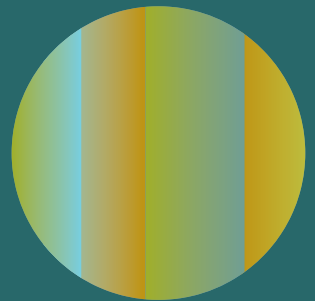


2022 ANNUAL REPORT





CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

To our constituents,

In 1982, the California Debt and Investment Advisory Commission's (CDIAC) first annual report was produced, in part, to fulfill statutory reporting requirements under Government Code section 8858. In the wake of Proposition 13, the Legislature wanted to develop a baseline understanding of the use of debt by California's public agencies. CDIAC reported their successful development of systems and procedures to collect information on 609 debt issues totaling \$9.8 billion. The report also discussed CDIAC's work to develop its education and technical assistance mission by initiating a needs assessment among public agency officials.

In forty-one years, CDIAC has come a long way from typewritten debt issuance forms and mailed-in surveys. Today, CDIAC's function as a debt issuance information clearinghouse, performed on a continuous basis on four times as many issues, has replaced the mandatory report to the Legislature. CDIAC is continuously adding to its vast electronic library of technical assistance, education, and guidance, and producing a variety of live and web-casted continuing education opportunities. What has not changed in CDIAC's 41-year history, however, is our commitment to service – service to all of you, the public agency officials nobly performing critical roles in the public finance system that builds our infrastructure, safeguards public funds, and protects the public interest.

Again, it is my pleasure to present CDIAC's 2022 Annual Report, a summary of issuance data and CDIAC's activities and accomplishments for the year. Among all the very noteworthy achievements to follow, I would like to draw your attention to several that showcase CDIAC's dedication to service and collaboration.

In 2022, debt issuance by California agencies fell by nearly 36% to \$66.8 billion. The steepness of the plunge was magnified by record volume in 2021, but the low volume year was still 10% below the ten-year average. Total refunding debt fell by over 62% from 2021 to its lowest level since 2018 following passage of the Tax Cuts and Jobs Act of 2017. As a percentage of total principal issued, refunding dropped to its lowest level in the past ten years.

These debt issuance statistics and those that follow are derived from CDIAC's database of issuance and annual status information on nearly 72,000 issues of debt dating back to 1984. The collection of data has been built through a partnership with more than 3,000 state and local agencies that submit information to CDIAC's online data filing interface. Despite the drastic decline in issuance activity, CDIAC processed more debt information through its interface in 2022 than in any prior year. Over 15,000 reports were submitted to CDIAC in 2022. More than 48% were annual information filings statutorily required of all debt issued since 2017. As a contrast, CDIAC processed just over 7,000 reports only 10 years ago, well before the enhanced annual reporting requirements.

Despite the growth in data submitted over the years, the fundamental database systems used to collect and store debt information had not been updated for more than 15 years. The experience of those submitting information had deteriorated and the sheer volume of information was straining CDIAC's processing capacity. A big change was necessary.

Highlighted in the 2021 Annual Report, CDIAC launched a year-long project to completely replace its data collection and database systems. The initial phase of the project culminated in June with the launch of the Data Portal, a new, cloud-based database application that has significantly enhanced the data submittal experience. The Data Portal not only ushered in a much-improved partnership with our constituents, but a new era of continuous improvement in how CDIAC fulfills its data collection and reporting mission. Since the launch of the Data Portal, CDIAC has been developing enhancements to the user experience, efficiency, and data validity. Next year's focus will be on a transformation of CDIAC's data distribution systems with DebtWatch 2.0, a new vision for data distribution.

Equally exciting to CDIAC's launch of the Data Portal was the return of CDIAC's in-person continuing education programs. CDIAC emerged from the COVID hiatus in the second half of the year with five days of in-person programming at three separate events including the preconference at The Bond Buyer California Public Finance Conference, Municipal Debt Essentials, and Fundamentals of Land Secured Financing. In total, more than 350 participants joined CDIAC and its faculty of highly regarded public- and private-sector municipal finance professionals at programs in 2022.

CDIAC also released two new courses in CDIAC's Elect>Ed series of on-demand electronic courseware for elected officials. The first is a sixty-minute, two-part series on the fundamentals of public employee pensions and pension management. The second release was the fifth course in CDIAC's curriculum on debt issuance and administration entitled *It Takes a Team: The Role of External Professionals in a Successful Issuance*. The new releases add to CDIAC's growing library of over 30 on-demand courses on debt and investment topics available in CDIAC's Education Portal.

A collaboration of CDIAC's Research Unit and an external multi-functional team of experts has been engaged in a very intensive effort to develop a three-part series of publications to educate and guide public finance officials on the topic of lease financing. The first publication, *Legal Foundations for Lease Financing in California*, was published in the fall and provides the foundational context for the development and evolution of lease financing in California as well as how the legal precedent applies to lease financing structures. Upcoming volumes in the series will focus on the key lease financing decision points for public agencies as well as the best practices for the effective use of lease financing.

CDIAC's 41st year of operation was marked by its outstanding educational opportunities, insightful analysis and guidance, and momentous information systems improvements. The key to CDIAC's success has always been the commitment of the CDIAC team, a commitment borne of a desire to serve our constituents. This dedication is well illustrated in the data and discussion to follow, but presented with unequivocal recognition of the broad support and contributions CDIAC has enjoyed from a legion of public finance professionals and allied organizations. On behalf of the entire CDIAC team, thank you for your support and the privilege to serve you in 2022.

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

This past year marked the 41st year in operation for the California Debt and Investment Advisory Commission (CDIAC). Over the last 41 years, CDIAC has made great advancements in how it fulfills its responsibilities by focusing on providing value to California's public finance community. 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's responsibilities are the result of two watershed moments in California's public finance history, the passage of Proposition 13 (1979) and the Orange County bankruptcy in the early 1990's. The legislature initially created the California Debt Advisory Commission (CDAC) in the wake of Proposition 13 to bring transparency to the debt issuance process and to provide guidance and assistance to the agency officials engaged in public borrowing.¹ This fundamental purpose has not changed in 41 years of operation. However, as a response

to the Orange County bankruptcy, the Legislature added local public fund investments to CDAC's advisory responsibilities in 1996, putting the "I" in CDIAC.² California statute calls CDIAC to carry out specific responsibilities, including:³

- Collect, maintain, and report information on all authorized, issued, and outstanding state and local debt until fully repaid or redeemed, and serve as the State's clearinghouse of state and local debt information.
- Collect specific annual and event information on debt issued through Mello-Roos community facilities districts or Marks-Roos bond pools.
- Establish 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.

¹ Assem. Bill 1192, 1981-1982 Reg. Sess., ch. 1088, 1981 Cal. Stat.

² Assem. Bill 1197, 1995-1996 Reg. Sess., ch. 833, 1996 Cal. Stat.

³ Government Code Section 8855(h) and Government Code Section 6586.7.

- Publish a monthly newsletter.
- 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.
- Maintain contact with participants in the municipal finance industry to improve the market for public debt issuance.

To perform its functions, CDIAC engages in a range of activities classified into four general program areas: data collection and analysis, policy research, education and outreach, and administration and design. The dedicated staff of each program area, separately and cooperatively, drives CDIAC's success.

The CDIAC Team

DATA COLLECTION & ANALYSIS

Jeff Field
Michael Hewitt
Tanya O'Neil
Zuhai Sadid
Catherine Walline
Richard Brown

POLICY RESEARCH

Kelly Joy
Jean Shih
Ashley Yu

EDUCATION & OUTREACH

Anna Ramirez
Angela Ayala
Randy Auer

ADMINISTRATION & DESIGN

Tara Dunn
Megan Batty
Ryan Malone

EXECUTIVE DIRECTOR

Robert Berry

DEPUTY EXECUTIVE DIRECTOR

Angelica Hernandez

COMMISSION MEMBERS

CDIAC activities are directed by the Commission, which consists of nine members, including the State Treasurer, the Governor or the Director of Finance, the State Controller, two local

government finance officials, two Assemblymembers, and two Senators. The State Treasurer serves as the Chairperson.



FIONA MA, CPA,
CHAIR
California State Treasurer



GAVIN NEWSOM
Governor of California



BETTY YEE
California State Controller



SABRINA CERVANTES
*Assemblymember
60th District*



COTTIE PETRIE-NORRIS
*Assemblymember
74th District*



PATRICIA C. BATES
*Senator
36th District*



STEVEN BRADFORD
*Senator
35th District*



SANDIE ARNOTT
*Treasurer-Tax Collector
County of San Mateo*



NIKOLAI SKLAROFF
*Capital Finance Director
San Francisco Public
Utilities Commission*

DEBT ISSUANCE BY THE NUMBERS^{4,5}

⁴ California Debt Issuance includes all debt reported to CDIAC as of 8/9/2023 with a sale date between January 1, 2021, through December 31, 2022.

