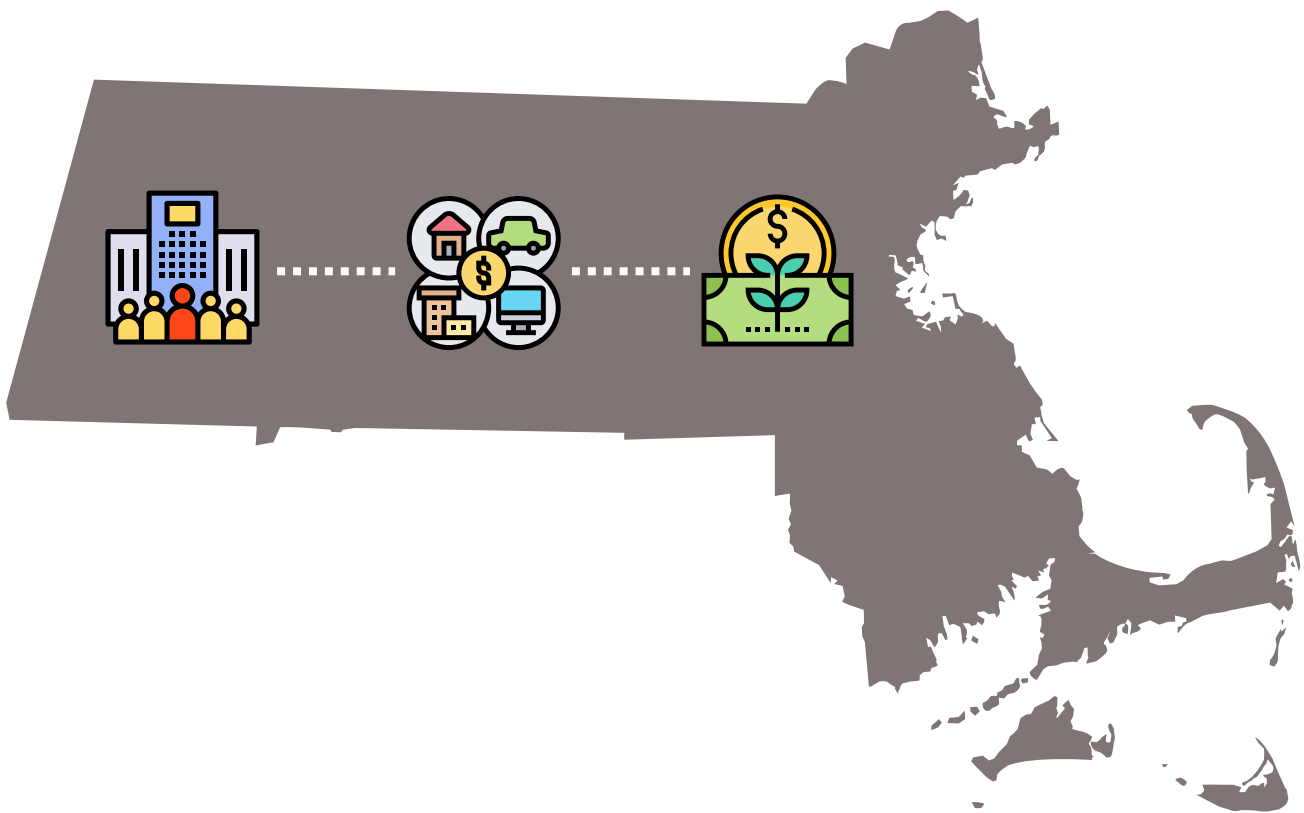


ANNEX

BABY BONDS TASK FORCE FINDINGS REPORT

2022



OFFICE OF
**ECONOMIC
EMPOWERMENT**

Office of the Treasurer and Receiver General of Massachusetts

Annex A: List of Task Force Members / List of Members by Subcommittee

Lisa Wong, Chair of the Baby Bonds Task Force
Town Administrator of South Hadley

Subcommittee 1: Eligibility and Funding

The Honorable Paul Feeney, Chair

State Senator
Bristol and Norfolk District

The Honorable Andres Vargas

State Representative
3rd Essex District

Brendan McGough

Associate General Counsel
State Board of Retirement, Office of the
Treasurer and Receiver General

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Lead Consultant
rAsa consulting

