



NEWS...

From the Desk of California State Treasurer Fiona Ma



Dear Friends,

DECEMBER 2021

I am amazed by the speed at which this year is transpiring before our eyes. In step with the passing of the Thanksgiving holiday, I am also particularly grateful for all that the State Treasurer's Office has recently accomplished. As the United Nations' Climate Change Conference known as COP26 concluded in Glasgow last month, an authority housed in my office has been helping California meet our ambitious climate priorities through innovative financing programs. Please turn to page 4 to read about how the [California Alternative Energy and Advanced Transportation Financing Authority \(CAEATFA\)](#) is incentivizing the private sector to invest in clean industries and a green built environment.

Speaking of gratitude, I'd like to take a moment to show our appreciation for the services veterans have provided to our great state and country. Just before the Veterans Day holiday last month, I was honored to receive an award from the American Legion and One Vet One Voice at their inaugural Veterans Community Awards Gala in San Francisco. Earlier this summer, we celebrated the 100 year anniversary of the California Department of Veterans Affairs' (CalVet) Home Loan Program by selling \$108.6 million of Home Purchase Revenue Bonds to refund previously issued debt to better match CalVet's debt service obligations to anticipated revenues.

As we wrap up 2021, I want to ask all Californians to reach out and support one another during the holiday season. If you need assistance from my office, please do not hesitate to contact AskFiona@treasurer.ca.gov. Wishing you and your family a safe and joyous holiday season. Happy Holidays!

In Peace and Friendship,

Fiona Ma, CPA
California State Treasurer

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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.



[HTTPS://WWW.TREASURER.CA.GOV](https://www.treasurer.ca.gov)



Ask Fiona

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

D

Dear Fiona,

I would like to make a contribution to my granddaughter's ScholarShare 529 college savings account this holiday season. Are there any tax advantages I can benefit from by making a gift contribution?

Dana

Dear Dana,

'Tis the season of giving and a ScholarShare 529 contribution is a wonderful gift idea! By gifting a 529 contribution, you are giving the gift of education and a brighter future. Children's toys are often lost or discarded, but a gift contribution to a child's education will last a lifetime. The great thing about 529 gifts is that anyone can make a gift contribution to anyone's plan.

There are several tax advantages that come with making a gift contribution to a 529 plan. There is no federal gift tax on contributions up to \$15,000 per year for single filers and \$30,000 for married filers. There's even an option to gift amounts up to \$75,000 for single filers and up to \$150,000 for married filers if pro-rated over 5 years. This means you could make a one-time gift equivalent to the 5-year amount and it could all qualify for the federal gift tax exclusion. You may also be eligible for estate tax benefits.

Making a gift contribution is easy. There are options to make gift contributions online or by mail. You can make your gift even more memorable by downloading one of our [gift of education certificates](#) and presenting it to your loved one. Read more about [ScholarShare 529's gifting options](#) and get a head start on your holiday shopping.

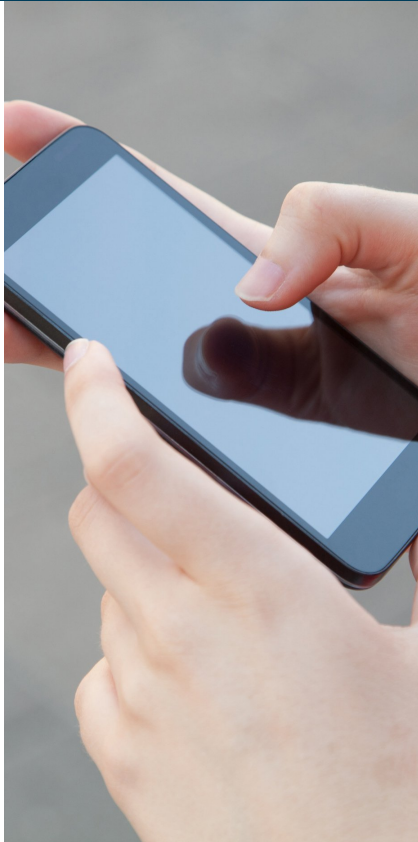
For families that don't have a 529 college savings account yet, but would like to open one, ScholarShare 529 has a great promotion this holiday season. If you open a new ScholarShare 529 College Savings Plan account between December 8, 2021 and December 12, 2021, you may be eligible to receive a \$50 Target GiftCard. For more information about this promotion, please see page 12.

