



## **Work Plan for 2024-2026**



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## Timeline

### 2024

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#### May

- Establish Subcommittees
  - Philanthropic Leadership - **Completed**
  - Financial Education Partnership - **Completed**
  - COVID Bereaved Outreach Partnership - **Completed**
  - Youth Ambassadors – **In Transition**
- Board approval of proposed regulations

#### June

- Select Investment Consultant and Financial Education and Money Management Program Consultant – **Contract approved July**
- Meet with Stanford Impact Labs (SIL) - **Completed**

#### July

- Issue a Notice of Proposed Actions (NOPA) packet that includes draft regulations and an Initial Statement of Reasons to the Office of Administrative Law (OAL) - **Completed**
- Draft Charters for subcommittees – **in process**

#### August

- Complete Request for Information (RFI) for Program Administrator - **Completed**
  - Post Request for Proposal (RFP) for Program Administrator – **in process**
- Onboard Investment Consultant and Financial Education and Money Management Program Consultant - **Completed**
- Submit drafted Charters to subcommittees- **in process**

#### September

- Close 45-day comment period
  - Post amended NOPA pending public comments



- Complete data sharing agreements for the California Department of Health (CDPH), California Department of Social Services (CDSS), and the Franchise Tax Board (FTB)
- Choose Program Administrator

#### October

- Submit final rulemaking action (regulations) to OAL
- Final Passage of Statutory Changes
- Establish Interagency Agreements (IA) with CDPH and CDSS

#### November

- Approval of regulations by OAL while making actions

#### December

- Start developing a website or App Portal
- Finalize IA with CDSS and CDPH
- Onboard Program Administrator

### **2025**

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#### Year Long Goals

- Raise remaining funds needed from finalized philanthropic sources
- Continue work partnerships with financial planning and education providers and mentors
- Continue work with SIL

#### January

- SB 242 becomes effective
- Final regulations effective
- Begin COVID-bereaved outreach efforts in hard-to-reach areas



## July

- Finalize Website or App portal
- Create the first HOPE accounts using data from CDSS

## **2026**

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### Year Long Goals

- Continue
  - raising funds to meet financial needs
  - COVID-bereaved outreach efforts in hard-to-reach areas
  - work with Stanford Impact Labs

### January

- Formally launch the HOPE Program
- Collaborate with CDSS for enrollee outreach and guidance to access funds

### May

- Establish Risk Assessment Subcommittee

### November

- Review the performance of the investment consultant and program administrator

## **2027**

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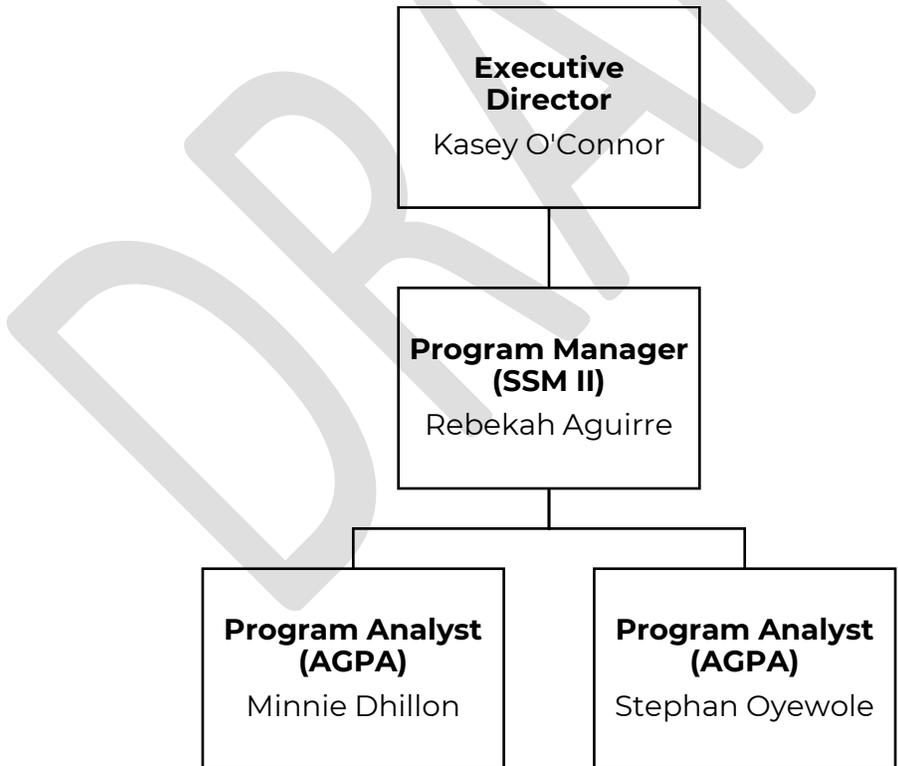
### January

- Measure the first year of impact with SIL



## Organization Chart

**HOPE for Children Trust Account Program Board**  
**State Treasurer, Chair Fiona Ma, or Proxy**  
**Department of Finance or Proxy**  
**State Controller's Office or Proxy**  
**Governor Appointee: A public member with expertise on financial empowerment and consumer protection**  
**Governor Appointee: A public member who has experienced childhood poverty**  
**Senate Appointee: An individual with expertise in poverty alleviation and the racial wealth gap**  
**Assembly Appointee: An individual with investment expertise**  
**Governor Appointee: Additional nonvoting/advisory member**  
**Governor Appointee: Additional nonvoting/advisory member**





## **Work Plan for Initial Implementation**

### **1. Introduction and Program Overview**

The California Hope, Opportunity, Perseverance, and Empowerment (HOPE) Trust Account for Children Program provides individual accounts with an investment of approximately \$4,500 (in 2025 dollars) to eligible children, specifically those from very low-income families who have lost a parent or guardian to COVID 19 or long-COVID (“COVID-bereaved”) and children who have been in foster care for at least 18 months (“long-term foster children”) and family reunification services have been terminated or the child entered foster care after 16 years of age. This amount was decided upon after input from our advisory workgroup, research among COVID bereaved heat map and Medi-Cal map, data from CDSS, and collaboration with the California budget and policy center to examine available funds and possible investment opportunities and came up with \$4500 per youth.

