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# GFOA TODAY

TUESDAY | JUNE 30, 2026

PUBLISHED BY THE BOND BUYER



## Outgoing GFOA president reflects on eventful year

BY CAITLIN DEVITT

Lunda Asmani's term as president of the Government Finance Officers Association last year saw a pair of significant successes: a jump in membership and the preservation of the municipal bond tax exemption in Congress.

But Asmani, who will hand the baton to incoming president Grace Martinez this week, counts some quieter accomplishments as just as important, including bulking up the organization's professional development for young public finance officials and strengthening relationships with state-level GFOA groups.

Asmani also takes his leave shortly after the GFOA's board approved a new initiative that will be focused on developing technology and service tools, including artificial intelligence, "by and for" the public finance sector.

"Over the past year, as I traveled and met virtually and in person with our state leaders, I recognized that the mission and vision of GFOA is really being lived out in excellence of public finance," Asmani said. "These coming years are going to be game-changing for us, and it's really important that GFOA stays ahead of it, and I think we're on track to do that."

Asmani, the chief financial



Lunda Asmani, chief financial officer, Norwalk Public Schools in Connecticut

officer of Norwalk Public Schools in Connecticut, [took the helm last year](#) as the public finance industry and issuers faced the threat of [Congress axing the municipal bond tax exemption](#), a move that would have driven up borrowing costs for cities and states across the country.

Asmani witnessed firsthand the "amazing" work of the group's federal liaison team to persuade lawmakers of the importance of the tax exemption, he said. The creation of the [Built by Bonds map](#) was key to its success, he said.

"Every year the tax exemption on municipal bonds is something that comes up for discussion and this year we were very, very effective for making the case," Asmani said. "This is the advocacy that needs to continue year after year, so it was exciting for me to see how effective that advocacy is."

The nation's largest local and state finance officers' association jumped in size last year under a revamped membership structure that drove enrollment to 35,000

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## TUESDAY'S UPDATES

### BAG CHECK

Complimentary bag check is available in Hall E, Level Two, today (Tuesday) until 5:00 p.m. and tomorrow (Wednesday) from 7:00 a.m. to 1:00 p.m.

### CONFERENCE GEAR

Don't leave Chicago without your #GFOA2026 memorabilia! Stop by the GFOA Hub on Level Three to pick up a complimentary conference notebook and shop this year's conference T-shirt, hat, socks, and other merchandise while supplies last.

### GFOA TRAINING IN CLEARWATER

Join us in Santa Clara, California, this August and invest in your professional growth with GFOA's in-person training courses! Whether you're sharpening your budgeting skills, preparing financial reports, or managing grants and investments, these interactive sessions are designed to help public finance professionals at all levels succeed. Courses include Advanced Budget Academy (August 24–27), Accounting Academy (August 24–27), Budget Academy (August 24–27), Developing and Managing the Personnel Budget (August 26–27), and Preparing and Implementing a Capital Improvement Plan (August 24–25). Join us for expert-led sessions, valuable takeaways, and an evening networking reception you won't want to miss! Visit [gfoa.org/events](https://gfoa.org/events) to register.

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## TUESDAY'S UPDATES

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We'll see you next year in New Orleans! Join us for GFOA's 121st Annual Conference, June 6–9, 2027. Registration and housing will open later this fall. The Call for Topics is now open, so start planning your session proposal today at [gfoa.org/call-for-topics](https://gfoa.org/call-for-topics). We look forward to welcoming you to the Big Easy for #GFOA2027..

# Outgoing GFOA president reflects on eventful year

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from over 20,000.

“The membership growth happened during my term as leader but it was really a team effort, and the GFOA staff did the bulk of the work,” he said.

The new model is based on organization rather than individual, allowing budget and finance employees across all offices of participating government to become members. The growth over the last year “really reflects the strength and relevance of the organization,” Asmani said.

One of his goals heading into the organization was helping more entry-level employees benefit from the kind of public finance training and networking that shaped his career. Over the year, the group created deeper professional development “learning pathways,” where members identify where they are now and where they would like to be in five years, and then are able to access an outline of the steps needed to achieve their goal.

Asmani said his term as president allowed him to reflect on how much the organization shaped

“These coming years are going to be game-changing for us, and it’s really important that GFOA stays ahead of it, and I think we’re on track to do that.”

— Lunda Asmani, chief financial officer, Norwalk Public Schools in Connecticut

his own career.

“It was a revelation to me, reflecting on how much GFOA has influenced my career and then understanding that if GFOA could do this for me, transforming me and allowing me to grow, it can do this for anybody else,” he said.

Asmani first joined the group fresh from graduate school in his first position as a young budget analyst. “Now 25 years later, I’m president of GFOA,” he said. “I realized just how critical all of the GFOA touchpoints were over my career.”

The creation of GOVfi Solutions Inc., which the board recently approved, will be focused on creating technology solutions and services specifically for public

finance officers, as opposed to trying to shape private sector solutions to public finance problems, he said.

“Over the next 12 to 24 months we will begin to see a lot more AI initiatives by GFOA,” he said. “As local governments begin to understand AI and people in the communities begin to advocate for AI, they’ll be looking to the GFOA for some guidance as how to manage AI in public finance,” he said.

“We need to continue to put our members and our state associations first,” he said. “That will keep us focused on our mission of making sure all our local governments are financially managed professionally.” **GFOA**

# GFOA TODAY

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# Tax-exempt stadium bonds back in Congressional crosshairs

BY CAITLIN DEVITT

The use of tax-exempt bonds for professional sports stadiums is once again under scrutiny from skeptical federal lawmakers. A pair of bipartisan Senate and House bills are taking aim at stadium bonds while last week a Congressional report highlighted the financing tool ahead of a House Ways and Means Committee hearing set for Tuesday.

The hearing, titled “The growing business of sports: reviewing federal tax policy in the multi-billion dollar industry,” will “examine the rapidly evolving business of sports and the tax issues implicated by its growth and transformation,” a committee notice said. The Joint Committee on Taxation, a research arm of the committee, released a briefing book for the hearing that includes tax-exempt stadium financing as one of six topics that the JCT was apparently asked to research.

Meanwhile, the House and Senate both have active bills that would eliminate the ability of governments to issue tax-exempt bonds for the construction of professional sports stadiums, which are defined broadly in the legislation.

“Congress is sometimes criticized for providing special tax breaks for wealthy individuals and when it comes to sports stadiums, it is true,” said Rep. Glenn Grothman, R-Wis., one of the sponsors of the House bill, in a press release. “We should no longer allow provisions that were intended to help local communities build infrastructure, like roads, be abused to help subsidize multi-billion dollar sports franchises and owners. Hardworking Americans should not be forced to finance



Graeme Sloan/Bloomberg

New Jersey Democrat Sen. Cory Booker is one of the sponsors of a bill that would eliminate the use of tax-exempt bonds for professional sports stadiums, which it defines broadly as any facility that “during at least five days during any calendar year, is used as a stadium or arena for professional sports exhibitions, games, or training.”

billion-dollar sports stadiums.”

Lawmakers have floated several bills over the years, many of which have been bipartisan, to eliminate the use of tax-exempt private activity bonds for the financing of sports stadiums. All have failed to gain traction but the issue continues to pop up during almost every Congressional session.

The closest that previous efforts to target stadium bonds came to fruition was in 2017, in the House version of the Tax Cuts and Jobs Act. The provision, which included state or private college athletic stadiums, was dropped during the House-Senate conference committee on final legislation.

The National Football League, which has lobbied on the issue, is a member of the Public Finance

Network, said Emily Brock, federal liaison for the Government Finance Officers Association, who talked about the issue Saturday to the GFOA’s debt committee during the association’s 2026 conference in Chicago.

The GFOA is closely tracking the issue, Brock said. The National Association of Bond Lawyers is also working on it, according to NABL chief policy officer Brian Egan.