Please note, federal tax law is complex and there are state and local taxes to consider, as well as your personal life situation and other circumstances. I recommend that you consult with a tax advisor to get a full understanding of what benefits you may be eligible for.

Sincerely,

Fiona

FM



Have a Question for the Treasurer?

Send emails to:
AskFiona@treasurer.ca.gov,
with the subject line:
Ask Fiona

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



Ask Fiona

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

A

Dear Fiona,

My accountant suggested that I look into applying for the College Access Tax Credit Fund. I had never heard of this tax credit before my accountant mentioned it to me. She told me that your office administers the fund. What is it and how do I apply?

Sincerely,
April

Dear April,

Individuals, businesses, and insurance companies can make cash contributions to the College Access Tax Credit Fund (CATCF) in exchange for a tax credit equal to 50% of their contributions. The credit can be used to offset or reduce state income taxes. A portion of these contributions goes to the California Student Aid Commission, which administers the state's Cal Grant program. 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 claim the tax credit for the 2021 taxable year, you must apply on the California Educational Facilities Authority's (CEFA) [website](#) by January 3, 2022. An Authority that I chair, CEFA, is the administrator of the CATCF.

For assistance with the application, process, or payment of contributions, please contact CEFA at CEFA@treasurer.ca.gov or (916) 654-5711.

For tax related questions, I recommend that you consult with a tax professional.

Sincerely,

Fiona

FM



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How the Power of Financing is Helping California Fight Climate Change

By leveraging private capital for clean energy projects across the state, CAEATFA demonstrates that green banks can spur real change for people and the planet



Most people don't think of "climate action" and "financing authority" as going hand in hand, but right here in the State Treasurer's Office, the [California Alternative Energy and Advanced Transportation Financing Authority](#) (CAEATFA) is helping California meet its ambitious climate goals by successfully incentivizing the private sector to invest in a green built environment and clean industries. Along the way, CAEATFA is proving that green banks — a leading topic at the COP26 global climate summit last month — can have lasting positive impacts on communities and the environment.

In its first five years, CAEATFA's [GoGreen Home Energy Financing](#) program has unlocked \$28 million in private capital in the form of home energy efficiency loans using \$4 million of revolving funds, helping 1,600 California households save energy and money. The financed total has risen 60% over the past year, showing substantial growth and appetite for the program and mirroring a significant increase in overall green bank activity in the U.S.

In the commercial and industrial sector, CAEATFA's [Sales and Use Tax Exclusion \(STE\)](#) program for California-based manufacturers has incentivized recycling and manufacturing related to clean energy and advanced transportation across the state. In recent months, a sampling of STE recipients have: signed a \$1 billion contract to provide sustainable aviation fuel for a major airline (Aemetis, Inc.); made significant progress toward a fast-charging, noncombustible battery that could extend the range of electric vehicles by 80 percent with advanced solid-state technology (QuantumScape Corporation); helped fight plastic pollution by making food-grade packaging from recycled plastic (rPlanet Earth); and installed next-generation equipment that will double recycling capacity and divert more materials from San Diego County landfills (EDCO Disposal Corporation).



CAEATFA Executive Director Derek Chernow at the Los Angeles facility of plastics recycler and STE recipient rPlanet Earth. Behind him are huge rolls of food-grade recycled plastic ready to be re-formed into sustainable packaging.

Additionally, in mid-November CAEATFA Executive Director Derek Chernow announced a list of Emerging Strategic Industries (ESIs) to support California's Lithium Valley in time for the 2022 STE application cycle. The ESI designation gives additional weight to applicants whose projects support a manufacturing market for lithium, a key component of batteries used for zero-emission vehicles and clean energy storage, extracted from the Salton Sea area.

"Past successes and future potential illustrate CAEATFA's power to effect transformational change through financing," says State Treasurer Fiona Ma. "I am so pleased to support California's climate and economic goals and look forward to doing even more for Californians in the future."

"Past successes and future potential illustrate CAEATFA's power to effect transformational change through financing," says State Treasurer Fiona Ma.



