

OCTOBER 2022

News...

from the desk of
California State Treasurer Fiona Ma, CPA



WELCOME LETTER

Dear Friends,

This past month, Californians weathered the most severe heat wave on record. The sweltering experience encouraged many across the Golden State to consider their own exposure to extreme weather events such as heat waves and wildfires. Unfortunately, the high costs associated with adding energy efficiency upgrades to one's home or business often force property owners and renters to delay these crucial projects. Thankfully, though, programs housed here in the State Treasurer's Office offer a meaningful solution. Please turn to page 3 to learn more about how the California Alternative Energy and Advanced Transportation Financing Authority's GoGreen Financing programs offer property owners and renters access to affordable private market financing for energy efficiency upgrades that can keep you and your household comfortable during our next heat wave.

Unfortunately, though, it's not just the heat that concerns California property owners and renters. October also represents a particularly dangerous point in our fire season. As we persevere through the fall season, it is important that we plan and prepare for wildfires. Please turn to page 4 to learn more about what actions you can take to protect yourself, loved ones, and property from the risks of wildfire.

In Peace and Friendship,

A stylized, handwritten signature of Fiona Ma, CPA.

Fiona Ma, CPA
California State Treasurer

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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.

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

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

ASK FIONA

Dear Fiona,

What are the eligibility requirements for the new Student Loan Debt Relief program and how can I apply for relief?

Sincerely,
Jack

Dear Jack,

Under the new [Student Debt Relief Plan](#), The U.S. Department of Education (ED) will provide up to \$20,000 in debt relief to Federal Pell Grant recipients and up to \$10,000 in debt relief to non-Pell Grant recipients. You may be eligible for student loan debt relief if your annual federal income was below \$125,000 (individual or married, filing separately) or \$250,000 (married, filing jointly or head of household) in 2021 or 2020.

Around 8 million borrowers will receive relief automatically because relevant income data is already available to the ED. If the ED determines that you qualify for automatic relief, they will send you a notification by email or text message.

All other borrowers need to submit an online application by December 31, 2023. The application will be available later this month. To be notified of when the application is open, sign up for updates at the [ED subscription](#) page. For assistance with the application, please call 1-833-932-3439.

There's also another student debt relief program that you may be eligible for: the [Public Service Loan Forgiveness \(PSLF\) program](#). The PSLF program provides forgiveness after you have made 120 qualifying monthly payments while working for a qualifying employer. And until October 31, 2022, the [limited waiver](#) offers additional credit for payments that previously didn't qualify. Check out the [PSLF Help Tool](#) to learn more about the program and to determine if you work for a qualifying employer.

Sincerely,

Fiona

**BEWARE
OF
SCAMS**

You might be contacted by a company saying they will help you get loan discharge, forgiveness, cancellation, or debt relief for a fee. You never have to pay for help with your federal student aid. Make sure you work only with ED and its trusted [partners](#), and never reveal your personal information or account password to anyone. Emails to borrowers from ED will come from noreply@studentaid.gov. To report fraud, contact the [Federal Trade Commission](#) and the [Consumer Financial Protection Bureau](#).



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

GoGreen Home Is Helping Californians Cope with Extreme Weather

During September's historic heat wave, as the mercury climbed to grueling new levels across the state, some Californians discovered that their air conditioners weren't up to the job of keeping them comfortable. The most unfortunate among us had their cooling units fail outright, leaving them struggling through sweltering days and nights.

Some of these unlucky residents did get a break, though. GoGreen Home Energy Financing, a program in the State Treasurer's Office, was on hand to help Californians replace their units with efficient models financed at low interest rates. One participating GoGreen Home lender, Travis Credit Union, reported a 45 percent uptick in applications during the 10 days of the heat wave.

"With time of the essence, loans could be approved quickly," says Jade Lim, a loan officer with First U.S. Community Credit Union, a participating GoGreen Home lender based in Sacramento.

