

NEWS...

From the Desk of California State Treasurer Fiona Ma, CPA



JULY 2020

Dear Friends,

Strengthening and fully funding education has been a top priority for me for a long time. When I was a legislator, I authored, co-authored or sponsored bills that repaid funds the state owed to public education (Proposition 98), expanded awareness of the state’s Cal-Grant program, increased access to middleclass scholarships, and much more.

As State Treasurer, today I oversee two state authorities and a state board that play their own critical roles in helping to strengthen and fully fund our education system.

Our ScholarShare Investment Board (SIB), which oversees California’s official college savings plan – ScholarShare 529 – provides an easy method for families to save for their children’s college expenses. Investment experts consider ScholarShare 529 among the most highly rated 529 plans in the nation. Meanwhile, our California Educational Facilities Authority (CEFA) is extraordinarily active in helping private, nonprofit colleges and universities meet their building and facility needs. I chair both the SIB and CEFA boards.

I also chair the California School Finance Authority (CSFA) board, through which we are diligently working to help find a solution to the housing problems faced by community college students. On another front, CSFA is working to help schools in counties that may face economic repercussions resulting from the global response to the coronavirus pandemic.

Of course, there is more to these programs than a brief description can convey, so I invite you to read the ABCs of the BCAs feature inside.

In Peace & Friendship,

California State Treasurer Fiona Ma, CPA

TABLE OF CONTENTS

Welcome Letter	1
Ask Fiona	2
Peter Xu’s Note of Appreciation	3
COVID-19 Case Study	4
ABCs of the BCAs	5-11
Upcoming BCA Events	12
Top Billing	12
Ma Squad	13

This newsletter is not intended to be and should not be used for making investment decisions about State of California bonds or notes. Potential investors should always obtain and read the Official Statement published by the State for each issue of bonds or notes.



Ask Fiona

If you have a question, please email me at askfiona@treasurer.ca.gov

Dear Fiona,

I attended one of your recent webinars and heard you cautioning the audience to beware of COVID-19 scams.

What are these? How can I protect myself?

Sincerely,
Denise

Dear Denise,

There has reportedly been an influx of scammers who are exploiting the COVID-19 pandemic to steal money and sensitive personal information from consumers and businesses. According to the Federal Trade Commission (FTC), as of June 4, 2020, over 64,200 Americans have filed complaints related to COVID-19, reporting losses totaling \$46.17 million. Cybercriminals pose as health authorities or representatives from banks and government agencies and use a variety of phone, e-mail, and text scams to take advantage of unknowing individuals. These scams include fake offers of financial relief and refunds; fake testing kits and treatments; fraudulent investment opportunities; bogus charities seeking donations; and offers of high-demand personal protection equipment (PPE).

Here are some tips to help protect yourself:

- Do not respond to calls or texts from unknown or suspicious numbers.
- Never share your personal or financial information via email, text messages, or over the phone.
- Be cautious if you're being pressured to share any information or make a payment immediately.
- Remember that government agencies will never call you to ask for personal information or money.

- Do not click any links in text or e-mail messages from sources you don't know.
- Beware of e-mails asking for donations.
- Be alert to "investment opportunities."

If you find yourself the victim of a scam, you may file an online complaint with the FTC at <https://www.ftccomplaintassistant.gov/#crnt&panel1-1> or with the National Center for Fraud at <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

Stay safe and vigilant!

Sincerely,
Fiona



Have a Question for the Treasurer?

Readers: Send your questions for California State Treasurer Fiona Ma via email to: AskFiona@treasurer.ca.gov

Address letters to:
California State Treasurer Fiona Ma
Post Office Box 942809
Sacramento, CA 94209-0001



Intern Peter Xu's Note of Appreciation

Interning for California State Treasurer Fiona Ma has been one of the most fulfilling professional experiences I have had to date. My internship spanned four years, from her term in office as chair of the State Board of Equalization through her second year in office as California State Treasurer.

