



January 2025

MinneKIDS

Statewide Blueprint

A Children's Savings Account Program

MinneKIDS

Program Design

> PROGRAM ELIGIBILITY

All children born on or after program start date: July 1, 2026
Resident of Minnesota

> ENROLLMENT

- Automatic enrollment, with opt out option
- At-birth enrollment, within 60-90 days after birth using birth records

> INITIAL SEED DEPOSIT

- \$50 for all children
- \$100 for all children from low-income backgrounds

> INCENTIVE DEPOSITS

State-funded, key cradle-to-graduation milestones and for engagement with CSA

> COMMUNICATIONS & MARKETING PROGRAM

Centralized statewide
MinneKIDS brand

> MINNEKIDS LOCAL COMMUNITY GRANTS

MinneKIDS Start Up Grants
MinneKIDS Expansion Grants

> ACCOUNT VEHICLE

MN SAVES - 529 Account

> PROGRAM ADMINISTRATOR

Minnesota Office of Higher Education

> ALLOWABLE USES OF SAVINGS

- MN SAVES Qualifying Expenses:
- Tuition at accredited colleges, universities, community colleges, and technical schools
 - Fees, books, supplies, and equipment
 - Room and board
 - School technology
 - Special needs services

> TOTAL APPROPRIATION / FUNDING

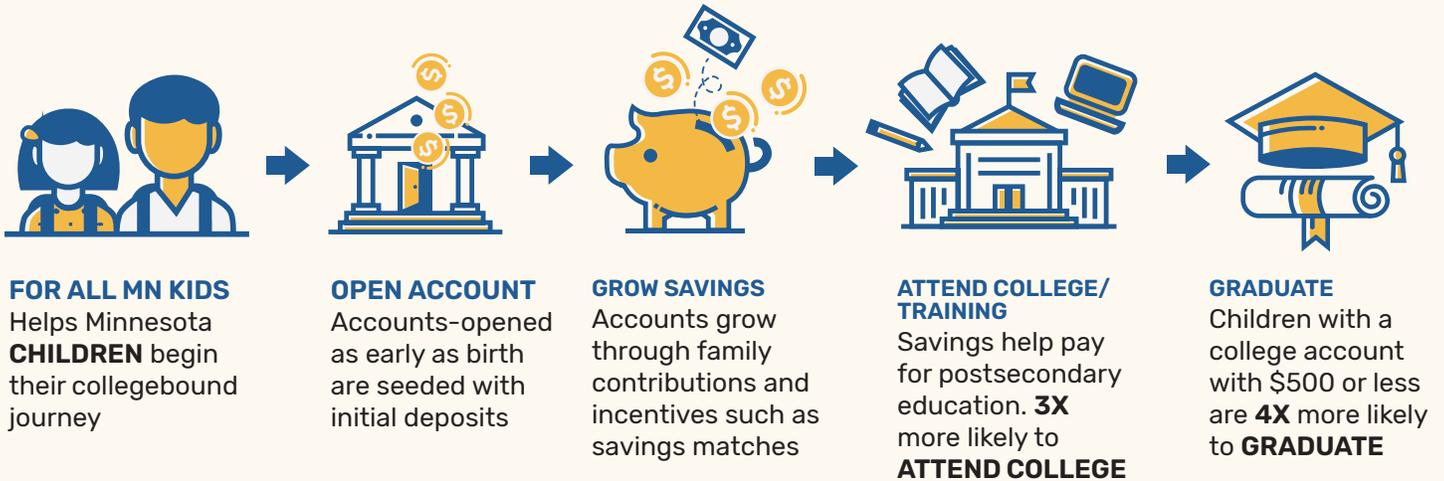
TBD, ~\$16-18 million state legislative appropriation per biennium

WHAT ARE CSAs?

Children's Savings Accounts or College Savings Accounts (CSAs) are long-term savings or investment accounts that help children (from birth to age 18) build savings for the future. The three primary characteristics of CSAs are:

1. Savings are intended for purchasing an asset, particularly postsecondary education.
2. Participants receive program-provided funds to build account balances—such as initial seed deposits and yearly bonuses for advancing to the next grade—to grow the savings in their accounts.
3. Incentives are generally restricted to paying for postsecondary education or another allowable asset.

What is Children's Savings Account (CSA) ...and how does it work?



Promise Programs and CSAs

Promise programs are initiatives designed to make higher education more accessible and affordable by guaranteeing financial support for college tuition to eligible students. These programs typically work by providing scholarships or grants to students who meet specific criteria, such as graduating from a particular high school or maintaining a certain GPA. The goal is to reduce financial barriers and encourage more students to pursue higher education. In Minnesota, the Promise Program is called Minnesota Promise.

Children's Savings Account (CSA) programs and Promise programs are complementary in that they both aim to increase college attendance and completion rates, particularly among low- and moderate-income students. CSAs are long-term savings accounts established for children, often at birth, to help them build assets for future education expenses. By linking CSAs with Promise programs, students can have a dedicated savings account that grows over time, supplemented by the guaranteed financial support from Promise programs. This combination can provide a more comprehensive financial foundation for students, making college more attainable and reducing the need for student loans.

