California Public Debt Issuance Monthly Data

CUMULATIVE CALIFORNIA PUBLIC DEBT ISSUANCE (IN BILLIONS)¹

CALIFORNIA PUBLIC DEBT ISSUANCE, NOVEMBER (IN MILLIONS)¹

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

REPORTS OF PROPOSED DEBT ISSUANCE RECEIVED 11-16-2021 THROUGH 12-15-2021, BY PURPOSE (IN MILLIONS)

TOTAL REPORTS OF FINAL SALE RECEIVED 11-16-2021 THROUGH 12-15-2021, BY PURPOSE (IN MILLIONS)

TOTAL REPORTS OF PROPOSED DEBT ISSUANCE RECEIVED 11-16-2021 THROUGH 12-15-2021, BY PURPOSE (IN MILLIONS)

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

More detailed debt issuance information is available in the monthly Debt Line Calendar.

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* 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.
Celebrating 40 Years of CDIAC

January 1, 2022, marks 40 years of operations for the California Debt and Investment Advisory Commission (CDIAC). In 1982, with a staff of three people, CDIAC immediately set out to fulfill the statutory responsibilities entrusted to it by the Legislature. Among the earliest activities were the development of a debt issuance reporting system, publishing the first Debt Line newsletter (April 1982), commissioning research studies on state and local debt and policy options, and developing a technical assistance program to address local government financing needs. These original functions remain at the core of CDIAC’s operations today. The collection and distribution of debt issuance data, largely automated and online, has grown thirty-fold since the earliest paper process. Debt Line, research studies and issue briefs are now circulated electronically to over 8,000 subscribers. And, CDIAC has built a robust educational program consisting of both in-person and online programs that support the needs of thousands of constituents.

CDIAC’s history is tied to 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 public debt issuance process. This fundamental purpose has not changed in 40 years of operation. 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.

Over the last 40 years, CDIAC has made great advances by focusing on providing value to California’s public finance community. CDIAC has developed a vast library of educational resources, none more valued and trusted by CDIAC’s constituents than the two flagship publications, the California Debt Financing Guide (formerly the California Debt Issuance Primer) and the Local Agency Investment Guidelines (LAIG). DebtWatch, CDIAC’s online data transparency site, provides a 40-year view of all the debt issuance activity of California’s public agencies. Just last year, CDIAC debuted the Education Portal, a system that enables CDIAC to provide on-demand, on-line public finance training and education.

Since its inception, CDIAC has come a long way to become a leader in California’s public finance community. As we celebrate 40 years of providing responsive and reliable information, education, and guidance to state and local public agencies and other public finance professionals, we look forward to continuing our contributions to California’s public finance community well into the future.
Issuance for Educational Facilities in 2021

Ashley Yu and Kelly Joy | Policy Research Unit

Last January, CDIAC reported on issuance activity for educational facilities in California from 2014 through 2020, including changes since the federal Tax Cuts and Jobs Act of 2017 (TCJA of 2017) went into effect in the beginning of 2018. This article provides an update of last year’s analysis to include issuance data for educational facilities reported to CDIAC for calendar year 2021 by K-12 school districts, community colleges, California’s university systems, and those public entities that issue debt on behalf of private K-12 and higher education institutions.

Overall, total issuance from California public agencies in 2021 reached a record high since CDIAC began collecting and reporting issuance data. The volume of refundings reached its highest level since 2016, before the TCJA of 2017, which limited tax-exempt refundings in the municipal market, was passed and implemented (Figure 1). New money issuance was at its highest level since 2010, when Build America Bonds created a surge in issuance.

**FIGURE 1**
TOTAL DEBT ISSUANCE, NEW MONEY AND REFUNDING, ALL CALIFORNIA ISSUERS 2014 - 2021*, ISSUANCE VOLUME IN BILLIONS

<table>
<thead>
<tr>
<th>ACTUAL SALE DATE</th>
<th>VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$61B</td>
</tr>
<tr>
<td>2015</td>
<td>$56B</td>
</tr>
<tr>
<td>2016</td>
<td>$79B</td>
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<td>$78B</td>
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<tr>
<td>2019</td>
<td>$76B</td>
</tr>
<tr>
<td>2020</td>
<td>$104B</td>
</tr>
<tr>
<td>2021</td>
<td>$108B</td>
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</tbody>
</table>

Source: CDIAC data reported as of 01/05/2022

* Issuance totals for 2021 included in this article are not considered final because issuers have 21 days to submit reports of final sale to CDIAC. Late filings to CDIAC may not be included in the underlying data for this article.


