

State Fiscal Officer Gary Anderson announced today refinancing of General Obligation Bonds for the state, resulting in a total savings of \$12.5 million, mostly realized in Fiscal Years 2003 and 2004.

“The weak national economy and the threat of war have caused a great deal of volatility and uncertainty in the market,” Anderson said. “These effects have presented opportunities in the bond market, and we were in a position to take advantage of them.”

Anderson credited the teamwork involved in achieving the savings, thanking Governor Ronnie Musgrove and the members of the Bond Commission, as well as representatives from the Treasury Department and Salomon Smith Barney.

“Mississippi’s bonds continue to trade well in the market and the Mississippi Bond Refinancing of \$410 million was the marquee deal of the week in the bond market,” said Anderson. “The ratings agencies continued to rate us an AA and view our fiscal picture as stable. This deal was difficult because of the pressure we put on margins in order to gain the 3 percent savings. Another way of stating it is, we were bottom fishing in doing this deal.”

The Department of Finance and Administration has been closely monitoring the outstanding issues and market conditions for potential refinancing opportunities.

“With today’s announcement, a total of more than \$1.1 billion in bonds have been refinanced, generating a total savings of over \$38.7 million in debt service payments during the Musgrove administration,” said Anderson. “We will continue to seek cost effective ways to manage our debt and provide fiscal stability to those who invest in the State of Mississippi.”

In each of the refinancing cases, no maturities were extended beyond the original date.