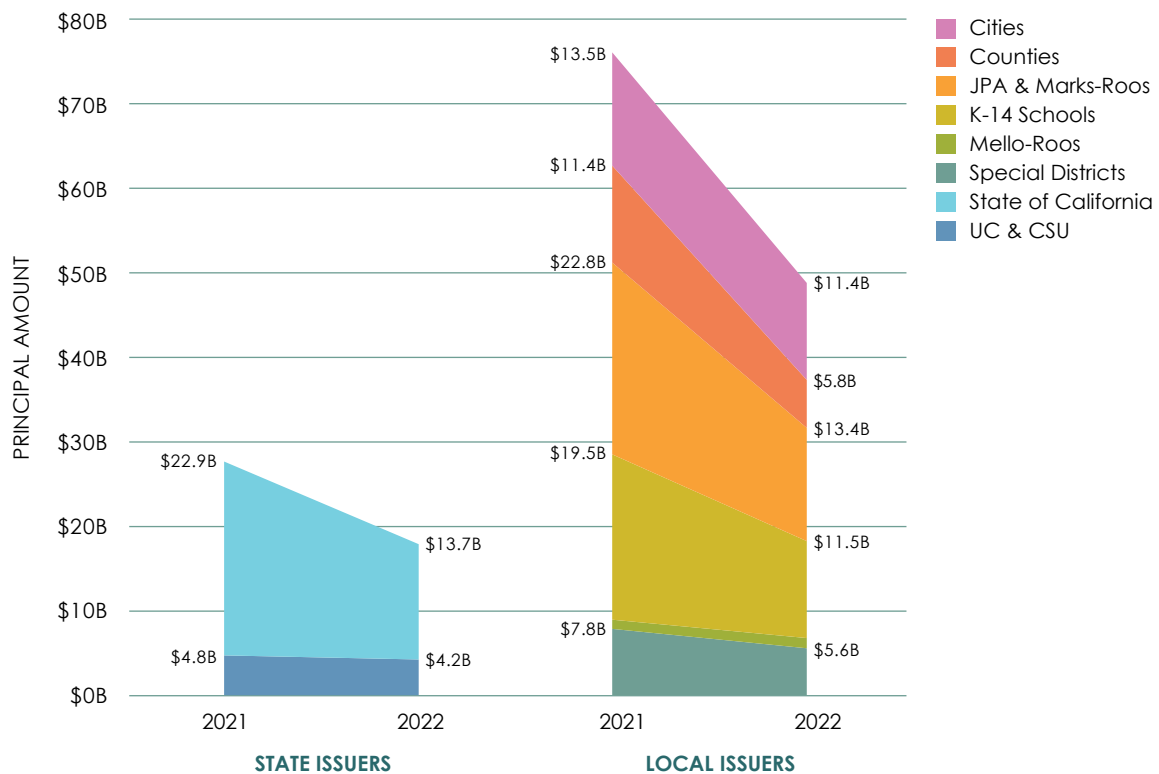
⁵ The data includes short-term and long-term financings and private placements but does not include local-obligation debt issued as part of a Mark-Roos pool.

SUMMARY OF TOTAL DEBT ISSUANCE

- Public debt issuance by all public agencies in California totaled \$66.8 billion for 2022.
- In 2022, debt issuance decreased approximately 35.8% from the \$103.9 billion issued in 2021.
- By issuer type, county issuance had the largest decline, with 49.7% less debt issued in 2022 than 2021.

Figure 1

CALIFORNIA DEBT ISSUANCE, TOTAL BY ISSUER TYPE, CY 2021 AND CY 2022⁶ (IN BILLIONS)



STATE VS LOCAL	ISSUER TYPE	CY 2021	CY 2022	% CHANGE
LOCAL ISSUERS	JPA & Marks-Roos	\$22.798	\$13.433	-41.1%
	K-14 Schools	19.508	11.487	-41.1
	Cities	13.510	11.401	-15.6
	Counties	11.426	5.751	-49.7
	Special Districts	7.822	5.599	-28.4
	Mello-Roos	1.154	1.139	-1.3
STATE ISSUERS	State of California	22.932	13.745	-40.1
	UC & CSU	4.755	4.200	-11.7
TOTAL		\$103.905B	\$66.755B	-35.8%

⁶ The City and County of San Francisco and its instrumentalities are included in the Counties category.

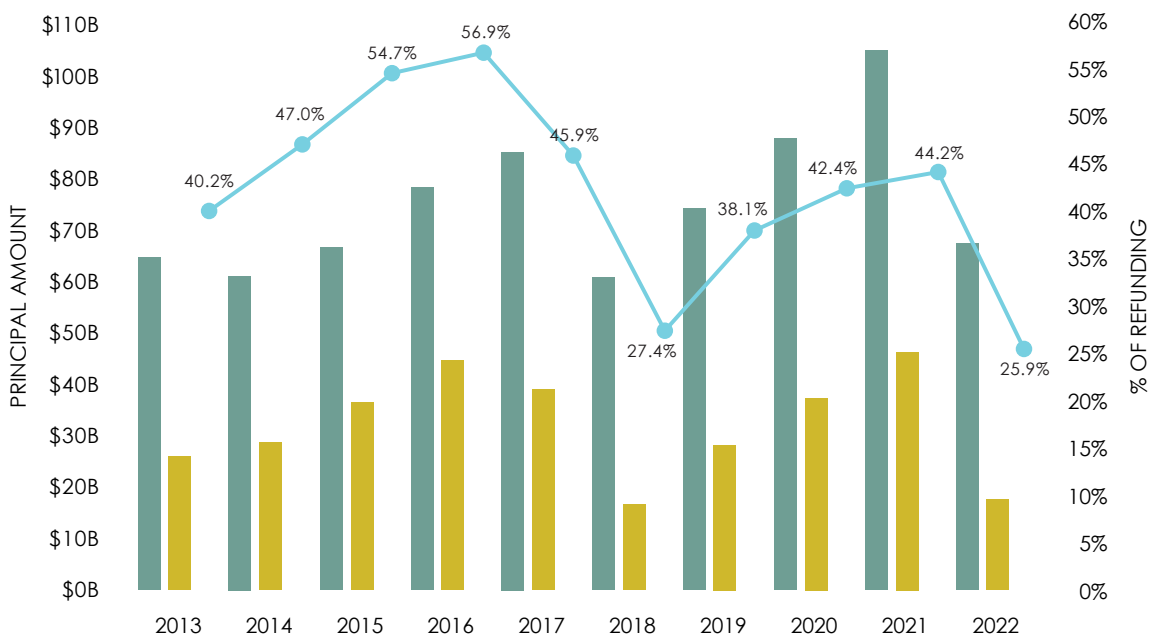
SUMMARY OF TOTAL DEBT ISSUANCE: REFUNDING ACTIVITY

- Refunding amount as a percentage of total principal issued was lower in 2022 than in the last ten years.

- Total refunding issuance dropped over 62% to its lowest level since 2018. 2018 was the first year after the passage of the Tax Cuts and Jobs Act of 2017, which eliminated tax-exempt advanced refunding for municipal issuers.

Figure 2

CALIFORNIA DEBT ISSUANCE, REFUNDING AND % OF TOTAL PRINCIPAL ISSUED
CY 2013 THROUGH CY 2022 (IN BILLIONS)



CY	TOTAL PRINCIPAL	REFUNDING AMOUNT	% OF REFUNDING
2013	\$64.077	\$25.764	40.2%
2014	60.568	28.490	47.0
2015	65.970	36.060	54.7
2016	77.539	44.124	56.9
2017	84.353	38.687	45.9
2018	60.104	16.487	27.4
2019	73.407	27.948	38.1
2020	86.975	36.918	42.4
2021	103.905	45.927	44.2
2022	66.755	17.309	25.9

■ Total Principal
■ Refunding Amount
● % of Refunding

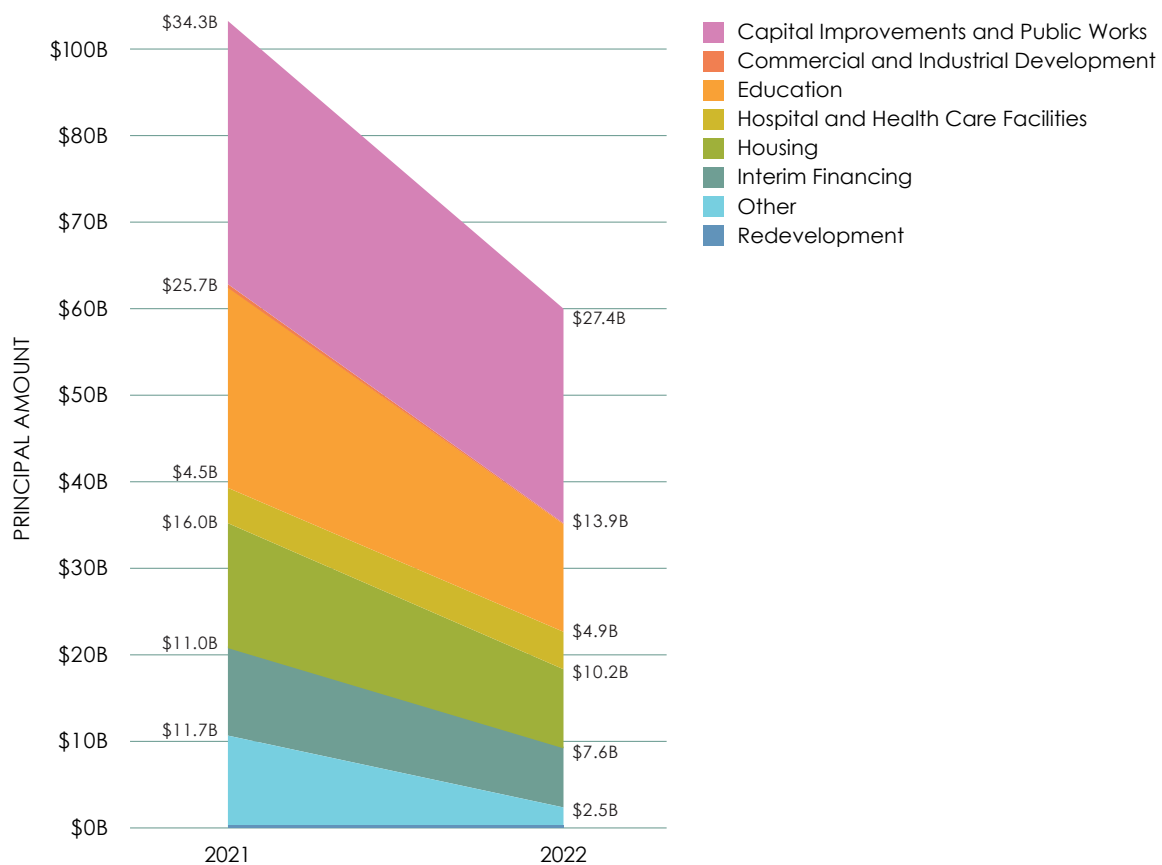
⁷ The refunding amount displayed is the sum of the principal and net issue premium amounts used to refund, redeem, paydown, or refinance outstanding debt.