Critics of linking CSA programs and Promise programs argue that it may create administrative complexities and that the benefits of each program could be diluted when combined. However, proponents rebut these concerns by highlighting the synergistic effects of linking the two programs. They argue that the combined approach not only provides immediate financial support through Promise programs but also fosters a long-term savings habit and financial literacy through CSAs. This dual approach can enhance students' financial stability and readiness for college, ultimately leading to higher college enrollment and graduation rates.

History of CSAs in Minnesota

MinneKIDS builds off a \$500,000 pilot program investment made by the Minnesota state legislature in 2019 to support the launch of CollegeBound Saint Paul, an at-birth CSA program run by the Office of Financial Empowerment at the City of Saint Paul. During the 2023 legislative session, the state legislature made another \$500,000 investment in CSA planning grants to lay the foundation for additional communities across Minnesota to plan for a potential statewide CSA program. During 2024, communities in Central Minnesota, Rice County, and Hennepin County started their planning process under the guidance of Youthprise and the Midwest CSA Consortium in partnership with CollegeBound Saint Paul.

Timeline of CSAs in MN:

2019

State invests in CollegeBound Saint Paul

2023

State invests in MinneKIDS planning grants

2024

MinneKIDS planning grants implemented in Central Minnesota, Rice County, and Hennepin County

MinneKIDS Statewide and Local Affiliate Goals

The MinneKIDS CSA program has several goals:

1. Jump start savings for 65,000 Minnesota babies each year.
2. Improve parity in educational attainment by geography, race/ethnicity, and income.
3. Seed and cultivate a college-going or career-forward identity for life after high school.

In addition to these MinneKIDS statewide goals, local MinneKIDS design grantees and existing CSA programs have a set of their own community-determined goals, which are outlined below:

MinneKIDS Local Affiliate Community Goals

Central Minnesota

The overarching goal is to create an equitable path to higher education for children in underserved communities by leveraging our community partnerships with local organizations, schools, businesses and financial institutions to raise awareness about the importance of early college savings, financial literacy and access. In partnering with these sectors of our community, we can create a system of ongoing support and involvement, with sustainable financial support to contribute to these accounts.

Rice County

Our community's primary goal is to foster identity formation and empowerment for all families, ensuring that every child, regardless of background or economic status, has the resources and support to develop a strong sense of self and purpose in their educational and career pursuits. By encouraging early savings through a CSA program, we aim to cultivate a culture where families can confidently invest in their children's futures. This financial investment is not just about saving money; it is also about instilling values of aspiration and ambition. By supporting children in recognizing their potential, we can help break the cycle of poverty and equip them with the confidence they need to pursue their chosen pathways—whether that be college, trade school, or direct entry into the workforce.

Another key goal is to promote equity and inclusion across our community. We recognize the disparities that exist, particularly among low-income families, communities of color, and immigrant families. Our goal is to design a program that closes these gaps by offering tailored incentives, like catch-up bonuses or higher deposits for low-income students, and ensuring that the program is accessible to all. We want to create a system that supports educational and career readiness while building lifelong habits that benefit our youth and strengthen our local workforce.

Hennepin County

All kids, youth, and families, regardless of race, culture, immigration status, income, religious identity, gender identity, sexual orientation, or disability, will have increased aspirations for their future and gain greater access to postsecondary education and career training as a result of our community's investment in their future.

Values: Equity, Social Justice, Equal opportunity, Community, Leadership

CollegeBound Saint Paul

Set Saint Paul children on the path to higher education and career training.
Increase savings for college.

Expected MinneKIDS Outcomes

Since the program's vision is one of fundamental changes for both individuals and the state, the intended long-term program outcomes have participant and community levels:



Participant-Level Long-Term Outcomes

- An increased percentage of youth enroll in and complete postsecondary education
- Young adults have the skills and education needed to succeed in the future economy



State-level long-term outcomes

- The state's gaps in postsecondary educational attainment by race and income narrow
- Disparities in employment rates and income by race narrow among state residents
- More young adults remain in and/or return to their Minnesota communities and contribute to the state's economy
- Minnesota has a more skilled, educated workforce that will help support local economies

Since children will participate in the program from birth through adulthood, these long-term outcomes will take more than 20 years to achieve. The CSA field has well-articulated short- and medium-term outcomes that will help track if the program is making progress toward the long-term goals in the interim. Examples of short-term outcomes include a higher percentage of children with savings for postsecondary education, improved social-emotional functioning for toddlers, reduction in maternal depression, among other measures of progress.

MinneKIDS Design Features

MinneKIDS Program Structure: Statewide Centralized Infrastructure with MinneKIDS Local Affiliates

As this report is read, it is important to note how the MinneKIDS program is structured. One way to conceptualize the program structure is a 'hub and spoke' model.

