

California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program: 2023 REPORT TO THE LEGISLATURE

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Executive Summary

California continues to lead, we are ready to use this money, it is still needed, we will be using it well.

Invite Stephanie and Kasey to the call Saturday morning.

KOK wants to ask human services and budget to host a briefing to ask for supportive measures. Appropriate chair, hhs chair, budget chair, senate budget Elissa wynn senator skinner

What could we do with more money?

DRAFT

“This chapter shall be construed liberally in order to effectuate its legislative intent of creating opportunities, economic autonomy, and hope, and to promote intergenerational wealth and asset building for an eligible child and eligible youth as one of the many strategies California must employ to reverse our state’s record level of inequality.”

- The California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program, established through 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 (HOPE Act),

Part I: Introduction

California is home to approximately 1.5 million children living in poverty, among them thousands of children who were already low-income when they lost a parent or legal guardian to COVID-19 and long COVID¹ as well thousands of others who have been placed in foster care for over 18 months and are no longer receiving parental reunifications services. Thanks to legislation that passed and took effect in September 2022, COVID bereaved and long-term foster children are set to receive an unprecedented public investment in their economic futures through the California HOPE for Children Trust Account Program.

The HOPE Accounts program will provide a powerful combination of both critically needed funds and skills development services to enable these youth to develop and exercise economic autonomy right at the beginning of their adult lives. Studies also show that when young people learn they are receiving an investment, it changes their outlook about their potential future and may help foster positive choices that bolster children’s chances at successfully building wealth and becoming financially independent, contributing members to their communities and the state.

This report is submitted to the California Legislature by the HOPE Governing Board and the Office of the State Treasurer (OST) to describe the plan for establishing and maintaining HOPE trust accounts for eligible children that maximizes their participation and their autonomous wealth-building capacity. This report contains enrollment and support strategies, the anticipated number of HOPE trust accounts to be opened on behalf of eligible children, initial deposit amounts, anticipated investment and impact goals, efforts to solicit philanthropic and other nonstate moneys to support the program. In addition, this report includes further statutory support and budget allocations that may be needed to operate the program and its potential expansion to all children born into low-income circumstances.

(Include here an excerpt about baby bonds history and comparisons generally)

¹ Long Covid is a complex constellation of symptoms that can last for months or longer and can affect virtually every organ system. Some of the most debilitating post-Covid symptoms are breathing problems, heart issues, extreme fatigue, and cognitive and neurological issues. Data through June 2022 indicates that approximately 3,544 death certificates nationwide list long Covid or terms like post-Covid syndrome, chronic Covid or long-haul Covid as a cause or underlying cause of death.

Part II: Increased Economic Agency and Resilience: The Return on California’s Investment in HOPE

“Wealth is the paramount indicator of one’s economic security. [While] income is valuable, it’s used to pay for period needs and consumption, like rent, food, bills... wealth gives people the agency to have choice in their life.”

- Dr. Darrick Hamilton, speaking at the July 2023 meeting of the California HOPE Advisory Workgroup, “Identifying and Empowering Children Impacted by COVID-19 Loss”

The development of wealth in low-income communities, also known as asset building, is a central element of California’s strategy to reverse economic inequality and close the racial wealth gap. On average, between 20% and up to 80% of a person’s wealth is the result of an intergenerational wealth transfer, such as inheriting a home. The intergenerational transfer of wealth is the most significant predictor of the future financial success of a child. Yet this opportunity to build wealth is out of reach for many foster youth, children who lost their parents or guardians to COVID, and children growing up in poverty more broadly. By providing a combination of funds, financial planning skills, and related services, the HOPE Accounts for Children program will provide children with an opportunity that they otherwise would not have to build long-term economic security and intergenerational wealth.

The HOPE Accounts for Children program will provide each eligible child with an annual investment that they will be able to watch grow over time totaling at between \$5,000 to \$10,000 per year, based on different potential modeling scenarios, that will become available to them once they reach adulthood. Simultaneously, each child will receive the opportunity to access financial planning and related social services to prepare them to make the best possible financial decisions as they launch their adult lives. Together, the investment of funds and services will help each child address the unique financial challenges that come with growing up in poverty and in the foster system or having lost a parent to COVID-19.

