



2019 ANNUAL REPORT

CALIFORNIA
DEBT AND
INVESTMENT
ADVISORY
COMMISSION

August 17, 2020

To Our Constituents:

After serving the California Debt and Investment Advisory Commission (CDIAC) as the Deputy Executive Director for nine years, I was honored to be appointed Executive Director by Treasurer Fiona Ma in January 2020. Within two months of my appointment, our world was turned upside down. The workplace changed overnight in the face of a global pandemic and our priorities turned urgently to the health and safety of our co-workers and families. The communication, collaboration, technology and basic functions we all took for granted have been tested tremendously. Communities across the state are grappling with unprecedented job losses and financial uncertainty. The situation causes me to reflect on how fortunate CDIAC is to have the support of its allied public finance organizations, dozens of public and private sector professionals, and a dedicated team of employees. In light of the circumstances we all face, I am extremely grateful to be able to look back on CDIAC's 38th year of operation and present the California Debt and Investment Advisory Commission (CDIAC) 2019 Annual Report.

As reported to CDIAC, debt issuance in California in 2019 increased 21% to \$76 billion. This was a particularly noteworthy bounce in issuance given the prior year's 27% decline in issuance caused primarily by the elimination of tax-exempt advance refundings in 2018 by the Tax Cuts and Jobs Act. Buoyed by low interest rates, low taxable spreads, and issuer and market acceptance of taxable refunding structures, refunding issuance increased by 73.5% in 2019. Absent the recovery in refunding issuance, 2019 issuance would have increased by less than 3%.

Accommodation of the surge in issuance activity through CDIAC's data collection and reporting operations was achieved by making a number of important changes to reporting practices, procedures, and technology. Through the cooperation of property assessed clean energy (PACE) issuers to consolidate their reporting practices, debt issuance reports declined by over 23%. This single action not only reduced the filing burden on issuers and freed CDIAC processing capacity at the point of issuance, but also relieved both CDIAC and issuers of the requirements of the Annual Debt Transparency Report (ADTR), the new annual reporting requirement enacted in 2017, on 23% fewer issues. CDIAC also shifted the collection of debt authorization data from the ADTR to the initial debt issuance reports and added data fields for the collection of multiple authorizations per issue. Both of these changes were designed to provide issuers more options to accurately represent their unique transactions and make ADTR reporting more accurate and less onerous for issuers.

In 2019, CDIAC received and processed over 11,500 reports associated with debt issuance and annual disclosure, a slight decrease from 2018. The improvements CDIAC made to its data collection and reporting systems provided a one-time reprieve in growth of report submittal and directly compensated for the growth in ADTR submittals in 2019. Due to the cumulative effect of the ADTR requirements, the volume of reports will sharply increase in 2020, by as much as 20%, and is expected to grow by double-digits for the foreseeable future. CDIAC must continue to enhance its data collection systems and processes to create efficiencies and empower issuers to manage their own data. Significant system improvements are essential to long-term sustainability of CDIAC's data collection and reporting function, the statutory foundation upon which the whole organization rests.

While the data collection activity is the heart of CDIAC's operation, continuing education and research are the functions that bring us the most frequent and direct interaction with our constituents in public finance. In 2019, educational

topics ranged from the fundamentals of debt issuance and investments to more advanced and topical subjects such as advanced investment analytics, green bond issuance, socially responsible investment, and the practical implications of the expansion of disclosable events under Securities and Exchange Commission Rule 15c2-12. CDIAC produced educational programming on eighteen days during the year and engaged an audience of nearly 1,200 people. The majority of those participants attended one of the eleven days of programming structured as in-person programming held in both northern and southern California. Webinars have been our selected medium to deliver some of the more topical programming, with seven programs in 2019. Who would have known how critical the online medium would become to the continuity of operations amidst the pandemic?

In advance of the necessity to do so, CDIAC has been incrementally adding fundamental elements to its platform of online and on-demand education and guidance. One of the highlights of 2019 was the release of the *California Debt Financing Guide*. Designed as a new approach to understanding the responsibilities and obligations of debt issuers while providing the comprehensive legal requirements for debt issuance, the Guide was released on-line as an enhanced, searchable PDF tool. Shortly after its release, CDIAC engaged in a project to convert the current online tool to a customizable, multi-relational, web-based application. CDIAC expects to launch the Debt Financing Guide “app” in mid-2020. The second major highlight was the public release of the first module of the on-demand Elected Officials Training series on debt issuance and administration entitled, *What You Need to Know Before Issuing Debt*. The second module, *Why Do Public Agencies Issue Debt?* was nearly complete at the close of 2019, and is expected to be released in 2020 along with two to three more modules currently in the works. Both the Debt Financing Guide and Elected Officials Training series have provided new avenues to reach CDIAC’s constituency and present a host of opportunities for future products.

Lastly, I would be remiss if, during a look back on CDIAC’s accomplishments in 2019, I did not recognize the contributions of Mark Campbell, CDIAC’s Executive Director for nine years, and Joyce Ward, the leader of our data collection and education units over the same time span. Mark was very passionate about the mission of CDIAC and relentlessly focused on putting the interests of our constituents first. Likewise, Joyce was a remarkable public servant who led her CDIAC teams through a variety of transitions, challenges, and innovations. Both Mark and Joyce retired from state service in 2019, but their numerous achievements made CDIAC a better place and laid the foundation for many future CDIAC successes.

CDIAC’s accomplishments in 2019, and in the 37 prior years, would not have been possible without the generous support of dozens of professionals in public finance and public policy. They were our teachers, subject matters experts, contributors, and thought leaders. This report is as much a tribute to all of their contributions as it is recognition of the achievements of the CDIAC team. To all of our contributors, my CDIAC colleagues, and to all of you, thank you!

A handwritten signature in black ink, appearing to read "Robert Berry". The signature is fluid and cursive, with a large initial "R" and "B".

Robert Berry
Executive Director

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ABOUT CDIAC

The California Debt and Investment Advisory Commission (CDIAC) provides information, education, and technical assistance on debt issuance and public funds investing to state and local public agency officials and other public finance professionals. CDIAC 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 debt issuance information and required it to assist state and local agencies with the monitoring, issuance, and management of public financings. CDIAC'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 the investment of public funds. CDIAC is specifically required to:

- Serve as the State's clearinghouse for public debt issuance and outstanding debt information.¹
- Publish a monthly newsletter.

- Maintain contact with participants in the municipal finance industry to improve the market for public debt issuance.
- Provide technical assistance to state and local governments to reduce issuance costs and protect issuers' credit.
- Undertake or commission studies on methods to reduce issuance costs and improve credit ratings.
- Recommend legislative changes to improve the sale and servicing of debt 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; collect reports of draws on reserves and defaults from Mello-Roos Community Facilities Districts and Marks-Roos Bond Pools filed by public financing agencies within 10 days of each occurrence.

¹ The requirement to track outstanding debt of state and local agencies was added as a result of implementation of SB 1029, Chapter 307, Statutes of 2016.

- 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 issuance of public debt or the investment of public funds.
- 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.

Figure 1 summarizes the CDIAC’s statutory provisions.

To meet its statutory responsibilities, CDIAC divides its functions into four units: Data Collection and Analysis, Policy Research, Education and Outreach, and Administration.

Pursuant to statute, all state and local government issuers must now submit information to CDIAC at three points during the debt issuance process: thirty days prior to the proposed sale date, no later than 21 days after the actual sale date, and an annual report within seven months of the close of the reporting period ending June 30th.² Included in these reports to CDIAC are the sale date, name of the issuer, type of sale, principal amount issued, type of financing instrument, source(s) of repayment, purpose of the financing, rating of the issue, and members of the financing team. In addition, Mello-Roos and Marks-Roos bond issuers, for as long as their bonds are outstanding, must submit a yearly fiscal status report on or before October 30th. Data compiled from these reports are the basis for public issuance statistics and analyses released by CDIAC. Since 1984, CDIAC has maintained this informa-

tion in the California Debt Issuance Database and makes it accessible to the public through its DebtWatch website.³

Since 1984, CDIAC has organized educational programs focusing on public finance. Offered at locations throughout the state, CDIAC programs are designed to: (1) introduce new public finance staff to the bond issuance and investment processes; (2) strengthen the expertise of public officials familiar with the issuance and the investment processes; and (3) inform public officials about current topics that may affect public issuance and the investment of public funds.

CDIAC COMMISSION MEMBERS

Pursuant to statute, the Commission may consist of between three and nine members, depending on the number of appointments made by the Treasurer or the Legislature. Three statewide elected officials — the State Treasurer, State Controller, and Governor or Director of Finance — serve *ex officio*. Statute names the Treasurer to be chair. Local government associations, such as the League of California Cities, may nominate two local finance officers for appointment by the Treasurer. The Senate Rules Committee and the Speaker of the Assembly may each appoint two members. Appointed members serve at the pleasure of their appointing power and otherwise hold four-year terms.

The 2019 Commission members serving as of June 30, 2019 included:

FIONA MA, CPA, CHAIR
California State Treasurer

Background: Ms. Fiona Ma was elected California State Treasurer in November 2018. She

² AB 2274, Gordon (Chapter 181, Statutes of 2014) reduced the time period for submission of final reports of debt issuance from 45 days to 21 days. SB 1029, Hertzberg (Chapter 307, Statutes of 2016) requires an annual report on the status of any debt for which a report of final sale was submitted to CDIAC on or after January 21, 2017.

³ While CDIAC has collected information since January 1, 1982, the Debt Issuance Database contains information from 1984 to present day.

Figure 1

CDIAC STATUTORY PROVISIONS

	CALIFORNIA CODE SECTION	AUTHORITY OR REQUIREMENT
CDIAC Authorizing Statute	Government Code Section 8855 - 8859	Establishes CDIAC's duties
Report of Proposed Sale of Public Debt	Government Code Section 8855(i)	Requires the issuer of any proposed debt issue of state or local government to, no later than 30 days prior to the sale, give written notice of the proposed sale to CDIAC. On the report, local issuers must certify they have adopted debt policies that meet certain requirements.
Report of Final Sale of Public Debt	Government Code Section 8855(j)	Requires the issuer of any debt issue of state or local government to submit, not later than 21 days after sale, a report of final sale to CDIAC including specific information about the transaction.
Annual Debt Transparency Report	Government Code Section 8855(k)	Requires the issuer of any debt for which a report of final sale has been submitted to CDIAC on or after January 21, 2017 to submit an annual report on the status of that debt until the debt is retired and the proceeds fully spent.
Mello-Roos Districts	Government Code Section 53359.5(a) thru (c) and 53356.05	Reporting requirements: debt issuance, annual debt service, default, reserve draw, specific events affecting the value of outstanding bonds, and annual status.
Marks-Roos Districts	Government Code Section 6586.5, 6586.7, 6599.1(a), 6588.7 (e)(2), 6599.1(c)	Reporting requirements: notice of hearing authorizing bond sale, copy of resolution authorizing bonds, written notice of proposed sale, debt issuance, annual debt service, default, reserve draw, rate reduction bond savings, and annual status.
General Obligation Bond Cost of Issuance	Government Code Section 53509.5(b)	Reporting requirements: cost of issuance of bonds issued by city, county, city and county, school district, community college district or special district.
Refunding Bonds Sold at Private Sale or on a Negotiated Basis	Government Code Section 53583(c)(2)(B)	Reporting requirement: written statement from public district, public corporation, authority, agency, board, commission, county, city and county, city, school district, or other public entity or any improvement district or zone explaining the reasons why the local agency made the decision to sell the bonds at a private sale or on a negotiated basis instead of at public sale.
School and Community College Districts	Education Code Section 15146(d)(2), and (e)	Reporting requirements: cost of issuance of bonds issued by a school district and report of sale or planned sale by a school district.
School and Community College Districts	Education Code Section 15303(b)	Reporting requirements: copy of the resolution adopted by the board of supervisors approving the use of Education Code allowing for the creation of school improvement districts within a school and community college district in the county.
Joint Powers Authority	Government Code Section 6548.5	Reporting requirements: level of fees or charges imposed by a Joint Powers Authority for the issuance of bonds pursuant to the Joint Exercise of Powers Act.
Joint Powers Authority	Government Code Section 6586.7	Reporting requirements: a copy of the resolution adopted by an authority authorizing bonds or the issuance of bonds or accepting the proceeds of bonds issued pursuant to Joint Exercise of Powers Act with exemptions given to certain types of issuers and projects.
Joint Powers Authority	Government Code 6586.5(a)(3)	Reporting requirements: public notice at least 5 days prior to hearing where the authority makes certain findings and takes actions with respect to financing certain improvements.
Joint Powers Authority	Government Code Section 6588.7(e)(2)	Reporting requirements: a statement from the authority that it is issuing rate reduction bonds, the source of repayment, and the saving realized from the sale of the bonds.
City, County and Other Agencies	Government Code Section 54418	Reporting requirements: written notice from the agency explaining the reasons the legislative body has decided to sell revenue bonds at a private sale rather than public (Revenue Bond Law of 1941).
Harbor Agency—Joint Powers Authority	Harbor and Navigation Code Section 1706(b)	Reporting requirements: annual report regarding receipts and expenditures from the infrastructure fund established pursuant to a harbor agency Joint Powers Agency.
Redevelopment Agency	Health and Safety Code Section 33664(d)	Reporting requirements: copy of the agency's resolution specifying the financial advantage of the agency purchasing its own bonds and a covering letter with other information specific to the bonds.

previously served as Chair and Vice Chair of the California State Board of Equalization from 2015 to 2019, representing more than nine million taxpayers. There, she led historic reforms to increase efficiency and transparency at the agency. As a state legislator, she was the first and only Asian-American woman ever elected California Assembly Speaker pro Tempore, the second-highest ranking office in the Assembly. During her time as a legislator, she passed landmark legislation to ban toxic chemicals in children's toys, protect small business-owners and expand opportunities for homeowners. She previously served as a San Francisco Supervisor.

