

## Haves and Have-Nots Not Sharing Equally in Economic Recovery

### *Treasurer Chiang Re-Imagining How Public Finance Can Tackle California's Critical Needs*



California has outperformed the rest of the nation in job growth for the last 44 months, recovering all of the 1.3 million jobs lost during the Great Recession and creating an additional 800,000 positions. Our unemployment rate is the lowest it has been since October 2007.

But the benefits of the surging economy have not spread to all parts of the Golden State. Nearly one in 10 workers remain jobless in large parts of the San Joaquin Valley, while that number sits at one in five workers in the Imperial Valley.<sup>1</sup> Per capita income in these areas is about two-thirds the state average.

Stagnant wage growth, unaffordable housing and rising educational costs heavily impact the poor, working class and lower middle class families. The dream of decent housing, good schools and secure retirements continues to be out of reach for these residents.

The issue of income inequality is important to Treasurer John Chiang, and he will be discussing the problem and solutions when he meets with his Council of Economic Advisors on Dec. 11.

Here is how the Treasurer is already helping:

- Secure Choice:** About half of all households age 55 and older have no savings and are heading toward an impoverished retirement or working until they are incapacitated or die. The problem is particularly dire for women, who account for as much as 70 percent of the state's poorest retirees. Empowered by a new law authored by Senate President Pro Tempore Kevin DeLeon, Treasurer Chiang has taken on the challenge by engineering a revolutionary workplace retirement savings plan. Funded by automatic payroll contributions, Secure Choice would help as many as 7.5 million private-sector employees save for retirement, even when their employers offer no such benefit.



Treasurer John Chiang speaks in favor of Secure Choice during an event hosted by the Los Angeles Area Chamber of Commerce.

- **Affordable Housing:** Millions of Californians across the state cannot secure safe, decent, and affordable housing. The problem has grown so severe that a leading credit rating agency recently began listing California's high cost of housing as a looming weakness that, if left unfixed, could cause a downgrade in the state's financial rating. The independent Legislative Analyst's Office also noted that "the state's high housing costs make California a less attractive place to call home, making it more difficult for companies to hire and retain qualified employees."

Treasurer Chiang, after 10 months of engaging with nearly every major affordable housing stakeholder, recently crafted a major housing initiative giving builders access to up to \$6.5 billion in federal resources. Regulatory reforms included in the initiative reduce the costs and increase the amount of available financing to produce housing, both barriers to increased production of new housing. Alan Greenlee, executive director of the Southern California Association of Non-Profit Housing, calls these changes "the most significant for the tax credit program in 15 years." Approval of Chiang's new regulations caused the state's third largest builder of affordable housing to announce that it would immediately produce more than 1,000 new affordable homes that otherwise would not have been possible, while at the same time generating jobs, tax revenues, and economic activity.

- **ScholarShare:** Over the past 40 years, college tuition has consistently increased at two to three times the rate of inflation each year. In the last decade alone, University of California fees have increased by 114 percent. At the same time, state support dwindled and federal financial aid funding shifted away from student grants and toward student loans. Today, nearly 60 percent of all federal financial aid is in the form of loans, substantially increasing the number of college graduates burdened by enormous student loan debt upon entering the workforce.

Treasurer Chiang is overhauling California's ScholarShare College Savings Program, the state-sponsored 529 college savings plan that offers a diverse set of investment options and tax-deferred growth. Withdrawals are free from state and federal taxes when used for qualified higher education expenses, such as tuition and fees, books, certain room and board costs and other required supplies. Chiang's early efforts are paying dividends. In October, Morningstar (an independent investment research firm which closely monitors college savings plans across the United States), awarded ScholarShare a silver rating, upgraded from a bronze rating issued last year.

#### Other Milestones:

- **Restoring California's Financial Health and Modernizing the State Treasury:** As part of his strategy to take advantage of low-interest rates to reduce the debt, Treasurer Chiang has aggressively refinanced past higher-cost borrowings. So far in 2015, he has overseen refinancings that will result in \$2.5 billion in taxpayer benefits over time. As the state's banker, the Treasurer not only directly manages more than \$66.5 billion in state and local money, but also he also handles more than \$2 trillion per year in banking transactions. To increase productivity and efficiency while acquiring more tools to meet the present-day business needs, the Treasurer is moving his office's financial operations from mid-20th century "paper-and-fax era" methods to today's most powerful online banking technologies, such as offering Local Agency Investment Fund transactions online.
- **Making Government Spending and Borrowing More Transparent and Accountable:** In November, the Treasurer introduced DebtWatch, which provides important details about \$1.5 trillion in debt issued by state and local government entities over the past 30 years. Because bonds are not free money and, indeed, obligate the public to repay them through higher taxes, fees, or assessments, Treasurer Chiang wants to make easily accessible information about bonds available to the public. Such data includes how much is being borrowed, how much it costs to borrow money and how the money is being used. In the tradition of his three award-winning open data sites created while he was State Controller, the Treasurer now has created a one-stop, online tool to provide access to more than 2.8 million pieces of debt



data. The information is available with a few clicks of the mouse and can be sliced-and-diced in powerful ways so that users can perform trend analyses or compare how debt is issued and used among different communities.

- **Treasurer's Task Force on Bond Accountability:** On Feb. 1, the Treasurer convened a special task force to develop best practices guidelines for the fiduciary care and use of state and local bond proceeds. The decision to form the Task Force resulted, in part, from the revelation that approximately \$1.3 million was discovered missing during a routine audit of bond funds held by the Association of Bay Area Governments (ABAG). The San Francisco Chronicle reported that the bond money, earmarked for public parks and street improvements in downtown San Francisco, allegedly was embezzled by ABAG's director of financial services.

The Task Force -- composed of current and former securities regulators, local treasurers, public agency fiduciaries, academics, and finance industry experts -- is charged with identifying best practices that would enable public agencies to ensure that bond proceeds are used for intended purposes. The experts also are looking at whether the money is correctly accounted for, managed and safeguarded in a manner transparent to the public and consistent with legal requirements, best practices, and internal controls.

<sup>1</sup> Data from U.S. Bureau of Labor Statistics

*Intersections is prepared by staff of the State Treasurer's Office. This newsletter should not be used for making investment decisions about State of California bonds or notes. Potential investors always should obtain and read the Official Statement published by the state for each issue of bonds or notes. Send us suggestions and feedback.*

# Summary of Ratings and Borrowing Costs

## Where Does California Fit In?



California is wrapping up 2015 with better ratings than a year ago, but the Golden State still has much room for improvement.

The Golden State received upgrades from Fitch in February (A+) and Standard & Poor's in July (AA-). Moody's last upgraded California in June 2014 (Aa3).

However, we still remain lower than all but two rated states: Illinois and New Jersey. And Pennsylvania's ratings remain only slightly better than those of the Golden State. (See a [detailed comparison](#).)

But for California, holding the higher rating levels over time is what matters most. Lower ratings provoke investors to demand higher yields, which translates into higher borrowing costs.

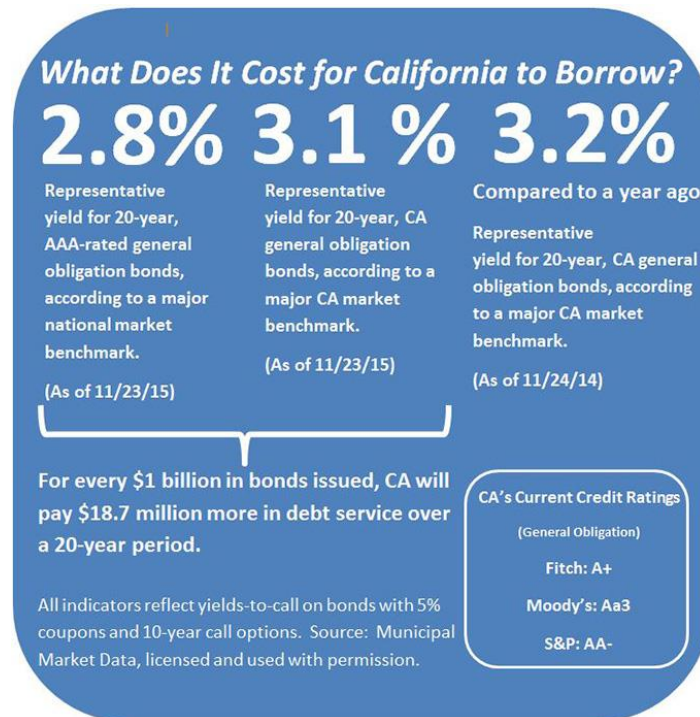
The State's recent 20-year yield sat at 3.05 percent, higher than the 2.76 percent yield on a national benchmark of AAA-rated bonds, a difference of 0.29 percent. (See Figure 1.)

Compared to the [prior month](#), the nominal yield on the California benchmark fell by 0.05 percent, while the nominal yield on the national benchmark dipped by 0.04 percent.

The difference between the two benchmarks one year earlier was slightly wider: California's yield was 3.15 percent, while that same national benchmark was at 2.79 percent, a difference of 0.36 percent.

How should the benchmarks be explained? Though these data points appear to be getting narrower, there seems to be a slight trend toward a tighter relationship.

**Figure 1: Borrowing Costs**



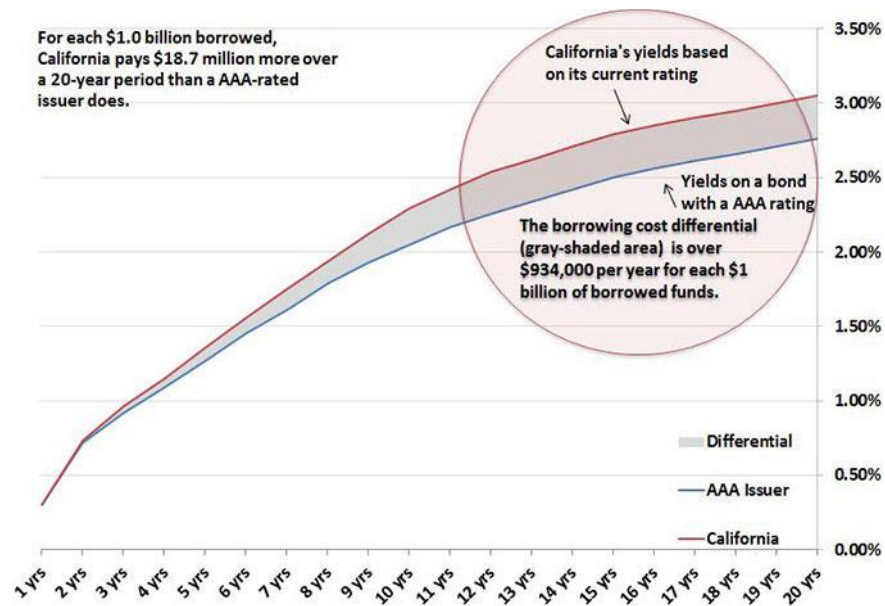
What does this mean for California taxpayers?

In general, for every \$1.0 billion in bonds issued, the State will incur higher borrowing costs as a result of investors demanding higher investment yields. The result in such a scenario would be about \$18.7 million in higher debt service over a 20-year period compared to the national benchmark of AAA-rated, tax-exempt bonds. (See Figure 2.) This compares to higher debt service of \$23.5 million illustrated in last month's edition, while before that the cost sat at \$25.5 million.

Indeed, this is also being noticed in secondary trading (where investors are buying and selling amongst themselves). Using spot observations, the differences could be as low as 0.2 percent.

Observe that the band is quite narrow in the early years and grows over time. This reflects market uncertainty, among other things.

**Figure 2: Comparing California's Borrowing Costs to a National Benchmark**



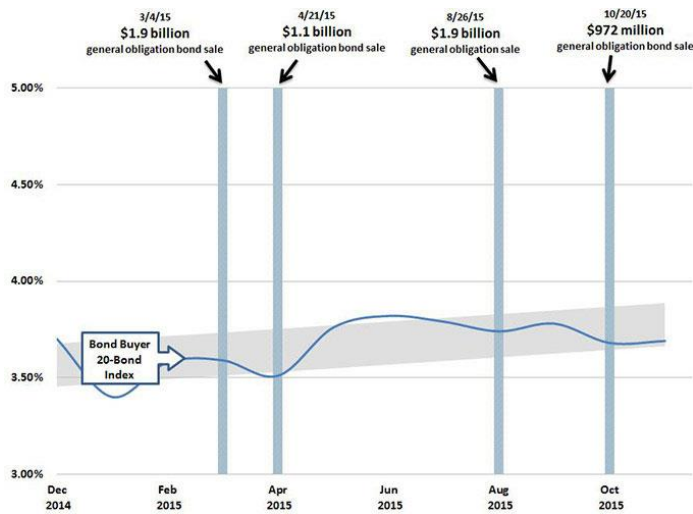
Source: Municipal Market Data as of 11/23/15

When it comes to understanding why investment yields and borrowing costs behave this way, it helps to look at long-term trends.

Figure 3, below, shows the one-year trend in another widely used index, the Bond Buyer 20-Bond Index, over the past year. California's most recent offerings are shown as vertical bars.

The grey band represents the normal variance around a long-term trend, which can be thought of as the center of the grey band. The blue line represents the changes in the trend over time.

