



# NEWS...

## From the Desk of California State Treasurer Fiona Ma



Dear Friends,

JANUARY 2022

I'm proud that California remains the 5th largest economy in the world, due to our collective ingenuity, resilience, entrepreneurial spirit, and our positive and optimistic attitude as we continue to battle COVID-19, the Delta variant and now Omicron.

And I am especially proud of the entire team at the State Treasurer's Office, who stepped up and went above and beyond to serve our constituents.

In July of 2021, California saw a record budget surplus of about \$85 billion. This surplus included over \$27 billion in nonrecurring federal COVID-19 relief funds - the largest single infusion of cash in California State history. In a normal year, approximately \$2.5 trillion in banking transactions comes through our office. With the pandemic-related transaction over the past fiscal year, the amount increased to over \$3.2 trillion processed by our Centralized Treasury and Securities Management Division (CTSMD).

The 2021 Budget Act provided immediate relief to families. As of November 2, 2021, over \$7.2 billion in Golden State Stimulus payments cleared CTSMD that went to help low to middle-class families facing a hardship due to COVID-19.

To assist small businesses, our office participated in over 200 webinars alerting and preparing individuals, nonprofits, and business owners about the US Small Business Administration's (SBA), Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) Program, California's \$4 billion Small Business COVID-19 Relief Grant program, and most recently the US SBA's Restaurant Revitalization Fund.

During 2021, our Public Finance Division served as agent for sale on over \$25.1 billion of new money and refunding bonds. Since I took office in January 2019, the State Treasurer's Office have sold \$14.5 billion of general obligation refunding bonds that will save the General Fund \$5.2 billion over the next 20 years.

And we continued to see many successes and hit many new milestones in our five (5) main platforms, which can be found in the following pages: Health, Education, Housing, Environment and Financial Wellness.

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# Welcome Letter

Throughout the pandemic, the State Treasurer's Office have been "open for business" every day. The Office has kept to its planned schedule, held virtual meetings and did not skip a beat. On the following page you will find highlights of our accomplishments in 2021 followed by our year-end report. I am proud to be the 34th California State Treasurer and look forward to many more accomplishments to come in 2022.

As always, if I or the State Treasurer's Office can be of assistance, please do not hesitate to reach out to me at my email at [AskFiona@Treasurer.ca.gov](mailto:AskFiona@Treasurer.ca.gov) or call me at 916-653-2995.

In Peace and Friendship,

A handwritten signature in black ink, appearing to be 'Fiona Ma', with a stylized flourish at the end.

Fiona Ma, CPA  
California State Treasurer

# 2021 HIGHLIGHTS

## YEAR-END ACCOMPLISHMENTS



In **Legislative** matters, Treasurer Ma actively sponsored and supported a number of bills, including Assembly Bill 869, which authorizes the Treasurer to invest up to one percent of Pooled Money Investment Account (PMIA) funds in sovereign debt instruments, ensuring that California has additional investment flexibility without requiring securities to be purchased that would compromise the safety and liquidity of its investments.

The **External Affairs** team launched monthly interagency outreach coordination meetings that resulted in greater synergy between the Executive Office, the Boards, Commissions, Authorities (BCAs), and Divisions hallmarked by cooperative stakeholder engagement efforts.

The **Constituent Affairs** team responded to more than 600 constituent inquiries and requests for assistance and helped Californians navigate new statewide COVID-19-related programs.



The Pooled Money Investment Account (PMIA), overseen by the **Investments Division**, experienced the largest workflow in recent history with over 1,600 transactions totaling \$79.0 billion in June 2021. This increase was due in large part to receipt of over \$27 billion in federal stimulus funds as part of the American Rescue Plan, the largest single infusion of cash in California State history. With careful planning and communication between the **Centralized Treasury and Securities Management Division (CTSMD)** and the Investments Division, the funds were able to be invested and settled over the course of just seven business days.



The **Public Finance Division (PFD)** worked closely with the State Public Works Board on its first ever issuance of Climate Bond Certified Green Bonds to provide long-term financing for the new Natural Resources Agency Headquarters in Sacramento.

## Boards, Commissions, and Authorities



The **California Debt and Investment Advisory Commission (CDIAC)** successfully launched their Education Portal learning management system and debuted their Elect>Ed on-demand education materials on debt issuance and administration for elected officials.



The **California Debt Limit Allocation Committee (CDLAC)** and **California Tax Credit Allocation Committee (CTCAC)** provided incentives for an increasing number of units of housing since 2017. The number of units increased from 14,091 in 2017 to 22,946 in 2021.



The **California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)** continued to help Californians reduce their home energy use. Through the GoGreen Home Program, more than \$10 million in energy efficiency loans were enrolled in 2021 for an all-time total of \$28 million.



The **California Pollution Control Financing Authority's (CPCFA)** CalCAP California Air Resources Board (CARB) Heavy-Duty Vehicle Air Quality Loan Program surpassed 35,000 loans that helped finance the purchase of more than 36,000 cleaner trucks for small business and small fleet owners.



The **California Health Facilities Financing Authority (CHFFA)** approved \$2.77 billion in tax-exempt revenue bonds for health facilities, \$3.9 million in loans to nonprofit small or rural health facilities through the HELP II Loan Program, and \$27.2 million in grants through the Children's Hospital Programs.

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The **California Educational Facilities Authority (CEFA)** successfully completed, for Stanford University, a first-in-the-nation \$300.4 million tax-exempt revenue bond sale certified as both Sustainability Bonds and Climate Bonds.

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The **California School Finance Authority (CSFA)** successfully completed a \$68.31 million College Housing Revenue Bond sale to finance first-ever student housing on the campus of Santa Rosa Junior College (SRJC).

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For the **ScholarShare Investment Board (SIB)**, Assembly Bill 340 was signed into law in 2021. This legislation, authored by Assemblymember Christopher Ward and sponsored by Treasurer Ma, allows California 529 account owners to use their funds to pay for registered apprenticeship program expenses and student loan repayment free from both federal and state tax.

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In 2021, the **CalSavers** program tripled the number of registered employers to 23,000 from 7,300 in 2020.

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In its third year of operation, the **CalABLE** program has amassed 6,473 accounts with more than \$60 million in assets under management, a 74-percent increase in new accounts over the past 12 months. This growth has propelled CalABLE as the fastest growing ABL program in the nation.

# At the State Treasurer's Office

## Year-End Review





## Centralized Treasury and Securities Management Division

The Centralized Treasury and Securities Management Division (CTSMD) oversees all banking aspects of the Centralized Treasury System. The CTSMD manages the cash liquidity needs of all state agencies and departments and ensures that all idle funds are invested daily.

Managing the banking needs for the fifth-largest economy in the world is no small feat. In a non-pandemic environment, CTSMD will typically manage approximately \$2.5 trillion in banking transactions each fiscal year. However, due to pandemic-related transactions over the past fiscal year the amount increased to over \$3.2 trillion.

Below are some of CTSMD's highlights this calendar year through December 31, 2021:

- Held over \$221.9 billion in investment and pledged securities.
- Paid more than \$26.6 million State-issued warrants, agency checks, and vouchers presented to the STO for payment.
- Collected more than \$311.9 billion under the Electronic Funds Transfer contract.
- Managed a daily average of \$2.7 billion in bank balances, including interest-bearing account balances.

The COVID-19 pandemic has brought its share of challenges for CTSMD. Managing the cashflows of the State was extremely difficult as normal revenue and disbursement patterns were disrupted. A record amount of revenue flowed into the State, including from the federal stimulus plans, followed by large payments to fund various programs. The American Rescue Plan Act of 2021 provided California over \$27 billion in federal stimulus funds on a single day, the largest single infusion of cash in California State history. But with careful planning and communication between CTSMD and the Investments Division, the funds were able to be invested and settled over the course of just seven business days.

In addition to the federal stimulus, the State's budget surplus was used to pay two rounds of Golden State Stimulus to eligible Californians. As of December 31, 2021, over \$8.7 billion in Golden State Stimulus payments were cleared by CTSMD. Additionally, the federal stimulus and budget surplus are allowing the State to spend on critical programs to help the State recover from the COVID-19 pandemic. To manage the State's cash flow, CTSMD coordinated with various state agencies and departments such as the California Department of Education, Department of Social Services, Housing and Community Development and Office of Business and Economic Development to schedule billions of dollars and disbursements.



## Public Finance Division

During 2021, the Public Finance Division (PFD) of the State Treasurer's Office served as agent for sale on over \$25.1 billion of bonds. Approximately \$21.4 billion was for the State, State agencies, and other State-related entities, while \$3.7 billion was conduit debt issued by State financing authorities for third parties.

<u>Issuer</u>	<u>New Money</u>	<u>Refunding</u>	<u>Total</u>
General Obligation Bonds	\$2,643,745,000	\$4,242,155,000	\$6,885,900,000
State Public Works Board	913,365,000	994,560,000	1,907,925,000
California Earthquake Authority	225,000,000	-	225,000,000
California School Financing Authority	531,305,000	-	531,305,000
California State University	909,755,000	878,565,000	1,788,320,000
Department of Veterans Affairs	-	108,565,000	108,565,000
Department of Water Resources	287,670,000	246,130,000	533,800,000
GSTSC	-	6,461,830,920	6,461,830,920
UC Regents	1,887,210,000	1,036,050,000	2,923,260,000
Conduit	2,878,444,538	859,775,000	3,738,219,538
<b>Grand Total:</b>	<b>\$10,276,494,538</b>	<b>\$14,827,630,920</b>	<b>\$25,104,125,458</b>

\* Totals include forward delivery bonds sold in calendar year 2021 but to be issued in calendar year 2022.

