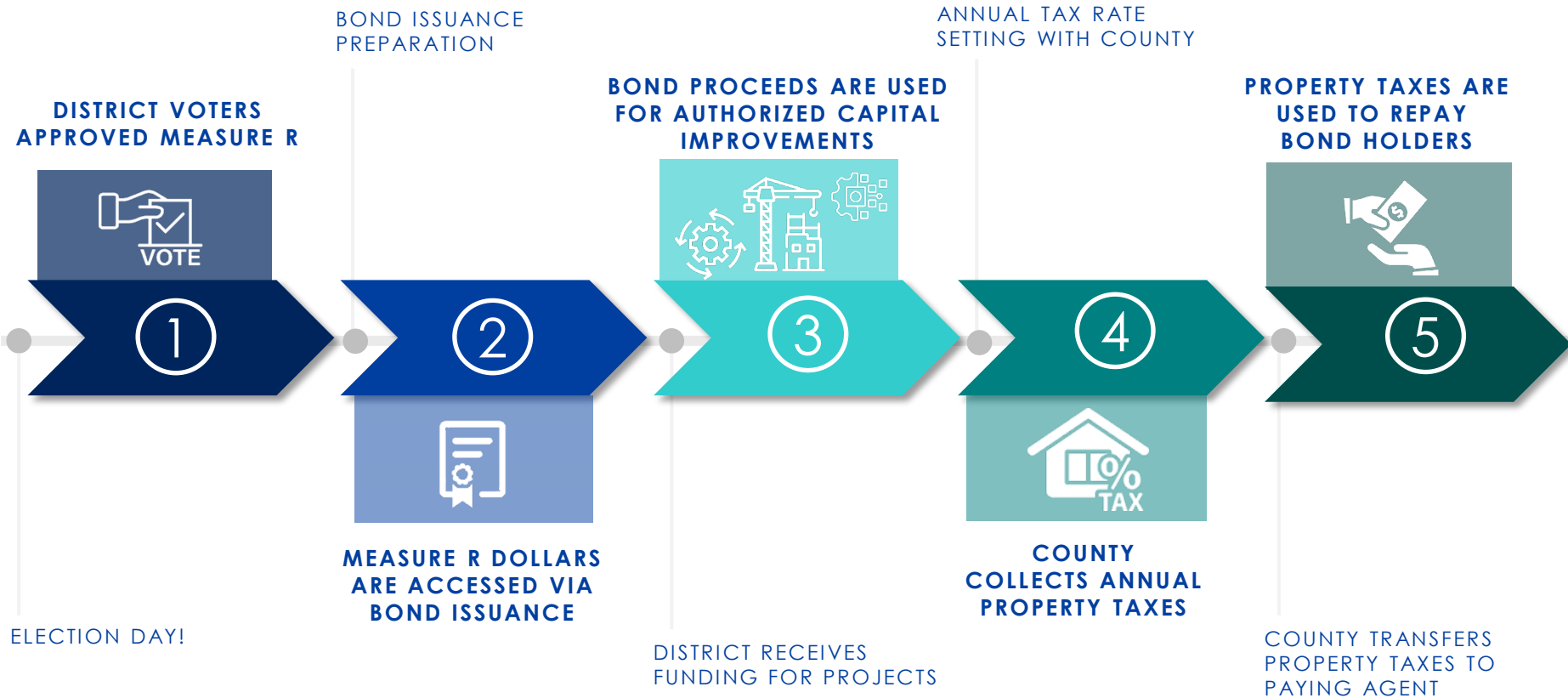
BOND COUNSEL

ROLE OVERVIEW:

- » Ensures compliance with federal and State laws, prepares authorizing resolution, legal and disclosure documents (e.g. Escrow Agreement, Preliminary Official Statement and Official Statement), opines as to tax-exempt status of bonds, assists with post-issuance compliance and submittal of required reports to the California Debt Investment and Advisory Commission on sale of bonds.



