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Investing in Saint Paul's Future

Recommendations for a
Citywide College Savings
Account Program



City of Saint Paul
Minnesota
Mayor Melvin Carter



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Executive Summary

The recommendations in this report are rooted in a vision for the future of Saint Paul. It is a vision of a city with a thriving economy, shared prosperity, and equity among its diverse communities. It starts with ensuring that all children grow up in financially secure families, with the resources, support, and skills needed to attain postsecondary education and take full advantage of the city's economic opportunities. The College Savings Account program laid out in this report is a critical part of a citywide effort to make this vision a reality.

I. Background and Overview

What Are CSAs?

*College Savings Accounts*¹ (CSAs)—also known as *Children's Savings Accounts*—are long-term savings or investment accounts that help children (from birth to age 18) build savings for the future. CSAs are generally seeded with an *initial deposit* provided by the CSA program. Account balances grow through *bonus deposits* provided by the program, such as *benchmark bonuses* for children and/or their parents completing activities or for accomplishments (e.g., participating in financial coaching or receiving good grades), as well as deposits by families. In most CSA programs, upon reaching adulthood, participants use the funds for postsecondary education. CSA programs combine savings accounts with methods of engaging children and their families through *financial education* and other wraparound services to build their *financial capability*.

Research shows that **even small amounts of college savings can have a big impact on the lives of students from low-income households**. One study found that low- and moderate-income children whose families saved \$500 or less are three times more likely to attend college and four times more likely to graduate than those whose families have not saved.² Having money set aside for postsecondary education helps foster a *college-bound identity* in children, in which they see themselves as someone who *will* go to college.³ This is particularly important for children from low-income households, since research shows that their expectations can be lower than for children from higher-income households, primarily stemming from financial challenges.⁴ CSAs also bolster parents' expectations for their children's educational attainment. In addition, CSAs improve social-emotional development in young children and decrease symptoms of maternal depression among mothers of children with a CSA.⁵

¹ Throughout the report, items in the italicized maroon text are defined in the glossary in Appendix N.

² Elliott, W., Song, H., & Nam, I. (2013). Small-dollar Children's Savings Accounts and children's college outcomes by income level. *Children and Youth Services Review*, 35(3): 560-571.

³ Beverly, S.G., Elliott, W., and Sherraden, M. (2013). [Child Development Accounts and College Success: Accounts, Assets, Expectations, and Achievements](#), Center for Social Development Perspective 13-27 (St. Louis, MO: Washington University, Center for Social Development).

⁴ See for example: Mello, Z. [Racial/ethnic group and socioeconomic status variation in educational and occupational expectations from adolescence to adulthood](#), *Journal of Applied Developmental Psychology* 30, no. 4 (2009): 494-504.

⁵ Beverly, S., Clancy, M. & Sherraden, M. [Universal Accounts at Birth: Results from SEED for Oklahoma Kids](#) (St. Louis, MO: Center for Social Development, Washington University in St. Louis, 2016).



How CSAs Can Benefit Saint Paul

Saint Paul Mayor Melvin Carter proposed the CSA program to address two key challenges facing city residents—financial insecurity and inequality in educational attainment by race/ethnicity and income. For example, 22% of the city's households have zero or negative net worth, and 32% of households of color have incomes below the *federal poverty level*.⁶ In addition, fewer than one in five adults of color in Saint Paul have a four-year college degree compared to more than half of white adults. Children growing up in Saint Paul—particularly children of color—face significant challenges given the high levels of financial insecurity and educational disparities.

Mayor Carter envisions the CSA program as an integral component of a broader set of city initiatives to address these challenges. Central to this vision is helping all families become financially empowered, with access to services that increase financial capability, connect them with quality employment opportunities, and build assets. This vision is also fundamentally about changing the odds for Saint Paul's children by connecting families to early childhood services and ensuring families have the resources and support they need to help their children grow up healthy, attain postsecondary education, and become successful adults.

A CSA program can help address Saint Paul's disparities in educational attainment by promoting the educational expectations of both children and parents and providing funds to address gaps in financial aid for postsecondary education. By boosting educational attainment, the CSA program will unlock opportunities for young people to access high-quality jobs and promote overall economic mobility.