Nearly 41% of the bonds sold were new money bonds while just over 59% were refunding bonds. The \$4.2 billion of General Obligation (GO) refunding bonds will save the State's General Fund over \$1.09 billion over the next 20 years, or \$955 million on a present value basis. Since Treasurer Ma took office in January 2019, PFD has sold \$14.5 billion of GO refunding bonds that will save the General Fund \$5.2 billion over the next 20 years, or \$4.3 billion on a present value basis.

In November, PFD worked closely with the State Public Works Board on its first ever issuance of Climate Bond Certified Green Bonds to provide long-term financing for the new Natural Resources Agency Headquarters in Sacramento. The new 21-story building is designed for sustainability with a goal to achieve LEED Platinum certification and Zero Net Energy.

During 2021, PFD also prepared and processed nearly 1,500 claim schedules for the timely and accurate payment of \$17.5 billion in debt service payments, escrow debt service payments, and variable rate rate/commercial paper fees.



# Investments Division

The Investments Division (Division) successfully maneuvered numerous challenges in 2021. In particular, the Division continued to manage investment activities in a telework environment using Microsoft Teams for recording and sharing information regarding daily investment trading and Local Agency Investment Fund (LAIF) activities, processing numerous LAIF transactions using cell phones, and promoting and increasing LAIF online enrollment.

The Division managed the Pooled Money Investment Account (PMIA) portfolio through a highly volatile investment market and created greater diversity through additional investment options while relying on staff expertise to maintain the pool's safety and liquidity as it reached an all-time high of \$197.7B in June 2021 (the previous all-time high was \$115.7B in July 2020). In addition, the PMIA experienced the largest workflow in recent history with over 1,600 transactions totaling close to \$79B in June 2021. This increase was due in large part to receipt of \$27B from the Federal government as part of the American Rescue Plan, which Congress implemented to assist in economic recovery from the impact of COVID-19 and the ongoing recession. With coordination assistance from the Centralized Treasury and Securities Management Division (CTSMD), the Division managed to invest these monies within seven days. The total amount invested—including \$8B in one day—and the speed with which it was invested was unprecedented for the Division.

Moreover, the LAIF program added 47 new participants and created greater flexibility for local agencies by expanding the CARES emergency account option to a COVID Relief Fund option and accepting deposits from agencies receiving COVID Relief Funds from all Federal and State sources. The program increased the number of online accounts, going from 846 in 2020 to the 935 in 2021. In addition, staff held another interactive LAIF webinar attended by over 220 participants.

The Division plans to continue researching opportunities for greater diversity of securities for the pool in the coming year while continuing to maintain the same level of safety and liquidity. LAIF staff are reviewing the potential for further additional webinars and hopefully a return to the annual in-person conference at a new venue in Southern California next year.

## **Pooled Money Investment Account (PMIA):**

Through the PMIA, the State Treasurer invests taxpayers' money to manage the State's cash flow and strengthen the financial security of local governmental entities. In 2021, the PMIA accomplished the following:

- The PMIA hit an all-time high of \$197,744,697,234 on June 23, 2021 and remained over \$170B for the past five consecutive months.
- June 2021 was the largest work flow month in recent history with over 1,600 transactions totaling \$79.0B in activity and averaging \$3.6B per day.
- Senate Bill 239 was chaptered allowing investment in certain money market funds and unifying letters of credit collateral requirements for all time deposit participants.
- The investment program added one Commercial Paper program (Atlantic Asset Securitization, LLC) and two Corporate Bond Programs (Amazon.com and PepsiCo, Inc.) to increase diversity in the PMIA.
- The investment program resumed investing in Corporate Bonds, developing additional criteria, modifying the Investment Policy to mirror the approval process of other authorized investments, and expanding holdings to \$250M (book value) in 11 securities as of October 31, 2021.

- The Division made significant gains in its use of technology to streamline processes in various areas including time deposit analyses, automating portfolio amortization calculations, and investment tracking while incorporating electronic trade sheets, claim schedules, and other documents to manage workflow resulting in significant reductions of paper consumption and storage requirements (eliminated multiple copies of printed reports and paper files). The Division also purchased an 86 inch touchscreen monitor with audio speakers to integrate current Teams investment processes into the office work space environment.

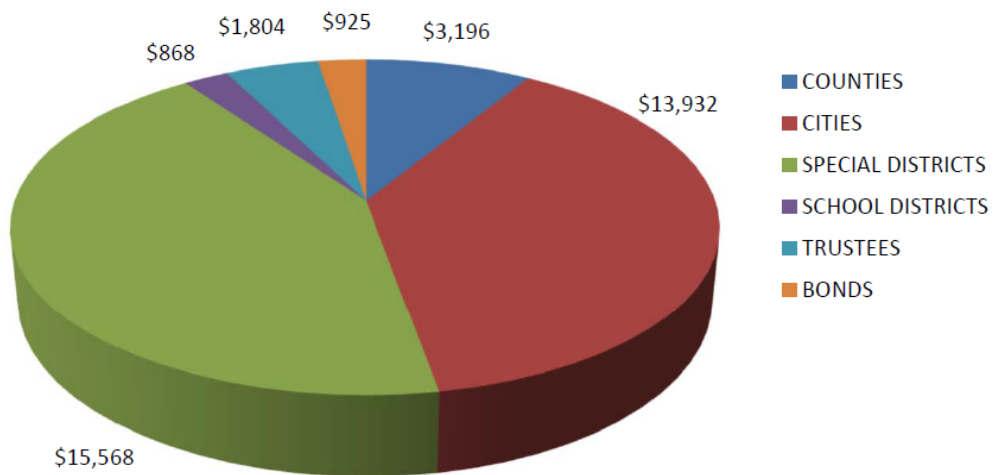
INVESTMENT ACTIVITY	June 2021		May 2021	
	NUMBER	AMOUNT (\$)	NUMBER	AMOUNT (\$)
Pooled Money	1,544	77,094,760	976	48,721,467
Other	16	107,433	140	3,118,630
Time Deposits	70	1,764,000	55	1,529,000
<b>Total</b>	<b>1,630</b>	<b>78,966,193</b>	<b>1,171</b>	<b>53,369,097</b>

### Local Agency Investment fund (LAIF)

The State Treasurer's Office, through LAIF, provides the opportunity to local agencies to invest using the expertise of the State Treasurer's office investment staff at no additional cost to the taxpayer. In 2021, LAIF accomplished the following:

- LAIF accepted 47 new participants.
- LAIF accepted 16 COVID Relief Fund Emergency Accounts.
- Staff hosted 2 Local Investment Advisory Board meetings.
- LAIF held its second interactive webinar on November 3, 2021, attended by 224 participants.

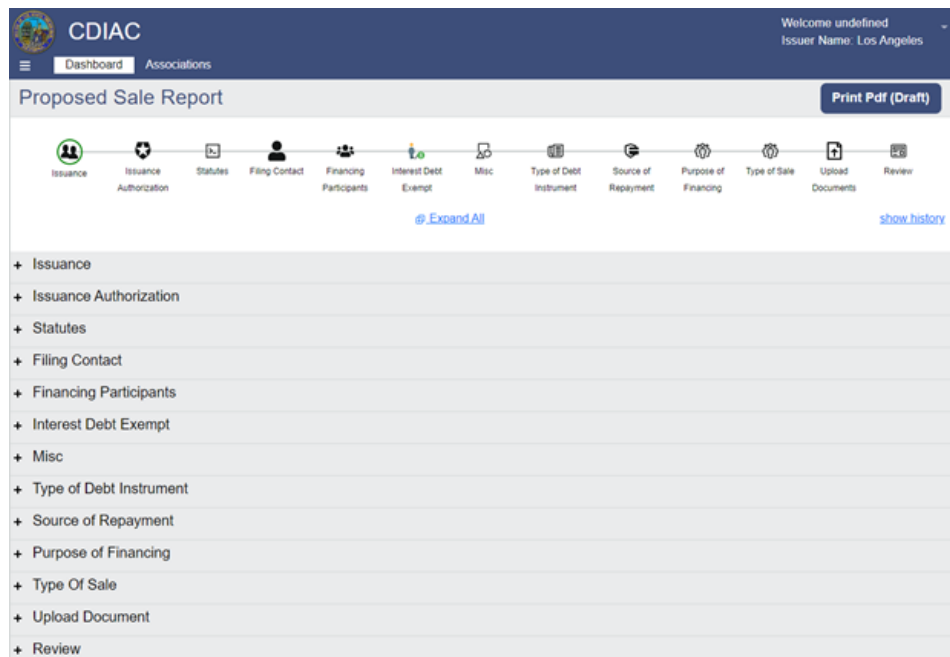
LAIF Balance by Type as of 12/31/2021



Created by the California Legislature forty years ago, the California Debt and Investment Advisory Commission (CDIAC) has among its primary responsibilities to serve as a clearinghouse of information on the debt of all California state and local government agencies. CDIAC maintains records on nearly 70,000 issuances of debt. The amount borrowed, terms of the debt, planned use of proceeds, and the financial market participants, among many other data points, are all available online through CDIAC's DebtWatch data transparency website.

