



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

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California is Borrowing More Cheaply

Treasurer's Annual Debt Affordability Report Highlights Savings from Bond Refinancing

SACRAMENTO – California has enhanced its ability to borrow money cheaply and nudged its credit rating into the coveted “high-grade” category amid a period of rising investor clamor for its bonds, according to the new Debt Affordability Report (DAR) issued by State Treasurer John Chiang.

“We are selling bonds with lower interest rates and saving Californians billions of dollars,” Chiang said.

Highlights of the report issued Oct. 1 include the sale of \$7.1 billion in general obligation bonds so far this calendar year, of which refinancing accounted for \$4.8 billion. The refinancing will save taxpayers \$1.3 billion over the remaining life of the bonds, the Treasurer said.

The Golden State has saved a total of \$2.3 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.

“That is a bankable public benefit,” Chiang said. “Every dollar we save in interest charges is available for education, health services, environmental protection and other programs that Californians value.”

Also this year, Fitch raised the state’s long-term bond rating to AA- . As a result, the state now enjoys a coveted “high-grade” ranking from Fitch Ratings, Moody’s (Aa3) and Standard & Poor’s (AA-).

[Read the full report.](#)

For an easy to understand guide to the state’s general obligation borrowing, download a copy of the Treasurer’s first-ever [“California Bonds: 101” booklet](#).

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