

Proposed HOPE Regulations

California Code of Regulations

Title 10: Investment

Chapter 16: California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program

Section 10500-11000

General

§ 10500 Definitions

(a) Except where additional definitions are provided here, all meanings of the terms defined in Section 18997.51 of the Welfare and Institutions Code ("WIC") apply wherever the same terms are used throughout this Chapter, including "Account," "trust account," "HOPE trust account," "Board," "Department," "Eligible child," "Eligible youth," "Family household income," "Fund," "HOPE Trust Account Program," "program," and "program enrollee."

(b) "COVID-19" means the illness caused by any variants of the virus SARS-CoV-2 recognized by the Centers for Disease Control or the California Department of Public Health.

(c) "Long-COVID" means the long term effects caused by any variants of SARS-CoV-2, also known by terms including post-acute sequelae of COVID-19 (PASC), chronic COVID, long COVID, long haul COVID, long hauler COVID, post-acute sequelae SARS-CoV-2 infection, post COVID, post COVID syndrome, post COVID condition (PCC), or any variation thereof that has been recognized by the Centers for Disease Control or the California Department of Public Health.

(d) "Consequence of COVID-19 or long COVID" means an illness, condition, or affliction that the Centers for Disease Control or the California Department of Public Health has recognized as being a result of COVID-19 or long-COVID.

(e) "Financial education and money management training services" means to teach eligible program enrollees how to develop financial skills and practices, through efforts such as workshops, classes, seminars, coaching, and mentoring, that maximize economic autonomy, including but not limited to how to build wealth; budgeting for short and long-term goals; identifying opportunity costs; saving, establishing, using, and maintaining credit; investing and managing investments; protecting and insuring assets for future benefit; and applying for and navigating government, nonprofit, and other programs that support building their income and wealth.

(f) "Medi-Cal for Children" means California's Medicaid health care program under the Welfare and Institutions Code, Chapter 7 (commencing with Section 14000) of Part 3.

(g) "Primary caregiver" is a person who has assumed a major long-term role in a minor child's life as would a parent, Indian custodian, or legal guardian by meeting the child's needs in the areas of physical and emotional health, safety, and well-being and ensuring that the child has access to necessary housing, medical, social, and educational services, and that, for the purposes of the HOPE program, can provide necessary documentation relating to a child's eligibility and facilitate the child's participation in the program.

(h) "Qualifying disbursement account" means a checking, savings, or prepaid card account that is subject to 12 CFR Part 1005 (Regulation E) and is either solely owned by the eligible youth or has been established by a fiduciary for the eligible youth as the sole principal beneficiary.

(i) "Qualifying family household income" means the annual income of the family household, defined in WIC Section 18997.51 (d)(1) as "one or more persons, all of whom are related by marriage, birth, adoption, or guardianship," including the income of the decedent, was equal to or less than the amount that made a child in that household eligible for Medi-Cal benefits under Chapter 7 (commencing with Section 14000) of Part 3 ("Medi-Cal for Children") during the calendar year in which the decedent parent, legal guardian, or Indian custodian died or in the calendar year prior to their death.

(j) "Qualified nonminor" is a person who is 18 years old or older at the time of enrollment in the HOPE program who met all eligibility criteria under WIC Section 18997.51(d)(1) or (d)(2) when they were under 18 years old.

(k) "Residency in California" means any of the following:

- (1) Adjudged a dependent child of the juvenile court on the grounds that the child is a person described by WIC Section 300, or the child has been adjudged a ward of the juvenile court on the grounds that the child is a person described by WIC Sections 601 or 602;
- (2) A dependent child of the court of an Indian tribe, consortium of tribes, or tribal organization who is the subject of a petition filed in the tribal court pursuant to the tribal court's jurisdiction in accordance with the tribe's law and the tribe has notified the California Department of Social Services about the child's status as a dependent child under the tribal court;

- (3) The child, and one parent, Indian custodian, legal guardian, or primary caregiver, have a significant connection with California other than mere physical presence and substantial evidence is available concerning the child's care, protection, training, and personal relationships in California, as demonstrated by records relating to children such as school records, medical records, childcare documentation, and by records relating to adults such as utility statements, employment paystubs, California state issued driver's license, and California vehicle registration.

