



State of New Jersey

Department of the Treasury

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For Information Contact:
Tom Vincz
(609) 633-6565

State to Again Target Individual Investors for \$175 Million School Bond Transaction

TRENTON – State Treasurer David Rousseau today announced that the State has initiated its second direct outreach campaign designed to generate interest from individual investors in New Jersey bonds.

Beginning early next week, the New Jersey Economic Development Authority will sell \$175 million in School Facilities Construction bonds to provide funds for New Jersey School Development Authority (SDA) construction projects. The bonds represent the part of the remaining authorization of the original \$8.6 billion in the Educational Facilities Act. Information about the transaction can be found on a web site created and dedicated to providing background and purchase details on bond sales to individual investors, www.BuyNJBonds.gov. In addition, a series of radio and newspaper ads will run between today and next Tuesday about the bond offering.

“Buying New Jersey bonds provides the public with a great opportunity to invest in our State’s quality of life and our future,” Rousseau said. “These investments are also at the core of Governor Corzine’s stimulus efforts.”

At Governor Corzine's direction, the SDA has accelerated projects in efforts to stimulate the economy. The SDA will start 24 projects in 2009, representing \$1.4 billion worth of work overall.

"School construction has a vital role to play in the Governor's economic stimulus strategy," said Kris Kolluri, CEO of the SDA. "New Jersey lost 4,400 construction jobs from December 2007 through November 2008. Our projects can compensate for the loss of those jobs while building schools that will benefit our students for decades to come."

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Treasurer Rousseau said while bond sales typically include a retail component, bond issuers around the region and the country are looking to increase participation by individual buyers. “While New Jersey and other major issuers have targeted institutional and retail investors when selling government debt in the past, issuers are increasingly focused on individual investors,” said Rousseau, noting that demand among mutual funds, insurance companies, banks and other institutional investors has diminished due to volatility in the financial markets. “This appeal to the retail buyer has several advantages to both the investor and the State as a whole,” he said. He added that the outreach for the school bonds follows a similar campaign to sell Transportation Trust Fund bonds last fall.

Office of Public Finance Director Nancy Feldman noted: “The greater the demand for the State and Authority bonds, the more competitive the interest rates become – and when rates are driven lower, all New Jersey taxpayers benefit in the form of lower debt service costs on the bonds,” she said.

The New Jersey Economic Development Authority will be selling approximately \$175 million 2009 Series Z School Facilities Construction Bonds next Tuesday and Wednesday. The interest earned by investors on these bonds is exempt from federal and New Jersey personal income taxes. The bonds are payable from funds that are subject to annual appropriation by the State Legislature. The proceeds from the bonds will be used to fund the renovation, modernization and construction of public elementary and secondary schools and early childhood centers across the State.

The web site includes the Authority’s Preliminary Official Statement, which contains information on the bonds. All potential investors should read the official statement before making a decision to invest in bonds. Other topics on the web site that potential investors can view are a transaction overview, “How Do I Purchase Bonds” and a FAQ.

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