

NOVEMBER 2023

News...

from the desk of
California State Treasurer Fiona Ma, CPA



WELCOME LETTER

Dear Friends,

This month, as we celebrate Veterans Day, I'd like to thank all of our military heroes for their unwavering dedication and service to our country. As we join together to honor our veterans, I'd like to draw your attention to a guest perspective on page 4 from the California Department of Veterans Affairs (CalVet) about the CalVet Home Loan Program, which my office helps fund through the sale of general obligation bonds. You can also read about how my office is assisting veteran-owned small businesses with access to capital on page 3.

We also recognize America Recycles Day in November. This is a day to shed light on the importance of recycling and the impact it has on our health, environment, and economy. My office spurs environmental cleanup by providing waste and recycling facilities with low-cost financing through tax-exempt private-activity bonds. Please turn to page 7 to learn more about the Tax-Exempt Bond Financing Program.

Lastly, please turn to page 5 for a roundup of notable legislation that my office supported and sponsored this past legislative session, including a conversation with CalABLE Executive Director, Dante Allen, about Assembly Bill 339, which expands eligibility for the CalABLE program.

In Peace and Friendship,

Fiona Ma, CPA
California State Treasurer

Reminder



Open enrollment for Covered California is open through January 31. Covered California offers financial help to lower your monthly premium, and more financial help is available for 2024!



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

Table of Contents

- p.1 Welcome Letter
- p.2 Ask Fiona
- p.3 Supporting Veteran-Owned Small Businesses
- p.4 Guest Perspective: CalVet Home Loans
- p.5 Legislative Update
- p.7 Creating a Green, Resilient California
- p.8 In the Community

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:
www.treasurer.ca.gov



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

ASK FIONA

Dear Fiona,

I'm a veteran looking to open my own business, but I need capital and don't really know where to start. Do you have any tips on how to get my business up and running?

Sincerely,

Marcellus

Dear Marcellus,

Building a business takes great ideas and hard work, but more importantly, most entrepreneurs need capital to get their business off the ground. Fortunately, there are a number of resources that veterans can tap into to get their businesses up and running. Below are a few of these resources to help get you started.

- Contact your local [Veterans Business Outreach Center](#) (VBOC) where you can meet with a business advisor who can guide you through the steps you need to take to secure your capital needs. VBOCs also offer business training, counseling, and resource partner referrals to service members and veterans.
- Take an entrepreneurial training course like [Boots to Business](#) or [Boots to Business Reboot](#), which provide veterans with an overview of business ownership, including ways to finance start-ups.
- Contact your local [Small Business Technical Assistance Center](#), which provides one-on-one consulting at no cost, as well as low-cost training services and programs to small businesses and entrepreneurs. Their expert advisors can assist you with access to financing.
- Participate in the [California Transition Assistance Program Entrepreneurship Pathway](#) to get connected with state and federal resources available to veteran entrepreneurs.

I wish you luck on your business venture!

Sincerely,

Fiona



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

Supporting Veteran-Owned Small Businesses

According to a [2021 survey](#) published by Syracuse University's Institute for Veterans and Military Families, veteran and military spouse entrepreneurs reported that a lack of access to capital was the number one barrier to pursuing or achieving entrepreneurial goals.

The [California Pollution Control Financing Authority](#) (CPCFA), chaired by Treasurer Ma, strives to mitigate this issue by encouraging veteran entrepreneurship through several different credit enhancement programs under the [California Capital Access Programs](#) (CalCAP) umbrella.

CalCAP encourages banks and other lenders to make loans to small businesses that have difficulty obtaining financing. By providing participating lenders with either a loan loss reserve fund or a collateral support cash pledge, CalCAP gives lenders financial protection in the event a business owner defaults on a loan. During Treasurer Ma's term, CPCFA has supported 237 loans to veteran-owned businesses totaling \$20.2 million.

Success Story

Serena Cuevas joined the Army in 2003 after graduating from high school because of her drive for independence and desire to forge her own path. Immediately after joining the Army, Serena was deployed overseas.