Moreover, the true strength of the CSA program is that it is not envisioned as a standalone program. Rather, the CSA program will be integrated with a set of wrap-around services and supports. These services include *financial coaching*, financial education, and free tax preparation—all of which will help build families' *financial capability* (i.e., the knowledge, skills, and access needed to manage financial resources effectively) and help increase their financial security. The CSA program will also help connect families with community resources that promote the healthy cognitive and physical development of young children, such as well-baby check-ups and three-year old screenings, which will help children show up to kindergarten ready to learn.

Design Process

Mayor Carter announced his intention to create a CSA program for Saint Paul during his inaugural address and made the design and implementation of the program a priority for his new administration. He set a goal of launching the CSA program in 2020, with 2019 serving as an implementation year.

The City employed an inclusive process to design the program. The Mayor created a 31-member CSA Task Force, which included representatives from community service providers, educational institutions, foundations, financial institutions, corporations, and others. (Members are listed in Appendix A.) He charged the task force with creating a set of recommendations for the design of the program—based on best practices from across the country and input from the community—by the end of 2018.

The task force made engaging community members in the design process a top priority. It held nine community engagement sessions, with a total of 145 participants, to gather feedback on the CSA program vision and design from community members representative of potential program participants. The task force

⁶ Prosperity Now, [2018 Scorecard](#) (Washington, DC: Prosperity Now, 2018).



intentionally sought out communities whose voices have historically been excluded in planning processes by partnering with organizations serving people with a broad range of cultures, languages, neighborhoods, and experiences that reflect the diversity of Saint Paul. The insights from these sessions informed and validated the task force's recommendations.

This report describes the final recommendations of the task force for the design of the city's CSA program. It includes background information on the task force's key considerations in developing the recommendations. The report is intended to inform the decisions of the Mayor, City Council, and Office of Financial Empowerment Director on the CSA program design and budget.

II. Program Vision, Values, and Outcomes

The high-level vision set forth for the program by the task force is:

Saint Paul's CSA program and interrelated services will transform our community by empowering children, youth, and families to pursue their dreams and aspirations for the future through investments in education, economic security, and financial well-being. The City will develop an accessible, equitable, and sustainable college savings account program that provides resources and knowledge for all Saint Paul families.

The task force also articulated a set of values for the program's design, stating that the program must be:

- **Accessible** – Easy to learn about and engage with for families and community partners, opening doors to tools and opportunities that have not always been accessible to everyone
- **Equitable** – Have meaningful participation in *all* communities and benefit *all*; effectively engages people from communities that have historically been disinvested in to ensure all really means all
- **Sustainable** – Continues beyond this current mayoral administration and becomes a bedrock program for future generations of Saint Paul residents

Outcomes

Since the program's vision is one of fundamental changes for both individuals and the city, the task force proposed that 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
- Community-level long-term outcomes
 - The city's gaps in postsecondary educational attainment by race and income narrow
 - Disparities in employment rates and income by race narrow among city residents
 - More young adults remain in and/or return to Saint Paul and contribute to the city's economy
 - Saint Paul has a more skilled, educated workforce that will help support the local economy

Since children will participate in the program from birth through adulthood, these long-term outcomes will take more than 20 years to achieve. The task force also developed 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 and a diverse range of community institutions engaged in and supporting the program through philanthropy



and/or partnership. Examples of medium-term outcomes include a higher percentage of children meeting elementary and secondary education markers associated with being on track for college; and more families from *historically-disinvested communities* engaging in the program at the same levels as historically-advantaged communities. A *logic model* laying out all the proposed outcomes is in Appendix G.

III. Task Force Recommendations

The task force developed recommendations for all aspects of the program design, administration, and participant outreach and engagement. The program vision, values, and intended outcomes served as a foundation for all the recommendations. The task force also incorporated best practices from CSA programs across the country, input from grasstops stakeholders, and insights from community members into the development of the recommendations.

Program Features

- **Eligibility** — The task force recommends *universal*, inclusive eligibility in which every child who is born on or after January 1, 2020 and who is either a Saint Paul resident at birth or moves to Saint Paul before age six 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 Saint Paul resident parent after birth or a child born to an incarcerated parent who is a resident of Saint Paul. Approximately 5,000 babies are born as Saint Paul residents each year.
- **Enrollment** — *Automatic enrollment*, based on publicly-available birth records, should be used for 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.

