

For Immediate Release

July 30, 2013

East Side Union High School District
830 N. Capitol Avenue, San Jose, CA 95133

Office of the Superintendent
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East Side Union High School District Saves Taxpayers \$7.7 Million

San Jose, CA. The East Side Union High School District on July 11, 2013, successfully refinanced bonds from Measure G, approved by voters in March 2002, resulting in \$7.7 million in savings to taxpayers over the next 16 years. “This isn’t the first time we have refinanced bonds and it won’t be the last. Our Board is always looking for opportunities to provide savings to our taxpayers,” stated Board President Frank Biehl.

The process is similar to refinancing a home loan - the District borrowed money at today’s lower interest rates to pay off bonds that carried higher interest rates. All of the savings from the refinancing will be passed on to the District’s taxpayers in the form of lower property taxes. The District took advantage of an unprecedented low interest rate environment to refinance \$80 million of outstanding general obligation bonds, reducing the interest rate on the outstanding loan from 5.00% to 4.18%. It also replaced existing Capital Appreciation Bonds with lower costing Current Interest Bonds.

As part of the recent sale, the District requested a financial review from two national credit rating agencies. Similar to a consumer, when a school district receives a better credit score, they have the ability to obtain better interest rates and ultimately save more money in the long run. In mid-June, school officials met with Standard & Poor’s and Moody’s Investors Service to present the District’s profile. The result was a rating upgrade from Standard and Poor’s from an “A” to an “A+“, as well as confirmation of their very strong “Aa2” rating from Moody’s.

“The bond rating upgrade recognizes our District’s prudent fiscal management. This will save millions of dollars in interest on future bond issues,” explained Superintendent Chris Funk.

The savings will begin to be realized beginning with the 2013-14 property tax rolls set by the County.

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Superintendent • Chris D. Funk

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