**Figure 3: One-Year Trend of Interest Rates, Selected California Borrowings Shown as Vertical Bars**



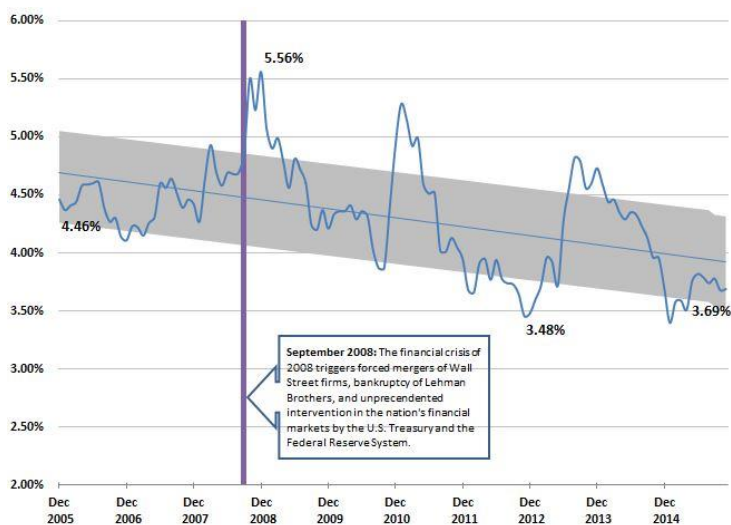
Source: The Bond Buyer

Interest rates on state and local government bonds are lower than they were a decade ago. Figure 4 also uses the Bond Buyer 20-Bond Index, but over a longer 10-year period.

Despite the fluctuation of rates over this longer period, it is important to remember that this index is more than three-quarters of one percent lower than it was 10 years ago. Borrowing at today's rates is, by comparison, still a bargain versus borrowing 10 years ago.

We have been fortunate to be in the market several times this year when California has been at the lower end of the band.

**Figure 4: 10-Year Trend of Interest Rates on State and Local Government Bonds**



Source: The Bond Buyer

# Debt Issuance, Investments and Treasury Activities

## Debt Issuance



California state and local governments issued a total of \$57.2 billion in debt during the first 10 months of 2015, a 10.7 percent increase from the same period in 2014, when \$51.7 billion in debt was issued, according to data received by the California Debt and Investment Advisory Commission (CDIAC) as of November 23.<sup>2</sup> (See Figure 5.)

A total of \$2.8 billion in state and local debt issuance was reported for October 2015, a 98 percent decrease from October 2014 (\$5.6 billion). (See Figure 6.)

Of the \$2.8 billion issued in October, \$1.7 billion was issued by local entities, while \$1.1 billion was issued by the State and its agencies or related entities. (See Figure 7.)

So far in 2015, the Treasurer has carried out four general obligation and two State Public Works Board bond re-financings that will together save the State's General Fund \$958 million over the life of the bonds. Nine other refinancings – including those for California State University, University of California and Tobacco Securitization Corp. -- will produce an additional \$1.5 billion in public benefit over time. That brings the total to \$2.5 billion in taxpayer benefits.

For the period from October 16 through November 15, a total of \$4.5 billion in debt final sale reports were received by CDIAC. (See Figure 8.) These are the top five areas of volume within the reported final debt sales:

- K-12 School Facility: \$933 million
- Public Building: \$590 million
- Single-Family Housing: \$446 million
- College, University Facility: \$362 million
- Theatre/Arts/Museums: \$341 million

<sup>2</sup> Issuers have 21 days from sale of the debt to report issuances. Since some data is reported late, the State Treasurer's Office regularly updates monthly totals as more information becomes available.

### Debt Issuance

**\$57.2 Billion**

During January-October 2015;  
All State and local issuances  
reported as of November 23

**\$2.5 Billion  
In Taxpayer  
Benefits**

From refinancings  
orchestrated by Treasurer Chiang  
during February-November

**Figure 5: Cumulative California Public Debt Issuance (In Billions)**



Source: California Debt and Investment Advisory Commission

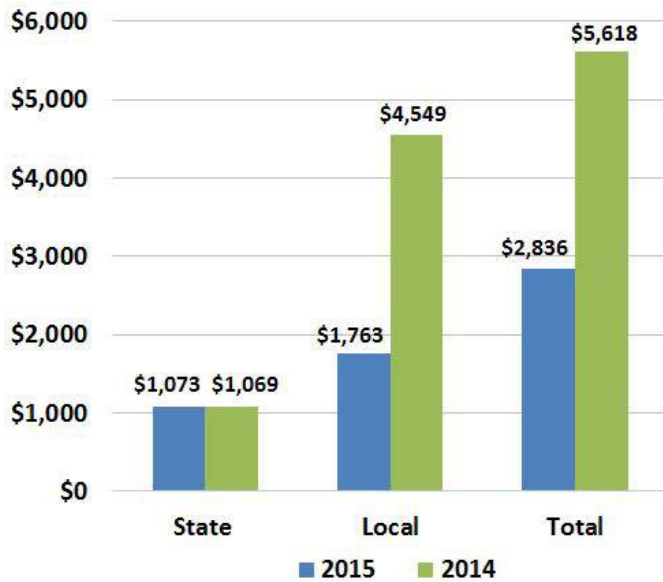
**Figure 6: California Public Debt Issuance, October (In Millions)**



Source: California Debt and Investment Advisory Commission



**Figure 7: State\* Vs. Local Debt Issuance, October (In Millions)**

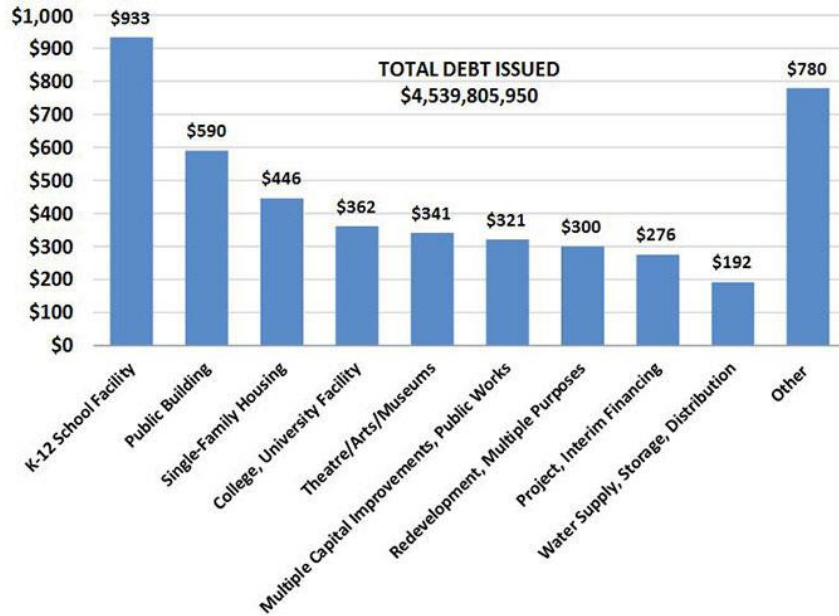


\* State issuers include the State of California, its agencies, commissions, authorities, departments and The Student Loan Corporation.