Although not ideal, *opt-in enrollment* will be required in all situations in which birth records are not public (e.g., the birth records of children born to unmarried mothers are not public by Minnesota statute) or in which children are not residents of Saint Paul at birth (e.g., children whose families move to the city before age six). The task force recommends that the program conduct extensive outreach to parents to ensure as many of these children are enrolled as possible.

- **Account Vehicle** — The program should use a third-party *custodial savings account* structure (with the City or designated nonprofit serving as custodian) to hold initial deposits, bonuses, and deposits on behalf of participating children. The key factor in making this recommendation is the greater accessibility of savings accounts over *529 college savings accounts* for low-income families.

The task force recommends that the account provide at least a small return on investment that would be distributed among the participants' accounts. The task force also recommends that the city release a request for proposals (RFP) to select a financial institution(s) to hold the CSA program accounts. The RFP process should consider whether the institution engages in responsible banking practices and has a positive reputation, particularly among communities of color.

- **Initial 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.



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- **Bonuses** — The task force did not settle on final recommendations for specific *bonuses*. More exploration—particularly focus groups with community members—are needed to determine the specific bonuses. Generally, the task force recommends three categories of bonuses: 1) a bonus that will provide additional funds to children from low-income households; 2) a bonus for reaching a milestone (e.g., a first birthday bonus deposit); and 3) a bonus to promote program engagement (e.g., a one-time bonus for logging into the account portal).
- **Allowable Uses of CSA Funds** — Allowable uses of program-provided funds in participants' accounts should be limited to postsecondary education. Keeping the allowable uses narrow as the program is launching will make it easier to message it to various stakeholders. The rules developed by the program manager should offer maximum flexibility of postsecondary educational uses, including a range of costs associated with attending four-year colleges, community colleges, and vocational training. The task force also recommends that, as the program develops, it should revisit this issue to determine if other uses should be considered.

Program Administration

- **Administrator** – The task force concurs with the Mayor's decision to house the CSA program within the new Office of Financial Empowerment. This will help connect the program with broader goals and initiatives around building financial capability for the entire family.
- **Staffing** – The task force recommends that the staff working on the CSA program include the Director of Financial Empowerment (.5 FTE), CSA Program Manager (1 FTE), and a CSA Outreach Coordinator (1 FTE).
- **Account/Information Management Platform** – The task force determined that, given the proposed account structure for the CSA program, an online *account/information management platform* will be required to aggregate information on the program-provided funds and participant contributions. The platform will have two components: 1) a program administration portal to enable program staff to view participant information, track account activity, and pull reports; and 2) a user interface in which participants can view their account balance and bonuses earned. Given the limited number of vendor options for this type of platform, the city may want to explore if regulations would allow for sole sourcing, as some other cities have done, rather than engaging in a lengthy RFP process.
- **Communications and Marketing** – The task force recommends that the Saint Paul CSA program develop a robust communications and marketing infrastructure. Communications and marketing will be essential to building excitement about the program among participants, persuading funders to support the program, and maintaining public support. Communications will need to target several different audiences—such as participating families, funders, and the general public. The City should continue its work with the communications firm Tunheim to develop recognizable branding and messaging for the program, as well as creating a program website and social media channels. The task force recommends testing marketing materials and messages with community members to ensure that they resonate with diverse communities within Saint Paul.



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- **Ongoing Community Input** – The task force recommends seeking and incorporating the input of community members on an ongoing basis throughout the implementation period and post-launch. Intentional community engagement is essential to the program taking root and ensuring it will be responsive to the needs of the people it serves. The task force recommends creating a governing body for the program to ensure community-driven oversight and continuous quality improvement of program operations and outcomes. Key responsibilities would include monitoring progress toward the program's intended outcomes, ensuring that program participants have the opportunity to provide feedback, and championing the program in the community.

Family Outreach, Engagement, and Financial Capability Services

Achieving the program's intended participant-level outcomes will depend on robust outreach and engagement to build families' awareness of the accounts and connect them to wrap-around services that build financial capability and financial security, as well as foster the healthy development of young children. Local community partners will be essential to providing robust engagement given the program's scale. The task force recommends three key roles for community partners—enrollment outreach, ongoing engagement, and financial capability services—each of which are discussed below.

