

en·dur·ing:
adjective
lasting, durable





FIONA MA, CPA
TREASURER
STATE OF CALIFORNIA

October 1, 2026

Dear friends,

I am pleased to submit the 2026 Debt Affordability Report to you, my last one as your State Treasurer and a document required to be sent annually to provide critical information regarding our general fund-supported bond programs. I am pleased to report that credit rating agencies and investors alike continue to positively recognize California's commitments to fiscal responsibility and transparency, demonstrated by our strong and stable bond ratings and robust demand for our bonds. This recognition is critical to our ability to efficiently raise significant capital to build and improve critical infrastructure throughout the state, including for housing, schools, roads, and many other projects that benefit our constituents. My office's continued commitment to meeting our debt obligations in full and on time has never been stronger and continues to endure across market and economic cycles, maintaining our state's market leadership as the benchmark issuer for the broader municipal bond market.

In the past fiscal year, my office expertly executed our state's debt offerings despite continuing and enhanced volatility driven largely by federal actions nationally and globally. During a year when inflation continued at over 3 percent, broad tariffs were legally invalidated and then partially re-imposed, a federal government shutdown eliminated economic data releases for a significant period of time, our country went to war in Iran and a new Federal Reserve chairman was seated, financial markets were volatile. Despite these major developments, however, artificial intelligence-related themes continued to support the equity market while the bond market remained relatively stable through much of the fiscal year. However, in March 2026 interest rates started to trend higher and as I deliver this report to you rates continue to climb, with the 10-year Treasury yield hitting a 20-year high in September. With higher interest rates comes a higher cost to service our debt, which can create other budget impacts and funding tradeoffs. As a result, continued careful consideration of all legislation and policies that impact our fiscal health will be critical in the years ahead.

California's overall debt profile remains stable. Our general obligation (GO) bond's double-A credit ratings were reaffirmed by all three major rating agencies in 2025-26. The rating agencies continue to cite the State's large and diverse economic base, healthy liquidity and reserves, and a stable long-term liability profile as key strengths, while noting ongoing structural challenges such as revenue volatility and exposure to physical risks such as natural disasters. Our debt portfolio is largely and conservatively comprised of fixed rate debt, with variable rate exposure maintained well below statutory and policy limits. Affordability indicators—such as debt service relative to general fund revenues and other measures of leverage—remain within historical norms and continue to reflect the scale and diversity of the State's economy. However, these debt load measurements are also higher than many of the most populous states, so issuing debt at levels that significantly outpace economic and budget growth is likely to erode our current strengths.

During the last fiscal year my office executed the issuance of \$7.2 billion of general obligation bonds and \$1.4 billion of lease revenue bonds, all primarily secured by the general fund. Of these amounts, we sold \$3.1 billion of refunding bonds that will produce \$401 million of debt service savings to the general fund over the life of the bonds. During my almost 8 years in office, I am proud that we refinanced debt that will save the state's general fund over \$8.4 billion.

Looking ahead, my office anticipates continued issuance of general fund-supported bonds for both new money and refinancing purposes. As of June 30, 2026, we have over \$44 billion of authorized but unissued bonds, and voters will be asked in November to consider almost \$20 billion of additional general obligation bond authorization. As always, we will execute the sale of such bonds based on prudent financial management principles in the interest of achieving the lowest cost to finance critical statewide capital investments.

My office stands ready to assist you consider the State's existing obligations and future financing needs. Thank you for your continued collaboration to manage our state's debt in a fiscally responsible manner.

In Peace and Friendship,

A handwritten signature in black ink, appearing to be "Fiona Ma", written in a cursive style.

FIONA MA, CPA
California State Treasurer

CONTENTS

i	PREFACE
1	SECTION 1: MARKET FOR STATE BONDS
9	SECTION 2: SNAPSHOT OF THE STATE'S DEBT
11	SECTION 3: MEASURING DEBT BURDEN
13	SECTION 4: ANALYSIS OF THE STATE'S CREDIT RATINGS
15	APPENDIX A: THE STATE'S DEBT
21	APPENDIX B: THE STATE'S DEBT SERVICE

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 (2026-27) and the following year (2027-28), 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 constituting 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, 2026-27 means the 2026-27 fiscal year ending June 30, 2027.

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 2025-26, the state issued \$7.2 billion of GO bonds that were primarily payable from the general fund. Of that total, \$3.3 billion was sold to provide funding for various voter approved GO bond acts, \$784 million was sold to retire GO commercial paper, \$3.1 billion was sold to refinance outstanding fixed rate GO bonds to produce debt service savings, and \$55 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 (DAR) 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” of other types 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 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.

For the 12-month period from July 2025 to June 2026, the municipal bond market has been influenced, by among other things, Federal Reserve interest rate cuts, inflation driven in part by tariffs and higher oil prices, various other economic indicators, Federal government shutdowns, and important geopolitical events. These influences on the market have resulted in an uncertain interest rate environment. Overall, interest rates have risen across the yield curve, which has maintained a generally upward sloping shape (i.e., higher yields are generally associated with longer terms per security).

STATE-SPECIFIC FACTORS

One significant state-specific factor in determining the interest cost of the state’s GO bonds is the credit ratings assigned by the rating agencies to these bonds. Rating agencies assign credit ratings based on many factors related to issuers. For the state’s GO bonds, they consider state government revenues, expenditures, reserves, and long-term liabilities, as well as the underlying economy of the state. In addition to the credit ratings, the rating agencies also assign outlooks to their ratings based on trends that they believe could lead to rating changes. Investors also consider similar credit factors in determining their level of participation in purchasing and holding the state’s GO bonds, which can affect interest cost on the state’s GO bonds.

How the state handles changes in revenues, which have historically been volatile because the state’s tax revenue system relies heavily on high-income taxpayers, can impact how the rating agencies or investors evaluate the state’s credit. When revenues declined sharply, the state had to implement solutions such as expenditure reductions, delays, fund shifts, and the use of budget reserves to achieve balanced budgets. For example, in 2022-23, after a period of unprecedented general

fund revenue growth, the state faced a severe downturn in revenues due to a then-declining stock market, high inflation, and rising interest rates. The state declared fiscal emergencies to achieve balanced budgets in its 2024 and 2025 Budget Acts, using a combination of expenditure reductions and reserve withdrawals. Although revenues and transfers are forecast to be higher starting in 2027-28, general fund shortfalls were still projected for 2026-27 and 2027-28 absent further corrective measures. The 2026 Budget Act balanced the budget using a combination of new revenue solutions, expenditure reductions, and reserves to help close the shortfalls, while continuing to support critical investments in education, mitigating the impacts of climate change, addressing housing needs, and other important state priorities. Each of these different types of budget solutions can be viewed differently from a credit perspective.

Additionally, it is important to note that the 2026 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, volatility in the state's revenues, threat of an economic recession, significant reductions in federal funding or other federal actions that could impact the state's general fund, adverse decisions in lawsuits against the state or its related entities, and the cost and persistent unfunded liabilities related to public employee retirement benefits. These risks are also among the factors that rating agencies and investors consider in their analysis of the state's credit.

In 2025-26, the ratings on the state's GO bonds have remained steady at "AA" by Fitch Ratings (Fitch), "Aa2" by Moody's Ratings (Moody's) and "AA-" by S&P Global Ratings (S&P). In addition, the state's outlook from each credit rating agency was "stable" throughout 2025-26.

