START OF THE 2019 LEGISLATIVE SESSION WEBINAR

A BRIEFING ON ASSET-BUILDING RELATED LEGISLATION
Agenda

Welcome
Children’s Savings Accounts
CalEITC Expansion
Asset Limits
Criminal Justice Fines and Fees
Child Support Debt
Consumer Protections
Q&A
Policy Priorities

• Increase access to safe and affordable financial services, education, and products that help families build assets over a lifetime.

• Expand economic tools and opportunities that help low- and middle-income communities pursue higher education, a secure retirement, healthcare coverage, stable housing, and viable homeownership options.

• Eliminate public and private wealth-stripping practices that exacerbate poverty.

• Strengthen social safety net programs that can help people climb the economic ladder.

• Connect low and middle-income communities to sustainable employment and career opportunities that lead to self-sufficiency.
AB 15: Children’s Savings Account

Assemblymember Adrin Nazarian (D-Van Nuys)
Background

• Correlation between high school dropout rate and poverty

• Severe student loan debt

• Getting students to the starting line
## Statewide CSA Programs

<table>
<thead>
<tr>
<th>Nevada</th>
<th>Rhode Island</th>
<th>West Virginia</th>
<th>Connecticut</th>
<th>Maine</th>
<th>Pennsylvania</th>
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</thead>
<tbody>
<tr>
<td>$50 Seed</td>
<td>$100 Seed</td>
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<tr>
<td>Kindergarten</td>
<td>Birth</td>
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<tr>
<td>Master 529</td>
<td>Master 529</td>
<td>Parent owned 529</td>
<td>Parent owned 529</td>
<td>Master 529</td>
<td>Master 529</td>
</tr>
<tr>
<td>170,000*</td>
<td>18,000*</td>
<td>Unknown*</td>
<td>7,000*</td>
<td>80,000*</td>
<td>Unknown**</td>
</tr>
</tbody>
</table>

*Number of children enrolled as of the end of 2017
** Pennsylvania expanded statewide in 2019
AB 15

• Master 529 account
• Automatic enrollment at birth
• Provides seed deposit
• Allows for philanthropic investment
• Encourages incentives for low-income students
• Link master account to individual 529 account
Qualified Higher Educational Expenses

• Tuition, fees, books, supplies, and equipment required to enroll or attend an eligible higher education institution
• Computers, peripheral equipment, educational software, and internet access and related services
• Room-and-board expenses
• Graduate and vocational schools
### Shouldn’t Every Kid Count?

<table>
<thead>
<tr>
<th>Entity</th>
<th>Award</th>
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</thead>
<tbody>
<tr>
<td>City of West Sacramento</td>
<td>$148,576</td>
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<tr>
<td>Corazon Healdsburg</td>
<td>$110,779</td>
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<tr>
<td>El Monte Promise Foundation</td>
<td>$448,044</td>
</tr>
<tr>
<td>Glendale Unified School District</td>
<td>$197,915</td>
</tr>
<tr>
<td>Los Angeles Housing and Community Investment Department</td>
<td>$286,583</td>
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<tr>
<td>San Francisco Kindergarten to College</td>
<td>$926,892</td>
</tr>
<tr>
<td>Santa Cruz Community Ventures</td>
<td>$100,000</td>
</tr>
<tr>
<td>The Oakland Promise Kindergarten to College Program</td>
<td>$405,038</td>
</tr>
<tr>
<td>United Way California Capital Region</td>
<td>$286,172</td>
</tr>
</tbody>
</table>

March 5, 2019: Recommended funding by the Student Aid Commission
Questions?
Nalleli Sandoval
Financial Stability Director
United Ways of California
nsandoval@unitedwaysca.org
Leveraging the Poverty Fighting Impact of the California Earned Income Tax Credit

Nalleli Sandoval, Financial Stability Director, United Ways of California
California’s Progress

• 2015 – Creation of a refundable CalEITC
  ✓ $380 million included in Governor’s May Revise budget.

