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**HOUSE BILL 2776**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Representatives Kilduff and Leavitt

1 AN ACT Relating to creating a statewide child savings account  
2 program; adding a new section to chapter 28B.77 RCW; creating a new  
3 section; and providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) Research shows that low-income and  
6 moderate-income students who are the beneficiaries of children's  
7 educational savings accounts are three times more likely to enroll in  
8 college and four times more likely to graduate college. Research  
9 further indicates that children without educational savings accounts  
10 experience the greatest erosion between the high school student's  
11 aspiration to attend college and his or her subsequent rate of  
12 college enrollment by age twenty-two. Academic gains in students'  
13 math and reading performances, as well as social and emotional health  
14 benefits, have been conclusively tied to ownership of children's  
15 educational savings accounts.

16 (2) The legislature recognizes that in order to have a skilled  
17 and educated workforce it is vitally important for the state to  
18 encourage young people to pursue their dreams of attending and  
19 completing postsecondary educational programs of their choice,  
20 whether that may be a college degree or a postsecondary certificate.  
21 The legislature finds that promoting children's educational savings

1 accounts is a promising strategy for helping young Washingtonians  
2 identify as college bound, while at the same time stimulating the  
3 continued growth and dynamism of the state's economy and helping to  
4 end the cycle of intergenerational poverty.

5 (3) The legislature recognizes that there are over ninety-five  
6 child savings account programs across the country, seventeen of which  
7 are state-level children's educational savings account programs that  
8 were created either statutorily or administratively. Each program  
9 models different approaches and strategies that can be taken to  
10 expand educational opportunity and financial capability to all  
11 families. Many of the state and local governments have leveraged  
12 their community of private donors to strengthen and reinforce their  
13 programs and foster community engagement. Cultivating community  
14 support creates a larger higher education and career-readiness  
15 environment where community leaders become champions for kids and  
16 local philanthropic organizations recognize the value in investing in  
17 their community's youth.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.77  
19 RCW to read as follows:

20 (1) The council shall complete a study examining design options  
21 for a statewide child savings account program in Washington that  
22 includes an implementation plan. Child savings accounts are long-term  
23 savings or investment accounts to help children, especially low-  
24 income children and children of color, build dedicated savings for  
25 postsecondary education. The child savings account program's goals  
26 are to foster a higher education and career-readiness culture and  
27 boost college savings among Washington state residents, particularly  
28 low-income families; promote the financial security, financial  
29 literacy, and economic stability of Washington state families; and  
30 increase their ability to save for college. The program's purpose is  
31 to establish college savings accounts at birth for every child born  
32 in Washington state.

33 (2) At a minimum, the study examining design options and creating  
34 an implementation plan for a child savings account program must  
35 include the following elements:

36 (a) Program account options and mechanisms for automatic  
37 enrollment in the child savings account program at birth unless  
38 parents opt out;

1 (b) The program structure and the initial seed deposit as well as  
2 progressive incentives to help reduce inequities in account  
3 accumulation between children from lower-income families and higher-  
4 income families;

5 (c) Incentive structures so that families that participate and  
6 contribute, regardless of amount, can receive bonus deposits;

7 (d) Plans for how relevant state agencies and programs would  
8 conduct outreach and provide information for families and children  
9 about their child savings accounts, opportunities to interact and/or  
10 save in the account, and other resources for families to build their  
11 financial capabilities in order to save for their future;

12 (e) Options for potential state funding sources to create and  
13 sustain the program and the feasibility of making the program self-  
14 sustaining or partially off-setting seed deposits through  
15 administrative fees charged in the Washington college savings program  
16 established in RCW 28B.95.032 or other college savings programs;

17 (f) Possible ways for the state to collaborate with the  
18 philanthropic and private sectors; and

19 (g) Possible ways for the accounts of foster children and youth  
20 to grow.

21 (3) In developing the implementation plan, the council may  
22 consult with the following entities:

23 (a) The economic services administration;

24 (b) The department of health;

25 (c) The department of children, youth, and families;

26 (d) The department of financial institutions;

27 (e) The office of the state treasurer;

28 (f) The office of the superintendent of public instruction;

29 (g) Nonprofit and community-based organizations or coalitions  
30 focused on strategies to help families build financial assets or  
31 support families with children to thrive;

32 (h) Institutions of higher education or research or policy  
33 organizations with expertise in asset building and child savings  
34 accounts;

35 (i) Not-for-profit foundations, organizations, or agencies in  
36 Washington who are already operating child savings account programs  
37 in their communities;

38 (j) Philanthropic organizations and foundations with an interest  
39 in providing philanthropic support for child savings accounts in  
40 Washington state; and

1 (k) Organizations and state commissions and offices representing  
2 communities of color and economically disadvantaged communities that  
3 would be most impacted by the creation of a child savings account  
4 program.

5 (4) The council shall convene stakeholders to review preliminary  
6 recommendations by November 30, 2020. The council shall submit  
7 preliminary findings and recommendations to the appropriate  
8 committees of the legislature by December 30, 2020, and a final  
9 report by June 30, 2021.

10 (5) This section expires December 1, 2021.

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