

California Code of Regulations

Title 5: Education

Division 4.5: Scholarshare Investment Board

Chapter 3: California Kids Investment and Development Savings Program

Section 31010 Definitions Applicable to California Kids Investment and Development Savings Program

- (a) The following definitions shall apply within this Chapter:
 - (1) All definitions as stated in Education Code 69996.2.
 - (2) “CaKIDS Account” shall have the same meaning as “KIDS Account” as described in Education Code 69996.2.
 - (3) “Owner” means the ScholarShare Investment Board.
 - (4) “Financial Incentive” means any additional funds placed into a CaKIDS account not including a seed deposit or enhanced deposit.

Note: Authority cited: Section 69996.4, Education Code. Reference: Section 69996.2, Education Code.

Section 31011 Eligibility

- (a) The following Beneficiaries will be automatically enrolled into the Program:
 - (1) Each child born on or after July 1, 2022 to a California resident for whom the Board receives complete birth data from the California Department of Public Health pursuant to Education Code 69996.3(b) and the information described in subparagraph (b) below.
 - (2) Each child enrolled in grades one to 12, inclusive, on the California Department of Education census day of fiscal year 2021-2022 who meets the requirements described in Education Code 69996.9 (a)(1)(A) for which the Board received complete data pursuant to Education Code 69996.9(b)(1) and the information described in subparagraph (c) below will be eligible for the Program.
 - (3) Each child described in Education Code 69996.9 (a)(2)(A) and enrolled in first grade on the California Department of Education census day in Fiscal Year 2022-2023 and ongoing years who meets the requirements for which the Board receives complete data pursuant to Education Code 69996.9(b)(1) and the information described in subparagraph (c) below will be eligible for the Program.
- (b) In addition to the information required in subparagraph (a)(1) above, the Board will also require the following Beneficiary information:
 - (1) County;
 - (2) Local Registration Number.
- (c) In addition to the information required in subparagraphs (a)(2) and (a)(3), respectively, the Board will also require the following Beneficiary information:
 - (1) County;
 - (2) Statewide Student Identifier

Note: Authority cited: Section 69996.4, Education Code. Reference: Section 69996.3, Education Code. Section 69996.9, Education Code.

Section 31012 Deposits

- (a) Each Beneficiary enrolled at birth will receive a seed deposit of at least twenty-five dollars (\$25).
- (b) Beginning July 1, 2022, the Board may provide Beneficiaries enrolled at birth financial incentives as specified.
 - (1) A financial incentive of twenty-five dollars (\$25) may be placed into a Beneficiary's account when they or their parent or legal guardian register on the Program's online portal before the Beneficiary reaches the age of 12.
 - (2) A financial incentive of fifty dollars (\$50) may be placed into a Beneficiary's account when their parent or legal guardian opens and contributes to an individual ScholarShare 529 account and links that account to their KIDS Account through the Program's online portal before the Beneficiary reaches the age of 12.
- (c) Each Beneficiary described in Education Code 69996.9 will receive an enhanced deposit of five hundred dollars (\$500).
- (d) Each Beneficiary described in Education Code 69996.9 who is identified by the California Department of Education as homeless will receive an enhanced deposit of five hundred dollars (\$500).
- (e) Each Beneficiary described in Education Code 69996.9 who is identified by the California Department of Education as a foster youth will receive an enhanced deposit of five hundred dollars (\$500).
- (f) The Executive Director of the Board may establish or modify the structure for financial incentives for the Program based on the following criteria:
 - (1) Participation levels;
 - (2) Available funding;
 - (3) Grants, gifts, appropriations, and other moneys from any unit of federal, state, or local government or any other person, firm, partnership, or corporation for deposit to the fund.

Note: Authority cited: Section 69996.4, Education Code. Reference: Section 69996.3, Education Code. Section 69996.9, Education Code.

Section 31013 Notifications

- (a) Notifications shall be made based on data made available by the California Department of Public Health or the California Department of Education.
- (b) No more than 90 days after receiving the birth data from the California Department of Public Health, the Board will notify parents of each eligible newborn Beneficiary about the Program. The notification may be sent through mail, electronic mail, or text message communication based on the available information provided by the California Department of Public Health. The notification will be available pursuant to the requirements in Government Code 7295.2.
- (c) Subject to available funding and contact information made available by the California Department of Education, the Board will notify eligible school-age Beneficiaries or Participants through a delivery method described in subparagraph (b) above as determined by the Executive Director of the Board.

- (d) The Executive Director of the Board will use the following criteria to determine available funding:
- (1) Operational needs and available resources;
 - (2) Participation levels;
 - (3) Grants, gifts, appropriations, and other moneys from any unit of federal, state, or local government or any other person, firm, partnership, or corporation for deposit to the fund.

Note: Authority cited: Section 69996.4, Education Code. Reference: Section 69996.3, Education Code. Section 69996.9, Education Code.

