

## Proposed HOPE Regulations

California Code of Regulations

Title 10: Investment

Chapter 16: California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program

Section 10500-11000

General

§ 10500 Definitions

(a) Except where additional definitions are provided here, all meanings of the terms defined in Section 18997.51 of the Welfare and Institutions Code ("WIC") apply wherever the same terms are used throughout this Chapter, including "Account," "trust account," "HOPE trust account," "Board," "Department," "Eligible Child," "Eligible Youth," "Family household income," "Fund," "HOPE Trust Account Program," "Program," and "Program Enrollee."

(b) "Consequence of COVID-19 or Long-Term COVID" means an illness, condition, or affliction that the U.S. Centers for Disease Control and Prevention or the California Department of Public Health has recognized as being a result of COVID-19 or Long-Term COVID.

(c) "COVID-19" means the illness caused by any variants of the virus SARS-CoV-2 recognized by the U.S. Centers for Disease Control and Prevention or the California Department of Public Health.

(d) "Decedent" means the Eligible Child's parent, Indian custodian, or legal guardian, who died during the federally declared COVID-19 public health emergency and their cause of death is listed as COVID-19 on their death certificate or they died as a medically recognized consequence of having Long-Term COVID.

(e) "Domicile" means the place where an individual has a true, fixed, permanent home and principal establishment, and to which place the individual has, whenever they are absent, the intention of returning. It is the place in which an individual has voluntarily fixed the habitation of themselves and family, not for a mere special or limited purpose, but with the present intention of making a permanent home, until some unexpected event shall occur to induce the individual to adopt some other permanent home. Another definition of "Domicile" consistent with the above is the place where an individual has fixed their habitation and has a permanent residence without any present

intention of permanently removing therefrom.

(f) "Eligible Child" means a minor resident of California who is under 18 years of age, is not emancipated from their parent, Indian custodian, or legal guardian, and meets one of the eligibility qualifications set forth in WIC Section 18997.51(d)(1) or (2).

(g) "~~Qualifying f~~Family ~~H~~household ~~I~~income" means the ~~annual~~ income of the family household, ~~prior to the death of the Decedent~~, defined in WIC Section 18997.51(d)(1) as ~~the "one or more persons, all of whom are related by marriage, birth, adoption, or guardianship," including the income of the decedent, income of parents, Indian custodian, or legal guardian, which~~ was equal to or less than the amount that made the child in that household eligible for Medi-Cal benefits under ~~WIC~~ Chapter 7 (commencing with Section 14000) of Part 3 ("Medi-Cal for Children") ~~during the prior calendar year in which the decedent parent, legal guardian, or Indian custodian died or in the calendar year prior to their death.~~

(h) "Financial ~~e~~Education and ~~m~~Money ~~m~~Management ~~t~~Training ~~s~~Services" means to teach ~~eligible P~~program ~~E~~enrollees how to develop financial skills and practices, through efforts such as workshops, classes, seminars, coaching, and mentoring, that maximize economic autonomy, including, but not limited to, how to build wealth,; budgeting for short and long-term goals,; identifying opportunity costs,; saving, establishing, using, and maintaining credit,; investing and managing investments,; protecting and insuring assets for future benefit,; and applying for and navigating government, nonprofit, and other programs that support building their income and wealth.

(i) "~~Long-Term~~ COVID" means the long-term effects caused by any variants of SARS-CoV-2, also known by terms including post-acute sequelae of COVID-19 (PASC), chronic COVID, ~~L~~ong-COVID, long haul COVID, long hauler COVID, post-acute sequelae SARS-CoV-2 infection, post COVID, post COVID syndrome, post COVID condition (PCC), or any variation thereof that has been recognized by the ~~U.S.~~ Centers for Disease Control ~~and Prevention~~ or the California Department of Public Health.

(j) "Medi-Cal for Children" means California's Medicaid health care program under the Welfare and Institutions Code, Chapter 7 (commencing with Section 14000) of Part 3.

(k) "Program Enrollee" means an Eligible Child who has been enrolled in the program and an Eligible Youth who was enrolled as an Eligible Child in the Program and has not terminated their participation.

(l) "Residency in California" means ~~any of the following:~~ an individual who is Domiciled in the State.

