



California State Treasurer Fiona Ma, CPA

News Release

IMMEDIATE RELEASE

PR 19: 58

October 21, 2020

Contact: [Mark DeSio](#)

(916) 651-6088

State Treasurer Fiona Ma Announces Sale of \$1.1 Billion of General Obligation Bonds Via Competitive Bid

SACRAMENTO – California State Treasurer Fiona Ma announced the results of today’s competitively bid sale of \$1.1 billion of General Obligation (GO) bonds. Separate bids were accepted for \$321 million of federally taxable new money GO bonds, \$588 million of tax-exempt GO bonds, and \$198 million of federally taxable GO refunding bonds.

The bonds are being issued to fund voter approved projects and programs, pay down outstanding commercial paper and to refund \$663 million of previously issued GO bonds for debt service savings.

“We had a strong showing, which confirms investor confidence in California and the bonds we are offering,” said California State Treasurer Fiona Ma.

The federally taxable new money GO bonds attracted bids from 10 broker-dealers with J.P. Morgan Securities LLC submitting the winning bid with a true interest cost of 1.656066%. The federally taxable new money bond proceeds will provide \$50 million of funding for the California Stem Cell Research and Cures Bond Act of 2004 and pay down certain outstanding GO commercial paper notes that were issued for 18 different bond acts approved by voters between 1990 and 2018. These bond acts provide funds for a wide range of purposes including, among other things, clean water and clean air, parks, coastal protection, flood control, housing, K-12 schools, higher education facilities, and veterans housing.

The tax-exempt GO bonds attracted bids from 10 broker-dealers with BofA Securities, Inc. submitting the winning bid with a true interest cost of 1.693060%. The tax exempt new money bond proceeds will be used to pay down certain outstanding GO commercial paper notes that were issued for the Kindergarten Through Community College Public Education Facilities Bond Act of 2016. The tax exempt refunding bond proceeds will be used to current refund \$446 million of GO bonds for debt service savings. The tax exempt refunding bonds issued for debt service savings will save taxpayers \$153 million over the next 15 years, or \$138 million on a present value basis. The refunded bonds were originally issued in 2010 for 2 different bonds acts.

The federally taxable GO refunding bonds attracted bids from 9 broker-dealers with Wells Fargo Bank N.A. submitting the winning bid with a true interest cost of 1.394999%. The federally taxable GO refunding bond proceeds will be used to current refund \$216 million of GO bonds for debt service savings. The bonds issued for debt service savings will save taxpayers \$66 million over the next 16 years, or \$61 million on a present value basis. The refunded bonds were originally issued in 2010 for 6 different bonds acts.

Since taking office in January 2019, Treasurer Ma has issued \$9.7 billion of refunding GO bonds that will save taxpayers more than \$3.9 billion over the next 20 years (or \$3.2 billion on a present value basis).

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

Fiona Ma is California's 34th State Treasurer. She was elected on November 6, 2018 with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer Ma is the state's primary banker. Her office processes more than \$2 trillion in transactions within a typical year. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio of about \$109.2

billion, \$32.4 billion of which are local government funds. She serves as agent of sale for all State bonds, and is trustee on outstanding debt of \$94 billion.

For More News About The State Treasurer’s Office, Visit Us:

