

SECTION 1. Chapter 4, Commencing with Article 1, Section 70115 is hereby added to Part 42 of Division 5, of Title 3 of the Education Code.

70115. (a) There is hereby established the Child Savings Account Grant Program under the administration of the California Student Aid Commission.

(b) The Student Aid Commission shall implement and administer a grant program that supports local governments and nonprofit organizations that sponsor or collaborate on one or more comprehensive citywide or regional savings accounts programs.

(c) Subject to a Budget Act appropriation, the Commission shall distribute grants to qualifying entities determined pursuant to section 70115.1.

70115.1 (a) The commission shall distribute grants to qualifying entities determined pursuant to subdivisions (b) and (c) based on how many of these entities are eligible to receive grants pursuant to subdivisions (b) and (c), the amount of available funding to award grants under the Child Savings Account Grant Program, the number of students that each participating entity intends to serve under the program, and the percentage of low-income families residing in the community served by each participating entity. The amount of each grant award to a participating entity shall be, at minimum, one hundred thousand dollars (\$100,000). These funds shall be available for encumbrance or expenditure by the Commission until June 30, 2022.

(b) (1) The commission shall award grants to eligible entities to seed new Child Savings Account programs and to scale of existing programs.

(2) Seventy-four percent of any appropriation made in support of the Child Savings Account Grant Program shall be used to seed new programs.

(3) Twenty-four percent of any appropriation made in support of the Child Savings Account Grant Program shall be used to scale existing programs.

(4) Two percent of any appropriation made in support of the Child Savings Account Program shall be used by the Commission for outreach, administration, and the provision of technical assistance pursuant to section 70115.2

(c) (1) A qualifying entity seeking a grant to seed a new program shall meet all of the following requirements in order to receive a grant under this title:

(A) Not have a college savings program in operation or have a program under development that is not yet operational, and shall be seeking to establish a college savings program that targets incoming kindergartners, on or after December 31, 2019.

(B) Have a plan or develop a plan to augment the funding allocated pursuant to this title, to provide continued support for a college savings program.

(C) Agree to deposit a minimum contribution of \$100 for any initial deposit into a child savings account opened within their local program.

(D) Indicate that its proposed program has the ability to require participants to opt-in to a child savings account or that its proposed program has the ability to automatically enroll students.

(2) The Commission shall prioritize applications submitted from entities meeting the qualifications of paragraph (1) based upon the following:

(A) The percentage of students in the applicable geographic region who are eligible to receive a free or reduced price meal.

(B) The average and median incomes of families living in the applicable geographic region

(C) The college going rates for students in the applicable geographic region

(D) The amount of funding secured, or planned to be secured, through local budget commitments, philanthropy, or other funding sources.

(E) The fiscal soundness of the grantees long-term plan to sustain its college savings program.

- (F) The number of kindergarteners that would have access to a college savings account.
- (G) Programs that have detailed plans to engage their local families regarding the importance of establishing a college savings account, provide college savings fiscal literacy assistance, and that seek to establish a college going culture.
- (c) (1) A qualifying entity seeking a grant to support an existing program shall meet all of the following requirements in order to receive a grant under this title:
  - (A) Have a college savings program in operation or development that primarily targets pupils in kindergarten on or before December 31, 2019.
  - (B) Have moneys, in addition to funding allocated pursuant to this title, to support its college savings program.
  - (C) Agree to deposit a minimum contribution of \$100 for any initial deposit into a child savings account opened within their local program.
  - (D) Indicate that its proposed program has the ability to require participants to opt-in to a child savings account or that its proposed program has the ability to automatically enroll students.
- (2) The Commission shall prioritize applications submitted from entities meeting the qualifications of paragraph (1) based upon the following:
  - (A) The percentage of students in the applicable geographic region who are eligible to receive a free or reduced price meal.
  - (B) The average and median incomes of families living in the applicable geographic region
  - (C) The college going rates for students in the applicable geographic region
  - (D) The amount of funding secured through local budget commitments, philanthropy, or other funding sources.
  - (E) The proportion of families that contribute their own funds to existing accounts.
  - (F) The total amount of funds saved in the program.
  - (G) The number of events the applicant demonstrates it will offer to cultivate a college going culture and to incent deposits with a child savings account.
  - (H) The innovation and/or soundness of the potential to scale or expand their college savings program
- (d) The Commission shall adopt, as necessary, application procedures, forms, administrative guidelines, and other requirements for purposes of implementing and administering the Child Savings Account Program.

70115.2 (a) The Commission shall use the majority of the two percent allocated for administration pursuant to subdivision (b) of section 70115.1 to conduct outreach to potential grantees, review, score, and select, grantees; and oversee and evaluate grant implementation. The Commission's shall prioritize its outreach toward underrepresented regions of the state that are not already offering a locally developed college savings program.

- (b) Additionally, the Commission, shall provide technical assistance to applicants by developing a toolkit for entities seeking to successfully launch a Child Savings Account program, establishing a working group among grantees to share best practices, and assisting entities that are not already offering a locally developed college savings program in developing an application to receive a grant.
- (c) Potential candidates shall be encouraged to use the technical assistance available through the Commission in developing their plans.
- (d) (1) The Child Savings Account Grant Program Council is hereby established to advise the Commission and grantees on topics including, but not limited to:
  - (A) The development of systems and infrastructure to facilitate the successful implementation and operation of child savings account programs.
  - (B) Outreach and coordination with local programs.
  - (C) Incentives to assist in the development of sustainable and expandable local college savings programs.

(D) Strategies to minimize grantees administrative fees and/or to cap administrative costs to better ensure that the program is low or no cost to program participants.

(E) Contribution strategies, including record keeping and cash deposit strategies.

(F) The development of strategies to address accessibility issues, such as language barriers, identification of eligible students, and banking access.

(2) The Child Savings Account Grant Program Council may include representatives of the Governor's Office, the Commission, successful Child Savings Account Programs, experts in relevant fields such as taxation, savings, outreach, and interested researchers.