Treasurer Ma has been a licensed CPA in California since 1992 and holds a bachelor's degree in accounting from the Rochester Institute of Technology (NY), a master's degree in taxation from Golden Gate University (SF), and an MBA from Pepperdine University.

She is a Member of the California Society of Certified Public Accountants, serves on the Board of California Women Lead, is an Honorary Chair and Spokesperson for the San Francisco Hepatitis B Free Campaign, and is a member of the Screen Actors Guild. Treasurer Ma is also active with the National Association of State Treasurers (NAST): 2020 Chair of ABLE Committee, Member of the Legislative Committee, and NAST Representative on the Governmental Accounting Standards Advisory Council (GA-SAC). She is married to Jason Hodge, a full-time firefighter and Oxnard Harbor Commissioner.

GAVIN NEWSOM
Governor of California

Background: Gavin Newsom is the former Lieutenant Governor of California and the former Mayor of San Francisco, California. Newsom is widely recognized for his willingness to lead – repeatedly developing, advocating, and implementing innovative and groundbreaking solutions to some of our most challenging issues. On a wide range of topics including same-sex

marriage, gun safety, marijuana, the death penalty, universal health care, access to preschool, technology, criminal justice reform, and the minimum wage, Newsom stuck his neck out and did the right thing, which often led to sweeping changes when his policies were ultimately accepted, embraced, and replicated across the state and nation.

Newsom's top priorities for his administration are tackling our state's affordability crisis, creating inclusive economic growth and opportunity for every child, and standing up for California values — from civil rights, to immigration, environmental protection, access to quality schools at all levels, and justice.

Governor Newsom is married to Jennifer Siebel Newsom. They have four children: Montana, Hunter, Brooklyn, and Dutch.

BETTY YEE
California State Controller

Background: Betty T. Yee was elected Controller in November 2014, following two terms on the California Board of Equalization (BOE). As the state's chief fiscal officer, Yee chairs the Franchise Tax Board and serves as a member of the California Public Employees' Retirement System and the California State Teachers' Retirement System boards, and she continues to serve BOE as its fifth voting member. Yee also serves on the board of Ceres, a nonprofit working to mobilize large investors to advance global sustainability and take stronger action on climate change. Yee serves on dozens of boards and commissions with authority ranging from land management to crime victim compensation. As a member of the State Lands Commission (and chair in even-numbered years), she helps steward public trust lands, waterways, wharves, and resources—including oil, gas, and geothermal—through economic development, protection, and restoration consistent with environmental needs. Through financing authorities, Yee works to create incentives to increase affordable housing in California.

Controller Yee has over 30 years' experience in public service, state and local finance, and tax policy. As Chief Deputy Director for Budget with the California Department of Finance, she led development of the Governor's Budget. Prior to this, she served fiscal and policy committees in both houses of the California Legislature. She cofounded the Asian Pacific Youth Leadership Project, which exposes California high school youth to public policy and public service.

A native of San Francisco, Yee received her bachelor's degree in sociology from the University of California, Berkeley, and holds a master's degree in public administration.

SABRINA CERVANTES
Assemblymember, 60th District

Background: Sabrina Cervantes was elected in November 2016 to represent California's 60th Assembly District, which includes the communities of Corona, Eastvale, Jurupa Valley, Norco, and Riverside. A committed public servant, Assemblymember Cervantes has demonstrated a history of civic engagement to enhance the communities and lives of all Riverside residents. As a lifelong Riverside County resident herself, she has been a strong advocate for families in the Inland Empire.

As a former District Director for the Assembly she worked alongside community organizations to enhance the local economy, broaden access to higher education, and improve the access to governmental services for the residents of Riverside. Her extensive knowledge in the Riverside community has aided her in understanding the critical elements that residents need to be successful. By working alongside members in the community and elected officials Assemblymember Cervantes is able to bring this insight in order to bring change to the residents of 60th Assembly District.

Assemblymember Cervantes was able to work alongside officials who helped fund the start of University of California, Riverside School of Medicine. She understands what this institution means for local residents and hopes to continue

to expand access to affordable education while in the Assembly.

Prior to her public service, she worked as a Director for the California Voter Registration Project where she led and implemented strategic planning that would increase civic responsibility among new and eligible voters across California. In addition to her experience with civic engagement, she has demonstrated her commitment to fighting for the best interests of local residents through her multiple partnerships with non-profit organizations. Cervantes is a proud member of the Human Rights Campaign (HRC), and The PICK Group of young professionals. She recently served on the Board of Directors for the University of California, Riverside Chicano Latino Alumni Association (CLA) and non-profit organizations, TruEvolution and Women Wonder Writers.

Cervantes earned her Bachelor of Arts degree in political science with a minor in public policy from the University of California, Riverside, and completed an executive education program at the John F. Kennedy School of Government at Harvard University.

ASH KALRA
Assemblymember, 27th District

Background: In November 2016, Ash Kalra was elected to represent California's 27th Assembly District, which encompasses downtown San Jose, East San Jose, Evergreen and parts of South San Jose.

Assemblymember Kalra was appointed Chair of the Assembly Committee on Labor and Employment, and also sits on the Aging and Long Term Care, Education, Judiciary, and Water, Parks, and Wildlife Committees.

Assemblymember Kalra has established himself as a leader on issues ranging from the environment and conservation, to criminal justice reform, health care sustainability, housing affordability, growing our transportation infrastructure, and expanding economic opportunity to all Californians.

He previously served as a San José City Councilmember for eight years and was a deputy public defender in Santa Clara County for 11 years prior to the City Council. He is the first Indian-American to serve in the California Legislature in state history.

Assemblymember Kalra lives in Hayes, the same San Jose neighborhood where he grew up.

STEVEN BRADFORD
Senator, 35th District

Background: In 2016, Steven Bradford was elected to represent California's 35th Senate district, which includes the Los Angeles County communities of Carson, San Pedro, Compton, West Compton, Gardena, Harbor City, Hawthorne, Inglewood, Lawndale, Lennox, West Carson, Watts, Willowbrook, and Wilmington.

Senator Bradford brings a lifetime of experience to the California State Senate. In over two decades of public service – first as a Gardena City Councilmember, then as a State Assemblymember and now as a State Senator - Bradford has proven himself to be an unwavering citizen activist. He views himself as a public servant and not a politician. Public service was instilled in him by his parents who taught him the value of giving back to the community.

Senator Bradford made history when he became the first African American elected to the Gardena City Council. Over the 12 years that he served on city council, he helped create robust job and economic growth, and stabilized the city's budget. When he was elected to the Council, the City of Gardena was on the brink of bankruptcy and was \$27 million in debt. By the time he left the council, they had eliminated the debt, allocated \$8.5 million in reserve, increased employee salaries without raising taxes or cutting essential services, and secured millions of federal dollars for various improvement projects for North Gardena.

Prior to his service in local and state government, Senator Bradford was a Public Affairs Manager for Southern California Edison, District Director

for the late Congresswoman Juanita Millender-McDonald, Program Director for the LA Conservation Corps, and worked for seven years as a marketing and sales representative for International Business Machines Corporation (IBM).

Senator Bradford grew up in Gardena, where he resides to this day. He coached football and baseball for sixteen years in Gardena's Parks and Recreation League and attended San Diego State University where he earned a Bachelor of Arts in Political Science at California State University, Dominguez Hills. He currently serves on the board of the Mervyn M. Dymally African American Political and Economic Institute, a non-partisan public policy think tank.

JOHN M.W. MOORLACH
Senator, 37th District

Background: In March 2015, John Moorlach was elected to represent California's 37th Senate district, which covers much of Orange County, including all or portions of Anaheim, Corona Del Mar, Costa Mesa, El Toro, Foothill Ranch, Huntington Beach, Irvine, Laguna Beach, Laguna Woods, Lake Forest, Newport Beach, Orange, Tustin and Villa Park.

While practicing as a private sector Certified Public Accountant and Certified Financial Planner, Senator Moorlach began his career in public service 23 years ago when he warned that then Orange County Treasurer-Tax Collector Robert Citron's risky investment strategies would lead to bankruptcy.

In the aftermath, the Board of Supervisors appointed Senator Moorlach to serve out the term of County Treasurer-Tax Collector, where he took immediate steps to reorganize county finances, cut losses, lessen risk, and create efficiencies within government. He became well known nationally for his bold and effective steps in recovering the county's financial outlook, as well as for his drive for greater transparency in government financial operations.

Senator Moorlach was twice re-elected to County Treasurer-Tax Collector. In 2006, voters elected him to serve in his first of two terms on the Board of Supervisors, where he continued his focus on reforming the county's budget practices and sounding the alarm on the county's growing unfunded liabilities.

A 1977 graduate from California State University in Long Beach, Senator Moorlach was recognized in 2014 as the CSU Long Beach College of Business Administration Alumnus of the Year. Moorlach passed the C.P.A. exam in 1978 and completed his studies for the Certified Financial Planner designation in 1987. He earned a Certificate in Public Finance from the University of Delaware, Division of Continuing Education in 1995, the Certificate of Achievement in Public Plan Policy (CAPP) in Employee Pensions in 1999 and the Trustees Masters Program in 2003 through the International Foundation of Employee Benefit Plans, and the New Supervisors Training Institute in 2007 from California State University in Sacramento in cooperation with their Center for California Studies.

SANDIE ARNOTT

Treasurer-Tax Collector, County of San Mateo

Background: Sandie Arnott is the first woman elected to the position of Treasurer Tax Collector of San Mateo County. She was first elected in November, 2010 and re-elected in June, 2014 & 2018. She is responsible for oversight of 40 staff members. She was initially employed by the Treasurer-Tax Collector's office in 1989 and served as Deputy Treasurer-Tax Collector since 2002.

Since her election, Ms. Arnott's priorities have been focused on improving payment processes, making them more efficient and green. She is a staunch supporter of the Senior Citizens and Disabled Property Tax Postponement Program which was reinstated in 2014 and went live in 2016. Ms. Arnott authored AB 2738 which was adopted by Assemblywoman Kristen Olsen and signed into law by the Governor on 9/22/16.

This new law, effective 1/1/17, dis-allows school districts and community college districts from claiming bond proceeds as surplus funds and withdrawing them from the County treasury for investing by a school or community college district. This law protects taxpayer dollars by ensuring they remain in the treasury and are withdrawn solely for the projects stated within the bond measure presented to voters. Ms. Arnott is currently in the process of implementing a new property tax system (TaxSys) by the Grant Street Group and is the first county in California to implement their system.

Ms. Arnott currently serves as a member of the San Mateo County Treasury Oversight Committee; ex-officio trustee and president of the San Mateo County Employees Retirement Association and immediate past president of the California Association of County Treasurers & Tax Collectors. She was selected by State Treasurer Betty Yee to serve on a special Property Tax Procedures Manual Committee and was selected by the California State Association of Counties (CSAC) to serve on a California Debt Investment Advisory Committee steering committee. Ms. Arnott was recently selected to serve on the Legislative Committee of the National Association of County Collectors, Treasurers and Finance Officers and also serves as the California Liaison. She is a director on the board of the North Peninsula Food Pantry & Dining Center of Daly City. She served as president of Women in County Government in 1997-98. She resides in Broadmoor with her husband, Rex, and has three grown children and two grandchildren.

NADIA SESAY

Executive Director, San Francisco Office of Community Investment and Infrastructure (OCII)

Background: Nadia Sesay serves as the Executive Director of the Successor Agency to the former San Francisco Redevelopment Agency, also known as Office of Community Investment and Infrastructure (OCII). In this role, she is responsible for the economic development of the

new Transbay, Mission Bay and Hunters Point Shipyard neighborhoods, which collectively provide over 20,000 new housing units, including approximately 7,000 affordable housing units, 400 acres of parks and open space and 10 million square feet of commercial space and the management of various properties in existing and expired project areas. In addition, OCII issues debt to finance long-term capital projects such as affordable housing, qualified developer reimbursements and construction of infrastructure. Over \$1.0 billion in bonds are currently outstanding. The Commission on Community Investment and Infrastructure, unanimously approved the appointment of Nadia Sesay as Executive Director on October 3, 2017.

Prior to joining OCII, Ms. Sesay was appointed the Director of the Controller's Office of Public Finance for the City & County of San Francisco by Mayor Gavin Newsom in March 2005. As

director, Ms. Sesay administered and managed the City's \$3.5 billion municipal debt portfolio, oversaw the issuance of all new debt secured by property taxes and general fund sources, initiates the City's debt policies and procedures, and performs planning, management and coordination of complex debt financing including, but not limited to the monitoring, budgeting and forecasting related to the Ten-Year Capital Plan.

Ms. Sesay serves as Treasurer on the San Francisco Community Investment Fund Board and as board member on the Transbay Joint Powers Authority. In 2015, Ms. Sesay served on the State Treasurer's Task Force on Bond Accountability, whose report in December 2015 prompted the State of California to adopt several of its recommended reforms. Ms. Sesay was awarded San Francisco's Public Managerial Excellence Award for exemplary leadership, fiscal ingenuity and vision in 2010.