While California’s foster care system largely succeeds at reuniting children with their families or placing them in safe and permanent adopted homes, there are approximately 49,000 children in California who have spent 18 months or more – nonconsecutively – in the foster care system since 2022. Statistically, these children are less likely to be adopted before becoming adults, more likely to have 50 percent lower earnings and employment rates that are 20 percentage points lower by age 26 compared to a sample of young adults with similar levels of education while as many as one-third experience homelessness.²

² Economics of Foster Care, Anthony Bald, Joseph J. Doyle Jr., Max Gross, and Brian A. Jacob, Journal of Economic Perspectives—Volume 36, Number 2—Spring 2022—Pages 223–246

Meanwhile, in California alone, between 8,000 to 10,000 children have lost a parent or legal guardian to COVID-19 since the declaration of the national emergency in 2020. Among these are children in households who were already in poverty prior to the parent's death. Despite the unprecedented marshaling of resources at the local, state, and national levels aimed at helping to financially stabilize families hit by the pandemic, the HOPE Accounts for Children program will be the first to specifically direct resources to safeguard the economic future of these children in particular while focusing on the overarching goal of creating economic autonomy for some of the State's most vulnerable children.

[Include here why goal is to get the amount higher – cost of living in California, address lack of use restrictions]

HOPE Funds

Each child will receive a deposit (or several deposits) into their account based on their age upon program enrollment; children who will reach 18 years of age will receive larger initial amounts while younger children will receive small annual amounts until they reach 18. Upon reaching 18, youth will have the option to withdraw the funds or leave them in the Fund to continue to invest and grow. Youth will be able to withdraw funds at any time after that and must do so by age 26 to prevent them from being reinvested back into the program for other children.

Upon distribution, each young adult will be afforded payment options that will ensure their financial safety, such as deposits into regulated and affordable banking or investment vehicles under their sole control. Youth under 18 may be able to access their funds in exceptional circumstances, whereupon HOPE administrators will provide distribution options that ensure their intended use (such as payment directly to an institution) with safety precautions to protect against exploitation or other financial abuse of that youth. It should be noted that just because deposits stop being added to accounts at age 26, youth enrolled in the program may continue to utilize their financial mentor and other Program resources to ensure they are supported after distribution of the monies. The age that was discussed and recommended for these services to continue was up to/including 30 years old.

HOPE Services

Through partnerships with community-based service providers and advocates as well as many of the state's financial health programs like CalKIDs, CalSavers, CalABLE, CalHFA, and other similar programs, the HOPE Accounts program will provide ongoing support for strengthening program participants' capacity for financial planning and management, finding ways to match or safely leverage their HOPE funds for expanded wealth building opportunities, and using their HOPE funds to launch their vision for personal economic agency and health.

The resources being discussed include, but are not limited to:

- A personal financial mentor they are matched with upon enrollment in the Program.

- A CPA, financial planner, banking partners of the Program who will help answer questions and provide guidance to help the youth understand the complexities of the economy while setting them up for financial success and autonomy.
- Interactive financial wellness and financial education courses, seminars, & activities
 - Completion of which will have incentives tied to them to allow opportunities for youth to combine learning how to be fiscally responsible with potential opportunities to earn more money in their accounts.
- Financial Dashboard – this will show the youth the money in their account, how it accrues interest over time, other financial resources they can couple this program with (i.e., CalKIDS, CalABLE accounts, other resources from the Treasurer’s Office pertaining to investments, stock market, student loan options, CalHFA resources, etc.)
- Peer Financial Support Groups where they can discuss with other youth enrolled in the program how they plan to utilize their investment to further their future goals and aspirations around asset building and living with independence.

[Include here evidence from GI and related programs]

Part III: HOPE’s Children

We expect that about 59,000 children will be eligible to enroll in the HOPE Accounts program on the first day of operations, including approximately 48,555 children who have spent at least 18 months in foster care as of when the HOPE Act became effective in 2022 and an estimated 10,000 children from low-income households who have lost a parent or legal guardian to COVID-19.

