

# NEWS...

## From the Desk of California State Treasurer Fiona Ma, CPA



SEPTEMBER 2019

Dear friends,

The State Treasurer's Office (STO) and the California Debt & Investment Advisory Commission (CDIAC), whose board I chair, have sponsored the Bond Buyer's Annual California Public Finance Conference for 19 years. It is just one way that we fulfill CDIAC's statutory purpose of furthering the education of the public and financial officers on public financing.

This year's pre-conference will be held on September 23 in San Francisco and I will be giving the luncheon address.

The pre-conference will focus on the disclosure responsibilities of public debt issuers under federal securities law. It offers finance officers, who must be good stewards of taxpayer dollars, access to workshops that offer a single-minded, gritty focus on the ramifications of issuing public debt. This debt pays for everything from airports to recreational parks.

CDIAC Executive Director Mark Campbell and I place a high priority on making such data and expertise publicly available, which is why we provide educational videos, seminars and webinars throughout the year. CDIAC also offers a wealth of public information on its website.

*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 of bonds or notes.*

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This data is not just for experts. There is plenty of useful information for taxpayers, too. For example, DebtWatch allows you to research and view the debt taken on by your city, county, school board, special district, and much more. You can visit DebtWatch here: <https://debtwatch.treasurer.ca.gov/>

I think you will agree that this is a great way to provide greater transparency in government. And I welcome you to check it out!

In Peace & Friendship,



Fiona

## FEATURED EMPLOYEE OF THE MONTH



# Heart of the Treasury

Meet the people in the State Treasurer's Office whose public service inspires us and is making a difference.

Meet Anne Osborne, August's Employee of the Month. She has worked for the California School Financing Authority (CSFA) for more than 5 years and her contributions to her team are invaluable.

Ms. Osborne's unwavering diligence and positive attitude extends to all of her work, from the schools the authority serves to the internal projects she works on with coworkers. She takes on each new role with dedication and grace. She was a co-leader on the SB-740 Grant Program project, which involved reviewing hundreds of annual applications and coordinating disbursements to schools

throughout California. She also took on the role of a helpful advisor to CSFA's new manager.

Not only has she helped improve the internal processes of CSFA's operations, she has temporarily filled in for vacant Office Technician and Staff Services Manager I positions,

She also is committed to serving the entire workforce in the State Treasurer's Office through her involvement with the Employee Action Committee (EAC).

Congratulations Anne for your selection as August's Employee of the Month!

# Calendar of Upcoming BCA Events

Boards, Commissions and Authorities (BCAs) within the State Treasurer's Office

## September

### 19 ScholarShare Investment Board Meeting

9:30 AM | 915 Capitol Mall, Room 587

Details: Public Participation Via Phone: (877) 810-9415 Participant Code: 6535126

<https://www.treasurer.ca.gov/scholarshare/meeting/index.asp>



# ABCs of the BCAs

Financing and Investing in California Families, Businesses and Infrastructure ... Through 26 Boards, Commissions and Authorities (BCAs) Treasurer Ma is a Member of or Chairs

## FEATURED BCA

### California Debt & Investment Advisory Commission (CDIAC)

As every family knows, debt is the way most of us finance the big purchases in life, including homes, cars, and a college education. Similarly, California's state and local governments often use debt to finance needed facilities.

The state and communities assume this debt, often acquired through the issuance of bonds, in order to fund the building, improvement or maintenance of such community assets as schools, hospitals, bridges, ports, roads, water systems, libraries, parks, courts, jails, airports, and more.

In addition to funding infrastructure, government debt is sold to refinance older debts as a way to reduce interest costs and save taxpayers money. In her first six months in office, for instance, Treasurer Fiona Ma's team refinanced voter-approved General Revenue bonds resulting in a savings to taxpayers of \$1.42 billion over the next 19 years.

Ever wondered who keeps track of all this debt issued by California government agencies? The answer is the [California Debt and Investment Advisory Commission \(CDIAC\)](#). Treasurer Ma chairs its board, which consists of nine members, including the Governor or his Director of Finance, two local government finance officials appointed by the Treasurer, two Assembly Members and two Senators.

