

**California Debt and Investment Advisory Commission**

**2002 ANNUAL REPORT**

**Phil Angelides  
State Treasurer and Chair**

**CDIAC #03-7**

# **CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION**

## **2002 ANNUAL REPORT**

The California Debt and Investment Advisory Commission (CDIAC) complies with the Americans with Disabilities Act (ADA). If you need additional information or assistance, please contact the Commission at (916) 653-3269 or TDD (916) 654-9922.

Additional information concerning this report or the programs of CDIAC may be obtained by calling (916) 653-3269 or on the Internet at [www.treasurer.ca.gov/cdiac](http://www.treasurer.ca.gov/cdiac).

**CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION**

**Commission Members**

**Phil Angelides**  
State Treasurer and Chair

**Mike Machado**  
State Senator

**Arnold Schwarzenegger**  
Governor

**Judy Chu**  
State Assembly Member

or  
**Donna Arduin**  
Director  
Department of Finance

**Susan Leal**  
Treasurer  
City and County of San Francisco

**Steve Westly**  
State Controller

**Donna Linton**  
Assistant County Administrator  
Alameda County

**Charles Poochigian**  
State Senator

---

Additional information concerning this report or the programs of the California Debt and Investment Advisory Commission (CDIAC) may be obtained from:

Lisa M. Harris  
Executive Director  
California Debt and Investment Advisory Commission  
915 Capitol Mall, Room 400  
Sacramento, CA 95814

or  
P.O. Box 942809  
Sacramento, CA 94209-0001  
Phone: (916) 653-3269  
Fax: (916) 654-7440  
E-mail: [cdiac@treasurer.ca.gov](mailto:cdiac@treasurer.ca.gov)  
Internet site: [www.treasurer.ca.gov/cdiac](http://www.treasurer.ca.gov/cdiac)

**TABLE OF CONTENTS**

- I. Overview of California Public Finance in 2002** ..... 1
  
- II. State and Local Issuance**..... 2
  - A. Overview ..... 2
  - B. Refunding in 2002 ..... 4
  - C. California Public Issuance by Type and Purpose ..... 5
  - D. Competitive and Negotiated Financings ..... 7
  
- III. State of California Issuance** ..... 8
  
- IV. Local Agency Issuance** ..... 10
  
- V. Mello-Roos Community Facilities Districts** ..... 12
  - A. Defaults and Draws ..... 13
  
- VI. Outstanding General Obligation Bond Issuance** ..... 14
  - A. State and Local General Obligation Bonds ..... 14
  - B. Local Agency Outstanding General Obligation Bonds ..... 15
  - C. Proportion of Local Agencies with Outstanding General Obligation Bonds ..... 16
  - D. Local Agency Outstanding General Obligation Bonds Aggregated by County ..... 17
  - E. Comparison of Outstanding General Obligation Bonds Per Capita and Personal Income..... 19
  
- VII. The California Debt and Investment Advisory Commission** ..... 22
  - A. Commission Members..... 22
  - B. Commission Programs ..... 23
    - 1. Data Collection ..... 23
    - 2. Policy Research..... 24
    - 3. Technical Assistance ..... 25
  - C. Commission Funding and Expenditures..... 28
  
- VIII. Appendices**
  - A. Enabling Legislation ..... A-1
  - B. Reporting Fee Schedule ..... B-1
  - C. Current List of Publications ..... C-1

## IX. Figures

Figure 1.	California Public Issuance, Total Par Amount, 1992 through 2002.....	3
Figure 2.	California Public Issuance, Types of Issuers, 2002 and 2001 .....	3
Figure 3.	California Public Issuance, Long-Term and Short-Term, 2002 and 2001 .....	4
Figure 4.	California Public Issuance, New Issuance and Refunding Issuance, 2002 and 2001 .....	4
Figure 5.	State and Local Issuance, Total Issuance and Refunding Issuance, 2002 and 2001 .....	5
Figure 6.	State and Local Issuance by Type, 2002 .....	5
Figure 7.	State and Local Issuance by Purpose, 2002 .....	6
Figure 8.	California Public Issuance, Competitive and Negotiated Financings, 1992 through 2002 .....	7
Figure 9.	State Bond Issuance by Type, 2002 and 2001.....	8
Figure 10.	State Bond Issuance by Purpose, 2002 and 2001 .....	9
Figure 11.	Local Issuance by Type, 2002 and 2001 .....	10
Figure 12.	Local Issuance by Purpose, 2002 and 2001 .....	11
Figure 13.	Mello-Roos Bond Issuance, New and Refunding Bonds, 1992 through 2002 .....	12
Figure 14.	Mello-Roos Bond Issuance by Purpose, 1992 through 2002 .....	12
Figure 15.	Mello-Roos Bonds Defaults and Draws 1994 through 2002.....	13
Figure 16.	Summary of California Outstanding State and Local General Obligation Bonds Fiscal Years 1998-99 and 1999-00.....	14
Figure 17.	California Outstanding Local Agency General Obligation Bonds by Type of Jurisdiction Fiscal Years 1998-99 and 1999-00 .....	15
Figure 18.	Proportion of California Governmental Entities with Outstanding General Obligation Bonds Fiscal Year 1999-00 .....	16
Figure 19.	Total Local Government General Obligation Bonds Aggregated by County Fiscal Years 1998-99 and 1999-00.....	17
Figure 20.	Comparison of Various Measures of State and Local Outstanding General Bonds, Fiscal Year 1999-00 .....	19
Figure 21.	California Debt and Investment Advisory Commission Operating Revenues and Expenditures, Fiscal Year 2001-02 .....	28

## **I. OVERVIEW OF CALIFORNIA PUBLIC FINANCE IN 2002**

---

The total amount of public issuance in 2002 was \$77.3 billion, an increase of 70.7 percent over the \$45.3 billion issued in 2001. The breakdown of public issuance is as follows: bonds (60 percent, \$46.4 billion), notes (35 percent, \$27.0 billion), certificates of participation (4.7 percent, \$3.6 billion), commercial paper (0.4 percent, \$280.5 million), and other (0.03 percent, \$22.4 million).<sup>1</sup>

The three predominant areas of issuance, which represent 85.0 percent of total statewide issuance, were capital improvements and public works (35.0 percent), interim financing (34.0 percent), and education (16.0 percent).

State government issuance increased 205.3 percent, from \$13.4 billion issued in 2001 to almost \$41 billion in 2002. This increase, which is more substantial than the increase in 2001, is attributed to the following:

- **Public Enterprise Revenue Bonds**

\$13 billion (1,810 percent increase) of public enterprise revenue bonds were sold in 2002. Of the \$13 billion sold, \$11.3 billion was sold for the State's Power Supply Program designed to avoid power shortages and provide power to customers of major investor-owned electric utility companies. The remaining \$1.7 billion was sold for water purposes, such as water supply, storage, distribution, and a clean water revolving fund. Overall, State bond issuance in 2002 increased 181.1 percent from 2001.

- **Notes**

\$7.5 billion in revenue anticipation warrants and \$12.5 billion in revenue anticipation notes (250.5 percent increase) were issued in 2002. The \$7.5 billion in revenue anticipation warrants were sold to fund, in part, the cash management program of the State for the 2001-02 and 2002-03 fiscal years. The \$12.5 billion in revenue anticipation notes also were sold to assist in the State's cash flow management program for the 2002-03 fiscal year.

As in 2001, the State committed most of its long-term issuance to capital improvements and public works. In contrast, state issuance for hospital and health care facilities and housing decreased 19.0 percent and 3.0 percent, respectively.

Total issuance from California local agencies, which include cities, counties, and special districts, increased 12.0 percent in 2002, from \$31.6 billion issued in 2001 to \$35.4 billion in 2002. General obligation bond issuance increased \$7.0 billion (84.1 percent) as compared to \$3.8 billion in 2001. Although there was an increase in local issuance, there were several types of financing instruments that had a significant decrease overall from 2001, such as sales tax revenue bonds (-96.6 percent), commercial paper (-86.8 percent), grant anticipation notes (-23.2 percent) and public enterprise revenue bonds (-16.0 percent). As in the previous year, local agencies dedicated an increased amount of bond issuance in 2002 to financing education (up \$3.0 billion, or 58.2 percent).

California student loan corporations issuance increased 283.3 percent, from \$245 million to \$938 million. The majority of this increase is due to the issuance of conduit revenue bonds. Refunding bond issuance of student loan corporations decreased 19.0 percent.

---

<sup>1</sup> Calculations of differences and percentages are based upon exact numbers; therefore, individual numbers shown above may not sum to totals due to rounding.

## II. STATE AND LOCAL ISSUANCE

---

The following is a summary of public issuance during 2002 in California. The analysis is based on information contained in two companion CDIAC publications: The *2002 Calendar of Public Debt Issuance* and the *2002 Summary of California Public Debt*.

### A. Overview

- The total number of California public bond issuance reported in 2002 was 2,065, a slight increase over 2001.

The 2,065 reported bond issues in 2002 is an increase of only 2.5 percent more than the 2,014 reported bond issues in 2001. The type of issuer and number of issues is as follows: the State issued 176 (8.5 percent), local agencies issued 1,883 (91.2 percent), and student loan corporations issued six (0.3 percent).

- The total par amount of California public issuance reported in 2002 was \$77.3 billion, an increase of \$32.0 billion over 2001, which is the highest increase in the past ten years (see Figures 1 and 2).

In 2002, only state issuers and other issuers (which include redevelopment agencies, water districts, community college districts, municipal utility districts, fire protection districts, county boards of education, etc.) experienced an increase of the share of total bond issuance (53.0 percent and 20.6 percent, respectively). The share of total bond issuance for state issuers increased considerably due to short term financings and public enterprise revenue bonds.

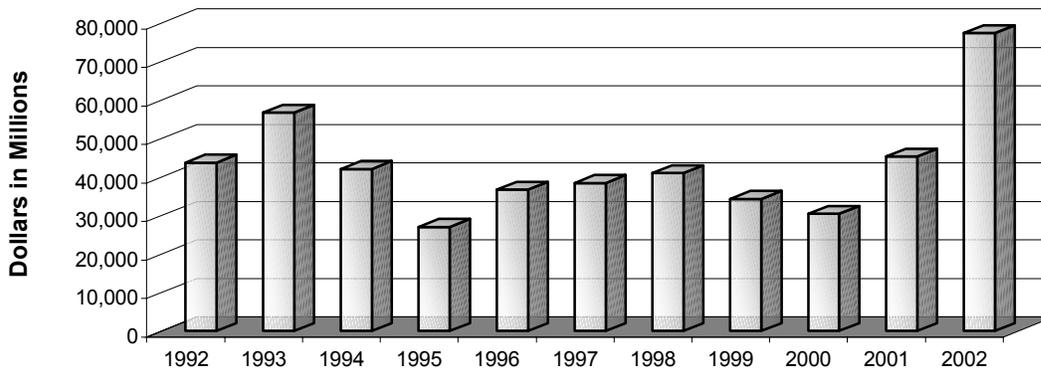
In 2002, county government issued \$3.5 billion in bonds compared to \$2.9 billion in 2001, and K-12 school districts issued \$8.8 billion as compared to \$6.2 billion in 2001. Although the dollar amounts increased, the actual percent in share of total bond issuance decreased for county government (from 13.8 percent in 2001 to 11.3 percent in 2002) and K-12 school districts (from 6.5 percent in 2001 to 4.6 percent in 2002). City governments, city and county governments, and joint powers authorities, decreased their share of total bonds issued by 14.6 percent, 4.5 percent, and 68.5 percent, respectively.

- The \$77.3 billion in public issuance in 2002 was 70.7 percent more than the \$45.3 billion issued in 2001 (see Figure 2).

Although total bond issuance decreased for most issuers, total issuance for the State increased 199.8 percent and 88.7 percent for other issuers.

- Significant bond issuance for state issuers consist of public enterprise revenue bonds, revenue anticipation notes, and revenue anticipation warrants, 31.7 percent, 30.5 percent and 18.3 percent, respectively (see Figure 9). Major bond issuance for local issuers include general obligation bonds, public enterprise revenue bonds, tax and revenue anticipation notes, and conduit revenue bonds, 19.8 percent, 16.3 percent, 16.0 percent, and 10.8 percent (see Figure 11).

**Figure 1**  
**California Public Issuance**  
**Total Par Amount**  
**1992 through 2002**



**Figure 2**  
**California Public Issuance\***  
**Types of Issuers**  
**2002 and 2001**  
**(Dollars in Millions)**

Type	2002	Percent of Total	2001	Percent of Total	Percent Change 2001 to 2002
State Issuers	\$40,996	53.0%	\$13,673	30.2%	199.8%
County Government	3,535	4.6	2,946	6.5	20.0
City Government	5,038	6.5	5,901	13.0	-14.6
City and County Government	794	1.0	831	1.8	-4.5
Joint Powers Agencies	2,291	3.0	7,266	16.0	-68.5
K-12 School Districts	8,770	11.3	6,243	13.8	40.5
Other Issuers	15,924	20.6	8,440	18.6	88.7
<b>Total</b>	<b>\$77,348</b>	<b>100.0%</b>	<b>\$45,299</b>	<b>100.0%</b>	<b>70.7%</b>

Note: Total includes state and local government entities and Student Loan Corporation issues.  
\* Totals may not add due to rounding.

- Figure 3 shows total long-term issuance as a percent of total bonds issued decreased 7.8 percentage points from 73.5 percent in 2001 to 65.7 percent in 2002; however, short-term bond issuance as a percent of total bonds issued increased 8.8 percentage points from 26.5 percent in 2001 to 35.3 percent in 2002. This shows a relatively greater reliance on short-term financings (in particular, interim cash financings) than long-term financings in 2002, though total par issuance of both increased substantially. The dollar amount issued for long-term financings in 2002 was \$50.9 billion and short-term issuance was \$26.5 billion.