I consider myself lucky that my first internship introduced me to supervisors who are so passionate about mentoring. All of them – Noah [Starr], Gloria [Li], Genevieve [Jopanda], and Fiona – taught me far more than the basic techniques of how to do the work. Beyond learning the practical steps involved, I learned from each of them the passion to help. They became not merely supervisors and mentors, but extended family.

Working for Fiona at the Board of Equalization and the State Treasurer's Office helped satisfy my need for self-actualization and affirmation. People told my work mattered, that I was

having a positive impact as I interacted with constituents each day. The work was varied and challenging. In addition to answering constituent questions, I staffed small business webinars and affordable housing tours, sorted newspaper collections, helped establish online databases, drafted talking points, translated news releases, drafted certificates, composed welcome letters, worked on the Treasurer's Women on Boards (SB 826) database, and contributed to the Treasurer's COVID-19 small business resource list.

It has been delightful seeing my hard work bring joy and provide support to my fellow Californians.



COVID-19 Case Study:

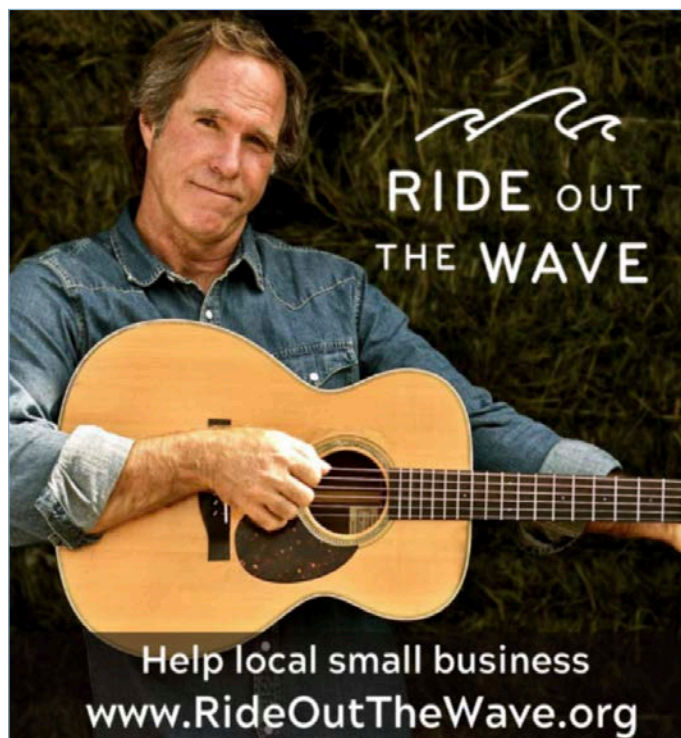
This Community's Creative Solution Forged New Links between Local Businesses and Customers during Shutdown

Communities across California have taken an economic hit in the wake of shelter-in-place orders made necessary by the spread of COVID-19. In high-profile moves, government policymakers immediately stepped in to support and provide relief to businesses large and small. Not as well-publicized are the creative steps taken by local business owners and economic development organizations. One such effort in Santa Cruz known as "Ride Out the Wave" could be a blueprint for other communities.

The volunteer-led undertaking began when Amazon employees and Santa Cruz natives Drew Meyer and Rex Harris approached Santa Cruz Works' Executive Director Doug Erickson with an idea to connect the public with local merchants during the pandemic. That led to the creation of an online platform promoting public gift card purchases to benefit local sellers. All transactions are facilitated by third parties. There are no processing fees. The platform simply and effectively serves to reconnect a local economy temporarily fragmented by the pandemic.

To supercharge their effort, Santa Cruz Works and partners generated buzz with the help of Facebook Live benefit concerts hosted by local artists Taylor Rae and Keith Greeninger. If these two events served as lightning rods, then the gas on the fire was the unplanned infusion of \$55,000 in matching grant funds. The funding was made possible by Santa Cruz County's and the City of Santa Cruz's economic development departments, as well as nonprofit and corporate partners, including the Community Foundation of Santa Cruz County, the Monterey Bay Economic Partnership, Amazon, and Looker Data Sciences Inc. While available, these funds provided consumers with an extra \$25 gift card to complement initial purchases of \$50 or more.