CDIAC is responsible for improving the practice of public finance across California by providing responsive and reliable information and guidance to state and local public agencies and other public finance professionals.

For example, CDIAC and the Goldman School of Public Policy at the University of California Berkeley are currently offering a series of [three webinars](#) designed to provide

public finance officials with the practical guidance needed to meet the public's growing interest in seeing climate friendly infrastructure projects funded through such green financing mechanisms as the sale of government-issued "green" bonds. The three webinars cover everything from the fundamentals of green financing, to certification and current market responses to green financing.

CDIAC also acts as a clearinghouse for public information on the billions of dollars in debt issued each year by state and local governmental bodies. It has been collecting this data since January 1982. Over that time, California public agencies have reported issuing over \$1.5 trillion in debt.

In 2018, approximately \$62.7 billion was issued. As of June 2019, \$32.1 billion has been issued. CDIAC publishes this sort of data on reports of debt recently sold, or proposed for sale, in its [DebtLine newsletter](#). It's a great source of information for the public as much as for policymakers.

CDIAC also boasts a website set up specifically to help taxpayers learn how much debt has been issued by their communities. Viewers can use this same website to learn about the projects being financed by this debt. The website, called DebtWatch can be found at: <http://debtwatch.treasurer.ca.gov/>.

*Note: Each month we will be sharing information on one of our BCAs and explain how the programs behind the acronym are enhancing the lives of Californians all across the state -- and how you, your family, or your business can share in, and contribute to, California's prosperity.*



## Ask Fiona

Dear Fiona,

I serve as a city council member, but I have limited experience with public finance and would like to learn more about the administration of bonds. Does your office offer any training on debt administration?

Sincerely,

Christopher

Dear Christopher,

You are not alone. Many elected officials bring a wealth of knowledge and experience to their position; however, they lack the public finance expertise necessary to make well-informed decisions regarding their agency's debt. The California Debt and Investment Advisory Commission (CDIAC) provides information, education, and technical assistance on debt issuance and public fund investments to local public agencies and other public finance professionals.

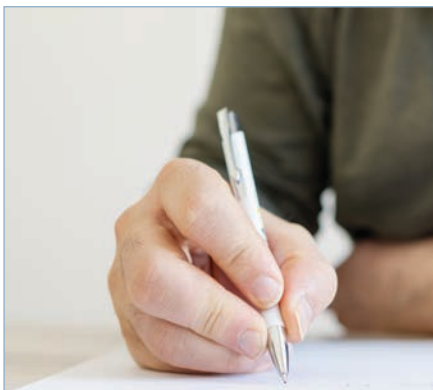
CDIAC offers educational seminars throughout California focusing on public finance matters and the debt issuance process. You can register for upcoming seminars on my website at <https://www.treasurer.ca.gov/cdiac/seminars/index.asp>. CDIAC also offers a monthly newsletter as

well as a number of helpful publications, which are also available on my website at <https://www.treasurer.ca.gov/cdiac/publications.asp>.

Additionally, CDIAC recently embarked on a mission to develop a series of on-demand electronic courses focused on debt issuance and administration specifically for elected officials. The goal of the program is to provide elected officials with sufficient knowledge for them to confidently engage with advisors, lawyers, bankers, consultants, and staff, and assist them in making well-informed decisions regarding their agency's debt. Once fully developed, the curriculum will be delivered through an online learning management system that will allow elected officials to engage each module at their own pace, track learner progress, assess learner comprehension and provide feedback, and issue a certification of completion. CDIAC has developed a pilot module. You can view the pilot video, *What You Need to Know before Issuing Debt*, at [http://cdiactraining.sto.ca.gov.s3-website-us-west-2.amazonaws.com/story\\_html5.html?lms=1](http://cdiactraining.sto.ca.gov.s3-website-us-west-2.amazonaws.com/story_html5.html?lms=1).

