

OCTOBER 2023

News...

from the desk of
California State Treasurer Fiona Ma, CPA



WELCOME LETTER

Dear Friends,

On October 2nd, we recognized Child Health Day, a national observance that raises awareness about the fundamental necessity for programs to protect and nurture the physical and mental health of children. I would like to take this opportunity to thank California voters for supporting ballot measures that enable my office to issue bond sales, which fund vital programs that improve the health, welfare, and education of our state's children. Please turn to pages 4 and 5 to read about how your votes have helped my office to finance projects for schools and children's hospitals.

Recently, my office also played a vital role in keeping financially distressed hospitals open and serving the needs of children and families. To learn more about the Distressed Hospitals Program, please turn to page 5.

Lastly, as we enter fall, I'd like to reflect on some of the fun happenings of the summer. As a longtime supporter of the agricultural industry, I love visiting our state's fairs each summer. While the fairgrounds provide summertime entertainment and valuable educational experiences throughout the year, they also serve as staging areas, mobilization centers, and Incident Command Posts during emergencies. This summer, I was joined on my visits to the fairs by staff members who provided information to fair goers about some of the programs offered by my office. Turn to page 7 to see a round-up of the 2023 fairs that we participated in.

In Peace and Friendship,

A stylized, handwritten signature of Fiona Ma.

Fiona Ma, CPA
California State Treasurer

Table of Contents

- p.1 Welcome Letter
- p.2 Ask Fiona
- p.3 Improving the Health and Education of Californians
- p.5 Supporting Financially Distressed Health Care Facilities
- p.6 State Treasurer's Spotlight
- p.7 In the Community



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

This newsletter is not intended to be and should not be used for making investment decisions about State of California bonds or notes. Potential investors should always obtain and read the Official Statement published by the State for each issue.

Past performance does not guarantee future results. Investment return and principal value may fluctuate, so account value in State Treasurer's Office savings programs at the time of the withdrawal may be higher or lower than the amount invested.

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



Don't forget to file your taxes!

California individuals and businesses impacted by 2022-23 winter storms qualify for an extension to file and pay taxes until **October 16, 2023**.

ASK FIONA

Dear Fiona,

When student loan payments resume in October, what will happen if I don't make payments right away?

Sincerely,

Emily

.....

Dear Emily,

After three years of COVID-19 relief, student loan repayments resume this month. If you can't afford your payment, consider applying for an [income-driven repayment \(IDR\) plan](#), which calculates your monthly payment amount based on your income and family size. The [Saving on a Valuable Education \(SAVE\) plan](#) provides nearly all student borrowers with the lowest monthly payments of any IDR plan.

The U.S. Department of Education also created a [temporary on-ramp period](#) through September 30, 2024, which protects borrowers from having a delinquency reported to credit reporting agencies. Please note, though, that payments are still due, and interest will continue to accrue.

To help you prepare for student loan payments resuming, the Federal Student Aid Commission published a list of helpful [action items](#) you can take, such as updating your contact information and enrolling (or reenrolling) in autopay.

Sincerely,

Fiona



Have a Question for the Treasurer?

Address letters to:

California State Treasurer Fiona Ma
Post Office Box 942809
Sacramento, CA 94209-0001

Send emails to:

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

Improving the Health and Education of Californians

The State Treasurer's Office's (STO) priorities include improving the health and education of Californians. This is accomplished through a variety of programs administered by the STO. Below are highlights of two programs that are enhancing the lives of our children.

Charter School Facilities Program

The popularity of charter schools has grown rapidly in California over the past few years. Often serving a diverse student population, charter schools have the freedom to focus on the talents of their students and specialize in a particular area, such as science and technology. Public charter schools do not have access to the same affordable financing options as traditional public schools and the costs associated with accessing and maintaining facilities can often be an obstacle for charter schools. In order for high-quality charter schools to sustain long-term success, states must support their access to viable facilities. California has established itself as a leader in this area.

The [California School Finance Authority](#), chaired by State Treasurer Ma, provides financing solutions to charter schools through a variety of programs, including the [Charter School Facilities Program](#) (CSFP). CSFP is funded through voter approved ballot measures. Through the passage of Propositions 47, 55, 1D, and most recently, Proposition 51, \$1.4 billion has been made available to charter schools for construction of permanent new facilities or rehabilitation of existing school district facilities in California. The program funds half of the project costs as a grant (paid by the State), while the charter school repays the remaining 50 percent through a lump sum payment or a 30-year, low-cost loan from the State. Since its inception in 2023, CSFP has awarded \$1.5 billion to 85 schools serving approximately 50,000 students.