The HOPE program aims to create opportunities, economic autonomy, hope, and promote intergenerational wealth and asset building for eligible children as one of California's many strategies to reverse our state's record level of inequality.

We will accomplish this by:

- a. Providing each eligible youth with a trust account they can access from the moment they turn 18 years of age or up to age 27.
- b. Providing each eligible youth the opportunity to partner with a financial mentor and access other financial planning services to learn best practices for managing, investing, growing, and utilizing their funds until they turn 30 years old.

In the first year of operation, the HOPE program will create accounts for approximately 58,500 youth. We expect to develop accounts for approximately 10,000 eligible children a year after that and continue enrolling eligible children on a continuous flow basis.

### **2. Needs Assessment and Market Analysis**

There is a critical need for California's most vulnerable and at-risk youth to receive support and access to wealth to better set them up for future wealth building. Thousands of California's children in low-income families lack access to wealth, which studies show is the most significant predictor of future financial success, even more so than simply making higher wages. The Russell Sage Foundation



Journal of the Social Sciences, August 2021, Vol. 7, No. 3, Wealth Inequality and Child Development: Implications for Policy and Practice (August 2021), further noted that access to wealth is the most significant predictor of the future financial success of a child. Yet, the opportunity to build wealth is out of reach for children growing up in poverty. Despite decades of statewide economic growth, nearly a third of Californians, including over 1.5 million children, are living in or near poverty.

Two primary populations will be served: (a) youth who have lost a parent or guardian to COVID-19 or long-COVID and whose family household income prior to the death of that parent or guardian would have qualified the youth for Medi-Cal for Children and (b) youth who have been in county or tribal foster care for 18 months or more.

#### Needs of COVID-Bereaved Youth

There is a clear and compelling need for the HOPE program among COVID-19 bereaved youth. During the COVID-19 pandemic, child poverty more than doubled from 5.2% to 12.4% from 2021-2022, the most significant one-year increase ever. COVID-19 has disproportionately impacted Latine/ Hispanic and African Americans ages 18 to 34, as well as women and immigrants in low-wage jobs. Due to long-standing wealth and income inequalities among these populations, they had fewer resources to fall back on when the COVID-19 pandemic abruptly reduced their incomes, be it due to illness, mandated shutdowns, or both. Children who lost a parent or primary caregiver are particularly vulnerable.

There are an estimated 8,000 to 10,000 children who have lost one of their parents or legal guardians from COVID-19 and whose household income, prior to that person's death, was low enough to qualify them for enrollment in Medi-Cal for Kids. For these kids, their low household income and lack of wealth are compounded by the loss of a parent. Studies show that children who have lost a parent ("bereaved children") are at higher risk of academic failure, depression, alcohol and substance misuse, violent crime, suicide attempts, suicide, and premature death from any cause and may have a higher likelihood of becoming incarcerated youth.

#### Needs of Long-Term Foster Youth

There is also a clear and compelling need for the HOPE program among long-term foster youth. In California, the high cost of living creates an additional barrier to success upon leaving the foster system for the 70.4% of foster youth who live below the poverty line. These systemic barriers are a leading factor in 31% of transition-age foster youth experiencing homelessness. Unfortunately, without sufficient support, foster youth are vulnerable to incarceration; a study conducted by the Children's Data Network and the California Department of Justice found that 43% of individuals arrested/ booked before age 25 had faced childhood abuse or neglect. Meanwhile, the proportions of Black and Native American youth in foster



care are around four times larger than their share of the California youth population overall.

Children who are in foster care for over 18 months and no longer receive parental reunification services (“long-term foster children”) are the least likely to be adopted, which means they will most likely transition from foster care into adulthood. Statistically, they are more likely to have 50% lower earnings and 20% lower employment rates by age 27 than a sample of young adults with similar levels of education. As one-third experience homelessness.

### Market Analysis

Beyond the direction of the HOPE board of directors, two other groups of experts—the HOPE Advisory Workgroup and the HOPE Youth Panel of Experts—have provided critical analyses of the needs of the two populations HOPE is meant to serve.

The HOPE Advisory Workgroup was convened on January 31, 2023, to work in coordination with the HOPE Board on the program design, including, but not limited to, data sharing with relevant governmental agencies and departments, outreach to families of eligible children, and the process for program enrollment and continuous measurement of outcomes of the HOPE trust accounts. Over 40 subject matter experts and community leaders joined the Advisory Workgroup, including representatives from the agencies named in the statute as necessary to the design process, such as 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, and the Department of Corrections and Rehabilitation. Other participants include community stakeholders with knowledge and experience in poverty alleviation, youth development, access to banking for underbanked individuals, asset building, closing the race-wealth gap, consumer protections, and wealth coaching; representatives of county human services agencies; representatives of county child welfare workers; tribal leaders and representatives of tribal service providers, tribal advocates, and tribal members; and, representatives of the foster youth advocacy community with personal experience in the foster system, as required by statute.

