

2023 ANNUAL REPORT





CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

To our stakeholders:

CDIAC entered 2023 determined to advance our vision of becoming a more efficient, productive, and collaborative partner to the California public finance community. We laid much groundwork toward this vision during the pandemic years and launched several multiphased projects. Many of those projects entered their final stages in 2023 and are expected to produce very positive outcomes in the near future and for years to come. I am especially eager and, once again, privileged to present the CDIAC 2023 Annual Report, a summary of CDIAC's accomplishments during the year with a preview of what to expect in 2024.

2023 marked the first full year since the introduction of the Data Portal, CDIAC's new cloud-based database and data collection system. CDIAC received and processed more issuance and annual reports than at any time in its history – over 16,000, a 6% increase from 2022. However, more efficient Data Portal reporting features allowed issuers to submit 19% fewer issuance reports in 2023, (Reports of Proposed and Final Sale) for nearly the same volume of debt as in 2022. The upfront workload of issuers and CDIAC staff is reduced, but also issuers' annual filing obligations decrease on a one for one basis. These efficiency gains are, in part, what allowed CDIAC to process 14% more annual reports in 2023.

State and local issuers reported issuance volume of \$67.4 billion on 1,483 final sale submissions to the CDIAC Data Portal. As discussed, total issuance volume reported to CDIAC was nearly identical to that reported in 2022, only \$2 million less. As you will read in the *By the Numbers* section to follow, issuance by cities continued its steep decline from highs in 2021, with a year-over-year decline of nearly 44%. Undeterred by inflation and higher interest rates, K-14 school issuance, 37% off the high level of 2021, bounced back in 2023 by 6.4% to \$12.2 billion. Other notable issuance statistics for 2023 include: long-term refunding modestly increased by 6.8%; taxable issuance, once again, steeply declined by over 46% from 2022 levels; and competitive sales continued their steady recovery since the highs of 2019, representing 8.6% of total issuance. While market and economic conditions created uncertainty, California agencies continued to borrow funds for critical projects and, in doing so, seized financial opportunities to save money where they could.

Helping agency officials to identify and understand public finance opportunities, and to engage in prudent financing and investment practices is at the heart of CDIAC. This mission is carried out, in part, through an array of educational programs that feature both fundamental and topical public finance subjects. In 2023, CDIAC produced five days of in-person educational programming including *Public Funds Investments*, *Municipal Market Disclosure*, and the 22nd Pre-conference to *The Bond Buyer* California Public Finance Conference. Our in-person events were complemented by two very successful live webinars on the topics of strategic pension liability management and green bond disclosure. In total, over 450 individuals participated in CDIAC's live educational programs.

Appealing to the needs of CDIAC's constituents for more educational convenience, the Education Portal has become a critical element of CDIAC's educational mission. The Education Portal hosts on-demand replays of all of CDIAC's webinars, including those offered in 2023, as well as specially developed electronic courseware. The library of electronic courseware was expanded in 2023 with the addition of two new modules in the Elect>Ed series on debt issuance and administration. *Strategies for a Win-Win Debt Issuance* and *Implications and Documentation of Your Long-term Debt Commitments* are the sixth and seventh installments in the series designed for elected officials. With the addition of 2023's programs, the Education Portal now offers 41 courses that are accessible by the portal's over 500 registered users.

CDIAC's other means of guiding the public finance practices of our stakeholders is through research on a variety of debt and investment topics and the publication of various articles, issues briefs, and reports. 2023 research accomplishments were numerous, but the publication of the second installment in CDIAC's three-part lease financing series was especially

noteworthy. *Practical Considerations and Decision Points for Municipal Lease Financing in California* was built upon the legal foundations explained in volume one and helps issuers to understand the variety of factors that will affect a lease financing approach and how to navigate the decision process while accounting for specific financing circumstances and objectives.

While CDIAC achieved many noteworthy accomplishments in 2023, the work of the year was equally dedicated to positioning CDIAC for achievements in all three of our disciplines in 2024. We will release a new application within the Data Portal that will allow submitters of annual transparency reports to submit hundreds of reports at one time. We are also on schedule to launch DebtWatch 2.0, an all-new version of DebtWatch that will provide more data with greater frequency, and in much more useful formats. We have prepared a full slate of education programs exploring topics in investments, arbitrage, development finance, disclosure, pricing, and credit ratings, including our flagship, three-day *Debt Essentials* program. We will also complete the Elect>Ed series on debt issuance with the final module, *Becoming a Model Borrower*. In the field of research, we expect to publish *Pitfalls and Best Practices in Lease Financing*, the third and final installment in our lease financing content series, as well as new and recurring content that supports our educational line-up.

CDIAC's 2023 Annual Report is an opportunity to reflect on how far we have traveled as an organization and the progress we have made as a partner in California public finance. It is also an opportunity to acknowledge the dedication and hard work of the people with you on the journey. The commitment demonstrated every day by the CDIAC team to our mission is relentless. Equally remarkable is the generosity of hundreds of public finance officials that regularly come to our aide to help us achieve our goals. It is with grateful recognition of these two critical and necessary ingredients to CDIAC's success that I dedicate this annual report and thank you for the privilege to serve you in 2023.

A handwritten signature in black ink, appearing to read "Robert Berry". The signature is fluid and cursive, with a large, sweeping initial "R" and a long, horizontal stroke at the end.

Robert Berry
Executive Director

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ABOUT CDIAC

The California Debt and Investment Advisory Commission (CDIAC) provides information, education, and technical assistance on debt issuance and public funds investing to state and local public agency officials and other public finance professionals. CDIAC's responsibilities are the result of two watershed moments in California's public finance history, the passage of Proposition 13 (1979) and the Orange County bankruptcy in the early 1990s. The legislature initially created the California Debt Advisory Commission (CDAC) in the wake of Proposition 13 to bring transparency to the debt issuance process and to provide guidance and assistance to the agency officials engaged in public borrowing.¹ This fundamental purpose has not changed. However, as a response to the Orange County bankruptcy, the Legislature added local public fund investments to CDAC's advisory responsibilities in 1996, putting the "I" in CDIAC.² Over the past 42 years, CDIAC has made great advancements in how it fulfills its responsibilities by focusing on providing value to California's public finance community.

California statute calls CDIAC to carry out specific responsibilities, including:³

- Collect, maintain, and report information on all authorized, issued, and outstanding state and local debt until fully repaid or redeemed, and serve as the State's clearinghouse of state and local debt information.
- Collect specific annual and event information on debt issued through Mello-Roos community facilities districts or Marks-Roos bond pools.
- Establish a continuing education program aimed at state and local officials who have direct or supervisory responsibility for the issuance of public debt or the investment of public funds.
- Publish a monthly newsletter.
- Provide technical assistance to state and local governments to reduce issuance costs and protect issuers' credit.

¹ Assem. Bill 1192, 1981-1982 Reg. Sess., ch. 1088, 1981 Cal. Stat.

² Assem. Bill 1197, 1995-1996 Reg. Sess., ch. 833, 1996 Cal. Stat.

³ Government Code Section 8855(h) and Government Code Section 6586.7.

- Undertake or commission studies on methods to reduce issuance costs and improve credit ratings.
- Recommend legislative changes to improve the sale and servicing of debt issuances.
- Assist state financing authorities and commissions in carrying out their responsibilities.
- Maintain contact with participants in the municipal finance industry to improve the market for public debt issuance.

To perform its functions, CDIAC engages in a range of activities classified into four general program areas: data collection and analysis, policy research, education and outreach, and administration and design. The dedicated staff of each program area, separately and cooperatively, drives CDIAC's success.

The CDIAC Team

DATA COLLECTION & ANALYSIS

Jeff Field
Richard Brown
Michael Hewitt
Tanya O'Neil
Zuhai Sadid
Angel Soto
Catherine Walline

POLICY RESEARCH

Tara Dunn
Jean Shih

EDUCATION & OUTREACH

Anna Ramirez
Angela Ayala
Randy Auer
Trista Zepeda (student)

ADMINISTRATION & DESIGN

Kelly Joy
Megan Batty
Emily Rutherford

EXECUTIVE DIRECTOR

Robert Berry

DEPUTY EXECUTIVE DIRECTOR

Angelica Hernandez

COMMISSION MEMBERS

CDIAC activities are directed by the Commission, which consists of nine members, including the State Treasurer, the Governor or the Director of Finance, the State Controller, two

local government finance officials, two Assemblymembers, and two Senators.⁴ The State Treasurer serves as the Chairperson.



FIONA MA, CPA,
CHAIR
California State Treasurer



GAVIN NEWSOM
Governor of California



MALIA M. COHEN
California State Controller



DAVID ALVAREZ
*Assemblymember
80th District*



AVELINO VALENCIA
*Assemblymember
68th District*



SANDIE ARNOTT
*Treasurer-Tax Collector
County of San Mateo*



NIKOLAI SKLAROFF
*Capital Finance Director
San Francisco Public
Utilities Commission*

⁴ For 2023, both Senate commission positions were vacant.

