



**California State Treasurer Fiona Ma, CPA**

# **News Release**

**FOR IMMEDIATE RELEASE**

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## **State Treasurer Fiona Ma Announces Results of \$502.6 Million Public Works Bond Sale**

**SACRAMENTO** – California State Treasurer Fiona Ma today announced the sale of \$502.615 million for the State Public Works Board (PWB) which will refund certain of PWB’s outstanding lease revenue bonds. The bond sale, once settled, is expected to save \$118.8 million in debt service costs over 11 years, or \$107.3 million on a present value basis.

The Lease Revenue Refunding Bonds, 2021 Series A were sold on a forward delivery basis to take advantage of the current low interest rates and lock in future savings. The forward delivery structure means that bonds will not be delivered for settlement until a year from now, in October 2021.

The 2021 Series A bonds will refinance bonds originally issued in 2011 which provided funding for four projects for the Department of Corrections and Rehabilitation (CDCR), one project for the Department of Developmental Services (DDS) and five projects for the Judicial Council of California. Specifically, the projects are as follows:

### **CDCR**

- California Medical Facility, Vacaville: Enhanced Outpatient Program Treatment and Office Space (CDCR)
- California Men’s Colony, San Luis Obispo: Mental Health Crisis Bed Facility (CDCR)
- California State Prison, Corcoran: Administrative Segregation Unit/Enhanced Outpatient Program Treatment and Office Space (CDCR)
- California State Prison, Sacramento: Psychiatric Services Unit Treatment and Office Space (CDCR)

### **JUDICIAL COUNCIL**

- Hollister Courthouse (Judicial Council)
- Mid-County Courthouse, Riverside County (Judicial Council)
- Porterville Courthouse (Judicial Council)
- San Andreas Courthouse (Judicial Council)
- San Bernardino Courthouse (Judicial Council)

### **DDS**

- Porterville Developmental Center Main Kitchen (DDS)

“This transaction will save California’s taxpayers a significant sum of money,” said Treasurer Ma. “Unfortunately, those savings require us to undertake a significantly more complicated transaction because of a little known provision of the tax cut bill from late 2017 that prohibits governmental agencies issuing tax-exempt bonds from refinancing those bonds until their first redemption date, called an ‘advance refunding.’ This important tool is an integral part of my legislative agenda in Washington. I encourage all policy makers to engage with states on a restoration of this valuable tool.”

The all-in true interest cost for the bonds is 1.67 percent. Yields to investors ranged from 0.80 percent for the 2022 maturity to 1.93 percent for the 2032 maturity.

The bonds are rated Aa3 (Stable) by Moody’s Investors Service, AA- (Stable) by Fitch Ratings, and A+ (Stable) by Standard & Poor’s.

Wells Fargo Bank, NA and Siebert Williams Shank & Co., LLC served as joint senior managing underwriters, with Rice Financial Products Company serving as co-senior manager. In addition, there were 15 co-managers to round out the underwriting syndicate.

The calendar of all upcoming state bond sales is available at [BuyCaliforniaBonds.com](http://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 payments 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 more than \$86 billion, approximately \$25 billion of which are local government funds. She serves as agent for sale for all State bonds, and is trustee on over \$94 billion of outstanding debt.*

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