Children who meet the criteria as of the legislation effective date will be automatically enrolled in the program/ This includes all children who are residents of California and who, as of September 2022, are under 18 years old, have not emancipated from their parent, Indian custodian, or legal guardian, and are either:

- (a) COVID Bereaved Low-Income Children:
Children whose parent, Indian custodian, or legal guardian died during the federally declared COVID-19 public health emergency and COVID-19 is listed on their death certificate or they died as a consequence of having long-term COVID-19, and the household income prior to the death of that parent, custodian, or guardian, would have qualified the child for Medi-Cal benefits; or
- (b) Long-Term Foster Children:
Children who have been in foster care for at least 18 months or were placed into foster care after age 16 and parent reunification services have been terminated.³

³ California children who have been placed into foster care out of state are still considered residents.

Children who meet either criteria will be enrolled in the program regardless of their or their parent or legal guardian's citizenship status.

COVID has impacted undocumented and tribal communities disproportionately. Kids in tribal foster care also qualify for HOPE investments even when they are placed in kinship and informal care which often happens in immigrant communities as well, when close friends and relatives take on community care roles.

Current research indicates that there are approximately 12,000 children across all household income levels lost a parent to COVID between 2020 and 2022 (3,475 in 2020, another 6,509 in 2021, and another 2,015 in 2022).⁴ We estimate that approximately 10,000 of these children are from households whose incomes would have qualified them for Medi-Cal prior to the death of their parent or guardian.

Part IV: HOPE's Investments and Philanthropic Partners

The HOPE Accounts program is structured to attract philanthropic resources and a healthy return on the public's annual investments. Budget trailer bill AB 156 provided a one-time appropriation of \$100 million through the 2022-2023 state budget, with a commitment for additional annual, ongoing investments of \$15 million per year. Only up to 5% of the annual public investment may be used to fund operations, including staff and administrative costs, necessary contractors.

In line with the legislative mandate to maximize participation and bolster the original accounts, the HOPE Board took action and passed HOPE Resolution # 2023-02, which authorizes the Executive Director 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 safety, liquidity, and yield prior to the establishment of HOPE Trust Accounts for eligible children.

This resolution allows the Program to earn extra money on the State's initial \$100 million appropriation plus the 2023 fiscal year appropriation of \$15 million, to ensure that our account deposits can start off higher so the benefit to each youth is maximized. This type of smart, proactive, and innovative investment decisions will continue to drive the success and economic sustainability of the Program; however, there will need to be philanthropic infusion as well as other budgetary explorations to ensure the program grows and is sustainable as its original intent defines.

⁴ Emily Smith-Greenaway University of Southern California

[INSERT CHARTS AND BROAD EXPLANATIONS OF OPTIONS EXPLORED ONCE JEFF SEND OVER FROM INVESTMENTS (date to be sent: 10/19/23)]

Include two model comparisons- 1 to 3% to show that we can accomplish with either

The HOPE program will also work closely with leaders in California’s philanthropic community, including the Governor’s Senior Advisor for Social Innovation, to educate them about the need for private partners, as much from the local level as from within centers of power, to help us build the outreach, ongoing support, learning, and adjustment mechanisms to make those dollars meet the statute's legislative intent of creating opportunities, economic autonomy, and hope, and to promote intergenerational wealth and asset building.

[Flesh this out – what would philanthropy pay for and why, how HOPE will support partners in fundraising, include here that HOPE will support partners who need fundraising by indicating our partnership)

The HOPE program staff will convene philanthropy CEOs, program officers, donor-advised fund managers, and other potential private donors to begin to formulate a statewide strategy.

Additionally, The HOPE Program Board and staff shall explore options for partnering with, and/or establishing, a foundation in the future to further the mission outlined in The HOPE Act, which is to expand the program eventually to all children born into low-income households in California.

Part V: HOPE Program Implementation Plan

A. HOPE Governing Board , Advisory Workgroup, and Youth Panel of Experts

The HOPE Governing Board, created in compliance with WIC Chapter 16.1 Section 18997.52, includes.

Per Section 18997.54, the HOPE Advisory Workgroup convened in January 2023 to work in coordination with the board on the program design, including, but not limited to, data sharing with relevant governmental agencies and departments, outreach to families of an eligible child and to eligible youth, and the process for program enrollment and continuous measurement of outcomes of the HOPE trust accounts.

