

Subject Higher Education: college savings accounts

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Overview

This bill creates new automatic college savings accounts for eligible children born in Minnesota, to be administered by the Office of Higher Education (OHE). It also creates a grant program for entities seeking to establish local college savings programs.

Summary

Section	Description
1	General. Updates a cross-reference.
2-7	Definitions. Adds terms related to the new program in section 8 of the bill to the definitions section of chapter 136G, which concerns the state's existing 529 college savings plan.
8	Minnesota kids investment and development scholarship program. Subd. 1. MinneKIDS accounts. Requires OHE to create an account for each eligible child, with funds to be invested in accordance with the laws on the state's 529 plan. Subd. 2. Parent or guardian notification. Provides for required parental notifications regarding the account. Subd. 3. Seed deposits; incentive deposits. Requires OHE to make an initial deposit of \$50 in each new account, and an additional \$50 for children from low-income households. Subd. 4. Provision of birth data. Allows for data sharing between Department of Health and OHE regarding births of eligible children. Subd. 5. Disbursements. Sets requirements for disbursements from the accounts.

Section	Description
	<p>Subd. 6. Account closures; forfeiture. Provides for the disposal of funds in unused accounts.</p> <p>Subd. 7. Account established; appropriation. Establishes a special revenue fund account to operate this program.</p>
9	<p>MinneKIDS local partner grant program.</p> <p>Subd. 1. Establishment. Requires OHE to establish a program to provide grants to entities to encourage college readiness, saving for college, and participation in the MinneKIDS account program created under section 8 of the bill.</p> <p>Subd. 2. Eligible entities. Sets out eligible entities and purposes for the grants.</p> <p>Subd. 3. Design grants. Creates a category of grants for establishing a local college savings program.</p> <p>Subd. 4. Implementation grants. Creates a category of grants to supplement design grants and assist with implementation of local college savings programs.</p> <p>Subd. 5. Outreach and technical support. Requires OHE to provide assistance to grantees.</p> <p>Subd. 6. Priorities. Sets priorities and guidelines for OHE in awarding grants under this section.</p>
10	<p>MinneKIDS program report required.</p> <p>Requires OHE to report to the legislature regarding the scholarship program and the grant program under sections 8 and 9.</p>
11	<p>Appropriation.</p> <p>Appropriates to-be-determined amounts in FY26 and FY27 in new, ongoing funding for transfer to the special revenue fund account established under section 8 and for the grant program under section 9.</p>



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