SUMMARY OF TOTAL DEBT ISSUANCE: PURPOSE

- In 2022, issuance for capital improvements and public works was more than issuance for education and housing, combined.
- The greatest reduction in issuance in 2022 was seen in education, an \$11.8 billion decrease from 2021.
- Issuance declined drastically in all but one purpose category: hospital and healthcare facilities.

Figure 3

CALIFORNIA DEBT ISSUANCE BY PURPOSE, CY 2021 AND CY 2022 (IN BILLIONS)



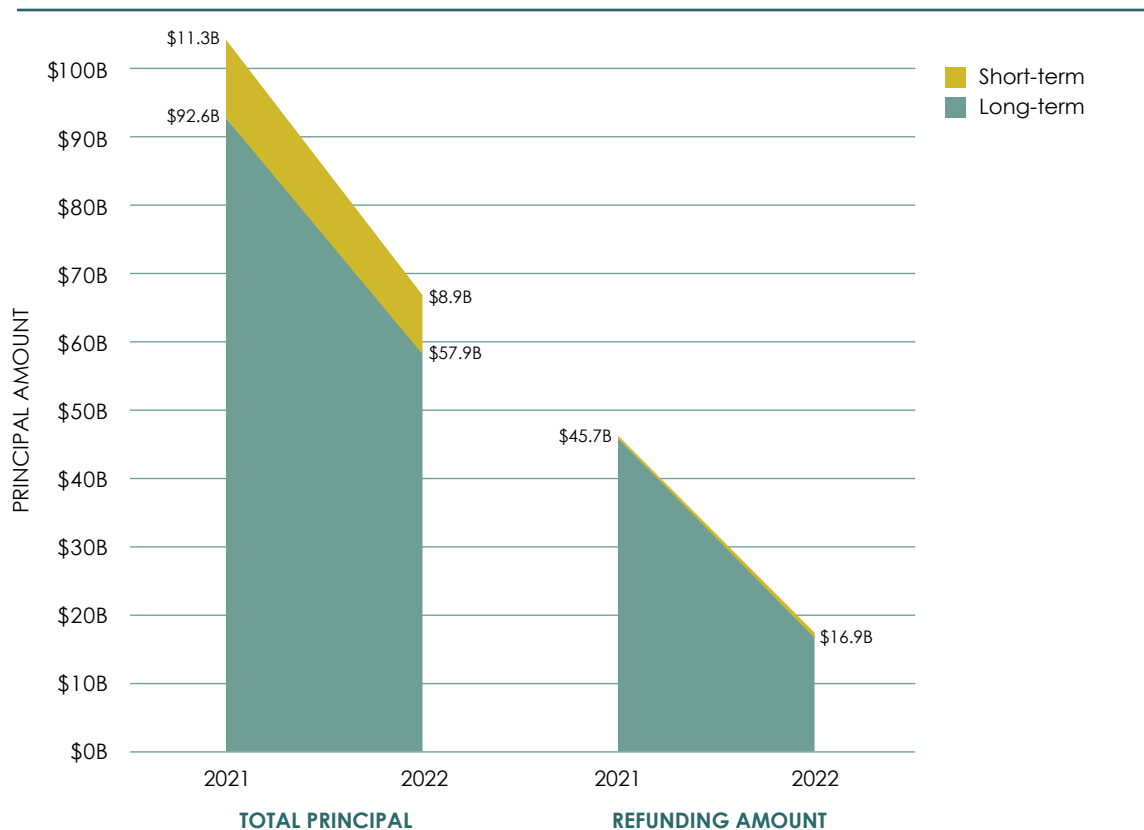
PURPOSE GROUP	CY 2021	CY 2022	% CHANGE
Capital Improvements and Public Works	\$34.328	\$27.436	-20.1%
Education	25.726	13.921	-45.9
Housing	16.040	10.185	-36.5
Interim Financing	10.990	7.595	-30.9
Hospital and Health Care Facilities	4.467	4.903	9.8
Other	11.726	2.541	-78.3
Redevelopment	0.300	0.205	-31.5
Commercial and Industrial Development	0.328	0.100	-69.5
TOTAL	\$103.905B	\$66.755B	-35.8%

SUMMARY OF TOTAL DEBT ISSUANCE: SHORT-TERM AND LONG-TERM ISSUANCE

- Short-term issuance dropped by almost 22% while long-term issuance fell by over 37%.
- Coming off the record year in 2021, long-term refunding declined steeply by 63%.

Figure 4

SHORT-TERM VS LONG-TERM ISSUANCE, LONG-TERM REFUNDING
CY 2021 AND CY 2022⁸ (IN BILLIONS)



MATURITY	2021 TOTAL PRINCIPAL	2022 TOTAL PRINCIPAL	2021 REFUNDING AMOUNT	2022 REFUNDING AMOUNT
SHORT-TERM	\$11.344	\$8.873	\$0.190	\$0.393
LONG-TERM	92.562	57.882	45.737	16.916
TOTAL	\$103.905B	\$66.755B	\$45.927B	\$17.309B

⁸ Short-term maturity is defined as a debt issue with a final maturity date of 18 months or less. Short-term is calculated as <= 540 days until maturity and long-term is calculated as >540 days until maturity.

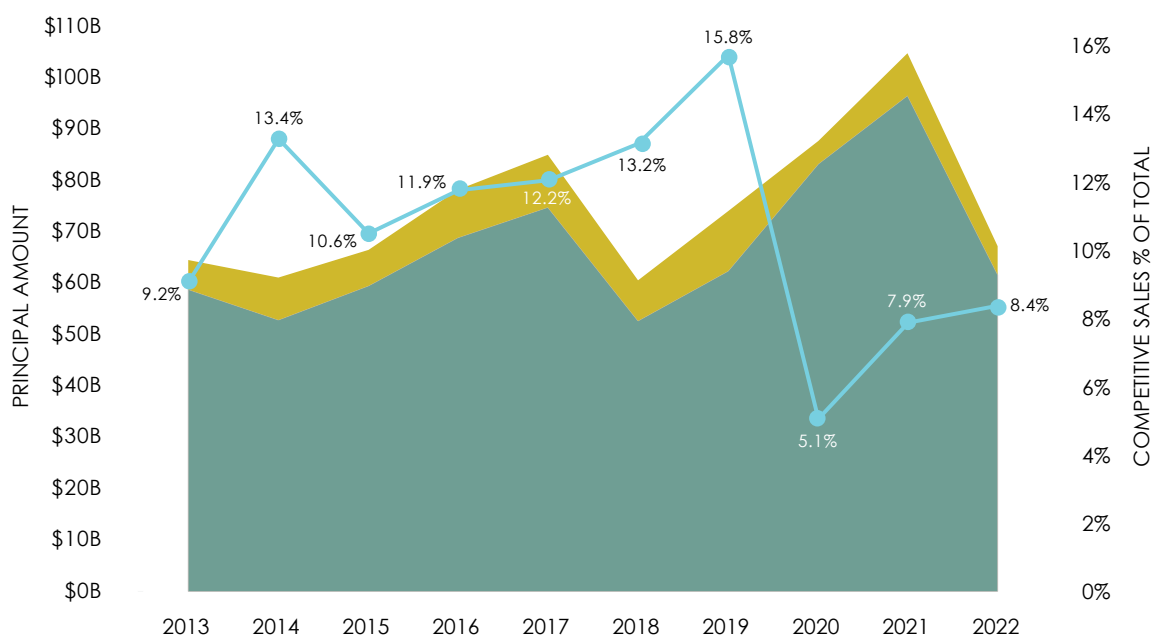
SUMMARY OF TOTAL DEBT ISSUANCE: COMPETITIVE AND NEGOTIATED

- Competitive sales volume hit its lowest level in 10 years, but as a percentage of total debt issued, increased slightly to 8.4% in 2022.

- 2022 marked the second straight year that competitive sales as a percentage of total debt issued increased from the 10-year low of 5.1% in 2020.