2 This year’s analysis includes slight methodological changes, which resulted in some updates to numbers in last year’s article. For example, issuance from public California universities is included in Figure 2.

3 Issuance totals for 2021 included in this article are not considered final because issuers have 21 days to submit reports of final sale to CDIAC. Late filings to CDIAC may not be included in the underlying data for this article.
A PREVIEW OF POTENTIAL TRENDS IN 2022

School districts and higher education institutions issued a record amount of debt in 2020 with slightly lower amounts issued in 2021. It is possible that issuance could remain at similar levels in 2022, especially if K-14 and community college districts continue to issue debt against the large amounts of bond authority established in 2020 which included the approval of 91 bond measures for up to $19 billion. In addition, other factors including declining student enrollment, a possible increase in interest rates, inflation, or other factors could also affect issuance for educational facilities in 2022.

CDIAC will continue to monitor debt issuance for educational facilities as well as for all other purposes and plans to update this analysis with the results of public debt issued in 2022.
FIGURE 2
TOTAL DEBT ISSUANCE, NEW MONEY AND REFUNDING, CALIFORNIA K-14, UC, AND CSU FACILITIES 2014 - 2021*, ISSUANCE VOLUME IN BILLIONS

Source: CDIAC data reported as of 01/05/2022
* Issuance totals for 2021 included in this article are not considered final because issuers have 21 days to submit reports of final sale to CDIAC. Late filings to CDIAC may not be included in the underlying data for this article.

FIGURE 3
DEBT ISSUANCE ON BEHALF OF NON-GOVERNMENTAL BORROWERS, NEW MONEY AND REFUNDING K-12 FACILITIES, COLLEGE/UNIVERSITY FACILITIES & HOUSING, 2014 - 2021*, ISSUANCE VOLUME IN BILLIONS

Source: CDIAC data reported as of 01/05/2022
* Issuance totals for 2021 included in this article are not considered final because issuers have 21 days to submit reports of final sale to CDIAC. Late filings to CDIAC may not be included in the underlying data for this article.
Chair:
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Senator
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Debt Line is published monthly by the California Debt and Investment Advisory Commission (CDIAC).

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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TIMELINESS OF SUBMITTAL OF REPORTS

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

REPORTS OF FINAL SALE (RFS)2
RECEIVED NOVEMBER 2021

DATA UNIT ACTIVITY NOVEMBER 2021

✓ RECEIVED AND PROCESSED 190 RPDI
✓ RECEIVED AND PROCESSED 240 RFS
✓ RECEIVED 38 MARKS-ROOS YEARLY FISCAL STATUS REPORTS FOR FY 2020-21
✓ RECEIVED 17 MELLO-ROOS YEARLY FISCAL STATUS REPORTS FOR FY 2020-21
✓ RECEIVED 278 ANNUAL DEBT TRANSPARENCY REPORTS FOR FY 2020-21*

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 12/22/2021, a total of 1,101 Annual Debt Transparency Reports had been filed for the FY 2020-21 reporting period.
Annual Debt Transparency Report Reminder: SB 1029 Reporting Requirements

With SB 1029 effective January 1, 2017, state and local agencies are now required to report to CDIAC annually on all debt issued.1 The Annual Debt Transparency Report (ADTR) must be submitted to CDIAC on or before January 31st of each year, for each issue of debt, until such debt is no longer outstanding or the proceeds of the debt have been fully spent, whichever is later. The ADTR requires issuers to report on the balance of the issuer’s authorization to issue the debt, the amount of principal paid, the amount of debt outstanding, and qualitative and quantitative information on how debt proceeds are spent.

This ADTR filing requirement is not retroactive. “ADTR reportable” issues are those that were reported to CDIAC on a Report of Final Sale on or after January 21, 2017. An ADTR must be submitted to CDIAC by January 31st of each year following the end of the July 1 to June 30 reporting period during which the debt was outstanding. For the purpose of classifying issues as outstanding in any given reporting period, CDIAC is using the reported settlement date as the date the debt is initially outstanding.2 The next ADTR filing deadline is January 31, 2022.

CDIAC has developed an online system, accessible through the CDIAC website to facilitate the annual submission of the ADTR. The CDIAC Data Collection and Analysis Unit (Data Unit) will provide a list on CDIAC’s reporting page of all ADTR-reportable debt identified in the CDIAC database for the reporting period July 1, 2020, through June 30, 2021 by October 25, 2021. The list will contain the following information:

- CDIAC Number
- Issuer
- Project
- Debt Type
- Principal
- Issue Date
- Purpose of Issuance
- Year of Issue (Fiscal Year Ending 6/30)
- Most Recent Prior Year ADTR Received (Fiscal Year End)

Accessing the online filing form will require the CDIAC Number and the ID Number (i.e., password) that was provided at the time of initial filing. If you do not have the ID Number, it will be necessary to contact the Data Unit to provide you with that number.

