

HCS HB 2261 -- CHILDREN'S SAVINGS ACCOUNTS FOR EDUCATION EXPENSES

SPONSOR: Patterson

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on General Laws by a vote of 11 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 9 to 1.

The following is a summary of the House Committee Substitute for HB 2261.

This bill changes the Missouri Education Savings Program to the "Missouri Education Program".

The Act allows the State Treasurer to receive contributions from any person or legal entity on behalf of, and make grants to, eligible children to pay for qualified higher education expenses.

The Treasurer shall establish a separate savings account for each qualified child under this act and shall deposit scholarship seed money, contributions, and interest earnings as specified. Any amount in such a savings account that is not expended for qualified higher education expenses by the qualified child's 30th birthday will revert back to the program fund.

The fund shall receive a portion of the interest derived from the investment of funds as outlined in the bill. Moneys in the fund shall be used to provide scholarship seed money and to pay for personal service, equipment, and other expenses of the treasurer related to administration.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that this bill will encourage more people to contribute to Missouri funds rather than other state funds. Child development accounts have proven to have a positive impact on children's social and emotional development. Creating an investment account lowers disparities among educational savings among different socioeconomic communities. Currently, educational debt is approximately \$1.5 trillion. Supporters testified that money will be added into the fund by using interest from the General Revenue Fund. The MCSAP will help children prepare and save for college. Neighboring states have implemented a similar successful programs.

Testifying for the bill were Representative Patterson; Margaret Clancy, Washington University in St. Louis; Empower Missouri; Scott Fitzpatrick, Missouri Treasurer's Office; Tishaura O. Jones, City of St. Louis; Missouri Chapter, American Academy of Pediatrics; and Missouri Council on Economic Education.

OPPONENTS: There was no opposition voiced to the committee.