Success Story



The Albert Einstein Academies (AEA), located in San Diego, received CSFP funding to expand its services from grades K-8 to include high school. With the cooperation of the San Diego Unified School District, AEA will use the State's grant matched with voter-approved local school bond funds to renew and reuse existing property.

The school served 1,440 students in the 2022-23 school year and with CPSP funding, it is estimated that its student population will grow to approximately 1,830.

Using the State's grant, the completed project will include administration space, food services, classrooms, science labs, visual and performing arts, library media center, physical education space, and an expanded parking lot.

AEA offers the world-renowned International Baccalaureate (IB) curriculum to all students. The IB is a world-wide framework that allows students ownership of their learning within a rigorous curriculum.

Success Story



The Tree of Life International Charter School (TOLIC), located in rural Shasta County, received vital funding from CSFP to increase capacity and improve facilities.

The school served 326 students during the 2022-23 school year and with CSFP funding, it is estimated that number will grow to 460.

TOLIC will use the State's grant to construct six new classrooms, a new restroom, and two new student services rooms, and will rehabilitate two old classroom wings and an attached restroom.

TOLIC is a unique TK-8th grade school that partners with parents to nurture the heart, mind, and spirit of the child as they explore the world and discover their gifts. Students have the opportunity to become bilingual/biliterate through the Spanish/English Dual Immersion Program and explore global cultures through the World Music and Arts Program.

Improving the Health and Education of Californians (cont'd)

Children's Hospital Program

The [California Health Facilities Financing Authority](#) (CHFFA), chaired by Treasurer Ma, provides financing that supports vulnerable children by expanding access to healthcare, facilitating healthcare improvements, and advancing pediatric research.

In 2018, California voters passed Proposition 4, enabling the State of California to issue \$1.5 billion in General Obligation bonds for the [Children's Hospital Program](#) of 2018. This program improves the health and welfare of California's critically ill children, by providing a stable and ready source of funds for capital improvement projects for children's hospitals. These hospitals provide care for over one million children a year, regardless of a family's ability to pay. Many of the children treated at these hospitals have complex and life-threatening illnesses.

Children's hospitals are especially qualified to treat these children as they have some of the most specialized pediatric care available to address these illnesses. Through the Children's Hospital Programs of 2004, 2008, and 2018, CHFFA has disbursed nearly \$1.9 billion to 23 children's hospitals and other eligible hospitals.

Success Story



On June 29, 2023, CHFFA approved a grant award under the Children's Hospital Program of 2018 in the amount of \$8.1 million for Valley Children's Hospital (VCH), Madera. Founded in 1952, VCH is a nonprofit acute care pediatric hospital with specialized medical and surgical services for children. In 2023, VCH was ranked as one of the nation's best children's hospitals in seven pediatric specialties by U.S. News & World Report. These specialties include Neonatology, Pediatric Diabetes and Endocrinology, Pediatric Gastroenterology and GI Surgery, Pediatric Neurology and Neurosurgery, Pediatric Orthopedics, Pediatric Pulmonology and Lung Surgery, and Pediatric Urology.



This grant will be used to reimburse the costs of patient care equipment and projects aimed at improving the health and welfare of California's critically ill children. The equipment includes, among others, a surgical robot, ten brain monitors, one X-ray machine, 370 infusion pumps, four operating room power tools, and a pharmacy robot system. The projects include remodeling the pharmacy and installing and replacing patient care equipment. All patient care equipment was acquired between May 1, 2019, and May 1, 2021, and is already in service. All renovation and remodeling projects were completed by November 1, 2020.

Top: Surgical robot. Bottom: Pharmacy robot.
Photo Credit: Valley Children's Hospital

Supporting Financially Distressed Health Care Facilities Across the State

California's not-for-profit and public hospitals are integral to the state's healthcare system and provide substantial levels of care to the uninsured and Medi-Cal and Medicare populations. Rising operating expenses and other costs have outpaced reimbursement rates, causing some facilities to close or declare bankruptcy, while others have struggled to stay afloat.