Ride Out the Wave was the work of nine volunteers who over 45 days generated a digital platform boasting more than 373 business listings. Utilizing the \$55,000 in matching funds, the platform generated more than \$432,000 in gift card transactions benefitting local merchants. More than 15,000 unique transactions were involved.



Musician Taylor Rae performed on Facebook live to promote the Santa Cruz effort to help local businesses and customers reconnect during the state's stay-at-home response to the novel coronavirus pandemic.

On a webinar to celebrate the effort, Doug Erickson described it as an inspiring process in which the "community took money out of their own pockets to put right back in the community through our small businesses."

While the matching funds have been depleted, the www.rideoutthewave.org platform remains active. Treasurer Ma encourages other regions across California to consider implementing similar efforts to support the state's recovery. For more information, please contact help@rideoutthewave.org.



ABCs of the BCAs

Financing and Investing in California Families, Businesses and Infrastructure ... Through 26 Boards, Commissions and Authorities (BCAs) Treasurer Ma is a Member of or Chairs

FEATURED

California School Finance Authority (CSFA)

Benefitting California Schools and Families

This past spring the [California School Finance Authority \(CSFA\)](#), historically associated with the financing of charter school facilities, laid the groundwork to support Californians on two new, critical fronts. Students from kindergarten through community college stand to benefit.

One program issues debt to build student housing for community colleges to alleviate a statewide shortage of affordable choices. Santa Rosa Junior College's housing project is CSFA's first undertaking. The second program assists K-14 school districts meet working capital funding challenges that can result from the economic impact of the COVID-19 shutdown.

To build momentum for the community college effort, Treasurer Ma co-sponsored statewide roundtables identifying opportunities for affordable student housing on campuses, including one for the counties of Los Angeles, Orange, Ventura, San Bernardino and Riverside.

As chair of the CSFA board, Treasurer Ma is committed to a vision that underscores the bridging of resource and achievement gaps in disadvantaged communities. To build these bridges requires access to a quality education and educational facilities.

Student Demographics—All CSFA Programs

- Economically Disadvantaged - 66%
- English Language Learners - 19%
- Students with Disabilities - 10%
- Homeless Population (Charter) - 29%

The State Treasurer's Office (STO) and CSFA are working to realize this vision through a range of programs. For example, you will find CSFA issuing bonds this summer on behalf of a public school district to update its transportation facility. You also will find CSFA helping charter schools navigate their pandemic-related economic uncertainties. Having recently received approval from the U.S. Department of Education, CSFA plans to add up to \$20 million in federal grant money to enhance a working capital program designed to help schools meet cash flow needs in case of funding cuts and state aid deferrals.

Awards from the CSFP, Conduit Bond, RLF, Credit Enhancement and State Charter School Facilities Incentives Grants programs are all subject to approval of the CSFA Board. The Board meets monthly in Sacramento and includes the California State Treasurer, Superintendent of Public Instruction, and Director of the Department of Finance. CSFA has offices in Sacramento and Los Angeles.

CSFA originated in 1985 with the CSFA Act when Jesse Unruh was State Treasurer. The intention was to aid public school districts and community colleges in the sale of revenue bonds to build and remodel school facilities and provide working capital. In addition to its role as the issuer of the state's General Obligation debt, Unruh envisioned the STO overseeing a group of authorities, each with the capacity to issue conduit bonds on behalf of certain public works and providing an infrastructure for such financing far into the future.

Of the conduit authorities established within the Treasurer's Office, CSFA was comparatively slow to grow. Public school facilities already had local mechanisms to fund much of what the 1985 Act intended to cover. It was not until 1992 and the introduction of Senate Bill 1448 and the

state's Charter School Act that CSFA began to blossom. It continued to grow in 2002 with the passage of Assembly Bills 14 and 16, and voter approval of Proposition 47, which introduced the California School Facilities Program (CSFP).



