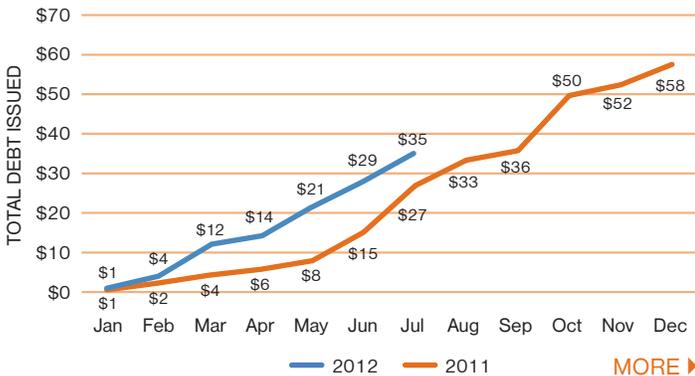


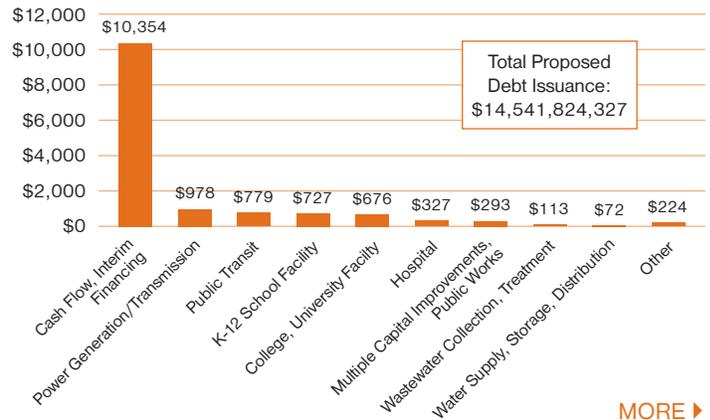
California Public Debt Issuance Monthly Data

CUMULATIVE CALIFORNIA PUBLIC DEBT ISSUANCE (IN BILLIONS)



[MORE ▶](#)

REPORTS OF PROPOSED DEBT ISSUANCE RECEIVED 7-16-2012 THROUGH 8-15-2012, BY PURPOSE (IN MILLIONS)



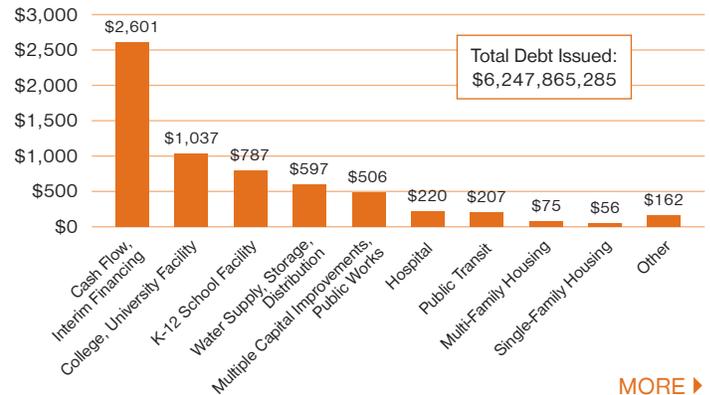
[MORE ▶](#)

CALIFORNIA PUBLIC DEBT ISSUANCE, JULY (IN MILLIONS)



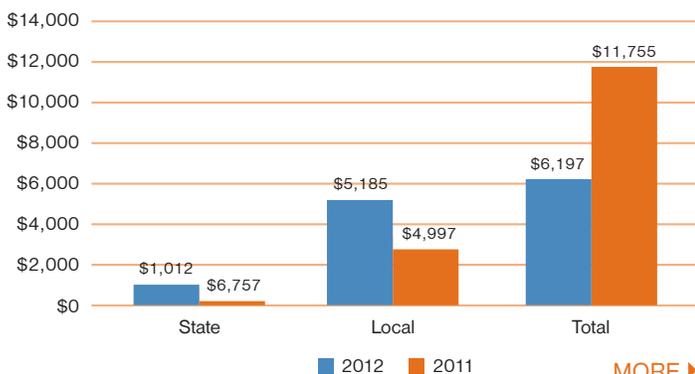
[MORE ▶](#)

TOTAL REPORTS OF FINAL SALE RECEIVED 7/16/2012 THROUGH 8/15/2012, BY PURPOSE (IN MILLIONS)



[MORE ▶](#)

STATE* VERSUS LOCAL DEBT ISSUANCE, JULY (IN MILLIONS)



[MORE ▶](#)

* State issuers include the State of California, its agencies, commissions, authorities and departments. The Student Loan Corporations issued no debt in 2011 or 2012.