"I would say 95 percent of the applications I received during the heat wave were for no-cool situations," Lim said, using the term for nonexistent or insufficient air conditioning. "They would tell me, 'I have no A/C, can we do this quickly?' If they had their documentation, I could get their applications approved by the end of the day."

GoGreen Home works behind the scenes with participating lenders to allow them to offer affordable financing for home energy efficiency improvements such as heat pumps, HVACs, insulation and windows. During the last year, interest rates on GoGreen Home loans with terms of 60 months or less averaged 3.4% — well below the average of 10.7% for the same lenders' non-GoGreen Home loans.

That's good news for the many Californians who have opened their electric bills in the weeks since the heat wave to find out just how expensive an inefficient air conditioning unit can be. But GoGreen Home isn't just good for individual households' energy use and finances. It helps the state as a whole, too.

Every energy upgrade made through GoGreen Home helps build resilience at the state level by helping to maximize the energy efficiency of California's housing stock. During the heat wave, as an overburdened power grid strained to keep pace with energy-hungry cooling equipment, authorities issued Flex Alerts for a record-setting 10 days in a row, signaling how close the state came to grid failure. GoGreen Home allows Californians to finance energy-saving upgrades that collectively can make a big difference in grid load when it counts.

One particularly effective upgrade is the heat pump, which provides both heating and cooling. These ultra-efficient appliances are up to four times more efficient than conventional electric air conditioners. Any California resident who receives electric or gas service from one of the four major investor-owned utilities (PG&E, San Diego Gas & Electric, Southern California Edison and SoCal Gas) can install one of these big-time energy savers and finance it through GoGreen Home with affordable monthly payments.

"Clearly GoGreen Home has an important role to play in helping California build grid resiliency as we face more and more extreme weather," said State Treasurer Fiona Ma. "I'm proud of this program and the way it is serving Californians and furthering the state's climate goals."



For more information about GoGreen Home, visit gogreenfinancing.com/residential. For more information about heat pumps, visit gogreenfinancing.com/decarbonize.



The GoGreen Financing program connects California residents and business owners with participating contractors and finance companies in an online marketplace designed to make energy efficiency upgrades simple and attainable.

SPOTLIGHT | Fire Safety: Plan, Prepare, and Be Aware



GET READY, GET SET, GO!
Wildfire Is Coming. Are You Ready?

GET PREPARED FOR WILDFIRE BEFORE IT STRIKES BY FOLLOWING THE READY, SET GO! GUIDE:

BEING READY

100^{FT}
CREATE DEFENSIBLE SPACE: 100-FEET OF DEFENSIBLE SPACE IS REQUIRED AROUND YOUR HOME. LEARN HOW TO MAINTAIN THE TWO ZONES OF DEFENSIBLE SPACE NEEDED.

UP TO 1 MILE
HARDEN YOUR HOME: FLYING EMBERS CAN DESTROY HOMES UP TO A MILE FROM WILDLAND AREAS. LEARN HOW TO PROTECT AND HARDEN YOUR HOME FROM A WILDFIRE THREAT.

GETTING SET

**1. WHAT
2. HOW
3. WHO
4. WHEN**
PREPARE YOUR HOME AND FAMILY FOR THE POSSIBILITY OF HAVING TO EVACUATE. CREATE A WILDFIRE ACTION PLAN.

ASSEMBLE AN EMERGENCY SUPPLY KIT.

FILL OUT A FAMILY COMMUNICATION PLAN.

BEING READY TO GO

PRE-EVACUATION STEPS: PREPARE BOTH THE INSIDE AND OUTSIDE OF YOUR HOUSE FOR EVACUATION. GET THE CHECKLISTS.

REVIEW YOUR EVACUATION PLAN CHECKLIST.

GO!
EVACUATION STEPS: WHEN IMMEDIATE EVACUATION IS NECESSARY, GET READY TO GO!

ENSURE YOUR EMERGENCY SUPPLY KIT IS IN YOUR VEHICLE.