Treasurer Ma and CSFA Executive Director Johantgen.

CSFA Executive Director Katrina Johantgen has helmed the authority since 2000. She has worked with four State Treasurers and guided the agency from no programs and one employee twenty years ago to twelve programs, twelve employees, two retired annuitants, two offices and a total of more than \$4 billion in education funding provided as of 2020.

In addition to CSFP, the authority now includes a Conduit Bond Program that issues working capital and secured loans, in addition to facility bonds. It also houses the SB 740 and Revolving Loan Fund (RLF) programs, an Incentives Grant program and three separate Credit Enhancement programs.

In 2019, CSFA entered the Social Impact Bond space. Social Impact Bonds are a form of debt designated to issuers that perform a public service. These bonds attract investors who evaluate and include public good among the metrics that guide their investment decisions.

CSFA is currently helping awardees in all its programs navigate school funding deferrals outlined in both Governor Gavin Newsom's May 2020 revision of the state budget and the Legislature's proposed alternative. In addition, it is working with the California Debt and Investment Advisory Commission (CDIAC), also overseen by Treasurer Ma, to produce a series of webinars for K-14 district business officials. The webinars focus on such issues as education in the time of COVID-19, tax and revenue anticipation notes, certifications of participation, general obligation (GO)

bonds, continuing disclosure, CARES Act, best practices, and more.

The Charter School Facilities Program

The [CSFP](#) was initially supported by two voter-approved bonds. Proposition 47 and Proposition 55 provided \$100 and \$300 million, respectively, in school facility funding. Voters later approved Proposition 1D, providing an additional \$500 million in funding. A more recent round of funding, an additional \$500 million, was approved by voters in 2016 through Proposition 51.



University High School Fresno, located on the campus of California State University Fresno, is ranked fourth in California and 55th nationally. The school received more than \$18.7 million through CSFP to build the facility above.

Administration of CSFP is shared between CSFA, the Office of Public School Construction (OPSC), and the California Department of Education (CDE). The program funds half the cost of a school's facilities through a state-issued grant. The remainder is provided in a matching share contribution from the school and/or its district.

Both charter schools and public district schools turn to CSFA to issue bonds.

Through voter-approved (GO) bond proceeds and recycled matching share repayments, more than \$1.75 billion has been made available for construction of new facilities or rehabilitation of existing school district facilities for charter schools. Funding eligibility is determined on a per-pupil basis. To date, 124 permanent school facility projects have been approved for funding with 34 completed and occupied.

Recent CSFP projects approved for funding include Butte County's Inspire School of Science and the Arts in Butte County and Santa Rosa County's Roseland Charter Academy.

Inspire School of Science and the Arts is a high performing college preparatory high school designed by the faculty and staff of the Chico Unified School District and the California State University, Chico. When completed in 2021-22, students and teachers will gain new science classrooms, labs and other improvements and additions.

The Roseland School District applied in 2012 for funding on behalf of the Roseland Charter School project. It was approved with an anticipated completion date of 2017, but plans dramatically altered as two of the most destructive fires in California history destroyed surrounding areas. Working with OPSC, and thanks to available additional funding, the CSFA Board approved a revised project with a slight increase in capital. The project is now expected to be completed in time for the 2021-22 school year.

State Charter School Facilities Incentive Grants Program

In 2004, CSFA was awarded \$49.25 million in federal grant awards from DOE and established the [State Charter School Facilities Incentive Grants Program](#). CSFA was awarded a second DOE grant of \$48.5 million in 2009 and a third of \$50 million in 2014. California was the first state, and CSFA the first organization, to be awarded the grant three times.



Located in a renovated lumberyard and warehouse near downtown San Jose, the Downtown College Preparatory El Primero High School and El Camino Middle School focuses on educating first-generation students. The pupil population is more than 90-percent Latinx. The school was awarded \$1.5 million from the Incentive Grants Program for the facility pictured above.

The Incentive Grants Program, as it is also known, is a three-year competitive grant designed to assist high performing charter schools with rent, lease, debt service, and Prop 39 pro rata payments or costs related to the purchase, acquisition, design, new construction or renovation of school facilities.