The Advisory Workgroup consists of approximately 40 members with deep expertise across a variety of subjects including but not limited to poverty alleviation, youth development, access to banking for underbanked individuals, asset building, race-wealth gap, consumer protections, wealth coaching, investment management, financial empowerment and capacity building,

college savings programs, and economic policy, as well as representatives from the California Health and Human Services Agency, the State Department of Social Services, the State Department of Public Health, the State Department of Health Care Services, the Department of Corrections and Rehabilitation, county human services agencies, tribal leaders and representatives of tribal service providers, and people with personal experience being youth in the California foster system.

This many comments, this many people, this many meetings and volunteer points – 12 subgroup meetings, 5 board meetings, the UCLA joint meeting, this is credible and heavily participation by community.

The workgroup has been working since March 2023 through four work area subgroups: Eligibility & Outreach, Data Sharing & Privacy, Investments & Funds per Youth, and Administration & Timelines. Each group considered a variety of relevant factors to create recommendations that were reviewed and amended by both the whole of the Advisory Group and the HOPE Governing Board. ***Flesh this out – include the statutory section that describes this***

Finally, we have created a Youth Panel of Experts to ensure that critical program administration decisions are vetted by youth who are or would recently have been eligible to participate in the HOPE program. The Youth Panel of Experts includes youth who are or have been in long-term foster care or have lost at least one parent or primary caregiver to COVID and come from low-income households. They range in age from 14 years old to 21 and include youth who identify as Black/African American, Caucasian/white, Native Hawaiian or other Pacific Islander, American Indian or Alaska Native Islander, and Hispanic or Latino. They are from Sacramento, Kern, Merced, Contra Costa, San Diego, Los Angeles, San Bernardino, and Alameda counties.

The breadth of their experience is jaw dropping. One youth is in an Independent Living Program, attending college and waiting on their green card. One was adopted by his grandmother while another lost one of their adoptive parents to COVID-19 shortly after they and their three siblings were adopted. This youth, still under 18 years old, helps take care of their siblings and helps their mom or other family members financially. Several youth have lost parents to COVID-19. Several live with grandparents who are their primary caregivers though only one has formal guardianship. One youth learned about the passage of the legislation and set out to find us, including making phone calls to the treasurer's office. They have 10 siblings all biologically related ranging from 4 years old to 24 and lost their mother to COVID-19.

All three bodies- the HOPE Governing Board, the Advisory Group, and the Youth Panel of Experts- worked closely with HOPE staff and consultants to design and begin implementation of the HOPE program. This report includes their well-considered decisions and recommendations.

B. Outreach and Enrollment

HOPE program administrators bear the duty of identifying children who are eligible for enrollment using interagency agreements, community partnerships, and other means of verifying eligibility. We must take great care to avoid burdening children, who have already faced very difficult and destabilizing circumstances with little to no resources that they can control, by requiring expensive and difficult to attain documents that would then need to be

copied and mailed or scanned and uploaded. Unlike other California programs that can rely on parents who have their children's best interests in mind, the HOPE program must be accessible to children directly. All eligible children must be able to enroll, including and perhaps especially those who lack trusting and reliable relationships with adults in their lives.

Automatic Program Enrollment

Enrollment in the HOPE Accounts program is automatic. Eligible children are identified by data from California agencies including the California Health and Human Services Agency, California Department of Education, and California Franchise Tax Board. Children and adults entrusted to care for them will be notified of the child's HOPE Account. Children do not have to apply to the Program and there is no financial contribution required. In general, this information includes but is not limited to the child's name, address, and date of birth. All Program data is held subject to confidentiality restrictions. The HOPE Accounts program does not collect or require a social security or taxpayer identification number to participate.

Agency Partnerships: Data Sharing and Privacy Agreements

To accomplish this goal, the HOPE program is establishing data sharing and privacy agreements with partners such as the California Department of Social Services, the California Department of Education, California Health and Human Services Agency, the California Department of Public Health, the Department of Corrections and Rehabilitation, and the Franchise Tax Board. *Weave privacy in wherever we can*

Enrollment of income eligible COVID bereaved children will begin with a partnership with the Center for Health Statistics and Informatics at the California Department of Public Health. CHSI will match information found in the death certificates of the approximately 105,000 people who have passed away in California from COVID-19 against birth certificate data to identify surviving minors. The HOPE program will then work with the California Department of Education, the Franchise Tax Board, and tribal courts and leaders to locate these children, verify their age and household income at prior to the decedent's death.