CDIAC receives this data directly from the source: the state and local agencies that have borrowed money. Each year, officials from more than 3,000 agencies across the state submit information to CDIAC on their debt issues through CDIAC's online filing interface. In 2021, CDIAC will have processed the information submitted by agencies during more than 16,000 separate data reporting sessions. This number is expected to grow by as many as 2,500 per year for the next few years. Clearly, technology plays an enormous role in the submission process and preparing the data for distribution to the public.

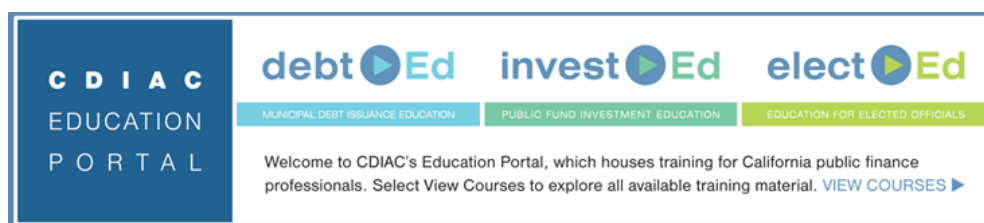
In 2021, CDIAC launched the first phase of its end-to-end database enhancement project (E2E Project). The ambitious year-long project will result in a completely rebuilt online filing interface accessed by thousands of agencies every year. The brand new interface will feature enhanced security, a user dashboard displaying pending reporting obligations, a guided submission process with embedded instructions and help text, and the ability for users to view and edit previously submitted information. Phase one will also include a new internal interface and automated routines that will speed the process of data validation and distribution of information to the public through DebtWatch. The E2E Project is an initiative that is designed to build a scalable and adaptable technology foundation that will accommodate the growth of CDIAC's data clearinghouse role for the next ten years. It will also create major enhancements to the user experience for those submitting data and give them a level of control over their own data they have never had before.



E2E Online Filing Interface - Prototype Screen

Serving as a clearinghouse of debt information is the cornerstone of CDIAC, but providing continuing education and guidance on best practices on the issuance of debt and the investment of public funds to the public finance community is at the heart of its mission. Building capacity and adopting new technology was also a major initiative within CDIAC's education program in 2021.

With the objective of making CDIAC's educational programs more accessible and in a mode and manner more consistent with the learning preferences of today's public officials, CDIAC developed and launched a new learning management system called the CDIAC Education Portal. Now, learners have anytime access to a growing library of on-demand courses on fundamental debt and investment subjects, as well as topical programs such as those developed around climate change risks and socially responsible investing. The system offers learners the option to pick and choose courses meeting their interest or engage in the courses on one of the predeveloped learning paths based on CDIAC's curricula. Investment Fundamentals is one such learning path. The Education Portal creates resiliency for CDIAC's educational program in the face of the pandemic and presents hybrid learning options to those that remain hesitant about attending one of CDIAC's in-person educational conferences.



The launch of the Education Portal provided the platform for the long-awaited debut of Elect>Ed, CDIAC's on-demand education on debt issuance and administration specifically designed for elected officials. During a press conference in October, Treasurer Ma announced the availability of the first four courses of Elect>Ed—approximately 90 minutes of educational content. Five additional modules are under development and expected to be released to the Education Portal over the next 12-18 months.

Elect>Ed is the first of its kind in California and it is designed to meet a pressing educational need among many of the thousands of elected and appointed officials serving California's 4,400 local governments. Elected officials come to their positions with a broad range of backgrounds, knowledge and expertise, but for many their background does not include public finance expertise or experience with public debt. Elect >Ed is designed to fill-in that knowledge gap.

CDIAC's work in 2021 was focused on constructing a foundation for the future and strengthening the capacity to collect and distribute data more efficiently and deliver education and guidance to more constituents in a variety of ways.

In 2022, CDIAC is well positioned for its 40th year of operation. The E2E project will continue with roll-out of phase one expected in the summer. The new year will usher in CDIAC's return to in-person education including conferences on public investing and CDIAC's flagship program, Debt Essentials. New courseware on debt and pension management for elected officials will be added to the Education Portal and CDIAC's research team is working on a range of products around topics such as municipal lease financing, K-14 school financing, and the disclosure of investment risks. Monitor the availability of new data, guidance, and educational offerings by subscribing to the [CDIAC emailing](#) list or visit the [CDIAC website](#).



## CA Debt Limit Allocation Committee / CA Tax Credit Allocation Committee

The California Tax Credit Allocation Committee (CTCAC) and the California Debt Limit Allocation Committee (CDLAC) administer programs that address critical needs for the state of California. CTCAC allocates nine percent (9%) or four percent (4%) federal tax credits to qualified new construction projects or existing properties undergoing rehabilitation. CTCAC also administers the Low-Income Housing Tax Credit (LIHTC) program in the State Treasurer's Office, which is a critical funding source for producing and preserving affordable rental housing and helping reach the Governor's goal of producing 3.5 million units in California by 2025.

Through CTCAC, private investors receive federal, and sometimes also state, income tax credits as an incentive to make equity investments in affordable rental housing. Since 1986, more than 500,000 affordable housing units have been supported in California thanks to the LIHTC funding.



*Paradise Village, originally financed with CTCAC's Low Income Housing Tax Credits in 2011, seen here after the 2018 Camp Fire destroyed the entire property. The Village reopened to residents in the fall of 2021.*

CTCAC also allocates State Tax Credits, working in tandem with CDLAC. CDLAC provides the private activity tax-exempt bond allocation required to access the 4% tax credits. Due to the program's success in 2020, Governor Newsom approved another \$500 million in State Tax Credits for housing in 2021.

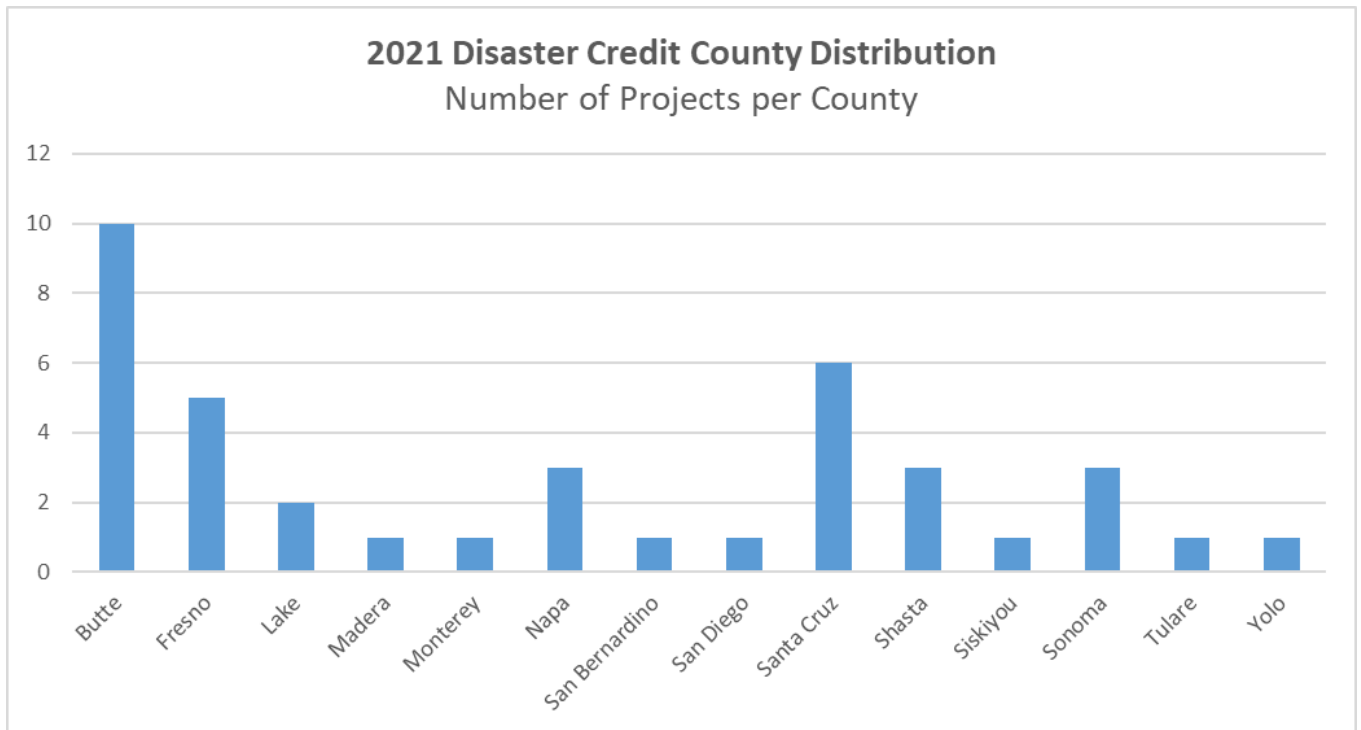
Both CTCAC and CDLAC are on course to greater efficiency and maximizing the number of units that can be created with the scarce resources available.

Combined, they have provided incentives that have allowed for greater production of housing units over the past several years. The number of housing units developed in 2017 was 14,091 while 22,946 were produced in 2021. The agencies funded 269 projects with bond allocation of more than \$4.3 billion, nearly \$550 million in annual federal tax credits and more than \$600 million in state tax credits.

