

California Debt and Investment Advisory Commission

2001 ANNUAL REPORT



**Phil Angelides
State Treasurer and Chair**

CDIAC # 02-6

**CALIFORNIA DEBT AND INVESTMENT
ADVISORY COMMISSION**

2001 ANNUAL REPORT

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

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Treasurer
City and County of
San Francisco

Donna Linton
Asst. County Administrator
Alameda County

Additional information concerning this report or the programs of the California Debt and Investment Advisory Commission (CDIAC) may be obtained from:

Lisa M. Harris
Executive Director
California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400
Sacramento, CA 95814
or
P.O. Box 942809
Sacramento, CA 94209-0001
Phone: (916) 653-3269
Fax: (916) 654-7440
e-Mail: cdiac@treasurer.ca.gov
Internet site: www.treasurer.ca.gov/cdiac

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I. OVERVIEW OF CALIFORNIA PUBLIC FINANCE IN 2001

In 2001, public agencies in California issued approximately \$45.3 billion in bonds, notes, certificates of participation (COPs)/leases, and commercial paper. Bonds accounted for 64.8 percent of the total debt issued, followed by notes (25.9 percent), certificates of participation/leases (7.6 percent), and commercial paper (1.7 percent).¹

Statewide issuance was focused on four specific purposes above all others. Capital improvements and public works (33.2 percent), interim financing (26.5 percent), education (18.9 percent), and housing (10.8 percent) represented 89.3 percent of all state and local debt issued in 2001.

The amount of debt issued by the State government rose 74 percent, from \$7.7 billion issued in 2000 to over \$13.4 billion in 2001. This sharp increase was due entirely to \$5.7 billion issued in revenue anticipation notes to cover the State's short-term cash flow needs in 2001, after no revenue anticipation notes were issued by the State in 2000. The amount of long-term bonds issued actually declined 3.3 percent in 2001, from \$7.6 billion to \$7.4 billion. In particular, the State issued \$768 million less (-19.4 percent) in general obligation bonds in 2001 than in the prior year. The State committed more of its long-term debt issuance in 2001 to capital improvements and public works, and hospital and health care facilities than in 2000. Debt issuance in these two areas rose 33.5 percent and 97.1 percent, respectively. Debt issued by the State for other purposes fell. Among them, debt issuance declined for commercial and industrial development purposes by 63.1 percent, for education by 18.2 percent, and for housing by 6.4 percent.

The amount of debt issued by California local agencies, including cities, counties, and special districts, rose 40.0 percent in 2001, from \$22.6 billion issued in 2000 to \$31.6 billion issued in 2001. This rise was due to the significant increase in bonds (\$8.6 billion or 66.1 percent), in particular, the increased issuance of public enterprise revenue bonds (\$3.1 billion or 80.3 percent). Local agencies committed an increased amount of debt issuance in 2001 to financing capital improvement and public works (\$5.9 billion, or 76.9 percent) and education (\$1.5 billion, or 43.1 percent).

The amount of debt issued by California student loan corporations increased 195 percent, from \$83 million to \$245 million. This increase occurred entirely in the issuance of conduit revenue bonds issued to fund student loans.

¹ Calculations of differences and percentages are based upon exact numbers; therefore, they may not tie directly to numbers presented in text of this report due to rounding.

II. STATEWIDE DEBT ISSUANCE

The following section summarizes the issuance of public debt during 2001 in California. The analysis is drawn from information contained in two companion CDIAC publications: *2001 Calendar of Public Debt Issuance* and *2001 Summary of California Public Debt*.

A. Overview

- The total number of California public debt issues reported in 2001 was 2,014, a modest increase over 2000.

The 2,014 reported debt issues in 2001 represented 11.1 percent more than the 1,813 reported debt issues in 2000. Of the 2,014 issues sold during 2001, the State issued 163 (8.1 percent), local agencies issued 1,846 (91.7 percent), and student loan corporations issued five (0.2 percent).

- The total par amount of California public debt reported in 2001 was \$45.3 billion, an increase of nearly \$15 billion over 2000 but below the \$56.7 billion peak reported in 1993 (see Figures 1 and 2).

The State issued 30.2 percent of the total dollar volume of debt reported. City and county governments (21.4 percent), other issuers (including special districts) (18.6 percent), joint powers authorities (16.0 percent) and K-12 school districts (13.8 percent) comprise the remaining types of debt issuers in 2001.

- The \$45.3 billion in public debt issued in 2001 was 49.1 percent more than the \$30.4 billion issued in 2000 (see Figure 2).

While debt issuance in 2001 rose for nearly all issuers, the significant increase in State issuance accounted for almost 40 percent of the increase in debt issuance over 2000 levels. The remainder of the increase in debt issuance primarily was attributable to other issuers (22.8 percent), joint powers agencies (17.3 percent) and city government (14.2 percent).

Figure 1
California Public Debt Issuance
Total Par Amount
1991 through 2001

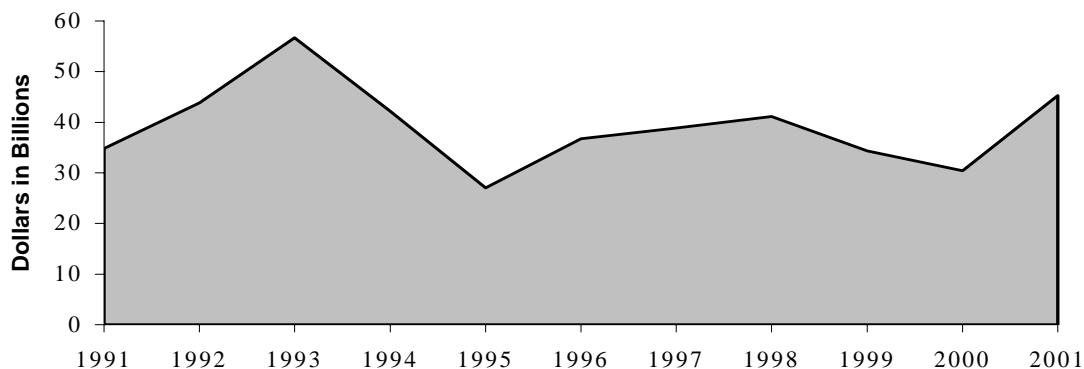


Figure 2
California Public Debt Issuance*
Types of Issuers
2001 and 2000
(Dollars in Millions)

Type	2001	Percent of Total	2000	Percent of Total	Percent Change 2000 to 2001
State Issuers	\$13,673	30.2 %	\$7,791	25.6 %	75.5 %
County Government	2,946	6.5	2,581	8.5	14.2
City Government	5,901	13.0	3,779	12.4	56.2
City and County Government	831	1.8	1,097	3.6	-24.3
Joint Powers Agencies	7,266	16.0	4,691	15.4	54.9
K-12 School Districts	6,243	13.8	5,402	17.8	15.6
Other Issuers	8,440	18.6	5,044	16.6	67.3
Total	\$45,299	100.0 %	\$30,385	100.0 %	49.1 %

Note: Total includes state and local governmental entities and Student Loan Corporation issues.
* Totals may not add due to rounding.

- Long-term debt issuance as a share of total debt issuance declined to 73.5 percent in 2001, down 3.3 percentage points from the prior year (see Figure 3). However, the amount of long-term and short-term debt issued increased in 2001, to \$33.3 billion and nearly \$12 billion, respectively.

Figure 3
California Public Debt Issuance*
Long-Term and Short-Term
2001 and 2000
(Dollars in Millions)

	2001	Percent of Total Debt	2000	Percent of Total Debt	Percent Change in Par Amount Issued 2001 to 2000
Long-Term Debt	\$33,316	73.5 %	\$23,336	76.8 %	42.8 %
Short-Term Debt	11,983	26.5	7,050	23.2	70.0
Total	\$45,299	100.0 %	\$30,386	100.0 %	49.1 %

*Totals may not add and percentages may not be exact due to rounding.

B. Refunding of Debt in 2001

The refunding of debt has been a large part of statewide debt issuance for the past several years due, in part, to lower interest rates. The amount of refunding debt issued increased from \$7.1 billion in 2000 to \$12.1 billion in 2001 (see Figure 4). As a whole, public agencies issued 70.5 percent more in refunding debt in 2001 than in 2000.

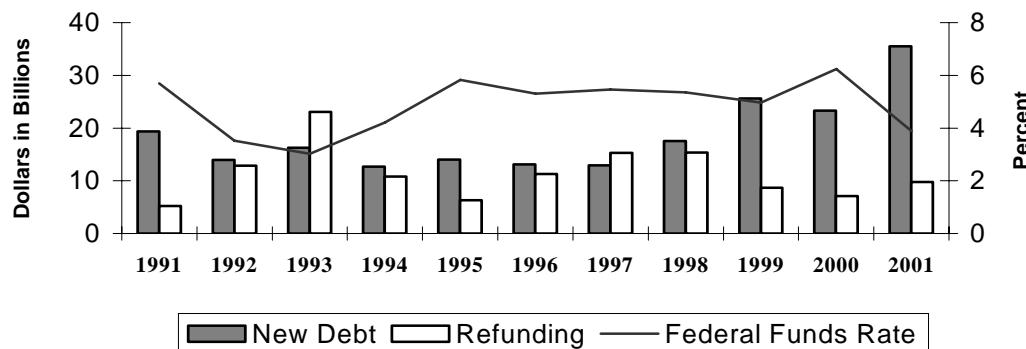
Figure 4
California Public Debt Issuance*
New Debt and Refunding Debt
2001 and 2000
(Dollars in Millions)

	2001	Percent of Total Debt	2000	Percent of Total Debt	Percent Change in Par Amount Issued 2000 to 2001
New Debt	\$33,209	73.3 %	\$23,293	76.7 %	42.6 %
Refunding Debt	12,091	26.7	7,092	23.3	70.5
Total	\$45,299	100.0 %	\$30,385	100.0 %	49.1 %

*Totals may not add and percentages may not be exact due to rounding.

