



Assembly Bill 182

- » Assembly Bill ("AB") 182, signed into law by Governor Brown on October 2, 2013, will become effective on January 1, 2014. AB 182 imposes the following provisions for issuing school bonds:

Item	Provision ^[1]
School Districts Affected:	All (will apply retroactively to new bonds issued under any prior and future GO Bond authorizations)
Maximum Bond Terms:	<ul style="list-style-type: none">▪ Current Interest Bonds ("CIBs"): 40 years^[2]▪ Capital Appreciation Bonds ("CABs"): 25 years
Maximum Interest Rate:	8% per annum
Maximum Repayment Ratio:	4:1 for each bond series
Redemption Provisions:	Must be callable in 10 years
Additional Disclosure Requirement:	<ul style="list-style-type: none">▪ <u>Board Approval</u>: At least 2 consecutive Board meetings.▪ <u>Disclosure</u>: Method of sale and reasons, financing team members, estimated costs, financial analyses of total costs, comparison and reasons, and a copy of the disclosure made by the underwriter in compliance with Rule G-17 by the Federal Municipal Securities Rulemaking Board.▪ <u>Post Issuance</u>: Present actual cost information at the next Board meeting.

[1] A school district with a note issued before 12/31/2013 may seek a one-time waiver from one (1) or more of the requirements.

[2] Governing boards must make a finding that the facilities improvements funded by bonds with a term of 30 years or longer that have a useful life that exceeds the term of the bonds.



Issuance of Prop. K GO Bonds

Existing Bond Series:

Bond Series	Issuance Year	Bond Principal			Overall Bond Repayment		
		CIBs	CABs	Total Principal	Total Debt Service	Ratio	Term
Series A	2011	\$116,700,000	\$25,346,476	\$142,046,476	\$310,611,675	2.19:1	28 Years
Series B	2012	\$0	\$64,995,522	\$64,995,522	\$403,040,634	6.20:1	40 Years
Total	N/A	\$116,700,000	\$90,341,998	\$207,041,998	\$713,652,309	3.45:1	N/A

**Assumed an estimated tax rate of \$44 per \$100,000 of assessed valuation.*

Proposed Bond Series:

Bond Series	Issuance Year	Bond Principal			Overall Bond Repayment		
		CIBs	CABs	Total Principal	Total Debt Service	Ratio	Term
Series C	2014	\$49,822,281	\$22,342,089	\$72,164,370	\$183,021,250	2.54:1	27 Years
Series D	2022	\$440,000	\$7,353,632	\$7,793,632	\$31,181,502	4.00:1	25 Years
Total	N/A	\$50,262,281	\$29,695,721	\$79,958,002	\$214,202,752	2.68:1	N/A

**Assumes an estimated tax rate of \$60 per \$100,000 of assessed valuation and AB 182 compliance.*

Total Bond Program:

Bond Series	Issuance Year	Bond Principal			Overall Bond Repayment		
		CIBs	CABs	Total Principal	Total Debt Service	Ratio	Term
Total	N/A	\$166,962,281	\$120,037,719	\$287,000,000	\$927,855,061	3.23:1	N/A

Key: The total debt service on the program as being proposed is approximately \$23.6 million less than the estimated total debt service provided to the San Diego County Taxpayers Association in 2010.