STATE AND LOCAL BOND ISSUANCE

Debt issuance by California public agencies increased by 21% from 2018 to 2019 (from \$62.7 billion to \$75.9 billion). However, the total number of transactions decreased by 18.1% (from 2,901 to 2,377) (Figure 2).^{4, 5, 6}

Figure 2

PRINCIPAL AMOUNT ISSUED AND NUMBER OF ISSUES
ALL CALIFORNIA ISSUERS, 2018 AND 2019 (\$ IN MILLIONS)¹

ISSUER TYPE	2018		2019		PERCENT CHANGE IN VOLUME FROM 2018 TO 2019
	VOLUME	NUMBER	VOLUME	NUMBER	
State Issuer ²	\$16,367	328	\$17,854	393	9.1%
Joint Powers Agency	\$10,686	1,234	\$10,567	736	-1.1
City Government	\$10,254	189	\$9,497	208	-7.4
Other Issuer	\$9,552	378	\$16,040	386	67.9
K-12 School District	\$8,092	322	\$12,833	472	58.6
County Government	\$3,952	407	\$4,199	145	6.2
City and County Government	\$3,824	43	\$4,925	37	28.8
TOTAL	\$62,727	2,901	\$75,915	2,377	21.0%

¹ Totals may not add due to rounding.

² Includes the Golden State Tobacco Securitization Corporation, a not-for-profit trust of the State of California (2018).

Source: CDIAC database as of 3/9/2020.

⁴ Total includes short-term and long-term debt.

⁵ State and local issuers include the State of California and its financing authorities, city and county governments, joint powers authorities, school districts, and other public entities, including but not limited to special districts, successor agencies to redevelopment agencies, community facilities districts, and community college districts.

⁶ A “transaction” is defined as any financing or portion of a financing for which a CDIAC number was generated.

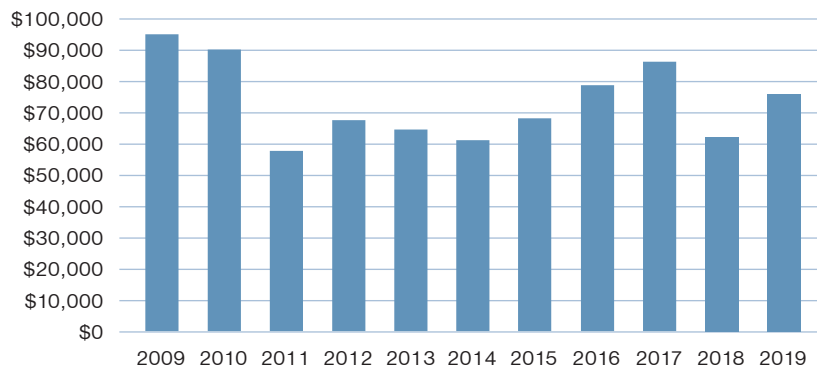
In terms of the historical average, state and local debt issuance in 2019 was 3.1% above the 10-year average of \$73.6 billion (Figure 3).

Approximately 45% of the debt issued in 2019 by state and local agencies was for capital im-

provements and public works, nearly 31% was for education, and 10% for interim financing (Figure 4). All other uses accounted for close to 13% of the total debt issued.⁷

Figure 3

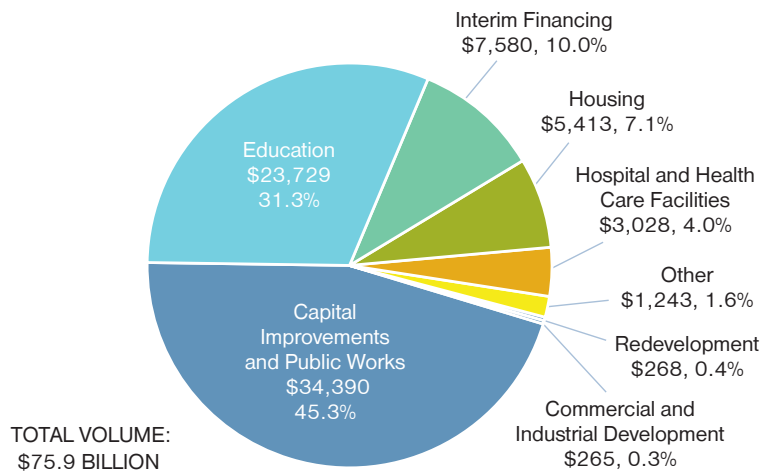
CALIFORNIA PUBLIC DEBT, ALL CALIFORNIA ISSUERS
TOTAL PAR AMOUNT BY CALENDAR YEAR, 2009 TO 2019 (\$ IN MILLIONS)



Source: CDIAC database as of 3/9/2020.

Figure 4

CALIFORNIA PUBLIC DEBT BY PURPOSE
ALL CALIFORNIA ISSUERS, 2019 (\$ IN MILLIONS)



Source: CDIAC database as of 3/9/2020.

⁷ “Other” projects include commercial energy conservation/improvement, human resources, insurance and pension funds, intelligent lighting system, property assessed clean energy (PACE) seismic safety improvements, residential energy conservation/improvement, court judgment, and guide dogs for the blind.

Debt issuance increased for commercial and industrial development (371.6%), education (52.8%), capital improvements and public works (33.6%), and housing (2.1%) between 2018 and 2019 (Figure 5). Purposes for which issuance declined were redevelopment (78.6% decline), “other” purposes (69.5% decline), hospital and health care facilities (4.3% decline), and interim financing (0.3% decline).

24% from 2018 to 2019 and short-term issuance increased by 1.0%.

Long-term issuance in 2019 consisted primarily of revenue bonds (42.8%) and general obligation (GO) bonds (39.9%), and short-term issuance was comprised mostly of tax and revenue anticipation notes (45.8%) and commercial paper (37.0%).

LONG-TERM DEBT VS. SHORT-TERM DEBT ISSUANCE⁸

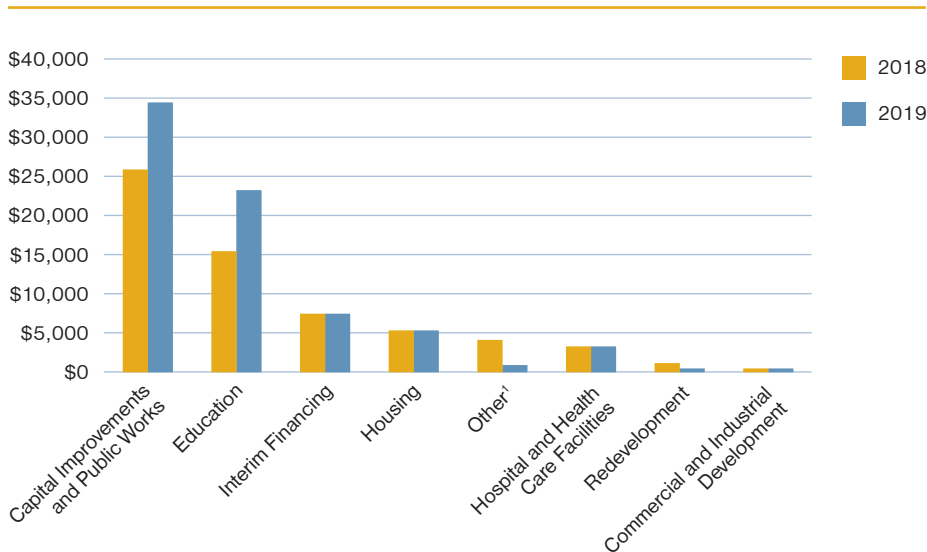
In 2019, public agencies issued approximately \$67.7 billion in long-term debt – 89.2% of total issuance for the year (Figure 6). The remaining \$8.2 billion was issued as short-term debt instruments, maturing in 18 months or less. Total long-term debt issuance increased by nearly

NEW MONEY ISSUES VS. REFUNDING

Between 2018 and 2019, new money issuance in California increased by 3.5%. California public debt issuers refunded approximately \$27.2 billion in outstanding debt in 2019, an increase of 73.5% from the nearly \$16 billion refunded in 2018 (Figure 7).

Figure 5

CALIFORNIA PUBLIC DEBT BY PURPOSE
ALL CALIFORNIA ISSUERS, 2018 AND 2019 (\$ IN MILLIONS)



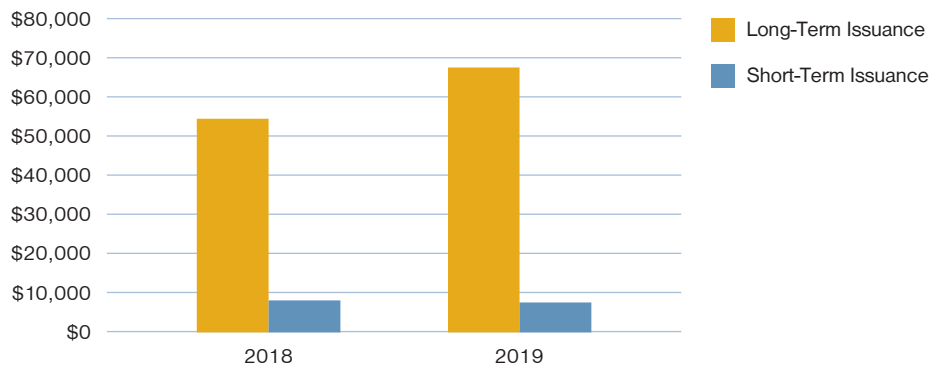
*Other includes: commercial energy conservation/ improvement, human resources, insurance and pension funds, residential energy conservation/ improvement, Property Assessed Clean Energy (PACE) Seismic Safety Improvements, intelligent lighting system, court judgment, and guide dogs for the blind.

Source: CDIA database as of 3/9/2020.

⁸ Definitions of short-term debt differ within the finance community. CDIA considers all forms of debt with an 18-month term or less as short-term and applies this definition to all reports and analyses of public debt it issued.

Figure 6

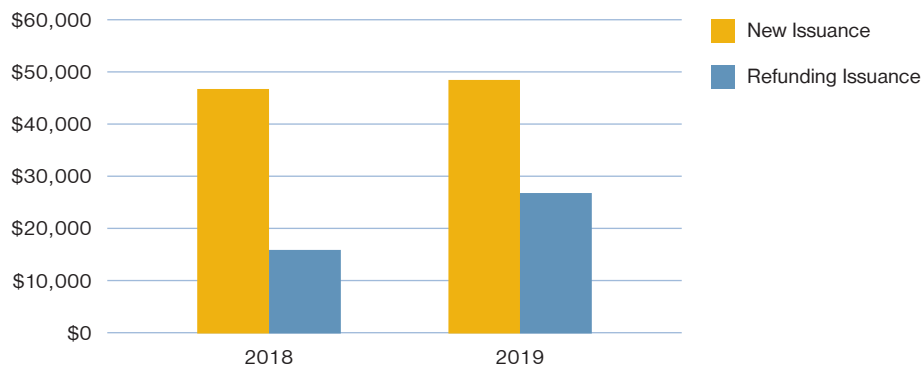
COMPARISON OF LONG-TERM AND SHORT-TERM DEBT
ALL CALIFORNIA ISSUERS, 2018 AND 2019 (\$ IN MILLIONS)



Source: CDIAC database as of 3/9/2020.

Figure 7

COMPARISON OF NEW AND REFUNDING ISSUANCE
ALL CALIFORNIA ISSUERS, 2018-2019 (\$ IN MILLIONS)



Source: CDIAC database as of 3/9/2020.

COMPETITIVE VS. NEGOTIATED TRANSACTIONS

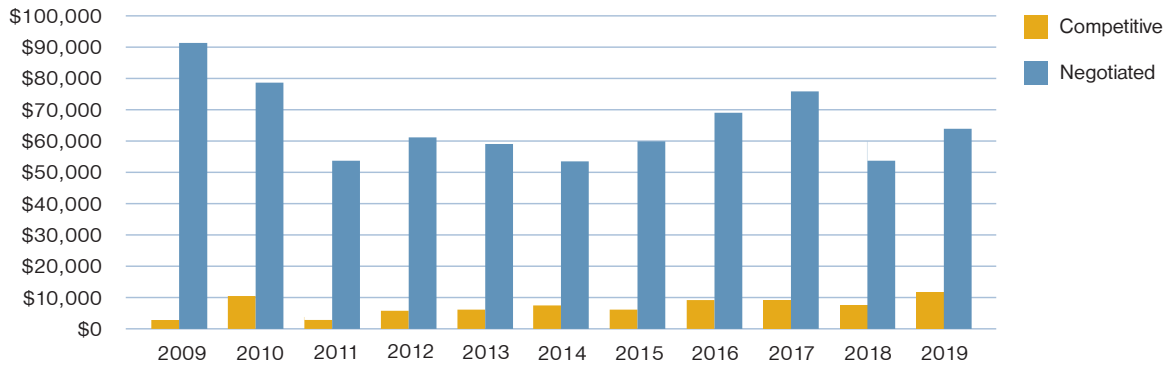
Public agencies may sell their debt through either a competitive or negotiated sale method. In a negotiated sale, the issuer selects the underwriter and negotiates the sale prior to the issuance of the bonds. In a competitive sale, underwriters submit sealed bids on a date specific and the issuer selects the best bid according to the notice of sale. In 2019, nearly 84% of sales by California public debt issuers were negotiated. The trend over

time has consistently favored negotiated sales by a wide margin. Since 2009, approximately 90% of California public debt has been issued through a negotiated sales approach (Figure 8).

