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California Has So Much Cash, Wall Street Wants an Early Payback.

- **Underwriters suggest state use surplus to pay off debt early**
- **Paying off debt early may help circumvent constitutional limit**

California is so awash with money that Wall Street is advising it to buy out some of its debt investors.

Morgan Stanley and Loop Capital Markets suggested to Treasurer Fiona Ma that her office consider paying off some bonds early, public records obtained by Bloomberg News show. The pitches underscore the financial strength of California given that the state's proposed \$213 billion budget is bolstered by a \$45.7 billion surplus. The state's progressive tax system rakes in more revenue when the income of its highest earners rises.

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