

# **Bond Case Briefs**

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## **US School Districts Rush to Sell Bonds After Draining Covid Cash.**

### **Takeaways**

- Public schools are issuing a large number of municipal bonds to fund upgrades, with issuance reaching nearly \$45 billion so far this year, a 35% increase from the same period in 2024.
- The surge in bond issuance is driven by a mix of elevated construction costs, pent-up demand for projects, and competition among schools to attract students and families with modern facilities.
- The current volume of public school bonds is also tied to the election last November, with districts issuing debt to fund voter-approved projects, and investors have largely absorbed the influx of school bonds without issue.

The pandemic-era pause on borrowing is over. Public schools are flooding the municipal-bond market to fund long-delayed upgrades as federal aid runs out and enrollment pressures mount.

Bond issuance from school districts has reached nearly \$45 billion so far this year, up more than 35% from the same period in 2024, data compiled by Bloomberg shows. That's greater than the roughly 20% jump in bond sales overall in the muni market.

There's a sense among muni analysts that most districts are, for now, in healthy enough financial shape to absorb the jump in debt levels. Yet the bond rush still signals a turning point.

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### **Bloomberg Markets**

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