Congratulations you passed a Bond Measure! How do you access the money?



Bond Sale Overview



STRUCTURE:

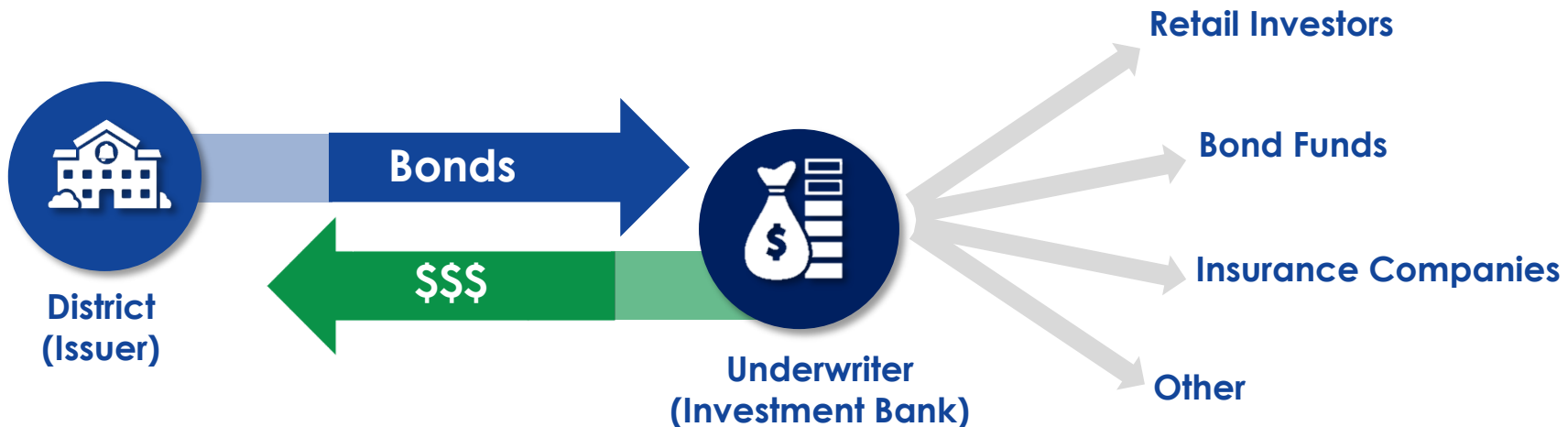
- The finance team works together to create a marketable and credit-worthy financing structure.

LEGAL:

- Legal documentation outlines the (limited) rights of the bondholders and the mechanics for repayment; provides disclosure information on the credit to potential investors. (Refer to Following Slide for Further Details)

BOND SALE:

- Issuer offers its GO Bonds to investors through investment banks.
- Investment banks purchase and provide funds to the district.
- Investment bank will ultimately allocate bonds to institutional and retail investors.



Bond Documents for Board Approval



RESOLUTION OF ISSUANCE

- Provides Parameters of Sale (amount, max interest rate, term, cost of issuance)
- Authorized Officers
- Investment of Funds
- Security and Financial Covenants (Issuer duties and obligations)

BOND PURCHASE CONTRACT

- Sets forth terms and conditions of debt sale to Underwriter including interest rates and fees
- Denominations & Interest rate and Principal Payment Dates
- Specifies documents, certificates, and legal opinions to be delivered at closing
- Remedies to investors, defaults and non-performance
- Prepayment or Redemption terms

OFFICIAL STATEMENT

- Preliminary: Marketing/ Disclosure to Potential Investors
- Final: Delivered to Purchasers
- Marketing/ Sales/ Disclosure document
- Issuer's Document
- Subject to federal securities laws (Rule 10b-5)

CONTINUING DISCLOSURE AGREEMENT

- Required by Securities and Exchange Commission's Rule 15c2-12
- Issuer's Duty to file Annual Reports and to report Specified Events

Election of 2024 , Measure R (2025 Series A)

