

California Debt and Investment Advisory Commission 2005 Annual Report



CDIAC #06-06

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION
2005 ANNUAL REPORT

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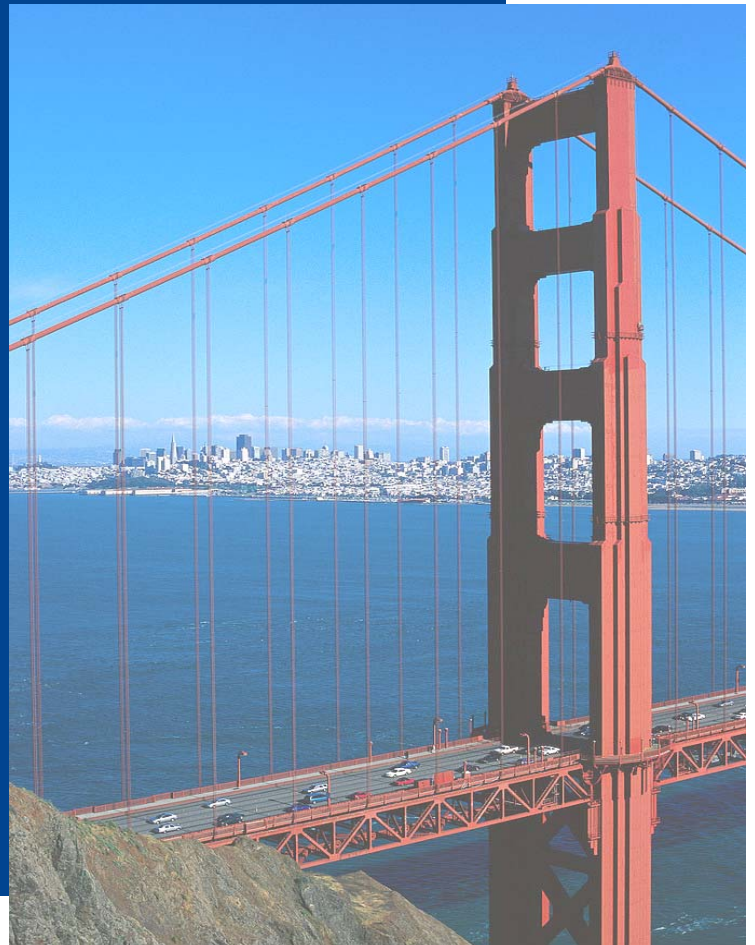
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SECTION I.

OVERVIEW OF CALIFORNIA PUBLIC
FINANCE IN 2005



The California Debt and Investment Advisory Commission (CDIAC) *2005 Annual Report* contains information on state and local debt issued in 2005¹. The report gives detailed information on the types of projects that were funded, the total volume of debt issued, the different types of debt that were issued, and information related to CDIAC's Data, Education, and Policy Units.

In 2005, public issuance in California totaled almost \$70.7 billion, a 0.4 percent increase from the \$70.4 billion that was issued in 2004. The dollar amount and percent of total California public issuance² can be divided into the following categories: bonds (\$57.3 billion, 81.2 percent), notes (\$9.5 billion, 13.5 percent), certificates of participation (\$2.8 billion, 3.9 percent), commercial paper (\$975.5 million, 1.4 percent), and other³ (\$901,007, 0.001 percent).

When divided by purpose of debt issuance, education (31.6 percent), capital improvements (27.3 percent), and interim financing (13.5 percent), account for the largest combined percentage of total statewide issuance at 72.4 percent.

The State (comprised of the State of California and state agencies) accounted for \$25.2 billion in bonds issued (35.6 percent) in 2005, whereas in 2004, the State issued \$31.5 billion in bonds (44.7 percent), a decrease of 20.0 percent. The significantly higher volume of issuance in 2004 was largely due to the general obligation bonds issued for the Economic Recovery Bond Act and greater issuance of revenue anticipation notes for cash flow/interim financing. The following lists the largest 2005 individual issuances:

Bonds

- \$3.1 billion enhanced asset-backed tobacco settlement bonds (\$2.7 billion was used for refunding).
- \$2.6 billion of public enterprise revenue bonds for power generation/transmission purposes.
- \$1.0 billion of general obligation bonds for kindergarten through university educational facilities.

Notes

- \$3.0 billion in revenue anticipation notes for cash flow/interim financing.

In 2005, the State's long-term bond issuance totaled \$22.1 billion. Below is an itemization of the State's long-term issuance:

- \$8.8 billion (39.7 percent) for education
- \$4.9 billion (22.4 percent) for capital improvements
- \$3.4 billion (15.2 percent) for other purposes⁴
- \$2.7 billion (12.3 percent) for housing
- \$1.6 billion (7.2 percent) for hospital/health care facilities
- \$723.1 million (3.3 percent) for commercial/industrial development

¹ Throughout this report, the term "bonds" is used interchangeably in a generic sense that refers to all types of public debt issued, such as notes, and to specifically address different types of bonds, e.g., general obligation bonds, conduit revenue bonds, etc.

² Calculations of differences and percentages are based upon exact numbers; therefore, individual numbers shown throughout this report may not sum to totals due to rounding.

³ "Other" is comprised of a federal and state taxable Public Employees' Retirement System loan.

⁴ "Other purposes" include voting modernization, a housing and emergency shelter trust fund, the Energy Conservation Assistance Act, the California Academy of Sciences in San Francisco, and the Infrastructure State Revolving Fund.

Issuance for educational purposes increased 57.5 percent from \$5.6 billion in 2004 to \$8.8 billion in 2005. In contrast, the "other purposes" category decreased 72.1 percent from \$12.0 billion in 2004 to \$3.4 billion in 2005.

Interim financing for the State decreased from \$6.0 billion in 2004 to \$3.1 billion (-48.7 percent) in 2005. Total issuance for California local agencies, which include cities, counties, and special districts, increased from \$38.6 billion in 2004 to \$45.2 billion (17.1 percent) in 2005. The types of local agency financings that had the largest issuance were as follows:

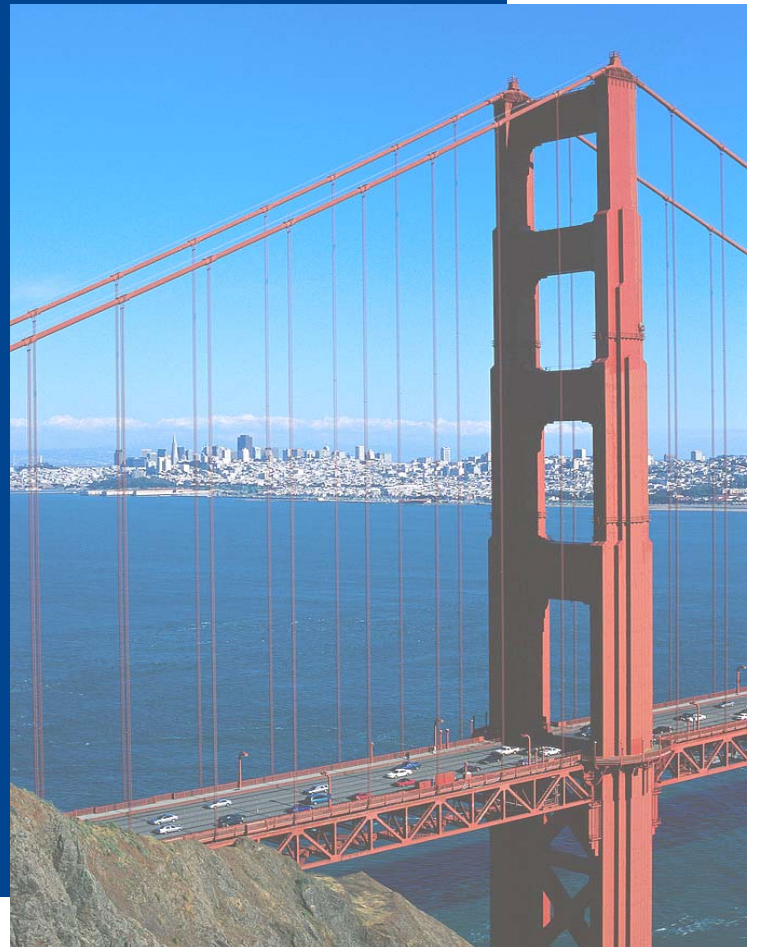
- General obligation bonds, \$11.6 billion
- Tax and revenue anticipation notes, \$5.5 billion
- Public enterprise revenue bonds, \$5.4 billion
- Conduit revenue bonds, \$3.9 billion
- Tax allocation bonds, \$2.8 billion
- Certificates of participation/leases, \$2.8 billion
- Limited tax obligation bonds, \$2.7 billion
- Revenue bonds, \$2.5 billion
- Other bonds⁵, \$2.5 billion
- Public lease revenue bonds, \$1.9 billion
- Sales tax revenue bonds, \$1.5 billion

As in 2004, California student loan corporation issuance experienced a decrease. Issuance declined from \$368.5 million in 2004 to \$342.0 million (-7.1 percent) in 2005. In 2005, there was no refunding for student loan corporations, which differs from 2004 when refunding for student loan corporation issuance was \$122.0 million.

⁵ "Other bonds" include specific debt issuance structures for insurance/pension funds, capital improvements, education, hospital/health care facilities, single family housing, retiree health benefits, bankruptcy recovery, and tobacco settlement bonds.

SECTION II.

STATE AND LOCAL BOND ISSUANCE



The following is a summary of California public issuance during 2005⁶:

A. Overview

- The total number of California public bond issuances reported in 2005 was 1,964, a 1.3 percent increase from the 1,938 issuances in 2004.

These issuances were comprised of 202 State-issued bonds (10.3 percent), 1,760 local agency issued bonds (89.6 percent), and two student loan corporation issued bonds (0.1 percent). In 2005, State issuance increased by 22.6 percent, while local agency and student loan corporation issuance decreased by 2.0 percent and 50.0 percent, respectively.

- The total par amount of California public issuance reported in 2005 was \$70.7 billion, an increase of \$271.8 million (0.4 percent) from the \$70.4 billion issued in 2004 (see Figures 1 and 2 on page 4).

The volume of State issuance decreased 20.0 percent (from \$31.5 billion in 2004 to \$25.2 billion in 2005).

The largest amount of State issuance in 2005 was for general obligation bonds (23.9 percent), public enterprise revenue bonds (23.8 percent), and conduit revenue bonds (20.2 percent), as shown in Figure 13 on page 15. The largest amount of local agency issuance in 2005 was for general obligation bonds (25.7 percent), tax and revenue anticipation notes (12.2 percent), and public enterprise revenue bonds (11.9 percent) as shown in Figure 15 on page 18.

Local issuers that had an increase in the volume of bond issuance were K-12 school districts (22.5 percent), joint powers agencies (10.4 percent), and city governments (7.5 percent). State issuers (-20.0 percent) and county governments (-23.3 percent) were the only two issuer types that actually decreased bond issuance.

"Other issuers" increased their bond financings from \$11.3 billion in 2004 to \$15.5 billion in 2005 (37.0 percent). Issuers in this category with the most significant growth in issuance include:

- ♦ County water districts (776.1 percent)
- ♦ Harbor port districts (707.9 percent)
- ♦ Flood control, water conservation districts (651.1 percent)
- ♦ Park and recreation districts (213.9 percent)
- ♦ Municipal utility districts (529.3 percent)
- ♦ Transit districts (210.6 percent)
- ♦ Community service districts (191.6 percent)
- ♦ Community college districts (140.5 percent)

⁶ The analysis is based on information contained in two companion California Debt and Investment Advisory Commission (CDIAC) publications: *The 2005 Calendar of Public Debt Issuance* and the *2005 Summary of California Public Debt*.

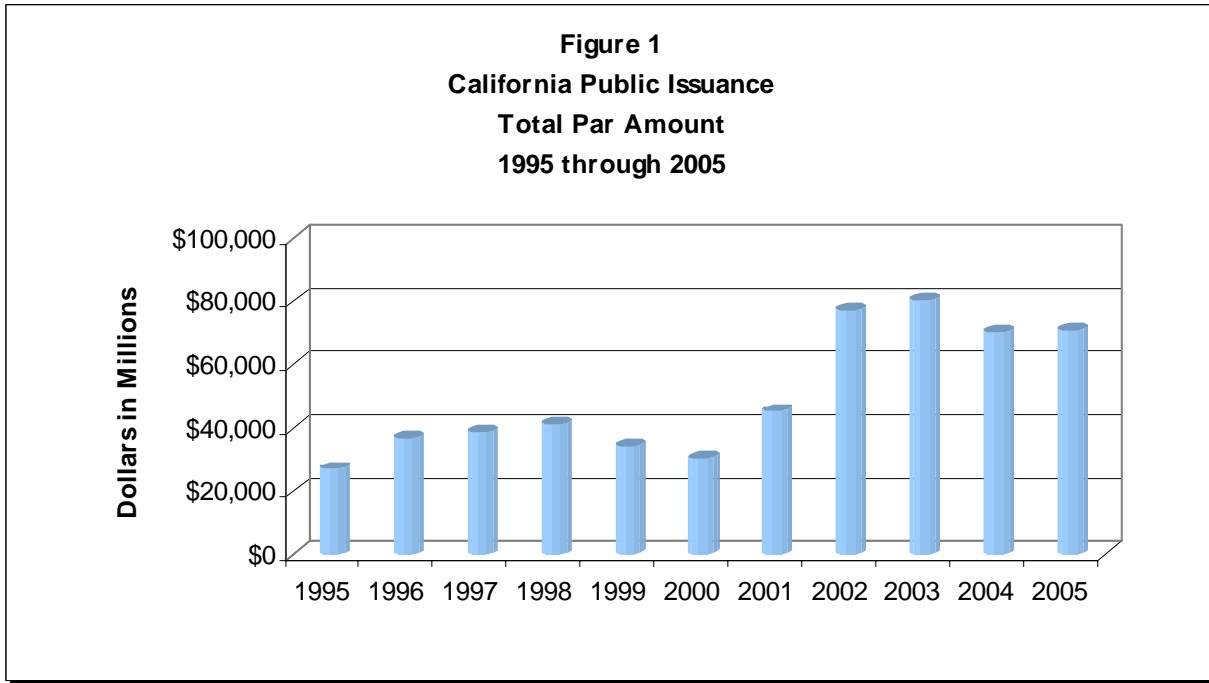


Figure 2
California Public Issuance¹
Types of Issuers
2005 and 2004
(Dollars in Millions)

Issuer Type	2005		2004		Percent Change 2004 to 2005
	Principal Amount	Percent of Total	Principal Amount	Percent of Total	
State Issuers ²	\$25,167	35.6%	\$31,461	44.7%	-20.0%
County Government	3,594	5.1	4,684	6.7	-23.3
City Government	5,427	7.7	5,046	7.2	7.5
City and County Government	761	1.1	442	0.6	71.9
Joint Powers Agencies	10,601	15.0	9,600	13.6	10.4
K-12 School Districts	9,644	13.6	7,874	11.2	22.5
Other Issuers	15,498	21.9	11,312	16.1	37.0
Total³	\$70,691	100.0%	\$70,420	100.0%	0.4%

¹ Totals may not add due to rounding.