“We’re paying significant attention to this because, in reality, let’s just take the NFL out of the discussion, let’s take sports out of the discussion – this is a federal government preemption of the local government’s decision to issue tax-exempt bonds,” Brock said.

“The ultimate impact, I think, of this bill is to penalize professional

sports and to the extent that we are a conduit or an acting agent in the issuance of bonds that help to erect their facilities, we may be shrapnel, we may be collateral,” she said.

The invited witnesses who will testify at Tuesday’s hearing are Sam Acho, former NFL linebacker and director at the athlete-focused investment office AWM Capital; Thad Madden, NIL tax consultant and former IRS officer; Robert Raiola, director of the sports and Entertainment group at PKF O’Connor Davis, LLP; and Dennis Coates, an economics professor at the University of Maryland.

The office of committee chair Rep. Jason Smith, R-Mo., did not respond to requests for comment.

“We know the hearing may have

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# AI vs. SEC

BY SCOTT SOWERS

Writing the boilerplate verbiage that bolsters preliminary official statements used in bond sales is now being filtered through AI strainers and attracting attention from the Securities and Exchange Commission.

“It’s easy to go down the rabbit hole of saying, ‘how can we change this language, how can we use this language,’ and that can very much lead you astray if you let that be your only consideration,” said Dave Sanchez, director of the SEC’s Office of Municipal Securities.

Sanchez explained that the antifraud provisions of the federal securities laws dictate that any disclosure be accurate, so issuers shouldn’t get caught up in using AI to make their securities sound more attractive to investors if that language risks becoming misleading. “SEC is greater than AI,” Sanchez said.

The comments do not reflect official SEC policy and came during the Government Finance Officers Association meeting of the debt committee on Saturday in Chicago.

Sanchez recommended the primary consideration in disclosures are accurately describing the credits.

The influence of AI is leaking in from all sides of the bond sale and influencing anybody reading the statements.

“AI is being used by every large asset manager,” said Colin MacNaught, CEO & Co-Founder, BondLink.

“It’s not just the credit analyst, it’s the traders, it’s the portfolio managers, automating their workflows. That relies on easy and reliable access to data and issuer financial reports. That’s just very important for issuers to know as you



Donna Alberico

“It’s easy to go down the rabbit hole of saying, ‘how can we change this language, how can we use this language,’ and that can very much lead you astray if you let that be your only consideration,” said Dave Sanchez, director of the SEC’s Office of Municipal Securities. “SEC is greater than AI.”

think about your disclosure program going forward.”

MacNaught advises against using different words to describe the same concept and steering around anything that sounds ambiguous.

“Humans can read between the lines,” he said. “AI is just reading the line. If a portion of disclosure is trying to be prudent and careful about how you’re describing a certain portion of your credit story, that could be misinterpreted by the AI bot as a risk.”

Ratings agencies are rolling AI into their operations and research functions. Academics are building AI-powered models to replicate the ratings process.

Per a recent paper published on the Social Science Research Network,

“Traditional representations of firms use accounting and financial market data, but investors use richer information sets. Theoretically, portfolio holdings contain all relevant information for asset prices, recoverable under empirically realistic conditions.”

Although AI can contribute to risk factors in disclosure it can also help issuers tell better stories.

“Those issuers who understand what investors need now, could see more interest from the buy side,” said MacNaught.

“Centralize and organize your financial reports and data - that essentially tells AI where to search. Be your own source of truth and minimize the risk that AI will pull from unreliable sources of

information.”

MacNaught believes leveraging machine learning tools to get the message right could help smaller issuers level the playing field.

The tide of AI is sweeping across all the financial markets while the final results remain unknown.

“Seven tech sites that are claimed to be AI driven now account for something like 38% of the S&P 500,” said Justin Marlowe, professor, University of Chicago.

“A study that the Dallas Fed came out with a few months ago looked at the long-term implications of AI from the economy, and their conclusion was the title of the slide, ‘AI might either destroy humanity and scarcity or lose GDP by 21 basis points.’ In other words, no damn idea.” **GFOA**



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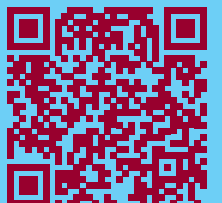
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# Issuers react to news from the Hill

BY SCOTT SOWERS

As Congress attempts to work around a mercurial White House and stay on schedule with key reauthorizations, bond issuers are bracing for impact and hoping for positive movement on a landmark bipartisan housing bill that President Trump refused to sign last week.

“We do expect the bill to be signed into law,” said Paige Mellerio, senior policy advisor, for the Government Finance Officers Association’s federal liaison center.

“We don’t know exactly when. I think there is jockeying and politics involved, but at the end of the day, we do think that the president will clear this bill and we will have this housing package enacted into law.”

The comments came during the GFOA’s meeting of the Debt Committee on Saturday in Chicago.

The 21st Century ROAD to Housing Act represents the first major housing bill to clear Congress in 30 years and promises to boost bond sales while expanding affordable housing development.

The GFOA is continuing to work with champions on Capitol Hill to put advance refunding back on the radar

screen of the House Ways and Means Committee along with raising the small issuer threshold, also known as bank qualified debt.

The exemption allows smaller communities to access tax-exempt rates more easily through bank placements and reduces financing costs. Both efforts are part of Rep. Terri Sewell’s, D-Ala., existing LIFT Act that’s currently on the back burner.

The LIFT Act also explores a return to a class of direct pay taxable bonds that rely on the federal government kicking back a subsidy to issuers to help defray the tax burden.

“We have had conversations with her office about how we feel about them after our experience with Build America Bonds and sequestration cuts,” said Mellerio.

BABs turned into a headache when budget sequestration began reducing the promised amounts of the subsidies.

“We’re looking to get a small issuer bill introduced over in the Senate side,” said Mellerio. “We’ve had some very early conversations with Senator Crapo’s staff, the Senate Finance Committee chair. He, in



Paige Mellerio, senior policy advisor, for the Government Finance Officers Association’s federal liaison center

the past, has sponsored legislation to raise the small issuer threshold, and his staff seem interested in potentially exploring that again next Congress.”

The current Congress is also moving forward with the surface transportation reauthorization that would replace the Infrastructure and Jobs Act expiring on September 30.

The bill has already passed the House Transportation and Infrastructure Committee who is now looking at new ways to finance roads and bridges.

“There was an amendment that was offered and then repealed, so it was essentially just a messaging amendment that would authorize the Department of Transportation to create a pilot program to provide technical assistance to issuers that are looking to issue bonds on the blockchain,” said Mellerio.

“It’s an evolving conversation, and we’ll see what happens. That’s a priority that Congress is looking to get done by the end of this Congress.”

Getting the final version of the STR done on time is looking less likely. “We don’t expect them to get anything across the finish line this year,” said Mellerio. “Ultimately, we think they’ll have to pass a one-year reauthorization, since time is very limited, and the Senate has yet to act.”

Reauthorizing the Water Resource Development Act is also starting to look not so fluid. “We haven’t seen any legislation related to that,” said Mellerio. “A lot of the big water groups are really focusing on State Revolving Fund reauthorization this go around because the revolving loan fund expires in September. **GFOA**

## Tax-exempt stadium bonds back in Congressional crosshairs

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some consequence, but it will be an ongoing conversation that we don’t likely see as definitive action that will head over to the Senate necessarily from this singular hearing,” Brock said.

The legislation, the No Tax Subsidies for Stadiums Act, was introduced last April in the House with a Senate companion bill by Sen. James Lankford, R-Okla., and Sen. Cory Booker, D-N.J.

The measure features a broad definition of professional sports stadiums, said GFOA senior policy advisor Paige Mellerio. The definition includes any facility that “during at least five days during any calendar year, is used as a stadium or arena for professional sports exhibitions, games, or training.”