Figure 5

COMPETITIVE VS NEGOTIATED SALES, CY 2013 THROUGH CY 2022 (IN BILLIONS)



CY	TOTAL PRINCIPAL	NEGOTIATED SALES AMOUNT	COMPETITIVE SALES AMOUNT	COMPETITIVE % OF TOTAL
2013	\$64.077	\$58.212	\$5.865	9.2%
2014	60.568	52.469	8.099	13.4
2015	65.970	58.990	6.980	10.6
2016	77.539	68.346	9.192	11.9
2017	84.353	74.104	10.250	12.2
2018	60.104	52.152	7.952	13.2
2019	73.407	61.778	11.630	15.8
2020	86.975	82.533	4.442	5.1
2021	103.905	95.647	8.258	7.9
2022	66.755	61.115	5.640	8.4

■ Competitive % of Total
■ Competitive Sales Amount
■ Negotiated Sales Amount

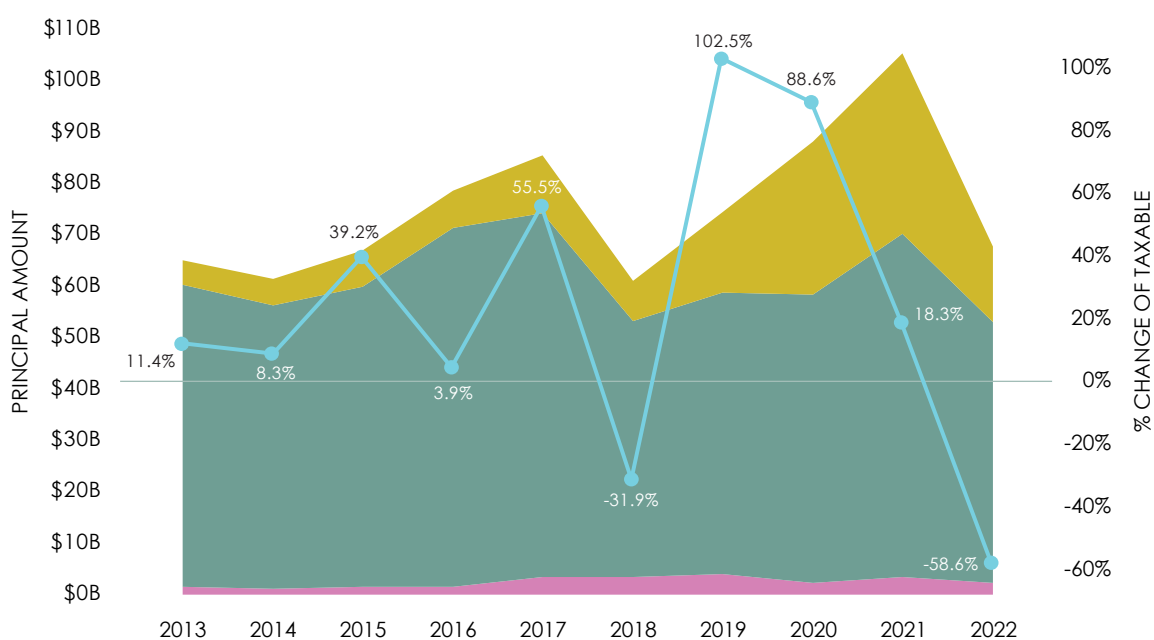
SUMMARY OF TOTAL DEBT ISSUANCE: TAXABLE ISSUANCE

- Following rapid growth in the prior three years, taxable debt issuance decreased 58.6% in 2022. This was the largest percentage decline in taxable issuance activity in the last 10 years.

- The decrease in issuance in 2022 can be attributed due to the rapid increase in interest rates throughout the year.

Figure 6

TAXABLE DEBT ISSUANCE, CY 2013 THROUGH 2022 (IN BILLIONS)



CY	TOTAL PRINCIPAL	TAXABLE AMOUNT	TAXABLE % OF TOTAL	% CHANGE
2012	\$66.965	\$4.156	6.2%	-13.1% ⁹
2013	64.077	4.630	7.2	11.4
2014	60.568	5.014	8.3	8.3
2015	65.970	6.978	10.6	39.2
2016	77.539	7.251	9.4	3.9
2017	84.353	11.274	13.4	55.5
2018	60.104	7.681	12.8	-31.9
2019	73.407	15.555	21.2	102.5
2020	86.975	29.341	33.7	88.6
2021	103.905	34.697	33.4	18.3
2022	66.755	14.380	21.5	-58.6

⁹ Percentage calculation based on CY 2011 Taxable amount of \$4.785 billion.

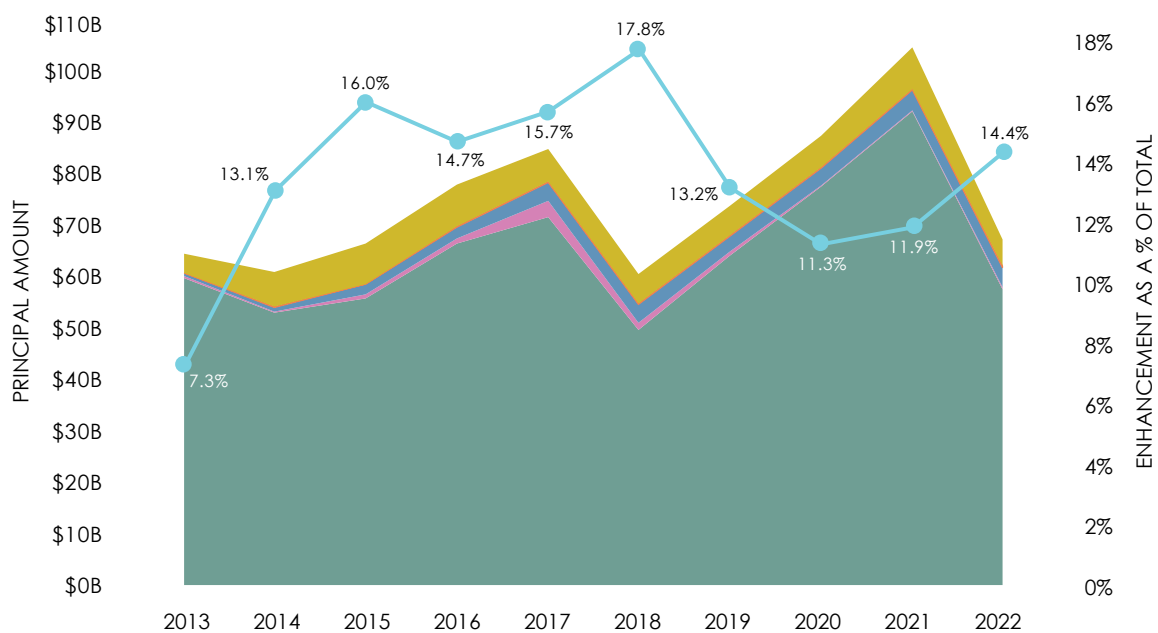
SUMMARY OF TOTAL DEBT ISSUANCE: ENHANCED DEBT ISSUANCE

- The percentage of debt issued with a form of credit enhancement increased from 11.9% in 2021 to 14.4% in 2022.

- The percentage of debt issued with a form of credit enhancement in 2022 was above the ten-year average of 13.5%.

Figure 7

ENHANCED DEBT ISSUANCE, CY 2013 THROUGH CY 2022 (IN BILLIONS)



CY	TOTAL PRINCIPAL	ENHANCED AMOUNT	ENHANCEMENT OF TOTAL
2013	\$64.077	\$4.646	7.3%
2014	60.568	7.932	13.1
2015	65.970	10.579	16.0
2016	77.539	11.413	14.7
2017	84.353	13.262	15.7
2018	60.104	10.682	17.8
2019	73.407	9.682	13.2
2020	86.975	9.845	11.3
2021	103.905	12.343	11.9
2022	66.755	9.595	14.4

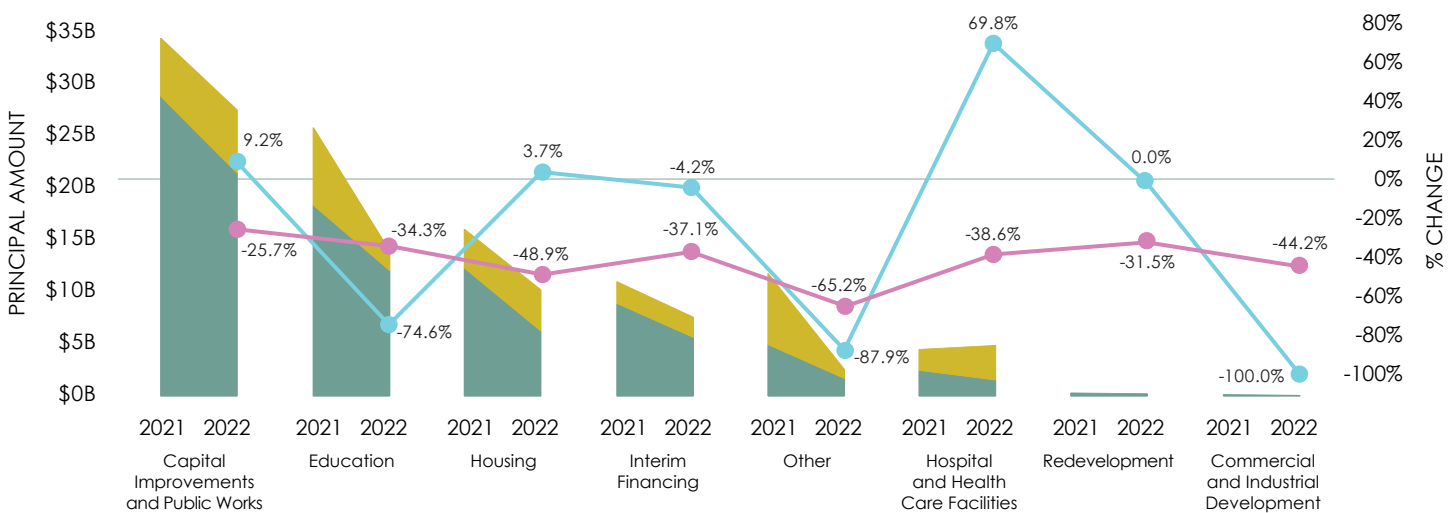
- Insurance
- Intercept
- Letter of Credit
- Other
- None
- Enhancement % of Total