² Includes state joint power authorities.

³ Total includes state and local government entities and student loan corporation issues.

- **Long-Term Issuance:** Figure 3 (see page 6) shows total long-term issuance of approximately \$61.1 billion, an increase of 6.3 percent from the \$57.5 billion issued in 2004. The "other note" category had the most significant increase, up from \$109.0 million in 2004 to \$425.0 million in 2005. There were two major bonds that contributed to the increase: a Marks-Roos issuance (\$204.7 million) and a student loan corporation issuance (\$152.3 million). As in 2004, general obligation bonds made up the greatest amount in long-term bond issuance with \$17.6 billion (24.9 percent); however, general obligation bond issuance actually decreased 28.9 percent from the \$24.8 billion issued in 2004. Issuance for conduit revenue bonds remained virtually unchanged with only a 0.5 percent increase in 2005 (from \$9.080 billion in 2004 to \$9.126 billion in 2005).
- **Short-Term Issuance:** As shown in Figure 3, short-term issuance for state and local issuers declined from \$12.9 billion in 2004 to \$9.6 billion in 2005 (-26.0 percent). Tax and revenue anticipation notes comprised the largest amount of State issuance in 2005 at \$5.5 billion, whereas "other notes" (issued for a commercial gap loan) was the smallest totaling \$2.0 million.

B. Refunding Bond Issuance in 2005

Figure 4 (page 7) shows state and local refunding increased 106.8 percent, from \$14.9 billion in 2004 to \$30.8 billion in 2005. As in 2004, the majority of refundings for statewide issuance were concentrated in capital improvements (\$10.7 billion, 34.9 percent) and education (\$10.3 billion, 33.3 percent).

- **State Refunding:** State issuance in 2005 was \$25.2 billion (35.6 percent of the total par issuance); \$13.6 billion was used for refunding prior financings (see Figure 5 on page 7). State issuance was lower in 2005 by 20.0 percent; however, the percent of total refunding was higher (19.3 percent in 2005 compared to 6.4 percent in 2004).
- **Local Refunding:** The volume of local issuance increased from \$38.6 billion in 2004 to \$45.2 billion in 2005 (17.1 percent), and the amount of refunding also increased from \$10.3 billion in 2004 to \$17.2 billion in 2005 (67.1 percent). In 2005, local refunding was 24.3 percent of statewide issuance.
- **Student Loan Corporation Refunding:** In 2005, student loan corporations issued \$342.0 million in bonds compared to \$369.0 million issued in 2004 (-7.1 percent). There were no refundings in 2005 for student loan corporations.

Figure 3
California Public Issuance
Long-Term and Short-Term¹
2005 and 2004
(Dollars in Millions)

	2005		2004		Percent Change in Par Amount Issued 2004 to 2005
	Amount of Issuance	Percent of Total Issuance	Amount of Issuance	Percent of Total Issuance	
Long-Term Issuance					
Bond Anticipation Note	\$37	0.1%	\$33	0.0%	12.6%
Certificates of Participation/Leases	2,792	3.9	3,303	4.7	-15.5
Conduit Revenue Bond	9,126	12.9	9,080	12.9	0.5
Grant Anticipation Note	15	0.0	615	0.9	-97.6
General Obligation Bond	17,610	24.9	24,754	35.2	-28.9
Limited Tax Obligation Bond	2,658	3.8	1,568	2.2	69.5
Other	1	0.0	1	0.0	-5.8
Other Bond	5,611	7.9	3,698	5.3	51.7
Other Note	425	0.6	109	0.2	290.5
Public Enterprise Revenue Bond	11,370	16.1	7,465	10.6	52.3
Public Lease Revenue Bond	3,721	5.3	1,872	2.7	98.7
Revenue Anticipation Note	455	0.6	0	0.0	N/A
Revenue Bond	2,537	3.6	1,565	2.2	62.1
Special Assessment Bond	484	0.7	439	0.6	10.3
Sales Tax Revenue Bond	1,458	2.1	416	0.6	250.2
Tax Allocation Bond	2,804	4.0	2,542	3.6	10.3
Tax Allocation Note	16	0.0	18	0.0	-11.4
Subtotal, Long-Term Issuance	\$61,118	86.5%	\$57,478	81.6%	6.3%
Short-Term Issuance					
Bond Anticipation Note	\$17	0.0%	\$8	0.0%	117.0%
Certificates of Participation/Leases	0	0.0	0 ²	0.0 ³	-100.0
Commercial Paper	976	1.4	794	1.1	22.8
Conduit Revenue Bond	0	0.0	67	0.1	-100.0
Grant Anticipation Note	20	0.0	33	0.0	-39.3
Other Note	2	0.0	3	0.0	-42.6
Public Enterprise Revenue Bond	0	0.0	0 ⁴	0.0 ⁵	-100.0
Revenue Anticipation Note	3,069	4.3	6,076	8.6	-49.5
Revenue Bond	0	0.0	0 ⁶	0.0 ⁷	-100.0
Tax Revenue and Anticipation Note	5,490	7.8	5,960	8.5	-7.9
Subtotal, Short-Term Issuance	\$9,573	13.5%	\$12,942	18.4%	-26.0%
Total	\$70,691		\$70,420		0.4%

¹ Totals may not add and percentages may not be exact due to rounding.

² Actual par amount for the 2004 certificate of participation/lease issuance is \$92,644.

³ Actual percent of total issuance for the 2004 certificate of participation/lease issuance is 0.00013 percent.

⁴ Actual par amount for the 2004 public enterprise revenue bond is \$160,000.

⁵ Actual percent of total issuance for the 2004 public enterprise revenue bond is 0.00023 percent.

⁶ Actual par amount for the 2004 revenue bond is \$185,000.

⁷ Actual percent of total issuance for the 2004 revenue bond is 0.00026 percent.

Figure 4
California Public Issuance
New Issuance and Refunding Issuance*
2005 and 2004
(Dollars in Millions)

	2005		2004		Percent Change in Par Amount Issued 2004 to 2005
	Amount of Issuance	Percent of Total Issuance	Amount of Issuance	Percent of Total Issuance	
New Issuance	\$39,898	56.4%	\$55,530	78.9%	-28.2%
Refunding Issuance	30,793	43.6	14,889	21.1	106.8
Total	\$70,691	100.0%	\$70,420	100.0%	0.4%

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

Figure 5
State and Local Issuance*
Total Issuance and Refunding Issuance
2005 and 2004
(Dollars in Millions)

	2005			2004		
	Amount of Issuance	Amount of Refunding	Refunding % of Total Statewide Issuance	Amount of Issuance	Amount of Refunding	Refunding % of Total Statewide Issuance
State Issuance	\$25,167	\$13,613	19.3%	\$31,461	\$4,489	6.4%
Local Issuance	45,182	17,180	24.3	38,590	10,279	14.6
Student Loan Corporations	342	0	0.0	369	122	0.2
Total	\$70,691	\$30,793	43.6%	\$70,420	\$14,889	21.1%

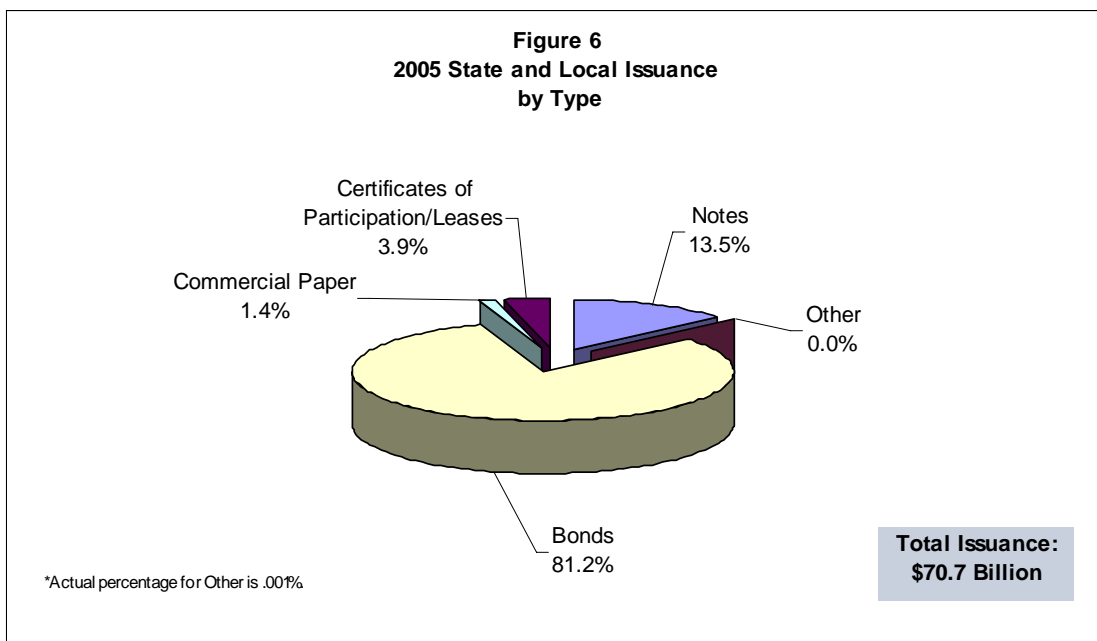
*Totals may not add and percentages may not be exact due to rounding.

C. California Public Issuance by Type and Purpose

State and local government issuance by type for 2005 is shown in Figure 6 (page 8). As in recent years, bonds made up the largest category of public issuance (\$57.4 billion, 81.2 percent). Of the total volume of issuance in 2005, State bond issuance comprised 31.2 percent (\$22.1 billion) and local bond issuance comprised 49.7 percent (\$35.1 billion) of all bonds issued. Student loan corporations issued 0.3 percent (\$190.0 million) in conduit revenue bonds.

The next largest category of state and local government issuance was notes (\$9.7 billion, 13.5 percent). Of the notes that were issued, state agencies issued \$3.0 billion, local issuance totaled \$6.4 billion, and student loan corporations issued \$152.5 million.

Issuance for certificates of participation/leases was smaller compared to bonds and notes. From 2004 to 2005, the number of certificates of participation/leases increased 9.4 percent (from 181 to 198), but the volume decreased 15.5 percent (from \$3.3 billion to \$2.8 billion). The smallest categories of issuance include commercial paper (\$975.5 million, 1.4 percent), and other debt (\$0.9 million, 0.001 percent).



Except for the top three purpose types (education, capital improvements, and interim financing), which comprise 72.4 percent of public issuance, the ranking of the remaining uses of bond issuance (housing, redevelopment, health care facilities, "other purposes," and commercial and industrial development) saw little change from 2004 to 2005.