Applicants are assigned preference points based on criteria intended to favor schools serving low-income students, those in overcrowded areas, and schools that meet or exceed the Smarter Balanced Assessment standards and/or provide a school choice option with higher Smarter Balanced Assessment standard scores than traditional public schools in the same geographical area. First time applicants also receive additional preference points. Applicants are ranked by CSFA staff, approved by its board, and then sign a Grant Agreement with CSFA.

CSFA is currently administering its third grant of \$50 million. Since the initial 2004 grant, the program has awarded nearly \$144.6 million to 432 California charter schools serving 177,518 students.

Conduit Bond Program

In 1999 and 2000, CSFA issued three pooled financing notes for school districts to provide bridge financing for schools that were awaiting Proposition 1A apportionments. Since then, the [CSFA Conduit Program](#) has issued 89 conduit bond, note and loan financings for a total issuance amount of \$1.66 billion. While bond proceeds have largely been used for facility construction, acquisition and renovation, loan and note proceeds have helped to cover school working capital and growth costs.

In February of 2020, CSFA priced and closed the Fenton Science, Technology, Engineering, and Mathematics (STEM) transaction. This issuance marks CSFA's first foray into classifying charter school debt as a social impact bond. Purchasers included Goldman Sachs Asset Management, American Century, Nuveen, and Alliance Bernstein.



Rendering of the future Grossmont Union High School District transportation yard located in San Diego County. The project's conduit program facility funding is the first non-charter issuance by CSFA in a decade.

Going forward, the underwriter in this case, RBC Capital Markets, intends to use the social impact designation on other issuances.

Additionally this summer CSFA will issue bonds on behalf of Grossmont Union High School District, a public school district in San Diego County, for renovation and improvement of its central transportation facility and bus yard. This is CSFA's first non-charter issuance in a decade. The CSFA intends to continue to issue on behalf of public school and community college districts going forward.

Charter School Facility Grant (Senate Bill 740) Program

Senate Bill 740 authored by future Secretary of Education and then Senator Jack O'Connell established the [Charter School Facility Grant \(SB740\) Program](#).

Our Best Partner

"The California School Finance Authority (CSFA) has been our best partner.

As a public school that serves 3,300 PK-12th low-income students in the inner city of Los Angeles, we have been able to access working capital from the Authority since 2005, including grants, loans and debt-relief programs.

CSFA staff members visit school communities frequently and are passionate in finding ways to help the underserved with innovative financing programs to meet persistent needs. Without their helping hands and quick responses to challenges, we could have never completed seven projects while maintaining fiscal health.

As an educator, CSFA is my first responder; as a taxpayer, CSFA is my best investment!"

—Yvonne Chan, Founding Principal, Vaughn Next Century Learning Center



Kid Street Learning Center of Santa Rosa is a recipient of the SB740 program. Nearly 40-percent of its students are homeless.

From its enactment in 2002, through 2012, the SB740 Program had been administered by CDE. The program transferred over to CSFA with the passage of the 2013-14 state budget. Since 2013, the program has awarded more than \$626 million to 547 California charter schools serving 220,347 students.

The SB740 program provides charter schools with annual assistance with facilities rent and lease expenditures when they meet eligibility criteria. For example, at least 55 percent of enrolled students at the charter school must be eligible for Free or Reduced-Price Meals (FRPM), or be located in an elementary school attendance area where at least 55 percent of students enrolled are eligible for FRPM. The charter school also must give admissions preference to students who attend the local elementary school or reside in the elementary school attendance area. Based on units of classroom Average Daily Attendance rates, charter schools are awarded up to 75 percent of their annual facilities rent and lease costs.

Charter School Revolving Loan Fund (CSRLF)

Like the SB740 Program, the [Charter School Revolving Loan Fund \(CSRLF\)](#) program transferred to CSFA from CDE in California's 2013-14 state budget. To date, the CSRLF Program has issued 215 loans totaling more than \$52 million to schools serving approximately 45,000 students.