Figure 5 illustrates the trend in both new debt and refunding debt issued since 1991. The rise and fall in refunding debt is related in part to the changing cost of money (illustrated in Figure 5 by the federal funds rate). The amount of refunding debt exceeded new debt issued in 1993, when the annualized federal funds rates dropped to 3.02 percent, the lowest level for the 11-year time period considered. Conversely, refunding debt was at its lowest levels in years that the federal funds rate spiked (1991, 1995, and 2000).

Figure 5
California Public Debt Issuance
New Debt and Refunding Debt
1991-2001



During 2001, the State issued \$13.4 billion in debt, of which 15.9 percent was used to refund debt issued in prior years (see Figure 6). In contrast, in 2000, the State issued \$7.7 billion in debt, of which 41.0 percent was refunding debt, a significantly higher level than in 2001. However, a significant increase in local refundings raised the total 2001 refunding figure above 2000 levels. In 2001, local agencies issued \$31.6 billion in debt, 30.9 percent of which was for refunding prior debt. In 2000, local agencies issued \$22.6 billion in debt, 17.4 percent of which was for refunding prior debt. In 2001, student loan corporations issued \$245 million in conduit revenue bonds, of which 72.9 percent was issued for refunding prior debt. In 2000, student loan corporations issued \$83 million in bonds and did not refund any prior debt.

Figure 6
State and Local Debt Issuance*
Total Debt and Refunding Debt
2001 and 2000
(Dollars in Millions)

	Amount of Debt Issued		Amount of Refunding Debt Issued			
	2001	2000	2001	% of Total	2000	% of Total
State Debt	\$13,429	\$7,708	\$2,137	15.9 %	\$3,161	41.0 %
Local Debt	31,626	22,595	9,775	30.9	3,930	17.4
Student Loan Corporations	245	83	179	72.9	0	NA
Total	\$45,299	\$30,385	\$12,091	26.7 %	\$7,092	23.3 %

*Totals may not add due to rounding.

C. California Public Debt Issuance by Type and Purpose

Of the \$45.3 billion in public debt issued by public agencies in 2001, bonds accounted for \$29.3 billion (64.8 percent) of the total (see Figure 7). Of this amount, the State issued \$7.4 billion and local agencies (including student loan corporations) issued nearly \$22.0 billion. Notes were the second largest type of debt issued, accounting for \$11.7 billion (25.9 percent). Of this amount, the State issued \$5.7 billion and local agencies issued \$6.0 billion. The third largest category of debt issued was certificates of participation/leases, accounting for \$3.4 billion (7.6 percent). Local agencies were responsible for the entire amount of certificates of participation/leases issued in 2001. The State's lease-backed debt is issued as lease-purchase revenue bonds and is included in the bond figures below.

Figure 7
State and Local Debt
Issuance by Type
2001

Total Debt Issued=\$45.3 billion

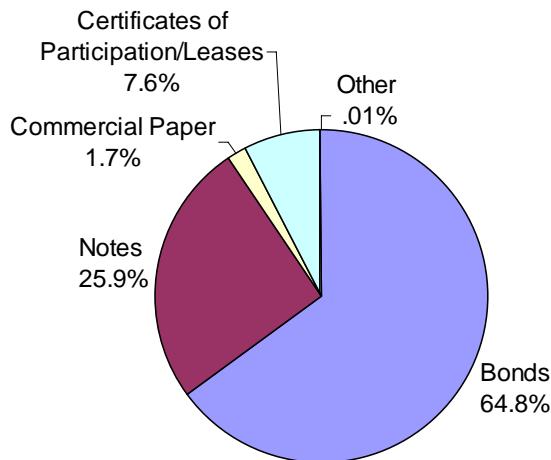
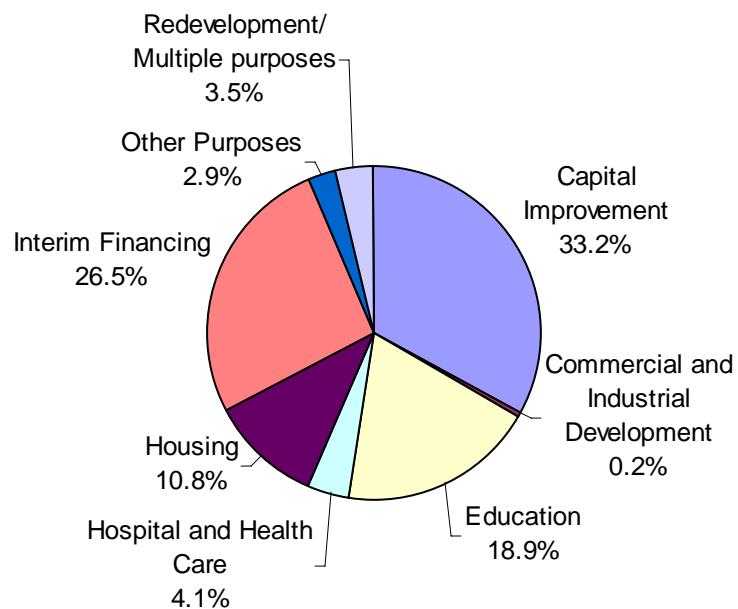


Figure 8 shows California public debt issuance by purpose in 2001. Capital improvements and public works accounted for 33.2 percent (\$15.0 billion) of the total debt sold by all California public agencies. Interim financing, education, and housing represented 26.5 percent (\$12.0 billion), 18.9 percent (\$8.6 billion), and 10.8 percent (\$4.9 billion), respectively. The remaining categories – commercial and industrial development, hospital and health care, redevelopment, and other purposes – each accounted for less than 5 percent of the total public debt issued in California in 2001.

Figure 8
State and Local Debt
Issuance by Purpose
2001

Total Debt Issued=\$45.3 billion



D. Competitive and Negotiated Financings

Figure 9 provides a comparison of negotiated and competitive financings for all public debt issued in the State. Negotiated financings in 2001 accounted for 78.2 percent of debt sold, up from 67.5 percent in 2000. While the total amount of competitively sold debt increased slightly in 2001, the share as a percent of total debt declined to 21.9 percent, down from 32.7 percent in 2000.

Figure 9
California Public Debt Issuance
Competitive and Negotiated Financings
1991 through 2001
(Dollars in Millions)

Year	Competitive		Negotiated	
	Amount	Percent of Total Debt	Amount	Percent of Total Debt
1991	\$10,001	28.7 %	\$24,821	71.3 %
1992	9,446	21.6	34,296	78.4
1993	14,826	26.2	41,850	73.8
1994	15,589	37.0	26,504	63.0
1995	5,857	21.7	21,153	78.3
1996	6,990	19.0	29,731	81.0
1997	9,440	24.6	28,971	75.4
1998	10,940	26.7	30,067	73.3
1999	8,503	24.8	25,808	75.2
2000	9,862	32.5	20,524	67.5
2001	9,884	21.8	35,416	78.2

III. STATE OF CALIFORNIA DEBT ISSUANCE

The State government issued a total of \$13.4 billion in debt in 2001, an increase of 74.2 percent from the \$7.7 billion issued in 2000 (see Figure 10). The State issued significantly greater amounts of short-term debt (in particular, \$5.7 billion in revenue anticipation notes) in 2001, primarily to meet the State's cash-flow needs. In 2000, the State did not need to issue revenue anticipation notes because of the budget surplus and the State's strong cash position. The amount of long-term debt issued by the State declined slightly (-3.3 percent) in 2001 to \$7.4 billion from \$7.6 billion in 2000. This small decline in state long-term debt issuance was due entirely to reduced general obligation debt issuance.

Figure 10
State Debt Issuance by Type*
2001 and 2000
(Dollars in Millions)

Type	2001	Percent of Total Debt	2000	Percent of Total Debt	Percent Change in Par Amount Issued 2000 to 2001
Bonds					
Conduit Revenue Bonds	\$3,242	24.1 %	\$3,040	39.4 %	6.7 %
General Obligation Bonds	3,194	23.8	3,962	51.4	-19.4
Public Enterprise Revenue Bonds	680	5.1	532	6.9	27.8
Public Lease Revenue Bonds	205	1.5	90	1.2	127.2
Revenue Bond (Pool)	49	0.4	0	0.0	NA
Subtotal, Bonds	\$7,370	54.9 %	\$7,624	98.9 %	-3.3 %
Commercial Paper	\$350	2.6 %	\$0	0.0 %	NA %
Notes					
Grant Anticipation Notes	\$0	0.0 %	\$31	0.4 %	-100.0 %
Bond Anticipation Notes	4	0.0	0	0.0	NA
Other Notes	5	0.0	53	0.7	-91.1
Revenue Anticipation Notes	5,700	42.4	0	0.0	NA
Subtotal, Notes	\$5,709	42.5 %	\$84	1.1 %	** %
Total	\$13,429	100.0 %	\$7,708	100.0 %	74.2 %

*Does not include student loan corporations. Totals may not add and percentages may not be exact due to rounding.

