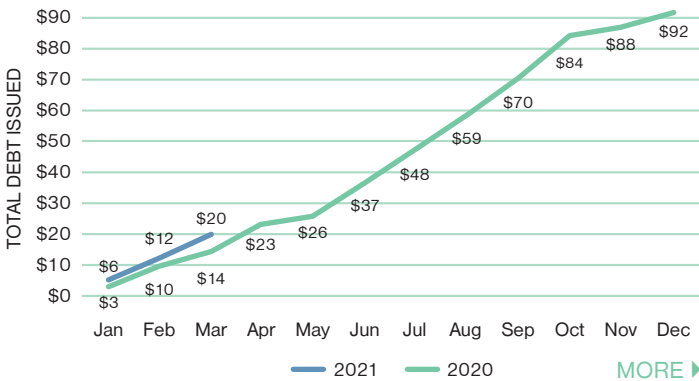
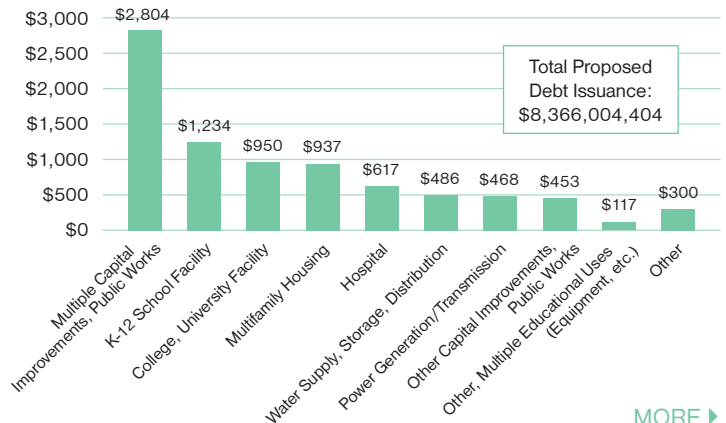


California Public Debt Issuance Monthly Data

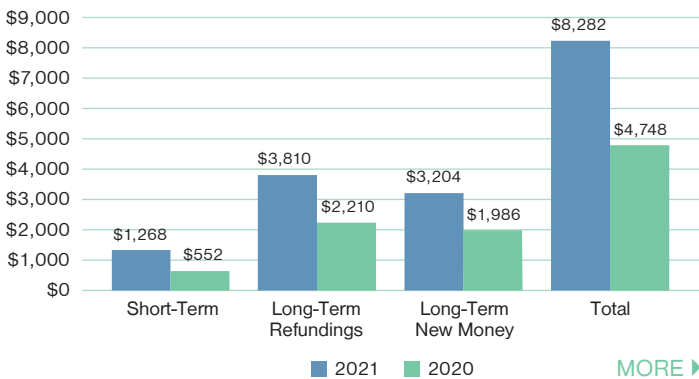
CUMULATIVE CALIFORNIA PUBLIC DEBT ISSUANCE (IN BILLIONS)¹



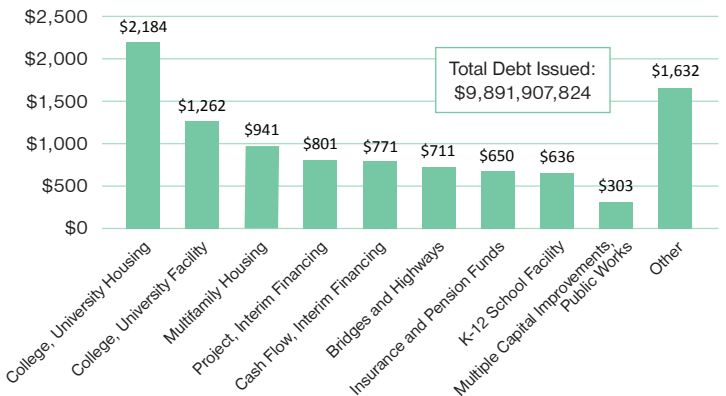
REPORTS OF PROPOSED DEBT ISSUANCE RECEIVED 3-16-2021 THROUGH 4-15-2021, BY PURPOSE (IN MILLIONS)



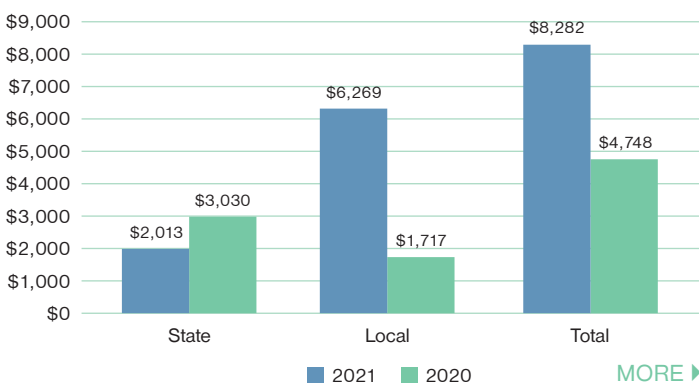
CALIFORNIA PUBLIC DEBT ISSUANCE, MARCH (IN MILLIONS)¹



TOTAL REPORTS OF FINAL SALE RECEIVED 3-16-2021 THROUGH 4-15-2021, BY PURPOSE (IN MILLIONS)



STATE* VERSUS LOCAL DEBT ISSUANCE, MARCH (IN MILLIONS)¹



* State issuers include the State of California, its agencies, commissions, authorities, departments and The Student Loan Corporation.

¹ Data may not include issuances reported after the 22nd day of the following month.

