

CalAccount

Blue Ribbon Commission
Thursday, July 18th, 2024



LIST OF PUBLIC SPEAKERS

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2. [Herman Barahouna](#), Sacramental Environmental Justice Coalition and a member of Rise Economy
3. [Sam Molina](#) of the Academy of Financial Education
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31. [Nick Brown](#), founder, Clear Purchase
32. [Brandon Dawkins](#), Vice President of Organizing, SEIU Local 1021 of the San Francisco Bay Area
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34. [Navila Dunbar](#), Director of Advocacy and Engagement, the National Council of Jewish Women LA

It is approximately 1:07 p.m. on Thursday, July 18th. Welcome to everybody in attendance, in person, or, of course, in Southern California, or virtually, or on the phone. Please note that this meeting is being recorded. Mariah, please call the roll. Commissioner Fiona Ma. Stephanie Tom for Treasurer Fiona Ma. Commissioner Chlothilde Hewlett.

Greg Young here representing Commissioner Hewlett. Commissioner Paulina Gonzalez-Brito. Here. Commissioner James Hicken. Here. Commissioner Byron Lopez. Here. Commissioner Manisha Padi. Here. Online.

[Full RAND presentation and discussion can be found on the video link]

At this time, we will ask for any public comments specifically for Agenda Item number three for Jonathan and Rand regarding this report, and before we move forward to public comment, it will be public comment from those in the room, first starting if there's public comment from those in Sacramento, and then moving to Los Angeles, then for any virtually and on the phone and before that translator, please translate.

So we will hear public comment from those attending in person or virtually or on the phone report or the RAND Report and then after.

1) My name is **Dr. Goli Sahba**. I work as a volunteer with the California Public Banking Alliance as well as the Sacramento public banking efforts, and I wanted to mention that specifically Calaccounts will provide tools for financial stability to California's most vulnerable residents. This RAND report which mentioned that the unbanked household would save from a range from around 1200 dollars annually and this would reduce racial ethnic disparities. \$1200 dollars annually over 50 years would be over 370 thousand dollars.

As to the benefits of CalAccount, an HR&A study found that it would result in savings for low-income households. It would expand access to credit building tools for marginalized communities, create 22,000 jobs, and augment the California economy by \$4.2 billion.

The only sectors this would not support would be exploitative policies, exploitative bank policies and payday lenders.

Please support CalAccount. Thank you.

2) Herman Barahouna with the Sacramental Environmental Justice Coalition and a member of Rise Economy.

We're in full support of the CalAccount system.

We just came from a camp right now where we have unhoused people who do not have access to the banking system. They make \$800 dollars a month of SSI and then when they go to a bank, the fees that they have to pay are enormous for their account. So we definitely support anything that can help our unhoused folks.

Here in Sacramento County, we have 39,400 people on public assistance who claim homelessness. We know that somebody who claimed homelessness gets less food stamps, and so when they go to a bank to process their fees or whatever, they're losing money on food.

So this is something that we definitely want to support and encourage everybody else here to endorse.

Thank you.

3) I am **Sam Molina** of the Academy of Financial Education. My question for you is with the transfer of wealth and the potential for wealth to go back to individuals, in your survey was it asked what those individuals might do with that wealth.

This may be why banks will be involved. I think that banks will always find a way to make profit. People will also find a way to spend their money and I think that if they're going to retain the wealth locally it will go back to the banks anyhow.

No more testimony on the Report Agenda Item. Move to public testimony.

4) My name is **Samuel Molina**, the Founding CEO for the Academy of Financial Education.

We are a Central Valley based nonprofit organization dedicated to closing the wealth gap in our community by providing person centered, comprehensive financial education via classroom instruction and individual mentor.

Today I joined my colleagues in support of establishing a no fee, no minus balance account known as CalAccount.

At a time when inflation is high, and families are struggling to make ends meet, we must do everything in our power to reduce erroneous fees for low- income families, and ensure that every dollar is maximize to its fullest potential.

Additionally, the threat of climate change and its impact on food prices will increase costs well into the future, making financial stability even more critical.

As an educator I've seen first-hand the damage these fees cost the families. Many parents are forced to use check-cashing institutions which charge significant fees for their services.

For example, last year I met a young mother who shared with me that each time she cashes her check, she pays \$11 dollars in fees. Cashing a check on a weekly basis means she pays nearly \$600 dollars in fees each year. That money could be better spent on food for her family, covering rent or transportation bus.

In addition, both our rural and justice-impacted communities are often preyed upon by check-cashing places. These predatory institutions keep wealth for themselves and increase the likelihood that their customers will remain in poverty. Every dollar is spent unnecessarily as the fees is another dollar not reinvested back into their families or communities.