The MinneKIDS program will have a hub, which is the Minnesota Office of Higher Education, which serves as a statewide centralized infrastructure, with MinneKIDS Local Affiliate sites, who are implementation, outreach, and engagement partners throughout the state. Proposed roles are delineated below:

Proposed roles: Statewide Program Administrator vs. MinneKIDS Local Affiliate Sites

MinneKIDS Statewide Program Administrator and Centralized Infrastructure

- Program Administrator: Minnesota Office of Higher Education
- 4FTE Staffing: Program Director, MinneKIDS Local Affiliate Coordinator, Data & Customer Service, Contract Specialist
- Lead relationship and contract with MNSAVES 529 program
- Oversee IT infrastructure that allows program, 529 program, and families to interface with each other (e.g. Outcome Tracker)
- Secure and protect enrollment data (e.g. birth records and Kindergarten enrollment data)
- Enroll children into the program, including sending welcome packets
- Administer seed and milestone deposits
- Lead MinneKIDS branding and marketing
- Oversee and operate the MinneKIDS Local Affiliate Grant programs
- Ensure program compliance according to state statute

MinneKIDS Local Affiliate Sites

- Design and Implementation Grantees
- Implement Local Affiliate Site Plans, including but not limited to:
 - making milestone deposits
 - aligning local programming
 - conducting local outreach and engagement, and
 - running local MinneKIDS campaigns
- Follow MinneKIDS branding and marketing guidelines set by the Statewide MinneKIDS program administrator
- Potential: Administer locally-determined milestone deposits in the MinneKIDS database

The intention of this program structure is to build efficiencies into the CSA program by centralizing key programmatic functions while driving local program engagement. This structure allows communities of all sizes across the state to participate in the CSA program, without relying on uneven resources and capacity to administer local programs on their own.

Without a centralized infrastructure, each local site across the state wanting to start a CSA program would have to select a financial institution partner or product (e.g. a 529 or a custodial savings account with a local bank), figure out the IT infrastructure needed to connect the financial institution/product, program administrator, and families, which would be a waste of time and resources.

This structure allows communities across Minnesota to apply for state grants to design and implement their own local strategies, with a focusing on encouraging program engagement and awareness, as well as community-determined routes to align around broader community goals and build savings locally.

MinneKIDS Design Feature: Program Start Date

MinneKIDS Recommendation: July 1, 2026

Details about the recommendation: If the MinneKIDS statewide policy passes during the 2025 legislative session, it is recommended that MinneKIDS launch on July 1, 2026. This will allow the program administrator one year to plan for the implementation of MinneKIDS and get key implementation drivers in place. This timeline balances urgency to launch the program with the time it takes to be “implementation-ready” to deliver a high-quality, impactful CSA program.

MinneKIDS Design Feature: Eligibility

MinneKIDS Recommendation: A child will be eligible for MinneKIDS if:

- Born on or after July 1, 2026, and
- Either a Minnesota resident at birth or moves to Minnesota before high school graduation

It is recommended that MinneKIDS have universal, inclusive eligibility in which every child who is born on or after July 1, 2026, and who is either a Minnesota resident at birth or moves to Minnesota before high school graduation is eligible for the CSA program. Broad eligibility ensures that children in a range of circumstances will be eligible for the program, such as a child adopted by a Minnesota resident parent after birth or a child born to an incarcerated parent who is a resident of Minnesota. Approximately 65,000 babies are born as Minnesota residents each year.

Best Practices for At Birth Enrollment in CSA Programs: Enrolling children in CSA programs at birth is a best practice that maximizes the time available for savings to grow. This early enrollment helps instill a college-bound identity from a young age, as families begin to see higher education as an attainable goal. Programs like the Harold Alfond College Challenge in Maine automatically enroll newborns, providing an initial deposit that sets the stage for future contributions. Early enrollment also allows for the accumulation of investment returns over a longer period, significantly increasing the potential savings available for postsecondary education.

MinneKIDS Recommendation: Automatic, opt-out enrollment

Automatic enrollment, based on birth records, should be used to enroll as many children as possible. By not requiring any action or documentation on the part of parents to obtain an account, automatic enrollment ensures that all children have an account, unless their parent(s) chooses to opt them out of the program.

Automatic enrollment means that all children in the target population are enrolled in the CSA program unless they or their parents opt out. This approach ensures high participation rates by removing barriers to entry and making it easier for families to join. Automatic enrollment is considered a best practice because it maximizes program reach, reduces administrative costs associated with recruitment, and ensures that all eligible children benefit from the program.

How will children be enrolled?

The recommendation is for the MinneKIDS program to use birth records to automatically enroll children into the program. Here is a potential process to consider for enrollment:

1. **Data Collection:** The program collects birth records from the Minnesota Department of Health. These records include essential information such as the child's name, date of birth, and parents' contact details.
2. **Automatic Enrollment:** Using the collected birth records, the program automatically enrolls eligible children into the CSA program. This ensures that every child born in Minnesota is included without requiring any action from the parents.
3. **Account Creation:** Once enrolled, a 529 account is opened for each child. The program deposits an initial seed amount into the account to jump-start the savings.
4. **Notification:** Parents are notified about the enrollment and the creation of the account. They receive information on how to access and manage the account, as well as details about additional incentive bonuses and opportunities to contribute to the savings.
5. **Ongoing Management:** The program continues to manage the accounts, track contributions, and provide additional incentives as the child grows. Parents are encouraged to make regular contributions and take advantage of matching funds and other incentives offered by the program.

This process ensures that all children in Minnesota have a savings account from birth, promoting long-term financial stability and educational attainment.

Why use birth records?