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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DATA - CORNER

Pension Obligation Financing in California - 2021 Update

Kelly Joy | Policy Research Unit

In May 2020, CDIAC published “Pension Obligation Financing in California” in *Debt Line*. The article provided summary information on pension obligation bond (POB) issuance from January 1, 1985, through April 30, 2020, discussed how POBs are structured, and how local agencies use POB proceeds to manage their pension contribution obligations.

Since the publication of the original article, CDIAC found that more POBs were issued in California in calendar year 2020 than in any previous year, with a total of over \$4 billion. This high level of issuance activity is attributed in large part to low interest rates and other market conditions. In this article, CDIAC summarizes the POB issuance activity reported to CDIAC from January 1, 1985,¹ through April 30, 2021,² and discusses some potential explanations for the recent increase in POB issuance. In addition, this article also

addresses additional factors to consider when issuing POBs.³

INTRODUCTION TO PENSION OBLIGATION BONDS

POBs are debt instruments issued by some state and local governments to pay down obligations to their retirement systems. Some agencies have a self-administered retirement system, whereas others participate in a group system with multiple agencies or a large centrally-administered retirement system, such as the California Public Employees’ Retirement System (CalPERS) or the California State Teachers’ Retirement System (CalSTRS).⁴ POB proceeds may be used to fund required payments to the retirement system for the current fiscal year (also known as the normal annual contribution or normal cost) and/or to pay down the agency’s unfunded accrued actuarial liability (UAAL). When an agency finances the annual contribution, it effectively defers payment and provides the public agency cash flow relief in the current fiscal year. When an agency finances the UAAL, the agency pays a multi-year debt service payment instead of its original multi-year pension funding obligation.⁵ This substitution can make sense if the agency’s pension

¹ While CDIAC began collecting debt issuance data in 1982, the first POB issued by a local agency in California was the City of Oakland in 1985.

² The analysis was conducted using data from CDIAC’s database, which is available to the public on the [DebtWatch](#) site.

³ The analysis and commentary presented in this article is meant for informational purposes only and should not be used as a substitute for any legal or financial advice. Agencies considering issuing POBs are encouraged to discuss the risks and potential benefits with a financial advisor and/or bond counsel.

⁴ California Debt and Investment Advisory Commission, *California Debt Financing Guide*, 3-11, (Sacramento: 2019), Accessed April 5, 2021, www.treasurer.ca.gov/cdiac/debtpubs/financing-guide.pdf.

plan earns more from the investment of the POB proceeds than the total cost of borrowing.⁶ The agency will end up worsening its financial condition if the converse is realized.

POBs are defined by the purpose of the issuance as opposed to the source of repayment, though ratings on the bonds are affected by the repayment structure.⁷ POBs are generally structured as unconditional, general fund obligations of the issuer. Some agencies in California have structured debt to pay down UAAL as lease obligations by using a financing authority as the issuer and repaying the debt with lease payments made from the general fund. In

cases where an agency is subject to the constitutional debt limit (cities, counties, and school districts) but is not utilizing a financing authority, issuers of POBs will utilize the “obligations imposed by law” exception to the constitutional limit to issue without voter approval.⁸ Use of this exception requires a validation action under Chapter 9 (commencing with Section 860) of the Code of Civil Procedure.⁹

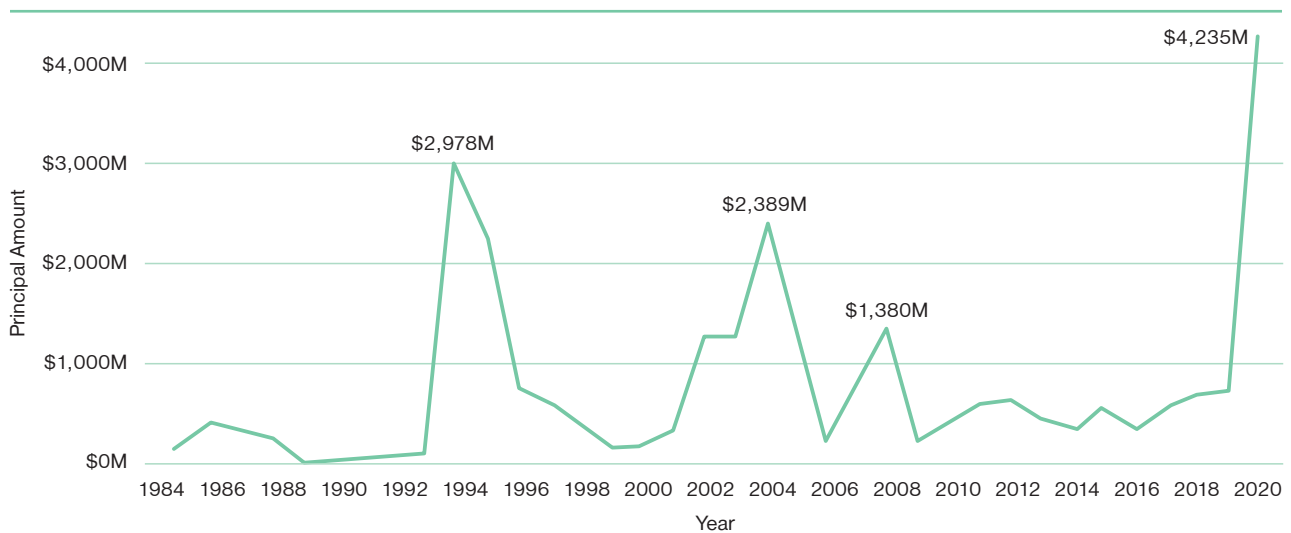
In addition to pension obligations, many public agencies have additional contractual obligations to provide other post-employment benefits (OPEBs), which are a public agency’s future liabilities to pay for certain medical and

other benefits owed to retired employees.¹⁰ Some public agencies have chosen to issue bonds to finance OPEBs obligations; however, financing OPEBs can be more challenging than financing pension obligations as OPEBs tend to be less clearly defined and more complex to calculate.¹¹