SUMMARY OF TOTAL DEBT ISSUANCE: STATE AND LOCAL DEBT ISSUANCE BY PURPOSE

- In 2022, local agency issuance reflected a negative percentage change in each purpose category with *Other* (-65.2%) and *Housing* (-48.9%) showing the largest percentage changes. The decline in the *Other* category consisted primarily of less pension-related debt issued in 2022, likely due to rising taxable interest rates.
- By purpose in 2022, the largest decline in State-issued debt was for *Education* with a decrease of over \$5.5 billion (-74.6%) from 2021.
- Three categories of State-issued debt had positive percentage changes in issuance activity: *Hospital and Health Care Facilities* (69.8%), *Capital Improvements and Public Works* (9.2%), and *Housing* (3.7%).

Figure 8

STATE AND LOCAL DEBT ISSUANCE BY PURPOSE, CY 2021 AND CY 2022 (IN BILLIONS)



PURPOSE GROUP	CY 2021		CY 2022		STATE % CHANGE	LOCAL % CHANGE
	STATE ISSUERS	LOCAL ISSUERS	STATE ISSUERS	LOCAL ISSUERS		
Capital Improvements and Public Works	\$5.521	\$28.807	\$6.027	\$21.409	9.2%	-25.7%
Education	7.390	18.337	1.877	12.044	-74.6	-34.3
Housing	3.780	12.260	3.920	6.265	3.7	-48.9
Interim Financing	2.069	8.921	1.981	5.614	-4.2	-37.1
Other	6.785	4.941	0.822	1.719	-87.9	-65.2
Hospital and Health Care Facilities	1.994	2.473	3.384	1.519	69.8	-38.6
Redevelopment	0.000	0.300	0.000	0.205	0.0	-31.5
Commercial and Industrial Development	0.149	0.179	0.000	0.100	-100.0	-44.2
TOTAL	\$27.687B	\$76.218B	\$17.945B	\$48.810B	-35.2%	-36.0%

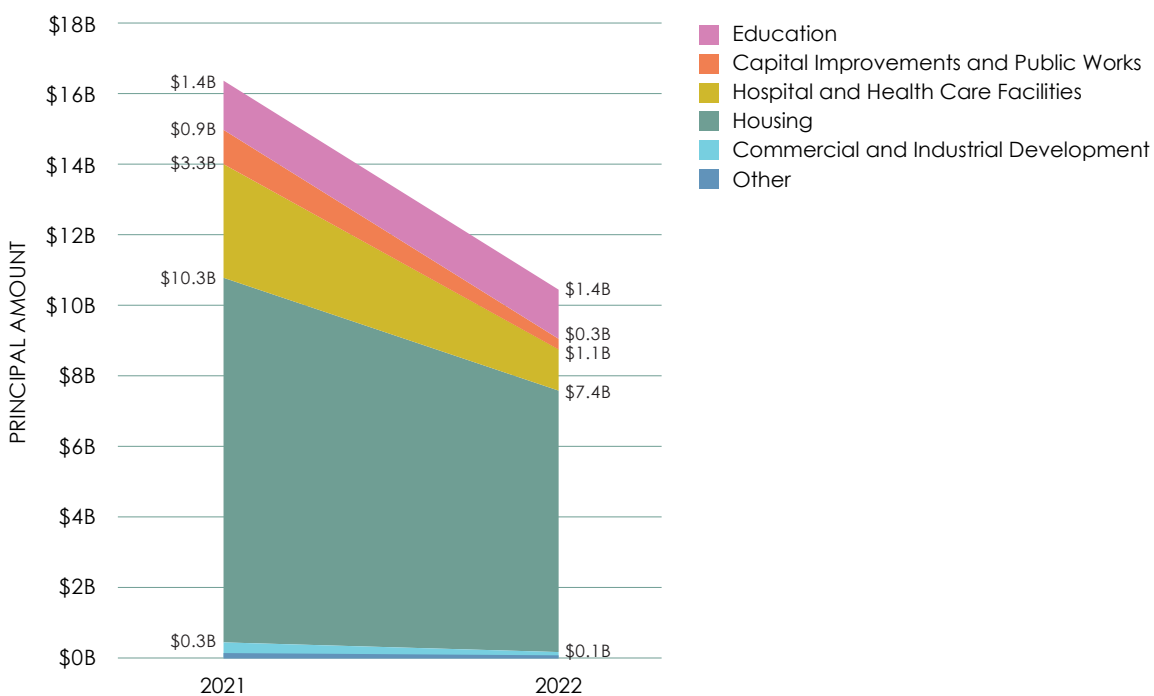
- State Issuers, % Change
- State Issuers, Total Principal
- Local Issuers, % Change
- Local Issuers, Total Principal

SUMMARY OF TOTAL DEBT ISSUANCE: CONDUIT ISSUANCE

- In 2022, conduit issuance for private use fell by 36.5%, which was a slightly larger drop than the 35.8% decline for all California municipal debt.
- In 2022, conduit issuance for private use declined in every purpose category except *Education*, which had a slight increase of 0.4% from 2021.
- The largest declines by purpose in 2022 included: *Commercial and Industrial Development* (-69.5%), *Hospital and Health Care Facilities* (-65%), and *Capital Improvements and Public Works* (-62.3%).

Figure 9

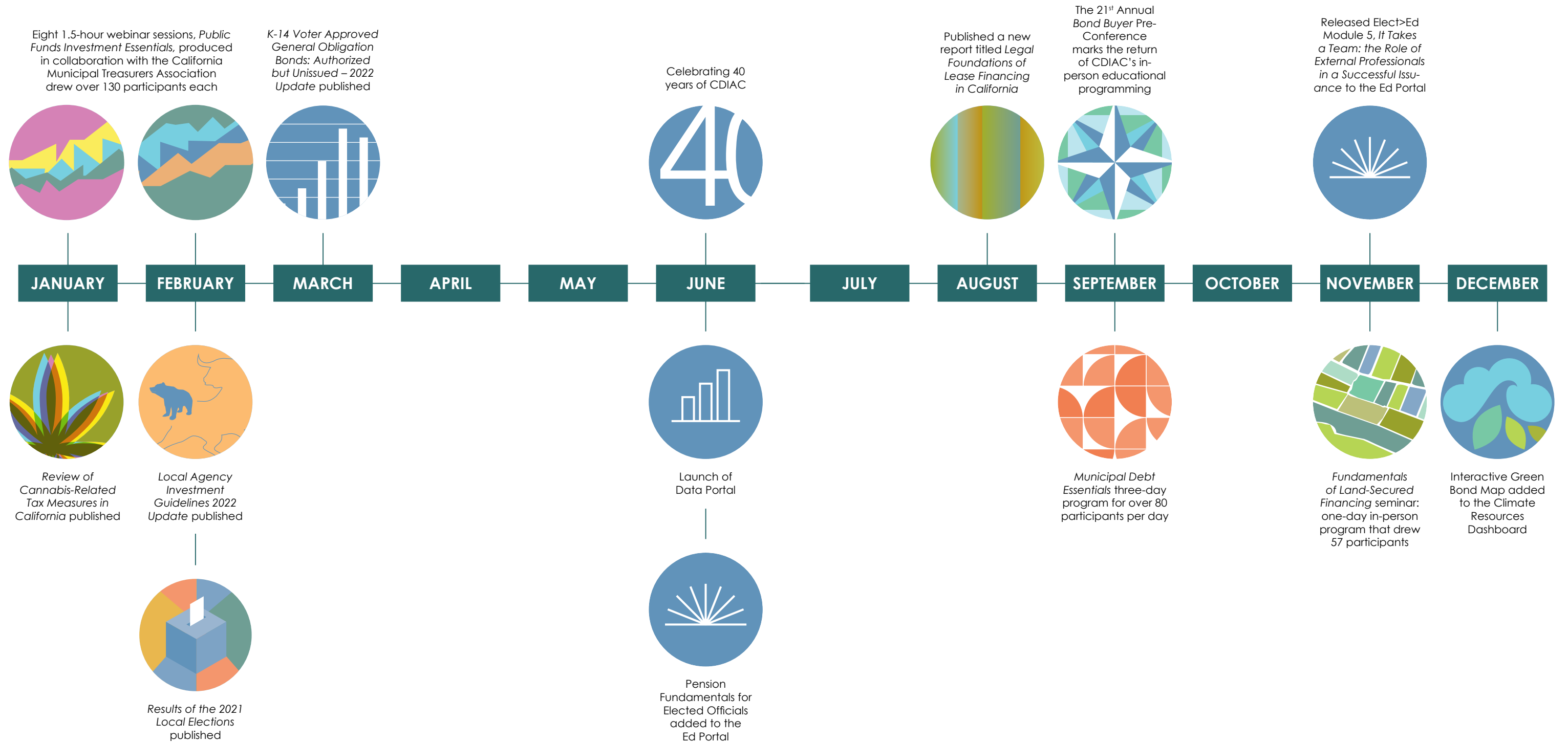
CONDUIT DEBT ISSUANCE (PRIVATE OBLIGOR) BY PURPOSE, CY 2021 AND CY 2022¹⁰ (IN BILLIONS)



PURPOSE GROUP	CY 2021	CY 2022	% CHANGE
Housing	\$10.295	\$7.417	-28.0%
Education	1.412	1.417	0.4
Hospital and Health Care Facilities	3.281	1.149	-65.0
Capital Improvements and Public Works	0.918	0.322	-64.9
Commercial and Industrial Development	0.328	0.100	-69.5
Other	0.128	0.054	-57.7
TOTAL	\$16.362B	\$10.393B	-36.5%

¹⁰ Conduit debt is issued by both State and Local issuers and includes debt reported as “conduit revenue bond” or “conduit revenue note or loan (private obligor)” for the type of debt instrument and has “private obligor payments” as the primary source of repayment.