**Increase in debt issuance (6,694.9 percent) due to one-time issuance of revenue anticipation note, which is not captured in percentage change noted above.

As Figure 11 shows, the largest portion of state debt in 2001 was committed to interim financing for cash flow purposes (\$6.1 billion or 45.1 percent of total state debt issued). Education and housing financings accounted for \$3.2 billion and \$2.2 billion of the remaining debt issued in 2001, respectively; however, these amounts are lower than 2000 issuance levels. Debt issued for capital improvement and public works, commercial and industrial development, hospital and health care, and other purposes followed with \$1.4 billion (10.7 percent), \$38 million (0.3 percent), \$512 million (3.8 percent), and \$8 million (0.1 percent), respectively.

Figure 11
State Debt Issuance by Purpose*
2001 and 2000
(Dollars in Millions)

Purpose	2001	Percent of Total Debt	2000	Percent of Issued 2000 to Total Debt		Percent Change in Par Amount
				2000	2001	
Capital Improvements/Public Works	\$1,442	10.7 %	\$1,080	14.0 %	33.5 %	
Commercial/Industrial Development	38	0.3	102	1.3	-63.1	
Education	3,199	23.8	3,911	50.7	-18.2	
Hospital/Health Care	512	3.8	260	3.4	97.1	
Housing	2,176	16.2	2,324	30.2	-6.4	
Interim Financing, Project	6,054	45.1	31	0.4	**	
Other	8	0.1	0	0.0	NA	
Total	\$13,429	100.0 %	\$7,708	100.0 %	74.2 %	

*Does not include student loan corporations. Totals may not add and percentages may not be exact due to rounding.
**Percentage change (19,512.2 percent) due to one-time State issuance of revenue anticipation warrant.

IV. LOCAL AGENCY DEBT ISSUANCE

Local agencies issued \$31.6 billion in debt in 2001 as compared to the \$22.6 billion issued in 2000, an increase of 40.0 percent (see Figure 12). Local agencies issued more long-term debt than short-term debt in 2001. Of the \$31.6 billion issued, bonds comprised 68.7 percent (\$21.7 billion) of the total, followed by notes (19.0 percent or \$6.0 billion) and certificates of participation/leases (10.9 percent or \$3.4 billion). The amount of notes issued in 2001, including tax and revenue anticipation notes used primarily for cash flow purposes, declined 7.7 percent, from \$6.5 billion to \$6.0 billion.

Public enterprise revenue bonds were the predominant form of long-term debt issued by local agencies in 2001, representing 21.7 percent of all debt issued by local agencies. The amount of public enterprise revenue bonds issued grew 80.3 percent, from \$3.8 billion in 2000 to \$6.9 billion in 2001. Conduit revenue bonds and general obligation bonds were the second and third most popular forms of long-term debt issued by local agencies. The nominal amount of conduit revenue bonds issued grew 27.4 percent, from \$3.0 billion in 2000 to nearly \$3.9 billion in 2001. General obligation debt grew at a similar rate of 25.0 percent, from \$3.1 billion in 2000 to \$3.8 billion in 2001.

Figure 12
Local Debt Issuance by Type*
2001 and 2000
(Dollars in Millions)

Type	2001	Percent of Total Debt	2000	Percent of Total Debt	Percent Change 2000 to 2001
Bonds					
Conduit Revenue Bonds	\$3,863	12.2 %	\$3,032	13.4 %	27.4 %
General Obligation Bonds	3,813	12.1	3,051	13.5	25.0
Limited Tax Obligation Bonds	932	2.9	583	2.6	59.9
Other Bonds	1,593	5.0	251	1.1	535.4
Public Enterprise Revenue Bonds	6,858	21.7	3,804	16.8	80.3
Public Lease Revenue Bonds	1,257	4.0	866	3.8	45.2
Revenue Bonds (Pool)	681	2.2	230	1.0	196.3
Sales Tax Revenue Bonds	838	2.7	207	0.9	304.9
Special Assessment Bonds	512	1.6	292	1.3	75.4
Tax Allocation Bonds	1,388	4.4	774	3.4	79.3
Subtotal, Bonds	\$21,735	68.7 %	\$13,089	57.9 %	66.1 %
Certificates of Participation/Leases	\$3,444	10.9 %	\$2,330	10.3 %	47.8 %
Commercial Paper	\$420	1.3 %	\$655	2.9 %	-35.8 %
Notes					
Bond Anticipation Notes	\$37	0.1 %	\$125	0.6 %	-70.1 %
Grant Anticipation Notes	66	0.2	81	0.4	-18.7
Other Notes	106	0.3	155	0.7	-31.3
Revenue Anticipation Notes	29	0.1	62	0.3	-52.8
Tax Allocation Notes	16	0.1	20	0.1	-19.7
Tax and Revenue Anticipation Notes	5,693	18.0	6,054	26.8	-6.0
Tax Anticipation Notes	73	0.2	24	0.1	204.2
Subtotal, Notes	\$6,021	19.0 %	\$6,521	28.9 %	-7.7 %
Other Debt	\$6	0.0 %	\$0	0.0 %	NA %
Total	\$31,626	100.0 %	\$22,595	100.0 %	40.0 %

*Totals may not add and percentages may not be exact due to rounding.

As Figure 13 shows, 43 percent of all local agency debt issued in 2001 was used for capital improvements and public works. The \$13.6 billion issued for this purpose represents a 76.9 percent increase from the prior year. Most of the increase can be attributed to a rise in debt issuance for power generation/transmission (\$2.9 billion); water supply, storage and distribution (\$2.6 billion); multiple capital improvements/public works (\$2.5 billion); and public transit (\$1.2 billion). Interim financing and education were the second and third largest categories of debt issuance by purpose, respectively. However, the amount of debt issued for interim financing actually declined 15.5 percent in 2001 to \$5.9 billion from \$7.0 billion in 2000, whereas issuance for education purposes rose 43.1 percent in 2001 to \$5.1 billion from nearly \$3.6 billion in 2000.

Other debt issuance areas experienced significant increases in debt issuance in 2001. Debt issuance for other purposes, hospital and health care, and redevelopment/multiple purposes increased 404.6 percent, 122.6 percent,

and 103.4 percent respectively. In addition to interim financing, commercial and industrial development was the only other debt issuance category to decline in 2001 (-6.6 percent).

Figure 13
Local Debt Issuance by Purpose*
2001 and 2000
(Dollars in Millions)

Purpose	2001	Percent of Total Debt	2000	Percent of Total Debt	Percent Change 2000 to 2001
Capitol Improvement and Public Works	\$13,586	43.0 %	\$7,681	34.0 %	76.9 %
Commercial and Industrial Development	50	0.2	53	0.2	-6.6
Education	5,111	16.2	3,572	15.8	43.1
Hospital and Health Care Facilities	1,336	4.2	600	2.7	122.6
Housing	2,727	8.6	2,634	11.7	3.5
Interim Financing	5,929	18.7	7,019	31.1	-15.5
Other	1,311	4.1	260	1.2	404.6
Redevelopment/Multiple Purposes	1,576	5.0	775	3.4	103.4
Total	\$31,626	100.0 %	\$22,595	100.0 %	40.0 %

*Totals may not add and percentages may not be exact due to rounding.

V. MELLO-ROOS COMMUNITY FACILITIES DISTRICTS

Mello-Roos Community Facilities Districts (CFDs), formed primarily for the construction of local capital improvements (for example, streets and sewers) and school facilities, sold 95 issues in 2001 for a total volume of \$922.7 million. The total debt issued by Mello-Roos CFDs in 2001 increased by nearly 45 percent from the \$636.4 million issued in 2000. New debt issued rose 47.7 percent, to \$773.0 million in 2001 from \$523.4 million in 2000. Refunding debt also increased by 32.5 percent, to \$149.6 million in 2001 from \$113.0 million in 2000. Figure 14 shows the change in Mello-Roos debt issuance (new debt and refunding debt) from 1991 through 2001.

