

Washington Update



SEC SETTLES FIRST MCDC CASE

The U.S. Securities and Exchange Commission has charged a school district in California with misleading bond investors about its failure to provide contractually required financial information and notices. The case is the first to be resolved under the new SEC initiative called the Municipalities Continuing Disclosure Cooperation (MCDC). The MCDC sets standardized settlement terms for issuers and underwriters who self-report or were already under investigation for violations involving continuing disclosure obligations. The 2014 initiative, launched on March 10, expires on September 10. The SEC has found that in the course of a 2010 bond offering, Kings Canyon Joint Unified School District affirmed to investors that it had complied with its prior continuing

disclosure obligations. The SEC claims the statement was inaccurate because between at least 2008 and 2010, the school district failed to submit some required disclosures. The California school district agreed to settle the charges without admitting to or denying the findings. The SEC did not specify what the disclosure failures were, nor has it provided the municipal market any guidance on future MCDC reporting requirements.

The full SEC comment on the settlement can be found at www.sec.gov/News/PressRelease/Detail/PressRelease/1370542256676#.U76prI1OWic.

DONOVAN TAKES OVER AT OMB

The Senate last Thursday confirmed current Housing and Urban Development Secretary Shaun Donovan to be the new director of Office of Management and Budget by a 75-22 vote. Sen. Majority Leader Harry Reid (NV-D) issued the following statement on Shaun Donovan's confirmation:

“Shaun Donovan has spent his career as an effective and vocal advocate on behalf of ensuring access to safe and affordable housing for Americans. As secretary of the Department of Housing and Urban Development, Secretary Donovan worked to stabilize the foreclosure crisis in America and ensured that HUD maintained its commitment to building strong, sustainable, inclusive neighborhoods. As part of the Hurricane Sandy Rebuilding Task Force, Shaun worked tirelessly to rebuild areas affected by Hurricane Sandy. I look forward to seeing his talent and energy put to good use as director of the Office of Management and Budget.”



THE WEEK AHEAD: THE LONG-TERM BUDGET AND FEDERAL SALARIES

Tomorrow the House Oversight and Government Reform Subcommittee on the Federal Workforce, U.S. Postal Service and The Census will hold a hearing entitled “Is the Federal Government’s General Schedule (GS) a Viable Personnel System for the Future?” No witnesses have been named at this time.

- <http://oversight.house.gov/hearing/federal-governments-general-schedule-gs-viable-personnel-system-future/>

On Wednesday, Congressional Budget Office Director Doug Elmendorf will visit the House Budget Committee to discuss the long-term budget outlook for the country.

- <http://budget.house.gov/hearingschedule2014/hearing7162014.htm>

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