California Code of Regulations

Title 5: Education
Division 4.5: Scholarshare Investment Board
Chapter 3: California Kids Investment and Development Savings Program

Section 31010 Definitions Applicable to California Kids Investment and Development Savings Program

(a) The following definitions shall apply within this Chapter:
  (1) All definitions as stated in Education Code 69996.2.
  (2) "CalKIDS Account" shall have the same meaning as "KIDS Account" as described in Education Code 69996.2.
  (3) "Owner" means the ScholarShare Investment Board.
  (4) "Financial Incentive" means any additional funds placed into a CalKIDS account not including a seed deposit or enhanced deposit.
  (5) "Engage" means interacting with the CalKIDS Program by viewing a Beneficiary's CalKIDS Account, linking a ScholarShare 529 account to a CalKIDS Account, or taking an action which could illicit a financial incentive if funds are available.

Note: Authority cited: Section 69996.4, Education Code. Reference: Section 69996.2, Education Code.

Section 31011. Eligibility

(a) The following Beneficiaries will be automatically enrolled into the Program:
  (1) Each child born on or after July 1, 2022 to a California resident for whom the Board receives complete birth data from the California Department of Public Health pursuant to Education Code 69996.3(b) and the information described in subparagraph (b) below.
  (2) Each child enrolled in grades one to 12, inclusive, on the California Department of Education census day of fiscal year 2021-2022 who meets the requirements described in Education Code 69996.9 (a)(1)(A) for which the Board received complete data pursuant to Education Code 69996.9(b)(1) and the information described in subparagraph (c) below will be eligible for the Program.
  (3) Each child described in Education Code 69996.9 (a)(2)(A) and enrolled in first grade on the California Department of Education census day in Fiscal Year 2022-2023 and ongoing years who meets the requirements for which the Board receives complete data pursuant to Education Code 69996.9(b)(1) and the information described in subparagraph (c) below will be eligible for the Program.

(b) In addition to the information required in subparagraph (a)(1) above, the Board will also require the following Beneficiary information:
  (1) County;
  (2) Local Registration Number.

(c) In addition to the information required in subparagraphs (a)(2) and (a)(3), respectively, the Board will also require the following Beneficiary information:
  (1) County;
  (2) Statewide Student Identifier

Note: Authority cited: Section 69996.4, Education Code. Reference: Section 69996.3, Education Code. Section 69996.9, Education Code.

Section 31012. Deposits

(a) Beneficiaries may not add funds directly into their CalKIDS Account. All deposits into the CalKIDS Account are made directly by the Program.
(b) Although not a requirement, Beneficiaries may contribute deposits on their own into a personal ScholarShare 529 account. The Program will allow Beneficiaries the ability to link their ScholarShare 529 account to their CalKIDS Account in order to view their ScholarShare 529 account on their CalKIDS Account portal.
(c) Based on available funding, the Program may identify all beneficiaries enrolled into the Program pursuant to Section 31011(a) as eligible for financial incentives. Based on available funding, the Program may limit eligibility for financial incentives specifically to Beneficiaries enrolled into the Program pursuant to subdivisions (1), (2), or (3) of Section 31011(a), or a combination of those Beneficiaries for engaging with their CalKIDS Account.
    (1) Financial incentives will be applied directly to the eligible Beneficiaries CalKIDS Account for engaging with the Program by doing activities such as, but not limited to, accessing their CalKIDS Account, linking a ScholarShare 529 account to their CalKIDS Account, depositing money or establishing a reoccurring deposit in their ScholarShare 529 account, or participating in financial literacy education opportunities.
    (2) The amount of the financial incentives will range from $1 to $1,000, but the specific amounts will be communicated to the public and will be applied equally to the eligible Beneficiaries identified as eligible for each specific financial incentive opportunity. Information including eligibility and actions needed to earn financial incentives will be posted on the Program website for public availability.
    (3) Subject to subsection (e), eligible Beneficiaries will receive the financial incentive(s) in their CalKIDS Account within 365 days of completing activities or requirements related to the incentive(s).
(d) Beneficiaries with an existing CalKIDS Account pursuant to Education Code Section 69996.9(a)(1) and Education Code Section 69996.9(a)(2) will not receive an additional enhanced deposit if the Board receives information about that particular Beneficiary in a subsequent year through its regular data sharing transfer process with the California Department of Education. The Board will not provide an additional enhanced deposit to these particular Beneficiaries to be in compliance with Education Code Section 69996.9(a)(3).
(e) The Executive Director of the Board may establish or modify the structure for financial incentives for the Program based on the following criteria:
    (1) Participation levels;
    (2) Available funding;
    (3) Grants, gifts, appropriations, and other moneys from any unit of federal, state, or local government or any other person, firm, partnership, or corporation for deposit to the fund.
(f) If funding for financial incentives as described in this section is determined to be no longer available, the Executive Director of the Board shall inform the public by posting that information on the agency's internet website within 90 days of that determination.