Figure 14
Mello-Roos Debt Issuance
New Debt and Refunding Debt
1991 through 2001

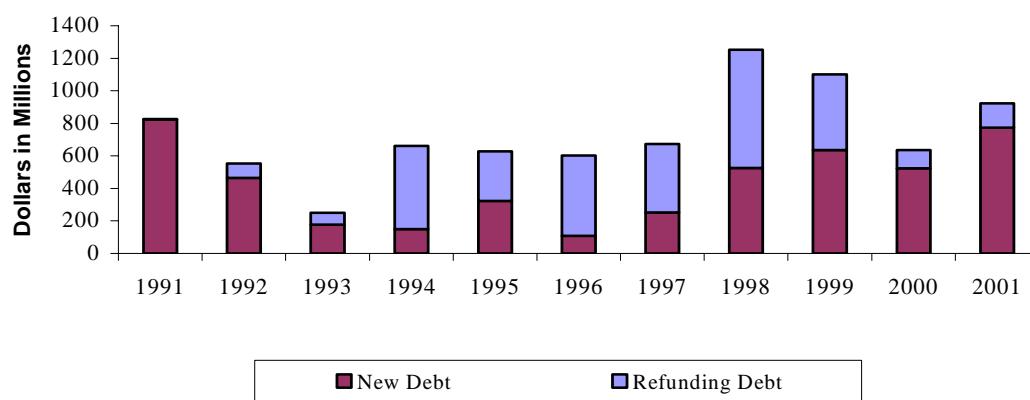
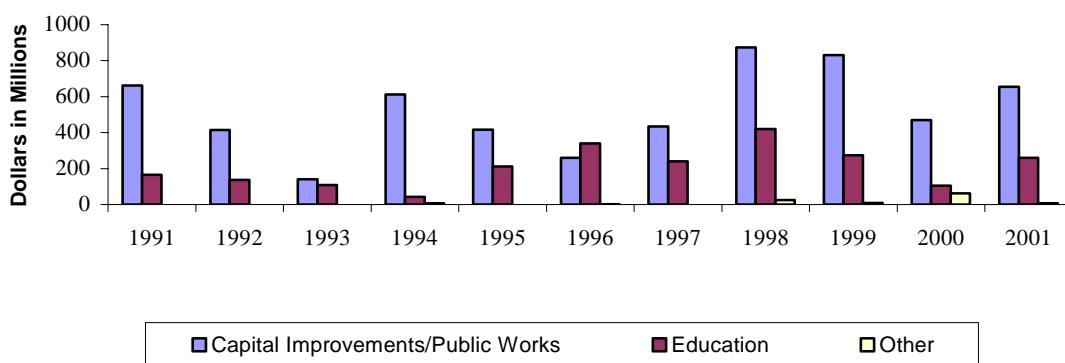


Figure 15 indicates the volume of Mello-Roos bonds by purpose for 1991 through 2001. Capital improvements and public works continues to dominate Mello-Roos debt issuance in 2001 with \$655 million in debt issued, an increase of 39.4 percent over the 2000 level. Education-related Mello-Roos debt issuance also grew, rising to \$260.4 million in 2001, a 149.3 percent increase over the 2000 level of \$104.4 million.

Figure 15
Mello-Roos Debt Issuance by Purpose
1991 through 2001



A. Defaults and Draws

Issuers of Mello-Roos bonds must report any default, defined as a non-payment of principal and interest on any scheduled payment date, or any draw on the reserve funds to pay principal and interest on the bonds beyond levels set by CDIAC. From 1994 (the first year reports to CDIAC were required) through 1996, the total number of reported defaults each year did not exceed nine. By 1996, the number of defaults and draws combined reached 48. In 1997, the number of defaults and draws combined grew to 58, its highest level over the eight-year reporting period; however, since that year the total number has dropped significantly. In 2001, defaults and draws totaled 13, their lowest level since CDIAC began collecting this information.

Figure 16 Mello-Roos Community Facilities Districts Number of Defaults/Draws by Year 1994 through 2001			
Year	Number of Defaults	Number of Draws	Total
1994	6	21	27
1995	9	35	44
1996	8	40	48
1997	24	34	58
1998	27	12	39
1999	16	10	26
2000	8	7	15
2001	12	1	13

Additional information on Mello-Roos CFDs and their defaults or draws is available in CDIAC's annual *Mello-Roos Communities Facilities Districts Yearly Fiscal Status Report*. CDIAC also periodically reports on defaults and draws on its website at www.treasurer.ca.gov/cdiac.

VI. THE CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

The California Debt and Investment Advisory Commission (CDIAC) provides information, education and technical assistance on public debt, investments, and economic development financing tools to local public agencies and other public finance professionals. The Commission was created in 1981 with the passage of Chapter 1088, Statutes of 1981 (AB 1192, Costa). This legislation established the California Debt Advisory Commission as the State's clearinghouse for public debt issuance information and required it to assist state and local agencies with the monitoring, issuance, and management of public debt (see Appendix A). The Commission's name was changed to the California Debt and Investment Advisory Commission with the passage of Chapter 833, Statutes of 1996 (AB 1197 Takasugi) and its mission was expanded to cover public investments. The Commission is specifically required to:

- Serve as the state's clearinghouse for debt issuance information.
- Publish a monthly newsletter.
- Maintain contact with participants in the municipal debt industry to improve the market for public debt.
- Provide technical assistance to state and local governments to reduce issuance costs and protect the issuers' credit.
- Undertake or commission studies on methods to reduce issuance costs and improve credit ratings.
- Recommend legislative changes to improve the sale and payment of debt.
- Assist state financing authorities and commissions in carrying out their responsibilities.
- Collect specific financing information on debt issued through Mello-Roos Community Facilities Districts after January 1, 1993 or as a member of a Marks-Roos Bond Pool beginning January 1, 1996; and collect reports of draw on reserves or defaults from Mello-Roos Community Facilities Districts and Marks-Roos from public financing agencies required to report within 10 days of each occurrence.
- In conjunction with statewide associations representing local agency financial managers and elected officials, develop a continuing education program aimed at state and local officials who have direct or supervisory responsibility for the investment of public funds.
- Collect 2nd and 4th quarterly financial investment reports as well as annual investment policies from cities and counties to further CDIAC's educational responsibilities.
- Receive notice of public hearings and copies of resolutions adopted by a Joint Powers Authority for certain bonds authorized pursuant to Marks-Roos Local Bond Pooling Act of 1985.

A. Commission Members

The Commission consists of nine members, including the State Treasurer, the Governor or the Director of Finance, the State Controller, two local government finance officials, two Assembly Members, and two Senators. The State Treasurer serves as the Chairperson and appoints the two local government officials. The Speaker of the Assembly appoints the Assembly representatives and the Senate Rules Committee appoints the Senate representatives. Appointed members serve four-year terms, or at the pleasure of their appointing power. The Commission directs the activities of the staff.

The 2002 Commission members included: Phil Angelides, State Treasurer; Gray Davis, Governor, or Timothy Gage, Director of Finance; Kathleen Connell, State Controller; State Senator Charles Poochigian; State Senator Mike Machado; State Assembly Member Louis J. Papan; State Assembly Member S. Joseph Simitian; Susan Leal, Treasurer, City and County of San Francisco; and Donna Linton, Assistant County Administrator, County of Alameda.

B. Commission Programs

In order to carry out its mission of assisting state and local agencies on matters related to debt issuance and management, the investment of public funds, and economic development financing tools, the Commission engages in a wide range of activities and functions. These activities can be classified into three general program areas: data collection, policy research, and technical assistance.

1. Data Collection

In compliance with its statutory requirements, CDIAC maintains a debt issuance database. The debt issuance repository is considered the most comprehensive and accessible database of California debt issuance in existence. Depending on the needs of state and local governments and market conditions, the volume of data processed may range from 2,500 to 4,000 individual debt issuance reports received each year. Data from these reports are the basis for debt statistics and analyses released by the Commission.

As the state's clearinghouse for public debt issuance information, the Commission has compiled data on all public debt issued in California since January 1, 1982. All issuers of state and local government debt are required to submit issue-related information to the Commission 30 days prior to the proposed sale date. In addition, no later than 45 days from the actual sale date, issuers are required to submit a report of final sale to the commission. The information reported to CDIAC includes the sale date, the name of the issuer, the type of sale, the principal amount, the type of debt instrument, the source(s) of repayment, the purpose of the financing, the rating of the issue, and the members of the financing team.

Effective January 1, 1997, CDIAC instituted, for use by all bond counsels and issuers or their representatives, reporting forms to report debt issuance pursuant to California Government Code Section 8855(g). CDIAC periodically updates its reporting forms (*Report of Proposed Debt Issuance* and *Report of Final Sale*). The most recent version may be obtained directly from CDIAC or by visiting its Internet web site at www.treasurer.ca.gov/cdiac.

The results of the report submissions are published in a monthly calendar of debt issuance in the *DEBT LINE* monthly newsletter and included in annual reports on debt issuance (for a complete list of CDIAC publications, see Appendix C).

ACCESS TO CDIAC DEBT ISSUANCE DATA

Print Distribution – Printed debt issuance data is available free of charge.

Data on Disk Subscriptions – Subscribers receive a computer diskette each month containing the data on sold issues reported to CDIAC in the previous 30-day period. A pre-paid subscription for the calendar year costs \$77.00, including tax. Most current year data, however, can be delivered free of charge by e-mail. Prior calendar year data may be purchased for \$6.47 per year.

CDIAC On-Line – The CDIAC website is located at <http://www.treasurer.ca.gov/cdiac> or through the State Treasurer's home page under *Boards and Commissions*.

The CDIAC website provides the latest statistics on state and local debt issuance from CDIAC's database, selected information about CDIAC, CDIAC reports, seminar schedules, fee schedules, reported defaults and draws for Mello-Roos and Marks-Roos financings, and reporting forms for debt issuance.

E-mail – CDIAC also can be contacted by e-mail at cdiac@treasurer.ca.gov.