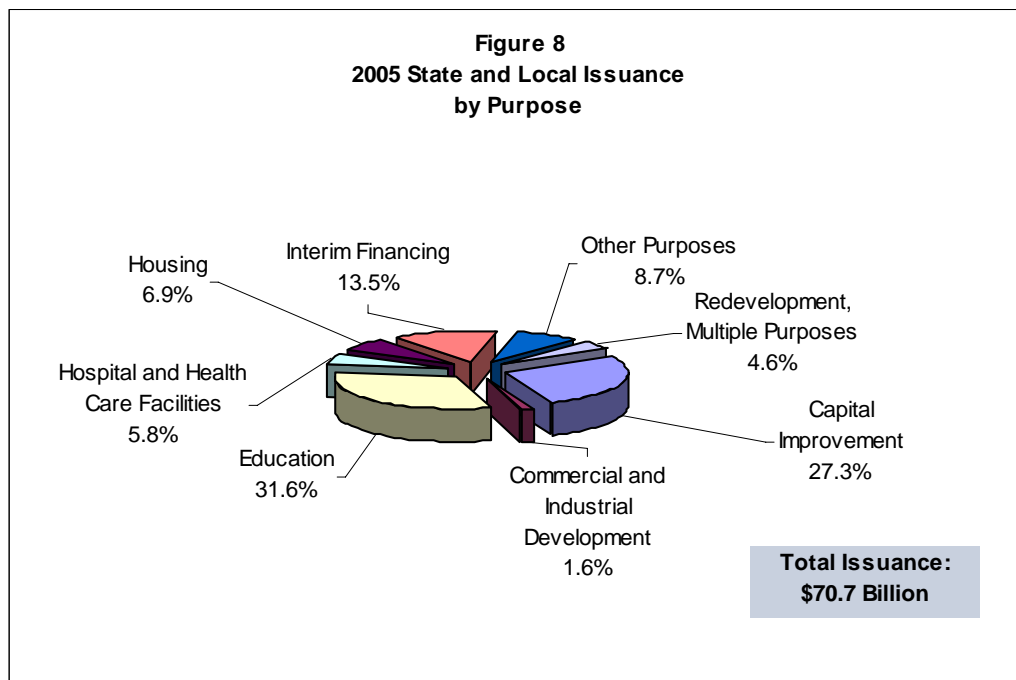
Figures 7 and 8, on page 9, show that the purpose type with the largest issuance volume is education. From 2004 to 2005, the volume of education issuance increased significantly from \$14.0 billion to \$22.4 billion (60.2 percent) and the number of education issuance increased from 443 to 597 (34.8 percent). Most of the education issues were for K-12 educational facilities. Capital improvements issues also increased in volume from \$16.2 billion in 2004 to \$19.3 billion in 2005 (19.1 percent) and in the number of issues (from 512 in 2004 to 577 in 2005). Conversely, the number of interim financings declined 27.8 percent (from 503 in 2004 to 363 in 2005); the volume issued declined as well from \$12.8 billion in 2004 to \$9.6 billion in 2005 (-25.4 percent).

The type of issuance purpose that experienced the greatest decline was "other purposes." In 2004, the "other purposes" category totaled \$14.7 billion and consisted primarily of \$10.9 billion in Economic Recovery Bonds issued by the State; in 2005, the "other purposes" category totaled \$6.2 billion.

Figure 7
2005 California Public Issuance
by Purpose and Issuer*
(Dollars in Millions)

	Amount of Issuance				Percentage of Total Issuance
	State	Local	Student Loan Corporations	Total	
Capital Improvements	\$4,938	\$14,354	\$0	\$19,292	27.3%
Commercial and Industrial Development	723	389	0	1,112	1.6
Education	8,775	13,248	342	22,365	31.6
Hospital and Health Care Facilities	1,583	2,483	0	4,066	5.8
Housing	2,707	2,166	0	4,873	6.9
Interim Financing	3,080	6,493	0	9,573	13.5
Redevelopment	0	3,249	0	3,249	4.6
Other Purposes	3,361	2,800	0	6,161	8.7
Total	\$25,167	\$45,182	\$342	\$70,691	100.0%

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



D. Competitive and Negotiated Financings

- **Competitive Financings:** Competitive financing allows an issuer to award a bond sale to an underwriter(s) based on the lowest sealed bid. Figure 9 on page 11 shows that the number of competitive financings in 2005 was 292 out of 1,964 bond issues (14.9 percent). Of the 39 types of government issuers, only the State, hospital district, sanitary district, city/county government, and non-profit corporation issuers used competitive bidding for 25 percent or more for their bond sales. Although the State sold 95.7 percent of its bonds competitively, State bond issuance accounted for 4.7 percent of total issues sold. The volume sold in competitive financings was \$11.5 billion out of \$70.7 billion (see Figure 10 on page 12).
- **Negotiated Financings:** A negotiated sale involves the sale of bonds in which the terms and price are negotiated through an exclusive contract with a previously selected underwriter.

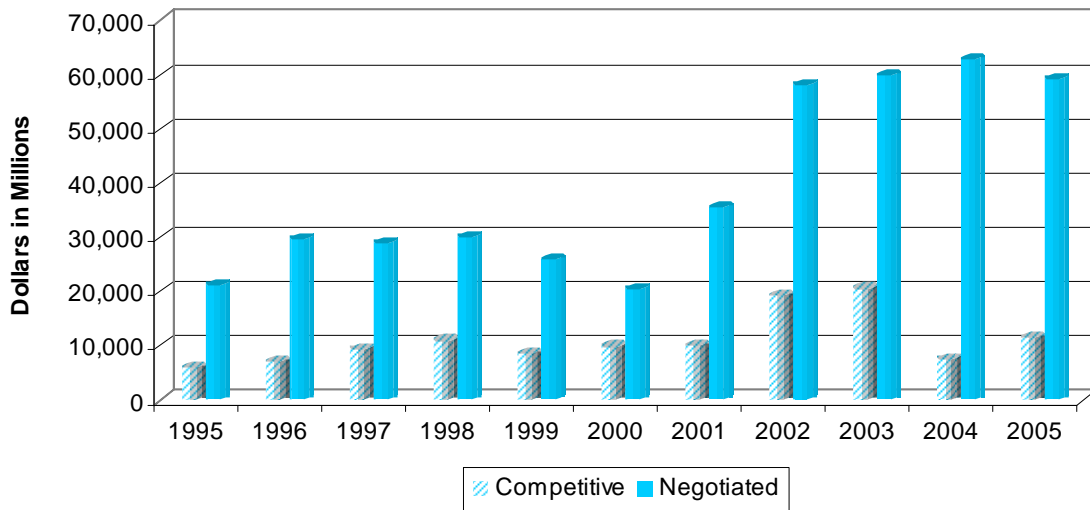
As in 2004, Marks-Roos and K-12 issuers had the greatest number of issuances sold through negotiated sale. Marks-Roos issuers sold 93.1 percent (230 out of 247) of their bonds through negotiated sales and K-12 issuers sold 82.4 percent (478 out of 580) through negotiated sales. Twenty types of government issuers sold their bond exclusively via the negotiated process, although they account for only 9.2 percent of the total number of bonds issued.

Figure 10 (page 12) provides a comparison of competitive and negotiated financings from 1995 through 2005. After five years of growth, the volume of negotiated financings declined slightly in 2005, from \$62.9 billion in 2004 to \$59.2 billion in 2005 (-5.8 percent). In contrast, the volume of competitive financings increased 53.3 percent, from \$7.5 billion in 2004 to \$11.5 billion in 2005.

Figure 9
Comparison of 2005
Negotiated and Competitive Financings

Type of Issuer	Negotiated		Competitive		Total	Percent of Total Issues
	Number	Percent	Number	Percent		
County Board of Education	14	93.3%	1	6.7%	15	0.8%
Community College District	81	94.2	5	5.8	86	4.4
Community Facilities District	185	97.9	4	2.1	189	9.6
City	175	90.2	19	9.8	194	9.9
County	55	88.7	7	11.3	62	3.2
County Sanitation District	1	100.0	0	0.0	1	0.1
County Water District	2	100.0	0	0.0	2	0.1
Community Services District	7	100.0	0	0.0	7	0.4
City/County Government	9	75.0	3	25.0	12	0.6
State Programs & Departments	42	87.5	6	12.5	48	2.4
Flood Control, Water Conservation District	3	100.0	0	0.0	3	0.2
Fire Protection District	13	92.9	1	7.1	14	0.7
Housing Authority	27	100.0	0	0.0	27	1.4
Hospital District	6	66.7	3	33.3	9	0.5
Harbor Port District	7	100.0	0	0.0	7	0.4
Irrigation District	5	100.0	0	0.0	5	0.3
Industrial Develop Authority	10	100.0	0	0.0	10	0.5
State Instrumentalities	58	100.0	0	0.0	58	3.0
Joint Powers Agency	60	88.2	8	11.8	68	3.5
Marks Roos	230	93.1	17	6.9	247	12.6
Metropolitan Water District	4	100.0	0	0.0	4	0.2
Municipal Utility District	5	100.0	0	0.0	5	0.3
Municipal Water District	25	100.0	0	0.0	25	1.3
Non-Profit Corporation	5	71.4	2	28.6	7	0.4
Park & Recreation District	6	85.7	1	14.3	7	0.4
Public Utility District	5	100.0	0	0.0	5	0.3
Resource Conservation District	1	100.0	0	0.0	1	0.1
Redevelopment Agency	103	82.4	22	17.6	125	6.4
Sanitary District	3	75.0	1	25.0	4	0.2
K-12 School District	478	82.4	102	17.6	580	29.5
Sanitation, Flood Control District	2	100.0	0	0.0	2	0.1
State Joint Powers Agency	3	100.0	0	0.0	3	0.2
Student Loan Corporation	2	100.0	0	0.0	2	0.1
State	4	4.3	88	95.7	92	4.7
Transit Authority	8	88.9	1	11.1	9	0.5
County Transportation Commission	4	100.0	0	0.0	4	0.2
Transit District	5	100.0	0	0.0	5	0.3
Water Agency, Authority	4	100.0	0	0.0	4	0.2
Water District	15	93.8	1	6.3	16	0.8
Total	1,672	85.1%	292	14.9%	1,964	100.0%

Figure 10
California Public Issuance
Negotiated and Competitive Financings
1995 through 2005



E. Taxable Financings

Although the interest on most municipal bonds are tax-exempt, a small percentage of bonds have taxable interest. Whether or not bond interest is taxable depends on the following⁷:

- The bonds are not treated as obligations of a state or political subdivision of a state (e.g., private activity bonds);
- The bonds are arbitrage bonds;
- The bonds are hedge bonds;
- The bonds violate various other prohibitions contained in the federal tax code.

As shown in Figure 11, 5.4 percent (\$3.8 billion) of the par amount of bonds sold in 2005 were taxable. Of these, bonds sold in the "other" category had the greatest volume (\$1.5 billion, 39.9 percent) that were taxable.

Figure 11
2005 Taxable Financings*
(Dollars in Millions)

Purpose	Total Amount Issued	Total Taxable Amount		
Capital Improvements	\$19,292	\$460	2.4%	32
Commercial and Industrial Development	1,112	253	22.8	3
Education	22,365	343	1.5	22
Hospital & Health Care Facilities	4,066	8	0.2	1
Housing	4,873	188	3.9	14
Interim Financing	9,573	320	3.3	11
Redevelopment	3,249	733	22.5	31
Other	6,161	1,531	24.8	26
Total	\$70,691	\$3,836	5.4%	140

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

⁷ California Debt and Investment Advisory Commission, "Chapter 3: General Federal Tax Requirements," *California Debt Issuance Primer* (2006): page 53.

F. Credit Enhancement

Bond credit enhancements provide protection to the bond purchaser while providing the issuer with a better credit position. In order for an issuer to receive a credit enhancement for a bond, the issuer needs to pay a guarantor for a letter of credit, bond insurance, or some other type of enhancement⁸.

The volume of credit enhanced bonds issued in 2005 was \$48.1 billion or 68.0 percent of the total amount issued (see Figure 12). Of that amount, bonds that were insured comprised 93.8 percent, letter of credit accounted for 5.7 percent and other was 0.5 percent. Credit enhanced education bonds totaled \$19.5 billion or 40.6 percent of credit enhanced bonds. The smallest category by volume was commercial and industrial development bonds, with \$1.1 billion or 2.3 percent of credit enhanced issuance.

Figure 12
2005 California Public Issuance*
Volume of Bonds Issued with
Credit Enhancements
(Dollars in Millions)

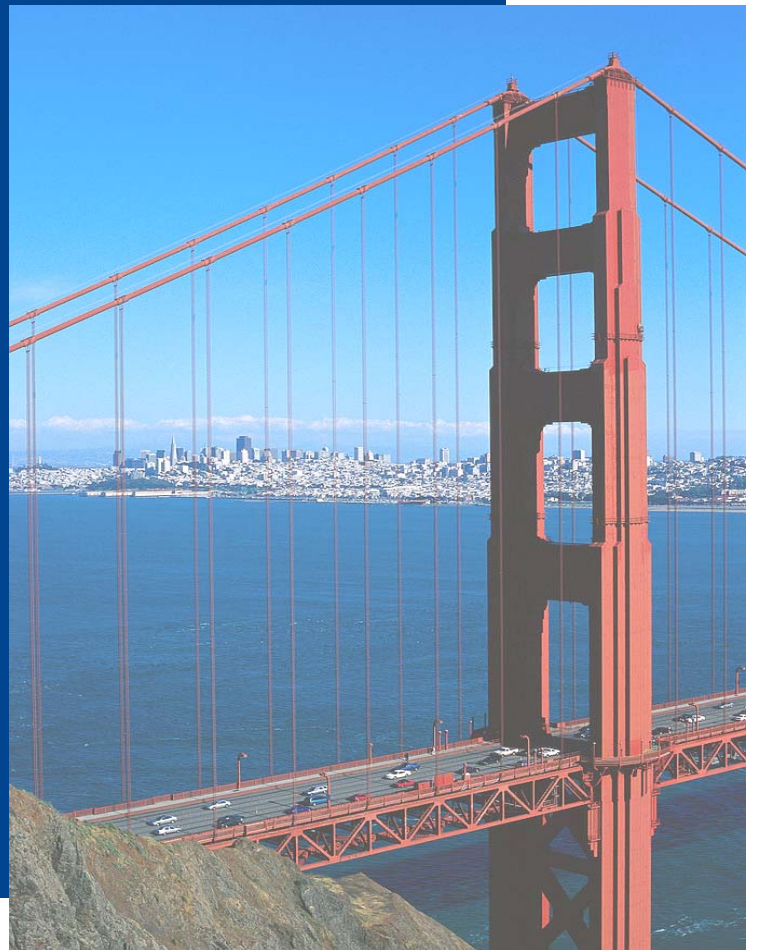
Purpose	Insured	Letter of Credit	Other	Total
Capital Improvements	\$15,376	\$264	\$0	\$15,640
Commercial and Industrial Development	785	118	195	1,098
Education	18,116	1,425	0	19,540
Hospital & Health Care Facilities	1,630	315	0	1,945
Housing	1,060	377	65	1,502
Redevelopment	2,648	0	0	2,648
Other	5,490	225	0	5,715
Total	\$45,104	\$2,723	\$260	\$48,087

* Totals may not add due to rounding.

