



CalAccount Blue Ribbon Commission

MINUTES

CalAccount Blue Ribbon Commission

Thursday, October 19, 2023

901 P Street, Rm 102 Sacramento, California 95814

Public Participation Call-In Number: (877) 411-9748; Access Code: 3790012

OPEN SESSION

ITEM #1

ROLL CALL

Call to Order and Roll Call

Spencer Walker for Treasurer Fiona Ma, Chair, calls the meeting to order at 1:27 P.M. and advises that the meeting is being recorded.

Darren Shearer, Public Phone Line Coordinator announces to the public joining in by phone the instructions for being heard.

Andrea Paval, Commission Presenter, calls roll.

Members Present:	Spencer Walker for Fiona Ma, CPA, State Treasurer’s Office Greg Young for Clothilde Hewlett, Commissioner of the Department of Financial Protection and Innovation Byron Lopez, Governor Appointee James Hicken, Governor appointee Manisha Padi, Governor appointee Paulina Gonzalez-Brito, Senate appointee
Members Absent:	Fr. Gregory Boyle, Assembly appointee Miguel Santana, Assembly appointee
Staff Present:	Cassandra DiBenedetto, Executive Director, CalAccount Blue Ribbon Commission Andre Rivera, Director, Centralized Treasury and Securities Management Systems Andrea Paval, Commission Presenter Carolina Hernandez, Spanish Translator Justin Gustafson, Public Phone Line Coordinator

Chair Walker declares a quorum present.

Chair Walker advises that public comment will be limited to two minutes per person or four minutes if an interpreter is needed.

Carolina Hernandez, Spanish Translator, translates the instructions for public comment in Spanish to public participants joining in the room and on the public phone line.

ITEM #2

ACTION ITEM

Approval of the Minutes from June 21, 2023

Chair Walker introduced the item and asked if there were any public comments on the or comments from the Commissioners.

Seeing none, Chair Walker asks Mr. Shearer, if there were any public comments.

Seeing none, Chair Walker provides instructions on how to make a comment over the phone.

Hearing none, Chair Walker asks if there was a motion to approve the Minutes from the June 21, 2023 meeting.

Commissioner James Hicken motions to approve.

Commissioner Greg Young seconds the motion.

Chair Walker asks Ms. Paval to call roll.

Ms. Paval calls roll:

<i>AYE</i>	<i>NAY</i>
<i>Chair Spencer Walker</i>	<i>none</i>
<i>Commissioner Greg Young</i>	
<i>Commissioner Byron Lopez</i>	
<i>Commissioner Jim Hicken</i>	
<i>Commissioner Manisha Padi</i>	
<i>Commissioner Greg Boyle</i>	
<i>Commissioner Miguel Santana</i>	
<i>Commissioner Paulina</i>	
<i>Gonzales-Brito</i>	

Chair Walker recognizes the Minutes as approved.

DRAFT

Introduction to Executive Director Cassandra DiBenedetto

Chair Walker introduces item number 3 of the agenda: Introduction to Executive Director Cassandra DiBenedetto.

Chair Walker introduces the newly onboarded Executive Director Cassandra DiBenedetto. She most recently served as the Chief Engagement Officer at the Department of Cannabis Control, prior to that she was with the Department of Financial Protection and Innovation having served as their Executive Operations Director, she has a background in standing up new programs with strong project management and public administration skills.

Executive Director

Executive Director Cassandra DiBenedetto thanks Chair Walker for introducing her. She goes on to thank all present parties for being in attendance today.

Executive Director Cassandra DiBenedetto reports that the contractor for the feasibility study, Rand Corporations, has begun their work.

Rand will speak with all in attendance after Executive Director Cassandra DiBenedetto.

Executive Director Cassandra DiBenedetto reports on the work she has done over the past 8 weeks as the Executive Director, including facilitating the first Advisory Committee meeting. She notes that the members include Commission members as well as members of the public. She goes on to list the Advisory Committee members and reports that the Advisory Committee will have monthly meetings.

Executive Director Cassandra DiBenedetto announces the cancelation of the November Blue Ribbon Commission meeting due to the Holiday and the change of the December meeting to December 14th. She notes that starting in 2024, the Commission meetings will take place on the third Thursday of every month through the end of the fiscal year.

Executive Director DiBenedetto expresses her honor to be working with the commission members and advisory committee members.

Chair Walker asks if there are any questions from any of the Commissioners.

Seeing none, he asks if there is any public comment from anyone in the room.

Seeing none, he asks if there is any public comment from anyone on the phonline.

No comments were made from those in attendance.

ITEM #5

ACTION ITEM

RAND Corporation

Chair Walker introduces Item 5 of the agenda, update on Rand's progress with the feasibility study and to layout the work for the weeks ahead.

