STATE OF CALIFORNIA | DEBT AFFORDABILITY REPORT | OCTOBER 2025

re·sil·ient: *adjective*
tending to recover from
or adjust easily to
misfortune or change.

FIONA MA, CPA | CALIFORNIA STATE TREASURER

Fiona Ma, CPA

Treasurer

State of California

October 1, 2025

Dear friends,

During the fiscal year that ended on June 30, 2024, our state's debt continued to receive strong demand in the financial markets despite well-documented volatility caused by a variety of international, national and regional trends and events. We sold over $9.45 billion of general obligation and lease revenue bonds that were primarily payable from the general fund during the past fiscal year, efficiently navigating the volatility to fund important projects and refinance outstanding bonds for debt service savings. In doing so we remained resilient despite sometimes difficult conditions and maintained our leadership as the benchmark issuer for the entire municipal bond market.

As I noted last year at this time, the Federal Open Market Committee began to lower the short-term federal funds rate in September 2024 after raising that rate by 5.25% through July 2023 in an effort to fight inflation. September's rate cut was followed by additional rate cuts in November and December 2024, which helped to somewhat "normalize" the yield curve that had been inverted (with short rates higher than long rates) into September 2024. It is important to note that Federal Open Market Committee rate cuts were largely in response to tepid economic data, however as rates were cut economic data improved and overall interest rates rose from October to December 2024.

As inflation moderated in the first part of 2025 and the threat to economic growth from federal tariffs became evident, interest rates declined through March but then rose sharply on the April 2025 tariffs announcement. The President quickly retreated due in large part to such an adverse market reaction. From April to June 2025 rates moved up and down based upon economic, tariff, federal legislative, geopolitical and other events that caused financial market impacts each day and week. And shortly before I delivered this report to you, the Federal Open Market Committee lowered the federal funds rate in September 2025 by 0.25% in response to a weakening labor market. It has been a turbulent year in the financial markets and elsewhere, to say the least.

Through it all, the state continued to execute its bond programs in the capital markets efficiently, supported by all types of investors to varying degrees. Our state's bonds remained in high demand for their credit quality and liquidity – to that end, Moody's Investors Service removed its "negative" outlook on our strong Aa2 general obligation credit rating resulting in "stable" outlooks from all three of the rating agencies.

During the fiscal year, the state issued $7.7 billion of general obligation bonds, $3.5 billion of which were sold to refinance outstanding general obligation bonds which will save taxpayers approximately $464 million in debt service costs over the next twenty years. New funds from general obligation bond sales conducted during the last fiscal year financed critical infrastructure across our state, including projects for housing, education, transportation, stem cell research, water quality, and parks. In November 2024, voters approved two $10 billion general obligation bond measures, one to fund K-12 schools and community college construction and modernization projects (Proposition 2) and one to fund critical climate programs (Proposition 4). With the passage of these two bond measures, the amount of the state's authorized but unissued general obligation bonds almost doubled.

My office will continue to execute the state's debt sales, as well as manage and administer the state's debt obligations to ensure that our fiduciary responsibilities are upheld.

This Debt Affordability Report is required to be submitted annually to the Governor and Legislature. I hope you find it useful as a summary of the state's general fund-supported debt program as well as to inform your consideration and development of legislation and policies that directly or indirectly impact our state's debt and credit profile.

In Peace and Friendship,

FIONA MA, CPA
California State Treasurer

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PREFACE

Government Code Section 12330 requires the State Treasurer to submit an annual Debt Affordability Report (DAR) to the Governor and Legislature. The report must provide the following information:

- A listing of authorized but unissued debt supported by the General Fund that the Treasurer intends to sell during the current year (2025-26) and the following year (2026-27), and the projected increase in debt service as a result of those sales.
- A description of the market for state bonds.
- An analysis of state bonds' credit ratings.
- A listing of outstanding debt supported by the General Fund and a schedule of debt service requirements for the debt.
- A listing of authorized but unissued bonds that would be supported by the General Fund.
- Identification of pertinent debt ratios, such as debt service to General Fund revenues, debt to personal income, debt to estimated full value of property and debt per capita.
- A comparison of the pertinent debt ratios for the state with those of the 10 most populous states.
- The percentage of the state's outstanding general obligation (GO) bonds comprised of fixed rate bonds, variable rate bonds, bonds that have an effective fixed interest rate through a hedging contract and bonds that have an effective variable interest rate through a hedging contract.
- A description of any hedging contract, the outstanding face value, the effective date, the expiration date, the name and ratings of the counterparty, the rate or floating index paid by the state and the counterparty, and an assessment of how the contract met its objectives.

NOTES ON TERMINOLOGY

- This report frequently uses the words "bonds" and "debt" interchangeably, even when the underlying obligation securing the bonds does not constitute debt subject to limitation under California's constitution. This conforms to the municipal market convention that applies the terms "debt" and "debt service" to a wide variety of fixed income instruments, regardless of their precise legal status.
- The report references fiscal years without using the term "fiscal year" or "fiscal." For example, 2025-26 means the 2025-26 fiscal year ending June 30, 2026.

SECTION 1 | MARKET FOR STATE BONDS

California is one of the largest issuers in the $4 trillion U.S. municipal bond market. Over the last five fiscal years, the state has issued an average of $7.5 billion of General Obligation (GO) bonds annually. In 2024-25, the state issued $7.7 billion of GO bonds that were primarily payable from the general fund. Of that total, $3.1 billion was sold to provide funding for various voter-approved GO bond acts (of which $750 million was issued as variable rate GO bonds), $837 million was sold to retire GO commercial paper, $3.5 billion was sold to refinance outstanding fixed rate GO bonds to produce debt service savings, and $139 million was sold to convert outstanding variable rate GO bonds into fixed rate GO bonds.

Beyond the issuance of GO bonds and other general fund-supported debt (the description of which is the subject of this Debt Affordability Report and further described in subsequent sections), it is important to note that the state and state-related entities (e.g., Department of Water Resources, California State University System, UC Regents and others) together issue billions of dollars worth of debt not supported by the state's general fund. As a result, while the state's GO bond program is one of the single largest debt programs in the nation, the bonds issued by the broader universe of California issuers comprise a significant portion of the overall U.S. municipal bond market every year. This section focuses on the market for the state's GO bonds, however all of the state and state-related bond issuers are similarly impacted by the overall bond market described in this section.

The market and price for the state's GO bonds are influenced by many factors specific to the state as well as overall conditions in the financial markets. These factors include but are not limited to the economy, general market interest rates, significant domestic and global events, national and state personal income tax rates, the supply of and demand for municipal bonds, and investor perception of the state's credit.

Since the last DAR was published in October 2024, the municipal bond market has been influenced, by among other things, Federal Reserve interest rate cuts, ongoing uncertainty created by recent federal policy changes, the direction of the economy, and important geopolitical events. These influences on the market have resulted in a volatile interest rate environment. Short-term interest rates have declined, while long-term interest rates have risen, moving from an inverted yield curve to a normal (upward sloping) yield curve.

STATE-SPECIFIC FACTORS

After two years of unprecedented General Fund revenue growth, the state faced a severe downturn that began in fiscal year 2023-24 due to a declining stock market, high inflation, and rising interest rates. While slightly moderating from 2024-25, a General Fund shortfall of $11.8 billion was still projected for 2025-26 absent corrective measures implemented in the 2025 Budget Act. Fortunately, in prior years, the state had prudently built reserves to better prepare for economic downturns and to mitigate against the volatility in the state's revenue structure. As a result, the 2025 Budget Act utilized a portion of the state's budgetary reserves, as well as a range of other budget solutions, to help close the shortfall while maintaining support for critical state programs. However, it is important to note that the 2025 Budget Act was adopted prior to the passage of the federal government's House Resolution 1 ("H.R. 1") in July 2025. As a result, the state faces the risk of substantial federal funding reductions in several program areas including healthcare, education, food assistance, and wildfire prevention that are anticipated to have a significant fiscal impact on the state's budget. At this time, the state cannot predict with any degree of certainty the actual amount or timing of such reductions or the portion of such reductions that will

impact the general fund, particularly with respect to 2025-26, but such impact may be material.

The 2025 Budget Act is based on a variety of estimates and assumptions, and as a result, it faces numerous budgetary and economic risks with potentially significant General Fund impacts. These risks include, among other things, uncertain federal policies relating to tariffs and immigration, the impacts of H.R. 1, federal government shutdowns, inflation, high interest rates, threat of an economic recession, volatility in the state's revenues, tax deadline delays, changes to global relations and/or trade, health care costs, housing constraints, the cost and persistent unfunded liabilities related to public employee retirement benefits, impacts of climate change, energy risks caused by events such as drought, extreme heat events, and wildfires, cybersecurity risks, and a potential new or resurgent pandemic.

In 2024-25, the credit ratings on the state's GO bonds have remained steady at "AA" by Fitch Ratings (Fitch), "Aa2" by Moody's Investors Service (Moody's) and "AA-" by S&P Global Ratings (S&P). Citing the implementation of spending cuts and favorable revenue performance supported by a strong economy, Moody's revised its outlook to the state's credit rating from negative to stable in December 2024. Fitch and S&P each maintained a stable outlook throughout 2024-25. A positive or negative outlook applied to a credit rating generally reflects the rating agency's view that some trends are taking place that could lead to a rating change.

