



California State Treasurer Fiona Ma, CPA

News Release

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State Treasurer Fiona Ma Announces Sale of \$1.2 billion of General Obligation Bonds Via Competitive Bid

SACRAMENTO – California State Treasurer Fiona Ma announces the results of yesterday's competitively bid sale of \$1.2 billion of General Obligation (GO) bonds. Separate bids were accepted for \$150 million of new money federally taxable GO bonds and \$299 million of federally taxable GO refunding bonds (Bid Group A), \$388 million of tax-exempt various purpose GO refunding bonds (Bid Group B), and \$403 million of tax-exempt various purpose GO refunding bonds (Bid Group C). The bonds are being issued to pay down outstanding GO commercial paper notes, to convert \$300 million of variable rate GO bonds into fixed rate GO bonds, and to refund \$963 million of previously issued GO bonds for debt service savings.

The Bid Group A bonds attracted bids from 11 broker-dealers with Well Fargo Bank, NA submitting the winning bid with a true interest cost of 1.710916%. The Bid Group A bond proceeds will provide funding to pay down certain outstanding commercial paper notes that were issued for 16 different bond acts approved by voters between 2002 and 2018. These bond acts provided funds for a wide range of purposes including, among other things, clean water and clean air, parks, stem cell research, K-12 schools, and veterans housing. In addition, the Bid Group A bond proceeds will also provide funding to convert \$300 million of variable rate bonds issued for the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to fixed rate bonds.

The Bid Group B bonds attracted bids from 11 broker-dealers with Morgan Stanley & Co. LLC submitting the winning bid with a true interest cost of .572842%. The Bid Group C bonds attracted bids from 9 broker-dealers with J.P. Morgan Securities LLC submitting the winning bid with a true interest cost of 1.721481%. The Bid Group B and C bond proceeds will

provide funding to refund \$963 million of previously issued bonds for debt service savings. The tax-exempt refunding bonds issued for debt service savings will save taxpayers \$282 million over the next 17 years, or \$246 million on a present value basis. The refunded bonds were originally issued in 2012 under 15 different bonds acts. These bond acts provided funds for a wide range of purposes including, among other things, K-12 schools, higher education facilities, transportation improvement, parks, clean water and clean air, coastal protection, and flood protection.

Since taking office in January 2019, Treasurer Ma has issued \$12.4 billion of refunding GO bonds that will save taxpayers more than \$4.9 billion over the next 20 years (or \$4.1 billion on a present value basis).

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

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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 that has averaged well over \$100 billion during her administration—a significant portion of which is beneficially owned by more than 2,200 local governments in California. She serves as agent of sale for all State bonds and is trustee of billions of dollars of state indebtedness.

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