More detailed debt issuance information is available in the monthly [Debt Line Calendar](#). **DL**

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Debt Line publishes articles on debt financing and public fund investment that may be of interest to our readers; however, these articles do not necessarily reflect the views of the Commission.

Business correspondence and editorial comments are welcome.

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DODD-FRANK REFORM ACT CALENDAR OF EVENTS

Below are the following MSRB or SEC events and activities related to the implementation of the Dodd-Frank Wall Street Reform Act.¹

UPDATES FOR AUGUST

- 2** Interpretive Notice to MSRB Rule G-17 on the duties of underwriters to state and local governments went into effect.
- 10** MSRB announced changes to MSRB Rule G-14 on the transaction reporting requirements will be effective November 5, 2012.
- 13** Deadline for comments to the SEC's Statement of General Policy on the sequencing of the compliance dates for final rules applicable to security-based swaps adopted pursuant to the Securities Exchange Act of 1934 and the Dodd-Frank Wall Street Reform and Consumer Protection Act.
- 24** MSRB filed amendments with the SEC to the Real-Time Transaction Reporting System, Rule G-14, to enhance price transparency for large trades. The MSRB proposes that the amendments be made effective on November 5, 2012.

SEPTEMBER

- 14** Comments due to MSRB on draft new Rule G-45 to collect information about 529 college savings plans from brokers, dealers, and municipal securities dealers that act in the capacity of underwriter (commonly known as "primary distributor") of such plans.
- 17** Comments due to MSRB on draft amendments to MSRB Rule G-37 (political contributions and prohibitions on municipal securities business) and MSRB Rule G-8 (books and records to be made by dealers).
- 21** Comments due to MSRB on a proposal to enhance protections for individual investors who use electronic brokerage platforms to invest in municipal securities. **DL**

¹ Municipal Securities Rulemaking Board, "Rules and Interpretations"
www.msrb.org/Rules-and-Interpretations/MSRB-Rules.aspx

Municipal Securities Rulemaking Board, "SEC Filings"
www.msrb.org/Rules-and-Interpretations/SEC-Filings/2011-Filings.aspx

U. S. Securities and Exchange Commission, "Dodd-Frank Spotlight"
www.sec.gov/spotlight/dodd-frank.shtml

DATA-CORNER

ANNUAL REPORTING

Yearly Fiscal Status Reports (YFSRs)

Since January 1, 1993, issuers of Community Facilities District (CFD) or Mello-Roos bonds have been required to file annual status reports with the California Debt and Investment Advisory Commission (CDIAC) no later than October 30th each year.¹ The Mello-Roos Yearly Fiscal Status Report (YFSR) requests specific information on each bond issue, including, but not limited to, fund balances, assessed values and reported delinquencies. Annual reporting is required until the final maturity of the bonds.

To facilitate this mandatory reporting, CDIAC has developed an YFSR which can be submitted electronically. The electronic version of the *Mello-Roos Community Facilities District (CFD) Yearly Fiscal Status Report* is available on CDIAC's website at www.treasurer.ca.gov/cdiac/reporting.asp. In order to access and electronically file the report, filers will need a CDIAC Number and password. Staff in the Data Collection and Analysis Unit (Data Unit) mail courtesy reminders annually to all issuers of Mello-Roos bonds as identified in the database. This reminder not only contains the CDIAC Number and password needed to access the electronic forms, but also the guidelines for completing the reports. Please contact the Data Unit for your username and password if you would like to submit your reports prior to receiving the reminder letter. Although we encourage electronic filing, a mail-in version of

the form is also available on CDIAC's website at www.treasurer.ca.gov/cdiac/reporting/mello-roos/YFS_form.pdf.

Marks-Roos Yearly Fiscal Status Report for Loan Obligations

In the July issue of *Debt Line*, we talked about the Marks-Roos Local Bond Pooling Act and the reporting requirements under that statute.² At that time, issuers who were required to submit the *Marks-Roos Yearly Fiscal Status Report for Loan Obligations report* (the *Loan Obligations Report*) could only submit on paper. We have recently developed an electronic version of this report which is now available to issuers on CDIAC's website at www.treasurer.ca.gov/cdiac/reporting.asp. Prior to filing the report electronically:

1. Issuers must first file the *Marks-Roos Yearly Fiscal Status Report for Authority Issue (Authority Report)* with which the loan obligation(s) is associated, and
2. The Data Unit staff must process the Authority Report.

