

BP 6307 Debt Issuance and Management

References: Section 18 of Article XVI of the State Constitution
Sections 1(b)(2) of Article XIII A (Proposition 46), Section (b)(3) of Article
XIII A (Proposition 39) of the State Constitution
Education Code Section 15000 *et seq* & Section 15264 *et seq*
Government Code Section 53410

The laws of the State of California authorize the District to incur debt to make lease payments, contract debt, borrow money, and issue bonds for school improvement projects. The District is authorized to contract debt to acquire, construct, reconstruct, rehabilitate, replace, improve, extend, enlarge, and equip such projects; to refund existing debt; and to provide for cash flow needs.

The Board of Trustees recognizes the importance of adopting a sound, transparent, and comprehensive debt policy in order to support its strategic plan, priorities and objectives. This debt policy shall guide decisions and actions related to issuing and managing debt and shall serve as a tool for ensuring that the District maintains ready access to debt capital and that the proceeds of any debt issuance will be directed to the intended use.

The Superintendent/President shall establish procedures for the issuance of indebtedness by the District. This Policy provides a framework for debt management and capital planning by the District and has been developed to meet the following goals:

- 1) The District shall strive to fund capital improvements from voter-approved General Obligation (GO) Bond issues to preserve the availability of its General Fund for District operating purposes and other purposes that cannot be funded by such bond issues.
- 2) The District shall endeavor to attain the best possible credit rating for each debt issue in order to reduce interest costs, within the context of preserving financial flexibility and meeting capital funding requirements.
- 3) The District shall take all practical precautions and proactive measures to avoid any financial situation that will negatively impact current credit ratings on existing or future debt issues.
- 4) The District shall, with respect to GO Bonds, remain mindful of its statutory debt limit in relation to assessed value growth within the District and the tax burden needed to meet long-term capital requirements.

Approved: 12/06/2017