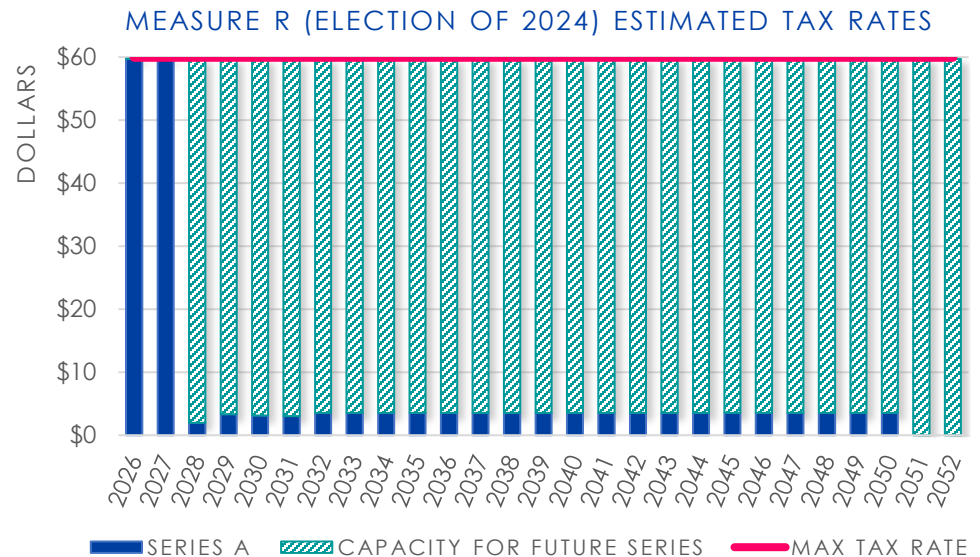
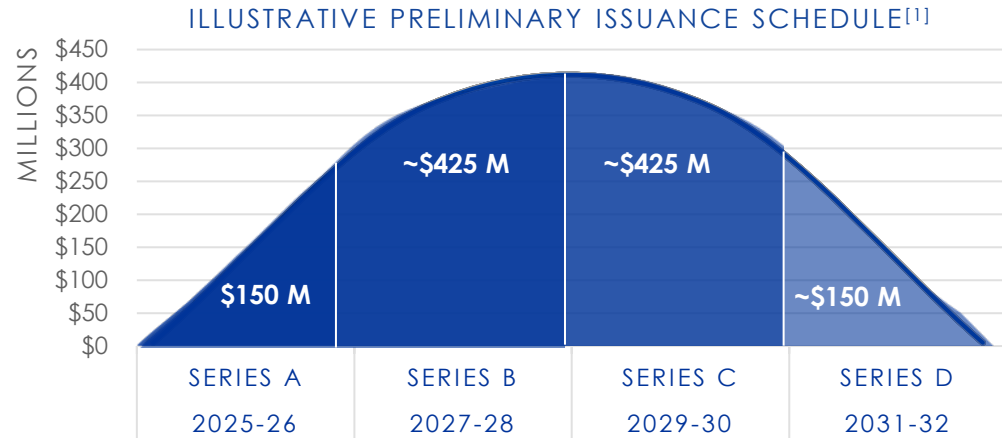


- The District voters approved Measure R authorizing \$1,150,000,000 on November 5, 2024.
- The estimated tax rate target for Measure R bonds is \$60 per \$100,000 of assessed value ("AV").
- Series A represents the initial tranche of Measure R funding.
- Several further series anticipated in the future, with issuance timing aligned with the facilities program's cashflow needs.

ASSUMPTIONS:

- » Current interest bonds only
- » Financing term up to 25 years
- » 4.00% annual AV growth rate

ELECTION OF 2024, SERIES A	
DATED DATE	8/4/2025
TOTAL PAR AMOUNT	\$150,000,000
FINAL MATURITY	8/1/2050
BOND TYPE	Current Interest Bonds
NET DEBT SERVICE	\$208,714,141
NET REPAYMENT RATIO	1.39



[1] Preliminary. Subject to market conditions at time of sale.



