

APRIL 2023

# News...

from the desk of  
**California State Treasurer Fiona Ma, CPA**



## WELCOME LETTER

Dear Friends,

In recognition of Earth Day and Financial Literacy Month, this month's newsletter showcases how the State Treasurer's Office (STO) fosters financial and environmental wellness within California.

Despite our state's overall prosperity, a wealth gap exists among our residents. The inability to build generational wealth hinders people of color's ability to pay for higher education, live in better neighborhoods, pay for healthcare, and save for retirement. Our future economic prosperity hinges on our ability to find tools to close the wealth gap and break cycles of poverty.

The foundation of building wealth is financial literacy. Several STO programs promote financial wellness and offer a path forward for people of color and underrepresented communities to build generational wealth by expanding opportunities for families to save and invest for the future. Please turn to page 3 to read about how these programs are moving people out of poverty and into prosperity. Be sure to check out page 4 as well, to learn about a limited time offer to help you save for your child's future education.

The STO also works diligently to improve environmental wellness for our state. In fact, last month, we celebrated the 50th anniversary of the California Pollution Control Financing Agency (CPCFA). CPCFA administers programs which incentivize private capital loans to small businesses and private capital investment in projects serving a public good. Please turn to page 5 to learn more about how CPCFA serves California and improves the lives of its residents.

I encourage you all to join me in celebrating Earth Day and Financial Literacy Month. Whether you plant a tree, conserve energy, or pick up litter in your neighborhood, every small action has an impact on our environment. Small actions can also make a difference in your finances. Consider creating or updating a spending plan, setting a savings goal, or investing in your future by participating in one of my office's savings programs.

In Peace and Friendship,

Fiona Ma, CPA  
California State Treasurer

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The State Treasurer's Office and its Boards, Commissions and Authorities are hiring!

Check out our [career opportunities](#).

*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.*

*Past performance does not guarantee future results. Investment return and principal value may fluctuate, so account value in State Treasurer's Office savings programs at the time of the withdrawal may be higher or lower than the amount invested.*

*This material is not intended to provide, and should not be relied on, for tax, legal or financial advice.*



The State Treasurer's Office is now at the Bonderson Building located at: 901 P Street Sacramento, CA 95814.

## ASK FIONA

Dear Fiona,

What is being done to protect depositors of Silicon Valley Bank after its closure?

Sincerely,

Brandon

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Dear Brandon,

The federal government has taken steps to limit the fallout of Silicon Valley Bank (SVB) and to ensure that depositors are made whole. The Federal Deposit Insurance Corporation (FDIC), created a bridge bank to hold all assets and deposits of SVB after its closure by the California Department of Financial Protection and Innovation. All insured depositors have full access to their insured deposits. Depositors or anyone affected by SVB's closure should contact the FDIC at [fdic.gov](https://www.fdic.gov) or 866-799-0959. For more information, please read the FDIC's [Press Release](#).

I commend President Biden on his quick and decisive action to ensure that SVB customers have access to their deposits. I think more can be done, though, and have called on the President to fully protect 100% of business and individual account deposits with FDIC coverage. Guaranteeing all deposits will protect financial institutions, both large and small, from current economic volatility and uncertainty.

Additionally, as Chair of two committees that incentivize the development of affordable housing in California – the California Debt Limit Allocation Committee and the California Tax Credit Allocation Committee – I recently voted to give the executive director of both committees the authority to provide extensions and other flexibility to low-income housing projects affected by the closing of SVB and other banks. This action, which was unanimously approved by both committees, gives affordable housing developers the opportunity to find alternative financing and allows California to continue to meet its housing goals.

Sincerely,

Fiona

### Check out Treasurer Ma's statements

on Silicon Valley Bank  
in her  
*March 20 and 28, 2023*  
[news releases](#)

### Have a Question for the Treasurer?

**Address letters to:**

California State Treasurer Fiona Ma  
Post Office Box 942809  
Sacramento, CA 94209-0001

**Send emails to:**

[AskFiona@treasurer.ca.gov](mailto:AskFiona@treasurer.ca.gov), with  
the subject line: "Ask Fiona"



## Tackling the Racial Wealth Gap

The gap between the richest Americans and the middle class has grown dramatically in recent years. According to the [Public Policy Institute of California](#), 20% of Californians' net worth is concentrated in the 30 wealthiest zip codes, home to just 2% of the state's residents.

Public policy can play an important role in reducing the racial wealth gap. Through several programs administered by the State Treasurer's Office (STO) and collaborative initiatives with other state agencies, the STO is working to narrow the generational disparities in wealth that have burdened minority households throughout history. The following programs provide a means for minority families earning a low income to save for the future and build wealth, thus creating generational economic mobility and opportunity for these families.