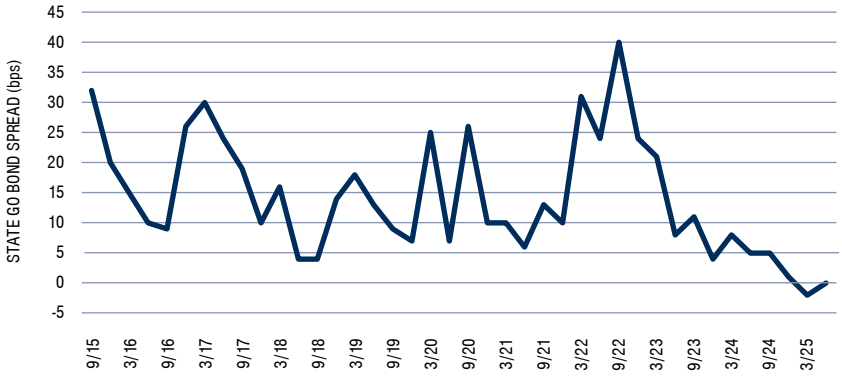
While there has been some volatility in the state's credit spreads, they have generally traded in a moderate range over the past decade. In general, credit spreads represent the difference in yield between two bonds of similar maturity but different credit quality. Figure 1 depicts the state's credit spreads, as measured by the difference between the California GO Municipal Market Data (MMD) benchmark to the national AAA MMD benchmark.[1] The state's credit spread on its 30-year GO bonds to the national MMD benchmark has declined from a high of 40 basis points in September 2022 to a low of negative two (-2) basis points in March 2025 but has since slightly increased to zero basis points as of June 2025.

OVERALL BOND MARKET CONDITIONS

The discussion of the overall bond market conditions for 2024-25 begins with a review of the factors that impacted the larger U.S. bond market that also affected the market for the state's GO bonds. In addition to the Federal Open Market Committee's adjustments to its target range for the federal funds rate[2] during 2024-25, interest rates have also been affected by federal government policy changes including tariffs, speculation about future Federal Reserve and other central bank actions, shifting market outlooks on in-

FIGURE 1

30-YEAR CALIFORNIA GO MMD CREDIT SPREADS TO NATIONAL AAA GO MMD



Source: Refinitiv/The Municipal Market Monitor (TM3)

[1] The California GO MMD benchmark is compiled each day using yields of recent secondary market trades of state GO Bonds. Due to the much larger amounts of GO Bonds sold in its primary market issuances, the actual borrowing cost achieved by the state generally differs from the levels indicated by the California GO MMD benchmark. Nevertheless, the California GO MMD benchmark is a helpful proxy for tracking trends of the state's GO Bond program's borrowing cost. The AAA GO MMD benchmark is compiled each day in a similar manner using the GO Bonds of AAA-rated states. The AAA GO MMD benchmark is generally considered the municipal industry's benchmark, against which the prices of most new issuances of municipal bonds are compared.

[2] The federal funds rate is the interest rate associated with overnight borrowing among banks and is set by the Federal Open Market Committee (also referred to herein as the 'Federal Reserve').

flation and the direction of the economy, the size of the federal deficit and the amount of federal debt, election results, and geopolitical events. In addition, the municipal bond market experienced a significant increase in issuance supply and municipal bond fund net inflows.

INTEREST RATES

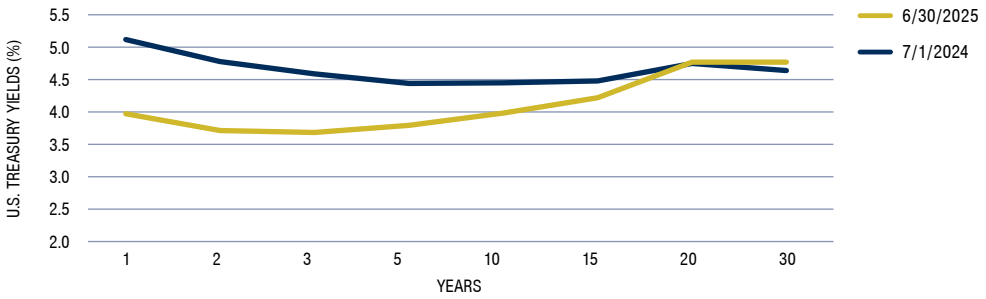
Following a total of 11 federal funds rate hikes totaling 5.25% between March 2022 and July 2023, the Federal Reserve began to reverse direction with three consecutive rate cuts in September, November and December of 2024 totaling 1.0%. Market participants also closely scrutinized each piece of economic data as they tried to predict whether the Federal Reserve and other central banks would continue cutting interest rates and by how much. However, different pieces of economic data often supported different outlooks. When the data and accompanying narrative reflected higher inflation or a strengthening economy, long-term interest rates rose. When the narrative suggested lower inflation or a slowing economy, long-term interest rates fell. This occurred throughout much of 2024-25. In addition, other important events, including tariffs, the Moody's downgrade of U.S. Treasury debt from Aaa to Aa1, election results, and hostilities in the Middle East and in Ukraine among others, also caused sharp interest rate movements. Overall, 2024-25 proved to be a very volatile year for interest rates. After a prolonged period of no action on interest rates, in September 2025 the Federal Open Market Committee cut interest rates by 0.25%, citing a weakening job market as the primary driver of its decision.

SHAPE OF THE YIELD CURVE. The Federal Reserve's previous series of rate hikes of the short-term federal funds rate resulted in an inverted yield curve, where short-term rates were higher than longer term interest rates. The inversion between the 2- and 10-year U.S. Treasury yields has traditionally been viewed as an indicator of a pending recession. However, the three rate cuts in 2024-25 helped to undo much of that inversion. In particular, the inversion of 2- and 10-year U.S. Treasury yields ended in September 2024, following the first rate cut. In the first quarter of calendar year 2025, the U.S. economy did contract, as measured by the nation's Gross Domestic Product (GDP); however, GDP grew in the second quarter which indicated that a recession[3] was avoided. Figure 2 depicts the yields of U.S. Treasuries at the start and the end of 2024-25. As the data shows, 2- and 10-year U.S. Treasury yields are no longer inverted, but the 1- and 2-year U.S. Treasury yields remain inverted.

TREND OF INTEREST RATES. While interest rates experienced significant daily volatility, they followed different trends over five distinctive phases in 2024-25. First, interest rates declined from July through September 2024 as economic data showed the economy was slowing. Then, from October through December 2024, long-term interest rates rose in response to stronger economic data and concerns over the federal deficit, although the Federal Reserve rate cuts and flight to quality among investors in reaction to geopolitical events temporarily reversed this trend during part of this period. From January to March 2025, market participants focused on moderating inflation data and the impact of potential tariffs on economic growth, leading to lower interest rates. The larger-than-expected tariff announcements in early April 2025 caused a sudden spike in interest rates, before reversals and pauses helped to again lower interest rates. Finally, from late April to June 2025,

FIGURE 2

U.S. TREASURY YIELDS

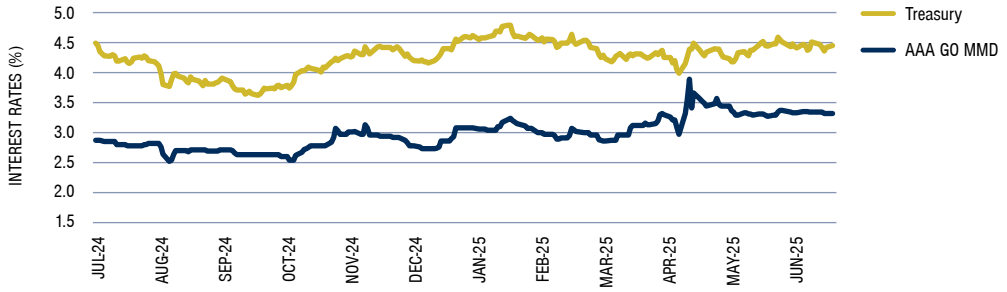


Source: Refinitiv/The Municipal Market Monitor (TM3)

[3] A recession is most often defined as having occurred when there are two consecutive quarters duwring which there is a decline in GDP.

FIGURE 3

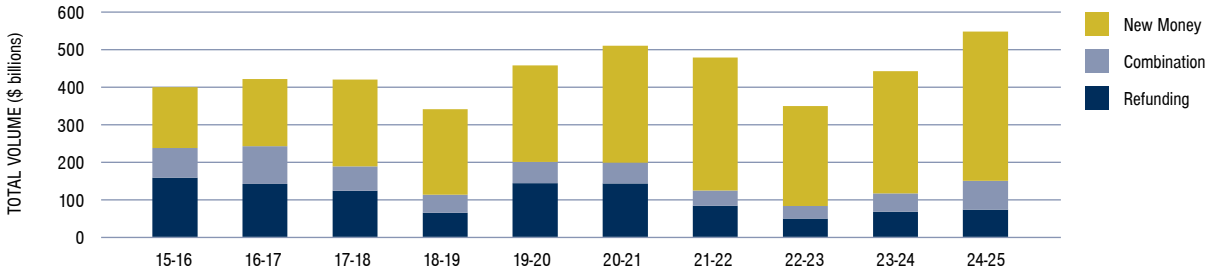
TRENDS OF 10-YEAR NATIONAL AAA GO MMD AND 10-YEAR TREASURY YIELDS



Source: Refinitiv/The Municipal Market Monitor (TM3)

FIGURE 4

U.S. MUNICIPAL BOND ISSUANCE VOLUME BY FINANCING PURPOSE



Source: The Bond Buyer

interest rates fluctuated up and down in a narrower range, as news on the economy, tariffs, the federal government's H.R. 1, and geopolitical events created mixed indicators to market observers and participants. Figure 3 depicts the national tax-exempt 10-year AAA GO MMD benchmark and taxable 10-year U.S. Treasury yields from July 2024 through June 2025 to illustrate these trends in U.S. bond market interest rates. As the data shows, there was a strong correlation between the movements of the taxable and tax-exempt bond markets.