⁸ California Debt and Investment Advisory Commission, "Chapter 1: Overview of a Debt Financing," *California Debt Issuance Primer* (2006): pages 22-23.

SECTION III.

STATE OF CALIFORNIA BOND
ISSUANCE



State Issuance by Type

As shown in Figure 13, types of State issuance with significant increases in 2005 included public enterprise revenue bonds (360.6 percent), "other bonds" (318.7 percent), and public lease revenue bonds (90.8 percent). The increase in public enterprise revenue bonds was due to a \$2.9 billion bond issuance for power supply. The "other bond" category increased in issuance due to a tobacco settlement bond issuance of \$3.1 billion, the only one in this category.

Overall, state issuance decreased 20.0 percent from \$31.5 billion in 2004 to \$25.2 billion in 2005. As in 2004, state issuance declined in four areas: tax allocation bonds (-100.0 percent), grant anticipation notes (-100.0 percent), general obligation bonds (-65.7 percent), and revenue anticipation notes (-50.0 percent).

Figure 13
State Issuance by Type*
2005 and 2004
(Dollars in Millions)

Type	2005		2004		Percent Change in Par Amount Issued 2004 to 2005
	Amount Issued	Percent of Total Issuance	Amount Issued	Percent of Total Issuance	
Bonds					
Conduit Revenue Bond	\$5,085	20.2%	\$4,300	13.7%	18.3%
General Obligation Bond	6,019	23.9	17,526	55.7	-65.7
Other Bond	3,141	12.5	750	2.4	318.7
Public Enterprise Revenue Bond	5,983	23.8	1,299	4.1	360.6
Public Lease Revenue Bond	1,804	7.2	946	3.0	90.8
Revenue Bond (Pool)	37	0.1	0	0.0	N/A
Tax Allocation Bond	0	0.0	12	0.0	-100.0
Subtotal Bonds	\$22,068	87.7%	\$24,832	78.9%	-11.1%
Commercial Paper	\$80	0.3%	\$0	0.0%	N/A
Notes					
Grant Anticipation Note	\$0	0.0%	\$615	2.0%	-100.0%
Other Note	19	0.1	13	0.0	38.8
Revenue Anticipation Note	3,000	11.9	6,000	19.1	-50.0
Subtotal Notes	\$3,019	12.0%	\$6,628	21.1%	-54.5%
Total	\$25,167	100.0%	\$31,461	100.0%	-20.0%

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

State Issuance by Purpose

As shown in Figure 14, state issuance of commercial and industrial development bonds experienced the greatest increase of 68.2 percent (from \$429.8 million to \$723.1 million). The next most significant increase was for capital improvements bonds, which increased from \$3.1 billion in 2004 to \$4.9 billion in 2005 (60.7 percent). The large increase was due to a \$2.9 billion bond issued by the California Department of Water Resources for power supply.

Issuance declined in the areas of redevelopment (-100.0 percent), "other purpose" (-72.1 percent), interim financing (-48.7 percent) and hospital and health care facilities (-7.8 percent). In 2004, \$10.9 billion of Economic Recovery bonds were issued in the "other purpose" category, which accounts for the significant decrease in 2005.

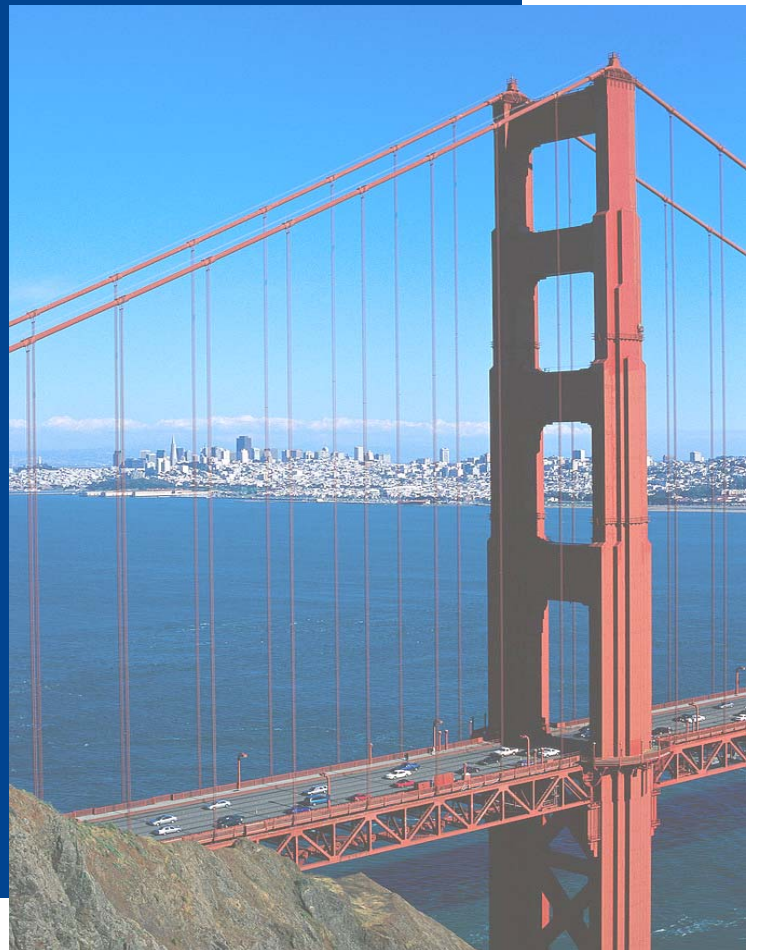
Figure 14
State Issuance by Purpose*
2005 and 2004
(Dollars in Millions)

Purpose	2005		2004		Percent Change in Par Amount Issued 2004 to 2005
	Amount of Issuance	Percent of Total Issuance	Amount of Issuance	Percent of Total Issuance	
Capital Improvements	\$4,938	19.6%	\$3,073	9.8%	60.7%
Commercial and Industrial Development	723	2.9	430	1.4	68.2
Education	8,775	34.9	5,571	17.7	57.5
Hospital and Health Care Facilities	1,583	6.3	1,716	5.5	-7.8
Housing	2,707	10.8	2,621	8.3	3.3
Interim Financing	3,080	12.2	6,000	19.1	-48.7
Other Purpose	3,361	13.4	12,036	38.3	-72.1
Redevelopment	0	0.0	12	0.0	-100.0
Total State Issues	\$25,167	100.0%	\$31,461	100.0%	-20.0%

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

SECTION IV.

LOCAL AGENCY BOND ISSUANCE



Local Issuance by Type

As shown in Figure 15 on page 18, local total issuance increased from \$38.6 billion in 2004 to \$45.2 billion in 2005 (17.1 percent). The largest increases in local agency issuance were in the following areas:

- **Revenue Anticipation Notes:** The majority of the 587.0 percent increase of revenue anticipation notes issuance is due to the California Statewide Communities Development Authority's issuing \$435.3 million in notes for the Vehicle License Fee (VLF) Program⁹.
- **Sales Tax Revenue Bonds:** The \$1.3 billion issuance for transportation purposes was the main reason that sales tax revenue bonds increased 250.2 percent in 2005.
- **Other Notes:** Other notes increased 160.9 percent due to the public issuance of \$204.7 million for the 2005 VLF Gap Loan.
- **Public Lease Revenue Bonds:** The 106.9 percent increase for this bond type occurred due to issuances for capital improvements (\$1.3 billion), Orange county's bankruptcy recovery program (\$419.8 million), and a refunding pension fund (\$127.0 million).

Some of the types of local agency issuance that declined in 2005 include:

- **Certificates of Participation/Leases:** Decreased from \$3.3 billion in 2004 to \$2.8 billion in 2005 (-15.5 percent).
- **Conduit Revenue Bonds:** Conduit revenue bonds fell from \$4.5 billion in 2004 to \$3.9 billion in 2005 (-14.0 percent).
- **Public Enterprise Revenue Bonds:** This category decreased from \$6.2 billion in 2004 to \$5.4 billion (-12.6 percent).

⁹ In the 2003-2004 fiscal year, the State did not make three months of VLF backfill payments to cities and counties, which resulted in a VLF funding gap (VLF Gap Loan).

Figure 15
Local Issuance by Type¹
2005 and 2004
(Dollars in Millions)

Type	2005		2004		Percent Change in Par Amount Issued 2004 to 2005
	Amount Issued	Percent of Total Issuance	Amount Issued	Percent of Total Issuance	
Bonds					
Conduit Revenue Bond	\$3,851	8.5%	\$4,479	11.6%	-14.0%
General Obligation Bond	11,591	25.7	7,228	18.7	60.4
Limited Tax Obligation Bond	2,658	5.9	1,568	4.1	69.5
Other Bond	2,470	5.5	2,948	7.6	-16.2
Public Enterprise Revenue Bond	5,387	11.9	6,166	16.0	-12.6
Public Lease Revenue Bond	1,918	4.2	927	2.4	106.9
Revenue Bond (Pool)	2,500	5.5	1,566	4.1	59.7
Sales Tax Revenue Bond	1,458	3.2	416	1.1	250.2
Special Assessment Bond	484	1.1	439	1.1	10.3
Tax Allocation Bond	2,804	6.2	2,530	6.6	10.8
Subtotal Bonds	\$35,120	77.7%	\$28,267	73.2%	24.3%
Certificates of Participation/Leases	\$2,792	6.2%	\$3,303	8.6%	-15.5%
Commercial Paper	\$896	2.0%	\$794	2.1%	12.8%
Notes					
Bond Anticipation Note	\$55	0.1%	\$41	0.1%	33.0%
Grant Anticipation Note	35	0.1	33	0.1	6.0
Other Note	256	0.6	98	0.3	160.9
Revenue Anticipation Note	523	1.2	76	0.2	587.0
Tax Allocation Note	16	0.0 ²	18	0.0 ³	-11.4
Tax and Revenue Anticipation Note	5,490	12.2	5,960	15.4	-7.9
Subtotal Notes	\$6,374	14.1%	\$6,226	16.1%	2.4%
Other Debt	\$1	0.0%⁴	\$1	0.0%⁵	-5.8%
Total Local Issues	\$45,182	100.0%	\$38,590	100.0%	17.1%

¹ Does not include student loan corporations. Totals may not add and percentages may not be exact due to rounding.

² Actual percent of 2005 tax allocation notes is 0.034 percent.

³ Actual percent of 2004 tax allocation notes is 0.045 percent.

⁴ Actual percent of 2005 other debt is 0.002 percent.

⁵ Actual percent of 2004 other debt is 0.002 percent.

Local Issuance by Purpose

As in previous years, the majority of the bond issuance in 2005 was for capital improvements (31.8 percent) and education (29.3 percent) projects (see Figure 16). In the area of capital improvements, most of the bond issuance was for public water and wastewater (\$3.3 billion), transportation (\$1.7 billion), and power generation/transmission (\$1.7 billion) projects. Of the \$13.2 billion issued for education projects, \$9.2 billion (69.8 percent) was used for K-12 facilities, \$3.6 billion (27.3 percent) for college and university facilities, and \$391.3 million (3.0 percent) for other multiple education uses (i.e., school buses, copiers, software, administrative facilities, etc).

The greatest increase in local bond issuance from 2004 to 2005 was for commercial and industrial development (591.6 percent) projects, primarily due to a pollution control bond issued for \$248.6 million. Other areas that experienced increases in issuance from 2004 to 2005 include education (from \$8.0 billion in 2004 to \$13.2 billion in 2005) and redevelopment from (\$2.9 billion to \$3.2 billion).

Hospital and health care facilities, housing, and interim financing all experienced a decrease in issuance.

Figure 16
Local Issuance by Purpose*
2005 and 2004
(Dollars in Millions)

Purpose	2005		2004		Percent Change in Par Amount Issued 2004 to 2005
	Amount Issued	Percent of Total Issuance	Amount Issued	Percent of Total Issuance	
Capital Improvements	\$14,354	31.8%	\$13,119	34.0%	9.4%
Commercial and Industrial Development	389	0.9	56	0.1	591.6
Education	13,248	29.3	8,021	20.8	65.2
Hospital and Health Care Facilities	2,483	5.5	2,777	7.2	-10.6
Housing	2,166	4.8	2,316	6.0	-6.5
Interim Financing	6,493	14.4	6,828	17.7	-4.9
Other	2,800	6.2	2,615	6.8	7.1
Redevelopment	3,249	7.2	2,858	7.4	13.7
Total Local Issues	\$45,182	100.0%	\$38,590	100.0%	17.1%

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

Local Bond Issuance by County of Origin

Figure 17 shows the total amount of issuance as well as refunding amounts by county. Of the 58 counties, issuers in Los Angeles county issued \$11.0 billion (15.5 percent) of all local bonds issued in 2005. Of this total, 44.8 percent was for refunding. The "multiple" category, which include issuances that overlap at least two county boundaries, followed Los Angeles county closely in terms of the amount issued (\$7.2 billion) and the percent of issues refunded (44.3 percent).

Fifteen counties issued bonds in 2005, but not for refunding purposes. In this group, Butte county issued the largest amount in bonds (\$159.2 million).

Alpine and Modoc counties were the only two counties that did not have any public issuance.