Sincerely,

Fiona



### Have a Question for the Treasurer?

#### Readers:

Send your questions for California State Treasurer Fiona Ma via email to: [AskFiona@treasurer.ca.gov](mailto:AskFiona@treasurer.ca.gov)

#### Address letters to:

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





# Top Billing

A monthly update on key legislation for Treasurer Ma

## California Recycling Market Development Act

Assembly Bill 1583, Susan Talamantes Eggman (D-Stockton) <https://a13.asmdc.org/>

Eliminates the sunset date for reauthorization to certificate and bifurcate state Low-Income Housing Tax Credits, and would require the allocation of credits among partners in accordance with the partnership agreement and authorizing the sale of a credit, as described by the bill indefinitely. *(Included in Governor's budget.)*

## 529 ScholarShare Tax Deduction on State Income Taxes

Assembly Bill 211, Ian Calderon (D-Whittier) <https://a57.asmdc.org/>

Provides a state income tax deduction for those who contribute to a California ScholarShare 529 account, not to exceed \$5,000 for single taxpayers, or \$10,000 for joint filers. *(Amended in Appropriations to include salary caps of \$75,000 for single taxpayers and \$150,000 for joint filers.)*

## Name Translation on Ballot Materials

Assembly Bill 57, Evan Low (D-Silicon Valley) <https://a28.asmdc.org/>

Standardizes the way names are translated into character-based languages on the California ballot. *(Signed into law.)*

## Online Retailers Sales Tax: Expansion to Marketplace Facilitators

Assembly Bill 147, Autumn Burke (D-Marina del Rey) <https://a62.asmdc.org/>

Extends sales tax to online marketplace facilitators/retailers and requires them to collect and remit state and local sales taxes on behalf of third-party sellers. *(Signed into law.)*

## Expand the Low-Income Housing Tax Credit

Assembly Bill 10, David Chiu (D-San Francisco) <https://a17.asmdc.org/>

Increases California's Low-Income Housing Tax Credit (LIHTC) by \$500 million beginning in 2020 and from those funds would allocate to farmworker housing projects \$25,000,000 over 5 years. *(In Senate Appropriations.)*

## Financial Institutions for Cannabis

Senate Bill 51, Robert M. Hertzberg (D-Van Nuys) <https://sd18.senate.ca.gov/>

Creates a limited-purpose state charter for privately funded banks to service licensed cannabis businesses with the goal of providing alternative banking opportunities for the cash-only cannabis industry. *(In Assembly Appropriations.)*

## Tax Deductions on Ordinary Business Expenses for Cannabis Businesses

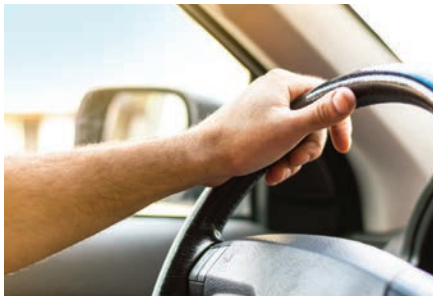
Assembly Bill 37, Reginald Byron Jones-Sawyer Sr.  
(D-Los Angeles) <https://a59.asmdc.org/>

Allows cannabis businesses to receive the same state income tax deductions as regular businesses on ordinary business expenses for each taxable year beginning on and after January 1, 2019. *(In Senate Appropriations.)*

## Eliminate Sunset Date for Certification and Bifurcation of Low-Income Housing Tax Credits

Senate Bill 9, Jim Beall (D-San Jose)  
<https://sd15.senate.ca.gov/>

Eliminates the sunset date for reauthorization to certificate and bifurcate state Low-Income Housing Tax Credits, and would require the allocation of credits among partners in accordance with the partnership agreement and authorizing the sale of a credit, as described by the bill indefinitely. *(Included in Governor's budget.)*



## The DMV Speakers Bureau Offers REAL ID Presentations



The DMV Speakers Bureau offers in-person presentations on how to obtain a REAL ID driver license and identification card to groups of 40 or larger.