The HOPE program could not adequately be designed without significant direction from a set of youth most likely to be beneficiaries. The HOPE Program consultant worked with leading advocates at Ending Poverty in California (EPIC), Marked By COVID, and GRACE-End Child Poverty in California to recruit twelve young people into the HOPE Youth Panel of Experts (YPE). To protect their privacy, their names and identities are kept confidential except as noted with the permission of those who have reached at least 18 years old.



The YPE 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 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 Latine. They are from Sacramento, Kern, Merced, Contra Costa, San Diego, Los Angeles, San Bernardino, and Alameda counties. The youth have been candid during the youth retreats and meetings. The youth all shared their experiences during the retreats. In addition, the youth were able to help identify or recommend areas for outreach, including providing input with Loma Media Partners as it pertains to narrative design for outreach materials and much-needed youthful input for social media platforms. Many of the youth expressed interest in continuing this work. As such, a youth ambassador subcommittee will be formed to continue providing input to the HOPE Board. It should be noted that Treasurer Ma will pass out certificates to each of the youth who served on the Youth Panel of Experts in recognition of their work.

(EPIC, GRACE, and Pa'lante Collaborative have provided all the resources necessary to recruit and convene the YPE members. This has included the cost of outreach, scheduling, hosting, feeding, facilitating, and travel, as well as housing and compensation for all youth. HOPE will create a Panel of Youth Ambassadors to maintain youth involvement. The proposed legislation would create a seat on the board of directors for youth with lived experience.)

### **3. Annual Goals and Objectives**

HOPE plans to start enrolling youth in July of 2025. To accomplish this, HOPE will meet the following goals no later than 2026:

- a. Publish program regulations through the Office of Administrative Law by 2025
  - i. Draft regulations and accompanying documentation shall be submitted by October 2024 to ensure regulations are adopted per this timeline.
- b. Contract the technical expertise necessary to administer the program, including an investment consultant and program administrator, by September 2024.
  - i. As of June 25, 2024, the HOPE Program staff have selected the Investment Consultant and the Financial Education and Money Management Program Consultant. The Financial Program Consultant is charged with designing the Financial Education and Management component of the HOPE Program
  - ii. All contractors selected shall have a proven track record of success incorporating DEI and ESG goals into their programs and work structure.
- c. Establish a website and/or an app portal by July 2025 for program enrollees and the adults that they trust to learn about their account, including the amount of



money in it, its expected growth rate, the financial planning services available to them, learn about ways the fund can help them secure their financial futures, and opportunities to connect to other HOPE youth so they can support one another once the Program Administrator is onboarded.

- d. Educate and enroll the approximately 58,500 children who will be eligible for HOPE accounts, including hard-to-reach children like tribal foster youth, children who do not have—or whose parents or guardians do not have—social security or individual tax identification numbers, children in rural areas, and children who are impacted by incarceration. The initial enrollment will occur in July 2025.

The objectives are broken down by calendar year and topics to support our three-year goals further. Our objectives for the respective calendar years are to:

## **2024**

### **Implementation Guidelines and Regulations**

- Complete Charters for subcommittees - July 2024
- Submit final program regulations - October 2024
  - Board approved proposed regulations at the May Board meeting with amendments proposed at the board meeting.
    - Amendments included important components such as DEI, ESG, and youth representation with lived experience.
- HOPE will submit a Notice of publication on the economic and fiscal impact of July 2024.
- 45-day comment period completed - September 2024.
- Final Statement of Reasons - July 2024.
- HOPE Board approves final regulations – May 2024
- Office of Administrative Law to approve regulations - November 2024
- Regulation adopted and enacted - January 1, 2025.
- HOPE Staff is working to pass SB 242 (Skinner), which would clean up the HOPE statute and include important changes to ensure HOPE monies are not counted as income or subject to garnishment. The amendments would also clarify the necessary data to enroll eligible youth.
- SB 242 also expands the HOPE board to include two new members with lived experience
  - The effective date will be January 1, 2025, when SB 242 formally goes into effect.
- Establish interagency agreements as needed with the Department of Social Services, Franchise Tax Board, Department of Education, and the Department of Public Health
  - Initial meetings with Departments - April 2024



- Interagency agreements/contracts - October 2024
- FTB requires statutory changes that are currently being processed through SB 242 - which will be enacted on January 1, 2025

### **Administrative**

- Contract and onboard an investment consultant (6-month term) - August 2024
- Contract and program administrator (three-year term) - December 2024
- RFP for Program Administrator
  - Explore utilizing RFI for tailored information to include in the Program Administrator's RFP
  - RFP for Program Administrator shall embed an "Emerging Managers Program."
    - HOPE staff wants to underline the importance of looking at the size and scale and to support emerging managers who will invest funds on behalf of HOPE.
  - Issue RFP in August 2024 or after the RFI is completed.