How the Power of Financing is Helping California Fight Climate Change

(continued)

Calling for A National Green Bank

Treasurer Ma and CAEATFA have been leading voices in the call for the national Clean Energy and Sustainability Accelerator — a national green bank — to fuel the U.S. transition to a clean energy economy. Like CAEATFA, green banks use small pools of funds (public, private or a mix) to attract much larger pools of private investment in low-carbon technologies, making them an efficient way to transform markets.

Just before the COP26 summit in Glasgow, President Biden announced that his Build Back Better Plan will designate \$29 billion for the Clean Energy and Sustainability Accelerator. Adoption of a national green bank puts the United States in the same company as the United Kingdom, Australia, Germany, Japan, and a growing number of other nations. A handful of states and local governments here in the U.S., many of them fellow members with CAEATFA in the American Green Bank Consortium, also have green banks.



Chernow, CAEATFA's executive director, notes that the Accelerator will help state-level green banks by directing a flow of federal funds that can be leveraged to effect even more positive change. For example, Accelerator funds could allow CAEATFA's GoGreen Financing programs to bolster the state's decarbonization efforts by financing heat pump technology for the 8.8 million Californians who get their electricity from publicly owned utilities. The programs could also expand to include financing for solar and battery storage at the direction of the Public Utilities Commission.

"The Clean Energy and Sustainability Accelerator will empower organizations like ours to help transform the economy, state by state," Chernow says. "CAEATFA is uniquely positioned to deliver a big impact with a relatively small amount of capital in support of California's climate goals."

Equitable Progress

It's no longer enough to make progress against climate change using the old benchmarks of emissions averted and dollars spent. The benefits must also be enjoyed equitably, including by groups that have historically borne the brunt of damage from policies that harm human health and the environment. President Biden noted this when announcing the Accelerator, which will direct 40 percent of investments to disadvantaged communities.



Claudia Flores of Richmond upgraded to an efficient heating unit and insulated her attic with a GoGreen Home loan.

In the same spirit, CAEATFA programs place a premium on equity. The STE program prioritizes projects located in counties with higher-than-average unemployment, with the result that 49 percent of awardees have been sited in those counties. More than half (56 percent) of loans financed through GoGreen Home have been for properties in low-to-moderate-income census tracts.

"By ensuring that these programs benefit all Californians, including those who have long been excluded from prosperity, CAEATFA is proving that progress against climate change really can be done equitably," says Treasurer Ma. "That is very important to me personally and as California's Treasurer. After all, we are all in this together."

Learn more about CAEATFA's programs at treasurer.ca.gov/caeatfa. You can also visit GoGreenFinancing.com to learn more about GoGreen and its sister programs for small businesses and affordable multi-family housing.

Calendar of Upcoming BCA Events

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

DECEMBER



- | | |
|----|--|
| 2 | <u>CA Health Facilities Financing Authority (CHFFA)</u> Board Meeting |
| 7 | <u>CA Pollution Control Financing Authority (CPCFA)</u> Board Meeting |
| 7 | <u>ScholarShare Investment Board (SIB)</u> Board Meeting |
| 8 | <u>CA Debt Limit Allocation Committee (CDLAC)</u> Board Meeting |
| 8 | <u>CA Tax Credit Allocation Committee (CTCAC)</u> Board Meeting |
| 13 | <u>CalSavers Retirement Savings Board</u> Board Meeting |
| 14 | <u>CA Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)</u> Board Meeting |
| 14 | <u>CA Achieving A Better Life Experience Act (CalABLE)</u> Board Meeting |
| 15 | <u>Pooled Money Investments Board (PMIB)</u> Board Meeting |

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/>

Meeting date and times may change; please check the BCA links included above for such notices, as well as for teleconference details.

Note: *The State Treasurer's Office provides essential services for the citizens of California. In order to protect the health of our community in response to COVID-19, the BCAs have modified standard committee meeting procedures. Participants, interested parties, and non-essential staff are requested to join meetings via teleconference. Social distancing measures also have been adopted at meeting locations, which will limit the space available for in-person attendees. Public participation and comment periods will not be impacted.*



The Vault

A calendar of recent and upcoming bond sales

November 2nd, 2021

State Public Works Board of the State of California Lease Revenue Bonds, 2021 Series C (Green Bonds) and 2021 Series D – Approximately \$563 million

Proceeds of the bond sale will be used to finance certain projects for the State Public Works Board for the following departments: California Department of Corrections and Rehabilitation (CDCR), California Department of Forestry and Fire Protection (CAL FIRE), Department of General Services (DGS), and Judicial Council of California (JC). The bonds will mature on dates ranging from 2022 to 2046 at yields ranging from 0.19 percent to 2.05 percent. The all-in true interest cost was 2.61 percent.