DEBT ISSUANCE BY THE NUMBERS⁵

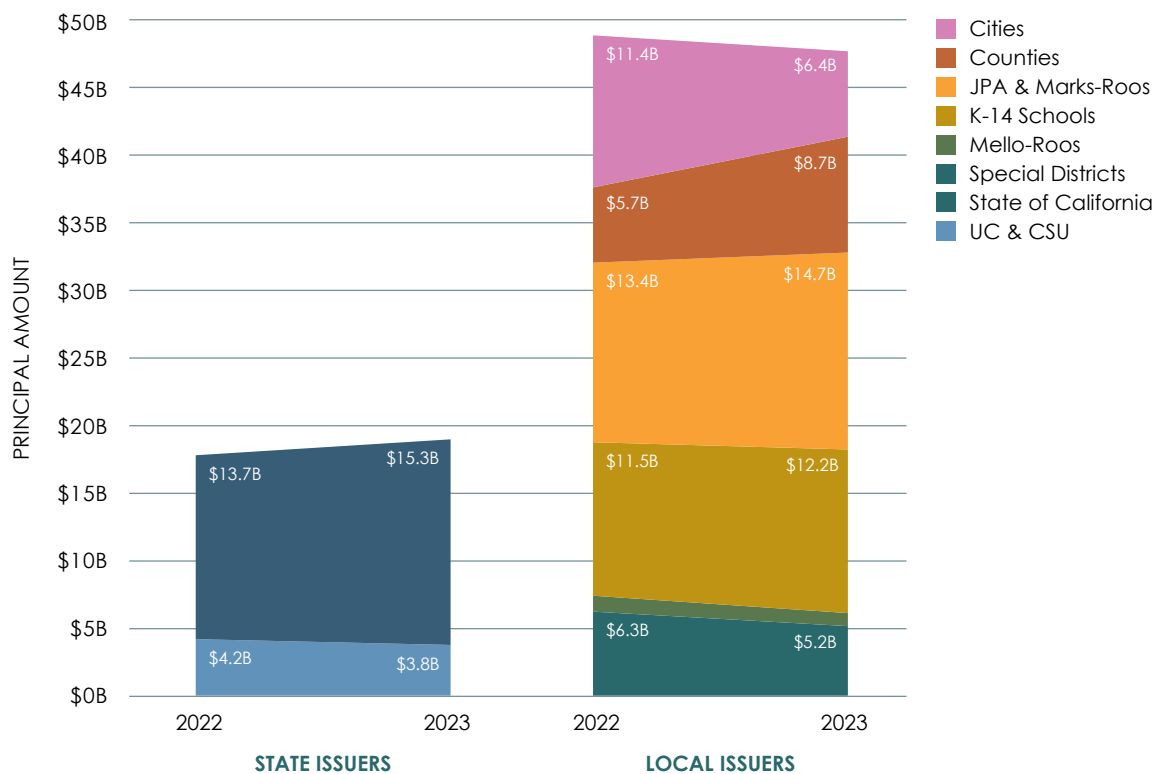
⁵ California Debt Issuance includes all debt reported to CDIAC as of 2/13/2024 with a sale date between January 1, 2022, through December 31, 2023. The data includes short-term and long-term financings and private placements but does not include local-obligation debt issued as part of a Mark-Roos pool.

SUMMARY OF TOTAL DEBT ISSUANCE⁶

- Public debt issuance by all public agencies in California totaled approximately \$67.4 billion for 2023.
- In 2023, debt issuance almost equaled 2022 annual activity; down approximately \$2.5 million from the prior year.
- By issuer type, county issuance had the largest increase, with 52.5% more debt issued in 2023 than 2022.
- Issuance by cities had the largest decrease, with 43.8% less debt issued in 2023 than 2022.

Figure 1

CALIFORNIA DEBT ISSUANCE, TOTAL BY ISSUER TYPE, CY 2022 AND CY 2023⁶ (IN BILLIONS)



STATE VS LOCAL	ISSUER TYPE	CY 2022	CY 2023	% CHANGE
LOCAL ISSUERS	JPA & Marks-Roos	\$13.426	\$14.725	9.7%
	K-14 Schools	11.495	12.230	6.4
	Cities	11.356	6.381	-43.8
	Special Districts	6.318	5.193	-17.8
	Counties	5.702	8.697	52.5
	Mello-Roos	1.139	1.025	-10.0
STATE ISSUERS	State of California	13.747	15.335	11.6
	UC & CSU	4.200	3.794	-9.7
TOTAL		\$67.383	\$67.381	0.0%

⁶ The City and County of San Francisco and its instrumentalities are included in the Counties category.

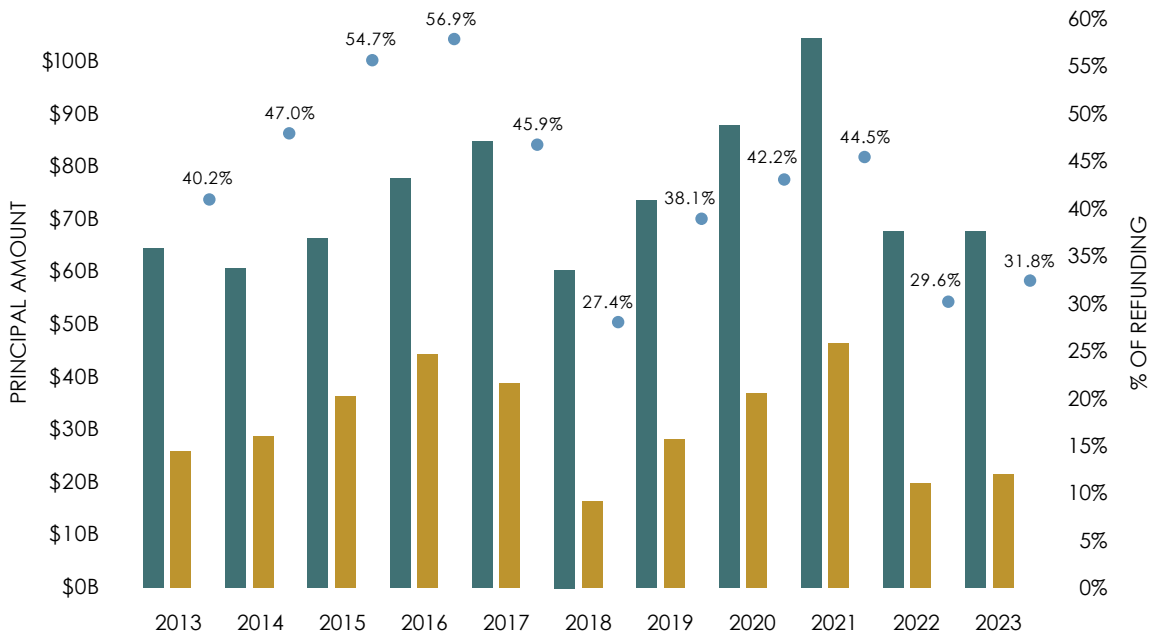
SUMMARY OF TOTAL DEBT ISSUANCE: REFUNDING ACTIVITY⁷

- Refunding as a percentage of total principal issued was higher in 2023 at 31.8% than in 2022 (29.6%), but was still 33.1% lower than the 10-year average.

- Total refunding volume increased in 2023 to \$21.4 billion from \$19.9 billion in 2022. The slight increase in refunding activity is likely attributable to the uncertain interest rate environment in 2023.

Figure 2

CALIFORNIA DEBT ISSUANCE, REFUNDING AND % OF TOTAL PRINCIPAL ISSUED
CY 2013 THROUGH CY 2023 (IN BILLIONS)



CY	TOTAL PRINCIPAL	REFUNDING AMOUNT	% OF REFUNDING
2013	\$64.077	\$25.764	40.2%
2014	60.568	28.490	47.0
2015	65.970	36.060	54.7
2016	77.539	44.123	56.9
2017	84.362	38.687	45.9
2018	60.104	16.487	27.4
2019	73.407	27.948	38.1
2020	87.542	36.922	42.2
2021	104.001	46.329	44.5
2022	67.383	19.926	29.6
10 YR AVERAGE	74.495	32.074	43.1
2023	67.381	21.443	31.8
% DIFFERENCE FROM AVERAGE	-9.6%	-33.1%	

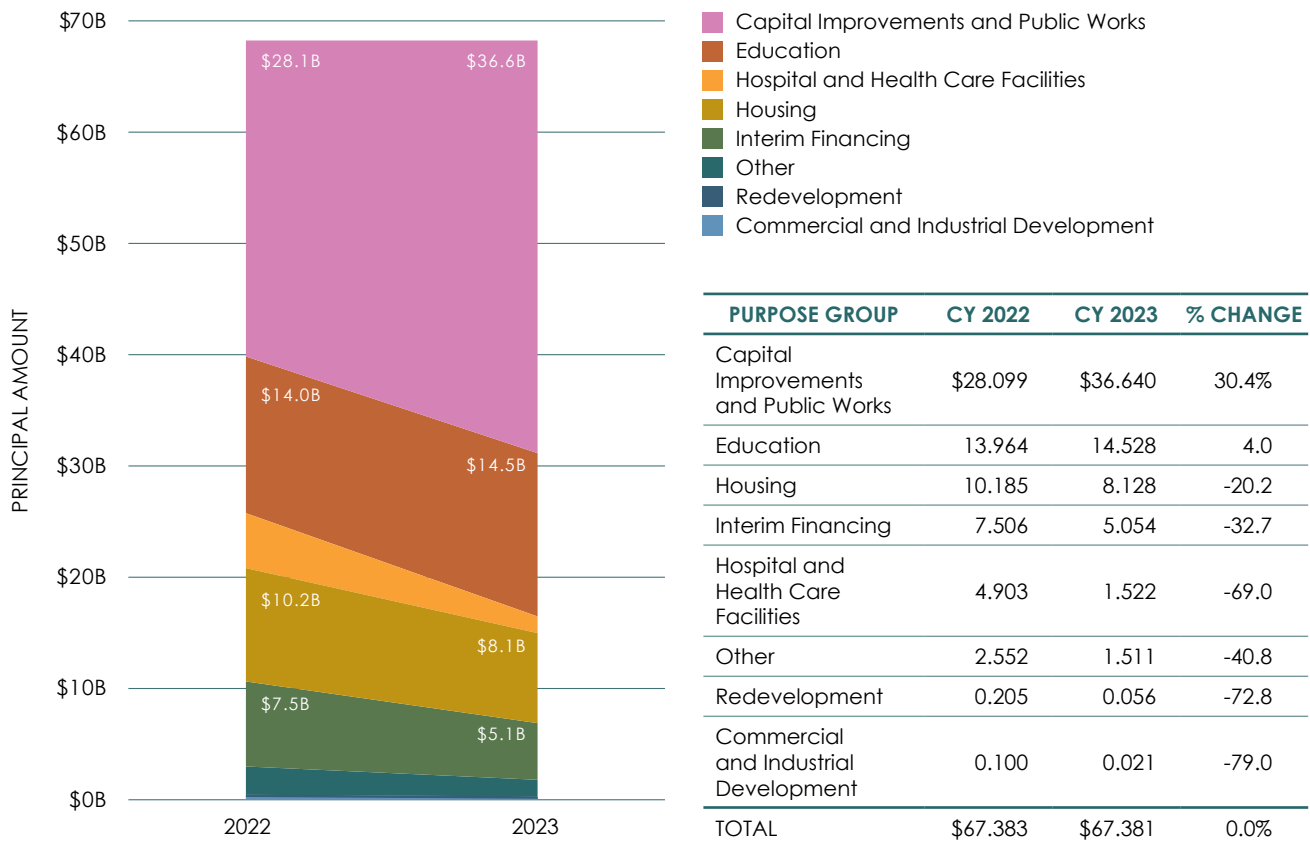
⁷ The refunding amount displayed is the sum of the principal and net issue premium amounts used to refund, redeem, paydown, or refinance outstanding debt.

