



California State Treasurer Fiona Ma, CPA

News Release

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Treasurer Fiona Ma Calls Massive Expansion of College Savings Accounts a “Game-Changer”

Sacramento – State Treasurer Fiona Ma called Assembly Bill 132, signed by Governor Gavin Newsom, a “visionary plan and game-changer.” The bill implements the 2021-22 State Budget plan, which allocates \$1.9 billion to fund college savings accounts of \$500 each for 3.7 million low-income California public school students from first to 12th grade, starting in 2022. Students who are in foster care or are homeless will get an additional \$500.

“This inspiring and ambitious program takes aim at a persistent and pernicious social inequity – unequal access to higher education,” said Treasurer Ma. “Providing college savings accounts to all low-income students sends a message that college is a possibility, and that if students pursue their higher education dreams, they will have help from California. In addition, increasing the number of residents who have a degree or some form of higher education will help California’s economy continue to prosper and thrive.”

Treasurer Ma thanked the Legislature and the Governor for approving this sweeping legislation, which also expands the Cal Grant program, improves the Middle Class Scholarship program and the dual admissions pathway to UC or CSU for eligible community college students. It also creates programs to help underrepresented students gain relevant work experience and workers displaced by the pandemic.

The new college savings program is called the California Kids Investment and Development Savings Program (CalKIDS) and it is now being developed by [ScholarShare Investment Board](#) (SIB), chaired by Treasurer Ma, which oversees the state's ScholarShare 529 college savings plan.

CalKIDS, which was anticipated to launch later this year, was originally designed to provide all newborns in California, estimated at 450,000 annually, with a minimum seed deposit of \$25 in a college savings account and other financial incentives. The budget act expanded CalKIDS significantly by also including college savings accounts for an additional 3.7 million low-income public school students in first through 12th grade. The newborns with CalKIDS accounts may also receive the newly approved \$500 incentive when they reach first grade, if eligible. The CalKIDS program is now anticipated to launch in summer 2022.

Julio Martinez, executive director of SIB, which administers CalKIDS, said he welcomes this expansion.

“These accounts will jumpstart college savings for both newborns and eligible public school children and instill a sense of hope among participant families and their children that higher education is a realistic and attainable goal, regardless of household income,” he said.

“Research has [found](#) that children with a college savings account are three times more likely to enroll in college and nearly four times more likely to graduate than children with no savings.”

College savings programs support families with building assets, encouraging savings behaviors, and maintaining focus on reaching higher education.

To learn more about CalKIDS and sign up for future updates, click [here](#).

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Fiona Ma is California's 34th State Treasurer. She was elected on November 6, 2018, with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer

Ma is the state's primary banker. Her office processes more than \$2 trillion in transactions, within a typical year. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio of about \$193.3 billion, \$37.1 billion of which are local government funds. She serves as agent of sale for all State bonds and is trustee on outstanding debt of \$93 billion.

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