



DISTRICT BUSINESS SERVICES

To: Chief Business Officials
Contra Costa County School Districts

From: Christine Rea
Manager, District Business Services

Date: November 23, 2015

Subject: **Requirements for Disclosure of Non-Voter Approved Debt**

Currently, Education Code Section 17150 requires school districts to notify the county superintendent of schools and the county auditor upon the approval by the governing board to proceed with the issuance of non-voter approved debt. The legislation further requires the superintendent of the school district to provide the repayment schedules for the debt obligation and evidence of the ability of the school district to repay that obligation. Within 15 days of the receipt of this information, the county superintendent of schools and the county auditor may comment publicly to the governing board of the school district regarding the capability of the school district to repay that debt obligation.

Please note that AB2197 (Chapter 128, Statutes of 2008) changes the reporting requirements for issuing non-voter approval debt. Effective January 1, 2009, school districts must notify the county superintendent of schools and the county auditor not less than 30 days prior to approving the issuance of COPs and other non-voter approved debt secured by real property. The attached memorandum from Sandy Silberstein, Chief Legislative Liaison to the Superintendent, Riverside County Schools Advocacy Association outlines additional provisions of AB2197.

We have provided a form for school districts to complete and submit at least 30 days prior to approval by your governing board to proceed with the issuance of non-voter approved debt. Also attached is the actual AB2197 bill.

Attachment
DBS General Bulletin 015 15-16
CR

CONTRA COSTA COUNTY OFFICE OF EDUCATION

DISCLOSURE OF NON-VOTER APPROVED DEBT

In accordance with Education Code Section 17150 and Assembly Bill 2197, the following information must be provided to the County Superintendent of Schools and the County Auditor at least 30 days prior to the district's governing board approval of an issuance of non-voter approved debt. This includes all new and refunded issuances.

School District _____ Date _____
 Contact _____ Phone _____

Type of Issue _____
Indicate the type of debt instrument, ex: Certificates of Participation (COP), Direct Capital Lease, Land Bank.

Tentative Date of Board Approval _____ Amount of Issue \$ _____
The date the board will approve proceeding with the debt issuance. *The total dollar amount the district is borrowing, including any amounts to refund existing debt issuances.*

Term of Issue _____ years
 Fixed Variable Other

Anticipated Date of Issue _____ Interest Rate % _____
The date the debt instrument is expected to be purchased by the investor(s). *The projected rates of interest payable on the debt instrument for the term of the issue. If variable, indicate what drives variability, expected rate ranges, and rate cap.*

Purpose of Issue

1)		\$
2)		\$
3)		\$

Describe the projects to be financed by this debt issuance, ex: building a multi-purpose room, district match to state school building project, refunding existing debt issuance for lower interest rate. Provide the estimated cost for each project.

Tentatively Pledged Source(s) of Funds for Debt Repayment

1)		\$
2)		\$

Indicate the anticipated sources of funds the district is expecting to receive to repay this debt obligation, ex: state school building project apportionments, developer fees, redevelopment revenue, revenue limit apportionments. If applicable, provide an analysis of projections for developer fees and/or calculations of anticipated student attendance growth for revenue limit pledges based on historical trends and adjusted for current conditions.

Contingency Plan

1)		\$
2)		\$

Indicate the district's contingency plan should the pledged sources of repayment do not materialize as projected.

Bond Counsel _____

Contact _____ *Phone* _____

Indicate the company and individual contact person handling your debt financing.

Financial Advisor _____

Contact _____ *Phone* _____

Indicate the company and individual contact person handling your debt financing.

Underwriter _____

Contact _____ *Phone* _____

Indicate the company and individual contact person handling your debt financing.

Attach copies of: *Preliminary statement:*

Provide selected pages of the Preliminary Statement for this debt issuance, including: (1) the front cover sheet with the amount and date of actual issuance, (2) listing that indicates the parties involved in the financing, (3) maturity schedule, (4) repayment schedule, (5) purpose of issue, (6) pledged sources of funds for debt repayment.

Estimated debt issuance costs

Include a detailed breakdown of the anticipated costs to be incurred with this financing. Include the vendors, services to be provided and estimated costs.

Debt repayment schedule

Provide a copy of the semi-annual debt repayment schedule indicating specific principal and interest payments and dates of required payments throughout the term of issuance.

Multi-year financial projections and assumptions for each fund tentatively pledged for debt repayment.

Provide a copy of updated multi-year financial projections for each fund indicated as a pledged source of repayment of the debt issuance. Attach a listing of assumptions, including calculations of how these assumptions were determined. For student attendance/growth this could include an analysis of students in each grade level, new housing information and the impact on the district. For developer fees this could include an analysis of new housing permits or sales in the area.

Certified by: _____ *Phone:* _____

Submit this Disclosure of Non-Voter Approved Debt to *District Fiscal and Administrative Services (DFAS)* and the *County Auditor* at least 30 days prior to the district's governing board approval of an issuance of non-voter approved debt:

Bill Clark
Associate Superintendent, Business Services
Contra Costa County Office of Education
77 Santa Barbara Road
Pleasant Hill, California 94523

Contra Costa County Auditor-Controller
625 Court St.
Finance Bldg.
Martinez, CA 94553