**Figure 3**  
**California Public Issuance\***  
**Long-Term and Short-Term**  
**2002 and 2001**  
**(Dollars in Millions)**

	2002	Percent of Total Issuance	2001	Percent of Total Issuance	Percent Change in Par Amount Issued 2002 to 2001
Long-Term Issuance	\$50,853	65.7%	\$33,316	73.5%	52.6%
Short-Term Issuance	26,494	35.3	11,983	26.5	121.1
Total	\$77,348	100.0%	\$45,299	100.0%	70.7%

\*Totals may not add and percentages may not be exact due to rounding.

## B. Refunding Bond Issuance in 2002

Statewide refunding bond issuance accounted for 19.0 percent of the total issuance in 2002, which is slightly lower than the 26.7 percent in refunding bonds issued in 2001. Despite the continuance of declining interest rates in 2002 and the total increase in public issuance (70.7 percent), refunding issuance only increased to \$14.7 billion in 2002 from \$12.1 billion in 2001 (see Figure 4).

**Figure 4**  
**California Public Issuance\***  
**New Issuance and Refunding Issuance**  
**2002 and 2001**  
**(Dollars in Millions)**

	2002	Percent of Total Issuance	2001	Percent of Total Issuance	Percent Change in Par Amount Issued 2002 to 2001
New Issuance	\$62,630	81.0%	\$33,209	73.3%	88.6%
Refunding Issuance	14,718	19.0	12,091	26.7	21.7
Total	\$77,348	100.0%	\$45,299	100.0%	70.7%

\* Totals may not add and percentages may not be exact due to rounding.

State issuance in 2002 was \$41.0 billion, of which 11.5 percent was used for refunding prior financings (see Figure 5). There was not as significant a change in local issuance in that the amount issued in 2002, \$35.4 billion, was 12.0 percent higher than the \$31.6 billion issued in 2001. Overall, issuance of state, local and

student loan bond refundings decreased from last year; the most significant decrease was with student loans. Student loan corporations decreased bond refundings by 23.5 percent (only 14.6 percent of total bonds issued was for refunding in 2002 compared to 72.9 percent in 2001) even though the total issuance amount is significantly higher (\$938 million issued in 2002 compared to \$245 million issued in 2001).

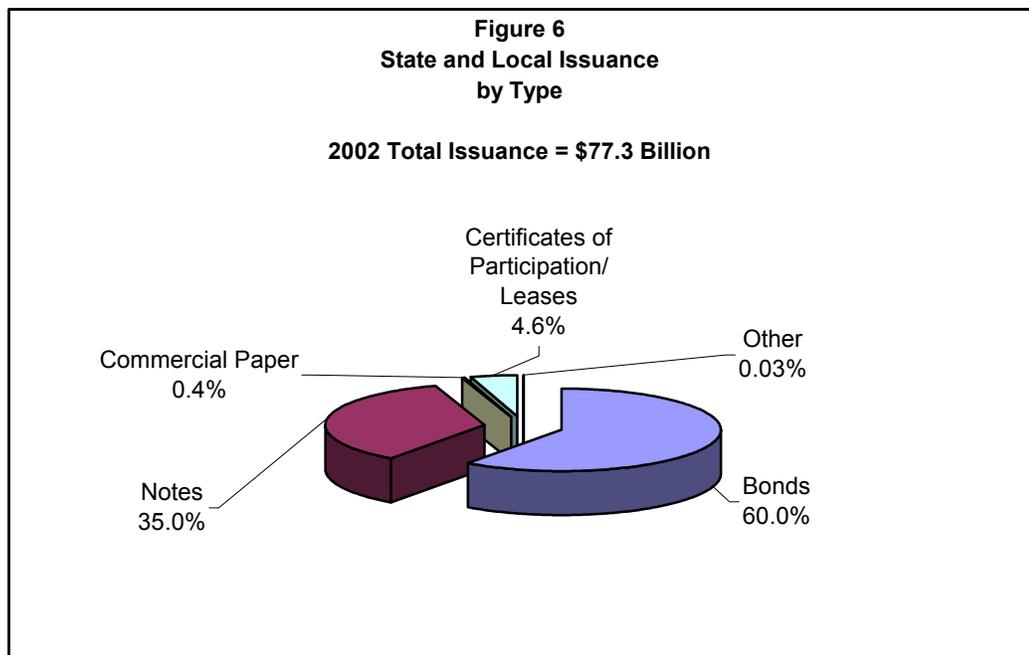
**Figure 5**  
**State and Local Issuance\***  
**Total Issuance and Refunding Issuance**  
**2002 and 2001**  
**(Dollars in Millions)**

	2002			2001		
	Amount of Issuance	Amount of Refunding	% of Total Refunding	Amount of Issuance	Amount of Refunding	% of Total Refunding
State Issuance	\$40,996	\$4,734	11.5%	\$13,429	\$2,137	15.9%
Local Issuance	35,413	9,847	27.8	31,626	9,775	30.9
Student Loan Corporations	938	137	14.6	245	179	72.9
<b>Total</b>	<b>\$77,348</b>	<b>\$14,718</b>	<b>19.0%</b>	<b>\$45,299</b>	<b>\$12,091</b>	<b>26.7%</b>

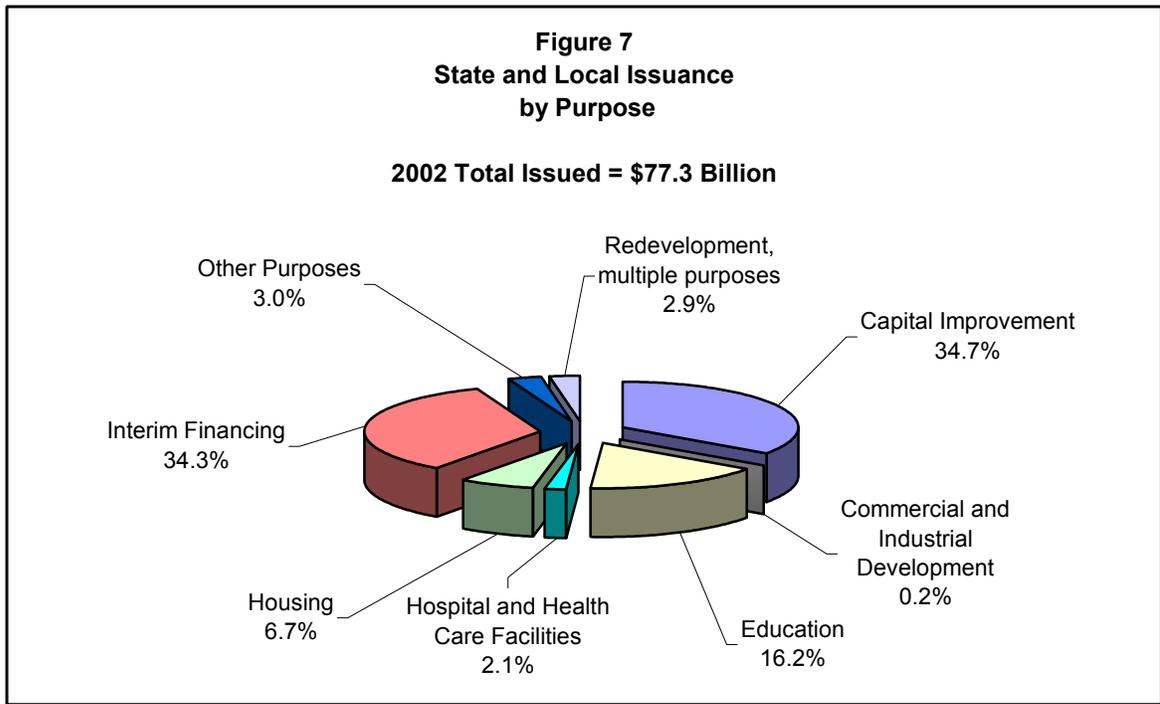
\* Totals may not add due to rounding.

**C. California Public Issuance by Type and Purpose**

As Figure 6 shows, total public issuance in 2002 was \$77.3 billion. The two largest issuance types sold were bonds (60.0 percent or \$46.4 billion) and notes (35 percent or \$27.0 billion). The largest issuers of bonds were local issuers at \$25.5 billion followed by the State with \$20.7 billion. In terms of notes, the State superseded other issuers by issuing \$20.0 billion; local agencies and student loan corporations issued \$6.3 billion and \$750.0 million, respectively. The third largest category was certificates of participation/leases, accounting for \$3.6 billion (4.6 percent) in bond issuance. Of that amount, local agencies issued \$3.5 billion and the State issued \$45 million.



As illustrated in Figure 7, capital improvements and public works accounted for 34.7 percent (\$26.8 billion) of the total public issuance sold by all California public agencies. Interim financing, education, and housing represented 34.3 percent (\$26.5 billion), 16.2 percent (\$12.6 billion), and 6.7 percent (\$5.2 billion), respectively. Other purposes, redevelopment, hospital and health care, and commercial and industrial development combined accounted for 8.2 percent of the total public issuance in California in 2002.



#### D. Competitive and Negotiated Financings

California public issuance can be sold via competitive or negotiated sales. During a competitive sale, the bidder who offers the best sealed bid is awarded the sale of bonds. A competitive sale is held at a specified time and place, which is announced in a published notice of sale. A negotiated sale involves the sale of bonds in which the terms and price are negotiated through an exclusive contract with a previously selected underwriter. Figure 8 provides a comparison of competitive and negotiated financings from 1992 through 2002. While competitive financings issued as a share of total bonds issued increased 3.0 percentage points in 2002 to 24.8 percent (\$19.2 billion), negotiated financings still remained the most popular method for selling public bonds even though it decreased 3.0 percentage points from 78.2 percent to 75.2 percent (\$58.2 billion) of total bonds issued.

**Figure 8**  
**California Public Issuance**  
**Competitive and Negotiated Financings**  
**1992 through 2002**  
**(Dollars in Millions)**

Year	Competitive		Negotiated	
	Amount	Percent of Total Issuance	Amount	Percent of Total Issuance
1992	\$9,446	21.6%	\$34,296	78.4%
1993	14,826	26.2	41,850	73.8
1994	15,589	37.0	26,504	63.0
1995	5,857	21.7	21,153	78.3
1996	6,990	19.0	29,731	81.0
1997	9,440	24.6	28,971	75.4
1998	10,940	26.7	30,067	73.3
1999	8,503	24.8	25,808	75.2
2000	9,862	32.5	20,524	67.5
2001	9,884	21.8	35,416	78.2
2002	19,182	24.8	58,166	75.2

### III. STATE OF CALIFORNIA BOND ISSUANCE

The State government issued approximately \$41.0 billion total in bonds and notes in 2002, an increase of 205.3 percent from the \$13.4 billion issued in 2001 (see Figure 9). In 2002, the State issued substantially higher amounts of short-term financings (\$7.5 billion in revenue anticipation warrants and \$12.5 billion in revenue anticipation notes). This was due to funds needed for the State's cash management program for fiscal years 2001-02 and 2002-03. The amount of long-term financings issued by the State also increased considerably in 2002 to \$20.7 billion from \$7.4 billion in 2001. The increase in public enterprise revenue bonds (up from \$680 million in 2001 to \$13.0 billion in 2002), due to the State's Power Supply Program, was the source for the State's significant increase in bond issuance. By contrast, issuance of revenue bonds (pool), commercial paper, and conduit revenue bonds all declined in 2002.

**Figure 9**  
**State Bond Issuance by Type\***  
**2002 and 2001**  
**(Dollars in Millions)**

Type	2002	Percent of Total Issuance	2001	Percent of Total Issuance	Percent Change in Par Amount Issued 2001 to 2002
<b>Bonds</b>					
Conduit Revenue Bonds	\$3,178	7.8%	\$3,242	7.9%	-2.0%
General Obligation Bonds	3,710	9.1	3,194	7.8	16.2
Public Enterprise Revenue Bonds	12,983	31.7	680	1.7	**
Public Lease Revenue Bonds	845	2.1	205	0.5	313.4
Revenue Bonds (Pool)	0	0.0	49	0.1	-100.0
<b>Subtotal, Bonds</b>	<b>\$20,717</b>	<b>50.0%</b>	<b>\$7,370</b>	<b>54.9%</b>	<b>181.1%</b>
<b>Certificates of Participation/Leases</b>	<b>\$45</b>	<b>0.1%</b>	<b>\$0</b>	<b>0.0%</b>	<b>N/A</b>
<b>Commercial Paper</b>	<b>\$225</b>	<b>0.5%</b>	<b>\$350</b>	<b>2.6%</b>	<b>-35.7%</b>
<b>Notes</b>					
Bond Anticipation Notes	\$0	0.0%	\$4	0.0%	N/A
Grant Anticipation Notes	0	0.0	0	0.0	N/A
Revenue Anticipation Notes	12,500	30.5	5,700	13.9	119.3
Other Notes	7,509	18.3	5	0.0	***
<b>Subtotal, Notes</b>	<b>\$20,009</b>	<b>48.8%</b>	<b>\$5,709</b>	<b>42.5%</b>	<b>250.5%</b>
<b>Total</b>	<b>\$40,996</b>	<b>100.0%</b>	<b>\$13,429</b>	<b>100.0%</b>	<b>205.3%</b>

\*Does not include student loan corporations. Totals may not add and percentages may not be exact due to rounding.  
 \*\*Increase (1,810.0 percent) is due to financing for the State's Power Supply Program.  
 \*\*\*Increase (158,988.9 percent) is due to one-time issuance of short-term financings (revenue anticipation warrants) issued by the State.