SUMMARY OF TOTAL DEBT ISSUANCE: PURPOSE⁸

- In 2023, *Capital Improvements and Public Works* was the primary purpose for over half of all issuance totaling \$36.6 billion or 54.4%. Issuance for *Education* was the only other purpose category with an increase over 2022 activity (4%).
- The greatest reduction in issuance by volume in 2023 was seen in *Hospital and Health Care Facilities*, with a \$3.4 billion decrease from 2022.
- Issuance declined in all other purpose categories including reductions of \$2.5 billion and \$2 billion in *Interim Financing* and *Housing*, respectively.

Figure 3

CALIFORNIA DEBT ISSUANCE BY PURPOSE, CY 2022 AND CY 2023 (IN BILLIONS)



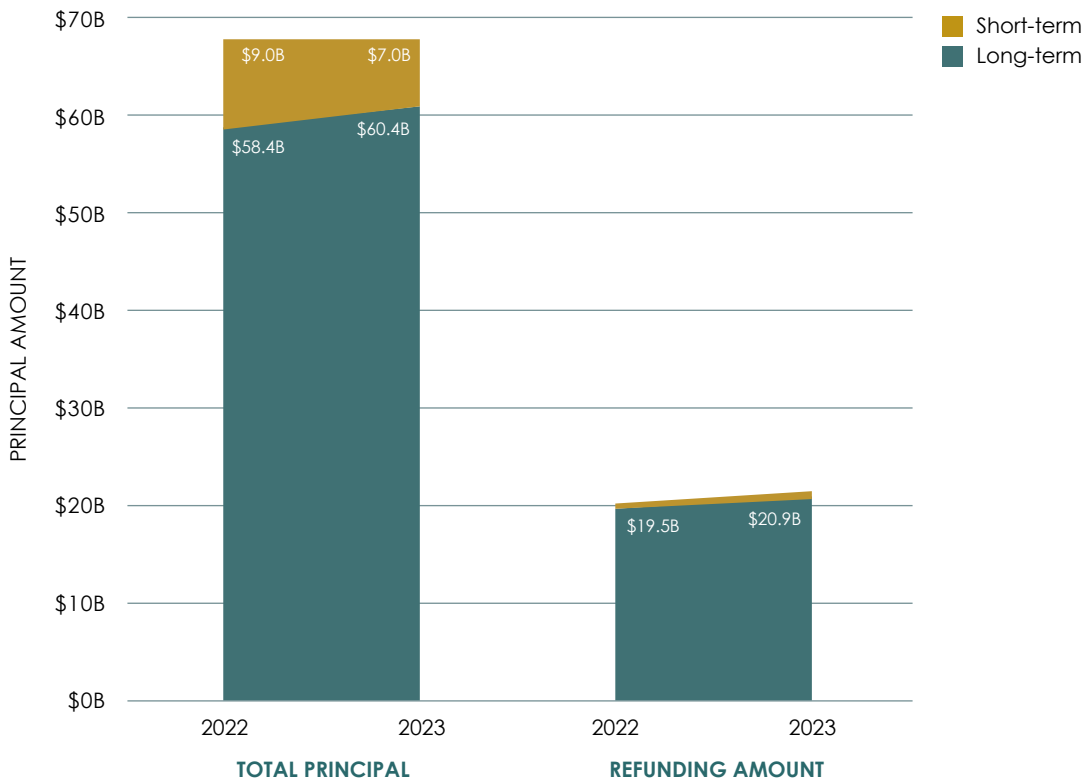
⁸ "Other" includes the following purpose types: Commercial Energy Conservation Improvements; Fire, Police Protection/Emergency Medical; Human Resources; Insurance and Pension Funds; Other Purpose; PACE Seismic Safety Improvements; and Residential Energy Conservation, Improvement.

SUMMARY OF TOTAL DEBT ISSUANCE: SHORT-TERM AND LONG-TERM ISSUANCE⁹

- In 2023, short-term issuance dropped by 22.1% while long-term issuance increased by 3.4%.
- Coming off a steep decline in refunding activity during 2022, long-term refunding in 2023 increased by 6.8%.¹⁰

Figure 4

SHORT-TERM VS LONG-TERM ISSUANCE, LONG-TERM REFUNDING
CY 2022 AND CY 2023 (IN BILLIONS)



MATURITY	CY 2022 TOTAL PRINCIPAL	CY 2023 TOTAL PRINCIPAL	% CHANGE	CY 2022 REFUNDING AMOUNT	CY 2023 REFUNDING AMOUNT	% CHANGE
SHORT-TERM	\$8.993	\$7.003	-22.1%	\$0.393	\$0.586	49.2%
LONG-TERM	58.391	60.378	3.4	19.534	20.857	6.8
TOTAL	\$67.383	\$67.381	0.0%	\$19.926	\$21.443	7.6%

⁹ Short-term maturity is defined as a debt issue with a final maturity date of 18 months or less. Short-term is calculated as <= 540 days until maturity and long-term is calculated as >540 days until maturity.

¹⁰ California Debt and Investment Advisory Commission, 2022 Annual Report, pg. 8, www.treasurer.ca.gov/cdiac/reports/annual/2022/annual.pdf, accessed February 2024.

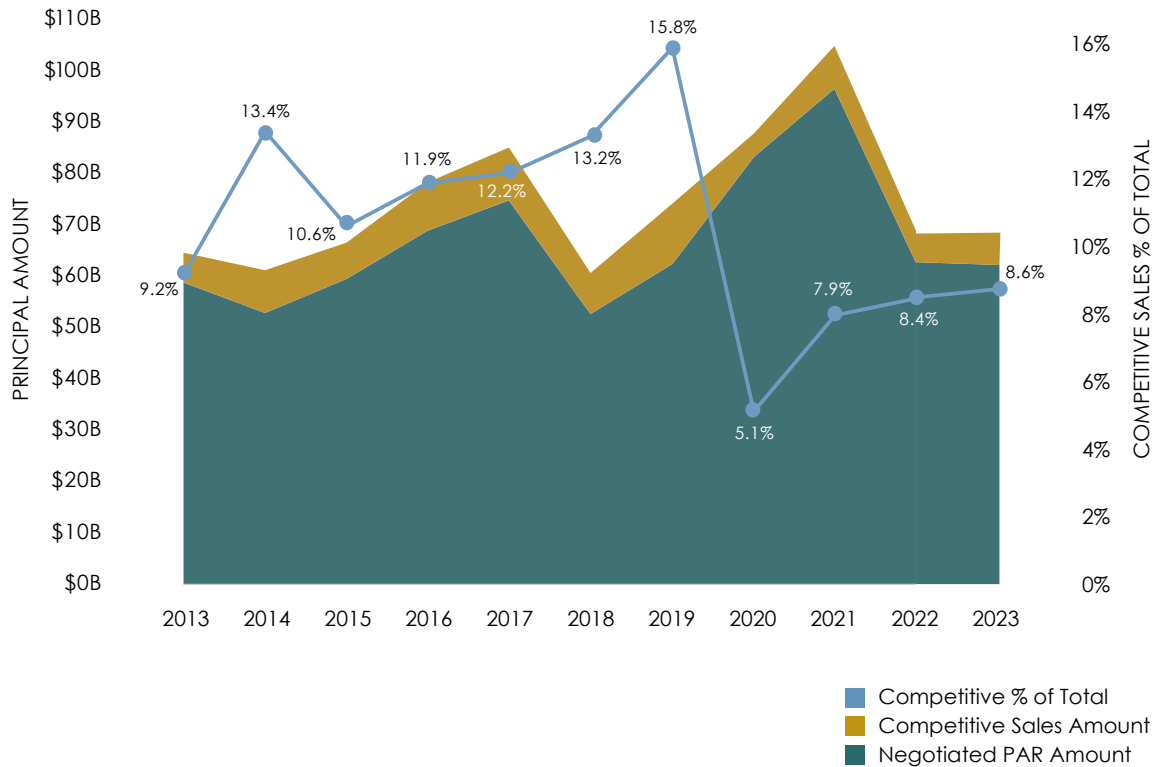
SUMMARY OF TOTAL DEBT ISSUANCE: COMPETITIVE AND NEGOTIATED

- The percentage of competitive sales increased slightly to 8.6% in 2023.

- Competitive sales as a percentage of total debt issued increased in 2023 to 8.6%, representing three years of consecutive growth from the 10-year low of 5.1% in 2020.

