



HB 3314, with -1 amendments and -2 amendments
HB 3367, with -1 amendments

All children in Oregon should be encouraged to dream big and plan for their future. The Oregon Bright Futures Plan is a Children’s Savings Account platform that encourages families to start planning for post-high school opportunities as soon as their children are born. The Oregon Bright Futures Plan will open a long-term, incentivized savings account for each child at birth to be used for qualified educational expenses. The plan will provide local communities the opportunity to develop incentive and scholarship programs that support all Oregon children to dream big and plan for post-secondary education, and it will encourage the savings efforts of families.

HB 3314, with the -1 and -2 amendments will authorize the Department of Consumer and Business Services (DCBS) to develop the Oregon Bright Futures Plan -- a Children’s Savings Account platform – to launch as soon as January 1, 2018.

The bill:

Creates the Oregon Bright Futures Fund. DCBS will be authorized to accept grants or contributions, or may receive state appropriations, to support the programmatic, technology, and administrative costs of the Oregon Bright Futures Plan (*section 2 - 3*).

Require that on a quarterly basis, the Center for Health Statistics will provide DCBS with information about each child born in the state of Oregon including the child’s name, mother’s name, mother’s home address, and demographic information including sex, race and ethnicity of the child (*section 4*).

Once money is available, either from state appropriation or grants or contributions received;

- DCBS will, by rule, design an account structure for Oregon Bright Futures accounts to be held at Oregon banks and credit unions which voluntarily elect to participate (*section 6*).
- The accounts will be owned by DCBS “for the benefit of” a specific child. It will be possible for family

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and children to make deposits into the designated beneficiary account (*section 3-2*).

- Withdrawals will be limited to purposes related to pursuit of post-high school educational opportunities, including test prep, early college classes, and college readiness (*section 1 – 7(a)*).
- DCBS will manage a Request for Proposals process to identify financial institution partners who would like to hold Oregon Bright Futures accounts, and to select participating financial institutions (*section 6*).
- DCBS will determine the need for a technology platform provider (*section 10*), and if needed, conduct an RFP process to select one. The technology platform – expected to be an off the shelf product -- will link Oregon Bright Future accounts and community-based incentive programs.

HB 3367 with the -1 amendments will prompt a discussion of possible General Fund contributions to DCBS to allow a \$__ seed payment into each child’s Bright Futures account. The -1 amendment replaces all of the original 3367 with just a possible General Fund appropriation.

Our Goals

- **Participation** – Participation refers to the percentage of eligible families that enroll in the program. The Oregon Bright Futures Plan will use universal enrollment and automatically open an account on behalf of each child at birth. Universal enrollment is associated with very high participation rates, particularly among families with low and moderate incomes. Some families will choose to opt out of the program although we hope for 100% participation.
- **Engagement** – Engagement refers to participants’ interactions with the accounts, particularly depositing money, as well as completing activities that meet eligibility requirements for incentive and scholarship programs. We will test alternative strategies to engage families, including incentives, choice of financial institution, and marketing strategies.
- **Expectations** – Studies show that Children’s Savings Accounts improve parental and child expectations related to completing high school and pursuing postsecondary education. We will evaluate our impacts on expectations.
- **Build experience with the financial marketplace** – The Oregon Bright Futures Plan will open an account for every child born and allow families to choose which participating financial institution will hold their account. We will test the impact of partnering with local financial institutions on engagement with accounts, and will seek input from financial institution partners on impacts they see.
- **Facilitate community partner engagement** – The Oregon Bright Futures Plan will allow local community-based organizations, funders and others to develop incentive and scholarship programs to target resources where they are most needed.
- **Evaluation** – DCBS will work with partners to design evaluation mechanisms to be used over the course of the pilot in evaluating impacts and outcomes. Metrics will include participation, engagement, savings, incentive earnings, attitudinal change, and others. Analysis will include impacts in communities with

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low high school graduation rates and will look at differences by community income level, race, and ethnicity.

Implementation Timeline

Between the Governor's signature and January 1, 2018:

- DCBS will be authorized to accept grants or contributions to support the programmatic, technologic, and administrative costs of the Oregon Bright Futures Plan (*section 2 - 3*).
- DCBS will, by rule, design an account structure for Oregon Bright Futures accounts to be held at Oregon banks and credit unions which voluntarily elect to participate (*section 6*).
- DCBS will manage a Request for Proposals process to identify financial institution partners who would like to hold Oregon Bright Futures accounts, and to select participating financial institutions.
- DCBS will determine the need for a Children's Savings Account technology platform provider (*section 10*). The technology platform will link Oregon Bright Future accounts and community-based incentive programs and will be funded through private sources. If a platform is needed, DCBS will manage an RFP process for the platform provider.
- DCBS will provide opportunities for community-based organizations, funders, healthcare organizations and others to develop incentive and scholarship programs for participating children. DCBS will work with Financial Institutions who wish to contribute to the Financial Institution Community Education Subaccount (*section 2 - 4*).
- DCBS and OHA will finalize protocols for data transfer (*section 10 - 2*).

Beginning January 1, 2018

- On a quarterly basis, the Center for Health Statistics will provide DCBS with information about each child born in the state - including the child's name, mother's name, mother's home address, and demographic information including sex, race and ethnicity of the child (*section 4*).
- DCBS will communicate with mothers allowing them to choose which financial institution will hold their Oregon Bright Futures account and explaining how they can start to save in their accounts (*section 5-4*).
- DCBS will open a Bright Futures account for each child within the pilot areas or groups.
- DCBS will launch pilots to test the impact of program design features on participation, engagement, and behavior.
- DCBS will evaluate administrative and structural alternatives in order to determine the best way to scale the program statewide while minimizing costs for the state, for participating financial institutions, and for community partners.
- DCBS will work to engage additional community institutions and partners to provide grants or incentives to children or support family engagement.

Reports – dates

- By September 15, 2020, DCBS will report back to interim legislative committees findings and recommendations on the Oregon Bright Futures Plan (*section 14*).
- By April 1, 2021, DCBS will report findings and recommendations to the Legislature, and may include recommendations for legislation.

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After 2021

When fully funded, the Oregon Bright Futures Plan will open accounts for each Oregon child at birth. (Between 2010 and 2015, an average of 45,357 children were born each year in Oregon).

DCBS will continue to engage families and children in saving through their Bright Future accounts, to evaluate the impacts and success of the program, and to minimize administrative costs.

Costs – Implementation Phase

	Total	General Fund costs	
		Low	High
DCBS operations	Not yet known	\$0 Contributed by philanthropic and community institutions	Not yet known
Seed funds into account		\$0 Contributed by philanthropic and community institutions	\$250,000 (10,000 accounts at \$25 each)
Technology Platform	Estimated at \$150,000	\$0 Contributed by philanthropic and community institutions	\$150,000 one time

Costs – At Scale

	Total	General Fund costs	
		Low	High
DCBS operations	Not yet known	\$0 Contributed by philanthropic and community institutions	Not yet known
Seed funds into account	At 46,000 births per year, \$25 per account, total would be \$2,300,000 a biennium	\$0 Contributed by philanthropic and community institutions	\$2,300,000 per biennium
Technology Platform	Annual user fees	Not yet known	Not yet known

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