The CSRLF program provides low-cost loans of up to \$250,000 to newer charter schools, with priority given to schools opening in the current fiscal year. CSFA conducts extensive credit evaluations, makes funding recommendations, executes loan agreements, creates payment schedules, disburses funds, offsets loan payments, collects delinquent or defaulted loans, and develops program fund reconciliations and projections.

Credit Enhancement Programs: | Credit Enhancement Grant Program | Project Acceleration Notes and Credit Enhancement Alternatives (PANACEA) | Charter Access Bank Loan Enhancement (Charter ABLE)

The federally funded credit enhancement grant program provides grants to fund debt service reserves that finance acquisition, renovation, or construction of charter school facilities, refinance existing charter school facility debt, or accelerate the development of permanent charter school facilities.

CSFA received a total of \$36.3 million from the U.S. Department of Education in the amounts of \$8.3 million for the Grant Program in 2010, \$8 million for the PANACEA Program in 2017, and \$20 million for the Charter ABLE Program in 2019. The grants are intended to reduce the overall cost of borrowing for charter schools as they eliminate the need to fund the cash reserves of bank loans, notes or bond proceeds.

To date, these programs have enhanced more than \$148 million in facilities debt financing and assisted 34 schools that serve more than 15,490 students.

With the recent approval of the U.S. Department of Education, CSFA will be using \$10 to \$20 million of its program funds to enhance a working capital program that will help schools meet cash flow needs in case of funding cuts and state aid deferrals.

California School Bank Loan Program (CSBLP)

The [CSBLP](#) was established in 2018 and encourages banks and other financial institutions to make low-cost loans to charter schools seeking financing for working capital, permanent facility acquisition or renovations. Under this program, CSFA has issued two transactions totaling \$47.5 million for the benefit of three schools serving over 1,080 students.

Best Practices

Over the years, CSFA has carefully developed the procedures it utilizes to maximize the benefit it can provide for students throughout California. Under the guidance of Executive Director Johantgen, CSFA has facilitated the disbursement of over \$3.5 billion to charter schools. These practices have been a fundamental component of CSFA's success.

One practice CSFA performs annually is issuing Good-Standing Letters (GSLs). The purpose of a GSL is to verify that each school applying for a CSFA program is in good standing with the school's charter authorizer and in compliance with the terms of the school's charter agreement. A request for this certification is issued to all public school districts along with a list of schools in each district applying for program funds. Implementation of this practice has allowed CSFA to monitor schools that are at a higher risk of defaulting on their loans, or that may potentially need to pay back grant funds due to overpayment.

Another practice is to require applicants to CSFA programs to complete a Legal Status Questionnaire (LSQ). An LSQ requires that schools disclose any material legal or regulatory proceeding that may have an impact on the financial viability of the school, including civil or criminal cases filed in state or federal court, investigations by local, state, or federal law enforcement agencies, and enforcement proceedings or investigations by local, state, or federal regulatory agencies. By incorporating the LSQ submission into program regulations, CSFA is able to screen applicants prior to issuing grants or approving loans, ensuring that schools involved in fraud, corruption, or matters involving health and safety of students do not receive funding.

Additionally, CSFA's application review process contains extensive vetting of related parties prior to approval. CSFA, for instance, determines if there is a related party involved with a member of a school's board of directors or the property owner of the school's campus site. The purpose is to determine if an individual involved in the decision to select a property and approve a lease also has a financial interest in approving the respective lease, and to ensure that individuals are not able to financially gain from the very students they serve.

On a final note, [CSFA](#) recently updated its website to provide a more interactive, informative page for stakeholders and the public.

The California Educational Facilities Authority (CEFA)

Like CSFA, the [California Educational Facilities Authority](#)

(CEFA) exists to support California schools. Instead of charter schools, however, CEFA is focused on institutions of higher learning.