Figure 5

COMPETITIVE VS NEGOTIATED SALES, CY 2013 THROUGH CY 2023 (IN BILLIONS)



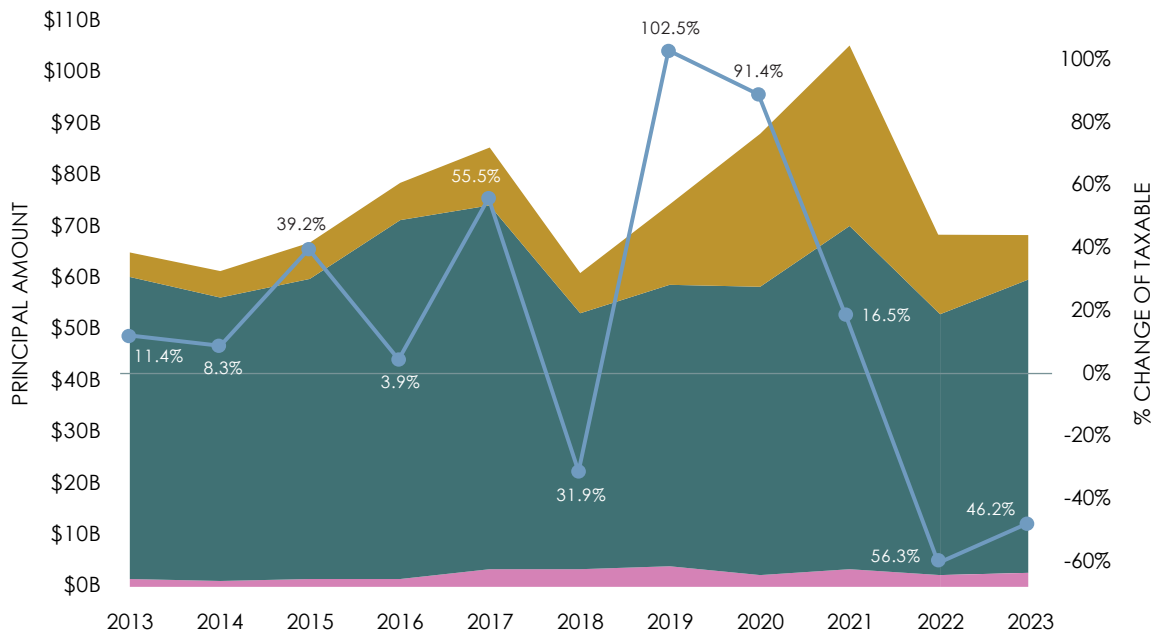
CY	TOTAL PRINCIPAL	NEGOTIATED SALES AMOUNT	COMPETITIVE SALES AMOUNT	COMPETITIVE % OF TOTAL
2013	\$64.077	\$58.212	\$5.865	9.2%
2014	60.568	52.469	8.099	13.4
2015	65.970	58.990	6.980	10.6
2016	77.539	68.346	9.192	11.9
2017	84.362	74.112	10.250	12.1
2018	60.104	52.152	7.952	13.2
2019	73.407	61.778	11.630	15.8
2020	87.542	83.100	4.442	5.1
2021	104.001	95.742	8.258	7.9
2022	67.383	61.741	5.642	8.4
10 YR AVERAGE	74.495	66.664	7.831	10.5
2023	67.381	61.595	5.786	8.6
% DIFFERENCE FROM AVERAGE	-9.6%	-7.6%	-26.1%	

SUMMARY OF TOTAL DEBT ISSUANCE: TAXABLE ISSUANCE

- Taxable debt issuance continued to decrease in 2023 with a 46.2% decline in activity. Following the record decline in 2022, taxable issuance
- The decrease in taxable issuance can be attributed due to the rapid increase in interest rates that began in 2022 and continued through 2023.

Figure 6

TAXABLE DEBT ISSUANCE, CY 2013 THROUGH 2023 (IN BILLIONS)



CY	TOTAL PRINCIPAL	TAXABLE AMOUNT	TAXABLE % OF TOTAL	% CHANGE
2013	\$64.077	\$4.630	7.2%	11.4% ¹¹
2014	60.568	5.014	8.3	8.3
2015	65.970	6.978	10.6	39.2
2016	77.539	7.251	9.4	3.9
2017	84.362	11.274	13.4	55.5
2018	60.104	7.681	12.8	-31.9
2019	73.407	15.555	21.2	102.5
2020	87.542	29.771	34.0	91.4
2021	104.001	34.690	33.4	16.5
2022	67.383	15.150	22.5	-56.3
10 YR AVERAGE	74.495	13.800	18.5	
2023	67.381	8.157	12.1	-46.2
% DIFFERENCE FROM AVERAGE	-9.6%	-40.9%		

¹¹ Percentage calculation based on CY 2012 taxable amount of \$4.156 billion.

SUMMARY OF TOTAL DEBT ISSUANCE: ENHANCED DEBT ISSUANCE

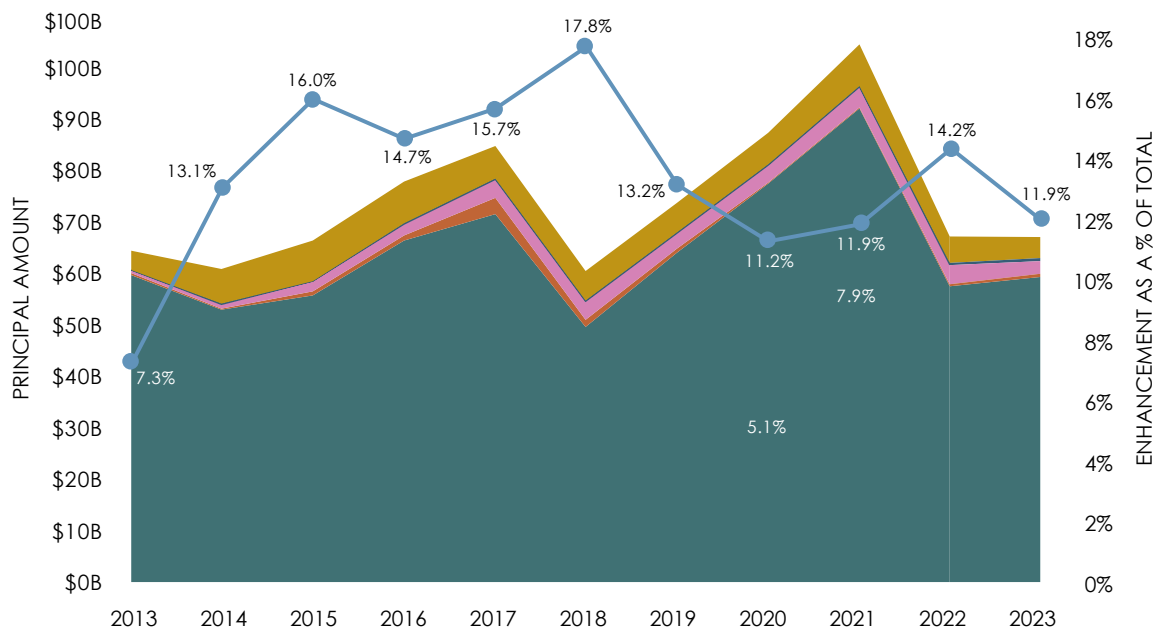
- The percentage of debt issued with a form of credit enhancement decreased from 14.4% in 2022 to 11.9% in 2023. By volume of

enhanced debt issued, 2023 was the lowest amount issued since 2014.

- The percentage of debt issued with a form of credit enhancement in 2023 was below the ten-year average of 13.4%.

Figure 7

ENHANCED DEBT ISSUANCE, CY 2013 THROUGH CY 2023 (IN BILLIONS)



CY	TOTAL PRINCIPAL	ENHANCED AMOUNT	ENHANCEMENT % OF TOTAL
2013	\$64.077	\$4.646	7.3%
2014	60.568	7.932	13.1
2015	65.970	10.579	16.0
2016	77.539	11.413	14.7
2017	84.362	13.260	15.7
2018	60.104	10.682	17.8
2019	73.407	9.682	13.2
2020	87.542	9.845	11.2
2021	104.001	12.388	11.9
2022	67.383	9.583	14.2
10 YR AVERAGE	74.495	10.001	13.4
2023	67.381	7.985	11.9
% DIFFERENCE FROM AVERAGE	-9.6%	-20.2%	

■ Insurance
■ Intercept
■ Letter of Credit
■ Other
■ None
● Enhancement % of Total

SUMMARY OF TOTAL DEBT ISSUANCE: STATE AND LOCAL DEBT ISSUANCE BY PURPOSE

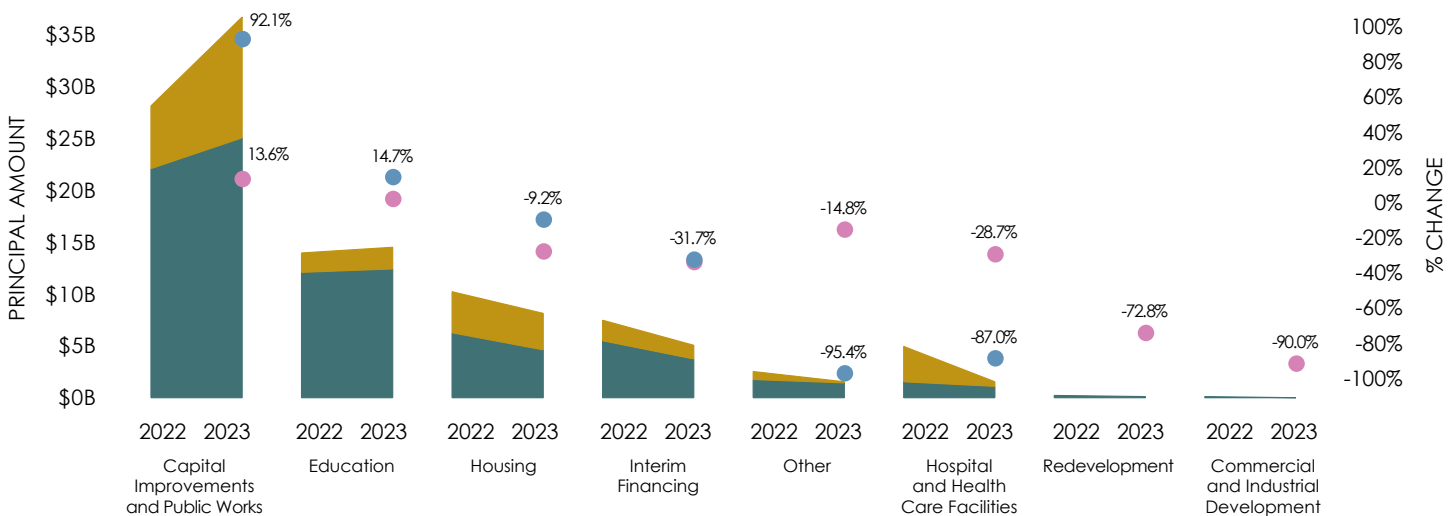
- In 2023, state and local agency issuance reflected positive percentage changes in only two purpose categories: *Capital Improvements and Public Works* and *Education*. All other purpose

categories decreased or had no increase in issuance activity for both state and local agencies.

- By purpose in 2023, the largest declines in State-issued debt was for *Other*¹² and *Hospital and Health Care Facilities* with activity down 95.4% and 87.0% respectively from 2022.