Both issuer characteristics and financial conditions may contribute to the selection of one method over another. For example, the strength of the credit, size of issue, type of debt instrument, and/or complexity of the structure may warrant the use of a negotiated sale method. However, as clearly evident in the prevalence of the method in

Figure 8

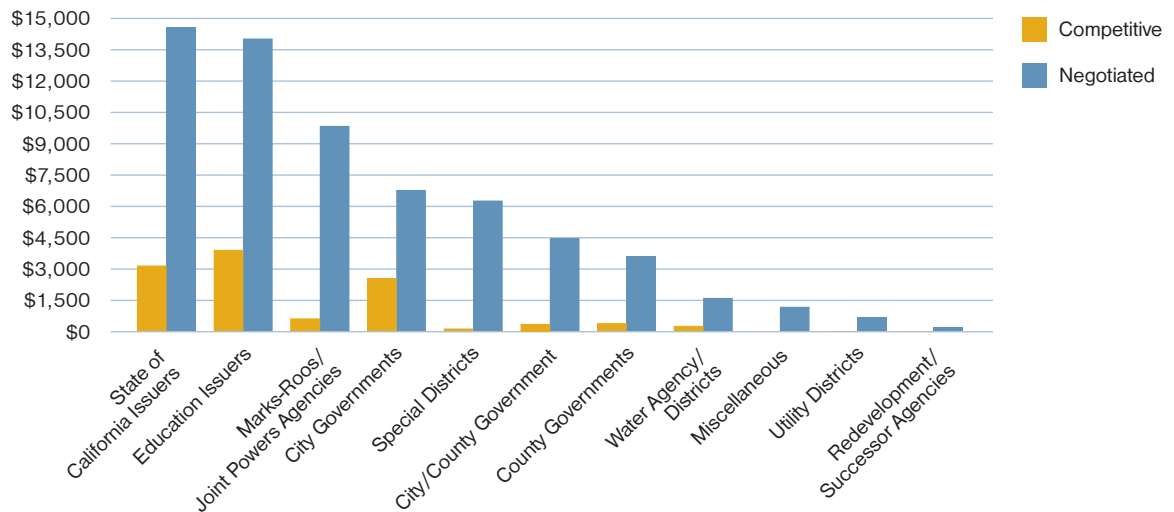
COMPETITIVE AND NEGOTIATED FINANCINGS, ALL CALIFORNIA ISSUERS, 2009-2019 (\$ IN MILLIONS)



Source: CDIA database as of 3/9/2020.

Figure 9

COMPARISON OF COMPETITIVE AND NEGOTIATED SALES BY ISSUER TYPE, ALL CALIFORNIA ISSUERS, 2019 (\$ IN MILLIONS)



Source: CDIA database as of 3/1/2019.

the California municipal market, the negotiated sale method is commonly used in more routine “vanilla” offerings, as well. In general, all issuers, irrespective of type of entity, preferred the negotiated sale method (Figure 9).⁹

TAXABLE DEBT

Public issuers may utilize taxable bonds for certain projects or parts of a project that do not meet federal tax-exempt requirements (generally for

⁹ Miscellaneous issuers include health care districts, hospital districts, housing authorities, special districts, and non-profit corporations and non-profit public benefit corporations. Utility districts are comprised of both municipal and public utility districts.

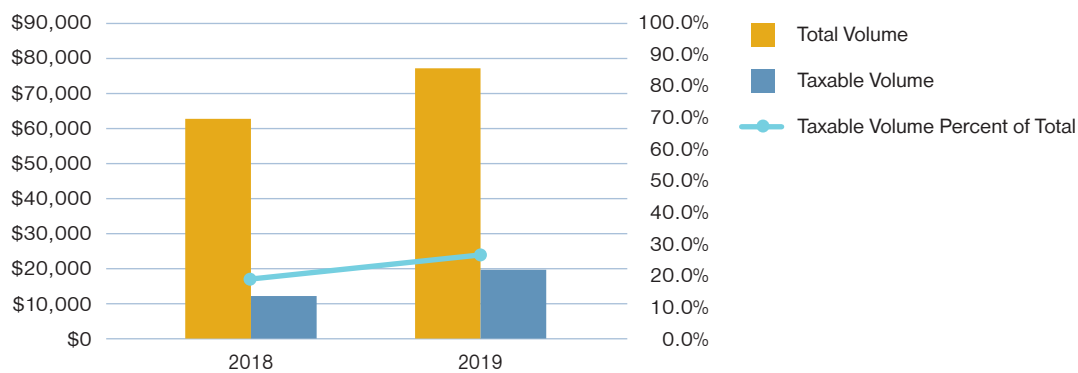
projects that provide benefits to private entities as defined by tax code). Investor-led housing projects, local sports facilities, and borrowing to replenish an agency’s underfunded pension plan are examples of bond issues that are federally taxable. The percentage of taxable issuance in 2019 increased to 26.4% from 18.3% in 2018 (Figure 10).

CREDIT ENHANCEMENTS

In 2019, the percent of volume for credit enhanced debt decreased to 10.0% from 14.7% in 2018 (Figure 11). In addition, the overall volume of credit enhanced debt decreased 15.5% to approximately \$6.8 billion in 2019 from nearly \$8.1 billion in 2018.

Figure 10

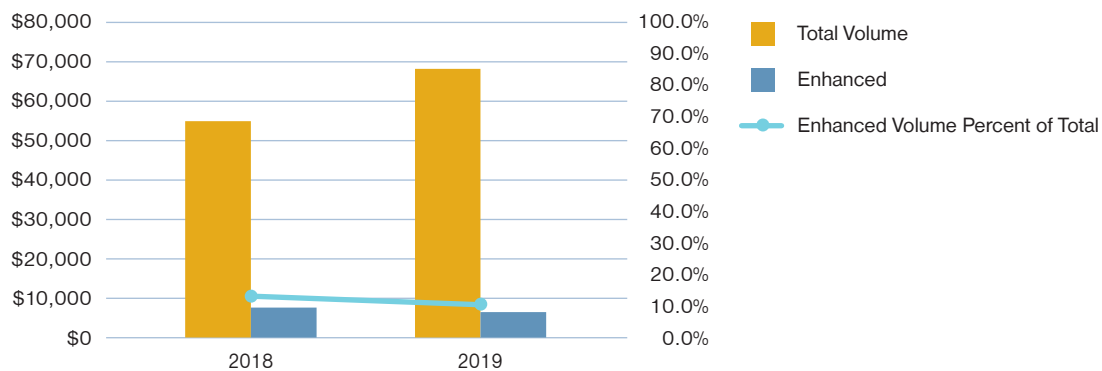
COMPARISON OF TOTAL VOLUME TO TAXABLE ISSUANCE
ALL CALIFORNIA ISSUERS, 2018 AND 2019 (\$ IN MILLIONS)



Source: CDIAAC database as of 3/9/2020.

Figure 11

COMPARISON OF TOTAL VOLUME TO ENHANCED VOLUME¹
ALL CALIFORNIA ISSUERS, 2018 AND 2019 (\$ IN MILLIONS)



¹ Does not include interim financing.

Source: CDIAAC database as of 3/9/2020.

STATE DEBT ISSUANCE IN 2019

In 2019, the State of California sold \$13.7 billion in debt, of which \$11.3 billion was in the form of long-term debt and \$2.4 billion in short-term debt.¹⁰ State issuance accounted for 18.1% of all debt issued by public agencies in California.

Between 2018 and 2019, the issuance of GO bonds and commercial paper increased while the issuance of revenue bonds and “other” bonds, which were tobacco securitization bonds sold in 2018, decreased (Figure 12).

Between 2018 and 2019, state issuance increased in three of the six purposes: capital improvements and public works (50.7%), hospital and health care facilities (48.1%), and interim financing (26.4%) (Figure 13). State issuance for “other” purposes declined 100% from 2018 as there was no issuance in this category in 2019. Issuance for

education decreased from \$4.5 billion in 2018 to \$4.3 billion in 2019 (5.1% decline) and housing issuance experienced a very slight decline from \$411 million in 2018 to \$410.6 million in 2019 (0.1% decline).

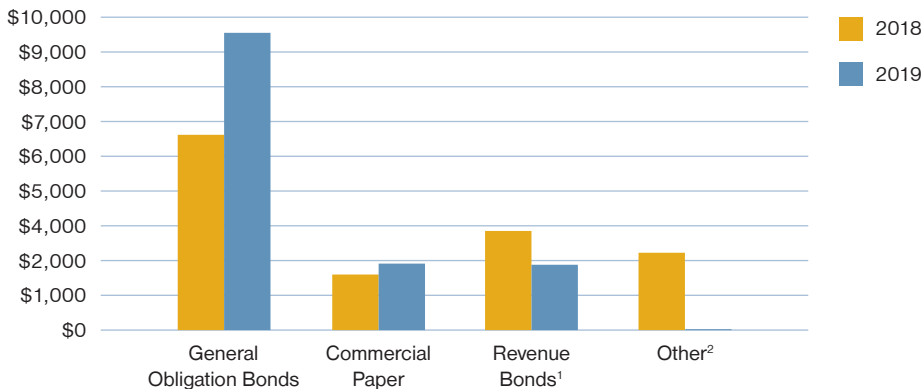
OTHER STATE ISSUERS AND CONDUIT ISSUANCE IN 2019

In contrast to the 62.5% decrease in issuance by state instrumentalities, including conduit bond issuers, from 2017 to 2018, issuance in 2019 increased by 55.3%. Overall, this category of issuers accounted for only 5.4% (\$4.1 billion) of all public agency issuance in 2019.¹¹

From 2018 to 2019, issuance increased for revenue bonds (55.8%) and conduit revenue notes (40.9%). In 2019, unlike 2018, state instrumentalities issued certificates of participation and rev-

Figure 12

VOLUME OF STATE DEBT ISSUANCE, 2018 AND 2019 (\$ IN MILLIONS)



¹ Revenue bonds include public lease and public enterprise revenue bonds.

² “Other” includes tobacco securitization bonds.

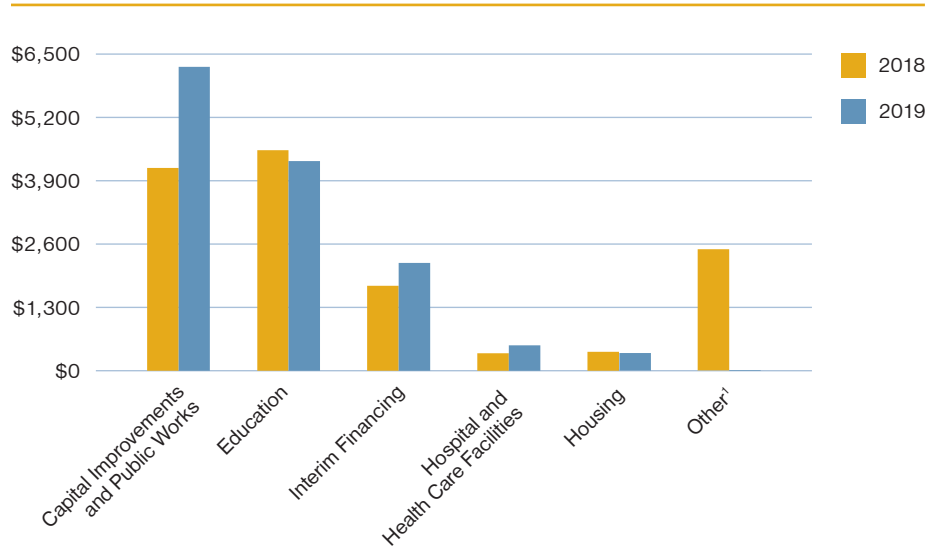
Source: CDIA database as of 3/9/2020.

¹⁰ In addition to the State of California, state issuers include the California Department of Water Resources, California State Public Works Board, Golden State Tobacco Securitization Corporation, The Regents of the University of California, California Department of Veterans Affairs, and the Trustees of the California State University.

¹¹ State instrumentalities include the California Educational Facilities Authority, California Health Facilities Financing Authority, California Housing Finance Agency, California Infrastructure & Economic Development Bank, California Pollution Control Financing Authority, and the California School Finance Authority.

Figure 13

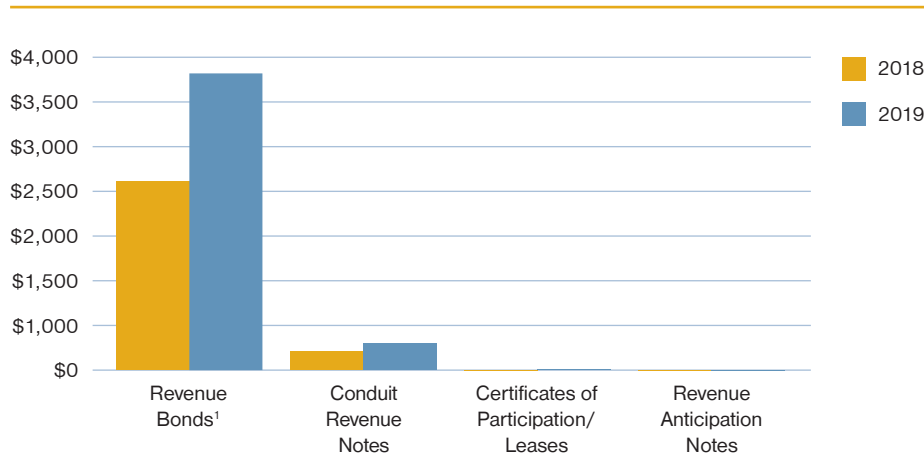
STATE DEBT ISSUANCE BY PURPOSE, 2018 AND 2019 (\$ IN MILLIONS)



¹ "Other" includes tobacco securitization bonds.
Source: CDIAAC database as of 3/9/2020.