Beginning October 1, 2020, you will need a REAL ID driver license or identification card, or another federally compliant document to fly within the United States and enter secure federal facilities and military bases.

Request a REAL ID presentation by emailing your organization's name, address, number of attendees, and available dates and times to [DMVSpeakersBureau@dmv.ca.gov](mailto:DMVSpeakersBureau@dmv.ca.gov).

Groups smaller than 40 are encouraged to share the following YouTube video that mirrors the REAL ID presentation: <https://youtu.be/eIMqo2hghSE>

Learn more about REAL ID driver licenses and identification cards at [REALID.dmv.ca.gov](https://REALID.dmv.ca.gov).



A DMV speaker explains REAL ID driver licenses and identification cards to Victorville area chamber of commerce members.



A gold bear/star identifies a REAL ID card.

# Welcome Judith Blackwell

CTCAC's New Executive Director

Judith Blackwell has been named Executive Director of the California Tax Credit Allocation Committee ([CTCAC](#)). Ms. Blackwell previously served as the Chief Financial Officer (CFO) of the Port of Oakland, the CFO of the City of Atlanta, and as Purchaser and Director of Contract Administration for the City and County of San Francisco.

She began her career as a public finance attorney on Wall Street, specializing in infrastructure projects. In addition, Ms. Blackwell served as a board member and treasurer of the City of Atlanta's three pension funds: the Police Pension Board, the Firefighters Pension Board, and the General Employees Pension Board. She also served as the Executive Director of the Oakland African American Chamber of Commerce.

CTCAC, and the closely related California Debt Limit Allocation Committee (CDLAC), are chaired by Treasurer



Treasurer Fiona Ma administers the oath of office to Judith Blackwell, the new Executive Director of the California Tax Credit Allocation Committee (CTCAC), as Chief of Staff Genevieve Jopanda and Deputy Treasurer for Housing & Economic Development Jovan Agee look on.

Ma. They are two of the state's most robust affordable housing programs. Both programs are under the direction of Jovan Agee, Deputy Treasurer for Housing and Economic Development.

# Welcome Larry Flood

CDLAC's New Executive Director

Treasurer Fiona Ma announced in August the hiring of Larry Flood as the new Executive Director of the California Debt Limit Allocation Committee ([CDLAC](#)). Mr. Flood was the California Housing Finance Agency (CalHFA) Director of Finance. He previously served as senior policy advisor for financial markets in the U.S. Department of the Treasury for four years. There he oversaw the U.S. Treasury's risk-sharing program as it closed more than \$800 million in loans with 14 different state housing finance agencies. He also managed all internal reporting for the Treasury's \$5.3 billion HFA bond portfolio.

Mr. Flood also has worked as a national consultant to both Fannie Mae and Freddie Mac, developing surveillance and reporting as well as credit risk management programs for the Obama administration's HFA Initiative.



Treasurer Ma poses for a photograph following administering the oath of office to Larry Flood, the new Executive Director of the California Debt Limit Allocation Committee (CDLAC). Joining them are Deputy Treasurer for Housing & Economic Development Jovan Agee and Chief of Staff Genevieve Jopanda.

CDLAC, and the California Tax Credit Allocation Committee, (CTCAC) are chaired by Treasurer Ma. CDLAC and CTCAC are among the state's most robust affordable housing and economic development financing programs.



# The Vault

Calendar of recent and upcoming public finance activities and bond sales

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## September 5

### **Various Purpose General Obligation Bonds and Various Purpose General Obligation Refunding Bonds** (Approx. \$2.3 billion)

Proceeds will provide funding for Prop 51 (the Kindergarten through Community College Public Education Facilities Bond Act of 2016) and refinance previously issued bonds.

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## September 17

### **State Public Works Board Lease Revenue Refunding Bonds, 2019 Series B** (Approx. \$60 million)

Proceeds will refinance previously issued bonds to reduce interest costs.