- [CalKIDS](#) helps children save for college or career training after high school. Children born in California starting on July 1, 2022 will receive a deposit of \$25 to \$100 in a CalKIDS college savings account, and eligible low-income public school students are awarded a college savings account with an initial deposit of at least \$500.
- [ScholarShare 529](#), California's official college savings plan, increases access to high-quality education, helping families achieve the dreams that higher education unlocks.
- [HOPE for Children Program](#) (coming soon) will provide a trust account to an eligible child who lost their parent(s) or guardian to COVID-19 during the public health emergency, as well as children who have been in the foster care system for over 18 months. By providing resources to children facing economic hardship, this program aims to narrow the wealth gap and advance social and economic well-being.
- [CalABLE](#) is a savings and investment plan offered to individuals with disabilities. Eligible individuals, family, friends, and employers can contribute up to \$17,000 a year without affecting the account beneficiary's public disability benefits. CalABLE provides individuals with an opportunity to potentially build wealth and gain financial wellness in a way that supports living with a disability.
- [CalSavers](#), California's retirement savings program, expands opportunities to people at all levels of society to save for retirement. CalSavers allows Californians to save not only for their own future economic stability, but to also create and pass on a culture of savings to their families.

Under these programs, families can also access a plethora of financial wellness resources. CalABLE's [FinanciallyABLE](#) webpage includes links to financial resources, including its [Financial Fitness Center](#), which features educational modules ranging from building financial capability and resilience to owning a home to preparing for retirement. CalSavers offers a [retirement calculator](#) and [webinars](#), as well as a [Financial Education](#) webpage, which provides tools and guides to help families reach their financial goals. ScholarShare 529 provides current and prospective account owners with a variety of online financial literacy tools, including a [college planning calculator](#), [educational videos](#), [online webinars](#), an [investment risk tolerance survey](#), and ScholarShare 529's [College Countdown](#) program, a resource for parents of high school students preparing for college.



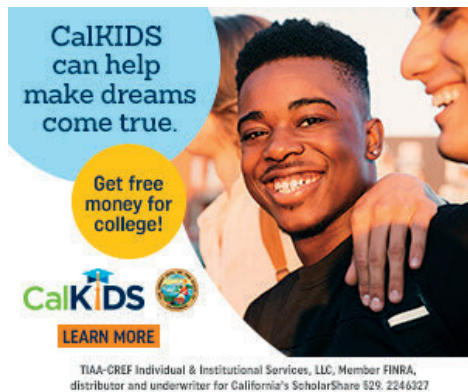
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**The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.**

— Franklin D. Roosevelt, US President, Second Inaugural Address, 1937

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# CalKIDS Incentive

The ScholarShare Investment Board's California Kids Investment and Development Savings Program (CalKIDS) provides newborns up to \$100 and eligible low-income students up to \$1,500 in savings for higher education. CalKIDS is part of a broader state commitment to reduce the wealth gap by investing directly into a child's education before they graduate high school. Unlike traditional scholarship programs, CalKIDS encourages families to kickstart or continue saving on their own with important tools like ScholarShare 529, California's official college savings plan. Studies have shown that children with money designated for college savings are three times more likely to enroll in college and four times more likely to graduate than children with no savings. CalKIDS builds on this research by demonstrating a public commitment to helping families begin the savings process.



CalKIDS is the largest children's savings account program in the nation, creating accounts for approximately 3.4 million low-income students and roughly 450,000 newborns in its first year. Since the program launched in August 2022, over 100,000 participants have registered their CalKIDS account, which means these participants can view their CalKIDS funds and build off of that by linking a new or existing ScholarShare 529 account.

CalKIDS is holding a limited time offer in April for eligible school-age participants to receive an additional \$50 for college or career training. From April 17-30, 2023, when an eligible student participant – or their parent or legal guardian – registers their CalKIDS account and links it to a new or existing ScholarShare 529 account with a minimum balance of \$50, they will receive an additional \$50 in their CalKIDS account! It's the perfect opportunity to begin saving for a child's future and help them achieve their college or career dreams.

To get started, complete the following steps between April 17 - April 30, 2023:

- Register your CalKIDS account [here](#)
- Log in to your CalKIDS account and link it to a new or existing ScholarShare 529 account with a minimum \$50 balance

*Note: Newborns enrolled in CalKIDS program are not eligible for this offer. Offer valid only for participants who have not yet linked a ScholarShare 529 account.*

## EVENT HIGHLIGHT



Diane Lim, Data Analyst - Children's Savings Accounts Initiatives, with the ScholarShare Investment Board, provides CalKIDS information to attendees at the CalKIDS town hall.

