

MINUTES

CA HOPE for Children Trust Account Board

915 Capitol Mall, Room 587
Sacramento, California 95814

February 28, 2023 – 2:00 PM

Public Participation

Call-In Number: (888) 557-8511 and Participant Code: 5651115

OPEN SESSION

Patrick Henning for Treasurer Fiona Ma, Chair, called the meeting to order at 2:00 P.M.

Connie Chan, meeting presenter, called roll.

Item #1

Roll Call

Members Present: Patrick Henning for Fiona Ma, CPA, State Treasurer
David Oppenheim for Malia Cohen, State Controller
Chris Ferguson for Joe Stephenshaw, Director of Department of Finance
Shimica Gaskins, Senate appointee

Chair Henning declared a quorum present.

Chair Henning asked Executive Director, Kasey O'Connor to instruct members on how to interact with the Board.

Executive Director O'Connor thanked the Board for tuning in and gave instructions for those participating on the phones and over Teams.

Item #2 Welcome and Introductory Comments

Information Item

Chair Henning introduced the item and presented the following information:

- We are thrilled here in CA to have one of the first and what will be the largest programs in the Nation.
- This program will focus on some of our most vulnerable—children orphaned by Covid-19 and long-term foster youth.
- There are more than 30,000 children that have been orphaned by Covid-19 in the state of California alone.
- Our task is to coordinate with our partners on the workgroup and put together a report for the legislature on how to make this program a success.

Chair Henning concluded his presentation and introduced Executive Director Kasey O'Connor to present her report.

Executive Director Kasey O'Connor thanked everyone for joining and presented the following report:

- Pandemic increased already existing racial wealth gap and intergenerational poverty.
- The Treasurer's Office will be working in coordination with the HOPE advisory workgroup to establish the Board to create a new financial investment program through the establishment of trust accounts specifically catered to vulnerable children throughout the state.
- Eligibility criteria will be children orphaned by Covid-19 and long-term foster youth, which are foster youth who have been in the system for 18 months or longer.
- The children that are in the Child Protective Services system are deprived of the income that parents provide, but they are also deprived of wealth transfer when they come of age.
- The pandemic relief from the Federal Survivor Benefits, because of their eligibility restrictions, have left many California youth behind, including but not limited to children whose deceased parents were immigrants, or had less time working in a job that contributed to such benefits.
- Hope Act was allocated \$100 million in one-time funds to establish the Hope trust fund accounts that will grow over time and \$15 million in ongoing funds to administer the Hope program.
- The Board is also charged with submitting a report to the Department of Finance and the Legislature per the Hope Act. That report is put together in coordination with the advisory work group and must be submitted by February 1, 2024.
- The report must include a detailed plan on how to implement this program, establish and maintain the Hope trust accounts on behalf of eligible children and youth, detail how to ensure these accounts are managed to maximize participation, and bolster the wealth-building capacity and independence, the anticipated number of Hope trust accounts to be opened, and the initial deposit amounts, as well as further statutory budget allocations needed to sustain this program.
- The Treasurer's Office is working with a consultant to work with the advisory group. The consultant's contract is a one-year term with a potential for six-month extension options.
- March 01, 2023, is the anticipated commencement of agreement, pending Board approval.
- The workgroup met on January 21, 2023, per the statute. This group includes a diverse array of experts and community stakeholders.

Executive Director O'Connor concluded her presentation.

Chair Henning thanked the Executive Director and asked if there were any comments from the Board members.

David Oppenheim commented that perhaps the Department of Child Support Services would be a good agency to include as their work is directly in line with the goals and objectives of the program.

Chair Henning agreed and asked if there were any more questions or comments from the Board.

Seeing none, Chair Henning asked if there were any public comments in the room or on the phone.

Hearing none, Chair Henning moved to the next item on the agenda.

Item #4 Authorization of Contract Procurement **Action Item**

Chair Henning introduced the item and asked Executive Director O'Connor to present the following staff recommendations:

- To approve HOPE resolution number 2023-01 as drafted to approve delegation of authority to enter into interagency agreements and external contracts on behalf of the Board of Directors that do not exceed \$300,000.
- To ensure the Executive Director shall report to the Board, at the next scheduled meeting, actions taken pursuant to delegation of authority for any contract with a total amount exceeding \$10,000.

Executive Director O'Connor concluded her presentation.

Chair Henning thanked the Executive Director and asked if there were any questions from the Board members.

Chair Henning recognized Shimica Gaskins.

Ms. Gaskins thanked the Chair and the Executive Director for bringing forward the resolution and asked for clarification on whether the Executive Director would need approval from the Board on contracts that do not exceed \$10,000.

Executive Director O'Connor clarified that she would have authority to enter into contracts on behalf of the Board on contracts of up to \$300,000, but in the interest of transparency, she would update the Board on any contracts that exceed \$10,000.

Shimica Gaskins asked whether the Board would have the ability to look over contracts that pertain to the management of the funds that are more than \$300,000.

The Executive Director responded that the Board would have the ability to look over those contracts and that she would not have authority to enter into those contracts without the Board's approval.

Mr. Ferguson motioned to approve the item.

Chair Henning asked for a second.

Mr. Oppenheim seconded the motion.

Chair Henning asked the clerk to call roll.

Council reminded the Chair to wait until after public comment to call roll.

Chair Henning stated that he would first ask for public comment before calling roll.

Chair Henning asked if there were any comments from the public in the room.

Seeing none, the Chair asked if there were any public comments online or on the phone.

Hearing none, the Chair stated that the Board has a motion and a second and asked that the clerk call the roll.

The Chair declared the motion passed.

Item #5 Proposed Meeting Schedule

Information Item

Executive Director O'Connor stated that the Board meeting will take place in late April or early May, but that she is hoping to have a workgroup meeting on March 28th. She stated that those meetings have yet to be confirmed.

Chair Henning asked if there were any questions or comments from the Board members.

Chair Henning recognized Mr. Oppenheim.

Mr. Oppenheim asked whether Board members can attend the workgroup meetings just to observe.

Executive Director O'Connor confirmed that the Board members are able to attend the workgroup meetings, but they would have to do so as members of the public, participating through the public participation line. She asked that if a quorum is present in the workgroup meetings, that the Board members not talk to each other, but encouraged the members to listen in on the meetings.

Chair Henning asked for any additional questions or comments from the Board.

Seeing none, Chair Henning asked for any comments from the public.

Hearing none, Chair Henning moved to the next item.

Item #6 Public Comment

Information Item

Chair Henning asked if there were any comments from the public on the phone or online.

Chair Henning recognized one caller.

The caller stated that \$100 million is a substantial first step, it is only the beginning. He applauded the Treasurer and the rest of the Board for taking the first steps towards creating a program that

can potentially help many individuals. He stated that the first Board items today provided an important foundation for the success of the long-term project. The caller thanked the Board for their time and wished them luck on their success with the program.

Chair Henning thanked the caller and asked if there were any other public comments.

Hearing none, the Chair adjourned the meeting at 2:29 PM.