“The definition here of a professional sports stadium could capture a lot of facilities that might not necessarily be what we

would view as professional sports stadiums,” Mellerio told the debt committee. The five-day provision “could affect a lot of other facilities beyond big mega sports stadiums,” she said.

Since 2000, 43 professional sports stadiums have been financed with tax-exempt municipal bonds, “costing American taxpayers an estimated \$4.3 billion in lost federal revenue,” according to an April 2025 press release from Grothman and

Rep. Don Beyer, D-W. Va.

The release may be relying on numbers from a March 2020 paper from the National Tax Journal arguing against the subsidies that estimated \$16.7 billion of tax-exempt bonds have been issued since 2000 to finance 43 new or majorly renovated stadiums. The present value federal tax revenue loss from those deals totaled \$4.3 billion, assuming a 3% discount rate, in 2018 dollars, the journal said. **GFOA**

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# School districts face escalating cyber threat

BY JENNIFER SHEA

After the latest cyberattack on a K-12 school system – in this case, Evanston Township High School, in Chicago’s north suburbs – rating agencies and muni market participants warned of an evolving risk to school district issuers.

In Evanston, a ransomware attack shuttered the high school for two days and took its phone and computer systems offline. ETHS phones were still down on Friday, nearly a week after district officials discovered the attack on Sunday.

As of June 30, 2025, the district had \$27.5 million of general obligation bonds, qualified zone academy bonds and debt certificates outstanding, plus \$31 million of other long-term debt, according to its FY2025 [financial report](#). Moody’s Ratings assigned the district’s \$29.93 million of Series 2026 general obligation bonds, issued in March, a rating of Aaa.

The cybersecurity disclosure in the [official statement](#) for those bonds noted: “infrastructure may be vulnerable to deliberate attacks by hackers,” but said “the district does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly situated governmental entities.”

In response to questions, ETHS Director of Communications Reine Hanna pointed to a statement on the [district’s website](#), which said it is still trying to determine “precisely what information may have been accessed or acquired.”

The statement said the Federal Bureau of Investigation is



Evanston Township High School in Illinois. The school district is the latest to be struck by a cyberattack. [eths202.org](https://eths202.org)

investigating the incident.

“The district is focused on responding to and recovering from the cybersecurity incident,” Hanna said by email. “Because the matter remains under active investigation, we are not in a position to provide additional comment beyond the information that has already been publicly shared by the district.”

There’s scant information available about the Evanston attack, “because the FBI cyber response task force is involved, and in those cases, there’s literally no information that gets out,” said Omid Rahmani, associate director and public finance cyber risk lead at Fitch Ratings.

While cybersecurity disclosure can be tricky – issuers don’t want to offer details of defenses that could be exploited by hackers – there is investor interest in better disclosure on the governance side, Rahmani said. That means having an incident response plan; having a

communication plan; making sure that if there are state laws, they are adhered to; and at least annual certification of employees.

But the overarching story here “is that school districts are getting targeted more and the U.S. is leading that by a wide margin across the world,” Rahmani said.

“The real story is the budgetary pressure,” he said. “School districts are increasingly under pressure for all of their needs, not just cyber security. But because cyber security has historically not been a top priority for districts in times of crunch, it just gets squeezed even more, and the thing is, the threat actors know this.”

With property tax reforms sweeping the country – including, recently, in [Indiana](#), in [Iowa](#) and in [Ohio](#) – the cost-cutting pressure on school districts is that much greater.

And the data that school districts hold has recently skyrocketed

in value on the dark web, where “the criminals have discovered that very few parents actually do credit monitoring for their minor children,” Rahmani said. So threat actors are starting to gravitate toward K-12 issuers, whereas in the past, healthcare data had been the most lucrative, Rahmani said.

“School districts are really low-hanging fruit” from threat actors’ perspective, he said. “Over half of districts don’t have a specific cyber security lead professional” and many don’t have that professional reporting directly to top leadership, a key marker of good governance.

“Insurance can be part of a good cyber strategy, but there are also other elements ... like the importance of overall cyber hygiene,” said Tom Kozlik, head of public policy and municipal strategy at Hilltop Securities.

He pointed to Hilltop’s recent public finance leaders survey data, which showed that from the [2024](#) to the [2025 survey](#), cybersecurity dropped from fourth to tenth place in public entity leaders’ rankings of their top challenges.

“I don’t think that the importance of cyber has decreased,” Kozlik said. “I think there’s so many other things public entities, especially K-12 school districts, are dealing with right now.”

But investors are paying attention. And even as cybersecurity has fallen among public sector leaders’ top concerns, it has climbed in Hilltop surveys of municipal analysts between the 2024 and the 2025 research.

“This is something that investors consider,” Kozlik said. “As AI, and

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# Virginia putting \$28.5 billion in transportation

BY SCOTT SOWERS

Last week, the Virginia Commonwealth Transportation Board approved the Six-Year Improvement Program for the Virginia Department of Transportation and the Department of Rail and Public Transportation, which will allocate \$28.5 billion to transportation projects over the next six fiscal years beginning July 1.

The money will flow to more than 4,300 transportation infrastructure projects across the state including roads, bridges, rail, transit, bicycle and pedestrian paths.

Public transportation, which includes Virginia's share for the Metropolitan Area Transit Authority compact and the Virginia Railway Express is slated to receive \$930 million.

The breakdown for the DRPT portion includes \$37.7 million for freight rail and \$181.1 million for the Virginia Passenger Rail Authority.

Bridges maintained by the Virginia Department of Transportation and local municipalities are set to receive \$500 million.

According to VDOT, "Smaller portions of the budget are directed to address the needs and requirements of debt service, support to other agencies, tolls, administration and other programs."

Also last week, Governor Abigail Spanberger cut the ribbon on the completion of the \$450 million Norfolk Harbor dredging project at The Port of Virginia. The project was started during the previous administration.

"The Port is now home to the deepest commercial shipping channel on the entire East Coast of the United States," said Spanberger.

"Because of this investment, the largest cargo ships in the Atlantic trade – and the next generation coming behind them – can now safely transit Norfolk Harbor with a

full load."

The state is still working on a \$3.9 billion expansion of the Hampton Roads Bridge Tunnel expansion that will add four, tolled express lanes in each direction. The project is expected to be finished in 2027.

Express lanes in the northern end of the state were built as a P3 and generate about \$580 million a year in revenue.

Virginia continues to advocate for a P3-supported rebuild and expansion of the American Legion Bridge that connects Fairfax County with Montgomery County, Maryland.

The project was studied on the Maryland side in 2019 and temporarily shelved, but may be coming back to life with support from the Trump administration.

Richmond native Nick Donahue heads up Virginia's DOT after being appointed by Gov. Spanberger last December.

At the time she said his "range

of experience will ensure Virginia tackles our transit challenges, improves the reliability of our networks, and prepares for new opportunities ahead."

"Transportation is ultimately about opportunity, connecting people to jobs, education, and the communities they call home," said Donohue.

"I am committed to ensuring every investment we make strengthens those connections."

Determining the level of federal support that will eventually filter down to state DOTs remains a work in progress as surface transportation reauthorization starts and stops in Congress.

The House Transportation and Infrastructure Committee has already unveiled their plan with their Senate counterparts trying to beat a Sept. 30 deadline, when the Infrastructure Investment and Jobs Act sunsets. **GFOA**

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## School districts face escalating cyber threat

continued from page 10

especially as quantum computing gets a little more into the picture, I think folks will be paying even more attention to it."

In addition to ransomware attacks, school districts and local governments are increasingly seeing funds hijacked, as in the [White Lake Township](#) scenario, Fitch's Rahmani said.

In November, hackers intercepted \$4.8 million from the borough of Spotswood, New Jersey, that was intended for the local school district. Some of the money was later recovered.

But with the school district losing \$3.4 million, nearly 10% of its 2023-24 operating budget, in the attack, the borough council authorized a refunding bond measure to repay the district, and the borough plans to issue more bonds by next year to make up the full \$3.4 million, [according to NJ.com](#).

