

1 AN ACT concerning children.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Illinois Children's Savings Accounts Act.

6 Section 5. Findings. The General Assembly finds that
7 investments in children's education, homeownership, and small
8 business development and entrepreneurship are made possible by
9 family savings, but the family savings rate is at the lowest
10 level since the Great Depression. Illinois has the lowest
11 homeownership rate in the Midwest. Fewer than a third of
12 Illinois households have a checking account, and fewer than 60%
13 have a savings account. The rising cost of post-secondary
14 education decreases access to higher education for low-income
15 and moderate-income Illinoisans, and post-secondary education
16 is beyond the reach of many Illinois families. Increasing the
17 number of Illinois families saving for post-secondary
18 education for their children will increase the number of
19 children who will attain higher education, and increased
20 educational attainment levels will generate a more competitive
21 workforce, more jobs and innovation, more savings and
22 investment, stronger communities, and a thriving State
23 economy. The General Assembly also finds that a savings program

1 tied to financial education can improve family financial
2 responsibility and encourage saving for education,
3 homeownership, small business, and entrepreneurship.

4 Section 10. Public policy. It is the policy of the State to
5 encourage families' savings, to increase families' financial
6 knowledge, to promote higher educational aspiration and
7 attainment, to encourage home ownership, to assist small
8 business development, to promote job creation, to strengthen
9 communities, and to increase asset building opportunities for
10 all residents.

11 Section 15. Children's Savings Account Task Force. There is
12 hereby created a Children's Savings Account Task Force. The
13 purpose of the task force shall be to review and make
14 recommendations about children's savings account program
15 options and to create a strategic implementation plan to create
16 a savings account at birth for every child born in Illinois to
17 Illinois residents. The task force shall consist of a maximum
18 of 30 members, to be appointed within 60 days after the
19 effective date of this Act. One member shall be appointed by
20 the President of the Senate, one member appointed by the Senate
21 Minority Leader, one member appointed by the Speaker of the
22 House, one member appointed by the House Minority Leader, and
23 one member representing the Office of the State Treasurer
24 appointed by the State Treasurer. All other members shall be

1 appointed by the Governor as follows:

2 (1) A member of the Governor's leadership staff.

3 (2) Public members with an interest in asset building
4 in Illinois, including a representative from each of the
5 following types of organizations or entities:

6 (A) an operator of an individual development
7 account or matched savings and financial education
8 program, or both;

9 (B) a grassroots organizing entity;

10 (C) a poverty law center;

11 (D) a service-based human rights provider
12 organization;

13 (E) a business association;

14 (F) a bankers' professional association;

15 (G) a child advocacy organization;

16 (H) a rural economic development entity;

17 (I) organized labor;

18 (J) a bank;

19 (K) a credit union; and

20 (L) an investment services provider.

21 In addition, the following officials shall serve as
22 ex-officio members of the task force: (i) the State Treasurer
23 or his or her designee; (ii) the State Superintendent of
24 Education or his or her designee; (iii) the Secretary of
25 Financial and Professional Regulation or his or her designee;
26 (iv) the Director of Commerce and Economic Opportunity or his

1 or her designee; (v) the Secretary of Human Services or his or
2 her designee; (vi) the Director of Healthcare and Family
3 Services or his or her designee; (vii) the Executive Director
4 of the Board of Higher Education or his or her designee; (viii)
5 the Executive Director of the Illinois Community College Board
6 or his or her designee; and (ix) the Director of Children and
7 Family Services or his or her designee. Representatives of the
8 Office of the Governor and the Office of the State Treasurer
9 shall serve as co-chairpersons of the task force. The Governor
10 shall designate one of the public members to serve as a third
11 co-chairperson.

12 The Office of the State Treasurer shall be responsible for
13 administrative and logistical support of the task force,
14 including coordination of task force member appointments,
15 distribution of meeting notices and minutes, coordination of
16 meeting logistics, providing a staff liaison to the task force,
17 facilitation of public meetings, and drafting and filing of the
18 final report. Task force members, or the staff liaison, or both
19 may confer and collaborate with relevant State and national
20 organizations with expertise in asset building, financial
21 education, college savings, investing, home ownership, and
22 small business development, including the Illinois Asset
23 Building Group.

24 Goals of the program shall include increasing the levels of
25 financial literacy and savings in the State, increasing the
26 number of children in Illinois who own assets and who attend

1 post-secondary education or training, purchase a home, or open
2 a small business. The task force shall consider the following
3 factors in its recommendations for the design of the program:

4 (1) return on investment, safety of the investment and
5 insurance for the account, ease of managing the account,
6 and ease of making various forms of deposits;

7 (2) the impact on eligibility for student financial
8 aid, public assistance, and other public benefits, and
9 taxation of the account earnings and distributions;

10 (3) the provision of financial education to children
11 and families, and access to additional financial services;

12 (4) restrictions on the withdrawal or distribution
13 prior to the child reaching age 18, portability of the
14 account, and limits on permissible uses of the account;

15 (5) revenue sources for the initial deposit and any
16 savings match for deposits for children in low-income
17 families;

18 (6) mechanisms for data collection and tracking; and

19 (7) all other factors that the task force deems
20 important to the program design.

21 The task force shall hold at least 4 public meetings at a
22 variety of geographic locations throughout the State at times
23 and places established by the task force. The purpose of the
24 public meetings is to gather information from community
25 residents and institutions, families with children, financial
26 education providers, schools, and local financial services

1 providers. The initial meeting of the task force shall be
2 called by the co-chairs and held no later than 30 days after
3 the task force members are appointed. The activities of the
4 task force shall conclude no later than September 1, 2008.

5 Section 20. Report and implementation plan. The task force
6 shall make a written report of its findings and
7 recommendations, including a strategic implementation plan for
8 an Illinois children's savings account program, as well as make
9 any additional reports deemed necessary and appropriate to the
10 Office of the State Treasurer no later than September 1, 2008.
11 On or before November 1, 2008, the Office of the State
12 Treasurer shall present all reports issued by the task force to
13 the Governor and members of the General Assembly. The reports
14 shall be made available to the public.

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.