



# NEWS...

## From the Desk of California State Treasurer Fiona Ma



Dear Friends,

JUNE 2022

June 17, 2022, marks the 149th anniversary of Susan B. Anthony's trial and fine for voting in the 1872 presidential election. Her trial brought women's suffrage to the national spotlight, helping to pave the way for the 19th Amendment. While our democracy and society have certainly progressed since that point in history, we have a long way yet to go. That is sadly still true for many of the same foundational issues that Susan B. Anthony championed, like diversity, equity, and inclusion (DEI). Despite this unfortunate reality, my administration is committed to continuing to make progress on these issues—and I have dedicated my June newsletter to highlighting this important work.

You may wonder, how does the State of California's lead asset manager, banker, and financier works toward advancement in the area of DEI? Please turn to page four to learn more about the representation of firms with diverse ownership in our agency's bond services. Please also turn to page three for a story on how I, as a member of the Board of Directors of both the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS), have worked to move forward on these issues through private sector investments and other initiatives.

As I continue to advocate for DEI, I encourage all of my readers to join me in celebrating both our similarities and our uniqueness. I hope you can take this call to action to champion DEI issues in the professional and social spaces you occupy. By embracing diversity and inclusion, we can exemplify how these beliefs can promote equity and fairness in our society, just as Susan B. Anthony did 149 years ago.

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

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Dear Fiona,

I received a notice stating that I need to register my business for the CalSavers Retirement Savings Program by June 30, 2022. I'm a small business owner with only seven employees. Is my business required to participate in this program? Is there a cost to me as an owner to participate?

Sincerely,  
Nora

Dear Nora,

About half of Californians are on track to face significant financial hardship in retirement age due to lack of savings. This burden falls disproportionately on women. Nationwide, almost a third of seniors have nothing saved for retirement and women are 80% more likely than men to be impoverished in retirement age. CalSavers was created to improve retirement security for all Californians by ensuring everyone has access to a portable, simple retirement savings plan.

California law requires that employers with five or more employees register for the CalSavers program if they do not already sponsor a retirement plan. The program has been rolled out in three phases with staggered registration deadlines based on employer size. The final deadline for businesses with five or more employees is June 30, 2022.

There is no cost to employers like you. CalSavers is designed to be as easy as possible for employers, with no employer fees, no fiduciary responsibility, and no employer contributions to employee accounts.

Already, more than 71,000 employers statewide have registered with CalSavers and we hope you'll join us soon. For more information about CalSavers and how to enroll in the program, please visit [www.calsavers.com](http://www.calsavers.com). You can also sign up for a [free webinar](#), held every weekday and available in a variety of languages. If you need assistance with your registration or have any further questions, please don't hesitate to contact CalSavers Client Services at [clientservices@calsavers.com](mailto:clientservices@calsavers.com) or (855) 650-6916.

Sincerely,  
Fiona

FM



## Have a Question for the Treasurer?

**Send emails to:**  
[AskFiona@treasurer.ca.gov](mailto: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

# Diversity, Equity, and Inclusion

## Fostering Diversity, Equity, and Inclusion in Investments

Diversity, equity, and inclusion (DEI) initiatives have become a top priority for many organizations, including in the investment management industry. My office is no exception. I have been using my platform as State Treasurer to encourage firms to foster an inclusive workplace culture and embrace DEI initiatives as an important element to their success.



DEI leads to greater productivity and innovation from wider viewpoints, which in turn generates better investment outcomes. This assertion is backed by empirical evidence, which shows that diverse teams tend to make better decisions and have better financial outcomes than nondiverse teams. That evidence-based data is propelling my efforts in this area.

As a board member of the world's top pension funds, the California Public Employees' Retirement System Board (CalPERS) and the California State Teacher's Retirement System Board (CalSTRS), I have been working hard to shape investment philosophies that are built on ideas based on strong accountable corporate governance, including the broad shareholder benefits associated with more inclusive workplaces.

By pushing firms to increase corporate board diversity, I believe that superior investment performance over the long run will enhance the returns of these funds. I have long embraced diversity of thinking, backgrounds, and experience to enhance the workplace culture. Along with my fellow board

members, I intend to hold corporate boards of companies, investment vehicles and external managers accountable for promoting the diversity our private sector companies need to flourish in a modern economy. Managers accountable for promoting the diversity our private sector companies need to flourish in a modern economy.

Below are some highlights of my involvement as a board member on the boards of both CalPERS and CalSTRS:

- Earlier this year, because of our collective efforts, CalPERS became a signatory to the Chartered Financial Analyst Institute's Diversity, Equity, and Inclusion Code (DEI Code). The DEI Code provides a path to greater inclusion in the investment management industry. Collectively, this group of initial signatory organizations represent approximately \$4 trillion in Assets under Advisement and \$2.5 trillion in Assets under Management.
- I have strongly advocated CalPERS and CalSTRS to engage its portfolio companies to consider how diversity, equity, and inclusion affect their ability to create value over the long-term.
- I promoted participation in diversity and inclusion efforts within many organizations and have been a strong advocate of increasing representation of women on corporate boards across the investment management industry and have directed CalPERS and CalSTRS to engage with firms to promote diversity by requiring California public companies to have more female directors.
- We partnered with CalPERS and CalSTRS to host our annual Diversity Forum. The event was a great success and resulted in a very diverse turnout of both presenters and attendees from the investment industry and business executives, professionals, and experts.
- I helped CalPERS and CalSTRS foster ongoing engagement with the Securities Exchange Commission (SEC) to support stronger environmental, social and governance disclosure and market accountability. We support mandated climate disclosures and SEC proposed rules for





## FINANCIAL SUSTAINABILITY AND DIVERSITY, EQUITY, AND INCLUSION

As the State of California's primary banker, Treasurer Fiona Ma is committed to the advancement of inclusivity and equity within our state government and broader society. She recognizes that our differences create learning opportunities that make us stronger instead of driving us apart. She believes that EVERYONE is important. This ideology is demonstrated in one of the Treasurer's [Core Principles](#): *Treat everyone with dignity and respect. We must consciously choose to be positive, especially in our communications with one another and with the public; we must seek to understand as well as to be under-stood.*

Not only does a diverse and inclusive environment establish a sense of belonging, but it also drives innovation, productivity, and sustainability. Recognizing these correlations, Treasurer Ma embraces the inclusion of differences among both her administration and across California. The Treasurer accomplishes this by welcoming firms with diverse ownership to participate in the state's bond services, which include the services of financial advisors, bond counsel, underwriters and other consultants. Did you know that in fiscal year 2020-2021, just over one-fifth of bond services (measured by fees paid for services) for the sale of state bonds were earned by women, minority, disabled, and veteran-owned businesses?

*"There is a clear link between diversity and sustainability. Fostering greater diversity and inclusion in the investment industry reflects our wider commitment to economic sustainability."*

– State Treasurer Ma

# Diversity, Equity, and Inclusion

companies of all sizes, and in all industries, to disclose both direct and indirect emissions. If adopted, these rules would bring United States policy more in line with international standards for climate risk reporting.

## Leveraging Proxy Voting on Corporate Boards: How CalPERS and CalSTRS Advance DEI within Portfolio Companies

Many publicly traded companies hold their annual shareholder meetings in April, May and June. In these gatherings, shareowners can provide input to company management and influence change on how a company is managed. In the run-up to these meetings, company management seeks to be appointed as a "proxy" for major shareholders not planning to attend and vote their shares in person. Proposals placed before shareholders can range from the routine to the complex and are an important means of communicating the intent of shareholders for the strategy of the company they collectively own.

I take strong positions on the boards of both CalPERS and CalSTRS, advocating for the use of these proxy votes to influence corporate governance and diversity within their portfolio companies. It is also my expectation that all internal and external managers acting on behalf of these two funds integrate the principles of diversity into investment decision making, including proxy voting.



As your State Treasurer, I have the mindset of a long-term investor and will continue to use my platform to leverage proxy voting to ensure a firm's performance.

