

# Measure R Update

San José Unified School District

Board of Education

August 21, 2025



# Measure R

Facility Master Plan

Safety

Workforce Housing

Issuance





# San José Unified

A unified community that elevates opportunities  
for all.



# Facility Master Plan

Engagement, Synthesis, Prioritization





# School Security and Emergency Preparedness Assessment

Site visits, analysis, results



# Workforce Housing

Collaboration, Unit Mix, Entitlement Process





# San José Unified School District Post Issuance Presentation

General Obligation Bonds, 2024 Election, 2025 Series A  
& 2025 Refunding General Obligation Bonds

August 21, 2025



# Transaction Summary

## 2025 FINANCING OVERVIEW:

- On July 16, 2025, the District successfully sold the first series of bonds under Measure R for a total par amount of \$150 million.
- In addition, the District refunded the outstanding 2016 GO Refunding Bonds which were initially sold from the 2002 Election (Measure F).
  - » The refunding generated taxpayer savings in excess of \$9.8 million over the remaining life of the bonds.
- The transactions successfully closed on August 5, 2025.

## BOND FINANCING TEAM



## 2025 PRICING RESULTS:

- The Series A and Refunding Bonds were sold during a period of increased market stability with manageable California municipal bond supply.
- The bonds received strong investor interest which allowed the District to lower the interest rates on the bonds.
  - » Highlighted in the table below, the District secured a final true interest cost (TIC) of 4.23% for the Series A bonds and 2.52% for the Refunding Bonds.

## 2025 GENERAL OBLIGATION ("GO") BONDS FINANCING SUMMARY

	GO BONDS, 2024 ELECTION, 2025 SERIES A	2025 GO REFUNDING BONDS
DATED DATE	8/5/2025	8/5/2025
TOTAL PAR AMOUNT	\$150,000,000	\$67,520,000
TRUE INTEREST COST (TIC)	<b>4.23%</b>	<b>2.52%</b>
FINAL MATURITY	8/1/2050	8/1/2032
BOND TYPE	Current Interest	Current Interest
TOTAL NET DEBT SERVICE	\$205,393,452	\$85,180,489
REPAYMENT RATIO	1.37	1.26



# Credit Rating Overview

- A well-deserved S&P upgrade puts the District in an exclusive club of issuers rated AAA by both major rating agencies

## MOODY'S

- GO rating affirmed at '**Aaa**' (was upgraded back in 2022).
- Moody's cited a strength of the District's rating is their Community-Funded status, with revenue based on the tax base rather than enrollment.

## S&P Global Ratings

- GO rating was **upgraded to 'AAA'**.
- S&P's rating upgrade was reflective of the District's strengthening tax base with revenues the District can realize above the state funding formula.

### SAN JOSÉ USD CURRENT GO RATING:

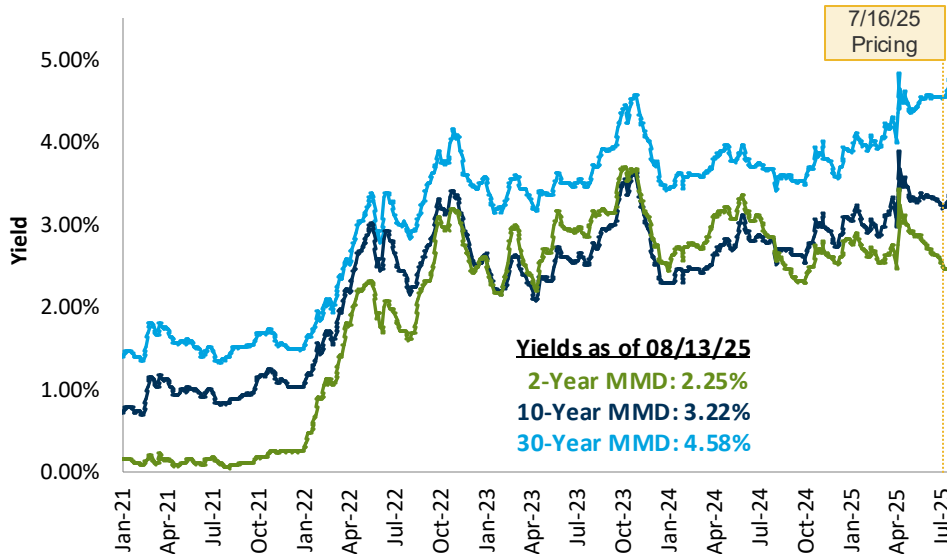
	MOODY'S RATING SCALE	S&P RATING SCALE	GRADE	RISK
SJUSD GO BOND RATING →	Aaa	AAA	Investment	Lowest Risk
	Aa1	AA+	Investment	Lowest Risk
	Aa2	AA		
	Aa3	AA-		
	A1	A+	Investment	Low Risk
	A2	A		
	A3	A-		
	Baa	BBB	Investment	Medium Risk
	Ba, B	BB, B	Non-investment	High Risk
	Caa/Ca/C	CCC/CC/C	Non-investment	Highest Risk
C	D	Non-investment	In Default	