SUPPLY AND DEMAND

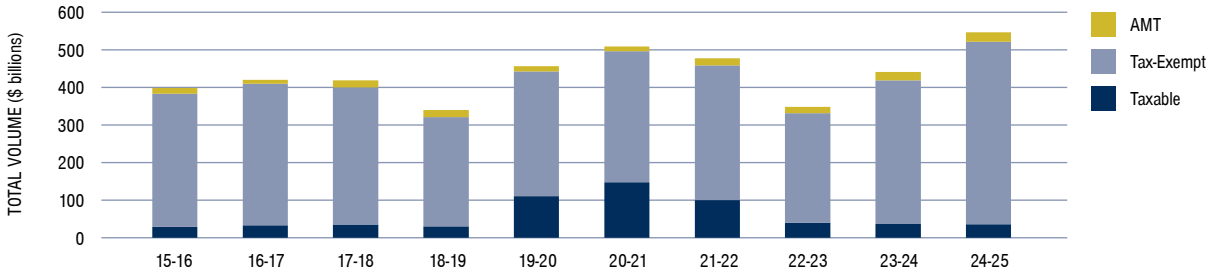
While tax-exempt interest rates generally follow the movements of the overall fixed income market, specific technical and fundamental factors can cause tax-exempt interest rates to behave differently. Because of their tax advantage, tax-exempt bonds have a more limited investor universe than taxable bonds. As a result, the supply of and the demand for tax-exempt bonds are often significant factors affecting their interest rates.

SUPPLY. Total municipal bond issuance volume for 2024-25 was 24% higher than in 2023-24, increasing to approximately $548 billion. It was, in fact, significantly higher than the volume of any other fiscal year in the past decade. The growth in supply was broad-based across multiple sectors and attributable primarily to new money issuance that was especially noteworthy as the 2023-24 volume also reflected a year of substantial growth. Furthermore, the 2024-25 volume was primarily made up of growth in tax-exempt financings, as taxable municipal bond issuance remained flat. Figure 4 shows the U.S. municipal bond issuance volume by financing purpose (new money or refunding or both) for each of the past ten fiscal years from July to June. Figure 5 shows the U.S. municipal bond issuance volume by tax status (taxable, tax-exempt and alternative minimum tax (AMT)) over the same period.

DEMAND. The four largest investor segments for municipal bonds are bond funds, retail investors, banks, and insurance companies, with the first two comprising a large majority of municipal investors. In 2024-25, municipal

FIGURE 5

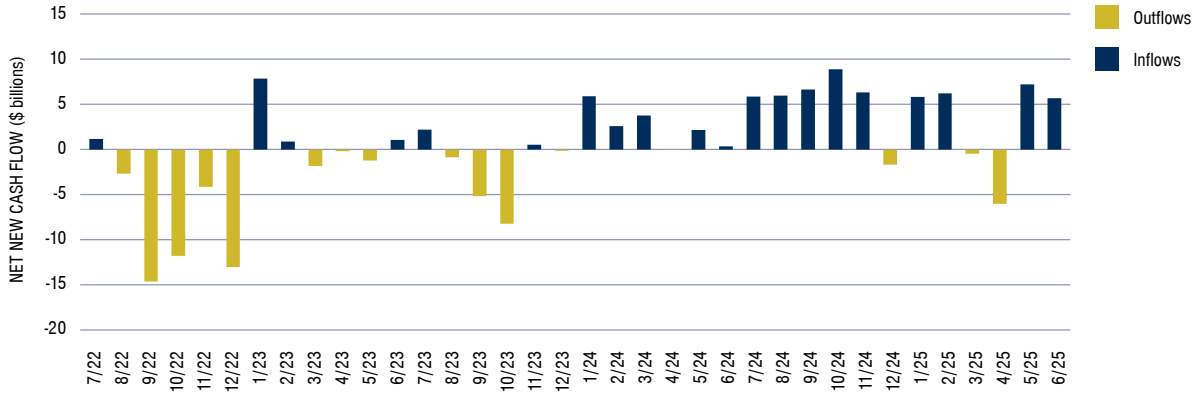
U.S. MUNICIPAL BOND ISSUANCE VOLUME BY TAX STATUS



Source: The Bond Buyer

FIGURE 6

MUNICIPAL BOND MARKET, MONTHLY FUND INFLOWS / OUTFLOWS



Source: Investment Company Institute (ICI)

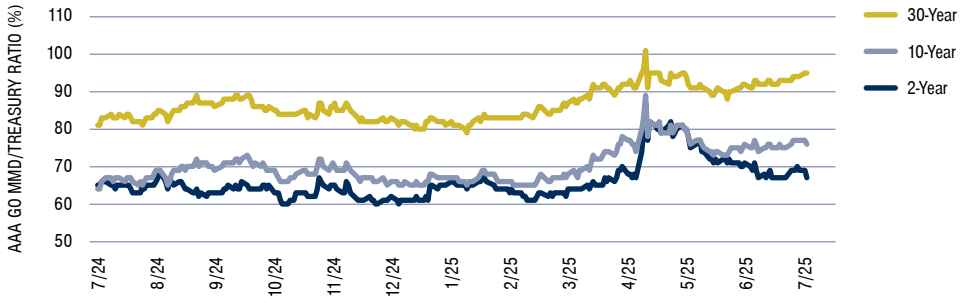
bond mutual fund participation increased notably. While there had been significant net outflows from municipal bond funds in at least some portion of the past few fiscal years, there was overall robust net growth in municipal bond fund assets for much of 2024-25, with April 2025 as the only significant deviation from this trend. Figure 6 shows the monthly inflow and outflow of assets for municipal bond funds since July 2022. Meanwhile, participation by retail investors through separately managed accounts ("SMAs") has continued to be strong. However, the growth rate in this investor segment has moderated as use of SMAs has matured. Together, the increase in demand from municipal bond funds and continued support of the SMAs helped to absorb the significant increase in new issuance supply in 2024-25.

TAX-EXEMPT AND TAXABLE INTEREST RATE RATIO

There is an observably strong correlation between U.S. Treasury yields and tax-exempt municipal bond rates. The prior discussion describes many of the factors that influence the U.S. Treasury and municipal bond interest rates. However, the relationship between these two markets can change over time, as they can react somewhat differently to the underlying influences on fixed income markets generally. Municipal bond market participants monitor this relationship, measuring it as the ratio between the AAA GO MMD benchmark index and the corresponding U.S. Treasury yield. Figure 7 shows the ratios of AAA GO MMD benchmark indices versus U.S. Treasury yields for 2-, 10-, and 30-year maturities. As shown, the ratios were generally stable for the first eight months of 2024-25 and then rose steadily from February to April. Thereafter, such

FIGURE 7

TRENDS OF 2-, 10-, AND 30-YEAR NATIONAL AAA GO MMD / TREASURY YIELD RATIOS



Source: Refinitiv/The Municipal Market Monitor (TM3)

ratios declined but remained at higher levels than existed earlier in the year, particularly for longer maturities.

INTEREST RATES ON THE STATE'S GO BONDS

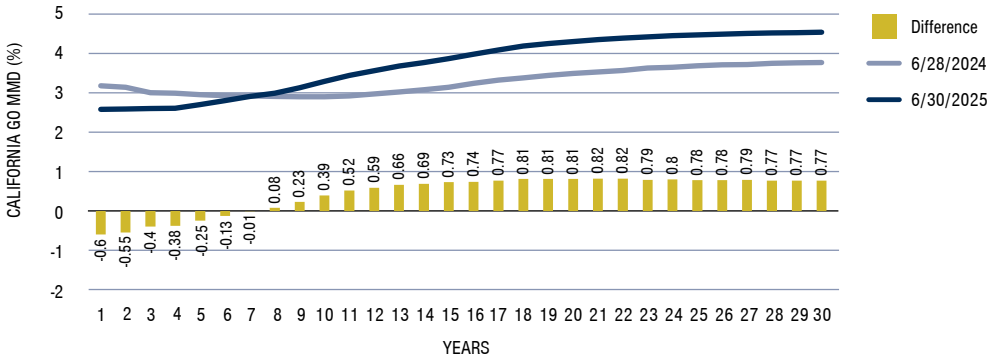
Interest rates on the state's GO bonds are the product of both state-specific factors and more general market conditions. Over the course of 2024-25, interest rates on the state's GO bonds have largely followed the same trend as the national AAA GO MMD benchmark. As long-term tax-exempt interest rates rose, the state's borrowing costs have risen modestly as well. While short-term interest rates have declined, they have less impact on the total overall borrowing cost of the state's GO program. Figure 8 compares California GO MMD benchmark rates from the end of 2023-24 to the end of 2024-25. As shown, rates for the state's GO Bonds have steepened across the yield curve and are lower at the short end but higher at the long end as compared to the prior fiscal year end. Overall, the 2024-25 interest rates for the state's GO Bonds are higher than those seen in 2023-24, as well as those rates from much of the past decade as shown in Figure 9.