2. Policy Research

The Commission's mandated duties include some that are intended to improve the market for, and indeed the marketability of, public debt issued in California. Such functions include efforts to maintain contact with participants in the municipal debt industry, to undertake or commission studies of various aspects of the market in order to provide guidance to state and local debt issuers, and to recommend legislative changes in matters affecting public debt issuers. To fulfill these functions, CDIAC's Policy Research Unit draws on information from CDIAC's debt issuance database, public and private experts throughout the municipal industry, public and private finance groups, periodicals and journals, and other existing resources. Research staff are knowledgeable of developments and events in the municipal and other financial markets, and work in conjunction with the Executive Director and with input and advice from Commission members and industry participants to determine what areas of interest to conduct research and analysis. Research staff prepares their findings and recommendations in the form of Issue Briefs, technical reports, and articles for the *DEBT LINE* monthly newsletter.

Since 1996, the Commission also has been charged with providing education and assistance to local government officials on public investments. This mandate has lead to the publication of several reports and to new statutory requirements (e.g., effective January 1, 2001, California cities and counties must provide copies of certain local investment reports to CDIAC twice annually). More recently, CDIAC has begun providing information to public officials on state financing tools available for revitalizing their communities through a resource reference guide that contains details on select state financing programs with contact information.

CDIAC researches issues that are of current interest and have practical relevance to public finance practitioners. These projects are typically designed to (1) keep issuers/investors apprised of emerging trends in public finance, (2) develop ways of reducing issuance costs, (3) provide financing options for local issuers, and (4) preserve the integrity and viability of the public finance market by alerting policy makers to potential problem areas.

Reports completed in 2001 include:

- Annual Report (1999 and 2000)
- Calendar of Debt Issuance (1999 and 2000)
- Summary of Debt Issuance (1999 and 2000)
- Revised Local Agency Investment Guidelines for 2001
- State and Local Bond and Tax Ballot Measures: Results of the November 2000 General Election
- Quick Reference Guide to Debt Issuance and Public Investment Seminars

3. Technical Assistance

CDIAC places a high priority on making its data and expertise available to public agencies in useful forms. Accessibility is the crux of the technical assistance program. CDIAC's formal technical assistance program has two components. The first component is its seminar program. Since 1984, CDIAC has organized educational seminars focusing on public finance matters and the debt issuance process. Offered throughout the year at various locations in the State, CDIAC seminars are designed to: (1) introduce public officials who are new to the field of public finance to the debt issuance and investment process; (2) strengthen the expertise of public officials who are familiar with the municipal debt issuance process and the investment of public funds; and (3) inform public officials about current topics that may affect public finance, public debt issuance, and the investment of public funds. Recently, CDIAC has introduced new seminars that provide public officials with information on state financing programs available to local governments to assist in revitalizing their communities. Included in these programs is information on grants, loans, and debt and equity financing options available through state financing agencies for purposes such as brownfield redevelopment, industrial development financing, and private health facility/education facility financing. The majority of the public officials who attend CDIAC seminars are from local agencies, while the remainder are from state and federal agencies.

CDIAC offered the following seminars in 2001:

- *Advanced Concepts and Practices for Investing Public Funds*, March 15-16, 2001, Concord Hilton, Concord, California
As the second seminar in CDIAC's investment series, this one and one-half day program is designed to give local public officials and their staff a more advanced, in-depth coverage of topics concerning the investment of public funds, including: understanding the economics of public investment, managing the investment of both bond proceeds and operating funds, evaluating investment objectives, selecting the appropriate investment instruments, and conducting and accounting for investment transactions.
- *Mechanics of a Bond Sale*, April 5-6, 2001, Hilton Sacramento Arden West, Sacramento, California
This is CDIAC's intermediate debt issuance course. It is a one and one-half day program. This program covers the methods of structuring a debt financing, selecting a financing team, preparing legal documents, working with rating agencies, marketing and pricing a debt issue, understanding federal arbitrage rules and regulations, and investing bond proceeds.

- *Portfolio Decision Making Workshop*, August 10, 2001, State Treasurer's Office Building, Sacramento, California
This half-day investment workshop is specifically designed for local public officials and their staff who may be involved in the day-to-day management of an investment portfolio or who are interested in a better understanding of the public investment process. Participants in this program take part in a discussion and hands-on exercise in evaluating the various options open to local public officials when investing in public funds.
- *The Fundamentals of Debt Financing*, September 27-28, 2001, Embassy Suites, San Rafael, California
This is CDIAC's beginning debt issuance seminar. The first in a series of three debt issuance courses, this one and one-half day seminar is designed to provide participants with fundamental terms, concepts, and processes relating to debt issuance. Topics covered in this course include: roles and responsibilities of the issuer as well as other members of the financing team; types of long term financing; an overview of initial and continuing disclosure; how credit ratings and investor needs can be incorporated into an issuer's bond structure; and the fundamentals of a bond sale.
- *Investing Public Funds: Fundamentals of Managing Your Portfolio*, October 25-26, 2001, Westin San Francisco Airport Hotel, Millbrae, California
This is CDIAC's beginning investments course. This one and one-half day seminar is designed to provide local public officials and their staff involved in the investment of public funds with the opportunity to obtain information about investment concepts and instruments, cash flow analysis, investing operating funds and bond proceeds in California, fiduciary and investment oversight responsibilities, and general portfolio management.
- *Advanced Topics in Debt Issuance*, November 8-9, 2001, Sheraton Gateway Hotel, Los Angeles Airport, Los Angeles, California
As the third seminar in CDIAC's debt issuance series, this one and one-half day program provides information on the more challenging aspects of debt issuance. Participants will gain in-depth knowledge about debt structuring considerations, methods of evaluating bond pricing and underwriter compensation, and strategies for utilizing bond pooling as a financing technique. At its conclusion, this program provides participants with the opportunity to apply what they have learned in a case study.

In addition to the educational seminars, CDIAC has acted as co-sponsor of public finance-related conferences, symposia and seminars conducted by industry participants and statewide associations. Such co-sponsorships allow CDIAC to contribute its expertise to the event, increase contacts with experts from public and private sectors, and keep abreast of current matters affecting public finance and the debt issuance process.

The third component of CDIAC's technical assistance program is responding to inquiries concerning California debt issuance. The Commission receives daily contacts from representatives of public and private entities and the media for data on debt issuance and information on the nature and application of specific debt instruments. CDIAC staff responds to over 2,000 such requests for information or assistance each year.

C. Commission Funding and Expenditures

The Commission is funded out of the California Debt and Investment Advisory Commission Fund, established under Chapter 1088 (Statutes of 1981). The CDIAC Fund is supported by fees levied on debt issues reported to the Commission. Specifically, the Commission is authorized to charge a fee to the lead underwriter or purchaser of a debt issue equal to one-fortieth of 1 percent (2.5 basis points), up to \$5,000 for each issue.

In late 1995, the Commission took action to avert a deficit in CDIAC's Fund by increasing reporting fees. The goal was to generate revenues that would cover CDIAC's current operating costs as well as to restore its reserve to an appropriate level. With the increase in reporting fees, the goal was met more quickly than anticipated. A notable increase in the *number* of debt issues sold caused fee revenues to exceed estimates.

In an effort to draw down excess funds that had accumulated in CDIAC's reserve as a result of the fee increase, the Commission approved a two-phase fee reduction in February of 1998. The first phase reduced fees below the level needed to fully fund current operations in order to spend down the excess balance in the reserve. The second phase was planned to provide for an increase in fees to a level necessary to fully fund operations for the next fiscal year. When it was determined that there was still a need to spend down the excess funds in the reserve, the Commission deferred the planned fee increase for another year. Since that time, CDIAC has annually deferred the fee increase. Currently, the fee increase has been deferred until July 1, 2003. A copy of the revised fee schedule can be found in Appendix B.

As Figure 17 indicates, the Commission began the year with a fund balance of almost \$4.1 million and added to that reimbursements and revenues of \$1.7 million, to total \$5.8 million in resources for the 2000-2001 fiscal year. Expenses for 2000-2001 totaled \$1.3 million, resulting in an ending fund balance of nearly \$4.5 million. It should be noted that expenditures were lower than revenues due in part to a number of staff vacancies resulting in salary savings.

Figure 17
California Debt and Investment Advisory Commission
Operating Revenues and Expenditures
Fiscal Year 2000-2001

	Amount
Revenues:	
Beginning balance (7/1/00)	\$4,066,000
Fees and Interest Earnings	1,682,000
Reimbursements	59,054
Total revenues	\$5,807,054
Expenditures:	
Staff salaries	\$637,674
Staff benefits	104,963
General expense	52,489
Printing	53,938
Communications	9,330
Postage	10,199
In-state travel	14,223
Out-of-state travel	6,794
Training	15,658
Facilities operation	90,802
Consultant/professional contracts	276,767
Data processing	431
Central administrative services	41,733
Total expenditures	\$1,315,001
Ending balance (6/30/01)	\$4,492,053

ENABLING LEGISLATION

STATE OF CALIFORNIA GOVERNMENT CODE

DIVISION 1 OF TITLE 2 (*EXCERPT*)

Chapter 11.5 CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

§ 8855. Creation, composition, term; officers; compensation; powers and duties

(a) There is created the California Debt and Investment Advisory Commission, consisting of nine members, selected as follows:

- (1) The Treasurer, or his or her designee.
- (2) The Governor or the Director of Finance.
- (3) The Controller, or his or her designee.