CDIAC 2022 ACCOMPLISHMENTS



2022 REPORT OF OPERATIONS

DATA COLLECTION AND ANALYSIS

In compliance with its statutory requirements, CDIAC's Data Collection and Analysis Unit (Data Unit) has maintained the California Debt Issuance Database (Database), which is considered the most comprehensive and accessible database of California public debt issuance.¹¹ The Database is the source for the debt statistics and analysis regularly released by CDIAC, and as of December 31, 2022, contained more than 71,889 issuance records.

Despite the volume and value of the information contained within the Database, its collection of applications used to collect, store, and distribute the information was stressed to its limits by expanded statutory reporting requirements and outdated system architecture and technology.

In June, CDIAC completed the first phase of its comprehensive and truly historic database enhancement project: the consolidation and integration of CDIAC's data collection and database systems. The achievement ushered in a new era of data collection and analysis through the launch

of the Data Portal, the first cloud-based, proprietary database application in the Treasurer's Office. The Data Portal provides secure access for issuers to submit statutorily required disclosure to CDIAC and features a personalized dashboard that displays work in progress and future filing obligations, an intuitive reporting process, and the ability for issuers and their agents to manage their own data.

The Data Unit navigated the year utilizing the legacy Database for the first half of the year, then abruptly shifted to the Data Portal for the second half. The shift meant adapting to new methods and procedures internally, but also onboarding nearly 7,500 external users to the Data Portal. The enormous change experienced by the Data Unit team and CDIAC's constituents notwithstanding, the Data Unit received and processed 15,357 reports, a 1.1% increase over the total number of reports received in CY 2021. Figure 10 contains a breakdown of the reports processed by the Data Unit during CY 2022.

Consistent with the decline in municipal debt issuance in California in CY 2022, Reports of

¹¹ Government Code Section 8855(h)(3).

Figure 10

COMPARISON OF REPORTS PROCESSED, CY 2021 AND CY 2022

TYPE OF REPORT	2021	2022	% CHANGE
Reports of Proposed Debt Issuance ¹²	2,688	1,844	-31.4%
Reports of Final Sale ¹³	2,599	1,777	-31.6
Mello-Roos Yearly Fiscal Status Reports ¹⁴	1,585	1,653	4.3
Marks-Roos Yearly Fiscal Status Reports ¹⁵	2,752	2,681	-2.6
Annual Debt Transparency Report ¹⁶	5,546	7,386	33.2
Mello-Roos/Marks Roos Draw on Reserve/ Default/Replenishment Filings ¹⁷	16	16	0.0
TOTAL REPORTS RECEIVED	15,186	15,357	1.1%

Proposed Debt Issuance and Final Sale declined by over 31%. The decline in issuance reports activity was countered by a 33.2% increase in the number of Annual Debt Transparency Reports. The information submitted on all of reports can be accessed online either through CDIAC’s open data site, [Debt Watch](#) or from [published data sets](#).

Availability of Debt Data and Information

CDIAC uses a variety of online methods to provide the public with immediate access to debt issuance data, including the [DebtWatch](#) open data site, the monthly [Debt Line newsletter](#), and additional online [tables](#) and [graphs](#).¹⁸ The advent

of the Data Portal has created opportunities to improve the timeliness of data availability. For instance, changes implemented in the Data Unit work process have allowed for a much shorter time period between the time when debt issuance information is reported to CDIAC and its inclusion in the monthly *Debt Line* calendar. More enhancements to CDIAC’s data distribution systems are on the horizon.

CDIAC recorded 2,352 “hits” to its *Debt Issuance and Election Data* webpage during CY 2022. With each recorded hit or inquiry, the type of information an individual visitor accessed is also recorded (Figure 11). CDIAC also recorded 10,844 hits to the [DebtWatch](#) open data webpage for CY 2022.

¹² Government Code Section 8855(i) issuers of proposed new debt must give notice no later than 30 days prior to the sale date.

¹³ 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.

¹⁴ Government Code Section 6599.1 requires issuers and local obligors of Marks-Roos bonds to make annual financial reports to CDIAC, including defaults or draws on reserves for Mello-Roos and Marks-Roos bonds issued after January 1, 1993, and January 1, 1996, respectively.

¹⁵ Government Code Section 6599.1 requires issuers and local obligors of Marks-Roos bonds to make annual financial reports to CDIAC, including defaults or draws on reserves for Mello-Roos and Marks-Roos bonds issued after January 1, 1993, and January 1, 1996, respectively.

¹⁶ Government Code Section 8855(k), added by SB 1029 (Chapter 307, Statutes of 2016) issuers are required to submit an annual debt transparency report for a Report of Final Sale submitted on or after January 21, 2017.

¹⁷ Mello-Roos/Marks-Roos Default and Draw on Reserve Reports are available at: www.treasurer.ca.gov/cdiac/default-draw/issuename.asp.

¹⁸ Graphs are available at: www.treasurer.ca.gov/cdiac/graphs/index.asp.

Figure 11

DEBT ISSUANCE DATA WEBSITE ACTIVITY, CY 2022

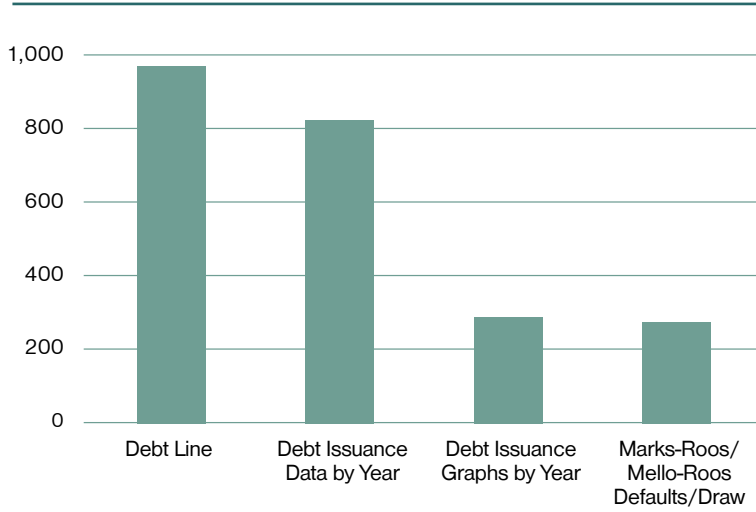


Figure 12

FEEs ASSESSED TO STATE AND LOCAL ISSUERS
JANUARY 1, 2022, TO DECEMBER 31, 2023

	FEEs ASSESSED	# OF INVOICES
STATE	\$316,732	74
LOCAL	\$3,308,833	1,136
TOTAL FEEs ASSESSED	\$3,625,565	1,210

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.¹⁹ Fee amounts are calculated by multiplying the principal amount of a debt issue with a final maturity greater than 18 months by 2.5 basis points (0.025%) up to a maximum of \$5,000. No fee is charged on state and federal loans or on the debt of Mark-Roos obligors.

In CY 2022, the Data Unit sent 1,210 invoices totaling approximately \$3.6 million in fees. Figure 12 reflects the breakdown of fees assessed for state and local agencies.

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 relationship with allied organizations to provide training, and monitors the informational and educational needs of its constituents. Offered throughout the year, CDIAC programs are designed to:

- Introduce the basic debt and investment concepts to those new to these fields.
- Strengthen the expertise of the more experienced practitioners.

¹⁹ 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.

- Inform officials of current debt and investment topics arising from changing market conditions or policy considerations.
- Apprise officials of the most current best practices and guidelines for the management of public debt and investments.

CDIAC's educational delivery methods have adapted to contemporary media, methods, and learning preferences. In CY 2022, CDIAC offered a variety of learning opportunities consisting of in-person seminars, webinars and on-demand training in CDIAC's Education Portal. These opportunities enable CDIAC to offer a learning method appropriate for the nature of the topic.

CDIAC also co-sponsors educational programs and webinars with allied private organizations including *The Bond Buyer* and the California Municipal Treasurer's Association (CMTA). These partnerships enable CDIAC to efficiently target its educational programming in a manner that is efficient for CDIAC and attendees. CDIAC save production costs and avoids duplication of effort with these allied organizations. Educational partnerships build and improve relationships with experts from public and private sectors and help keep CDIAC abreast of current events and practices affecting public finance.

In early CY 2022, CDIAC and CMTA partnered to provide its annual public investment training program. Typically held in-person, this program was offered as a series of webinars over the course of four weeks.

