

AGENDA ITEM 8 (INFORMATION ITEM) CDIAC'S EDUCATION MISSION

CDIAC's Education Mission June 10, 2014

STAFF REPORT

Government Code Section 8855(h)(7) charges CDIAC with the responsibility to "(E)stablish a continuing education program for local officials having direct or supervisory responsibility over municipal investments and debt issuance. The commission shall undertake these and any other activities necessary to disclose investment and debt issuance practices and strategies that may be conducive to oversight purposes."

Since 1982, CDIAC has met this responsibility by offering in-person classroom training to state and local public finance officials, elected officials, and the public. Seminar programs have focused on debt issuance, administration, and disclosure and the investing of public funds. More recently, CDIAC has added web-based training and electronic recasts of seminar events. The seminar and webinar programs are priced at a level to allow maximum participation by public employees, but sufficient to recover the cost of providing the program, including facilities and food contracts, equipment, and technology. CDIAC's education programs have never been a profit center.

In providing education to public finance officials, elected and appointed officers, and the public, CDIAC competes with other education providers. These include for-profit trainers, banking and finance entities including investment banks, publishers such as the ratings agencies or *The Bond Buyer*, educational institutions such as the University of California Extension Programs, and membership organizations such as the California Society of Municipal Finance Officers (CSMFO) and the Government Finance Officers Association (GFOA). The programs offered by these organizations cover a wide range of topics, but what specifically distinguishes some of these programs from those offered by CDIAC is the opportunity for participants to receive credits towards obtaining or maintaining professional certification or a credential.

As public sector organizations anticipate the succession of responsibilities from one generation to the next, they are looking for ways to train and prepare younger workers. Membership organizations, such as CSMFO, GFOA, and the California Municipal Treasurer's Association (CMTA) are embracing curriculum-based programs that impart the knowledge and skills needed to operate as finance and investment officers in a public agency. Upon completion of these programs participants receive certificates or a credential that enhances career development or salary growth. CMTA, for example, has a training program that provides participants the ability to be designated a California Certified Municipal Treasurer (CCMT). The perceived need for or interest in certificated training or education credentials has led to an increase in the number of for-profit training and education providers offering certificate-based training to public employees.

The competition posed by other training programs and the shift to more curriculum-based training has caused CDIAC to reassess its own education program. CDIAC's core educational program centers on fundamental and entry-level training in debt issuance and administration and the investment of public funds. Core training has been a mainstay of CDIAC's education program and public agencies, including other training providers, turn to CDIAC for this curriculum. CDIAC complements these introductory classes with intermediate-level courses, including those on land-secured financing, disclosure, bond and arbitrage math, and portfolio management. CDIAC also offers topical programs that meet the training needs of finance and investment staff faced with an ever-changing regulatory and financing environment. In recent years, these have included topics in redevelopment debt and assessment district finance. Finally, CDIAC provides seminars and webinars that seek to further the practice of public finance in California. These include programs on effect of the Great Recession on the municipal market and the implications of bankruptcy on the security of California general obligation bonds.

CDIAC does offer CPE credits for some of its seminar programs. It also provides a certificate of completion upon request which participants may use to secure career or educational credits on their own. But for the most part, CDIAC's educational programs are not designed to comport to the needs of public finance professionals for certification or degree credentials. CDIAC believes this type of program is more suited to organizations motivated by the need to support the development of a trained and qualified workforce or to control access to professional credentials. This type of program is also suited for profit-oriented firms that might find opportunity to fill a need and generate income from doing so.

CDIAC will continue to provide core training for entry-level public agency staff in the areas of debt issuance and administration and the

investment of public funds. It will also continue to provide intermediate curriculum that augments this core training and enhances the ability of public employees to perform their duties as debt or investment officers. Finally, CDIAC will offer topical and policy-related programs that address current issues or emerging trends and practices in the area of debt issuance and public funds investing. These programs will continue to be offered in a planned fashion that reflects competing educational opportunities, the timing, location, and cost of the programs, and the available resources of CDIAC staff and its faculty. CDIAC will not be exclusively motivated by the need for certification or credentialing, but will make every effort to provide these whenever it can to encourage participation and enhance the value of its programs for participants. In its educational programming, CDIAC will be guided by the following general principles:

1. CDIAC will develop a strategic plan to provide education training in the areas of debt and public funds investing. The plan will account for competing educational programs, the timing, location, and cost of programs, and the available resources of CDIAC and its faculty, among other things.
2. CDIAC will utilize traditional and alternative educational formats, including classroom training, electronic training, and webinars.
3. To the extent CDIAC collaborates or utilizes the services of for-profit organizations or their employees, CDIAC will actively discourage any activities that promote these organizations or individuals for commercial purposes.
4. CDIAC will not directly compete with other education providers, but will seek to strategically fill the educational needs of public agency debt and investment staff and to further the practice of public finance in California.

CDIAC will offer educational credits or provide opportunities to participants to seek career or job-related credits. However, CDIAC will not be motivated by the need for public debt or investment staff to receive career or job-related credit over the need to provide training that furthers the practice of public finance in California.