



MEETING MINUTES
CALIFORNIA HOPE, OPPORTUNITY, PERSEVERANCE, AND
EMPOWERMENT (HOPE) for Children Trust Account Program HOPE
Governing Board Meeting
December 03, 2024

Chair Stephanie Tom called the meeting to order at 10:05 AM.

HOPE Board Members Present:

- Stephanie Tom for Fiona Ma, State Treasurer, Chair
- Michele Perrault for Joe Stephenshaw, Director, Department of Finance
- David Oppenheim for State Controller Malia Cohen
- Shimica Gaskins, President/CEO GRACE-End Child Poverty, Senate Appointee
- Robert Friedman, Founder Prosperity Now, Governor Appointee, Advisory Member (via teleconference)
- Camilla Chavez, Executive Director, Dolores Huerta Foundation, Governor Appointee, Advisory Member (via teleconference)

HOPE Board Members Absent:

- Jaime Lee, Jamison Group of Companies, Assembly Appointee
- Solana Rice, Liberation in a Generation, Governor Appointee
- Michael Tubbs, Founder of End Poverty in California (EPIC), Governor Appointee

HOPE Staff Present:

- Kasey O'Connor, Executive Director
- Rebekah Aguirre, Manager
- Minnie Dhillon, Analyst
- Sergio Reynoso, Intern
- Jacqueline Herrera, Intern (via teleconference)

State Treasurer's Office Staff Present:

- Monica Jimenez, Counsel, State Treasurer's Office

HOPE Board Consultants Present:

- Sonia Ruiz
- Janelle Booth



Call to Order and Roll Call

Chair Tom declared a quorum present.

Agenda Item 1

Approval of Minutes from September 12, 2024, HOPE Governing Board Meeting - Action Item)

The minutes for the September 12, 2024, HOPE Governing Board Meeting were presented to the Board.

Chair Tom called for public comments:
None.

Board Action

Motion to approve the minutes for the September 12, 2024, HOPE meeting.

MOTION:	Member Perrault	SECOND:	Member Oppenheim
AYES:	Members Perrault, Oppenheim, Gaskins, Tom		
NOES:	None		
ABSTAIN:	None		
ACTION:	MOTION PASSED		

Agenda Item 2

Executive Director's Report - (Information Item)

Executive Director Kasey O'Connor provided an update on legislative, operational, and strategic developments:

- **Legislation Update:** Senate Bill 242, containing cleanup language for the HOPE program, was adopted and will take effect January 1, 2025. Key elements include adding two board members with lived experience, indexing funds to inflation, mandating an independent audit, and codifying the annual expenditure plan due October 1.
- **Funding:** The program received \$15 million annually, with \$750,000 allocated for administrative purposes. The initial launch will focus on COVID-bereaved youth from the federally declared pandemic (ending May 11, 2023).



- **Youth Ambassador Program:** Plans are in place to vet candidates for the new board positions representing lived experience.
- **Operational Contracts:** Contracts with Loma were extended to focus on outreach materials, while RVK continues to provide investment consulting. Sage Financial Solutions is developing the financial education plan, valid through February 2025.
- **Data Collection:** Collaboration with the Department of Social Services and other agencies has identified 46,175 foster youth eligible for initial enrollment, with additional estimates for COVID-bereaved youth being refined.

Board members asked questions about inflation indexing, funding sustainability, and the data extrapolation process. Members Oppenheim and Perrault emphasized the need for careful planning to ensure equity and sustainability.

Agenda Item 3

Updated Board Meeting Procedures

Executive Director O'Connor presented a proposed schedule for six bimonthly board meetings in 2025, starting February 25. Tentative agendas include investment updates, expenditure plan approvals, and independent audits. The goal is to ensure efficient planning and readiness for program launch.

Agenda Item 4

Investment Recommendations and Update from Investment Consult-RVK Inc. – Information Item

Sonia Ruiz and Janelle Booth from RVK provided an overview of investment strategies:

- **Current Framework:** Investments are confined to PMIA guidelines, emphasizing low-risk, short-term fixed income.



First Objective: Provide eligible young adults, upon turning 18, with a stable and liquid income-generating option that allows them to grow their investment until they choose to withdraw, up to the age of 26.

Second Objective: For eligible children under the age of 18, establish a stable income-generating asset with a carefully managed, higher-risk profile compared to the first objective. The primary goal is to ensure the \$4,500 investment maintains its value by keeping pace with inflation.

