



Hope, Opportunity, Perseverance, & Empowerment (HOPE) for Children

Office of State Treasurer Fiona Ma, CPA 901 P St, Suite 411B Sacramento, CA 95814

May 16, 2025

AGENDA ITEM # 4

ACTION ITEM

HOPE, OPPORTUNITY, PERSEVERANCE, AND EMPOWERMENT (HOPE)

for Children Trust Account Program BOARD

Resolution No: 2025-03-Resolution to Establish an Annual Review Process for Distribution Amount

Background

HOPE staff recommends establishing an annual review and approval process in August of every year to confirm, adjust, codify the allocation amount for eligible trust accounts. This process will ensure that resources are distributed equitably to the enrollees and that future potential amounts reflect financial realities for eligible enrollees and program needs. The State releases its budget in July which would reflect all changes to allocations agreed upon by the Governor and Legislature. Payments to enrolled participants are contingent upon the annual budget allocation.

Staff wants to reiterate the intention is not to change the amount annually, but to establish a process for review as is authorized in statute to proactively ensure the Board has all tools available in the event a change is ever warranted. The Board is considering the available market data, future revenue sources, and any other relevant information that could potentially impact the HOPE Fund.

Recommended information to be used to Determine the Annual Distribution Amount:

The Board shall use a variety of information and forecasts when reviewing the annual amount to be distributed to trust accounts of enrollees turning 18 per calendar year. This information includes, but is not limited to:

- Current funds available in HOPE's pooled trust account



- Expected long-term investment returns and risks for the pooled trust account
- Current and expected enrollment levels
- Ongoing expected annual appropriations
- Ongoing expected philanthropic contributions
- Annual rate of Inflation for the previous 12 months and expected long-term inflation
- Other revenue sources identified by Board and staff
- Current inflation rate and expected long-term inflation
- Expected ability of the HOPE Program to achieve and maintain intergenerational equity
- Funds set aside in Program Administrator Account for distribution to 18+ cohort

Presenter

Kasey O'Connor, Executive Director, HOPE