(1) Adjudged a dependent child of the juvenile court on the grounds that the child is a

person described by WIC Section 300, or the child has been adjudged a ward of the juvenile court on the grounds that the child is a person described by WIC Sections 601 or 602;

(2) A dependent child of the court of an an Indian tribe, consortium of tribes, or tribal organization who is the subject of a petition filed in the tribal court pursuant to the tribal court's jurisdiction in accordance with the tribe's law and the tribe has notified the California Department of Social Services about the child's status as a dependent child under the tribal court;

(3) The child, and one parent, Indian custodian, legal guardian, or primary caregiver, have a significant connection with California other than mere physical presence and substantial evidence is available concerning the child's care, protection, training, and personal relationships in California, as demonstrated by records relating to children such as school records, medical records, childcare documentation, and by records relating to adults such as utility statements, employment paystubs, California state issued driver's license, and California vehicle registration.

(g) "Primary caregiver" is a person who has assumed a major long-term role in a minor child's life as would a parent, Indian custodian, or legal guardian by meeting the child's needs in the areas of physical and emotional health, safety, and well-being and ensuring that the child has access to necessary housing, medical, social, and educational services, and that, for the purposes of the HOPE program, can provide necessary documentation relating to a child's eligibility and facilitate the child's participation in the program.

(h) "Qualifying disbursement account" means a checking, savings, or prepaid card account that is subject to 12 CFR Part 1005 (Regulation E) and is either solely owned by the eligible youth or has been established by a fiduciary for the eligible youth as the sole principal beneficiary.

(j) "Qualified nonminor" is a person who is 18 years old or older at the time of enrollment in the HOPE program who met all eligibility criteria under WIC Section 18997.51(d)(1) or (d)(2) when they were under 18 years old.

NOTE: Authority cited: Welfare and Institutions Code (WIC), Sections 18997.5 and 18997.52.

Reference: Welfare and Institutions Code (WIC), Sections 300, 601, 602, 1400, 11400, 11403, 14000, 14005.64, 18997.5, 18997.51, 18997.52, 18997.58, and 18997.59, Title 42 of the United States Code (USC) Section 9902, Title 18 California Code of Regulations Section 17014.

§ 10501 Eligibility

(a) Eligibility for HOPE trust accounts under WIC ~~s~~Section 18997.51(d)(1), Covid-bereaved, will be determined by establishing all of the following factors:

(1) ~~Covid-19~~COVID-19 related death of ~~parent, Indian custodian, or legal guardian;~~ ~~The parent, Indian custodian, or legal guardian~~ ~~the Decedent~~ must have died on or after March 1, 2020, the beginning of the national emergency concerning the Novel Coronavirus Disease (COVID-19) Outbreak, 85 Fed. Reg. 53, 15337 (March 18, 2020) as shown by ~~one of the following:~~

(~~A~~) ~~A~~ death certificate that states the date of death and that the cause ~~or underlying cause~~ of death was COVID-19, ~~long COVID,~~ ~~or a consequence of COVID-19~~ ~~or~~ ~~medically recognized consequence of~~ ~~Long-Term~~ COVID; or

(~~B~~) A signed statement under penalty of perjury of ~~an~~ ~~qualified nonminor,~~ ~~Eligible Child's~~ ~~a~~ ~~minor's~~ living parent, Indian custodian, ~~or~~ legal guardian, ~~or~~ ~~primary caregiver~~ that states the date of death and that the cause ~~or underlying cause~~ of death was COVID-19, ~~long COVID,~~ or a ~~medically recognized~~ consequence of ~~COVID-19~~ ~~or~~ ~~Long-Term~~ COVID, along with documentation that the person was diagnosed or was in the process of being diagnosed with COVID-19 or ~~Long-Term~~ COVID.

(2) ~~The child's or youth's age, residency in California, and relationship with the decedent at the time decedent's death;~~ The ~~Eligible~~ ~~e~~Child ~~or~~ youth to be enrolled must have been under 18 years old and a resident of California when the ~~e~~Decedent died, and the ~~e~~Decedent must have been their parent, Indian custodian, or legal guardian. These facts may be determined by ~~reference to any combination of~~ ~~one or more of the documents listed below:~~

(~~a~~) (~~A~~) U.S. or foreign government documents pertaining to the ~~Eligible~~ ~~e~~Child ~~or~~ youth, or their parent, Indian custodian, or legal guardians, such as birth certificates, medical records, passports, voter registration, vehicle registration, drivers' licenses, or school records;

(~~b~~) (~~B~~) Records that demonstrate the ~~Eligible~~ ~~e~~Child's ~~or~~ youth's ~~r~~Residency in California as defined in ~~herein;~~ ~~in Section 10500 (I)~~; or,

(~~c~~) (~~C~~) ~~A~~ signed statement affirming the information provided under ~~s~~Section 10501 (~~a~~) (~~2~~) (~~B~~) ~~2000~~ (~~a~~) (~~1~~) (~~2~~) is true and accurate and to be signed by ~~the~~ ~~a~~ ~~qualified nonminor,~~ ~~Eligible Child's~~ parent, Indian custodian, ~~or~~ legal guardian, ~~or~~ ~~primary caregiver~~ under penalty of perjury.

