



CALIFORNIA STATE TREASURER JOHN CHIANG

# NEWS RELEASE

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## Strength of California's Economy Boosts Demand for Tax-Exempt Bonds

*Treasurer's Annual Debt Affordability Report Reflects Eventful Changes for Governmental Debt Issuers*

**SACRAMENTO** – The continued improvement in California's credit, strong access to the capital markets and ongoing investment in meeting critical infrastructure needs has boosted demand for the state's tax-exempt bonds, according to the new Debt Affordability Report (DAR) issued by State Treasurer John Chiang.

The State Treasurer's Office sold more than \$9 billion in general obligation bonds in six offerings during the fiscal year that ended June 30, 2017.

"The savings from these bond sales allow us to invest in projects that are of critical importance, such as transportation, clean water, clean air, parks, housing, education facilities, stem cell research, children's hospitals and more," Chiang said.

Highlights of the annual report issued Oct. 1 include refinancing of about \$6.32 billion in existing debt in the last year. As a result, California taxpayers will benefit from gross savings of about \$1.49 billion over the remaining lives of the bonds.

Since Treasurer Chiang took office in January 2015, approximately \$6 billion in savings have been achieved. The borrowing included general obligation sales and issuances from the Department of Water Resources, the University of California and other major state agencies.

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

California also currently enjoys coveted "high-grade" rankings from Fitch Ratings (AA-), Moody's (Aa3) and Standard & Poor's (AA-).

[Read the full 2017 Debt Affordability Report.](#)

Read the second in the Treasurer's series of easy-to-use citizen guides on state bond borrowing: ["California Bonds 101: A Citizen's Guide to State Revenue Bonds."](#)

And for a guide to the state's general obligation borrowing, download a copy of the Treasurer's ["California Bonds 101: A Citizen's Guide to General Obligation Bonds" booklet](#).

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