

California Debt and Investment Advisory Commission

In conjunction with

Kern County Office of Education

Designed specifically to address school officials' needs, this seminar covers the following:

- General Obligation (GO) Debt Financing Practices
- Other Long-term School Debt Financing Instruments
- Administration of School Debt
- Municipal Financing Rules, Regulations and Compliance

September 8, 2009
Kern County Superintendent of Schools
University Square Office
2000 K Street, Conference Room US1
Bakersfield, CA 93301-4533

Demystifying School Debt Finance

AGENDA

*Long-Term Debt Finance for
Kern County School District Officials*

*September 8, 2009
8:30am-1:00pm*

The Kern County Office of Education, together with the California Debt Investment and Advisory Commission, developed the following seminar tailored specifically to the concerns of Kern school administrators.

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| 8:30 am | Welcome and Introduction
John Decker, CDIAC |
| 8:45 am | General Obligation (GO) Debt
School districts are the dominant issuers of general obligation (GO) debt among local governments in California. Often it is the cheapest form of debt a school district can acquire, but they require a district-wide election. What should districts know before going to the voters? What important considerations should be made before going issuing? How can districts make the best use of GO debt? |
| 9:30 am | Other Types of Long-Term Debt
Schools use many forms of debt other than GO, including lease-revenue and assessment bonds. Why would a district consider these alternative debt instruments? Are there state programs school districts should be aware of? What should districts know about federal-stimulus programs, such as QSCBs and Build America Bonds? |
| 10:15 | Break (provided by Kern County Office of Education) |

10:30

The Price of Debt

The interest costs associated with debt can vary by district, type of debt, and even the day on which the district issues the debt. How can districts improve their chances of getting a good interest rate?

Administering the Debt

School district officials rely on district and private professionals when issuing, managing and administering the debt. How should officials use private professionals? What are reasonable costs associated with administering their debt?

12:00 m

Break (provided by Kern County Office of Education)

12:15 pm

Federal Compliance Issues

Federal regulations and tax laws constrain district debt practices. What are the Security and Exchange Commission's (SEC's) regulations for issuing and ongoing disclosure? Most district debt will be sold as tax-exempt bonds. What does federal tax law and regulation require to ensure that a district benefits from the tax exemption? What is arbitrage rebate? What actions of a district can prompt an IRS audit?

1:00 pm

Close