Although interest rates have been comparatively high this past fiscal year, the state was still able to refinance $3.8 billion of its outstanding GO bonds in 2024-25 to reduce debt service costs. These refinancings generated approximately $464 million of total debt service savings over the remaining life of the bonds that were refinanced, or approximately $341 million on a present value basis.

In addition to fixed-rate GO bonds, the state issues variable rate GO bonds to reduce interest cost and to help diversify its capital structure. The state issued $750 million of new variable rate GO bonds in 2024-25. As of June 30, 2025 the state had a total of $1.2 billion in outstanding variable rate GO debt. The state's variable interest rates have continued to be a source of low-cost financing throughout the year. Historically, short-term tax-exempt interest rates, such as those on variable rate GO bonds, have been lower than long-term tax-exempt interest rates. Figure 10 shows the performance of the state's variable rate GO bonds in 2024-25 in comparison to the short-term Securities Industry and Financial Markets Association ("SIFMA") swap index, which is a composite national index of tax-exempt seven-day high-grade variable rate demand obligations similar to the state's variable rate GO bonds. As shown, the state's variable rate GO bonds performed very favorably against the national SIFMA index, averaging approximately one percent lower than the index.

FIGURE 8

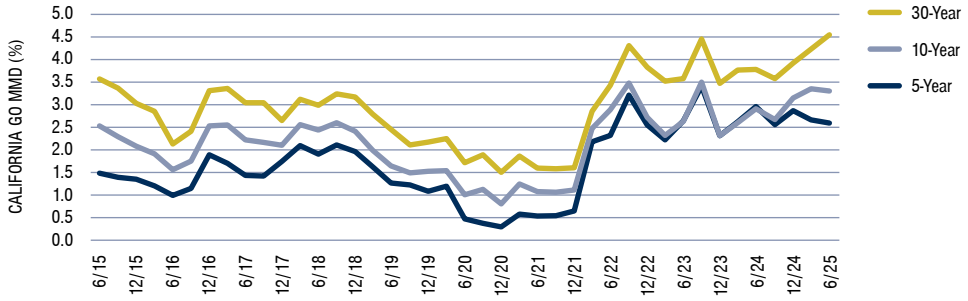
CALIFORNIA GO MMD BENCHMARK RATES



Source: Refinitiv/The Municipal Market Monitor (TM3)

FIGURE 9

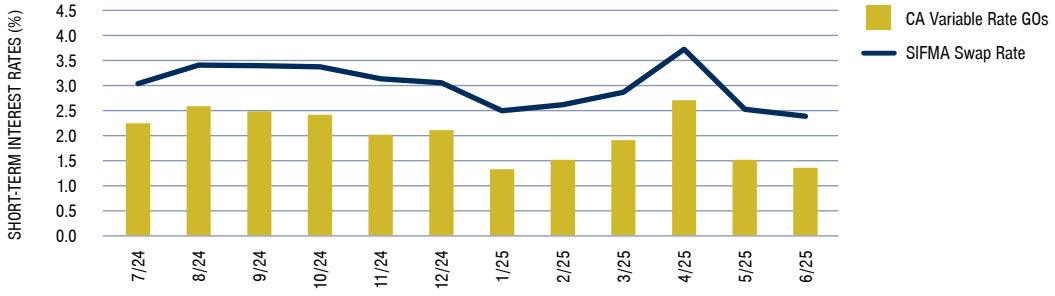
5-, 10-, AND 30-YEAR CALIFORNIA GO MMD



Source: Refinitiv/The Municipal Market Monitor (TM3)

FIGURE 10

MONTHLY AVERAGE SHORT-TERM INTEREST RATES



Source: Refinitiv/The Municipal Market Monitor (TM3) and California State Treasurer's Office

SECTION 2 | SNAPSHOT OF THE STATE'S DEBT

OVERVIEW

Figure 11 summarizes the state's long-term debt as of June 30, 2025. This summary of state debt includes General Fund-supported GO bonds approved by voters and lease revenue bonds (LRBs) authorized by the Legislature, as well as self-liquidating GO bonds. LRBs are secured by lease payments payable from the operating budgets for the respective lessees which are primarily but not exclusively derived from the General Fund. Self-liquidating GO bonds receive revenues from specified sources so that money from the General Fund is not expected to pay debt service. However, the General Fund is obligated to pay debt service should the designated revenues to support repayment not be sufficient. The figures include bonds the state has sold (outstanding) and bonds authorized but not yet sold. A detailed list of the state's outstanding bonds, and their debt service requirements, can be found in Appendices A and B.

FIGURE 11

SUMMARY OF THE STATE'S DEBT (a)
AS OF JUNE 30, 2025 (DOLLARS IN BILLIONS)

	OUTSTANDING	AUTHORIZED BUT UNISSUED	TOTAL
GENERAL FUND SUPPORTED ISSUES			
General Obligation Bonds	$71.87	$43.28	$115.15
Lease Revenue Bonds (b)	8.90	5.89	14.79
TOTAL GENERAL FUND SUPPORTED ISSUES	$80.77	$49.17	$129.94
SELF-LIQUIDATING GENERAL OBLIGATION BONDS			
Veterans General Obligation Bonds	$0.90	$0.34	$1.24
California Water Resources Development General Obligation Bonds	0.00	0.17	0.17
TOTAL SELF-LIQUIDATING GENERAL OBLIGATION BONDS	$0.90	$0.51	$1.41
TOTAL	$81.67	$49.68	$131.35

(a) Debt obligations not included in Figure 11: Any short-term obligations such as commercial paper or revenue anticipation notes; revenue bonds issued by state agencies which are repaid from specific revenues outside the General Fund; and "conduit" bonds, such as those issued by state financing authorities on behalf of other governmental or private entities whose obligations secure the bonds.

(b) LRBs are secured by lease payments that are payable from the operating budget of the respective lessees which are primarily but not exclusively derived from the General Fund.

- As of June 30, 2025, approximately 98.3 percent of state's outstanding GO bonds had fixed interest rates and 1.7 percent of the state's outstanding GO bonds had variable interest rates. The amount of outstanding variable rate GO bonds is lower that the statutorily authorized maximum of 20 percent. The State Treasurer has adopted a Debt Management Policy that, as of the date hereof, further reduces this limitation on variable rate indebtedness to 10 percent of the aggregate amount of long-term GO bonds outstanding.
- The state has no interest rate hedging contracts on any debt discussed in this report.

INTENDED ISSUANCE OF GENERAL FUND-SUPPORTED BONDS

The State Treasurer's Office (STO) estimates of intended issuance are based on Department of Finance (DOF) projections of state departments' funding needs. Projections for new-money debt issuance are based on a variety of factors and are periodically updated. Factors that could affect the amount of issuance include actual spending by departments, revised funding needs, overall budget constraints, use or repayment of commercial paper, general market conditions and other considerations. Actual issuance amounts often vary significantly from initial estimates.

Figure 12 shows the STO's estimated issuance of new-money General Fund-supported bonds over the current and next fiscal years. Only currently authorized but unissued GO bonds are reflected in Figure 12. The estimated issuance may increase should new bond measures be approved.

As shown in Figure 12, the STO preliminarily estimates the state will issue a combined $19.2 billion of new money General Fund-supported bonds in 2025-26 and 2026-27. Using these assumptions for debt issuance, the STO estimates debt service payments from the General Fund will increase by $117.7 million in 2025-26 and $1 billion in 2026-27.[4] A detailed list of the estimated debt service requirements can be found in Appendix B.

FIGURE 12

ESTIMATED ISSUANCE, GENERAL FUND-SUPPORTED BONDS (a) (DOLLARS IN MILLIONS)

	2025-26	2026-27	TOTAL
General Obligation Bonds (b)	$7,650	$8,050	$15,700
Lease Revenue Bonds (c)	$2,825	$712	$3,537
TOTAL GENERAL FUND-SUPPORTED BONDS	$10,475	8,762	$19,237

(a) Debt issuances not included in Figure 12: Any refunding bonds, short-term obligations such as commercial paper or revenue anticipation notes; revenue bonds issued by state agencies which are repaid from specific revenues outside the General Fund; and "conduit" bonds, such as those issued by state financing authorities on behalf of other governmental or private entities whose obligations secure the bonds.

(b) The initial issuance of GO bonds may be in the form of commercial paper notes.

(c) LRBs are secured by lease payments that are payable from the operating budget of the respective lessees which are primarily but not exclusively derived from the General Fund.

[4] Figures reflect debt service from only a portion of the bond sales listed in Figure 12. For example, $3.3 billion of the $7.7 billion in GO bonds and $1.2 billion of the $2.8 billion in LRBs planned for 2025-26 are expected to be sold during the first half of the fiscal year. These bonds, if issued as planned, are expected to have interest payments in the second half of the fiscal year. The remaining GO bonds and LRBs expected to be sold in the second half of 2025-26 will not have a debt service payment during 2025-26. The first interest payment for these bonds will be in 2026-27.