Source: California Debt and Investment Advisory Commission

**Figure 8: Total Reports of Final Sale Received**

*10/16/2015 Through 11/15/2015, By Purpose (In Millions)*



Source: California Debt and Investment Advisory Commission

Read more about [debt issued so far this year](#). See the [calendar](#).

## Investments

The Treasurer's Investments Division manages the State's excess or idle cash.

The Treasurer invests taxpayer money through the Pooled Money Investment Account (PMIA). This is a commingled pool with three primary sources of funds: the State's general fund, special funds held by State agencies, and money deposited by cities, counties and special districts in the Local Agency Investment Fund (LAIF).

As of October 31, the PMIA balance was \$64 billion, with an average effective yield of 0.36 percent and an average life of 200 days. (See Figure 9.) In addition, the year-to-date average PMIA balance was \$65.7 billion.

The State Treasurer's Office anticipates that the investment returns for the PMIA will continue to follow the market as shown in Figure 10.

Because these funds may be required on very short notice, the investment objectives for the PMIA are safety, liquidity and yield, in that order of importance.

The year-to-date earnings rate for the PMIA was 0.336 percent, which reflects the prudent investing of a short-term portfolio in this unprecedented low interest rate environment of the last seven years. As the Federal Reserve begins to raise interest rates, the PMIA is positioned to follow those moves, and overall yields should rise in sympathy.



### Figure 9: Pooled Money Investment Account Stats as of October 31, 2015

#### ***Ending Portfolio***

\$64 billion (See Figure 11 for details.)

#### ***Average Workday Investment Activity***

\$1.037 billion

#### ***Average Effective Yield***

0.36 percent

#### ***Average Investment Life***

200 days

#### ***Local Agency Investment Fund Ending Portfolio***

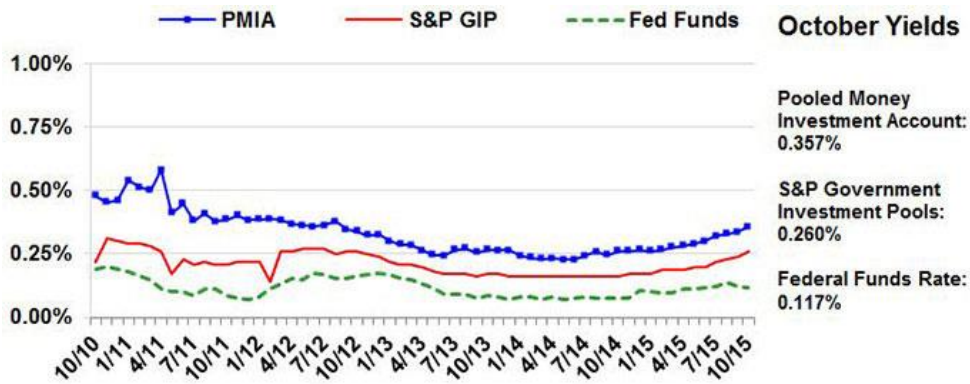
\$19.7 billion (2,470 participating agencies) (See Figure 12 for details.)

Read more about the [Pooled Money Investment Account](#)



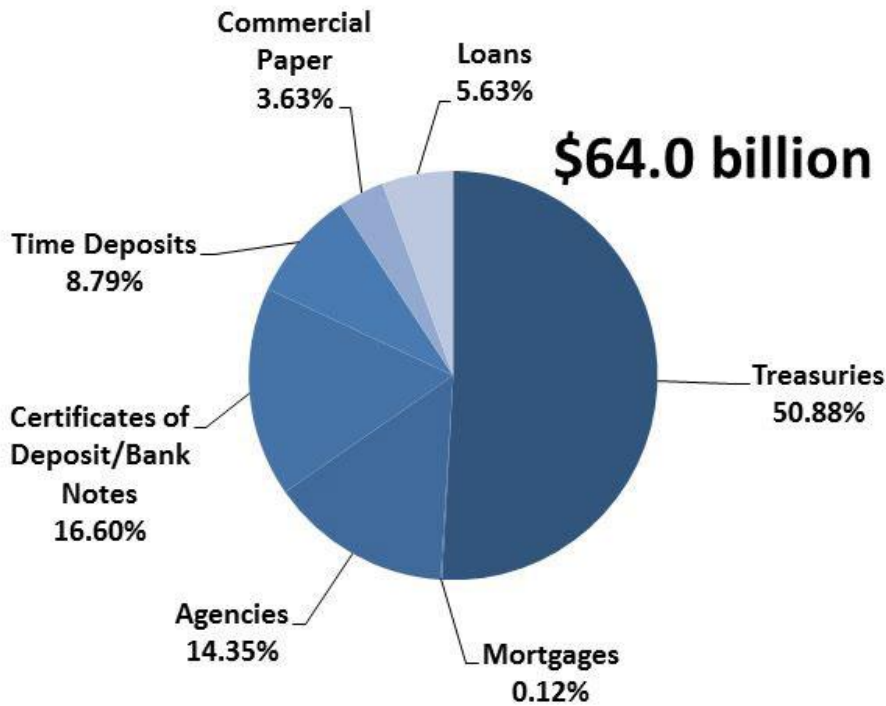
**Figure 10: Average Monthly Yield Comparison**

*October 2010 Through October 2015*



Source: State Treasurer's Office

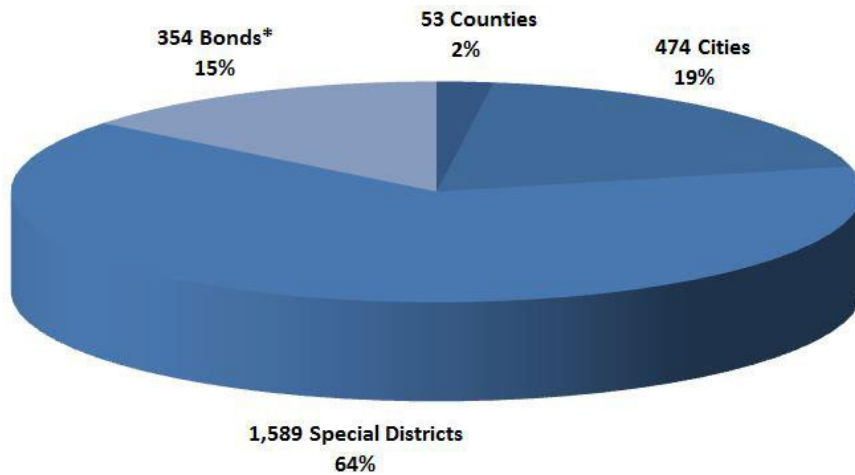
**Figure 11: PMIA Portfolio Composition – 10/31/15**



Source: State Treasurer's Office

**Figure 12: Local Agency Investment Fund**

**Participation as of 10/31/15: 2,470 Agencies**



Source: State Treasurer's Office

\*Includes regular and trustee bond accounts.