Figure 10 illustrates that the largest amount of state issuance in 2002 was due to interim financing for cash flow purposes (\$20.2 billion or 49.3 percent of total state issuance), which is a 234.1 percent increase from 2001. Capital improvements/public works accounted for the second largest amount of state issuance (\$14.2 billion or 34.6 percent of total state bonds issued), which was due to bonds sold for the State's Power Supply Program in the amount of \$11.3 billion. Issuance for education, housing, other purposes, hospital and health care facilities, and commercial and industrial development followed with \$3.5 billion (8.6 percent), \$2.1 billion (5.1 percent), \$485 million (1.2 percent), \$414 million (1.0 percent), and \$55 million (0.1 percent), respectively. Although other purpose was a minor percentage of the total amount issued in 2002, the change from 2001 to 2002 was considerable, from \$8.0 million in 2001 to \$485.0 million in 2002.

**Figure 10**  
**State Bond Issuance by Purpose\***  
**2002 and 2001**  
**(Dollars in Millions)**

Purpose	2002	Percent of Total Issuance	2001	Percent of Total Issuance	Percent Change in Par Amount Issued 2001 to 2002
Capital Improvements/Public Works	\$14,180	34.6%	\$1,442	10.7%	**%
Commercial/Industrial Development	55	30.1	38	0.3	46.9
Education	3,527	8.6	3,199	23.8	10.3
Hospital and Health Care Facilities	414	1.0	512	3.8	-19.0
Housing	2,110	5.1	2,176	16.2	-3.0
Interim Financing, Project	20,225	49.3	6,054	45.1	234.1
Other	485	1.2	8	0.1	***
<b>Total</b>	<b>\$40,996</b>	<b>100.0%</b>	<b>\$13,429</b>	<b>100.0%</b>	<b>205.3%</b>

\*Does not include student loan corporations. Totals may not add and percentages may not be exact due to rounding.  
\*\*Increase (883.4 percent) is due to the \$11.3 billion bond issuance for the State's Power Supply Program.  
\*\*\*Increase (5,937.0 percent) is due mainly to the \$300.0 million bond issuance for the Clean Water Revolving Fund.

## IV. LOCAL AGENCY ISSUANCE

Local agencies issued \$35.4 billion in bonds, notes, certificates of participation and commercial paper in 2002 as compared to the \$31.6 billion issued in 2001, an increase of 12.0 percent (see Figure 11). As in 2001, local agencies issued more long-term financings than short-term financings in 2002. Of the \$35.4 billion issued, bonds comprised 72.0 percent (\$25.5 billion) of the total, followed by notes (17.7 percent or \$6.3 billion) and certificates of participation/leases (10.0 percent or \$3.5 billion).

General obligation bonds were the leading form of long-term bonds issued by local agencies in 2002, representing 19.8 percent of all bonds issued by local agencies. The amount of general obligation bonds issued grew 84.1 percent, from \$3.8 billion in 2001 to \$7.0 billion in 2002. Public enterprise revenue bonds and conduit revenue bonds were the second and third most popular forms of long-term bonds issued in 2002 by local agencies with \$5.8 billion and \$3.8 billion being issued, respectively. However, the amount of public enterprise revenue bonds declined 16.0 percent, from \$6.9 billion in 2001 to \$5.8 billion in 2002. Conduit revenue bonds also decreased, but to a smaller degree of 0.8 percent, down from \$3.9 billion in 2001 to \$3.8 billion in 2002.

**Figure 11**  
**Local Issuance by Type\***  
**2002 and 2001**  
**(Dollars in Millions)**

Type	2002	Percent of Total Issuance	2001	Percent of Total Issuance	Percent Change in Par Amount Issued 2001 to 2002
<b>Bonds</b>					
Conduit Revenue Bonds	\$3,831	10.8%	\$3,863	12.2%	-0.8%
General Obligation Bonds	7,021	19.8	3,813	12.1	84.1
Limited Tax Obligation Bonds	1,270	3.6	932	2.9	36.3
Other Bonds	3,175	9.0	1,593	5.0	99.3
Public Enterprise Revenue Bonds	5,764	16.3	6,858	21.7	-16.0
Public Lease Revenue Bonds	1,435	4.1	1,257	4.0	14.1
Revenue Bond (Pool)	554	1.6	681	2.2	-18.6
Sales Tax Revenue Bonds	29	0.1	838	2.7	-96.6
Special Assessment Bonds	470	1.3	512	1.6	-8.1
Tax Allocation Bonds	1,955	5.5	1,388	4.4	40.9
<b>Subtotal, Bonds</b>	<b>\$25,505</b>	<b>72.0%</b>	<b>\$21,735</b>	<b>68.7%</b>	<b>17.3%</b>
<b>Certificates of Participation/Leases</b>	<b>\$3,545</b>	<b>10.0%</b>	<b>\$3,444</b>	<b>10.9%</b>	<b>2.9%</b>
<b>Commercial Paper</b>	<b>\$56</b>	<b>0.2%</b>	<b>\$420</b>	<b>1.3%</b>	<b>-86.8%</b>
<b>Notes</b>					
Bond Anticipation Notes	\$183	0.5%	\$37	0.1%	390.8%
Grant Anticipation Notes	51	0.1	66	0.2	-23.2
Other Notes	208	0.6	106	0.3	95.7
Revenue Anticipation Notes	74	0.2	29	0.1	154.1
Tax Allocation Notes	14	0.0	16	0.1	-13.4
Tax and Revenue Anticipation Notes	5,662	16.0	5,693	18.0	-0.5
Tax Anticipation Notes	93	0.3	73	0.2	27.7
<b>Subtotal, Notes</b>	<b>\$6,285</b>	<b>17.7%</b>	<b>\$6,021</b>	<b>19.0%</b>	<b>4.4%</b>
<b>Other</b>	<b>\$22</b>	<b>0.1%</b>	<b>\$6</b>	<b>0.0%</b>	<b>263.2%</b>
<b>Total</b>	<b>\$35,413</b>	<b>100.0%</b>	<b>\$31,626</b>	<b>100.0%</b>	<b>12.0%</b>

\* Totals may not add and percentages may not be exact due to rounding.

As shown in Figure 12, 35.7 percent of all local agency issuance in 2002 was used for capital improvements and public works. The \$12.6 billion issued for this purpose represents a 6.9 percent decrease from the prior year. Hospital and health care facilities also experienced a decrease in issuance in 2002 of 8.8 percent (from \$1.3 billion in 2001 to \$1.2 billion in 2002). Education (up 58.2 percent from 2001 to \$8.1 billion) and interim financing (an increase of 5.7 percent from 2001 to \$6.3 billion) were the second and third largest categories of local issuance by purpose. Issuance for housing, redevelopment, commercial and industrial development, and other purpose types also realized increases of 12.5 percent, 40.5 percent, 32.4 percent, and 40.3 percent, respectively.

**Figure 12**  
**Local Issuance by Purpose\***  
**2002 and 2001**  
**(Dollars in Millions)**

Purpose	2002	Percent of Total Issuance	2001	Percent of Total Issuance	Percent Change in Par Amount Issued 2001 to 2002
Capital Improvements/Public Works	\$12,649	35.7%	\$13,586	43.0%	-6.9%
Commercial/Industrial Development	66	0.2	50	0.2	32.4
Education	8,088	22.8	5,111	16.2	58.2
Hospital and Health Care Facilities	1,218	3.4	1,336	4.2	-8.8
Housing	3,069	8.7	2,727	8.6	12.5
Interim Financing	6,269	17.7	5,929	18.7	5.7
Redevelopment/Multiple Purposes	2,213	6.2	1,576	5.0	40.5
Other	1,840	5.2	1,311	4.1	40.3
<b>Total</b>	<b>\$35,413</b>	<b>100.0%</b>	<b>\$31,626</b>	<b>100.0%</b>	<b>12.0%</b>

\*Totals may not add and percentages may not be exact due to rounding.

## V. MELLO-ROOS COMMUNITY FACILITIES DISTRICTS

The Mello-Roos Community Facilities District (CFD) Act of 1982 established a means for public agencies to structure a separate district to finance capital improvements and school facilities. In 2002, Mello-Roos CFD's sold 114 issues, which totaled \$1.2 billion. Mello-Roos total issuance increased by nearly 35.3 percent in 2002 from the \$923.0 million issued in 2001. New issuance increased 26.4 percent, to \$977.0 million in 2002 from \$773.0 million in 2001. Refunding bonds increased to 80.7 percent from \$150.0 million in 2001 to \$271.0 million in 2002. Figure 13 shows the change in Mello-Roos bond issuance (new and refunding bonds) from 1992 through 2002.

**Figure 13**  
**Mello-Roos Bond Issuance**  
**New and Refunding Bonds**  
**1992 through 2002**

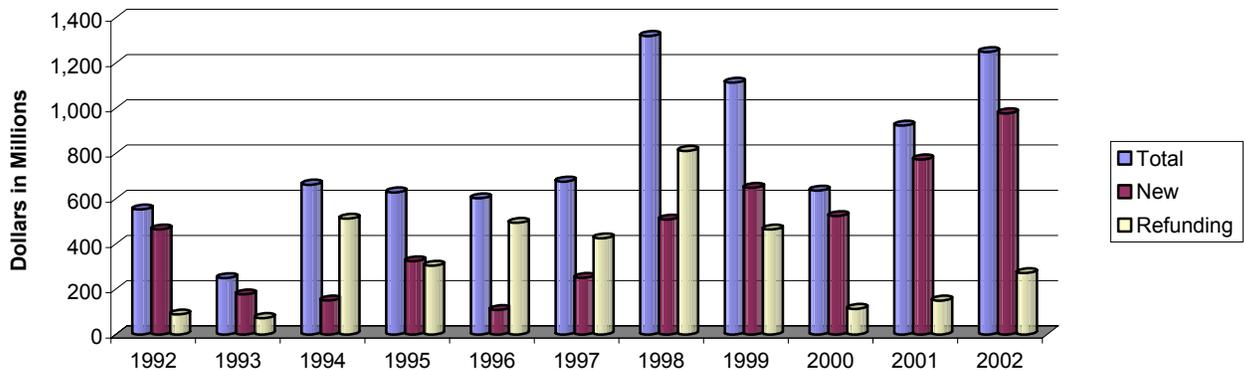
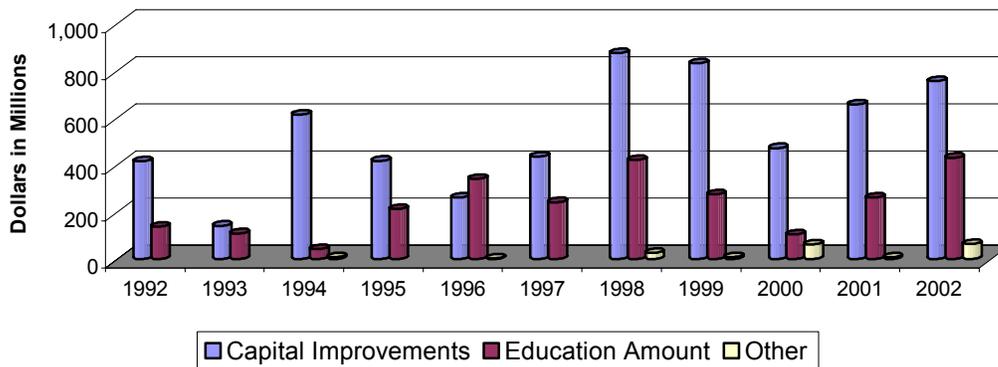


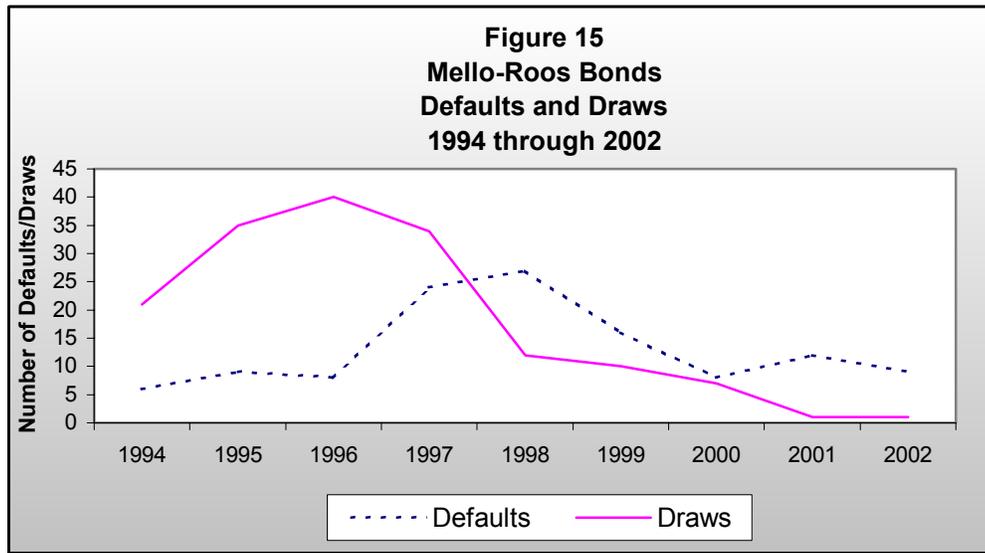
Figure 14 details the purpose types of Mello-Roos bonds issued from 1992 through 2002. As shown below, capital improvement has been the predominant purpose type, for the past ten years. Mello-Roos bonds for capital improvement totaled \$755.0 million in 2002 (up 15.3 percent from 2001). Issuance for educational purposes rose to \$430.0 million in 2002 (65.4 percent) from \$260 million in 2001.