Section 31014 Opt-Out

- (a) A Beneficiary, age 18 or older, may opt out of the Program, or a parent or legal guardian may opt their Beneficiary out of the Program, only by completing and signing the “CaKIDS Permanent Opt-Out Request” (Rev. July 2022), that is incorporated herein by reference.
- (b) By choosing to opt-out, the Beneficiary, parent or legal guardian forfeits any claim to a CaKIDS account and any rights conferred to Participants or Beneficiaries.
- (c) Opting-out of CaKIDS shall in no way prohibit a person from opening their own individual ScholarShare 529 account.

Note: Authority cited: Section 69996.4, Education Code. Reference: Section 69996.3, Education Code.

Section 31015 Access CaKIDS Account

- (a) Parents, legal guardians, or Beneficiaries may only register and access their CaKIDS account through the Program’s online portal at www.CaKIDS.org.
- (b) To access a CaKIDS account, parents, legal guardians, or Beneficiaries must have the following information available:
 - (1) Beneficiary’s date of birth;
 - (2) Beneficiary’s county of birth or as registered on the California Department of Education’s official Census Day for the academic year if the Beneficiary is enrolled at school-age;
 - (3) Either the Beneficiary’s Local Registration Number as displayed on the Beneficiary’s birth certificate if they are enrolled at birth, or Statewide Student Identifier if the Beneficiary is enrolled at school-age, or the uniquely generated code for that Beneficiary provided by the Board on notifications.

Note: Authority cited: Section 69996.4, Education Code. Reference: Section 69996.3, Education Code.

Section 31016 Claims and Withdrawal Process

- (a) A Beneficiary is eligible to file a withdrawal claim on or after they reach the age of 17.
- (b) Each Beneficiary with a CaKIDS account must file a withdrawal claim by the Beneficiary’s 26th birthday.
- (c) Beneficiaries may file a claim through the Program’s online portal at www.calkids.org, and providing all required information as follows:

- (1) Account name
 - (2) Amount to disburse
 - (3) Institution of higher education
 - (4) Student identification number
- (d) Beneficiaries making a withdrawal claim shall self-certify on the online portal that they have resided in the state of California for at least one year immediately preceding the payment of qualified higher education expenses on the Beneficiary's behalf

Note: Authority cited: Section 69996.4, Education Code. Section 69996.8, Education Code.
Reference: Section 69996.3, Education Code. Section 69996.7, Education Code.

Section 31017 Forfeiture of Account Funds

- (a) The following disqualifying events, if not disproved, will result in forfeiture by the Beneficiary:
- (1) The Beneficiary provided false or misleading information in registering or submitting a withdrawal claim for CalKIDS Account funds;
 - (2) The Beneficiary was incorrectly identified as eligible.
- (b) The Board shall provide the Beneficiary with written notice of the disqualifying event which, if not resolved, would result in forfeiture. The written notice shall inform the Beneficiary that they have thirty (30) days from receipt of the notice to resolve the disqualifying event before a final determination of forfeiture is made by the Executive Director of the Board and that funds will not be distributed pending resolution of the disqualifying event. If the Beneficiary receives an unsatisfactory final determination, they may appeal the determination. Such an appeal shall be submitted within thirty (30) days of receipt of the final determination.
- (c) After a final determination of forfeiture has been issued and no appeal has been submitted or the Board has upheld the final determination, the Board shall withdraw the forfeited funds and deposit the funds back into the Program.
- (d) Absent a successful appeal, if a Beneficiary does not use any portion, or all, of the moneys intended for the Beneficiary in a CalKIDS Account for a qualified higher education expense for any reason, including the death or disability of the Beneficiary, before the Beneficiary's 26th birthday, all deposits and financial incentives designated for the Beneficiary in a CalKIDS Account and any earnings from those moneys shall be forfeited and deposited back into the Program.

Note: Authority cited: Section 69996.4, Education Code. Reference: Section 69996.3, Education Code.

Section 31018 The Appeals Process

- (a) A Beneficiary may appeal to use the moneys designated for the Beneficiary in a CalKIDS Account after the Beneficiary turns 26 years of age. In the event that a Beneficiary wishes to appeal the determination of their eligibility to claim CalKIDS Account funds, such an appeal shall be submitted in writing and emailed to the Board at Appeals@calkids.org with the subject line "CalKIDS Appeal" no later than 90 days after the Beneficiary's 26th birthday, and shall include a signed and dated letter, including appropriate documentation, explaining the extenuating circumstances of why the CalKIDS account funds could not be used until after the Beneficiary's 26th birthday. The Board will mail or email a written decision to the Beneficiary, including the reason for the decision, within thirty (30) days unless SIB notifies the Beneficiary of a different timeline.

(b) In the event a Beneficiary is not satisfied with the resulting decision, the Beneficiary may request that the dispute be reviewed by the Executive Director of the Board. Such a request shall be in writing and shall be received by the Executive Director within thirty (30) days of the adverse decision. The Executive Director shall mail or email a written decision, and the reasons therefore, to the Beneficiary within thirty (30) days of the request for the review or such period as may be mutually acceptable. The decision of the Executive Director of the Board is the final administrative decision.

Note: Authority cited: Section 69996.4, Education Code. Reference: Section 69996.3, Education Code.