VOLUME AND NUMBER OF POB DEALS

Over \$30 billion of pension obligation debt has been issued in California since 1985. Over \$4.2 billion of that amount (14%) was issued in 2020 alone (Figure 1). More POBs were issued in California in 2020 than in any other year on

FIGURE 1
TOTAL VOLUME ISSUED AS PENSION OBLIGATION AND OTHER POST-EMPLOYMENT BENEFIT BONDS IN CALIFORNIA, 1985-2020



⁵ Ibid.

⁶ For additional information about pension obligation bond issuance, refer to Section 3.3.2.2 of CDIAC’s [Debt Financing Guide](#) and/or “[An Introduction to Pension Obligation Bonds and Other Post-Employment Benefits](#),” a primer published by Orrick.

⁷ Todd D. Kanaster, “Pension Brief: POBs See Increasing Activity in Low-Interest-Rate Environment,” *Sc&P Global Ratings*, Published October 14, 2020, Accessed April 7, 2021, www.spglobal.com/ratings/en/research/articles/201014-pension-brief-pobs-see-increasing-activity-in-low-interest-rate-environment-11695357.

⁸ California Debt and Investment Advisory Commission, *California Debt Financing Guide*, 3-12, (Sacramento: 2019), Accessed April 5, 2021, www.treasurer.ca.gov/cdiac/debtsubs/financing-guide.pdf.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

record, and POB issuance in California also made up the majority of all POB volume issued nationally.¹²

Since 1985, 286 POB deals have been reported for the purpose of paying pension or OPEB obligations,¹³ 36 of which were issued in 2020. This was a 227% increase from the number of POB deals issued the previous year.

PUBLIC AGENCY ISSUERS

TOP ISSUERS BY VOLUME. Since 1985, counties have issued the highest volume of POBs and OPEB bonds overall, with 57% of total volume (Figure 2). Cities issued the second-highest amount of POB debt (33%) and the remaining issuer types combined issued 10% of total POB volume. In 2020, however, cities issued the majority of POBs by volume (61%), and counties issued just under one-quarter of POB debt.

The top three issuers of POBs in California by volume since 1985 have been Orange County with \$4.4 billion, Los Angeles County with \$2.9 billion, and San Diego County with \$2.1 billion.

TOP ISSUERS BY NUMBER OF DEALS. Since 1985, cities have issued just over half of all POB deals in California, followed by counties (26% of deals) and special districts (13%). (See Figure 3.) Special districts issued 13% of POB deals in California despite accounting for only 2% of total volume. In 2020, cities made up an even larger share of POB deals (62%), whereas counties issued only 7% of POB deals.

FIGURE 2

PENSION OBLIGATION AND OTHER POST-EMPLOYMENT BENEFIT BONDS
PERCENTAGE OF VOLUME BY ISSUER GROUP AND TOP ISSUERS BY VOLUME
JANUARY 1985 – APRIL 2021

TOP ISSUERS OF POB SINCE 1985 BY VOLUME	TOTAL AMOUNT (MILLIONS)
Orange County	\$4,437
Los Angeles County	\$2,854
San Diego County	\$2,065
Sacramento County	\$1,895
Riverside County	\$1,120
Oakland, City of	\$1,054
San Bernardino County	\$1,011

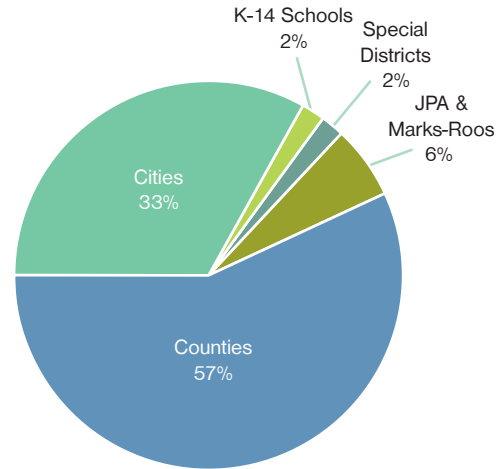
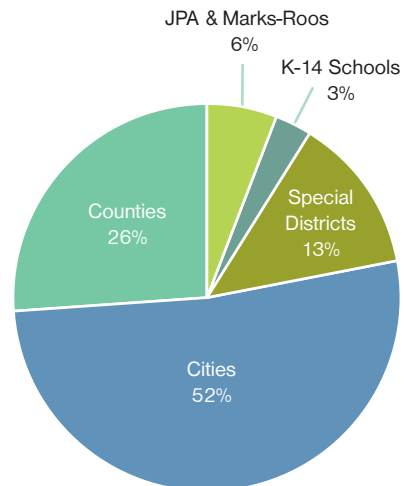


FIGURE 3

PENSION OBLIGATION AND OTHER POST-EMPLOYMENT BENEFIT BONDS
PERCENTAGE OF DEALS BY ISSUER GROUP AND TOP ISSUERS BY DEALS
JANUARY 1985 – APRIL 2021

TOP ISSUERS OF POB SINCE 1985 BY NUMBER OF DEALS	NO. OF DEALS ¹⁴
Orange County	15
Riverside, City of	12
Sacramento County	8
San Diego County	5
Pasadena, City of	5
Fairfield, City of	5
Calif. Statewide Communities Development Authority	5



¹² Richard Williamson, “Pension Bonds Will Remain in Vogue as Rates Stay Low, Experts Predict,” *The Bond Buyer*, Published February 1, 2021, Accessed April 7, 2021, www.bondbuyer.com/news/pension-bonds-will-remain-in-vogue-as-rates-stay-low-experts-predict.

