



California State Treasurer Fiona Ma, CPA

News Release

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State Treasurer Fiona Ma Completes General Obligation Bond Sale; Saves Taxpayers \$695 Million Over the Next 20 Years

Sacramento – In a move that refinances certain outstanding debt and provides funding for new capital projects, California Treasurer Fiona Ma has completed a two-day, \$2.09 billion sale of general obligation bonds.

The bonds, expected to close on March 19, 2020, include:

- \$1.02 billion of bonds providing funds for voter-approved projects/programs; and,
- \$1.07 billion of refunding bonds to refinance previously issued higher interest rate bonds for debt service savings.

“Despite the volatile financial markets of the past several weeks, I am very pleased with the results of this sale,” said Treasurer Ma. “We were able to sell the bonds at historically low interest rates to provide financing for a variety of vital infrastructure projects throughout the state and to save taxpayers \$695 million over the next 20 years (or \$562 million on a present value basis).”

“This level of savings is remarkable, thanks to the recent precipitous drop in interest rates,” said Deputy Treasurer for Public Finance Tim Schaefer.

The new money bonds will provide funding for three bond acts: the Kindergarten through Community College Public Education Facilities Bond Act of 2016; the Water Quality, Supply, and Infrastructure Improvement Act of 2014; and, the Disaster Preparedness and Flood Prevention Bond Act of 2006.

The refunding bonds will refinance bonds issued 2010 under 16 different bond acts. The all-in true interest cost for the bonds was 2.399%. The bonds were initially reoffered to investors at yields ranging from 0.63% in 2021, to 2.58% in 2050.

The joint senior managers for the sale were Citigroup and RBC Capital Markets. Ramirez & Co., 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 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 also oversees an investment portfolio of more than \$97.5 billion, approximately \$28.7 billion of which are local government funds. She is responsible for \$82 billion in outstanding general obligation and lease revenue bonds of the state.

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