COVER-UP TO PROTECT AGAINST HEAT AND FLYING EMBERS. WEAR LONG PANTS, LONG SLEEVE SHIRT, HEAVY SHOES/BOOTS, CAP, DRY BANDANNA TO COVER FACE, GOGGLES OR GLASSES. 100% COTTON IS PREFERABLE.

LOCATE YOUR PETS AND TAKE THEM WITH YOU.

**ONE LESS SPARK
ONE LESS WILDFIRE**

CAL FIRE

FOR MORE INFORMATION VISIT:
READYFORWILDFIRE.ORG
#READYFORWILDFIRE

Last month's heatwave brought with it record high temperatures throughout California, leaving residents to sweat it out long after the sun set. The intense heat that plagued most of the state serves as a reminder that we are entering the peak of fire season. Fire risk often rises in California in late summer, but the extreme heat conditions that we saw last month only exacerbate the threat of fire. As catastrophic wildfires continue to increase each year in California, it is imperative that we protect ourselves and our families. Please do your part to **plan, prepare, and be aware**. Below are some helpful fire safety tips provided by CalFIRE:

- **PLAN** how you will leave and where you will go when wildfire strikes. Use CalFIRE's new [web-based](#) app to create your custom fire preparedness plan.
- **PREPARE** your home and pack an [emergency supply kit](#) and evacuation bag. Review your evacuation checklist and be familiar with the actions you need to take inside and outside your home before it's time to evacuate.
- **BE AWARE** and monitor wildfires in your area. Know your community's emergency response plan. Go early and follow evacuation orders. Sign up for [text alerts](#) to be notified of wildfire incidents near you.

For more fire safety tips, please visit <https://www.readyforwildfire.org/> or <https://www.ready.gov/>.

Top Billing

Treasurer Ma sponsored key legislation with the following bill proposals signed into law by Governor Newsom:

- **AB 1765 (Nazarian) - Marks-Roos Local Bond Pooling Act of 1985: rate reduction bonds: review. Chapter 322.** This bill will ensure that the California Pollution Control Financing Authority has the tools and expertise to verify rate reduction bonds as required by AB 758 (Nazarian) (Chaptered: 2021).
- **AB 2216 (Irwin) - The Qualified ABLE Program: tax-advantaged savings accounts. Chapter 896.** This bill will provide updates and clarity to the California ABLE Act to conform with certain changes in federal law. This bill, in accordance with federal law, will allow working CalABLE account holders to contribute above the annual limit of \$16,000, update protection from Medi-Cal recovery to only apply to CalABLE account owners who are Californian residents, and allow Medicaid to seek recovery upon the death of an ABLE account holder for reimbursement of healthcare services rendered during their lifetime.
- **AB 2272 (Low) - Working Capital Financing Authorization. Chapter 123.** This bill allows the California Educational Facilities Authority (CEFA), chaired by Treasurer Ma, to finance working capital loans and bonds separately from larger capital projects for private, nonprofit institutions of higher learning. The CEFA Act currently includes restrictions that prevent CEFA from issuing long-term tax-exempt revenue bonds for working capital purposes unless they are part of a larger capital project. This restriction does not exist for other financing entities in the State Treasurer's Office. This codification will ensure CEFA has parity with its sister financing entity, the California Health Facilities Financing Authority, while also ensuring private, non-profit California universities have needed financing resources in place before the next catastrophic event, like COVID-19, occurs.
- **AB 2332 (Assembly Committee on Banking and Finance) - Pooled Money Investment Account. Chapter 126.** This bill clarifies state law regarding securities eligible for investment by the Pooled Money Investment Account (PMIA), which the State Treasurer's Office oversees. The bill broadens the array of safe, liquid securities eligible for investment, thus modernizing the law to conform to the growing needs of the PMIA portfolio, which exceeded \$200 billion for the first time this year.
- **AB 2880 (Bonta) - Taxation: credits: College Access Tax Credit. Chapter 976.** This bill will extend the sunset date for the College Access Tax Credit Fund (Fund) by five years, to 2028, and will allow the California Educational Facilities Authority to seek a budget appropriation to conduct outreach to help maximize the success of the program.
- **SB 973 (Hertzberg) - State Supplementary Program. Chapter 259.** This bill requires the California Department of Social Services (CDSS) to report back to the Legislature with alternative options for administration of the State Supplementary Program (SSP) which augments the federal Supplementary Security Income (SSI) program. At a significant cost, California is just one of 11 states still contracting with the Federal government to administer a portion or all of their SSP. By exploring alternative vendors, California is taking the first step towards reducing unnecessary administrative costs and redirecting the savings to SSI/SSP recipients: California's most underserved, including eligible older adults, 65 or older, with little or no income, blind or disabled. SSI benefits are also available to qualified blind or disabled children.
- **SB 1126 (Cortese) - CalSavers Employee Threshold. Chapter 192.** This bill ensures nearly every working Californian has access to a workplace retirement savings program – and removes an inequity for the smallest employers by changing the threshold from businesses with five employees or more to one employee or more, excluding sole proprietors.