Here are some highlights of my work at CalPERS with respect to proxy voting:

- We voted to replace four individuals to Exxon Mobil Corporation's board—a huge accomplishment.
- We targeted 36 nonresponsive companies seeking the adoption of majority vote for director elections and had successful engagements at six of these companies. Ten of these 36 target companies have added elements of board diversity, directly because of our engagement.



# Diversity, Equity, and Inclusion

At both CalPERS and CalSTRS:

- My colleagues and I led efforts to increase pressure at companies that have a history of misaligned pay and performance. Thanks to our leadership at CalPERS through the 2021 proxy season, 60 companies did not get sufficient investor support for their Say-on-Pay votes. This was an 11% increase over the same time in 2020, an overall increase from 15% in 2019 to 36% in 2021.
- I have been working to bolster and strengthen our involvement on the Climate Action 100+ (CA100) initiative, which has helped the boards escalate their tactics to increase pressure on the highest carbon emitting companies. CA100 is an investor-led initiative "...to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change."
- We broadened our engagement efforts to include increased votes in favor of climate friendly shareholder proposals. These proposals demand meaningful net zero actions, such as comprehensive public reports or the setting of appropriate, science-driven targets to reduce emissions emitted by portfolio companies.

I will continue to exercise my leadership to engage and improve diversity, equity, and inclusion efforts to positively influence how CalPERS and CalSTRS portfolio companies are managed and governed. It is our goal to ensure that these companies create long-term, sustainable value for shareholders, and both our active and retired members.





(Photo Credit: CalSavers Retirement Savings Program)

# Attention Employers

CALSAVERS COMPLIANCE DEADLINE NEARS



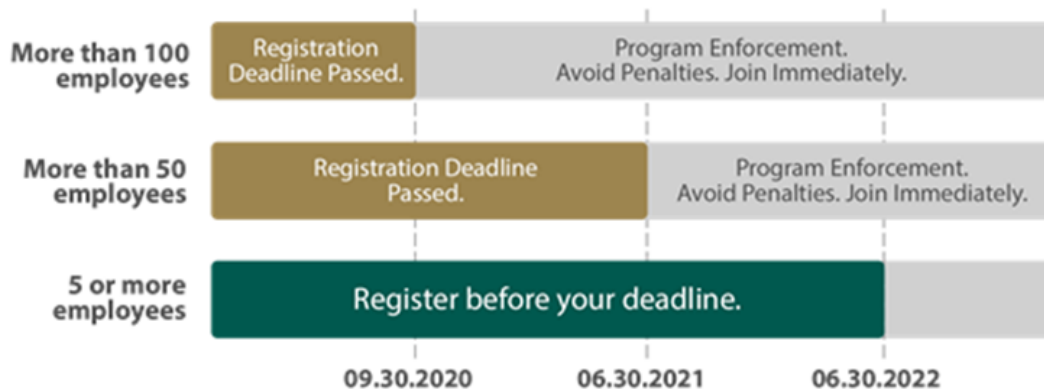
Do you own or work for a small business or non-profit organization in California? If so, and if you don't have a retirement plan at work, then a new state law likely applies to you and a major compliance deadline is coming up this month.

The [CalSavers Retirement Savings Program's](#) employer registration deadline for businesses with five or more employees is coming up on June 30. Eligible employers are encouraged to sign up as soon as possible. Already more than 71,000 employers statewide have registered, and participants have saved more than \$289 million.

CalSavers was created to address a retirement crisis that has left a majority of private-sector workers in California without a way to save for retirement at their job<sup>[1]</sup>, with more than half of working Californians facing financial insecurity in retirement age<sup>[2]</sup>. CalSavers ensures every Californian has a way to save for retirement at work, as data show that employees with access to a retirement plan at work are fifteen times more likely to save for retirement than those without access<sup>[3]</sup>. Designed to simplify retirement savings, CalSavers includes a simple menu of investment options and portable accounts that follow employees from job to job. For employers, there are no fees to facilitate and no employer contributions.

CalSavers offers employers a variety of resources to help them learn about the program and get started with facilitation. In addition to the robust website, CalSavers has a multilingual client services staff available via phone and email, and free, live webinars Monday through Friday.

## Employer State-Mandated Deadlines



[1] John, D. and Koenig, G., (2015), [Workplace Retirement Plans Will Help Workers Build Economic Security](#), AARP Public Policy Institute  
 [2] Allegretto, S.A., Rhee, N., et. al., (2011), [California Workers' Retirement Prospects](#) in N. Rhee's [Meeting California's Retirement Security Challenge](#), U.C. Berkeley Center for Labor Research and Education  
 [3] Employee Benefit Research Institute, [Unpublished estimates of the 2004 Survey of Income and Program Participation Wave 7 Topical Module \(2006 data\)](#)



# Top Billing

A Monthly Update on Key Legislation for Treasurer Ma

## California Jumpstart Act

Senate Bill 777, Steven Bradford (D-Gardena)

<https://sd35.senate.ca.gov/>

Treasurer Fiona Ma sponsors this bill, which builds on the state's existing small business COVID recovery initiatives without placing demands on the current budget by incentivizing \$375M of flexible private capital at below market rates for immediate investment into under-resourced small businesses with 250 or fewer employees, located in communities grappling with geographic, racial, and economic disparities.

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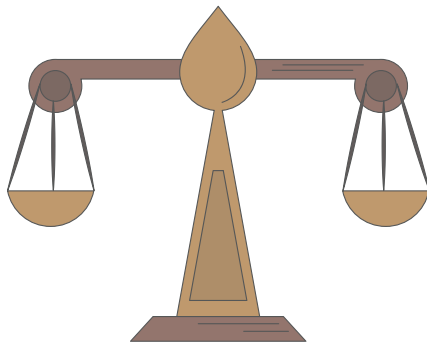
## Economic Equity in State Contracting and Procurement

Assembly Bill 2019, Cottie Petrie-Norris (D-Laguna Beach)

<https://a74.asmdc.org/>

Treasurer Fiona Ma supports this bill, which will establish a clear and consistent accountability process to ensure all State agencies, departments, boards, and commissions meet their 25 percent goal for minority, small business, and disabled veteran business participation in state procurements and contracts.

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# In the Community



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

**May 4** – Treasurer Ma joined the Little Tokyo Service Center (LTSC), Los Angeles County Supervisor Hilda Solis, Los Angeles City Councilmember Mitch O’Farrell and project partners at the Groundbreaking Ceremony for the Santa Monica Vermont Apartments, celebrating the construction of a 187-unit, 100% affordable, transit-oriented development project. The California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee approved 4% low-income tax credits and the allocation of tax-exempt bonds to LTSC for this project. The project will receive over \$32 million in tax credits over a 10-year period.

*“Santa Monica Vermont Apartments is beyond affordable housing, it’s a champion for the community. The project helps its residents thrive by providing support services as well as the housing so many Californians need. I’m proud we were able to support this project with both tax-exempt bonds and tax credits through the California Debt Limit Allocation Committee and the California Tax Credit Allocation Committee.”*

– State Treasurer Fiona Ma



Treasurer Fiona Ma with Hubert R. White III, President of the California Municipal Treasurers Association and Chief Investment Officer at the City and County of San Francisco Office of the Treasurer and Tax Collector. (Photo Credit: State Treasurer’s Office, External Affairs)

**May 4** – The California Municipal Treasurers Association’s (CMTA) Annual Conference, “Educate to Elevate,” was held in Newport Beach. CMTA is a professional organization of active public treasurers of California counties, cities, and special districts. It sets ethical standards for the treasury profession in state and local government in California. Treasurer Ma provided keynote remarks and shared how under her administration, the participation of local governments and special districts has increased in the Local Agency Investment Fund (LAIF). She also mentioned a project launched by the California Debt Investment Advisory Commission (CDIAC): Elect>Ed. This digital learning management system contains over 20 hours of on-demand education content on a range of public investment topics including modules targeted to elected and appointed officials on public finance and public debt. In addition, the Treasurer commended CDIAC’s long-standing partnership with CMTA on investment education.

*“Last year, Deputy Treasurer Tim Schaefer and I delivered our keynote remarks virtually for the conference in 2021, but this year, I was thrilled to join conference attendees in person for the annual gathering and give you an update on the State Treasurer’s Office. I commend CMTA for all you do as public servants, to keep our local governments financially stable.”*

– State Treasurer Fiona Ma



# In the Community

**May 11** - Treasurer Fiona Ma participated in the "Government's Role in Funding Recycling Infrastructure," session at the WasteExpo. Treasurer Ma expressed how California is a leader in waste and recycling infrastructure and its importance as we continue to address climate change. She also detailed how programs of the California Pollution Control Financing Authority and the California Alternative Energy and Advanced Transportation Financing Authority, both of which she chairs, help businesses compete and grow. WasteExpo is the largest solid waste, recycling and organics event in North America, featuring exhibitions and an interactive conference program. WasteExpo provides an opportunity to connect with thousands of experts, peers, and providers in the waste and recycling industry—from the U.S. and around the world.



Treasurer Ma was joined by other expert speakers to discuss financial incentive programs for recyclers at the WasteExpo. Pictured above from left to right: Laura Ferrante, Government Affairs Advocate, Resource Recovery Coalition; State Treasurer Fiona Ma; Rachel Oster, Owner and Principal, Diversion Strategies; Salvatore Coniglio, CEO, Recology; and Chris Wirth, Vice President of Marketing, AMP Robotics. (Photo Credit: State Treasurer's Office, External Affairs)

*"WasteExpo was delighted to have Treasurer Ma join us this year and share her immense knowledge with our audience. They enjoyed learning about California's financial incentive programs for recyclers, why they're successful, and why California sees the recycling industry as ripe for investment."*

*- WasteExpo Leadership*



Treasurer Fiona Ma with PJ Quesada, Vice President of Ramar Foods. (Photo Credit: State Treasurer's Office, Executive Office)

**May 12** - Treasurer Ma toured the Northern California manufacturing and distribution center of Ramar Foods International in Pittsburg, Contra Costa County. A family-owned Filipino company, Ramar Foods humbly began in 1968 at the San Jose Flea Market, selling Filipino goods that could not be found in grocery stores or mainstream markets. Ramar Foods now features a variety of items, featuring the distinct Filipino flavors, like ice cream, appetizers and snacks, meats, and frozen meals. During its expansion, Ramar Foods also took a major step in greening their operations through their microgrid, cutting their energy usage by 30%. They now advocate and encourage other businesses to consider alternative energy for their operational needs. The Treasurer's Office, through the GoGreen Business Program, also encourages businesses to seek green alternatives by helping to reduce financial hurdles. GoGreen Business offers owners of small and medium businesses expert financing solutions to help save energy, decrease operating costs and increase the value of their property while reducing their carbon footprint.





# In the Community

**May 16** – Treasurer Ma toured new apartment units during the grand opening of a new affordable housing community in San Francisco. 1830 Alemany is the City and County's first privately financed 50% affordable housing project, featuring 103 units in total. In creating these new units, it allows those that work in the community to live there as well. Units are available to households with up to 55% area median income (AMI), up to 80% AMI, and up to 100% AMI. The first resident of 1830 Alemany is a local teacher from the Excelsior District. During the ceremony, it was expressed that the project's developer, Sia and Sami Tahbazof, wanted to give back to the city that gave so much to them. In addition, five units will be reserved for foster youth in partnership with the John Burton Advocates for Youth, an organization that improves the quality of life for youth in California who have been in foster care or homeless. The organization advocates for better laws, training communities to strengthen local practices and conducting research to inform policy solutions.



Top Photo: Treasurer Fiona Ma with State Senator John Burton (ret.) and Sami and Sia Tahbazof. (Photo Credit: State Treasurer's Office, External Affairs)

Bottom Photo: 1830 Alemany, San Francisco, CA. (Photo Credit: Sia and Sami Tahbazof)

*"I am happy that our affordable housing projects are prioritizing foster youth. These units will offer a few of them a fighting chance to succeed by providing a safe and affordable place to live."*

– Senator John Burton (ret.)