### **Philanthropy**

- Determine the resources needed from philanthropic partners to conduct necessary outreach and provide financial planning and mentorship services effectively and sustainably for the next five years, raise 25% of that amount, and deploy funds required to achieve related annual objectives.
  - Initial planning will be through subcommittees - May 2024
  - Subcommittee will reach out to philanthropic partners ongoing through 2024.
- Design and secure funding for and establish partnerships with financial planning, education providers, and mentors.
  - Work with the Financial Education Partnership subcommittee - May 2024 and ongoing.
- Explore opportunities with nonprofits working with HOPE through the Committee to hire a Development Director whose sole priority would be to fundraise and meet philanthropic goals set by the Committee and the Board.

### **Marketing and Outreach**

- Develop outreach and education strategies and materials with our narrative design partners - HOPE staff meets weekly with Loma Media.
- Design outreach strategies to educate eligible children in low-income COVID-impacted communities and tribal foster children whose tribes do not report to CDSS about the HOPE program, when we expect to launch, how to know if you've been enrolled, and how to ensure you are enrolled if you qualify and have not been enrolled.



- Continue work to launch the Youth Ambassadors program so that youth with lived experience can continue to provide insight into program design and development.

### **Evaluation and Monitoring**

- Continue work with Stanford Impact Labs (SIL) on how best to utilize the grant awarded to HOPE for Evaluation Resources
  - The first meeting of Phase 2 took place June 24, 2024, with the SIL Team & HOPE Team
  - Grant to cover through 2027/28.

## **2025**

### **Continued Guidelines and Regulations**

- Update bylaws and regulations as needed to implement any statutory changes.
- Implement any statutory changes if needed.

### **Administrative**

- Create the first accounts based on CDSS data about eligible long-term foster youth, which is expected to be approximately 48,500 accounts.
  - Work with CDSS to inform each program enrollee and the appropriate adults that they have an account and how to access services.
    - Meetings between HOPE and DSS staff: May - July 2025 to finalize details needed in the Interagency Agreement to procure necessary data/information to enroll foster youth

### **Philanthropy**

- Continue working on fundraising needed monetary resources to support sustainable outreach, financial mentoring, and related services.
- Finalize partnerships with financial planning and education providers and mentors.
  - This piece shall be led by a Financial Education and Money Management Consultant to design the financial education component (RFP Contract selected in June 2024).
- The Philanthropy Subcommittee shall explore the Development Director role - outside of STO/HOPE Staff - to serve the Philanthropy Committee and nonprofits to raise philanthropic dollars for administrative and contract purposes

### **Marketing and Outreach**



- Begin to conduct outreach in low-income COVID-impacted communities and tribal foster children whose tribes do not report to CDSS and enroll as many of these children as possible - January 2025
- Finalize the website and app portal to allow youth and approved adults to access information about the accounts and the financial mentorship and other services available to the program enrollees – July 2025

### **Evaluation and Monitoring**

- Work with the evaluator to establish baseline measures for future evaluation of the impact of the HOPE program.
- Continue work with Stanford Impact Labs (SIL) on how best to utilize the grant awarded to HOPE for Evaluation Resources
  - The first meeting of Phase 2 took place June 24, 2024, with the SIL Team & HOPE Team
  - Grant to cover through 2027/28.

## **2026**

### **Continued Guidelines and Regulations**

- Update regulations as needed
- Implement any statutory changes or clean up language if needed.

### **Administrative**

- Formally launch the HOPE Program - January 2026
- Review the performance of the investment consultant and program administrator – December 2026
- Renew or contract with a different investment consultant and program administrator – December 2026

### **Philanthropy**

- Continue to raise resources from philanthropic sources to fund outreach, financial mentoring, and related services sustainably.
- Raise additional funds from philanthropic sources to increase the funds HOPE can provide to program enrollees.
- Work with the Governor’s Office to be on their Philanthropy Funders’ List.

### **Marketing and Outreach**

- Continue to reach out and educate potentially eligible youth, particularly low-income COVID-impacted communities and tribal foster children whose tribes do not report to CDSS and enroll as many of these children as possible.



### **Evaluation and Monitoring**

- Work with the program evaluator to measure the first year of the impact of the HOPE program.
- Create Risk Assessment Subcommittee – January 2026
- Continue work with Stanford Impact Labs (SIL) on how best to utilize the grant awarded to HOPE for Evaluation Resources
  - The first meeting of Phase 2 took place June 24, 2024, with the SIL Team & HOPE Team
  - Grant to cover through 2027/28.

## **4. Program Strategies**

HOPE's program strategies include administrative and programmatic strategies. A large piece of the programmatic strategy includes the subcommittees. The subcommittees include many stakeholders who strongly believe in HOPE's program intent, which is to help close the racial wealth gap and provide a new financial investment program catered to California's vulnerable children.

### **Leveraging HOPE's Subcommittees**

The HOPE Board authorized the advisory workgroup early in the implementation phase. This was primarily to assist in the implementation policy and ensure the report to the legislature included input from multiple stakeholders. The advisory workgroup has ceased now that the report was submitted. Subcommittees are being formed. As previously noted, these subcommittees will report to the board on best practices, recommended changes, and policies. The subcommittees will have vast knowledge, avenues of community outreach and connections, and philanthropy approaches. The subcommittees will also provide input into the development of regulations.

### **Administrative Strategies**

As previously noted, HOPE will seek to hire a program manager and investment consultant.