The Spotswood example shows how precedents are in flux, Rahmani said. "I'm not aware of any other situation where an entity has had to issue debt and pass that cost to the taxpayer after essentially losing money in a social engineering cyber or any other kind of cyber attack."

A bond rating downgrade could result from the loss of funds in a cyber attack, as well as from the decision to borrow for operating expenses, which would further increase costs to taxpayers.

"We don't rate that particular entity, but in a hypothetical scenario where an entity loses nearly 10% of their budget, yeah, that would require a credit discussion," Rahmani said.

The Spotswood Public Schools board of education did not respond to emails seeking comment.

"The rapid acceleration of AI is increasing the uncertainty

where cyber is concerned," Kozlik warned. The technology "is not even changing in a matter of months, it's changing a matter of sometimes weeks and days with these new models."

The idea that "we don't necessarily have to dedicate resources to security, because if something bad happens, we can just push it (onto taxpayers)," is a troubling precedent to set, from both a credit and a governance perspective, Rahmani said.

"When it comes to cybersecurity, prevention is a lot cheaper," he said. **GFOA**



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# Falling oil prices could boost munis

BY SCOTT SOWERS

President Trump's announcement of a memorandum of understanding to end the war in Iran is pulling oil prices down just as [leadership at the Federal Reserve changes](#), which is a potent combination of influences on muni market conditions.

"Falling oil prices may be taking some pressure off the inflation outlook just as the market heads into Kevin Warsh's first meeting as chair," said Tom Kozlik, head of public policy and municipal strategy, at Hilltop Securities.

"If that continues, Treasury and municipal yields could begin to fall again after spending much of the spring rangebound at higher levels."

The quotes come from analysis by Hilltop and include the supposition that "lower long-term yields could reinforce a demand story that has already defined much of 2026."

The actual terms of the MOU and whether it sticks remains to be seen.

"While the natural inclination is for fixed income yields to fall, volatility is likely, especially if timing and expectations do not materialize," said Jeff Lipton, Market Intelligence Analyst for The Bond Buyer.

Muni issuance has been booming for the last two years and is up slightly as compared to 2025.

According to Lipper data nearly \$25 billion has flowed into municipal mutual funds.

"I expect flows to remain strong through the balance of the year, and supply suitably high enough to meet demand," said Lipton.

Hilltop believes the trend may be slowing down.

"A key reason is that investment dollars in money market funds



Bloomberg Creative Photos/Bloomberg

Oil producing states typically see revenue increases from higher prices due to increased severance tax revenues and energy-driven economic activity.

that has grown in recent years is finally starting to level off. We think investors are seeking duration with some of these investment dollars through municipal bond investments."

The price of oil is hard linked to the bond market through the price inflation caused by disruptions to the flow of petroleum.

"Even when the Strait of Hormuz reopens, safety issues and concerns will still be present and it will take some time to free up the backlog of transport vessels," said Lipton.

"Associated supply chain disruption will not immediately disappear, and the inflationary implications are expected to linger."

Oil producing states typically

see revenue increases from higher prices due to increased severance tax revenues and energy-driven economic activity.

Uncertainty and higher borrowing costs raises the price of capital improvement projects which can influence credit ratings.

Fitch Ratings is already factoring in the effects of a deal while the details remain under wraps.

"We still see a high risk that the strait will not be opened immediately or that the situation remains unstable, but even a temporary opening of Hormuz would significantly reduce the more extreme credit risks that the conflict has posed."

S&P Global Ratings is also taking a

wait and see approach to any rating decisions.

"Significant uncertainties will likely remain until the tentative agreement is finalized and implemented, and freedom of navigation in the Straits of Hormuz is restored.

"Even if the memorandum of understanding is signed on Friday, we are not changing our macroeconomic or credit forecasts at this juncture," said S&P.

"Short-term rates are expected to be held steady this week, and while newly minted Fed Chair Warsh may comment on the current agreement, the details of the MOU are to be released post-meeting," said Lipton. [GFOA](#)



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# Ohio Gov. Mike DeWine signs \$3.7 billion capital budget

BY JENNIFER SHEA

Ohio Gov. Mike DeWine on Monday signed the state's \$3.7 billion FY2027-28 capital budget, lauding the budget's breadth and impact on ordinary Ohioans.

"The investments we are announcing today build upon the work we have done to strengthen communities, support our workforce, and grow the economy over the last seven years," the Republican governor, whose final term is drawing to a close, said in a statement.

"The projects outlined in this budget will improve our parks, county fairgrounds, and historical sites; upgrade schools and classrooms to support the future workforce; promote safe and independent living for Ohioans with disabilities; continue building the mental healthcare system; and more," he added.

Most of the capital budget – \$3.43 billion – will be funded by debt, according to a fiscal impact note from the Legislative Service Commission.

Senate Bill 450 spends capital funds on higher education campus safety and modernization, as well as Ohio's 76 state parks. It appropriates funding for the renovation of some behavioral health hospitals in the state and funds the construction of a youth specialty care facility.

It also funds renovations to correctional institutions and residential care facilities for Ohioans with developmental disabilities. It allocates funding to historical sites and museums, including the Poindexter Village Museum and the Ohio River Museum. And it upgrades

fairgrounds, parks, trails and Ohio Fire Academy training facilities, among other things.

The capital budget also launches the Aging School Accelerator Pilot Program, which will give state financial assistance to school districts of at least 40% of total capital project costs.

"Depending on the number of school districts that qualify for assistance under ASAPP and the scope of those projects, state facilities funding obligations could increase," the fiscal impact note said.

"It's important for Ohioans to understand that the capital budget funds... things that are tangible – buildings, renovations, bridges, physical infrastructure. This is not funding SNAP, it's not funding Medicaid, it's not funding child care," said Ali Smith, senior project coordinator at Policy Matters Ohio, a nonprofit think tank with progressive leanings.

"We have seen over the last 20 to 30 years this prioritization of tax cuts that benefit the wealthiest Ohioans and corporations" in the operating budget, Smith said. "No matter what else gets neglected or chronically underfunded, like our public schools, which just this past budget cycle were underfunded by \$2.75 billion."

"The capital budget generally pays for capital projects, not services, so that would be our response" to that line of criticism, said Dan Tierney, press secretary for Gov. Mike DeWine.

Smith noted that states are also just starting to see the impacts of H.R. 1, the Trump administration's



Ohio Gov. Mike DeWine speaks at an event in 2023. The governor signed the biennial capital budget on Monday.

2025 tax and spending bill.

"This capital budget is an important investment; it will be pretty widely spread across the state in rural, suburban and urban areas," she said. "But it is absolutely not making a dent or making up for deficiencies in some of these important popular programs and institutions like public education that Ohioans really prioritize."

This budget is more modest than the last biennial capital budget, which came in at over \$4 billion, Smith said.

"I think the scope of it is pretty fair," she said. "Ohio legislators and policy makers take that very seriously, our bond rating, and want to make sure we're making good on that."

Some counties received more than others in this budget, even correcting for population size, according to Smith. Rural counties like Lawrence, Knox, Seneca, Hocking, Warren and Jefferson counties are on the lower end of the appropriations list, while Athens,

Lincoln, Franklin, Wood, Portage and Washington counties did better, either because they have big public institutions like a major university, or because their representatives had more clout and advocated more energetically, Smith said.

However, she stressed that the capital budget was bipartisan and that none of Ohio's 88 counties came away from it empty-handed.

"Some themes in the budget are education funding, both for K-12 capital projects, as well as state institutions of higher education," she said. "There's a lot of (funding) going to (county fairgrounds) restoration or expansion projects, as well."

Overall, the capital budget has more pros than cons, Smith said. It directs funding toward projects "that people can enjoy in their communities," she said. "It seems that they've intentionally tried to prioritize that, which we really appreciate."