**Figure 14**  
**Mello-Roos Bond Issuance by Purpose**  
**1992 through 2002**  
**(Dollars in Millions)**



## A. Defaults and Draws

It is the responsibility of all Mello-Roos bond issuers to report any Mello-Roos bonds that have defaulted (i.e., non-payment of principal and interest on any scheduled payment date) or if there is a draw on the reserve funds to pay principal and interest on bonds that exceed the levels determined by CDIAC. Figure 15 shows the variations in the number of Mello-Roos bonds that have defaulted or had a draw from 1994 through 2002. The number of defaults reached a peak of 27 in 1998. Defaults decreased in 1999 and 2000, but rose again by 50 percent in 2001 from eight defaults to 12. Draws, on the other hand, after reaching a peak of 40 in 1996 continued to decline. In fact, there was a sharp decrease between 1997 and 1998 from 34 draws to 12 draws. Figure 16 details the exact number of defaults and draws since 1994.



Additional information on Mello-Roos CFDs and their defaults or draws is available in CDIAC's annual *Mello-Roos Communities Facilities Districts Yearly Fiscal Status Report*. CDIAC also periodically reports on defaults and draws on its website at [www.treasurer.ca.gov/cdiac](http://www.treasurer.ca.gov/cdiac).

## VI. STATE AND LOCAL OUTSTANDING GENERAL OBLIGATION BONDS

Pursuant to State Government Code Section 8858, CDIAC is required to collect and report on outstanding public bond issuance for all entities within the State. The statute requires CDIAC to obtain data from existing sources, including the State Controller's Office (SCO), State Department of Education (DOE), and the Chancellor's Office of Community Colleges. As explained in CDIAC's first such report, *A Review of California State and Local Outstanding General Obligation Debt, 1992-93 through 1998-99* (CDIAC 02-5), CDIAC encountered two significant obstacles in its initial efforts to combine the data from three state data sources into a single, comprehensive database. First, because the three state agencies compile and report debt data for their own areas of jurisdiction, that data is not consistent across jurisdictions. Second, not all types of debt are tracked currently; for example, although Mello-Roos Community Facilities' bonds are a significant component of tax-supported debt issued by school districts in California, DOE does not collect this data, so it cannot be considered by CDIAC.

Under the direction of CDIAC's board, staff focused the initial report and this subsequent report on an analysis of outstanding general obligation bonds due to the limitations listed above<sup>2</sup>. The information provided in this year's report of state and local outstanding bond issuance compares fiscal years 1998-99 and 1999-00. Although this *Annual Report* covers 2002, currently available information for all state and local agencies on outstanding general obligation bond issuance only goes through 2000.

### A. State and Local General Obligation Bonds

Figure 16 compares outstanding general obligation bonds for fiscal years 1998-99 and 1999-00 for both the State of California and all local agencies. The figure shows that the State's outstanding general obligation bonds in 1999-00 totaled \$21.4 billion, an increase 31.8 percent from 1998-99. Local agency outstanding general obligation bonds in 1999-00 totaled \$13.3 billion, reflecting an increase of 15.7 percent from 1998-99. Overall, the total amount of general obligation bonds increased 25.1 percent (from \$27.7 billion in 1998-99 to \$34.7 billion in 1999-00).

**Figure 16**  
**Summary of California Outstanding**  
**State and Local General Obligation Bonds\***  
**Fiscal Years 1998-99 and 1999-00**  
*(Dollars in Millions)*

Issuer Type	1998-99	1999-00	Percent Change 1998-99 to 1999-00
State of California	\$16,202	\$21,352	31.8%
Local Agencies	11,474	13,278	15.7
Total	\$27,676	\$34,629	25.1%

\*Totals may not add and percentages may not be exact due to rounding.  
Source: State Controller's Office, Department of Education, Chancellor's Office of the Community Colleges. All percentage calculations completed by CDIAC.

<sup>2</sup> General obligation bonds are secured by general fund revenues of the State or local agency.

## B. Local Agency Outstanding General Obligation Bonds

Figure 17 shows outstanding local general obligation bonds data by type of governmental entity. California local governments are comprised of seven types of governmental entities, which total nearly 7,000 units statewide. Two of these types (redevelopment agencies and transportation agencies) generally do not issue general obligation bonds. The remaining five types that do issue general obligation bonds include the following: county governments, city governments, special districts, K-12 school districts, and community college districts.

As Figure 17 indicates, in 1999-00, K-12 school districts held the largest dollar amount of total outstanding general obligation bonds (\$8.5 billion), followed by city governments (\$2.5 billion), special districts (\$2.0 billion), community college districts (\$242 million), and county governments (\$48 million). Although community college districts held the smallest dollar amount in outstanding general obligation bonds, this group had the largest increase, up 188.3 percent (from \$84 million in 1998-99 to \$242 million in 1999-00). In contrast, both county governments and special districts decreased their levels of outstanding general obligation bonds by 9 percent and 8.7 percent, respectively.

**Figure 17**  
**California Outstanding Local Agency**  
**General Obligation Bonds\***  
**by Type of Jurisdiction**  
**Fiscal Years 1998-99 and 1999-00**  
*(Dollars in Millions)*

Type of Governmental Entity	1998-99	1999-00	Percent Change 1998-99 to 1999-00
Cities	\$2,285	\$2,490	9.0%
Community College Districts	84	242	188.3
Counties	53	48	-9.7
K-12 School Districts	6,833	8,472	24.0
Special Districts	2,219	2,026	-8.7
Total	\$11,474	\$13,278	15.7%

\*Totals may not add and percentages may not be exact due to rounding.  
Source: State Controller's Office, Department of Education, Chancellor's Office of the Community Colleges. All percentage calculations completed by CDIAC.

### C. Proportion of Local Agencies with Outstanding General Obligation Bonds

As Figure 18 shows, 9.9 percent of the 6,784 local agencies held outstanding general obligation bonds in 1999-00. Of the individual local agencies, K-12 school districts held the highest percentage at 38.0 percent, followed by community college districts (19.4 percent), cities (14.1 percent), special districts (4.6 percent) and counties (1.7 percent). As previously stated, redevelopment agencies and transportation agencies typically do not issue general obligation bonds. It should be noted that the low percentage of certain entities that have outstanding general obligation bonds (e.g., one county out of 58, for 1.7 percent) is in part a reflection of the strict requirements (e.g., voter approval) required to issue such obligations.

**Figure 18**  
**Proportion of California Governmental Entities with**  
**Outstanding General Obligation Bonds**  
**Fiscal Year 1999-00**  
*(Dollars in Millions)*

Type of Governmental Entity	Number of Entities with Outstanding General Obligation Bonds	Number of Total Entities	Number of Entities with Outstanding Debt as a Percent of Number of Total Entities
Cities	67	474	14.1%
Community College Districts	14	72	19.4
Counties*	1	58	1.7
K-12 School Districts	374	983	38.0
Special Districts	219	4,741	4.6
Redevelopment Agencies	0	409	0.0
Transportation Agencies	0	47	0.0
Total	675	6,784	9.9%

\*The county with outstanding general obligation bonds is Los Angeles.  
Source: State Controller's Office, Department of Education, Chancellor's Office of the Community Colleges.  
All percentage calculations completed by CDIAC.

#### D. Local Agency Outstanding General Obligation Bonds Aggregated by County

Figure 19 shows the amount and percent change of aggregated outstanding general obligation bonds for all local agencies aggregated to the county level. For each county, CDIAC compiled a number that sums up the outstanding general obligation bonds for the county government, and for all cities, school districts, special districts, and community college districts within the county. In addition to the individual county names listed in Figure 19, "Multiple Counties," which is its own separate category and does not overlap with any of the other counties, is included because several community college districts cross county lines and cannot be listed in just one county.

As shown in Figure 19, urban counties Los Angeles and Alameda had the highest amounts of outstanding general obligation bonds within their boundaries (\$4.1 billion and \$1.3 billion, respectively, in 1999-00). In contrast, the rural counties reported the lowest amounts of outstanding general obligation bonds. In fact, six rural counties (Alpine, Amador, Mariposa, Modoc, Sierra and Trinity) reported that no governmental unit within its boundaries had outstanding general obligation bonds in 1999-00. Although rural counties hold a smaller dollar amount of outstanding general obligation bonds than urban counties, several counties experienced a significant increase. For example, in 1998-99, Nevada and Sutter had an aggregate amount of outstanding general obligation bonds of \$1.2 million and \$300,000, respectively. In 1999-00, their outstanding general obligation bond issuance increased to \$36.1 million and \$19.7 million, respectively.

**Figure 19**  
**Total Local Government**  
**Outstanding General Obligation Bonds**  
**Aggregated by County**  
**Fiscal Years 1998-99 and 1999-00**  
*(Dollars in Millions)*

<b>County</b>	<b>1998-99</b>	<b>1999-00</b>	<b>Percent Change</b>
Alameda	\$1,214.6	\$1,322.2	8.9%
Alpine	0.0	0.0	0.0
Amador	0.0	0.0	0.0
Butte	36.7	36.0	-2.0
Calaveras	18.8	18.2	-2.9
Colusa	0.4	0.3	-15.0
Contra Costa	358.5	379.3	5.8
Del Norte	0.0	21.4	N/A
El Dorado	38.4	46.9	22.1
Fresno	394.7	405.4	2.7
Glenn	1.8	2.5	36.3
Humboldt	5.8	11.1	91.4
Imperial	75.8	79.2	4.5
Inyo	0.3	0.9	209.0
Kern	267.9	268.0	0.0
Kings	40.1	45.3	12.9
Lake	3.0	7.1	135.4
Lassen	4.4	4.1	-6.9
Los Angeles	3,431.5	4,074.5	18.7
Madera	10.2	9.8	-3.6
Marin	33.6	50.0	48.9
Mariposa	0.0	0.0	0.0
Mendocino	18.6	21.0	12.9
Merced	14.2	39.6	178.6

(continued on next page)

**Figure 19 (continued)**  
**Total Local Government**  
**Outstanding General Obligation Bonds**  
**Aggregated by County**  
**Fiscal Years 1998-99 and 1999-00**  
*(Dollars in Millions)*

County	1998-99	1999-00	Percent Change
Modoc	\$ 0.0	\$ 0.0	0.0%
Mono	10.7	14.0	30.6
Monterey	74.4	87.4	17.5
Multiple Counties	19.6	62.6	219.6
Napa	35.7	40.8	14.1
Nevada	1.2	36.6	*
Orange	781.0	722.9	-7.4
Placer	170.4	255.2	49.8
Plumas	2.4	2.4	-1.2
Riverside	299.8	354.4	18.2
Sacramento	202.7	243.5	20.1
San Benito	3.6	3.6	0.1
San Bernardino	262.2	325.5	24.1
San Diego	458.0	542.1	18.4
San Francisco	892.7	936.0	4.9
San Joaquin	4.7	4.4	-6.1
San Luis Obispo	25.4	51.2	101.5
San Mateo	336.8	413.0	22.6
Santa Barbara	91.3	96.5	5.7
Santa Clara	792.9	1,105.5	39.4
Santa Cruz	41.5	41.3	-0.4
Shasta	53.0	52.4	-1.1
Sierra	0.0	0.0	0.0
Siskiyou	2.8	2.7	-3.7
Solano	113.9	112.2	-1.5
Sonoma	365.5	402.9	10.2
Stanislaus	115.9	135.0	16.4
Sutter	0.3	19.7	**
Tehama	3.9	3.8	-2.6
Trinity	0.0	0.0	0.0
Tulare	13.3	13.2	-0.4
Tuolumne	10.0	10.4	4.0
Ventura	260.5	283.1	8.7
Yolo	56.4	59.7	5.8
Yuba	2.7	0.7	-73.5

\*Increase (2,946.3 percent) is due to \$36.1 million issued in general obligation bonds in 1999-00.

\*\*Increase (6,454.2 percent) is due to \$19.6 million issued in general obligation bonds in 1999-00.

Source: State Controller's Office, Department of Education, Chancellor's Office of the Community Colleges. All percentage calculations completed by CDIAC.

## E. Comparison of Outstanding General Obligation Bonds Per Capita and Personal Income

Figure 20 shows outstanding general obligation bond figures aggregated at the county level in relation to population and personal income levels. Figure 20 lists the 1999-00 level of state and county-aggregated local outstanding general obligation bond issuance in three forms: total outstanding general obligation bonds (identical to the data in Figure 19), per capita outstanding general obligation bonds (total outstanding general obligation bonds divided by county population), and the ratio of total outstanding general obligation bonds to county personal income. In the columns adjacent to each of these three categories are the county rankings by the respective measure for comparison purposes.

