

1 H.448

2 Introduced by Representatives Krowinski of Burlington, Botzow of Pownal,
3 Buxton of Tunbridge, Carr of Brandon, Chesnut-Tangerman of
4 Middletown Springs, Christie of Hartford, Donovan of
5 Burlington, French of Randolph, Haas of Rochester, Long of
6 Newfane, McCormack of Burlington, Miller of Shaftsbury,
7 Olsen of Londonderry, O'Sullivan of Burlington, Pearson of
8 Burlington, Potter of Clarendon, Pugh of South Burlington,
9 Rachelson of Burlington, Till of Jericho, Toleno of Brattleboro,
10 Troiano of Stannard, Yantachka of Charlotte, and Zagar of
11 Barnard

12 Referred to Committee on

13 Date:

14 Subject: Education; commerce and trade; human services; Universal
15 Children's Savings Account Program

16 Statement of purpose of bill as introduced: This bill proposes to establish the
17 Universal Children's Savings Account Program administered by the Vermont
18 Student Assistance Corporation in partnership with one or more private
19 foundations.

1 An act relating to creating the Vermont Universal Children's Savings
2 Account Program

3 It is hereby enacted by the General Assembly of the State of Vermont:

4 Sec. 1. 16 V.S.A. § 2889 is added to read:

5 § 2889. VERMONT UNIVERSAL CHILDREN'S SAVINGS ACCOUNT

6 PROGRAM

7 (a) It is the policy of the State to expand educational opportunity for all
8 children. Consistent with this policy, the Vermont Student Assistance
9 Corporation shall partner with one or more private foundations to establish and
10 fund the Vermont Universal Children's Savings Account Program to expand
11 educational opportunity and financial capability for every child born in the
12 State.

13 (b) The Corporation shall establish the Program with the following
14 features:

15 (1)(A) With the issuance of each birth certificate for a child born in the
16 State, the Corporation shall establish a savings account on behalf of the child
17 through the Vermont Higher Education Investment Plan, created in chapter 87,
18 subchapter 7 of this title.

19 (B) Families shall be allowed to opt out of the Program.

20 (2) Except as provided in subdivision (3) of this subsection, upon
21 establishment of a savings account, the Corporation shall deposit \$250.00 into
22 the account.

1 (3) For a family with income less than 250 percent of the federal poverty
2 line, the Corporation shall provide:

3 (A) an initial deposit of \$500.00;

4 (B) an annual match of up to \$250.00 per year per account holder on
5 a one-dollar to one-dollar basis.

6 (4) Additional deposits into the account may be made by the account
7 holder, family, and other outside private and public entities.

8 (5) Subject to the requirements under chapter 87, subchapter 7 (Vermont
9 Higher Education Investment Plan) of this title, a withdrawal from an account:

10 (A) shall not be permitted until the account holder is 18 years of age
11 or has enrolled full-time in postsecondary education, including a college,
12 university, vocational school, or any two- or four-year degree program from an
13 accredited educational institution;

14 (B) shall only be permitted for qualifying postsecondary education
15 expenses, including tuition, mandatory fees, books, supplies, and equipment
16 required for enrollment or attendance, or for any other necessary cost of
17 attending school, including travel to and from school; and

18 (C) shall be made prior to the account holder's attaining 29 years of
19 age, provided that for a student who serves in a national service program,
20 including in the U.S. Military, AmeriCorps, or the Peace Corps, each month of
21 service shall increase the maturity date by one month.

1 (6) If a student does not use all funds in an account prior to 29 years of
2 age for a qualified expense, the Corporation shall return unused funds to the
3 Vermont Universal Children’s Savings Account Program Fund created in
4 subsection (d) of this section.

5 (7) A person otherwise eligible for any program of aid to elders,
6 disabled, or children shall not be subject to a resource limit based on savings
7 held in the account.

8 (c) State agencies, including the Agency of Education, the State Treasurer,
9 and the Agency of Human Services, in collaboration with existing statewide
10 community partners and nonprofit partners that specialize in financial
11 education delivery and have developed an available infrastructure to support
12 financial education across multiple sectors, shall develop and support programs
13 to support financial literacy of children in the Program and their legal
14 guardians throughout the length of the Program via mail, mass media, and
15 in-person delivery methods.

16 (d) The Corporation shall create a Vermont Universal Children’s Savings
17 Account Program Fund, which shall consist of public monies appropriated to it
18 by the General Assembly, and any gifts, grants, donations, or other monies
19 from private sources awarded to the Corporation for use in the Program. The
20 Corporation shall use monies in the Fund exclusively for the purposes of the
21 Program pursuant to this section.

1 (e) The Corporation shall annually release a written report with a detailed
2 description of the status and operation of the Program and management of the
3 accounts.

4 Sec. 2. EFFECTIVE DATE

5 This act shall take effect on July 1, 2015.