¹³ CDIAC has modified how the number of deals is calculated since the publication of the original analysis in May 2020. As a result, some counts of deals may be lower in this article than in the original analysis.

¹⁴ CDIAC has modified how the number of deals is calculated since the publication of the original analysis in May 2020. As a result, some counts of deals may be lower in this article than in the original analysis.

Orange County ranks first overall again in the number of POB deals issued since 1985. The City of Riverside came in second followed by Sacramento County.

POTENTIAL EXPLANATIONS

The increase in POB issuance in 2020 can be attributed in large part to the current low interest rate environment that began when the Federal Reserve lowered interest rates to near zero in March 2020. Although issuers are not able to control the returns on POB proceeds invested in the pension fund, low taxable interest rates increase the probability that the issuer will earn more on the investment of the POB funds than the cost of the debt. Refinancing an agency's UAAL at an interest rate that is significantly lower than the assumed rate of growth on the UAAL is intended to create long-term savings. It can also be a strategy that offers some near-term budgetary flexibility,¹⁵ which can be especially important while agencies mitigate financial stress caused by the COVID-19 pandemic. That said, as mentioned earlier, the strategy to issue POBs can backfire if the returns on investment of the bond proceeds are not enough to offset the costs of issuance and debt service.

In addition to the effects of market conditions, it is possible that some agencies may have been fur-

ther incentivized to issue POBs due to a recent policy change made by the CalPERS Board of Administration. In 2018, CalPERS reduced its amortization schedule from 30 years to 20 years.¹⁶ This change shortens the timeframe in which the agency's UAAL can be repaid. The policy change went into effect in June 2019, but agency budgets are expected to be impacted by the change beginning in July 2021.¹⁷ It is possible that some agencies may have issued POBs to pay down unfunded pension obligations before the amortization change affected the budget for the agency. That said, CalPERS also has "hardship" criteria¹⁸ that offers some flexibility to local governments struggling with repayment on the new schedule, so agencies might not feel a need to issue POBs due to the policy change.

ADDITIONAL POB CONSIDERATIONS

Although a growing number of agencies have chosen to issue POBs over the past year, the issuance of POBs does come with risk to the issuer. The Government Finance Officers Association (GFOA) has an advisory notice on its website regarding pension obligation bonds that states: "State and local governments should not issue POBs."¹⁹ GFOA goes on to explain that POB issuance can result in the possibility of a larger debt burden

on the agency: "In recent years, local jurisdictions across the country have faced increased financial stress as a result of their reliance on POBs, demonstrating the significant risks associated with these instruments for both small and large governments."²⁰ Despite the risks, some issuers continue to utilize POBs as a way to pay down pension contribution obligations.

While there may be debate about the appropriateness of POB issuance, there is consensus that issuers who choose to issue POBs should fully consider the risk of incurring POB debt to the agency before issuing POBs. Some important considerations of POB issuance include added investment risk and the source of repayment for the bond proceeds.

INVESTMENT RISK. Although it can make sense to issue bonds and refinance outstanding debt when interest rates are low, POB issuance results in the agency undertaking additional risk. Investment risk becomes a larger issue when yields are low, which is typically the case in a low interest rate environment.²¹ In addition, market volatility will impact the ability of the pension fund to earn more on the invested POB funds than is required to pay debt service. Unprecedented market volatility in 2020 resulted in market gains; however, volatile market conditions can also raise the potential for significant losses. Some analysts ex-

¹⁵ Richard Williamson, "Pension Bonds Will Remain in Vogue as Rates Stay Low, Experts Predict," *The Bond Buyer*, Published February 1, 2021, Accessed April 7, 2021, www.bondbuyer.com/news/pension-bonds-will-remain-in-vogue-as-rates-stay-low-experts-predict.

¹⁶ "CalPERS Board Reduces Amortization Policy," *League of California Cities*, Published February 14, 2018, Accessed April 14, 2021, www.cacities.org/top/news/news-articles/2018/february/calpers-board-reduces-amortization-policy.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ "Pension Obligation Bonds," *Government Finance Officers Association*, Accessed April 9, 2021, www.gfoa.org/materials/pension-obligation-bonds.

²⁰ Ibid.

²¹ Richard Williamson, "Pension Bonds Will Remain in Vogue as Rates Stay Low, Experts Predict," *The Bond Buyer*, Published February 1, 2021, Accessed April 7, 2021, www.bondbuyer.com/news/pension-bonds-will-remain-in-vogue-as-rates-stay-low-experts-predict.

pect 2021 to experience a heightened level of market volatility as well,²² which could make it more difficult for agencies to manage and mitigate investment risk. In general, earning positive arbitrage to offset POB issuance costs depends to some degree on correctly “timing the market,” which is never guaranteed.