Drew Smith

Treasurer
University of Michigan

Emily Fitzmaurice

Director of Policy and Public Affairs
Hildreth Institute

Gisenia Stewart

DEI Coordinator
ServiceNet

Jason Ewas

Policy Manager
Aspen FSP

Jennifer Hill

Massachusetts State Team Captain
COVID Survivors for Change

Karin Barrett

State Registrar, Registry of Vital Records and
Statistics
Massachusetts Department of Public Health

Kyra Grenier

COO
Family Health Project

Luc Schuster

Senior Director, Boston Indicators
The Boston Foundation

Madonna E. Cournoyer

Assistant Attorney General
Insurance and Financial Services Division Office
of Attorney General Maura Healey

Maria Vu

Registry of Vital Records and Statistics
Massachusetts Department of Public Health

Megan Nicholls

Associate Commissioner of Family and
Economic Assistance
Department of Transitional Assistance

Ofronama Biu, PhD

Senior Research Associate
Urban Institute

Sarah Thang

Project Manager
The Policy Lab at Brown University

Sarita Rogers

Deputy Director of Programs
MA Children's Trust

Sharon Pagnano

Registry of Vital Records and Statistics
Massachusetts Department of Public Health

Shira Markoff

Policy Fellow
Prosperity Now

Subcommittee 2: Building Financial Capability & Engagement

Joe Diamond, Co-Chair

Executive Director
Massachusetts Association for Community
Action (MASSCAP)

Keenen Grooms, Co-Chair

Senior Community Development Analyst
Federal Reserve Bank of Boston

Ancel Tejada

Program Manager, Financial Empowerment
Massachusetts Association for Community
Action (MASSCAP)

Bahar Akman Imboden, PhD

Managing Director
Hildreth Institute

Celia Johnston Blue

CEO and President
Mass Women of Color Coalition

Claudia Catalano

Project Director, Pregnancy, Infancy, and Early
Childhood Division
Massachusetts Department of Public Health

Elizabeth Pierce

Family Resource Liaison
Kid's Net MSPCC, A Division of Eliot

Emilio Dorcely

CEO
Urban Edge

George Kokoros

Sales Leader at Ellume Health Adjunct
Professor of Business and
Entrepreneurship
Suffolk University, Fisher College, Outschool

John Gijanto

Financial Specialist
Empath

Julie Beckham

Financial Education Development & Strategy
Rockland Trust Bank

Katherine Von Haefen

Director, Community Impact
Berkshire United Way

Leimary Llopiz

Advocacy Assistant
YWCA Southeastern Massachusetts

Patricia Jackson

Housing Development Manager
Brockton Redevelopment Authority

Shadman Rahman

Student
Harvard Kennedy School

Sherry Riva

Founder and Strategic Advisor
Compass Working Capital

Stephanie Doyle

Deputy Director, Bureau of Family Health and
Nutrition Massachusetts
Department of Public Health

Subcommittee 3: Accessing & Using Baby Bonds

Robert Dais, Co-Chair

Statewide Director
Gear Up MA

Tom Shapiro, Co-Chair

Pokross Professor of Law and Social Policy
Brandeis University

Allie Puleo

Program Administrator
Massachusetts Executive Office of Housing and
Economic Development

Andrea Lee-Salley

CEO
Br8zen LLC

Brian Harrison

Project Manager
Massachusetts Executive Office of Health and
Human Services

Darien Johnson

Policy and Advocacy Lead
Black Economic Council of Massachusetts
(BECMA)

Denise Courtney

Nutrition Education and School Wellness
Training Coordinator
Massachusetts Department of Elementary and
Secondary Education

Jack Moriarty

Founder and Executive Director
Ownership America

Karley Ausiello

Senior Vice President
Community Impact United Way Mass Bay

Kristen Florek

Director, Payer Strategic Marketing
Pfizer

Matt Paradise

CEO
Matt Paradise Consulting LLC

Nairobi Sanchez

Director of Programs
Mass CultivatED

Patrick Roath

Chair, Advisory Board
Common Cause Massachusetts

Robert Miller

Student Loan Advocate and Financial Literacy
Advisor
Esperanza Academy, Budget Buddies, BEU

Sasha Abby VanDerzee

Senior Program Manager
Boston Saves

Shira Markoff

Policy Fellow
Prosperity Now

Subcommittee 4: Trust Management, Oversight, and Operations

Drew Smith, Co-Chair

Treasurer
University of Michigan

Peter Tufano, Co-Chair

Professor and former Dean, Said Business School
Harvard Business School, Harvard Kennedy School, Oxford University

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Board Member
The Midas Collaborative

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Office of the Treasurer and Receiver General

Elle Tibbitts

Research Analyst
Consumer Financial Protection Bureau

Evander White-Laing

Research Analyst, Portfolio Management Administrator
Risk Paradigm Group

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Innovation Lab Commonwealth

Jennifer L. Kernan, Esq.