(3) ~~Qualifying fFamily hHousehold iIncome~~ eligibility as defined in Section 10500 (a); This may be determined by reference to any of the following:

~~(a)~~(A) Current enrollment of ~~a~~ the Eligible Child child in the household in Medi-Cal for Children, prior to the death of the Decedent;

~~(b)~~(B) family household Sstate or federal income tax records of the Eligible Child's Decedent;

~~(c)~~(C) Current enrollment of the Eligible Child in a local, state, or federal program that had the same or lower income qualification as that required by Medi-Cal for Children in that same year, prior to the death of the Decedent;

~~(d)~~(D) Information obtained through the Income and Eligibility Verification System (IEVS);

~~(e)~~(E) Verification of income by a local, state, or federal government agency that the fFamily hHousehold iIncome was equal to or less than that required for Medi-Cal for Children eligibility; or

~~(f)~~(F) uUpon the inability to determine these facts in (a)-(e) in this sSection, a signed statement under penalty of perjury of the minor's Eligible Child's parent, Indian custodian, or legal guardian, or primary caregiver by the qualified nonminor that the fFamily hHousehold iIncome was equal to or less than that required by Medi-Cal for Children in the year prior to the eDecedent's death.

(b) Eligibility for HOPE trust accounts and annual deposits under WIC sSection 18997.51 (d)(2), foster eligibility, will be determined by the California Department of Social Services using data derived from its data systems.

(1) The requirement that an eEligible eChild under this sSection must reach at least 18 months in care may be met by adding up the total time in care and need not be consecutive.

(2) Program eEnrollees who become dependents or wards of the court under WIC Section 300, or Section 601, or 602, after being reunified with their parents, adopted, or placed in legal guardianship, shall not be required to reach an additional 18 months in care to be eligible for additional deposits to their HOPE trust account.

(c) Eligibility for withdrawal or transfer of funds from HOPE trust accounts may be determined by reference to documents listed in Section 10501 (a)(2)2000(a)(2) that

identify the eEligible Youth's 18th birthday.

NOTE: Authority cited: Welfare and Institutions Code (WIC) Section 18997.52.

Reference: Welfare and Institutions Code (WIC) Sections 18997.5 and 18997.51.

## § 10502 Enrollment

(a) HOPE program administrators shall work with the Department of Social Services, the Department of Public Health, and other California state and local government agencies to verify all eligibility criteria except for information that can only be provided by the potentially eEligible eChild, an Eligible Youth qualified nonminor, or their living surviving parent, Indian custodian, or legal guardian or primary caregiver.

(b) HOPE administrators shall ~~else~~ use information provided by, but not limited to, potentially eEligible eChildren, their parent, Indian custodian, or legal guardian or primary caregiver, or Eligible Youth, qualified nonminors, as well as state, county, local, and tribal government agencies, and community organizations to identify potentially eEligible eChildren.

(c) Upon verification of eligibility, HOPE shall enroll eEligible eChildren and Eligible Youth qualified nonminors, create HOPE trust accounts for them, and begin making annual deposits to those accounts.

(d) Denial of enrollment and appeals process:

~~(1) Parents, Indian custodians, legal guardians, and primary caregivers of children who were denied enrollment, as well as youth 18 years old and over who were denied enrollment as a qualified nonminors, may submit a written appeal within sixty (60) days of denial. The appeals should be sent to: HOPEforChildren@treasurer.ca.gov with the subject heading: HOPE eligibility appeal.~~

~~(2) The appeal must include information or documentation that was not previously submitted. Appeals will be heard, considered, and responded to within sixty (60) days of the receipt of the notice of appeal.~~

(1) Upon determination that an applicant does not meet eligibility criteria, HOPE staff shall submit a Notice of Action (NOA) form via mail or email informing the applicant, and the applicant's surviving parent, legal guardian, or Indian custodian that the applicant does not meet eligibility criteria. The NOA shall include:

(A) The name of the applicant that was denied enrollment.