When completing the Authority Report, issuers must list the loan(s) in the "Local Obligors" section of the report, Section III(b). Issuers must select "loan (L)" in Section III(B)(2) for the type of local obligation. The original principal amount of the loan(s) must be entered in Section III(B)(3). You must select "Add" after all entries. This establishes a placeholder for the submission of the Loan Obligations Report in our database. After your Authority Report has been processed, we will notify the

submitter that they can now enter the Loan Obligations report electronically.

In order to file either report, issuers must have a CDIAC number and password. If you do not have your CDIAC number and password, please contact the Data Unit. You will use the same CDIAC number and password for your Authority Report and all associated Loan Obligations Reports.

If you need any assistance with submitting this form or any of CDIAC's electronic forms, please do not hesitate to contact the Data Unit. Our goal is to make electronic submittal of all of our reports as user friendly as possible. We appreciate your feedback. Please contact us by email at CDIAC_Issuance@treasurer.ca.gov or by telephone at 916-653-3269.

DATA UNIT ACTIVITY JULY 2012

- ✓ Received and processed 216 Reports of Proposed Debt Issuance (RPDI)s
- ✓ Received and processed 186 Reports of Final Sale (RFSs)
- ✓ Received and processed 2 Marks-Roos 2010-2011 Yearly Fiscal Status Reports (YFSRs) – 108 Outstanding
- ✓ Received and processed 12 Mello-Roos 2010-2011 Yearly Fiscal Status Reports (YFSRs) – 18 Outstanding
- ✓ Mailed 135 invoices for payment of debt issuance fees

DL

¹ Government Code Section 53359.5(b)

² A copy of the July 2012 *Debt Line* can be found at www.treasurer.ca.gov/cdiac/debtpubs/2012/201207.pdf.

Fall 2012 Education Webinars

In a recent survey of market professionals on current educational needs, CDIAC found a consensus of opinion around several important topics including pension obligation bonds, direct lending, and school debt financing. Giving consideration to this feedback, CDIAC has developed the following webinar courses for presentation during the fall of 2012.

New Frontiers in Public Finance: A Return to Direct Lending

OCTOBER 3, 2012
10:00AM - 11:15AM PST

Direct lending, including private placements and direct loans, has returned as a popular municipal financing strategy. By definition, these transactions involve a bank negotiating directly with an issuer to privately purchase its municipal obligations or make a direct loan. While direct loans have increased access to credit for public agencies, concerns have been raised that these financings, which are not subject to disclosure requirements, impact an agency's abil-

ity to meet other financial obligations. This webinar explains why direct lending may present the most cost effective and risk appropriate form of financing for local agencies today. At the same time, it recognizes some of the important issues and developments surrounding this financing strategy, including disclosures and portfolio analysis.

A Double-Edged Sword: The Economics of Pension Obligation Bond Financing for Local Governments

OCTOBER 24, 2012
10:00AM - 11:45AM PST

Pension Obligation Bonds (POBs) can be an appealing strategy for managing a public agency's unfunded pension liability. As attractive as this approach may appear from a budgetary standpoint, the use of POBs can be a "double-edged sword"—providing budget relief and interest rate savings offset by market timing risks and the substitution of more rigid long-term financing terms. This webinar is designed to provide an examination of the benefits and risks of utilizing POBs and provides a discussion of the policy considerations, financing options, and disclosure requirements for financing pension liabilities.

Achieving the Grade: School District Continuing Disclosure Practices in Today's Market

NOVEMBER 14, 2012
10:00AM - 11:45AM PST

Efforts to improve transparency related to municipal securities have stimulated debate about the content and timing of disclosures. Several recent reports have recognized the need to increase transparency and disclosure in the municipal market, including the Securities and Exchange Commission's overt request to be provided the authority to define proper municipal disclosure. Greater attention to secondary disclosure by both market participants and regulators applies to all issuers, including school districts. This seminar provides school district issuers with information on how to fulfill their continuing reporting requirements to the municipal market by providing timely, accurate, and compliant disclosures.

Don't Follow that CAB: Current Practices for Structuring School Debt Obligations

NOVEMBER 28, 2012
10:00AM - 11:45AM PST

Capital appreciation bonds (CABs), which allow issuers to defer the payment of interest on debt, are commonly used today to achieve project financing goals without increasing the burden on taxpayers in the near term. CABs make sense when revenues are expected to increase or, in today's economy, return to pre-Recession levels. The risk, of course, is that they won't and the balloon payments promised by the issuer will place substantial stress on taxpayers in the future. This webinar will focus on the use of CABs by school districts and includes a discussion of the risks and returns of using CABs.

Note: Additional webinar programming will be presented in late fall.