November 9th, 2021

State of California Various Purpose general Obligation Bonds, November 2021 (Taxable New Money/Refunding & Tax-Exempt Refunding) – \$1.24 billion

The November 2021 GO bonds were sold via three separate competitive bids. The first bid (Bid Group A) was for \$150 million of new money federally taxable GO bonds and \$299 million of federally taxable GO refunding bonds to provide funding to pay down certain outstanding commercial paper notes and to convert \$300 million of variable rate bonds to fixed rate bonds. Bid Group A attracted bids from 11 broker-dealers with Well Fargo Bank, NA submitting the winning bid with a true interest cost of 1.710916 percent. The second bid (Bid Group B) was for \$388 million of tax-exempt various purpose GO refunding bonds. Bid Group B attracted bids from 11 broker-dealers with Morgan Stanley & Co. LLC submitting the winning bid with a true interest cost of 0.572842 percent. The third bid (Bid Group C) was for \$403 million of tax-exempt various purpose GO refunding bonds. Bid Group C attracted bids from 9 broker-dealers with J.P. Morgan Securities LLC submitting the winning bid with a true interest cost of 1.721481 percent. Proceeds from bonds in Bid Group B and C will refund \$963 million of previously issued GO bonds, saving taxpayers \$282 million in debt service costs over the next 17 years, or \$246 million on a present value basis.



More information about the upcoming bond sales can be found at:

[BuyCaliforniaBonds.com](https://www.buycaliforniabonds.com)



Note: The bond issuances described (including the amounts and timing thereof) are preliminary and subject to change or cancellation based on market conditions or other factors as determined by the State Treasurer.



The Vault

Week of December 6, 2021

Golden State Tobacco Securitization Corporation Tobacco Settlement Asset-Backed Bonds, Series 2021A-1, Series 2021B-1, and Series 2021B-2 (Federally Taxable) – Amount To Be Determined

Proceeds of the bond sale will be used to refund previously issued bonds.

March 2022

IBank Clean Water and Drinking Water State Revolving Fund Revenue Bonds, Series 2022 (Green Bonds) – Amount To Be Determined

Proceeds of the upcoming bond sale will provide funding to the State Water Resources Control Board for the Clean Water and Drinking Water State Revolving Fund program, which provides financial assistance to local governments for water pollution control projects and safe drinking water projects.



More information about the upcoming bond sales can be found at:

[BuyCaliforniaBonds.com](https://www.buycaliforniabonds.com)

Note: The bond issuances described (including the amounts and timing thereof) are preliminary and subject to change or cancellation based on market conditions or other factors as determined by the State Treasurer.



In the Community



FACE 20th Anniversary Awards Gala

October 24 – Treasurer Ma received the Public Leadership Award from Executive Director Hyepin Im at Faith and Community Empowerment’s (FACE) 20th Anniversary Awards Gala Dinner, themed “Light up the Night: A Time to Heal,” in Pasadena.

Photo Credit: FACE



October 28 – Treasurer Ma attended the Community Housing Opportunities Corporation (CHOC) Monarch Apartment Homes Groundbreaking Ceremony in Palm Springs.

Pictured from left to right: Palm Springs City Councilmembers Dennis L. Woods and Lisa Middleton; California State Treasurer Fiona Ma; Community Housing Opportunities Corporation (CHOC) CEO Manuela Silva; City of Palm Springs Mayor Christy Holstege; Riverside County Board of Supervisors District 4 Supervisor V. Manuel Perez; Lift to Rise Founder and CEO Heather Vaikona; CHOC Board Members Ortensia Lopez and Rahn Carmichael; CHOC Vice President of Real Estate Development Vince Nicholas



November 2 – Treasurer Ma met with Los Angeles County Treasurer and Tax Collector Keith Knox and members of his senior and executive management team, representing the following branches: Property Tax, Public Finance/Investments, Internal Controls, Banking, Public Administrator, Administration, and Information Technology. The Treasurer shared her perspective on leading during the pandemic, discussed how she adapted her management approach, and provided tips on ways to be creative and motivate staff.