In addition, Treasurer Ma actively supported the following legislation that was signed into law:

- **AB 156 (Assembly Committee on Budget) - Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Act. Chapter 569.** This bill will establish the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program to provide a trust account to an eligible child, including children who lost a primary caregiver to COVID-19 and children who are in long-term foster care. This bill also creates the HOPE for Children Trust Account Program Board and requires that the Treasurer convene a workgroup to determine best practices, investment policies, and good governance.
- **AB 209 (Assembly Committee on Budget) - Lithium. Chapter 251.** This bill authorizes additional funding to the California Alternative Energy and Advanced Transportation Financing Authority to allocate sales and use tax exclusions that support Lithium production and processing within the state.

Top Billing

CONTINUED

- **AB 2019 (Petrie-Norris) - Small business enterprises. Chapter 730.** This bill will establish a clear and consistent accountability process to ensure all State agencies, departments, boards, and commissions meet their 25 percent goal for minority, small business, and disabled veterans business participation in state procurements and contracts.
- **AB 2046 (Medina & Gray) - Inland Rising Fund. Chapter 526.** This bill will establish the Inland Rising Fund for the Schools of Medicine at the University of California, Riverside and the University of California, Merced to accelerate regional economic development growth and opportunity.
- **AB 2422 (McCarty) - California State University: investments. Chapter 530.** This bill authorizes the California State University to invest in specified mutual funds, publicly-traded real estate investment trusts, institutional commingled funds, and exchange-traded funds. This bill limits the amount of total investments that may be invested in these funds to 65% of total investments.
- **AB 2821 (Nazarian) - California Kids Investment and Development Savings Program. Chapter 164.** This bill ensures the ScholarShare Investment Board is provided appropriate time to collect information on the California Kids Investment and Development Savings (CalKIDS) Program's administration and participation necessary for the statutory reporting requirement.
- **AB 2873 (Jones-Sawyer) - Diversity in Affordable Housing Development. Chapter 316.** This bill promotes supplier diversity in the affordable housing industry by requiring that developers who receive funding from the California Tax Credit Allocation Committee (CTCAC) provide supplier demographic data on an annual basis. In addition, CTCAC will establish diversity and inclusion goals using the reported information and make it publicly available through an annual report.
- **SB 868 (Cortese) - Supplemental Benefit Maintenance Account. Chapter 818.** This bill will increase quarterly supplemental payments, as of July 1, 2023, made from the Supplemental Benefit Maintenance Account to retired members and beneficiaries by 5% and 15%.
- **SB 956 (Wieckowski) - Enforcement of money judgments: exemptions. Chapter 25.** This bill will help clarify several statutory provisions in the Code of Civil Procedures that provide protection to families with California ScholarShare 529 college savings accounts from creditor judgments.
- **SB 1112 (Becker) - Tariffed On-Bill Financing. Chapter 834.** This bill encourages the creation of Tariffed On-Bill investment programs, which have the potential to help millions of Californians make climate-beneficial building upgrades.
- **SB 1407 (Becker) - The Expanding Employee Ownership Act. Chapter 733.** This bill will establish a dedicated hub within the Governor's Office of Business and Economic Development (Go-Biz) that will help educate stakeholders, assist business owners and workers in navigating available resources, provide funding for technical assistance, and streamline and reduce barriers to the existing business transition process.