SOURCE OF REPAYMENT. Issuers of POBs need to also consider the source of repayment for the bond proceeds as well as any potential impacts resulting from financial distress. Similarly, investors need to consider the repayment streams for POBs as they are not always unconditional commitments of the issuer. For example, some agencies in California have chosen to use lease-based repayment sources for their POBs because the structure is deemed to be advantageous to the issuer. In general, lease-based repayment structures do not carry the same credit rating as unconditional general fund repayment structures.²³ For example, a recent report from S&P Global Ratings noted two California cities that leased streets in their jurisdictions for the POBs they issued.²⁴ This practice has led to concerns from some inves-

tors about a possible higher likelihood of nonpayment of debt service for some POBs as well as concerns about illiquid collateral in the case of a possible default.²⁵

LOOKING AHEAD IN 2021

Many industry analysts report expectations of 2021 having an increase in POB issuance similar to 2020.²⁶ In the first four months of 2021, POB issuance in California is almost \$2 billion, and another \$370 million is slated to sell in the market by June. There is already more POB issuance in 2021 than in most full years since the first POB was issued in 1985. On a national scale, POB issuance is also expected to increase. The overwhelming majority of POB issuance in 2020 came from just two states, California and Illinois, and more states are expected to follow this trend in 2021.²⁷ However, if interest rates rise, there is less incentive for agencies to issue POBs.

CDIAC will continue to monitor these debt issuance trends and may update this analysis as more is known about market conditions and trends for POB issuance in 2021. **DL**

²² See, for example: Andrew Slimmon, “Stock Market Outlook 2021: Bull Market, Buckle Up,” *Morgan Stanley*, Published February 5, 2021, Accessed April 9, 2021, www.morganstanley.com/ideas/stock-market-outlook-2021.

²³ Todd D. Kanaster, “Pension Brief: POBs See Increasing Activity in Low-Interest-Rate Environment,” *S&P Global Ratings*, Published October 14, 2020, Accessed April 7, 2021, www.spglobal.com/ratings/en/research/articles/201014-pension-brief-pobs-see-increasing-activity-in-low-interest-rate-environment-11695357.

²⁴ Ibid.

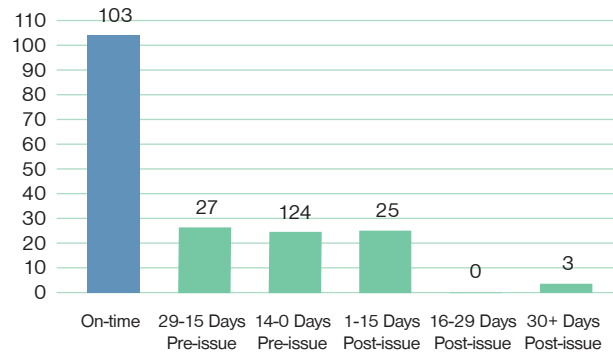
²⁵ Mary Williams Walsh, “To Plug Its Pension Gap, This City Rented Its Streets. To Itself.” *The New York Times*, Published February 16, 2021, Accessed April 29, 2021, www.nytimes.com/2021/02/16/business/dealbook/pension-borrowing-retirement.html.

²⁶ See, for example: Richard Williamson, “Pension Bonds Will Remain in Vogue as Rates Stay Low, Experts Predict,” *The Bond Buyer*, Published February 1, 2021, Accessed April 7, 2021, www.bond-buyer.com/news/pension-bonds-will-remain-in-vogue-as-rates-stay-low-experts-predict.

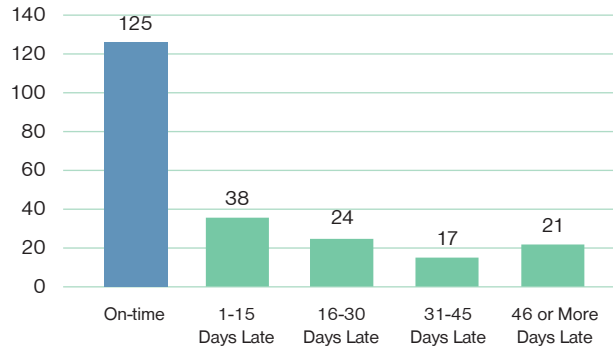
²⁷ Ibid.

TIMELINESS OF SUBMITTAL OF REPORTS

REPORTS OF PROPOSED DEBT ISSUANCE (RPDI)¹
RECEIVED MARCH 2021



REPORTS OF FINAL SALE (RFS)²
RECEIVED MARCH 2021



DATA UNIT ACTIVITY MARCH 2021

- ✓ RECEIVED AND PROCESSED **282** RPDI
- ✓ RECEIVED AND PROCESSED **225** RFS
- ✓ RECEIVED **5** MARKS-ROOS YEARLY FISCAL STATUS REPORTS FOR FY 2019-20
- ✓ RECEIVED **0** MELLO-ROOS YEARLY FISCAL STATUS REPORTS FOR FY 2019-20
- ✓ RECEIVED **5** ANNUAL DEBT TRANSPARENCY REPORTS FOR FY 2019-20*

DL

¹ California Government Code Section 8855(i) states that the issuer of any proposed debt issue of state and local government shall, no later than 30 days prior to the sale of any debt issue, submit a report of proposed issuance to the commission by any method approved by the commission.

² California Government Code Section 8855(j) states that the issuer of any debt issue of state or local government, not later than 21 days after the sale of the debt, shall submit a report of final sale to the commission by any method approved by the commission.

* As of 4/22/2021, a total 4,988 Annual Debt Transparency Reports had been filed for the FY 19-20 reporting period.

State Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST AMENDED	LAST ACTION	LAST COMMITTEE	STATUS
Other	AB 5	Fong	Greenhouse Gas Reduction Fund: High Speed Rail Authority: K-12 education: transfer and loan	12/7/2020		3/18/2021	Assembly Transportation	Active - In Committee
Other	AB 16	Chiu	Tenancies: COVID-19 Tenant, Small Landlord, and Affordable Housing Provider Stabilization Act of 2021	12/7/2020		1/13/2021	Assembly Housing and Community Development	Active - In Committee
Bonds	AB 34	Muratsuchi, Eduardo Garcia, and Santiago	Broadband for All Act of 2022	12/7/2020		5/5/2021	Assembly Appropriations	Active - In Committee
Other	AB 51	Quirk	Climate change: adaptation: regional climate adaptation planning groups: regional climate adaptation plans	12/7/2020		1/11/2021	Assembly Natural Resources	Active - In Committee
Investments	AB 67	Petrie-Norris	Sea level rise: working group: economic analysis	12/7/2020		4/26/2021	Assembly Appropriations	Active - In Committee
GO Bonds	AB 75	O'Donnell	Education finance: school facilities: Kindergarten-Community Colleges Public Education Facilities Bond Act of 2022	12/7/2020		5/5/2021	Assembly Appropriations	Active - In Committee
Bonds	AB 125	Rivas	Equitable Economic Recovery, Healthy Food Access, Climate Resilient Farms, and Worker Protection Bond Act of 2022	12/18/2020		4/15/2021	Assembly Natural Resources	Active - In Committee
Public Finance	AB 119	Salas	County auditor: direct levies	12/18/2020		1/27/2021	Assembly Local Government	Active - In Committee
Other	AB 214	Ting	Budget Act of 2021	1/8/2021		1/28/2021	Assembly Budget	Active - In Committee
Public Finance	AB 310	Santiago	Wealth tax	1/25/2021		4/6/2021	Assembly Revenue and Taxation	Active - In Committee
Public Finance	AB 336	Villapudua	Enhanced infrastructure financing districts: public financing authority: members: joint powers authorities	1/27/2021		4/8/2021	Assembly Rules	Active - In Committee
Bonds	AB 411	Irwin, Chiu	Veterans Housing and Homeless Prevention Bond Act of 2022	2/3/2021		5/5/2021	Assembly Appropriations	Active - In Committee
Other Tax	AB 725	Ward	Cannabis tax: penalty	2/16/2021		3/22/2021	Assembly Revenue and Taxation	Active - In Committee
Other	AB 758	Nazarian	Marks-Roos Local Bond Pooling Act of 1985: electric utilities: rate reduction bonds	2/16/2021		5/4/2021	Assembly Appropriations	Active - In Committee

State Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST AMENDED	LAST ACTION	LAST COMMITTEE	STATUS
Other	AB 766	Gabriel, Bennett	Climate change: corporate disclosures	2/16/2021		3/22/2021	Assembly Natural Resources	Active - In Committee
Other	AB 784	Quirk	Alameda-Contra Costa Transit District	2/16/2021		4/26/2021	Assembly Rules	Active - In Committee
Investments	AB 869	Bloom	State funds: investments	2/17/2021		5/6/2021	Senate Rules	Active - In Committee
Public Finance	AB 1056	Grayson	Infrastructure financing: industrialized housing	2/18/2021		4/29/2021	Assembly Housing and Community Development	Active - In Committee
Bonds	AB 1099	Rivas	Environmental equity: principles: bond and fund expenditures	2/18/2021		3/26/2021	Assembly Natural Resources	Active - In Committee
Public Finance	AB 1177	Santiago	California Public Banking Option Act	2/18/2021		5/5/2021	Assembly Appropriations	Active - In Committee
Public Finance	AB 1297	Holden	California Infrastructure and Economic Development Bank: public and economic development facilities: housing	2/19/2021		5/3/2021	Assembly Appropriations	Active - In Committee
Other	AB 1324	Rivas	Transit-Oriented Affordable Housing Funding Program Act	2/19/2021		3/26/2021	Assembly Housing and Community Development	Active - In Committee
Other	AB 1384	Gabriel	Resiliency Through Adaptation, Economic Vitality, and Equity Act of 2022	2/19/2021		4/14/2021	Assembly Appropriations	Active - In Committee
Public Finance	AB 1447	Cooley, Bigelow	The Rural California Infrastructure Act	2/19/2021		5/4/2021	Assembly Appropriations	Active - In Committee
Bonds	AB 1500	Garcia, Mullin	Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022	2/19/2021		5/11/2021	Assembly Appropriations	Active - In Committee
Other	ACA 1	Aguiar-Curry, Lorena Gonzalez, and Chiu	Local government financing: affordable housing and public infrastructure: voter approval	12/7/2020		4/22/2021	Assembly Local Government, Appropriations	Active - In Committee
Bonds	SB 5	Atkins, Caballero, McGuire, Rubio, Skinner, and Wiener	Affordable Housing Bond Act of 2022	12/7/2020		3/18/2021	Senate Housing, Governance and Finance	Active - In Committee
Bonds	SB 22	Glazer	Education finance: school facilities: Public Preschool, K-12, and College Health and Safety Bond Act of 2022	12/7/2020		4/20/2021	Senate Appropriations	Active - In Committee

State Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST AMENDED	LAST ACTION	LAST COMMITTEE	STATUS
GO Bonds	SB 45	Portantino, Allen, Hurtado, and Stern	Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022	12/7/2020		5/4/2021	Senate Appropriations	Active - In Committee
Other	SB 83	Allen	California Infrastructure and Economic Development Bank: Sea Level Rise Revolving Loan Program	12/15/2020		5/7/2021	Senate Appropriations	Active - In Committee
Other	SB 112	Skinner	Budget Act of 2021	1/8/2021		1/11/2021	Senate Budget and Fiscal Review	Active - In Committee
Public Finance	SB 239	Limón	Government finance: surplus investments: savings and loan associations or credit unions	1/21/2021		3/25/2021	Assembly	Active - Held at desk
Other	SB 260	Wiener, Stern	Climate Corporate Accountability Act	1/26/2021		5/7/2021	Senate Appropriations	Active - In Committee
Other	SB 440	Dodd	Earthquake and wildfire loss mitigation	2/16/2021		3/22/2021	Senate Insurance, Energy, Utilities and Communications	Active - In Committee
Other	SB 449	Stern	Climate-related financial risk	2/22/2021		5/7/2021	Senate Appropriations	Active - In Committee
Bonds	SB 471	Hueso	The Racial and Economic Equity Bond Act of 2021	2/22/2021		4/21/2021	Senate Business, Professions and Economic Development	Active - In Committee
Other tax	SB 555	McGuire	Local agencies: transient occupancy taxes: online short-term rental facilitator: collection	2/18/2021		5/4/2021	Senate Appropriations	Active - In Committee
Other	SB 595	Caballero	Climate change adaptation: workforce development retraining	2/19/2021		3/3/2021	Senate Rules	Active - In Committee
Other	SB 638	Hertzberg	Corporate records: articles of incorporation: blockchain technology	2/19/2021		5/10/2021	Assembly	Active - In Committee
Public Finance	SB 696	Allen	Enhanced infrastructure financing districts: public financing authority: membership and powers	2/19/2021		3/18/2021	Senate Governance and Finance, Judiciary	Active - In Committee
Other	SB 754	Hertzberg	Economic development: low-to-moderate income communities: Equity in Lending and Fair Recovery Act	2/22/2021		4/21/2021	Senate Banking and Financial Institutions	Active - In Committee
Public Finance	SB 780	Cortese	Local finance: public investment authorities	2/19/2021		5/10/2021	Assembly	Active - In Committee

State Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST AMENDED	LAST ACTION	LAST COMMITTEE	STATUS
Bonds	SB 786	Becker	Santa Clara Valley Water District	2/22/2021		5/11/2021	Senate	Active - In Committee
Other	SB 810	McGuire, Durazo, Hertzberg, Nielsen, and Wiener	Validations	2/24/2021		3/22/2021	Assembly	Active - Held at desk
Other	SB 811	McGuire, Durazo, Hertzberg, Nielsen, and Wiener	Validations	2/24/2021		3/22/2021	Assembly	Active - Held at desk
Other	SB 812	McGuire, Durazo, Hertzberg, Nielsen, and Wiener	Validations	2/24/2021		3/22/2021	Assembly	Active - Held at desk
Other Debt	SCA 4	Wilk	Legislature: 2-year budget	2/17/2021		4/7/2021	Senate Budget and Fiscal Review, Elections and Constitutional Amendments	Active - In Committee

* Click through to link to the legislation. Once connected, refresh screen (F5) to view the latest amendments, votes, and status.

Federal Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST ACTION	LAST COMMITTEE	STATUS
Federal Reserve	HR 24	Massie	Federal Reserve Transparency Act of 2021	1/4/2021	1/4/2021	House Oversight and Reform	Active - In Committee
Federal Budget	HR 75	Buchanan	No Pay Raise for Congress Act	1/4/2021	1/4/2021	House Administration	Active - In Committee
Banks	HR 154	Rush	RESCUE Act for Black and Community Banks	1/4/2021	1/4/2021	House Financial Services, Ways and Means	Active - In Committee
Other	HR 260	Lee	Women and Climate Change Act of 2021	1/11/2021	2/2/2021	House Energy and Commerce	Active - In Committee
Other	HR 583	Panetta	Green Bus Tax Credit Act of 2021	1/28/2021	1/28/2021	House Ways and Means	Active - In Committee
Bonds	HR 606	Smith	No Abortion Bonds Act	1/28/2021	1/28/2021	House Ways and Means	Active - In Committee
Other	HR 744	Clarke	FEMA Climate Change Preparedness Act	2/3/2021	2/4/2021	House Transportation and Infrastructure	Active - In Committee
Federal Budget	HR 753	Gallagher	Serve the People, Not the Swamp Act	2/3/2021	3/22/2021	House Judiciary, Budget, Rules, Oversight, and Reform, House Administration	Active - In Committee
Other	HR 848	Thompson	GREEN Act of 2021	2/4/2021	2/4/2021	House Ways and Means	Active - In Committee
Bonds	HR 894	Rosendale Sr.	No Tax Breaks for Sanctuary Cities Act	2/5/2021	2/5/2021	House Ways and Means	Active - In Committee
Other	HR 1107	Case	PLAN Act	2/18/2021	2/19/2021	House Energy and Commerce	Active - In Committee