# CA Debt Limit Allocation Committee / CA Tax Credit Allocation Committee

(continued)

In recognition of the recent disasters occurring in California, the U.S. Congress passed the Consolidated Appropriations Act of 2021 (CAA) on December 21, 2020. This legislation provided CTCAC with an additional \$80.7 million in 2021 in Federal Tax Credits for its 9% program—in addition to the \$110 million annually it already receives. The additional \$80.7 million was marked to be used in 2021-22 for projects in declared disaster areas, including 22 California counties struck by devastating wildfires in 2020. CTCAC adopted regulations on June 16, 2021 to allocate these credits, which were awarded to 39 projects producing 2,345 housing units in those counties. The CAA also established a minimum credit rate of 4% for LIHTC projects, providing additional equity in financing affordable housing projects.

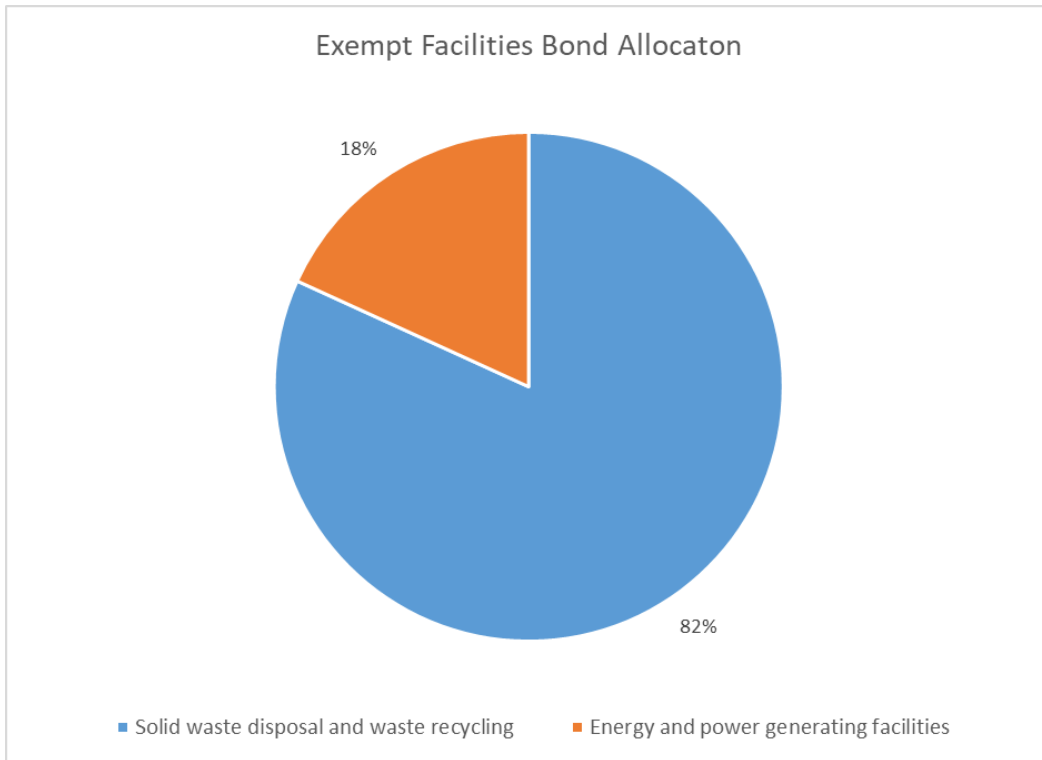


In 2021, CDLAC created the Black, Indigenous, and People of Color (BIPOC) Pool for Qualified Residential Rental Projects (QRRP). The BIPOC Pool is an allocation of the state ceiling provided for Black, Indigenous, and People of Color developers that are emerging in the industry and that do not have the minimum level of experience required in the competitive application process. In its first year, three projects were awarded in the BIPOC Pool totaling nearly \$112 million.

The Exempt Facility Bond program at CDLAC awarded allocation to tax-exempt private activity bonds issued to finance projects identified by the IRS as an exempt facility, including but not limited to: solid waste disposal and waste recycling facilities, mass commuting facilities, high-speed rail, energy and power generating facilities, and sustainable design facilities. The public benefit of this program is loan interest rate savings that enable the project owners to charge lower customer rates, while assisting communities they serve to meet mandated requirements to protect and enhance the environment. In 2021, CDLAC approved allocation to 11 projects totaling \$447,915,000. An additional \$29 million was allocated using prior year carryforward, thereby exhausting all prior year carryforward available for Exempt Facilities.

# CA Debt Limit Allocation Committee / CA Tax Credit Allocation Committee

(continued)



After a reprieve from the IRS in 2020 to prevent the spread of COVID-19, in 2021 CTCAC recommended compliance monitoring on affordable housing projects, which included both file and physical audits. Since October 1, 2021, CTCAC staff completed file and physical audits for 268 affordable housing projects in the CTCAC portfolio.



Treasurer Ma joined Community Housing Opportunities Corporation (CHOC) for a groundbreaking of the 60-unit Monarch Apartment Homes in Palm Springs, CA. This project was awarded tax credits in April 2021.



## CA Alternative Energy and Advanced Transportation Financing Authority

In 2021, the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) continued its strong record of support for climate progress, made important strides in advancing equity, and laid the groundwork for future growth. This was the first year CAEATFA implemented modified Sales and Use Tax Exclusion (STE) program regulations to prioritize projects located in areas of higher unemployment and to promote job creation, environmental benefits, and recycling. By year's end, the STE program had approved 31 California manufacturers and recyclers for the available annual total of \$100 million in sales and use tax exclusion awards, with almost half (48 percent) of the projects located in counties with higher-than-average unemployment. These projects are anticipated to provide an estimated \$220 million in net benefits to the state and support more than 23,000 jobs. More than half the awardees are small businesses. Additionally, two-thirds of the awardees manufacture products that directly support the state's environmental goals, including biogas, biofuels, electric vehicle batteries, and recyclables. In a testament to the program's effectiveness, Governor Gavin Newsom proposed a one-time \$100 million increase in STE funding, but the final budget did not include the extra allocation.

CAEATFA Executive Director Derek Chernow also announced a list of Emerging Strategic Industries (ESIs) to support California's Lithium Valley in time for the 2022 STE program award application cycle. A first for CAEATFA, the ESI designation will help foster a California-based manufacturing market for lithium, a critical component of zero-emission vehicle batteries and clean energy storage. Additionally, it will spur investment in geothermal energy production by supporting the extraction of lithium from geothermal brine.

The Public Utilities Commission (PUC) authorized up to \$75 million for CAEATFA to continue operating the California Hub for Energy Efficiency Financing (CHEEF) programs, which currently serve investor-owned utility ratepayers, for another five years and approved the use of the CHEEF platforms for non-ratepayer use if CAEATFA can secure other funds. CAEATFA also updated the financing program names to better align with the public-facing platform, [GoGreenFinancing.com](https://www.gogreenfinancing.com). The programs are now called GoGreen Home Energy Financing (GoGreen Home), GoGreen Business Energy Financing (GoGreen Business), and GoGreen Affordable Multifamily Energy Financing (GoGreen Multifamily).



Through GoGreen Home, CAEATFA continued helping Californians reduce their home energy use; more than \$10 million in energy efficiency loans were enrolled in 2021 for an all-time high total of \$28 million. The credit enhancement that CAEATFA offers lenders has saved GoGreen Home borrowers more than \$2,100 in interest on average for a 60-month loan. GoGreen Home also began offering microloans of \$200 - \$5,000 online at the point of purchase, helping underserved borrowers access energy-efficient appliances.

# CA Alternative Energy & Advanced Transportation Financing Authority

(continued)

On-bill repayment (OBR) functionality, long planned for GoGreen Business, was incorporated into the 2021 regulations readopt. By year's end, both GoGreen Business and GoGreen Multifamily were actively using or exploring interest rate buy-down promotions.

CAEATFA anticipates an exciting 2022 as the ESI designation comes online and staff pursues non-ratepayer funding to expand the financing programs to all Californians, starting with Technology and Equipment for Clean Heating (TECH) funds, which support decarbonization. Staff will also work with the PUC to explore the possibility of financing solar and other distributed energy technologies to further help California reach its ambitious climate goals.



*CAEATFA Executive Director Derek Chernow (far left) and analyst Xee Moua (second from left) joined Treasurer Ma (center) at the Fremont facility of lithium battery manufacturer Enovix, which received an STE award in 2021.*



## CA Pollution Control Financing Authority

While small business support was again a major focus for the California Pollution Control Financing Authority (CPCFA), the bond program also served as a conduit issuer for bonds/notes for five solid waste disposal companies for a total amount of \$162,230,000. One of the issuances went to SoCal Biomethane, LLC, and its affiliates for tax-exempt notes not to exceed \$13,000,000 for use in a project located at the Victor Valley Wastewater Reclamation Authority's (VWVRA) wastewater treatment plant, called the VWVRA Organics Project. This will be the first wastewater treatment plant injecting into natural gas pipelines a renewable natural gas derived from co-digestion (food waste along with biosolids being digested together in the anaerobic digester).

Since 1973, CPCFA has issued more than \$16.8 billion in exempt facility bonds/notes for companies located throughout California. Additionally, the Small Business Assistance Fund has awarded more than \$22.52 million to qualified small businesses for cost of issuance assistance over the program's lifetime. As small businesses continued to recover from wildfires, the health and economic effects of the COVID-19 pandemic and other officially declared disasters, CPCFA's California Capital Access Program (CalCAP) again stepped up to assist small businesses with credit enhancement support throughout the state. CalCAP's loan loss reserve program extended the opportunity for participating financial institutions to receive supplemental contributions for loans made to borrowers located in state-designated emergency or disaster areas and those directly impacted by the pandemic. Not only did Treasurer Ma and CPCFA staff return to on-site visits for projects and clients, the CPCFA team participated in more than 125 webinars for small businesses and economic development organizations.