CEFA provides students with better access and broader opportunities in higher education by providing qualified private non-profit higher education institutions with the assistance needed to reduce their capital costs by financing educational facilities through a tax-exempt revenue bond program. In general, institutions funded by CEFA programs



At Claremont McKenna College, renowned for its expertise in economics and government, Treasurer Ma visited the Quantitative and Computing Learning Center, the “Cube,” the Poppa Family Technology Classroom, the Mgrublian Center for Human Rights Leadership, the Keck Center for International and Strategic Studies, and more. Above (left to right) she is joined by Vice President and Chief Investment Officer Jim Floyd, CEFA Executive Director Frank Moore, President Hiram Chodosh, Carolyn Aboubechara of the Treasurer’s Office, Deputy Treasurer Audrey Noda, Vice President of Business and Chief Operating Officer Coreen Rogers, and Associate Vice President for Finance and Acting Treasurer Erin Watkins.

must be regionally accredited by the Western Association of Schools and Colleges; be California private, non-profit, post-secondary degree granting institutions; and offer a broad curriculum in secular subjects.

The CEFA Board is chaired by Treasurer Ma. Other members include the State Controller, the state’s Director of Finance, and two members appointed by the Governor (one of whom is a public college or university board member or administrator, the other being a private college or university board member or administrator). The group meets monthly to review requests for funding, receive informational updates on programs, and provide direction to staff.

The CEFA financing programs can provide:

- Eligible borrowers with access to low interest rate capital markets through the issuance of tax-exempt

revenue bonds. Bond proceeds may be used to fund construction or renovation, land acquisition, acquisition of existing facilities, refinancing, costs of issuance, and other qualified expenses.

- A tax credit to taxpayers and businesses contributing to Cal Grants, the State of California’s largest source of educational financial aid. The credit is used to offset or reduce taxes. Cal Grants provide aid to in-need California undergraduates, vocational training students and those in teacher certification programs. These grants help California students achieve their higher education goals.

To date, the CEFA Board has approved 379 bond financings totaling approximately \$14 billion for 59 colleges and universities. It has allocated approximately \$16 million in College Access Tax Credits and, as of March 2, 2020, still had approximately \$495 million available to offer in tax credits for the current taxable year.

In order to get a first-hand look at the work that CEFA has done, Treasurer Ma began visiting college campuses for which CEFA has provided previous financing. She started her visits by touring three of the Claremont College’s seven campuses. She anticipates continuing her college and university visits once the COVID-19 pandemic subsides.

Sticking to Your College Savings Plan During COVID-19

The COVID-19 pandemic has affected almost every aspect of our daily lives, from work to school to the economy. At times of uncertainty, the impulse of many is to suspend saving for the future. History tells us while investors seek safety in times of a market downturn by selling off, they also may end up locking in their losses and potentially missing all or part of the eventual market recovery seen after every major market disruption.

The current economic uncertainties can also affect students’ higher education decisions. Current trends in the 529 college savings industry show that many students are changing their future matriculation plans by allowing for a “gap year,” attending a two-year college instead of a four-year school, or delaying college altogether.

Even before COVID-19, however, higher education costs already were escalating. Between inflation and increasing tuition rates alone, the average increase year-over-year is more than 4 percent. Therefore, it is important to continue to save and stay on track with a savings plan, such as [ScholarShare529](#), California's college savings plan.

Treasurer Ma chairs the [ScholarShare Investment Board](#), which enjoys continued growth in the number of new ScholarShare 529 accounts opened and dollars contributed, which can translate to potential tax benefits thanks to the inherent design of the investment. With a tax-advantaged savings vehicle like ScholarShare 529, families benefit from the tax-deferral while contributions are being made. Federal and state tax-free withdrawals that come later cover a variety of qualified education expenses, including tuition and fees, room and board, books, and required equipment such as computers.

Ranked among the top plans in the country, ScholarShare 529 earned a Gold rating from Morningstar for its low costs and exceptional investment options.

Another reason families can confidently continue contributing to their ScholarShare 529 plan during this time is that ScholarShare 529's professionally managed portfolios are ideally suited for today's environment. The popular Enrollment Year Investment Portfolios adjust asset allocation, or mix of equities, bonds, and cash automatically as the student's enrollment year approaches and are built to weather stock market volatility.

ScholarShare 529 also offers the Guaranteed Portfolio Option, which pays more interest than most savings accounts and provides a great shelter for savers who have a short-term investing horizon or are concerned about stock market volatility.

While we cannot predict what the markets or economy will do in the near or distant future, history has taught us that not losing sight of higher education goals and sticking to a college savings plan can be the most prudent path. For more information about ScholarShare 529, please visit www.ScholarShare529.com.



More Good News for College Savers!

With the enactment of the 2019-2020 State Budget, the ScholarShare Investment Board will get a \$25 million appropriation to implement the California Kids Investment and Development Savings (CalkIDS) Program, the largest universal, opt-out Children's Savings Account program in the nation. Beginning January 2021, the CalkIDS program will provide every child born in California with a minimum seed amount of \$25, with additional incentives for low-income children and families that open and contribute to ScholarShare529 accounts of their own. Studies show that children with \$500 or less designated for college savings are three times more likely to enroll in college and nearly four times more likely to graduate than are children with no savings.

Calendar of Upcoming BCA Events

Boards, Commissions and Authorities (BCAs) Within the State Treasurer's Office

July

30 **California School Finance Authority**

10:30 AM | 915 Capitol Mall, Room 110, Sacramento, CA

Public Participation Call-In Number* (877) 810-9415 | Participant Code: 6535126

Teleconference information, other scheduled BCA meetings, agendas, deadlines for grants, and more, may be accessed as the information is posted or updated on the Treasurer's website: <https://www.treasurer.ca.gov/>

Additional BCA meetings in July include CAEATFA (July 21), CTCAC (July 1), CDLAC (July 1), CEFA (July 30), CHFFA (July 30), CPCFA (July 31), CalSavers (July 27). Meeting date and times may change; please check the BCA links included here for such notices, as well as for teleconference details.

Note: As we work to further protect the health of our community in response to COVID-19, the BCAs are modifying standard committee meeting procedures. Participants, interested parties, and non-essential staff are requested to join the meeting via teleconference. Further, social distancing measures will be put in place at the meeting location, which will substantially limit the space available for in-person attendees. Public participation and comment periods will not be impacted.*



Top Billing

A Monthly Update on Key Legislation for Treasurer Ma

ScholarShare 529 Creditor Protection

Senate Bill 898, Bob Wieckowski (D-Fremont) <https://sd10.senate.ca.gov>

Would exempt higher education ScholarShare 529 college saving accounts from creditors outside of bankruptcy cases.



The Ma Squad



On June 4, Treasurer Ma teamed up with EconAlliance in Santa Barbara during Small Business Week to provide timely resources and program updates to small business owners and moderate presentations by the California Pollution Control Financing Authority (CPCFA), CalSavers and IBank. Top row, left to right: Treasurer Ma, Emily Burgos of IBank’s Small Business Finance Center, Jonathan Herrera of CalSavers. Bottom row: CPCFA Deputy Executive Director Janae Davis and Victoria Conner of Strategic Vitality LLC.



The Treasurer joined Hispanas Organized for Political Equality (HOPE) for its 26th Annual Latina Action Day on June 10 to discuss California’s budget, economic and workforce recovery, and her post pandemic office priorities. Pictured top, left to right: HOPE Executive Director Helen Torres, Telemundo 52 News Anchor Sandra O’Neill. Middle row: Assemblymember Blanca Rubio, California Budget & Policy Center Executive Director Chris Hoene. Bottom row: Treasurer Ma.



Treasurer Ma and representatives of the Asian Pacific Islander American Public Affairs organization delivering protective masks to the Sacramento Regional Transit District office on June 10.



Treasurer Ma with some of the SMUD workers she visited on June 26 expressly to thank them for supporting the community during the state’s response to COVID 19. Deemed an “essential service provider,” the Sacramento regional not-for-profit electric service company took steps to protect workers and suspended power shutoffs for non-payment through January 2021.