Ohio's general obligation bonds are rated triple-A across the board. **GFOA**



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# Bond-financed STEM collaboration goes awry in California

BY KEELEY WEBSTER

The Riverside Unified School District officially abandoned plans for a long-proposed STEM Education Center on the University of California, Riverside campus following the release of a critical report by the California State Auditor.

The science, technology, engineering and math teaching project had been in development since 2013 and the school district's general obligation bonds were used to fund its planning, the audit report said.

It was canceled after state auditors identified a decade of "administrative failures," "delayed decision-making," and "inconsistent communication" that hampered the project's progress.

The State Auditor's Office released its final report Tuesday, including a response from RUSD and UCR, its partner in the proposed project.

While the auditor concluded that the district's actions complied with applicable laws, the report criticized RUSD for failing to be transparent with the public.

Specifically, auditors noted that the district did not publish a 2018 ground lease term sheet in its meeting minutes. Furthermore, some board members had raised concerns regarding the district's investment in a facility located on university-owned land, particularly that ownership could revert back to the university at the end of lease terms.

The audit also took aim at the district's management of Measure O, a \$392 million bond measure approved by voters in 2016 for school facility projects. While the auditor confirmed spending remained within legal ballot language, the

report stated that the district "missed key opportunities to clearly communicate its priorities" to the public about which projects would receive funding.

According to the report, the district's failure to include key cost components – such as the impact of inflation– resulted in inaccurate budget presentations to the public and the board. Consequently, the district was able to enter the planning, construction, or completion phase for only 41% of the projects it initially prioritized.

The audit noted that shifting funding priorities led to large allocations for fewer schools, while rising construction costs and expanded project scopes further limited what the district could accomplish.

In a joint response to the audit, RUSD and UC Riverside stated they would no longer pursue the specific STEM Education Center. Instead, the institutions intend to work together to expand STEM learning opportunities across all RUSD schools.

RUSD Superintendent Sonia Llamas framed the pivot as an opportunity to refresh the district's approach. "Leadership has changed in both organizations, and with that comes an opportunity to think more expansively about our approach to partnership in service of Riverside's students," Llamas said.

UC Riverside Chancellor S. Jack Hu affirmed the university's continued commitment to the partnership. "This 'collaborative move' will allow the two educational institutions to explore how they can leverage the experience in STEM education to



A view of downtown Riverside, California. The local school district came under scrutiny in a report from the state auditor.

broaden opportunities across more schools," Hu said.

The RUSD board "welcomed this audit and its findings," Board President Noemi Hernandez Alexander said Wednesday.

"Our community entrusted us with these resources, and we take that responsibility seriously," Alexander said.

She ticked off a list of projects paid for by Measure O money including modernized classrooms and libraries, new kindergarten buildings, pool and gym renovations, upgraded science facilities and two brand new neighborhood schools.

"This is what \$392 million in voter-approved investment looks like, and Riverside families see it every day," she said.

The district contended in its statement that the audit affirmed the school district's "responsible stewardship," of Measure O local bond funds.

"The audit confirmed that the district's process for selecting Measure O projects complied with applicable laws and requirements, and that expenditures align with the ballot language approved by nearly

70% of Riverside voters in 2016," according to the statement. "This finding is consistent with two prior court rulings in the district's favor following legal challenges brought by Riversiders Against Increased Taxes."

RUSD serves 38,000 students across 51 schools, according to the audit report. Among its schools is the Riverside STEM Academy, a grade 5 through 12 program recognized for its academic excellence.

The district had pursued the STEM Education Center with UCR to address capacity limitations at the academy and expand STEM offerings. The proposed center would have served up to 1,200 high school students, with grades 5 through 8 remaining at the current academy site.

RUSD and UCR told the auditor in a May 22 response to the audit report that "they are no longer seeking to develop the proposed STEM Education Center on the UCR campus while both institutions work together to expand and strengthen STEM learning, college readiness, and community-supported opportunities for students across all RUSD schools." **GFOA**

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# Uneasy investors ponder stressed tobacco bond market post-default

BY CAITLIN DEVITT AND JESSICA LERNER

A recent default by a New York tobacco bond issuer, followed by the impairment of a second New York tobacco issuer last week, made the tobacco bond sector the worst-performing in the municipal market this month, with market participants warning that bond prices are inflated and more defaults all but inevitable.

The Nassau County Tobacco Settlement Corp. failed to make a June 1 principal payment, marking the sector's first payment default. Last week, the New York Counties Tobacco Trust IV disclosed its first impairment and draw on reserves, via the liquidity reserve account, according to Municipal Market Analytics LLC. The impairment was by the Tioga Tobacco Asset Securitization Corporation to make its June 1 payment, the firm said.

The bonds traded on June 10 at 56 cents with a 10.32% yield, down from 81 cents with a 6.74% yield in June 2025.

A popular and sizable part of the high-yield municipal bond market, the tobacco sector's first default comes after years of declines in the revenue stream that backs the bonds, securitized payments from the multi-state 1998 Master Settlement Agreement, where cigarette manufacturers compensated the states for the cost of caring for sick smokers.

As cigarette smoking continues to decline, the MSA payments have been smaller than original projections in many of the bond issuances, and, some warn, are becoming too small to service the nearly \$80 billion market. The default has soured investor sentiment across the sector,

but some say the bonds are still overvalued.

"I'm myopically focused on tobacco bonds right now," said J.R. Rieger, a bond pricing market veteran whose Rieger Report LLC focuses on distressed debt. "In my view, we as a market are still putting our heads in the sand in these particular bonds because they are not performing relative to the original projections," he said. "The valuations should be lower."

A total of 21 states and territories have securitized their MSA payments, with local governments in California and New York also having issued tobacco bonds, according to Invesco.

The debt features a variety of structures, but because the payments are made in perpetuity, the maturities are typically pushed out further into the future until it is eventually repaid.

MMA, which estimates the tobacco bond market at \$78.4 billion, puts the sector's default rate at 0.56%. The firm's default database has six impaired tobacco issuers that account for 10.6% of the sector's par, mostly for support draws.

The sector turned in the worst performance in the muni market in June, Barclays said in a June 18 note. The "Nassau County Tobacco default [is] weighing on the entire space and pushing year-to-date returns into negative territory," Barclays said.

The Nassau County Tobacco Settlement Corp. bonds fall in the category of "old vintage" bonds. These bonds – most of which are relegated to the high-yield space – have been having challenges for a long time, said Jeff Timlin, managing partner and head of municipal bond



Cigarettes on a store shelf in Brooklyn, New York. Long-term declines in smoking threaten to impair more bonds issued to securitize the Master Settlement Agreement with tobacco companies.

Bloomberg News

investing at Sage Advisory.

"It's finally caught up with them ... Over a decade-plus of the declining tobacco bond sales has finally hit these bondholders," Timlin said.

Sage owns the "new vintage" bonds, which are still rated single-A, and their structures are more favorable to bondholders than the "old vintage" bonds, Timlin said.

The supply-demand dynamic that shapes the muni market is still overriding tobacco's red flags, said a distressed debt analyst, adding that most of the sector's default risk remains three to 10 years away.

"Smart money is selling, but most of these funds, the market is technical, they have cash, they need the coupon," the analyst said. "If it defaults in three years, they don't really care, because they're still getting their coupon for another couple years, and they need to deploy cash."

Bondholders that hold longer-term maturities, including the zero-coupon bonds, and subordinate debt are particularly exposed, buysiders said.

Zero-coupon bonds make up a significant part of the market, Rieger said in a video report outlining

the stress facing the bonds. The par weighted coupon in the S&P Municipal Bond High Yield Tobacco Index totals 0.51% compared to 3.66% in the S&P Municipal Bond High Yield Index, he said.

"In my view, if there are not enough funds coming in to project that those heavy weight of zero coupon bonds are going to be paid, why are we as a marketplace still treating them as if they're performing?" Rieger told The Bond Buyer.