### California Capital Access Program (CalCAP)

**Designed to encourage banks and other financial institutions to make loans to small businesses that have difficulty obtaining financing.**

CalCAP's specialty financing program designed to help the purchase of cleaner trucks hit a milestone in 2021. The CalCAP California Air Resources Board (CARB) Heavy-Duty Vehicle Air Quality Loan Program surpassed 35,000 loans that helped finance the purchase of more than 36,000 cleaner trucks for small business and small fleet owners. The program is run in partnership with the CARB and was just extended two years.

CPCFA also welcomed Shela Tobias-Daniel as its Executive Director in October.

Find out more about CPCFA at: <https://www.treasurer.ca.gov/cpcfai/index.asp>



## CA Health Facilities Financing Authority

As California's health facilities bounce back from the devastating financial effects of the COVID-19 pandemic in 2021, the California Health Facilities Financing Authority (CHFFA) experienced a very busy year, as it provided billions of dollars in debt financing to expand, renovate, and equip facilities as well as to refund existing debt at very low rates for considerable savings.

During 2021, CHFFA approved tax-exempt conduit revenue bonds for the following health facilities:

- \$515 million for Stanford Health Care to reimburse expenditures incurred from its new Stanford Hospital project and to refund all or a portion of outstanding CHFFA bonds.
- \$442 million for Lucile Salter Packard Children's Hospital at Stanford to refund outstanding CHFFA bonds for an approximately \$55 million net present value savings over the life of the bonds.
- \$213 million for Children's Hospital of Orange County to refund outstanding CHFFA bonds for an approximately \$30 million net present value savings over the life of the bonds.
- \$1.6 billion for Cedars-Sinai Health System to finance the costs of the construction of the Cedars-Sinai Marina Del Rey replacement hospital and potentially to finance the improvement, renovation, and equipping of facilities at Cedars-Sinai Medical Center. Bond proceeds also will be used to refund outstanding revenue bonds issued by non-CHFFA entities for an approximate net present value savings of \$22.4 million over the life of the bonds.

Small and rural health facilities also have resumed investment in their organizations. CHFFA's HELP II Loan Program exists for that purpose, providing low-interest rate loans to California's nonprofit small or rural health facilities to purchase or construct new facilities, remodel or renovate existing facilities, purchase equipment or furnishings, and refinance existing debt. During 2021, CHFFA approved the following loans:

- \$1.5 million each to Dientes Community Dental Care to construct a 5,600 square-foot, single story solar-powered state-of-the-art 11-chair dental clinic as well as to Santa Cruz Community Health Centers to help finance the construction of a 20,000 square-foot medical facility. These projects are part of a collaboration between Dientes Community Dental Care, MidPen Housing and Santa Cruz Community Health Centers to bring affordable housing and healthcare services to the Live Oak area of Santa Cruz County.
- \$400,000 to Gateway Center of Monterey County to refinance a private loan with a large upcoming balloon payment.
- \$2 million to replace a nearly 50,000 square foot roof and potentially remodel a radiology suite at Hazel Hawkins Memorial Hospital. A portion of this roof failed in recent years, resulting in a loss of services for several months at San Benito County's only hospital. This loan prevents a potential future catastrophic reduction or elimination of medical services.



*Pictured above is CHFFA Executive Director Frank Moore taking part in the May 22, 2021 groundbreaking ceremony for Dientes Community Dental Care and the Santa Cruz Community Health Center to finance the 20,000 square-foot medical facility at 1500 Capitola Road.*

CHFFA also continued to provide grant funding to California's children's hospitals through the Children's Hospital Programs. The California electorate has approved three general obligation bonds for a cumulative \$3.2 billion to improve the health and welfare of California's critically ill children, providing a stable and ready source of grant funds for capital improvement projects for these hospitals.

For the latest bond (Proposition 4), in 2021, CHFFA approved the following grants:

- \$12 million for Children's Hospital Los Angeles to reimburse the costs of patient care equipment for various departments, including the Neonatal Intensive Care Unit (NICU), the Pediatric Intensive Care Unit, and the Department of Imaging.
- \$3.3 million for the University of California, San Francisco Medical Center for the renovation, furnishing and equipping of space and architectural design costs for the eventual relocation and renovation of pediatric services.
- \$11.9 million for Valley Children's Hospital to reimburse the cost of renovation projects and patient care equipment. Renovation projects include the expansion of the sleep laboratory and renovations associated with the installation and replacement of equipment.

On August 6, 2021, Treasurer Ma attended the ribbon cutting ceremony for the Dennis and Carol Troesch Medical Campus at Loma Linda University Medical Center. The nine-story Loma Linda University Children's Hospital on the campus was constructed utilizing \$165.9 million in Children's Hospital Program of 2004 and 2008 funding. Now that the hospital is open, the people of the Inland Empire have access to a state-of-the-art hospital that is seismically safe, provides improved services, and provides an increased capacity for care.

In addition to the physical toll the COVID-19 pandemic has wrought on this state, the psychological toll, especially on children, has been tremendous. CHFFA's Investment in Mental Health Wellness Grant Program for Children and Youth provides grant funding to address a continuum of crisis services for children and youth by developing certain mental health programs. On April 29, 2021, CHFFA approved a total of \$15.7 million in grants for nine counties to expand children and youth mental health services by developing one nine-bed crisis residential treatment facility; five crisis stabilization units, with a combined total of 24 beds; one family respite care facility; and eight mobile crisis support teams, consisting of six vehicles and 16.75 full-time equivalent personnel. These projects will serve 11 counties in the state (Contra Costa, Del Norte, Humboldt, Los Angeles, Riverside, Sacramento, San Luis Obispo, San Mateo, Santa Cruz, Trinity and Tulare).

Additionally, on October 5, 2021, CHFFA staff attended a ground-breaking ceremony for Solano County's Community Services Infrastructure Grant Program project. This project was approved in March 2020 for \$6.3 million in grant funds to develop a 16-bed licensed residential mental health diversion program for mental health treatment of 16-20 year old justice-involved individuals.



*From left to right: Kerry Heinrich, CEO of Loma Linda University Health Hospitals and Dr. Richard Hart, President of Loma Linda University Health stand in front of a Loma Linda University Children's Hospital sign with Treasurer Ma.*



*Pictured are CHFFA Deputy Executive Director Carolyn Aboubechara, staff member Kylie Stasko, and Executive Director Frank Moore.*

Lastly, CHFFA was named the administrator of a new state loan program called the Nondesignated Public Hospital Bridge Loan Program. This program provides up to \$40 million in General Fund working capital loans to 33 eligible nondesignated public hospitals. California's nondesignated public hospitals provide significant levels of care to the uninsured and Medi-Cal populations.

Until December 2020, nondesignated public hospitals participated in Public Hospital Redesign and Incentives in Medi-Cal (PRIME). With the recent transition to the Quality Incentive Pool (QIP) Program, the new funding timeframe has been extended from within 90 days to an estimated two years. To offset the delay in funding and to assist with the cash flow issues caused by the change from PRIME to QIP, the Legislature authorized CHFFA to provide low-cost working capital loans to eligible nondesignated public hospitals to assist with their operations. Northern Inyo Healthcare District was the first hospital to be approved for a loan disbursement under this program.



*Pictured above is Northern Inyo Hospital, operated by Northern Inyo Healthcare District. (Photo courtesy of Michael Cooke)*



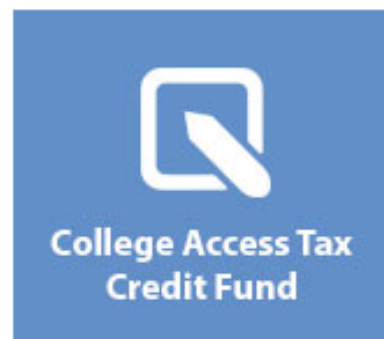
# CA Educational Facilities Authority

The California Educational Facilities Authority (CEFA) provides students with better access and broader opportunities in higher education by providing private colleges and universities with the assistance needed to reduce their capital costs of financing academic-related facilities through its tax-exempt revenue bond program. As one of many financing authorities within the State Treasurer's Office, CEFA can be a valuable resource for financing capital projects for private, non-profit institutions of higher education.

This year has been fruitful for the CEFA and its borrowers. During 2021, CEFA approved tax-exempt conduit revenue bonds for the following universities:

- \$68 million for Chapman University, located in Orange, to refund outstanding CEFA bonds, resulting in a savings of approximately \$1.4 million per year or an approximately \$13.8 million overall net present value savings over the life of the bonds.
- \$816,830,000 for Stanford University, increasing a prior authorized revenue bond amount for the acquisition, construction, expansion, rehabilitation, remodeling, renovation and equipping of an expanded list of educational facilities. In addition, additional funds were used to refund outstanding CEFA bonds. When these bonds were sold, Stanford became the first university in the nation to issue bonds with both Sustainability Bond and Climate Bond certifications, as they were used to reduce the university's carbon footprint as well as to reduce social inequities.

CEFA's College Access Tax Credit Fund (CATCF) in 2021 provided a tax credit to taxpayers and businesses that contribute to Cal Grants, the State of California's largest source of educational financial aid. The credit can be used to offset or reduce taxes. Cal Grants provide aid to California undergraduates in need, vocational training students, and those in teacher certification programs. These grants help California students achieve their higher education goals. The CATCF received approximately \$808,000 in contributions for Taxable Year 2019 and approximately \$957,250 for Taxable Year 2020.



