

Cal Account Project Status Report

	Status as of January 20, 2024
Project Status	<ul style="list-style-type: none"> • For Task 1 (survey), RAND is fielding the survey. • For Task 2 (landscape of banking options), RAND is analyzing the spatial distribution of bank branches and the fees associated with traditional and non-traditional banking services. • For Task 3 (cost-benefit analysis), RAND is implementing the quantitative methods to inform the cost-benefit analysis. • For Task 4 (impact analysis), RAND is continuing estimating how participation in the CalAccount program impacts disparities. • For Task 5 (operations analysis), RAND is continuing conducting subject matter expert interviews.
Risks & Issues	<ul style="list-style-type: none"> • None
Upcoming Deadlines	<ul style="list-style-type: none"> • Briefing on preliminary findings scheduled for February 15, 2024 • Draft report due July 1, 2024 • Briefing on full set of findings scheduled for July 8, 2024 • Final report due August 8, 2024

Project Schedule (pages 2-3): *Reflects the final workplan.*

Monthly Report	December 2023
	<ul style="list-style-type: none"> ○ Began a systematic literature review on the impact of ChexSystems on access to financial services for un/underbanked by taking advantage of RAND's extensive access to leading academic journals and government reports. A summary of the literature review will be included in RAND's final report to STO. ● Task 3: Cost-benefit analysis. RAND conducted comparative evaluation of costs and benefits, and a quantitative cost-benefit analysis using hypothetical scenarios. Specifically, RAND: <ul style="list-style-type: none"> ○ Characterized importance of qualitative costs and benefits vis-à-vis quantitative models, providing justifications and rationales based on literature scan and in consultation with sponsor, to inform assumptions underpinning quantitative analyses. ○ Identified and collected appropriate data sources for implementation of quantitative methods. ○ Adjusted cost/benefit matrix categories as necessary, based on scenarios chosen for analysis. In line with best practices, these may be updated as required. ● Task 4: Impact analysis. RAND continued to estimate how participation in the CalAccount Program impacts disparities, estimated immediate savings to low-income families, described potential longer run benefits to low-income families, and investigated potential impact on public safety. RAND also began to investigate the potential impact on banks. Specifically, RAND: <ul style="list-style-type: none"> ○ Continued to estimate the impact of the CalAccount Program on disparities. ○ Continued to review literature and policy documents to estimate fees associated with financial services. ○ Began to estimate potential savings to participants from participating in the CalAccount Program using estimates of fees associated with financial services. ○ Finished reviewing literature on the effects of cash transfer programs on long term outcomes and began summarizing the literature review for inclusion in the draft report. ○ Finished reviewing literature on the benefits of financial inclusion and disadvantages of using alternative financial services and began summarizing the literature review for inclusion in the draft report. ○ Continued to review literature on the relationship between alternative financial services and public safety and began summarizing the review for inclusion in the draft report. ○ Began to review existing literature and analysis from previous tasks to describe potential impact of the CalAccount Program on banks. ○ Continued subject matter expert discussions in coordination with Task 5. ● Task 5: Operations assessment. RAND began documenting the process of participating in banking without ID and examining strategies to encourage enrollment, and studying necessary regulatory structure of the proposed process. Specifically, RAND: <ul style="list-style-type: none"> ○ Continued the review of relevant literature, regulations, similar programs and organizations, and survey data analyzed in other tasks (e.g., Task 2) to inform feasibility. ○ Continued describing key characteristics of key components that are relevant for feasibility as informed by the review and evaluate options to participating in banking without ID based on the literature, current financial services and similar services that do not require an ID or accept alternative IDs, and their legal implications.

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	<ul style="list-style-type: none"> ○ Reviewed the literature, findings from other tasks about the target population of the program, and other similar programs to identify challenges for enrollment and strategies for program outreach accordingly to inform on feasibility. ○ Continued subject-matter experts discussions in coordination with Task 4. ○ Continued to refine recommendations for modifications to ease burden. <p>Task 6: Project management. RAND presented on the project to the Blue Ribbon Commission at its December 14, 2023, meeting. RAND and STO project leadership continued to hold weekly meetings to discuss project progress. RAND continued progress on the project’s application to RAND’s Human Subjects Protection Committee.</p>														
Project Budget	<p>The project has spent a total of \$197,098.18 across all six tasks for the period from 8/29/23 through 12/31/23:¹</p> <div style="text-align: center;"> <table border="1" style="margin: 10px auto; border-collapse: collapse;"> <caption>RAND CalAccount Monthly Billing Report (Total Project Budget: \$2,500,000)</caption> <thead> <tr> <th>Task</th> <th>Dollars Charged</th> </tr> </thead> <tbody> <tr> <td>Task 1</td> <td>\$118,000</td> </tr> <tr> <td>Task 2</td> <td>\$85,000</td> </tr> <tr> <td>Task 3</td> <td>\$40,000</td> </tr> <tr> <td>Task 4</td> <td>\$115,000</td> </tr> <tr> <td>Task 5</td> <td>\$98,000</td> </tr> <tr> <td>Task 6</td> <td>\$105,000</td> </tr> </tbody> </table> </div>	Task	Dollars Charged	Task 1	\$118,000	Task 2	\$85,000	Task 3	\$40,000	Task 4	\$115,000	Task 5	\$98,000	Task 6	\$105,000
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Upcoming Activities for January 2024	<ul style="list-style-type: none"> ● Task 1: Survey of the un/derbanked. RAND will recruit field data collection staff and launch the web version of the survey in both English and Spanish. 														

¹ RAND reports financial information on a biweekly basis that does not always align with calendar months.

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	<ul style="list-style-type: none"> • Task 2: Landscape of banking options. RAND will start scheduling interviews with consumer advocacy groups and industry stakeholders to discuss the impact of ChexSystems on financial access, use survey responses to analyze the impact of banking fees on financial participation, analyze the spatial distribution of bank branches, and examine how overdraft/NSF fees vary geographically and over time. • Task 3: Cost-benefit analysis. RAND will conduct comparative evaluation of costs and benefits, and a quantitative cost-benefit analysis using hypothetical scenarios. • Task 4: Impact analysis. RAND will continue to estimate how participation in the CalAccount Program impacts disparities, estimate immediate savings to low-income families, describe potential longer run benefits to low-income families, investigate potential impact on public safety, and began to investigate the potential impact on banks. • Task 5: Operations assessment. RAND will access the feasibility of board requirements. • Task 6: Project management. RAND will meet with and solicit advice as needed from the Commission and Advisory Committee. RAND and STO project leadership will continue to hold weekly meetings to monitor progress, troubleshoot issues, and share findings as they become available. RAND project leadership will attend the January 18th Blue Ribbon Commission meeting.