Figure 8

STATE AND LOCAL DEBT ISSUANCE BY PURPOSE, CY 2022 AND CY 2023 (IN BILLIONS)



PURPOSE GROUP	CY 2022		CY 2023		STATE % CHANGE	LOCAL % CHANGE
	STATE ISSUERS	LOCAL ISSUERS	STATE ISSUERS	LOCAL ISSUERS		
Capital Improvements and Public Works	\$6.027	\$22.073	\$11.575	\$25.065	92.1%	13.6%
Education	1.879	12.085	2.154	12.373	14.7	2.4
Housing	3.920	6.265	3.559	4.570	-9.2	-27.1
Interim Financing	1.981	5.525	1.353	3.700	-31.7	-33.0
Other	0.822	1.730	0.037	1.474	-95.4	-14.8
Hospital and Health Care Facilities	3.384	1.518	0.439	1.083	-87.0	-28.7
Redevelopment	0	0.205	0	0.056	0	-72.8
Commercial and Industrial Development	0	0.100	0.011	0.010	0	-90.0
TOTAL	\$17.947	\$49.436	\$19.129	\$48.252	6.6%	-2.4%

- State Issuers, % Change
- State Issuers, Total Principal
- Local Issuers, % Change
- Local Issuers, Total Principal

¹² "Other" includes the following purpose types: Commercial Energy Conservation Improvements; Fire, Police Protection/Emergency Medical; Human Resources; Insurance and Pension Funds; Other Purpose; PACE Seismic Safety Improvements; and Residential Energy Conservation, Improvement.

SUMMARY OF TOTAL DEBT ISSUANCE: CONDUIT ISSUANCE¹³

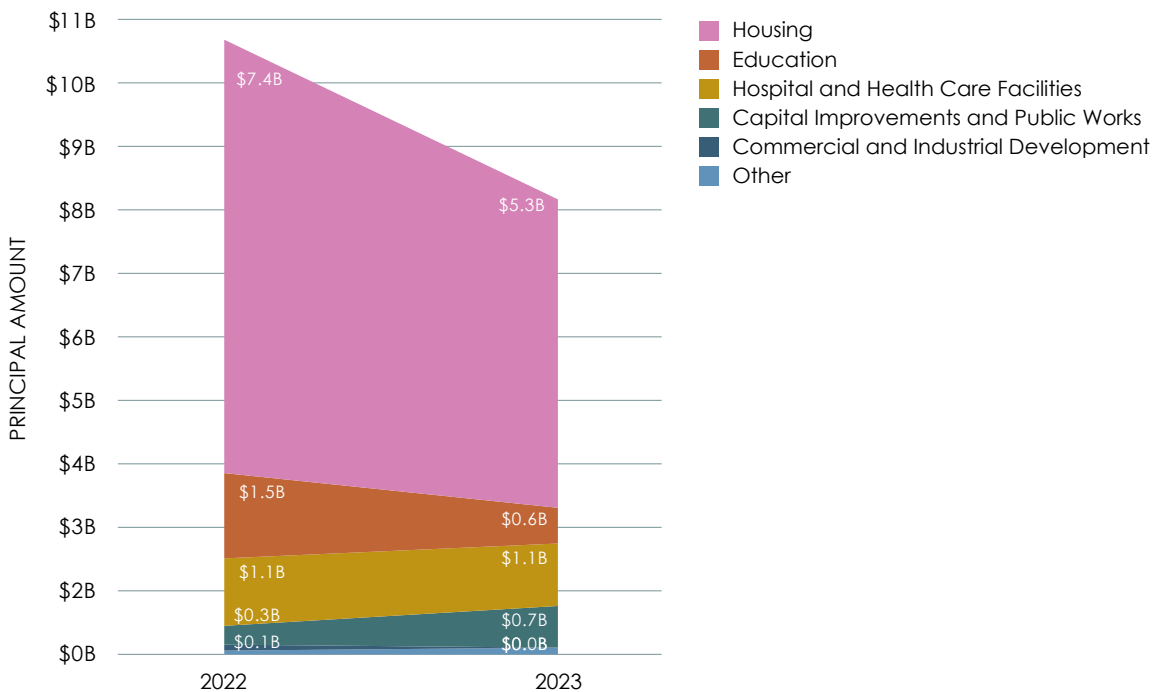
- In 2023, conduit issuance for private use fell by 25.6%, a difference of \$2.7 billion from 2022.
- Issuance for private use declined in every purpose category except *Capital Improvements and Public Works* and *Other*¹⁴ categories, with

increases of 118.2% and 82.8%, respectively, from 2022.

- The largest declines by purpose in 2023 included: *Commercial and Industrial Development* (-89.0%), *Education* (-57.2%), and *Housing* (-29.1%).

Figure 9

CONDUIT DEBT ISSUANCE (PRIVATE OBLIGOR) BY PURPOSE, CY 2022 AND CY 2023 (IN BILLIONS)

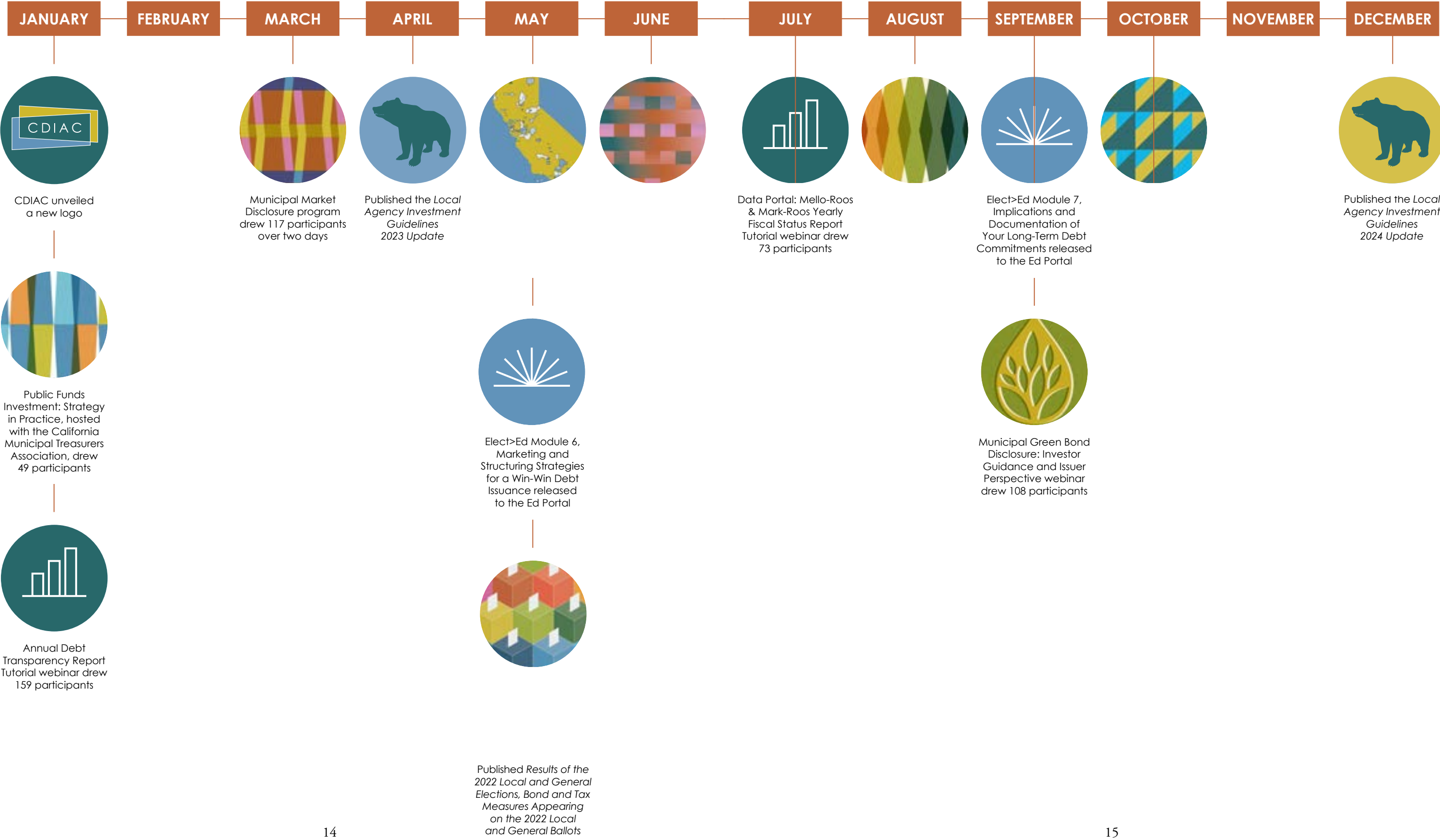


PURPOSE GROUP	CY 2022	CY 2023	% CHANGE
Housing	\$7.417	\$5.261	-29.1%
Education	1.452	0.622	-57.2
Hospital and Health Care Facilities	1.149	1.064	-7.3
Capital Improvements and Public Works	0.322	0.703	118.2
Commercial and Industrial Development	0.100	0.011	-89.0
Other	0.054	0.099	82.8
TOTAL	\$10.429	\$7.761	-25.6%

¹³ Conduit debt is issued by both State and Local issuers and includes debt reported as “conduit revenue bond” or “conduit revenue note or loan (private obligor)” for the type of debt instrument and has “private obligor payments” as the primary source of repayment.

¹⁴ “Other” includes the following purpose types: Human Resources; and Other Purpose. Obligor of conduit debt categorized as “Other Purpose” consist of non-profit 501(c)(3) organizations.

CDIAC 2023 ACCOMPLISHMENTS



2023 REPORT OF OPERATIONS

DATA COLLECTION AND ANALYSIS

In compliance with its statutory requirements, CDIAC's Data Collection and Analysis Unit (Data Unit) is responsible for the operation of the CDIAC Data Portal and DebtWatch, the two database systems that combine to create what is considered the most comprehensive and publicly accessible collection of data on California public debt.¹⁵ The Data Portal is the source for the debt statistics and analysis regularly released by CDIAC. As of December 31, 2023, the Data Portal contained data on more than 73,000 issuances of debt since 1984.

