



Support HB16-1196, Aspire to College Colorado Children's Savings Accounts (CSAs)

Sponsors: Representatives Pettersen & Rankin, Senator Johnston

Research shows that low to middle-income students with college savings accounts are three times more likely to attend college and four times more likely to graduate from college.

The three-year pilot will provide 6,000 low-income preschool-age children with 529 college savings accounts through Colorado's *CollegeInvest* with an initial "seeded" deposit from CDHS of \$50. Components of this program include:

- **Fostering College Aspirations:** Research shows college savings help children think of themselves as college-bound.
- **Providing Economic Opportunity:** Families who are provided a CSA with an initial deposit and matched savings at birth save significantly more for college.
- **Building an Educated, Competitive Workforce:** CSAs help position children so they can become part of strong Colorado workforce.
- **Leveraging Public-Private Partnerships:** Private foundations will match dollar for dollar every contribution into a child's 529 savings account up to \$100 a year.
- **Offering Financial Education:** CDHS will partner with local resources to provide financial education to children and parents
- **Conducting a Robust Evaluation:** The Evaluation Center at CU Denver is developing an evaluation plan that will examine the short- and long-term impacts of CSAs.

How will these accounts help children "aspire" to go to college?

- **Children's savings improve college enrollment and completion.** Children with college savings of as little as \$1-499 are three times more likely to attend college and four times more likely to graduate.
- **Children with college savings have greater college expectations.** Research shows that children and parents develop ideas about higher education plans early on, and college savings help children think of themselves as college-bound. CSAs also help children and families build a financial plan around paying for college.
- **Children with college savings do better academically.** Children with savings have better math and reading scores and higher rates of college enrollment and completion.
- **Children's savings provide financial benefits.** Families with children who are provided a savings account with an initial deposit and matched savings at birth save significantly more for college than families with children who do not receive these accounts and accumulate less college-related debt.

How will this pilot program be evaluated?

- CDHS is working with The Evaluation Center at CU Denver to finalize a contract and evaluation plan that would bring them on as third-party, independent evaluators of the Aspire to College Colorado Pilot Program.

Aspire to College Colorado Program Goals

Short-term Goals (years 1-3)	Medium-term Goals (years 4-10)	Long-term Goals (years 11+)
<ul style="list-style-type: none"> • Families begin saving for college • Increased math and reading scores • Improved kindergarten readiness • Parents and their children receive financial education • Parents have increased aspirations and expectations for their children's future education 	<ul style="list-style-type: none"> • Children form a college-bound identity • Increased third grade reading scores • Improved high school readiness • Parents and children build financial capability 	<ul style="list-style-type: none"> • Increased high school graduation rates • Increased enrollment in postsecondary education • Increased completion of postsecondary education • Improved financial stability and asset building for participants as young adults

How will the funds be protected for their intended use?

- These are 529 savings accounts, so they follow the same rules set by *CollegeInvest*. Monies deposited by the family, into their family-owned 529 account, can be withdrawn at any time. However, like all 529 accounts families will pay tax penalties for non-qualified withdrawals.
- If a child decides not to go to college or pursue vocational training, monies earned by the family in the account managed by CDHS, including the initial deposit money, would go back to the program for use by other children and families.
- Funds can be used at any eligible college, university, vocational or trade school.

What kind of financial education will these children & families receive?

- Where existing financial education programs are robust, the Pilot Program will seek to supplement these programs, by providing additional resources, as private funding allows.
- Where there is no existing financial education program, the Pilot Program will work with early childhood program partners to develop a financial education program, relying on partnerships with existing community resources to do so.
- Across all early childhood program partners, the Pilot Program will also include information about accessing "Money 101", a free financial education resource from CollegeInColorado.org.

Head Start settings, within six communities, have been identified as pilot sites for enrollment of the first cohort of 2,000 children. The CSA pilot program's time period is three years, with 2,000 new participants planned for each year providing a target of 6,000 children served over the course of the pilot program. The initial sites are:

- **Alamosa** – Gingerbread House & Children's Garden Early Learning Centers
- **Colorado Springs** – Community Partnership for Child Development (CPCD)
- **Englewood** – Englewood Early Childhood Education Program at Maddox
- **Fort Morgan** – Fort Morgan Head Start/CPP
- **Loveland** – Thompson Integrated Early Childhood Program
- **La Junta** – Otero Junior College Child Development Services

For more information about Aspire to College Colorado, please contact CDHS' legislative liaison, Lauren Lambert Schreier, at 303-328-5312 or lauren.schreier@state.co.us.



COLORADO
Department of Human Services

Members of the Colorado General Assembly
Colorado State Capitol
200 East Colfax Avenue
Denver, CO 80203

March 1, 2016

Dear Members,

We are writing to urge you to strongly support House Bill 16-1196, the Aspire to College Colorado Pilot Program which will establish Children's Savings Accounts (CSAs) for low-income kids throughout the state. As early childhood providers, whose children would greatly benefit from this program, we ask you to be a "Yes" vote so that we all can assist in the fight to end the cycle of multigenerational poverty.

This three-year pilot program will provide 6,000 low-income preschool-age children with a 529 college savings account through Colorado's CollegeInvest with an initial "seeded" \$50 deposit from the Colorado Department of Human Services. In addition, the program will leverage public-private partnerships where private foundations will match dollar for dollar every contribution into a child's 529 savings account up to \$100 a year, meaning even greater incentives for these families to save their hard-earned money.

Empirical evidence gathered over the last several years documents the potential of CSAs to expand educational and economic opportunity for low- and moderate-income families. The research shows that low- to middle-income students with college savings accounts are three times more likely to attend college and four times more likely to graduate with a degree. Aspire to College Colorado aims to transform the college aspirations and attendance of thousands of Colorado children, while simultaneously building economic opportunity for these children and their families, and providing a foundation for these children to become part of a more educated, competitive workforce in Colorado.

The children and families enrolled in our early childhood programs deserve every chance to be able to pull themselves out of poverty. These types of college savings programs help them to do just that. Please lend your support to House Bill 16-1196, and help turn the prospect of going to college from a far off dream to a reachable reality.

Sincerely,

Noreen Landis-Tyson
Community Partnership for Child Development
Colorado Springs

Marcia Bledsoe
Fort Morgan Head Start/CPP
Fort Morgan

Lamb Caro
Thompson Integrated Early Childhood
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