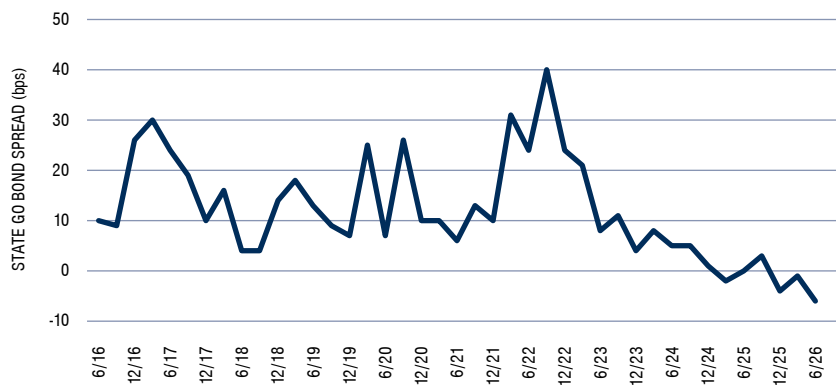
Notwithstanding the above-mentioned challenges, the state's credit spreads have generally improved during 2025-26. Credit spreads generally represent the difference in yield between two bonds of similar maturity but different credit quality. In addition, credit spreads can also change with overall interest rates; for municipal bonds, credit spreads tend to decline as interest rates increase and vice versa. Figure 1 depicts the state's credit spreads, as measured by the difference between the California GO Municipal Market Data (MMD) benchmark¹ to the national AAA MMD benchmark over the past decade. 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 (bps) in September 2022 to a low of negative six (-6) basis points in June 2026 – the lowest level since 2000.

FACTORS AFFECTING GENERAL BOND MARKETS

Many factors can impact bond markets and interest rates in general. These factors affect not only the broader U.S. bond market but also the market for the state's GO bonds. The most significant of these factors which impacted bond markets in 2025-26 included the Federal Open Market Com-

FIGURE 1

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



Source: LSEG/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.

mittee's adjustments to its target range for the federal funds rate², shifting market outlooks on the economy and inflation, speculation about future Federal Reserve and other central bank actions, full and partial Federal government shutdowns, concerns about equity prices, and geopolitical events such as the Iran war. For the municipal bond market more specifically, there was a significant increase in primary market issuance supply, which was somewhat balanced by strong investor demand.

INTEREST RATE TRENDS

In 2025-26, interest rates were comparatively stable versus prior years by most measures. The relative stability reflected shifting outlooks about the direction of inflation and the economy over much of the year. Market participants reacted to economic data to try to decipher the direction of future policy actions by the Federal Reserve and other central banks. When the data reflected higher inflation or a strengthening economy, interest rates would rise, while lower inflation or a weakening job market would lead to interest rate declines. However, the insight from one set of data was often offset by the next set of data, limiting the extent to which interest rates changed. Nonetheless, there were several notable phases for interest rate fluctuations as market sentiments changed.

For the first two months of 2025-26, the Federal Reserve was maintaining a neutral interest rate policy stance after making three rate cuts totaling 1 percent in 2024. It was watching the economy for signs of a slowdown or inflation driven in part by tariffs, and interest rates held largely steady. As a result, interest rates generally moved in a narrow band.

Starting in September 2025, a lower court decision striking down tariffs enacted under the International Emergency Economic Powers Act, lower inflation numbers, and weaker economic data all helped to prompt the Federal Reserve to cut rates by 25 bps in each of three consecutive meetings. These developments brought about a decline in interest rates. Interest rates continued to modestly decline as the Federal government shut down in October 2025 due to a budgetary impasse. Concerns over the effect of the Federal government shutdown and the resulting absence of official economic data continued to keep interest rates relatively low.

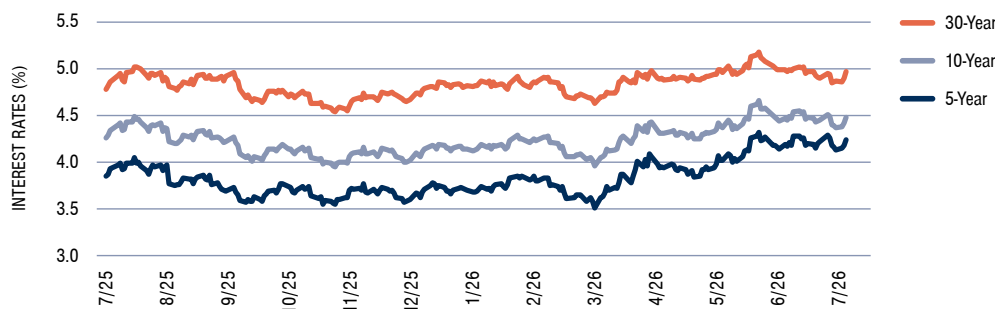
When the Federal government reopened, focus turned to the number of potential rate cuts for 2026; when most major market strategists priced in only one Federal Reserve cut, interest rates rose modestly through January.

Then, the nomination of Federal Reserve chairman Warsh, lower than expected CPI, and the Supreme Court ruling on tariffs all helped lead to a decline in interest rates in February 2026.

The U.S. attack of Iran in late February and the resulting increase in oil prices renewed concerns over inflation and pushed interest rates higher. Subsequently, news about the conflict led oil prices and interest rates to fluctuate in the last months of 2025-26. While outside of 2025-26, in September 2026 the Federal Reserve increased rates by 25 bps citing the policy action will support a timelier return to the committee's 2 percent goal for inflation.

Figure 2 depicts the resulting shifts in interest rates from July 2025 through June 2026, as evidenced by changes in

FIGURE 2
TRENDS OF 5-YEAR, 10-YEAR, AND 30-YEAR TREASURY YIELDS



Source: LSEG/TM3

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").

taxable 5-, 10- and 30-year U.S. Treasury yields, which are generally considered “benchmark” yields to which most fixed income securities follow in some manner.

MUNICIPAL BOND 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.

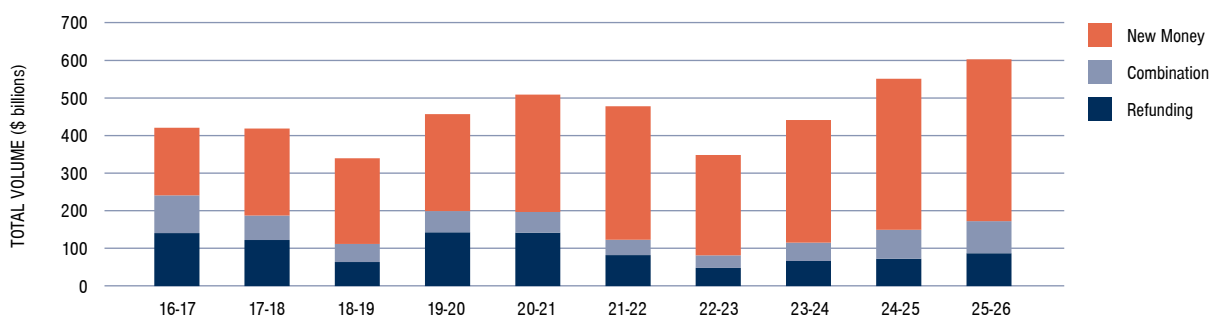
SUPPLY. Total municipal bond issuance volume for 2025-26 increased to approximately \$601 billion which was 9 percent higher than in 2024-25, which itself had been a record year for issuance. In fact, volume for 2025-26 was significantly

higher than that of any of the other fiscal years in the past decade. The growth in supply was broad-based across multiple sectors. Furthermore, the 2025-26 volume was made up of primarily growth in tax-exempt financing, as taxable municipal bond issuance declined modestly. Figure 3 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 4 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 (including exchange traded funds), retail investors, banks, and insurance companies, with the first two comprising a large majority of municipal investors. In 2025-26, municipal bond mutual fund participation increased notably, continuing and improving upon a trend that began in 2024-25. In fact, there were net inflows of investor cash into municipal bond funds in each of the

