



Executive Director's Report

September 22, 2025

Executive Summary

Through the first three quarters of 2025, the ScholarShare Investment Board (SIB or Board) has continued to scale the **CaKIDS Program**, strengthen partnerships, expand outreach, and drive measurable results in participation and account claiming. Significant progress has been made in both **Program growth** and **operational infrastructure**, positioning SIB as a national leader in children's savings account (CSA) programs.

SIB has also seen continued growth in ScholarShare 529. The Plan is on pace to have another year of growth in both assets and accounts.

CaKIDS

- Accounts Created: 5,098,090 as of June 30, 2025.
- Accounts Claimed: 48% increase in total accounts claimed in Program Year 3 compared to Program Year 2.
- Funds Used: \$53.4 million applied to higher education expenses, with the majority at California Community Colleges.
- Investment Returns: Accounts earned between 3.01%–14.17%, reinforcing long-term value.
- Launched new Spokesperson Partnership

Marketing and Outreach

- Statewide Rebrand (Fall 2024): Transitioned CalKIDS from “college savings account” to “scholarship,” significantly improving resonance with families.
- Campaign Reach: 25 million+ impressions through BARÚ Advertising campaign.
- Text Messaging Campaign: Partnered with CalWORKS, sending 1.7 million targeted notifications to eligible families.
- Local CSA Awards Program: Supporting 11 county-based programs to align local efforts with statewide strategy.

Partnerships and Regional Engagement

- Riverside County Office of Education: Early pilot results show higher linkage rates between students and CalKIDS Accounts.
- California State University, Sacramento (Guardian Scholars): Initiated working group to model campus-level integration.
- Shifting Engagement: Moving to a regional model to emphasize opportunities.
- John Burton Advocates for Youth will partner with SIB on implementing the expansion of the additional contribution to all qualified foster youth.

Data Partnerships

- California Student Aid Commission
 - SIB is coordinating a data partnership with the California Student Aid Commission (CSAC).
 - SIB will provide CSAC with information of students age 14 and older and CSAC will use this information to connect students applying for financial aid with their CalKIDS account.
 - This partnership will benefit both SIB in increasing participation and CSAC in serving as a trusted source for students.
- Cradle 2 Career
 - SIB is coordinating a data partnership with California's new Cradle-2-Career (C2C) Data System.
 - SIB will provide C2C with information to identify if CalKIDS participants attend a California Community College (CCC). C2C and the CCC Chancellor's Office will use this information to support outreach efforts in connecting students to their CalKIDS Scholarships.
 - This partnership will benefit both SIB in its outreach efforts and C2C in leveraging its new database to support California programs.

Operational and Strategic Initiatives

- Organizational Restructuring:
 - Initiated reorganization to improve operational efficiency, establishing new leadership hierarchy and creating a more robustly organized unit.
 - Hiring process begun for the three (3) additional positions granted in the approved budget change proposal. These positions include a manager and two (2) analyst positions
- HOPE Program Launch (Interagency Agreement):
 - Proposal evaluation for Program Administrator RFP underway.
- Philanthropic Engagement:
 - Ongoing discussions with the Charles Steward Mott Foundation and other philanthropic partners to support the California Early Wealth Account System (CEWAS) and future funding streams.
- Research & Evaluation:
 - Collaborating with UCLA CaKIDS Institute and University of Washington researchers on early outcomes.
 - Data analysis continues to guide refinements in messaging and account claiming strategies.

California Early Wealth Landscape

- April 9, 2025 SIB co-hosted California's first ever California Early Wealth Account System (CEWAS) Summit in April 2025 bringing over nearly 200 educators, policy leaders, and non-profit administrators together to discuss statewide opportunities for early wealth building through programs like CalKIDS.
- SIB continue to work closely with the Early Wealth Account Community as we endeavor to expand public / private partnerships, increase philanthropic interest in the programs and connect Californians with resources.

Contracts

From May through August 2025, three (3) contracts and one (1) contract amendment was signed under the Executive Director’s delegation authority.

| Service | Contractor | Term | Maximum Cost |
|--|---|---------------------|----------------|
| Call Center Services for CaKIDS | Foundation for California Community Colleges | 06/01/25 – 05/31/27 | \$2,805,494.00 |
| Annual Membership to College Savings Plans Network | National Association of State Treasurers | 08/01/25 – 06/30/25 | \$7,050.00 |
| Salesforce Configuration and Training Service | AVATAR IT Solutions, Inc. | 08/19/25 – 12/31/25 | \$43,800.00 |
| Printing and Mailing Services for CaKIDS* | CA Dept. of General Services – Office of State Publishing | 09/01/22 – 12/31/25 | \$4,834,177.56 |

*Amendment

Contracts

Marketing and Outreach Purchase Orders

From May – August 2025:

- 10 marketing and outreach purchase orders processed
- Purchase orders (PO) totaled \$18,875
- POs consisted of partnerships and events with organizations that include:
 - League of California Cities; California Special Districts Association
 - National College Resources Foundation; Schoolhouse Connection; Four Winds of Indian Education
 - Orange County Department of Education/California Multi-Tiered System of Support (MTSS); Riverside County Office of Education;
 - CA Association of School Counselors; National College Attainment Network
 - Community College League of California

Legislative Update

Federal Legislation

- H.R. 1 (Arrington)
 - Introduced 5/20/25
 - This bill, the One Big Beautiful Bill Act:
 - Makes permanent the provision that allows for non-taxable rollovers from 529 plans to an ABLE account.
 - Expands the expenses eligible for tax-free withdrawals from 529 plans to include (1) certain additional expenses related to elementary, secondary, or homeschool education, and (2) tuition, fees, books, supplies, equipment, and other expenses related to the enrollment or attendance in a recognized postsecondary credentialing program.
 - Increases to \$20,000 (from \$10,000) the limit on distributions from a 529 plan used in connection with enrollment or attendance at an elementary or secondary school.
 - Establishes a new type of tax-advantaged account (an individual retirement account (IRA) but not a Roth IRA), called a Trump account, for individuals under 18 years old.
 - Authorizes a one-time federal government deposit of \$1,000 into a Trump account for individuals born after 12/31/24 and before 1/1/29.
 - Signed by the President and became law on July 4, 2025 (Public Law No: 119-21)

Legislative Update

State Budget

- **Senate Bill 101 (Wiener); Budget Act of 2025**
 - The budget bill for fiscal year 2025-2026 was approved by the Governor and Chaptered by the Secretary of State on June 27, 2025 and approved SIB's request for the addition and funding of three (3) new positions to support its programs.
- **Assembly Bill 102 (Gabriel); Budget Act of 2025**
 - The budget bill, amending the Budget Act of 2025 for fiscal year 2025-2026, was approved by the Governor and Chaptered by the Secretary of State on June 27, 2025 and re-appropriated a one-time \$6.1 million allocation to support funding associated with new requirements in AB 2508 (McCarty, 2024) to add more CalKIDS accounts for foster youth.

Legislative Update

State Budget

- Assembly Bill 123 (Committee on Budget); Higher Education Budget Trailer Bill
 - This higher education budget trailer bill was approved by the Governor and chaptered by the Secretary of State on June 27, 2025 and outlines the following new requirements related to CalKIDS.
 - Commencing with the 2025–26 school year, the governing body of a local educational agency (LEA) is required to provide each student and their parent or legal guardian with information about CalKIDS and the student’s potential eligibility for the Program.
 - For the 2025–26 to 2029–30 fiscal years, the Board is required to partner with the San Diego Unified School District, in addition to the Riverside County Office of Education, to explore ways to increase participation in CalKIDS, and in collaboration with those LEAs, to submit a report to the Department of Finance and the Legislature on or before September 30, 2029.
- Assembly Bill 121 (Committee on Budget); Education Omnibus Budget Trailer Bill
 - This education budget trailer bill was approved by the Governor and chaptered by the Secretary of State on June 27, 2025 and outlines a new requirement to related to add CalKIDS to a list of financing options for postsecondary education to be taught in state financial literacy curriculum framework.

Legislative Update

State Legislation

- **Senate Bill 529 (Choi)**
 - Introduced on 2/20/25
 - This bill, for taxable years beginning on or after 1/1/26, would allow a deduction for contributions made by a qualified taxpayer to the California 529 plan not to exceed either \$5,000 or \$10,000 and would require, in the case of any distribution in excess of qualified higher education expenses, that the aggregate amount of the deduction allowed that reduced the qualified taxpayer's gross income in any taxable year be added to the gross income of the qualified taxpayer in the taxable year of the distribution.
 - Failed passage in Senate Committee on Revenue and Taxation (5/14/25)
- **Senate Bill 657 (Niello)**
 - Introduced on 2/20/25
 - This bill would exempt from gross income distribution made from a long-term 529 plan during the taxable years beginning on or after January 1, 2025, and before January 1, 2030, that are paid in a direct trustee-to-trustee transfer to a Roth IRA, and would conform state tax law to those changes relating to federal law.
 - Held in Senate Committee on Appropriations (5/23/25)

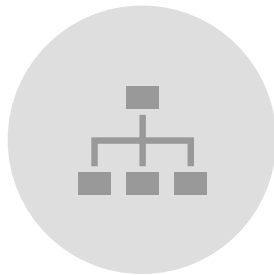
4th Quarter 2025 Priorities



Implement regional stakeholder engagement plan (San Diego, Sacramento Valley, Fresno, Los Angeles).



Scale targeted outreach strategies (texting, partnerships with CBOs, school boards, and elected officials).



Advance organizational restructure to strengthen leadership and operational capacity.



Finalize HOPE Program RFP and implementation plan.