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Yuba Community College District saves taxpayers \$14.2 million with bond restructuring

MARYSVILLE, Calif. – The Yuba Community College District today announced the sale of refunding bonds that will save local taxpayers \$14.2 million by converting non-callable capital appreciation bonds (CABs) into lower-cost current interest bonds.

“This is a win-win for our students and taxpayers,” said Gary Sandy, Board President, Yuba Community College District. “This was the fiscally prudent move to make; it will reduce the financial burden on local taxpayers for years to come.”

“We are extremely pleased that Yuba Community College took the initiative to refinance a portion of its capital appreciation bonds,” said Pat Miller, President of the Sutter County Taxpayers Association. “This is certainly a big tax savings for property owners in the eight counties of the Yuba College district and we look forward to the potential refinancing of the remaining CABs in the future.”

The high-interest bonds were converted through Dale Scott & Company’s (DS&C) CAB Restructuring Bonds® program, which engages with investors to buy capital appreciation bonds back at their fair-market price. The district then replaces the CABs with lower-cost current interest bonds to save taxpayers money over the long term. DS&C converted nearly \$40 million of capital appreciation bonds for Yuba Community College District, reducing the total amount of outstanding CABs by more than 30 percent.

“While we are preparing our students for the global economy, we must also maintain fiscal stewardship,” said Dr. Douglas Houston, Chancellor, Yuba Community College District. “Yuba Community College District is the first community college in California to implement this innovative program; we are very pleased with the results.”

Yuba Community College District's conversion of capital appreciation bonds follows similar moves by K-12 school districts in Alameda, San Diego, San Joaquin, San Mateo and Stanislaus counties.

"In some cases, CABs were the only viable option for a district at the time they were issued," said DS&C President Dale Scott. "But many of these bond deals were put together in a way that made a traditional refinancing impossible. In response to this problem, we've developed a program that can restructure these non-callable CABs, allowing districts to provide substantial long-term benefits to their taxpayers." More than 200 school districts and community college districts in California issued approximately \$3 billion of high-interest capital appreciation bonds between 2001 and 2013, when Governor Jerry Brown signed AB 182 into law, prohibiting K-12 and community college districts from issuing capital appreciation bonds with debt ratios of 4-to-1 or greater.

About Yuba Community College District

YCCD spans eight counties and nearly 4,192 square miles of territory in rural, north-central California. Yuba College and Woodland Community College offer degrees, certificates and transfer curricula at college campuses in Marysville and Woodland, educational centers in Clearlake and Yuba City, and through outreach operations in Williams and on Beale Air Force Base. The two colleges in Yolo County and Yuba County and the campuses in Clearlake, Colusa, and Sutter Counties serve 13,000 students across the northern Sacramento Valley. *For more information about YCCD, please visit the website at yccd.edu*

About Dale Scott & Company

Dale Scott & Company is a leading independent financial advisory firm that guides California school districts through the bond financing process while protecting local taxpayers. For more than 25 years, DS&C has served California's K-12 school districts and community colleges as a trusted, independent partner. DS&C uses a combination of quantitative analytics and a deep knowledge of capital markets to provide schools with a broad array of innovative products and services, many of which have become the standard for the state's public finance industry. Today, DS&C ranks as the leading K-14 financial advisory firm in California. For more information, visit www.dalescott.com and follow us on Twitter @[DaleScottCo](https://twitter.com/DaleScottCo).

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