§ 10501 Eligibility

(a) Eligibility for HOPE trust accounts under WIC section 18997.51 (d)(1), Covid-bereaved, will be determined by establishing all of the following factors:

- (1) Covid-19 related death of parent, Indian custodian, or legal guardian: The parent, Indian custodian, or legal guardian must have died on or after March 1, 2020, the beginning of the national emergency concerning the Novel Coronavirus Disease (COVID-19) Outbreak, 85 Fed. Reg. 53, 15337 (March 18, 2020) as shown by
- (a) a death certificate that states the date of death and that the cause or underlying cause of death was COVID-1, long-COVID, or a consequence of COVID-19 or long-COVID; or
 - (b) A signed statement under penalty of perjury of a qualified nonminor, a minor's living parent, Indian custodian, legal guardian, or primary caregiver that states the date of death and that the cause or underlying cause of death was COVID-1, long-COVID, or a consequence of COVID-19 or long-COVID, along with documentation that the person was diagnosed or was in the process of being diagnosed with COVID-19 or long-COVID.
- (2) The child's or youth's age, residency in California, and relationship with the decedent at the time decedent's death: The child or youth to be enrolled must have been under 18 years old and a resident of California when the decedent died, and the decedent must have been their parent, Indian custodian, or legal guardian. These facts may be determined by reference to any combination of
- (a) U.S. or foreign government documents pertaining to the child or youth, or their parent, Indian custodian, or legal guardians, such as birth certificates, medical records, passports, voter registration, vehicle registration, drivers' licenses, or school records;
 - (b) records that demonstrate the child or youth's residency in California as defined herein; or,

(c) a statement affirming the information provided under section 2000 (a)(1)(2) is true and accurate and to be signed by a qualified nonminor, parent, Indian custodian, legal guardian, or primary caregiver under penalty of perjury.

(3) Qualifying family household income: This may be determined by reference to

- (a) enrollment of a child in the household in Medi-Cal for Children,
- (b) family household state or federal income tax records,
- (c) enrollment in a local, state, or federal program that had the same or lower income qualification as that required by Medi-Cal for Children in that same year,
- (d) information obtained through the Income and Eligibility Verification System (IEVS),
- (e) verification of income by a local, state, or federal government agency the family household income was equal to or less than that required for Medi-Cal for Children eligibility, or
- (f) upon the inability to determine these facts through (a)-(e) in this section, a signed statement under penalty of perjury of the minor's parent, legal guardian, or primary caregiver or by the qualified nonminor that the family household income was equal to or less than that required by Medi-Cal for Children in the year prior to the decedent's death.

(b) Eligibility for HOPE trust accounts and annual deposits under WIC section 18997.51 (d)(2), foster eligibility, will be determined by the California Department of Social Services **using data derived from its data systems.**

(1) The requirement that an eligible child under this section must reach at least 18 months in care may be met by adding up time in care and need not be consecutive.

(2) Program enrollees who become dependents or wards of the court under Section 300 or Section 601 or 602, after being reunified with their parents, adopted, or placed in legal guardianship, shall not be required to reach an additional 18 months in care to be eligible for additional deposits to their HOPE trust account.

(c) Eligibility for withdrawal or transfer of funds from HOPE trust accounts may be determined by reference to documents listed in Section 2000 (a)(2) that identify the eligible youth's 18th birthday.

§ 10502 Enrollment

- (a) HOPE program administrators shall work with the Department of Social Services, the Department of Public Health, and other California state and local government agencies to verify all eligibility criteria except for information that can only be provided by the potentially eligible child, a qualified nonminor, their living parent, Indian custodian, legal guardian, or primary caregiver.
- (b) HOPE administrators shall also use information provided by, but not limited to, potentially eligible children, their parent, Indian custodian, legal guardian, or primary caregiver, qualified nonminors, as well as state, county, local and tribal government agencies, and community organizations to identify potentially eligible children.
- (c) Upon verification of eligibility, HOPE shall enroll eligible children and qualified nonminors, create HOPE trust accounts for them, and begin making annual deposits to those accounts.
- (d) Denial of enrollment appeals process:
- (1) Parents, Indian custodians, legal guardians, and primary caregivers of children who were denied enrollment, as well as youth 18 years old and over who were denied enrollment as a qualified nonminors, may submit a written appeal within sixty (60) days of denial. The appeals should be sent to: HOPEforChildren@treasurer.ca.gov with the subject heading: HOPE eligibility appeal.
- (2) The appeal must include information or documentation that was not previously submitted. Appeals will be heard, considered, and responded to within sixty (60) days of the receipt of the notice of appeal.

§ 10503 Deposits

- (a) With the consent of the HOPE Board of Directors, the HOPE executive director will establish or modify the amount and timing of annual deposits to HOPE trust accounts to maximize the number of program enrollees, participation by eligible children and their autonomous wealth-building capacity, and the amount of funds deposited per account based on consideration of all of the following criteria:
- (1) The number and age distribution of program enrollees:
- (2) Money available from the HOPE Fund and any other sources that may be used to make deposits in HOPE trust accounts:

(3) Ensuring that eligible youth will be able to withdraw the maximum amount possible from their HOPE trust accounts upon reaching 18 years of age in amounts that adjust for inflation after 2025, and

(4) Grants, gifts, appropriations, and other money received from federal, state, or local government or any other person, firm, partnership, corporation, or other entity for deposit to the fund.