Figure 14

STATE CONDUIT DEBT ISSUANCE, 2018 AND 2019 BY DEBT CATEGORY (\$ IN MILLIONS)



¹ Revenue bonds include conduit revenue bonds, public lease revenue bonds and public enterprise revenue bonds.
Source: CDIAAC database as of 3/9/2020.

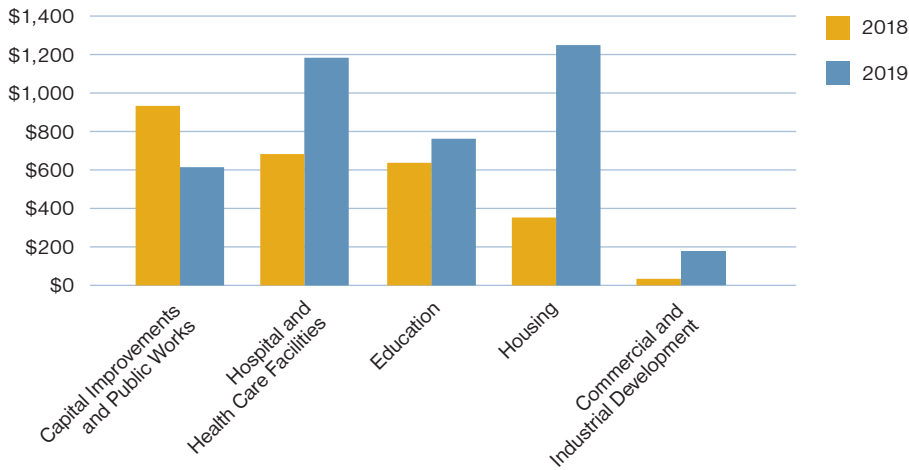
Revenue anticipation notes resulting in an increase of those debt types of 100.0% (Figure 14).

The only purpose for which state conduit issuance decreased between 2018 and 2019 was capital improvements and public works, from \$939 mil-

lion in 2018 to \$628 million (33.1% decrease). Issuance increased for commercial and industrial development (529.9%), housing (257.7%), hospital and health care facilities (74.6%) and education (18.8%) and (Figure 15).

Figure 15

STATE CONDUIT DEBT ISSUANCE, 2018 AND 2019
BY PURPOSE (\$ IN MILLIONS)



Source: CDIAC database as of 3/9/2020.

STUDENT LOAN FINANCE CORPORATION ISSUANCE

In past years, CDIAC typically received filings from three classifications of State level student loan entities: private corporations, non-profit corporations, and the California Education Facilities Authority (CEFA). However, CDIAC has not received any reports of debt issuance from any student loan entities since 2013.

LOCAL DEBT ISSUANCE IN 2019

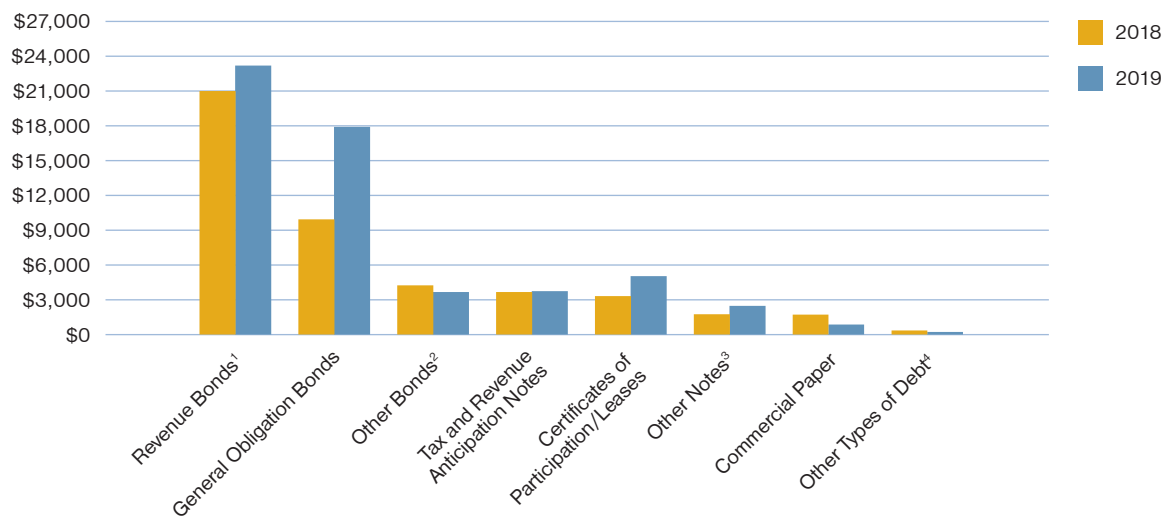
In 2019, local agencies issued nearly \$58.1 billion in short- and long-term debt, a 25.2% increase from 2018. Increased issuance was recorded in GO bonds (83.8%), certificates of participation (52.9%), “other types of debt”

(49.5%), “other notes” (44.8%), revenue bonds (10.6%) and tax and revenue anticipation notes (2.0%) (Figure 16). Debt types that declined in issuance from 2018 to 2019 are commercial paper (48.9% decline) and “other bonds” (16.2% decline).

Between 2018 and 2019, there was an increase in local issuance in commercial and industrial development (195.5%), education (80.2%) and capital improvements and public works (33.1%). The following five purpose categories experienced declines in issuance: redevelopment (78.6% decline), hospital and health care facilities (38.6% decline), “other” purposes (21.3% decline), housing (17.7% decline) and interim financing (9.6% decline) (Figure 17).

Figure 16

VOLUME OF LOCAL AGENCY BOND ISSUANCE BY DEBT TYPE, 2018 AND 2019 (\$ IN MILLIONS)



¹ Revenue bonds: conduit revenue bonds, public enterprise revenue bonds, public lease revenue bonds, and sales tax revenue bonds.

² Other bonds: limited tax obligation bonds, pension obligation bonds, special assessment bonds, and tax allocation bonds.

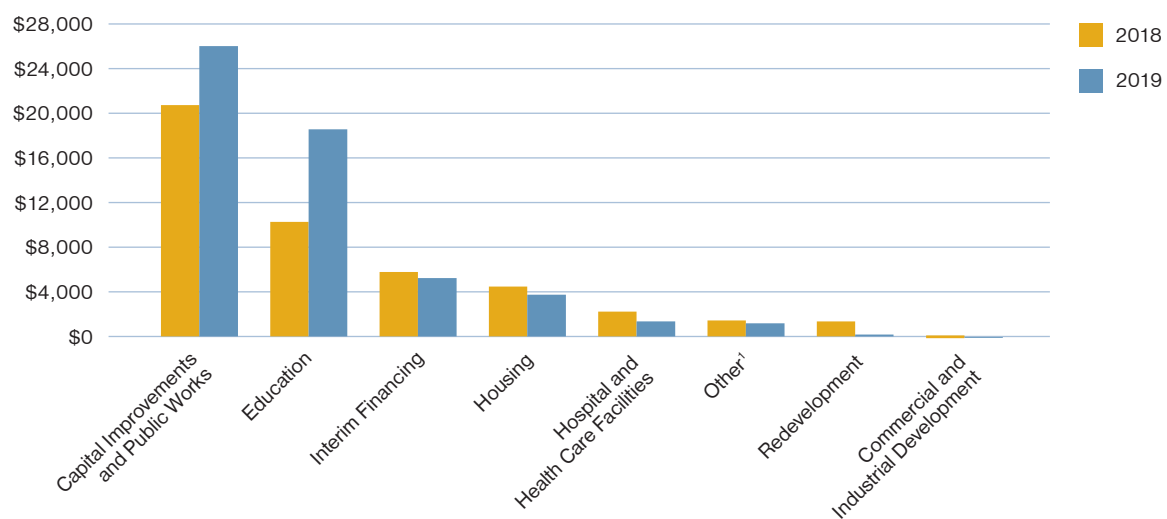
³ Other notes: conduit revenue notes, promissory notes, revenue anticipation notes, tax allocation notes, and tax anticipation notes.

⁴ Other types of debt: capital leases, loans from a bank or other institution, Marks-Roos authority loans, and State agency loans.

Source: CDIAAC database as of 3/9/2020.

Figure 17

VOLUME OF LOCAL AGENCY ISSUANCE, 2018 AND 2019, BY PURPOSE (\$ IN MILLIONS)



¹ Other includes Commercial energy conservation/improvement, human resources, insurance and pension funds, intelligent lighting system, property assessed clean energy (PACE) seismic safety improvements, residential energy conservation/improvement, court judgment, and guide dogs for the blind.

Source: CDIAAC database as of 3/9/2020.

2019 REPORT OF OPERATIONS

DATA COLLECTION AND ANALYSIS UNIT

In compliance with its statutory requirements, CDIAC's Data Collection and Analysis Unit (Data Unit) maintains the California Debt Issuance Database (Database) which is considered the most comprehensive and accessible database of California public debt issuance in existence. The Database is the source for the debt statistics and analysis regularly released by CDIAC.

Data Collection

The Database, a large portion of which can be accessed on CDIAC's website, contains reports of proposed and issued debt, annual fiscal status reports for Mello-Roos and Marks-Roos debt and reports on draws on reserves and defaults for Mello-Roos and Marks-Roos issues.¹² The

Database now contains reports for Annual Debt Transparency Report (ADTR) which became effective January 1st, 2017. The report requires issuers to report annually on any debt whose issuance was reported to CDIAC on or after January 21, 2017 with the first reports due on January 31, 2018.¹³ The Database contains information from 1984 to the present and is updated continuously by Data Unit staff. As of April 28, 2020, the Database contained records for more than 65,640 issuances of debt.

During calendar year 2019, the Data Unit received and processed 11,525 reports including Reports of Proposed Debt Issuance (RPDIs),¹⁴ Reports of Final Sale (RFSs),¹⁵ Marks-Roos Local Bond Pooling Yearly Fiscal Status Reports (MKR YFSRs), Mello-Roos Community Facilities Districts Yearly Fiscal Status Reports (MLR YFSRs),

¹² The Data Unit receives annual fiscal status reports for Mello-Roos and Marks-Roos bonds issued after January 1, 1993 and January 1, 1996, respectively.

¹³ Per Government Code Section 8855(k), added by SB 1029 (Chapter 307, Statutes of 2016) issuers required to submit an annual debt transparency report for Report of Final Sale submitted on or after January 21, 2017.

¹⁴ Per Government Code Section 8855(i) issuers of proposed new debt must give notice no later than 30 days prior to the sale date.

¹⁵ Per Government Code Section 8855(j), issuers are required to submit reports of final sale no later than 21 days after the sale of the debt.

Mello-Roos/Marks-Roos Draw on Reserve/Default filings (DFDs), and Annual Debt Transparency Reports (ADTRs). Figure 18 contains a breakdown of the reports processed by the Data Unit during calendar year 2019. In 2019, the 21.7% decrease in RPDIs and RFSs submittals was offset by a dramatic, yet expected, increase in ADTR submittals. In total, there was a 1.1% decrease in submittals from 2018.

CDIAC requires the use of its online portal for submitting reports. This requirement was largely codified with the implementation of CDIAC's regulatory package, effective on April 1, 2017.¹⁶ During 2019, only seven reports were sent in hardcopy form mail or e-mail requiring staff manually enter the data. These hardcopy submittals were typically the result of a technological problem on the part of CDIAC or the filer.

Recognizing that the number of ADTRs required to be filed by issuers will grow rapidly year to year, CDIAC began working with issuers in late 2017 to establish an alternative to filing individual reports through our online portal. We identified "volume filers", those issuers required to submit 25 or more ADTRs on an annual basis. For the initial filing period, two of those issuers agreed to submit their data on an Excel spreadsheet. This data was then formatted by the State Treasurer's Office (STO) Information Technology Division (ITD) staff so it could be ingested into CDIAC's debt database. CDIAC also worked with ITD to create a "batch upload" process for volume filers that would allow the data to be ingested without further formatting. The initial version of this batch process garnered use from very few issuers. Improvements to this batch upload method are underway.

Figure 19 displays the number of ADTRs received and the methods of submittal used during calendar years 2018 and 2019.

Debt Issuance Fees

A critical function of the Data Unit is the collection of the issuance fees which are the source of CDIAC's operational funding.¹⁷ With the adoption of CDIAC's regulations, fee amounts are calculated based on principal amount of the issue times 2.5 basis points (0.0025%), not to exceed \$5,000.00, on all debt with a final maturity greater than 18 months. No fee is assessed for issues with a final maturity of 18 months or less. A detailed fee schedule is available on CDIAC's website.¹⁸

In 2019, the Data Unit sent out 1,263 invoices for a total of approximately \$3.6 million in fees. Figure 20 reflects the breakdown of fees assessed for state and local agencies.