Ohio's Buckeye bonds, which total \$5.35 billion and are among the most actively traded in the market, were already restructured in 2020 to avoid default amid declining payments. Despite the refinancing, the Buckeye Tobacco Settlement Financing Authority in December 2024 and last December drew on its debt service reserve to pay holders of its bonds. The draw does not count as an event of default.

A senior Series 2020B-2 5% Buckeye bond due in 2055 traded Wednesday at 79 cents on the dollar. That's down from 86 last June and 93 in June 2024.

In a LinkedIn post, former high-yield bond trader Brian Connery said

**continued on page 22**

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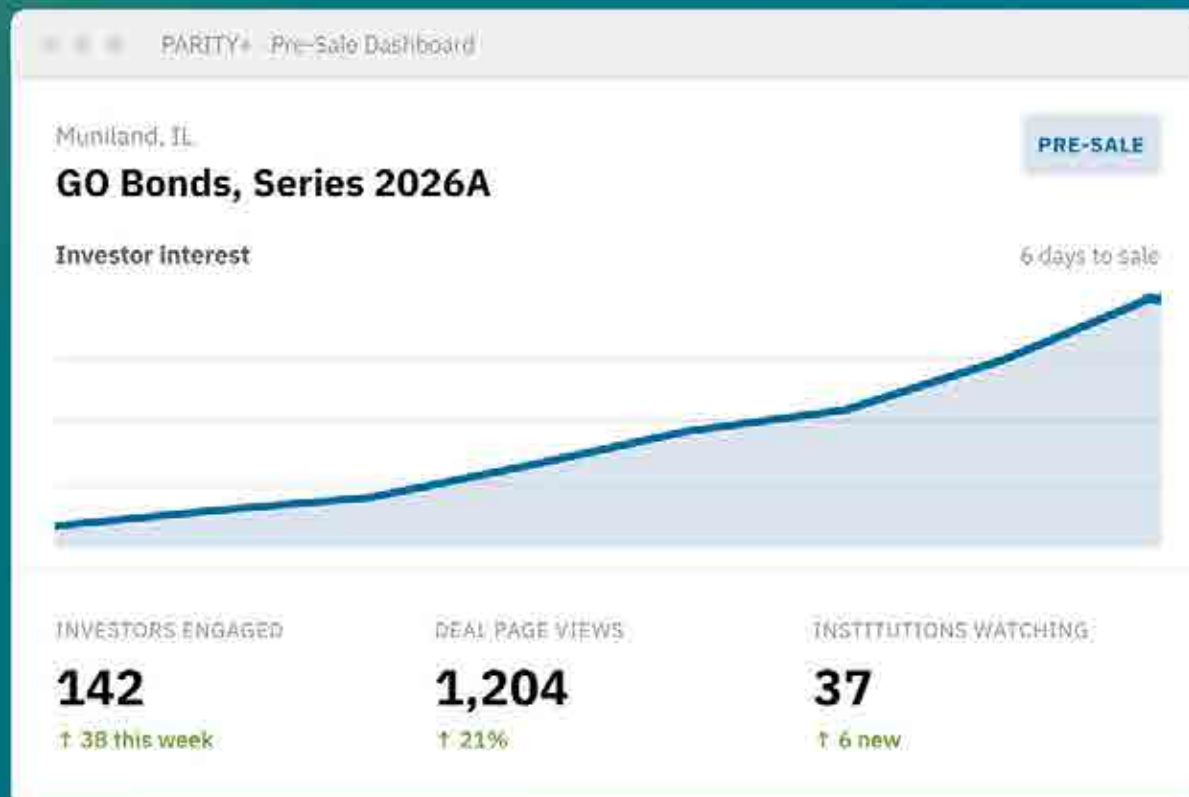
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# FEMA under pressure

BY SCOTT SOWERS

The turmoil at the Federal Emergency Management Agency turned another page on Wednesday as administrator nominee Cameron Hamilton faced Senators with charges that the agency’s disaster relief response is politically motivated.

“Under President Trump’s second administration, nearly 90% of Republican states’ disaster assistance requests have been approved. That compares to only 23% of Democratic states requests,” said Sen. Gary Peters D-Mich.

“No other president has created such a disparity in states that receive federal disaster aid, denying over 75% of requests from states that are led by representatives of another party.”

The comments came during an unconventional hearing by the Senate Committee on Homeland Security and Government Affairs that considered a total of eleven nominations.

“If confirmed, my focus will be to ensure that FEMA is objective, is fair and reasonable, follows the law, and is consistent in the approach in how we adjudicate and process claims and requests for disasters,” said Hamilton.

Hamilton appeared on a panel that also featured nominees for the Office of Management and Budget, the Department of Homeland Security, the Transportation Security Administration, and the Office of Special Counsel.

Democrats leaned into a chart and data compiled by Politico which shows \$250 million in disaster aid blocked to Democratically led states, that typically would have been approved.

Republicans revisited claims that FEMA employees bypassed hurricane damaged homes in Florida that displayed pro-Trump signs or flags.

“Now that the federal government is deciding not to skip a few homes, but entire states, I would hope my colleagues would join me with that outrage that they had when a few houses were skipped,” said Peters.

Hamilton served as the acting administrator for FEMA for five months in 2025 but was fired by President Trump after declaring in a House Appropriation Committee hearing that the agency should not be eliminated.

In May, the Trump administration’s FEMA Review Council revealed recommendations that



In May, The Trump administration’s FEMA Review Council revealed recommendations that include lowering the minimum federal share from the current baseline of 75% down to 50%.

include lowering the minimum federal share of disaster relief from the current baseline of 75% down to 50%.

The federal cost share for temporary housing programs would drop from the current 100% to a 75/25 federal-state split.

States would be also required to meet a specific per-capita spending threshold with their own funds before any federal assistance kicks in.

States and local governments have a keen interest in FEMA reform as slow or non-existent disaster relief can effect credit ratings and raise borrowing costs.

Budget hawks are focused on state and local governments taking

advantage of federal assistance.

“I think many states and local officials have had incentives to drive up costs,” said Hamilton.

“I think this is also a unique challenge within disaster management response. We, as the agency, have confirmed we would need to strike a new balance to encourage cost reasonableness and cost savings.”

“There are direct incentives for states to escalate costs because they bring home more resources and infrastructure.”

FEMA’s current rules are governed by the 1988 Stafford Act with both parties along with state and governments all agreeing needs to be reformed. **GFOA**

## Uneasy investors ponder stressed tobacco bond market post-default

continued from page 20

Buckeye bond documents estimated the state would receive \$317 million in MSA payments in 2026, while the actual payment was \$203 million.

“Those bonds have already drawn on reserve funds to make interest payments the past two years, and this year’s reserve draw will be significantly larger (assuming no NPM receipt),” Connery wrote. Assuming no changes, the subordinate 2020B-2 Buckeye bonds

could default by 2028-2029, he said.

He noted that the bonds currently trade around 80 compared to the Nassau bonds, which trade in the 50s.

“Buckeyes are significantly worse given that they are subordinate ... and Buckeye may see a much larger coupon reduction,” he said.

Birch Creek Capital noted Friday that Buckeye tobacco underperformed for the week, “giving back roughly 10-12 basis

points.” The firm said, “some of the weakness [was] potentially tied to the market continuing to digest recent NAAG settlement data and lingering fears of impending downgrades across the sector.”

Despite the New York issuer impairments, some investors believe the sector remains resilient.

There will likely be no contagion effect across the tobacco sector until there is a catalyst, such as S&P downgrading some high-grade

bonds to high-yield and triggering selling pressure, said the distressed debt analyst.