The task force conducted a landscape analysis to identify organizations that already serve the intended participants of the CSA program (parents of children ages 0-5) and offer financial capability and other services aligned with the goals of the program. It developed a set of criteria to evaluate potential partner organizations, such as whether the organization focuses on low- and moderate-income families, is trusted in the community, and if it offers services to specific linguistic or cultural communities. The task force identified just over 20 organizations with the highest potential for partnership, as listed in Appendix J. For each of the three partner roles described below, the program should have multiple partners providing different levels of services ranging from low touch to intensive. Intensive service providers will need to receive funding from the CSA program because of the additional staff time required.

Enrollment Outreach to Opt-in Participants

Enrollment outreach partners will conduct extensive outreach to parents and caregivers whose children will not be automatically enrolled in the program to encourage them to sign up. The task force recommends these strategies for working with community partners to facilitate opt-in enrollment:

- Integrate CSA outreach and enrollment information into partners' existing services, including intake, classes, and workshops.
- Add the CSA program to benefits screening tools.
- Develop trainings for community partner staff.
- Conduct targeted enrollment outreach and support for "hardest-to-reach" communities.

Participant Engagement

These partners will engage participating families in the program through ongoing activities and conversations that reinforce the key messages of the CSA program. They will also connect families with services that support child and family well-being, such as early childhood programs and well-baby screenings. Potential partners include child care agencies, early childhood education programs, health care providers, workforce development programs, housing agencies, and schools. Partners offering lower-touch support could, for example, host CSA program staff at events or workshops, where they can explain how the bonus deposits work or help people log into the account portal. Higher-intensity partners could reach out to



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participating families to connect them with services offered by the partner organization or others in the community, such as three-year-old screenings, Head Start, and health services.

Financial Capability Services

Based on the CSA program's goals, a primary focus area for engaging participating families will be building financial capability (i.e., the capacity, based on knowledge, skills, and access, to manage financial resources effectively). The city already has an existing ecosystem of agencies providing financial capability services to Saint Paul families, which can be leveraged through partnerships. Although it will be important to offer a range of financial capability services to participating families to meet their individual needs, the key financial capability services that partners should provide to participating CSA families are:

- *Financial coaching*, including financial planning for college
- *Connections to safe, affordable accounts* for *unbanked/underbanked* families
- *Free tax preparation* to ensure families claim all the tax benefits for which they are eligible
- *Access to public benefits* to help families claim all the assistance for which they are eligible
- *Financial education*, particularly around saving, for parents and children (when they are older)

Program Ambassadors and Champions

The task force also recommends building a network of ambassadors to support outreach and engagement for the CSA program. Ambassadors would include Saint Paul leaders (e.g., students, parents, educators, and other community leaders) who would engage their community around the CSA program and complement the efforts of CSA program staff and partners. The task force also recommends having program champions—both individuals and organizations—who would endorse the program and lend legitimacy to it.

IV. Budget and Funding

Program Budget

Based on the task force's recommendations, the total estimated budget for the program's first year (2020) is \$1,029,689. The costs rise in the second and third years to \$1,187,261 and \$1,214,929, respectively, as the total number of children enrolled increases. The categories of expenses are described in the table.

CSA Program Budget for Years 1-3

Expense Category	Year 1 - 2020	Year 2 - 2021	Year 3 - 2022	Description
Program Engagement & Outreach	\$157,000	\$216,000	\$220,000	Includes outreach/engagement services by community organizations, marketing/promotional materials, events, website hosting, and ambassador stipends
Program Delivery	\$525,189	\$480,011	\$484,929	Includes personnel, professional services, fundraising technology, and other programmatic costs
Initial Deposits	\$250,000	\$250,000	\$250,000	Initial deposits for 5,000 children annually at \$50/child
Bonus Deposits	\$97,500	\$241,250	\$260,000	Estimated costs for three bonuses
Total	\$1,029,689	\$1,187,261	\$1,214,929	



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Funding

The task force recommends a range of sources to fund the Saint Paul CSA program to help it get off the ground and make it more sustainable in the long-term.