SECTION 3 | MEASURING DEBT BURDEN

DEBT RATIOS

Measuring California's debt level with various ratios provides one way to compare the state's burden to that of other borrowers even if it does not directly define or address debt affordability. The three most commonly used ratios are debt service as a percentage of General Fund revenues, debt as a percentage of personal income, and debt per capita. A fourth ratio – debt as a percentage of state gross domestic product (GDP) – can also be a useful comparison tool.

DEBT SERVICE AS PERCENTAGE OF GENERAL FUND REVENUES

Because debt service is considered a fixed part of a budget, credit analysts compare General Fund-supported debt service to General Fund revenues to measure a state's fiscal flexibility. California's ratio of General Fund-supported debt service to General Fund revenues was 3.59 percent[5] in 2024-25. That figure is based on $7.96 billion[6] of GO and LRB debt service payments versus $221.8 billion of General Fund revenues (less transfers to or from the Budget Stabilization Account/ Rainy Day Fund).[7] The STO estimates this ratio will be 3.95 percent[8] in 2025-26. That estimate is based on an expected $8.23 billion of debt service payments versus $208.6 billion of General Fund revenues (less transfers from the Budget Stabilization Account/Rainy Day Fund).[7]

DEBT AS PERCENTAGE OF PERSONAL INCOME

Comparing a state's level of debt to the total personal income of its residents is a way to measure a state's ability to generate revenues and repay its obligations. In Moody's Sector Profile - U.S. States report dated September 19, 2025, titled "State Pension Liabilities Continue to Decline, Improving Leverage Metrics" ("Moody's September 2025 Report"), Moody's lists the state's ratio of net tax-supported debt[9] to personal income at 3.0 percent.

DEBT PER CAPITA

Debt per capita measures residents' average share of a state's total outstanding debt. It does not account for the employment status, income, or other financial resources of residents. As a result, debt per capita does not reflect a state's ability to repay its obligations as well as other ratios, such as debt service as a percentage of General Fund revenues or debt as a percentage of personal income. In Moody's September 2025 Report, Moody's lists the state's net tax supported debt per capita at $2,563.[9]

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[5] Does not reflect offsets due to subsidy payments from the federal government for Build America Bonds (BABs) or transfers from special funds. When debt service is adjusted to account for approximately $1.7 billion of estimated offsets, the 2024-25 debt service decreases to $6.25 billion, and the ratio of debt service to General Fund revenues drops to 2.82 percent.

[6] Excludes enterprise fund bonds, for which debt service each year is paid from dedicated funds.

[7] Source: Department of Finance General Fund Multiyear Forecast, 2025 Budget Act.

[8] Does not reflect offsets due to subsidy payments from the federal government for BABs or transfers from special funds. When debt service is adjusted to account for approximately $1.7 billion of estimated offsets, the 2025-26 debt service decreases to $6.49 billion and the ratio of debt service to General Fund revenues drops to 3.11 percent.

[9] The state's net tax-supported debt figure is sourced from the Moody's September 2025 Report which utilizes figures from the state's Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024 ("2024 ACFR"). The data is primarily found in Tables 13 and 48 of the 2024 ACFR and includes GO bonds (non-self-liquidating), LRBs, GO commercial paper notes, tobacco securitization bonds with a general fund backstop, No Place Like Home, and other governmental debts as determined by Moody's.

FIGURE 13

DEBT TO PERSONAL INCOME OF 10 MOST POPULOUS STATES

STATE	MOODY'S/S&P/ FITCH (a)	DEBT TO PERSONAL INCOME (b)
Florida	Aaa/AAA/AAA	0.90%
North Carolina	Aaa/AAA/AAA	0.90%
Texas	Aaa/AAA/AAA	0.90%
Michigan	Aa1/AA/AA+	1.50%
Georgia	Aaa/AAA/AAA	1.70%
Pennsylvania	Aa2/A+/AA	2.10%
Ohio	Aaa/AAA/AAA	2.30%
California	***Aa2/AA-/AA***	***3.00%***
New York	Aa1/AA+/AA+	3.80%
Illinois	A3/A-/A-	3.90%
MEDIAN FOR THE 10 MOST POPULOUS STATES		1.90%

(a) Moody's, S&P and Fitch ratings as of August 2025.

(b) Figures as reported by Moody's September 2025 Report. Debt data for Illinois reflects fiscal 2023 reporting.

FIGURE 14

DEBT PER CAPITA OF 10 MOST POPULOUS STATES

STATE	MOODY'S/S&P/ FITCH (a)	DEBT PER CAPITA (b)
North Carolina	Aaa/AAA/AAA	$551
Florida	Aaa/AAA/AAA	$608
Texas	Aaa/AAA/AAA	$608
Michigan	Aa1/AA/AA+	$970
Georgia	Aaa/AAA/AAA	$1,045
Ohio	Aaa/AAA/AAA	$1,445
Pennsylvania	Aa2/A+/AA	$1,515
California	***Aa2/AA-/AA***	***$2,563***
Illinois	A3/A-/A-	$2,873
New York	Aa1/AA+/AA+	$3,287
MEDIAN FOR THE 10 MOST POPULOUS STATES		$1,245

(a) Moody's, S&P and Fitch ratings as of August 2025.

(b) Figures as reported by Moody's September 2025 Report. Debt data for Illinois reflects fiscal 2023 reporting.

DEBT AS PERCENTAGE OF STATE GDP

Debt as a percentage of GDP is generally used to measure the financial leverage provided by an issuer's economy. Specifically, this debt ratio compares what an issuer owes versus what it produces. California has one of the largest and most diverse economies in the world. In Moody's September 2025 Report, Moody's lists the state's net tax-supported debt[9] as a percentage of GDP at 2.5 percent.

DEBT RATIOS OF THE 10 MOST POPULOUS STATES

It is useful to compare California's debt levels with those of its "peer group" of the 10 most populous states. As shown in the tables, the median for the 10 most populous states' debt to personal income (Figure 13), debt per capita (Figure 14) and debt as a percentage of GDP (Figure 15) are, on average, lower than California's calculated ratios.

FIGURE 15

DEBT AS A PERCENTAGE OF STATE GDP OF 10 MOST POPULOUS STATES

STATE	MOODY'S/S&P/ FITCH (a)	DEBT AS % OF STATE GDP (b)
North Carolina	Aaa/AAA/AAA	0.70%
Texas	Aaa/AAA/AAA	0.70%
Florida	Aaa/AAA/AAA	0.80%
Georgia	Aaa/AAA/AAA	1.30%
Michigan	Aa1/AA/AA+	1.40%
Ohio	Aaa/AAA/AAA	1.90%
Pennsylvania	Aa2/A+/AA	1.90%
California	***Aa2/AA-/AA***	***2.50%***
New York	Aa1/AA+/AA+	2.80%
Illinois	A3/A-/A-	3.20%
MEDIAN FOR THE 10 MOST POPULOUS STATES		1.65%

(a) Moody's, S&P and Fitch ratings as of August 2025.

(b) Figures as reported by Moody's September 2025 Report. Debt data for Illinois reflects fiscal 2023 reporting.

SECTION 4 | ANALYSIS OF THE STATE'S CREDIT RATINGS

The state's current GO bond ratings are "AA" from Fitch, "Aa2" from Moody's and "AA-" from S&P. A summary of the latest rating agencies' actions on the state's GO bonds is presented in Figure 16.

Since the last DAR, a year ago, the ratings on the state's GO bonds remain unchanged, although in December 2024 the outlook for the state's Moody's rating was revised from "negative" to "stable". A brief summary of the recent rating agency commentary around the State's key credit strengths and challenges is presented in Figure 17.

FIGURE 16

LATEST RATING ACTIONS

RATING AGENCY	ACTION	DATE
Fitch	Affirmed "AA" rating (stable)	September 2025
Moody's	Affirmed "Aa2" rating and revised outlook from "negative" to "stable"	December 2024
	Affirmed "Aa2" rating (stable)	September 2025
S&P	Affirmed "AA-" rating (stable)	September 2025

FIGURE 17

STATE OF CALIFORNIA GENERAL OBLIGATION RATING AGENCY COMMENTARY

	FITCH	MOODY'S	S&P
RATING STRENGTHS	• Large and diverse economy • Solid ability to manage expenses through the economic cycle and moderately low long-term liabilities • Strong fiscal management demonstrated through the buildup of the budgetary stabilization account and elimination of past budgetary borrowing	• Massive and dynamic economic base • Healthy liquidity and satisfactory budget reserves • Leverage and fixed cost burdens that are significantly lower than the most heavily burdened states and lower than many Aa peers	• Deep and diverse economic base, coupled with high income levels compared with those of peers • High financial reserves with substantial internally borrowable non-general funds, along with ample liquidity • Overall stable debt profile, with manageable and generally stable pension liability funding progress
RATING CHALLENGES	• Cyclical nature of revenue base • Ability to reduce spending is somewhat more restricted than most states due to constitutional requirements for funding education and voter initiatives that limit state discretion • Lateness in producing GAAP-based audited financial statements	• Limited operating flexibility arising from a highly volatile revenue structure, legislative supermajority requirement to raise new revenue, and spending mandates that are the result of voter initiatives • High cost of living may contribute to further out-migration and become a drag on economic growth over time • Vulnerability to changes in federal policy and funding, especially regarding healthcare • Rising school district pension contribution requirements could become a growing fiscal burden for local districts and increase pressure on state to expand financial support	• Volatile revenues due to reliance on highly progressive personal income tax structure and dependence on capital gains tax realizations • Exposure to various physical risks, including wildfires, water stress, and other natural disasters such as drought, floods and earthquakes, that can affect its economy and disrupt population migration • Lack of a formal midyear budget correction process to address deficits that emerge after budget enactment weighs on the state's management assessment • Chronically late release of financial audits