To request that another individual or party, such as an outside financial service provider or advisory firm, handle the filing of the ADTR, contact the CDIAC Data Unit at CDIAC_Isuance@treasurer.ca.gov or (916) 653-3269.

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1 “Debt” as defined in California Code of Regulations (CCR) Title 4, Division 9.6, §6000 (Effective 4/1/2017).
2 “Settlement” means the transfer of the assets or rights-to-use from Creditor to Issuer in exchange for delivery of the instruments or evidence of indebtedness from the Issuer to Creditor (CCR Title 4, Division 9.6, §6000). The date of settlement as such generally coincides with the delivery date of bonds, or the closing date of a lease, loan, or similar debt transaction.
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Regulatory Activity Calendar

DECEMBER 2021

6 The Municipal Securities Rulemaking Board (MSRB) extended the comment deadline for MSRB Notice 2021-23 to Jan 19, 2022, about draft compliance resources for dealers and municipal advisors concerning new issue pricing. MSRB Notice.

8 The MSRB issued a Request for Information (RFI) on environmental, social and governance (ESG) practices in the municipal market. MSRB Notice.

15 The Securities and Exchange Commission (SEC) proposed amendments to modernize and improve disclosure about repurchases of an issuer’s equity securities that are registered under section 12 of the Securities Exchange Act of 1934. Proposed rule.

15 The MSRB requested a second round of comments on fair dealing solicitor municipal advisor obligations and new draft of Rule G-46. MSRB Notice.

15 Effective date for the requirements of Governmental Accounting Standards Board (GASB) Statement No. 98, related to The Annual Comprehensive Financial Report. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace the use of comprehensive annual financial report and its acronym CAFR in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Status Update.

JANUARY 2022

4 The Internal Revenue Service (IRS) announced final regulations regarding the transition from the London Interbank Offered Rate (LIBOR) that provides guidance on the tax consequences of the transition away from the use of certain interbank offered rates in debt instruments, derivative contracts, and other contracts. Final Regulations.

19 Extended comment deadline for MSRB Notice 2021-23, about draft compliance resources for dealers and municipal advisors concerning new issue pricing. MSRB Notice.

15 Effective date for the SEC’s Filing Fee Disclosure and Payment Methods Modernization effort that amends most of its fee-bearing forms and schedules to modernize filing fee payment methods. SEC Fact Sheet.

MARCH 2022

31 End date for IRS revenue procedure 2021-39 regarding qualified private activity bonds, which permitted certain hearings by telephone. This procure was extended through March 31, 2022, on October 4, 2021, due to the COVID-19 pandemic. Community Update.

SAVE THE DATE

CDIAC Webinars, Seminars, and Conferences

FEBRUARY 2022

JANUARY 26, 2022 – FEBRUARY 24, 2022
Intermediate and Advanced Investment Essentials Webinar Series in Collaboration with CMTA
tinyurl.com/investessentials

WEBINARS, SEMINARS, AND CONFERENCES

FEBRUARY 2022

FEBRUARY 16-18, 2022
California Society of Municipal Finance Officers Annual Conference
San Diego, CA
www.csmfo.org

MARCH 2022

MARCH 3-4, 2022
National Association of Bond Lawyers NABL U Presents: The Institute (Members Only) Hybrid Event
www.nabl.org

MARCH 23-25, 2022
Government Investment Officers Association 2022 GIOA Conference Las Vegas, NV
www.gioa.us

MARCH 29-APRIL 1, 2022
California Association of School Business Officials Annual Conference & California School Business Expo Sacramento, CA
www.casbo.org

APRIL 2022

APRIL 15, 2022
Committee on Assessments, Special Taxes & Other Financing Facilities Annual Meeting
Newport Beach, CA
www.castoffonline.com

APRIL 20-22, 2022
National Association of Bond Lawyers NABL U Presents The Essentials Denver, CO
www.nabl.org

MAY 2022

MAY 3-6, 2022
California Municipal Treasurers Association Annual Conference Newport Beach, CA
www.cmta.org

JUNE 2022

JUNE 5-8, 2022
Government Finance Officers Association GFOA’s Annual Conference Austin, TX
www.gfoa.org

JUNE 7-10, 2022
California Association of County Treasurers and Tax Collectors Annual Conference
San Diego, CA
www.cacttc.org

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