Federal Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST ACTION	LAST COMMITTEE	STATUS
Other	HR 1144	Kilmer	PUGET SOS Act	2/18/2021	3/24/2021	House Transportation and Infrastructure	Active - In Committee
Bonds	HR 1396	Blumenauer	Public Buildings Renewal Act of 2021	2/26/2021	2/26/2021	House Ways and Means	Active - In Committee
Other	HR 1512	Pallone	CLEAN Future Act	3/2/2021	3/3/2021	House Energy and Commerce	Active - In Committee
Federal Reserve	HR 1618	Cleaver	RESPOND Act of 2021	3/8/2021	3/8/2021	House Oversight and Reform, Financial Services	Active - In Committee
Other	HR 1780	Velazquez	Paris Climate Agreement Disclosure Act	3/10/2021	3/10/2021	House Financial Services	Active - In Committee
Banks	HR 2270	Williams	To amend the Bank Service Company Act to provide improvements with respect to State banking agencies, and for other purposes	3/26/2021	3/26/2021	House Financial Services, Budget	Active - In Committee
Bonds	HR 2288	Ruppersberger	To amend the Internal Revenue Code of 1986 to reinstate advance refunding bonds	3/29/2021	3/29/2021	House Ways and Means	Active - In Committee
Other	HR 9054	McKinley	Clean Energy Future Through Innovation Act of 2020	12/28/2020	12/29/2020	House Transportation and Infrastructure	Active - In Committee
Other	S 280	Markey	FEMA Climate Change Preparedness Act	2/8/2021	2/8/2021	Senate Homeland Security and Governmental Affairs	Active - In Committee
Banks	S 283	Markey	National Climate Bank Act	2/8/2021	4/27/2021	Senate Environment and Public Works, Clean Air and Nuclear Safety	Active - In Committee
Bonds	S 479	Wicker	LOCAL Infrastructure Act	2/25/2021	2/25/2021	Senate Finance	Active - In Committee
Bonds	S 493	Cortez Masto	A bill to amend the Internal Revenue Code of 1986 to provide for the issuance of exempt facility bonds for zero-emission vehicle infrastructure	3/1/2021	3/1/2021	Senate Finance	Active - In Committee
Other	S 588	Feinstein	Addressing Climate Financial Risk Act of 2021	3/4/2021	3/4/2021	Senate Banking, Housing, and Urban Affairs	Active - In Committee
Federal Reserve	S 606	Merkley	RESPOND Act of 2021	3/4/2021	3/4/2021	Senate Homeland Security and Governmental Affairs	Active - In Committee

* Click through to link to the legislation. Once connected, refresh screen (F5) to view the latest amendments, votes, and status.



Regulatory Activity Calendar

APRIL 2021

- 15** New webpage resource announced for issuers of tax-advantaged bonds. The Internal Revenue Service, Office of Tax Exempt Bonds has published a *Compliance Resources for Issuers* webpage that centralizes information for issuers and borrowers regarding compliance requirements, and other topics related to tax-advantaged bonds. [Compliance Resources for Issuers](#).

MAY 2021

- 10** Effective date that 15 pieces of guidance will be retired from the Municipal Securities Rulemaking Board (MSRB), as part of an effort by the MSRB to streamline and modernize the rule book. [MSRB Notice](#).

JULY 2021

- 9** Comments are due on the Proposed Statement of the Governmental Accounting Standards Board (GASB) in the Exposure Draft, *The Annual Comprehensive Financial Report*. This Exposure Draft proposes to replace the existing term *comprehensive annual financial report (CAFR)* with *annual comprehensive financial report (ACFR)* in authoritative literature, such as generally accepted accounting principles for state and local governments. The requirements of this Exposure Draft are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged. [Exposure Draft](#).

AUGUST 2021

- 2** The MSRB extended the compliance date for amended form G-32 from March 31, 2021, to August 2, 2021, to provide brokers, dealers and municipal securities dealers additional time to operationalize compliance with obligations under the rule. [MSRB Notice](#). **DL**

SAVE THE DATE

Webinars, Seminars, and Conferences

MAY

BEGAN MAY 10, 2021

National Association of State Treasurers
Treasury Management Training Symposium
Online Virtual Event

www.nast.org

JUNE

JUNE 8-11, 2021

California Association of County Treasurers
and Tax Collectors
Annual Conference
Online Virtual Event

www.cacttc.org

JUNE 8-11, 2021

National Association of Bond Lawyers
The Essentials: Virtual 2021
(Members Only)
Online Virtual Event

www.nabl.org

JUNE 28-30, 2021

California's Coalition for
Adequate School Housing
42nd Annual Conference on School Facilities
Palm Springs, CA

www.cashnet.org

JULY

JULY 12-23, 2021

Government Finance Officers Association
2021 Virtual Conference
Virtual Online Event

www.gfoa.org

JULY 18-21, 2021

Association of Public Treasurers of
the United States and Canada
Annual Conference
South Bend, IN (Hybrid Event)

www.aptusc.org

AUGUST

AUGUST 11-13, 2021

California Association of Sanitation Agencies
2021 CASA 66th Annual Conference
San Diego, CA

www.casaweb.org

AUGUST 14-18, 2021

National Association of State Auditors,
Comptrollers and Treasurers
NASACT 2021 Annual Conference
San Diego, CA

www.nasact.org

AUGUST 30-SEPTEMBER 2, 2021

California Special Districts Association
2021 Annual Conference &
Exhibitor Showcase
Monterey, CA

www.csda.net

SEPTEMBER

SEPTEMBER 8-10, 2021

Government Investment Officers Association
Annual Conference
Las Vegas, NV

www.gioa.us

SEPTEMBER 19-22, 2021

National Association of State Treasurers
2021 Annual Conference
Chicago, IL

www.nast.org

SEPTEMBER 22-24, 2021

League of California Cities
Municipal Finance Institute
Online Virtual Event

www.cacities.org

OCTOBER

OCTOBER 3-6, 2021

International City/County
Management Association
Annual Conference
Portland/Multnomah County, OR

www.icma.org

OCTOBER 5-8, 2021

California Association of County
Treasurers and Tax Collectors
Education Conference
Burlingame, CA

www.cacttc.org

OCTOBER 13-15, 2021

National Association of Bond Lawyers
The Workshop: Virtual 2021
Online Virtual Event

www.nabl.org

OCTOBER 20-22

Municipal Management Association of
Northern California
Annual Conference
Monterey, CA

www.mmanc.org

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Organizations may submit information on future educational seminars, meetings, or conferences by emailing cdiac_education@treasurer.ca.gov. Publication of announcements is subject to space limitations.