(B) The date of application.

(C) The date of denial.

(D) A reason for denial.

(E) A description of the appeals process.

(2) Within sixty (60) calendar days from date of postmarked letter of denial or date of sent email, the applicant or their parent, Indian custodian, or legal guardian, may submit a written appeal. The appeal must be sent electronically via email to: HOPEforChildren@treasurer.ca.gov with the subject heading: HOPE eligibility appeal or may be mailed to the address identified in the NOA.

(A) The request for appeal must include the original NOA, along with the letter explaining why the decision is inaccurate.

(B) Provide any supporting information or documentation that was not previously submitted to HOPE.

(3) HOPE staff will review the submitted information or documentation and make a determination of eligibility.

(A) Within sixty (60) calendar days from the date the appeal was received, HOPE staff will submit a final determination to the appellee or their surviving parent, Indian custodian, or legal guardian, using the NOA via mail or email that will either confirm the original denial of enrollment or overturn the denial and enroll the applicant into the HOPE program.

NOTE: Authority cited: Welfare and Institutions Code (WIC) Sections 18997.5, 18997.52, and 18997.54. Reference: Welfare and Institutions Code (WIC) Sections 18997.51, 18997.54, and 18997.58.

## § 10503 Deposits

(a) With the consent of the HOPE Board of Directors, the HOPE eExecutive eDirector will establish or modify the amount and timing of annual deposits to HOPE trust accounts to maximize the number of eProgram eEnrollees, participation by eEligible eChildren and their autonomous wealth-building capacity, and the amount of funds deposited per account based on consideration of all of the following criteria:

(1) The number and age distribution of eProgram eEnrollees;

(2) Money available from the HOPE Fund and any other sources that may be used to make deposits in HOPE trust accounts;

(3) Ensuring that eEligible yYouth will be able to withdraw the maximum amount possible from their HOPE trust accounts upon reaching 18 years of age in amounts that adjust for inflation after calendar year 2025; and

(4) Grants, gifts, appropriations, and other money received from federal, state, or local government or any other person, firm, partnership, corporation, or other entity for deposit to the fund.

NOTE: Authority cited: Welfare and Institutions Code (WIC) Sections 18997.5 and 18997.52  
Reference: Welfare and Institutions Code (WIC) Sections 18997.51 and 18997.52

§ 10504 Disbursement

(a) The amount of money requested and available in an eEligible yYouth's HOPE trust account will be disbursed to a qualifying disbursement account on or after their 18<sup>th</sup> birthday. No funds shall be dispersed prior to age 18.

(b) Eligible yYouth must request all funds in their HOPE trust account before their 27<sup>th</sup> birthday.

(c) After the Eligible Youth's 27<sup>th</sup> birthday, any and all unused monies in the Eligible Youth's HOPE trust account shall be re-deposited into the HOPE Trust Fund to be dispersed to other eligible HOPE trust accounts.

NOTE: Authority cited: Welfare and Institutions Code (WIC) Sections 18997.5 and 18997.52 Reference: Welfare and Institutions Code (WIC) Sections 18997.5 and 18997.59

## § 10505 Notification and Acknowledgement

(a) HOPE shall ensure that all ~~p~~Program ~~e~~Enrollees and, if they are still under 18, their parent(s), ~~Indian custodian(s), or~~ legal guardian(s), ~~or Indian custodian(s), or primary caregiver(s)~~ will receive notice that they have been enrolled in the HOPE program within three months of enrollment and again once a year.

(1) For ~~p~~Program ~~e~~Enrollees determined to be eligible under WIC ~~s~~Section 18997.51 (d)(2), notice may be ~~made~~ via agreement with ~~the California Department of Social Services CDSS~~ ~~or~~ and tribal authorities to distribute the required information to ~~p~~Program ~~e~~Enrollees, their parent(s), legal guardian(s), ~~or~~ Indian custodian(s), ~~or~~ ~~primary caregiver(s)~~.

(2) For all other ~~p~~Program ~~e~~Enrollees, notice shall be ~~sent~~ by mail or email directly to the ~~p~~Program ~~e~~Enrollee, their parent(s), legal guardian(s), ~~or~~ Indian custodian(s), ~~or~~ ~~primary caregiver(s)~~.