While in the military, Serena worked as a military police and corrections officer in various military prisons for eight years. Driven by her love of dance, she launched her own dance company, [Deseo Studios](#), four years into her military service.

Serena started her dance company with only six local dancers performing and teaching classes throughout San Diego County; with her energetic style and focus on the Latin nightclub scene, she quickly expanded internationally with her services.

Serena credits her military service for providing her with extra money to start her business and the structure it gave her. In 2011, after eight years of active and reserve duty, she finished her military commitment while still running her dance company.

"My military service taught me important skills that I use in my business, such as teamwork, leadership, and confidence," said Serena. "I learned so much about myself, and it taught me to work harder and stand up for myself. I am proud to have served in the U.S. military and taken that experience as the basis for my business today."

After over a decade in the business of touring and commercial advertisements, Serena became one of the region's most sought-after and renowned dance companies. Serena was ready to open her first official dance studio in Chula Vista, but she lacked the financing to do so. On the advice of her U.S. Bank banker, Adolfo Hernandez, Serena went to Accessity, a local small business lender in Southern California, which uses the credit enhancement tool of the CalCAP for Small Business program as part of their underwriting. Accessity provided Serena with an \$8,000 loan that was enrolled in CalCAP to cover rent and marketing expenses. With the loan, Serena was able to hire a new staff member and maintain 11 other youth and adult instructor jobs.

Today, Serena's business is thriving, and she continues to teach classes and host dance training for youth and seniors, as well as rent the venue for weddings and community events.



*Pictured above: Serena Cuevas, owner of Deseo Studios.
(Photo Credit: Accessity)*

Guest Perspective

CalVet Agents Cut Through Red Tape to Cut Home Loan Deal for Paradise Veteran

This month's Guest Perspective is from the California Department of Veterans Affairs (CalVet).

By the spring of 2023, Navy veteran Sue Bone had given up hope on buying a new home.

After her home in Paradise vanished in a wall of flames during the Camp Fire of 2018, she found herself up against another kind of wall—a wall of bureaucratic red tape—that caused endless delays in her efforts to close the deal on her next residence. No longer able to drive, Bone desperately needed the home because of its close proximity to stores and other amenities.

“The loan with the Town of Paradise fell through, leaving me in a tough situation after the construction of the new home was already in the process,” Bone said. “I thought everything was falling apart. My Camp Fire relief fund money was being postponed longer and longer.”



She needed help, and fast. She found it by turning to CalVet Home Loans, where she connected with Associate Property Agent David Spalding and his loan origination team.

“David was right there with me to help calm my nerves and reassured me it would all work out,” Bone said.

CalVet’s 102-year-old Home Loans Division has helped over 440,000 veterans and their families achieve the dream of home ownership. Formed in 1921 as the Farm and Home Loan Purchase Program, it has loaned more than \$8.4 billion without a dime of it coming from taxpayers.

Unlike typical mortgage lenders, CalVet Home Loans takes an active and highly personalized approach in assisting borrowers. They understand the needs of veterans and treat them like people, not a number. At CalVet Home Loans, veterans deal directly with team members, not a computer interface, throughout the home buying experience. They also offer unbeatable fire and hazard insurance at a time when some major insurance carriers refuse to write new policies in California.

The CalVet team helped Bone to navigate an extremely complex process.

“I had given up hope when everything was falling apart,” she said. “But because David was so optimistic, it kept me going. He even worked with the Town of Paradise to secure a Camp Fire loan for me.”

Because CalVet Home Loans considered her unique circumstances, and provided personalized support throughout the process, Bone is now living in her new home.

“It’s so close to everything that she doesn’t have to rely on Uber or anyone else,” Spalding said. “I couldn’t have achieved my dreams without all of his help and encouragement. This house was perfect for me because I am visually impaired and disabled, and don’t drive. Thank you again for all you have done for me.”