APPENDIX A | THE STATE'S DEBT

AUTHORIZED AND OUTSTANDING NON-SELF LIQUIDATING GENERAL OBLIGATION BONDS AS OF JUNE 30, 2025 (DOLLARS IN THOUSANDS)

	GENERAL FUND BONDS	VOTER AUTHORIZATION DATE	AUTHORIZATION AMOUNT	LONG TERM BONDS OUTSTANDING	COMMERCIAL PAPER OUTSTANDING (a)	UNISSUED
	1988 School Facilities Bond Act (b)	11/08/88	$797,745	$8,025	$ -	$ -
	1990 School Facilities Bond Act (b)	06/05/90	797,875	7,250	-	-
	1992 School Facilities Bond Act (b)	11/03/92	898,211	11,475	-	-
	Behavioral Health Infrastructure Bond Act of 2024	03/05/24	6,380,000	300,000	20,185	6,059,815
	California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (e)	03/05/02	2,596,643	1,472,460	18,445	78,133
	California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018	06/05/18	4,100,000	1,714,325	35,215	2,163,970
	California Library Construction and Renovation Bond Act of 1988 (b)	11/08/88	72,405	1,435	-	-
*	California Park and Recreational Facilities Act of 1984 (b)	06/05/84	368,900	910	-	-
	California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000	03/07/00	350,000	181,540	-	5,040
*	California Safe Drinking Water Bond Law of 1976 (b)	06/08/76	172,500	410	-	-
*	California Safe Drinking Water Bond Law of 1984	11/06/84	75,000	200	-	-
*	California Safe Drinking Water Bond Law of 1986	11/04/86	100,000	2,060	-	-
	California Safe Drinking Water Bond Law of 1988	11/08/88	75,000	8,265	-	-
	California Stem Cell Research and Cures Bond Act of 2004	11/02/04	3,000,000	767,035	26,970	18,400
	California Stem Cell Research, Treatments, and Cures Bond Act of 2020	11/03/20	5,500,000	1,194,840	-	4,305,160
*	California Wildlife, Coastal, and Park Land Conservation Act (b)	06/07/88	768,670	12,530	-	-
	Children's Hospital Bond Act of 2004	11/02/04	750,000	515,450	315	750
	Children's Hospital Bond Act of 2008	11/04/08	980,000	728,005	16,755	22,370
	Children's Hospital Bond Act of 2018	11/06/18	1,500,000	332,505	45,155	1,070,550

AUTHORIZED AND OUTSTANDING
NON-SELF LIQUIDATING GENERAL OBLIGATION BONDS
AS OF JUNE 30, 2025 (DOLLARS IN THOUSANDS) CONTINUED

	GENERAL FUND BONDS	VOTER AUTHORIZATION DATE	AUTHORIZATION AMOUNT	LONG TERM BONDS OUTSTANDING	COMMERCIAL PAPER OUTSTANDING (a)	UNISSUED
	Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998 (Hi-Ed)	11/03/98	2,500,000	846,275	-	-
	Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998 (K-12)	11/03/98	6,700,000	1,684,965	5	35
*	Clean Air and Transportation Improvement Bond Act of 1990	06/05/90	1,990,000	174,440	-	-
*	Clean Water and Water Conservation Bond Law of 1978	06/06/78	375,000	485	-	-
	Clean Water and Water Reclamation Bond Law of 1988	11/08/88	65,000	2,385	-	-
	County Correctional Facility Capital Expenditure and Youth Facility Bond Act of 1988	11/08/88	500,000	4,420	-	-
	Disaster Preparedness and Flood Prevention Bond Act of 2006 (d) (g)	11/07/06	3,960,560	2,702,250	19,825	189,917
	Earthquake Safety and Public Buildings Rehabilitation Bond Act of 1990 (f)	06/05/90	292,510	1,475	-	-
*	Fish and Wildlife Habitat Enhancement Act of 1984	06/05/84	85,000	1,700	-	-
	Higher Education Facilities Bond Act of 1988	11/08/88	600,000	4,170	-	-
	Higher Education Facilities Bond Act of June 1990	06/05/90	450,000	5,720	-	540
	Higher Education Facilities Bond Act of June 1992	06/02/92	900,000	29,940	-	-
	Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006	11/07/06	19,925,000	12,341,970	96,355	529,825
	Housing and Emergency Shelter Trust Fund Act of 2002	11/05/02	2,100,000	115,715	8,255	44,340
	Housing and Emergency Shelter Trust Fund Act of 2006	11/07/06	2,850,000	731,395	31,090	155,145
	Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024 (CCC)	11/05/24	1,500,000	-	-	1,500,000
	Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024 (K-12)	11/05/24	8,500,000	-	-	8,500,000
	Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (CCC)	11/08/16	2,000,000	1,278,505	30,900	502,270
	Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (K-12)	11/08/16	7,000,000	5,314,880	2,130	157,725
	Kindergarten-University Public Education Facilities Bond Act of 2002 (Hi-Ed)	11/05/02	1,650,000	906,880	-	-
	Kindergarten-University Public Education Facilities Bond Act of 2002 (K-12)	11/05/02	11,400,000	5,307,265	-	5,455
	Kindergarten-University Public Education Facilities Bond Act of 2004 (Hi-Ed)	03/02/04	2,300,000	1,399,285	2,940	53,549
	Kindergarten-University Public Education Facilities Bond Act of 2004 (K-12)	03/02/04	10,000,000	5,672,115	-	16,160
	Kindergarten-University Public Education Facilities Bond Act of 2006 (Hi-Ed)	11/07/06	3,087,000	2,322,280	-	38,775
	Kindergarten-University Public Education Facilities Bond Act of 2006 (K-12)	11/07/06	7,329,000	4,925,990	35	77,655

AUTHORIZED AND OUTSTANDING
NON-SELF LIQUIDATING GENERAL OBLIGATION BONDS
AS OF JUNE 30, 2025 (DOLLARS IN THOUSANDS) CONTINUED

	GENERAL FUND BONDS	VOTER AUTHORIZATION DATE	AUTHORIZATION AMOUNT	LONG TERM BONDS OUTSTANDING	COMMERCIAL PAPER OUTSTANDING (a)	UNISSUED
*	New Prison Construction Bond Act of 1986	11/04/86	500,000	695	-	-
	New Prison Construction Bond Act of 1988	11/08/88	817,000	1,585	-	1,245
	New Prison Construction Bond Act of 1990	06/05/90	450,000	460	-	605
	Public Education Facilities Bond Act of 1996 (Higher Education)	03/26/96	975,000	164,900	-	4,650
	Public Education Facilities Bond Act of 1996 (K-12) (c)	03/26/96	2,012,035	234,960	-	-
	Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (d)	03/07/00	1,884,000	816,415	-	43,346
	Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (d)(e)	11/07/06	5,266,357	3,135,775	57,625	508,147
	Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024	11/05/24	10,000,000	-	-	10,000,000
	Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000	03/07/00	2,100,000	815,245	3,315	8,625
	Safe, Clean, Reliable Water Supply Act (d)	11/05/96	969,500	265,225	-	62,915
	Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century	11/04/08	9,950,000	5,878,270	285,330	1,000,275
*	School Building and Earthquake Bond Act of 1974	11/05/74	150,000	1,330	-	-
	School Facilities Bond Act of 1990	11/06/90	800,000	10,115	-	-
	School Facilities Bond Act of 1992	06/02/92	1,900,000	13,560	-	10,280
	Seismic Retrofit Bond Act of 1996	03/26/96	2,000,000	473,565	-	-
*	State, Urban, and Coastal Park Bond Act of 1976	11/02/76	280,000	405	-	-
	Veterans Homes Bond Act of 2000	03/07/00	50,000	29,455	-	975
	Veterans Housing and Homeless Prevention Bond Act of 2014	06/03/14	600,000	279,540	120,145	165,940
	Veterans and Affordable Housing Bond Act of 2018	11/06/18	3,000,000	1,464,710	130,940	1,360,670
	Voting Modernization Bond Act of 2002	03/05/02	200,000	22,375	-	10,430
	Water Conservation Bond Law of 1988 (f)	11/08/88	54,765	3,810	-	-
*	Water Conservation and Water Quality Bond Law of 1986 (d)	06/03/86	136,500	4,655	-	230
	Water Quality, Supply, and Infrastructure Improvement Act of 2014 (e)	11/04/14	7,465,000	3,322,135	38,505	3,454,265
	Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (d)	11/05/02	3,345,000	1,899,760	20,360	144,399
	TOTAL GENERAL FUND BONDS		$182,247,176	$71,872,170	$1,010,795	$42,272,576

(a) A total of not more than $2.45 billion of commercial paper principal plus accrued interest may be owing at one time. Bond acts marked with an asterisk (*) are not legally permitted to utilize commercial paper.