**May 17** – Treasurer Ma attended the groundbreaking ceremony of the Chelsea Investment Corporation's Carolita Apartment Complex in Porterville, CA. Utilizing tax credits awarded by the California Tax Credit Allocation Committee (CTCAC), this project will offer 68 affordable units to low-income families in the region.

*"The Carolita housing community is exactly the type of development that California needs in order to build bridges to provide more people better access to affordable housing. I congratulate and thank all the partners involved, including the members and staff of CTCAC and CDLAC, for their collaboration on this project to create permanent homes for low-income families in the Porterville area. Projects like these can make a tremendous impact in the community beyond ensuring 68 families will have an affordable place to call home."*

– State Treasurer Fiona Ma

From left to right: Heidi Mather, Director of Development, Chelsea Investment Corporation; Mary Culver, Executive Director, Central California Family Crisis Center; State Treasurer Fiona Ma; Martha A. Flores, Mayor, City of Porterville; Richard McGrew, Founding Principal, RPM Architecture; Kellie Carrillo, Vice Mayor, City of Porterville; and Donald Dickson, Project Manager, Emmerson Construction. (Photo Credit: Craig Russell)

*"One of the most basic human needs is a place to call home—an affordable home for the hard-working families in Porterville. Carolita will be a great addition to Porterville and its residents. The extra support they will receive at Carolita will give them more opportunities to succeed in everyday life."*

– Martha A. Flores, Mayor, City of Porterville



# Calendar of Upcoming BCA Meetings

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

## JUNE



15	<a href="#"><u>CA Debt Limit Allocation Committee (CDLAC)</u></a> Board Meeting
15	<a href="#"><u>CA Tax Credit Allocation Committee (CTCAC)</u></a> Board Meeting
15	<a href="#"><u>Pooled Money Investments Board (PMIB)</u></a> Board Meeting
20	<a href="#"><u>CA School Finance Authority (CSFA)</u></a> Board Meeting
21	<a href="#"><u>CA Achieving a Better Life Experience Act Board (CaABLE)</u></a> Board Meeting
21	<a href="#"><u>CA Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)</u></a> Board Meeting
21	<a href="#"><u>CA Pollution Control Financing Authority (CPCFA)</u></a> Board Meeting
22	<a href="#"><u>ScholarShare Investment Board (SIB)</u></a> Board Meeting
23	<a href="#"><u>CA Debt and Investment Advisory Commission (CDIAC)</u></a> Board Meeting
30	<a href="#"><u>CA Health Facilities Financing Authority</u></a> Board Meeting

*Teleconference information, other scheduled BCA meetings, agendas, application deadlines, and more, may be accessed as the information is posted or updated on the Treasurer's website:*

**<https://www.treasurer.ca.gov/>**

*Meeting dates 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.*

Save  
the date!

# Upcoming Events

In the  
month of

June

## CalABLE's Current Events:

Click [here](#) to view a list of CalABLE's current events today.



## CalSavers Webinar Schedule:

CalSavers hosts five to eight interactive webinars per week for employers and savers in multiple languages. Click [here](#) to sign up for a free session today.



## ScholarShare 529, Live On-Line Webinar Schedule:

ScholarShare 529 hosts a number of webinars per month, so please check their [webinar page](#) to learn more about the program.



## The California Debt and Investment Advisory Commission (CDIAC) Events and Training Schedule:

CDIAC offers a variety of training tools for local public agencies and other public finance professionals to learn about debt issuance and public fund investments. Click [here](#) to access on-demand education, view previous seminars and webinars, and register for upcoming events.



## California Tax Credit Allocation Committee (CTCAC) Compliance Workshops:

The CTCAC Compliance Monitoring program offers several Basic and Advanced Compliance Workshops. The Basic Workshop offers an overview of general compliance as it relates to the management of a tax credit property and the audit process. The Advanced Workshop focuses on major Compliance Changes that go into effect in 2022. For more information and to register for these workshops, please see the [Basic Workshop memo](#) and the [Advanced Workshop memo](#).