CalVet Home Loans is a division of the California Department of Veterans Affairs. CalVet Home Loans is a self-funded state organization which provides financing to qualified veterans without cost to California taxpayers. California state voter-approved bonds provide funding for this financing. For more information, or to inquire about a loan, visit www.calvet.ca.gov/HomeLoans or call 866-653-2510. We are happy to help.

CalABLE's Eligibility Expands with AB 339, Will Soon Welcome Disabled Veterans

On October 10, 2023, State Treasurer Fiona Ma and the California Achieving a Better Life Experience (CalABLE) board members and staff celebrated Governor Gavin Newsom's signing of Assembly Bill 339 (Irwin) into law, which will increase the number of people eligible to open a CalABLE account. AB 339 ensures that in 2026, Californians with a disability that began up to age 46 will have access to financial empowerment and greater independence that CalABLE accounts provide.

The Federal ABLE Age Adjustment Act, set to come into effect in 2026, raises the age of onset of disability from before age 26 to before age 46. This expansion allows a broader range of individuals with disabilities to open and contribute to ABLE (Achieving a Better Life Experience) accounts, which provide tax-advantaged savings and investment opportunities to help cover qualified disability expenses.

With AB 339 now signed into law, California stands at the forefront of promoting even more financial empowerment, inclusion, and independence for individuals with disabilities, namely disabled veterans and individuals who become disabled later in life. This legislation underscores the state's dedication to fostering a more accessible and equitable future.

We sat down with CalABLE's Executive Director, Dante Allen, for his insights into AB 339 and the upcoming inclusion of veterans with disabilities.



What does Assembly Bill 339 mean for CalABLE?

Dante: The signing of AB 339 strengthens CalABLE's mission to provide financial security and independence to Californians with disabilities. AB 339 follows a change in federal law that would allow for people who have a disability that began before age 46 to open an ABLE account. This bill is a testament to California's commitment to inclusion and financial empowerment. We are thrilled that individuals with disabilities in California will have the same opportunities as those in other states to plan for their future and secure their financial well-being.

What does this mean for California's veterans with disabilities?

Dante: It is estimated that around 6 million people nationwide will become newly eligible to open an ABLE account once this change happens, including 1 million veterans with a disability. CalABLE's impact will be even greater with the passage of the Federal ABLE Age Adjustment Act and AB 339, giving these veterans and others that qualify the opportunity to achieve financial equity. This expansion helps to reduce the cycle of poverty among one of our most vulnerable populations.

How can CalABLE help veterans achieve a better life experience?

Dante: CalABLE is a savings and investment program for people with disabilities. It allows individuals to save and grow their money tax-free, and allows them to access those funds at any time for disability related expenses without taxes or penalties. Additionally, CalABLE allows individuals who are receiving government benefits related to their disability, like SSI, Medicaid, or housing subsidies to exceed the asset limits of those programs when the money is held in the CalABLE account.

CalABLE participants have shared that these accounts help them plan and save for futures they could only dream of before. They have used the tax-free earnings in these accounts to purchase homes, go on trips, purchase assistive technology, and leave money for their heirs. We expect that the newly eligible CalABLE participants will achieve similar quality of life improvements once this change goes through.

What are some of the things veterans can do with a CalABLE account?

Dante: CalABLE accounts may be used to support any purchase that would help an individual to maintain or enhance their health, independence, or their quality of life. This includes basic living expenses, costs related to living with a disability, and even vacations. The full list of things the money in ABLE accounts can be used for is exhaustive.

For veterans in particular, a CalABLE account can be used to cover costs of items that are not currently covered by veterans benefits, or could even subsidize any co- or partial payments of benefits.