In the fall, CDIAC returned to live, in-person programming with CDIAC's half-day, annual pre-conference to *The Bond Buyer* California Public Finance Conference held in Los Angeles. *The Bond Buyer* pre-conference was followed by CDIAC's flagship, three-day *Municipal Debt Essentials* program in Seaside, California. In-person programming concluded with the *Fundamentals of Land-Secured Financing*, a 1-day program in Pomona. (Figure 13)

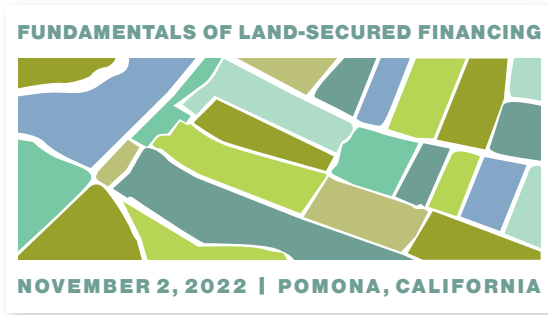
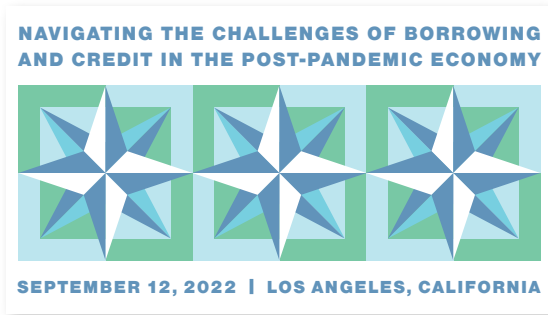


Figure 13

PARTICIPATION AT CDIAC EVENTS, CY 2022

EVENT TITLE	DATE	LOCATION	DAILY PARTICIPANTS*
CDIAC SEMINARS			
Municipal Debt Essentials			
Day 1	9/27/2022	Seaside, CA	81
Day 2	9/28/2022	Seaside, CA	84
Day 3	9/29/2022	Seaside, CA	86
Fundamentals of Land-Secured Financing	11/2/2022	Pomona, CA	57
CO-SPONSORED SEMINAR			
<i>The Bond Buyer</i> Pre-Conference	9/12/2022	Los Angeles, CA	213
CO-SPONSORED WEBINARS			
Intermediate & Advanced Public Funds Investing Webinar Series with the CMTA			
Assessing & Adjusting Portfolio Liquidity	1/26/2022	Online	91
Cash Flow and Cash Flow Forecasting	1/27/2022	Online	85
Understanding & Managing Risk in Public Investing	2/1/2022	Online	83
Developing a Benchmark	2/3/2022	Online	72
Investment Policy Analysis	2/8/2022	Online	83
Statutory and Federal Regulatory Changes & Current Hot Topics	2/10/2022	Online	75
Advanced Investment Analysis	2/22/2022	Online	68
Interpreting Economic Forecasts as a Public Investment Official	2/24/2022	Online	69

* Totals reflect the number of individuals participating in the event on the given date.

CDIAC finished CY 2022 with the release of *It Takes a Team: The Role of External Professionals in a Successful Issuance* to the Education Portal. The on-demand module was the fifth in the Elected Official Training series on debt issuance and administration.

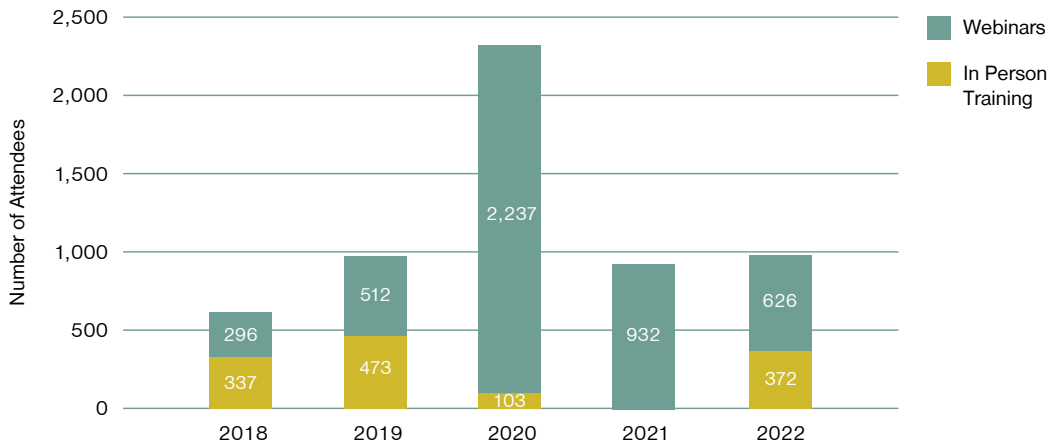
While participation in CDIAC educational programs was almost entirely restricted to online in CY 2020 and CY 2021, CDIAC's return to in-person programming in the second half of 2022 produced a participation profile consistent with that of 2019 (pre-pandemic). Nearly 1,000 at-

tendees split between webinars and in-person seminars 60% to 40%, respectively (Figure 14). Two-thirds of all the attendees came from cities, counties, and special districts (Figure 15). Over the last five years, CDIAC has offered 46 programs, both in-person seminars and webinars, that have attracted 5,888 attendees.

CDIAC also experienced growth in the use of its Education Portal. Participation grew to 431 user accounts, the highest level of participation since the Education Portal debut in CY 2021 (Figure 16).

Figure 14

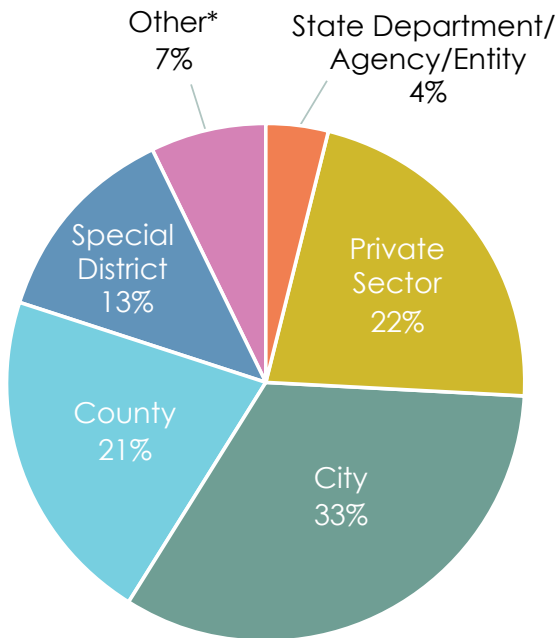
ATTENDEES* AT CDIAC PROGRAMS, CY 2018 TO CY 2022



* Numbers reflect unique attendees per seminar event or webinar broadcast.

Figure 15

ATTENDANCE BY AGENCY TYPE, CY 2022



* The "Other" category includes joint powers authorities, education entities, and other local government agencies.

Figure 16

CDIAC EDUCATION PORTAL USAGE, CY 2022



POLICY RESEARCH

CDIAC works to improve the marketability of public debt issued in California and the safety and performance of municipal investment portfolios by undertaking or commissioning studies on various aspects of the debt and investment markets, providing guidance to state and local debt issuers and investment managers, and recommending legislative changes in matters affecting debt issuance and public funds investing.

CDIAC examines issues that are of current interest and have practical relevance to public finance officials. Typically, projects are designed to:

- Raise the general level of understanding among public issuers and investors of the key elements of debt issuance and public funds investing.
- Apprise issuers and investors of emerging trends in public finance.
- Inform local officials of financing and investing options.
- Preserve the integrity and viability of the public finance market by alerting policy makers to potential problem areas.

Research staff stays abreast of developments and events in the municipal and other financial markets and works in conjunction with the Executive Director, with input and advice from Commission members, to determine the topic areas of research and analysis. CDIAC's research draws on information from the Data Portal, public and private experts throughout the municipal industry, public and private finance groups, periodicals and journals, and numerous public and private data sources. Research staff prepares their findings and recommendations in the forms of Issue Briefs, technical reports, guidelines, and articles for the *Debt Line* monthly newsletter.

CDIAC staff completed the following work in CY 2022.

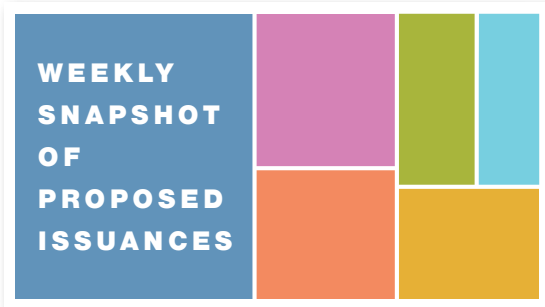
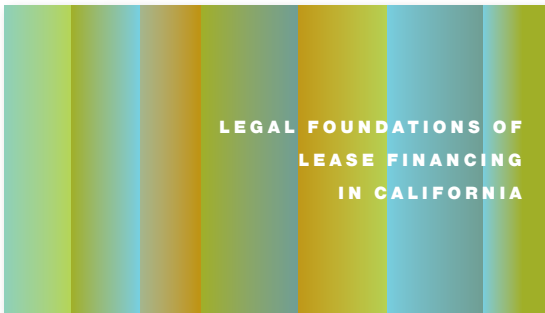
LEGAL FOUNDATIONS OF LEASE FINANCING IN CALIFORNIA. A new report providing the legal foundations for the development and evolution of municipal lease financing in California that demystifies the unique legal context for lease financing in the state. This report was the first in CDIAC's new *Lease Financing in California* content series and resulted from a collaborative effort with several industry professionals.

