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## [Elite Prep Schools Flood Muni Market After Regional-Bank Tumult.](#)

- **First Republic, SVB failures in 2023 roiled school-loan market**
- **Schools sold \$803 million of munis last year, most since 2008**

Just down the road from Stanford University, a roughly \$200 million campus upgrade is underway at one of the Palo Alto area's elite private schools, with plans encompassing state-of-the-art classrooms, an aquatics center and a recording studio.

It's a massive financial undertaking for Castilleja School Foundation. Its leadership considered loans from banks before turning to the municipal bond market, which is more often used to finance roads and bridges than projects at private institutions charging more than \$60,000 a year in tuition.

Castilleja, an all-girls school that opened in 1907, wound up selling about \$106 million of tax-exempt debt in September, its first foray into that market. It was one of at least 17 US independent private schools that sold municipal bonds in 2024 — several for the first time. They borrowed \$803 million combined, almost double the previous year's tally and the most since 2008, data compiled by Bloomberg show.

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### **Bloomberg Markets**

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