Legislative Update, continued

Treasurer Ma sponsored the following key legislation this year:

AB 339 (Irwin) – Qualified ABLE Program: Expanding Eligibility. This bill will, starting January 1, 2026, increase the age limit for when eligible individuals' blindness or disability occurred from 26 to 46 years of age to conform with federal ABLE Act. [Status: SIGNED BY GOVERNOR]

AB 855 (Jackson) – Ensuring Restitution for Victims. This bill would change the annual interest rate on restitution orders and the annual interest rate charged by the Franchise Tax Board to ensure more of the money goes directly to victims' families rather than the government. [Status: 2-YEAR BILL*]

ACR 108 (Davies) – Children's Emotional Wellness Month. This resolution declared the month of September 2023 as Children's Emotional Wellness Month in California. [Status: in Senate Rules Committee]

AJR 3 (Grayson) – Affordable Housing Credit Improvement Act of 2023. This resolution declared that the Legislature supports a reduction to the threshold for tax-exempt bond financing and joins the State Treasurer in urging the passage of the federal Affordable Housing Credit Improvement Act of 2023. [Status: SIGNED BY GOVERNOR]

HR 31 (Jackson) – California's Children's Mental Health Awareness Week & Month. This resolution proclaimed May 2023 as Mental Health Awareness Month and urges our California residents and all agencies and organizations in our state interested in meeting every person's mental health needs to unite in observance of exercises that will acquaint the people of California with the fundamental necessity of a year-round mental health program for all people, children, and their families. [Status: SIGNED BY GOVERNOR]

SCR 14 (Dodd) – Eating Disorders Awareness Week. This resolution designated the week beginning on February 20, 2023, as Eating Disorders Awareness Week. [Status: SIGNED BY GOVERNOR]

*** NOTE: 2-year bills are pieces of legislation that were introduced in 2023 and can move forward in the bill process in 2024 at the discretion of the Author.**

In addition, Treasurer Ma actively supported the following legislation:

AB 77 (Pacheco) – Vital Records: Diacritical Marks. This bill would allow individuals to request a notation on their vital records that reflects their preferred name or names, without requiring a legal name change. [Status: 2 YEAR BILL]

AB 332 (Lee) – Animal Shelter Data Collection. This bill would require the Department of Public Health to resume collecting specified data from public animal shelters as part of their annual rabies control activities reporting. This reporting ensures that the state and other entities are able to direct funding efficiently to shelters with the greatest need, while giving policy makers a more complete picture of the pet overpopulation problem in order to make informed policy decisions. [Status: 2 YEAR BILL]

AB 346 (Quirk-Silva) – Low-Income Housing Tax Credits. This bill increases the efficiency of the state Low-Income Housing Tax Credit. It maximizes the number of new affordable homes that can be produced by allowing the California Tax Credit Allocation Committee (CTCAC) to leverage these credits with either 9% or 4% federal Low-Income Housing Tax Credits, as conditions best dictate. [Status: SIGNED BY GOVERNOR]

AB 412 (Soria) – Distressed Hospital Loan Program. This bill would create the Distressed Hospital Loan Program for the purpose of providing loans to not-for-profit hospitals and public hospitals in significant financial distress, or to governmental entities representing a closed hospital to prevent the closure or facilitate the reopening of a closed hospital. [Status: 2 YEAR BILL]

AB 879 (Villapudua) – Bioscience Economic Opportunity Program. This bill increases communication and coordination between various state agencies working in partnership with the private sector to expand opportunities not only where there are existing biotechnology hubs, but also in creating new ones. [Status: 2 YEAR BILL]

SB 242 (Skinner) – California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program. This bill ensures that the HOPE Account funds are not considered as income or assets in public safety-net programs, including CalWORKs, CalFresh, and Medi-Cal, as well as clean-up needed for program implementation. [Status: 2 YEAR BILL]

SB 252 (Gonzalez) – Fossil Fuel Divestment Act. This bill would prohibit the California Public Employees Retirement System (CalPERS) and the California State Teachers Retirement System (CalSTRS) from investing in fossil fuel companies, and provide they divest any current holdings in these companies by 2030, with an additional 5-year off-ramp should the funds encounter specified market conditions. [Status: 2 YEAR BILL]

SB 765 (Portantino) – Retired Teachers. This bill removes the 180-day "sit-out" requirement before a retiree can return to an education position and lifts the CalSTRS compensation cap on retirees' earnings. These provisions will enable local educational agencies to fill vacant positions quickly and efficiently with experienced and qualified educators. [Status: SIGNED BY GOVERNOR]

Creating a Green, Resilient California

As a conduit issuer of tax-exempt bonds, the [California Pollution Control Financing Authority](#) (CPCFA), chaired by Treasurer Ma, helps businesses acquire, construct, or install solid waste, recycling, water, and wastewater facilities and equipment. The [Tax-Exempt Bond Financing Program](#) provides California businesses with lower interest costs compared to conventional financing mechanisms. CPCFA can also help to pay for the costs of issuance on bond transactions through its Small Business Assistance Fund (SBAF).