Using birth records for automatic enrollment in Children’s Savings Account (CSA) programs offers several benefits:

1. **Universal Access:** Automatic enrollment ensures that all eligible children are included in the program from birth, regardless of their family’s awareness or ability to enroll them manually. This promotes equity and inclusivity by providing every child with the opportunity to benefit from the program.
2. **Administrative Efficiency:** Leveraging birth records simplifies the enrollment process, reducing administrative burdens and costs associated with manual enrollment. This allows program administrators to focus resources on other aspects of the program, such as outreach and engagement.
3. **Early Savings Start:** By enrolling children at birth, the program maximizes the time available for savings to grow. Early enrollment helps accumulate more significant savings over time, providing a more substantial financial resource for the child’s future education.
4. **Increased Participation Rates:** Automatic enrollment leads to higher participation rates, as it removes barriers to entry and ensures that all eligible children are enrolled without requiring any action from their parents or caregivers.
5. **Data Accuracy:** Using birth records ensures accurate and up-to-date information for enrollment, reducing errors and discrepancies that can occur with manual data entry.

Overall, automatic enrollment using birth records helps create a more inclusive, efficient, and effective CSA program, ensuring that all children have the opportunity to build savings for their future education.

Reduce State Policy Barriers to Accessing Birth Records: Current Minnesota law classifies birth records of children born to unmarried mothers as confidential, non-public data. This poses a barrier for CSA programs like CollegeBound Saint Paul, which rely on birth records for automatic enrollment. The report recommends amending state policy to allow entities administering CSA programs to access birth records for the purpose of opening accounts for eligible children. This policy improvement aims to enhance the accessibility, inclusivity, and effectiveness of CSA programs in Minnesota, ultimately supporting the educational and financial well-being of children and their families.

MinneKIDS Design Feature: Initial Seed Deposit and Incentive Deposit

About initial seed and incentive deposits. An initial deposit, often called a “seed” deposit, is a sum of money provided by a third party to start a child’s savings account upon enrollment in a CSA program. An incentive deposit is additional funding provided to encourage specific behaviors, such as regular savings or achieving educational milestones. When selecting initial and incentive deposits, key considerations include the program’s goals, the target population’s financial capacity, and the availability of funding. The initial deposit should be substantial enough to motivate families to participate, while incentive deposits should be structured to encourage ongoing engagement and savings behavior.

MinneKIDS Recommendation:

Initial Seed Deposit:

- \$50 for each Minnesota baby
- \$100 for each Minnesota baby from a low-income family

Incentive Deposit:

- Cradle-to-college milestone deposits
- Engagement with the CSA account
- Community-driven incentive deposits

See table below for specifics.

Details about the recommendation

Initial seed deposit: Upon opening, each child’s account should receive a \$50 initial deposit. This ensures that all participating children have at least some money in their accounts, regardless of their families’ ability to make contributions. Children from low-income families should receive a \$100 initial seed deposit. Low-income will be defined by the child being enrolled in WIC.

Incentive deposits: The incentive deposits identified follow three themes:

Theme 1: Cradle-to-college milestone deposits

- Early childhood: Enrolled in WIC
- Elementary: Kindergarten-enrollment
- Middle School: Family or child deposit into CSA account
- High School: FAFSA completion

Theme 2: Incentive deposits for engagement with the CSA account

Log in bonus: a child will receive an incentive deposit the first time the CSA account is logged into.

Theme 3: Community-driven incentive deposits. There are a range of different community-driven incentive deposits outlined by MinneKIDS Local Design Grantees and existing CSA programs in Minnesota. For more details, see the table “Examples: MinneKIDS Local Affiliate Directed Incentive Deposits.”

INITIAL SEED DEPOSIT			INCENTIVE DEPOSITS		
TYPE	AMOUNT	DETAILS	TYPE	AMOUNT	DETAILS
Initial seed – all Minnesotan babies	\$50	1x, All children	Early Childhood: WIC	\$25	1x, enrolled in WIC
Initial seed – Minnesotan babies from low-income families	\$100	1x, Only low-income children	Elementary: School Screening	\$10	1x, school screening
			Middle School: Make a CSA deposit	\$25	1x, when child or family make a deposit
			High School: FAFSA Completion	\$50	1x, when FAFSA completed
			Engage CSA: Log in bonus	\$25	1x, when 1st log in to CSA
			MinneKIDS Local Affiliate – directed	Varies	Determined by MinneKIDS Local Affiliate

Examples: MinneKIDS Local Affiliate Directed Incentive Deposits

CENTRAL MINNESOTA	RICE COUNTY	HENNEPIN COUNTY	COLLEGE BOUND SAINT PAUL
<ul style="list-style-type: none"> Well-Child: \$10 Library Card: \$5 Financial literacy: \$10 Parent Power: \$5-50 School conference: \$5 Parent Advocates: \$50 Explore Posts: \$10 per course Central Minnesota Youth Council: \$50 CareerOne: \$10 	<ul style="list-style-type: none"> Parent education: \$50 School conferences: \$50 Use of navigators: \$50 Financial literacy: \$50 Enrichment in Middle School: \$50 Career planning in High School: \$50 	<ul style="list-style-type: none"> Well Child Checkups: \$50 Early Childhood Screening: \$50 Equity Incentive: \$100 Family Literacy Education: \$100 8th Grade "Future Focus" Milestone: \$100 Teen-Parent Graduation: \$50-500 	<ul style="list-style-type: none"> First Account Login: \$10 1st birthday bonus: \$25 Financial Health Bonus: \$50 Early Childhood Bonus: \$50

Administering the Initial Deposit and Incentive Deposits

Each deposit type requires varying levels of administrative burden, including the need for data-sharing agreements, barriers to data acquisition or compilation, among other factors. The MinneKIDS Coalition recommends securing state funding for all Initial Seed Deposits, then funding Incentive Deposits as additional state funding becomes available.