Robert Bozick thanks Chair Walker and begins to set up a PowerPoint presentation.

Robert Bozick then shares the PowerPoint presentation "Overview of the RAND Corporations CalAccount Market Study and Feasibility Report" on the screen.

Robert Bozick introduces himself, on behalf of the RAND Corporation and shares his excitement with working on this project for the State Treasurer Office.

Robert Bozick shares that he is presenting this project on behalf of RAND leadership team for this project. Another leadership team member, Johnathan, is not in attendance today due to being on vacation.

Robert Bozick introduces Elizabeth Marsolsis, who is also from RAND and working as part of the leadership team on this project.

Robert Bozick goes over the topics of his presentation. Today's presentation will include Our Team, Our Research Plan, Our Approach, and a Question and Answer at the end.

Robert Bozick goes over the first topic, Our Team. He provides an overview of the RAND Corporation, their qualifications, and their expertise.

Robert Bozick reintroduces the Project Management Team. Principal Investigator Jonathan Welburn, Project Manager Robert Bozick, and Assistant Elizabeth Marsolais.

Robert Bozick moves on to his second topic, Our Approach.

He goes on to the next slide which displays the third topic, Our Research Plan.

Robert Bozick moves the PowerPoint to the following slide titled, "Task 1." He goes over Task 1 which is Survey of the Unbanked and Underbanked.

Robert Bozick moves to the next slide and goes on to discuss "Task 2." He goes over Task 2, landscape of banking options.

Robert Bozick moves the PowerPoint to the next slide which is “Task 3” and will entail a Cost Benefit Analysis.

Robert Bozick moves to the next PowerPoint slide that is labeled “Task 4” which goes over Impact Analysis.

Robert Bozick turns to the following slide which is the last task, “Task 5.” Task 5 goes over Operations Assessment.

Robert Bozick moves on to the last slide and final topic of his presentation which is titled, Q&A.

Chair Walker thanks Robert Bozick for his presentation.

Chair Walker asks if any of the Commissioners have any questions or comments for Mr. Bozick.

Paulina Gonzalez-Brito responds.

Chair Henning acknowledges her and allows her to continue with her question or comment.

Paulina Gonzalez-Brito thanks Robert Bozick for his presentation and acknowledges RAND's level of qualifications and expertise.

Paulina Gonzalez-Brito inquires about the 750 survey respondents. She asks if that is the goal with the number of respondents. She also asks if there is a demographic breakdown in terms of the 750 respondents. Do you want them to be representative of the racial and ethnic make-up of the state or what are the sub goals there?

Robert Bozick responds to the questions. The goal of the sampling is to produce a state representative sample of the un/underbanked. It is intended to match the sociodemographic composition of the state.

Paulina Gonzalez-Brito asks about the length of the survey. What the specific FDIC survey is much smaller, wondering about the length of the survey and how sure RAND is about getting the population that we are trying to get here and getting them to fill out the length of the survey. Especially when there is already a renaissance with engaging with government or institutions that they are not familiar with.

Robert Bozick responded. Answering with RAND budgeted to do a 20–25-minute survey. Part of what the field testing will do is help determine how long it takes to fill out the survey. Giving the ability to make edits to ensure that the 20 to 25 minute goal is met. People who are underbanked will get different questions than those who are unbanked. Getting individuals to participate in a survey is a multi-faceted approach. The survey will be staged by identifying the sample members. He went on to explain how there will be over 750 sample members because 11-14% of the state population is underbanked. There will be three stages to the survey strategy.

RAND will send letters to the homes of those individuals that invite them to participate in the survey. On the letter invite there will be a URL provided, web surveys are first because they are the most cost effective. A follow up post card will be sent a couple weeks after. From there they will send out a pen and paper version of

the survey targeted towards the older individuals. At that point, all the address that have not responded, RAND will have workers go door to door.

Commissioner Paulina Gonzalez Brito thanked Robert. She had two additional questions.

Her first question was, “Understanding financial management interest in a public bank, how will a public bank be described?” There is not a lot of common knowledge on public banks, and she would like to know how RAND will go about public banking.

Robert Bozick answered her question. Making sure that RAND is not using jargon in the survey, the survey will be written in the 6th grade reading level. No one will need to understand what a public bank is. They will be asked about fees and other components related to public bank. There will be simple questions.

Commissioner Paulina Gonzalez Brito thanked Robert Bozick and asked her second question. In the cost benefit analysis, she wants to know if RAND will consider lost wages from fees, will that have any impact on the economy and jobs to have that money recirculated into the economy instead of fees.

Robert Bozick responded to the question with informing Commissioner Paulina Gonzalez-Brito that John will be better suited to answer that question but said that will be factored into the survey.