Public Access to Debt Issuance Data

CDIAC uses a variety of online methods to provide public officials and members of the public immediate access to debt issuance data, including:

DEBTWATCH DATA PORTAL: ACCESS TO REPORTS AND ISSUANCE DOCUMENTS. DebtWatch¹⁹ provides citizens, the media, policy makers and others a new resource for understanding state and local government debt issuance. Containing easily accessible information relating to debt issued during the past thirty years, DebtWatch gives users the ability to compare, contrast, and analyze debt issuance data in unique, user-specific ways. DebtWatch provides data on both proposed and completed debt transactions and the ability to access the issuance documents that were submit-

¹⁶ Title 4, Division 9.6, Sections 6000-6062, effective April 1, 2017.

¹⁷ Government Code Section 8856. authorizes CDIAC to charge the lead underwriter, the purchaser or the lender a fee not to exceed one-fortieth of one percent of the principal amount of the issue not to exceed \$5,000 for any one issue.

¹⁸ www.treasurer.ca.gov/cdiac/reporting.asp.

¹⁹ DebtWatch is located at: <http://debtwatch.treasurer.ca.gov/>.

Figure 18

REPORTS PROCESSED, CALENDAR YEAR 2019 VERSUS 2018

TYPE OF REPORT	2019	2018	INCREASE/ DECREASE
Reports of Proposed Debt Issuance	2,468	3,089	-20.1%
Reports of Final Sale	2,373	3,094	-23.3
Mello-Roos Yearly Fiscal Status Reports	1,445	1,469	-1.6
Marks-Roos Yearly Fiscal Status Reports	2,325	2,706	-14.1
Annual Debt Transparency Report	2,901	1,294	124.2
Mello-Roos/Marks-Roos Draw on Reserve/Default/Replenishment Filings	13	7	85.7
TOTAL REPORTS RECEIVED	11,525	11,659	-1.1%

Figure 19

ADTR, METHODS OF SUBMITTAL, 2018 VERSUS 2019

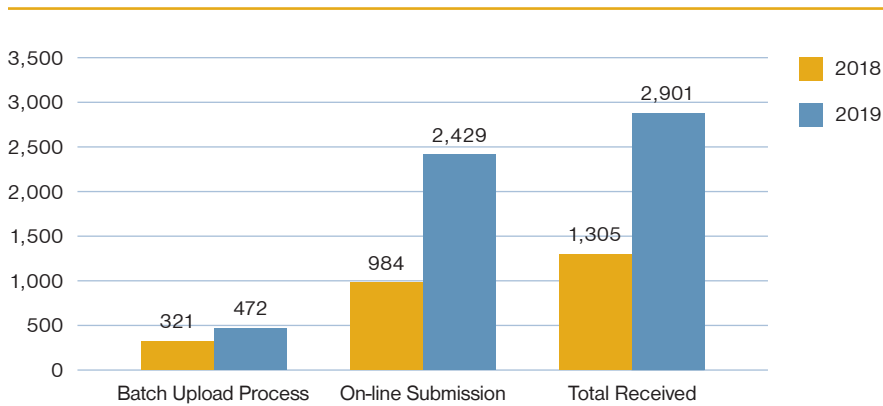


Figure 20

FEES ASSESSED, STATE AND LOCAL ISSUERS
JANUARY 1, 2019 TO DECEMBER 31, 2019

	FEES ASSESSED	# OF INVOICES
STATE	\$243,822.23	65
LOCAL	\$3,328,773.10	1,198
TOTAL FEES ASSESSED	\$3,572,595.33	1,263

ted to CDIAC with the issuer's RFS. Documents vary depending upon the type of debt issued. Types of documents include official statements, bond specimens, indentures and resolutions of the governing body, promissory notes, leases, loan agreements, installment sales agreements, and other issuance-related disclosures.

In 2019, CDIAC worked with ITD to include an additional authorization fields in the RPDI, RFS and ADTR online submission forms to accommodate bond issues that were issued under more than one authorization or when issued caused modifications (reductions or additions) to more than one authorization. The ADTR report publicly available in DebtWatch will be modified in early 2020 to represent this expanded authorization data.

DEBT LINE NEWSLETTER. CDIAC is required to publish a monthly newsletter describing the operations of the Commission during the prior month.²⁰ CDIAC's monthly publication, *Debt Line*, includes a monthly calendar of issues which provides comprehensive information on all reports of proposed and finalized debt issuances received during the prior month.

ONLINE TABLES AND GRAPHS. CDIAC produces monthly and annual California state and local debt issuance data in the form of summary tables and graphs which can be accessed through CDIAC's website. Tables include aggregate totals of the type, purpose and amount of debt issued and the amount refunded for the current and five prior calendar years.²¹ Graphs display a comparison of debt data for the current and prior calendar year by state and local agencies. The purpose and

amount of proposed and completed transactions for the prior month are also posted.²²

MARKS-ROOS AND MELLO-ROOS DRAW ON RESERVES/DEFAULT REPORTS. Data on draws on reserve and defaults are posted as the reports are received. Reports are listed by issuer and date of occurrence.²³

CDIAC recorded 5,098 hits to its website in 2019. Each "hit" or inquiry is recorded as well as the purpose for which the individual visited the site (Figure 21a). CDIAC recorded 14,475 hits to the DebtWatch website for 2019 (Figure 21b).

Reports

CDIAC publishes several summary reports annually, compiling data reported throughout the current calendar year and, in some cases, from past years.

MARKS-ROOS LOCAL BOND POOLING ACT YEARLY FISCAL STATUS REPORT AND THE MELLO-ROOS COMMUNITY FACILITIES DISTRICT YEARLY FISCAL STATUS REPORT. The Marks-Roos and Mello-Roos Yearly Fiscal Status Reports submitted to CDIAC annually, by October 30th, for the prior July/June fiscal year, are the basis for these reports.²⁴ In an effort to bring the Marks-Roos Yearly Fiscal Status Report to a current status, the Data Unit has published the report for FY 2014-15 and is currently compiling and verifying data for the remaining intervening fiscal years. CDIAC expects to bring the reports current prior to the end of 2021. The Mello-Roos Yearly Fiscal Status Report, covering the period of July 1, 2017 through June 30, 2018 was published in

²⁰ Government Code Section 8855(h)(9).

²¹ Summary tables are available at: www.treasurer.ca.gov/cdiac/debtdata/debtdata.asp.

²² Graphs are available at: www.treasurer.ca.gov/cdiac/graphs/index.asp.

²³ Mello-Roos/Marks-Roos Default and Draw on Reserve Reports are available at: www.treasurer.ca.gov/cdiac/default-draw/issuename.asp.

²⁴ Pursuant to Government Code Sections 6599.1(b) and 53359.5(b) issuers of Mark-Roos (after January 1, 1996) and Mello-Roos (after January 1, 1993) bonds must submit Yearly Fiscal Status Reports to CDIAC.

Figure 21a

DEBT ISSUANCE DATA WEBSITE ACTIVITY, 2019

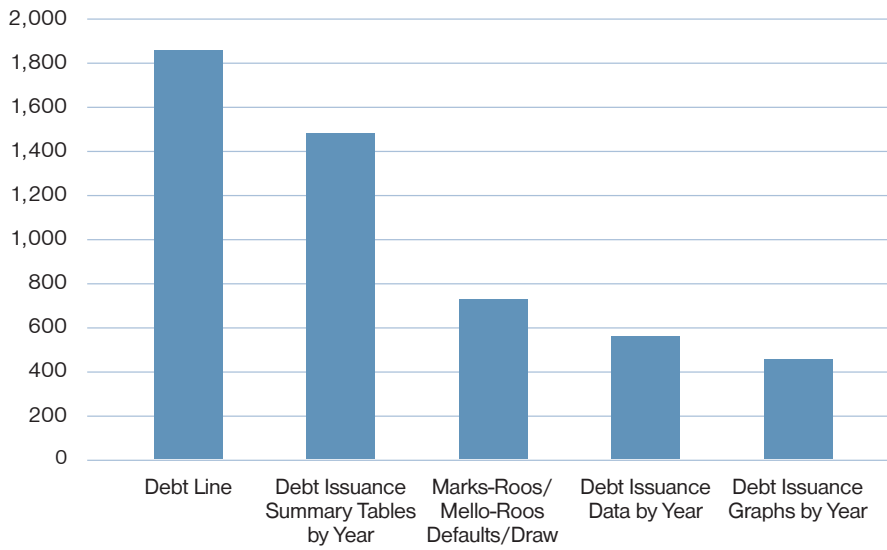
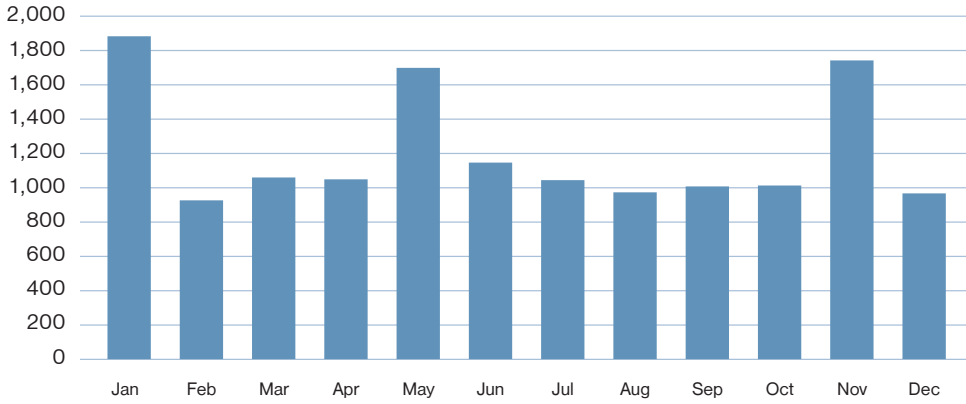


Figure 21b

DEBTWATCH WEBSITE ACTIVITY, JANUARY 1, 2019 TO DECEMBER 31, 2019



2019. The report for the July 1, 2018 through June 30, 2019 will be published by summer 2020. All prior year reports have been published.

The Mello-Roos Community Facilities District Yearly Fiscal Status Report, covering the period of July 1, 2015 through June 30, 2016 was published in February 2018. The report for the July 1, 2016 through June 30, 2017 will be published by mid-2019. All prior year reports have been published.

CALENDAR OF PUBLIC DEBT ISSUANCE. This annual report provides details on each issuance of public debt in California. Each listing includes the issuer name, county, debt type, purpose of the issue, date of sale, debt principal amount, and whether or not the issue is a refunding. Each listing also shows the interest rate, rating, credit enhancement information, final maturity date, and major participants in the financings. The report is organized chronologically by issuer, beginning with the State of California and its departments and agencies, then local agencies (further sorted by county, agencies within counties, and by the sale date of the issue) and student loan corporations. The 2018 calendar was published in June 2019. We expect the 2019 calendar to be published in summer 2020.

SUMMARY OF CALIFORNIA PUBLIC DEBT ISSUANCE. This annual report provides aggregate summary information by issuer on major components of debt, such as long-term and short-term debt, tax-exempt and taxable debt, and refunding existing indebtedness. The tables included in the report contain statistics on both state and local agencies broken out by type of issuer, type of debt, purpose of financing, federal taxability, and whether the issue is a refunding or not. The 2018 summary tables were published in June 2019. We expect the 2019 calendar to be published in spring 2020.

ANNUAL REPORT. CDIAC's Annual Report provides a high-level analysis of public debt issued in California for the calendar year. The report includes comparisons against the prior year's debt issuance including by type and purpose. Analysis

of a variety of other characteristics of the debt and a report of CDIAC's operations are also included. The 2019 report will be published in summer 2020.

Other 2018 Data Unit Projects and Initiatives

DEBT AUTHORIZED BUT UNISSUED. SB 1029 (Hertzberg, Chapter 307, Statutes of 2016), added the requirement for issuers to report annually on any debt whose issuance was reported to CDIAC on or after January 21, 2017. CDIAC developed the ADTR to assist issuers in satisfying the new reporting requirement and to provide consistency in data received. Due to the nature of the data required by the SB 1029, especially the requirement to report on the amount of debt authorized and unissued, staff determined that reporting on authorization should begin with the submittal of the RPDI. This data could then be verified when the RFS was submitted and would then be pre-populated on the ADTR. In order to ensure that the authorization was correctly tracked, an "authority" table had to be established in the database so that multiple issues could be linked to one issuance authorization and thereby calculate the amount of authorization available at the beginning of reporting period, added during the reporting period and remaining at the end of the reporting period. Also, since some issues are sold using more than one issuance authorization, the ability to associate two authorizations to one issue was needed. Working with ITD, Data Unit staff developed the criteria for the authority table and determined what updates needed to be made to the online reporting forms, the database and the ADTR. These updates were completed in October 2018 and the new RPDI, RFS and ADTR were made available for use. Building upon the changes in October 2018, Data Unit staff worked with ITD in 2019 to add a second authorization field to the ADTR which is currently available for issuers to use during the FY 2019-20 reporting period.