Manual enrollment

Children who may be eligible and have not been notified of a HOPE Account established for them may request manual enrollment at any time. To process manual enrollment, a child or their legal representative must contact the HOPE Accounts program and provide information to establish eligibility. This information may include documents, including signed attestations, that establish eligibility for enrollment as a COVID Bereaved Low-Income Child (a child whose parent, Indian custodian, or legal guardian died during the federally declared COVID-19 public health emergency and COVID-19 is listed on their death certificate or they died as a consequence of having long-term COVID-19, and, the household income prior to the death of that parent, custodian, or guardian, would have qualified the child for Medi-Cal benefits).

Where possible, we will work with the National Association for Public Health Statistics and Information Systems (NAPHSIS) to verify death certificate information. However, we will accept also signed attestation to establish eligibility for enrollment where official documents are unavailable. 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.

Data Privacy and Data Protection

The HOPE Program will ensure the deidentification and protection of data so that it cannot be used by anyone except for the purposes of enrollment and program administration. All family and program information will be held strictly confidential. Any entity outside of the state, federal and local government will be guided by principles of data privacy and protection. Under no circumstances will the information be sold or used for any other purpose.

HOPE's Narrative and Design Strategy

A narrative design firm contracted by the HOPE program will collaborate with the HOPE staff, consultant, Advisory Group, Governing Board, and eligible children and youth to create images, messaging, and other content that:

- encourage and facilitate youth enrollment in and engagement with HOPE accounts utilizing themes of opportunity, economic autonomy and wealth-building capacity, hope, and other goals stated in the HOPE Act,
- can be used by partnering government agencies, tribal organizations, and non-profit community organizations to encourage, facilitate, and support youth enrollment in the program and on-going support and engagement with HOPE accounts,
- will inspire additional investment and expansion by policymakers and philanthropic leaders,
- promote core liberatory social and economic narratives about the deservedness, resilience, wisdom, success, and independence of eligible youth and counter socially and economically oppressive narratives rooted in anti-Blackness, racism, xenophobia, disability, ageism, and similar cultural values, and,
- can be built upon and adapted as the program expands to benefit additional low-income youth.

Design elements may include illustration, photography, animation, graphic novel, cartoon, visual art, graphic design, collage, digital and video content, text, and any combination of these and other media formats.

Promotion of core cultural, social, and economic narratives will be co-designed and co-created with the Youth Panel of Experts that will center eligible youths' agency in developing their future and support their understanding that the funds in HOPE Accounts as resources that, when distributed, are solely theirs to manage and invest to benefit their future.

HOPE's Childrens' Enrollment Experience

The youth participants' experience begins when they receive information about the HOPE program through our outreach and data sharing partners, including state and local agencies, and community-based organizations with ties to eligible children. The HOPE program will provide targeted outreach materials created with age and culturally appropriate images and messages developed by experts contracted to design them in collaboration with our Youth Panel of Experts.

Eligible children will receive age and culturally appropriate information about the HOPE program with their particular needs in mind. For example, children who are eligible for enrollment due to their status as long-term foster children will receive materials designed for them and the adults responsible for them, that describe the steps to take to check eligibility and submit their information.

HOPE will work with the California Department of Social Services and county welfare agencies to send materials with information about eligibility and how to enroll directly to children that have been previously identified as already or soon-to-be eligible for enrollment in the HOPE program as well as to the adults responsible for their care, including but not limited to foster parents, county and tribal child welfare service workers and case managers, and kinship care providers.

COVID bereaved children and adults responsible for their care will also receive age and culturally appropriate materials describing the steps they must take to submit information necessary for enrollment. However, unlike children in foster care, no local, county, regional, state, or federal agency has kept track of children who have lost a parent or guardian to COVID. As a result, HOPE is now working with a combination of COVID researchers, service providers, and support networks to develop a highly targeted outreach strategy using data about the geographic areas and industries most impacted by COVID, lessons learned by COVID relief efforts, and existing support networks such as churches and other social networks.