General Obligation Refunding Bonds

REFUNDING OVERVIEW:

- Refundings are similar to refinancing a home mortgage, but without extending the repayment period.
- Proceeds from refunding bonds are used to payoff existing debt by borrowing money in a lower interest rate environment, leading to a reduction of interest cost which produces debt service savings.
- All savings are passed along to taxpayers in the form of reduced property taxes.

SAN JOSÉ USD REFUNDING OPPORTUNITY:

- The District's outstanding 2016 GO Refunding bonds are **callable on 8/1/2025** and can be refunded on a **current basis** to provide savings to SJUSD taxpayers.
- Based on current market rates, we estimate a refunding would generate taxpayer savings of **\$6.8 million^[1]** over the remaining life of the bonds.

2025 GO REFUNDING BONDS SUMMARY	
Dated Date	August 4, 2025
Bonds to be Refunded	2016 GO Refunding Bonds
Bond Par Amount	\$69,675,000
True Interest Cost	3.22%
Average Coupon of Refunded Bonds	4.99%
Average Life	5.32
Par amount of refunded bonds	\$75,290,000
GROSS SAVINGS	\$6,804,281
NET PV SAVINGS	\$5,830,687
PV SAVINGS OF REFUNDED BONDS (%)	7.74%

BOND YEAR	PRIOR DEBT SERVICE	REFUNDING DEBT SERVICE	SAVINGS
8/1/2026	\$7,859,500	\$6,894,719	\$964,781
8/1/2027	8,248,750	7,276,750	972,000
8/1/2028	9,929,250	8,953,500	975,750
8/1/2029	10,429,000	9,456,500	972,500
8/1/2030	13,992,250	13,019,750	972,500
8/1/2031	14,688,750	13,713,250	975,500
8/1/2032	29,862,000	28,890,750	971,250
TOTAL	\$95,009,500	\$88,205,219	\$6,804,281

[1] Preliminary. Subject to market conditions at time of sale.



Next Steps

June 12th - Financing documents presented to the Board of Education for approval

▪ Measure R, Series A Resolution

- » Government Code Section 53506, et. seq., and County Resolution
- » Resolution approves bond issuance and the following documents:
 - Bond Purchase Contract
 - Preliminary Official Statement and Continuing Disclosure Certificate

▪ 2025 Refunding Bonds Resolution

- » Government Code Sections 53550, et seq., and 53570, et seq.
- » Resolution approves refunding, bond issuance, and the following documents:
 - Bond Purchase Contract
 - Preliminary Official Statement and Continuing Disclosure Certificate
 - Escrow Agreement

Future Financing Timeline Milestones:

- **June 17th** - Santa Clara County Board of Supervisors Approves Financing
- **July 8th** - Preliminary Official Statement (POS) posted
- **July 14th** - Preliminary Bond Pricing
- **July 15th** - Final Bond Pricing (Bond Sale)
- **August 5th** - Bond Closing

APPENDIX

Bond Program Overview



OVERVIEW OF SUCCESSFUL GENERAL OBLIGATION BOND MEASURES

DATE	MEASURE	% APPROVAL	RESULT	AUTHORIZATION AMOUNT	AUTHORIZATION REMAINING	TAX RATE PLEDGE (PER \$100K OF AV)
June 3, 1997	C	74.6%	Passed	\$165,000,000	\$0	\$66.66
March 5, 2002	F	69.3%	Passed	\$429,000,000	\$0	\$60.00
November 6, 2012	H	71.3%	Passed	\$290,000,000	\$0	\$28.80
November 5, 2024	R	64.7%	Passed	\$1,150,000,000	\$1,150,000,000	\$60.00
TOTAL SUCCESSFUL MEASURE				\$2,034,000,000	\$1,150,000,000	