As CEFA transitions to 2022, both CEFA and CHFFA hope to resume in-person visits with the Treasurer to private, non-profit colleges and universities as well as to public and non-profit health care providers throughout the state. These visits ramped up in 2019 and were temporarily suspended in 2020 with the advent of the COVID-19 pandemic. With colleges and universities resuming in-person instruction, CEFA hopes to resume these visits in order to get a better appreciation of the impact that CEFA funding provides as well as to gauge the future funding needs of our stakeholders.



## CA School Finance Authority

The California School Finance Authority (CSFA) team was extremely busy in 2021, navigating a new world order while maintaining its commitment to existing programs, adhering to best practices, and developing new and innovative programs. As CSFA worked through the impacts of the COVID-19, it worked to ensure that local educational agencies received the funds needed to maintain operations, while schools worked to ensure that students stayed engaged and continued to learn through an extraordinary period of change. Below are some highlights of the work CSFA accomplished in 2021.

- **Conduit Financing Program:** In 2021, CSFA closed 16 short and long-term conduit financings totaling \$847,232,378.
- **Charter School Facility Grant Program (SB740 Program):** CSFA processed 1,938 disbursements, totaling \$168,823,337.42, and serving over 188,000 students.
- **State Charter School Facilities Incentive Grants Program:** CSFA processed 577 disbursements totaling \$9,577,501.
- **Credit Enhancement Grant Programs:** Under this federally funded program, in 2021, CSFA processed seven disbursements, totaling \$17,053,100, and serving 59,365 students.
- **Charter School Revolving Loan Fund Program:** CSFA conditionally awarded 12 loans to 12 schools, for \$3 million. Additionally, nine of the schools received their initial disbursement, totaling \$900,000.
- **Great Efficiencies:** CSFA launched an online application for its conduit financing program to allow applicants to submit financing applications with greater ease and certainty. The conduit financing application is CSFA's last program application to be transitioned to an online application portal.

### California School Financial Authority (CSFA) First Housing Project

On July 29, 2021, CSFA successfully completed a \$68.31 million college housing revenue bond to finance the first-ever student housing on the campus of Santa Rosa Junior College (SRJC). This funding reflects Treasurer Ma's commitment to bring affordable housing to community college students and bridge California's resource and equity gaps.

Santa Rosa Junior College serves over 20,000 students in nearly 80-acre Santa Rosa and Petaluma campuses. The project will provide safe, affordable, and accessible housing to the culturally and economically diverse SRJC student population. This 95,281 square-foot project will offer 352 total beds and will include living rooms and common areas, common kitchens with grab-and-go options, public restrooms, activity lounges, game rooms, study areas, quiet study areas, co-ed restrooms, 24-hour security, and a 92-space parking lot – all conveniently located on campus.



*Santa Rosa Junior College student housing.*

## Bond Credit Enhancement Grants Are Helping to Serve Students with High Needs

Granada Hills Charter School (GHC) received a grant of \$837,500 from CSFA to fund a debt service reserve, which enhances the following-referenced bond financing. The grant is administered through CSFA's federally-funded Credit Enhancement Grant. On July 21, 2021, GHC refinanced an existing bond debt of \$13.6 million that will benefit the school's Devonshire and Zelzah campuses, located in the San Fernando Valley. This sale, by refinancing past debt at lower rates, helps GHC save money which will allow GHC to improve support for students in the classroom and make long-overdue facility improvements.

This financing marks CSFA's fourth bond issuance on behalf of GHC, one of the largest charter schools in the country and serving high-need communities, with a 2021-2022 enrollment of more than 5,700 students. GHC is the only TK-12 International Baccalaureate School within the Los Angeles Unified School District.

## Bond Funding for a New Environmentally Friendly Facility of an All-Girls High School

A \$13,795,000 revenue bond issued on September 21, 2021 for the all-girls high school, Girls Athletic Leadership School (GALS), will finance the new school facilities. Located in Van Nuys, GALS will use prefabricated buildings made from repurposed shipping containers. The GALS's mandate is to provide a rigorous, college-preparatory curriculum that allows young women to pursue their strengths and passions and learn and understand their responsibility to the local and global community.



*Girls Athletic Leadership School.*

In addition to the bond issuance, CSFA awarded a \$715,600 credit enhancement grant to fund the debt service reserve account for the GALS financing. The combination of the low-cost bond issuance and the significant grant award to fund the debt service reserve is the unique leveraging of state and federal resources CSFA provides to its customers.

## Three TRANS Issued in 2021

CSFA worked to issue three Tax and Revenue Anticipation Notes (TRANS) in the spring of 2021. All the notes mature at the end of December 2021. Under the State Aid Intercept Note (SAIN) Program, CSFA issued two series of notes. One series was issued in March for \$237.8 million to assist 24 elementary, high school, and community college districts. The second SAIN financing was issued in April and assisted 16 school districts with \$195.04 million in funding. The third note financing, Advances on State Aid Payments (ASAP) Program, was \$98.5 million to assist 62 charter schools.

The SAIN and ASAP Programs were launched in reaction to the State's planned deferrals of FY 2020-21 funding apportionments to public schools and community college districts in the wake of the global Covid-19 pandemic. Proceeds of the sale were used to ensure districts avoided budgetary cash flow issues that may otherwise negatively affect student and teacher resources. In particular, the notes help smaller districts borrow at a materially lower cost by leveraging economies of scale that may otherwise be only available to larger school districts. This financing was implemented as a collaboration between the State Treasurer's Office and CSFA.

To ensure the lowest interest rates would be obtained, CSFA temporarily repurposed \$10 million of a federally-funded Credit Enhancement Grant, from the Charter School Access to Bank Loan Enhancement (Charter ABLE) Program, to serve as a loan loss reserve for the ASAP. Additionally, the ASAP notes were secured by direct-pay letters of credit provided by Citibank and Royal Bank of Canada, which further minimized the risk for investors. The notes are rated "MIG 1" by Moody's Investors Service based on the letters of credit.



## ScholarShare Investment Board

ScholarShare 529, California's college savings plan, continues to fulfill its mission to help Californians achieve their higher education goals and a better future. In 2021, ScholarShare 529 hit several notable milestones.

In 2021, the program saw over \$1.2 billion in new ScholarShare 529 contributions collected– the most ever! A total of 36,696 new ScholarShare 529 accounts were opened – an increase of 7% from 2020. Total plan assets exceeded \$13 billion for the first time. Californians who save through ScholarShare 529 have withdrawn over \$751 million to pay for higher education expenses in 2021. Since inception, distributions total more \$4.8 billion.

ScholarShare 529 is proud to report on the passage of Assembly Bill 340. This legislation, authored by Assemblymember Christopher Ward and sponsored by Treasurer Fiona Ma, allows California 529 account owners to use their funds to pay for registered apprenticeship program expenses and student loan repayment free from both federal and state tax. AB 340 gives families greater flexibility with their 529 savings by ensuring their children have access to whichever type of qualified higher education best fits their unique professional aspirations.

With many new and expecting parents opening or considering a new 529 college savings account, ScholarShare 529 launched its [First Steps](#) web resource in June 2021, providing these families with valuable resources for managing money and planning for the future. These resources include financial checklists and tips for new and expecting parents, strategies for childcare, and tax tips.

In December 2019, ScholarShare 529 launched its [Children's Savings Account \(CSA\)](#) platform designed to support local governments and non-profit organizations interested in establishing a local CSA program. The platform is intended to support organizations that currently administer or are interested in establishing a citywide or regional CSA program. In 2021, three CSA programs officially partnered with ScholarShare 529, making it a total of seven partners. These new partners include San Joaquin A+, First 5 Sonoma County, and the City and County of San Francisco.

On February 1, 2021, ScholarShare 529 launched its [2021 Matching Grant Program \(MGP\)](#), which offers eligible low- to moderate-income families the opportunity to receive a dollar-for-dollar match of up to \$200 for contributions made to a new ScholarShare 529 account and a \$25 bonus for establishing automatic recurring contributions. This is the fourth year ScholarShare 529 has offered this program. In 2021, the program received 1,440 applications resulting in 1,145 new accounts opened, which is an increase of 36 percent and 61 percent respectively from 2020. In 2021, 118 community-based organizations and public agencies have partnered with ScholarShare 529 to offer MGP to the families they serve.

Fifty-three new employer partners were added to the [Workplace Savings Program \(WSP\)](#), nearly a 56% increase from 2020, making it a total of 1,119 employers now offering ScholarShare 529 as a free and voluntary benefit to their employees. These new partners include 27 public employers, representing an increase of 350 percent when compared to 2020. Some of the notable new employers include: County of Butte; Cities of Modesto, Half Moon Bay, Yorba Linda, Pittsburg, Redlands, Alhambra, and Banning; Tahoe Truckee Unified School District; Sacramento Metropolitan Fire District; and College of the Redwoods.