The HOPE Accounts program will use both formal and informal social networks that are already nested within communities to identify and enroll eligible children as well as to keep them actively engaged in the program. When communities are on board with value added to state and local programs trust and consistency in the utilization of the resources are greater. This innovative approach is being taken as there are no governmental entities responsible for the gathering and tracking of the living children of parents and caretakers who died from COVID-19. In addition, while we expect that partnership with the state and county agencies that manage California's foster care systems will ensure that we enroll the majority eligible Long-Term Foster Child, we

anticipate that we will need to work with tribal, immigrant and indigenous community assets to reach others.

The HOPE Accounts program will partner with community-based organizations and established social networks that have trusted relationships with foster youth and COVID impacted low-income families. They include community centric nonprofit services providers, tribal and urban American Indian leaders and their social network and providers community health workers, civic groups, mutual aid societies, religious organizations, funeral directors, community action groups, social welfare institutions, community development and asset building organizations both public and private organizations, and legal services providers. All will operate within a data stewardship agreement of protection of data and lessening stigma for participation in programs and services.

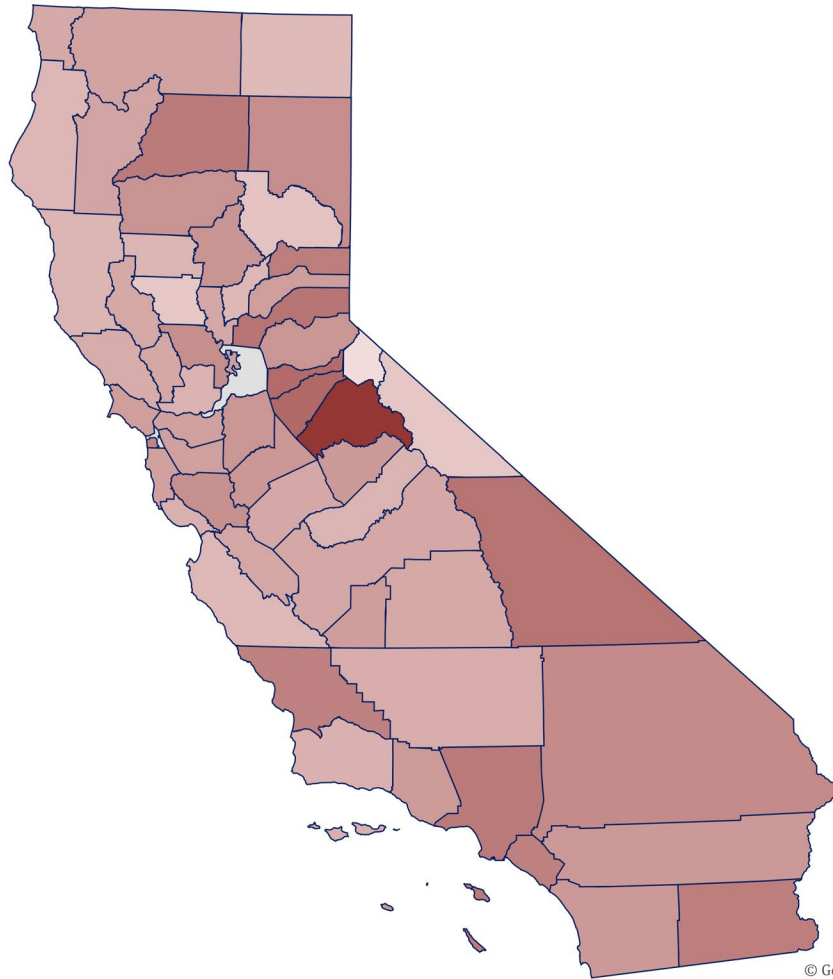
Community-based outreach strategy

Community-based outreach will be a critical strategy that the HOPE Accounts program will use to enroll income eligible COVID Bereaved Children because no government or non-governmental organization has gathered information about who these children are and how to reach them. In addition, while we expect that partnership with the state and county agencies that manage California's foster care systems will ensure that we enroll virtually every eligible Long-Term Foster Child, we anticipate that we will need to work with tribal and other community leaders to reach others.

The HOPE Accounts program will partner with community-based organizations and established social networks that have trusted relationships with foster youth and COVID impacted low-income families. They include but are not limited only to nonprofit service providers and advocates such as tribal leaders, community health workers, civic groups, mutual aid societies, religious organizations, community action groups, social welfare institutions, community development and asset building organizations, and legal services providers.