*(Photo Credit: External Affairs Division, State Treasurer's Office)*

**March 15** - State Treasurer Fiona Ma partnered with Assemblymember Dr. Akilah Weber, the San Diego County Office of Education, and the City of San Diego for a town hall on the new CalKIDS program, launched in August 2022. ScholarShare Investment Board staff shared information about the children's savings account created by the State. The program provides each child born in California and eligible low-income public school students with a CalKIDS account and a seed deposit to jumpstart their savings for higher education. In San Diego County alone, there are 24,075 newborn and 241,246 school aged accounts available.

***"We are grateful to partner with the State Treasurer and CalKIDS to help educate our county's families about this important program. Making college or trade school more accessible benefits our students and our region"***

***- San Diego County Superintendent of Schools Dr. Paul Gothold***

## Celebrating CPCFA's 50 Years of Service to California



The California Pollution Control Financing Authority (CPCFA) celebrates its 50th anniversary of service to the State and its residents, funding projects providing a public good for five decades. From its conceptualization to now, CPCFA has evolved and operated as a vehicle to execute some of California's important policy goals. Simply put, CPCFA is one of California's mechanisms for creating change and improving lives. To understand what CPCFA has accomplished and where it is headed, it is important to learn about its origin.



In 1972, the California Legislature was convinced that it was essential for California to take action to control, reduce, or eliminate hazardous pollution to the environment, provide clean water, and enable alternative and renewable sources of energy. Later that year, Assembly Bill 1925 (Knox), known as the California Pollution Control Financing Authority Act (Act), was signed into law by Governor Ronald Reagan and added to the purview of the State Treasurer's Office. The Act established CPCFA, with specified powers and duties, and authorized the authority to approve financing for projects or pollution control facilities to prevent or reduce environmental pollution.

CPCFA began taking action on March 7, 1973, issuing bonds on behalf of companies and funding projects to benefit Californians, namely controlling air and water pollution from industrial sites. Then-Assemblyman John Knox, the pioneer behind the California Environmental Quality Act, was of the mind that government was intended to secure and provide change for the people it served, and he was always determined to see that mission through. Knox's legislative success in creating CPCFA was not solely due to securing approval from California's governing offices, but also gaining the support of the private sector - California Manufacturers Association, California Association of Sanitation Agencies, and the Los Angeles Area Chamber of Commerce.

In many ways, CPCFA has continued with that determinative spirit of its chartering legislator as it has evolved to meet the needs of California. Over the years CPCFA has administered various programs to create better outcomes for Californians, such as supporting the enablement of small businesses' success, and helping rehabilitate contaminated sites for re-use and promote housing, and reducing pollution by advancing electrification of heavy-duty trucks on California roadways via the [CalCAP](#), [CALReUSE](#), and [CalCAP CARB](#) programs respectively. Most recently, CPCFA and the California Infrastructure and Economic Development Bank [secured \\$1.181 billion in State Small Business Credit Initiative 2.0](#) funding from the United States Department of the Treasury, which will be used to revitalize the CalCAP programs.

From mitigating pollution to revitalizing communities and empowering small businesses, CPCFA continues to implement new mechanisms to improve California. Looking ahead to CPCFA's future, one thing is clear - it will continue to evolve to create change and improve California lives.

### ON SOCIAL MEDIA

Follow the State Treasurer's Office ([@CalTreasurer](#)) & CPCFA ([@CalCPCFA](#)) on Twitter to see "CPCFA's Greatest Hits" over its 50 years of service.



# Treasurer Ma Advocates for Financial Literacy

## **LEGISLATIVE UPDATE: Treasurer Ma Co-Sponsors Assembly Bill 984 (McCarty) to Ensure High School Students Complete A Financial Literacy Course**

Assembly Bill 984 (AB 984), introduced by Assemblymember Kevin McCarty (D-Sacramento), will require California high school students to complete at least one semester of a personal finance course. Treasurer Ma is co-sponsoring this legislation alongside California Superintendent of Public Instruction Tony Thurmond, Next Gen Financial Learning, and GENup. As of January 2023, only 17 states in the United States require high school students to complete a personal finance course. With wealth gaps present throughout the country and youth being able to sign up for credit cards, financial aid, and other debt instruments, it is imperative that young people are given the knowledge and tools to successfully enter the workforce and manage their finances. If implemented, California would be able to support students by building access to comprehensive financial literacy and ensure the State is bolstering students' financial understanding and support.

### EVENT HIGHLIGHT

**March 6** - Treasurer Fiona Ma met with the Financial Planning Association of California to discuss the importance of financial literacy and how the State Treasurer's Office can continue to work with the financial services industry to advocate, educate, and empower Californians around finances. During the meeting, Treasurer Ma detailed the importance of the stability that can come from financial planning and it being a top priority for her administration.



