



News...

from the desk of
California State Treasurer Fiona Ma, CPA



WELCOME LETTER

Dear Friends,

Happy New Year! As we enter 2024, I find myself looking forward to several new and exciting developments in my office. Please turn to page 4 to learn what 2024 has in store for the programs housed in the Boards, Commissions, and Authorities that I chair.

The California Housing Finance Authority, of which I'm proud to be a board member, also has a couple of programs that are being restored to help spur housing ownership: the Accessory Dwelling Unit Grant Program and the California Dream for All Program. Please turn to page 6 for an update on the relaunch of these programs.

Another piece of exciting news is the recent Senate confirmation of CalABLE's very own Dante Allen as Commissioner of the Rehabilitation Services Administration. Dante has been an asset to my administration, driving the success of the CalABLE program. I congratulate Dante on his achievement and wish him well in his new position. To learn more about Dante and his accomplishments, please turn to page 3.

In Peace and Friendship,

A handwritten signature in black ink, appearing to be "Fiona Ma".

Fiona Ma, CPA
California State Treasurer

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



The State Treasurer's Office and its Boards, Commissions, and Authorities are hiring! Check out our career opportunities [here](#).

For more information about our programs and upcoming events, please visit:

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

ASK FIONA

Dear Fiona,

As we enter 2024, what are your priorities as State Treasurer for the year ahead?

Sincerely,

Jackson

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Dear Jackson,

My top priorities for 2024 are housing, economic development, climate, and education.

California needs to find solutions to make homeownership attainable for working families. We must look for innovative housing solutions for all sectors, including workforce and student housing.

Focusing on my second priority, economic development, we must strengthen our support for small businesses. Small businesses account for 99.8 percent of California’s businesses, employing nearly half of California’s workforce. Helping California businesses grow and thrive is key to socioeconomic mobility.

Looking at the environment, it’s imperative that we address the causes of climate change and build a more resilient infrastructure system that will keep California competitive and improve our environment for future generations to come.

Education is another top priority as it is also a key driver of economic mobility. I will continue to advocate for a systems approach to education and workforce development that emphasizes partnerships at all levels.

Sincerely,

Fiona



Have a Question for the Treasurer?

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

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

CalABLE Executive Director Dante Allen Receives Senate Confirmation as Commissioner of Rehabilitation Services Administration

On December 6, the United States Senate confirmed Dante Allen, Executive Director of CalABLE, to serve as the Commissioner of the Rehabilitation Services Administration (RSA) within the United States Department of Education. Dante was appointed to serve in this role by President Joe Biden. In this new role, Dante will leverage his vast personal and professional experience to continue advocating on behalf of all individuals with disabilities nationwide, ultimately, working toward the RSA mission, "...to maximize their employment, independence, and integration into the community and the competitive labor market."

Dante Allen



Dante provided nearly six years of commendable service to CalABLE. Under his leadership, CalABLE has provided its account holders the support and equal opportunity to pursue financial wellness while becoming the fastest-growing ABLÉ plan in the country with over 10,000 accounts. Dante is a strong advocate for the disabled community and has worked tirelessly to make a positive impact on the lives of many with disabilities, reducing their likelihood of poverty, allowing them to save money, travel, and make milestone purchases such as a vehicle or home.

"I want to thank Dante Allen for his remarkable leadership of CalABLE since 2018 and his tireless dedication to the disability community. Dante has been instrumental in growing California's CalABLE program into the largest and fastest growing ABLÉ plan in the country."

- State Treasurer Fiona Ma



Pictured left: Stephanie Tom, Deputy Treasurer; Carla Castañeda, Chief Deputy Director, Department of Developmental Services; State Treasurer Fiona Ma; Dante Allen, CalABLE Executive Director; David Oppenheim, Deputy State Controller; Patrick Henning, Chief Deputy Treasurer; Ana Acton, Deputy Director, California Department of Rehabilitation; Spencer Walker, General Counsel, State Treasurer's Office. (Photo Credit: External Affairs Division, State Treasurer's Office)

The CalABLE program opened to the public on December 18, 2018. Since its launch, CalABLE has surpassed \$100 million in assets under management, reached 10,000 active accounts, and become the third largest independent ABLÉ plan in the country.

On December 12, 2023, in celebration of these achievements, Treasurer Fiona Ma presented a resolution to the CalABLE program recognizing its five-year anniversary.