• 2016 – Focus on Reaching Potentially Eligibles
  ✓ Employer notice passed
  ✓ Budget: $2 million for outreach added to budget

• 2017 – Increased income threshold; Inclusion of self-employed; $2m Outreach
  ✓ 3 bills rolled into Assembly budget. Passed and signed

• 2018 – Increased income limits to minimum wage levels; include young adults 18-24, include older adults
  ✓ Assembly blueprint and bill, plus budget request
  ✓ $10 million for outreach and free tax prep
Governor’s Proposal includes a robust increase for working families

- Additional $500 credit per child for families with children under 6.
- Proposal increases the maximum eligible earned income so workers working up to minimum-wage of $15 per hour will be eligible for the credit.
- Taxpayers earning income at the upper end of the credit structure will receive significantly higher credit amounts.
- $5 million to increase awareness of credit and free tax preparation services
- Exploring monthly payments

- $600 million for 400,000 families expected to provide $1 billion in credits to 2.4 million families.
Strengthening the CalEITC

LOOKING FORWARD

• If a Californian works and files a tax return they should be eligible for CalEITC if they meet the income eligibility guidelines.
  • Many low-income working immigrant families are still excluded from the credit.

• Ensuring that the CalEITC reaches all working Californians who are eligible.
  • Continued and increased funding for outreach and free tax preparation services.

• **AB 1593 (Reyes)** – Remove Exclusions to ITIN Filers re: EITC.
Questions?

Contact:
Nalleli Sandoval
nsandoval@unitedwaysca.org
Solana Rice
Steering Committee Member
California Asset Building Coalition
Graciela Aponte-Diaz
Director of California Policy
Center for Responsible Lending
graciela.aponte@responsiblelending.org
AB 539 (Limon) Fair Access to Credit Act of 2019

Background:
37 other states have a cap of 36% or less for loans of more than $2,500, California has NO cap
In 2017, nearly 60% of loans between $2,500 - $5,000 had an APR of more than 100%

Key provisions:
An interest rate cap of 36% (plus fed fund rate 2.5%) for loans $2,500 - $10,000
Minimum loan term of 12 months
Maximum loan term of 60 months
Prohibits prepayment penalties

Recommended position: Support

To add your name to sign on letter, please email graciela.aponte@responsiblelending.org, include organization name, logo, signatory, and electronic signature
SB 482 (Hueso)

Key provisions:

- Allows lenders to charge any interest rate, no cap
- Requires that lenders disclose that this is a “high-cost” loan
- Requires that lenders report to the credit bureau

Recommended position: **Oppose**

To add your name to sign on letter, please email graciela.aponte@responsiblelending.org, include organization name, logo, signatory, and electronic signature
AB 376 (Stone) Student Loan Servicing

Key provisions:

- Ban “abusive” student loan servicing practices
- Create minimum servicing standards
- Establish a Student Loan Advocate Grant DBO additional “market monitoring” authorities

Recommended position: Support

To add your name to sign on letter, please email, smartindale@consumer.org, include organization name, logo, signatory, and electronic signature
SB 616 (Wieckowski) Protections from Bank Levy

Background:
15 other states protect a portion of consumer bank balances from levies. In California there is no limit to how little can be left behind.

Key provisions:
- Prohibits debt collectors from emptying out a person’s bank account
- Protects $2,000 in a person’s bank account

Recommended position: Support

To add your name to sign on letter, please email, Ted.mermin@lowincomeconsumers.org, include organization name, logo, signatory, and electronic signature.
Additional Bills

**AB 26 (Caballero)**- would make the state Child and Dependent Care Expenses Credit refundable, so that low- and moderate-income working families can benefit from the credit and receive a tax refund for their child care expenses.

**AB 196 (Gonzalez)**- would expand the paid family leave program in order to provide a 100% wage replacement benefit for workers earning $100,000 or less annually.
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