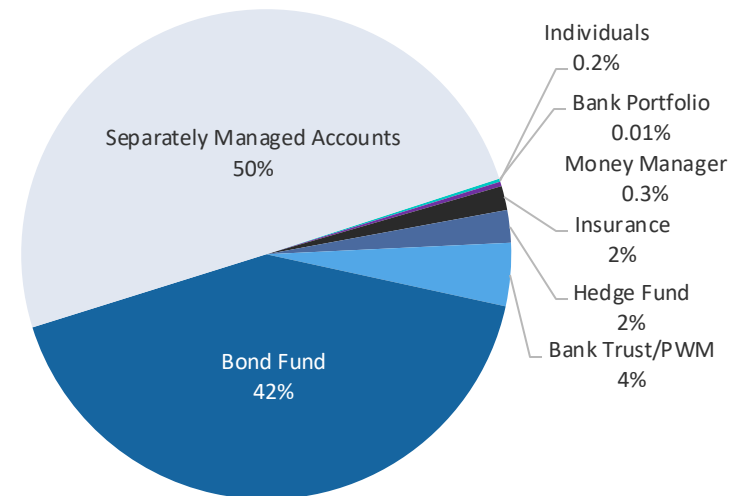
# Market Conditions & Pricing Results

- The weeks leading up to the bond sale saw improved market stability with interest rates declining on the short-end which helped support the transaction and garner investor interest.
- While supply remained elevated nationally, California issuance was manageable with the San José USD bond sale commanding the interest of investors given the size of the transaction and strong 'Aaa/AAA' credit rating.
- The District's sale garnered substantial investor attention with investor orders totaling over \$660 million, more than the \$217.65 million in bonds offered (\$150 million Series A bonds and \$67.65 Refunding Bonds), equating to 3 times oversubscription.
  - » 39 unique institutional investors placed orders.
  - » \$1.3 million in orders from individual retail investors.
- As a result of strategic timing and marketing efforts driving strong investor participation, Stifel lowered interest rates by 2 to 7 basis points (0.02% to 0.07%) across oversubscribed maturities.