OUTSTANDING DEBT

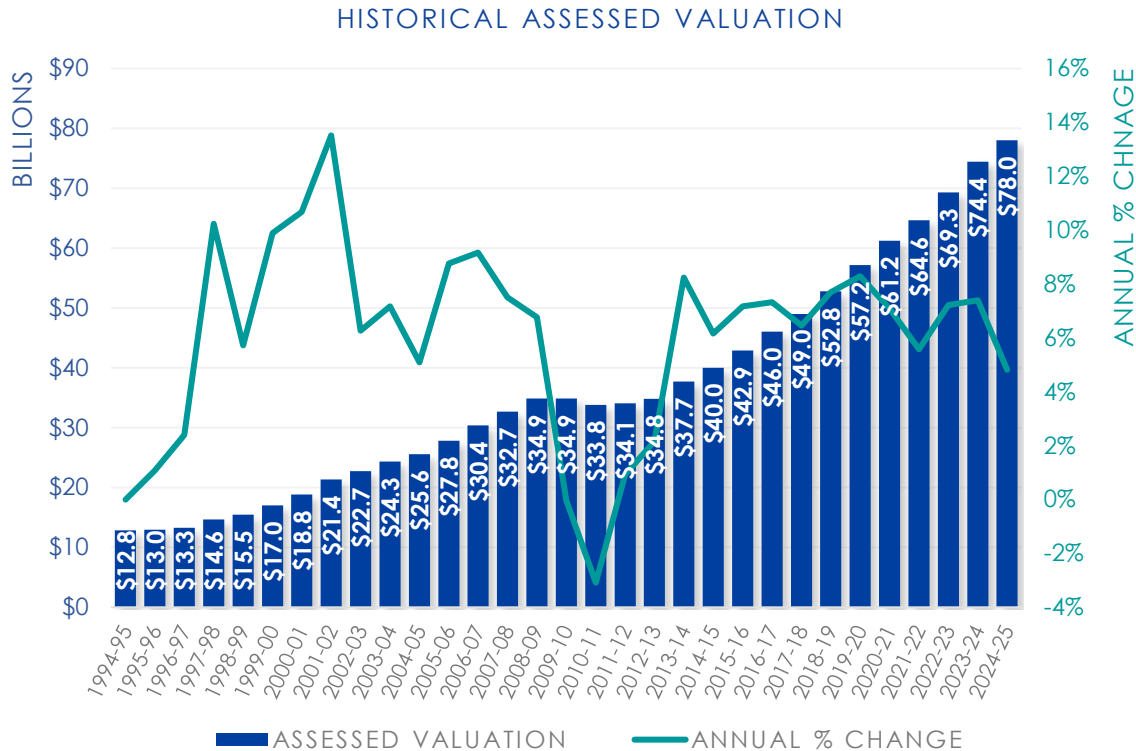
	DATED DATE	PAR AMOUNT	FINAL MATURITY	OUTSTANDING PAR	CALL FEATURE
ELECTION OF 2002					
Series C	6/27/2026	\$149,999,025	6/1/2031	\$46,319,025	Non-Callable
2016 Refunding Bonds	2/11/2016	\$91,565,000	8/1/2032	\$78,850,000	8/1/2025
2017 Refunding Bonds	12/19/2017	\$27,695,000	8/1/2027	\$14,545,000	Non-Callable
2021 Refunding Bonds	1/20/2021	\$46,045,000	8/1/2029	\$40,190,000	Non-Callable
Total Election 2002 Outstanding				\$179,904,025	
ELECTION OF 2012					
Series 2013B (Taxable)	2/6/2013	\$71,135,000	8/1/2034	\$6,065,000	8/1/2023
Series 2015C	1/29/2015	\$70,615,000	8/1/2039	\$2,820,000	8/1/2024
Series 2015D (Taxable)	1/29/2015	\$14,385,000	8/1/2027	\$2,160,000	Non-Callable
Series 2018E	2/1/2018	\$60,000,000	8/1/2042	\$49,510,000	8/1/2027
Series 2019F	7/17/2019	\$46,720,000	8/1/2042	\$40,645,000	8/1/2029
2021 Refunding Bonds	1/20/2021	\$142,055,000	8/1/2039	\$131,435,000	8/1/2031
Total Election 2012 Outstanding				\$232,635,000	
TOTAL OUTSTANDING				\$412,539,025	



