

MinneKIDS Act

HF2864 / SF2850
(Kotzya-Witthuhn) (Boldon)

Minnesota Kids Investment and Development Savings (MinneKIDS) Act

Jump start savings for **70,000** Minnesota babies each year

TOTAL FUNDING GOAL: \$16.3 million

MinneKIDS Seed Deposits: \$10.3 million

- \$50 for every baby statewide
- \$100 for every low-income baby statewide

Youthprise will serve as the program administrator (~\$570,000 per year)

Eligible Uses

- Technical and vocation school
- 4-year college and university
- Higher ed and nonprofit certificate programs, including business and entrepreneurship training

MinneKIDS Local Partnership Grants: \$6 million

Local communities can apply for grants to convene stakeholders, use for marketing, community engagement, and programming wraparound support, staffing for local coordination, or build the MinneKIDS account with additional deposits.

Expansion Grants: \$2 million

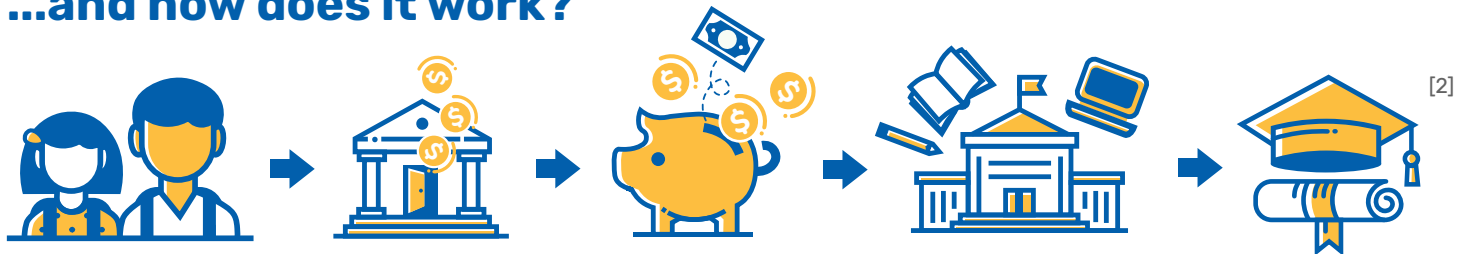
- Existing CSA programs apply to expand their program
- Require 1:1 match from nonstate sources

Startup Grants: \$4 million

- New communities interested in launching CSA
- No local match required
- Grants to 50% Twin Cities / 50% Greater Minnesota & Tribal Governments

What is Children's Savings Account (CSA)

...and how does it work?



FOR ALL MN KIDS

Helps low and moderate income **CHILDREN** begin their collegebound journey

OPEN ACCOUNT

Accounts-opened as early as birth are seeded with initial deposits

GROW SAVINGS

Accounts grow through family contributions and incentives such as savings matches

ATTEND COLLEGE / TRAINING

Savings help pay for postsecondary education. **3X** more likely to **ATTEND COLLEGE**

GRADUATE

Children with a college account with \$500 or less are **4X** more likely to **GRADUATE**

[2]

Impact from Cradle-to-Career

Research shows that even small amounts of college savings can have a big impact on the lives of students from low-income households.

1

Build collegebound identity ^[3]

2

Higher expectations for college and career ^[4]

3

Robust research on outcomes including education, health, parenting, and more ^[5]

Key CSA Program Design Elements

Equity

- Universal Eligibility
- Automatic Enrollment, with Opt-out Option

Support College-Going Identity & Building Savings for the Future

- Automatic Initial Deposit
- Ongoing Investment Over Time
- At-Birth Start

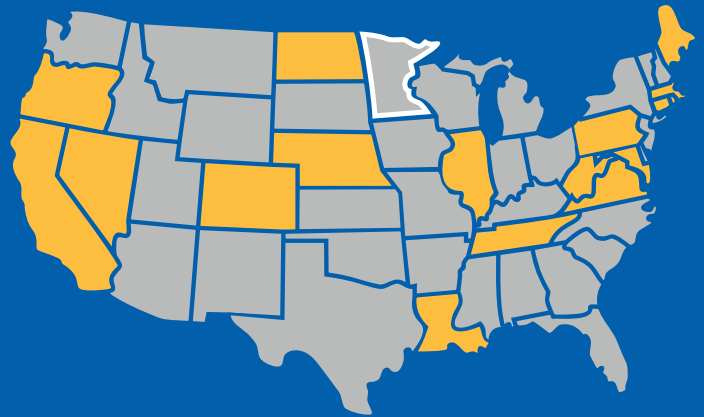
Administrative Ease for Longterm Sustainability

- Centralized Savings Plan
- Targeted Investment Options
- Potential for Investment Growth
- Restricted Withdrawals
- Integration of Account Vehicles for Savings

Local Partnerships and Engagement

- Local Coordination of Savings Campaigns
- Community Engagement and Marketing
- Financial Health and College-Going Activities
- Bonus and Incentive Deposits

Minnesota can be next



Pathways to a Minnesota Children's Savings Account Program

Providing families with CSAs statewide will help to increase educational, racial and socio-economic equity in Minnesota, helping to increase shared prosperity throughout all communities across the state.



Statewide Interest and Supporters

Communities expressing interest in CSAs

Duluth	Saint Cloud
Grand Rapids	Saint Paul
Northfield	Saint Louis Park
Minneapolis	Windom
Rochester	

Organization Supporters

City of Saint Paul	Minnesota Asset Building Coalition
Hennepin County	(140 organizations statewide)
Prepare + Prosper	Saint Paul Children's Collaborative
Minnesota Foundation	Youthprise

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Research Citations:

[2] Elliott, W., Song, H., & Nam, I. (2013). Small-dollar Children's Savings Accounts and children's college outcomes by income level. *Children and Youth Services Review*, 35(3): 560-571.

[3] Beverly, S.G., Elliott, W., and Sherraden, M. (2013). *Child Development Accounts and College Success: Accounts, Assets, Expectations, and Achievements*. Center for Social Development Perspective 13-27 (St. Louis, MO: Washington University, Center for Social Development).

[4] See for example: Mello, Z. Racial/ethnic group and socioeconomic status variation in educational and occupational expectations from adolescence to adulthood, *Journal of Applied Developmental Psychology* 30, no. 4 (2009): 494-504.

[5] Beverly, S., Clancy, M. & Sherraden, M. *Universal Accounts at Birth: Results from SEED for Oklahoma Kids* (St. Louis, MO: Center for Social Development, Washington University in St. Louis, 2016).