FIGURE 3

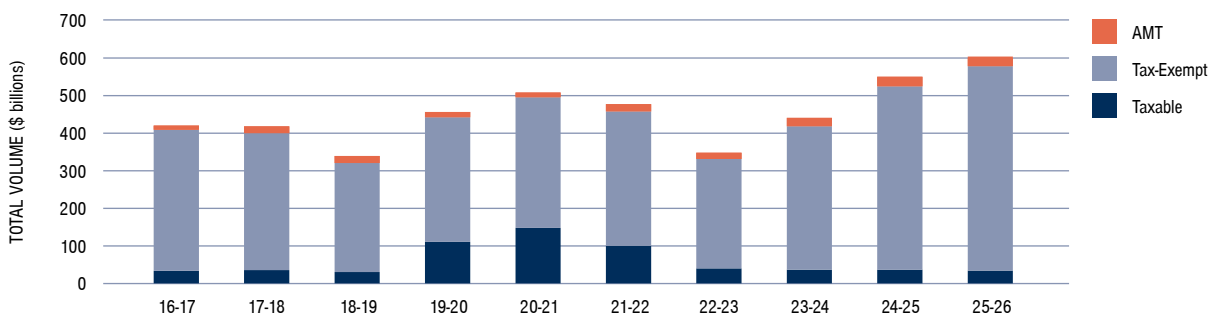
U.S. MUNICIPAL BOND ISSUANCE VOLUME BY FINANCING PURPOSE



Source: The Bond Buyer

FIGURE 4

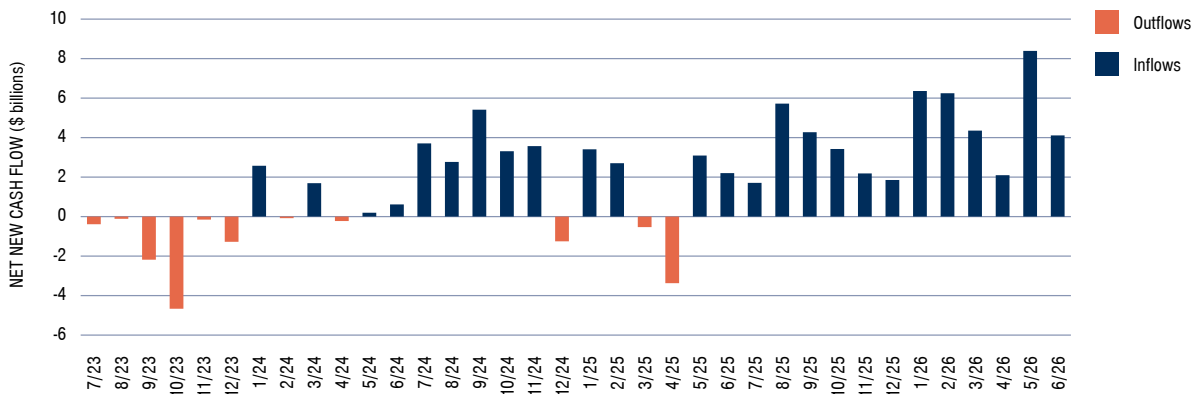
U.S. MUNICIPAL BOND ISSUANCE VOLUME BY TAX STATUS



Source: The Bond Buyer

FIGURE 5

MUNICIPAL BOND MARKET, MONTHLY FUND INFLOWS / OUTFLOWS



Source: Lipper Data, as reported by Bloomberg

12 months of 2025-26. Figure 5 shows the monthly inflow and outflow of assets for municipal bond funds since July 2023. 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 been maturing. 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 2025-26.

RELATIONSHIP BETWEEN TAX-EXEMPT AND TAXABLE INTEREST RATES

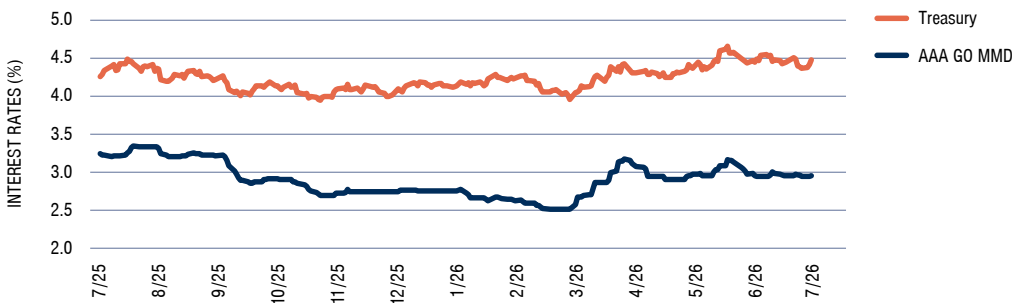
As noted in the prior discussion, many of the factors that influence U.S. Treasury rates also impact municipal bond interest rates. As a result, there exists an observably strong

correlation between U.S. Treasury yields and tax-exempt municipal bond rates. Figure 6 depicts the changes in taxable 10-year U.S. Treasury yields and the national tax-exempt 10-year AAA GO MMD benchmark index from July 2025 through June 2026. As the data shows, the two measures generally move with a similar pattern, evidencing the strong correlation between the two markets.

While their movements are correlated, the precise relationship between them can shift over time, as they can react somewhat differently to underlying influences. 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 for longer bonds gener-

FIGURE 6

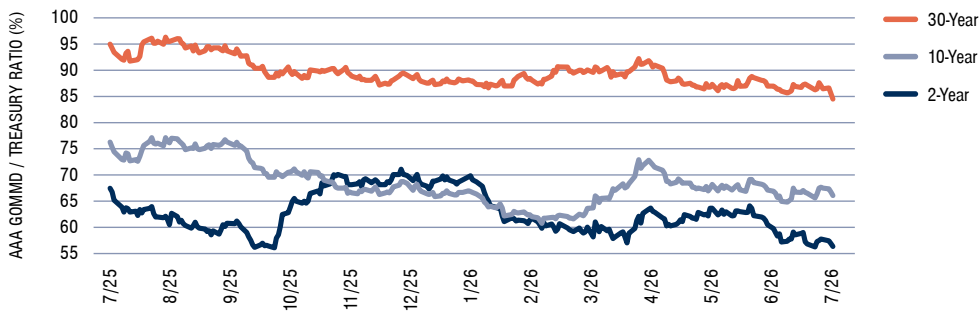
TRENDS OF 10-YEAR NATIONAL AAA GO MMD AND 10-YEAR TREASURY YIELDS



Source: LSEG/TM3

FIGURE 7

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



Source: LSEG/TM3

ally declined from July 2025 to February 2026. Throughout March 2026, the ratios rose sharply before they began to decline again in April 2026. By June 2026, long-term tax-exempt to taxable ratios were some of the lowest over the past decade. Shorter-term ratios, as shown by the 2-year ratio, followed much of the same pattern, although short-term municipal interest rates reacted strongly to the Federal Reserve rate cuts which temporarily pushed those ratios higher from the latter part of September 2025 to early January 2026.