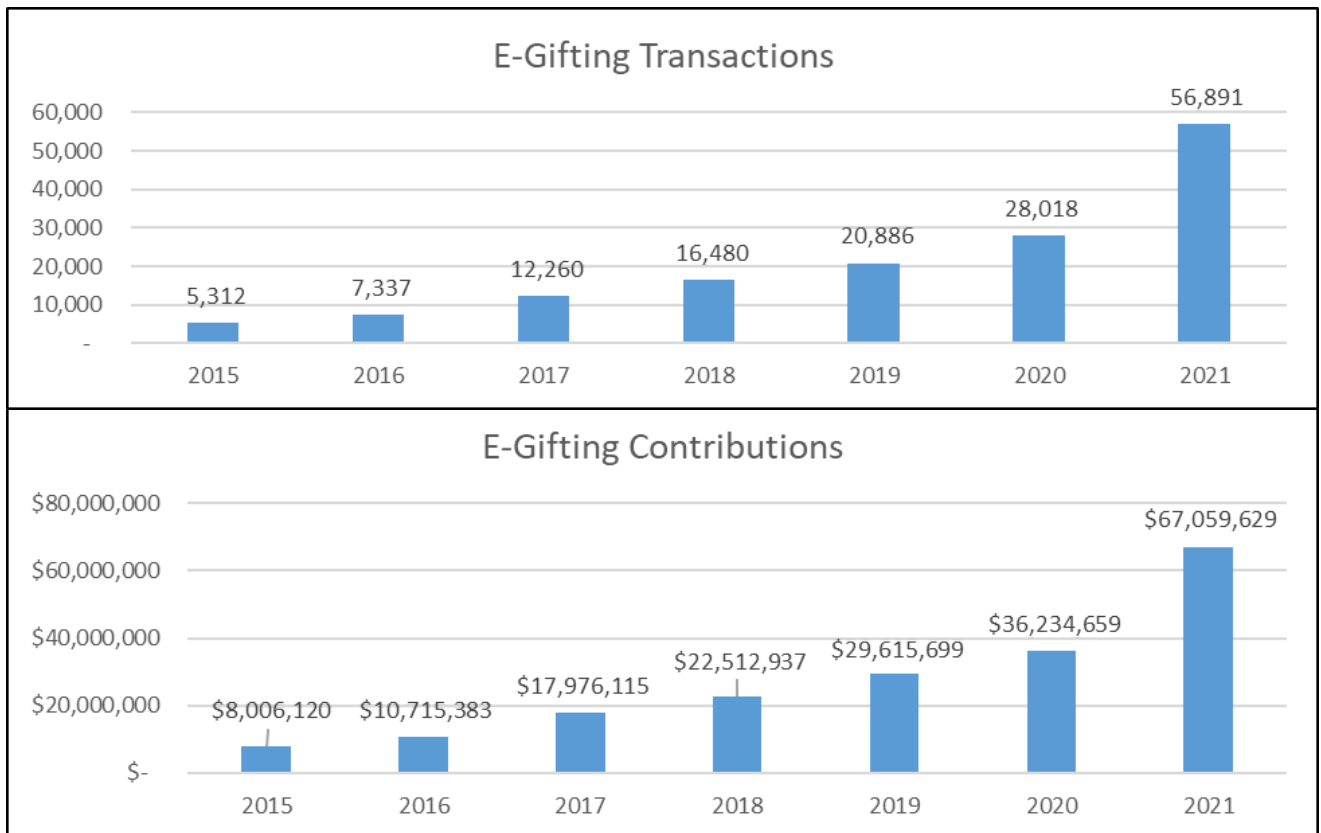
To commemorate National 529 [College Savings Day](#) on May 29th, ScholarShare 529 provided families with a special offer from May 24-31, 2021. Families that opened a new ScholarShare 529 account with \$50 or more and established recurring monthly contributions of at least \$25 for a minimum of six months, received a bonus

matching contribution of \$50. The 529 Day promotion for 2021 yielded 2,533 new accounts opened, an increase of 54% when compared to 2020.



The California Kids Investment and Development Savings Program (CalKIDS), which was established in 2019 and administered by ScholarShare 529, received a huge funding boost in the 2021-22 State Budget that will allow a massive expansion of the program. CalKIDS will provide each child born in California and eligible low-income public school students enrolled in first through 12th grade with financial deposits and incentives ranging from \$25 to \$1,500 in a college savings account. Money held in a CalKIDS account may be used for higher education expenses in a child's future. With an estimated 450,000 newborns and 3.7 million low-income public school students, CalKIDS is expected to become the largest children's savings account (CSA) program in the nation. CalKIDS is scheduled to launch in summer of 2022. To learn more and receive updates, please visit [www.CalKIDS.org](http://www.CalKIDS.org).

Lastly, ScholarShare 529's electronic gifting platform, offered through Ugift, continues to show strong growth through Q3 2021. The number of transactions in 2021 is up 136% compared to YTD 2020 and the total amount of contributions in 2021 is up 119% over YTD 2020.



Looking ahead to 2022, in addition to maintaining its recognition as a national top-tiered 529 plan, ScholarShare 529 intends to broaden family engagement, expand marketing and outreach, and implement new enhancements to the Plan.



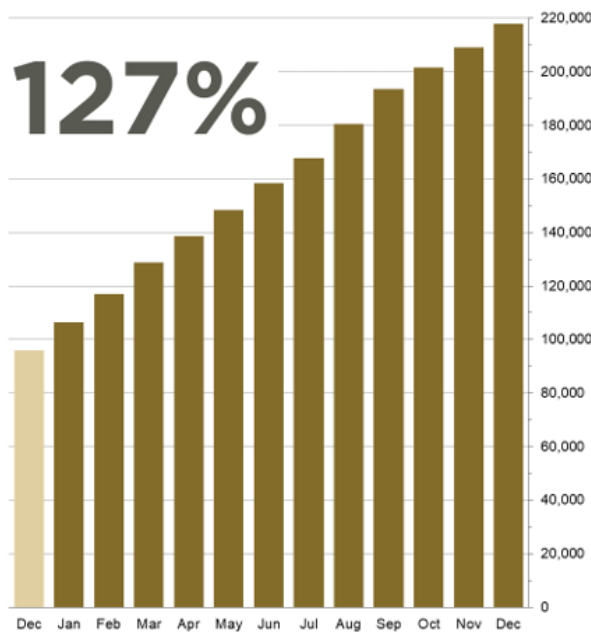
# CalSavers Retirement Savings Board

CalSavers, the state’s groundbreaking retirement savings program for private sector workers, more than doubled by all key metrics in 2021. CalSavers provides access to a simple, portable retirement savings option and levels the playing field for Californians who don’t have access to a retirement plan at work—all at no cost to the State, taxpayers, or employers.

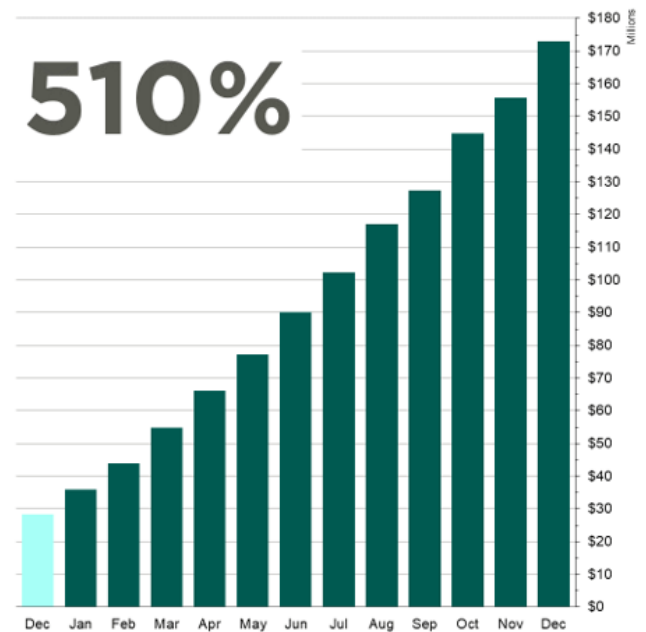
CalSavers passed its second of three major milestones for employers and experienced major saver growth in 2021, despite the ongoing challenges of the pandemic.

- Saver assets grew five-fold, from \$28 million to more than \$173 million
- The number of Californians actively saving more than doubled from 96,000 to 218,000.
- The number of registered employers tripled, from 7,300 to 23,000.

### Growth in Savers 2021



### Growth in Saver Assets 2021 (\$ millions)



Looking ahead to 2022, CalSavers expects more rapid growth driven by employers with between five and 50 employees, whose registration deadline is June 30, 2022. CalSavers will continue to offer free multilingual educational webinars *five days per week*, enhance its technology and user interface, and add new educational content for savers to support them on their savings journeys.

Learn more or sign up by visiting [www.calsavers.com](http://www.calsavers.com).



## CA Achieving a Better Life Experience Act Board

CalABLE, California's savings and investment program for individuals with disabilities, just completed its third year of successful operation. The Program launched in December of 2018 and is the California version of the Achieving a Better Life Experience (ABLE) Act, which passed into law in 2014. CalABLE protects the cash assets of people whose disabilities began before age 26 from being counted as a resource for means-tested benefits programs like SSI and Medi-Cal. It allows tax and penalty-free savings, and full access to those funds to pay for the everyday expenses of living a life with a disability. In its third year of operation, CalABLE has amassed 6,473 accounts with more than \$60 million in assets under management. This represents a 74-percent increase in new accounts over the past 12 months, and 118 percent increase in assets under management. This growth has propelled CalABLE as the fastest growing ABLE program in the nation. Compared to all other ABLE programs, CalABLE ranks 4th in active accounts (up from 6th in 2020) and 5th in assets under management (up from 7th in 2020).