(4) Two local government finance officers appointed by the Treasurer, one each from among persons employed by a county and by a city or a city and county of this state, experienced in the issuance and sale of municipal bonds and nominated by associations affiliated with these agencies.

- (5) Two Members of the Assembly appointed by the Speaker of the Assembly.
- (6) Two Members of the Senate appointed by the Senate Committee on Rules.

(b) (1) The term of office of an appointed member is four years, but appointed members serve at the pleasure of the appointing power. In case of a vacancy for any cause, the appointing power shall make an appointment to become effective immediately for the unexpired term.

(2) Any legislators appointed to the commission shall meet with and participate in the activities of the commission to the extent that the participation is not incompatible with their respective positions as Members of the Legislature. For purposes of this chapter, the Members of the Legislature shall constitute a joint interim legislative committee on the subject of this chapter.

(c) The Treasurer shall serve as chairperson of the commission and shall preside at meetings of the commission. The commission, on or after January 1, 1982, and annually thereafter, shall elect from its

members a vice chairperson and a secretary who shall hold office until the next ensuing December 31 and shall continue to serve until their respective successors are elected.

(d) Appointed members of the commission shall not receive a salary, but shall be entitled to a per diem allowance of fifty dollars (\$50) for each day's attendance at a meeting of the commission not to exceed three hundred dollars (\$300) in any month, and reimbursement for expenses incurred in the performance of their duties under this chapter, including travel and other necessary expenses.

(e) The commission shall do all of the following:

(1) Assist all state financing authorities and commissions in carrying out their responsibilities as prescribed by law, including assistance with respect to federal legislation pending in Congress.

(2) Upon request of any state or local government units, to assist them in the planning, preparation, marketing, and sale of new debt issues to reduce cost and to assist in protecting the issuer's credit.

(3) Collect, maintain, and provide comprehensive information on all state and all local debt authorization, sold and outstanding, and serve as a statistical clearinghouse for all state and local debt issues. This information shall be readily available upon request by any public official or any member of the public.

(4) Maintain contact with state and municipal bond issuers, underwriters, credit rating agencies, investors, and others to improve the market for state and local government debt issues.

(5) Undertake or commission studies on methods to reduce the costs and improve credit ratings of state and local issues.

(6) Recommend changes in state laws and local practices to improve the sale and servicing of state and local debts.

(7) Establish a continuing education program for local officials having direct or supervisory responsibility over municipal investments, and undertake other activities conducive to the disclosure of investment practices and strategies for oversight purposes.

(8) Collect, maintain, and provide information on local agency investments of public funds for local agency investment.

(f) The city, county, or city and county investor of any public funds, no later than 60 days after the close of the second and fourth quarters of each calendar year, shall provide the quarterly reports required pursuant to Section 53646 and, no later than 60 days after the close of the quarter of each calendar year and 60 days after the subsequent amendment thereto, provide the statement of investment policy required pursuant to Section 53646, to the commission by mail, postage prepaid, or by any other method approved by the commission. The commission shall collect these reports to

further its educational responsibilities as described under subdivision (e). Nothing in this section shall be construed to create additional oversight responsibility for the commission or any of its members. Sole responsibility for control, oversight, and accountability of local investment decisions shall remain with local officials. The commission shall not be considered to have any fiduciary duty with respect to any local agency income report received under this subdivision. In addition, the commission shall not have any legal liability with respect to these investments.

(g) The commission may adopt bylaws for the regulation of its affairs and the conduct of its business.

(h) The issuer of any proposed new debt issue of state or local government shall, no later than 30 days prior to the sale of any debt issue at public or private sale, give written notice of the proposed sale to the commission, by mail, postage prepaid. This subdivision shall also apply to any nonprofit public benefit corporation incorporated for the purpose of acquiring student loans.

(i) The notice shall include the proposed sale date, the name of the issuer, the type of debt issue, and the estimated principal amount thereof. Failure to give this notice shall not affect the validity of the sale.

(j) The issuer of any new debt issue of state or local government, not later than 45 days after the signing of the bond purchase contract in a negotiated or private financing, or after the acceptance of a bid in a competitive offering, shall submit a report of final sale to the commission by mail, postage prepaid, or by any other method approved by the commission. A copy of the final official statement for the issue shall accompany the report of final sale. The commission may require information to be submitted in the report of final sale that it considers appropriate.

(k) The commission shall publish a monthly newsletter describing and evaluating the operations of the commission during the preceding month.

(l) The commission shall meet on the call of the chairperson, or at the request of a majority of the members, or at the request of the Governor. A majority of all nonlegislative members of the commission constitutes a quorum for the transaction of business.

(m) All administrative and clerical assistance required by the commission shall be furnished by the office of the Treasurer.

(n) The commission, no later than May 1, 2006, shall report to the Legislature describing its activities since the inception of the local agency investment reporting program regarding the collection and maintenance of information on local agency investment practices and how the commission uses that information to fulfill its statutory goals.

§ 8856. Fees

(a) In carrying out the purposes of this chapter, the commission may charge fees to the lead underwriter or the purchaser in an amount equal to one-fortieth of 1 percent of the principal amount of the issue, but not to exceed five thousand dollars (\$5,000) for any one issue. Amounts received under this section shall be deposited in the California Debt and Investment Advisory Commission Fund, which

is hereby created in the State Treasury. All money in the fund shall be available, when appropriated, for expenses of the commission and the Treasurer.

(b) Until fees are received by the advisory commission and appropriated pursuant to this chapter for the expenses of the commission and the Treasurer, the commission may borrow the moneys required for the purpose of meeting necessary expenses of initial organization and operation of the commission.

§ 8857. Employees

The chairperson of the commission, on its behalf, may employ an executive director and other persons necessary to perform the duties imposed upon it by this chapter. The executive director shall serve at the pleasure of the commission and shall receive compensation as fixed by the commission. The commission may delegate to the executive director the authority to enter contracts on behalf of the commission.

§ 8858. Annual Report; outstanding state and local public debt; recent trends

Notwithstanding Section 7550.5, the commission shall prepare an annual report compiling and detailing the total amount of outstanding state and local public debt and examining recent trends in the composition of that outstanding debt. The report shall reflect all bonded indebtedness issued by governmental entities, including, but not limited to, the state and state authorities, school districts, cities, counties, city and counties, special districts, joint powers agencies, redevelopment agencies, and community college districts. The commission shall obtain the information for this report from existing sources, including the Controller, the State Department of Education, and the Chancellor's office of the California Community Colleges, and these agencies shall assist the commission in carrying out this section.

§ 8859. Advice regarding local bond pooling authorities

The commission may, upon request, advise local agencies regarding the formation of local bond pooling authorities pursuant to Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1, and may advise the authorities regarding the planning, preparing, insuring, marketing, and selling of bonds as authorized by that article.

REPORTING FEE SCHEDULE
Date of Adoption: June 6, 2002

Pursuant to Section 8856 of the California Government Code, the California Debt and Investment Advisory Commission (CDIAC) adopted the following two-phased fee schedule effective upon adoption.

1. **Issues Purchased by Agencies of the Federal Government:** No fee shall be charged on any issue purchased by an agency of the Federal Government.
2. **Issues of Less Than \$1,000,000:** No fee shall be charged to the lead underwriter or purchaser of any public debt issue which has a par value amount less than one million dollars (\$1,000,000), regardless of the term of the issue.
3. **Issues with Short-Term Maturities:** Notwithstanding Sections 1 and 2 above, the lead underwriter or purchaser of any public debt issue which has a maturity of eighteen (18) months or less, including those issues sold in a pooled financing (e.g., a TRAN pool), shall be required to pay a fee to the California Debt and Investment Advisory Commission in accordance with the following schedule:
 - A. For such issues sold on April 1, 1998 through June 30, 2003, the fee will be equal to one hundred and fifty dollars (\$150).
 - B. For such issues sold on or after July 1, 2003, the fee will be equal to two hundred dollars (\$200).
4. **Issues with Long-Term Maturities:** Notwithstanding Sections 1, 2, and 3 above, the lead underwriter or purchaser of any public debt issue which has a final maturity greater than eighteen (18) months shall be required to pay a fee to the California Debt and Investment Advisory Commission in accordance with the following fee schedule:
 - A. For such issues sold on April 1, 1998 through June 30, 2003, the fee will be equal to 1.5 basis points (0.00015) not to exceed three thousand dollars (\$3,000).
 - B. For such issues sold on or after July 1, 2003, the fee will be equal to 2.0 basis points (.0002) not to exceed four thousand dollars (\$4,000).
5. **Marks-Roos Financing Authority Issues:** One fee will be assessed for Marks-Roos Financing Authority bond issues where the bond sales occur simultaneously (i.e., reports filed with the Commission are received on the same date, financings are sold on the same date, and with the same financing team).
6. **All Proposed and Final Sales to be Reported to the California Debt and Investment Advisory Commission:** Nothing in this fee schedule shall relieve an issuer from giving written notice of a proposed debt issue no later than 30 days prior to the proposed sale, or to give final sale information within 45 days of the sale, to the California Debt and Investment Advisory Commission as required by Sections 8855(g) and (i) of the California Government Code.