During Treasurer Ma's term, CPCFA has issued over \$1.4 billion in new money and refunding bonds for 23 projects that stimulate environmental cleanup, economic development, job growth, and climate resilience.

Success Story



*Pictured above: A Tri-CED worker stands near stacks of recycling bins and a fleet truck.
(Photo Credit: Tri-CED)*

On August 31, 2023, Tri-CED Community Recycling (Tri-CED), California's largest non-profit recycling operation, closed on a transaction for an \$11 million bond issuance through CPCFA's Tax-Exempt Bond Financing Program. Based in Union City, Tri-CED provides community recycling, composting, consumer buy-back, education, and job training services to Union City and Hayward residents.

Proceeds from the sale of those bonds will go toward the purchase of new energy-efficient vehicles powered by electricity and compressed natural gas, as well as upgraded fleet management software and other improvements to daily operations and equipment. Tri-CED intends to use the savings enabled by these improvements to fund its educational programs, which spread awareness of environmental issues and encourage waste reduction.

As a small business borrower, the company was also able to utilize CPCFA's SBAF for cost of issuance assistance on the transaction.

In the Community



September 20 – Treasurer Ma joined leaders from the cities of Inland Empire and Desert Mountain at the League of California Cities Annual Conference. Treasurer Ma provided information about the programs in the State Treasurer's Office that focus specifically on local leaders, such as the California Debt and Investment Advisory Commission (CDIAC). CDIAC offers valuable education to local elected leaders through their Elect>Ed modules available in their Education Portal.

Pictured Left: (Left to right): Laura Varela, Regional Public Affairs Manager, Inland Empire and Desert Mountain Divisions, League of California Cities; Kristine Scott, Council Member, Rancho Cucamonga; Treasurer Fiona Ma; Ray Marquez, Council Member, City of Chino Hills.

(Photo Credit: Executive Office, State Treasurer's Office)

September 27 – Fullerton College invited State Treasurer Fiona Ma as a speaker during a weeklong celebration of the investiture of President Dr. Cynthia Olivo, themed "Equity Elevated."

Treasurer Ma engaged in a dialogue with Dr. Olivo during her presentation, "Perspectives on Women in Leadership," answering questions on her journey as California's State Treasurer, challenges and experiences as an Asian American woman, and personal questions on self-care.



Pictured Above: Treasurer Ma speaks at a well-attended presentation at Fullerton College.

Pictured Right: Treasurer Ma presents a resolution to Fullerton College President Dr. Cynthia Olivo.

(Photo Credits: Fullerton College)



"It was so inspiring to spend time with State Treasurer Fiona Ma as she shared her journey with our campus community, including students, staff, faculty, administrators, and local community members. People who attended felt uplifted by her authenticity and I personally appreciated the time she shared with us during the events leading up to my official ceremony being installed as the President of Fullerton College."



Pictured above: Treasurer Ma addresses students, parents and members of the media at Rosa Parks K-8 School in Sacramento.

Pictured right: 1. Marcellus, a Rosa Parks student, and his mother register for CalKIDS; 2. CalKIDS mascot Diplomat Dog entertains students.

(Photo Credits: External Affairs Division, State Treasurer's Office)

October 11 – Treasurer Ma, joined by a group of state and local officials and education leaders, kicked off a new statewide outreach campaign aimed at raising awareness for CalKIDS, California's postsecondary education savings program.

Treasurer Ma reported on notable accomplishments and performance from the program's first year of operations. She also urged families to register and claim their college savings.

