

HB 627 -- CHILDREN'S SAVING ACCOUNTS

SPONSOR: Patterson

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Emerging Issues by a vote of 12 to 0. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 12 to 0.

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

This bill provides to parents of any "qualified children", as defined in the bill as; born or adopted after January 1, 2021 and a Missouri resident at time of birth, and at the time of grant application, a scholarship grant of \$100 in a savings account established under Sections 166.400 to 166.456, RSMo known as the "Missouri Education Savings Program".

The bill establishes the "Show Me Child Development Account Program" (MCSAP) and creates the "Missouri Children's Development Account Program Fund". The fund shall receive from the State Treasurer a portion of the interest derived from the investment of funds as outlined in the bill not to exceed .35% of the total of the average daily fund balance in the State Treasury.

The Department of Health and Senior Services will notify the Treasurer's office upon certification of live birth in the state and provide relevant information as outlined. The Treasurer's office will notify parents about this program and provide opportunity for the parent to exclude any child.

The bill 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 bill 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.

This bill is similar to HCS HB 2261 (2020).

PROPOSERS: Supporters say that the bill allows students to use money through the Fund to help pay for higher education and the expenses that follow. Importantly, the bill means that students are much more likely to open a 529 account as well and start saving otherwise, which promotes financial literacy and allows students to plan for the future. The bill accomplishes this goal without dramatically increasing state expenses. The bill also improves health outcomes for students and families by removing financial strain and its consequences.

Testifying for the bill were Representative Patterson; Amy Kuo Hammerman, The National Council of Jewish Women St. Louis; Arnie Dienoff; Jewish Community Relations Council; David Dwight, Forward Through Ferguson; Douglas Miller, Sponsored-Build Your Family'S Future; Missouri Chapter, American Academy of Pediatrics; BJC Healthcare; Jason Purnell; Kendra Copanas, Generate Health; Aligned; Douglass Community Services; Kids Win Missouri; Parents as Teachers; Campaign Life Missouri; Scarlett O'Shaughnessy, Empower Missouri; Treasurer Scott Fitzpatrick; Childrens Trust Fund, BJC Healthcare, and Kids Win Missouri.

OPPOSERS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.