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## Week of October 14

### **Federally Taxable Various Purpose General Obligation Bonds and Various Purpose General Obligation Refunding Bonds** (Approx. \$800 million)

Proceeds will provide funding for projects and programs under various bond acts and refinance previously issued bonds, providing permanent financing for projects funded with commercial paper notes.

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## Week of October 28

### **State Public Works Board Lease Revenue Bonds, 2019 Series C** (Approx. \$400 million)

Proceeds will provide funding for two (2) projects: Department of Forestry and Fire (CalFire) Academy to construct dormitory authority building and expand mess hall. Department of Corrections and Rehabilitation (CDCR): (1) Riverside County Jail Project; (2) Santa Barbara County Jail Project; (3) Tulare County Jail Project; (4) Sutter County Jail Project; and (5) various CDCR Health Care Facility Improvement Program projects.

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## November 6

### **California Health Facilities Financing Authority: No Place Like Home Program Senior Revenue Bonds (Social Bonds - Federally Taxable)** (Approx. \$500 million)

Proceeds will provide funding to the Department of Housing and Community Development's No Place Like Home Program, which aids in the acquisition, design, construction, rehabilitation, preservation and operation of permanent and supportive housing for persons who are experiencing homelessness, chronic homelessness or who are at risk of chronic homelessness, and who are in need of mental health services.

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## Week of November 11

### **Various Purpose General Obligation Bonds and Various Purpose General Obligation Refunding Bonds** (Approx. \$800 million)

Proceeds will provide permanent financing for projects funded with commercial paper notes and refinance previously issued bonds at lower interest cost.

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## Week of December 2

### **IBank, California State Teachers' Retirement System (CalSTRS) Headquarters Expansion Lease Revenue Bonds, Series 2019 (Green Bonds)** (Approx. \$300 million)

Proceeds will fund the acquisition, design, construction and equipping of an expansion to the CalSTRS headquarters facility in West Sacramento.

**More information about the upcoming fall bond sales can be found at:** <https://www.buycaliforniabonds.com>

The bond issuances described above (including the amounts and timing thereof) are preliminary and subject to change or cancellation based on market conditions or other factors as determined by the State Treasurer.





# The Ma Squad

Photos of Treasurer Fiona Ma on the Road



Treasurer Ma visiting the Merlin Plastics materials recovery facility in Canada during an educational study trip sponsored by the California Foundation on the Environment and Economy. The facility handles garbage, containers, and paper/cardboard.



Treasurer Ma with Noah Starr of her External Affairs team (far right) and student interns who worked with the External Affairs team over the summer. The students ranged in age from 16 to 26 and hailed from such schools as St. Ignatius Prep School, UC Santa Barbara, Santa Clara University, Columbia University and Brandeis University, among others. Over the course of the eight week internship program each intern did a presentation on one of the boards, commissions, and authorities chaired by the Treasurer and analyzed a policy or legislation that was being monitored, co-sponsored, or supported by the Treasurer.



Treasurer Ma getting familiar with a privately operated high-speed rail system serving South Florida. California and Nevada are considering a high-speed rail system that would link Los Angeles and Las Vegas. Some of the funding would come through the sale of tax-exempt private activity bonds approved by the California Debt Limit Allocation Committee under the aegis of the State Treasurer's Office.



Treasurer Ma, with Dr. Tom Shimotake, Associate Director of Clinical Programs in Neonatology, and Jamie Phillips, Chief Operating Officer, viewing the infant care and resuscitation area at UCSF Benioff Children's Hospital in San Francisco. Treasurer Ma visited the hospital to deliver a resolution commending it on the compassionate care it provides Californians. She also saw first-hand the results of the \$69 million allocation made through the California Health Facilities Financing Authority under the oversight of the State Treasurer's office, which followed voter approval of the Children's Hospital Programs of 2004 (Prop 61) and 2008 (Prop 3). The money helped cover the pediatric costs associated with the construction of UCSF Medical Center at Mission Bay, which includes 183 pediatric beds and a pediatric emergency department.