Note: Numbers may not add up to 100 percent due to rounding. Read more about the [Local Agency Investment Fund](#).

## Centralized State Treasury System Activities

The Treasurer's Centralized State Treasury System provides banking services for the overwhelming majority of state departments and agencies.

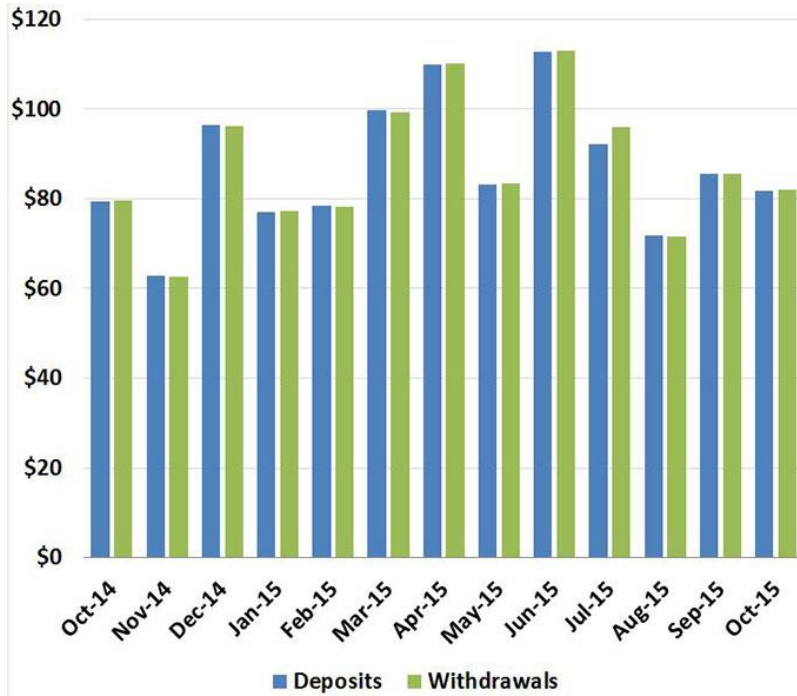
The system handles the flow of more than \$2 trillion per year in cash funds.

During October, deposits totaled \$81.8 billion, while disbursements totaled \$82.1 billion. (See Figure 13.)

These amounts include all federal, state and local funds flowing through the Centralized Treasury System.



**Figure 13: Deposits and Withdrawals By Month, October 2014-October 2015 (In Billions)**

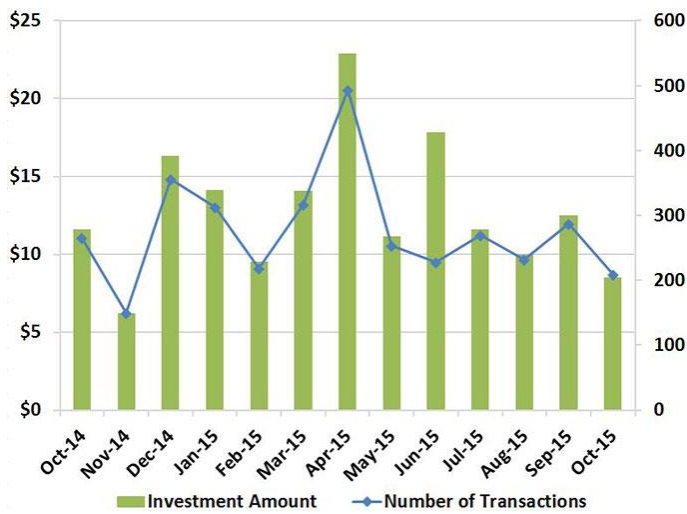


Source: State Treasurer's Office

The system also determines the amount of idle state funds available in the Pooled Money Investment Account for investment by the Treasurer's Investment Division. (These investments were discussed in the Investments section and are reflected in Figure 11.)

During October, total new and rollover investments reached \$8.5 billion. (See Figure 14.)

**Figure 14: Total Investments By Month, October 2014-October 2015 (In Billions)**



Source: State Treasurer's Office

Each day, the system also processes hundreds of thousands of state transactions - including department checks; State Controller's Office warrants; Women, Infants, and Children (WIC) food instruments; and Employment Development Department unemployment and disability checks - submitted by banks and other entities for payment.

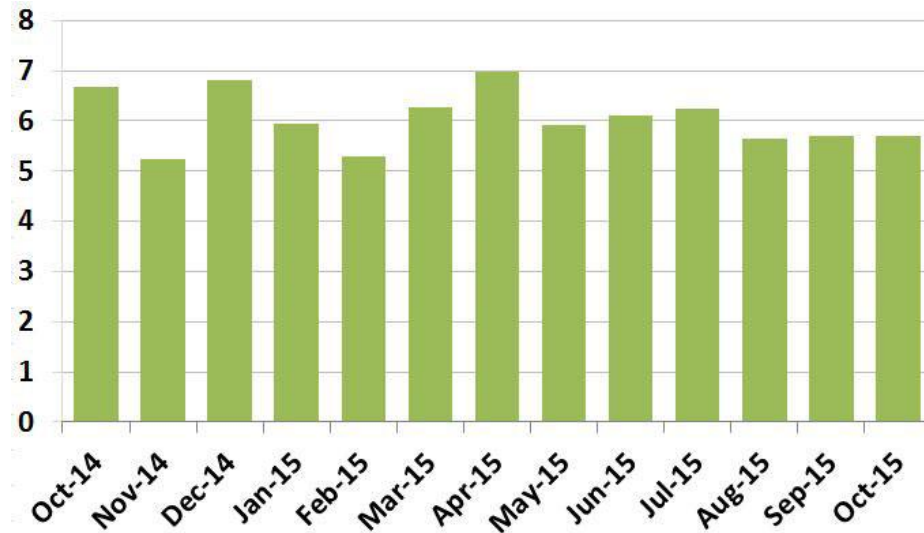
During October, total items processed reached 5.7 million. (See Figure 15.)