WEEKLY SNAPSHOT. A weekly summary of the proposed debt issuance reported to CDIAC. The data is displayed in an interactive dashboard published on CDIAC's website and highlights information about future debt issuance activity by California's public agencies.

DEBT LINE. CDIAC's monthly newsletter summarizing data collection and issuance trends, regulatory activity, as well as state and federal legislation that could affect municipal finance. Topical articles published in 2022 featured a summary of community choice aggregation market activity, CDIAC's new Data Portal, and top financing participants, and analysis of trends in the issuance of taxable debt, green bonds and pension obligations.

LOCAL AGENCY INVESTMENT GUIDELINES (LAIG). This ongoing annual resource provides references and recommendations developed by public and private sector professionals for interpreting and applying California statute to common public fund investment questions from local agencies. It also provides information on recent state and federal law changes and discusses the impact on the investment of public funds. The 2022 edition included a new section in Chapter 2 regarding permissible investments of the State of California.

REVIEW OF CANNABIS-RELATED TAX MEASURES IN CALIFORNIA. The issue brief provided an overview of cannabis-related election and legislative milestones in California and discussed cannabis-related election results at the state and local level. Using election data, the report discusses key



findings, including a summary of all ballot measures since 2009 (the first-year voters approved a local cannabis tax measure) and passage rates of local cannabis related ballot measures.

INTERACTIVE MAP - CALIFORNIA GREEN BOND ISSUANCE BY COUNTY. Featured in the *Debt Line* article “Update of Green Bond Issuance: October 2021 – September 2022,” this dynamic map provides more detail about the issuers and volume of green bonds issued in each county through September 2022. The map can be accessed on the Climate Resources webpage on CDIAC’s website.

K-14 VOTER APPROVED GENERAL OBLIGATION BONDS: AUTHORIZED, BUT UNISSUED – 2022 UPDATE. CDIAC cross-referenced K-14 general obligation bond issuance information sourced from the Data Portal with the underlying voter approved authority to determine the amount of general obligation bonds that were authorized but unissued since 2001. This report updates findings from earlier reports with election and issuance activity for calendar year 2021.

OUTLOOK 2023

CY 2023 presents an opportunity to build on the progress made in prior years. From continuing enhancements to ease the submission and accessibility of debt issuance data, to increasing available educational content and practical guidance, CDIAC has planned an ambitious CY 2023.

DATA COLLECTION AND ANALYSIS

ENHANCED DATA PORTAL FUNCTIONALITY. CDIAC is continually evaluating and developing Data Portal improvements to improve the user experience, processing capacity, and data validity. Enhancements under development include a batch submission application for high volume filers of the Annual Debt Transparency Report, data validation routines, expanded record history, and automated notifications of annual reporting obligations.

DEBTWATCH 2. CDIAC will begin Phase Two of its database enhancement project to fully integrate its data distribution functions into the Data Portal creating the next generation of DebtWatch, CDIAC's data distribution and transparency application. Upon completion in CY 2024, CDIAC will have a single cloud-based data collection, database, and data distribution

application that consolidates and integrates various reports and visualizations in one location. Consumers of CDIAC's data will enjoy an intuitive and engaging interface as well as the ability to find and acquire the data they seek simply and in formats of greatest utility. It will also automate aggregation of specific data sets into established visualizations and tabular reports and drastically accelerate the distribution of important information to the public.

ANNUAL REPORT TRANSFORMATION. CDIAC will envision its report design for its annual fiscal status and debt transparency reports to create a more useful and simplified reporting framework. The new design will address CDIAC's backlog of legacy reports and lay the groundwork for integration and automation of these recurring reports into DebtWatch 2.

DOCUMENT STORAGE AND RETRIEVAL. CDIAC staff will continue its efforts to digitize documentation from previously submitted debt issuance reports and migrate the files to the Data Portal for storage. DebtWatch 2 will be designed to make CDIAC's vast issuance documentation library available to the public.

EDUCATION AND OUTREACH

NEW ON-DEMAND ED PORTAL CONTENT. Two new modules of the Elect>Ed series on debt issuance and administration will be completed and released to the Ed Portal. Module 6 will focus on the market's preferences for a variety of structuring and marketing strategies used by issuers. Module 7 will concentrate on the documentation that formalizes the commitments issuers make through debt issuance.

FULL WEBINAR AND SEMINAR LINE-UP. A variety of fundamental and topical educational programs, in both webinar and in-person formats, are scheduled for the coming year, including:

- Advanced Public-Funds Investments
- Disclosure Fundamentals and Evolving Practices
- Pension-Liability Management Strategies
- Data Portal Tutorials and Demonstrations
- Green Bond Disclosure Expectations
- Managing Borrowing Costs Through Market Turbulence

POLICY RESEARCH

LEASE FINANCING IN CALIFORNIA CONTENT SERIES. Production continues on two new reports covering an analysis of risks and opportunities of leased-based debt issuance as well as the perspectives of industry practitioners on how leasing can effectively be used as financing tools. The purpose of the content series is to provide public-agency professionals with best practices and guidance for lease financing in California.

LABELED DEBT SURVEILLANCE. The Green Bond issuance summary will be expanded to include the tracking of the use of labels, including "sustainability" and "social," in the sale of debt since 2014.

RECURRING REPORTS AND ANALYSIS. CDIAC will continue to track, analyze, and report on the results of bond and tax elections, the status of K-14 general obligation debt authorizations, changes to investment statutes and procedures, and the issuance trends relative to a variety of public-debt characteristics.

THE FINANCIAL DATA TRANSPARENCY ACT (FDTA) (S. 4295). CDIAC will track and report on the progress of new rulemaking resulting from the passage of the FDTA, which requires the federal financial regulatory agencies to adopt specified data standards with respect to format, searchability, and transparency.

APPENDIX A

CDIAC STATUTORY PROVISIONS

SUBJECT	CODE SECTION	AUTHORITY OR REQUIREMENT
CDIAC Authorizing Statute	Government Code Section 8855 – 8859	Establishes CDIAC's responsibilities.
Report of Proposed Sale of Public Debt	Government Code Section 8855(i)	Requires the issuer of any proposed state or local government debt 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 state or local government debt 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 Community Facilities Act of 1982	Government Code Section 53359.5(a) – (c) and 53356.05	For bonds issued pursuant to the Mello-Roos Act, CDIAC is to receive reports of proposed and final sale, annual fiscal status reports, and notices for a default on debt service or a draw on reserve.
Marks-Roos Local Bond Pooling Act of 1985	Government Code Section 6586.5, 6586.7, 6599.1(a), 6588.7 (e) (2), 6599.1(c)	For bonds issued pursuant to the Marks-Roos Act, CDIAC is to receive notices for hearings authorizing bond sale, resolutions authorizing bonds, reports of proposed and final sale, annual fiscal status reports, and notices for a default on debt service or a draw on reserve.
General Obligation Bond Cost of Issuance	Government Code Section 53509.5(b)	After the sale of bonds, the local agency legislative body shall submit an itemized summary of the costs of the bond sale to CDIAC.
Refunding Bonds Sold at Private Sale or on a Negotiated Basis	Government Code Section 53583(c)(2)(B)	After the sale of refunding bonds, a written statement shall be sent to CDIAC explaining why the local agency sold the bonds at a private sale or on a negotiated basis instead of a public sale.
School and Community College Districts	Education Code Section 15146(d) (2), and (e)	The governing board of the school district or community college district shall submit an itemized summary of the costs of the bond sale to CDIAC and ensure that all information needed to meet Government Code Section 8855 has been submitted to CDIAC.
School and Community College Districts	Education Code Section 15303(b)	The board of supervisors approving the use of School Facilities Improvement Districts within a school or community college district in the county shall submit the adopted resolution to CDIAC.
Joint Powers Authority	Government Code Section 6548.5	For bonds issued pursuant to the Joint Exercise of Powers Act, the level of fees or charges imposed by a Joint Powers Authority shall be disclosed to CDIAC.
Joint Powers Authority	Government Code Section 6586.7	For Marks-Roos bonds, a copy of the resolution authorizing bonds or the issuance of bonds or accepting the proceeds of bonds issued pursuant to the Joint Exercise of Powers Act shall be sent to CDIAC (certain issuers and projects are exempted from this requirement).
Joint Powers Authority	Government Code 6586.5(a)(3)	For Marks-Roos bonds, a notice is to be sent to CDIAC at least five days prior to a hearing where the authority will make findings and take actions with respect to financing certain improvements.
Joint Powers Authority	Government Code Section 6588.7(e)(2)	For rate reduction bonds, the issuing authority shall submit to CDIAC a statement that it is issuing the bonds, identify the source of repayment, and the saving realized from the sale of the bonds.
City, County and Other Agencies	Government Code Section 54418	A local agency shall send a written statement to CDIAC explaining the reason for issuing revenue bonds at a private sale rather than public.
Harbor Agency— Joint Powers Authority	Harbor and Navigation Code Section 1706(b)	Each authority shall provide an annual report regarding receipts and expenditures from the infrastructure fund and all financing activities to CDIAC.
Redevelopment Agency	Health and Safety Code Section 33664(d)	Provide a 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 to CDIAC.



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