INTEREST RATES ON THE STATE'S GO BONDS

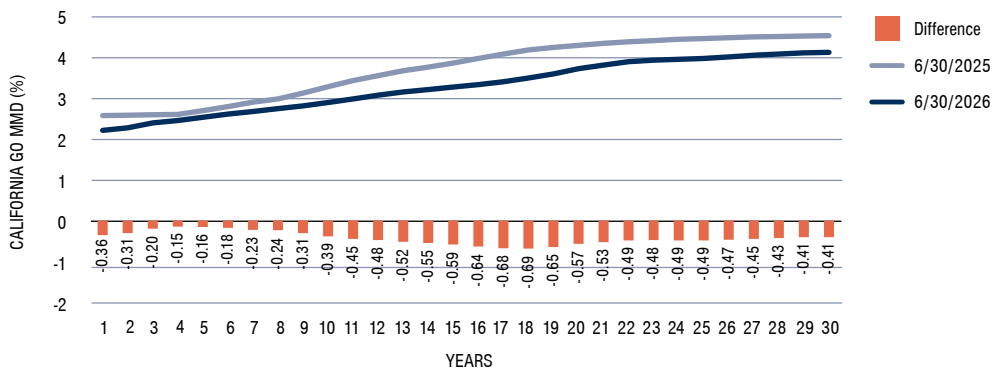
Interest rates on the state's GO bonds are the product of both state-specific factors and general market conditions. Over the course of 2025-26, interest rates on the state's GO bonds have largely followed the same trend as the national AAA GO MMD benchmark. However, the declining credit spreads of the state's GO bonds mean that the overall increase has not been quite as significant as that of the national AAA GO MMD benchmark. Figure 8 compares California GO MMD benchmark rates from the end of 2024-25 to the end of 2025-26. Overall, the 2025-26 interest rates for the state's GO Bonds are lower than those seen in 2024-25, although they remain elevated as compared to 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 \$3.3 billion of its outstanding GO bonds in 2025-26 to reduce debt service costs. These refinancings generated approximately \$401 million of total debt service savings over the remaining life of the bonds that were refinanced, or approximately \$314 million on a present value basis.

In addition to fixed-rate GO bonds, the state has issued variable rate GO bonds to reduce interest cost and to help diversify its capital structure. As of June 30, 2026, the state had a total of approximately \$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 2025-26 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

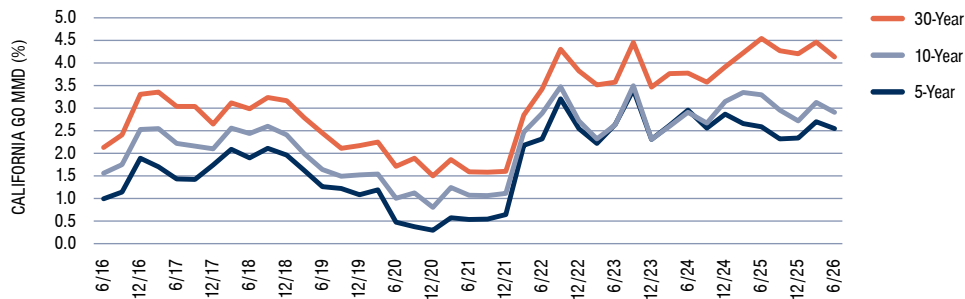
CALIFORNIA GO MMD BENCHMARK RATES



Source: LSEG/TM3

FIGURE 9

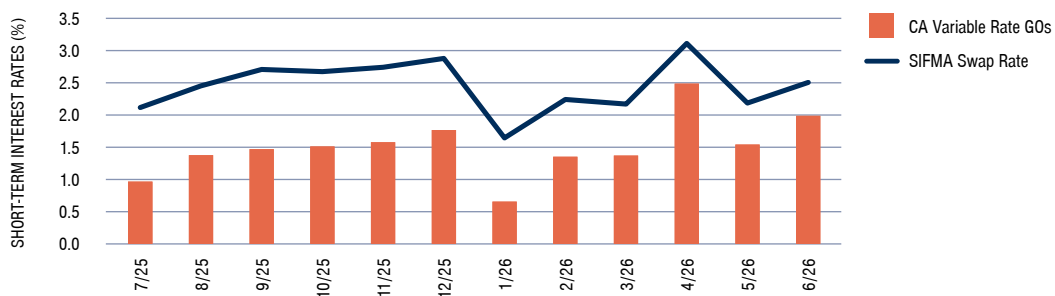
5-, 10-, AND 30-YEAR CALIFORNIA GO MMD



Source: LSEG/TM3

FIGURE 10

MONTHLY AVERAGE SHORT-TERM INTEREST RATES



Source: LSEG/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, 2026. 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 of 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 and not yet repaid (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, respectively.

- As of June 30, 2026, approximately 98.4 percent of the state's outstanding GO bonds had fixed interest rates and 1.6 percent of the state's outstanding GO bonds had variable interest rates. The amount of outstanding variable rate GO bonds is lower than 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 initial estimated issuance of new-money general fund-supported bonds over the current and next fiscal year as of August 1, 2026. Only currently authorized but unissued GO bonds are reflected in Figure 12. The estimated issuance may increase should new bond measures be approved. Two GO bond measures will be on the November 3, 2026, state ballot. If both are approved, an additional \$19.65 billion would be added to the authorized but unissued GO bonds amount, of which \$1.25 billion would be self liquidating GO bonds as shown in Figure 11.

As shown in Figure 12, the STO preliminarily estimates the state will issue a combined \$16.9 billion of new money general fund-supported bonds in 2026-27 and 2027-28. Using these assumptions for debt issuance, the STO estimates debt service payments from the general fund will increase by \$82.8 million in 2026-27 and \$795.7 million in 2027-28.³ A detailed list of the estimated debt service requirements can be found in Appendix B.

³ Figures reflect debt service from only a portion of the estimated bond sales listed in Figure 12. For example, \$2.5 billion of the \$6.4 billion in GO bonds and \$852 million of the \$1.8 billion in LRBs estimated for 2026-27 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 2026-27 will not have a debt service payment during 2026-27. The first interest payment for these bonds will be in 2027-28. Figures will be adjusted based on actual sales that occur in 2026-27.

FIGURE 11**SUMMARY OF THE STATE'S DEBT (a)
AS OF JUNE 30, 2026 (DOLLARS IN BILLIONS)**

	OUTSTANDING	AUTHORIZED BUT UNISSUED	TOTAL
GENERAL FUND SUPPORTED ISSUES			
General Obligation Bonds	\$72.10	\$39.14	\$111.24
Lease Revenue Bonds (b)	9.68	4.67	14.35
TOTAL GENERAL FUND SUPPORTED ISSUES	\$81.78	\$43.81	\$125.59
SELF-LIQUIDATING GENERAL OBLIGATION BONDS			
Veterans General Obligation Bonds	\$0.96	\$0.24	\$1.20
California Water Resources Development General Obligation Bonds	0.00	0.17	0.17
TOTAL SELF-LIQUIDATING GENERAL OBLIGATION BONDS	\$0.96	\$0.41	\$1.37
TOTAL	\$82.74	\$44.22	\$126.96

(a) Debt obligations not included in Figure 11: Any short-term obligations such as 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 that secure those bonds. GO outstanding figure excludes commercial paper.

(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.