ADTR BATCH UPLOAD PROCESS. As mentioned earlier in this report, CDIAC realized that the

number of ADTRs that would be submitted would essentially double each reporting period and identified several large issuers who submit a large volume of reports each year. Data Unit staff reached out to several volume issuers and requested that they submit their ADTR data using an excel spreadsheet. Two issuers responded. When the spreadsheets were received, CDIAC staff worked with ITD to format the data so that it could be ingested into the database. Since each of the spreadsheets had the data organized in a different way, ITD staff had to first organize the data and then determine how to prepare it for ingestion. Going through this process provided ITD with a roadmap of what process needed to be established for a “batch upload” that could be used by all issuers, would be user friendly, capture each year’s data, and be readily ingestible. Working with the Data Unit, ITD developed a single “batch upload” process. Unit staff identified a list of volume filers, those issuers who would be filing 25 or more ADTRs and offered them the ability to test the process to see if it would suit their needs. As of the end of 2019, two issuers submitted their ADTR data via the batch upload.

ELECTRONIC DOCUMENT STORAGE. The effort to reduce the amount of archived materials by systematically reviewing, digitizing, and electronically storing all paper documents in an electronic document storage facility (FileNet) continued during 2019. Staff began digitization in 2009 with calendar year 2008 documents. To date, all 2001 through 2018 documents have been scanned and electronically stored. We are currently scanning files from 2000. Our success with this project is largely due to a process initiated by ITD staff in June 2017. The process automatically transfers the scanned document files from a temporary file folder into FileNet with minimal action required by Data Unit staff.

2020 Outlook

SYSTEM AND PROCESS IMPROVEMENTS. CDIAC staff will work to develop a new online report

filing system to accept RPDIs, RFSs, ADTRs, MKR YFSRs, MLR YFSRs, and DFDs that will allow users to be able to save their reports, make edits, and easily save their reports in PDF format.

CDIAC ELECTRONIC DOCUMENT STORAGE. CDIAC staff will complete the digitization project to cover years 2000 through present. Our goal is to upload documents from the year 2000 to complete this process to update the DebtWatch site.

STREAMLINING ANNUAL DEBT REPORTING. CDIAC staff continue to work with ITD and our stakeholders to streamline the submittal of the ADTR for our volume filers.

EDUCATION AND OUTREACH UNIT

CDIAC’s Education and Outreach Unit (Education Unit) provides continuing education to public finance officers, elected officials, and the public; develops and maintains relationships with allied organizations to provide training; and monitors the informational and educational needs of its constituents.

Education Programs

CDIAC’s education programs include core seminars given on an annual or biennial basis (Figure 22), co-sponsored seminars with allied organizations that expand CDIAC’s outreach, topical seminars that address current demand for in-person programs, and webinar trainings that allow for a timely response to current issues or technical training needs.

In 2019, CDIAC conducted thirteen educational programs: three core seminars, two topical seminars, one co-sponsored seminar, and seven webinars. Programming in 2019 included a balance of in-person trainings and webinars, thereby increasing the total number of people CDIAC’s educational programs were able to reach.

Figure 22

CDIAC'S CORE SEMINARS

SEMINAR	DESCRIPTION
MUNICIPAL DEBT ESSENTIALS	<p>This three-day seminar is designed to provide municipal financing principles through lecture, short examples, and classroom interaction.</p> <p>Day One, <i>Debt Basics</i>, covers the fundamental elements of debt financing, from the core concepts of bond math to the types of debt state and local governments can issue. It is designed to provide municipal financing principles through lecture and short examples and exercises.</p> <p>Day Two, <i>Planning a Bond Sale</i>, is focused on the preparation, planning, and processes involved in issuing municipal debt, including, but not limited to, the development of a written debt policy and plan of finance, structuring debt service payments, managing cost of issuance, and credit analysis.</p> <p>Day Three, <i>Marketing and Pricing a Municipal Bond</i>, covers the concepts and processes involved in accessing the capital markets. The topics include a discussion of the offering document used to sell the bonds and how underwriters and issuers seek to market and price the bond. Group exercises are included to provide practical application of the concepts.</p>
ONGOING DEBT ADMINISTRATION	<p>This one-day seminar provides the knowledge needed to manage continuing disclosure, compliance with federal arbitrage rules, and the investment of bond proceeds. This curriculum focuses on the larger practices of living with an issue over the life of the bond.</p>
MUNICIPAL MARKET DISCLOSURE	<p>This one-day seminar is an in-depth presentation on the requirements for disclosure of municipal securities information to the market. Topics include federal securities laws and regulations, issuer responsibilities, and continuing disclosure compliance.</p>
FUNDAMENTALS OF LAND-SECURED FINANCING	<p>This one-day seminar focuses on the use of Mello-Roos and assessment district financing techniques, including how to form a district, issue debt, and administer liens.</p>
FUNDAMENTAL PUBLIC FUNDS INVESTING co-sponsored with the California Municipal Treasurers Association (CMTA)	<p>This two-day seminar provides fundamental concepts, tools, and strategies necessary to manage and oversee public investment portfolios. Topics include roles and responsibilities of practitioners, understanding permitted investments, establishing policy objectives, fixed income economics, and managing cash flow. In addition, panelists addressed structuring and diversifying an investment portfolio, benchmarking, and best practices in portfolio accounting, disclosure and reporting.</p>
ADVANCED PUBLIC FUNDS INVESTING co-sponsored with CMTA	<p>This one-and-a-half day seminar provides advanced portfolio management concepts. Topics include assessing and adjusting liquidity, understanding risk, advanced analytics, and advanced investment analysis concepts. It also included an investment portfolio case-study simulation to allow seminar participants to place concepts into practice.</p>

Core Seminars

CDIAC offered the following three core programs, described in Figure 22, in 2019.

- Municipal Debt Essentials
- Ongoing Debt Administration
- Fundamentals of Public Funds Investing, co-sponsored with CMTA

Topical Seminars

In 2019, CDIAC hosted the following two topical educational programs.

DEVELOPING AND ADMINISTERING INTERNAL CONTROLS FOR BOND ACCOUNTABILITY. This one-day seminar addressed a framework for developing and administering an internal control system to account for and report on the expenditure of bond proceeds. The seminar focused on the principles of a control system to provide for the prudent management and disbursement of

public funds and applied these to bond administration. The program incorporated tools developed by the Task Force on Bond Accountability convened by the State Treasurer's Office.

PUBLIC FUNDS INVESTING WORKSHOP. This small group one-day workshop, repeated over three days, allowed participants to engage in interactive learning to further their understanding of key investment terms and concepts. Participants used Excel on their own laptops to explore concepts such as the relationship between yield, duration and convexity. The workshop included an exercise on benchmarking and provided participants with Excel spreadsheets to utilize in managing their own investment portfolios.

Co-Sponsored Seminars

In addition to the core seminar produced in partnership with CMTA, one additional program was delivered collaboratively through partnership with The Bond Buyer in 2019.

THE BOND BUYER PRE-CONFERENCE. CDIAC hosted a pre-conference, *Administering Disclosure Obligations Under Amended SEC Rule 15c2-12* at *The Bond Buyer's 29th Annual California Public Finance Conference*. The event marked the 18th consecutive year that CDIAC has partnered with *The Bond Buyer* for the pre-conference. Amendments to Securities and Exchange Commission (SEC) Rule 15c2-12, which became effective February 27, 2019, added two new events that issuers of public debt must disclose to investors and other market participants. These two events, while defined in the context of the Rule, manifest themselves in countless forms within different public agencies. As a result, the obligation of issuers, underwriters, and legal counsel to identify, assess, and report disclosable events is more nuanced and, thus, more complex than the other event disclosures required under Rule 15c2-12. This program addressed the policy, legal, administrative, and transactional implications of Rule 15c2-12, as amended.

Webinars

In 2019, CDIAC offered the following seven webinars.

UNDERSTANDING CASH FLOW AND CASH FLOW FORECASTING. This webinar was designed to allow participants the opportunity to conduct a case study analyzing cash flows. This was a webinar version of a group exercise on cash flow done at the CMTA and CDIAC *Fundamentals of Public Funds Investing* program. Those who attended the program, as well as those who did not, were able to benefit from working through the case study individually and using their own computer.

UNDERSTANDING BENCHMARKING. This webinar was designed to allow participants the opportunity to develop a benchmark using Excel and evaluate their investments against the derived benchmark. This was a webinar version of a group exercise on benchmarking done at the CMTA and CDIAC *Fundamentals of Public Funds Investing* program. Those who attended the program, as well as those who did not, were able to benefit from working through the case study individually and using their own computer.

GREEN BONDS IN THE GOLDEN STATE: A PRACTICAL PATH FOR ISSUERS WEBINAR SERIES. This three-part webinar series was designed to provide public finance officials with the practical guidance needed to accommodate the green financing demands of their constituency and take advantage of green financing opportunities developing in the market. The series was structured to provide participants with a clearer understanding of the risks and benefits of a green bond issuance and information to strike the proper balance between financial and environmental stewardship.

SB 1029 - YEAR 3 OF THE ANNUAL DEBT TRANSPARENCY REPORT (ADTR). This webinar discussed the insights gained from the first two years of ADTR filings and provided helpful information for both first-year and returning filers. This

webinar addressed the questions most frequently asked by issuers and offered tips for the successful completion and submittal of the report.

SOCIALLY RESPONSIBLE INVESTING: INTEGRATION IN THE LOCAL AGENCY PORTFOLIO. The board members and constituents of local agencies are increasingly asking that the investment of public funds take into account socially responsible investing (SRI) objectives. SRI and environmental, social, and governance (ESG) considerations may affect a local agency’s investment policy, credit analysis and investment portfolio decision process. Based on CDIAC’s publication *Socially Responsible Investing – What Does It Mean and What’s the Risk?*, this webinar was designed to give participants a better understanding of fun-

damental SRI and ESG concepts, an opportunity to hear how other California local agencies are integrating SRI objectives and ESG criteria, and learn about available resources that can help with SRI analysis.

Attendance at CDIAC Educational Programs

One thousand one hundred and fifty people (1,150) public finance professionals, public and private, attended CDIAC’s educational programs in 2019. Of the professionals who participated in CDIAC’s 2019 educational offerings the majority, 633 (or 55%), did so through our in-person trainings. (Figure 23).

Figure 23

PARTICIPATION AT CDIAC EVENTS, 2019

EVENT TITLE	DATE	LOCATION	TOTAL PARTICIPANTS
CDIAC SEMINARS			
Fundamentals of Public Funds Investing	1/23/19-1/24/19	Riverside, CA	77
Municipal Debt Essentials - Day 1	2/12/2019	Riverside, CA	89
Municipal Debt Essentials - Day 2	2/13/2019	Riverside, CA	81
Municipal Debt Essentials - Day 3	2/14/2019	Riverside, CA	79
Ongoing Debt Administration	9/4/2019	Sacramento, CA	90
Developing and Administering Internal Controls for Bond Accountability	9/5/2019	Sacramento, CA	56
Public Funds Investing Workshop	11/18/2019	West Sacramento, CA	19
Public Funds Investing Workshop	11/19/2019	West Sacramento, CA	23
Public Funds Investing Workshop	11/20/2019	West Sacramento, CA	24
CO-SPONSORED SEMINAR			
<i>The Bond Buyer</i> Pre-Conference	9/23/2019	San Francisco, CA	95
CDIAC WEBINARS			
Understanding Cash Flow and Cash Flow Forecasting	2/21/2019	Online	80
Understanding Benchmarking	2/28/2019	Online	64
Green Bonds in the Golden State - Session One: Green Bond Fundamentals	8/14/2019	Online	88
Green Bonds in the Golden State - Session Two: It's Not Easy Being Green	9/18/2019	Online	83
Green Bonds in the Golden State - Session Three: Making Green Pencil Out	10/2/2019	Online	58
SB 1029 - Year 3 of the Annual Debt Transparency Report (ADTR)	11/6/2019	Online	102
Socially Responsible Investing: Integration in the Local Agency Portfolio	12/10/2019	Online	42
		TOTAL	1150

CDIAC tracks the attendees' organizational affiliation by public or private sector (Figure 24). A comparison of these sectors shows that 84% of attendees were from the public sector, an increase from the 80% total in 2018. If registration from events held in partnership with *The Bond Buyer* were excluded, 86% of the attendees were from the public sector, the same as in 2018.

Of the public and private sectors, approximately 43% of attendees were from cities and counties; 39% were from state agencies, special districts,

school districts, and joint powers authorities; and 16% were from the private sector. Figure 25 reflects attendees by organization type at all CDIAC educational programs for the year.