MinneKIDS Design Feature: Account Vehicle

MinneKIDS Recommendation: 529 Program in Minnesota: MN SAVES Plan

The program should use the state of Minnesota's 529 program, MN SAVES, to hold initial deposits, bonuses, and deposits on behalf of participating children. The key factor in making this recommendation is that 529 college savings accounts for low-income families is an existing statewide infrastructure that can be leveraged for the MinneKIDS program. In addition, the 529 account provides at least a small return on investment that would be distributed among the participants' accounts. In this section, you will find both benefits of the 529 plan and ways to improve accessibility and awareness about the 529 program, especially for low-income Minnesota families.

About MN SAVES. MN SAVES is the Minnesota 529 College Savings Plan, a tax-advantaged investment account designed to help families save for future education expenses. It offers state tax deductions or credits for contributions and allows the savings to grow tax-free when used for qualified education expenses.

Benefits of a 529 Plan for CSAs

A 529 plan offers significant advantages for Children’s Savings Accounts (CSAs). These tax-advantaged investment accounts are designed specifically for saving towards postsecondary education, providing a higher rate of return compared to traditional savings accounts. Earnings in 529 accounts grow tax-free when used for eligible educational expenses, making them an attractive option for families. Additionally, many states offer tax deductions or credits for contributions to 529 plans, further incentivizing savings. The structured nature of 529 plans, with built-in penalties for non-educational withdrawals, aligns well with the goals of CSAs to promote higher education and ensure funds are used for their intended purpose.

Here are some key tax advantages of 529 plans:

1. **Tax-Free Growth:** The earnings in a 529 plan grow tax-free, meaning you don’t pay federal income taxes on the investment gains as long as the funds are used for qualified education expenses.
2. **Tax-Free Withdrawals:** Withdrawals from a 529 plan are tax-free when used for qualified education expenses, such as tuition, fees, books, supplies, and room and board.
3. **State Tax Benefits:** Many states offer tax deductions or credits for contributions to a 529 plan. The specific benefits vary by state, but they can provide significant tax savings for residents who contribute to their state’s plan.
4. **Gift Tax Benefits:** Contributions to a 529 plan are considered gifts for tax purposes, but they qualify for an annual gift tax exclusion. This allows individuals to contribute up to \$17,000 per year (as of 2023) per beneficiary without incurring gift taxes. Additionally, there is a special provision that allows for five years’ worth of contributions to be made in a single year without triggering gift taxes.
5. **Estate Tax Benefits:** Contributions to a 529 plan are removed from the contributor’s taxable estate, which can help reduce estate taxes. This makes 529 plans an attractive option for grandparents and other relatives who want to contribute to a child’s education while also managing their estate planning.

These tax advantages make 529 plans a powerful tool for saving for education expenses, providing both immediate and long-term tax benefits for contributors and beneficiaries.

Suggested improvements to the 529 to ensure greater inclusivity

In a paper written by national CSA experts and practitioners, entitled “Redesigning College Savings (529) Plans to Achieve Inclusive Child Development Accounts,” suggested some improvements for the 529 program, including:

- **Create a Structure for CSAs:** Transform state college savings (529) plans to serve all children, ensuring inclusivity and accessibility.
- **Automatic Deposits:** Implement automatic deposits for all children, starting as early as birth, leveraging birth records to facilitate this process.
- **Simplify Enrollment and Communication:** Use simple, easy-to-understand disclosure agreements, marketing materials, and enrollment forms to remove barriers to entry.
- **Exempt CSA Funds from Financial Aid Calculations:** Ensure that CSA funds from federal and state sources are exempt from federal financial-aid eligibility calculations and asset testing for state and federal benefits.

- **Promote Inclusivity:** Foster an inclusive CSA culture and communications to build trust in CSAs, regardless of family resources, race, ethnicity, nationality, religion, or other factors.
- **Encourage Family and Community Contributions:** Promote and celebrate saving by families and encourage local schools, parent-teacher organizations, and community groups to initiate funding projects for CSAs.
- **Innovate and Monitor Outcomes:** Encourage innovation in CSA programs, study successful innovations, and communicate these across states. Track and report on CSA implementation and impacts using rigorous research methods.

These improvements aim to make 529 plans more inclusive, accessible, and effective in supporting children’s future educational and financial success.

MinneKIDS Design Feature: Eligible Expenses for Savings

MinneKIDS Recommendation:

MN SAVES Qualifying Expenses:

- Tuition at accredited colleges, universities, community colleges, and technical schools
- Fees, books, supplies, and equipment
- Room and board
- School technology
- Special needs services

Allowable uses of program-provided funds in participants’ accounts should be limited to postsecondary education aligned with qualifying expenses for the MN SAVES Plan.

Qualifying Expenses for MN SAVES Plan

- Tuition at accredited colleges, universities, community colleges, and technical schools
- Fees, books, supplies, and equipment required for enrollment or attendance
- Room and board for students enrolled at least half-time
- Computers, peripheral equipment, software, and internet access used primarily by the beneficiary during their time in school
- Special needs services required by a special needs beneficiary in connection with their enrollment or attendance.