The plan manager will partner with Loma Media, and the initial collaboration will be with HOPE's investment consultant. The program manager will ensure that HOPE program participants receive trauma-informed customer service since many of them will have faced tremendous loss, including the death of a parent or removal from their families of origin without the likelihood of reunification. HOPE program participants are also more likely to be undocumented, impacted by the carceral system, multi- and non-English monolingual youth, victims of or vulnerable to identity theft, homeless, or have other comparable manifestations of



intersecting multiple socially and economically marginalizing forces. These children may often be hard to reach and stay in touch with over time. The plan manager will provide program management for the investment of funds to maximize the trust accounts. The plan manager will offer trauma-informed customer service, marketing, and fund distribution. HOPE staff will work diligently on developing regulations and working with Senator Skinner's office to pass SB 242, which will ensure further statutory changes are implemented.

## 5. Marketing Implementation Plan

HOPE's success in reaching all youth and ensuring high enrollment hinges on a comprehensive, multi-tiered approach. This strategy, which encompasses community and social media marketing, community engagement, and youth enrollment, is designed to leave no stone unturned.

### Community and Social Media Marketing

HOPE will work with internal STO communication staff on marketing strategies and use up-to-date data platforms such as LinkedIn. HOPE staff and STO internal and external staff will work closely with each other regarding onsite outreaches and ongoing communications such as webinars, Facebook marketing, and TikTok videos to speak to the need for HOPE funding and potentially reach eligible youth. In addition, HOPE has contracted with Loma Media Partners for narrative design with expertise in publications to targeted populations. Public education and outreach materials will be created with insight from the Youth Panel of Experts and designed to encourage and facilitate youth enrollment in and engagement with HOPE accounts utilizing themes of opportunity, economic autonomy, and wealth-building capacity. HOPE will also provide outreach materials to government agencies, tribal organizations, and non-profit community organizations to encourage, facilitate, and support child and youth enrollment in the program and ongoing support and engagement with HOPE accounts.

### Community Engagement

Given the lack of centralized information about income-eligible COVID-19 bereaved children, the HOPE program is embarking on a crucial mission of community outreach. Our goal is to ensure that every eligible youth is located and enrolled. To achieve this, we are targeting our outreach efforts at California counties with high COVID-19 deaths as a percentage of the population and large numbers of children enrolled in Medi-Cal for Children. This targeted approach underscores the urgency and importance of our mission.

Recognizing the absence of comparable programs like HOPE, the program's staff is committed to working with multiple state agencies through interagency



agreements. This collaborative effort is aimed at reaching youth in both foster care and impoverished areas, identifying eligible youth, and informing them of potential eligibility. The program has already begun the process of identifying target areas by using information from the Department of Public Health (DPH) data of households with annual incomes low enough to qualify for Medi-Cal and cross-referencing the percentage of COVID-19 deaths in those counties.

Youth Enrollment

One of HOPE’s newest subcommittees is the Youth Ambassador subcommittee. This subcommittee will work to identify effective ways to reach youth and is currently working with Loma Media on effective design materials. In addition, the program manager will work on the enrollment system to make it user-friendly. There will be two types of enrollments: automatic enrollment and manual enrollment. As noted, this type of program has never been offered before. As such, the only way to reach the COVID-bereaved youth will be through intensive community outreach. The COVID-bereaved youth can contact HOPE via phone, website, or email and will be directed to the website, where they can enroll manually.

**6. Budget and Funding Strategy**

The California Legislature Enacted 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 authorized an annual resource of \$15,000,000 to the HOPE for children, of which, 5% is authorized for administrative costs. Below is a breakdown of current and projected costs. Again, these are projected costs as HOPE is still in the early implementation stage. The projections are only for the next fiscal year and do not include projections for July 1, 2025.

DF-46 (REV 03/13)						
<b>Fiscal Summary</b>						
<i>(Dollars in thousands)</i>						
BCP No.	Proposal Title			Program		
1	Hope Act					
<b>Personal Services</b>	<b>Positions</b>			<b>Dollars</b>		
	<b>CY</b>	<b>BY</b>	<b>BY + 1</b>	<b>CY</b>	<b>2023/24</b>	<b>2024/25</b>
Total Salaries and Wages <sup>1</sup>		4.0	4.0		\$432	\$432
Total Staff Benefits <sup>2</sup>					<b>226</b>	<b>226</b>
<b>Total Personal Services</b>		4.0	4.0		\$658	\$658



<b>Operating Expenses and Equipment</b>						
General Expense				16		16
Printing				2		2
Communications				12		12
Postage				2		2
Travel-In State				4		4
Travel-Out of State						
Training				4		4
Facilities Operations				24		24
Utilities				4		4
Consulting & Professional Services: Interdepartmental <sup>3</sup>				60		60
Consulting & Professional Services: External <sup>3</sup>				1,162		1,162
Data Center Services						
Information Technology				24		24
Equipment <sup>3</sup>				28		28
Other/Special Items of Expense: <sup>4</sup>						
Marketing (This projection included the Loma Media contract in Consulting and not marketing)						
<b>Total Operating Expenses and Equipment</b>				\$1,342		\$1,342
<b>Total State Operations Expenditures</b>				\$2,000		\$2,000
Fund Source	Item Number					
	Org	Ref	Fund			
General Fund						
Special Funds <sup>5</sup>						
Federal Funds						
Other Funds (Specify)						
Reimbursements						
<b>Total Local Assistance Expenditures</b>				\$0		\$0
Fund Source	Item Number					
	Org	Ref	Fund			
General Fund						
Special Funds <sup>5</sup>						
Federal Funds						
Other Funds (Specify)						
Reimbursements						
<b>Grand Total, State Operations, and Local Assistance</b>				\$2,000		\$2,000

<sup>1</sup> Itemize positions by classification on the Personal Services Detail worksheet.