(b) SB 1018 (06/27/2012) reduced the voter authorized amount

(c) SB 1018 (06/27/2012) and SB 71 (06/27/2013) reduced the voter authorized amount

(d) AB 1471 (11/04/2014) reduced the voter authorized amount

(e) SB 5 (06/05/2018) reduced the voter authorized amount

(f) AB 92 (06/29/2020) reduced the voter authorized amount

(g) The original voter authorized amount has been reduced in accordance with section 5096.828 of the Public Resources Code of the State of California.

Source: California State Treasurer's Office

AUTHORIZED AND OUTSTANDING
SELF LIQUIDATING GENERAL OBLIGATION BONDS
AS OF JUNE 30, 2025 (DOLLARS IN THOUSANDS)

ENTERPRISE FUND BONDS (SELF LIQUIDATING)	VOTER AUTHORIZATION DATE	AUTHORIZATION AMOUNT	LONG TERM BONDS OUTSTANDING	COMMERCIAL PAPER OUTSTANDING (a)	UNISSUED
* California Water Resources Development Bond Act	11/08/60	$1,750,000	$ -	$ -	$167,600
Veterans Bond Act of 1986	06/03/86	850,000	3,465	-	-
Veterans Bond Act of 1988	06/07/88	510,000	6,240	-	-
Veterans Bond Act of 1990	11/06/90	400,000	14,335	-	-
Veterans Bond Act of 1996	11/05/96	400,000	25,440	-	-
Veterans Bond Act of 2000	11/07/00	500,000	114,555	-	-
Veterans Bond Act of 2008 (b)	11/04/08	300,000	140,615	-	-
Veterans and Affordable Housing Bond Act of 2018 (CalVet)	11/06/18	1,000,000	594,410	-	336,235
TOTAL ENTERPRISE FUND BONDS		$5,710,000	$899,060	$ -	$503,835

(a) Bond acts marked with an asterisk (*) are not legally permitted to utilize commercial paper.

(b) AB 639 (10/10/2013) reduced the voter authorized amount

Source: California State Treasurer's Office

AUTHORIZED AND OUTSTANDING LEASE REVENUE BONDS AS OF JUNE 30, 2025 (DOLLARS IN THOUSANDS)

GENERAL FUND SUPPORTED ISSUES (a):	OUTSTANDING (b)	AUTHORIZED BUT UNISSUED
STATE PUBLIC WORKS BOARD ISSUES (BY FACILITY LESSEE)		
Air Resources Board	$275,020	$ -
Board of State and Community Corrections	170,220	748,506
California Community Colleges	68,455	804,725
California Department of Corrections and Rehabilitation	2,868,225	532,610
California Department of Forestry and Fire Protection	202,065	215,541
California Department of Veterans Affairs	190,280	332,933
Department of Developmental Services	56,985	-
Department of Education	90,035	2,704
Department of General Services	2,232,540	713,335
Department of Public Health	16,560	-
Department of State Hospitals	147,860	93,020
Judicial Council	2,334,115	1,052,426
Other State Facilities	152,355	1,398,258
Trustees of the California State University	96,805	-
TOTAL STATE PUBLIC WORKS BOARD ISSUES	$8,901,520	$5,894,058
TOTAL GENERAL FUND SUPPORTED LEASE -REVENUE ISSUES	$8,901,520	$5,894,058

(a) Lease payments that secure each of these issues are payable from the operating budget of the respective lessees. The operating budgets of the lessees are primarily, but not exclusively, derived from the General Fund.

(b) Source: California State Treasurer's Office

APPENDIX B | THE STATE'S DEBT SERVICE

SCHEDULE OF DEBT SERVICE REQUIREMENTS FOR GENERAL FUND NON-SELF LIQUIDATING BONDS FIXED RATE, AS OF JUNE 30, 2025

FISCAL YEAR ENDING JUNE 30	CURRENT DEBT		
	INTEREST (a)	PRINCIPAL	TOTAL (b)
2026 (c)	3,507,968,688.77	3,535,975,000.00	7,043,943,688.77
2027	3,350,584,713.05	3,897,310,000.00	7,247,894,713.05
2028	3,179,211,966.71	3,920,860,000.00	7,100,071,966.71
2029	3,000,451,232.96	3,998,445,000.00	6,998,896,232.96
2030	2,796,865,962.92	4,489,045,000.00	7,285,910,962.92
2031	2,598,219,112.20	4,047,700,000.00	6,645,919,112.20
2032	2,413,878,631.52	3,915,255,000.00	6,329,133,631.52
2033	2,235,380,477.77	3,751,305,000.00	5,986,685,477.77
2034	2,070,682,005.24	3,961,240,000.00	6,031,922,005.24
2035	1,802,964,385.19	3,703,555,000.00	5,506,519,385.19
2036	1,612,854,877.67	3,704,615,000.00	5,317,469,877.67
2037	1,437,893,732.67	3,303,035,000.00	4,740,928,732.67
2038	1,267,258,783.90	3,417,155,000.00	4,684,413,783.90
2039	1,133,037,917.62	3,519,015,000.00	4,652,052,917.62
2040	839,152,151.37	2,322,480,000.00	3,161,632,151.37
2041	670,291,600.04	2,179,625,000.00	2,849,916,600.04
2042	558,006,509.41	1,758,335,000.00	2,316,341,509.41
2043	474,268,668.78	1,761,225,000.00	2,235,493,668.78
2044	394,041,068.78	1,204,780,000.00	1,598,821,068.78
2045	346,385,168.78	1,109,535,000.00	1,455,920,168.78
2046	290,640,962.53	1,144,865,000.00	1,435,505,962.53
2047	244,533,631.28	886,310,000.00	1,130,843,631.28
2048	202,293,259.40	900,000,000.00	1,102,293,259.40
2049	171,991,512.52	1,034,290,000.00	1,206,281,512.52
2050	125,018,012.52	825,000,000.00	950,018,012.52
2051	91,364,787.52	600,000,000.00	691,364,787.52
2052	77,786,662.51	350,000,000.00	427,786,662.51
2053	62,677,287.50	300,000,000.00	362,677,287.50
2054	40,338,643.75	598,615,000.00	638,953,643.75
2055	21,187,500.00	500,000,000.00	521,187,500.00
TOTAL	$37,017,229,914.88	$70,639,570,000.00	$107,656,799,914.88

(a) The amounts do not reflect any interest subsidy under the Build America Bonds program. Subsidy not pledged to the repayment of debt service.

(b) Includes scheduled mandatory sinking fund payments. Does not include outstanding commercial paper.

(c) Represents the debt service requirements from July 1, 2025 through June 30, 2026.

Source: California State Treasurer's Office

SCHEDULE OF DEBT SERVICE REQUIREMENTS FOR GENERAL FUND NON-SELF LIQUIDATING BONDS VARIABLE RATE, AS OF JUNE 30, 2025

FISCAL YEAR ENDING JUNE 30	CURRENT DEBT		
	INTEREST (a)	PRINCIPAL	TOTAL (b)
2026 (c)	10,771,646.46	62,800,000.00	73,571,646.46
2027	10,005,015.64	8,000,000.00	18,005,015.64
2028	9,949,680.70	8,300,000.00	18,249,680.70
2029	9,841,674.92	11,800,000.00	21,641,674.92
2030	9,806,119.76	12,300,000.00	22,106,119.76
2031	9,533,766.69	108,200,000.00	117,733,766.69
2032	8,457,780.96	159,000,000.00	167,457,780.96
2033	7,087,357.54	111,600,000.00	118,687,357.54
2034	6,183,947.57	300,000.00	6,483,947.57
2035	6,180,149.95	-	6,180,149.95
2036	6,206,935.77	-	6,206,935.77
2037	6,153,364.28	-	6,153,364.28
2038	6,180,149.94	-	6,180,149.94
2039	6,180,149.96	-	6,180,149.96
2040	6,189,825.64	300,000.00	6,489,825.64
2041	6,201,453.45	-	6,201,453.45
2042	6,160,575.38	-	6,160,575.38
2043	6,160,575.36	-	6,160,575.36
2044	6,187,395.84	-	6,187,395.84
2045	6,097,535.69	75,000,000.00	81,097,535.69
2046	5,282,431.52	75,000,000.00	80,282,431.52
2047	4,489,924.65	75,000,000.00	79,489,924.65
2048	3,746,390.47	75,000,000.00	78,746,390.47
2049	2,904,130.05	75,000,000.00	77,904,130.05
2050	2,571,335.62	75,000,000.00	77,571,335.62
2051	2,208,356.16	75,000,000.00	77,208,356.16
2052	1,575,622.26	75,000,000.00	76,575,622.26
2053	895,478.70	75,000,000.00	75,895,478.70
2054	342,123.29	75,000,000.00	75,342,123.29
TOTAL	$173,550,894.22	$1,232,600,000.00	$1,406,150,894.22

(a) The estimate of future interest payments is based on rates in effect as of June 30, 2025. The interest rates for the daily and weekly rate bonds range from 0.45 - 1.65%.

(b) Includes scheduled mandatory sinking fund payments. Does not include outstanding commercial paper.

(c) Represents the debt service requirements from July 1, 2025 through June 30, 2026.