“Different tobacco bond issuers projected different levels of consumption decline at time of issuance,” Mark Paris, CIO and head of municipals at Invesco, said in an email. “We believe the recent default/impairments are idiosyncratic, and we do not expect it to trigger contagion across the broader tobacco bond sector.” **GFOA**

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# California lawmakers partner on pair of AI regulation bills

BY KEELEY WEBSTER

State Sen. Jerry McNerney, D-Pleasanton, and Assembly member Rebecca Bauer-Kahan, D-Orinda, introduced separate, but complementary bills to regulate AI.

McNerney's SB 813 would establish the California Artificial Intelligence Standards and Safety Commission made up of AI industry experts, academics and public officials who would create voluntary AI safety standards across a range of industries and applications.

Bauer-Kahan is planning to amend her bill, AB 1405, to establish what she called a robust registry for independent, third-party AI auditors to verify the safety of AI systems and models.

"AI has tremendous potential to improve our lives, but without sufficient guardrails, it also poses significant risks," McNerney said. "Under SB 813, California will become the first state to create voluntary standards for the responsible development of AI."

The legislation being contemplated in California is also being considered at the national level.

California is the global leader in artificial intelligence innovation and is home to the most significant concentration of AI companies, researchers, and developers in the world, according to the lawmakers.

While artificial intelligence has the potential to drive economic growth, improve public services, advance scientific discovery, and enhance the quality of life for Californians, it's also advancing rapidly and the technology presents significant downsides, including psychological harm to children, inherent bias, cyber fraud, election



California Senate

California State Sen. Jerry McNerney, D-Pleasanton, (pictured) and Assembly member Rebecca Bauer-Kahan, D-Orinda, have introduced legislation that would place guardrails around artificial intelligence technologies.

tampering, misinformation, deepfakes, fake news, and widespread job displacement, according to the lawmakers.

SB 813's AI framework is based on standards models that have been successful in providing benefits for the public in other industries, from electrical and mechanical standards to LEED standards for green buildings, they said.

that evolve alongside advances in technology. The standards will then be published on the commission's website.

AB 1405 would establish the first-of-its-kind registry and standards for AI auditors. The bill would require independence and rigor in audits and begin to establish an ecosystem for third-party verifiers to oversee the safety of AI systems.

to protect them from the risks posed by AI systems.

Good AI policy requires independent verification of safety and AB 1405 would take a significant step in creating the ecosystem for independent verification to become a reality, McNerney said.

By working together, "we are building a framework where California leads the way in creating a system of independent, verified auditors and known standards that protect our communities from AI harms and unchecked power in the hands of a few companies, Bauer-Kahan said.

McNerney's bill has been modified so that the two bills work together. The changes to AB 1405, which has been sitting in the Senate Appropriations Committee's suspense file since August, are planned to be made in the weeks ahead.

SB 813 passed the Senate in January, and was referred to the Assembly Privacy and Consumer Protection Committee, which is chaired by Bauer-Kahan. **GFOA**

**“AI has tremendous potential to improve our lives, but without sufficient guardrails, it also poses significant risks.”**

— Jerry McNerney, State Sen., D-Pleasanton

Under SB 813, the AI Standards and Safety Commission would create standards and can designate working groups composed of experts and stakeholders who can facilitate the development of practical, evidence-based standards

The bill will also require that registered AI auditors meet clear standards for ethical practice and financial independence. This will give Californians confidence that AI audits are conducted with integrity, and the state is taking critical steps

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## Explore Millennium Park

No trip to Chicago is complete without a visit to Millennium Park. Located in the heart of downtown, this popular attraction is home to Cloud Gate, better known as "The Bean." The reflective sculpture has become one of the city's most recognizable landmarks and is a favorite spot for photos. Visitors can also enjoy the beautiful gardens, public art installations, and seasonal events held throughout the year.

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Throughout the year, Navy Pier hosts festivals, fireworks displays, concerts, and cultural events, making it a lively destination for visitors of all ages.



## Visit the Art Institute of Chicago

The Art Institute of Chicago is one of the most prestigious art museums in the world. Its vast collection includes masterpieces by artists such as Vincent van Gogh, Claude Monet, Edward Hopper, and Grant Wood. The museum's iconic bronze lion statues guard the entrance and have become symbols of Chicago's cultural heritage.

Whether you're an art lover or simply curious about world-class collections, the Art Institute offers an unforgettable experience.



## Walk Along the Chicago Riverwalk

The original Ferris wheel was created for the 1893 World's Columbian Exposition, held in Chicago. Designed by engineer George Washington Gale Ferris Jr., the massive wheel stood over 260 feet tall and carried thousands of passengers daily.

The attraction was intended to rival Paris's Eiffel Tower, which had debuted just a few years earlier. The Ferris wheel became an instant sensation and inspired similar attractions around the globe.



## Admire Chicago's Architecture

Chicago is widely regarded as the birthplace of the modern skyscraper, and architecture enthusiasts will find plenty to admire. One of the best ways to experience the city's architectural beauty is through a Chicago River Architecture Tour. These guided boat tours provide fascinating insights into the city's history and showcase famous buildings

designed by renowned architects.

For panoramic views of the skyline, visit Skydeck Chicago at Willis Tower or 360 Chicago at the former John Hancock Center. Both observation decks offer stunning views of the city and Lake Michigan.

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Government Finance Officers Association

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# WHAT TO DO IN CHICAGO: A GUIDE TO THE WINDY CITY

continued from page 26



## Chicago Reversed a River

One of the city's most remarkable achievements is the reversal of the Chicago River. In the late 19th century, Chicago faced a major sanitation problem. Waste from the growing city flowed into the river and eventually contaminated Lake Michigan, the city's primary source of drinking water.

To solve the issue, engineers completed an ambitious project in 1900 that literally reversed the river's flow. By constructing the Chicago Sanitary and Ship Canal, they redirected water away from Lake Michigan and toward the Mississippi River watershed. It remains one of the greatest civil engineering accomplishments in history.



## Chicago Is Surprisingly Green

Despite its reputation as a dense urban center, Chicago contains more than 600 parks and over 8,000 acres of green space. Lincoln Park alone stretches for miles along Lake Michigan and is larger than New York City's Central Park.

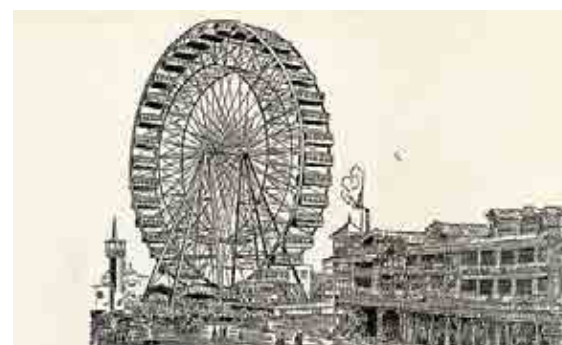
The city has also invested heavily in environmental initiatives, including rooftop gardens, green alleys, and sustainable building projects that help reduce urban heat and improve air quality.



## It Has More Moveable Bridges Than Any Other City

Chicago's network of rivers and canals requires an impressive system of bridges. The city boasts more than 35 moveable bridges, including bascule bridges that lift to allow boats to pass underneath.

Many visitors are surprised to learn that Chicago has more moveable bridges than any other city in North America. Watching several bridges rise in sequence along the river remains one of the city's most unique sights.



Chicago Exposition 1893 - The Ferris Wheel

## Chicago Gave the World the Ferris Wheel

The original Ferris wheel was created for the 1893 World's Columbian Exposition, held in Chicago. Designed by engineer George Washington Gale Ferris Jr., the massive wheel stood over 260 feet tall and carried thousands of passengers daily.

The attraction was intended to rival Paris's Eiffel Tower, which had debuted just a few years earlier. The Ferris wheel became an instant sensation and inspired similar attractions around the globe.



## Lake Michigan Can Look Like an Ocean

Visitors are often shocked by the scale of Lake Michigan. Because the lake is so large, the opposite shore is generally invisible from Chicago. Standing on the city's waterfront can feel remarkably similar to standing beside the ocean.