FIGURE 12**ESTIMATED ISSUANCE, GENERAL FUND-SUPPORTED BONDS (a) (DOLLARS IN MILLIONS)**

	2026-27	2027-28	TOTAL
General Obligation Bonds (b)	\$6,400	\$7,900	\$14,300
Lease Revenue Bonds (c)	\$1,845	\$766	\$2,611
TOTAL GENERAL FUND-SUPPORTED BONDS	\$8,245	\$8,666	\$16,911

(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 that secure those 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.

SECTION 3 MEASURING DEBT BURDEN

DEBT RATIOS

Measuring California's debt level with various ratios provides one way to compare the state's debt burden to that of other borrowers even if it does not directly define or address debt affordability. The three most used ratios are net tax supported 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 3.41 percent⁴ in 2025-26. That figure is based on \$8.14 billion⁵ of GO and LRB debt service payments versus \$238.7 billion of general fund revenues (less transfers from the Budget Stabilization Account/Rainy Day Fund (BSA))⁶. The STO estimates this ratio will be 3.83 percent⁷ in 2026-27. That estimate is based on an expected \$8.68 billion of debt service payments versus \$226.8 billion

of general fund revenues (less any transfers to and from the BSA and Projected Surplus Temporary Holding Account)⁶.

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 24, 2026 titled "Medians - Higher Rates and Robust Returns Reduce Pension Liabilities Further" ("Moody's September 2026 Report"), Moody's lists the state's ratio of net tax-supported debt⁸ to personal income at 2.8 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 2026 Report, Moody's lists the state's net tax-supported debt⁸ per capita at \$2,561.

⁴ 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 2025-26 debt service decreases to \$6.42 billion, and the ratio of debt service to general fund revenues drops to 2.69 percent.

⁵ Excludes enterprise fund bonds, for which debt service is paid each year from dedicated funds.

⁶ Source: Department of Finance General Fund Multiyear Forecast, 2026 Budget Act.

⁷ 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 \$1.68 billion of estimated offsets, the 2026-27 debt service decreases to \$7.0 billion and the ratio of debt service to General Fund revenues drops to 3.09 percent.

⁸ The state's net tax-supported debt figure is sourced from the Moody's September 2026 Report which utilizes figures from the state's Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025 (2025 ACFR). The data is primarily found in Tables 13 and 48 of the 2025 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 bonds, and other governmental debts as determined by Moody's.

FIGURE 13

DEBT TO PERSONAL INCOME OF 10 MOST POPULOUS STATES

STATE	FITCH/MOODY'S/ S&P (a)	DEBT TO PERSONAL INCOME (b)
Florida	AAA/Aaa/AAA	0.80%
North Carolina	AAA /Aaa/AAA	0.80%
Texas	AAA/Aaa/AAA	0.80%
Georgia	AAA /Aaa/AAA	1.40%
Michigan	AA+/Aa1/AA	1.40%
Ohio	AAA/Aaa/AAA	2.10%
Pennsylvania	AA /Aa2/A+	2.40%
California	AA/Aa2/AA-	2.80%
Illinois	A-/A1/A	3.60%
New York	AA+/Aa1/AA+	3.70%
MEDIAN FOR THE 10 MOST POPULOUS STATES		1.75%

(a) Fitch, Moody's and S&P ratings as of September 2026.

(b) Figures as reported by Moody's September 2026 Report.

FIGURE 14

DEBT PER CAPITA OF 10 MOST POPULOUS STATES

STATE	FITCH/MOODY'S/ S&P (a)	DEBT PER CAPITA (b)
North Carolina	AAA /Aaa/AAA	\$554
Texas	AAA/Aaa/AAA	\$577
Florida	AAA/Aaa/AAA	\$586
Michigan	AA+/Aa1/AA	\$930
Georgia	AAA /Aaa/AAA	\$938
Ohio	AAA/Aaa/AAA	\$1,421
Pennsylvania	AA /Aa2/A+	\$1,747
California	AA/Aa2/AA-	\$2,561
Illinois	A-/A1/A	\$2,788
New York	AA+/Aa1/AA+	\$3,287
MEDIAN FOR THE 10 MOST POPULOUS STATES		\$1,180

(a) Fitch, Moody's and S&P ratings as of September 2026.

(b) Figures as reported by Moody's September 2026 Report.

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 2026 Report, Moody's lists the state's net tax-supported debt⁸ as a percentage of state GDP at 2.4 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	FITCH/MOODY'S/ S&P (a)	DEBT AS % OF STATE GDP (b)
Texas	AAA/Aaa/AAA	0.60%
Florida	AAA/Aaa/AAA	0.70%
North Carolina	AAA /Aaa/AAA	0.70%
Georgia	AAA /Aaa/AAA	1.10%
Michigan	AA+/Aa1/AA	1.30%
Ohio	AAA/Aaa/AAA	1.70%
Pennsylvania	AA /Aa2/A+	2.20%
California	AA/Aa2/AA-	2.40%
New York	AA+/Aa1/AA+	2.70%
Illinois	A-/A1/A	3.00%
MEDIAN FOR THE 10 MOST POPULOUS STATES		1.50%

(a) Fitch, Moody's and S&P ratings as of September 2026.

(b) Figures as reported by Moody's September 2026 Report.

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. 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 2026
Moody's	Affirmed "Aa2" rating (stable)	September 2026
S&P	Affirmed "AA-" rating (stable)	September 2026

FIGURE 17

STATE OF CALIFORNIA GENERAL OBLIGATION RATING AGENCY COMMENTARY

	FITCH	MOODY'S	S&P
RATING STRENGTHS	- Large and diverse economy, supporting strong, albeit volatile revenue growth prospects - Solid ability to manage expenses through economic cycles and moderately low long-term liabilities - Long-term liabilities while above the median for U.S. states, remain a low burden on the resource base	- Massive and dynamic economic base - Healthy liquidity and solid budget reserves - Leverage and fixed cost burdens have moderated and are significantly lower than the most heavily burdened states and lower than many Aa peers	- Strong economic metrics, diversified economy, and good reserves - 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	- Financial operations remain vulnerable to the relatively volatile revenue base and voter-imposed initiatives - State appears more vulnerable to cyclical revenue declines tied to economic downturns than most states - Reliance on available fiscal tools during a period of revenue growth has somewhat reduced resilience - Dedicated reserves and budgetary management are vital to weather cyclical downturns without materially weakening financial resilience - Ability to actively manage budgetary liabilities and rebuild dedicated operating reserves remains a salient rating consideration	- 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, weaker demographic trends and potential AI-related labor transitions could hinder state's economic growth and/or add to spending demand - Above average revenue cyclical and constitutional spending mandates that constrain expenditure flexibility - Maintaining commitment to structural balance will remain important to the long-term fiscal profile	- Volatile revenues due to reliance on highly progressive personal income tax structure and dependence on capital gains tax realizations - Continued challenging operating backdrop as state navigates heightened federal policy shifts - particularly with regard to Medicaid - Exposure to various physical risks, and other natural disasters can meaningfully disrupt economic growth and population migration - Lack of a formal midyear budget correction process to address deficits that emerge after budget enactment - Although improving, late release of financial audits