Assessed Value ("AV")

COMPOUND ANNUAL GROWTH RATE			
1 – YEAR:	4.83%	15 – YEAR:	5.52%
5 – YEAR:	6.42%	20 – YEAR:	5.73%
10 – YEAR:	6.90%	25 – YEAR:	6.28%

FISCAL YEAR	TOTAL AV	% CHANGE
1994-95	\$12,837,362,843	~
1995-96	12,975,962,278	1.08%
1996-97	13,286,176,646	2.39%
1997-98	14,645,672,802	10.23%
1998-99	15,484,058,659	5.72%
1999-00	17,014,856,865	9.89%
2000-01	18,832,272,207	10.68%
2001-02	21,378,064,434	13.52%
2002-03	22,719,160,710	6.27%
2003-04	24,349,495,968	7.18%
2004-05	25,588,343,651	5.09%
2005-06	27,829,793,657	8.76%
2006-07	30,380,031,403	9.16%
2007-08	32,660,744,891	7.51%
2008-09	34,871,305,045	6.77%
2009-10	34,857,012,427	-0.04%
2010-11	33,782,717,469	-3.08%
2011-12	34,098,495,116	0.93%
2012-13	34,834,901,091	2.16%
2013-14	37,706,513,335	8.24%
2014-15	40,028,439,657	6.16%
2015-16	42,899,390,098	7.17%
2016-17	46,042,903,677	7.33%
2017-18	49,015,346,856	6.46%
2018-19	52,785,161,866	7.69%
2019-20	57,161,135,115	8.29%
2020-21	61,215,534,985	7.09%
2021-22	64,628,044,602	5.57%
2022-23	69,295,293,816	7.22%
2023-24	74,418,563,521	7.39%
2024-25	78,009,370,652	4.83%



Municipal Market Conditions



MUNICIPAL MARKET THEMES



- Extraordinary market volatility in April driven by the White House's announcement of a sweeping overhaul to U.S. trade policy.



- While economic indicators have taken a back seat to tariff policy, there is an increasing perception that the risk of a U.S. recession is growing.



- At its May meeting, the Fed left interest rates unchanged, waiting for more clarity regarding fiscal policy measures; Market participants are now pricing in only 2 rate cuts by year end, beginning in September.

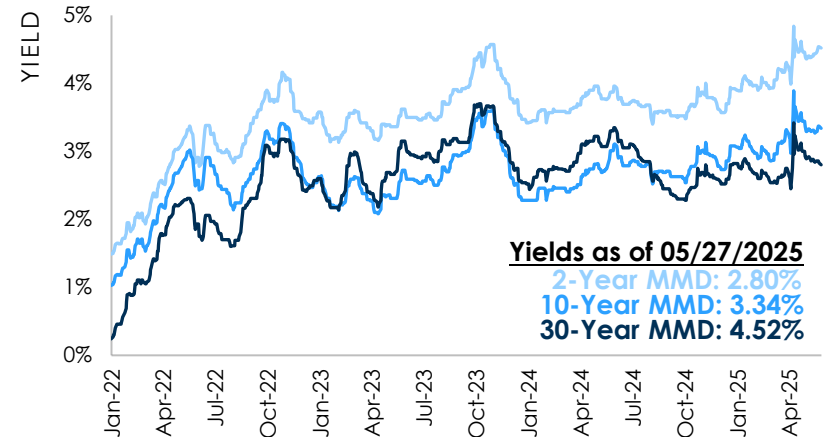


- Municipal bond issuance volume is currently on pace to exceed the record-breaking amount of 2024.