**Figure 20**  
**Comparison of Various Measures of**  
**State and Local Outstanding General Obligation Bonds**  
**Fiscal Year 1999-00**

County	Outstanding General Obligation Bonds (Dollars in Millions)		Per Capita Outstanding General Obligation Bonds		Ratio of Outstanding General Obligation Bonds to Personal Income	
	Level	Rank	Level	Rank	Level	Rank
State of California	\$17,838.3	N/A	\$515	N/A	1.63%	N/A
Total, California Counties	\$13,277.6	N/A	\$383	N/A	1.21%	N/A
Alameda	\$1,322.2	2	\$899	4	2.36%	6
Alpine	0.0	53	0	53	0.00	47
Amador	0.0	53	0	53	0.00	47
Butte	36.0	32	174	37	0.79	27
Calaveras	18.2	36	434	11	1.99	10
Colusa	0.3	52	16	50	0.07	44
Contra Costa	379.3	10	407	13	0.97	23
Del Norte	21.4	33	687	6	4.36	2
El Dorado	46.9	26	287	22	0.93	24
Fresno	405.4	8	500	10	2.35	7
Glenn	2.5	48	84	43	0.48	35
Humboldt	11.1	39	86	42	0.38	38
Imperial	79.2	21	513	9	3.00	3
Inyo	0.9	50	50	48	0.20	42
Kern	268.0	14	396	14	1.94	11
Kings	45.3	27	358	18	2.16	9
Lake	7.1	42	118	39	0.52	34
Lassen	4.1	44	114	40	0.67	32
Los Angeles	4,074.5	1	414	12	1.45	12
Madera	9.8	41	78	44	0.43	37
Marin	50.0	25	202	30	0.33	40
Mariposa	0.0	53	0	53	0.00	47
Mendocino	21.0	34	232	27	0.98	22

(continued on the next page)

**Figure 20 (continued)**  
**Comparison of Various Measures of**  
**State and Local Outstanding General Obligation Bonds**  
**Fiscal Year 1999-00**

County	Outstanding General Obligation Bonds (Dollars in Millions)		Per Capita Outstanding General Obligation Bonds		Ratio of Outstanding General Obligation Bonds to Personal Income	
	Level	Rank	Level	Rank	Level	Rank
Merced	\$ 39.6	30	\$ 184	36	1.01%	20
Modoc	0.0	53	0	53	0.00	47
Mono	14.0	37	1,283	1	4.70	1
Monterey	87.4	20	218	29	0.73	30
Multiple	62.6	N/A	N/A	N/A	N/A	N/A
Napa	40.8	29	321	19	0.86	26
Nevada	36.6	31	377	15	1.36	13
Orange	722.9	5	255	24	0.73	30
Placer	255.2	15	1,048	3	2.84	4
Plumas	2.4	49	114	41	0.44	36
Riverside	354.4	11	226	28	0.91	25
Sacramento	243.5	16	201	32	0.69	31
San Benito	3.6	46	70	45	0.27	41
San Bernardino	325.5	12	188	33	0.86	26
San Diego	542.1	6	184	35	0.59	33
San Francisco	936.0	4	1,182	2	2.18	8
San Joaquin	4.4	43	8	52	0.03	46
San Luis Obispo	51.2	24	201	31	0.77	28
San Mateo	413.0	7	553	8	0.99	21
Santa Barbara	96.5	19	234	26	0.74	29
Santa Clara	1,105.5	3	627	7	1.19	17
Santa Cruz	41.3	28	159	38	0.43	37
Shasta	52.4	23	298	20	1.30	15
Sierra	0.0	53	0	53	0.00	47
Siskiyou	2.7	47	60	47	0.27	41
Solano	112.2	18	281	23	1.03	19
Sonoma	402.9	9	877	5	2.51	5
Stanislaus	135.0	17	294	21	1.31	14
Sutter	19.7	35	240	25	0.98	22
Tehama	3.8	45	67	46	0.35	39
Trinity	0.0	53	0	53	0.00	47
Tulare	13.2	38	35	49	0.18	43
Tuolumne	10.4	40	185	34	0.86	26
Ventura	283.1	13	376	16	1.17	18
Yolo	59.7	22	364	17	1.30	16
Yuba	0.7	51	11	51	0.06	45

Source: State Controller's Office and Department of Finance population and personal income data. All percentage calculations completed by CDIAC.

### **Outstanding General Obligation Bonds Per Capita**

When adjusted for population, the counties with larger overall levels of outstanding general obligation bonds no longer dominate the top rankings. For example, although Los Angeles County held the most outstanding general obligation bonds (almost \$4.1 billion), the county's ranking drops to 12<sup>th</sup> in outstanding general obligation bond issuance per capita. Similarly, the counties of Orange and San Diego drop from fifth and sixth in outstanding general obligation bonds to 24<sup>th</sup> and 35<sup>th</sup> in per capita terms, respectively. In contrast, several smaller, rural counties, such as Mono, Del Norte, and Calaveras, placed among the highest in per capita outstanding general obligation bonds.

### **Outstanding General Obligation Bonds as a Percent of Personal Income**

As was the case with outstanding general obligation bonds measured on a per capita basis, the counties with the largest levels of outstanding general obligation bonds are not the highest in terms of debt as a percent of personal income. Also, the counties that ranked high in per capita outstanding general obligation bonds generally ranked high when the debt was expressed as a ratio to personal income. Los Angeles County, highest in terms of overall outstanding general obligation bonds, again drops to 12<sup>th</sup> when its general obligation bond issuance is expressed as a percent of personal income. Similar to the per capita debt data, Mono and Del Norte counties top the list when the data is expressed as a percent of personal income. In fact, both counties' percentages are over three times that of the aggregate percentage for all local governmental entities.

## **VII. THE CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION**

---

The California Debt and Investment Advisory Commission (CDIAC) provides information, education and technical assistance on public issuance, investments, and economic development financing tools to state and local public agencies and other public finance professionals. The Commission was created in 1981 with the passage of Chapter 1088, Statutes of 1981 (AB 1192, Costa). This legislation established the California Debt Advisory Commission as the State's clearinghouse for public issuance information and required it to assist state and local agencies with the monitoring, issuance, and management of public financings (see Appendix A). The Commission's name was changed to the California Debt and Investment Advisory Commission with the passage of Chapter 833, Statutes of 1996 (AB 1197, Takasugi) and its mission was expanded to cover public investments. The Commission is specifically required to:

- Serve as the state's clearinghouse for public issuance information.
- Publish a monthly newsletter.
- Maintain contact with participants in the municipal financings industry to improve the market for public issuance.
- Provide technical assistance to state and local governments to reduce issuance costs and protect the issuers' credit.
- Undertake or commission studies on methods to reduce issuance costs and improve credit ratings.
- Recommend legislative changes to improve the sale and payment of public issuances.
- Assist state financing authorities and commissions in carrying out their responsibilities.
- Collect specific financing information on public issuance through Mello-Roos Community Facilities Districts after January 1, 1993 or as a member of a Marks-Roos Bond Pool beginning January 1, 1996; and collect reports of draw on reserves or defaults from Mello-Roos Community Facilities Districts and Marks-Roos from public financing agencies required to report within 10 days of each occurrence.
- In conjunction with statewide associations representing local agency financial managers and elected officials, develop a continuing education program aimed at state and local officials who have direct or supervisory responsibility for the investment of public funds.
- Collect 2nd and 4th quarterly financial investment reports as well as annual investment policies from cities and counties to further CDIAC's educational responsibilities.
- Receive notice of public hearings and copies of resolutions adopted by a Joint Powers Authority for certain bonds authorized pursuant to Marks-Roos Local Bond Pooling Act of 1985.

### **A. Commission Members**

The Commission consists of nine members, including the State Treasurer, the Governor or the Director of Finance, the State Controller, two local government finance officials, two Assembly Members, and two Senators. The State Treasurer serves as the Chairperson and appoints the two local government officials. The Speaker of the Assembly appoints the Assembly representatives and the Senate Rules Committee appoints the Senate representatives. Appointed members serve four-year terms, or at the pleasure of their appointing power. The Commission directs the activities of the staff.

The 2002 Commission members included: Phil Angelides, State Treasurer; Gray Davis, Governor, or Timothy Gage, Director of Finance; Kathleen Connell, State Controller; State Senator Charles Poochigian; State Senator Mike Machado; State Assembly Member Louis J. Papan; State Assembly Member S. Joseph Simitian; Susan Leal, Treasurer, City and County of San Francisco; and Donna Linton, Assistant County Administrator, County of Alameda.

## B. Commission Programs

In order to carry out its mission of assisting state and local agencies on matters related to public financings and management, the investment of public funds, and economic development financing tools, the Commission engages in a wide range of activities and functions. These activities can be classified into three general program areas: data collection, policy research, and technical assistance.

### 1. Data Collection

In compliance with its statutory requirements, CDIAC maintains a public issuance database. The public issuance repository is considered the most comprehensive and accessible database of California public issuance in existence. Depending on the needs of state and local governments and market conditions, the volume of data processed may range from 2,500 to 4,000 individual public issuance reports received each year. Data from these reports are the basis for public issuance statistics and analyses released by the Commission.

As the state's clearinghouse for public issuance information, the Commission has compiled data on all public issuance in California since January 1, 1982. All state and local government issuers are required to submit issue-related information to the Commission 30 days prior to the proposed sale date. In addition, no later than 45 days from the actual sale date, issuers are required to submit a report of final sale to the Commission. The information reported to CDIAC includes the sale date, the name of the issuer, the type of sale, the principal amount, the type of instrument, the source(s) of repayment, the purpose of the financing, the rating of the issue, and the members of the financing team.

Effective January 1, 1997, CDIAC instituted, for use by all bond counsels and issuers or their representatives, reporting forms to report public issuance pursuant to California Government Code Section 8855(g). CDIAC periodically updates its reporting forms (*Report of Proposed Debt Issuance* and *Report of Final Sale*). The most recent version may be obtained directly from CDIAC or by visiting its Internet web site at [www.treasurer.ca.gov/cdiac](http://www.treasurer.ca.gov/cdiac).

The results of the report submissions are published in a monthly calendar of debt issuance in the *DEBT LINE* monthly newsletter and included in annual reports on public issuance (for a complete list of CDIAC publications, see Appendix C).

#### ACCESS TO CDIAC DEBT ISSUANCE DATA

**Print Distribution** – Printed debt issuance data is available free of charge.

**Data on Disk Subscriptions** – Subscribers receive a computer diskette each month containing the data on sold issues reported to CDIAC in the previous 30-day period. A pre-paid subscription for the calendar year costs \$77.00, including tax. Most current year data, however, can be delivered free of charge by e-mail. Prior calendar year data may be purchased for \$6.47 per year.

**CDIAC On-Line** – The CDIAC website is located at <http://www.treasurer.ca.gov/cdiac> or through the State Treasurer's home page under *Boards and Commissions*.

The CDIAC website provides the latest statistics on state and local debt issuance from CDIAC's database, selected information about CDIAC, CDIAC reports, seminar schedules, fee schedules, reported defaults and draws for Mello-Roos and Marks-Roos financings, and reporting forms for debt issuance.

**E-mail** – CDIAC also can be contacted by e-mail at [cdiac@treasurer.ca.gov](mailto:cdiac@treasurer.ca.gov).

## **2. Policy Research**

The Commission's mandated duties include some that are intended to improve the market for, and indeed the marketability of, public issuance in California. Such functions include efforts to maintain contact with participants in the municipal finance industry, to undertake or commission studies of various aspects of the market in order to provide guidance to state and local government issuers, and to recommend legislative changes in matters affecting public issuers. To fulfill these functions, CDIAC's Policy Research Unit draws on information from CDIAC's public issuance database, public and private experts throughout the municipal industry, public and private finance groups, periodicals and journals, and other existing resources. Research staff are knowledgeable of developments and events in the municipal and other financial markets, and work in conjunction with the Executive Director and with input and advice from Commission members and industry participants to determine what areas of interest to conduct research and analysis. Research staff prepares their findings and recommendations in the form of Issue Briefs, technical reports, and articles for the *DEBT LINE* monthly newsletter.

Since 1996, the Commission also has been charged with providing education and assistance to local government officials on public investments. This mandate has led to the publication of several reports and to new statutory requirements (e.g., effective January 1, 2001, California cities and counties must provide copies of certain local investment reports to CDIAC twice annually). More recently, CDIAC has begun providing information to public officials on state financing tools available for revitalizing their communities through a resource reference guide that contains details on select state financing programs with contact information.

CDIAC researches issues that are of current interest and have practical relevance to public finance practitioners. These projects are typically designed to (1) keep issuers/investors apprised of emerging trends in public finance, (2) develop ways of reducing issuance costs, (3) provide financing options for local issuers, and (4) preserve the integrity and viability of the public finance market by alerting policy makers to potential problem areas.

Reports and issue briefs completed in 2002 include:

- Annual Report
- Calendar of Debt Issuance
- Summary of Debt Issuance
- State and Local Bond and Tax Ballot Measures: 2002 Primary Election Results
- State and Local Bond and Tax Ballot Measures: 2002 General Election Results
- A Review of California State and Local Outstanding General Obligation Debt
- Bond Insurance as a Form of Credit Enhancement in California's Municipal Bond Market (winner of GFOA Award of Excellence)
- Revised Local Agency Investment Guidelines
- Tools to Revitalize California Communities (September 2002)
- Electronic Disclosure Issue Brief
- Investing in Callable Securities Issue Brief

### ***3. Technical Assistance***

CDIAC places a high priority on making its data and expertise available to public agencies in useful forms. Accessibility is the crux of the technical assistance program. CDIAC's formal technical assistance program has two components. The first component of CDIAC's technical assistance program is responding to inquiries concerning California public issuance. The Commission receives daily contacts from public and private sector professionals regarding requests for data on public issuance and information on the nature and application of specific financing instruments. CDIAC staff responds to over 2,000 such requests for information or assistance each year. Typical requests include information for lists of different types of financings over a specified period of time and for specific types of issuers, such as joint powers authorities and community facility districts, that have issued bonds covering specific years.

The second component of CDIAC's technical assistance program is the seminar program. Since 1984, CDIAC has organized educational seminars focusing on public finance matters. Offered throughout the year at various locations in the State, CDIAC seminars are designed to: (1) introduce public officials who are new to the field of public finance to the bond issuance and investment process; (2) strengthen the expertise of public officials who are familiar with the municipal bond issuance process and the investment of public funds; and (3) inform public officials about current topics that may affect public finance, public issuance, and the investment of public funds. Recently, CDIAC has introduced new seminars that provide public officials with information on state financing programs available to local governments to assist in revitalizing their communities. Included in these programs is information on grants, loans, public issuance and equity financing options available through state financing agencies for purposes such as brownfield redevelopment, industrial development financing, and private health facility/education facility financing. The majority of the public officials who attend CDIAC seminars are from local agencies, while the remainder are from state and federal agencies.