Figure 17
2005 Local Agency Public Issuance
by County of Origin and Refunding
(Dollars in Millions)

County	Amount Issued	Percent of Total	Refunded Amount	Percent of Issues Refunded
Alameda	\$1,741	2.5%	\$376	21.6%
Alpine	0	0.0	0	0.0
Amador	14	0.0	0	0.0
Butte	159	0.2	0	
Calaveras	6	0.0	2	30.7
Colusa	5	0.0	0	
Contra Costa	1,118	1.6	387	34.6
Del Norte	2	0.0	0	
El Dorado	134	0.2	52	38.7
Fresno	358	0.5	45	
Glenn	12	0.0	0	0.0
Humboldt	30	0.0	0	
Imperial	106	0.1	9	8.9
Inyo	18	0.0	0	
Kern	362	0.5	49	13.6
Kings	56	0.1	9	
Lake	5	0.0	0	0.0
Lassen	1	0.0	1	
Los Angeles	10,950	15.5	4,903	44.8
Madera	142	0.2	10	
Marin	246	0.3	13	5.4
Mariposa	6	0.0	5	
Mendocino	26	0.0	2	6.4
Merced	137	0.2	64	
Modoc	0	0.0	0	0.0
Mono	13	0.0	0	
Monterey	210	0.3	57	27.4
Multiple	7,247	10.3	3,210	44.3
Napa	152	0.2	60	39.6
Nevada	39	0.1	7	16.8
Orange	2,513	3.6	1,104	43.9
Placer	563	0.8	98	17.4
Plumas	16	0.0	7	46.3
Riverside	3,364	4.8	966	28.7
Sacramento	2,151	3.0	898	41.7
San Benito	32	0.0	0	0.0
San Bernardino	1,685	2.4	626	37.2
San Diego	3,806	5.4	1,326	34.8
San Francisco	1,203	1.7	340	28.3
San Joaquin	647	0.9	178	27.6
San Luis Obispo	53	0.1	35	66.3
San Mateo	890	1.3	468	52.5
Santa Barbara	190	0.3	48	25.0
Santa Clara	2,383	3.4	1,166	48.9
Santa Cruz	257	0.4	98	38.3
Shasta	61	0.1	11	19.0
Sierra	2	0.0	0	0.0
Siskiyou	5	0.0	0	0.0
Solano	275	0.4	128	46.6
Sonoma	506	0.7	154	30.4
Stanislaus	215	0.3	41	18.9
Sutter	60	0.1	0	0.0
Tehama	25	0.0	8	33.1
Trinity	5	0.0	0	0.0
Tulare	180	0.3	50	27.8
Tuolumne	41	0.1	29	70.7
Ventura	635	0.9	124	19.5
Yolo	90	0.1	16	17.7
Yuba	36	0.1	0	0.0
Total	\$45,182	63.9	\$17,180	38.0

SECTION V.

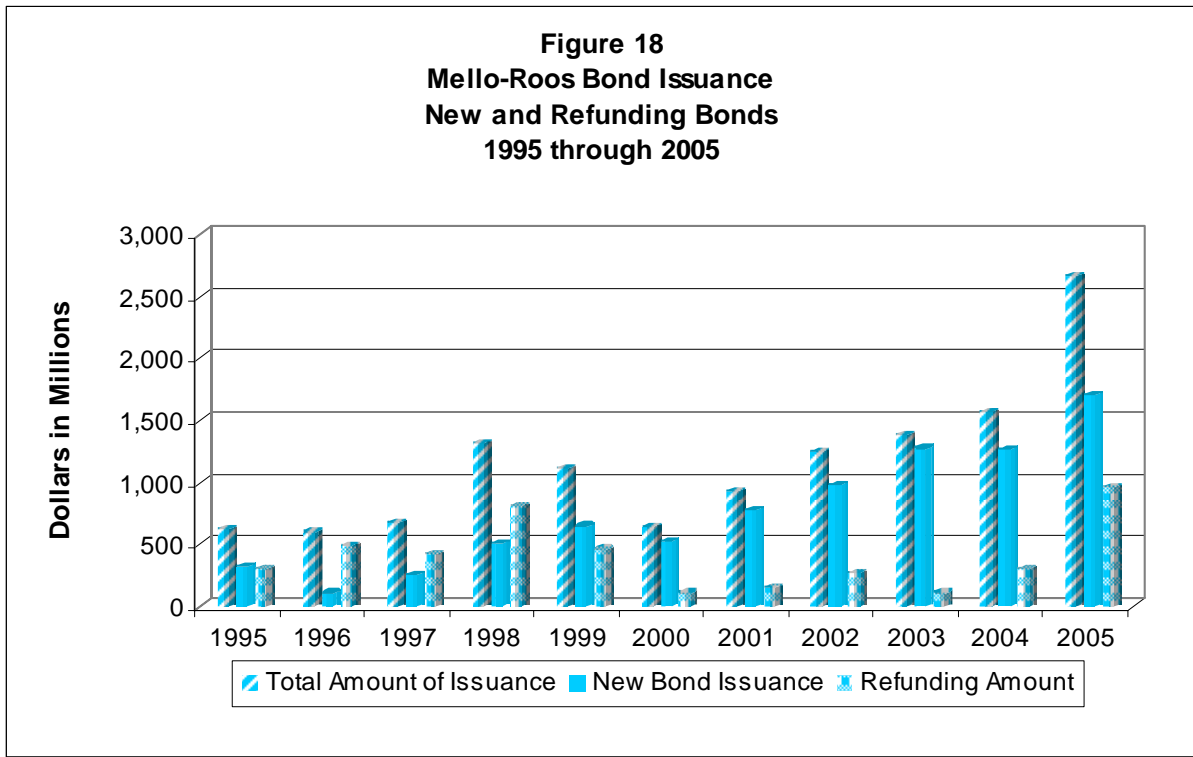
MELLO-ROOS COMMUNITY FACILITIES
DISTRICTS BOND ISSUANCE



A. Overview

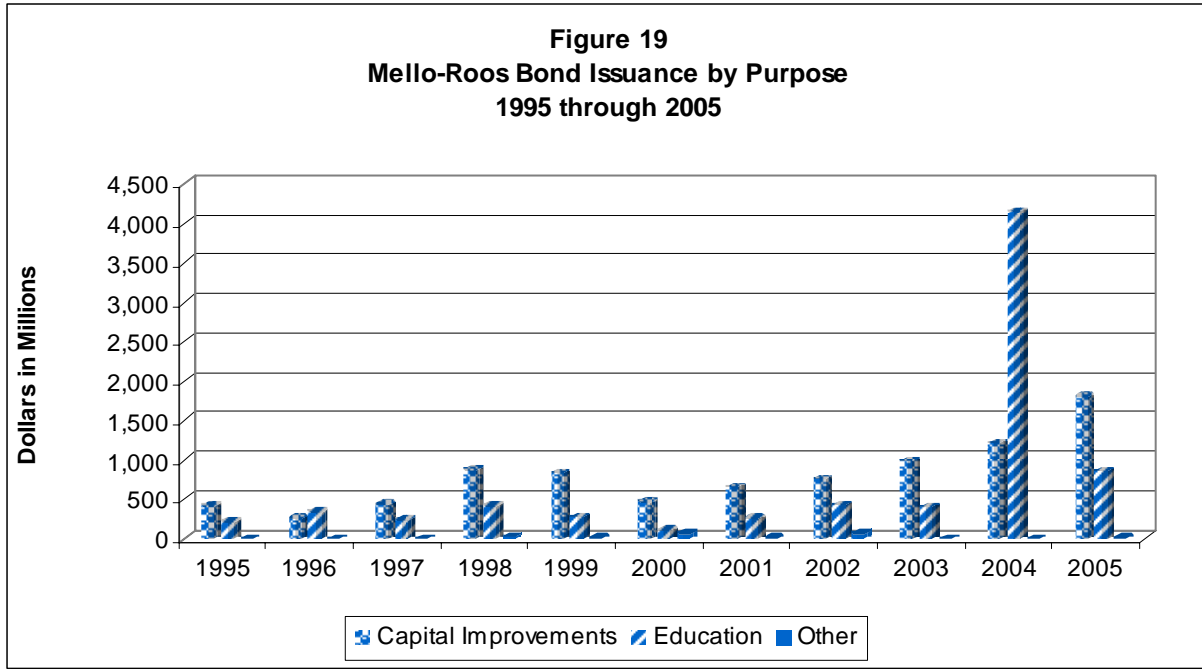
The Mello-Roos Community Facilities Act of 1982 established a means for public agencies to structure a separate communities facility district (CFD) to finance school facilities and capital improvements, such as libraries, parks, public utilities, etc.

Figure 18 shows the change in Mello-Roos bond issuance (new and refunding bonds) from 1995 through 2005. In 2005, Mello-Roos CFDs sold 189 issues, an increase of 14.5 percent over the 165 issues sold in 2004. The par amount of 2005 Mello-Roos issues increased 69.8 percent, from \$1.6 billion in 2004 to \$2.7 billion in 2005. New issuance increased from almost \$1.3 billion in 2004 to \$1.7 billion in 2005 (35.3 percent), and refunding bonds increased from \$308.6 million in 2004 to \$958.6 million in 2005 (210.6 percent).



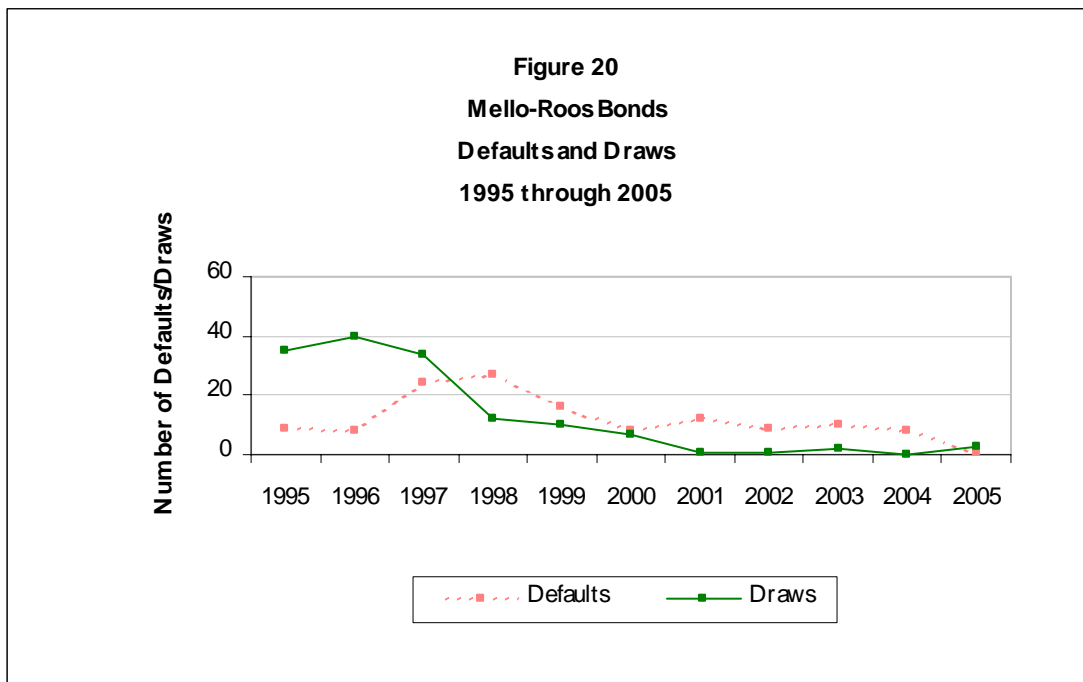
B. Mello-Roos Bond Issuance by Purpose

The volume of Mello-Roos bonds issued by purpose from 1995 through 2005 is shown below in Figure 19. Mello-Roos bonds issued for education purposes had the greatest change, decreasing 79.4 percent from nearly \$4.2 billion in 2004 to \$854.3 million in 2005. Mello-Roos bonds issued for capital improvement purposes increased from \$1.2 billion in 2004 to \$1.8 billion in 2005 (48.2 percent). There were no issuances in the "other" purpose category in 2004, but \$4.1 million was issued in 2005.



C. Defaults and Draws on Reserves

California Government Code Section 53359.5 requires issuers of defaulted (i.e., non-payment of principal and interest on any scheduled payment date) Mello-Roos bonds or Mello-Roos bonds that have a draw on reserve funds to pay principal and interest on the bonds, to report this information to CDIAC on a yearly basis. Figure 20 shows Mello-Roos bonds that have defaulted or have had a draw on reserves from 1995 through 2005. In 2005, the number of defaults was one (down 87.5 percent from 2004), and there were three draws on reserve (100.0 percent increase from 2004).