This is why we advocate for the CAL account.

No fee.

No Minimum Savings Account.

CalAccount provides a much needed alternative to traditional banking, ensuring that low income families are not burdened with excessive fees. By offering a No Fee Savings account, we can help families save more of their hard-earned money, allowing them to invest in their future and improve their financial wellbeing. With CAL account, we can take a significant step towards financial equity, reducing the economic strain on vulnerable families, empowering them to build a more secure, prosperous future.

For these reasons, the Academy of Financial Education urges you to move forward in developing the CalAccount program. Thank you.

5) Andrea Noble. Had to leave.

6) Paul Henderson Senior. Had to leave

7) My name is **Mona Masri**, Economic Security California Action, an organization dedicated to building an economy that works for everyone. We advance policies that put money into people's pockets and guard against the forces that take that money out, with a focus on distorted and dysfunctional markets that harm people, workers, and communities.

Almost no issue illustrates the harmful impact of distorting market more than banking and here it means specifically:

Lack of access to banking for the one in five California households that are unbanked or underbanked.

We believe that no one should have to pay for the privilege of having access to their own money.

And that's why I'm here today to support the Cal Account, which will ensure that everyone, regardless of income or location, has access to free banking services.

We strongly endorse the findings of the report, we find that Cal Account significantly reduces Disparities and Access to Banking Services for Black and Latina/o low-income California for reducing those disparities around 20 to 30 percent or more.

And specifically, products like the CalAccount can help strengthen local economies by helping Californians keep more of their money instead of paying costly banking fees. Establishing a Cal account would mean that low-income households no longer have to rely on costly alternative financial services such as payday lenders, prepaid debit cards, and pawn shops.

These unbanked and underbanked households pay proportionately more for their

financial services, often lack savings accounts, have fewer opportunities to build credit and face increased rates of loan rejection, and additionally, investing in public banking will generate broader benefits to the community including providing more investment in affordable housing, increased access to capital for small business owners of color, greater investment in climate resiliency, climate disaster recovery, and clean energy transition.

It also makes the market more competitive for everyone by providing an alternative to for-profit banks, by providing a public option for financial services. And once connected to safe, legitimate and government provided banking, there may be potential for synergy with other government services such as claiming tax credits or receiving other benefits.

Finally, and importantly, the report finds that CAL Account is in fact feasible, which means that hopefully the state of California will not delay in moving forward.

The unbanked and underbanked can need access now. We believe that Calac count is a valuable product, to help more unbanked and underbanked individuals gain access to safe, affordable, responsible financial services and also helps to build the infrastructure in California we need to have a more inclusive and equitable economy for all.

So we encourage the commission to move forward in approving these developments and implementations of the CAL Account program.

Thank You.

8) Doug McPherson, California Public Banking Alliance.

I won't repeat the great points that were made by the previous speakers, but 20 percent of our fellow Californians unbanked, underbanked, and paying these egregious fees is terrible, and I fully support the California CalAccount.

I hope you will, too.

Thank you.

9) My name is Aliyah Shaheed, I'm an organizer with Rise Economy.

I'm here today to speak in support of CalAccount.

Both in my personal life and in my work, I've seen the need for better financial inclusivity.

Some of my earliest memories as a child are me walking to the store, to cash my grandmother's monthly check because her neighborhood in southeast Stockton did not, and still to this day does not have the presence of a bank branch for at least a three mile radius. In that neighborhood, this is just one of the elements that contribute to people being unbanked and underbanked.

But financial deserts are not the only reason.

Many accounts have super high fees that often eat people's paychecks, especially working class people where every dollar counts. These extra fees mean less money in families' pockets and our economy, and more money in the hands of corporations.

I also want to uplift some comments from one of our members, Sharon Kinlaw, who is with the San Fernando Valley Fair Housing Council. Although she could not make it here today, she wanted me to speak to the importance of having financial services that take in consideration the plight of seniors and people with disabilities living off fixed incomes. The Covid-19 pandemic has severely impacted things like rent payment and many landlords now require rent to be paid online, which means that folks have to have a bank account in order to pay their rent. If these families are underbanked, that means that they are often piecemealing together finances in order to make rent payments, and they use a combination of banks and high cost alternatives. Many unbanked, vulnerable tenants still pay their rent in cash, which often leads to eviction due to a lack of paper trail.

Growing up when I was walking to go cash my grandmother's check, I did not have the language of unbanked, underbanked or financial deserts to understand or give me language to what I was experiencing. For me and my family, this was just a normal experience that many people in our community still navigate to this day.

But now I do have more understanding and more knowledge.

And most recently, this feasibility study has been published that makes it very clear that CalAccount is needed to support unbanked and underbanked Californians, and that the benefits of this program are greater than any costs and it's a worthwhile investment for the state of California.

Thank you.

10) Hi my name is **Sylvia Chi**, and I also work with the California Public Banking Alliance. My other hat that I wear is as a senior policy analyst for Just Solutions.

Just Solutions is an environmental justice organization that provides policy and research capacity in partnership with community-based organizations on the front lines of the climate crisis and support of the environmental justice movement.

One area we focus on is resilience and recovery in the context of climate related disasters, including extreme heat, wildfires, floods, landslides, and hurricanes.

I want to highlight how CalAccount can improve outcomes for vulnerable communities both before and after climate disasters. As I'm sure we're all aware, many communities in California are at high risk for a variety of climate disasters, and low-income communities and communities of color are both disproportionately vulnerable to climate disasters and less resourced to recover from them.

A report released last year by the US Treasury Department, The Impact of Climate Change on American Household Finances, highlights access to financial services as critical to the challenges facing households impacted by climate hazards. Climate disasters also cause income disruptions from many households, adding further strain to households' finances.

Communities that are disproportionately employed in certain climate exposed sectors such as agriculture, construction, manufacturing and tourism are more likely to be lower to middle income and people of color and are particularly vulnerable to interruptions in their employment income. For households that rely on safety net benefits like publicly provided housing or food assistance, interrupted access to public benefits can result in further strain on their household finances.

And while credit cards can provide an affordable short-term option for some households to manage expenses related to climate hazards, a 2021 FDIC survey found that unbanked and underbanked populations are less likely to have a credit card and more likely to use costly alternatives like pay day and pawn shop loans.

The CalAccount program directly addresses the root causes of these challenges by providing improved access to basic financial services, especially for the populations that are most vulnerable to climate disasters. This improved access to financial services will not only improve the household finances of vulnerable households, but will provide the needed financial infrastructure to access and receive disaster recovery assistance.

For these reasons, I strongly support the CalAccount program as an as an important tool to assist our climate resilience.

Thank you.

11) Hello, my name is **Sandra Jauregui**, and I live in Sacramento. I work at Jack in the Box.

I have banked with Wells Fargo for over 12 years. I have had problems getting money from the ATM because they charge me \$3 each time I withdraw money . If I write a check but I don't have funds to cover all of it, they charge me \$35 dollars. Sometimes when I go to the grocery store to buy food for my children or my grandchildren, if I don't have enough funds, my card is declined and the bank still charges me 35 dollars for trying to use my card. I have to have a balance of \$5,000 between my checking and my savings accounts to avoid the monthly \$10 fee that they charge me.

They have taken a huge amount of money from me over 12 years in monthly overdrafts and fees because I have never been able to have \$5,000 in the bank. I could have used that money to buy things for my grandchildren, take them on a camping trip, but I'm not able to.

In the presentation we heard about all of the working families in California that are charged fees by banks. I appreciate your support so that we all have the possibility to have a CalAccount. This would be a great benefit and enable us to do many more things with this money that they are practically stealing from us now.

12) Guillermina Calvo

I live in San Jose and I work in the fast food industry.

I have had an account with Bank of America for the last 22 years. The bank did not charge fees before for not maintaining a minimum balance, but now Bank of America charges

me \$10 or \$12 a month regardless of how much money I have an account. So that is the reason why I am here now supporting the idea to receive this help for people like me with low incomes.

For example, my husband is a 75-year-old retiree and he doesn't have much money. He used to have an account at Chase Bank. They sent him a letter that said, from now on, if you don't have enough money in your account, we will charge you ten dollars. So, I told him, go withdraw all your money from your account or in no time you won't have any left.

Well, he said, what can I do now if I close my account?

I told him, you will have to do what we did in the old days, keep your money under your mattress.

So now my husband is asking me all the time "Where's my money?" because he forgets where he put his money. So this is a problem. That's why I believe that all people, especially Hispanic people, who have low incomes, don't have enough money to keep in the bank.

I know a lot of people who don't have bank accounts. I know that there are many of us that go to those liquor stores where they charge up to one-two percent to cash their checks.

Thank you, we support the idea of having CalAccount for everyone.

13) My name is **Fernando Valencia.**

I work for McDonald's and I live in Livingston, California.

I want to speak out regarding how difficult it was for me to open an account.

I am here to support CalAccount. We need it because of how sad it is for people like me to open an account. When we try to open an account, they put up many obstacles.

I have gone to many different bank branches to try to open an account. Once I went to a bank branch to open an account, but they asked me for proof of residence that I didn't have with me. Another time I had an appointment, and I got very excited to open an account. I was at the bank a long time, filling out a lot of paperwork, and then they told me that I couldn't open an account because there was a Social Security number missing. I felt rejected, as though I am not being recognized as being part of this economy.

But you know we have a place in this economy, we produce, and morally this is sad. We, the workers, deserve a place in this economy.

I used to cash my checks at the little corner store, where they charged me \$10, \$15, \$20 to cash a check. When I did that, I didn't have a car, so I had to get a ride and paid another ten dollars for that. Sometimes I received my check in the evening, there wasn't anyone to give me a ride and I didn't have time to go to the store in the evening, and the following

day I started work early in the morning so I couldn't go then either. This was all really difficult for me to deal with.

14) Good afternoon, Commissioners. My name is **Galen Dobbins**, I am a policy analyst for the California Coalition for Rural Housing. We are one of the oldest stable income housing coalitions in the entire country. I am here also as a Rise Economy member, but to point out the direct relationship between equitable access to our financial services industry and being able to retain housing, especially in the state of California.

A few years ago there was a Financial Inclusion Forum hosted by Travis Credit Union and there was the President and CEO of the Solano Black Chamber of Commerce that had a comment that has always stuck with me when it comes to access and specifically CalAccounts and banking access for our communities of color. And that speaking to the financial services industry, she said, If I don't see me in you, I don't see you.

You mentioned that when it came to trust, financial institutions and why people would opt out of using them--and I think that's one of the things that Calaccount could actually get over, one of these very difficult barriers that I do believe they can help with. Once again I am in very adamant support of CalAccount.

Thank you.

15) Good afternoon and thank you for having me. My name is **Amy Everitt**. I am the President of Golden State Opportunity. We are an organization statewide in CA that works to create financial security for low-income workers. And because we see limited access to financial security that disproportionately impacts communities of color and low-income workers who are the people that we work with. It is one of the many reasons that we support CalAccount.

Every year GSO helps about 3.4 million low-income Californians claim about \$1.3 billion dollars in our Cal Earned Income Tax Credit program. And about \$7 billion dollars from the Federal tax credit program. And I can tell you that probably universally noone likes to do their taxes. Jonathan talked a lot about trust, and about the need to build trust in the communities that we are talking about that are impacted by being unbanked or underbanked. We build that trust. We have an infrastructure already in California where we have the experience and knowledge of how to reach people through a network of trusted community-based organizations, through ourselves, where we directly talk with over 2 million people via text every year--unique individuals.

We have our community connect coalition of over 40 groups that are out there in the community helping people know about and file their taxes. I think filing your taxes might be right up there with the fear of opening a bank account. But we manage to do it every year.

We also have another coalition called the CalEITC coalition which is over 54 organizations that are dedicated to helping people claim these credits and get involved.

I talk about tax credits because we are returning billions of dollars to people every year.

And the challenge is that 80% of Americans have direct deposit. The 20% who don't, that's who we are talking about. The 20% of folks who are low-income, they are highly mobile, they are housing insecure, and having their check wander around the mail system trying to find them? That represents food on their table, paying their utility bills, being able to pay down their credit card debt that they need to have because they are not making enough to make ends meet.

CalAccount could solve a lot of those problems. When people can claim their credits there, and get a CalAccount, it helps be the door into their financial security. So, we are very much in support of this program.

We would like to make it less expensive for people to be poor in California, and CalAccount can be a key part of that.

Thank you.

16) Thank you for having me. I am **Bernadette Walkins**, I am speaking on behalf of my union sister, Charistena James.

She had to leave, so I'm going to be speaking out from her words.

My name is Charistena James and I live in Sacramento. I'm a long term health care worker and a proud member of Local SEIU 2015.

I have been asked if there are any challenges we face. Currently, I am currently experiencing multiple charges related to a fraud that I experienced last year. If I had access to resources like CalAccounts, I wouldn't have to rob Pete to pay Paul to make it through every month. I support CalAccount and I urge you to move forward with making it a reality for all Californians.

Thank you.

17) Good afternoon, my name is **Constance Hum**. I'm with SEIU 2015, I'm at home support service/caregiver provider.

I completely agree with everyone that have stated support regarding Cal Account.

I am definitely for that.

The reason being from my own personal experience, I have experience banking with commercialized banks. I left commercialized banks primarily due to all the additional fees.

It doesn't seem like I was really getting ahead of the game, really trying to save. Between checking, there are all these monthly fees, you don't really get the support that you really need. Sometimes I feel like you're just a number, and actually I transitioned over to a credit union. And what I'm starting to find with them sometimes it feels like there might be a hidden agenda.

I've been with a credit union for quite some time. And what I have found is that they charge for just about everything, and so I feel like sometimes I'm not really getting ahead. So with this particular credit union I've been with for more than several years: I'm about to close it because I just feel like I'm not getting ahead.

There really should not be a big I and little U. I think that we all matter and I think that, I work hard, just like everyone else and I would like to see my finances grow.

Thank you.

18) Good afternoon, my name is **Jennifer Holden**. I am an advisor for the Sacramento Environmental Justice Coalition, which is a member of Rise Economy and a strong supporter of the CalAccount.

This is a great opportunity and a relief for the elderly and the disabled, who can't afford living with less than 1 thousand dollars per month.

So that's my official topline.

But I'm also a community leader in South Sacramento, just 10-15 minutes south of here. This downtown area contains phenomenal wealth and access to resources. But if you take a car 10-15 minutes south of here, you are in a resource desert that includes no grocery stores except for the odd ampm, no banks, no pharmacies, no medical care. Most people are struggling with transportation. Maybe there's a car, but maybe they are limited to the bus. They are out there trying to get to resources outside of their communities by bus and car sharing.

So when we're talking about costs and I hear people talking about the cost to them in banking, I completely support that and I understand that. But I want to underscore another aspect of the costs, the time and the money that they spend to get access to banking services outside of their own community. On a level maybe none of you have ever seen, there is a library in the South area that hosts a weekly crafting circle for ladies and as a community leader I have been to that crafting circle to sit and listen to the ladies explain their lives and talk to me. And the effort it takes for them to get to the library in their own community to be a part of that crafting circle is phenomenal.

We don't really think about that enough.

We have cars, we have our own car. We don't have to share. We just hop in and go if it's, you know, like three quarters of a mile away, we think nothing of it. It's a big deal for them and their banks are even further away.

Also consider the extreme heat we just witnessed. If people are on public transportation, riding buses, taking multiple changes at bus stops to get to their banking services outside of their community. They are out there in that heat for possibly hours to do a simple banking transaction. There is a need for brick and mortar banks in resource deserts and there is very much a need for CalAccounts.

Thank you very much.

19) Good afternoon, I'm **Trinity Tran**. I am here at SEIU 2015 in Los Angeles.

And we are joined here today by 60 union members and community members some on the screen, some on the periphery. So we have about eight speakers, and then we've got several me toos.

20) My name is **LaTanya Bailey**. I have been a home care worker with SEIU 2015 since 1994, 30 years of service. Every month I struggle to get money to pay my rent.

Bank of America charges me like \$10 to 15 dollars each time I withdraw money from another bank because they have closed many ATMs in Long Beach, Ca. I am also charged 16 dollars for a cashier's check and 35 dollars for overdraft fees. These fees and closures are very inconvenient and unfairly penalize me for basic banking services that I need.

This is why workers like me need the CalAccount program so that we do not have to struggle to live our lives every day.

Thank you.

21) Hi, my name is **Maria Franco**.

I live in Los Angeles, I work in Los Angeles and I don't have a good experience with big banks.

Many of us have had a lot of frustrations that I have to let you know about. I have been charged \$36 dollars, for a minimum overdraft, let's say for \$5-15 dollars, they have charged me \$36 dollars, sometimes even twice a day for overdraft. We could have used that money to cover other necessities. This is not just. For a minimum overdraft, these Big Banks don't allow us, mostly immigrants and workers of color, to save.

CalAccount is a necessary program for all working families. It's fundamental to have an option to deal with fair banks for all people here in California. CalAccount is a true necessity. I beg you to support us. So that CalAccount can become a reality for every worker here in California. Thank you very much.

22) Good afternoon. My name is **Luz Castro**. I'm the Associate Director of Policy with Inclusive Action for the City. We are an economic justice organization and also a community development financial institution, a CDFI. We are based out of Boyle Heights and we serve LA County residents, helping them enhance and have access to transformative capital. And we also advocate for just economic policies.

I'm here today to share that we strongly support an inclusive and accessible implementation of CalAccount. At Inclusive Action, every single day, we assist 100s of micro entrepreneurs, including street vendors as well as small business owners with financial services and micro business lending.

CalAccount is a necessary step forward for the communities that we work with every day. No fee and no minimum balance accounts are rare and underbanked Californians pay 100s annually in fees.

CalAccount will help save on these fees, significantly impacting households and reducing banking access disparities for Black, Latino, and low-income immigrants by 25 to 30 percent or more.

That is why we're here because we believe that CalAccount, without a doubt, is a necessary step forward that provides unique opportunities for our communities to have access to a banking system that truly works for them.

Thank you very much.

23) Hi my name is **Princess**.

I work for IHSS. I've been an in-home care worker since 1998.

I used Wells Fargo for over 15 years. Wells Fargo will charge you excessive fees. They'll hold your check for ten days where you have no access to your money.

They will take your money out of your account and pay people that you've already had discrepancies with without your knowledge.

I fully support this program.

Thank you very much.

24) Good afternoon, my name is **Javier Samiento**.

I'm a member of ACCE, Alliance of California for Community Power.

And I'm here in support of CalAccount because the main banks--BofA, Wells Fargo, Chase, you know them--they always nick you with the fees, the penalties, and they steal a few dollars from your pocket, so that at the end of the day you end up with nothing.

So I begin with a path for CalAccount to be able to do business in California. I'm happy for this and I request your support.

Thank you.

25) Good afternoon Commissioners. My name is **Doni Tadesse**.

I'm the Southern California organizer for RISE Economy.

We are a statewide coalition focused on holding banks and corporations accountable for their role in building a community-centered economy.

I'm here in full support of CalAccount.

Our coalition members are working directly with BIPOC, low to moderate income and immigrant communities to help attain financial stability, weather economic hardship, find housing, build wealth, and work towards small business ownership or home ownership.

Unfortunately, one of the main obstacles folks are facing is the lack of financial services access which is often the first step in having the financial profiles to establish credit, secure housing, etc. This lack of access renders our communities vulnerable to predatory financial services such as check cashers and payday lenders who are at the ready to siphon even more wealth from our communities.

When our communities do have access to banking services, they are burdened by inadequate language services, onerous id requirements that shut out certain folks: (formerly incarcerated, unhoused, exiting the foster care system, and undocumented). They are saddled with exorbitant junk fees, and unreasonable minimum deposit requirements of \$500 or \$1000 that are removed from the reality many are living paycheck to paycheck.

My family's experience navigating financial services, both as immigrants speaking limited English and as Black folks, was illuminating for me in understanding the many barriers our communities face in accessing financial services.

My brother, a former small business owner in San Bernardino, regularly faced discrimination at banks whenever he attempted to cash checks from his customers – with the tellers and bankers saying they didn't believe he was the kind of customer that could cash a 5k check, and that this was despite his financial record or existing relationship with his bank. And many of us would implicitly understand this as racism, because it's hard to believe that a white customer would face the same kind of scrutiny. However, these experiences and BIPOC communities' subsequent mistrust of financial institutions are explained away as irrational fears of institutions, an affinity for stashing our money under our mattress or some other racist stereotype that exists to obscure systemic discrimination and financial exclusion.

It's clear that we need to change the status quo. CalAccount serves as a clear solution to these issues by providing fair and equitable access to banking services.

This is good and necessary policy, and as the RAND report affirms, it's not only feasible, but it is effective in reducing disparities and access to banking for BIPOC and low-income Californians.

So, thank you.

26) Hi, good afternoon. My name is **Willa Cutolo** and I'm a member of the West Hollywood Chamber of Commerce and I'm representing the Connie Norman Transgender Commerce Center of West Hollywood today and I want to express my full support of CalAccount.

I know too many trans siblings, younger and older, that are still facing barriers, discrimination, lack of financial literacy when it comes to navigating corporate banking systems. And having something provided by the state that is safe, FDIC insured and accessible for everyone is vital for the advancement of our communities.

If people don't have to worry about making a light bill, securing housing, they're able to engage more with the communities around them, uplift their neighbors and navigate for themselves.

I express my full support for CalAccount and I hope you all do the same.

27) Thank you, hello, my name is **Laura Martinez**.

I'm from Region Two with the SEIU Union in San Bernardino County.

My thing that I want to present today is the low-income families. When they have bank accounts and they get unexpected charges, they get charged overdraft fees per transaction. Like if they charge one dollar, two dollars, \$5, \$20, and if there's not sufficient funds they will pay \$35 dollars overdraft and then the overdraft keeps going higher, if it's multiple per day. If they don't pay the overdraft in the balance that they owe, more charges will be put on top of those overdraft charges. And this becomes a financial hardship for them. Since they don't have the money to cover their necessities every day, they end up closing their bank accounts due to that hardship.

Another issue is that a lot of the people that work with SEIU, we also work with IHSS which is a caregiver's long-term care. They have retired people, and they collect Social Security and disability income, and the banks are charging them also money to deposit the checks to their accounts every month. And they also have their deposits. Some banks do charge these fees, others don't.

Another experience that we have talked about is that when people travel outside the area where they open their bank account. If they put money into their account to cover some expenses for the trip, that money is not available immediately. They will have to wait another 24 hours, and if they have an emergency that will cause some issues, they may need it for food or shelter, to pay the hotel. So, we need accessible accounts and CalAccounts may be the solution for a lot of people in the low-income committees.

Thank you.

28) Hello everyone. My name is **Dan Pelegero**.

I am a payments consultant with Retail Payments Global Consulting Group.

We work with a lot of fortune 2 thousand types, especially those merchants, many of which are in Silicon Valley, for optimizing their interchange costs.

I am also a member the California Public Banking Alliance and I fully support Cal Account.

By giving folks free access to their money, Cal Account promises to simultaneously make life easier for those who need this program, while injecting about five billion dollars into our economy and saving Californians about \$3.1 billion annually.

By mandating participation in instant payment services like Fed Now, Same Day ACH and Debit Card access, CalAccount will help people access their funds quickly, safely, and without penalty.

We currently live in a world where banks and credit unions are prioritizing adding deposit holders to increase their lending activity. Many of the commenters asking for this program already bank with the Big Five banks, and so there is a clear gap in what the private market is doing to service these customers and these resident needs. And there's considerable market power that CalAccount can use to maximize returns to California taxpayers.

This program is being proposed to be funded through debit card interchange where co-branded card issuers are already used to paying \$100 to \$300 dollars per new account opening. So, for instance, if you have a Southwest Chase Card, Southwest got paid a bounty for signing you up.

If designed properly, CalAccount will provide a wide deposit base to partners that are already used to paying for new customer acquisition. And this is going to create a win-win scenario for both the partners that this program works with as well as the low-income folks that will benefit from this.

29) Hello, good afternoon members.

My name is **Victor Covarrubias** and I am a recent UCLA graduate as well as a proud immigrant to this country. And I am here today to voice my strong support for the CalAccount program. As someone who has experienced firsthand the challenges of navigating the current financial systems, as an immigrant, I can attest to the critical need for accessible and affordable banking options. Growing up, my family relied on many alternative financial services that many of the community members have already shared, such as check cashing services at our local vallarta and payday lenders which charge exorbitant fees that ate into our already limited income.

These services weren't just expensive, but they were also stressful and time consuming for a working- class family.

For my community, the benefits extend beyond just one individual. Many Latino and

immigrant families are unbanked or underbanked, leading to financial exclusion and vulnerability. CalAccount can bridge this gap by offering a safe and trustworthy option for managing money. This program can empower families like mine by increasing financial literacy, fostering economic participation, and promoting social inclusion.

And that is why I urge you to support this initiative and help us build a more equitable financial future for all Californians.

Thank you for your time.

30) Hi everyone.

So we actually had several me toos, but it has been a long commission hearing and many of the workers had to go back to work.

So I'm going to be the last comment here in Los Angeles.

I'm **Trinity Tran** with California Public Banking Alliance and Public Bank LA, and expressing our strong support for the CalAccount program.

As the CalAccount Market Analysis Study confirms, it confirms what we've long known over the past two years through the community input that we've received throughout this whole commission process, that the unbanked and underbanked Californians, especially black and brown and low-income residents, desperately need CalAccount as we've heard through many of the testimonials today and through the course of the last year.

It will reduce disparities to access and banking for marginalized communities as well as the economic impact to the economy is something that's important to know that Cal Account will save Californians over three million dollars annually while generating five billion dollars in economic activity.

And we know that the community outreach portion of this will be a critical part to ensure that the sign-ons and participation are going to be an important part to make this program successful.

So we look forward to working with SEIU California and it's 700,000 members along with labor and community partners across the state to bring this program to scale and ensure maximum impact for California's working families.

We really have a historic opportunity in front of us to provide essential services to the people and to reorient banking as a public service to improve the everyday lives of millions of Californians. And we look forward to working on the implementation details of this program to bring real transformative change to our financial system.

Thank You.

Thank You SEIU 2015.

Thanks CalAccount Commissioners.

31) My name is **Nick Brown**, founder of Clear Purchase.

This will be a little different.

There's a lot of talk in the meeting today about debit cards and card processing. Well, I built a lot of that infrastructure. I'm a super geek in the payment infrastructure world, all of the massive behind-the-scenes systems that are processing credit and debit card transactions. And I even actually built Visa's Global Debit Card System in 1996.

The reason I'm saying all of that is I know what it takes to make systems work, to make infrastructure work. I know what you can do in it and what you can't. Coming back to the report, one of the issues that I see is a lot of undocumented people in this country. They don't trust the banks because of the federal KYC regulations, Know Your Customer regulations. They don't want to tell the bank who they are because the banks are forced to tell the Federal Reserve and others that you have an account there. They don't trust the banks, and that's actually not one of the times when it's the bank's fault. However, I mean, the unfortunate thing is that the existing banking and payment infrastructure is not suitable for undocumented people in this country. But you have put legislation in place AB 1177 and an earlier one in 2019, AB 857, which is public banks. You've got legislation in place. You've got oversight in place to be able to actually offer accounts that can be free to every undocumented person in this state.

And I have the technical ability to build those components that need to be created and integrate them with existing banking and federal infrastructure.

That is viable. There is a complete solution here depending on how far you want to go down this. But I have the technical ability to build that kind of infrastructure and build those systems. So that is something to think about. Yeah, I'm available if you're interested.

Thank you.

32) Good evening everybody. I am **Brandon Dawkins**. I am the Vice President of Organizing for SEIU Local 1021 of the San Francisco Bay Area. And the reason why CalAccount is very important to our members is because we have a lot of members who are not only on the low wage pay scale, but also underbanked.

And when it comes to check cashing, a lot of our workers, whether it's fast food workers, whether it's Starbucks workers, whether it's gig workers, Uber, Lyft drivers, a lot of these workers, when they go to cash a check at a bank and if they have to pay rent, banks like Wells Fargo charge ten dollars for a cashier's check because that's what a lot of landlords want is they want a cashier's checks. A bank also charges up to ten dollars just to cash a check and if they can't cash a check at a bank then they'll go to a cash-checking center and we already know those rates are skyrocketing. In addition to that, if they can't even cash your check at a check cashing center, they will go to a corner store and a corner store will charge up to \$25 dollars just to cash a check.

So, with CalAccount, what that does, is that it puts a level playing field in the banking arena so that no matter who you are, no matter what you look like, no matter where you work, no matter what your status is, everybody has the access and the opportunity to bank without those exuberant fees. They'll be able to pay their rent without paying \$15 dollars for a money order or a check. So, we need to make banking affordable for everyone, regardless of who you are and what you look like. And this is why we support CalAccount and we're asking for everybody else to support Cal Account because we need public banking.

Thank you.

33) Hello Commissioners. My name is **Elias Garcia**.

I'm speaking on behalf of the California Community Economic Development Association or CCEDA.

We are an organization based in Los Angeles that includes a membership of over 200 nonprofit, community-based economic development organizations across the state of California that work to address the needs of low-income communities and communities of color. These organizations run a variety of anti-poverty programs such as food banks, work training, affordable housing, and small business assistance.

We are speaking in strong support of the CalAccount program today.

I know firsthand the struggles of being unbanked, underbanked, and exploited by predatory banking practices. I can remember the unbearable anxiety of seeing overdraft fees of \$50 dollars applied to my account with each passing day that I was unable to bring my account back into the green. This often started with an overdraft of less than ten dollars and resulted in debts of over \$100.

The RAND Report noted a strong correlation between population count and branch density, with less densely populated areas having much less accessible branches. This negatively reflects residents in California's low-income rural communities and Native American communities, with many having to travel over ten miles by foot or public transit to reach a branch.

California is not just made up of only metropolitan cities, and these rural communities, many of which are farmworking communities who are essential to the state's economy, deserve access to affordable banking services.

In addition to distance from physical branches, these serve as another barrier to local Californians. Between travel to branches, monthly fees, check cashing fees, and overdraft fees, low-income Californians are having to spend inordinate amounts of money to access their own funds, sometimes amounting to over an hour's worth of wages.

This relegates these residents to the secondary market of predatory non-bank financial services, which keeps low-income Californians trapped from advancing economically and which keeps the state from seeing the benefits of the five billion dollars in activity that

CalAccount would generate in the state's economy.

So I hope you support CalAccount.

We strongly support it.

Thank you.

34) Thank you, Commissioners.

Good evening to everyone.

My name is **Navila Dunbar**. I'm the Director of Advocacy and Engagement at the National Council of Jewish Women LA.

Our work centers on ensuring economic justice and equity for women in Los Angeles through direct cash assistance known as Guaranteed Income, skill-building and advocating for policies that safeguard women's financial stability and prosperity.

Many of our clients, many of the clients that we serve across our various programs are unbanked and underbanked, so this issue is really important to us. In our state, many individuals lack access to traditional banking services, driven by various barriers including geographic, economic, and digital divides.

Rural areas and low-income urban neighborhoods often lack adequate banking facilities, leaving many without the basic financial services that many of us take for granted. Hurdles, such as improper identification, poor credit history, or past banking issues further exclude individuals from opening accounts.

As such, the results are that folks that are underbanked and unbanked are forced to rely on the alternative financial services, such as the stories that we heard from many of the folks in the call.

These include check-cashing systems, payday loans, and money orders. These services come with steep fees and interest rates that trap individuals in the cycles of debt and financial instability.

We hope that you consider the report findings, that you begin to lay the foundation to ensure that we can close the gap and that we really begin to think about the shared prosperity that all California should be part of.

Thank you so much for your time.