2024 Brings HOPE for a Better Outcome for Our Youth



The HOPE for Children Trust Account Program will provide individual accounts to every child of any age who, as of September 27, 2023, has:

- Lost a parent or guardian to COVID-19 or as a consequence of long COVID and whose household income before the decedent's death qualified the child for Medi-Cal benefits, OR
- Been placed in California or tribal foster care for over 18 months and is no longer receiving parental reunification services, or
- Been placed into foster care after age 16 and parental reunification services have been terminated.

The Coronavirus sent shockwaves across the world, perhaps even more so for the households that lost a loved one due to COVID-19. In some unfortunate cases, children were orphaned as a result of the passing of their parent or guardian. The California Assembly Committee on Budget, with support from the State Treasurer's Office, introduced Assembly Bill 156 (HOPE Act) with the purpose of creating a trust account and hope for a promising future for vulnerable children throughout the state. When Governor Gavin Newsom signed AB 156 into law on September 27, 2022, it established the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program.

The HOPE program aims to close the racial wealth gap and confront the issue of intergenerational poverty by creating a new financial investment program specifically catered to California's vulnerable children. In California, nearly a third of foster youth become homeless after they exit the child welfare system and 65% of foster youth have an annual income below the poverty line at age 23. It is the intent that through the HOPE Program, every low-income COVID-bereaved and long-term foster child will receive an account that will receive state-funded deposits annually until they reach between \$4,000 to \$5,000 when they turn 18.

Simultaneously, each child will be offered free and incentivized financial planning and related services provided through vetted volunteer, community-based, and government-backed programs to help them learn about ways they can use their HOPE account funds to launch their economic dreams.

The HOPE Act requires the HOPE Program board of directors (HOPE Board) to develop the investment policies, oversee the administration of the HOPE Program, and advise the Treasurer on relevant data related to ongoing program enrollment. In February 2023, Treasurer Fiona Ma and staff convened a working group through the State Treasurer's Office to advise the HOPE Board. The HOPE Act also directs the HOPE Board to report to the Department of Finance and the Legislature, by February 1, 2024, information about future statutory and budget allocations needed to meet the goals of the HOPE Program and potential expansion to all foster youth and children born into low-income circumstances.

The HOPE Program's expected launch is July 2025. During 2024, HOPE staff will begin conducting outreach to youth, create a dashboard for accounts, draft regulations, and implement the HOPE Act.

CalSavers in 2024: Implementation of Enforcement Penalties Underway

Within California's ever-evolving small business environment, prioritizing the financial health of our diverse employee population isn't just a responsibility - it's absolutely essential. At its core, the CalSavers Retirement Savings Program (CalSavers) is designed to bridge the retirement savings gap, particularly for those employed by small businesses that do not offer traditional employer-sponsored retirement plans. CalSavers was established by a state law passed in 2016 to ensure all Californians have an easy way to save for their



future in a state where half of its residents are on track for financial hardship in retirement age. California employers that do not sponsor a retirement plan are required by law to join CalSavers – an automatic enrollment payroll deduction into an Individual Retirement Account (IRA), with no employer fees or fiduciary responsibility.

Designed to be easy for employers, CalSavers is professionally managed by private sector financial firms with oversight from a public board chaired by State Treasurer Fiona Ma. Employees manage their accounts directly with CalSavers, allowing the employer to focus on a few simple tasks allowing them to focus their attention on running their business.

As we enter 2024, here are a couple of important items to take note of:

Compliance Deadlines

CalSavers has been rolled out in phases determined by number of employees, starting with the largest employers. If employers missed their registration deadline, they should register today to avoid penalties. Each year, newly mandated employers who averaged five or more employees the previous year will receive notifications informing them about their mandate status and will be required to register by the end of the calendar year. The deadline for employers with five or more employees has now passed. Employers with an average of one to four employees over the previous calendar year can join today, and must register by December 31, 2025, if they do not already sponsor a retirement program.

Penalties Underway

All employers who were subject to deadlines on or before December 31, 2022, are currently subject to enforcement action if they failed to register or failed to facilitate the Program after registration, and may have received a penalty collection notice from the Franchise Tax Board. **Any employer who receives a penalty notice should contact CalSavers immediately for assistance getting into compliance.** Employers who achieve compliance in a timely manner may have their penalties forgiven. Employers who remain out of compliance may be subject to additional financial penalties.