Chair Walker asked if the Committee had any additional questions.

Commissioner Byron Lopez has two questions. First question is on the slide that had Internal and External reviews, the RAND advisory crew, is that internal or external?

Robert Bozick answered the question. The RAND quality assurance process assures that they find the subject matter experts for the different projects that RAND works on. It will be both internal and external individuals. They will go through an extensive series of draft reports and revisions.

The second question is how many banks have policies that affect people. How many people get affected by overdraft policies.

Robert Bozic answered: The banking policy piece will be absorbed into banking options. Very specific questions about banks and their policies. The survey is to find the effect on the individual. Questions such as, why don't they have a bank account, how do they pay their bills, how do they send money. They are trying to ask simplified questions in the survey.

Commission Member Lopez asked: The review of the banking institute is there going to be an analysis on that specifically and the effects of their policies on individual.

Robert Bozick said that the landscape of banking options is not just identifying who the banks were but they are categorizing how many banks across the state have minimum balances and fees and deep dive into what options might be on the table for individuals..

Chair Walker asked if the Committee had any additional questions.

Commissioner Paulina Gonzalez-Brito said that she had a question about the alternative financial products and options. She wanted to know how RAND will capture uptake in their survey. She feels that is an important issue and that it should be investigated.

Robert Bozick said that he will bring that question back to his team and investigate the question further but does not have an answer at this time.

Commissioner Paulina Gonzalez-Brito went on to share her experience with her parents going into a bank and how a Chase branch account tried to push an overdraft account onto her parents who don't speak English and are hard of hearing.

Robert Bozick acknowledged her experience and went on to look at Chair Walker.

Chair Walker asked for any additional questions from the Committee and then went on to ask if anyone else in the room had any questions and if so, asked them to come forward.

Advisory Committee Member Sarah Zimmerman went up and introduced herself. She wanted to highlight what both Commissioner Lopez and Commissioner Gonzalez-Brito said which is what bank policy is and what banks do. In terms of evaluating from the research on what people's experiences are from the banks, what products people are using or not, and the level of overdraft fees. She wanted to highlight that issue and share its importance.

Chair Walker asked for any additional questions on the RAND presentation.

There was no response and no additional questions.

Chair Walker thanks Robert Bozick for his presentation.

ITEM #6

ACTION ITEM

General Public Comment

Chair Walker asked if anyone from the public has any comments.

Public Attendee, Ceva Guimelli, pulled up her phone with information that she wanted to ask and share. While everyone waited for her to gather her question, Chair Walker asked if there was any public comment on the phone line.

There was none.

Public Attendee Ceva Guimelli went on to introduce herself and share her experience.

She is a Home Care provider in Clearlake, CA, and has been for the last 26 years. She expressed great frustration after multiple fraud incidents; the bank took away her bank card and replaced it with an ATM-only card, limiting her ability to pay bills online and impacting her credit scores. She has unsuccessfully attempted to get a home loan several times, but the banks will not give her a loan due to the fraudulent activity she has been a victim of.

Ceva Guimelli quoted:

“I have had trouble with fraud on my bank card. Happened a few times. Credit union told me if I did it again, I would only have an ATM card. They took away my bank card. And so now I have to use the ATM card all the time. Or I just have to go get cash out of the bank. Can't pay bills online with a credit card. It has been since March or April of this year, but it's not my fault.”

“I would move from my credit union in a heartbeat but besides my checking and savings, I also have a payee savings account for my youngest son who gets SSI. And so his money gets deposited in that account. And I don't want to go through all the trouble of moving that account to another bank, then you have to notify social security and then his money could get interrupted. So I put up with them.”

“Originally, I didn't pay fees, but to open a savings account, the minimum balance is \$25, or the account gets closed. My son's payee account has to keep \$25 also. And I also don't move banks because I don't want to sign up for another account where I might have to pay fees. “

“I've been trying to get a mortgage for two and a half years. Right now, I am living on my son's couch. And because my credit score wasn't high enough, I have not been able to get one. And a couple of months ago, I actually had my scores all the way in the 600s, but something hit my credit again, and it went back down in five minutes.”

Commission Member Lopez asked if he could make a comment on the public comment.

Chair Walker responded that if it is not on the agenda a comment will not be allowed.

ITEM #4

Public Comment

Chair Walker introduces item number 4 of the agenda: Public Comment.

Chair Walker asks if there are questions or comments from the Commissioners.

Seeing none, Chair Walker asks if there are any questions or comments from those in the room.

Seeing none, Chair Walker asks if there are any questions or comments from those on the phone.

Hearing none, Chair Walker thanks everyone for their participation.

Chair Walker adjourns the meeting.

DRAFT