APPENDIX C

CURRENT LIST OF PUBLICATIONS

For information on how to receive the publications listed below, please call or write the:

*California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400
Sacramento, CA 95814*

*P.O. Box 942809
Sacramento, CA 94209-0001*

*PHONE: (916) 653-3269
FAX: (916) 654-7440
E-MAIL: cdiac@treasurer.ca.gov
or access CDIAC's website at:
www.treasurer.ca.gov/cdiac*

The following materials are available at cost:

DEBT ISSUANCE PRIMER

1998 CALIFORNIA DEBT ISSUANCE PRIMER, California Debt and Investment Advisory Commission and Orrick, Herrington & Sutcliffe, April, 1998.

A comprehensive handbook of the debt issuance process in California. This handbook is available for \$25.00 per copy.

The following publications are provided free of charge to interested parties upon request:

MONTHLY PUBLICATION

DEBT LINE, A MONTHLY PUBLICATION, California Debt and Investment Advisory Commission, 1982 to present.

The legislatively-mandated newsletter provides a calendar listing of all proposed and sold debt issues reported to CDIAC, as required by law, as well as summary tables and articles related to public debt and the investment of public funds.

DEBT LINE OFFPRINTS

Selected articles from CDIAC's monthly newsletter, *DEBT LINE*, relating to public debt and investment issues:

- Sources of Supplemental Funding for Infrastructure - May 2000
- Validation Actions and Public Finance - July 2000
- Understanding Special Districts and Public Debt - August 2000
- Special Districts and Public Debt: Part Two - September 2000
- Price Transparency Efforts in the Municipal Securities Market - October 2000
- The Role and Use of Repositories in the Disclosure Process for Municipal Securities - November 2000

- Municipal Finance Outlook for 2001 - January 2001
- Public Debt Issued for K-12 Educational Purposes in 2000 - March 2001
- Local Agency Investment Portfolio Management - April 2001
- 2000 California Debt Issuance Shows Slight Decline - April 2001
- Special Assessment and Special Tax Revenue Financing in California - May 2001
- Survey of State, County and City Web Sites: Use of Electronic Disclosure - June 2001
- Portfolio Management Strategies for Local Agencies - June 2001
- Financing Design-Build Construction: One City's Experience - Part I - Defining Design-Build - August 2001
- Financing Design-Build Construction: One City's Experience - Part II - San Francisco's Experience - September 2001
- Introduction of the 4-Week Treasury Bill - October 2001
- Usage and Perceptions of Electronic Disclosure: A Survey - January 2002
- A Vision for California - March 2002
- Electronic Disclosure Issue Brief - April 2002
- Cost Reduction Strategies for Public Agencies - April 2002
- The Role and Use of Repositories in the Disclosure Process for Municipal Securities - April 2002
- CUSIP Numbers: How a Well-established Market Tool May Contribute to Improving Continuing Disclosure - May 2002
- A Tale of 3 Airports: The Effect of September 11th and the Regional Recession on San Francisco Bay Area Airports Part I - May 2002.
- Conduit Financing For Commercial Development: The Element of Risk - May 2002
- Tools to Revitalize California Communities: CDIAC Sponsors Session at 2002 CALED Conference - May 2002
- Part II: A Tale of 3 Airports - June 2002
- CDIAC Sponsors Session at 2002 County Auditor's Association of California Conference - June 2002
- California Debt Issuance Increases in First Six Months of 2002 - August 2002
- Extra Credit Home Purchase Program Benefits Teachers, Students and Community - August 2002
- Tools to Revitalize California Communities - August 2002
- I-Bank: Financing Facilities That Build Communities - September 2002
- Managing Your Investment Program in Today's Market - September 2002
- CDIAC Surveys Issuers on National Association of Bond Lawyers Proposal - September 2002

ANNUAL REPORTS

ANNUAL REPORT 2001 [CDIAC#02-6]

ANNUAL REPORT 2000 [CDIAC #01-7]

ANNUAL REPORT 1999 [CDIAC #01-2]

ANNUAL REPORT 1998 [CDIAC #99-6]

ANNUAL REPORT 1997 [CDIAC #98-4]

ANNUAL REPORT 1996 [CDIAC #97-5]

ANNUAL REPORT 1995 [CDIAC #96-4]

ANNUAL REPORT 1994 [CDIAC #95-2]

This report provides the history of the Commission, a profile of its members, a discussion of topical events in California public finance, a review of debt issuance statistics and Commission activities, and a preview of the Commission's planned programs for the following year.

2001 CALENDAR OF DEBT ISSUANCE [CDIAC #02-8]

2000 CALENDAR OF DEBT ISSUANCE [CDIAC #01-9]

1999 CALENDAR OF DEBT ISSUANCE [CDIAC #01-4]

1998 CALENDAR OF DEBT ISSUANCE [CDIAC #99-4]

1997 CALENDAR OF DEBT ISSUANCE [CDIAC #98-3]

1996 CALENDAR OF DEBT ISSUANCE [CDIAC #97-6]

1995 CALENDAR OF DEBT ISSUANCE [CDAC #96-3]

1994 CALENDAR OF DEBT ISSUANCE [CDAC #95-8]

1993 CALENDAR OF DEBT ISSUANCE [CDAC #94-5]

1992 CALENDAR OF DEBT ISSUANCE [CDAC #93-6]

1991 CALENDAR OF DEBT ISSUANCE [CDAC #92-5]

1990 CALENDAR OF DEBT ISSUES, California Debt Advisory Commission, June 1, 1990

1989 CALENDAR OF ISSUES, California Debt Advisory Commission, February 15, 1990

1988 CALENDAR OF ISSUES, California Debt Advisory Commission, February 15, 1989

1987 CALENDAR OF ISSUES, California Debt Advisory Commission, February 1, 1988

1986 CALENDAR OF ISSUES, California Debt Advisory Commission, May 15, 1987

1985 CALENDAR OF ISSUES, California Debt Advisory Commission, March 31, 1986

2001 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDIAC #02-7]

2000 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDIAC #01-8]

1999 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDIAC #01-3]

1998 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDIAC #99-1]

1997 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDIAC #98-5]

1996 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDIAC #97-7]

1995 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDAC #96-2]

1994 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDAC #95-7]

1993 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDAC #94-4]

1992 SUMMARY OF CALIFORNIA PUBLIC DEBT [CDAC #93-5]

1991 SUMMARY OF CALIFORNIA PUBLIC DEBT [CDAC #92-4]

1990 SUMMARY OF CALIFORNIA PUBLIC DEBT, California Debt Advisory Commission, June 1, 1990

1989 SUMMARY OF CALIFORNIA PUBLIC DEBT, California Debt Advisory Commission, February 15, 1990

1988 SUMMARY OF CALIFORNIA PUBLIC DEBT, California Debt Advisory Commission, February 15, 1989

1987 SUMMARY OF CALIFORNIA PUBLIC DEBT, California Debt Advisory Commission, February 1, 1988

1986 SUMMARY OF CALIFORNIA PUBLIC DEBT, California Debt Advisory Commission, May 15, 1987

1985 SUMMARY OF CALIFORNIA PUBLIC DEBT, California Debt Advisory Commission, March 31, 1986

1985 CALIFORNIA PUBLIC DEBT BY ISSUING AGENCIES, California Debt Advisory Commission, August 15, 1986 *

*Please note that 1985 was the only year that this report was published separately; beginning in 1986 this information was incorporated into the "Summary of California Public Debt".

1998 MARKS-ROOS BOND POOLING ACT PARTICIPANTS YEARLY FISCAL STATUS REPORT AND DRAW ON RESERVE DEFAULT REPORT, April 1999 [CDIAC 99-3]

1997 MARKS-ROOS BOND POOLING ACT PARTICIPANTS YEARLY FISCAL STATUS REPORT AND DRAW ON RESERVE DEFAULT REPORT, California Debt and Investment Advisory Commission, February 1998 [CDIAC #98-1]

1996 MARKS-ROOS BOND POOLING ACT PARTICIPANTS YEARLY FISCAL STATUS REPORT AND DRAW ON RESERVE DEFAULT REPORT, California Debt and Investment Advisory Commission, February 1997 [CDIAC #97-4]

1999/2000 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT, California Debt and Investment Advisory Commission, May 2000 [CDIAC #01-6]

1998 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT, California Debt and Investment Advisory Commission, April 1999 [CDIAC #99-1]

1997 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT, California Debt and Investment Advisory Commission, March 1998, [CDIAC#98-2]

1996 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT, California Debt and Investment Advisory Commission, January 1997, [CDIAC #97-1]

1995 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT, California Debt Advisory Commission, January 1996, [CDAC #96-1]

1994 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT, California Debt Advisory Commission, December 1994, [CDAC #94-8]

1993 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT, California Debt Advisory Commission, December 1993, [CDAC #93-9]

ISSUE BRIEF SERIES

ISSUE BRIEF NUMBER 1 - COMPETITIVE VS. NEGOTIATED SALE OF DEBT, California Debt Advisory Commission, September 1992

ISSUE BRIEF NUMBER 2 - UNDERSTANDING THE UNDERWRITING SPREAD, California Debt Advisory Commission, March 1993

ISSUE BRIEF NUMBER 3 - PREPARING REQUESTS FOR PROPOSALS, California Debt Advisory Commission, October 1994

ELECTRONIC DISCLOSURE ISSUE BRIEF, California Debt and Investment Advisory Commission, February 2002 [CDIAC #02-2]

INVESTING IN CALLABLE SECURITIES ISSUE BRIEF, California Debt and Investment Advisory Commission, May 2002 [CDIAC #02-3]

These are short reference documents on various public finance topics.