MinneKIDS Design Feature: Marketing, Communications, and Community Engagement

MinneKIDS Recommendation:

1. Statewide program administrator will control branding guidelines for statewide MinneKIDS program and local MinneKIDS affiliates will conform to statewide branding guidelines.
2. Statewide program administrator will communicate information about the program to local affiliates and to program participants on a regular basis.
3. Local MinneKIDS affiliates will implement local marketing and communication plans and community engagement strategies that work for their communities.

Marketing and Communications

- **Clear Messaging:** Develop clear and consistent messaging that explains the benefits of CSAs and how they work. This helps build trust and understanding among participants and stakeholders.
- **Targeted Outreach:** Use targeted outreach strategies to reach different segments of the community, including low- and moderate-income families. Tailor messages to resonate with the specific needs and concerns of each group.
- **Multiple Channels:** Utilize multiple communication channels, such as social media, community events, schools, and local media, to spread the word about the program. This ensures that the message reaches a broad audience.
- **Visual and Engaging Content:** Create visually appealing and engaging content, including videos, infographics, and testimonials, to capture the attention of potential participants and supporters.
- **Partnerships with Trusted Organizations:** Partner with trusted community organizations, schools, and local leaders to help promote the program. These partners can act as credible messengers and help build trust within the community.

Community Engagement

- **Involve Community Leaders:** Engage community leaders and influencers to champion the program. Their endorsement can lend credibility and encourage participation.
- **Interactive Events:** Host interactive events, such as workshops, town hall meetings, and informational sessions, to educate the community about the program and its benefits. These events provide opportunities for direct engagement and feedback.
- **Feedback Mechanisms:** Establish feedback mechanisms to gather input from participants and the community. This helps ensure that the program meets the needs of the community and allows for continuous improvement.
- **Cultural Sensitivity:** Be culturally sensitive and inclusive in all outreach and engagement efforts. Recognize and respect the diverse backgrounds and experiences of community members.
- **Ongoing Communication:** Maintain ongoing communication with participants and the community. Regular updates and reminders can help keep participants engaged and informed about the program's progress and any new opportunities.

These recommendations aim to build awareness, trust, and participation in CSA programs by effectively communicating their benefits and engaging the community in meaningful ways.

The MinneKIDS Local Affiliate sites outlined communication and community engagement activities in their Local MinneKIDS Design Blueprints, which can be found at the end of this report.

MinneKIDS Design Feature: Local MinneKIDS Affiliate Programming

Each local site will implement their own Local MinneKIDS Affiliate Programming.

Examples: MinneKIDS Local Affiliate Programming

CENTRAL MINNESOTA	RICE COUNTY	HENNEPIN COUNTY	COLLEGE BOUND SAINT PAUL
<ul style="list-style-type: none"> • Early Childhood Programming and Education • Investment Alignment Process • Future 100 • Somali American Youth Network • Black Youth Network • Out-of-School Time Network • Career and College Readiness Network • 21st Century Community Learning Centers • Full-Service Community Schools 	<ul style="list-style-type: none"> • Adult basic education • Early Childhood Family Education • School conferences • TORCH • RISE • Northfield Community College Collaborative • Early Childhood Network • Family engagement navigators • Community Schools 	<ul style="list-style-type: none"> • Financial literacy • Parent engagement • Engagement with the 529 	<ul style="list-style-type: none"> • Early childhood programming • Financial literacy programming • Family Deposit Days • In-School Deposit Days • Whole Family Wealth Literacy

MinneKIDS Design Feature: MinneKIDS Local Community Grants

Local communities can apply for grants to:

1. convene stakeholders
2. use for marketing, community engagement, and programming wraparound support
3. staffing for local coordination,
4. or build the MinneKIDS account with additional incentive deposits.

Design Grants

- New communities interested in launching becoming a MinneKIDS Local Affiliate
- No local match required
- Grants to 50% Twin Cities / 50% Greater Minnesota & Tribal Governments

Implementation Grants

- Existing CSA programs or MinneKIDS Local affiliates apply to expand their program
- Require 1:1 match from nonstate sources

MinneKIDS Design Feature: MinneKIDS Program Administrator

MinneKIDS Recommendation:

Minnesota Office of Higher Education

The MinneKIDS Program Administrator will be housed at the Minnesota Office of Higher Education (OHE).

About the Minnesota Office of Higher Education. The Minnesota Office of Higher Education is a cabinet-level state agency that provides financial aid programs and information to help students access postsecondary education in Minnesota. The agency also serves as the state's clearinghouse for data, research, and analysis on postsecondary enrollment, financial aid, finance, and trends. It administers the Minnesota State Grant Program, which awards need-based grants to Minnesota residents attending eligible colleges, universities, and career schools in Minnesota. Additionally, the agency oversees other state scholarship programs, tuition reciprocity programs, a student loan program, Minnesota's 529 College Savings Plan, licensing, and early college awareness programs and initiatives for youth.

The mission of MinneKIDS is aligned with the Office of Higher Education, and is a natural agency home for the MinneKIDS program. This is especially the case because MN SAVES is administered through OHE and is the account vehicle for the MinneKIDS program.