During calendar year (CY) 2023, the Data Unit received and processed 16,311 reports,¹⁶ which was a 6.2% increase over the total number of reports received in 2022. Although the total volume of debt issued in 2023 was nearly the same as the total volume issued in 2022, the Data Unit processed 16.5% fewer Reports of Final Sale. These efficiency gains are largely credited to the design of the new Data Portal that no longer requires is-

suers to break single issues into multiple reports in order to capture data distinctions at the series level. The effort required of CDIAC and its constituents to submit and process the data is reduced at issuance, but also the new methods reduce the on-going annual reporting workload. Despite the efficiency gains achieved with issuance reporting, growth in annual reporting, specifically the Annual Debt Transparency Reports, showed a very large and expected increase. Figure 10 contains a breakdown of the reports processed by the Data Unit during CY 2023.

Data Distribution Systems

CDIAC uses a variety of online methods to provide its public finance constituents, public officials, and members of the general public access to its vast collection of California public debt data. CDIAC's primary distribution system is its [Debt-Watch](#) website which provides the means to view and download all issuance and annually reported data, including the annual [Marks-Roos](#) and [Mello-](#)

¹⁵ Government Code Section 8855(h)(3).

¹⁶ 2023 totals include updates to reports filed in prior years.

¹⁷ Local agencies can link to CDIAC's Mello-Roos data page to meet the posting requirement contained in Government Code Section 53343.2 (b).

Figure 10

COMPARISON OF REPORTS PROCESSED, CY 2022 AND CY 2023

TYPE OF REPORT	2022	2023	% CHANGE
Reports of Proposed Debt Issuance ¹⁸	1,844	1,454	-21.1%
Reports of Final Sale ¹⁹	1,777	1,483	-16.5
Mello-Roos Yearly Fiscal Status Reports ²⁰	1,653	1,723	4.2
Marks-Roos Yearly Fiscal Status Reports ²¹	2,681	2,748	2.5
Annual Debt Transparency Report ²²	7,386	8,886	20.3
Mello-Roos/Marks Roos Draw on Reserve/ Default/Replenishment Filings ²³	16	17	6.3
TOTAL REPORTS RECEIVED	15,357	16,311	6.2%

Roos,¹⁷ and bond and tax election datasets. CDIAC also publishes its [Debt Line newsletter](#) monthly, which includes the *Debt Line* Calendar, a complete set of proposed and issued debt data that was submitted to CDIAC in the prior month. Recent improvements to Data Unit processes have led to a more efficient and useful format of the *Debt Line* Calendar and reduced the time between the date of a debt proposal or issuance and its inclusion in the calendar. In addition, CDIAC created new, user-friendly reporting formats for all of its ongoing reporting obligations and published several annual report datasets for not only the most recent fiscal year, but also from previous years that had yet to be published. This new reporting format provides CDIAC data to the public in a way that better facilitates analysis of the data while also

making reporting more efficient for CDIAC staff. CDIAC's website also features a variety of other historically produced data [tables](#) and [graphs](#) of California's debt issuance activity.²⁴

CDIAC recorded 24,134 hits to the [DebtWatch](#) website for CY 2023. CDIAC also recorded 2,495 "hits" to its [Debt Issuance and Election Data](#) webpage during CY 2023. With each recorded hit or inquiry, the purpose for why the individual visited the site is also recorded (Figure 11).

Debt Issuance Fees

A critical function of the Data Unit is the collection of the issuance fees which are the source of CDIAC's operational funding.²⁵ Fee amounts are

¹⁸ Government Code Section 8855(i) issuers of proposed new debt must give notice no later than 30 days prior to the sale date.

¹⁹ Government Code Section 8855(j), issuers are required to submit reports of final sale no later than 21 days after the sale of the debt.

²⁰ Government Code Section 53359.5 issuers of bonds issued pursuant to the Mello-Roos Community Facilities Act to make annual financial reports to CDIAC.

²¹ Government Code Section 6599.1 requires issuers and local obligors of Marks-Roos bonds to make annual financial reports to CDIAC, including defaults or draws on reserves for Mello-Roos and Marks-Roos bonds issued after January 1, 1993, and January 1, 1996, respectively.

²² Government Code Section 8855(k), added by SB 1029 (Chapter 307, Statutes of 2016) issuers are required to submit an annual debt transparency report for a Report of Final Sale submitted on or after January 21, 2017.

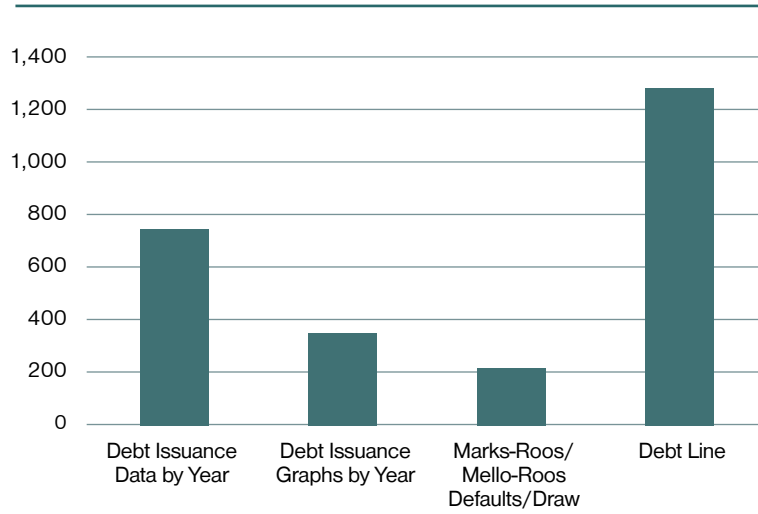
²³ Mello-Roos/Marks-Roos Default and Draw on Reserve Reports are available at: www.treasurer.ca.gov/cdiac/default-draw/issuename.asp.

²⁴ Graphs are available at: www.treasurer.ca.gov/cdiac/graphs/index.asp.

²⁵ Government Code Section 8856 authorizes CDIAC to charge the lead underwriter, the purchaser, or the lender a fee not to exceed one-fortieth of one percent of the principal amount of the issue not to exceed \$5,000 for any one issue.

Figure 11

DEBT ISSUANCE DATA WEBSITE ACTIVITY, CY 2022

**Figure 12**FEES ASSESSED TO STATE AND LOCAL ISSUERS
JANUARY 1, 2022, TO DECEMBER 31, 2023

	FEES ASSESSED	# OF INVOICES
STATE	\$323,111	83
LOCAL	\$2,469,807	824
TOTAL FEES ASSESSED	\$2,792,917	907

calculated by multiplying the principal amount of a reported issue by 2.5 basis points (0.025%), with a fee up to (but not exceeding) \$5,000 on all debt with a final maturity greater than 18 months. No fee is assessed for issues of local obligors in a Marks-Roos structure, debt entered into with a state or federal agency, and issues with a final maturity length of 18 months or less.

In CY 2023, the Data Unit sent 907 invoices totaling approximately \$2.8 million in fees. Figure 12 reflects the breakdown of fees assessed for state and local agencies.

EDUCATION AND OUTREACH UNIT

CDIAC's Education and Outreach Unit (Education Unit) provides continuing education to public finance officers, elected officials, and the public; develops and maintains relationships with allied organizations to provide education on existing and emerging public finance topics; and monitors the informational and educational needs of its constituents. CDIAC's educational programs are offered throughout the year and are designed to:

- Introduce fundamental debt and investment concepts to new learners.
- Strengthen the expertise of experienced practitioners.
- Inform officials of current debt and investment topics arising from changing market conditions or policy considerations.
- Apprise officials of the most current best practices and guidelines for the management of public debt and investments.

CDIAC's educational delivery methods have adapted to contemporary media, methods, and learning preferences. In CY 2023, CDIAC offered a variety of learning opportunities delivered through in-person seminars, virtual webinars, and on-demand education in CDIAC's Education Portal. These mediums enable CDIAC to tailor the presentation of educational content to the nature of the topic, as well as offer learners a diverse selection of resources to best suit their learning style.

CDIAC also co-sponsors the production of educational programs and webinars with allied private organizations, including *The Bond Buyer* and the California Municipal Treasurer's Association (CMTA). These partnerships enable CDIAC to reach diverse audiences, save production costs, and avoid duplication of effort. Educational partnerships strengthen relationships with experts from the public and private sectors while ensuring CDIAC remains abreast of current events and practices affecting public finance.

In-person and Online Educational Events

CDIAC's 2023 educational programming began with a live webinar tutorial for issuers and their agents throughout the state on how to submit Annual Debt Transparency Reports through the CDIAC Data Portal.

In-person programming began in January with a two-day, interactive public investments workshop titled *2023 Public Funds Investment: Strategy in Practice*. Held in Montebello and co-sponsored by CMTA, the program included sessions on utilization of common software for data analysis, management of liquidity in investment portfolios, and best practices for benchmarking portfolio performance.

In the spring, CDIAC hosted a two-day seminar in Folsom titled *2023 Municipal Market Disclosure: Fundamentals and Evolving Practices*. Panelists explored fundamental disclosure requirements and how disclosure considerations have expanded relative to new issuance practices, such as labeling debt, and evolving risks such as those related to climate change and cybersecurity.

In July, CDIAC presented another webinar tutorial on submitting the Mello-Roos and Marks-Roos Yearly Fiscal Status Reports to CDIAC's Data Portal. This was followed by a topical, two-part webinar series, *An Integrated Approach to Strategic Pension Liability Management*, in August 2023, which delved into the different tools and methods available to manage pension liability.





In the fall, CDIAC hosted a topical webinar about the information disclosure expectations of green bond investors, which was called *Municipal Green Bond Disclosure: Investor Guidance and Issuer Perspective*. CDIAC concluded its 2023 educational programming with the half-day, annual pre-conference to *The Bond Buyer's* California Public Finance Conference in San Francisco. Panelists explored different strategies that can be used to lower relative borrowing costs in volatile market conditions.

On-demand Education

Alongside live programming, CDIAC released two new on-demand modules to its learning

management system known as the Education Portal. The modules, the latest installments in CDIAC's Elected Official Education (Elect>Ed) series on debt issuance and administration were titled: *Strategies for a Win-Win Debt Issuance*; and *Implications and Documentation of Your Long-Term Debt Commitments*. The first module covered the debt markets' response to a variety of commonly used debt structuring strategies, while the second module focused on the types of documentation used to formalize long-term debt commitments. These modules are available on demand in addition to replays of CDIAC's webinar content related to debt issuance (Debt>Ed) and public funds investing (Invest>Ed).

