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The School Facility Program (SFP) Outlook

**State Match and Local Funding Issues for 2010
Monday, November 9, 2009
2:00 p.m. – 3:15 p.m.**



Status of the School Facility Program State Match Probability

*by
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State GO Bond Sales

2009-2010 Budget GO Sale Allowance	\$15 billion	
General Obligation Bonds	\$4.1 billion	October 8, 2009
General Obligation Bonds	\$0.9 billion	November 3, 2009
General Obligation Bonds	\$1.3 billion	November 4, 2009
California Statewide Communities Development Authority (CSCDA)	\$1.5 billion	November 10, 2009
Public Works Board	\$1.3 billion	November 16, 2009
Department of Water Resources	TBD*	December 1, 2009
UC Regents - Tax-Exempt	\$200 million	December 3, 2009
UC Regents - Taxable Build America Bonds	\$500 million	December 3, 2009
Available for Spring 2010 Sale	\$5.2 billion--¹	
(Economic Recovery Bonds)	\$3.5 billion	October 29, 2009 **

¹If Oct. 29 \$3.5 billion ERB sale is included in the \$15 billion, the available allowance for Spring 2010 is \$1.7 billion.

*The Water Resources Amount will reduce the \$5.2 billion or \$1.7 billion.

** Unspecified by State Treasurer's Office if it will be part of the \$15 billion.

3

State Projects First

- Even if Spent Slowly
- Better Cash Flow if Spent Slowly
- Better Arbitrage if Spent Slowly

4

School Projects

- Can be Spent Quickly
- Creates More Stimulus
- Hurts State Cash Flow

5

Cumulative Unfunded Approvals

Cumulative Unfunded Approvals	New Construction ¹ In millions	Modernization In millions	COS In millions
<i>as of March 30, 2009</i>	\$679.9	\$147.5	\$0.0
<i>as of June 30, 2009</i>	\$458.3	\$121.8	\$342.4
<i>as of September 30, 2009</i>	\$1,138.2	\$269.3	\$342.4
<i>as of November 4, 2009</i>	\$1,250.6	\$256.9	\$342.4
TOTAL UNFUNDED APPROVALS:			\$1,849.9

Source: OPSC Status of Funds Report

¹ Includes all programs except Modernization and Critically Overcrowded Schools

6

Remaining Bond Authority

Assuming November 4, 2009 Unfunded Approvals Are Funded (in millions)

New Construction	\$723.4
Modernization	\$1,703.8
Seismic Mitigation	\$195.8
CTE	\$87.2
High Performance	\$82.1
Overcrowded Relief	\$643.7

7

Remaining Bond Authority

Assuming November 4, 2009 Unfunded Approvals and the OPSC Workload Lists are funded (in millions)

New Construction	\$196
Modernization	\$1,388.3

OPSC Workload List as of October 26, 2009

Seismic Mitigation, CTE, High Performance, and ORG are not included in display because OPSC does not maintain public workload lists for them.

8

OPSC Applications Processing – Monthly Average

	New Construction	Modernization
2009	19	15
2008	35	34

9

2010 School Bond

- Survey of 1,000 +/- 3%
- Right Track (14%)
- Wrong Track (77%)
- Generic Support

10



2010 School Bond

- Concerns with Debt
- It's the Economy Stupid – Jobs
- Similar to Proposition 55 (which won)

11



2010 School Bond

- CTE Support
- Renovation and Repair Support
- Recognize Need to Invest in School Facilities

12



2010 School Bond

- Demand Strong Accountability
- Support Local School Bonds
- Can Pass with Strong YES Campaign
- Issue is Getting On Ballot

13



2010 School Bond

- Water Bond Effect
- Other November Ballot Propositions
- Will California Economy Show Improvement by June/July 2010?

14



Future State Bonding Beyond 2010

- Treasurer's Comments
 - 10% of General Fund Revenue for Debt Service
 - State Employee Unions
- State Deficit