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Kimberly Zimmerman Rand

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Dragonfly Financial Solutions LLC

Lidy Chan

Treasurer
Massachusetts Women of Color Coalition

Liz Keating

Finance Manager
Campus Child Care, Inc.

Molly Goodman

Executive Director
The Midas Collaborative

R. Kelly Cameron, EdD

Career Development Officer | Lecturer School of Architecture + Planning
Massachusetts Institute of Technology

Members not Assigned to a Subcommittee

Darrick Hamilton, PhD

Founding Director

Institute for the Study of Race, Power, and Political Economy at the New School

Gail Sokoloff

Vice President

United Way Mass Bay

Nia K. Evans

Executive Director

Boston Ujima Project

Yasmin Padamsee Forbes

Commissioner, Cambridge Human Rights

Commission

Executive Director, Asian American and Pacific

Islanders Commission

Annex B: Baby Bonds Across the United States

Currently, Baby Bonds legislation has been enacted in both Connecticut and Washington D.C. A similar, though not strictly Baby Bonds, program was also enacted in California. Additional legislation was introduced in other jurisdictions such as Delaware, Iowa, New Jersey, New York, Wisconsin, and Nevada. Washington state recently submitted a report proposing a Baby Bond policy to its legislator. A similar report is in the works in Louisiana.

Connecticut

Connecticut approved its Baby Bonds legislation in 2021.¹ Under the legislation, any child whose birth is covered by Medicaid is eligible for Baby Bonds. It is estimated that in Connecticut, around 16,000 births per year are covered by Medicaid. The state will make a one-time deposit of \$3,200 into the fund. The funds will be invested so that, according to the program, by the time the child reaches maturity, they will grow to around \$11,000. Participants will be eligible to utilize the funds until they are 30 years old. Uses of funds are restricted to wealth building activities: (1) Education; (2) Purchase of a home in Connecticut; (3) investment in a business in Connecticut; and (4) any investment in financial assets or personal capital that provides long-term gains to wages or wealth. A prerequisite to receiving the fund is completing a financial literacy requirement. Participants also have to be residents in Connecticut to receive the funds.

The program is legislated so as not to impact the receipt of other state benefits or financial aid for post-secondary institutions.

The funding for this program is supported by \$50 million in annual general obligation bonds for 12 years (\$600 million in total).

Washington, D.C.

The D.C. Council approved its Baby Bonds legislation in 2021.² The criteria for eligibility are as follows: any child born in the District of Columbia on or after October 1, 2021, to a family enrolled in Medicaid with an income of 300% of the Federal Poverty Line. Families have 18 months from the birth of the child to certify their eligibility (children are not enrolled without certification). There are between 4,000-6,000 babies born on Medicaid per year in Washington DC.

Each participant receives an initial deposit of \$500, accompanied by progressive annual deposits based on family income. The annual contribution model is below:

	Deposit
All participants	\$500 initial
0-100% FPL	\$1000 annual
101-200% FPL	\$800 annual
201-300% FPL	\$600 annual

D.C. is expecting that by maturity funds will grow to around \$15,000 to \$25,000.

¹ <https://portal.ct.gov/OTT/Debt-Management/CT-Baby-Bonds>

² <https://lims.dccouncil.gov/Legislation/PR24-0412>

Funds will be distributed to individuals anywhere from 18-30 years old. To receive these funds, a participant must be a resident of D.C. at the time and must have lived in D.C. for 16.5 of 18 years prior to claiming.

Use of the funds is restricted to asset building uses: (1) paying for post-secondary education; (2) homebuying in DC; (3) starting a business; (4) Investing in a business; (5) saving for retirement.

The program's funding is subject to annual appropriations, and the projected cost for the program for 5 years is \$32 million.