The HOPE Accounts Program will target outreach resources to areas with high concentrations of COVID deaths compared to the number of children (youth 18 and under) who were enrolled in MediCal for Children in the same time period (2020 to 2023).

Concentrations of COVID Deaths per MediCal Enrolled Youth 18 and Under (3/2020 to 3/2023)



<i>County</i>	<i>Probability of Low Income COVID Bereaved Children</i>	<i>Cumulative Deaths</i>	<i>MediCal Enrolled Youth 18 and Under (03/20 to 03/23)</i>
Tuolumne	0.011	219	19,045
Calaveras	0.008	145	18,182
Amador	0.008	99	12,692
Inyo	0.007	67	9,255
Placer	0.007	725	101,280
Shasta	0.007	660	97,764
Los Angeles	0.007	35,771	5,305,387
Sierra	0.007	6	919
Imperial	0.006	991	152,732
Orange	0.006	8,117	1,281,474
San Luis Obispo	0.006	592	94,730
San Francisco	0.006	1,255	206,274
San Bernardino	0.006	8,368	1,485,548
Lassen	0.005	68	12,581

Yolo	0.005	466	86,340
Santa Clara	0.005	2,924	555,982
Tehama	0.005	240	47,837
Butte	0.005	530	107,749
El Dorado	0.005	271	55,329
San Joaquin	0.005	2,509	512,448
Stanislaus	0.005	1,914	402,372
San Diego	0.005	6,117	1,310,371
Riverside	0.005	7,023	1,514,677
Mariposa	0.005	33	7,177
Ventura	0.005	1,743	383,027
Kings	0.004	488	111,194
Marin	0.004	284	66,363
Nevada	0.004	150	35,127
Sacramento	0.004	3,669	868,382
Alameda	0.004	2,255	541,549
San Mateo	0.004	827	199,700
Contra Costa	0.004	1,682	411,751
Siskiyou	0.004	102	25,677
Trinity	0.004	26	6,810
San Benito	0.004	121	32,625
Napa	0.004	195	53,572
Merced	0.004	925	254,417
Fresno	0.004	3,055	842,575
Sutter	0.004	248	68,452
Lake	0.004	168	46,893
Tulare	0.004	1,627	455,811
Del Norte	0.003	61	17,484
Sonoma	0.003	618	187,492
Kern	0.003	2,540	775,440
Santa Cruz	0.003	329	108,606
Santa Barbara	0.003	813	272,254
Solano	0.003	538	188,729
Madera	0.003	390	139,044
Glenn	0.003	62	23,198
Mendocino	0.003	156	58,434
Humboldt	0.003	190	74,551
Yuba	0.003	143	56,478
Monterey	0.002	837	337,692
Modoc	0.002	12	5,118
Plumas	0.002	15	8,750
Mono	0.001	8	5,566
Colusa	0.001	27	19,285
Alpine	-		46

Investment Fund Management

[The AG has not determined RFP contract deliverables for an investment consultant, who, in turn, will assist, advise, and perform tasks to maximize investment strategies and management

including ways to eventually scale this program to include all foster youth and children born into low-income households.]

Pull from draft rfp language but keep high level

C. Program Plan Management

HOPE will contract with a program management firm to administer enrollment, verification, and record keeping related to the establishment of accounts, allocation of funds, and reporting on account financial health and growth, as well as advising on ways to eventually scale this program to include all foster youth and children born into low-income households. Key criteria for program management will include the capacity to provide trauma-informed customer service in a manner that is accessible to youth in multiple languages and the ability to work with community assisters. This is because we expect many children will come to us through community outreach, often not knowing or having documentation about the details necessary to enroll. The program manager must be able to work with community partners as well as through interagency data sharing partners to leverage the information that children or their community assisters will be able to provide to complete and verify necessary records and provide helpful customer service to ensure that the child is able to engage with the program successfully.

Describe here that will be pooled account, not individual accounts

D. Administrative Oversight/Reporting

The board shall submit a written annual expenditure plan detailing proposed uses of funding to the Department of Finance and the Joint Legislative Budget Committee by October 1 of every year. To the extent the board's administrative costs will or are projected to exceed 5 percent, the board shall submit a written request, in addition to the annual expenditure plan, for the release of additional funding for administrative costs and the necessity to exceed 5 percent to the Department of Finance and the Joint Legislative Budget Committee. The Department of Finance may provide funds for administration of the program that exceed 5 percent, not sooner than 30 days after notifying, in writing, the Joint Legislative Budget Committee, or any lesser time determined by the chairperson of the joint committee, or the chairperson's designee.