APPENDIX A THE STATE'S DEBT

AUTHORIZED AND OUTSTANDING NON-SELF LIQUIDATING GENERAL OBLIGATION BONDS AS OF JUNE 30, 2026 (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	\$6,795	\$ -	\$ -
1990 School Facilities Bond Act (b)	06/05/90	797,875	5,290	-	-
1992 School Facilities Bond Act (b)	11/03/92	898,211	9,850	-	-
Behavioral Health Infrastructure Bond Act of 2024	03/05/24	6,380,000	1,219,555	1,270	5,158,495
California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (e)	03/05/02	2,596,643	1,277,535	26,050	60,368
California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018	06/05/18	4,100,000	1,900,575	105,710	1,850,980
California Library Construction and Renovation Bond Act of 1988 (b)	11/08/88	72,405	935	-	-
* California Park and Recreational Facilities Act of 1984 (b)	06/05/84	368,900	440	-	-
California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000	03/07/00	350,000	173,315	-	5,040
* California Safe Drinking Water Bond Law of 1976 (b)	06/08/76	172,500	160	-	-
* California Safe Drinking Water Bond Law of 1984	11/06/84	75,000	100	-	-
* California Safe Drinking Water Bond Law of 1986	11/04/86	100,000	995	-	-
California Safe Drinking Water Bond Law of 1988	11/08/88	75,000	7,060	-	-
California Stem Cell Research and Cures Bond Act of 2004	11/02/04	3,000,000	718,800	21,685	18,400
California Stem Cell Research, Treatments, and Cures Bond Act of 2020	11/03/20	5,500,000	1,444,840	27,300	4,027,860
* California Wildlife, Coastal, and Park Land Conservation Act (b)	06/07/88	768,670	7,695	-	-
Children's Hospital Bond Act of 2004	11/02/04	750,000	506,575	625	100
Children's Hospital Bond Act of 2008	11/04/08	980,000	716,040	2,445	22,090
Children's Hospital Bond Act of 2018	11/06/18	1,500,000	438,145	95,515	906,640

**AUTHORIZED AND OUTSTANDING
NON-SELF LIQUIDATING GENERAL OBLIGATION BONDS
AS OF JUNE 30, 2026 (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	756,285	-	-
Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998 (K-12)	11/03/98	6,700,000	1,405,875	5	35
* Clean Air and Transportation Improvement Bond Act of 1990	06/05/90	1,990,000	136,030	-	-
* Clean Water and Water Conservation Bond Law of 1978	06/06/78	375,000	330	-	-
Clean Water and Water Reclamation Bond Law of 1988	11/08/88	65,000	1,705	-	-
County Correctional Facility Capital Expenditure and Youth Facility Bond Act of 1988	11/08/88	500,000	2,995	-	-
Disaster Preparedness and Flood Prevention Bond Act of 2006 (d) (g)	11/07/06	3,960,560	2,638,125	32,255	161,977
Earthquake Safety and Public Buildings Rehabilitation Bond Act of 1990 (f)	06/05/90	292,510	1,310	-	-
* Fish and Wildlife Habitat Enhancement Act of 1984	06/05/84	85,000	1,525	-	-
Higher Education Facilities Bond Act of 1988	11/08/88	600,000	3,350	-	-
Higher Education Facilities Bond Act of June 1990	06/05/90	450,000	4,700	-	540
Higher Education Facilities Bond Act of June 1992	06/02/92	900,000	20,185	-	-
Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006	11/07/06	19,925,000	11,805,840	93,230	441,825
Housing and Emergency Shelter Trust Fund Act of 2002	11/05/02	2,100,000	119,785	9,705	37,295
Housing and Emergency Shelter Trust Fund Act of 2006	11/07/06	2,850,000	720,880	11,795	141,495
Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (CCC)	11/08/16	2,000,000	1,250,090	2,615	502,270
Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (K-12)	11/08/16	7,000,000	5,119,495	2,220	140,020
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	160	91,235	1,408,595
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	1,350,000	-	7,150,000
Kindergarten-University Public Education Facilities Bond Act of 2002 (Hi-Ed)	11/05/02	1,650,000	860,735	-	-
Kindergarten-University Public Education Facilities Bond Act of 2002 (K-12)	11/05/02	11,400,000	4,892,490	-	5,455
Kindergarten-University Public Education Facilities Bond Act of 2004 (Hi-Ed)	03/02/04	2,300,000	1,324,915	14,450	42,039
Kindergarten-University Public Education Facilities Bond Act of 2004 (K-12)	03/02/04	10,000,000	5,359,555	-	16,160
Kindergarten-University Public Education Facilities Bond Act of 2006 (Hi-Ed)	11/07/06	3,087,000	2,315,760	-	38,775
Kindergarten-University Public Education Facilities Bond Act of 2006 (K-12)	11/07/06	7,329,000	4,838,210	-	77,655
* New Prison Construction Bond Act of 1986	11/04/86	500,000	620	-	-

**AUTHORIZED AND OUTSTANDING
NON-SELF LIQUIDATING GENERAL OBLIGATION BONDS
AS OF JUNE 30, 2026 (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 1988	11/08/88	817,000	1,435	-	1,245
New Prison Construction Bond Act of 1990	06/05/90	450,000	365	-	605
Public Education Facilities Bond Act of 1996 (Higher Education)	03/26/96	975,000	135,565	-	4,650
Public Education Facilities Bond Act of 1996 (K-12) (c)	03/26/96	2,012,035	164,430	-	-
Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (d)	03/07/00	1,884,000	701,110	-	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	3,096,525	66,870	429,037
Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024	11/05/24	10,000,000	279,910	50,055	9,669,610
Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000	03/07/00	2,100,000	761,690	2,985	8,625
Safe, Clean, Reliable Water Supply Act (d)	11/05/96	969,500	228,330	-	62,915
Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century	11/04/08	9,950,000	5,548,080	464,590	743,160
School Facilities Bond Act of 1990	11/06/90	800,000	8,690	-	-
School Facilities Bond Act of 1992	06/02/92	1,900,000	11,780	-	10,280
Seismic Retrofit Bond Act of 1996	03/26/96	2,000,000	414,435	-	-
* State, Urban, and Coastal Park Bond Act of 1976	11/02/76	280,000	275	-	-
Veterans Homes Bond Act of 2000	03/07/00	50,000	28,810	-	975
Veterans Housing and Homeless Prevention Bond Act of 2014	06/03/14	600,000	354,220	65,030	137,330
Veterans and Affordable Housing Bond Act of 2018	11/06/18	3,000,000	1,923,190	-	1,010,670
Voting Modernization Bond Act of 2002	03/05/02	200,000	14,295	-	10,430
Water Conservation Bond Law of 1988 (f)	11/08/88	54,765	3,170	-	-
* Water Conservation and Water Quality Bond Law of 1986 (d)	06/03/86	136,500	3,585	-	230
Water Quality, Supply, and Infrastructure Improvement Act of 2014 (e)	11/04/14	7,465,000	3,218,640	141,050	3,317,575
Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (d)	11/05/02	3,345,000	1,838,445	17,165	129,464
TOTAL GENERAL FUND BONDS		\$182,097,176	\$72,102,625	\$1,345,855	\$37,794,256

(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, 2026 (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	133,890	-	-
Veterans and Affordable Housing Bond Act of 2018 (CalVet)	11/06/18	1,000,000	666,125	-	238,520
TOTAL ENTERPRISE FUND BONDS		\$5,710,000	\$964,050	\$ -	\$406,120

(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, 2026 (DOLLARS IN THOUSANDS)**