California

California approved its CAL-HOPE program in its 2022-23 budget.³ Under this program, children who lost a primary caregiver to COVID-19 and children in long-term foster care are entitled to a HOPE account. State deposit to the account will amount to \$4,000 for children under the age of 7 and \$8,000 for children aged 10-17. A one-time sum of \$100,000,000 has been appropriated from the general fund to fund the trust. An additional ongoing \$15,000,000 specifically for children in foster care was also approved. The details of the program are to be determined, however no restriction on uses of the funds is expected.

³ <https://www.ebudget.ca.gov/FullBudgetSummary.pdf>

Examples of Baby Bonds proposals

	Federal⁴	Washington (report)⁵	Wisconsin⁶	Nevada⁷	New Jersey⁸
Program Name	American Opportunity Accounts Act	Washington Future Fund	Baby Bonds	Baby Bonds	Baby Bond Account Program
Status	Proposed in 2021	Submitted in 2022	Proposed in 2021	Proposed in 2022	Proposed in 2020
Initial Deposit	\$1,000	\$4,000	\$3,000	\$3,200	\$2,000
Additional Deposits	Up to \$2,000 annually (dependent on income)	None	None	None	None
Eligibility at Birth	Universal – any child under the age of 18 who has a Federal Government issued identification number recognized by the IRS	Children who receive Medicaid before their first birthday (Apple Health); about 38,200 babies eligible each year.	Child's mother met income requirements for the Medicaid on the day before the child is born	Child whose birth was covered by Medicaid	- Child born to family with household income below 200% federal poverty level - Born in state, or out-of-state but moved in-state within 6 months from birth
Eligibility After Birth	Initial cohorts include all children under the age of 18 born after 2005	None	None	None	None
Enrollment Method	Automatic	Automatic	Automatic	Automatic	Automatic, but child may apply for an account if not enrolled automatically

⁴ <https://www.congress.gov/bill/117th-congress/house-bill/835/text#toc-HD0D66508F4434E7588CE4A163616A5F8>

⁵ <https://tre.wa.gov/about-us/request-legislation/>

⁶ <https://legis.wisconsin.gov/senate/16/agard/best-agenda/baby-bond-legislation/#:~:text=For%20babies%20born%20to%20Medicaid,investments%2C%20or%20pay%20for%20childcare>

⁷ <https://www.leg.state.nv.us/App/NELIS/REL/82nd2023/Bill/9557/Overview>

⁸ <https://www.njleg.state.nj.us/bill-search/2020/A4638>

Cost	Estimated at \$60 billion per year ⁹	\$152,800,000 per year	Unknown	\$80,000,000 per year	\$70,000,000 per year
Funding source	General fund (with proposals for changes in taxes)	General fund	General fund Possible donations	General fund	General fund
Claiming Criteria	Age 18	- Age 18-35 - Residency at the time of claiming funds - Exhibit financial need - Fulfillment of financial education requirement	- Age 18 - Residency of beneficiary and at least one parent at the time of claiming funds (unless the beneficiary is a resident for at least one year prior to claiming the funds) - Completion of financial literacy course	- Age 18-30 - Residency for at least 12 months prior to claim	- Age 18 or earlier to pay for education - Residency - Funds are forfeited if the account holder is older than 25 and resided out of state for more than five years.
Eligible uses	- Education at an institution of higher education or an area career and technical education school - Ownership of a home - Any expenses paid or incurred on or after the date on which the account holder	- The purchase of a primary residence in Washington - Opening or purchase of a business in Washington - Costs associated with education, training and professional development of the claimant in Washington	- Expenses associated with postsecondary education - Child care or education of a minor dependent of the beneficiary - The purchase of a home - Starting a business - Contributing to a retirement savings account	- Postsecondary education, including, vocational education or apprenticeship readiness and training (2) Purchase of a home (3) Starting or purchasing a business (4) Investing in financial assets or personal capital that provides a long-term gain to the designated beneficiary's wages or wealth.	- post-secondary educational expenses - acquisition costs of a home - qualified business capitalization expenses - any other investment in financial assets or personal capital that provides long-term gains to wages and wealth, as determined by the executive director and board.

⁹ <https://www.booker.senate.gov/news/press/booker-pressley-urge-biden-administration-to-include-baby-bonds-in-the-next-economic-recovery-package>

	attains age 59½ - Any other investment in financial assets or personal capital that provides long-term gains to wages and wealth, as established under regulations				
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