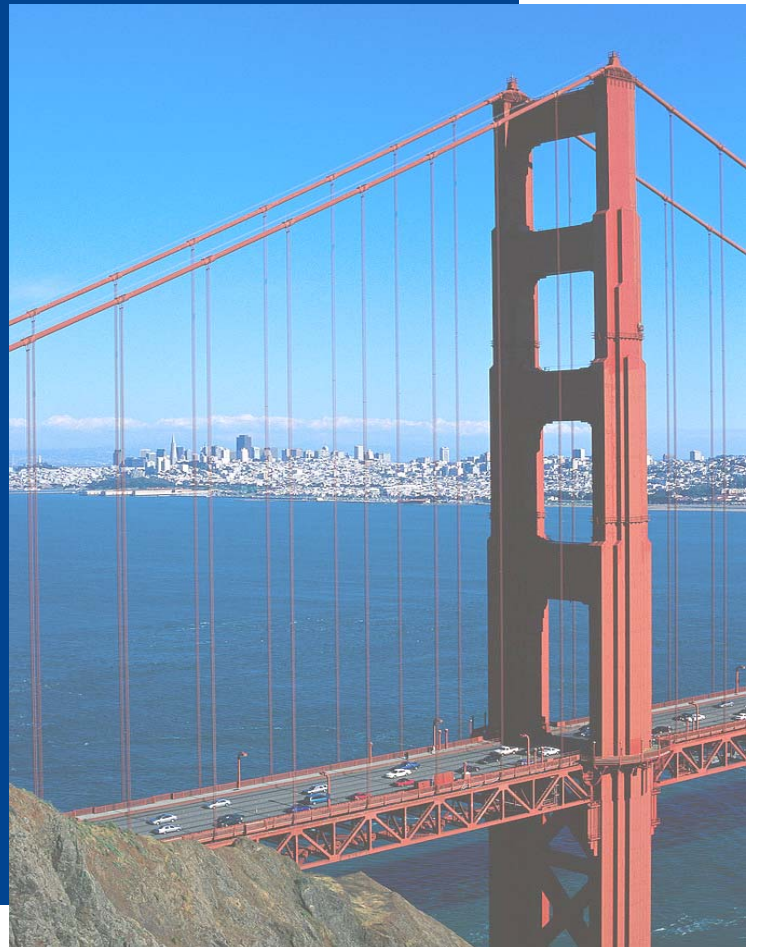


Additional information on Mello-Roos CFDs and their defaults/draws on reserves is available in CDIAC's *Mello-Roos Community Facilities Districts Yearly Fiscal Status Report*.¹⁰ CDIAC also periodically reports on defaults and draws on its website at www.treasurer.ca.gov/cdiac.

¹⁰ This report contains information on Mello-Roos CFD defaults and draws on reserves reported through November 2003. More current information may be obtained through contacting CDIAC directly.

SECTION VI.

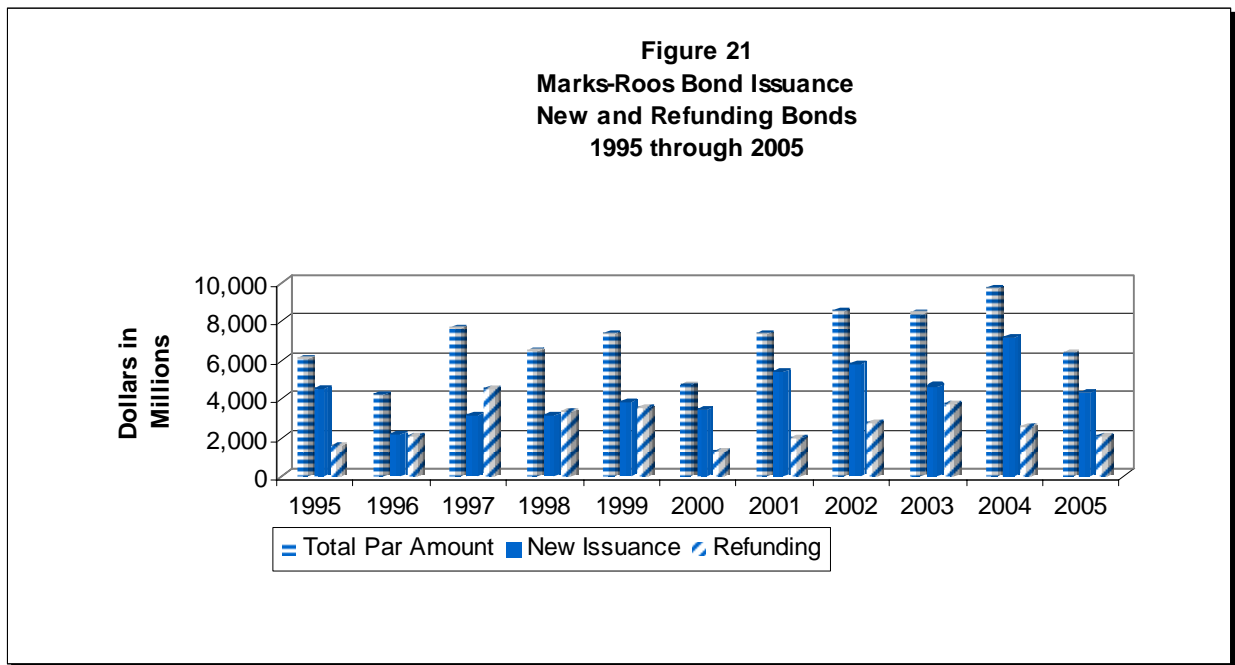
MARKS-ROOS BOND ISSUANCE



A. Overview

The Marks-Roos Local Bond Pooling Act of 1985 allows Joint Powers Authorities (JPAs) to issue bonds for a variety of purposes. Chapter 723, Statutes of 2001, requires certain JPAs issuing Marks-Roos bonds to file copies of any public hearing notice and resolutions of intent to issue debt with CDIAC and the Office of the Attorney General. Exemptions to this requirement are granted to JPAs issuing Marks-Roos bonds for certain purposes under Government Code Section 6586.5 (et seq.) and Article 1 of the Marks-Roos Act. These exemptions include issuance for transportation, under grounding of utility and communication lines, public school facilities, and public highways.

A comparison of the total, new, and refunding bond issuance from 1995 through 2005 is found in Figure 21 below. In 2005, Marks-Roos bond issuance decreased 34.6 percent, from \$9.7 billion in 2004 to \$6.4 billion in 2005. New Marks-Roos bond issuance in 2005 decreased from \$7.2 billion in 2004 to \$4.3 billion in 2004 (-39.9 percent). Refundings also decreased from \$2.5 billion in 2004 to \$2.0 billion in 2005 (-19.7 percent).



B. Marks-Roos Bond Issuance by Purpose

Figure 22 provides a comparison of Marks-Roos bond issuance by purpose for 2004 and 2005. As in 2004, the largest par amount of Marks-Roos bonds was issued for capital improvements purposes; however, the actual amount of capital improvement bonds issued decreased from \$3.8 billion in 2004 to \$3.1 billion in 2005 (-17.8 percent). Although the volume of bonds issued for capital improvement purposes was the largest, bond issuance for "other" purposes increased 281.0 percent from \$329.1 million in 2004 to almost \$1.3 billion in 2005. The increase is due to bond issues for a VLF program (\$454.6 million), Orange county's bankruptcy recovery program (\$419.8 million), and a public works agency (\$204.7 million).

A decline in issuance occurred for hospital and health care facilities and commercial and industrial development projects. In 2004, both of these purpose types had bond issuance (\$2.4 billion and \$13.7 million, respectively), but neither category had any bond issuance in 2005.

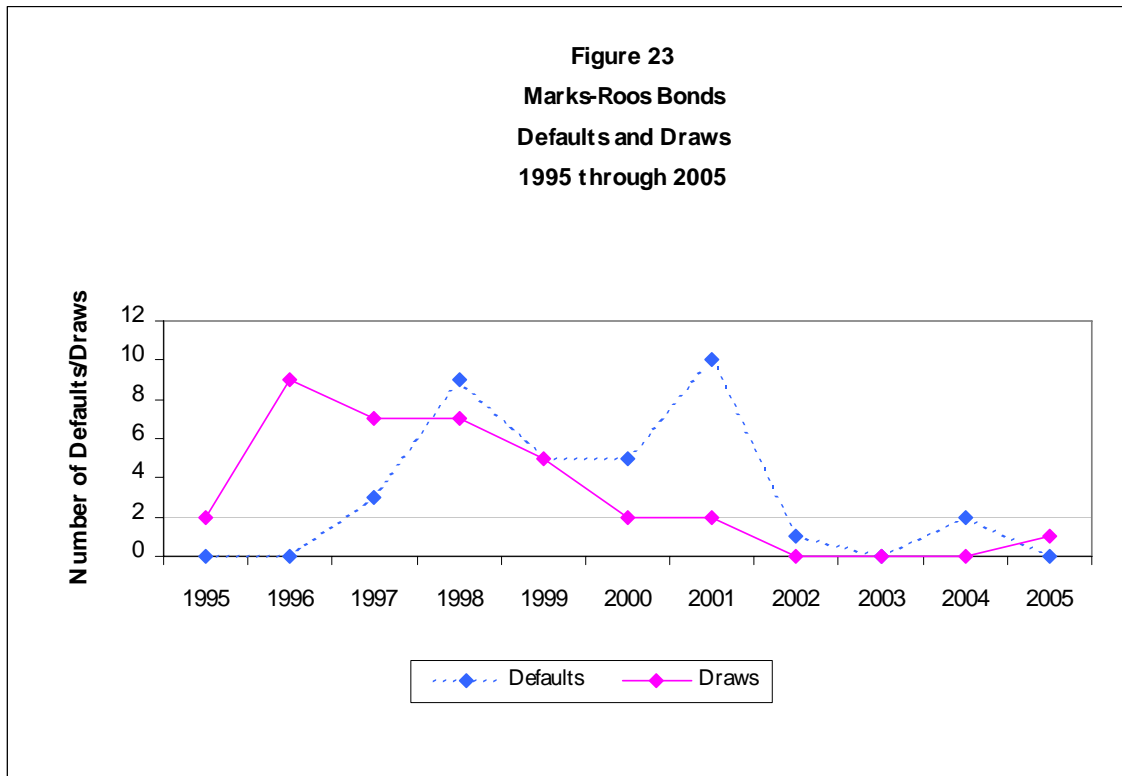
Figure 22
Marks-Roos Bond Issuance by Purpose*
2005 and 2004
(Dollars in Millions)

Purpose	2005		2004		Percent Change
	Amount of Issuance	Percent of Total	Amount of Issuance	Percent of Total	
Capital Improvements	\$3,136	49.4%	\$3,815	39.3%	-17.8%
Commercial and Industrial Development	0	0.0	14	0.1	-100.0
Education	804	12.7	565	5.8	42.3
Hospital and Health Care Facilities	0	0.0	2,425	25.0	-100.0
Housing	20	0.3	1,336	13.8	-98.5
Interim Financing	18	0.3	221	2.3	-91.8
Other	1,254	19.7	329	3.4	281.0
Redevelopment	1,120	17.6	1,007	10.4	11.2
Total	\$6,352	100.0%	\$9,712	100.0%	-34.6%

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

C. Defaults and Draws on Reserves

In 2005, there were no Marks-Roos defaults and one draw on reserves, which is the reverse of 2002 when there was only one default and no draws on reserves (see Figure 23). In 2001, defaults were at the highest level in the ten year time span with ten; in 1996, draws were at their highest, totaling nine.



Additional information on Marks-Roos issuances and their defaults/draws on reserves up to November 2003 is available in CDIAC's *Marks-Roos Yearly Fiscal Status Report*¹¹.

¹¹ This report contains information on Marks-Roos defaults and draws on reserves reported through November 2003. More current information may be obtained through contacting CDIAC directly.

SECTION VII.

THE CALIFORNIA DEBT AND
INVESTMENT ADVISORY COMMISSION



The California Debt and Investment Advisory Commission (CDIAC) provides information, education and technical assistance on debt issuance and public fund investments to state and 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 issuance information and required it to assist state and local agencies with the monitoring, issuance, and management of public financings (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 fund investments. The Commission is specifically required to:

- Serve as the State's clearinghouse for public issuance information.
- Publish a monthly newsletter.
- Maintain contact with participants in the municipal finance industry to improve the market for public issuance.
- 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 public issuances.
- Assist state financing authorities and commissions in carrying out their responsibilities.
- Collect specific financing information on public issuance through Mello-Roos Community Facilities Districts after January 1, 1993 or as a member of a Marks-Roos Bond Pool beginning January 1, 1996; collect reports of draws on reserves or defaults from Mello-Roos Community Facilities Districts and Marks-Roos bond pools 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 and issuance of public debt.
- 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 State Assembly Members, and two State 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 2005 Commission members included: Phil Angelides, State Treasurer; Arnold Schwarzenegger, Governor, or Michael C. Genest, Director of Finance; Steve Westly, State Controller; State Senator Dave Cox; State Senator Mike Machado; State Assembly Member Judy Chu; José Cisneros, Treasurer and Tax Collector, 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 the investment of public funds, CDIAC 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 public issuance database. The public issuance repository is considered the most comprehensive and accessible database of California public 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 public issuance reports received each year. Data from these reports are the basis for public issuance statistics and analyses released by CDIAC.

As the State's clearinghouse for public issuance information, the Commission has collected data on all public issuance in California since January 1, 1982. All state and local government issuers are required to submit issue-related information to CDIAC 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 instrument, the source(s) of repayment, the purpose of the financing, the rating of the issue, and the members of the financing team.

CDIAC has instituted, for use by all bond counsels and issuers or their representatives, reporting forms to report public issuance pursuant to California Government Code Sections 8855(k)-(l). 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 website at www.treasurer.ca.gov/cdiac.

Additionally, CDIAC began accepting debt issuance reporting forms through electronic submission on June 29, 2006. The following links allow issuers to access the necessary forms and to submit them directly to CDIAC: <http://cdiacforms.treasurer.ca.gov/proposed.aspx> for proposed debt issuance, and <http://cdiacforms.treasurer.ca.gov/login.aspx?form=final> for completed sales.

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

ACCESS TO CDIAC DEBT ISSUANCE DATA

E-mail Distribution – E-mail subscribers receive an e-mail each month containing data on sold issues reported to CDIAC in the previous 30-day period. E-mail subscribers receive this information free of charge. Data from previous months and years are also available via e-mail free of charge.

