



California State Treasurer Fiona Ma, CPA Press Release

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State Treasurer's Office Launches CSFA's Advances on State Aid Payments Program with \$98.5 Million Sale

SACRAMENTO – California State Treasurer Fiona Ma announced the successful sale of \$98.5 million in short-term notes by the California School Finance Authority (CSFA) to assist 62 charter schools with short-term financing needs brought on by State of California deferrals in education funding. The notes priced on Thursday, March 18, 2021 and closed on Tuesday, March 30, 2021.

This innovative financing marks the first notes sold under the statewide pooled Advances on State Aid Payments (ASAP) Program, which CSFA launched in anticipation of State deferrals of FY 2020-21 funding apportionments to charter schools in the wake of the global Covid-19 pandemic. The ASAP Program is similar to the State Aid Intercept Notice (SAIN) Program which priced \$237.8 million for public school and community college districts on March 11. However, in the case of the ASAP Program, the notes are additionally secured by direct-pay letters of credit provided by Citibank and Royal Bank of Canada. The notes are rated "MIG 1" by Moody's Investors Service based on the letters of credit.

Note proceeds will be used by participating charter schools to avoid budgetary cash flow issues which might otherwise negatively impact student and teacher resources.

This financing was implemented as a collaboration between the State Treasurer's Office and CSFA. CSFA, which the Treasurer chairs, is a long-standing agency of the State Treasurer's Office that provides facility and revenue funding for public schools, charter schools and community colleges.

"This is a great example of how our staff has used the financial expertise of the Treasurer's Office to develop an innovative, safe program that helps charter schools avoid potential financial and resource problems caused by the pandemic," said Treasurer Ma. "It's out-of-the-box thinking at its best."

Each of the 2021 Series A-1 (Federally Taxable) (\$15,475,000), 2021 Series A-2 (Federally Taxable) (\$15,475,000), 2021 Series B-1 (Federally Taxable) (\$33,760,000) and 2021 Series B-2

(Federally Taxable) (\$33,760,000) notes mature on December 30, 2021, and were initially reoffered to investors at a yield of 0.260 percent. The notes have an all-in true interest cost of 2.80 percent.

RBC Capital Markets, Inc. and Citigroup Global Markets served as joint senior managers for this inaugural transaction. Montague DeRose & Associates served as municipal advisor, Orrick, Herrington & Sutcliffe served as note counsel, and Nixon Peabody served as disclosure counsel.

The calendar of all upcoming state bond sales is available at the Treasurer's investor relations website at BuyCaliforniaBonds.com.

The notes are special limited obligations of the Authority and payable solely from the funds provided therefor under the Indenture.

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 transactions 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 about \$125.4 billion, \$34.6 billion of which are local government funds. She serves as agent of sale for all State bonds, and is trustee on outstanding debt of \$93 billion.

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