GENERAL FUND SUPPORTED LEASE-REVENUE ISSUES (a):	OUTSTANDING (b)	AUTHORIZED BUT UNISSUED
STATE PUBLIC WORKS BOARD ISSUES (BY FACILITY LESSEE)		
Air Resources Board	\$267,550	\$ -
Board of State and Community Corrections	301,745	570,664
California Community Colleges	97,330	776,470
California Department of Corrections and Rehabilitation	2,863,330	296,310
California Department of Forestry and Fire Protection	190,255	342,248
California Department of Veterans Affairs	175,720	325,093
Department of Developmental Services	51,325	-
Department of Education	82,745	2,704
Department of General Services	2,800,400	-
Department of Public Health	14,075	-
Department of State Hospitals	119,900	93,020
Judicial Council	2,424,520	920,888
Other State Facilities	201,955	1,340,034
Trustees of the California State University	93,280	-
TOTAL STATE PUBLIC WORKS BOARD ISSUES	\$9,684,130	\$4,667,431
TOTAL GENERAL FUND SUPPORTED LEASE -REVENUE ISSUES	\$9,684,130	\$4,667,431

(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, 2026**

FISCAL YEAR ENDING JUNE 30	CURRENT DEBT		
	INTEREST (a)	PRINCIPAL	TOTAL (b)
2027 (c)	\$3,535,864,875.30	\$3,922,810,000.00	\$7,458,674,875.30
2028	3,369,163,965.45	4,015,505,000.00	7,384,668,965.45
2029	3,184,266,356.70	4,163,125,000.00	7,347,391,356.70
2030	2,975,540,799.16	4,474,395,000.00	7,449,935,799.16
2031	2,777,541,860.94	4,337,395,000.00	7,114,936,860.94
2032	2,579,626,705.26	3,939,900,000.00	6,519,526,705.26
2033	2,394,442,855.26	4,028,005,000.00	6,422,447,855.26
2034	2,222,060,777.13	3,983,925,000.00	6,205,985,777.13
2035	1,954,331,547.73	3,624,960,000.00	5,579,291,547.73
2036	1,764,933,040.21	4,032,070,000.00	5,797,003,040.21
2037	1,570,926,770.21	3,414,985,000.00	4,985,911,770.21
2038	1,393,787,571.44	3,555,575,000.00	4,949,362,571.44
2039	1,255,110,330.16	3,558,850,000.00	4,813,960,330.16
2040	957,753,063.91	2,417,755,000.00	3,375,508,063.91
2041	784,572,012.58	2,253,420,000.00	3,037,992,012.58
2042	667,531,021.95	1,874,670,000.00	2,542,201,021.95
2043	577,311,156.32	1,904,065,000.00	2,481,376,156.32
2044	487,691,056.32	1,437,640,000.00	1,925,331,056.32
2045	429,649,031.32	1,292,120,000.00	1,721,769,031.32
2046	363,749,825.07	1,368,480,000.00	1,732,229,825.07
2047	308,818,368.82	1,015,660,000.00	1,324,478,368.82
2048	262,061,496.94	951,310,000.00	1,213,371,496.94
2049	228,632,000.06	1,108,090,000.00	1,336,722,000.06
2050	179,813,500.06	825,000,000.00	1,004,813,500.06
2051	141,030,400.06	805,195,000.00	946,225,400.06
2052	114,728,650.03	650,000,000.00	764,728,650.03
2053	90,411,775.00	364,550,000.00	454,961,775.00
2054	66,459,381.25	598,615,000.00	665,074,381.25
2055	47,308,237.50	500,000,000.00	547,308,237.50
2056	20,560,368.75	215,055,000.00	235,615,368.75
2057	7,500,000.00	300,000,000.00	307,500,000.00
TOTAL	\$36,713,178,800.89	\$70,933,125,000.00	\$107,646,303,800.89

(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, 2026 through June 30, 2027.

Source: California State Treasurer's Office

**SCHEDULE OF DEBT SERVICE REQUIREMENTS
FOR GENERAL FUND NON-SELF LIQUIDATING BONDS
VARIABLE RATE, AS OF JUNE 30, 2026**

FISCAL YEAR ENDING JUNE 30	CURRENT DEBT		
	INTEREST (a)	PRINCIPAL	TOTAL (b)
2027 (c)	\$25,653,930.56	\$8,000,000.00	\$33,653,930.56
2028	25,507,352.59	8,300,000.00	33,807,352.59
2029	25,225,220.12	11,800,000.00	37,025,220.12
2030	25,125,064.83	12,300,000.00	37,425,064.83
2031	24,444,818.08	108,200,000.00	132,644,818.08
2032	21,956,462.53	159,000,000.00	180,956,462.53
2033	18,506,383.27	111,600,000.00	130,106,383.27
2034	16,319,149.96	-	16,319,149.96
2035	16,319,149.99	-	16,319,149.99
2036	16,389,879.77	-	16,389,879.77
2037	16,248,420.28	-	16,248,420.28
2038	16,319,149.95	-	16,319,149.95
2039	16,319,149.99	-	16,319,149.99
2040	16,344,728.68	300,000.00	16,644,728.68
2041	16,375,752.31	-	16,375,752.31
2042	16,267,808.21	-	16,267,808.21
2043	16,267,808.21	-	16,267,808.21
2044	16,338,631.28	-	16,338,631.28
2045	16,143,046.81	75,000,000.00	91,143,046.81
2046	14,481,678.09	75,000,000.00	89,481,678.09
2047	12,855,821.92	75,000,000.00	87,855,821.92
2048	11,069,799.86	75,000,000.00	86,069,799.86
2049	9,488,294.38	75,000,000.00	84,488,294.38
2050	7,928,732.85	75,000,000.00	82,928,732.85
2051	6,347,363.00	75,000,000.00	81,347,363.00
2052	4,726,294.35	75,000,000.00	79,726,294.35
2053	3,069,676.63	75,000,000.00	78,069,676.63
2054	1,471,130.13	75,000,000.00	76,471,130.13
TOTAL	\$433,510,698.63	\$1,169,500,000.00	\$1,603,010,698.63

(a) The estimate of future interest payments is based on rates in effect as of June 30, 2026. The interest rates for the daily and weekly rate bonds range from 2.10 - 2.70%.

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

(c) Represents the debt service requirements from July 1, 2026 through June 30, 2027.

Source: California State Treasurer's Office

**SCHEDULE OF DEBT SERVICE REQUIREMENTS
FOR ENTERPRISE FUND SELF LIQUIDATING BONDS
FIXED RATE, AS OF JUNE 30, 2026**

FISCAL YEAR ENDING JUNE 30	CURRENT DEBT		
	INTEREST	PRINCIPAL	TOTAL (a)
2027 (b)	\$35,722,576.29	\$31,890,000.00	\$67,612,576.29
2028	34,869,149.41	29,430,000.00	64,299,149.41
2029	33,963,173.15	33,940,000.00	67,903,173.15
2030	32,650,111.27	49,520,000.00	82,170,111.27
2031	31,021,881.27	49,480,000.00	80,501,881.27
2032	29,596,066.27	35,425,000.00	65,021,066.27
2033	28,271,568.77	41,925,000.00	70,196,568.77
2034	26,891,441.27	39,105,000.00	65,996,441.27
2035	25,809,021.27	25,730,000.00	51,539,021.27
2036	24,953,180.02	26,965,000.00	51,918,180.02
2037	24,036,983.77	28,265,000.00	52,301,983.77
2038	23,061,064.39	29,640,000.00	52,701,064.39
2039	22,104,437.51	25,490,000.00	47,594,437.51
2040	21,168,887.51	26,770,000.00	47,938,887.51
2041	20,093,142.51	33,075,000.00	53,168,142.51
2042	18,865,247.51	34,795,000.00	53,660,247.51
2043	17,551,797.51	36,710,000.00	54,261,797.51
2044	16,177,122.51	36,235,000.00	52,412,122.51
2045	14,780,513.13	35,060,000.00	49,840,513.13
2046	13,334,168.75	36,545,000.00	49,879,168.75
2047	11,835,821.25	36,435,000.00	48,270,821.25
2048	10,439,680.00	30,875,000.00	41,314,680.00
2049	9,183,417.50	27,420,000.00	36,603,417.50
2050	7,944,212.50	27,835,000.00	35,779,212.50
2051	6,665,767.50	28,765,000.00	35,430,767.50
2052	5,340,785.00	28,795,000.00	34,135,785.00
2053	3,948,053.75	30,765,000.00	34,713,053.75
2054	2,663,326.25	24,390,000.00	27,053,326.25
2055	1,450,817.50	27,340,000.00	28,790,817.50
2056	401,557.50	15,435,000.00	15,836,557.50
TOTAL	\$554,794,972.84	\$964,050,000.00	\$1,518,844,972.84

(a) Includes scheduled mandatory sinking fund payments.