*Pictured from left to right: Benjamin Lemon, Council Member, FPA of San Gabriel Valley; Derek Elrod, Council Member, FPA Central California; Jamie Rugg, Council Member, FPA Los Angeles, Treasurer Ma; Catherine Magaña, Council Member, FPA San Diego; Thomas Bennett, FPA CA President and Council Member, FPA East Bay; and Curt Weil, Council Member, FPA Silicon Valley.  
(Photo Credit: External Affairs Division, State Treasurer's Office)*

**March 27** - State Treasurer Fiona Ma visited Vanden High School and spoke to 11th and 12th graders about leadership, civic engagement, and financial literacy. Treasurer Ma shared her personal and professional journey to help the next generation see the world of possibilities available to them. She welcomed Fairfield Councilmember Doriss Panduro and Travis Unified School District School Board President Manveer Sandhu to share their journeys to help students see success from different perspectives. All the civic leaders emphasized the importance of financial literacy to the students and that it can pave a path for their achievements.



*(Photo Credit: External Affairs Division, State Treasurer's Office)*

## In Other News...

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### State Treasurer's Office Welcomes back Joe DeAnda as its New Director of Communications

The State Treasurer's Office welcomes back its first social media guru, as Treasurer Fiona Ma announced her appointment of Joe DeAnda as the Director of Communications for the State Treasurer's Office (STO), effective February 1, 2023.

As Director of Communications, DeAnda will lead all communications efforts for the State Treasurer, the STO, and its many financing boards, commissions, and authorities. In the role he will develop and execute strategic messaging campaigns, manage the Treasurer's public engagement efforts across the state, and serve as the office's main point of contact for the media.

"It is a pleasure to welcome back Joe to the State Treasurer's Office, especially knowing that he started his professional journey in our Communications Division," said Treasurer Ma. "I look forward to working with him as we share more information about the programs within my office that can improve the lives of many across the state."

DeAnda's near 20-year career in state service comes full circle, as he began his profession in communications during Treasurer Bill Lockyer's administration in 2007. DeAnda thoroughly demonstrated his expertise in communications and eventually became the STO's Press Secretary. He then went on to work as an Information Officer II at the California Public Employees' Retirement System (CalPERS). In 2016, Governor Edmund Brown, Jr. appointed DeAnda as the Deputy Director for Communications at the California Department of Human Resources. After serving in this capacity, he returned to CalPERS and served as the Assistant Division Chief in its Office of Public Affairs since 2017.

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**“I have a lot of great memories from my past time in the State Treasurer's Office. I'm thankful to be able to return and again help communicate the important work the office does on behalf of all Californians. Getting to work with such an accessible and committed leader like Treasurer Ma is a nice bonus and I'm excited to get to work.”**  
 — Joe DeAnda, Director of Communications —”

Aside from civil service, DeAnda also serves his local community of West Sacramento. In 2005, the West Sacramento native was appointed as a commissioner on the City's Economic Development Advisory Commission. He also served as a trustee on the City's Reclamation District 900 Governing Board in 2019 and as a commissioner on its Planning Commission in 2021.

DeAnda received his Bachelor's Degree in Political Science from Sacramento State University and a Master of Business Administration from Drexel University.




### CSFA "Doing the Most Good for the Most In Need"

The California State Auditor recently published the findings of its audit of the California School Finance Authority's (CSFA) administration of the Charter School Facility Grant Program (SB 740) and the Conduit Financing Program. The findings affirmed both the mission of CSFA and Treasurer Ma's vision for the State Treasurer's Office: do the most good for the most in need, and work to employ state financial and personnel resources to help bridge California's ongoing equity and resource gap.

The audit found that funding from SB 740 provides significant financial support to participating charter schools and that these schools rely less on funding from other sources, such as state educational funding, to pay for their facility costs; schools that received SB 740 funding are less likely to close; and 12 of the 20 SB 740 recipients reviewed by the auditor were operating in areas where the State has identified a need for more classroom space.

CSFA looks forward to continuing its hard work in 2023, focused on student and workforce housing, reducing borrowing costs for all local educational agencies throughout the state, and securing federal funds to assist California students and families.

## Upcoming Events



San Diego County  
Office of Education presents a

# CaKIDS TOWN HALL

**APRIL 20, 4:30–6:30PM**  
North County Education Center  
255 Pico Avenue  
San Marcos, CA 92069

**REGISTER NOW AT:**  
[sdcoe.k12oms.org/865-229801](https://sdcoe.k12oms.org/865-229801)

