

Statutory and Budget recommendations:

**(1) Goal: Distributions should not count as income for any purposes.** Funds withdrawn by or distributed to HOPE beneficiaries should be excluded from income for the purposes of state taxation as well as for all means-tested state and county programs, including participation in extended foster care after leaving foster care.

- a. Currently, per [ACL 22-16](https://www.cdss.ca.gov/Portals/9/Additional-Resources/Letters-and-Notices/ACLs/2022/22-16.pdf?ver=2022-02-25-103744-263), effective February 15, 2022, income and resources are not to be evaluated after the initial determination for foster care episode to determine continued eligibility for extended care. Such nonminor dependents (NMD) who were eligible for federal foster care funding prior to turning 18, remain federally eligible until the youth formally exit foster care via court order. Only upon re-entry to foster care following a break in dependency shall a new federal AFDC deprivation determination be required to be conducted, based solely on the NMDs income and resources, without regard to other familial income and resources. <https://www.cdss.ca.gov/Portals/9/Additional-Resources/Letters-and-Notices/ACLs/2022/22-16.pdf?ver=2022-02-25-103744-263>

- b. Current cleanup bill language would amend **SEC. 54. Section 17141.5 is added to the Revenue and Taxation Code, to read:**

17141.5. (a) Notwithstanding any other law or guidance, for taxable years beginning on or after January 1, 2023, gross income does not include either of the following:

(1) Any funds deposited, any investment returns accrued, and any accrued interest in a trust account under the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Act (Chapter 16.1 (commencing with Section 18997.5) of Part 6 of Division 9 of the Welfare and Institutions Code).

(2) Any funds from the trust account described in paragraph (1) that *is withdrawn or transferred* by an eligible youth.

(b) Notwithstanding any other law or guidance, for taxable years beginning on or after January 1, 2023, funds deposited, any investment returns accrued, and any accrued interest in a trust account under the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Act (Chapter 16.1 (commencing with Section 18997.5) of Part 6 of Division 9 of the Welfare and Institutions Code) and any funds from a trust account that is withdrawn or transferred by an eligible youth *shall not be considered earned income for purposes of eligibility for the California Earned Income Tax Credit pursuant to Section 17052 and the Young Child Tax Credit pursuant to Section 17052.1.*

**(2) Goal: Include primary caregivers within COVID deceased, not just parent or legal guardian.**

Especially important for 'nontraditional' family structure:

- a. Amend 18997.51. (d)(1) ...their parent, Indian custodian, **primary caregiver**, or legal guardian ...

**(3) Goals: (1) Clarify that COVID bereaved children are eligible when COVID is a listed as an underlying cause of death on a death certificate and (2) that death as a consequence of long-term COVID-19 that occurs after the end of the federal public health emergency.**

- a. We have learned that death certificates will list both cause (heart attack) and underlying cause (COVID). However, the CDC only began using a code for long covid on death certificates in December 2022.
- b. Death as a consequence of long term COVID-19 is increasing beyond the expiration of the federally declared emergency. [Long COVID still worrisome 2 years after infection](#): “researchers found that people who had COVID — including those who were hospitalized within the first 30 days following infection and those who were not — were still, up to two years after infection, at an elevated risk for many long COVID-related conditions including diabetes, lung problems, fatigue, blood clots and disorders affecting the gastrointestinal and musculoskeletal systems... But [for] those hospitalized within 30 days of being infected... [t]wo years after infection, their risk of death and hospitalization remained elevated, and their risk of adverse health conditions remained significant across all organ systems.”
- c. Amend 18997.51. (d)(1) ...their parent, Indian custodian, **primary caregiver**, or legal guardian died during the federally declared COVID-19 public health emergency, and the cause **or underlying cause** of death for the parent, Indian custodian, **primary caregiver** or legal guardian is listed as COVID-19 on their death certificate, or they died as a consequence of having long-term COVID-19...

**(4) Goal: Allow signed attestation to establish eligibility for enrollment where official documents are unavailable.**

- a. Tribal children, children without SSNs or ITINs, and children with parent(s) without SSNs or ITIN, among others, may not have access to government issued documents or be included in government created records that would otherwise establish the death of a parent, guardian, or primary caregiver is caused by or is a consequence of COVID-19 and long COVID, that the household income prior to death was at or below the income that would make the child eligible for Medi-Cal benefits under Chapter 7 (commencing with Section 14000), or that the person who died was the parent, guardian, or primary caregiver of an otherwise eligible child.
- b. Can this be done by regulation?

**(5) Goal: Direct the HOPE Board to develop a path toward expansion of the program for all low-income children with special consideration of ways to close the racial wealth gap**

**II. Administration & Timeline Subgroup:**

- (1) Goal: Add a seat on the HOPE Governing Board for a person who has been in foster-care for 18 months, has lost a parent, guardian, or primary caregiver to death caused by or as a consequence of COVID-19 or long-term COVID.** This member of the Board should be able to participate remotely or receive a travel and per diem stipend so that travel to and spending time in Sacramento for meetings does not pose a financial burden.