



MEMORANDUM

To: Co-Chair Fred Girod
Co-Chair Rob Nosse
Joint Ways and Means
Capital Construction Subcommittee

From: Jaime Alvarez, Debt Management Director
Debt Management Division
Oregon State Treasury

Date: March 27, 2025

Subject: Response to Questions from March 21, 2025 Meeting

Co-Chair Girod, Co-Chair Nosse, and members of the Committee,

Thank you for your time on Friday, March 21, 2025, to review the 2025-27 Debt Capacity bonding recommendations. There were several questions asked during the meeting that we would like to provide additional information to provide an accurate response.

Rating and Interest Rates

How does Oregon compare to other neighboring states in terms of rating and interest rate they achieve with their bond issuances?

The State of Oregon for the majority of its credits has either the highest or second highest credit rating. Exhibit I, attached, gives comparable ratings and spreads to other West Coast states.

Bond Holders

Who are the major investors/purchasers of the state's bonds?

The holders of the States bonds can have some fluctuations depending on market conditions, new issues and maturing bonds. Exhibit II, attached, lists current investors for general obligation and lottery by amount of holdings reported from largest to smallest.

Direct Sale

Could we set aside a percentage of our bonds and have Treasury market bonds directly to Oregonians to save on the brokerage fees paid to the issuing companies?

Treasury utilizes the BuyOregonBonds website to notify prospective investors of upcoming bonds deals. Treasury has been utilizing lower denomination (reduced from \$5,000 to \$1,000) bonds to allow for



increased individual retail participation. Oregonians have the ability to sign up for alerts and participate in transactions through the primary or secondary market.

Historical Debt Capacity Projections

How accurate have the debt capacity projections been over the last 10-years?

Treasury takes a steady and consistent approach to how we issue debt in the future. We utilize the most current OEA forecast to project capacity for the biennium and update capacity figures in the short session to account for any forecast revisions that affect the capacity. Looking back would not provide a meaningful picture as we would have corrected course, in terms of capacity, to align with any revenue forecast changes.

Projects Financed

Is there the ability for the committee to get a list of all projects financed over the last 30 years?

Treasury issues debt as prescribed in the legislatively adopted bond bill. There is a variety of programs at the agency level where grant funds are further allocated for projects, post issuance. We would defer to DAS, who works with the agencies, to help gather requested project detail.

Exhibit I

General Obligation Bond Ratings by State w/ 10-yr Rates				
State	Moody's	Standard & Poor's	10-year rate*	Spread (basis points)
Washington	Aaa	AA+	3.27%	+14
Oregon	Aa1	AA+	3.29%	+16
Idaho	Aaa	AA+	3.31%	+18
California	Aa2	AA-	3.33%	+20

* Estimated rate assumes a GO issuance as of March 21, 2025

Bond Rating Scale			
	Moody's	S&P	Fitch
Investment Grade	Aaa	AAA	AAA
	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
	A1	A+	A+
	A2	A	A
	A3	A-	A-
	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
Non - Investment Grade	Ba1	BB+	BB+
	Ba2	BB	BB
	Ba3	BB-	BB-
	B1	B+	B+
	B2	B	B
	B3	B-	B-
	Caa	CCC	CCC
	Ca	CC	CC
	C	C	C
		D	D

Exhibit II

State of Oregon GO Holders	State of Oregon Lottery Holders
Vanguard	Vanguard
Blackrock	Blackrock
Northern Trust	Capital Group
Capital Group	Ameriprise Fin Grp
Markel Group	Northern Trust
Franklin	US Bancorp
Travelers	Asset Allocation & Management Co
Prudential	Berkshire Hathaway
Allstate	Allspring
Berkshire Hathaway	JP Morgan Chase & Co
US Bancorp	Wellington Management Group
T Rowe Price	Brinker Capital Inc
Liberty Mutual	Opus Investment Management Inc
State Farm	Metlife Investment
Ameriprise Fin Grp	State Street Corp
Liberty Mutual Investment Advisor	Brown Brothers Harriman & Co
JP Morgan Chase & Co	Conning Inc
Allspring Global Investments	Virtus Investment Partners Inc
StanCorp Mortgage Investors	Deutsche Bank Ag
Amica Mutual Insurance Company	New York Life Group
Goldman Sachs Group Inc	American National Group Inc
Dimensional Fund Advisors LP	Wellington Funds (Us) LLC
State Street Corp	Travelers Companies Inc
UBS	Olive Street Investment Adv
New Jersey Manufacturers Group	County Of Harris Tx