- **Proposed Adjustments:** Consideration of higher-return options for long-term sustainability while maintaining equity among beneficiaries.

- **Key Discussion Points:**
 - Expanding investment options beyond PMIA guidelines to include diversified portfolios or public equities.
 - Offering beneficiaries financial education and potential investment choices post-18 years.
 - Comparison of withdrawal rates with CalKIDS
 - Ensuring sustainable fund management through regular stress tests and scenario planning.
 - Future Projections- While the Department of Social Services and other agencies have identified 46,175 foster youth eligible for initial enrollment, uncertainties remain regarding future projections of eligible youth.
 - Is the \$4,500 allocation sustainable in the long term? At what age are most youth likely to withdraw their funds?

RVK Recommendation: RVK proposed a pooled model, also known as the Permanent Fund Approach, in which the \$4,500 allocations for younger participants in the HOPE program are combined into a larger fund for investment. This approach promotes equity among all



enrolled children, regardless of enrollment timing, and simplifies account monitoring. However, drawbacks include the potential for younger participants to lose the opportunity to earn more than the initial \$4,500 and the absence of a "live" account balance available to children until they reach the age of 18.

Presentation to Board Members: Potential Investment Content for Web Account Views

Board members were presented with proposed designs for web account views, tailored to participants' age groups:

1. **For Participants Under 18:** The account view will display the estimated \$4,500, adjusted for inflation to reflect its value in the year the child turns 18.
2. **For Participants 18-26:** The account view will show the current account balance in real-time, along with the withdrawal deadline.

Both views will include information on the applicable yield rate.

Board members debated the merits of maintaining current conservative investment strategies versus exploring moderate risk options for younger cohorts with longer time horizons. They deferred action, directing RVK to prepare detailed scenarios for the next meeting.

Agenda Item 5 Resolution to Approve Request for Proposal for Program Administrator

Executive Director O'Connor presented the request for proposal (RFP) for the program administrator, emphasizing the following points:

- The program administrator is a critical contractor for the initial program launch and operations. Key responsibilities include data management, dashboard creation, appeals process oversight, and infrastructure building.



- The RFP includes provisions for diversity, equity, and inclusion (DEI) and emerging managers to ensure alignment with the program’s mission.
- The initial one-time startup cost of \$1 million covers infrastructure development, including a mobile-optimized website, data synthesis, and outreach materials. The ongoing annual cost is \$500,000 for a three-year contract with three optional one-year extensions.
- The California Department of Technology has been a collaborative partner, ensuring forward-thinking, secure data management solutions.

Board members raised questions about:

- The relationship between the program administrator and potential program consultants.
- The long-term sustainability of administrative costs and the need for off-ramp strategies after the initial contract period.
- The program’s ability to manage outreach, financial education, and operational efficiency within budget constraints.

After discussion, the board approved the resolution to release the RFP for the program administrator, incorporating suggestions for periodic budget reviews and performance evaluations.

Board Action

Motion to postpone Approve Request for Proposal for Program Administrator.

MOTION:	Member Perrault	SECOND:	Member Gaskins
AYES:	Member Perrault, Oppenheim, Gaskins, Tom		
NOES:	None		
ABSTAIN:	None		
ACTION:	MOTION PASSED		

Agenda Item 6 Amendment to Resolution #2024-02 to include verbiage for re-posting per the Administrative Procedures Act – Action Item



Executive Director O'Connor explained the need to amend Resolution 2024-02 to ensure clarity and prevent delays during the regulatory approval process with the Office of Administrative Law (OAL). The amendment included minor redline edits to clarify public noticing procedures following the comment period. Key points discussed were:

- The amendment ensures that any re-noticing for public comments does not require additional board approvals unless substantive changes are made.
- Legal Counsel Monica Ramirez highlighted the proactive approach to address potential concerns raised by OAL and clarified the resolution's language to meet higher regulatory standards.
- Executive Director O'Connor emphasized the importance of finalizing the regulations promptly to meet the program's launch timeline.

Board Action

Motion to Amend Resolution #2024-02 to include verbiage for re-posting per the Administrative Procedures Act.

MOTION:	Member Oppenheim	SECOND:	Member Perrault
AYES:	Member Perrault, Oppenheim, Gaskins, Tom		
NOES:	None		
ABSTAIN:	None		
ACTION:	MOTION PASSED		

Agenda Item 7

Resolution to Approve Documents for HOPE Participants – Action Item

Executive Director O'Connor noted the importance of incorporating insights from the program administrator and investment consultant into the development of the Program Bill of Rights. Chair Tom and board members agreed to postpone the discussion until mid-2025 to allow for sufficient input and alignment with strategic objectives.