The lake influences local weather patterns, creates unique ecosystems, and provides recreational opportunities ranging from sailing and kayaking to swimming and fishing.

# 120 Years of Leadership. Innovation. Service.

For 120 years, the Government Finance Officers Association has brought together the professionals who keep communities financially strong. As we celebrate this remarkable milestone, we honor the dedicated public finance leaders whose expertise, integrity, and commitment continue to shape a stronger future for governments and the citizens they serve. Here's a look at the people, moments, and memories that made this year's conference another chapter in GFOA's proud legacy.



- 1 The exhibit hall opened Sunday morning with a ribbon-cutting ceremony featuring both the outgoing and incoming presidents of the GFOA
- 2 There was a great deal of anticipation as delegates, exhibitors, and guests lined up to enter the exhibit hall to begin the conference experience
- 3 Dave Brumby flanked by Colin Jacob and Colin MacNaught of BondLink
- 4 Jessica Lothman and Takashi Iwata from Hawkins, Delafield & Wood LLP



5 S&P Global Ratings duo, Michelle Smithen and Gregory Baracy

6 Working the booth at PTMA Financial Solutions, Corey Boyer, Zachary Falconer, Justin Wycoff and Zach Brewer

7 Dave Hard, Mike Weber, Tamara Klement-Ellis, Steve Eason and Rick Hann with Argent Institutional Trust Company



8



9



10



11

8 Nishant Shah joined Kristen Hanson and Megan Skaggs at the PFM booth

9 The U.S. Bank team, Ryan Calloway, Kim Spiroff and Colleen Doyle

10 The team from DebtBook, Luke Otto, Jillian Hughes, Marcus Emanuel, Lisa Finger, Hallett Nichol, Justin Sawyer and Lavonta McVicker

11 Catherine Chang and William Kim from MiniPro

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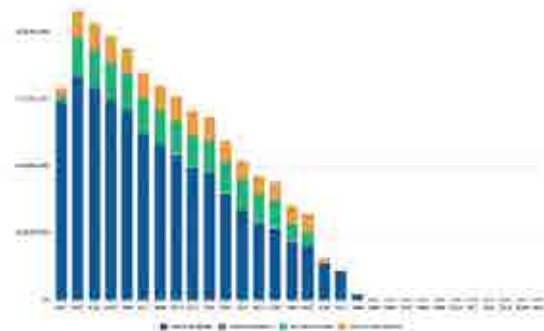
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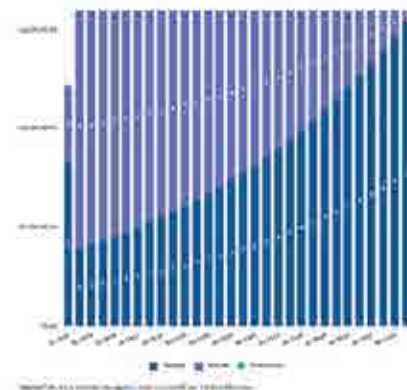
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# California bullet train authority finalizes P3 deal with Plenary

BY CAITLIN DEVITT

A consortium led by Plenary Americas will spend the next six months examining California's bullet train project for opportunities for a future public-private partnership to expand the system beyond the first segment that's currently under construction.

The California High Speed Rail Authority said Wednesday it had wrapped up negotiations and inked a final co-development agreement with Momentum Alliance Partners, which the authority brought on board in May.

The 30-month contract kicks off an initial six-month predevelopment and delivery evaluation phase, which the CHSRA said would focus on "identifying viable strategies to accelerate future system expansion beyond the segment currently under active construction between Merced and Bakersfield."

Momentum Alliance Partners could also support future phases "should the authority advance subsequent partnership opportunities," according to CHSRA. A future P3 would be backed by a securitization of future cap-and-invest revenue from the Greenhouse Gas Reduction Fund that allocates \$1 billion through 2045.

"This agreement reflects growing market confidence in that strategy and the long-term potential of California high-speed rail as a transformative investment in California's future," said CHSRA CEO Ian Choudri in a statement. "As construction advances and we prepare to begin high-speed rail track installation this year, partnerships like this allow us to evaluate how private-sector expertise, financing and delivery models could help accelerate system expansion."



California High Speed Rail Authority

Rendering of a California bullet train

The consortium will evaluate opportunities to design, build, operate, finance and maintain one or more segments of the high-speed rail program and focus on key factors like availability versus revenue payment structures, where to build and opportunities to commercialize

Monetizing the land around the train is key to future financial stability, Choudri has said. The latest 2026 business plan proposes setting up "enhanced infrastructure financing districts" that would allow the CHSRA to capture a piece of future local taxes generated around

significant money goes elsewhere, which is key to future P3 agreement.

The consortium's members include Plenary Americas, CDPQ Infra, Keolis, SNCF Voyageurs, Jacobs, Sener, SYSTRA, Setec, Arup and Steer. Some of the companies are also funding a high-speed rail project in Alto, Canada, said advocacy group U.S. High Speed Rail.

"Bringing on a co-development partner is a major breakthrough for California high-speed rail," said the group's president and CEO Andy Kunz in a statement. "This opens the door to expand rapidly into major population centers in the Bay Area and Southern California behind the power of private capital."

The authority in December floated a Request for Qualifications for the CDA to deliver the project "faster and more efficiently." Momentum Alliance Partners was sole bidder and only respondent to the RFQ. **GFOA**

**“The authority in December floated a Request for Qualifications for the CDA to deliver the project “faster and more efficiently.”**

assets, the authority said.

The team will also assess long-term commercialization opportunities like broadband and fiber networks, data infrastructure, utility and transmission corridors, station area development, and strategic land use partnerships.

stations – a proposal that some local governments have threatened to sue to block.

The authority is also lobbying state lawmakers to pass a bill loosening a restriction that the 171-mile, double-track segment in the Central Valley be fully funded before

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Battery Park City Authority  
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Senior Revenue Bonds, Series 2025 (Sustainability Bonds)

Senior Manager  
December 2025



City of San Antonio, Texas  
Electric and Gas Systems  
("CPS Energy")

**\$672,425,000**

Variable Rate Junior Lien  
Revenue Refunding Bonds  
Series 2026A

Bookrunning Joint  
Senior Manager  
January 2026



State of California

**\$2,408,780,000**

General Obligation Bonds

Bookrunning Joint  
Senior Manager  
March 2026



Philadelphia Redevelopment  
Authority

**\$396,650,000**

City Service Agreement  
Revenue Bonds, Series AB  
of 2026 (City of Philadelphia  
H.O.M.E. Plan)

Senior Manager  
March 2026



Indiana Finance Authority

**\$375,230,000**

First Lien Water Utility  
Revenue Bonds

Senior Manager  
May 2026<sup>2</sup>



City of Tempe

**\$212,560,000**

General Obligation Bonds,  
Series 2026AB

Sole Manager  
June 2026

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1. Bloomberg 2026 year to date as of June 19, 2026. 2. The \$172,615,000 forward delivery series 2026B is expected to close July 7th, 2026. This announcement is not an offer, solicitation, commitment or recommendation to buy or sell the bonds and does not purport to be a complete statement of all material facts relating to the bonds. The offering is made only by means of the Official Statement, copies of which may be obtained from RBC Capital Markets. This communication is not, and under no circumstances should be construed as, a solicitation to act as securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction. RBC Capital Markets is not acting as a fiduciary or as a municipal, financial, commodity or investment adviser. The information provided is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934. This advertisement is for informational purposes only. RBC Capital Markets is the global brand name for the capital markets business of Royal Bank of Canada and its affiliates, including RBC Capital Markets, LLC (member FINRA, NYSE and SIPC). ®/™ Trademark(s) of Royal Bank of Canada. Used under license. © Copyright 2026. All rights reserved.