View seminar agendas or register for a CDIAC course at www.treasurer.ca.gov/cdiac/seminars.asp. To sign up for CDIAC's seminar notification service visit: www.treasurer.ca.gov/cdiac and click on "Sign Up to Receive Information on CDIAC Seminars and Publications". For more information, email CDIAC at cdiaceducation@treasurer.ca.gov or call (916) 653-3269. **DL**

CDIAC Pre-Conference Seminar at *The Bond Buyer's* 22nd Annual California Public Finance Conference: *Exploring the Dimensions of Municipal Credits*

The California Debt and Investment Advisory Commission (CDIAC) will present a pre-conference seminar at *The Bond Buyer's* 22nd Annual California Public Finance Conference on October 17, 2012 in San Francisco, California at the Merchant's Exchange-Julia Morgan Ballroom. This marks the 11th year that CDIAC has presented a pre-conference before the *Bond Buyer* event.

This year's pre-conference, *Exploring the Dimensions of Municipal Credits*, will consider the impact of the recession on public-sector credits, including the analysis and presentation of information related to credit quality, collateral, and capacity to repay debt issued

by a municipality. Beginning with a discussion of state and local government capacity to issue debt, the program focuses on the tension between the public's demand for projects and its willingness to finance them over long periods of time. The pre-conference program will conclude with a discussion on how municipals can prepare for the next fiscal challenge.

The Honorable, State Treasurer Bill Lockyer will provide a keynote address at the CDIAC pre-conference program. For more information and the agenda, visit CDIAC's website. To register for the pre-conference visit The Bond Buyer's website. **DL**

SAVE THE DATE

CDIAC Seminars, Webinars and Conferences

OCTOBER

OCTOBER 3, 2012

WEBINAR New Frontiers in Public Finance:
A Return to Direct Lending
www.treasurer.ca.gov/cdiac

OCTOBER 17-19, 2012

Preconference at *The Bond Buyer's*
22nd Annual California Public
Finance Conference
San Francisco, CA
www.bondbuyer.com/conferences/calpub/

OCTOBER 24, 2012

WEBINAR A Double-Edged Sword: The
Economics of Pension Obligation Bond
Financing for Local Governments
www.treasurer.ca.gov/cdiac

NOVEMBER

NOVEMBER 14, 2012

WEBINAR Achieving the Grade:
School District Continuing Disclosure
Practices in Today's Market
www.treasurer.ca.gov/cdiac

NOVEMBER 28, 2012

WEBINAR Don't Follow that CAB:
Current Practices for Structuring
School Debt Obligations
www.treasurer.ca.gov/cdiac

Additional information on CDIAC's events
is available online at www.treasurer.ca.gov/cdiac.

Other Seminars and Conferences

SEPTEMBER

SEPTEMBER 8-12, 2012

National Association of State Treasurers
Annual Conference
Anchorage, Alaska
www.nast.net

SEPTEMBER 24-27, 2012

California Special Districts Association
Annual Conference
San Diego, CA
www.csda.net

OCTOBER

OCTOBER 9-12, 2012

California Municipal Revenue
& Tax Association
Annual Education Conference
Burlingame, CA
www.cacttc.org

OCTOBER 10-12, 2012

California Association of County
Treasurers and Tax Collectors
Annual Conference
Walnut Creek, CA
www.cmrta.org

OCTOBER 17-19, 2012

The Bond Buyer's 22nd Annual California
Public Finance Conference
San Francisco, CA
www.bondbuyer.com

OCTOBER 17-19, 2012

County Administrative Officers
Association of California
Annual Meeting
Lake Tahoe, CA
www.caoac.org/calendar.html

NOVEMBER

NOVEMBER 7-9, 2012

Association of Government Leasing &
Finance Annual Fall Conference
La Jolla, CA
www.aglf.org

NOVEMBER 27-30, 2012

California State Association of Counties
Annual Conference
Long Beach, CA
www.csac.counties.org

NOVEMBER 29-
DECEMBER 1, 2012

California School Boards Association
Annual Education Conference
San Francisco, CA
<http://aec.csba.org>

NOVEMBER 30-
DECEMBER 3, 2012

The Council of State Governments
National Conference
Austin, TX
www.csg.org/events/conferencecalendar.aspx

DECEMBER

DECEMBER 4-7, 2012

Association of California Water Agencies
Fall Conference and Exhibition
San Diego, CA
www.acwa.com

Organizations may submit information on future educational seminars, meetings, or conferences by contacting CDIAC at 915 Capitol Mall, Room 400, Sacramento, CA 95814, calling (916) 653-3269, faxing (916) 654-7440, or emailing cdiaceducation@treasurer.ca.gov. Publication of announcements is subject to space limitations.

DL