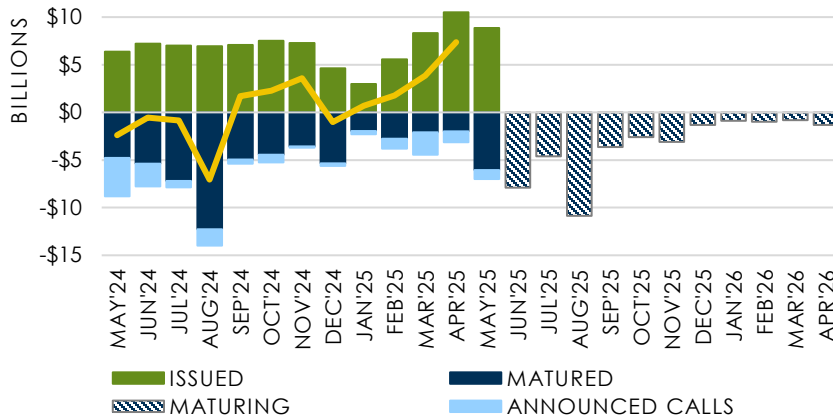
- Demand has kept pace with increased bond supply supported by positive municipal bond mutual fund flows.

AAA MMD YIELDS SINCE 2022



CALIFORNIA MUNICIPAL BOND NET ISSUANCE

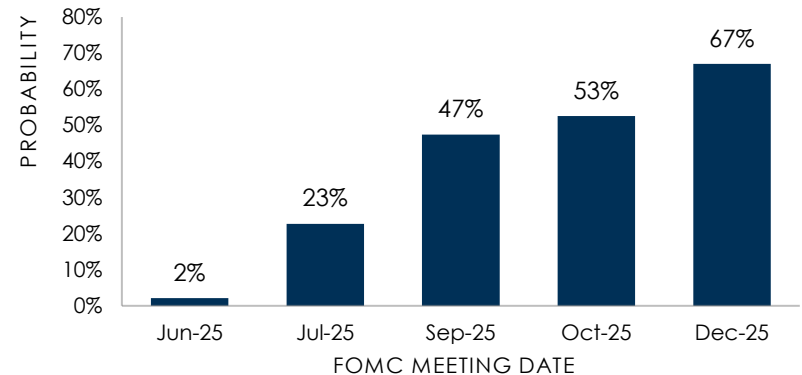
Monthly Bond Issuance vs. Bond Redemptions/Maturing



Sources: TM3 and Bloomberg as of 5/27/2025.

MARKET CONSENSUS PROBABILITY OF A RATE CUT AT UPCOMING FED MEETINGS

Calculated Using Fed Fund Futures.



Bond Issuance Process



STEP 1:

Budget & Accounting Review

District staff reviews plan of finance

Financing team reviews legal and disclosure documents

Consideration of Board approved debt policies



STEP 2:

Board Authorizes the Bonds

Agenda item prepared for approval

Staff recommends course of action

Board votes



STEP 3:

Secure Credit Ratings

Prepare a presentation

Meeting to address questions

Independent assessment of credit quality



STEP 4:

Preliminary Official Statement

Includes disclosure of all material information

Due diligence opportunity and sign-off for District staff

After district signs off, POS is distributed to investors in anticipation of pricing



STEP 5:

Pre-Market Bonds to Investors

Underwriter contacts investors

Investment analysts perform independent review

Pricing indications



STEP 6:

Pre-Price, Price, Sell & Underwrite

Underwriter procures orders and makes offer

Benchmarking process

Municipal Advisor recommends adjustments



STEP 7:

Post-Sale Actions

Post the final official statement

County board of supervisors adopts tax levy resolution



STEP 8:

Pre-Closing & Closing

District and Counsel review documents

District executes

Funds wired and bonds released