Source: California State Treasurer's Office

SCHEDULE OF DEBT SERVICE REQUIREMENTS FOR ENTERPRISE FUND SELF LIQUIDATING BONDS FIXED RATE, AS OF JUNE 30, 2025

FISCAL YEAR ENDING JUNE 30	CURRENT DEBT		
	INTEREST	PRINCIPAL	TOTAL (a)
2026 (b)	30,841,067.18	8,510,000.00	39,351,067.18
2027	32,619,996.29	30,805,000.00	63,424,996.29
2028	31,797,366.91	27,995,000.00	59,792,366.91
2029	30,932,393.15	32,425,000.00	63,357,393.15
2030	29,662,892.52	47,920,000.00	77,582,892.52
2031	28,081,870.02	47,795,000.00	75,876,870.02
2032	26,706,803.77	33,645,000.00	60,351,803.77
2033	25,439,263.77	40,045,000.00	65,484,263.77
2034	24,122,188.77	37,125,000.00	61,247,188.77
2035	23,108,167.52	23,645,000.00	46,753,167.52
2036	22,328,248.77	24,760,000.00	47,088,248.77
2037	21,496,126.27	25,945,000.00	47,441,126.27
2038	20,611,941.89	27,190,000.00	47,801,941.89
2039	19,755,752.51	22,905,000.00	42,660,752.51
2040	18,928,867.51	24,040,000.00	42,968,867.51
2041	17,966,697.51	30,405,000.00	48,371,697.51
2042	16,851,722.51	32,255,000.00	49,106,722.51
2043	15,649,722.51	34,170,000.00	49,819,722.51
2044	14,378,421.26	34,325,000.00	48,703,421.26
2045	13,068,523.13	33,645,000.00	46,713,523.13
2046	11,706,710.00	35,105,000.00	46,811,710.00
2047	10,297,277.50	34,875,000.00	45,172,277.50
2048	8,976,062.50	29,835,000.00	38,811,062.50
2049	7,779,760.00	26,215,000.00	33,994,760.00
2050	6,621,240.00	25,675,000.00	32,296,240.00
2051	5,454,693.75	26,070,000.00	31,524,693.75
2052	4,273,155.00	25,285,000.00	29,558,155.00
2053	3,034,650.00	27,145,000.00	30,179,650.00
2054	1,983,383.75	18,925,000.00	20,908,383.75
2055	1,114,742.50	21,270,000.00	22,384,742.50
2056	423,615.00	9,110,000.00	9,533,615.00
TOTAL	$526,013,323.77	$899,060,000.00	$1,425,073,323.77

(a) Includes scheduled mandatory sinking fund payments.

(b) Represents the debt service requirements from July 1, 2025 through June 30, 2026.

Source: California State Treasurer's Office

SCHEDULE OF DEBT SERVICE REQUIREMENTS FOR LEASE-REVENUE DEBT FIXED RATE, AS OF JUNE 30, 2025

FISCAL YEAR ENDING JUNE 30	CURRENT DEBT		
	INTEREST (a)	PRINCIPAL	TOTAL (b)
2026 (c)	428,495,963.93	567,420,000.00	995,915,963.93
2027	401,521,401.40	598,060,000.00	999,581,401.40
2028	371,620,597.83	614,695,000.00	986,315,597.83
2029	340,868,817.16	588,275,000.00	929,143,817.16
2030	312,256,571.94	587,650,000.00	899,906,571.94
2031	283,473,797.37	585,580,000.00	869,053,797.37
2032	253,788,187.97	602,605,000.00	856,393,187.97
2033	222,807,947.51	554,270,000.00	777,077,947.51
2034	194,502,409.62	544,045,000.00	738,547,409.62
2035	166,162,398.84	513,425,000.00	679,587,398.84
2036	142,473,853.52	385,045,000.00	527,518,853.52
2037	124,342,850.02	379,405,000.00	503,747,850.02
2038	107,610,456.27	323,405,000.00	431,015,456.27
2039	93,232,468.77	281,175,000.00	374,407,468.77
2040	80,991,662.52	241,900,000.00	322,891,662.52
2041	71,798,621.89	157,350,000.00	229,148,621.89
2042	64,403,453.14	164,760,000.00	229,163,453.14
2043	56,600,750.02	172,540,000.00	229,140,750.02
2044	48,447,762.52	180,720,000.00	229,167,762.52
2045	39,903,650.02	189,235,000.00	229,138,650.02
2046	31,132,553.14	186,315,000.00	217,447,553.14
2047	22,294,881.26	173,885,000.00	196,179,881.26
2048	14,718,806.26	126,565,000.00	141,283,806.26
2049	8,476,040.63	131,295,000.00	139,771,040.63
2050	2,471,250.00	51,900,000.00	54,371,250.00
TOTAL	$3,884,397,153.55	$8,901,520,000.00	$12,785,917,153.55

(a) The amounts do not reflect any interest subsidy under the Build America Bonds program. Subsidy not pledged to the repayment of debt service.

(b) Includes scheduled mandatory sinking fund payments.

(c) Represents the debt service requirements from July 1, 2025 through June 30, 2026.

Source: California State Treasurer's Office

ESTIMATED DEBT SERVICE REQUIREMENTS ON INTENDED SALES OF AUTHORIZED BUT UNISSUED BONDS DURING FISCAL YEARS 2025-26 AND 2026-27 (A)

FISCAL YEAR ENDING JUNE 30	FY 2025-26 GO SALES DEBT SERVICE	FY 2026-27 GO SALES DEBT SERVICE	FY 2025-26 LRB SALES DEBT SERVICE	FY 2026-27 LRB SALES DEBT SERVICE	TOTAL DEBT SERVICE ALL SALES
2026	86,125,000.00	-	31,540,376.25	-	117,665,376.25
2027	666,379,156.76	117,705,000.00	218,877,442.50	5,436,832.50	1,008,398,431.76
2028	652,570,823.97	631,700,996.57	218,902,860.00	58,265,090.00	1,561,439,770.54
2029	638,762,491.18	739,428,663.44	218,879,702.50	58,250,881.25	1,655,321,738.37
2030	624,954,158.39	723,326,330.31	218,898,681.25	58,246,950.00	1,625,426,119.95
2031	611,145,825.60	707,223,997.18	218,886,562.50	58,264,273.75	1,595,520,659.03
2032	597,337,492.81	691,121,664.05	218,896,953.75	58,253,195.00	1,565,609,305.61
2033	583,529,160.02	675,019,330.92	218,900,667.50	58,251,092.50	1,535,700,250.94
2034	569,720,827.23	658,916,997.79	218,889,636.25	58,248,480.00	1,505,775,941.27
2035	555,912,494.44	642,814,664.66	218,889,672.50	58,245,871.25	1,475,862,702.85
2036	542,104,161.65	626,712,331.53	218,884,641.25	58,263,023.75	1,445,964,158.18
2037	528,295,838.86	610,609,998.40	218,873,700.00	58,259,836.25	1,416,039,373.51
2038	514,487,505.53	594,507,665.27	218,879,886.25	58,251,812.50	1,386,126,869.55
2039	500,679,172.18	578,405,332.14	218,888,861.25	58,248,387.50	1,356,221,753.07
2040	486,870,838.85	562,302,999.01	218,896,578.75	58,243,532.50	1,326,313,949.11
2041	473,062,505.50	546,200,665.88	218,872,998.75	58,250,755.00	1,296,386,925.13
2042	459,254,172.17	530,098,332.75	186,763,522.50	58,252,786.25	1,234,368,813.67
2043	445,445,838.82	513,995,999.62	186,762,886.25	51,266,296.25	1,197,471,020.94
2044	431,637,505.49	497,893,666.49	186,761,361.25	51,263,656.25	1,167,556,189.48
2045	417,829,172.14	481,791,333.36	186,758,887.50	51,271,403.75	1,137,650,796.75
2046	404,020,838.81	465,689,000.23	186,760,697.50	51,262,230.00	1,107,732,766.54
2047	390,212,515.19	449,586,667.10	186,759,345.00	51,259,461.25	1,077,817,988.54
2048	376,404,181.33	433,484,344.27	186,752,131.25	51,260,335.00	1,047,900,991.85
2049	362,595,847.45	417,382,010.53	186,760,101.25	51,266,151.25	1,018,004,110.48
2050	348,787,513.59	401,279,676.79	186,751,913.75	51,267,907.50	988,087,011.63
2051	334,979,179.71	385,177,343.05	186,761,247.50	51,256,752.50	958,174,522.76
2052	321,170,845.85	369,075,009.31	-	51,258,371.25	741,504,226.41
2053	307,362,511.97	352,972,675.57	-	-	660,335,187.54
2054	293,554,178.11	336,870,341.83	-	-	630,424,519.94
2055	279,745,844.23	320,768,008.09	-	-	600,513,852.32
2056	265,937,510.37	304,665,674.35	-	-	570,603,184.72
2057	-	288,563,340.61	-	-	288,563,340.61
TOTAL	$14,070,875,108.20	$15,655,290,061.10	$5,182,451,315.00	$1,391,865,365.00	$36,300,481,849.30

(a) Estimated issuance figures above are as of August 1, 2025. Estimated debt issuance amounts are updated throughout the fiscal year. The actual amount of bonds sold will depend on factors such as overall budget constraints, market conditions and other considerations. The state also expects to issue refunding bonds as market conditions warrant. The actual amount of bonds and refunding bonds sold will have a direct impact on the accuracy of the figures presented.

Source: California State Treasurer's Office

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