**Transactions  
Processed**

**5.7 Million**

Checks and other items  
presented by banks  
in October

**Figure 15: Number of Items Processed, October 2014-October 2015 (In Millions)**



Source: State Treasurer's Office

# California Job Tracker: 3 More Regions Recover Jobs Lost During Recession

By Lynn Reaser



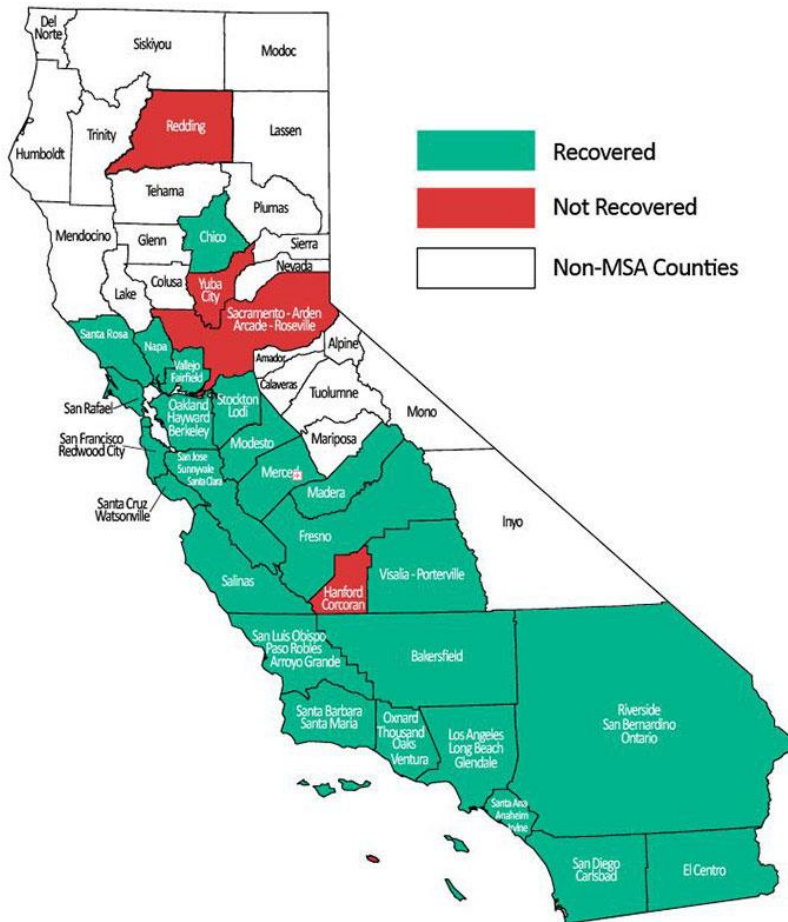
California's job gains deepened and broadened further in October as the state's economy continued to post good momentum. The state added more than 40,000 jobs over the month, while the jobless rate fell to 5.8 percent, the lowest level in eight years.

The job recovery has also now reached 25 of California's 29 metropolitan areas.

Between September and October, the latest numbers indicate that three additional areas have been added to the list of those fully recovering all of the losses experienced during the Recession. These include Oxnard-Thousand Oaks-Ventura, Santa Cruz, and Vallejo-Fairfield.

Only four remain, including the large Sacramento area, which appears only one to two months away from achieving its prior job peak.

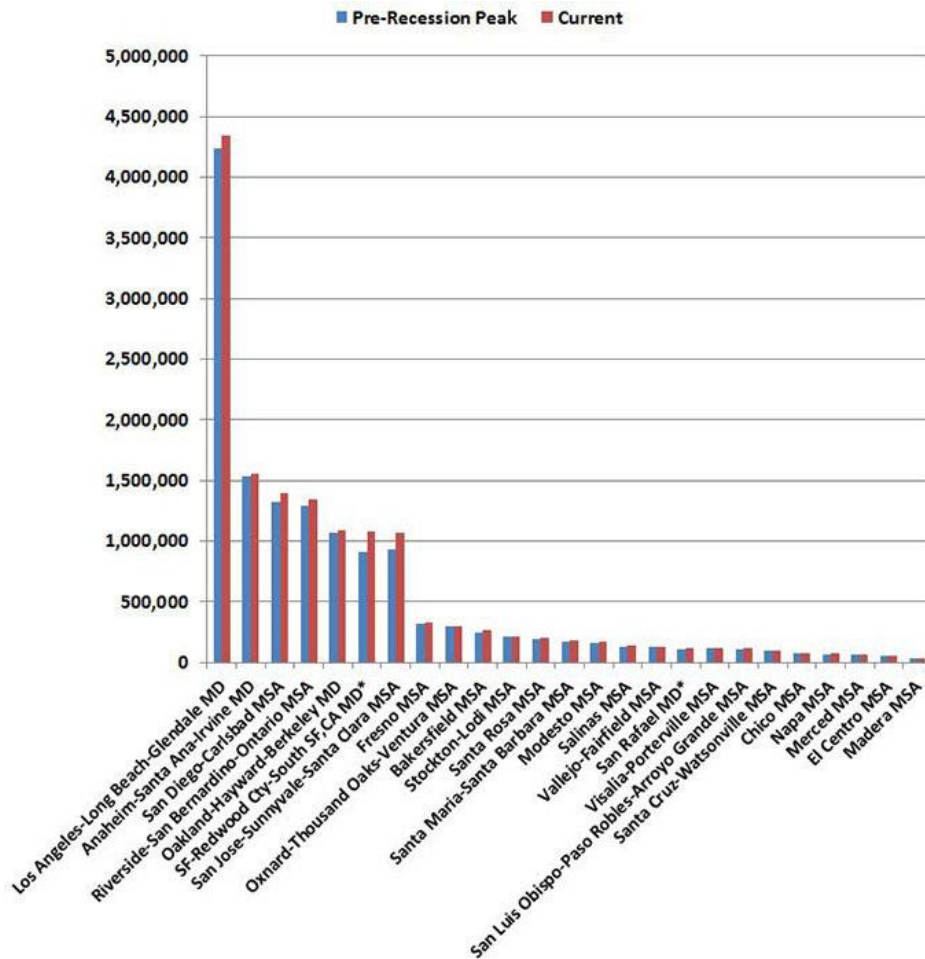
**Figure 16: 25 of California's 29 Metro Areas Have Recovered Recession Job Losses (As of October 2015)**



Sources: California Employment Development Department, Labor Market Information; Fermanian Business and Economic Institute

**Figure 17: Job Recovery by the Numbers (As of October 2015)**

*(Nonfarm Employment, Seasonally Adjusted)*



\*Numbers for the San Francisco-Redwood City-South San Francisco Metropolitan District and San Rafael Metropolitan District are not seasonally adjusted.