Note: Authority cited: Section 69996.4, Education Code. Reference: Section 69996.3, Education Code. Section 69996.9, Education Code.

Section 31013. Initial Notifications

(a) Initial notifications shall be made based on data made available by the California Department of Public Health or the California Department of Education.
(b) No more than 90 days after receiving the birth data from the California Department of Public Health, the Board will notify parents of each eligible newborn Beneficiary about the Program. The notification may be sent through mail, electronic mail, or text message communication based on the available information provided by the California Department of Public Health. The notification will be available pursuant to the requirements in Government Code 7295.2.
(c) Subject to available funding and contact information made available by the California Department of Education, the Board will notify eligible school-age Beneficiaries or Participants through a delivery method described in subparagraph (b) above as determined by the Executive Director of the Board.
(d) The Executive Director of the Board will use the following criteria to determine available funding:
    (1) Operational needs and available resources;
    (2) Participation levels;
    (3) Grants, gifts, appropriations, and other moneys from any unit of federal, state, or local government or any other person, firm, partnership, or corporation for deposit to the fund.

Note: Authority cited: Section 69996.4, Education Code. Reference: Section 69996.3, Education Code. Section 69996.9, Education Code.

Section 31014 Opt-Out

(a) A Beneficiary, age 18 or older, may opt out of the Program, or a parent or legal guardian may opt their Beneficiary out of the Program, only by completing, signing, and submitting to the Board the “CalKIDS Permanent Opt-Out Request” (Rev. October 2023, that is incorporated herein by reference.
(b) By choosing to opt-out, the Beneficiary, parent or legal guardian forfeits any claim to a CalKIDS account and any rights conferred to Participants or Beneficiaries.
(c) Opting-out of CalKIDS shall in no way prohibit a person from opening their own individual ScholarShare 529 account.

Note: Authority cited: Section 69996.4, Education Code. Reference: Section 69996.3, Education Code.

Section 31015 Access CalKIDS Account

(a) Parents, legal guardians, or Beneficiaries may only register and access their CalKIDS account through the Program’s online portal at www.CalKIDS.org.
(b) To access a CalKIDS account, parents, legal guardians, or Beneficiaries must have the following information available:
    (1) Beneficiary’s date of birth;
    (2) Beneficiary’s county of birth or county as registered on the California Department of Education’s official Census Day for the academic year in which the Beneficiary is first enrolled into the Program if the Beneficiary is enrolled at school-age;
    (3) Either the Beneficiary’s Local Registration Number as displayed on the Beneficiary’s birth certificate if they are enrolled at birth, or Statewide Student

Identifier if the Beneficiary is enrolled at school-age, or the uniquely generated code for that Beneficiary provided by the Board on notifications.

(c) A Beneficiary, or a parent or legal guardian for a Beneficiary, may request a change to personal information for a CalKIDS Account by completing, signing, and submitting to the Board the "CalKIDS Account Services Form" (Rev. October 2023), that is incorporated herein by reference.

Note: Authority cited: Section 69996.4, Education Code. Reference: Section 69996.3, Education Code.