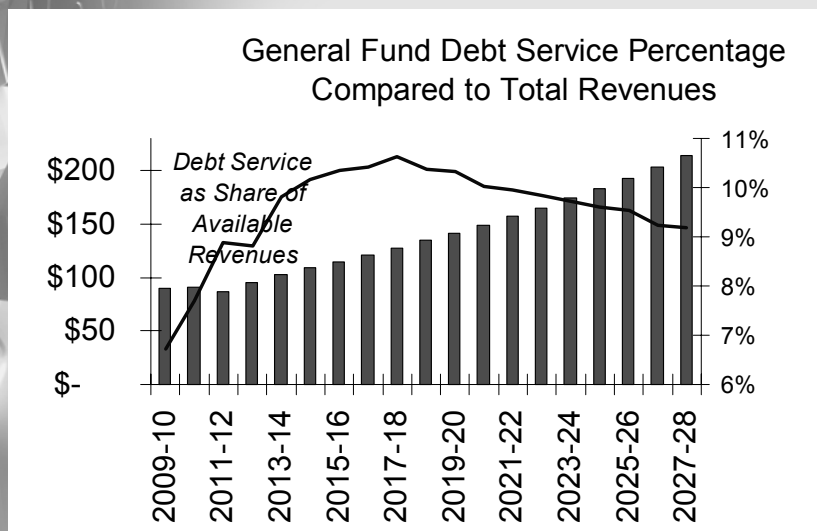
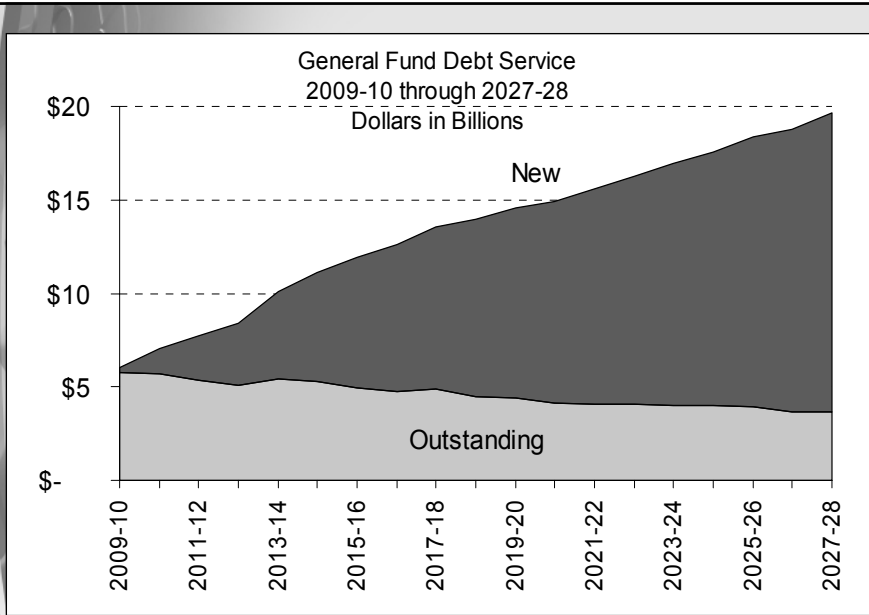
15



State Match and Level 3

- Avoid Level 3
- Reduce State Liability
- Shift More to Local

16



January Governor's Budget Bond Sale Effect

- Mid-Year Cuts?
- Recovery?
- More Deficits?
- The C.A.S.H. Annual Conference (February 22-25, 2010) will address these and other school facility fiscal issues.

19

Parcel Tax/Bond Election Unofficial Results

County	District	Type	\$/Year	%Yes	%No	P/F
Alameda	Albany USD	parcel tax	\$149	75.83	24.17	P
Alameda	Albany USD	parcel tax	\$555	76.68	23.32	P
Contra Costa	Acalanes Un. HSD	parcel tax	\$189	73.99	26.01	P
Contra Costa	Walnut Creek SD	parcel tax	\$82	75.43	24.57	P
Los Angeles	Long Beach USD	parcel tax	\$92	43.00	57.00	F

20

Parcel Tax/Bond Election Unofficial Results

County(s)	District	Type	\$/Year	%Yes	%No	P/F
Los Angeles	Culver City USD	parcel tax	\$96	74.70	25.30	P
Marin	Lagunitas SD	parcel tax	\$325	68.13	31.87	P
Marin	Larkspur SD	parcel tax	\$368	69.89	30.11	P
Marin	Mill Valley SD	55%	\$59,800,000	66.54	33.46	P
Marin/ Sonoma	Shoreline USD	55%	\$9,290,000	62.80	38.20	P

21

Parcel Tax/Bond Election Unofficial Results

County	District	Type	\$/Year	%Yes	%No	P/F
Santa Clara	Santa Clara USD	parcel tax	\$138	62.89	37.11	F
Santa Clara	Fremont Un. HSD	parcel tax	\$98	59.56	40.44	F
Tulare	Springville Un. ESD	bond	6,700,000	34.52	65.48	F
Ventura	Oxnard ESD	parcel tax	\$99	46.82	53.18	F

22

Local Funds: Markets and Expectations

Jeff Baratta
Piper Jaffray & Co.



Local Funds: Markets and Expectations

- Markets
 - General Obligation Bonds
 - Bond Anticipation Notes
 - Certificates of Participation
 - Qualified School Construction Bonds



Local Funds: Markets and Expectations

- Local Economy
 - Affects of Lower Assessed Values
 - 2010 Expectations

25



Handout materials are available online.
To download the materials, visit
www.cashnet.org/meetings and click on
the link labeled “Workshop and
Conference Handouts.”

26

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