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, Fermanian Business and Economic Institute

See raw data: [Employment numbers by region.](#)

*Lynn Reaser is chief of the Treasurer's Council of Economic Advisors and chief economist at the Fermanian Business and Economic Institute for Point Loma Nazarene University. The opinions in this article are presented in the spirit of spurring discussion and reflect those of the author and not necessarily the Treasurer, his office or the State of California.*



# Guest Column: California's Poor Have Tech, Rich Have More

By Allison Hata, David Prince, and Paul Thomas



People care about the distribution of income and wealth, and these concerns lead to an evaluation of each revolution in information technology to see whether it helps the poor catch up with the rest of society, or whether it exacerbates the income and wealth divide. In *The Oxford Handbook of Internet Studies* (2013), Eszter Hargittai and Yuli Patrick Hsieh lay out three related questions on the topic: 1) Is digital technology too expensive for the poor to access? 2) Do the wealthy use it in a systematically different way than the

middle class and poor? and 3) Does the use of the technology affect the distribution of income, increasing or decreasing the income gap?

Income clearly is a determinant of technology ownership, but even low-income Californians have at least some of the basic tools needed to participate in our high-tech economy, according to a monthly survey of U.S. and Chinese households conducted by Intel that investigates ownership and purchases of devices including desktop computers, notebooks, tablets, and smartphones. The table below shows that the number of devices in a home does indeed increase with income, but even those at the lowest income category we measure have substantial levels of ownership; 84 percent of households earning less than \$22,500 per year have at least one PC, tablet, or smartphone, and on average those low-income households have two such items (See [Figure 18](#)).

**Figure 18: Number of Devices in Home Increases With Income**

California			PC+Tablet+Smartphone		
Annual Household Income	% of Households	Average Household Size	Household Penetration	Number of Devices*	Number of Devices per Capita*
Less than \$22,500	15%	1.7	84%	2.10	1.27
\$22,500-\$49,999	22%	2.8	91%	3.84	1.36
\$50,000-\$74,999	14%	2.4	99%	4.10	1.73
\$75,000-\$99,999	11%	2.9	98%	5.29	1.82
\$100,000 or above	38%	2.9	100%	6.32	2.16

Survey data aggregated from April-September 2015, 501 California households.

\* Average number of devices for all households, including those with none.

Looking at the bigger picture, the 84 percent device penetration within the lowest-income California households is similar to the 82 percent result for those at that same income level nationwide. It is somewhat harder, however, to compare the California results to those of China. Despite China's remarkable economic success, incomes in China are still much lower than those domestically. Indeed, for years we have watched as businesses and consumers in China have purchased more PCs than might be expected given the size of the

Chinese economy, as the country has moved rapidly to increase its productivity and its concomitant level of information technology.

**Figure 19: Devices in Chinese Homes**

China			PC+Tablet+Smartphone		
Annual Household Income	% of Households	Average Household Size	Household Penetration	Number of Devices*	Number of Devices per Capita*
Less than \$2,811	18%	3.1	60%	1.41	0.45
\$2,812-\$5,625	22%	3.5	87%	2.45	0.71
\$5,626-\$7,500	20%	3.5	95%	3.05	0.87
\$7,501-\$9,376	14%	3.4	97%	3.63	1.05
\$9,377 or above	27%	3.6	99%	4.11	1.14
Total PRC	100%	3.5	88%	2.99	0.87

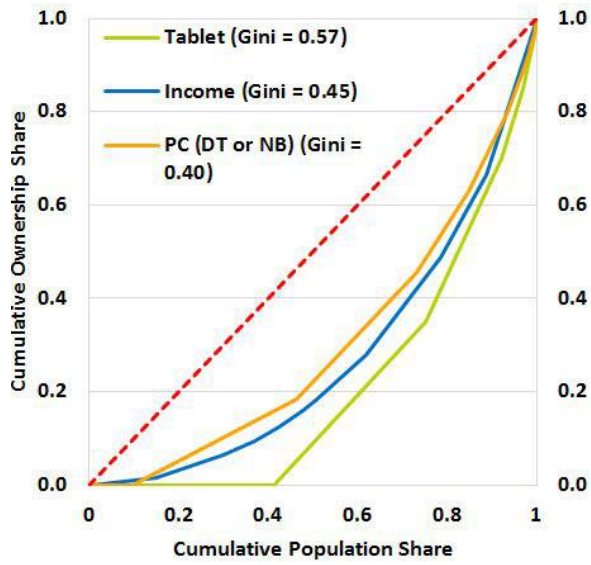
Survey data aggregated from April-September 2015, 7,680 China households.

\* Average number of devices for all households, including those with none.

As compared to China, the lowest 15 percent of California households by income have greater access to technology – again, 84 percent have at least one device, about 1.3 per person – than the closest category we have for China, where the lowest 18 percent of households have about 60 percent ownership and only 0.45 devices per person. In fact, the poorest Californians fare similarly to the overall Chinese population in device ownership, and better as measured in devices per capita.

Just how unequal is the ownership of technology? The best known measure of income inequality is probably the Gini coefficient, a geometric concept based on a graph called the Lorenz curve. We have borrowed this same concept to look at the concentration of technology. We created Lorenz curves by lining households up from those with the fewest devices to those with the most and, for each level, graphing the proportion of the population that has that amount or lower. Below are some Lorenz curves for technologies from our consumer survey for California, and plotted along with them is the traditional curve for income (See [Figures 20](#) and [21](#)).

**Figure 20: California Lorenz Curves**



**Conclusions and Policy Implications**

**Figure 21: California Gini Coefficient**

	Gini Coefficient
Phablet (SP 5"+)	0.78
Tablet	0.57
Desktop	0.57
Sub-5" Smartphone	0.53
Notebook	0.48
Annual Household Income	0.45
Smartphone	0.43
Desktop+Notebook	0.40
Desktop+Notebook+Tablet+Smartphone	0.37
Desktop+Notebook+Smartphone	0.37

The dotted diagonal line represents the Lorenz curve for the population with a perfectly uniform distribution. The Gini coefficient, then, measures the portion of the area under the perfect equality dotted line that is missing from the actual Lorenz curve. The Gini coefficient runs from 0 to 1, with 0 for a perfectly equal distribution and 1 for a population in which all of a resource belongs to just one person.

Using the survey's data for California households, the Gini coefficient for income is 0.45, about the same income inequality as the survey's measure for the entire United States. The data further show that information technology is somewhat more evenly distributed across the state's households than is income, with Lorenz curves for PC and smartphone ownership largely residing above that for income, and so having correspondingly lower Gini coefficients. Tablets are the exception, but when considering tablets together with the other technologies as an aggregate measure of technology ownership, that distribution still is more uniform than income.

We have helped to answer the first of the questions we posed at the beginning, that technology is not evenly distributed across California households and higher-income Californians do have greater access to PCs, tablets and smartphones. Nonetheless, the poorest California households do have considerable technology at their disposal. Still to be determined is how they use these technologies, and whether their use can help them improve their standing.