<sup>2</sup> Provide benefit detail on the Personal Services Detail worksheet.

<sup>3</sup> Provide list on the Supplemental Information worksheet.



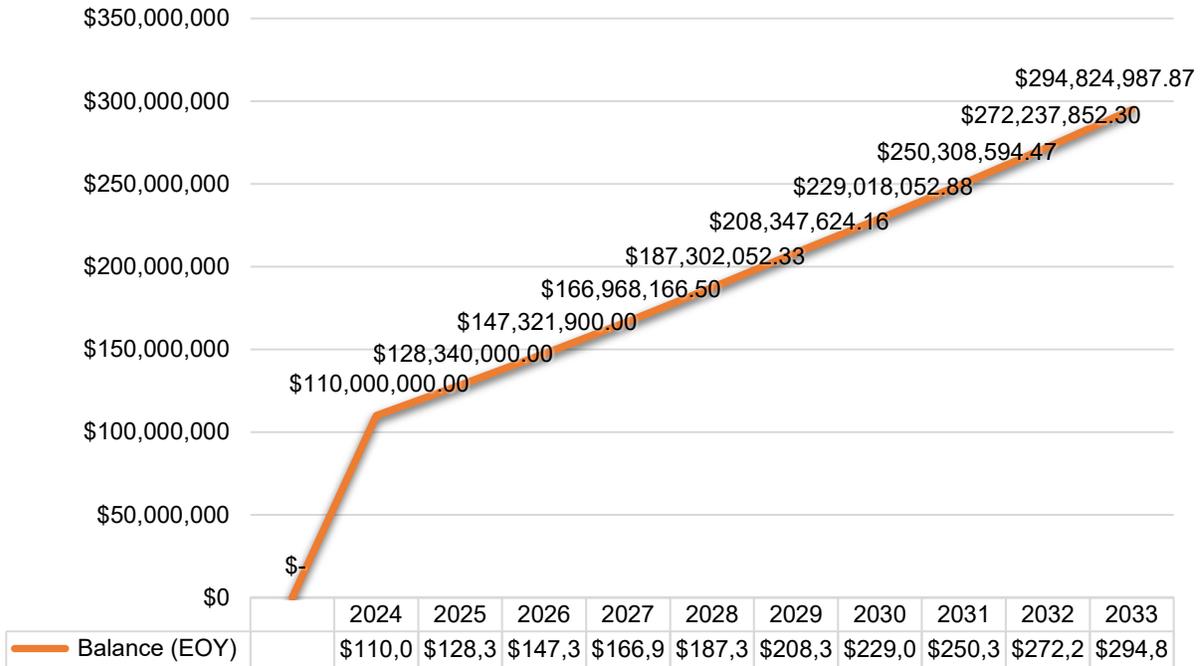
<sup>4</sup> Other/Special Items of Expense must be listed individually. Refer to the Uniform Codes Manual for a list of standard titles.

<sup>5</sup> Attach a Fund Condition Statement reflecting special or bond fund expenditures (or revenue) as proposed.

<b>Income</b>	<b>Balance Forward</b>	<b>Current Month</b>	<b>FY 23/24 Year To Date</b>
Fees	0.00	0.00	0.00
SMIF Interest	940,398.02	0.00	940,398.02
Misc. Reserves	0.00	0.00	0.00
Escheat Revenues	0.00	0.00	0.00
Transferred from Fund 001	15,000,000.00	0.00	15,000,000.00
Loans from General Fund	0.00	0.00	0.00
<b>Total</b>	<b>15,940,398.02</b>	<b>0.00</b>	<b>15,940,398.02</b>

<b>Expenditures</b>	<b>Balance Forward</b>	<b>Current Month</b>	<b>FY 23/24 Year to Date</b>
Prior Year Expenditures	0.00	0.00	0.00
Prior Year Expenditures	(188.18)	0.00	(188.18)
Current Year Expenditures	147,516.00	73,731.97	221,059.97
<b>Total</b>	<b>147,327.82</b>	<b>73,731.97</b>	<b>221,059.79</b>

## Account Balance



### Projection for the next 3 years

Additional \$500,000 for program admin is spread over three years, starting in 2025/26 (**\$166,667 per year**)

**Project for next 5 years** (up to 2030) years = ['2026/27', '2027/28', '2028/29', '2029/30', '2030/31'] = **\$ 833,333**

### Breakdown of the total increase:

- ❖ Total operating costs over 10 years: \$9,543,811.19
- ❖ Average annual operating costs: \$954,381.12
- ❖ Final year operating costs: \$975,383.12

### The Operating costs calculation over 10 years.

Year 1:  $\$806,000 \times 1.02 = \$822,120$   
 Year 2:  $\$822,120 \times 1.02 = \$838,402.40$   
 Year 3:  $\$838,402.40 \times 1.02 = \$854,859.28$   
 Year 4:  $\$854,859.28 \times 1.02 = \$871,494.19$   
 Year 5:  $\$871,494.19 \times 1.02 = \$888,312.23$   
 Year 6:  $\$888,312.23 \times 1.02 = \$905,319.47$   
 Year 7:  $\$905,319.47 \times 1.02 = \$922,525.14$



Year 8:  $\$922,525.14 \times 1.02 = \$939,935.53$

Year 9:  $\$939,935.53 \times 1.02 = \$957,552.77$

Year 10:  $\$957,552.77 \times 1.02 = \$975,383.12$

**Note:** The operating costs increase by 2% each year, resulting in a total increase of \$169,383.12 over the initial operating costs of \$806,000.