CalSavers is a testament to the power of public-private partnerships in addressing pressing societal issues, such as the retirement savings crisis. By joining CalSavers, employers not only contribute to the financial security of their employees, but also strengthen the economic resilience of our state.

For more information on how to get started, visit [CalSavers.com/employer](https://calsavers.com/employer) or join a [webinar](#) to learn how the program works and get questions answered in real time. Please contact calsavers@treasurer.ca.gov to discuss hosting a dedicated webinar for groups of employers in your area.

What's New in 2024: CalAccount Blue Ribbon Commission

Five percent of California households don't have bank accounts, according to the Federal Deposit Insurance Corporation. These families are losing hundreds of millions of dollars in fees annually to costly alternative financial services such as payday loans, check cashing, or bill paying services. California is committed to finding a solution to offer everyone access to safe, secure, and affordable banking services by exploring how best to create, a no-fee, no-penalty transaction account called CalAccount.

The CalAccount Blue Ribbon Commission (Commission), launched by Assembly Bill 1177 and formed in 2023, is tasked with delivering a market analysis to determine the feasibility of implementing the CalAccount Program. This program, which is housed in the State Treasurer's Office and chaired by Treasurer Ma, would be designed to protect consumers who lack access to traditional banking services from predatory, discriminatory, and costly alternatives, and to offer state residents access to a voluntary, zero-fee, zero-penalty, federally insured transaction account and related payment services.

In February 2024, the State Treasurer's Office will host a series of public hearings to allow the Commission to hear from California citizens about how a program like CalAccount could positively impact their lives. These meeting notifications will be posted on the [Commission's website](#) along with details on how to participate.

The CalAccount Market Study and Feasibility Report will be delivered on July 1, 2024. This report will detail the ways in which the CalAccount Program could be implemented, should the California Legislature choose to do so. The report will be posted to the Commission's website followed by an open comment period.

Sign up to receive CalAccount Program [updates](#) on the State Treasurer's Office website.

New Opportunities for Housing

From working families to college students, finding an affordable living space can be a huge struggle. To address California's housing crisis, the California Housing Finance Authority (CalHFA) opened a second round of its Accessory Dwelling Unit (ADU) Grant Program last month with an infusion of an additional \$25 million from the 2023-24 State Budget. ADUs, also known as granny flats, in-law units, and backyard cottages, are an innovative and affordable alternative to traditional housing. Under this program, grants of up to \$40,000 can be used to reimburse predevelopment and non-recurring costs associated with the construction of an ADU.



Due to great popularity, funds from this second round of funding were quickly allocated and generated approximately 600 grants. The first round of CalHFA's ADU Grant Program produced approximately 2,300 grants. These grants have helped to cover a variety of costs including site prep, architectural designs, permits, soil tests, impact fees, property surveys, and energy reports.

CalHFA also plans to reopen the popular California Dream for All Shared Appreciation Loan (Dream for All) program later this spring. This program, initially launched in March of 2023, saw unprecedented demand. The initial funding was quickly committed, enrolling approximately 2,500 loans, and the program was put on pause. Now, with an additional allocation of \$200 million, the program can reopen. The Dream for All program is a down payment assistance program that will provide loans to first-time homebuyers for up to 20 percent of the home purchase price. It is an innovative model that allows first-time homebuyers to achieve their dreams of owning a home and building generational wealth. To keep updated on the program and its re-launch, sign up for [CalHFA's eNews](#).

In the Community

December 1 – State Treasurer Fiona Ma, along with Deputy Treasurer Khaim Morton, California Pollution Control Financing Authority (CPCFA) Executive Director Shela Tobias-Daniel, and CPCFA Deputy Executive Director Christina Sarron visited Tri-CED Community Recycling.

Established in 1980, Tri-CED Recycling addresses social justice issues by hiring formerly incarcerated and hard-to-employ residents. Today, all jobs are Teamsters Local 70 union jobs. They process over 70 tons of recycled material daily in Union City and Hayward. On Aug 15, 2023, CPCFA issued \$11 million in tax-exempt private activity bonds plus small business grants to help Tri-CED purchase new receptacles, sorting equipment, and 11 Compressed Natural Gas trucks.