Figure 13PARTICIPATION AT CDIAC EVENTS, CY 2023²⁶

EVENT TITLE	DATE	LOCATION	DAILY PARTICIPANTS
CDIAC SEMINARS			
2023 Municipal Market Disclosure: Fundamentals and Evolving Practices			
Day One	3/28/23	Folsom, CA	54
Day Two	3/29/23	Folsom, CA	63
CDIAC WEBINARS			
Data Portal: Annual Debt Transparency Report Tutorial	1/5/23	Virtual	159
Data Portal: Mello-Roos & Marks-Roos Yearly Fiscal Status Report Tutorial	7/27/23	Virtual	73
An Integrated Approach to Strategic Pension Liability Management			
Part I: Management Strategies to Meet the Resurging Pension Challenge	8/24/23	Virtual	115
Part II: Pension Management Strategies Applied	8/31/23	Virtual	116
Municipal Green Bond Disclosure: Investor Guidance and Issuer Perspective	9/19/23	Virtual	108
CO-SPONSORED SEMINARS			
2023 Public Funds Investment: Strategy in Practice	1/25 - 1/26/23	Montebello, CA	49
22 nd Annual CDIAC Pre-Conference to <i>The Bond Buyer's</i> 33 rd Annual California Public Finance Conference ²⁷	10/18/23	San Francisco, CA	117

Participation

In the first full year since CDIAC's post-COVID return to in-person events, CDIAC attracted over 850 attendees across 3 in-person seminars and 5 virtual webinar broadcasts. Webinar attendance accounted for 67% of the total attendance count while seminars accounted for 33% (Figure 13). Nearly 80% of attendees came from the public sector, with over half of all attendees representing cities, counties, and special districts (Figure

14). For 2023, CDIAC issued 1,058 education certificates to attendees of CDIAC seminars and webinars, and for completion of on-demand programs in the Education Portal (Figure 15).

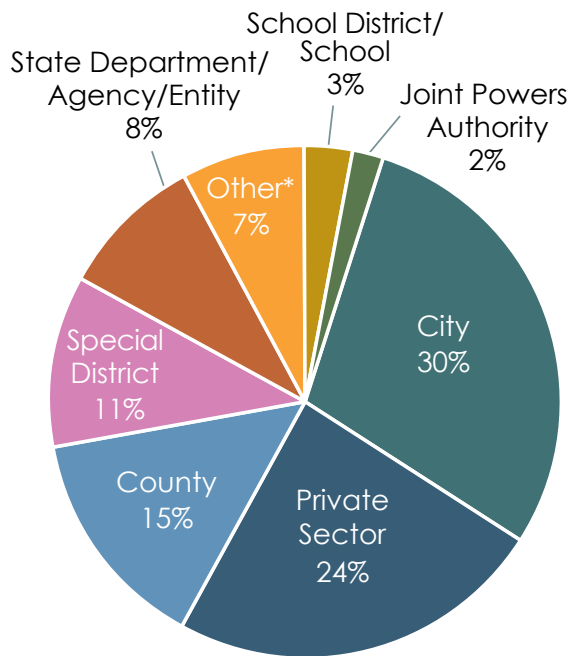
CDIAC's Education Portal, home to on-demand education on debt issuance and public funds investing, has also grown to 444 active users and 483 course completions (Figure 16). This is the highest level of participation since its inception in CY 2021.

²⁶ CDIAC issues certificates to eligible attendees. For multi-day events, attendees may be issued a single certificate for the entire event or receive one for each day they participated depending on the event. Events are listed in Figure 13 according to the number of certificates issued to ensure data are comparable across all CDIAC education mediums such as CDIAC's Education Portal, webinars, and in-person seminars.

²⁷ CDIAC does not issue certificates of attendance for this event as the registration data for the 22nd Annual CDIAC Pre-Conference to *The Bond Buyer's* 33rd Annual California Public Finance Conference is collected by the partner organization. The attendance number reflects the best estimated number of attendees on the day of the preconference.

Figure 14

ATTENDANCE BY AGENCY TYPE, CY 2023



*The "Other" category includes attendees with unknown affiliations and representatives from federal and independent agencies.

Figure 16

CDIAC EDUCATION PORTAL USAGE, CUMULATIVE OCTOBER 2021 THROUGH CY 2023

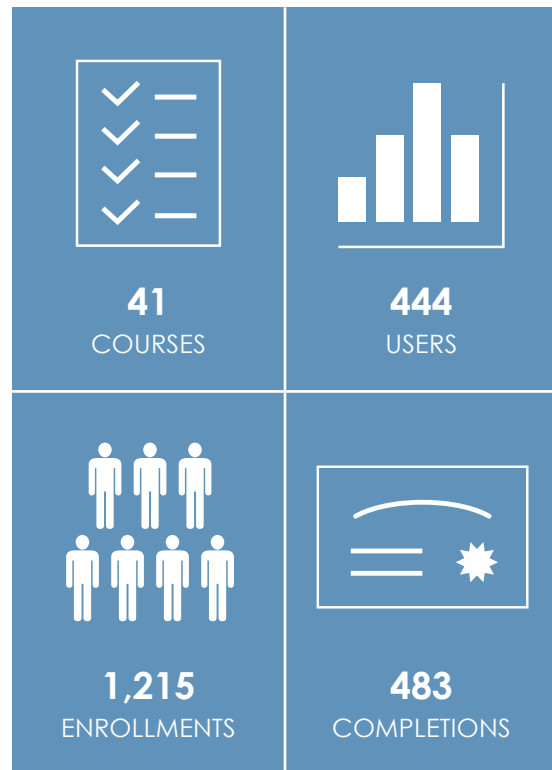
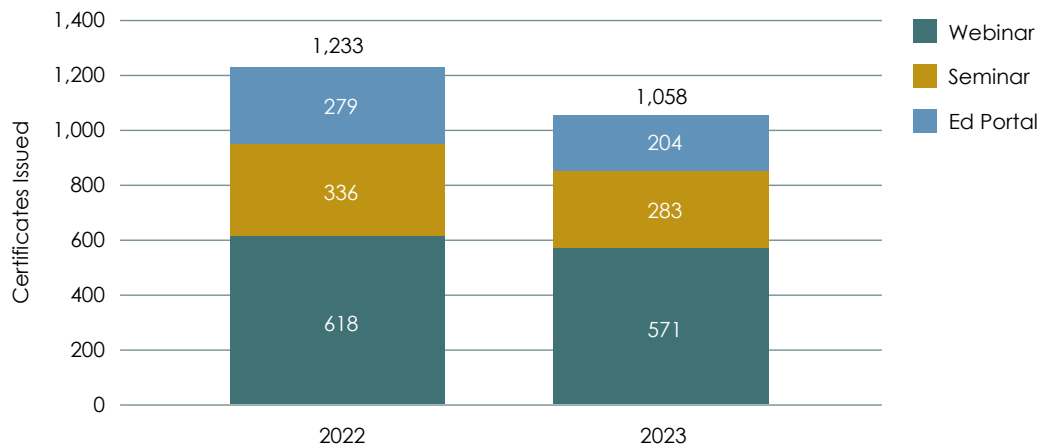


Figure 15

CERTIFICATES ISSUED OVER TIME, CY 2022 AND 2023



POLICY RESEARCH

CDIAC works to improve the marketability of public debt issued in California and the safety and performance of municipal investment portfolios by undertaking or commissioning studies on various aspects of the debt and investment markets, providing guidance to state and local debt issuers and investment managers, and recommending legislative changes in matters affecting debt issuance and public funds investing.

CDIAC examines issues that are of current interest and have practical relevance to public finance officials. Typically, projects are designed to:

- Raise the general level of understanding among public issuers and investors of the key elements of debt issuance and public funds investing.
- Apprise issuers and investors of emerging trends in public finance.
- Inform local officials of financing and investing options.
- Preserve the integrity and viability of the public finance market by alerting policy makers to potential problem areas.

The Policy Research Unit stays abreast of developments and events in the municipal and other financial markets and works in conjunction with the Executive Director, with input and advice from Commission members, to determine the most relevant and appropriate topics for research and analysis. CDIAC's research draws on information from issuance and annual filings reported to CDIAC through the Data Portal, public and private experts throughout the municipal finance industry, public and private finance groups, periodicals and journals, and numerous other public and private data sources. Findings and recommendations are delivered in the forms of issue briefs, technical reports, guidelines, and articles for the *Debt Line* monthly newsletter.

Following are descriptions of the key publications and work products from the Policy Research Unit in CY 2023.

PRACTICAL CONSIDERATIONS AND DECISION POINTS FOR MUNICIPAL LEASE FINANCING IN CALIFORNIA. This was the second report in CDIAC's Lease Financing in California content series, a collaborative effort with several industry professionals. This report expands beyond the foundational legal context for lease financing to practical considerations and decision points for municipal lease financing for California public agencies. Topics in this report include the structure for the lease financing, the organization that acts as lessor for the transaction, selection of the leased asset, setting the amortization schedule, optional remedies and provisions as well as deciding whether it is in the public agency's best interest to use lease financing in the first place.

WEEKLY SNAPSHOT. A summary of the proposed public debt issuance data that has been reported to CDIAC during each week is compiled and presented in an interactive dashboard published on the CDIAC website. The snapshot highlights information about future debt issu-



ance activity by the amounts, use of proceeds, issuer and proposed sale date.

DEBT LINE. CDIAC's newsletter summarizing data collection and issuance trends, regulatory activity, as well as state and federal legislative bills that could affect municipal finance has been produced on a monthly basis since the earliest years of CDIAC. Articles published in 2023 included topics such as credit enhancement, premium debt issues, taxable and pension obligation debt, credit rating activity, and annual issuance statistics.

LOCAL AGENCY INVESTMENT GUIDELINES (LAIG) UPDATE FOR 2023. This annual resource provides references and recommendations, developed in collaboration with public and private sector professionals, for interpreting and applying

California statute to common public fund investment topics related to local agencies. It also provides information on recent state and federal law changes. The 2023 update incorporated changes to California Government Code sections 53601 and 53646 made effective in January 2023.