STATE & LOCAL TAX AND BOND BALLOT MEASURES

STATE AND LOCAL BOND AND TAX BALLOT MEASURES: RESULTS OF THE MARCH 2002 PRIMARY ELECTION, California Debt and Investment Advisory Commission, March 2002 [CDIAC 02-4]

STATE AND LOCAL BOND AND TAX BALLOT MEASURES: RESULTS OF THE NOVEMBER 2000 GENERAL ELECTION, California Debt and Investment Advisory Commission, February 2001 [CDIAC 01-5]

STATE AND LOCAL TAX AND BOND BALLOT MEASURES: RESULTS OF THE NOVEMBER 1999 PRIMARY ELECTION, California Debt and Investment Advisory Commission, March 2000 [CDIAC 00-3]

STATE AND LOCAL TAX AND BOND BALLOT MEASURES: RESULTS OF THE NOVEMBER 1998 GENERAL ELECTION, California Debt and Investment Advisory Commission, March 1999 [CDIAC #99-2]

STATE AND LOCAL TAX AND BOND BALLOT MEASURES: RESULTS OF THE 1998 PRIMARY ELECTION, California Debt and Investment Advisory Commission, June 1998 [CDIAC #98-7]

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STATE AND LOCAL TAX AND BOND BALLOT MEASURES: RESULTS OF THE 1996 PRIMARY ELECTION, California Debt Advisory Commission, June 1996 [CDAC #96-5]

STATE AND LOCAL TAX AND BOND BALLOT MEASURES: RESULTS OF THE 1994 PRIMARY AND GENERAL ELECTIONS, California Debt Advisory Commission, December 1994 [CDAC #94-9]

STATE AND LOCAL TAX AND BOND BALLOT MEASURES: SUMMARY OF GENERAL ELECTION, JUNE 2 AND NOVEMBER 3, 1992, California Debt Advisory Commission, March 1993 [CDAC #93-1]

STATE AND LOCAL TAX AND BOND BALLOT MEASURES: SUMMARY OF GENERAL ELECTION, NOVEMBER 6, 1990, California Debt Advisory Commission, February 1991

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STATE AND COUNTY TAX AND BOND BALLOT MEASURES: SUMMARY OF GENERAL ELECTION, NOVEMBER 8, 1988, California Debt Advisory Commission, February 1989

STATE AND COUNTY TAX AND BOND BALLOT MEASURES: SUMMARY OF GENERAL ELECTION, NOVEMBER 4, 1986, California Debt Advisory Commission, February 1987

MISCELLANEOUS

APPRAISAL STANDARDS FOR LAND-SECURED FINANCINGS, California Debt Advisory Commission, May 1994 [CDAC #94-6]

ASSESSMENT OF LOCAL GOVERNMENT INVESTMENT POOLS: A Survey of California County Pools, California Debt and Investment Advisory Commission, January 2000 [CDIAC #00-1]

BOND INSURANCE AS A FORM OF CREDIT ENHANCEMENT IN CALIFORNIA'S MUNICIPAL BOND MARKET, California Debt and Investment Advisory Commission, January 2002 [CDIAC #02-1]

This report provides a useful resource for first-time or infrequent users of bond insurance by summarizing the players, process, costs and benefits of this form of credit enhancement. The report also represents a working framework for the bond insurance decision-making process and provides statistics on the bond insurance market.

COPs IN CALIFORNIA: CURRENT ISSUES IN MUNICIPAL LEASING, California Debt Advisory Commission, June 1992 [CDAC #92-6]

A report on the public hearing on lease financing in California held by the Commission on June 18, 1992. This report includes the background staff report prepared for the hearing and testimony provided to the Commission.

DEBT ISSUANCE DATA

DEBT ISSUANCE DATA (formerly DATA ON DISK) includes data compiled by CDIAC containing the sold issues received by CDIAC for the respective month. This information is currently published in the *Calendar* portion of *DEBTLINE* and excludes the proposed information that appears in the *Calendar*.

This data is reported to CDIAC and compiled from the *Report of Proposed Debt Issuance* and the *Report of Final Sale*. This data is available for downloading from CDIAC's website at www.treasurer.ca.gov/cdiac/cdiac.htm.

This information is also available on diskette for current and prior years by annual subscription. The subscription price is \$77.58 per year (including tax) for 2002 Monthly Sold Data and \$6.47 per year for prior year data (1985 through 2002). To find out more about subscribing to DEBT ISSUANCE DATA or if you have any other questions, please contact CDIAC at (916) 653-3269 or e-mail CDIAC at cdiac@treasurer.ca.gov.

DISCLOSURE GUIDELINES FOR LAND-BASED SECURITIES, California Debt Advisory Commission, September 12, 1996 [**CDAC #96-6**]

The Guidelines present the disclosure practices recommended for compliance with the Securities and Exchange Commission amendments to Rule 15c2-12 (adopted in November 1994 by the SEC) for land-based financings. It provides background on land-based financings in California, municipal securities regulation, primary market disclosure and continuing disclosure for land-based securities.

GLOSSARY OF LEASING TERMS, California Debt and Investment Advisory Commission, November 1997 [**CDIAC #97-09**]

The purpose of this glossary is to provide a helpful reference tool to public officials responsible for leasing decisions.

GUIDELINES FOR LEASES AND CERTIFICATES OF PARTICIPATION, California Debt Advisory Commission, November 1993 [**CDAC #93-8**]

The Guidelines are to help public officials understand tax exempt leasing and to apply this tool judiciously.

LEASES IN CALIFORNIA: THEIR FORM AND FUNCTION, California Debt Advisory Commission, September 1990

This informational study explains how and why State and local governments in California use tax-exempt leases.

MARKS-ROOS: A REVIEW OF THE MARKS-ROOS LOCAL BOND POOLING ACT OF 1985, California Debt and Investment Advisory Commission, September 1998 [**CDIAC #98-8**]

MARKS-ROOS, RECOMMENDED CHANGES, California Debt Advisory Commission, [**CDIAC #95-1**]

The recommendations put forth in this report are intended to curb the potential for abusive Marks-Roos financings in the future, protect the public from unwarranted and unnecessary taxes and assessments, and restore the confidence of investors in this form of infrastructure finance.

MELLO-ROOS FINANCING IN CALIFORNIA, California Debt Advisory Commission, September 1991

This report examines the public policy issues and credit quality concerns surrounding the use of Mello-Roos bonds. The report includes guidelines for local government issuers.

MELLO-ROOS GUIDELINES, California Debt Advisory Commission, October 1991
This report is a reprint of the guidelines included in the report above.

QUICK REFERENCE GUIDE TO DEBT ISSUANCE AND PUBLIC INVESTMENT SEMINARS, California Debt and Investment Advisory Commission, March 2001

This Guide contains information on the various debt issuance and public investment seminars offered through CDIAC's Continuing Education and Outreach Program. CDIAC's various seminars are

described and the Guide includes information on the subject matter contained in each program, the duration of the program and how often the program is offered.

REPORT OF THE INTERAGENCY MUNICIPAL SECURITIES TASK FORCE, California Debt and Investment Advisory Commission, June 1998 [CDIAC #98-6]

REVISED LOCAL AGENCY INVESTMENT GUIDELINES: UPDATE FOR 2002, California Debt and Investment Advisory Commission, January 2002 [CDIAC #02-3B]

Provides information on recent law changes and recommendations for implementation. CDIAC, seven statewide associations and California Legislative staff prepared these interpretative guidelines to aid local officials in their efforts to implement new investment laws.

REDEVELOPMENT AGENCY RECOMMENDED PRACTICES, California Debt Advisory Commission [CDAC #95-5]

A report to assist redevelopment agencies by providing recommended practices and examples of innovation culled from redevelopment activities throughout California.

A REVIEW OF CALIFORNIA STATE AND LOCAL OUTSTANDING GENERAL OBLIGATION DEBT: 1992-93 THROUGH 1998-99, California Debt and Investment Advisory Commission [CDIAC #02-5B]

A review of state and local general obligation (GO) debt issued in California from 1992-93 through 1998-99. This report also explores the relationship between outstanding GO debt and prevailing economic and demographic conditions statewide and within various regions of the State.

THE USE OF GENERAL OBLIGATION BONDS BY THE STATE OF CALIFORNIA, California Debt Advisory Commission, September 1987

This research report examines the use of general obligation bonds by the State of California.

TOOLS TO REVITALIZE CALIFORNIA COMMUNITIES, California Debt and Investment Advisory Commission [CDIAC #02-5]

A resource guide of State Treasurer's Office and other key state agencies financing programs related to infrastructure development and community revitalization. Contains information on specific state financing tools, eligible projects/applicants, success stories, and contact names and phone numbers for further information.

California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400
Sacramento, California 95814
(916) 653-3269