Right: California State Treasurer's Office team and Assemblymember Liz Ortega receive a tour of the Tri-CED facility from host Jason Toro, Tri-CED CEO. Pictured from left to right: Assemblymember Liz Ortega, Tri-CED CEO Jason Toro, CPCFA Executive Director Shela Tobias-Daniel, CPCFA Deputy Executive Director Christina Sarron, State Treasurer Fiona Ma, and Deputy Treasurer Khaim Morton. *(Photo Credit: External Affairs Division, State Treasurer's Office)*



December 1 – State Treasurer Fiona Ma visited and spoke with students and faculty of the farm at June Jordan School for Equity in San Francisco. An Urban Sprouts flagship site, the farm originated in 2004 as an educational model that continues to thrive. This working campus farm provides paid internship and job readiness programs, which enable young people in San Francisco to receive garden-based education, gain healthy cooking skills, build community, and learn the job and life skills they need to succeed.



While touring this diverse one-acre urban farm, student ambassadors proudly escorted Treasurer Ma through the farm's orchard, flower field, honeybees, chickens, native plants and pollinator gardens, medicinal and culinary herb gardens, greenhouse, and food production operations.

In 2016, a first-of-its-kind Community Kitchen was constructed within the June Jordan School for Equity farm, providing a safe and appropriate venue for students, families, and community partners to cook, eat, learn, and share.

Left: Faculty, staff, distinguished guests, student farmers, and Treasurer Ma, enjoy the splendor of the innovative June Jordan School for Equity's farm. *(Photo Credit: External Affairs Division, State Treasurer's Office)*

In the Community

CONTINUED

December 7 – State Treasurer Fiona Ma provided the keynote address at the California Society of Municipal Officers (CSMFO) Channel Counties Chapter’s holiday luncheon meeting, speaking about her experience and philosophy, her eight core principles of leadership, and how she inspires her team to be their best.



Treasurer Fiona Ma with guests at the CSMFO Channel Counties Chapter meeting.
(Photo Credit: CSMFO Channel Counties Chapter)

"Members of the Channel Counties Chapter of the California Society of Municipal Officers (CSMFO) Association were honored to have Treasurer Ma present at our quarterly chapter meeting. Treasurer Ma provided valuable insight to all municipal staff in attendance on the overall state of the California economy. Attendees took the opportunity to discuss various challenges facing our local communities and those we serve."

— Debbie Rosales, Chapter Chair,
CSMFO Channel Counties Chapter



Treasurer Fiona Ma, State Controller Malia Cohen, and Deputy Treasurer Stephanie Tom present a resolution to philanthropists C.C. and Regina Yin. Pictured from left to right: State Controller Malia Cohen, State Treasurer Fiona Ma, Regina and C.C Yin, and Deputy Treasurer Stephanie Tom. (Photo Credit: External Affairs Division, State Treasurer’s Office)

December 9 – State Treasurer Fiona Ma attended the National Unity Awards Gala hosted by the Asian Pacific Islander American Public Affairs Association (APAPA) at Yin Ranch in Vacaville. The evening’s festivities, held in the recently opened Asian Heritage Center Pavilion at Yin Ranch, celebrated outstanding Community Champions who advocate for diverse representation and unity.

Treasurer Ma presented C.C. and Regina Yin with a resolution recognizing their devotion to community, philanthropy, and advocacy. Treasurer Ma also received the Community Champion award, which was presented to her by California State Controller Malia Cohen.



AT THE
STATE TREASURER'S OFFICE

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Upcoming Events

Please join Deputy Treasurer Stephanie Tom as she speaks about the importance of filing your taxes during CalEITC Awareness Week.

Zoom webinar: [Every Californian Empowered: Free Tax Help for All](#)
Friday, February 2, 2024
12:30 to 1:30 p.m.

Tune in for a live panel discussion to learn about free tax help available to you and your community, and the role of the state in making tax credits accessible to all.

This event is hosted by United Ways of California in honor of CalEITC Awareness Week, to help spread awareness about the California Earned Income Tax Credit (#CalEITC) and how it can help uplift eligible Californians across the state.

This event is free and open to the public. Spanish interpretation will be provided.

Pre-register [here](#).

FRIDAY FEB 2

EVERY CALIFORNIAN EMPOWERED

**FREE TAX
PREP FOR**

ALL

United Way
United Ways of California