Historical Comparison of Seminar Attendance

Over the past five years, CDIAC has attracted approximately 5,735 attendees to its programs, including educational offerings held in partnership with other organizations. Figure 26 reflects

Figure 24

ATTENDANCE AT CDIAC PROGRAMS BY ORGANIZATIONAL AFFILIATION PUBLIC OR PRIVATE, 2019

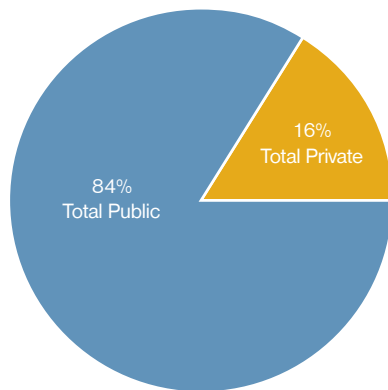


Figure 25

ATTENDANCE AT CDIAC PROGRAMS BY ORGANIZATION TYPE, 2019

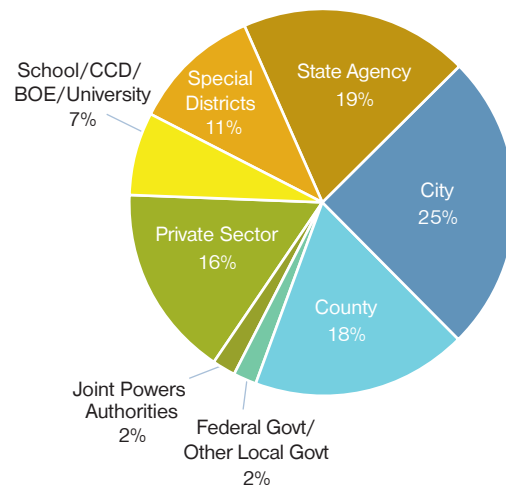
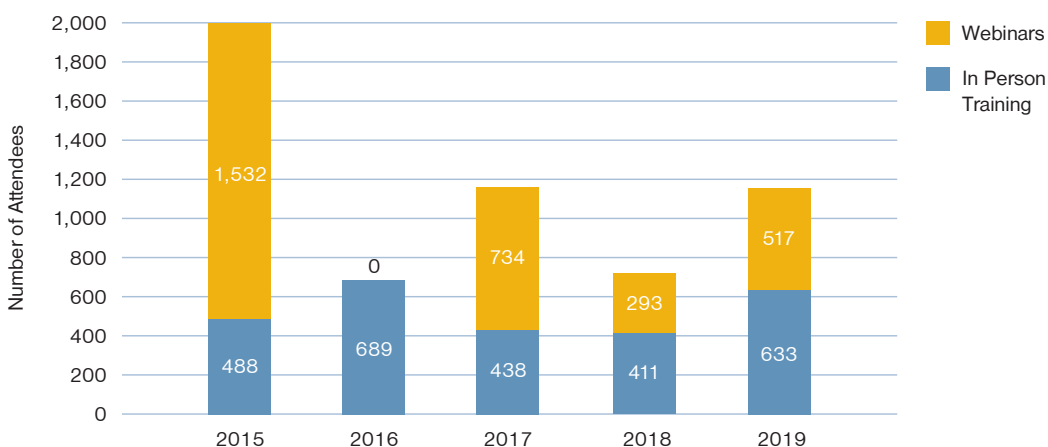


Figure 26

ATTENDANCE AT CDIAC PROGRAMS, 2015 TO 2019



enrollment activity in CDIAC programs from 2015 through 2019. In 2016, CDIAC's programs focused on in-person training and the returned to webinar hosting in 2017, resulting in a substantial increase overall attendance numbers. In 2018, staff shortages contributed to an overall decrease in offerings.

Based on this five-year time span, CDIAC continues to serve its primary audience, public agencies, as reflected in Figures 27a and 27b.

Support of the State Treasurer's Office (STO) Divisions, Boards, Authorities and Commissions (BCAs)

During 2019, staff in the Education Unit provided assistance to other BCAs within the STO. Using CDIAC's webinar portal and staff expertise, 278 stakeholders were trained or informed through the broadcasting of six webinars. The agencies assisted, the number of webinars, and the number of stakeholders who participated are shown in Figure 28.

2020 Outlook – Proposed or Initiated Projects and Activities

CURRICULUM AND PROGRAM DEVELOPMENT. The two areas that will continue to affect the educational needs of California's public agencies are: 1) educating new staff in public agencies and newly-elected officials; and 2) changes to the method and manner in which debt is issued in the municipal market. In response, CDIAC will continue to develop programming that addresses these two critical environmental forces. To do so, CDIAC is tailoring education for elected officials on debt financing and examining course offerings that address changes in debt management practices that impact California issuers.

INTERNET-BASED ON-DEMAND TRAINING. CDIAC is developing a web-based, on-demand training course on debt issuance and administration that is tailored for elected and appointed officials. Through the use of an interactive learning man-

Figure 27a

ATTENDANCE AT CDIAC PROGRAMS
PUBLIC VS. PRIVATE, 2015 TO 2019

YEAR	% PUBLIC	% PRIVATE
2015	87	13
2016	82	18
2017	82	18
2018	80	20
2019	84	16

Figure 27b

ATTENDANCE BY ORGANIZATION TYPE
2015 TO 2019

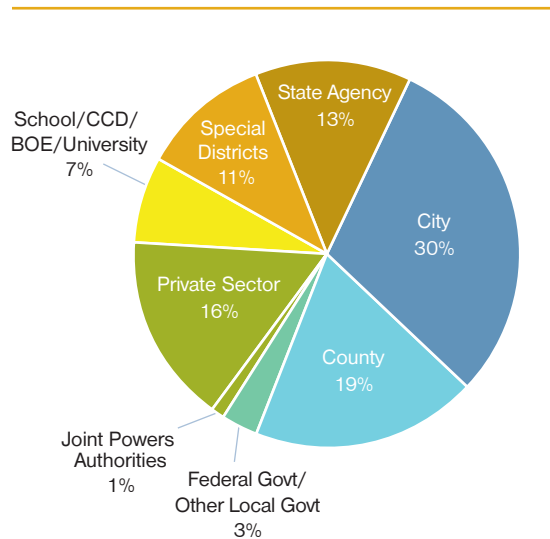


Figure 28

CDIAC PROVIDED SUPPORT TO STO BCAs

AGENCY	# OF WEBINARS	TOTAL PARTICIPANTS
California School Finance Authority (CSFA)	3	140
California Health Facilities Financing Authority (CHFFA)	3	138
TOTALS	6	278

agement system, officials will receive a certificate after completing a series of online courses and demonstrating sufficient knowledge acquisition. The system will also allow CDIAC to track registration and develop reports to monitor the effectiveness of the program in achieving the learning objectives and reaching the target audience. The first in the series of modules became available in 2019, with four additional modules planned for release in 2020.

TOOL-BASED TRAINING IN THE CLASSROOM. CDIAC introduced an applied learning approach into our core educational curriculum in 2016 and continued this method into 2019. Participants' feedback has shown that this approach has been a very effective training method. In 2020, CDIAC will further its course offerings in public investments by offering Excel-based training in smaller, more interactive settings.

OUTREACH AND COLLABORATION. CDIAC plans to continue its collaboration with local, state and national organizations. Staff will also attend regional and divisional association meetings and events to interface with professional groups to build networks and maintain a presence in the industry.

EXISTING PARTNERSHIPS. In 2020, CDIAC will continue its partnership with *The Bond Buyer*. Building on the success of collaborative workshops held in prior years, CDIAC will also continue to partner with the California Municipal Treasurer's Association (CMTA) to provide public investment training workshops for beginners and advanced. In addition, we are networking with other allied organizations with the hope of furthering our efforts to present other co-sponsored programs.

DIRECT PROMOTION OF PROGRAMS. As in prior years, CDIAC will continue to promote its programs through its subscribed email list and newsletter, postings on association webpages and their newsletters and, when necessary, through direct promotion of seminars through targeted mailing of printed brochures to local

public agency officials. Social media, such as Twitter and LinkedIn, will continue to be used for focused promotion to followers of CDIAC and the State Treasurer's Office.

STATE FINANCING BOARDS, COMMISSIONS, AND AUTHORITIES. CDIAC will continue to offer webinar services to meet the educational and outreach needs of the of state financing boards, commissions, and authorities.

RESEARCH UNIT

California Government Code Section 8855(h)(5) authorizes CDIAC to undertake research projects that improve practices or reduce the borrowing costs of public issuers in California. For calendar year 2019, CDIAC staff have either completed or initiated the following research projects:

CDIAC Projects Completed

CALIFORNIA DEBT FINANCING GUIDE. The Guide contains a comprehensive explanation of how public agencies use debt financing in California. It offers a user-friendly explanation of the statutory and regulatory framework guiding the issuance and administration of debt by cities, counties, special districts, school and community college districts and the State. The introduction provides a framework for issuers, elected officials, policy makers, and taxpayers to understand the obligations public agencies assume when they choose to pay for facilities with debt.

CALIFORNIA SCHOOL FINANCE: THE PRACTICE OF BORROWING FROM BOND PROCEEDS. California local education agencies are authorized to temporarily transfer monies held in any fund or account of the school district for payment of recognized obligations – a practice known as interfund borrowing. This issue brief identifies the risks of managing cash flow shortfalls by borrowing from voter-approved bond funds.

K-14 VOTER APPROVED GENERAL OBLIGATION BONDS: AUTHORIZED, BUT UNISSUED - 2019 UPDATE. CDIAC updated earlier research that cross-referenced K-14 general obligation bond issuance with the underlying voter approved authority to determine the amount of general obligation bonds that were authorized, but unissued since 2002. This update included election and issuance activity for calendar year 2018 to the original data.

LOCAL AGENCY INVESTMENT GUIDELINES: UPDATE FOR 2019. CDIAC, working collaboratively with investment professionals, reviewed and updated the CDIAC Local Agency Investment Guidelines. This document provides references and recommendations (developed by public and private sector professionals) for interpreting and applying California statute to common public fund investment topics related to local agencies. The 2019 Update reflected statutory changes effective January 1, 2019.

REVIEW OF DEBT POLICY CERTIFICATION REQUIREMENT. CDIAC provides a review of the Local Debt Policy certifications submitted on reports of proposed debt issuance from January 2017 through December 2018. Issuers of public debt in California are required to certify that they have adopted local debt policies concerning the use of debt and that the proposed debt issuance is consistent with those policies.

SOCIALLY RESPONSIBLE INVESTING. More public agencies are considering the addition of socially responsible criteria to their investment policies. This issue brief provides an overview of socially responsible investing (SRI) for local agencies, in the context of the statutory requirements for the investment of public funds and addresses the various forms of SRI policies currently implemented by California's local agencies. It also provides guidance and identifies available resources and data tools for local agencies considering incorporating SRI strategies into an investment policy.

2020 Outlook: Proposed or Initiated Projects and Activities

ALTERNATIVES TO ADVANCE REFUNDINGS. CDIAC will look at refunding activity since implementation of the Tax Cuts and Jobs Act of 2017, when municipal issuers lost the ability to advance refund tax-exempt financings. This review will identify the structures public issuers can use to achieve similar outcomes to advance refundings and will analyze refunding activity reported to CDIAC.

BLOCKCHAIN AND PUBLIC FINANCE. CDIAC will attempt to explain the underlying blockchain mechanics of cryptocurrencies and address how public agencies are using or planning to use this technology to support public purposes.

CALIFORNIA DEBT FINANCING GUIDE (GUIDE) INTERACTIVE APPLICATION DEVELOPMENT. After the publication of the Guide, CDIAC contracted for the development of the Guide into an interactive application (App). This app developed with WordPress can be downloaded on a personal device (phone, tablet, laptop), making the Guide more accessible. CDIAC is currently working to finalize the hosting arrangement of the app.

CLIMATE CHANGE DISCLOSURE. CDIAC will review Official Statements for Public Enterprise Revenue Bonds to assess the level of climate change disclosure made to investors.

CONVEXITY AND OPTION ADJUSTED SPREAD. CDIAC will review the public fund investment concepts of convexity and option adjusted spread.

DISCLOSURE PRIMER. CDIAC will develop a concept to create a primer on municipal market disclosure. It is envisioned this primer would be a companion to the *California Debt Issuance Primer* and provide a detailed desk-reference for public finance officials on disclosure requirements and best practices.

LOCAL AGENCY INVESTMENT GUIDELINES: UPDATE FOR 2020. CDIAC, working collaborative-

ly with investment professionals, reviewed and updated the CDIAC Local Agency Investment Guidelines. This document provides references and recommendations (developed by public and private sector professionals) for interpreting and applying California statute to common public fund investment topics related to local agencies. The 2020 Update will reflect statutory changes effective January 1, 2020.

MARKS-ROOS REPORTING: 20-YEAR REVIEW OF MARKS-ROOS ANNUAL REPORTING TO CDIAC. CDIAC will review twenty years of Yearly Fiscal Status Reports filed by issuers and obligors of Marks-Roos financings with CDIAC covering Fiscal Years 1996-97 through 2016-17. This review will identify trends in Marks-Roos issuance, highlighting market or legislative changes in Marks-Roos issuance practices.

REVIEW OF LOCAL CANNABIS TAX MEASURES. CDIAC will review local bond and tax measures that apply to cannabis since the passage of Proposition 215 (Medicinal Marijuana).

UPDATE TO THE CALIFORNIA PUBLIC FUND INVESTMENT PRIMER. CDIAC is in the process of reviewing the California Public Investment Primer, which was last updated in 2009, to determine the scope of updates needed.

OUTREACH AND COLLABORATION WITH PUBLIC FINANCE ORGANIZATIONS. CDIAC will continue to work with public finance organizations, public agencies and research organizations to identify and assess new forms of public debt and investments coming into the market. This collaboration helps to keep CDIAC informed of market trends and emerging products and practices to produce research that is timely and relevant.

DEBT AND INVESTMENT LEGISLATION AFFECTING STATE AND LOCAL GOVERNMENTS. CDIAC will continue to monitor the status and maintain an inventory of important state and federal legislation affecting public finance, municipal bond issuance, and public funds investing. Published periodically in Debt Line during the legislative session, the online inventory includes helpful links to the most current information on pending legislation.

DEBT LINE. CDIAC will continue to publish Debt Line, a monthly newsletter including issuance statistics and analysis, research articles, important dates and details arising from MSRB and SEC regulatory activities, and announcements of educational programming provided by CDIAC and allied organizations.



CDIAC

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