AAA MMD Yields Since 2021



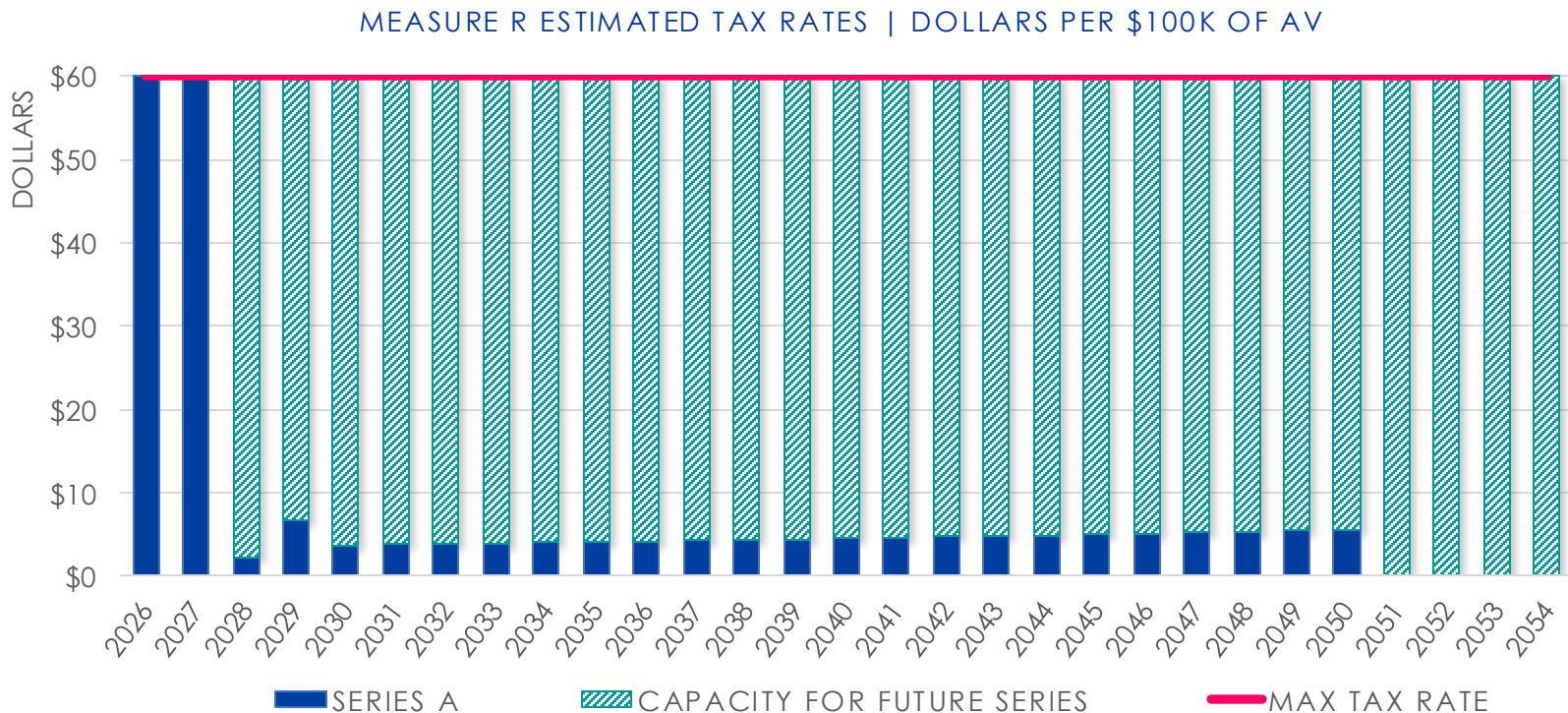
Summary of Investors by Investor Type





# Measure R | Estimated Tax Rates

- The maximum tax rate for Measure R bonds is \$60 per \$100,000 of assessed value ("AV").
- The Series A bonds were structured with a 25-year term, with final maturity in 2050.
- Over 60% of the Series A bonds amortize in the first two years to minimize interest costs while leaving ample capacity for future issuances.
- The tax rate for the Measure R bond program is estimated to be below \$60 per \$100,000 of AV throughout the life of the bonds.





# 2025 GO Refunding

- The District's outstanding 2016 GO Refunding Bonds were callable on 8/1/2025 and were refinanced on a current refunding basis.
- The minimum Present Value ("PV") savings for a current refunding, which aligns with the Government Finance Officers Association best practices, is 3% as a percentage of bonds refunded.
- Based on the final pricing result, the District generated taxpayer savings of **\$9,829,011** over the life of the bonds, or in PV terms, \$8,415,910 which equates to approximately 11.18% as a percentage of bonds refunded.

## 2025 GO REFUNDING FINANCING SUMMARY

2025 GO REFUNDING BONDS	
Refunding Par Amount	\$67,520,000
Par amount of refunded bonds	\$75,290,000
Average coupon of refunded bonds	4.99%
Refunding TIC	2.52%
<b>NPV Savings (\$):</b>	<b>\$8,415,910</b>
<b>NPV Savings (%):</b>	<b>11.18%</b>
<b>Nominal Savings</b>	<b>\$9,829,011</b>

## ANNUAL DEBT SERVICE SAVINGS

BOND YEAR	PRIOR DEBT SERVICE	REFUNDING DEBT SERVICE	NOMINAL SAVINGS
8/1/2026	\$7,859,500	\$7,048,489	\$811,011
8/1/2027	8,248,750	7,395,500	853,250
8/1/2028	9,929,250	8,900,250	1,029,000
8/1/2029	10,429,000	9,349,250	1,079,750
8/1/2030	13,992,250	12,546,000	1,446,250
8/1/2031	14,688,750	13,171,250	1,517,500
8/1/2032	29,862,000	26,769,750	3,092,250
<b>TOTAL</b>	<b>\$95,009,500</b>	<b>\$85,180,489</b>	<b>\$9,829,011</b>

# Cost of Issuance | 2025 Bond Financing



## EDUCATION CODE

- Section 15146(c) of the Education Code requires that after a bond sale and closing, actual cost information be provided to the Governing Board and to the public.
- The following are the issuance costs paid in connection with the 2025 Bonds:

	PAID TO	GO BONDS, 2024 ELECTION, 2025 SERIES A	2025 GO REFUNDING BONDS	TOTAL
<b>UNDERWRITERS DISCOUNT</b>				
Underwriters Discount	Stifel	\$487,500	\$219,440	\$706,940
<b>SUBTOTAL</b>				<b>\$706,940</b>
<b>OTHER COSTS OF ISSUANCE</b>				
Bond/Disclosure Counsel	DWK	\$70,000	\$62,500	\$132,500
Financial Advisor	KNN Public Finance	90,000	75,000	165,000
Financial Advisor Expenses	KNN Public Finance	2,069	931	3,000
Rating	Moody's	101,025	45,475	146,500
Rating	S&P	90,474	40,726	131,200
Paying Agent	US Bank	2,650	2,850	5,500
Escrow Agent	US Bank		1,000	1,000
Verification Agent	Causey		2,000	2,000
Statistical Report	CalMuni	845	380	1,225
Printing	AVIA	1,589	715	2,304
Remaining / Contingency <sup>[1]</sup>		5,985	9,496	15,481
<b>SUBTOTAL</b>				<b>\$605,710</b>
<b>TOTAL COSTS OF ISSUANCE</b>		<b>\$852,137</b>	<b>\$460,513</b>	<b>\$1,312,650</b>

[1] Any amount remaining after all invoices have been paid will be transferred to the building and debt service funds.

Note: Numbers may not sum due to rounding.

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