



# News Release

## **San Jose-Evergreen Community College District Gets Bond Rating Boosted, Helping the District Save Taxpayers \$19 Million in Latest Bond Refinancing**

*Sound fiscal oversight and enhanced financial stability earns District lower interest rates and generate millions of dollars in savings to local taxpayers*

**SAN JOSE, Calif., (April 7, 2014)** – San Jose-Evergreen Community College District (SJECCD) announced today it had successfully refinanced nearly \$100 million in general obligation bonds and, in the process, will save taxpayers more than \$19.8 million over the life of the bonds.

SJECCD not only took advantage of historically low interest rates, but also benefitted from enhanced credit ratings issued recently by both Moody's and Standard & Poor's, the world's two leading credit rating agencies. Moody's affirmed SJECCD's 'Aa1' rating while removing its previous negative outlook, and Standard & Poor's raised the SJECCD's rating from 'AA-' to 'AA'. Both agencies cited the District's improved financial performance, liquidity position, healthy reserve levels and strong, stable fiscal management as justification for SJECCD's superior credit ratings, which were crucial towards securing lower interest rates on its bonds. The District estimates that of the nearly \$20 million in total taxpayer savings the refinancing will generate, as much as \$2 million can be directly attributed to the recent enhancement in its credit rating.

For SJECCD leaders, news of the successful bond refinancing affirmed the success of its sustained effort to regain investor and taxpayer confidence following a swarm of public criticism over questionable expenditures and loose internal control systems. Amidst that criticism in 2010, SJECCD's Board of Trustees named Dr. Rita Cepeda its new Chancellor, tasking her with making sweeping changes to the District's financial management procedures and to reestablish trust with financial investors and local taxpayers. Since then, SJECCD leaders have taken a series of significant steps to enhance the District's financial stability, including overhauling budget practices and internal control systems, building healthy budget reserves, and stabilizing future revenue projections.

"The District has looked inward to conduct an exhaustive assessment of our internal controls and procedures, the goal of which was to refocus attention back to our budgeting and spending practices to ensure we are making every decision based upon what is best for our students and the long-term interest of our local taxpayers," said San Jose-Evergreen Community College District Chancellor Rita Cepeda. "Our enhanced credit rating is just another acknowledgment that our work has done much to instill confidence in the District."

SJECCD also announced the sale of more than \$151 million in new money bonds authorized by voters in 2004 and 2010 to fund capital and modernization projects at both San Jose City and



Evergreen Community Colleges. Much of the funding will be used to support continued growth in career and technical education programs that aim to prepare students for success and advancement in Silicon Valley workforce.

SJECCD's Board of Trustees expressed their approval of the successful bond sale, touting the District's efforts to lower the local tax burden and apply strong fiscal oversight and management over the past three years. In addition to delivering dozens of bond projects on time and on budget, the District has successfully expanded programming opportunities to better serve students while, at the same time, enhancing the District's overall financial stability.

"We hope our voters will see the care with which we have invested their tax dollars. We are delighted to be able to have earned the trust and confidence that voters extended to us," said Dr. Jeffrey Lease, Chair of the San Jose-Evergreen Community College District Board of Trustees. "Our ability to provide quality career and technical programs for our students and aptly prepare them for the region's highly competitive workforce is directly dependent upon our voters' continued support for the critical role community colleges play in our region's economic growth."

**About San Jose-Evergreen Community College District:** Located in the Santa Clara Valley, the San Jose-Evergreen Community College District encompasses more than 300 square miles, including a large portion of the city of San José and all of the city of Milpitas. The District includes the areas served by Milpitas and San José Unified School Districts, together with the Eastside Union High School District. The District is comprised of two colleges, Evergreen Valley College, established in 1975, and San José City College, the oldest community college in Santa Clara County, established in 1921. For more information, visit: [www.sjeccd.edu](http://www.sjeccd.edu).

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