CDIAC offered the following seminars in 2002:

*Understanding Municipal Securities Regulations*, February 7, 2002, Hilton Ontario, Ontario, CA

This one-day seminar focused on the requirements for and the process of disclosing municipal securities information to the market. The program provided information on the federal securities laws, a discussion of the issues surrounding electronic disclosure and potential ramifications for the municipal bond market, and a review of the disclosure responsibilities of the parties to a municipal securities transaction. Participants gained a better understanding of the disclosure process and considerations that confront local government officials and other municipal securities professionals.

*Mechanics of a Bond Sale*, March 7-8, 2002, Hyatt Regency Irvine, Irvine, CA

This one and one-half day seminar was designed to provide public officials and their staff with an in-depth understanding of public issuance and management process. The seminar covered the process of selecting a financing team and considerations essential to structuring a financing. The program also focused on federal arbitrage rules and requirements. Investment advisors discussed the role of an agency's overall investment objectives when investing bond proceeds. A bond counsel addressed the process of negotiating the terms of documents and the drafting of an Official Statement. Finally, the program addressed different approaches to credit enhancement as well as the issuer and financing professionals' roles and responsibilities in marketing and pricing an issue.

*CDIAC at CALED's 22<sup>nd</sup> Annual Conference: Tools to Revitalize California Communities*, April 5, 2002, Hyatt Regency San Diego, San Diego, CA

This was the first in a series of continuing education and outreach programs that CDIAC offered in 2002 to provide local government officials with the tools that will assist them with community revitalization. The tools presented targeted communities that have the greatest demand for community re-building.

*CDIAC at CASBO's 75th Annual Conference, "The Best and Getting Better," April 11, 2002, Hilton Anaheim, Anaheim, CA*

Two one-hour sessions provided basic public financing techniques for school officials. The program included discussions on developing a financing team for school financing and the importance of understanding municipal securities regulations in the school bond issuance process.

*CDIAC at the 92<sup>nd</sup> Annual Conference of the State Association of County Auditors: Tools to Revitalize California Communities, April 25, 2002, DoubleTree Hotel, Sacramento, CA*

CDIAC presented another session on its continuing education program, Tools to Revitalize California Communities. The program contained valuable information on how county auditors can assist their jurisdictions in learning how to work together with the State Treasurer's Office and other state agencies to access valuable economic development programs for their county projects. The program included presentations on the California Infrastructure and Economic Development Bank's Infrastructure Revolving Loan Program, CIDFAC's IDB Program, and overview of other financing programs offered through the State Treasurer's Office.

*CDIAC at CMTA Annual Conference, CMTA Roundtables, May 1, 2002, Monterey, CA*

This roundtable session provided information on CDIAC's mission to serve local public officials in bond issuance and public investment matters and on how CDIAC utilizes the information submitted in accordance with AB 943 (which requires cities and counties to submit copies of their second and fourth quarterly reports, as well as their investment policy, to CDIAC).

*CDIAC Workshop: Understanding Swaps, June 13, 2002, Canterbury Hotel, San Francisco, CA*

This one-day workshop was designed to inform local government issuers of this financing technique and the steps involved in entering into a swap. CDIAC brought together private and public sector practitioners to illustrate the concept and implementation of interest rate swaps. The program was intended to demystify the world of interest rate swaps for issuers by providing an understanding of the concepts, steps in implementation, financing team dynamics, documentation, and changing cash flows. Team presentations and step by step instruction were given to participants.

*CDIAC at the League of California Cities: Mayor's and Council Members Forum: Tools to Revitalize California Communities, July 26, 2002, Monterey Conference Center, Monterey, CA*

CDIAC joined elected officials for another Tools to Revitalize California Communities panel session providing information on CIDFAC's Industrial Development Bond Program, CalPERS California Initiative, and revitalizing strategies from two elected officials.

*CDIAC at the 12th Annual Bond Buyer Conference: Pre-conference Program – Tools to Revitalize California Communities, Conduit Financing, September 11, 2002, The Palace Hotel, San Francisco, CA*

This was a one day pre-conference program sponsored by CDIAC at the 12<sup>th</sup> Annual Bond Buyer Conference. The program was designed to provide information on the concept of conduit financing and included discussions on the types of programs available to issuers, non-profits, and other organizations interested in understanding the world of conduit financing to help revitalize their communities.

*CDIAC at the IEDC Conference: Tools to Revitalize California Communities 1st CDIAC Annual Conference, September 25, 2002, Oakland Marriott, Oakland, CA*

This one-day program was designed to provide local government communities with tools that would assist them with community development and economic growth. The program included panel-style presentations and round-table discussions focusing on information on loans, grants, and programs offered through state public issuance authorities for specific purposes including affordable housing, industrial development facilities, health facilities, pollution control facilities, brownfield remediation and redevelopment, community planning, and small business financing. Also, the program featured presentations from institutionally sponsored private equity and real estate investment firms that target investment opportunities in underserved markets across the

country. The combination of panels provided a broad perspective on accessing private capital and state funding, as well as the criteria used in evaluating funding in targeted areas. The tools presented were targeted at communities that have the greatest demand for community re-building.

*Fundamentals of Debt Financing*, October 10-11, 2002, Fresno Radisson, Fresno, CA

This two-day basic course in CDIAC's bond issuance series covered the issuer's role and responsibility and the responsibilities of other financing team members when issuing bonds. The program also provided important information on the terms and concepts fundamental to an understanding of the planning and sale of public bonds. In addition, an overview of initial and continuing disclosure requirements and an understanding of how credit ratings and investor needs are incorporated into an issuer's bond structuring decision were covered. An introductory session on bond math was included to provide the attendee basic math concepts utilized in the bond issuance process.

*CDIAC/CMTA Workshop, Investment Tools and Techniques in Today's Challenging Environment*, November 13-14, 2002, Hilton Concord, Concord, CA

This workshop was designed for treasury professionals interested in continuing education on the subject of portfolio management. The concept of a joint workshop was developed so that CDIAC could combine its efforts to provide a program to meet the needs of the diverse public investment market in California.

*CDIAC at the CSAC Annual Conference: Tools to Jump-Start Your Economic Development Efforts*, November 21, 2002, Pasadena, CA

This program addressed economic development challenges and successes in Alameda and Plumas County. The purpose of this program was to provide information about financing options offered through CIDFAC's Industrial Development Bonds program and CHFFA's health care facility bond financing and loan programs. This conference also discussed the new Statewide Community Infrastructure Program (SCIP) sponsored by CSAC and the League of California Cities to finance development impact fees.

*CDIAC Session at the California School Boards Association's Annual Education Conference, Roles of a Successful Financing Team*, December 6, 2002, Moscone Center, San Francisco, CA

This session focused on the important task of identifying and forming an effective and cohesive financing team comprised of both public and private practitioners. As each member of the team has a very important role and serves a particular function, it is imperative that school board members understand why certain professionals are utilized and at what role they play in the bond issuance process.

### C. Commission Funding and Expenditures

The Commission is funded out of the California Debt and Investment Advisory Commission Fund, established under Chapter 1088 (Statutes of 1981). The CDIAC Fund is supported by fees levied on public issuance reported to the Commission. Specifically, the Commission is authorized to charge a fee to the lead underwriter or purchaser of a debt issue equal to 1.5 basis points, up to \$3,000 for each issue.

In late 1995, the Commission took action to avert a deficit in CDIAC's Fund by increasing reporting fees. The goal was to generate revenues that would cover CDIAC's current operating costs as well as to restore its reserve to an appropriate level. With the increase in reporting fees, the goal was met more quickly than anticipated. A notable increase in the *number* of debt issues sold caused fee revenues to exceed estimates.

In an effort to draw down excess funds that had accumulated in CDIAC's reserve as a result of the fee increase, the Commission approved a two-phase fee reduction in February of 1998. The first phase reduced fees below the level needed to fully fund current operations in order to spend down the excess balance in the reserve. The second phase was planned to provide for an increase in fees to a level necessary to fully fund operations for the next fiscal year. When it was determined that there was still a need to spend down the excess funds in the reserve, the Commission deferred the planned fee increase for another year. Since that time, CDIAC has annually deferred the fee increase. Currently, the fee increase has been deferred until July 1, 2004. A copy of the revised fee schedule can be found in Appendix B.

**Figure 21**  
**California Debt and Investment Advisory Commission**  
**Operating Revenues and Expenditures**  
**Fiscal Year 2001-02**

	Amount
<b>Revenues:</b>	
Beginning balance (7/1/01)	\$4,493,000
Fees and Interest Earnings	2,107,000
Reimbursements	68,000
<b>Total Revenues</b>	<b>\$6,668,000</b>
<b>Expenditures:</b>	
Staff salaries	\$716,924
Staff benefits	136,140
General expense	87,396
Printing	108,356
Communications	12,321
Postage	9,332
In-state travel	28,737
Out-of-state travel	5,948
Training	13,935
Facilities operation	100,720
Consultant/professional contracts	252,724
Data processing	17,047
Central administrative services	22,907
<b>Total expenditures</b>	<b>\$1,512,487</b>
<b>Ending balance (6/30/02)</b>	<b>\$5,155,513</b>

As Figure 21 indicates, the Commission began the 2001-02 fiscal year with a fund balance of almost \$4.5 million and added to that reimbursements and revenues of \$2.2 million, to total \$6.7 million in resources. Expenses for 2001-02 totaled \$1.5 million, resulting in an ending fund balance of nearly \$5.2 million. It should be noted that expenditures were lower than revenues due in part to a number of staff vacancies resulting in salary savings.

**ENABLING LEGISLATION**

---

**STATE OF CALIFORNIA GOVERNMENT CODE**

**DIVISION 1 OF TITLE 2 (*EXCERPT*)**

---

**Chapter 11.5 CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION**

**§ 8855. Creation, composition, term; officers; compensation; powers and duties**

(a) There is created the California Debt and Investment Advisory Commission, consisting of nine members, selected as follows:

- (1) The Treasurer, or his or her designee.
- (2) The Governor or the Director of Finance.
- (3) The Controller, or his or her designee.

(4) Two local government finance officers appointed by the Treasurer, one each from among persons employed by a county and by a city or a city and county of this state, experienced in the issuance and sale of municipal bonds and nominated by associations affiliated with these agencies.

(5) Two Members of the Assembly appointed by the Speaker of the Assembly.

(6) Two Members of the Senate appointed by the Senate Committee on Rules.

(b) (1) The term of office of an appointed member is four years, but appointed members serve at the pleasure of the appointing power. In case of a vacancy for any cause, the appointing power shall make an appointment to become effective immediately for the unexpired term.

(2) Any legislators appointed to the commission shall meet with and participate in the activities of the commission to the extent that the participation is not incompatible with their respective positions as Members of the Legislature. For purposes of this chapter, the Members of the Legislature shall constitute a joint interim legislative committee on the subject of this chapter.

(c) The Treasurer shall serve as chairperson of the commission and shall preside at meetings of the commission. The commission, on or after January 1, 1982, and annually thereafter, shall elect from its members a vice chairperson and a secretary who shall hold office until the next ensuing December 31 and shall continue to serve until their respective successors are elected.

(d) Appointed members of the commission shall not receive a salary, but shall be entitled to a per diem allowance of fifty dollars (\$50) for each day's attendance at a meeting of the commission not to exceed three

hundred dollars (\$300) in any month, and reimbursement for expenses incurred in the performance of their duties under this chapter, including travel and other necessary expenses.

(e) The commission shall do all of the following:

(1) Assist all state financing authorities and commissions in carrying out their responsibilities as prescribed by law, including assistance with respect to federal legislation pending in Congress.

(2) Upon request of any state or local government units, to assist them in the planning, preparation, marketing, and sale of new debt issues to reduce cost and to assist in protecting the issuer's credit.

(3) Collect, maintain, and provide comprehensive information on all state and all local debt authorization, sold and outstanding, and serve as a statistical clearinghouse for all state and local debt issues. This information shall be readily available upon request by any public official or any member of the public.

(4) Maintain contact with state and municipal bond issuers, underwriters, credit rating agencies, investors, and others to improve the market for state and local government debt issues.

(5) Undertake or commission studies on methods to reduce the costs and improve credit ratings of state and local issues.

(6) Recommend changes in state laws and local practices to improve the sale and servicing of state and local debts.

(7) Establish a continuing education program for local officials having direct or supervisory responsibility over municipal investments, and undertake other activities conducive to the disclosure of investment practices and strategies for oversight purposes.

(8) Collect, maintain, and provide information on local agency investments of public funds for local agency investment.

(f) The city, county, or city and county investor of any public funds, no later than 60 days after the close of the second and fourth quarters of each calendar year, shall provide the quarterly reports required pursuant to Section 53646 and, no later than 60 days after the close of the quarter of each calendar year and 60 days after the subsequent amendment thereto, provide the statement of investment policy required pursuant to Section 53646, to the commission by mail, postage prepaid, or by any other method approved by the commission. The commission shall collect these reports to further its educational responsibilities as described under subdivision (e). Nothing in this section shall be construed to create additional oversight responsibility for the commission or any of its members. Sole responsibility for control, oversight, and accountability of local investment decisions shall remain with local officials. The commission shall not be considered to have any fiduciary duty with respect to any local agency income report received under this subdivision. In addition, the commission shall not have any legal liability with respect to these investments.

(g) The commission may adopt bylaws for the regulation of its affairs and the conduct of its business.