Proposed MinneKIDS staffing structure. Like other statewide programs like CalKIDS and the state of Pennsylvania's program, KeyStone Scholars, the MinneKIDS CSA Program should be its own team or division within the OHE. It should partner with, but not be, the 529 team that already exists within OHE.

Program Administrator

A centralized state administrator will:

- Maintain the relationship with the entities offering the 529 plan
- Enroll children into the program
- Make initial deposits
- Organizes the local affiliates, ensures branding alignment

When a CSA is administered by a state agency, it typically involves the following steps:

- **Enrollment:** The state agency uses existing records, such as birth certificates or school enrollment data, to automatically enroll eligible children. This reduces barriers to participation and ensures high enrollment rates.
- **Account Management:** The state agency partners with financial institutions to manage the accounts. This includes setting up custodial accounts, tracking deposits and incentives, and ensuring funds are used for qualified expenses.
- **Incentives:** The state agency provides initial deposits and may offer matching funds or other incentives to encourage savings. These incentives are often funded through state appropriations, grants, or partnerships with private organizations.
- **Outreach and Education:** The state agency conducts outreach to inform families about the program and its benefits. This may include informational materials and sending program welcome packets to families and children.
- **Monitoring and Evaluation:** The state agency tracks program outcomes, such as account balances and educational attainment, to assess the program's impact and make improvements as needed.

Overall, state-administered CSAs benefit from the agency's ability to leverage existing infrastructure, secure funding, and coordinate across multiple departments to support children's savings and educational goals.

The first stage of MinneKIDS staffing structure at the Minnesota Office of Higher Education could include:

TITLE	SCOPE OF ROLE	FTE
MinneKIDS Program Director	This MinneKIDS Program Director is responsible for overseeing the overall vision, goals, and objectives of the MinneKIDS program. This position will manage all aspects of the CSA program's implementation and operations. This includes cultivating and maintaining partnerships with Office of Higher Education internal partners such as the 529 program, other state government agencies, and policymakers.	1.0

continued

TITLE	SCOPE OF ROLE	FTE
MinneKIDS Local Affiliate Coordinator	The MinneKIDS Local Affiliate Coordinator is responsible for maintaining and coordinating partnerships with the MinneKIDS Local Affiliates throughout the state. This position will coordinate MinneKIDS Local Partnership grants, align marketing and branding between the statewide program and the local affiliates, and provide on-going and regular communication with the local affiliates.	1.0
MinneKIDS Database Administrator	The MinneKIDS Database Administrator is responsible for maintaining Outcome Tracker, information on participants, and deposit information. This position will handle account management, maintain accurate records, coordinate the distribution of initial deposits and incentive deposits for the 65,000 children enrolled in the program each year.	1.0
MinneKIDS Customer Service Coordinator	The MinneKIDS Customer Service Coordinator is responsible for managing all in-bound and out-bound interaction directly with program participants and their families. This position will field phone calls and emails from program participants, be able to answer questions, maintain regular communication with program participants, and send out program welcome packets to families.	1.0

These positions are designed to ensure the MinneKIDS program is well-managed and effectively delivers on the goals and objectives of MinneKIDS. The staffing outlined above is just the 'start up' staffing and the staffing structure should scale as the program grows by 65,000 participants each year.

MinneKIDS Design Feature: Budget - Legislative Appropriation and Local Funding

MinneKIDS Recommendation:

The state legislature should provide a base appropriation of \$17,450,000 over the 2 year biennium to launch MinneKIDS.

The state legislature should provide a base appropriation of \$17,450,000 over the 2 year biennium to launch MinneKIDS. The budget assumptions are outlined below:

- **Seed deposits: \$9,750,000**
 - \$50 base seed: 65,000 children each year x \$50 seed x 2 years in the biennium=\$6,500,000
 - Low-income \$50 seed boost: 32,500 low-income children per year x \$50 x 2 years in the biennium=\$3,250,000
- **MinneKIDS Design Grants: \$1,000,000**
 - 5 communities x \$100,000 grants x 2 years in the biennium=\$1,000,000
- **MinneKIDS Implementation Grants: \$4,500,000**
 - 5 communities (Central MN, Hennepin, Rice, Saint Paul, American Indian tribe) at \$300,000 average grant in year 1 and 10 communities at \$300,000 average grant in year 2 (existing communities plus 5 additional planning grant communities)=\$4,500,000
- **Agency staffing and program costs (estimated): \$2,200,000**
 - Staffing: 4.0 FTE+fringe, including: Program Director, MinneKIDS Local Site Coordinator, Data Specialist & Customer Service, Contract specialist: \$700,000 x 2 year=\$1.4 million for the 2 year biennium (estimated)
 - Program costs: Database costs, program marketing, welcome packets, other program costs: \$400,000 x 2 years=\$800,000 for the 2 year biennium

The estimated budgets for the MinneKIDS Local Affiliates can be found in their local Blueprints at the end of this report.