§ 10504 Disbursement

(a) The amount of money requested and available in an eligible youth's HOPE trust account will be disbursed to a qualifying disbursement account **on or after their 18th birthday. No funds shall be dispersed prior to age 18.**

(b) Eligible youth must request all funds in their HOPE trust account before their 27th birthday.

(c) After the eligible youth's 27th birthday, any and all unused monies in the eligible youth's HOPE trust account shall be re-deposited into the HOPE Fund to be dispersed to other eligible HOPE accounts.

§ 10505 Notification and Acknowledgement

(a) HOPE shall ensure that all program enrollees and, if they are still under 18, their parent(s), legal guardian(s), Indian custodian(s), or primary caregiver(s) will receive notice that they have been enrolled in the HOPE program within three months of enrollment and again once a year.

(1) For program enrollees determined to be eligible under WIC section 18997.51 (d)(2), notice may be via agreement with CDSS and tribal authorities to distribute the required information to program enrollees, their parent(s), legal guardian(s), Indian custodian(s), or primary caregiver(s).

(2) For all other program enrollees, notice shall be by mail or email direct to the program enrollee, their parent(s), legal guardian(s), Indian custodian(s), or primary caregiver(s).

(b) Notice shall include the amount that has been deposited in the program enrollee's HOPE trust account, the first and last dates when the program enrollee will be eligible to withdraw from their HOPE account as well as the amount of money expected to be available for withdrawal on those dates, how to access financial planning and management services, and description of the program enrollee's rights and responsibilities, including their right to use the funds

as needed without restriction.

(c) Notice shall also instruct program enrollees and, if they are still under 18, their parent(s), legal guardian(s), Indian custodian(s), or primary caregiver(s), how to acknowledge receipt of this information via the HOPE Trust Account Dashboard, email, or mail.

§ 10506 Online Eligibility Portal and HOPE Trust Account Dashboard

(a) HOPE will create and maintain an online eligibility portal that is accessible via both a webpage and smart phone app through which potentially eligible program enrollees and their parent(s), legal guardian(s), Indian custodian(s), primary caregiver(s), or others may provide the minimum information necessary to determine and verify their eligibility.

(b) HOPE will provide all program enrollees access to a HOPE trust account dashboard accessible by website and smart phone app that will state, at minimum, the amount in the program enrollee's HOPE trust account, when program enrollee will be eligible to withdraw the funds, the amount expected to be available when the program enrollee can first draw down monies available to them, the expected monetary total if the program enrollee opts leave the money invested in their HOPE trust account until they must withdraw it (prior to their 27th birthday), and how to access financial planning and management services.

(1) The HOPE trust account dashboard shall be accessible by the program enrollee as well as their parent(s), legal guardian(s), Indian custodian(s), or primary caregiver(s) until the program enrollee turns 18.

(2) Upon turning 18, the program enrollee will have sole access and may opt to provide another adult access to their HOPE trust account dashboard.

§ 10507 Data Collection, Privacy, and Confidentiality

(a) The HOPE program administrator or its designee may request, gather, and maintain demographic information regarding eligible children, program enrollees, and eligible youth in the HOPE trust accounts program, such as gender, race or ethnicity, geographic location, language, and general income level, in order to improve the administration of, and services provided by, the HOPE program. Such information may be voluntarily provided by the program

enrollee, their parent(s), legal guardian(s), Indian custodian(s), or primary caregiver(s).

(b) Any information compiled pursuant to this Section shall be maintained by the Board and protected consistent with the requirements of the Information Practices Act of 1977. (Civil Code Section 1798, et seq.)

§ 10508 Fund Management and Investment [reserved]

§ 10509 HOPE Financial Education and Money Management Training Services

(a) HOPE program enrollees are eligible to receive financial education and money management training services through HOPE partnerships on or after their 13th birthday until age 30.

(b) The HOPE program shall offer these services to eligible program enrollees through partnerships with government, community-based, nonprofit, social entrepreneur, and other similar service providers.

(c) Service providers will be selected for partnerships based on their capacity to provide age-appropriate, trauma-informed, and evidence-based curricula and mentorship services that help program enrollees develop a plan for maximizing their economic autonomy and wealth building capacity.

(d) HOPE will regularly review partnerships for quality of performance and ongoing sustainability.