### Philanthropic Efforts

The HOPE program will offer financial mentorship and management through community-based organizations. The HOPE Act requires all but 5% of the funds to maximize the trust accounts. To provide these services and maximize the youth's accounts, finding other funding sources will be necessary. The HOPE fund may be able to create a charitable organization organized under government code 12580. This would allow the program to receive tax-exempt donations from private individuals, corporations, foundations, and others. These funds could be directed for any purpose the donor desires and acceptable to the HOPE board. The HOPE Board plans to reach out to philanthropy CEOs, donor-advised fund managers, and other potential private donors to formulate strategies to secure much-needed philanthropic support. This unique aspect of the HOPE Program allows the Board and staff to identify non-state or federal monies that can be utilized for future costs to ensure the HOPE Program is sustainable and can continue to serve new eligible youths.

Two new subcommittees include the Philanthropy subcommittee and the Financial Education Partnership subcommittee. Both subcommittees will seek out partnerships with community-based organizations and funders that will partner with HOPE, support HOPE's vision, and seek to maximize HOPE trust accounts.

## **7. Monitoring and Evaluation**

The HOPE program will contract with an external program evaluation partner with expertise on poverty and inequality in California to analyze its performance for accountability and learning. Evaluators may include anti-poverty researchers with expertise using quantitative and qualitative data collection and analysis of program design and administration and program impact. Special attention will be given to the effect that the HOPE program will have regarding the statute's expressed intentions of "creating opportunities, economic autonomy, and hope," promoting "intergenerational wealth and asset building," maximizing "autonomous wealth-building capacity," and helping to "reverse our state's record level of inequality." Evaluation partners may be required to establish baseline measures to enable the Board to draw precise impact measurements, such as



measures of financial success, such as employment and savings, for similarly situated children before and after participation in the HOPE program.

Since HOPE is not yet operational, there is no baseline to compare and evaluate. The areas identified to assess are:

- a. number of HOPE-eligible children enrolled annually for long-term foster children and income-qualified COVID-19 bereaved children,
- b. The value of deposits made per each account annually as well as the cumulative value of each account per child,
- c. The amount of funds withdrawn annually
- d. Success in attracting non-state partners and resources to support program outreach and service provision
- e. Voluntary survey data about the intended and actual use of funds,
- f. The number and types of services provided to program participants, including take-up rates and any measures of performance usually collected by service providers,
- g. Program changes as needed to expand eligibility.
- h. Voluntary survey data about HOPE participants' expectations about their economic futures collected near to program enrollment, annually, at the time of funds withdrawal and for up to five years after funds withdrawal

## **8. Community Engagement and Outreach**

As part of the HOPE Board meetings and advisory workgroups, we have started to identify COVID researchers, service providers, and support networks to partner with for outreach. The goal is to partner with those that have verified experience providing COVID relief to low-income families and can include community-based 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 be asked to operate within a data stewardship agreement of data protection, lessening the stigma for participating in programs and services.

Central to this outreach strategy will be the development of materials that speak effectively to the intended audience: HOPE-eligible children and the adults closest to them. Public education and outreach materials will be created with insight from the Youth Panel of Experts and designed to encourage and facilitate youth enrollment in and engagement with HOPE accounts utilizing themes of opportunity, economic autonomy, and wealth-building capacity. HOPE will also provide outreach materials to government agencies, tribal organizations, and non-



profit community organizations to encourage, facilitate, and support child and youth enrollment in the program and ongoing support and engagement with HOPE accounts. The HOPE program manager will present an annual marketing and outreach plan and collaborate with Loma Media on outreach materials that speak to HOPE-eligible youth.

## 9. Sustainability and Scalability

The HOPE program receives annual allocations of \$15,000,000, of which 5% is allocated for administrative purposes. The sustainability of this program will rely heavily on philanthropic outreach and community partnerships. WIC section 18997.52(4)(A-B) mandates the HOPE board to accept grants, gifts, and other moneys to the HOPE Trust Account Program. The intent is to provide ways to utilize nonstate moneys and maximize investments for the youth. HOPE staff will attend grant writing training and research for resources training in March 2024. The May 2024 HOPE board meeting will be informed and approve of the anticipated subcommittee, specifically the philanthropic subcommittee.

## 10. Partnerships and Collaboration

HOPE is very lucky to have a great group of partners and entities working with HOPE. The following is a list of HOPE’s partners. This list continues to grow as we seek out further partnerships.