In the Community



November 2 – Treasurer Ma joined Premier Marketing and Public Relations’ President Yvette Walker for an interview with the Southern California Business Report. The Treasurer discussed a variety of topics with a focus on actions her administration has taken to advance community and economic development in the Inland Empire.

November 3 – The Local Agency Investment Fund (LAIF) under the State Treasurer’s Office hosted a webinar with Treasurer Ma as the keynote speaker. Douglas C. Robinson, Registered Principal and Branch Manager of RCM Robinson Capital Management LLC presented on the economy and the Investment Division management team gave a performance review of the Pooled Money Investment Account and the Local Agency Investment Fund.



October 24 – Treasurer Fiona Ma at the Asian Pacific American Leadership Foundation’s (APALF) 6th Annual California Asian Leadership Network of Electeds (CALNET) delivering keynote remarks.

Photo Credit: APALF



In the Community



November 8 – “California State Resources for Small Businesses” webinar with Assemblymember Dr. Akilah Weber featuring presentations from: Chris Earl, Office of the Small Business Advocate (CalOSBA), California Governor’s Office of Business and Economic Development (GO-Biz); Daniel Fitzgerald, San Diego & Imperial Small Business Development Center Network; Megan Hodapp, California Infrastructure and Economic Development Bank; Aaron Burgess, Business Strategist; and from the Office of California State Treasurer Ma: Jonathan Herrera, CalSavers Retirement Savings Program; Gabrielle Stevenson, CA Pollution Control Financing Authority (CPCFA); and Traci Hukill, CA Alternative Energy and Advanced Transportation Financing Authority's (CAEATFA) GoGreen Financing programs.



November 10 – Treasurer Ma was honored at the Veterans Community Awards Gala in San Francisco hosted by The American Legion and One Vet One Voice.

From left to right: Hanley Chan, Director of Outreach, One Vet One Voice; Courtney Ellington, CEO, One Vet One Voice; Treasurer Fiona Ma; and Eduardo "Eddie" Ramirez, MSGT. USAF (Ret.), MPA, Founder and former CEO, One Vet One Voice.

Save
the date!

Upcoming Events

Dec 8th - 12th

ScholarShare 529 is offering a great promotion this holiday season. If you open a new ScholarShare 529 College Savings Plan account between **December 8, 2021 and December 12, 2021**, you may be eligible to receive a \$50 Target GiftCard.

Click the following link for more information about this promotion, including complete terms and conditions:

www.ScholarShare529.com/holidayoffer.


ScholarShare 529
The California way to save for college

A ScholarShare 529 College Savings Plan provides 100% tax-free growth—which can mean more money for college.

Limited-Time Offer

Open a new account.

Get a \$50


Target GiftCard.

Open a new account with \$50 and set up recurring contributions of \$25 or more **for six consecutive months** and receive a \$50 Target GiftCard.*



Offer valid between December 8 and December 12, 2021.

 ScholarShare529.com/holidayoffer

 800-544-5248


ScholarShare 529



 **TIAA**

*When you open a new ScholarShare 529 College Savings Plan account with a \$50 contribution (and sign up for recurring contributions of \$25 or more per month for six consecutive months) between December 8, 2021, at 12:01 a.m. and December 12, 2021, at 8:59 p.m. (PT), you will be mailed a \$50 Target GiftCard on or before June 30, 2022. Visit ScholarShare529.com/holidayoffer for official Terms and Conditions. Void where prohibited or restricted by law. Sponsored by California's ScholarShare 529.

To learn more about California's ScholarShare 529, its investment objectives, tax benefits, risks, and costs, please see the Plan Description at ScholarShare529.com. Read it carefully. Check with your home state to learn if it offers tax or other benefits such as financial aid, scholarship funds or protection from creditors for investing in its own 529 plan. Consult your legal or tax professional for tax advice. Investments in the Plan are neither insured nor guaranteed and there is the risk of investment loss. If the funds aren't used for qualified higher education expenses, a 10% penalty tax on earnings (as well as federal and state income taxes) may apply. Non-qualified withdrawals may also be subject to an additional 2.5% California tax on earnings.

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