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

CDIAC On-Line – The CDIAC website is located at www.treasurer.ca.gov/cdiac or through the State Treasurer's home page under *Boards, Authorities and Commissions*. Debt issuance data is located at www.treasurer.ca.gov/cdiac/index.asp. In addition, through CDIAC's Debt Issuance Interface, individuals are able to search the commission's database to obtain information on and related to California bond issues at <http://cdiacreports.treasurer.ca.gov/Search.aspx>.

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

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

2. Policy Research

CDIAC's mandated duties include some that are intended to improve the market for, and the marketability of, public issuance in California. Such functions include efforts to maintain contact with participants in the municipal finance industry, to undertake or commission studies of various aspects of the market in order to provide guidance to state and local government issuers, and to recommend legislative changes in matters affecting public issuers. To fulfill these functions, CDIAC's Policy Research Unit draws on information from CDIAC's public issuance database, public and private experts throughout the municipal industry, periodicals and journals, and other existing resources. Research staff are knowledgeable of developments and events in the municipal finance industry, 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 prepare 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 led 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 if they provide those reports to their governing bodies).

CDIAC researches issues that are of current interest and have practical relevance to public finance practitioners. In addition, to providing general education reference material, these projects are designed to keep issuers/investors apprised of emerging trends in public finance and preserve the integrity and viability of the public finance market by alerting policy makers to potential problem areas.

Publications completed in 2005 include:

- 2004 Annual Report
- 2004 Calendar of Debt Issuance
- 2004 Marks-Roos Yearly Fiscal Status Report
- 2004 Summary of Debt Issuance
- California Debt Issuance Primer Handbook
- Securities Lending Agreements Issue Brief
- Twenty Questions for Municipal Interest Rate Swap Issuers
- State and Local Tax and Bond Ballot Measures Results of the November 2005 Special Election

Debt Line Articles completed in 2005 include:

- Streamlining the Broker/Dealer Selection Process
- Organizing for Success: Applying the Lessons Learned from Past Base Closures Can Assist Communities in Recovering Lost Economic Activity
- CDIAC Reviews Fourth Quarter 2004 Investment Portfolio Reports from Counties and Cities
- Who's Minding the Store: Managing Advance Refunding Escrows
- SLONs – A New Financing Tool for Special Districts
- 2005 Tax and Revenue Anticipation Notes: Reports of Issuance
- Highlights of the 2005-06 California State Budget and Its Impact on Local Government
- California Local Agency Investment Fund: Monthly Returns Up on Short-Term Rate Increases

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 of CDIAC's technical assistance program is responding to inquiries concerning California public issuance and public fund investment. The Commission receives daily contacts from public and private sector professionals regarding requests for data on public issuance and information on the nature and application of public finance. Typical requests include information for lists of different types of financings over a specified period of time and for specific types of issuers, such as joint powers authorities and community facility districts, that have issued bonds covering specific years.

The second component of CDIAC's technical assistance program is the seminar program. Since 1984, CDIAC has organized educational seminars focusing on public finance matters. 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 bond issuance and investment process; (2) strengthen the expertise of public officials who are familiar with the municipal bond issuance process and the investment of public funds; and (3) inform public officials about current topics that may affect public issuance and the investment of public funds. 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 2005:

CDIAC at the California Society of Municipal Finance Officers Annual Conference, February 24, 2005, Burlingame, CA

CDIAC provided sessions on debt and investment topics at the CSMFO Annual Conference. The first session covered the use of auction rate securities and second session discussed how to find value in public investment portfolios in the current market.

Investing Public Funds: Fundamentals of Managing Your Portfolio, March 17-18, 2005, Long Beach, CA
This one and one-half day seminar was 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.

Understanding Municipal Securities Disclosure Symposium, April 7, 2005, Los Angeles, CA

This was a one-day disclosure symposium that focused on Securities and Exchange Commission (SEC) Rules regarding disclosure and educated issuers on the use of the Central Post Office System for reporting.

Advanced Debt Financing Workshop, May 5, 2005, Seaside, CA

This is one of CDIAC's advanced debt management workshops, which focused on the use of auction rate securities and swaps in the marketplace. Participants learned about the application of those debt-financing techniques beyond the basic concepts.

4th Annual Tools to Revitalize California Communities Program at the UCLA 2nd Annual Smart Growth Conference, May 18, 2005, Los Angeles, CA

This was CDIAC's 4th Annual Conference, which highlighted various financing tools to assist California Communities with economic development. Sessions at the UCLA Extension Smart Growth Conference (co-hosted by CDIAC) were determined by a committee comprised of members selected by UCLA and CDIAC staff.

Fundamentals of Debt Financing, September 8-9, 2005, Concord, CA

This one and one-half day seminar was designed to provide participants with fundamental terms, concepts and processes relating to debt issuance. Topics covered in this course included: 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.

CDIAC Pre-Conference Event at the 15th Annual Bond Buyer California Public Finance Conference, September 21, 2005, Carlsbad, CA

This was a pre-conference to the Bond Buyer's Annual California Public Finance Conference. CDIAC featured panel sessions on asset/liability matching, debt structuring options for managing liabilities, and credit considerations.

Advanced Portfolio Management Decision Making Workshop, October 14, 2005, San Francisco, CA

This one-day workshop was designed for local government officials and their staff who may be involved in the day-to-day management of an investment portfolio or who were interested in a better understanding of the public investment process. The program included exercises in selection and allocation of public investment instruments using BLOOMBERG services and other electronic sources.

Fundamentals of Land-Secured Financing Workshop, November 18, 2005, Pomona, CA

This was a one-day intensive workshop on the fundamentals of land-secured financing. The workshop consisted of two teams of presenters drawn from both public and private organizations that compared and contrasted the uses of special tax and assessment financing. The program was designed for local government officials and other professionals seeking to utilize public financing for infrastructure or other improvements.

C. Commission Funding and Expenditures

The Commission is funded out of the CDIAC Fund, mandated by California Government Code Section 8856. The CDIAC Fund is supported by fees levied on public issuance 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 2.5 basis points or not more than \$5,000 for each issue.

In an effort to draw down excess funds that had accumulated in CDIAC's reserve as a result of a 1995 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 for two years until July 1, 2008. A copy of the revised fee schedule can be found in Appendix B.

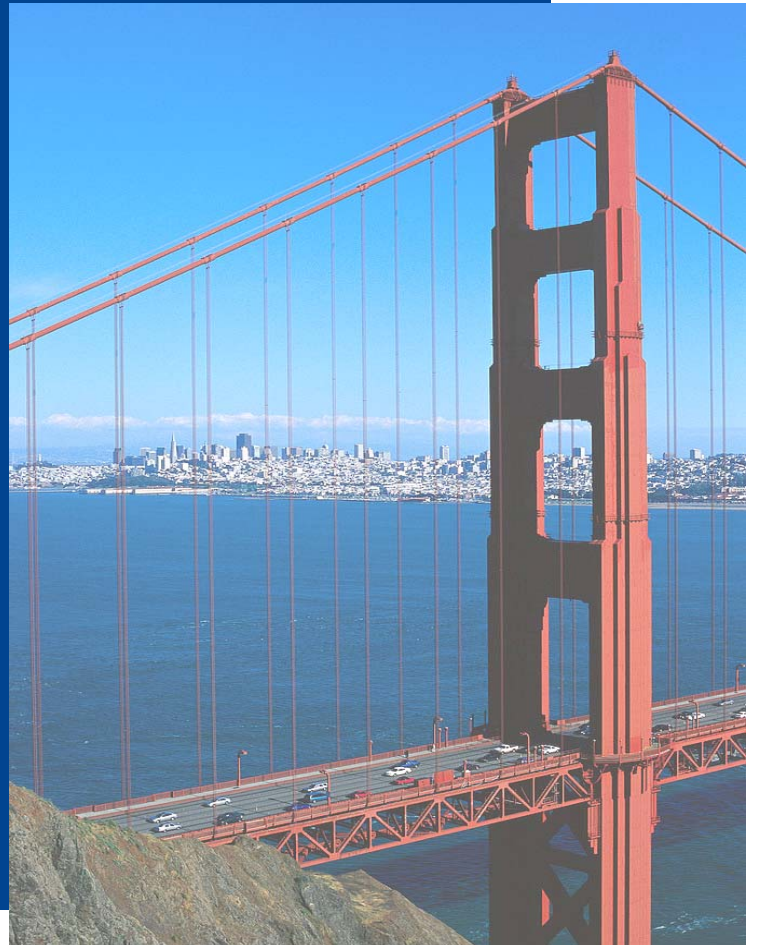
As Figure 24 indicates, the Commission began the 2004-05 fiscal year with a fund balance of \$942,059 and added to that reimbursements and revenues of approximately \$2.4 million, to total nearly \$3.3 million in resources. Expenses for 2004-05 totaled nearly \$1.9 million, resulting in an ending fund balance of \$1.4 million.

Figure 24*
California Debt and Investment Advisory Commission
Operating Revenues and Expenditures
Fiscal Year 2004-2005

	Amount
Revenues:	
Beginning balance (7/1/04)	\$942,059
Fees and Interest Earnings	2,283,450
Reimbursements	67,193
Total revenues	\$3,292,702
Expenditures:	
Staff salaries	\$806,012
Staff benefits	279,171
General expense	70,634
Printing	90,526
Communications	8,837
Postage	41,763
In-state travel	43,769
Out-of-state travel	7,034
Training	7,094
Facilities operation	126,787
Consultant/interdepartmental contracts	336,573
Data processing	16
Central administrative services	38,565
Major equipment	0
Total expenditures	\$1,856,781
Ending balance (6/30/05)	\$1,435,921

*This figure does not include a \$5.5 million loan from the CDIAC fund to the State General Fund.

APPENDICES



AUTHORIZING LEGISLATION

STATE OF CALIFORNIA GOVERNMENT CODE

DIVISION 1 OF TITLE 2

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.

(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 may adopt bylaws for the regulation of its affairs and the conduct of its business.

(f) The commission shall meet on the call of the chairperson, 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.

(g) The office of the Treasurer shall furnish all administrative and clerical assistance required by the commission.

(h) 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 and issuance, 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 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 for oversight purposes.

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

(9) Publish a monthly newsletter describing and evaluating the operations of the commission during the preceding month.

(i) 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 second 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.

(j) 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.

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

(l) 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.

§ 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.

§ 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.

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

REPORTING FEE SCHEDULE

Date of Adoption: June 27, 2006

EFFECTIVE JULY 1, 2006

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 TRANs 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 July 1, 2006 through June 30, 2008, the fee will be equal to one hundred and fifty dollars (\$150).
 - B. For such issues sold on or after July 1, 2008, 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 July 1, 2006 through June 30, 2008, 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, 2008, 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.

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*

*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

CALIFORNIA DEBT ISSUANCE PRIMER [CDIAC #06-4]

California Debt and Investment Advisory Commission and Orrick, Herrington & Sutcliffe LLP, Updated March 2006.

A comprehensive Primer on the bond issuance process in California. This Primer is available for \$25.00 per printed copy. It also is available for free in a .pdf format at www.treasurer.ca.gov/cdiac.

PUBLIC FUND INVESTMENT PRIMER

CALIFORNIA PUBLIC FUND INVESTMENT PRIMER [CDIAC #05-02]

California Debt and Investment Advisory Commission and Consultants: Chandler Asset Management, Inc., Fieldman, Rolapp & Associates, and Stradling Yocca Carlson & Rauth, A Joint Venture, March 2005.

A comprehensive Primer on the public investment process in California. This Primer is available for \$25.00 per printed copy. It also is available for free in a .pdf format at www.treasurer.ca.gov/cdiac.

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

MONTHLY PUBLICATION

DEBT LINE, 1982 to present

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

DEBT LINE OFFPRINTS

Selected articles from CDIAC's monthly newsletter, DEBT LINE, relating to public financing and investment issues. These offprints were discontinued in 2005, when DEBT LINE went to an electronic format. A listing of articles may be found on CDIAC's website at www.treasurer.ca.gov/cdiac.

ANNUAL REPORTS

2004 ANNUAL REPORT [CDIAC #05-07]

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 bond issuance statistics and Commission activities, and a preview of the Commission's planned programs for the following year.

- 2003 ANNUAL REPORT [CDIAC #04-09]**
- 2002 ANNUAL REPORT [CDIAC #03-7]**
- 2001 ANNUAL REPORT [CDIAC #02-6]**
- 2000 ANNUAL REPORT [CDIAC #01-7]**
- 1999 ANNUAL REPORT [CDIAC #01-2]**
- 1998 ANNUAL REPORT [CDIAC #99-6]**
- 1997 ANNUAL REPORT [CDIAC #98-4]**
- 1996 ANNUAL REPORT [CDIAC #97-5]**
- 1995 ANNUAL REPORT [CDIAC #96-4]**
- 1994 ANNUAL REPORT [CDIAC #95-2]**

2004 CALENDAR OF CALIFORNIA PUBLIC DEBT ISSUANCE [CDIAC #05-09]

This report shows all of the public debt issued in California in calendar year 2004 reported to the California Debt and Investment Advisory Commission. Each bond issue shows the name of the issuer, the county, the type and purpose of the issue, the date of the sale, the principal amount of the bond, and whether or not the issue is a refunding. Each issue also shows the interest rate, the rating, credit enhancement information, the final maturity date, and major participants in the financing (i.e., bond counsel, financial advisor, underwriter, trustee, and credit enhancement provider).

- 2003 CALENDAR OF DEBT ISSUANCE [CDIAC #04-11]**
- 2002 CALENDAR OF DEBT ISSUANCE [CDIAC #03-9]**
- 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, June 1, 1990**
- 1989 CALENDAR OF ISSUES, February 15, 1990**
- 1988 CALENDAR OF ISSUES, February 15, 1989**
- 1987 CALENDAR OF ISSUES, February 1, 1988**
- 1986 CALENDAR OF ISSUES, May 15, 1987**
- 1985 CALENDAR OF ISSUES, March 31, 1986**

2004 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDIAC #05-08]

This summary provides information on the major components of debt issued by public agencies in California in 2004. The tables included in the report contain statistics on both state and local agencies broken out by type of issuer, type of debt, purpose of financing, federal taxability, and whether the issue is a refunding or not.

2003 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDIAC #04-10]
2002 SUMMARY OF CALIFORNIA DEBT ISSUANCE [CDIAC #03-8]
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, June 1, 1990
1989 SUMMARY OF CALIFORNIA PUBLIC DEBT, February 15, 1990
1988 SUMMARY OF CALIFORNIA PUBLIC DEBT, February 15, 1989
1987 SUMMARY OF CALIFORNIA PUBLIC DEBT, February 1, 1988
1986 SUMMARY OF CALIFORNIA PUBLIC DEBT, May 15, 1987
1985 SUMMARY OF CALIFORNIA PUBLIC DEBT, March 31, 1986
1985 CALIFORNIA PUBLIC DEBT BY ISSUING AGENCIES, 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".*

2002 MARKS-ROOS YEARLY FISCAL STATUS REPORT, November 2003 [CDIAC 03-05]

This publication uses reports on the financial status of Marks-Roos Local Bond Pooling Act public financing authorities and local obligors who sold debt in California. The information in the publication is cumulative and reflects debt sold between January 1, 1996 and June 30, 2002. It provides information on the fiscal status of debt issued after 1996 and on defaults and draws on reserves reported to CDIAC in calendar year 2002.

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, February 1998 [CDIAC #98-1]

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

2002 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT, November 2003 [CDIAC #03-06]

This publication uses reports on the financial status of Mello-Roos Community Facilities District (CFD) bonds sold in California. The information in the publication is cumulative and reflects CFD bonds sold between January 1, 1993 and June 30, 2002. It provides information on the fiscal status of bonds sold after 1993 and on defaults and draws on reserves reported to CDIAC in calendar year 2002.

1999/2000 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT, May 2000 [CDIAC #01-6]

1998 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT, April 1999 [CDIAC #99-1]

1997 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT, March 1998, [CDIAC#98-2]

1996 MELLO-ROOS COMMUNITY FACILITIES DISTRICTS YEARLY FISCAL STATUS REPORT, January 1997, [CDIAC #97-1]

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

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

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

ISSUE BRIEF SERIES

Short Reference Documents on Various Public Finance Topics

ISSUE BRIEF NUMBER 1 - COMPETITIVE VS. NEGOTIATED SALE OF DEBT, September 1992

This Issue Brief helps issuers conduct a systemic evaluation of their proposed bond issues and provides general guidelines for public issuers, particularly those who are infrequent participants in the bond market.

ISSUE BRIEF NUMBER 2 - UNDERSTANDING THE UNDERWRITING SPREAD, March 1993

This Issue Brief defines, illustrates, and describes how to negotiate and underwriting spread.

ISSUE BRIEF NUMBER 3 - PREPARING REQUESTS FOR PROPOSALS, October 1994

This Issue Brief acquaints public debt issuers with the request for proposal (RFP) process and assists them in developing quality RFPs to procure outside municipal finance services.

ELECTRONIC DISCLOSURE ISSUE BRIEF, February 2002 [CDIAC #02-2]

This Issue Brief summarizes Securities and Exchange Commission disclosure requirements and gives a number of recommendations to consider when implementing electronic disclosure programs.

INVESTING IN CALLABLE SECURITIES ISSUE BRIEF, May 2002 [CDIAC #02-3]

This Issue Brief provides public investment officials with information to assist in the evaluation of callable securities, provides information on the key characteristics of this security, and concludes with recommendations to consider when considering whether or not to invest in callable securities.

AUCTION RATE SECURITIES ISSUE BRIEF, August 2004 [CDIAC #04-8]

This Issue Brief provides an overview of the market, mechanics, cost, benefits, and risk associated with Auction Rate Securities.

THE FUNDAMENTALS OF INTEREST RATE SWAPS, October 2004 [CDIAC #04-12]

This Issue Brief provides basic information regarding the use of interest rate swaps in municipal finance. It reviews data a financial manager would need to know when considering the use of interest rate swaps in the organization's borrowing program.

SECURITIES LENDING AGREEMENTS, May 2005 [CDIAC #05-05]

This Issue Brief explains the process of investing in securities lending agreements, discusses the different types of collateral used, and explains the benefits and risks associated with participating in these instruments.

STATE & LOCAL TAX AND BOND BALLOT MEASURES

STATE AND LOCAL BOND AND TAX BALLOT MEASURES: RESULTS OF THE JUNE 2006 GENERAL ELECTION, June 2006 [CDIAC #06-05]

This report presents the results of state and local bond and tax measures that appeared on the June 6, 2006 Primary Election ballot in California.

STATE AND LOCAL BOND AND TAX BALLOT MEASURES: RESULTS OF THE NOVEMBER 2005 GENERAL ELECTION, February 2006 [CDIAC #06-01]

STATE AND LOCAL BOND AND TAX BALLOT MEASURES: RESULTS OF THE NOVEMBER 2004 GENERAL ELECTION, February 2005 [CDIAC #05-01]

STATE AND LOCAL BOND AND TAX BALLOT MEASURES: RESULTS OF THE MARCH 2004 PRIMARY ELECTION, June 2004 [CDIAC #04-02]

STATE AND LOCAL BOND AND TAX BALLOT MEASURES: RESULTS OF THE NOVEMBER 2002 GENERAL ELECTION, March 2003 [CDIAC 03-1]

STATE AND LOCAL BOND AND TAX BALLOT MEASURES: RESULTS OF THE MARCH 2002 PRIMARY ELECTION, June 2002 [CDIAC 02-04]

STATE AND LOCAL BOND AND TAX BALLOT MEASURES: RESULTS OF THE NOVEMBER 2000 GENERAL ELECTION, February 2001 [CDIAC 01-05]

STATE AND LOCAL TAX AND BOND BALLOT MEASURES: RESULTS OF THE March 7, 2000 PRIMARY ELECTION, June 2000 [CDIAC 00-3]

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

STATE AND LOCAL TAX AND BOND BALLOT MEASURES: RESULTS OF THE JUNE 1998 PRIMARY ELECTION, September 1998 [CDIAC #98-7]

STATE AND LOCAL TAX AND BOND BALLOT MEASURES: RESULTS OF THE NOVEMBER 1996 GENERAL ELECTION, March 1997 [CDIAC #97-2]

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

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

STATE AND LOCAL TAX AND BOND BALLOT MEASURES: RESULTS OF THE 1992 PRIMARY AND GENERAL ELECTIONS, March 1993 [CDAC #93-1]

STATE AND LOCAL TAX AND BOND BALLOT MEASURES: SUMMARY OF GENERAL ELECTION RESULTS, NOVEMBER 6, 1990, February 1991

STATE AND LOCAL TAX AND BOND BALLOT MEASURES: SUMMARY OF PRIMARY ELECTION, JUNE 5, 1990, September 1990

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

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

MISCELLANEOUS

APPRAISAL STANDARDS FOR LAND-SECURED FINANCINGS, Revised July 2004 [CDIAC #04-07]

This report recommends appraisal standards undertaken to establish value-to-lien ration for Mello-Roos special tax bond issues.

ASSESSMENT OF LOCAL GOVERNMENT INVESTMENT POOLS: A SURVEY OF CALIFORNIA COUNTY POOLS, January 2000 [CDIAC #00-1]

This report highlights the techniques that county pools use to achieve safety, liquidity, and yield; the variation in policy and investment choices among pools; and the tradeoffs associated with these investment choices.

BOND INSURANCE AS A FORM OF CREDIT ENHANCEMENT IN CALIFORNIA'S MUNICIPAL BOND MARKET, 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.

CALIFORNIA DEBT ISSUANCE PRIMER HANDBOOK, October 2005, [CDIAC #05-06]

This Handbook is an accompanying document to the California Debt Issuance Primer. It provides a general overview of each major section in the Primer and provides links to these sections.

COPs IN CALIFORNIA: CURRENT ISSUES IN MUNICIPAL LEASING, 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.

DISCLOSURE GUIDELINES FOR LAND-BASED SECURITIES, September 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, 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, November 1993 [CDAC #93-8]

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

GUIDELINES FOR MELLO-ROOS FINANCING, October 1991

This report is a reprint of the guidelines included in Mello-Roos Financing in California.

INVESTMENT PORTFOLIO REPORTING PRACTICES: AN INFORMATIONAL GUIDE, October 2004, [CDIAC 04-5]

This Guide describes the purpose behind local government investment portfolio reporting and the information cities and counties should report to their legislative bodies. It also provides visual and written examples from actual city and county portfolios that summarize agency investment activities. These examples are given to provide local agencies with illustrations of additional information they may wish to include in their reports, to the extent that it assists their legislative bodies in meeting their fiduciary responsibilities.

LEASES IN CALIFORNIA: THEIR FORM AND FUNCTION, September 1990

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

LOCAL AGENCY INVESTMENT GUIDELINES: UPDATE FOR 2006, January 2006 [CDIAC #06-02]

These Guidelines provide local agencies and other interested parties with information on recent state law changes that affect the investment of public funds. The 2006 Update reflects changes effective January 1, 2006 and should be used to replace all previous versions of the document.

MELLO-ROOS FINANCING IN CALIFORNIA, 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.

QUICK REFERENCE GUIDE TO DEBT ISSUANCE AND PUBLIC FUND INVESTMENT SEMINARS, October 2006

This Guide contains information on the various bond issuance and public fund investment seminars as well as workshops offered through CDIAC's Continuing Education and Outreach Program. CDIAC's seminars are described and the Guide includes information on the subject matter contained in each program, the duration of the program, who should attend, and how often the program is offered.

RECOMMENDED CHANGES TO THE MARKS-ROOS LOCAL BOND POOLING ACT OF 1985: REPORT TO THE LEGISLATURE AND GOVERNOR, September 1995, [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.

RECOMMENDED PRACTICES FOR CALIFORNIA REDEVELOPMENT AGENCIES, April 1995, [CDAC #95-5]

This report assists redevelopment agencies by providing recommended practices and examples of innovation culled from redevelopment activities throughout California.

RECOMMENDED PRACTICES IN THE APPRAISAL OF REAL ESTATE FOR LAND-SECURE FINANCINGS, July 2004 [CDIAC #04-06]

This report makes various recommendations regarding specific practices in the field of appraising real properties securing Mello-Roos or assessment bonds.

REIMBURSEMENTS AND BOND PROCEEDS, October 2003

This report seeks to provide information on reimbursement bonds that may guide issuers in the appropriate use of such bonds.

**REPORT OF THE INTERAGENCY MUNICIPAL SECURITIES TASK FORCE, June 1998
[CDIAC #98-6]**

This Report reviews the State's approach to the enforcement of its municipal bond laws.

**RESPONSE TO SENATE LOCAL GOVERNMENT COMMITTEE REQUEST FOR
INFORMATION RELATED TO SENATE BILL 465 (SOTO), July 2003**

This report summarizes research completed at the request of the Senate Local Government Committee regarding Senate Bill 465 (Soto), a bill that would create a new category of redevelopment project area, among other things. The report responds to a series of questions asked by the Committee related to mixed-use redevelopment projects near transit stations, including details regarding the project area (for example, size, distance from the transit station, debt incurred) and broader questions regarding the impact of current redevelopment law and SB 465 (Soto).

**A REVIEW OF CALIFORNIA STATE AND LOCAL OUTSTANDING GENERAL
OBLIGATION DEBT: 1992-93 THROUGH 1998-99, October 2002, [CDIAC #02-5B]**

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

**A REVIEW OF THE MARKS-ROOS LOCAL BOND POOLING ACT OF 1985, September 1998
[CDIAC #98-8]**

This report demystifies the "black box" of Marks-Roos financing by providing a factual basis for understanding the historical development of the Marks-Roos Act, and serving as a reference guide on its practical applications.

TOOLS TO REVITALIZE CALIFORNIA COMMUNITIES, January 2006 [CDIAC #05-10]

This guide gives local government officials and private parties who are seeking to revitalize their communities the tools that they need to find the appropriate state financing program to assist their situations. It describes select state agency programs that provide community revitalization financing, illustrates real-life examples of how some of these programs have been used, and lists contact information for those interested in pursuing the programs for use in their communities.

**TWENTY QUESTIONS FOR MUNICIPAL INTEREST RATE SWAP ISSUERS, April 2005
[CDIAC #05-04]**

This report suggests twenty questions for bond issuers to ask of other transaction participants, their swap advisors or financial advisors, and the swap counterparty. In addition, the report suggests twenty questions for bond issuers to ask themselves before transacting an interest rate swap.

**UNDERSTANDING PUBLIC INVESTMENT REPORTING: A HANDBOOK FOR LOCAL
ELECTED OFFICIALS, November 2003, [CDIAC 03-02]**

This "quick-reference" Handbook is designed to help elected and appointed local government officials, investment oversight committee members, and the agency's legislative body review and interpret investment reports.

**THE USE OF GENERAL OBLIGATION BONDS BY THE STATE OF CALIFORNIA,
September 1987**

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

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