CalABLE has expanded its robust outreach efforts on virtual platforms such as Zoom, hosting over 7,520 individual participants over the last year. Its monthly webinar series has reached more than 2,091 attendees when broadcast live, with an additional 2,293 views on YouTube in 2021. In an effort to expand its outreach to Spanish speaking audiences, CalABLE created a CalABLE 101 (en Espanol) YouTube video, which is growing in organic views and is also being distributed to Spanish speaking groups upon request. CalABLE has also expanded its financial literacy education tools, releasing Financially ABLE, a video shared on YouTube with over 600 views. The CalABLE YouTube Library of resources continues to grow with titles like: CalABLE 101; Special Needs Trust and CalABLE Accounts; and panel discussions with its partners at the Social Security Administration, U.S. Department of Housing and Urban Development, Department of Rehabilitation, Department of Developmental Services and Medi-Cal. They continue to be popular in replay, with CalABLE 101 having over 6,000 views.

CalABLE has expanded legislative advocacy efforts, hosting a live Town Hall with U.S. Congressman Tony Cardenas and State Treasurer Fiona Ma to promote the Federal ABLE Age Adjustment Act. Cardenas serves as the sponsor of the House of Representatives version of the ABLE Age Adjustment Act (H.R. 1219) and has been a staunch proponent of its passage. The legislation seeks to expand ABLE eligibility to people whose disability began before age 46 (up from age 26 currently). If passed, it is estimated an additional six million people nationwide will become newly eligible to open an ABLE account.

CalABLE continues to grow its constituent base by holding regular meetings with state agencies, community advocacy organizations, and disability service providers. CalABLE staff have been on an educational tour, virtually visiting local Social Security Administration offices throughout the state to present on the ways in which CalABLE accounts impact programs like SSI. CalABLE has given presentations to more than two dozen Northern and Southern California field offices. CalABLE also launched a partnership program with local Independent Living Centers to provide technical assistance to CalABLE account holders experiencing issues setting up or maintaining their accounts.

CalABLE will complete its recruitment for the second class of CalABLE Ambassadors by the end of the year. CalABLE received 37 applications from its account holders or their Authorized Legal Representatives. This represents a significant increase from those who sought to join the inaugural class of ambassadors in 2020. The first class of ambassadors were very active in the promotion of CalABLE in 2021. They participated in webinars, joined CalABLE staff during presentations, posted across social media, and the CalABLE produced YouTube

# CA Achieving A Better Life Experience Act Board

(continued)

videos featuring their stories were viewed a combined total of 1,500 times. Ambassadors were selected from all over the state to share their experiences managing their CalABLE accounts.



The funding source for CalABLE was transitioned in 2021 from its original source, General Fund Loans, to an annual budget appropriation. This change provides CalABLE with additional flexibility to achieve financial self-sustainability, without burdening the program by adding to its current startup debt.

CalABLE has expanded its reach by teaming with other state ABLÉ programs in its continued leadership of the National Association of State Treasurers (NAST) ABLÉ committee to promote ABLÉ Age Adjustment nationally. In 2021, Treasurer Fiona Ma continued in her role as chairperson for the ABLÉ committee. This role places California as a leader among the nation's ABLÉ programs for issues pertaining to the Federal ABLÉ Act. In addition to coordinating the national agenda for ABLÉ programs, Treasurer Ma is leading the effort to establish ABLÉ as a national network. NAST membership approved an amendment to the NAST Constitution to create ABLÉ as a Network of NAST. This effort will expand the reach and authority of ABLÉ programs and will be modeled after the successful College Savings Plan Network.

CalABLE looks forward to 2022 by increasing the Program's market share by implementing a new marketing plan. A new marketing firm was selected for a two-year contract with the option to extend for an additional year to broaden the base of the CalABLE brand. The marketing plan will move from building awareness about CalABLE to focusing on the conversion of potential account holders to actual CalABLE account owners. CalABLE will also offer financial literacy education to potential and current account holders by encouraging them to set long-term financial goals to increase their financial security.



## Legislation

In 2021, the Legislative Division continued to achieve success in legislative matters by seeking passage of policy that furthers the priorities and vision of the State Treasurer's Office. Treasurer Ma actively sponsored legislation with the following signed into law by Governor Newsom:

- **SECURE Act Tax Conformity AB 340 (Ward)** – Conforms to federal law to allow Californians with ScholarShare 529 savings accounts to utilize those funds to pay up to \$10,000 toward student loan debt, as well as to pay for expenses related to qualified apprenticeship programs, in addition to the other qualified education expenses already allowed under state law.
- **Hepatitis Screening AB 789 (Low)** – Requires health facilities and clinics that provide outpatient primary care services in California to offer voluntary screenings for hepatitis B and C, and provide persons tested positive with follow-up health care and treatment, or offer referrals for care and treatment.
- **International Bonds AB 869 (Bloom)** – Expands the choices of authorized investment tools to include dollar-denominated sovereign debt of countries that the International Monetary Fund lists as an advanced economy and which have strong investment-grade credit ratings. AB 869 ensures California, like many other states that have passed similar legislation, has additional investment flexibility without requiring securities to be purchased that would compromise the safety and liquidity of its investments.
- **Updated Time Deposit Collateral Requirements and Pooled Money SB 239 (Senate Committee on Banking and Financial Institutions)** – Codifies California statute to lower the collateral requirements, from 110% of the amount deposited, to 100% of the amount deposited, the required value of a Federal Home Loan Bank (FHLB) letter of credit that a credit union or a savings and loan association may use as security, matching the collateral requirements banks currently have, for a deposit of state funds made by the State Treasurer. In addition, this bill authorizes the State Treasurer to invest surplus state funds in money market mutual funds that meet certain specifications and requirements.

Treasurer Ma also actively supported the following legislation that was signed into law:

- **Certified Public Accountant Examination AB 298 (Irwin)** – Authorizes the California Board of Accountancy to admit an applicant to the certified public accountant examination before the applicant completes those education requirements if the applicant is enrolled in a degree-granting university, college, or other institution of learning and is within 180 days of completing the educational requirements to qualify for the certified public accountant license.



## Constituent Affairs / External Affairs

The External Affairs and Constituent Affairs teams work closely together to engage with Californians and keep them informed about the ways in which the State Treasurer's Office's (STO) programs can benefit and support them. The teams strive to serve their internal and external constituents through transparent and accurate engagement.

Not only does the Constituent Affairs team continue to educate constituents about the STO's programs, but it also acts as a liaison to other government agencies, including the Employment Development Department (EDD), Franchise Tax Board (FTB), and State Controller's Office (SCO). By acting as a liaison, the team helps make government more accessible and responsive to constituents.

In 2021, the Constituent Affairs team responded to more than 600 constituent queries and requests for assistance. Californians struggling to recover from the COVID-19 pandemic sought assistance accessing new statewide programs, including the Housing is Key Rental Assistance Program, the California Small Business COVID-19 Relief Grant Program, and the Golden State Stimulus. The team successfully assisted constituents through the navigation of these programs in order to obtain the much needed financial assistance offered by the state.

The External Affairs team is tasked with coordinating and executing the Treasurer's stakeholder engagement and public information efforts. During 2021, the team hosted or co-hosted 15 stakeholder and community outreach events focused on topics such as small business relief, agricultural resources, and financial abuse resources for older adults. Additionally, the team supported the Treasurer in approximately 178 individual speaking engagements, interviews, and tours throughout the year.

### Boards, Commissions, and Authorities Outreach

Starting January 2021, the External Affairs team has hosted monthly intra-agency outreach coordination meetings with boards, commissions, and authorities (BCA) and division staff involved in stakeholder engagement and public information efforts. These meetings have resulted in greater synergy between the Executive Office, the BCAs, and Divisions, hallmarked by several cooperative outreach efforts detailed below.

- **CalSavers:** During the Summer of 2021, CalSavers hoped to leverage relationships with local Chambers of Commerce to increase program facilitation rates ahead of the third compliance deadline on June 30, 2022 for employers with five or more employees. In partnership with the California Chamber of Commerce (CalChamber), CalSavers and the State Treasurer's Office hosted a series of three webinars designed to convey the important role Chambers can play in ensuring local employers know about the program and their compliance obligations. The External Affairs team helped conduct outreach to 498 local, regional, and ethnic chambers of commerce that resulted in 142 registrations and attendance by 87 representatives of these organizations.



- **California Tax Credit Allocation Committee (CTCAC)/California Debt Limit Allocation Committee (CDLAC):** The California State Auditor's Report 2020-108 highlighted seven counties—Amador, Calaveras, Inyo, Modoc, Mono, Tehama, and Trinity—that had no tax credit awards or applications from 2015 through 2019. Responding to this disparity, the External Affairs team has assisted CTCAC in conducting outreach to each elected County Board of Supervisors member representing districts in these seven counties to ensure information about the low income housing tax credit (LIHTC) program is readily available to their staff. Through External Affairs' outreach, CTCAC staff have held meetings with representatives from Inyo, Mono, and Calaveras Counties to discuss the LIHTC program.
- **ScholarShare Investment Board (SIB):** Since January 2021, the External Affairs team supported the SIB in its outreach to local government, non-profit organizations, and private sector entities for their Workplace Savings Program. Of the 121 entities that were contacted by the External Affairs team, SIB has on-boarded eleven new partners.
- **CaABLE:** The External Affairs team supported the CaABLE team in its outreach to organizations that support individuals with special needs and their families. External Affairs contacted 46 organizations, including Special Olympics, and scheduled eight meetings resulting in organization referrals and introductions, requests for newsletter content, social media toolkit information, and future CaABLE presentations.