(b) ~~The n~~Notice shall include the amount that has been deposited in the ~~p~~Program ~~e~~Enrollee's HOPE trust account, the first and last dates when the ~~p~~Program ~~e~~Enrollee will be eligible to withdraw from their HOPE ~~trust~~ account, ~~as well as~~ the amount of money expected to be available for withdrawal on those dates, how to access financial planning and management services, and ~~a~~ description of the ~~p~~Program ~~e~~Enrollee's rights and responsibilities, including their right to use the funds as needed without restriction.

(c) ~~The n~~Notice shall also instruct ~~p~~Program ~~e~~Enrollees and, if they are still under 18, their parent(s), legal guardian(s), ~~or~~ Indian custodian(s) ~~or primary caregiver(s)~~, how to acknowledge receipt of this information via the HOPE Trust Account Dashboard, email, or mail.

NOTE: Authority cited: Welfare and Institutions Code (WIC) Section 18997.5.

Reference: Welfare and Institutions Code (WIC) Sections 18997.5, 18997.51, and 18997.57.

## § 10506 Online Eligibility Portal and HOPE Trust Account Dashboard

(a) HOPE will create and maintain an online eligibility portal that is accessible via ~~a mobile optimized website both a webpage and smart phone app~~ through which potentially eligible ~~pProgram eEnrollees~~ and their parent(s), legal guardian(s), ~~or~~ Indian custodian(s), ~~primary caregiver (s)~~, or others may provide the minimum information necessary to determine and verify their eligibility.

(b) HOPE will provide all ~~pProgram eEnrollees~~ access to a HOPE trust account dashboard accessible by ~~the mobile optimized website and smart phone app~~ that will state, at minimum, the amount in the ~~pProgram eEnrollee's~~ HOPE trust account, when ~~the pProgram eEnrollee~~ will be eligible to withdraw the funds, the amount expected to be available when the ~~pProgram eEnrollee~~ can first draw down monies available to them, the expected monetary total if the ~~pProgram eEnrollee~~ opts to leave the money invested in their HOPE trust account until they must withdraw it (prior to their 27<sup>th</sup> birthday), and how to access financial planning and management services.

(1) The HOPE trust account dashboard shall be accessible by the ~~pProgram eEnrollee~~ as well as their parent(s), legal guardian(s), ~~or~~ Indian custodian(s), ~~or primary caregiver (s)~~, until the ~~Pprogram E~~enrollee turns 18.

(2) Upon turning 18, the ~~pProgram eEnrollee~~ will have sole access and may opt to provide another adult access to their HOPE trust account dashboard.

~~NOTE: Authority cited: Welfare and Institutions Code (WIC) Section 18997.5.~~

~~Reference: Welfare and Institutions Code (WIC) Section 18997.59.~~

§ 10507 Data Collection, Privacy, and Confidentiality

(a) The HOPE program administrator or its designee may request, gather, and maintain demographic information regarding eEligible eChildren, eProgram eEnrollees, and eEligible yYouth in the HOPE trust accounts program, such as gender, race or ethnicity, geographic location, language, and general income level, in order to improve the administration of, and services provided by, the HOPE program. Such information may be voluntarily provided by the eProgram eEnrollee, their parent(s), legal guardian(s), or Indian custodian(s), or primary caregiver (s).

(b) Any information compiled pursuant to this Section shall be maintained by the Board and protected consistent with the requirements of the Information Practices Act of 1977. (Civil Code Section 1798, et seq.)

NOTE: Authority cited: Welfare and Institutions Code (WIC) Section 18997.5.

Reference: Welfare and Institutions Code (WIC) Section 18997.58. California Civil Code (CIV) Section 1798.

§ 10508 Fund Management and Investment [reserved]

§ 10509 HOPE Financial Education and Money Management Training Services

(a) HOPE pProgram eEnrollees are eligible to receive fFinancial eEducation and mMoney mManagement tTraining sServices as defined in Section 10500(h) through HOPE partnerships on or after their 13th birthday until age 30.

(b) The HOPE program shall offer these services to eligible pProgram eEnrollees through partnerships with government, community-based, nonprofit, social entrepreneur, and other similar service providers.

(c) Service providers will be selected for partnerships based on their capacity to provide age-appropriate, trauma-informed, and evidence-based curricula and mentorship services that help pProgram eEnrollees develop a plan for maximizing their economic autonomy and wealth building capacity.

(d) HOPE will regularly review partnerships for quality of performance and ongoing sustainability.

[NOTE: Authority cited: Welfare and Institutions Code \(WIC\) Section 18997.5.](#)  
[Reference: Welfare and Institutions Code \(WIC\) Section 18997.5.](#)