*Allison Hata is a statistician, David Prince is a senior economist, and Paul Thomas is the chief economist for Intel Corporation. Thomas is also a member of Treasurer John Chiang's Council of Economic Advisors. The opinions in this article are presented in the spirit of spurring discussion and reflect those of the authors and not necessarily Intel Corporation, the Treasurer, his office or the State of California.*

## Top 10 Upcoming Bond Sales (Ranked by Size)

Proposed Sale Date*	Issuer	Debt Type	Purpose	Principal*
12/10/2015	Metropolitan Water District of Southern California	Public enterprise revenue bond	Water Supply, Storage, Distribution	\$250,000,000
12/10/2015	Southern California Water Replenishment District	Public enterprise revenue bond	Water Supply, Storage, Distribution	\$200,000,000
2/16/2016	San Diego Public Facilities Financing Authority	Public enterprise revenue bond	Recreation and Sports Facilities	\$136,000,000
2/15/2016	Los Angeles	General obligation bond	Multiple Capital Improvements, Public Works	\$125,000,000
1/28/2016	El Camino Community College District	General obligation bond	College, University Facility	\$100,000,000
12/9/2015	Kaweah Delta Health Care District	Public enterprise revenue bond	Health Care Facilities	\$100,000,000
1/28/2016	El Camino Community College District	General obligation bond	College, University Facility	\$98,000,000
12/9/2015	Hartnell Community College District	General obligation bond	College, University Facility	\$95,000,000
1/13/2016	Placentia-Yorba Linda Unified School District	Certificates of participation/leases	K-12 School Facility	\$88,000,000
12/22/2015	Irvine	Special assessment bond	Multiple Capital Improvements, Public Works	\$52,225,000

\* Subject to change; the ultimate amounts and sale dates can be affected by legal, market and other factors.

### More info:

- [California Debt and Investment Advisory Commission Calendar](#)
- [Public Finance Division Upcoming Bond Sales Calendar](#)

# Significant Financings

Treasurer John Chiang oversees several boards, commissions and authorities that award financing, tax credits, grants, loans, and other benefits aimed at promoting school projects, health care facilities, sustainable economic development and housing. Below is a summary of significant projects approved in November 2015.

Sustainability and Economic Development					
Approval Date	Recipient Name	Type	Amount	City	Authority*
11/17/2015	Space Systems/Loral LLC	Sales and Use Tax Exclusion	\$5,586,000	Palo Alto	<u>CAEATFA</u>

Supporting Housing Needs					
Approval Date	Recipient Name	Type	Amount	City	Authority*
11/18/2015	Hayward Four -- Scattered Site	Tax-Exempt Bond	\$0 State \$1,445,436 Federal	Hayward	<u>CTCAC</u>
11/18/2015	Triangle Court/Friendship Manor	Tax-Exempt Bond	\$0 State \$1,228,999 Federal	Richmond	<u>CTCAC</u>
11/18/2015	American Gold Star Manor	Tax-Exempt Bond	\$0 State \$3,146,547 Federal	Long Beach	<u>CTCAC</u>
11/18/2015	South County RAD	Tax-Exempt Bond	\$0 State \$311,587 Federal	Gonzalez / Greenfield	<u>CTCAC</u>

\*Authorities in which the State Treasurer chairs: California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) and California Tax Credit Allocation Committee (CTCAC).

See raw data: [Financing numbers broken out by state legislative district](#)

# In Case You Missed It

Just in case you missed it, here's a summary of recent news from the Treasurer's Office:

## December 1: Treasurer Chiang Helps Fresno Business Expand

Treasurer John Chiang issued a video feature detailing how his California Capital Access Program (CalCAP) Collateral Support Program helped a Fresno business expand by facilitating a loan valued at \$150,000. The program encourages banks and other financial institutions to lend to

small businesses that would otherwise have difficulty obtaining financing. [Watch the video.](#)

## November 24: Treasurer Issues Statement Regarding Disclosure of Fees Paid to Private Equity Investment Firms

Treasurer John Chiang issued a statement regarding disclosure by the California Public Employees' Retirement System (CalPERS) of some fees paid to private equity investment firms. CalPERS announced that it has paid \$3.4 billion in profit-sharing to its private equity investment partners between 1990 and June 30, 2015. CalPERS said it received 24.2 billion in net gains on those investments over the same period. [Read the statement.](#)

## November 17: Treasurer Unveils Open Data Website Detailing \$1.5 Trillion in Government Debt

Treasurer John Chiang has unveiled a new open data website called [DebtWatch](#), providing important details about \$1.5 trillion in debt issued by state and local government entities as part of his ongoing efforts to promote transparency in government. The site makes it easier for taxpayers to track proposed and issued debt, cost of issuance, and bond and tax election results. Read the [news release](#), a [video message from the Treasurer](#) and a [tutorial on how to use the site](#).



Treasurer John Chiang visits with Dan Ta, president and founder of the Penny Wise Club at Oxford Academy in Cypress. [Read the story.](#)

## Top News Clips:

- [Charter Local Edition with California State Treasurer John Chiang](#)  
Charter Local Edition  
December 2, 2015
- [Editorial: Shining a Welcome Light on Government Debt](#)  
The Press-Enterprise  
November 25, 2015
- [CalPERS Fee Disclosure Raises Question of Whether Private Equity Returns Are Worth It](#)  
Los Angeles Times  
November 25, 2015
- [Calpers' Hidden Private-Equity Fees: \\$3.4 Billion](#)  
NYSE Post  
November 25, 2015
- [CalPERS Shared \\$3.4 bln in Private Equity Profits Over 25 Years](#)  
Reuters  
November 24, 2015
- [CalPERS Discloses Private Equity Investment Fees: \\$1.1 billion](#)  
The Sacramento Bee  
November 24, 2015
- [CalPERS Discloses What it Pays its Advisors](#)  
Central Valley Business Times  
November 24, 2015

- [California Launches DebtWatch Open Data Site](#)  
GCN  
November 23, 2015
- [Big government Borrowing Means Payback Time – Someday](#)  
The Sacramento Bee  
November 20, 2015
- [Student brings state treasurer to push for financial literacy](#)  
Orange County Register  
November 19, 2015
- [California Launches Debt Data Website](#)  
The Bond Buyer  
November 17, 2015
- [Website detailing California's \\$1.5 Trillion in debt](#)  
Central Valley Business Times  
November 17, 2015
- [California Launches Open Data Debt Portal](#)  
CivSource  
November 17, 2015
- [DebtWatch Makes Government Borrowing More Transparent](#)  
Banning-Beaumont Patch  
November 17, 2015
- [Clean Energy Tax Incentive Will Hit Its Cap](#)  
Capital Public Radio  
November 17, 2015