

HOPE BOARD RESOLUTION NO. 2023-02

RESOLUTION OF THE BOARD OF DIRECTORS TO DELEGATE AUTHORITY TO INVEST CURRENT MONIES IN HOPE FUND

WHEREAS, the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program, established pursuant to Assembly Bill 156 (Chapter 569, Statutes of 2022) and codified in Chapter 16.1 (commencing with section 18997.5) of the Welfare and Institutions Code ("Act"), aims to close the racial wealth gap and confront the issue of intergenerational poverty by creating a new financial investment program specifically catered to vulnerable children throughout the state ("Program");

WHEREAS, the Act requires the Program board of directors ("Board") to administer the Program and the funds appropriated for the Program in alignment with the intent of the Legislature to create opportunities, economic autonomy, and hope, and to promote wealth and asset building for an eligible child and eligible youth to address California's record levels of inequality;

WHEREAS, the Act establishes the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Fund ("HOPE Fund") in the State Treasury, and provides that, notwithstanding Section 13340 of the Government Code, moneys in the fund (except for moneys derived from the federal American Rescue Plan Act of 2021 (Public Law 117-2) shall be continuously appropriated, without regard to fiscal years, to the HOPE Trust Account Program Board for implementation of the program;

WHEREAS, the Act permits that the Treasurer may invest moneys in the HOPE Fund that are not required for its current needs in the eligible securities specified in Section 16430 of the Government Code, and, deposit moneys in the HOPE Fund for investment in the Surplus Money Investment Fund pursuant to Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code;

WHEREAS, the Act requires that, notwithstanding Section 16305.7 of the Government Code, all interest or other increment resulting from the investment or deposit of moneys from the HOPE Fund shall be deposited in the HOPE Fund;

WHEREAS, Moneys in the HOPE Fund shall not be subject to transfer to any other funds pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, except to the Surplus Money Investment Fund;

WHEREAS, the State Treasurer's Investment Division manages the Pooled Money Investment Account ("PMIA") under statutory authority granted by Government Code sections 16430 and 16480.4, and the PMIA investment policy sets as primary investment objectives safety, liquidity and yield, and prescribes the types of investments acceptable to the PMIA portfolio;

WHEREAS, Moneys in the HOPE Fund shall be used to establish HOPE trust accounts for an eligible child and to provide initial deposits and any future deposits into the accounts;

WHEREAS, the Act provides that the Treasurer shall, on behalf of the Board, appoint an executive director, who shall not be a member of the Board and who shall serve at the pleasure of the Treasurer;

WHEREAS, the Act further provides that the Board may authorize the executive director to enter into contracts on behalf of the Board for the administration of the Program or conduct any business necessary for the efficient operation of the Board; and

WHEREAS, the executive director is accountable for the resources of the Program and should be delegated the responsibility to cause moneys in the HOPE Fund to be invested and reinvested in eligible securities specified in Section 16430 of the Government Code as further limited by the PMIA investment policy, to maximize its safety, liquidity, and yield prior to establishment of HOPE Trust accounts for eligible children, without specific Board approval.

NOW, THEREFORE, BE IT RESOLVED, by the Board as follows:

Section 1. The executive director is authorized to coordinate with the Treasurer's Investments Division to cause moneys in the HOPE Fund to be invested and reinvested in eligible securities specified in Section 16430 of the Government Code to maximize its safety, liquidity, and yield prior to establishment of HOPE Trust accounts for eligible children, without specific Board approval, in the manner described at the meeting,

Section 2. Authorizes the executive director to execute and deliver any documents and take any steps the executive director may deem necessary or advisable to effectuate the purposes of this resolution.

Section 3. This Resolution becomes effective upon its adoption by the Board.

Attest _____

Date of Adoption _____