Contact	Organization	Type
Madeline Brown	Urban Institute	Non-Profit
Salena Chow	California Department of Social Services	Government
KJ Jones	CA Health & Human Services Agency	Government
Greg Dawley	RBCCM	Volunteer
David Radcliff	New School	Academic
Naomi Zewde	UCLA - Fielding School of Public Health	Academic
Antionette Dozier	Western Center on Law and Poverty	Non-Profit
Valerie Earley	California Department of Social Services	Government
David Grusky	Stanford Center on Poverty and Inequality	Academic
Dianna Heimstadt	CA Tribal Families Coalition	Non-Profit
Anna Johnson	California Competes	Non-Profit
Joci Kelleher	Oakland Promise	Non-Profit
Sarah Larson	California Department of Corrections and Rehabilitation	Government
Alex Norring	California Department of Corrections and Rehabilitation	Government
Dana Morre	California Department of Public Health	Government



Sunni Dominguez	San Diego State University	Academic/Native
Dr. Vicki Mays	UCLA - Department of Psychology and Fielding School of Public Health-Health Policy & Management	Academic
Cynthia Gomez	CHIRLA/Coalition for Immigrant Rights	Non-Profit
Nicole Hisatomi	Dept of Financial Protection & Innovation	Government
Yesenia Jimenez	GRACE	Non-Profit
Sara Kimberlin	Stanford Center on Poverty and Inequality	Academic
Wendy Kinnear	Santa Clara County	Government
Shira Markoff	(formerly) Prosperity Now	Non-Profit
Diana Boyer	County Welfare Directors Association of California (CWDA)	Government
Eileen Cubanski	County Welfare Directors Association of California (CWDA)	Government
Jordan Sosa	California Youth Connection	Non-Profit
Cody Van Felden	John Burton Advocates for Youth (JBAY)	Non-Profit
Kristin Urquiza	Marked by Covid	Non-Profit
Angelica Salazar	GRACE	Non-Profit
Alissa Anderson	California Budget & Policy Center	Non-Profit
Christa Brown	San Francisco Foundation	Philanthropy
Sara Flour	Investment expert	Volunteer
Margaret Libby	MyPath	Non-Profit
Barbara Quan	Golden 1 Credit Union	Financial Institution
Pamela Riley	State Dept. of Healthcare Services (DHCS)	Government
Rosheena Duree	CWDA	Non-Profit
Christina Snider	Governor's Office of Tribal Affairs	Government
Patrice Berry	End Poverty in California (EPIC)	Non-Profit

## 11. Key Success Factors

The HOPE Act was approved on September 27, 2022. At that time, HOPE did not have staff. In 2023, with the board's approval, HOPE's executive director, Kasey O'Connor, contracted a consultant to work with the HOPE Advisory Workgroup, develop an implementation plan, and write the required report to the legislature (among other things) and hired a full-time program manager.

Today, the HOPE program is fully staffed. Some of the critical success factors include:

- a. HOPE has four full-time staff.



- b. In compliance with WIC sections 18997.55, HOPE submitted the Report to the Legislature, which was a huge undertaking.
- c. HOPE convened the governing board in February 2023.
- d. HOPE convened the advisory workgroups and sub-workgroups. To date, over 18 meetings have convened.

## **12. Risk Management and Contingency Plans**

As noted above, HOPE has not yet been fully implemented. As such, there are no current methods of evaluation and risk management. HOPE staff will conduct annual program evaluations with the contracted program manager. Key benchmarks for success will be created as the program is initiated. One very positive partnership: on February 9, 2024, HOPE submitted a letter of support for the Stanford Center on Poverty and Inequality (CPI). This will allow funding for Stanford to study the impact of the HOPE program and its efficacy. This will allow CPI to develop a baseline and impact metrics to examine how well the HOPE program meets the intent.

## **13. Top Areas of Focus to Succeed**

HOPE has the great fortune of being the newest board within the State Treasurer's Office. As such, we can make changes and build the program as intended. The critical factors to our success are threefold, as identified below.

### Community Outreach and Partnership

The primary factor of HOPE is our YOUTH. No mechanism in place allows us to track COVID-19 bereaved youth. As such, the HOPE Program will target its outreach to identify and enroll low-income COVID-19 bereaved youth geographically. HOPE staff has partnered with Loma Media Partners to make this program successful. In addition,

HOPE will conduct outreaches onsite in tribal areas and attend outreach events and forums statewide.

HOPE will also partner with state agencies to ensure data privacy and confidentiality. Currently, HOPE collaborates with the California Department of Public Health, the California Department of Social Services, the Department of Education, and the State Franchise Tax Board. We will enter into agreements to share data that will assist us in identifying COVID-19 bereaved youth.

### Investment Consultant and Program Administrator



At its meeting in August 2023, the HOPE Governing Board authorized the Executive Director to work with the Treasurer’s Investment Division to invest these funds into approved financial instruments through the Pooled Money Investment Account (“PMIA”) under statutory authority granted by Government Code sections 16430 and 16480.4 to maximize the amount of funds that will be available to be deposited into HOPE Accounts. The PMIA investment policy sets safety, liquidity, and yield as primary investment objectives. As of October 2023, when the investment of funds was finalized in collaboration with the Treasurer’s Investment team, the HOPE Fund expects to earn between \$5 and \$7 million through short-term investments before the program launches in 2025. While this seems modest, extrapolating the amount per account at \$4,500 back from this additional influx of monies from investments shows that the HOPE Program will potentially be able to seed a further 1,100 – 1,550 accounts from this investment upon its launch. That means HOPE can help an additional 1,550 impoverished children by utilizing the state’s investment tools.

In 2024, HOPE will also select an investment consultant who will work under the general direction of the California HOPE Program Executive Director and with HOPE staff, the consultant, the appropriate subcommittee, and the Board to create an investment plan that will include investment management goals, principles, and policies.

HOPE Board members and staff have begun to educate leaders in California’s philanthropic community, including the Senior Advisor for Social Innovation of the Office of the Governor, about how additional private resources are needed to support the mission of the HOPE program. Such resources can be used to increase the amount of money that each program participant could receive, support outreach strategies, and sustain the ongoing provision of financial planning services to program participants.