To address the growing crisis, Governor Gavin Newsom signed Assembly Bill 112 on May 15, 2023, which created the [Distressed Hospital Loan Program](#) (DHLP), a partnership between the [Department of Health Care Access and Information](#) and the [California Health Facilities Financing Authority](#), chaired by State Treasurer Fiona Ma, to provide \$300 million in zero-interest loans to these financially distressed hospitals.

DHLP worked quickly to identify at-risk health care facilities and awarded \$300 million in loans to 17 health care facilities. The funds will be disbursed in two tranches over the course of the coming weeks.

— “ —

California's network of hospitals plays a vital role in providing access to emergency services and acute care. In some parts of the state, they may be the only source of healthcare. The hospitals approved for this program have shown a detailed plan for financial recovery and these funds will help them keep the doors open so they can keep serving their communities.

— State Treasurer Fiona Ma

— ” —

Success Story

Tri-City Medical Center was awarded \$33.2 million from DHLP. This strategic funding will empower Tri-City Medical Center to address its temporary financial challenges and reinforce its commitment to delivering exceptional healthcare services to the community.

Facing economic headwinds driven by a complex landscape of increasing costs and low reimbursement rates, especially post COVID, Tri-City Medical Center recognized the importance of securing financial stability while continuing to uphold its high standards of patient care. The state's support through DHLP underscores the significance of the medical center's role in North San Diego County and its dedication to the wellbeing of its residents.



Photo Credit: Tri-City Medical Center

— “ —

Tri-City Medical Center's financial challenges are a temporary concern, and the approved \$33.2 million no-interest loan serves as a vital bridge, enabling the medical center to implement its strategies and establish a sustainable plan. We extend our heartfelt appreciation to the State of California for demonstrating unwavering confidence in our turnaround plan.

— Dr. Gene Ma, President and CEO, Tri-City Medical Center

— ” —

State Treasurer's Spotlight

State Treasurer's Office Welcomes Cassandra DiBenedetto as Executive Director of the CalAccount Blue Ribbon Commission

State Treasurer Fiona Ma recently appointed Cassandra DiBenedetto as the first Executive Director of the [CalAccount Blue Ribbon Commission](#) (CalAccount).

CalAccount is a nine-member commission, chaired by the state treasurer, created in 2021 by Assembly Bill 1177 to examine the feasibility of providing Californians with low- or fluctuating-income access to a voluntary, zero-fee, zero-penalty, federally insured banking account. DiBenedetto will lead the effort to complete and deliver to the California Legislature a market study and feasibility report by July 1, 2024. The report will include recommendations for how the program would be administered and operate, an analysis of operational costs, an estimate of how many Californians are unbanked and underbanked, and a comparison to other low- or no-cost options currently available, among other items.

DiBenedetto most recently served as the Chief Engagement Officer at the California Department of Cannabis Control, where she led the department's Partner Engagement, Education and Outreach, and Customer Service sections. She previously served as Executive Operations Director at the California Department of Financial Technology and Innovation, and held positions at the California Department of Business Oversight and the Cannabis Control Appeals Panel. DiBenedetto holds a degree in Political Science and Government from Sacramento State University.



Pictured L-R: State Treasurer Fiona Ma, CalAccount Executive Director Cassandra DiBenedetto, and Deputy Treasurer Juan Fernandez.
Photo Credit: Executive Office, State Treasurer's Office

— “ —

The CalAccount program could be a game changer for California's unbanked and underbanked residents and help limit the reach of predatory, discriminatory, and costly alternatives. Cassandra's public administration background and strong leadership and project management skills make her the right choice to lead CalAccount and work to get this program off the ground.

— State Treasurer Fiona Ma

— ” —

In the Community

Supporting our Fairs

The first fairs in California were established during the 19th Century. Today, there are 80 local fair organizations that celebrate our state's history and heritage. Fairs provide educational opportunities and family entertainment, but in more recent years, fairgrounds also serve as an essential part of the state's infrastructure for disaster and emergency response, often being utilized as staging sites and rescue locations during wildfires and floods. Fairs also generate a wealth of benefits to the communities they serve, supporting over 30,000 jobs and generating \$3.5 billion in economic impact.

This past summer, Treasurer Ma and her staff visited eight fairs throughout the state, showing their support for these vital community institutions.



Photo credit: External Affairs Division, State Treasurer's Office