(h) The issuer of any proposed new debt issue of state or local government shall, no later than 30 days prior to the sale of any debt issue at public or private sale, give written notice of the proposed sale to the commission, by mail, postage prepaid. This subdivision shall also apply to any nonprofit public benefit corporation incorporated for the purpose of acquiring student loans.

(i) The notice shall include the proposed sale date, the name of the issuer, the type of debt issue, and the estimated principal amount thereof. Failure to give this notice shall not affect the validity of the sale.

(j) The issuer of any new debt issue of state or local government, not later than 45 days after the signing of the bond purchase contract in a negotiated or private financing, or after the acceptance of a bid in a competitive offering, shall submit a report of final sale to the commission by mail, postage prepaid, or by any other method approved by the commission. A copy of the final official statement for the issue shall accompany the report of final sale. The commission may require information to be submitted in the report of final sale that it considers appropriate.

(k) The commission shall publish a monthly newsletter describing and evaluating the operations of the commission during the preceding month.

(l) The commission shall meet on the call of the chairperson, or at the request of a majority of the members, or at the request of the Governor. A majority of all nonlegislative members of the commission constitutes a quorum for the transaction of business.

(m) All administrative and clerical assistance required by the commission shall be furnished by the office of the Treasurer.

(n) The commission, no later than May 1, 2006, shall report to the Legislature describing its activities since the inception of the local agency investment reporting program regarding the collection and maintenance of information on local agency investment practices and how the commission uses that information to fulfill its statutory goals.

#### **§ 8856. Fees**

(a) In carrying out the purposes of this chapter, the commission may charge fees to the lead underwriter or the purchaser in an amount equal to one-fortieth of 1 percent of the principal amount of the issue, but not to exceed five thousand dollars (\$5,000) for any one issue. Amounts received under this section shall be deposited in the California Debt and

Investment Advisory Commission Fund, which is hereby created in the State Treasury. All money in the fund shall be available, when appropriated, for expenses of the commission and the Treasurer.

(b) Until fees are received by the advisory commission and appropriated pursuant to this chapter for the expenses of the commission and the Treasurer, the commission may borrow the moneys required for the purpose of meeting necessary expenses of initial organization and operation of the commission.

#### **§ 8857. Employees**

The chairperson of the commission, on its behalf, may employ an executive director and other persons necessary to perform the duties imposed upon it by this chapter. The executive director shall serve at the pleasure of the commission and shall receive compensation as fixed by the commission. The commission may delegate to the executive director the authority to enter contracts on behalf of the commission.

#### **§ 8858. Annual Report; outstanding state and local public debt; recent trends**

Notwithstanding Section 7550.5, the commission shall prepare an annual report compiling and detailing the total amount of outstanding state and local public debt and examining recent trends in the composition of that outstanding debt. The report shall reflect all bonded indebtedness issued by governmental entities, including, but not limited to, the state and state authorities, school districts, cities, counties, city and counties, special districts, joint powers agencies, redevelopment agencies, and community college districts. The commission shall obtain the information for this report from existing sources, including the Controller, the

State Department of Education, and the Chancellor's office of the California Community Colleges, and these agencies shall assist the commission in carrying out this section.

**§ 8859. Advice regarding local bond pooling authorities**

The commission may, upon request, advise local agencies regarding the formation of local bond pooling authorities pursuant to Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1, and may advise the authorities regarding the planning, preparing, insuring, marketing, and selling of bonds as authorized by that article.

**CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION**

***REPORTING FEE SCHEDULE***  
**Date of Adoption: March 13, 2003**  
**EFFECTIVE JULY 1, 2003**

*Pursuant to Section 8856 of the California Government Code, the California Debt and Investment Advisory Commission (CDIAC) adopted the following two-phased fee schedule effective upon adoption.*

1. **Issues Purchased by Agencies of the Federal Government:** No fee shall be charged on any issue purchased by an agency of the Federal Government.
2. **Issues of Less Than \$1,000,000:** No fee shall be charged to the lead underwriter or purchaser of any public debt issue which has a par value amount less than one million dollars (\$1,000,000), regardless of the term of the issue.
3. **Issues with Short-Term Maturities:** Notwithstanding Sections 1 and 2 above, the lead underwriter or purchaser of any public debt issue which has a maturity of eighteen (18) months or less, including those issues sold in a pooled financing (e.g., a TRANs pool), shall be required to pay a fee to the California Debt and Investment Advisory Commission in accordance with the following schedule:
  - A. For such issues sold on April 1, 1998 through June 30, 2004, the fee will be equal to one hundred and fifty dollars (\$150).
  - B. For such issues sold on or after July 1, 2004, the fee will be equal to two hundred dollars (\$200).
4. **Issues with Long-Term Maturities:** Notwithstanding Sections 1, 2, and 3 above, the lead underwriter or purchaser of any public debt issue which has a final maturity greater than eighteen (18) months shall be required to pay a fee to the California Debt and Investment Advisory Commission in accordance with the following fee schedule:
  - A. For such issues sold on April 1, 1998 through June 30, 2004, the fee will be equal to 1.5 basis points (0.00015) not to exceed three thousand dollars (\$3,000).
  - B. For such issues sold on or after July 1, 2004, the fee will be equal to 2.0 basis points (.0002) not to exceed four thousand dollars (\$4,000).
5. **Marks-Roos Financing Authority Issues:** One fee will be assessed for Marks-Roos Financing Authority bond issues where the bond sales occur simultaneously (i.e., reports filed with the Commission are received on the same date, financings are sold on the same date, and with the same financing team).
6. **All Proposed and Final Sales to be Reported to the California Debt and Investment Advisory Commission:** Nothing in this fee schedule shall relieve an issuer from giving written notice of a proposed debt issue no later than 30 days prior to the proposed sale, or to give final sale information within 45 days of the sale, to the California Debt and Investment Advisory Commission as required by Sections 8855(g) and (i) of the California Government Code.

**CURRENT LIST OF PUBLICATIONS**

*For information on how to receive the publications listed below, please call or write the:*

*California Debt and Investment Advisory Commission  
915 Capitol Mall, Room 400  
Sacramento, CA 95814*

*P.O. Box 942809  
Sacramento, CA 94209-0001*

*PHONE: (916) 653-3269  
FAX: (916) 654-7440  
E-MAIL: [cdiac@treasurer.ca.gov](mailto:cdiac@treasurer.ca.gov)  
or access CDIAAC's website at:  
[www.treasurer.ca.gov/cdiac](http://www.treasurer.ca.gov/cdiac)*

***The following materials are available at cost:***

**DEBT ISSUANCE PRIMER**

**CALIFORNIA DEBT ISSUANCE PRIMER**, California Debt and Investment Advisory Commission and Orrick, Herrington & Sutcliffe, April, 1998.

A comprehensive handbook of the bond issuance process in California. This handbook is available for \$25.00 per copy.

***The following publications are provided free of charge to interested parties upon request:***

**MONTHLY PUBLICATION**

**DEBT LINE, A MONTHLY PUBLICATION**, California Debt and Investment Advisory Commission, 1982 to present.

The legislatively-mandated newsletter provides a calendar listing of all proposed and sold bond issues reported to CDIAAC, as required by law, as well as summary tables and articles related to public issuance and the investment of public funds.

**DEBT LINE OFFPRINTS**

Selected articles from CDIAAC's monthly newsletter, *DEBT LINE*, relating to public financing and investment issues:

- Sources of Supplemental Funding for Infrastructure - May 2000
- Validation Actions and Public Finance - July 2000
- Understanding Special Districts and Public Debt - August 2000
- Special Districts and Public Debt: Part Two - September 2000
- Price Transparency Efforts in the Municipal Securities Market - October 2000

- The Role and Use of Repositories in the Disclosure Process for Municipal Securities - November 2000
- Municipal Finance Outlook for 2001 - January 2001
- Public Debt Issued for K-12 Educational Purposes in 2000 - March 2001
- Local Agency Investment Portfolio Management - April 2001
- 2000 California Debt Issuance Shows Slight Decline - April 2001
- Special Assessment and Special Tax Revenue Financing in California - May 2001
- Survey of State, County and City Web Sites: Use of Electronic Disclosure - June 2001
- Portfolio Management Strategies for Local Agencies - June 2001
- Financing Design-Build Construction: One City's Experience - Part I - Defining Design-Build - August 2001
- Financing Design-Build Construction: One City's Experience - Part II - San Francisco's Experience - September 2001
- Introduction of the 4-Week Treasury Bill - October 2001
- Usage and Perceptions of Electronic Disclosure: A Survey - January 2002
- A Vision for California - March 2002
- Electronic Disclosure Issue Brief - April 2002
- Cost Reduction Strategies for Public Agencies - April 2002
- The Role and Use of Repositories in the Disclosure Process for Municipal Securities - April 2002
- CUSIP Numbers: How a Well-established Market Tool May Contribute to Improving Continuing Disclosure - May 2002
- A Tale of 3 Airports: The Effect of September 11th and the Regional Recession on San Francisco Bay Area Airports Part I - May 2002.
- Conduit Financing For Commercial Development: The Element of Risk - May 2002
- Tools to Revitalize California Communities: CDIAC Sponsors Session at 2002 CALED Conference - May 2002
- Part II: A Tale of 3 Airports - June 2002
- CDIAC Sponsors Session at 2002 County Auditor's Association of California Conference - June 2002
- California Debt Issuance Increases in First Six Months of 2002 - August 2002
- Extra Credit Home Purchase Program Benefits Teachers, Students and Community - August 2002
- Tools to Revitalize California Communities - August 2002
- I-Bank: Financing Facilities That Build Communities - September 2002
- Managing Your Investment Program in Today's Market - September 2002
- CDIAC Surveys Issuers on National Association of Bond Lawyers Proposal - September 2002
- Changes in Local Agency Investment Report and Policy Requirements for 2003 - January 2003
- Result of November General Election Mixed for Tax Measures - January 2003
- How Investors Can Restore Integrity to Our Financial Markets - January 2003
- CDIAC's Survey of Education Districts Reveals Opportunities for Outreach and Research - February 2003
- CDIAC to Release a Handbook for Understanding Local Agency Investment Reporting - February 2003
- CDIAC Reviews Second Quarter 2002 Investment Portfolio Reports from Counties and Cities - March 2003
- Tools to Revitalize California Communities Comes to Richmond - March 2003
- California Agencies Set Record High Debt Issuance - April 2003
- CDIAC Hosts Keys to Good Disclosure Symposium - April 2003
- 12 Habits of Highly Successful Finance Officers - May 2003
- Bond Insurance as a Form of Credit Enhancement in California's Municipal Bond Market - June 2003
- The Duality of Financing: The Fundamentals of Land-Secured Financing Workshop - June 2003

- CDIAAC Receives GFOA'S Award for Excellence - June 2003
- New Markets Tax Credit Program - June 2003

### ANNUAL REPORTS

**ANNUAL REPORT 2002 [CDIAC #03-7 ]**

**ANNUAL REPORT 2001 [CDIAC #02-6]**

**ANNUAL REPORT 2000 [CDIAC #01-7]**

**ANNUAL REPORT 1999 [CDIAC #01-2]**

**ANNUAL REPORT 1998 [CDIAC #99-6]**

**ANNUAL REPORT 1997 [CDIAC #98-4]**

**ANNUAL REPORT 1996 [CDIAC #97-5]**

**ANNUAL REPORT 1995 [CDIAC #96-4]**

**ANNUAL REPORT 1994 [CDIAC #95-2]**

This report provides the history of the Commission, a profile of its members, a discussion of topical events in California public finance, a review of bond issuance statistics and Commission activities, and a preview of the Commission's planned programs for the following year.

**2002 CALENDAR OF DEBT ISSUANCE [CDIAC #03-9]**

**2001 CALENDAR OF DEBT ISSUANCE [CDIAC #02-8]**

**2000 CALENDAR OF DEBT ISSUANCE [CDIAC #01-9]**

**1999 CALENDAR OF DEBT ISSUANCE [CDIAC #01-4]**

**1998 CALENDAR OF DEBT ISSUANCE [CDIAC #99-4]**

**1997 CALENDAR OF DEBT ISSUANCE [CDIAC #98-3]**

**1996 CALENDAR OF DEBT ISSUANCE [CDIAC #97-6]**

**1995 CALENDAR OF DEBT ISSUANCE [CDAC #96-3]**

**1994 CALENDAR OF DEBT ISSUANCE [CDAC #95-8]**

**1993 CALENDAR OF DEBT ISSUANCE [CDAC #94-5]**

**1992 CALENDAR OF DEBT ISSUANCE [CDAC #93-6]**

**1991 CALENDAR OF DEBT ISSUANCE [CDAC #92-5]**

**1990 CALENDAR OF DEBT ISSUES, California Debt Advisory Commission, June 1, 1990**

**1989 CALENDAR OF ISSUES**, California Debt Advisory Commission, February 15, 1990

**1988 CALENDAR OF ISSUES**, California Debt Advisory Commission, February 15, 1989

**1987 CALENDAR OF ISSUES**, California Debt Advisory Commission, February 1, 1988

**1986 CALENDAR OF ISSUES**, California Debt Advisory Commission, May 15, 1987

**1985 CALENDAR OF ISSUES**, California Debt Advisory Commission, March 31, 1986

**2002 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDIAC #03-8]**

**2001 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDIAC #02-7]**

**2000 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDIAC #01-8]**

**1999 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDIAC #01-3]**

**1998 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDIAC #99-1]**

**1997 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDIAC #98-5]**

**1996 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDIAC #97-7]**

**1995 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDAC #96-2]**

**1994 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDAC #95-7]**

**1993 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDAC #94-4]**

**1992 SUMMARY OF CALIFORNIA PUBLIC DEBT [CDAC #93-5]**

**1991 SUMMARY OF CALIFORNIA PUBLIC DEBT [CDAC #92-4]**

**1990 SUMMARY OF CALIFORNIA PUBLIC DEBT**, California Debt Advisory Commission, June 1, 1990

**1989 SUMMARY OF CALIFORNIA PUBLIC DEBT**, California Debt Advisory Commission, February 15, 1990

**1988 SUMMARY OF CALIFORNIA PUBLIC DEBT**, California Debt Advisory Commission, February 15, 1989

**1987 SUMMARY OF CALIFORNIA PUBLIC DEBT**, California Debt Advisory Commission, February 1, 1988

**1986 SUMMARY OF CALIFORNIA PUBLIC DEBT**, California Debt Advisory Commission, May 15, 1987

**1985 SUMMARY OF CALIFORNIA PUBLIC DEBT**, California Debt Advisory Commission, March 31, 1986

**1985 CALIFORNIA PUBLIC DEBT BY ISSUING AGENCIES**, California Debt Advisory Commission, August 15, 1986 \*

\*Please note that 1985 was the only year that this report was published separately; beginning in 1986 this information was incorporated into the "Summary of California Public Debt".