(b) Represents the debt service requirements from July 1, 2026 through June 30, 2027.

Source: California State Treasurer's Office

**SCHEDULE OF DEBT SERVICE REQUIREMENTS
FOR LEASE-REVENUE DEBT
FIXED RATE, AS OF JUNE 30, 2026**

FISCAL YEAR ENDING JUNE 30	CURRENT DEBT		
	INTEREST (a)	PRINCIPAL	TOTAL (b)
2027 (c)	\$463,608,507.92	\$639,805,000.00	\$1,103,413,507.92
2028	435,664,940.37	654,480,000.00	1,090,144,940.37
2029	403,000,926.78	629,975,000.00	1,032,975,926.78
2030	372,308,357.87	631,420,000.00	1,003,728,357.87
2031	341,331,524.37	631,555,000.00	972,886,524.37
2032	309,332,961.22	650,875,000.00	960,207,961.22
2033	275,911,506.41	604,980,000.00	880,891,506.41
2034	245,029,630.12	597,340,000.00	842,369,630.12
2035	213,973,120.54	569,435,000.00	783,408,120.54
2036	187,412,241.32	445,010,000.00	632,422,241.32
2037	166,210,547.72	442,440,000.00	608,650,547.72
2038	146,243,587.92	389,690,000.00	535,933,587.92
2039	128,465,007.67	350,855,000.00	479,320,007.67
2040	112,650,287.52	315,165,000.00	427,815,287.52
2041	99,700,246.89	234,365,000.00	334,065,246.89
2042	89,353,203.14	205,820,000.00	295,173,203.14
2043	79,445,000.02	215,700,000.00	295,145,000.02
2044	69,078,512.52	226,100,000.00	295,178,512.52
2045	58,207,275.02	236,940,000.00	295,147,275.02
2046	46,989,803.14	236,465,000.00	283,454,803.14
2047	35,580,256.26	226,610,000.00	262,190,256.26
2048	25,300,431.26	181,990,000.00	207,290,431.26
2049	16,215,290.63	189,565,000.00	205,780,290.63
2050	7,222,375.00	113,155,000.00	120,377,375.00
2051	1,609,875.00	64,395,000.00	66,004,875.00
TOTAL	\$4,329,845,416.63	\$9,684,130,000.00	\$14,013,975,416.63

(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, 2026 through June 30, 2027.

Source: California State Treasurer's Office

**ESTIMATED DEBT SERVICE REQUIREMENTS
ON INTENDED SALES OF AUTHORIZED BUT UNISSUED BONDS
DURING FISCAL YEARS 2026-27 AND 2027-28 (a)**

FISCAL YEAR ENDING JUNE 30	FY 2026-27 GO SALES DEBT SERVICE	FY 2027-28 GO SALES DEBT SERVICE	FY 2026-27 LRB SALES DEBT SERVICE	FY 2027-28 LRB SALES DEBT SERVICE	TOTAL DEBT SERVICE ALL SALES
2027	\$61,250,000.00	\$ -	\$21,514,767.50	\$ -	\$82,764,767.50
2028	528,791,666.66	111,800,000.00	143,453,088.75	11,648,153.75	795,692,909.16
2029	518,208,333.33	677,606,666.66	143,460,360.00	63,729,392.50	1,403,004,752.49
2030	507,625,000.00	663,673,333.33	143,449,262.50	63,721,415.00	1,378,469,010.83
2031	497,041,666.66	649,740,000.00	143,472,792.50	63,725,071.25	1,353,979,530.41
2032	486,458,333.33	635,806,666.66	143,458,047.50	63,735,877.50	1,329,458,924.99
2033	475,875,000.00	621,873,333.33	143,463,665.00	63,725,296.25	1,304,937,294.58
2034	465,291,666.66	607,940,000.00	143,455,848.75	63,738,977.50	1,280,426,492.91
2035	454,708,333.33	594,006,666.66	143,461,327.50	63,732,303.75	1,255,908,631.24
2036	444,125,000.00	580,073,333.33	143,461,315.00	63,721,192.50	1,231,380,840.83
2037	433,541,666.66	566,140,000.00	143,466,378.75	63,725,625.00	1,206,873,670.41
2038	422,958,333.33	552,206,666.66	143,471,581.25	63,725,295.00	1,182,361,876.24
2039	412,375,000.00	538,273,333.33	143,466,475.00	63,729,073.75	1,157,843,882.08
2040	401,791,666.66	524,340,000.00	143,455,748.75	63,726,541.25	1,133,313,956.66
2041	391,208,333.33	510,406,666.66	143,458,323.75	63,731,712.50	1,108,805,036.24
2042	380,625,000.00	496,473,333.33	143,461,455.00	63,727,646.25	1,084,287,434.58
2043	370,041,666.66	482,540,000.00	97,324,385.00	63,718,233.75	1,013,624,285.41
2044	359,458,333.33	468,606,666.66	97,315,720.00	33,947,240.00	959,327,959.99
2045	348,875,000.00	454,673,333.33	97,329,530.00	33,947,723.75	934,825,587.08
2046	338,291,666.66	440,740,000.00	97,316,342.50	33,951,545.00	910,299,554.16
2047	327,708,333.33	426,806,666.66	97,323,881.25	33,950,310.00	885,789,191.24
2048	317,125,000.00	412,873,333.33	97,322,042.50	33,945,625.00	861,266,000.83
2049	306,541,666.67	398,940,000.00	97,317,262.50	33,948,962.50	836,747,891.67
2050	295,958,333.34	385,006,666.67	97,324,180.00	33,950,695.00	812,239,875.01
2051	285,375,000.00	371,073,333.34	97,321,928.75	33,942,027.50	787,712,289.59
2052	274,791,666.67	357,140,000.00	97,329,900.00	33,948,887.50	763,210,454.17
2053	264,208,333.34	343,206,666.67	-	33,950,691.25	641,365,691.26
2054	253,625,000.00	329,273,333.34	-	-	582,898,333.34
2055	243,041,666.67	315,340,000.00	-	-	558,381,666.67
2056	232,458,333.34	301,406,666.67	-	-	533,865,000.01
2057	221,875,000.10	287,473,333.34	-	-	509,348,333.44
2058	-	273,540,000.10	-	-	273,540,000.10
TOTAL	\$11,321,250,000.06	\$14,379,000,000.06	\$3,146,655,610.00	\$1,307,045,515.00	\$30,153,951,125.12

(a) Estimated issuance figures above are as of August 1, 2026. 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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