

**TITLE 10. THE CALIFORNIA HOPE, OPPORTUNITY, PERSEVERANCE, AND
EMPOWERMENT (HOPE) FOR CHILDREN TRUST ACCOUNT PROGRAM**

NOTICE OF PROPOSED RULEMAKING ACTION

**Proposal To Add Chapter 16, California Hope, Opportunity,
Perseverance, And Empowerment (HOPE) For Children Trust Account
Program, Sections 10500 To 10509 to Title 10, California Code of Regulations**

NOTICE IS HEREBY GIVEN that The California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Board (HOPE), organized and operating pursuant to encoded Chapter 16.1 of the Welfare and Institutions Code (Sections 18997.5 to 18997.55), proposes to adopt the proposed regulations described below after considering all comments, objections, and recommendations regarding the proposed action. Any person interested may present statements or arguments relevant to the proposed action to the attention of the Contact Person as listed in this Notice no later than September 9, 2024. HOPE, upon its own motion or at the instance of any interested party, may thereafter adopt the proposal substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person(s) designated in this notice as Contact Person and will be mailed to those persons who submit comments related to this proposal or who have required notification of any changes to the proposal.

PROPOSED REGULATORY ACTION

HOPE proposes to adopt new regulations in Title 10, Chapter 16, sections 10500-10509, of the California Code of Regulations concerning California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program. The regulations implement HOPE's responsibilities and other details related to the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program.

AUTHORITY AND REFERENCE

Authority: Welfare and Institutions Code ("WIC") Section 18997.52 (h) provides that the Board of Directors of the HOPE Program "may adopt regulations to implement this chapter consistent with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code)."

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Act (AB 156, "the HOPE Act") is a new law that became effective September 27, 2022, and is encoded Chapter 16.1 of the Welfare and Institutions Code (Sections 18997.5 to 18997.55). The HOPE Act, established within the Office of the State Treasurer, comprised of a one-time budget appropriation of \$100 million plus an expected \$15 million in ongoing annual appropriations, to provide each eligible child with their own economic asset: an account that is held in trust by the state that will receive annual deposits from the Fund.

The broad objective of the regulations is to provide details about the HOPE Program to the general public and to ensure HOPE beneficiaries and participants have opportunities to engage with the program. The specific benefits anticipated from the regulations are increased participation in the program. Furthermore, the proposed regulations will set forth definitions; establish eligibility and enrollment requirements; set forth requirements for deposits, disbursements, an online eligibility portal, data collection, privacy, and confidentiality; and offer financial education and money management training services.

EVALUATION OF INCONSISTENCY / INCOMPATIBILITY WITH EXISTING STATE REGULATIONS

The Department has conducted an evaluation of this proposed regulation and has determined that it is not inconsistent or incompatible with existing state regulations.

OTHER MATTERS PRESCRIBED BY STATUTES APPLICABLE TO THE SPECIFIC STATE AGENCY OR TO ANY SPECIFIC REGULATION OR CLASS OF REGULATIONS

No other matters prescribed by statute are applicable to HOPE or to any specific regulation or class of regulations pursuant to Section Welfare and Institutions Code (Sections 18997.5 to 18997.55), pertaining to the proposed regulations or HOPE.

MANDATE ON LOCAL AGENCIES OR SCHOOL DISTRICTS

HOPE has determined that the regulations do not impose a mandate on local agencies or school districts.

FISCAL IMPACT

HOPE has determined that the regulations do not impose any additional cost or savings to any state agency, any costs to any local agency or school district requiring reimbursement or any other non-discretionary cost or savings to any local agency, or any cost or savings in federal funding to the State. The regulations will not have any effect on housing costs.

INITIAL DETERMINATION REGARDING ANY SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

HOPE has made an initial determination that the regulations will not have any significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

EFFECT ON SMALL BUSINESSES

HOPE has determined that the adoption of the regulations will not affect small businesses. Small businesses will not be enrolled in the program. As such, they will not be impacted by the proposed regulations.

Cost Impacts on Private Persons and Business

HOPE is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

RESULTS OF THE ECONOMIC IMPACT ANALYSIS/ASSESSMENT:

ASSESSMENT OF EFFECT ON JOBS AND BUSINESS EXPANSION, ELIMINATION OR CREATION

Adoption of these regulations will not: (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California. Adoption of these regulations will have a limited effect on the expansion of businesses currently doing business within California.

ASSESSMENT OF BENEFITS ON HEALTH AND WELFARE OF CALIFORNIA RESIDENTS, WORKER SAFETY, AND THE STATE'S ENVIRONMENT

Adoption of these regulations will not provide benefits or impact on the health and welfare of California residents, worker safety, or the state's

environment. As stated above, the benefits to the health and welfare of California residents include increased participation in the program, as well as ultimately creating a path to economic empowerment for underserved children. By empowering young people with economic autonomy, HOPE anticipates increased revenue in local economy and financial wealth building.

REASONABLE ALTERNATIVES

In accordance with Government Code Section 11346.5(a)(13), HOPE must determine that no reasonable alternative to the regulations considered by HOPE or that has otherwise been identified and brought to the attention of HOPE would be more effective in carrying out the purpose for which the regulations are proposed, or would be as effective and less burdensome to affected private persons than the regulations, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

HOPE invites interested persons to present statements with respect to alternatives to the regulations during the written comment period.

AGENCY CONTACT PERSON(S)

Written comments, inquiries, and any questions regarding the substance of the regulations shall be submitted or directed to:

Rebekah Aguirre
Program Manager
HOPE Board
901 P Street, Suite 411-B Sacramento, CA 95814
HopeForChildren@treasurer.ca.gov
279-231-1591

The following person is designated as a backup contact person for inquiries only regarding the regulations:

Kasey O'Connor
Executive Director
HOPE Board
901 P Street, Suite 411-B Sacramento, CA 95814
Kasey.O'Connor@treasurer.ca.gov
(916) 651-0549

AVAILABILITY OF INITIAL STATEMENT OF REASONS, FINAL STATEMENT OF REASONS, RULEMAKING FILE AND EXPRESS TERMS OF PROPOSED REGULATIONS

Pursuant to the California Government Code, HOPE has established a rulemaking file for this regulatory action, which contains those items required by law. The file is available for inspection at HOPE's office at 901 P Street, Room 411-B, Sacramento, California, during normal business hours. As of the date this Notice is published in the Notice Register, the rulemaking file consists of this Notice, the Initial Statement of Reasons, and the proposed text of the regulations. Copies of these items are available upon request, from the Agency Contact Person designated in this Notice. The Sacramento address will also be the location for inspection of the rulemaking file and any other public records, including reports, documentation and other materials related to this proposed regulatory action. In addition, the rulemaking file, including the Notice of Proposed Action, Initial Statement of Reasons, and the proposed text, may be viewed on HOPE's Web site at <https://www.treasurer.ca.gov/hope/>.

PUBLIC HEARING

No public hearing regarding the regulations has been scheduled. Anyone wishing a public hearing must submit a request in writing, pursuant to Section 11346.8 of the Government Code, to HOPE at least 15 days before the end of the written comment period. Such a request should be addressed to the Agency Contact Person identified in this Notice and should specify the regulations for which the hearing is being requested.

FINAL STATEMENT OF REASONS

When prepared, the Final Statement of Reasons will be made available through the Contact Person listed above.