**1998 MARKS-ROOS BOND POOLING ACT PARTICIPANTS YEARLY FISCAL STATUS REPORT AND DRAW ON RESERVE DEFAULT REPORT**, April 1999 [CDIAC 99-3]

**1997 MARKS-ROOS BOND POOLING ACT PARTICIPANTS YEARLY FISCAL STATUS REPORT AND DRAW ON RESERVE DEFAULT REPORT**, California Debt and Investment Advisory Commission, February 1998 [CDIAC #98-1]

**1996 MARKS-ROOS BOND POOLING ACT PARTICIPANTS YEARLY FISCAL STATUS REPORT AND DRAW ON RESERVE DEFAULT REPORT**, California Debt and Investment Advisory Commission, February 1997 [CDIAC #97-4]

**1999/2000 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT**, California Debt and Investment Advisory Commission, May 2000 [CDIAC #01-6]

**1998 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT**, California Debt and Investment Advisory Commission, April 1999 [CDIAC #99-1]

**1997 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT**, California Debt and Investment Advisory Commission, March 1998, [CDIAC#98-2]

**1996 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT**, California Debt and Investment Advisory Commission, January 1997, [CDIAC #97-1]

**1995 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT**, California Debt Advisory Commission, January 1996, [CDAC #96-1]

**1994 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT**, California Debt Advisory Commission, December 1994, [CDAC #94-8]

**1993 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT**, California Debt Advisory Commission, December 1993, [CDAC #93-9]

#### **ISSUE BRIEF SERIES**

**ISSUE BRIEF NUMBER 1 - COMPETITIVE VS. NEGOTIATED SALE OF DEBT**, California Debt Advisory Commission, September 1992

**ISSUE BRIEF NUMBER 2 - UNDERSTANDING THE UNDERWRITING SPREAD**, California Debt Advisory Commission, March 1993

**ISSUE BRIEF NUMBER 3 - PREPARING REQUESTS FOR PROPOSALS**, California Debt Advisory Commission, October 1994

**ELECTRONIC DISCLOSURE ISSUE BRIEF**, California Debt and Investment Advisory Commission, February 2002 [CDIAC #02-2]

**INVESTING IN CALLABLE SECURITIES ISSUE BRIEF**, California Debt and Investment Advisory Commission, May 2002 [CDIAC #02-3A]

These are short reference documents on various public finance topics.

**STATE & LOCAL TAX AND BOND BALLOT MEASURES**

**STATE AND LOCAL BOND AND TAX BALLOT MEASURES: RESULTS OF THE NOVEMBER 2002 GENERAL ELECTION**, California Debt and Investment Advisory Commission, November 2002 [CDIAC 03-1]

**STATE AND LOCAL BOND AND TAX BALLOT MEASURES: RESULTS OF THE MARCH 2002 PRIMARY ELECTION**, California Debt and Investment Advisory Commission, March 2002 [CDIAC 02-4]

**STATE AND LOCAL BOND AND TAX BALLOT MEASURES: RESULTS OF THE NOVEMBER 2000 GENERAL ELECTION**, California Debt and Investment Advisory Commission, February 2001 [CDIAC 01-5]

**STATE AND LOCAL TAX AND BOND BALLOT MEASURES: RESULTS OF THE NOVEMBER 1999 PRIMARY ELECTION**, California Debt and Investment Advisory Commission, March 2000 [CDIAC 00-3]

**STATE AND LOCAL TAX AND BOND BALLOT MEASURES: RESULTS OF THE NOVEMBER 1998 GENERAL ELECTION**, California Debt and Investment Advisory Commission, March 1999 [CDIAC #99-2]

**STATE AND LOCAL TAX AND BOND BALLOT MEASURES: RESULTS OF THE 1998 PRIMARY ELECTION**, California Debt and Investment Advisory Commission, June 1998 [CDIAC #98-7]

**STATE AND LOCAL TAX AND BOND BALLOT MEASURES: RESULTS OF THE 1996 GENERAL ELECTION**, California Debt and Investment Advisory Commission, March 1997 [CDIAC #97-2]

**STATE AND LOCAL TAX AND BOND BALLOT MEASURES: RESULTS OF THE 1996 PRIMARY ELECTION**, California Debt Advisory Commission, June 1996 [CDAC #96-5]

**STATE AND LOCAL TAX AND BOND BALLOT MEASURES: RESULTS OF THE 1994 PRIMARY AND GENERAL ELECTIONS**, California Debt Advisory Commission, December 1994 [CDAC #94-9]

**STATE AND LOCAL TAX AND BOND BALLOT MEASURES: SUMMARY OF GENERAL ELECTION, JUNE 2 AND NOVEMBER 3, 1992**, California Debt Advisory Commission, March 1993 [CDAC #93-1]

**STATE AND LOCAL TAX AND BOND BALLOT MEASURES: SUMMARY OF GENERAL ELECTION, NOVEMBER 6, 1990**, California Debt Advisory Commission, February 1991

**STATE AND LOCAL TAX AND BOND BALLOT MEASURES: SUMMARY OF GENERAL ELECTION, JUNE 1990**, California Debt Advisory Commission, August 1990

**STATE AND COUNTY TAX AND BOND BALLOT MEASURES: SUMMARY OF GENERAL ELECTION, NOVEMBER 8, 1988**, California Debt Advisory Commission, February 1989

**STATE AND COUNTY TAX AND BOND BALLOT MEASURES: SUMMARY OF GENERAL ELECTION, NOVEMBER 4, 1986**, California Debt Advisory Commission, February 1987

### MISCELLANEOUS

**APPRAISAL STANDARDS FOR LAND-SECURED FINANCINGS**, California Debt Advisory Commission, May 1994 [CDAC #94-6]

**ASSESSMENT OF LOCAL GOVERNMENT INVESTMENT POOLS: A Survey of California County Pools**, California Debt and Investment Advisory Commission, January 2000 [CDIAC #00-1]

**BOND INSURANCE AS A FORM OF CREDIT ENHANCEMENT IN CALIFORNIA'S MUNICIPAL BOND MARKET**, California Debt and Investment Advisory Commission, January 2002 [CDIAC #02-1]

This report provides a useful resource for first-time or infrequent users of bond insurance by summarizing the players, process, costs and benefits of this form of credit enhancement. The report also represents a working framework for the bond insurance decision-making process and provides statistics on the bond insurance market.

**COPs IN CALIFORNIA: CURRENT ISSUES IN MUNICIPAL LEASING**, California Debt Advisory Commission, June 1992 [CDAC #92-6]

A report on the public hearing on lease financing in California held by the Commission on June 18, 1992. This report includes the background staff report prepared for the hearing and testimony provided to the Commission.

### **DEBT ISSUANCE DATA**

DEBT ISSUANCE DATA (formerly DATA ON DISK) includes data compiled by CDIAC containing the sold issues received by CDIAC for the respective month. This information is currently published in the *Calendar* portion of *DEBTLINE* and excludes the proposed information that appears in the *Calendar*. This data is reported to CDIAC and compiled from the *Report of Proposed Debt Issuance* and the *Report of Final Sale*. This data is available for downloading from CDIAC's website at [www.treasurer.ca.gov/cdiac/cdiac.htm](http://www.treasurer.ca.gov/cdiac/cdiac.htm).

This information is also available on diskette for current and prior years by annual subscription. The subscription price is \$77.58 per year (including tax) for 2003 Monthly Sold Data and \$6.47 per year for prior year data (1985 through 2002). To find out more about subscribing to DEBT ISSUANCE DATA or if you have any other questions, please contact CDIAC at (916) 653-3269 or e-mail CDIAC at [cdiac@treasurer.ca.gov](mailto:cdiac@treasurer.ca.gov).

**DISCLOSURE GUIDELINES FOR LAND-BASED SECURITIES**, California Debt Advisory Commission, September 12, 1996 [CDAC #96-6]

The Guidelines present the disclosure practices recommended for compliance with the Securities and Exchange Commission amendments to Rule 15c2-12 (adopted in November 1994 by the SEC) for land-based financings. It provides background on land-based financings in California, municipal securities regulation, primary market disclosure and continuing disclosure for land-based securities.

**GLOSSARY OF LEASING TERMS**, California Debt and Investment Advisory Commission, November 1997 [CDIAC #97-09]

The purpose of this glossary is to provide a helpful reference tool to public officials responsible for leasing decisions.

**GUIDELINES FOR LEASES AND CERTIFICATES OF PARTICIPATION**, California Debt Advisory Commission, November 1993 [CDAC #93-8]

The Guidelines are to help public officials understand tax exempt leasing and to apply this tool judiciously.

**LEASES IN CALIFORNIA: THEIR FORM AND FUNCTION**, California Debt Advisory Commission, September 1990

This informational study explains how and why State and local governments in California use tax-exempt leases.

**MARKS-ROOS: A REVIEW OF THE MARKS-ROOS LOCAL BOND POOLING ACT OF 1985**, California Debt and Investment Advisory Commission, September 1998 [CDIAC #98-8]

This report demystifies the "black box" of Marks-Roos financing by providing a factual basis for understanding the historical development of the Marks-Roos Act, and serving as a reference guide on its practical applications.

**MARKS-ROOS, RECOMMENDED CHANGES**, California Debt Advisory Commission, [CDIAC #95-1]

The recommendations put forth in this report are intended to curb the potential for abusive Marks-Roos financings in the future, protect the public from unwarranted and unnecessary taxes and assessments, and restore the confidence of investors in this form of infrastructure finance.

**MELLO-ROOS FINANCING IN CALIFORNIA**, California Debt Advisory Commission, September 1991

This report examines the public policy issues and credit quality concerns surrounding the use of Mello-Roos bonds. The report includes guidelines for local government issuers.

**MELLO-ROOS GUIDELINES**, California Debt Advisory Commission, October 1991

This report is a reprint of the guidelines included in the report above.

**QUICK REFERENCE GUIDE TO DEBT ISSUANCE AND PUBLIC INVESTMENT SEMINARS**, California Debt and Investment Advisory Commission, March 2001

This Guide contains information on the various bond issuance and public investment seminars offered through CDIAC's Continuing Education and Outreach Program. CDIAC's various seminars are described and the Guide includes information on the subject matter contained in each program, the duration of the program and how often the program is offered.

**REDEVELOPMENT AGENCIES RECOMMENDED PRACTICES**, California Debt Advisory Commission [CDAC #95-5]

A report to assist redevelopment agencies by providing recommended practices and examples of innovation culled from redevelopment activities throughout California.

**REPORT OF THE INTERAGENCY MUNICIPAL SECURITIES TASK FORCE**, California Debt and Investment Advisory Commission, June 1998 [CDIAC #98-6]

**A REVIEW OF CALIFORNIA STATE AND LOCAL OUTSTANDING GENERAL OBLIGATION DEBT: 1992-93 THROUGH 1998-99**, California Debt and Investment Advisory Commission [CDIAC #02-5B]

A review of state and local general obligation (GO) bonds issued in California from 1992-93 through 1998-99. This report also explores the relationship between outstanding GO bonds and prevailing economic and demographic conditions statewide and within various regions of the State.

**REVISED LOCAL AGENCY INVESTMENT GUIDELINES: UPDATE FOR 2002**, California Debt and Investment Advisory Commission, January 2002 [CDIAC #02-3B]

Provides information on recent law changes and recommendations for implementation. CDIAC, seven statewide associations and California Legislative staff prepared these interpretative guidelines to aid local officials in their efforts to implement new investment laws.

**THE USE OF GENERAL OBLIGATION BONDS BY THE STATE OF CALIFORNIA**, California Debt Advisory Commission, September 1987

This research report examines the use of general obligation bonds by the State of California.

**TOOLS TO REVITALIZE CALIFORNIA COMMUNITIES**, California Debt and Investment Advisory Commission - March 2003 [CDIAC 03-3]

This guide gives local government officials and private parties who are seeking to revitalize their communities the tools that they need to find the appropriate state financing program to assist their situations. It describes select state agency programs that provide community revitalization financing, illustrates real-life examples of how some of these programs have been used, and lists contact information for those interested in pursuing the programs for use in their communities.

**UNDERSTANDING PUBLIC INVESTMENT REPORTING: A HANDBOOK FOR LOCAL ELECTED OFFICIALS**, California Debt and Investment Advisory Commission [CDIAC 03-02]

This “quick-reference” guide is designed to help elected and appointed local government officials, investment oversight committee members, and the agency’s legislative body, review and interpret investment reports.