LOCAL AGENCY INVESTMENT GUIDELINES (LAIG) UPDATE FOR 2024. The 2024 LAIG included changes to California Government Code sections 53601 and 27000.7 made effective in January 2024. In addition, new guidance was added to Chapter 2: Fund Management on how to determine what funds are available for investment and what funds to include when calculating the statutorily established portfolio limitations for specific types of permitted investments.



In addition, the LAIG now includes clarifying guidance regarding the impermissibility of public portfolio investments in exchange-traded funds (ETFs).

RESULTS OF THE 2022 LOCAL AND PRIMARY ELECTIONS, BOND AND TAX MEASURES APPEARING ON THE 2022 LOCAL AND PRIMARY BALLOTS. This publication reviews the results of the 2022 local and primary elections, including the bond and tax measures appearing on the 2022 local and primary ballots.

RESULTS OF THE 2022 LOCAL AND GENERAL ELECTIONS, BOND AND TAX MEASURES APPEARING ON THE 2022 LOCAL AND GENERAL BALLOTS. This publication reviews the results

of the 2022 local and general elections, including the bond and tax measures appearing on the 2022 local and general ballots.

K-14 VOTER APPROVED GENERAL OBLIGATION BONDS: AUTHORIZED, BUT UNISSUED – EXTENDED 2023 UPDATE. This publication is an annual update of CDIAC research that reconciles K-14 general obligation bond issuance with the underlying voter approved authority to determine amounts authorized, but unissued from 2001 through 2022. This edition also included an in-depth discussion about important factors that have contributed to large amounts of GO authority approved in 2008 remaining unissued.

OUTLOOK 2024

A full slate of educational programming including new on-demand offerings, substantial improvements to CDIAC's data distributions systems, and enhancements to some of CDIAC's long-standing reference publications are under development in 2024.

DATA COLLECTION AND ANALYSIS

DEBTWATCH INTEGRATION. CDIAC will continue to further develop the features and functionality of its DebtWatch 2.0 data visualization platform that will be deployed in May 2024. Expected enhancements for the DebtWatch platform include a report builder feature that will allow for customizable reports of issuance data, reporting summaries for Marks-Roos and Mello-Roos filings as well as additional functionality for existing tools and resources on the site.

ENHANCED DATA PORTAL FUNCTIONALITY. CDIAC will continue to enhance and refine the interface and functionality of its Data Portal based on user experiences from CDIAC staff and stakeholders. These improvements will continue to shift the emphasis of Data Unit staff into a more analytical role, with more time and opportunity available to see the aggregate context, significance, and applicability of the data submitted to CDIAC.

CREATION AND DOCUMENTATION OF DATA UNIT PROCEDURES. Data Portal and DebtWatch 2.0 represent CDIAC's efforts to modernize and streamline data collection processes and facilitate accessibility of this data. These new platforms have led to many changes to internal processes in a relatively short time. Over the past year, CDIAC has prioritized the creation and documentation of internal processes for the Data Portal and has begun documenting new processes to support the new DebtWatch platform. This effort to document processes for CDIAC's new systems will continue to be prioritized in the coming year, and CDIAC expects that the products will serve as resources for current and future Data Unit staff.

DOCUMENT STORAGE AND RETRIEVAL. Data Unit staff will continue its efforts to make CDIAC's vast issuance documentation library available to the public. Efforts to digitize documentation from previously submitted debt issuance reports and integrate with the new DebtWatch platform will continue in 2024.

EDUCATION AND OUTREACH

NEW ON-DEMAND ED PORTAL CONTENT. Release of the final module of the Elect>Ed series

on debt issuance and administration to the Ed Portal is scheduled for early 2024. Module 8, *Becoming a Model Borrower*, will focus on a public agency's post-issuance responsibilities including disclosure, communication with the market, internal control and administrative practices.

FULL WEBINAR AND SEMINAR LINE-UP. A variety of fundamental and topical educational programs, in both webinar and in-person formats, are scheduled for the coming year, including:

- Fundamentals of Public Funds Investing
- Arbitrage Risks and Opportunities - Webinar
- Current Topics and Practices in Land-Secured and Development Finance
- Annual Disclosure Training and Regulatory Outlook - Webinar
- Municipal Debt Essentials
- Preconference to The Bond Buyer California Public Finance Conference
- Evolution of Credit Ratings in Municipal Finance
- Data Portal & DebtWatch Tutorials and Demonstrations

POLICY RESEARCH

LEASE FINANCING IN CALIFORNIA CONTENT SERIES. Continued production of a third and final report in this content series will build from the foundation of the first two published reports while featuring consensus from multiple industry experts about best practices for lease financing. The content of the report will also include examples of potential "pitfalls" that public agen-

cies interested in lease financing should be aware of and attempt to avoid.

LABELED DEBT SURVEILLANCE. An expansion of the green bond issuance summary and update into a stand-alone issue brief to track the activity of the use of labels during the sale of debt since 2014. This expansion will include the issuance activity of debt labeled as sustainability and/or social bonds.

CALIFORNIA PUBLIC FUND INVESTMENT PRIMER UPDATE. CDIAC plans to begin scoping a revision of CDIAC's long-standing investment publication to update statutory changes and add topical content that has emerged over recent years. The primer may also be enhanced into an interactive application similar to CDIAC's interactive Debt Financing Guide so that users can easily search for public finance terms and concepts and save personal notes and bookmarks for future use.

THE FINANCIAL DATA TRANSPARENCY ACT (FDTA) (S. 4295). CDIAC will continue to track and report on the progress of new rulemaking resulting from the passage of the FDTA which requires the federal financial regulatory agencies to adopt specified data standards for required municipal filings with respect to format, searchability, and transparency.

RECURRING REPORTS AND ANALYSIS. CDIAC will continue to track, analyze, and report on the results of bond and tax elections, the status of K-14 general obligation debt authorizations, changes to investment statutes and procedures, and the issuance trends relative to a variety of public debt characteristics.

APPENDIX A

CDIAC STATUTORY PROVISIONS

SUBJECT	CODE SECTION	AUTHORITY OR REQUIREMENT
CDIAC Authorizing Statute	Government Code Section 8855 – 8859	Establishes CDIAC's responsibilities.
Report of Proposed Sale of Public Debt	Government Code Section 8855(i)	Requires the issuer of any proposed state or local government debt to, no later than 30 days prior to the sale, give written notice of the proposed sale to CDIAC. On the report, local issuers must certify they have adopted debt policies that meet certain requirements.
Report of Final Sale of Public Debt	Government Code Section 8855(j)	Requires the issuer of any state or local government debt to submit, not later than 21 days after sale, a report of final sale to CDIAC including specific information about the transaction.
Annual Debt Transparency Report	Government Code Section 8855(k)	Requires the issuer of any debt for which a report of final sale has been submitted to CDIAC on or after January 21, 2017, to submit an annual report on the status of that debt until the debt is retired and the proceeds fully spent.
Mello-Roos Community Facilities Act of 1982	Government Code Section 53359.5(a) - (c) and 53356.05	For bonds issued pursuant to the Mello-Roos Act, CDIAC is to receive, reports of proposed and final sale, annual fiscal status reports and notices for a default on debt service or a draw on reserve.
Marks-Roos Local Bond Pooling Act of 1985	Government Code Section 6586.5, 6586.7, 6599.1(a), 6588.7 (e) (2), 6599.1(c)	For bonds issued pursuant to the Marks-Roos Act, CDIAC is to receive, notices for hearings authorizing bond sale, resolutions authorizing bonds, reports of proposed and final sale, annual fiscal status reports and notices for a default on debt service or a draw on reserve.
General Obligation Bond Cost of Issuance	Government Code Section 53509.5(b)	After the sale of bonds, the local agency legislative body shall submit an itemized summary of the costs of the bond sale to CDIAC.
Refunding Bonds Sold at Private Sale or on a Negotiated Basis	Government Code Section 53583(c)(2)(B)	After the sale of refunding bonds, a written statement shall be sent to CDIAC explaining why the local agency sold the bonds at a private sale or on a negotiated basis instead of a public sale.
School and Community College Districts	Education Code Section 15146(d)(2), and (e)	The governing board of the school district or community college district shall submit an itemized summary of the costs of the bond sale to CDIAC and ensure that all information needed to meet Government Code Section 8855 has been submitted to CDIAC.
School and Community College Districts	Education Code Section 15303(b)	The board of supervisors approving the use of School Facilities Improvement Districts within a school or community college district in the county shall submit the adopted resolution to CDIAC.
Joint Powers Authority	Government Code Section 6548.5	For bonds issued pursuant to the Joint Exercise of Powers Act, the level of fees or charges imposed by a Joint Powers Authority shall be disclosed to CDIAC.
Joint Powers Authority	Government Code Section 6586.7	For Marks-Roos bonds, a copy of the resolution authorizing bonds or the issuance of bonds or accepting the proceeds of bonds issued pursuant to the Joint Exercise of Powers Act shall be sent to CDIAC (certain issuers and projects are exempted from this requirement).
Joint Powers Authority	Government Code 6586.5(a)(3)	For Marks-Roos bonds, a notice is to be sent to CDIAC at least 5 days prior to a hearing where the authority will make findings and take actions with respect to financing certain improvements.
Joint Powers Authority	Government Code Section 6588.7(e)(2)	For rate reduction bonds, the issuing authority shall submit to CDIAC a statement that it is issuing the bonds, identify the source of repayment, and the saving realized from the sale of the bonds.
City, County and Other Agencies	Government Code Section 54418	A local agency shall send a written statement to CDIAC explaining the reason for issuing revenue bonds at a private sale rather than public.
Harbor Agency—Joint Powers Authority	Harbor and Navigation Code Section 1706(b)	Each authority shall provide an annual report regarding receipts and expenditures from the infrastructure fund and all financing activities to CDIAC.
Redevelopment Agency	Health and Safety Code Section 33664(d)	Provide a copy of the agency's resolution specifying the financial advantage of the agency purchasing its own bonds and a covering letter with other information specific to the bonds to CDIAC.



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