E. How do we define success? Evaluation

F. Process for regulations, include a timeline

Part VI: Recommended budget and statutory changes

The HOPE Governing Board also envisions a future where, as a state, we invest in the future of all low-income children. Working to meet the needs of our two starting cohorts- long term foster youth and COVID bereft children- is helping us to build program infrastructure that is trauma informed and can meet the needs that children have when they are at the intersection of poverty, racism, immigration status, public health crises, and destabilized familial structures.

The Following are Statutory Change Needed Before Implementation/Distribution:

- 1. Change the name from HOPE.** The CalHOPE program already exists, and this is causing extreme confusion for stakeholders for both programs. Potential names discussed include CalFuture, , CalASPIRE, CalACHIEVE, and CalFoundation. These options have been vetted to ensure no duplication of names with another state entity or program.
- 2. Distributions should not count as income or “resources” for any purposes.** Funds withdrawn by or distributed to HOPE beneficiaries should be excluded from income and resources 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. In addition, monies in these accounts should be subject to inflation to ensure the monies continue to match with the economy at any time.
- 3. Include primary caregivers within COVID deceased, not just parent or legal guardian.** This is especially important for ‘nontraditional’ family structures, such as children who live with grandparents or other relatives or friends who have assumed primary care without formal adoption or guardianship procedures.
- 4. Expand the current section of eligible foster youth to include unaccompanied Minors in the custody of the Federal Office of Refugee Resettlement (ORR).** Unaccompanied minors, in the federal ORR program, who reside in California are not included in the current legislation. W&IC section 300 and 601,602 stipulate a dependent through state juvenile court. Unaccompanied minors in the ORR are in the custody of the federal jurisdiction and has not gone through state courts for dependency.

5. **Expand COVID bereaved eligible children to include children whose household income falls to the level of qualifying them for MediCal upon the death of the parent, guardian, or primary caregiver.**
6. **Create a way to identify children who might be eligible for HOPE by adding a check box on death certificates to indicate when death is as a result of COVID-19 or long COVID and the deceased is survived by minor children.**
7. **Clarify that COVID bereaved children are eligible when COVID or long COVID are a listed as an underlying cause of death on a death certificate.** We have learned that death certificates will list both cause (heart attack) and underlying cause (COVID). However, the CDC only issued a standardized code for long covid on death certificates in December 2022. Death as a consequence of long term COVID-19 is increasing beyond the expiration of the federally declared emergency. [Long COVID is 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.”
8. **Allow signed attestation to establish eligibility for enrollment where official documents are unavailable.** 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.
9. **Add a voting seat on the HOPE Governing Board, one for a person who has been in foster-care for 18 months and one for a person who 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.

The Following are Budgetary Recommendations to Explore for Expansion of the Program

HOPE Board recommends the Legislature discuss and explore potential budgetary infusions, along with long-term sustainable revenue sources, to allow for the growth of the program to seed every child born into low-income households in California eventually.

California Budget and Policy Center estimates for necessary amount of capital needed to grow to all households with children born into Medi-cal is approximately \$3-3.5 billion

Revenue sources may include:

- one time budget appropriation of \$3 billion to cover all children ongoing who are born in to Medi-cal households
- issuing low risk bonds of varying maturation dates
- continuing to invest current money in the fund in Treasurer and CDs/other financial tools.
- legislate a wealth tax.
- encumber federal COVID relief dollars for the use of the program.

The Following outlines Regulations Timeframe & Needs:

After the report has been submitted to the Legislature, and after cleanup legislation has been enacted to create and preserve the eligibility, outreach, data sharing, privacy, and investment requirements needed to stand up the Program, HOPE Executive Director, Program Manager, and other staff are signed up to take the Office of Administrative Law's Regulations Writing course.

This information will be utilized to work with the Board on standing up the Program's mission, and ensure we encompass the initial regulations needed and what will be potentially needed as we look toward expansion.