



California State Treasurer Fiona Ma, CPA

News Advisory

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State Treasurer Fiona Ma Refinances More than \$1.88 Billion in Old Bond Debt, Saves Taxpayers \$403 Million

SACRAMENTO – California State Treasurer Fiona Ma today announced the sale of \$2.02 billion of State of California general obligation (GO) bonds, which included \$1.63 billion of bonds used to refinance more than \$1.88 billion of bonds issued in April 2009 when the State was experiencing budget challenges and interest rates were higher.

Refinancing of the old debt will save taxpayers more than \$403 million in debt service costs over the next 10 years, or more than \$362 million on a present value basis. These savings along with the savings from the State's March GO bond sale will save taxpayers more than \$1.42 billion over the next 19 years.

"April is financial literacy month and the huge savings achieved by this bond sale offers a wonderful teaching moment that illustrates the impact of wisely managing our debt," Treasurer Ma said. "It works the same for the State as it does for California families – by refinancing your home mortgage, you can save more in your rainy day fund for unforeseen emergencies and other needs. My office will continue to refinance the state's existing debt to reduce debt service costs whenever possible."

In addition, the sale included over \$384 million in new money bonds for voter approved infrastructure programs. The bond act receiving the largest amount of new money is the Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (\$181.45 million). These funds will be used for K-12 school projects throughout the state.

The new money bonds will provide funding for 15 different bond acts approved by voters between 1998 and 2018 as described below:

California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002

California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018

Children's Hospital Bond Act of 2008

Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998

Disaster Preparedness and Flood Prevention Bond Act of 2006

Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006

Housing and Emergency Shelter Trust Fund Act of 2006

Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (K-12)

Kindergarten-University Public Education Facilities Bond Act of 2002

Kindergarten-University Public Education Facilities Bond Act of 2004

Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006

Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (the Villaraigosa-Keeley Act)

Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century

Water Quality, Supply, and Infrastructure Improvement Act of 2014

Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002

Some key statistics from this sale:

- Final size: \$2,023,975,000
- Final yields to investors ranged from a low of 1.47% for a 2020 maturity to a high of 3.31% and 2.77% for a 2045 maturity with 3.25% and 5.0% coupons, respectively
- All-In True Interest Cost: 2.403%

The joint senior managers for the sale were Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC. Stifel, Nicolaus & Company, Inc. served as co-senior manager. There was also a large syndicate of co-managers and selling group members.

The calendar of all upcoming state bond sales is available at BuyCaliforniaBonds.com.

Fiona Ma is California's 34th State Treasurer. She was elected November 6, 2018 with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant elected to the position. California is the world's fifth-largest economy and Treasurer Ma serves as its head banker, providing transparency and oversight for the government's investment portfolio and accounts as well as managing \$92 billion in financial assets. The State Treasurer's Office (STO) provides financing for schools, roads, housing, levees, public facilities, and other crucial infrastructure projects that better the lives of all Californians. The STO manages cash receipts and bond issuances for the State and oversees programs that fund schools, hospitals, and affordable housing and small businesses. The STO also manages three savings programs that benefit individuals with disabilities, families planning for higher education, and private-sector employees working toward retirement.

For more news about the State Treasurer's Office, please follow Treasurer Ma on Twitter at [@CalTreasurer](https://twitter.com/CalTreasurer), and on Facebook at [California State Treasurer's Office](https://www.facebook.com/CaliforniaStateTreasurersOffice).

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