

AN ACT concerning children.

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

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

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

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

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

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

appointed by the Governor as follows:

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

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

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

(B) a grassroots organizing entity;

(C) a poverty law center;

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

(E) a business association;

(F) a bankers' professional association;

(G) a child advocacy organization;

(H) a rural economic development entity;

(I) organized labor;

(J) a bank;

(K) a credit union; and

(L) an investment services provider.

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

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

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

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

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

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

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

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

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

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

(6) mechanisms for data collection and tracking; and

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

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

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

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

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