



CALIFORNIA STATE TREASURER JOHN CHIANG

# NEWS RELEASE

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**Contact: Marc Lifsher**  
**916-653-2995**

## **Treasurer Chiang Issues \$2.65 Billion in Bonds**

*Borrowing Pays For New Public Works, Saves Taxpayer Money Because of Lower Interest Costs*

**SACRAMENTO** – State Treasurer John Chiang today announced that he sold \$2.65 billion of California general obligation bonds.

The bonds are backed by the full faith and credit of the state.

Proceeds from the sale of about a third of the bonds, worth \$609.18 million, will pay for new construction projects for highway and transportation, water quality and flood control, and housing. Another \$2.04 billion will be used to refinance older debt, which has higher interest costs.

The refunding will save the state's general fund and California taxpayers \$628.5 million (\$494.5 million in present value savings) over the remaining life of the bonds.

"This is a great deal for our state," said Chiang. "Every dollar we save in interest charges is available for education, health services, environmental protection and other programs that Californians value."

The Golden State has saved a total of \$2.1 billion in reduced borrowing costs for general obligation bonds since Chiang became treasurer in January of 2015. When factoring in other state agency bond sales, including the University of California and the Department of Water Resources, the savings top \$4.2 billion.

Today's sale was the third general obligation bond issuance by the State Treasurer's Office this year. However, it is the first bond issuance since the state's bond rating was boosted by Fitch Ratings to the "high-grade" category.

"Both the ratings upgrade and the successful bond sale underscore that investors are bullish on California," said Chiang. "Our economy is stable, strong and growing."

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