Executive Director O'Connor proposed revisiting the item in April or August to ensure alignment with the strategic planning scheduled for June. Member



Oppenheim suggested revising the cross-program functionality statement to ensure compliance with federal and state guidelines, including FP4242 provisions. The board acknowledged the need for further refinements and deferred the item to a future meeting.

Board Action

Motion to postpone to amend Resolution #2024-02 to include verbiage for re-posting per the Administrative Procedures Act.

MOTION:	Member Oppenheim	SECOND:	Member Perrault
AYES:	Member Perrault, Oppenheim, Gaskins, Tom		
NOES:	None		
ABSTAIN:	None		
ACTION:	MOTION PASSED		

Agenda Item 8
Updates from Subcommittees – Information Item

Program Analyst Minnie Dhillon provided updates on all four subcommittees, which meet biweekly for approximately 45 minutes:

- **Philanthropy Subcommittee:** The subcommittee hosted its first hybrid funder briefing in Los Angeles, with 16 funders attending. Positive feedback was received, and future collaboration with the Outreach Subcommittee was emphasized to effectively utilize raised funds.
 - 2025 Goals:
 1. Secure \$1-5 million from 5-10 state/national foundation utilizing CEO-to-CEO solicitations
 2. Coordinate and qualify parallel local funding
 3. Establish appropriate funder committees and one or two combined funds to pool and administer grants
 4. Raise \$200,000-\$250,000 to support staffing expenses
 - Executive Director O'Connor highlighted the importance of building relationships with funders.
 - Discussion included exploring staffing options for a dedicated philanthropy coordinator, which would require future board approval.



- **Outreach Subcommittee:** Member Gaskins shared updates on strategies for raising program awareness and building trust, particularly among COVID-impacted children and families. Goals include:
 - Developing and distributing outreach materials, such as postcards, to schools and community partners.
 - trusted messengers and networks to create a sense of reliability and safety in accessing these resources
 - Facilitate easy access to HOPE accounts through interactive and community centric engagement methods to remove potential barriers to the application process
 - Providing resources like hotlines to support access and guidance for community members.
- **Financial Education Subcommittee:** The subcommittee is finalizing its financial education policy with input from a newly onboarded consultant.

2024 Accomplishments:

- Onboarded a financial education consultant to develop program policy
- Collaborated with Philanthropy Subcommittee for the October funder briefing
- Engaged community partners aligned with HOPE's financial literacy goals for enrollees

2025 Goals:

- Approving and implementing the policy in collaboration with the program administrator.
 - Identifying education providers and resources by region, based on data indicating areas of greatest need.
 - Working with the Philanthropy Subcommittee to secure funding for financial education initiatives.
- **Youth Advisory Subcommittee:** The subcommittee launched a Youth Ambassador Media Campaign, incorporating feedback from youth panels with lived experience. Upcoming initiatives include:
 - Developing a mentorship program and vetting candidates for two new board positions designated for individuals with lived experience.



- Utilizing intake forms to recruit youth at varying levels of involvement, from board membership to working groups.

Kristin Urquiza, representing Marked by COVID, praised the subcommittees for their efforts and highlighted strong interest from funders in supporting the program's initiatives.

Agenda Item 9

Summary of Board Direction – Information Item

Executive Director O'Connor provided a summary of board feedback and outlined the following action items:

- **Investment Planning:** The board will work closely with RVK to conduct stress tests for the \$150 million investment pool and ensure a robust evaluation process. Updates on progress will be shared at the next meeting.
- **RFP Submission:** The RFP for the program administrator will be submitted promptly, with interim updates provided to board members on its progress and any feedback received.
- **Meeting Procedures:** The board's meeting schedule for 2025 will be finalized, with outreach to members' offices to ensure alignment with individual needs.
- **Collaboration:** Executive Director O'Connor emphasized ongoing communication with board members to address specific priorities and ensure readiness for the new year.

She concluded by expressing gratitude for the board's collaboration and highlighting the program's continued focus on supporting children. To close, she presented a draft promotional video created in partnership with Loma, showcasing the program's mission and the voices of those it serves. Feedback on the video was welcomed.

Agenda Item 10

Public Comment

There was no public comment.



Agenda Item 11 Adjournment

Chair adjourned the meeting at 12:17 PM