Section 31016 Claims and Withdrawal Process

(a) A Beneficiary is eligible to file a withdrawal claim on or after they reach the age of 17.
(b) Each Beneficiary with a CalKIDS account must file a withdrawal claim by the Beneficiary's 26th birthday.
(c) Beneficiaries may file a claim through the Program's online portal at www.calkids.org, and providing all required information as follows:
  (1) Account name
  (2) Amount to disburse
  (3) Institution of higher education
  (4) Student identification number from the selected institution of higher education
(d) Beneficiaries making a withdrawal claim shall self-certify on the online portal that they have resided in the state of California for at least one year immediately preceding the payment of qualified higher education expenses on the Beneficiary's behalf.
(e) Beneficiaries making a withdrawal claim on the Program's online portal shall authorize the Program to disclose, if necessary, personally identifiable information, including full name, date of birth, residential and mailing address, and Statewide Student Identifier (SSID) with an institution of higher education for the purpose of identifying the correct student account to credit when a CalKIDS check is received.
(f) Beneficiaries making a withdrawal claim on the Program's online portal shall self-certify they are enrolled as active students at the institution of higher education selected during the distribution request.
(g) A Beneficiary, or a parent or legal guardian for a Beneficiary, may request the cancellation of a previously submitted withdrawal claim by completing, signing, and submitting to the Board the "CalKIDS Check Cancellation Form" (Rev. October 2023), that is incorporated herein by reference.

Note: Authority cited: Section 69996.4, Education Code. Section 69996.8, Education Code. Reference: Section 69996.3, Education Code. Section 69996.7, Education Code.

Section 31017 Forfeiture of Account Funds

(a) The following disqualifying events, if not disproved, will result in forfeiture by the Beneficiary:
  (1) The Beneficiary provided false or misleading information in registering or submitting a withdrawal claim for CalKIDS Account funds;
  (2) The Beneficiary was incorrectly identified as eligible.
(b) The Board shall provide the Beneficiary with written notice of the disqualifying event which, if not resolved, would result in forfeiture. The written notice shall inform the Beneficiary that they have thirty (30) days from receipt of the notice to resolve the disqualifying event before a final determination of forfeiture is made by the Executive Director of the Board and that funds will not be distributed pending resolution of the

disqualifying event. If the Beneficiary receives an unsatisfactory final determination, they may appeal the determination. Such an appeal shall be submitted within thirty (30) days of receipt of the final determination.

(c) After a final determination of forfeiture has been issued and no appeal has been submitted or the Board has upheld the final determination, the Board shall withdraw the forfeited funds and deposit the funds back into the Program.

(d) Absent a successful appeal, if a Beneficiary does not use any portion, or all, of the moneys intended for the Beneficiary in a CalKIDS Account for a qualified higher education expense for any reason, including the death or disability of the Beneficiary, before the Beneficiary's 26th birthday, all deposits and financial incentives designated for the Beneficiary in a CalKIDS Account and any earnings from those moneys shall be forfeited and deposited back into the Program.

(e) A Beneficiary, age 18 or older, or a parent or legal guardian for a Beneficiary under the age of 18, may forfeit funds from the Program, only by completing, signing, and submitting to the Board the "CalKIDS Forfeiture Form" (Rev. October 2023), that is incorporated herein by reference.

Note: Authority cited: Section 69996.4, Education Code. Reference: Section 69996.3, Education Code.

Section 31018 The Appeals Process

(a) A Beneficiary may appeal to use the moneys designated for the Beneficiary in a CalKIDS Account after the Beneficiary turns 26 years of age. In the event that a Beneficiary wishes to appeal the determination of their eligibility to claim CalKIDS Account funds, such an appeal shall be submitted in writing and emailed to the Board at Appeals@calkids.org with the subject line "CalKIDS Appeal" no later than 90 days after the Beneficiary's 26th birthday, and shall include a signed and dated letter, including appropriate documentation, explaining the extenuating circumstances of why the CalKIDS account funds could not be used until after the Beneficiary's 26th birthday. The Board will mail or email a written decision to the Beneficiary, including the reason for the decision, within thirty (30) days unless SIB notifies the Beneficiary of a different timeline.

(b) In the event a Beneficiary is not satisfied with the resulting decision, the Beneficiary may request that the dispute be reviewed by the Executive Director of the Board. Such a request shall be in writing and shall be received by the Executive Director within thirty (30) days of the adverse decision. The Executive Director shall mail or email a written decision, and the reasons therefore, to the Beneficiary within thirty (30) days of the request for the review or such period as may be mutually acceptable. The decision of the Executive Director of the Board is the final administrative decision.

Note: Authority cited: Section 69996.4, Education Code. Reference: Section 69996.3, Education Code.