In the Community

September 8 – Treasurer Fiona Ma visited the Gold Country Fair in Auburn to celebrate its 133rd annual fair. The fair was originally organized in 1889, but went on a 33-year hiatus due to the State's social divides. In 1936, the 20th District Agricultural Association was formed as the California State Legislature made funding available for the development of district agricultural fairs. The association has continued the fair since then with unyielding community support. Treasurer Ma presented certificates of recognition to the Gold Country Fair CEO and its Board of Directors for their dedicated service and for keeping a tradition alive.



Gold Country Fair, Auburn.
Pictured above (left to right): Gold Country Fair CEO Don Ales and Board of Directors Luke Parnell, Samia Macon, Treasurer Fiona Ma, Debbie Bedwell, Peg Johnson, Timothy Sands, Mike Carson. (Photo Credit: External Affairs Division, State Treasurer's Office)

"We are thankful for having Treasurer Ma's visit to the Gold Country Fair. Her impact was critical to recognizing our wonderful Board of Director's and their impact on making a difference not only to our annual fair but as Ambassadors to our community. Individually we give, together we make a difference!"

- Don Ales, Chief Executive Officer, Gold Country Fairgrounds & Event Center

September 12 – For the first time since 2019, leading experts from across the nation gathered in person for The Bond Buyer's 32nd California Public Finance Conference, themed "When leaders adapt, communities thrive," in Los Angeles. As the opening keynote speaker, Treasurer Ma spoke about California's general economic outlook. "I will continue to protect the state finances – issue bonds, and manage other programs, like savings programs that Californians depend on daily," said Treasurer Ma. Treasurer Ma was also the luncheon keynote speaker during the pre-conference organized by the California Debt Investment Advisory Commission (CDIAC), one of the commissions she chairs. Her remarks centered on California's housing challenges. She highlighted a recent report developed in part by the Treasurer's Office that provides a design framework for the California Dream for All program, a proposed shared appreciation loan investment fund for the state of California, which makes homeownership more affordable to low- and moderate-income Californians.



The Bond Buyer's 32nd California Public Finance Conference, Los Angeles.
Pictured above (left to right): Treasurer Fiona Ma; Michael Ballinger, Publisher, The Bond Buyer; Marc Bauer, Partner, Orrick Herrington and Sutcliffe LLP; and Andy Nakahata, Managing Director and Regional Head, Public Finance West Region, UBS. (Photo Credit: Executive Office, State Treasurer's Office)

September 15 – A ribbon cutting ceremony was held for the grand opening of the Rosefield Village in the city of Alameda. The California Tax Credit Allocation Committee (CTCAC), chaired by Treasurer Fiona Ma, awarded \$2,327,565 in federal low-income housing tax credits and \$2,691,000 in state low-income housing tax credits, and \$40,927,500 in private activity bonds to Island City Development to finance the rehabilitation and construction of 89 units of affordable housing. Nancee Robles, Executive Director of CTCAC, attended the ceremony and presented a certificate of recognition to Island City Development. Rosefield Village will serve large families with rents affordable to households earning 50-80% of the area median income.



Rosefield Village ribbon cutting ceremony, Alameda.
Picture left: CTCAC Executive Director Nancee Robles presents a certificate of recognition to Vanessa Cooper, President, Island City Development. Picture right: Community stakeholders gather for the grand opening of the Rosefield Village in Alameda. (Photo Credits: Alain McLaughlin Photography, Inc.)

"The tax credits awarded by CTCAC were critical for the Housing Authority of the City of Alameda (AHA) to secure funding for development and construction of Rosefield Village. AHA would like to thank Nancee Robles for attending the Grand Opening in Alameda in mid-September."

- Vanessa Cooper, Executive Director, AHA