

# THE BOND BUYER

## California treasurer puts a call out for creative finance ideas

By

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California Treasurer Fiona Ma asked public finance professionals to reach out to her office with creative financing ideas to help the state solve its social problems and build infrastructure.

The state has a \$21 billion housing surplus, but also substantial infrastructure needs and a housing crisis, Ma said in a keynote speech Monday at the Bond Buyer's California Public Finance Conference.



California Treasurer Fiona Ma said her office is developing a standard for green bonds. **Bloomberg News**

She also wants to investigate whether there is anything that can be done at the state level to alleviate crushing student loan debt.

“I will remain engaged with you in discussing the role of public-private partnerships,” Ma said. “I remain focused on borrowing in the most effective manner possible, so that California as a state remains open for business.”

Recent transactions have proven that borrowing money at a competitive rates is not a problem for the state, but it does need to manage its precious resources in the manner that Californians demand, she said.

That is why, she said, she would like finance professionals to bring the treasurer’s office their ideas.

“I am determined to create a level playing field and promote projects that help create jobs, build housing — and look for projects that protect our environment,” Ma said.

Ma ticked off the economic improvements the state has achieved since the 2009 recession and strides it has made toward fiscal responsibility including passing a budget on time each year since 2010.

The state's fiscal achievements helped it land a Fitch Ratings [upgrade in August](#) to AA from AA-minus with a stable outlook.

In a report released Friday, Fitch said that the state's fiscal renaissance continues.

Strong budget management contributed to the upgrade and has positioned the state quite well for the next economic downturn, according to Fitch.

"California has repaid all budgetary borrowing accumulated through two recessions and now has a structurally balanced budget, which is a big plus this late in the broader economic cycle," said Fitch Senior Director Karen Ribble.

Earlier at the California Debt and Investment Advisory Commission’s pre-conference event, Ma said the treasurer’s office is trying to develop a standard for green bonds.

“Not just that it sounds green and therefore it is green,” Ma said evoking laughter.

“The rest of the world adheres to standards, but here in the U.S. we just use the generic term “green” without any definition,” Ma said.

Ma added that she has been working on the effort with Tim Schaefer, the deputy treasurer for public finance. The treasurer's green bond development committee just had its second meeting, she said.

As someone who once worked with the City of San Francisco, Ma said she believes the state should help local government where it can. With that in mind and noting that the state has a surplus, she asked local governments with projects that need financing to contact the treasurer's office.

"The state has a surplus — and our office gives away grants, loans and bonds. If you have projects locally, please let us know if we can help."

She has been looking for a solution to reports that landfill capacities in the state are being test as a result of China's environmental changes that have resulted in the country importing less cardboard and other waste to recycle from California.

"Last week, I did a tour of medical waste systems recycler in Paramount," Ma said. "It is one of the companies handling medical waste. They are using low plasma technology that doesn't give off emissions."

One of her goals as treasurer is to find those companies that are jewels like this that are helping the state solve problems and to promote them and help them, Ma said.