

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

January 15, 2020

**DETERMINATION AND ADOPTION OF THE 2020 STATE CEILING ON QUALIFIED
PUBLIC EDUCATIONAL FACILITY BONDS**
(Agenda Item No. 6)

ACTION: Adopt the 2020 State Ceiling on Qualified Public Educational Facility Bonds.

BACKGROUND:

Qualified Public Educational Facility Bonds (QPEFs) are tax-exempt private activity bonds issued to finance the construction, renovation and furnishing of primary and secondary school facilities. The volume cap for QPEF bonds that can be issued in California for each program year is specified in Title 26 USCA section 142(k). The limit for the Qualified Public Educational Facility Bond Program is calculated by multiplying the state population by ten dollars (\$10), and totals \$395,122,230 for the 2020 program year.

DISCUSSION:

Title 26 USCA Section 146 (j) of the Code requires that the calculation of the annual State Ceiling be based on the most recent resident population estimate released by the U. S. Bureau of the Census before the beginning of the calendar year. On December 30, 2019 the U.S. Census Bureau issued Press Release #CB19-198, reporting California's population as 39,512,223 resulting in a bond volume cap of \$395,122,230.

In accordance with CDLAC Regulations, Section 5020 (j) and (k), as soon as practicable after the beginning of each calendar year, and before any Applications are considered, the Committee shall determine and announce what amount, expressed both as a percentage and as a dollar amount, of the Qualified Public Educational Facility Bonds State Ceiling that shall be available for allocation during the year and in each Allocation Round to the Qualified Public Educational Facility Bond Program.

COMMENTS:

1. The Internal Revenue Service has announced that the 2020 volume limit on Qualified Public Educational Facility Bonds is \$10 multiplied by a state's population.
2. The U.S. Census Bureau has reported that California's population is 39,512,223.
3. The Committee must determine and announce the 2020 annual State Ceiling for Qualified Public Educational Facility Bonds as soon as is practicable after the start of the calendar year.
4. Based on the above, the California 2020 State Ceiling on Qualified Public Educational Facility Bonds is \$395,122,230 (calculated as \$10 x 39,512,223).

RECOMMENDATION:

Adopt the attached resolution establishing the 2020 State Ceiling for Qualified Public Educational Facility Bonds at \$395,122,230.

Prepared by Evan Kass

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

RESOLUTION NO. 20-002

**RESOLUTION ADOPTING THE 2020 STATE CEILING ON QUALIFIED PUBLIC
EDUCATIONAL FACILITY BONDS**

WHEREAS, the California Debt Limit Allocation Committee (the “Committee”) is authorized by Section 142 (k) of the Internal Revenue Code, which establishes a volume ceiling (“State Ceiling”) on the aggregate amount of Qualified Public Educational Facility Activity Bonds which can be issued in each state; and

WHEREAS, the Committee is directed by the State Code to establish the annual State Ceiling as soon as practicable after the beginning of the calendar year; and

WHEREAS, the Internal Revenue Service Revenue Code Section 142(k) established a volume ceiling on the aggregate amount of Qualified Educational Facility Bonds that can be issued. The volume ceiling is the product of ten dollars (\$10) multiplied by the state population in each calendar year;

WHEREAS, the U. S. Bureau of the Census, in Press Release #CB19-198, dated December 30, 2019, reported the State of California’s population as 39,512,223.

NOW, THEREFORE, the California Debt Limit Allocation Committee resolves as follows:

Section 1. The 2020 State Ceiling on Qualified Public Educational Facility Bonds is hereby adopted as \$395,122,230; and

Section 2. This Resolution shall take effect immediately upon its adoption.

* * *