



California State Treasurer Fiona Ma, CPA

News Release

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California's Bond Rating Gets Upgraded

Fitch Ratings says the state is using "a disciplined approach to limiting on-going spending growth to enhance its ability to maintain resiliency through the economic cycle."

SACRAMENTO – In a nod of approval for how its finances are being managed, California's credit rating was upgraded today by the credit rating agency Fitch Ratings. General Obligation (GO) bonds went up to AA.

Fitch said the upgrade of California's GO and Issuer Default Rating to AA from AA- reflects improved fiscal management that has become institutionalized across administrations, which in Fitch's view allows it to better withstand economic and revenue cyclicalities.

Fitch assigned the AA rating to \$700 million various purpose GO bonds and \$1.6 billion various purpose GO refunding bonds that the State Treasurer will be selling September 5, 2019. The proceeds will be used to refund existing GO debt and finance capital projects.

In its announcement today, Fitch said the state has used temporary tax increases, underlying revenue growth, and a disciplined approach to limiting on-going spending growth to enhance its ability to maintain resiliency through the economic cycle.

"The state eliminated the overhang of budgetary borrowing that had accumulated through two recessions and continues to set-aside funds in the budget stabilization account," Fitch Ratings said.

Treasurer Fiona Ma said today's announcement is an important affirmation that the Legislature and the Governor are making the right decisions.

"Growing the State's rainy day fund and fiscal discipline will keep the state resilient," she said. "So long as we hold fast to a policy of fiscal restraint we will remain on the right track and as ready as we can be for whatever the global economy has in store."

Fiona Ma is California's 34th State Treasurer. She was elected on 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 (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals,

public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer Ma is the state's primary banker. Her office processes more than \$2 trillion in payments within a typical year. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio of more than \$102 billion, approximately \$20 billion of which are local government funds. She serves as agent for sale for all State bonds, and is trustee on over \$100 billion of outstanding debt.

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