Appendix

Additional Implementation Considerations: Information Management Systems

Key Considerations When Selecting an Information Management System for a CSA Program:

1. **Data Collection and Tracking:** The system should be able to collect and track individual participant data, including account activity, incentives earned, and withdrawals made.
2. **Reporting Capabilities:** It should provide robust reporting features to track aggregate program data and assess if the program is meeting its goals.
3. **Integration with Financial Institutions:** The system should seamlessly integrate with the financial institution partner to receive electronic account activity data.
4. **User-Friendly Interface:** The system should have an intuitive and user-friendly interface for both program administrators and participants.
5. **Security and Compliance:** Ensure the system complies with data security standards and regulations to protect participants' personal information.
6. **Scalability:** The system should be scalable to accommodate the growth of the program and the increasing number of participants.
7. **Cost:** Consider the cost of purchasing, maintaining, and training staff to use the system, and ensure it fits within the program's budget.
8. **Customization:** The ability to customize the system to meet the specific needs and requirements of the CSA program is crucial.
9. **Support and Training:** The vendor should provide adequate support and training to ensure the program staff can effectively use the system.

These considerations will help ensure that the selected information management system effectively supports the administration and management of the CSA program.

Current recommendation. Outcome Tracker by VistaShare: This system is used by several CSA programs and is customizable for tracking account activity, managing incentives, and reporting outcomes. The Program Administrator should analyze if Outcome Tracker or another information management system will best meet the needs of MinneKIDS.

Impacts of CSAs and Research Rigor

Children’s Savings Accounts (CSAs) have been shown to positively impact educational outcomes and financial behaviors. Research indicates that children with savings accounts are more likely to develop a college-bound identity, perform better academically, and attend and complete postsecondary education. CSAs also promote financial capability among families by encouraging regular savings and financial planning.

Domain	Interim Effects	Long-term Impact
Postsecondary Education	<ul style="list-style-type: none"> ● Savings for postsecondary education ● Parents’ educational expectations + Children’s educational expectations + Academic achievement 	+ Postsecondary enrollment and completion
Health and Wellbeing	<ul style="list-style-type: none"> ● Mothers’ psychological wellbeing + Positive parenting behaviors + Youth psychological wellbeing ● Child development and social-emotional functioning 	⊕ Long-term health outcomes
Equity	<ul style="list-style-type: none"> + Inclusion of low- and moderate-income (LMI) families ● Universal, automatic CSAs reduce disparities in account holding and savings + Progressive incentives reduce inequities in college savings + Reduce the college savings gap between poor and non-poor families 	+ Potential to reduce racial wealth gap
Economic Mobility and Financial Capability	<ul style="list-style-type: none"> + Reduced student loan debt ⊕ Workforce development + Increased financial capability ● Connections to mainstream financial institutions 	<ul style="list-style-type: none"> ⊕ Economic mobility ⊕ Workforce development + Higher savings and account ownership in young adulthood

Strength of Evidence:



For more information about CSA research, check out [CSA Research Overview](#).

Investing in our community

The City of Saint Paul is dedicated to investing in the lives of our children. That's why the community is working together to provide a college savings account for every child born in Saint Paul. This investment will open doors to higher education, improve wellbeing among parents and families, and help ensure every child can thrive in our city.

\$1

invested in CollegeBound

\$9

in societal benefits
(\$2 in benefits for taxpayers)



3,100 children
in the first cohort



\$28.8 million
in societal benefits

CollegeBound is projected to serve more than 85,000 children through 2040

Distribution of Dollars Invested



How We Predict Outcomes

The Social Return on Investment (SROI) analysis combines local demographics, costs of resources, and scientific evidence from similar programs across the country. We use these data sets to estimate the projected lifetime benefits to CollegeBound families and taxpayers.

This is a conservative estimate, and there are many other benefits of the program that are not captured in the SROI. As researchers confirm positive effects, the expected returns may increase.

The CollegeBound Journey



Social return on investment: CollegeBound Saint Paul

Research conducted by economist Jose Diaz shows a significant prospective social return on investment (SROI) for CollegeBound Saint Paul. For every \$1 invested in the program, there is an estimated \$9 in societal benefits, including \$2 in benefits for taxpayers.

The impact areas evaluated to come up with the social return on investment include:

- **Higher Education Achievement:** Benefits from increased educational attainment among participants.
- **Parents' Improved Expectations About College:** Positive changes in parents' expectations and behaviors regarding their children's education.
- **Social-Emotional Development:** Improvements in children's social-emotional functioning.
- **Participants' Outcomes:** Increased investment in children's postsecondary education, improved psychological well-being of mothers, better child development, and enhanced youth mental health.
- **Academic Achievement:** Higher academic performance and increased lifetime incomes.
- **Financial Impacts:** Reduced student debt and increased tax revenues.
- **Societal Outcomes:** Reduced crime rates, savings in government spending on special education and grade retention programs, and reduced disparities in account-holding and savings.

The CollegeBound Saint Paul program provides several specific benefits to taxpayers:

1. **Increased Tax Revenues:** By promoting higher educational attainment, the program helps increase lifetime incomes for participants, which in turn leads to higher tax revenues.
2. **Reduced Crime Rates:** Higher education levels are associated with lower crime rates, which can result in savings on law enforcement and judicial system costs.
3. **Savings on Education Costs:** The program can lead to reduced spending on special education and grade retention programs, as children with savings accounts tend to perform better academically.
4. **Improved Social-Emotional Development:** The program supports children's social-emotional development, which can lead to better long-term outcomes and reduced costs associated with mental health services.

These benefits contribute to a more educated, stable, and prosperous community, ultimately reducing the financial burden on taxpayers and enhancing overall societal well-being.