

DEBT ISSUANCE AND MANAGEMENT

The following procedure provides written guidelines for the issuance and management of debt by the Contra Costa Community College District (District) in compliance with Government Code Section 8855.

All issuances of debt must be approved by the District Governing Board and have a relationship to and integration with the District's capital improvement plan or budget. In addition, debt issuance shall be consistent with the District's goals and objectives. The Chancellor, Chief Administrative Services Officer, and Chief Financial Officer are charged with oversight over all of the District's debt issuance and management activities.

1. Types of Debt Authorized

- a. The Governing Board authorizes the District to issue the following debt instruments:
 - (1) General Obligation Bonds;
 - (2) Tax and Revenue Anticipation Notes;
 - (3) Certificates of Participation; and
 - (4) Other financing as allowed by law.

2. Purpose of Debt

- a. General Obligation Bonds shall be used for the purpose of financing the creation of capital infrastructure, including the planning, design and land acquisition and expenses necessary and proper in carrying out the capital infrastructure program of the District.
- b. Tax and Revenue Anticipation Notes shall be used to cover short term gaps in District funding created by temporary shortfalls in revenue or deferrals of revenue from the State. Tax and Revenue Anticipation Notes may also be issued to capitalize upon market conditions.
- c. Certificates of Participation shall be used for the same purpose as General Obligation Bonds but may also be issued to finance large, expensive pieces of equipment where accessing the capital markets is necessary.
- d. Other financing as allowed by law shall be used upon determination of its benefit to the District.

3. Internal Controls

- a. The District shall ensure that internal controls exist that ensure the proceeds of any proposed debt issuance shall be directed to the use intended for that debt.
- b. The District shall hire outside professionals, including, but not limited to, legal counsel, as necessary to assist in the issuance of debt, ensuring compliance with all disclosure and other legal obligations, and to ensure the proceeds from debt are properly expended and invested.

- c. The District's General Obligation Bond program is overseen by a Citizens' Bond Oversight Committee (Committee). The Committee composition shall meet the requirements of law and the Committees' bylaws. The Committee shall review the expenditure reports of the District and ensure that the bond proceeds are expended in accordance with the requirements of the ballot measure that authorized the bond and in accordance with law. The Committee shall issue an annual report regarding the results of its oversight, including whether the District is in compliance with the law and a summary of the Committee's proceedings and activities for the preceding year.
- d. The District's General Obligation Bond Program shall be reviewed annually as part of the District's annual audit with two separate audit reports.
- e. The District shall ensure that it complies with all other federal and state laws regarding the issuance of debt and the investment of debt obligations.

Government Code 8855
California Education Code 15278, 81961