The task force recommends the following approach to raising funds for the program:

- **City Funding** – The task force recommends that the City fund the program staff (through the Office of Financial Empowerment), the account/information management platform, and the initial deposits (estimated at around \$250,000/year).
- **State Funding** – The City should request \$500,000 in state appropriations from the legislature to support the program.
- **Local Foundations** – Fundraising efforts should target local private and family foundations that make investments in education, anti-poverty efforts, health, and increasing economic opportunity.
- **Corporate Donors** – The CSA program can provide an opportunity for local corporations and businesses to raise their profiles as supporters of an initiative that helps local children receive a college education and become productive members of the local workforce. For financial service providers, the primary appeal may be the focus on savings and building financial capability.
- **Individual Donors** – The program should look to both wealthy individuals who can make large donations (e.g., through estate planning) and those of more modest means who can donate smaller amounts. The program could also raise funds from individuals through the [1:1 Fund](#), an online crowdfunding platform for CSA programs run by Prosperity Now.

The task force recommends creating a fundraising committee to advise on fundraising opportunities and to help activate and engage the donor base.

V. Conclusion

The recommendations in this report represent the culmination of a months-long, inclusive design process. The report sets out a comprehensive, ambitious vision for a CSA program that will empower Saint Paul families of all backgrounds—especially those from *historically-disinvested communities*—to pursue their dreams through investments in education, economic security, and financial well-being. As an integral component of Mayor Carter's larger vision for Saint Paul, the CSA program will help create a bright future for the next generation of Saint Paul residents and a vibrant economic future for the city.



1. Introduction

The recommendations in this report are rooted in a vision for the future of Saint Paul. It is a vision of a city with a thriving economy, shared prosperity, and equity among its diverse communities. It starts with ensuring that all children grow up in financially secure families, with the resources, support, and skills needed to attain postsecondary education and take full advantage of the city's economic opportunities. The College Savings Account (CSA) program laid out in this report is a critical part of broader citywide efforts to make this vision a reality.

1.1. Background on CSA Programs

What are CSAs?

*Children's Savings Accounts or College Savings Accounts (CSAs)*⁷—the term being used for the Saint Paul program—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:

- **Savings are intended for purchasing an asset**, particularly postsecondary education (some programs may allow other uses, including small business or homeownership).
- **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.
- **Incentives are generally restricted** to paying for postsecondary education or another allowable asset.

CSA programs combine savings accounts with methods of engaging children and their families through *financial education* and other wraparound services to build their *financial capability*.

CSA programs have been rising in popularity over the past decade. According to the 2018 Prosperity Now CSA Program Survey, 66 CSA programs currently serve children in 34 states and the District of Columbia, and more than 456,000 children have a CSA as of Dec. 31, 2018.⁸ CSA programs have gradually spread across the country over the last several years; last year, only 54 programs served 382,000 children.⁹

The Saint Paul CSA program will build off the best practices from these established programs, especially municipal programs such as San Francisco's Kindergarten to College and St. Louis College Kids. At the same time, it will be unique among municipal programs, because it will be the first citywide, universal program to start at birth.

How Do CSAs Work?

As Figure 1 illustrates, accounts are opened for children—as early as birth or kindergarten—by a third-party entity (such as a city or nonprofit) or by parents. Typically, CSAs are seeded with an *initial deposit*. Over time, account balances grow through contributions from the family and other incentives or bonuses. Many

⁷ Throughout the report, items in the italicized maroon text are defined in the glossary in Appendix N.

⁸ Prosperity Now. 2018 CSA Program Survey (unpublished).

⁹ Copeland, M., Quezada, D. & Markoff, S. [The Movement Takes Off: The State of the Children's Savings Field 2017](#) (Washington, D.C.: Prosperity Now, 2018).



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programs also connect participants with other services, such as financial education and college access programs. After graduating high school, children can use the account balance to pay for postsecondary education. Note that while Saint Paul describes this as a “College Savings Accounts” program, account funds could be used for a variety of types of postsecondary education, including four-year colleges, community colleges, and vocational schools. (See additional information on allowable uses of account funds in Section 4.6.)

Figure 1: How a CSA Program Works¹⁰



What Benefits Do CSAs Have?

Research on college savings shows that **even small dollars saved can have a big impact on the lives of students from low-income households**. One study found that low- and moderate-income children whose families saved \$500 or less are three times more likely to attend college and four times more likely to graduate than those whose families have not saved.¹¹ Savings for college help create a *college-bound identity* in children, in which they see themselves as someone who will go to college.¹² In other words, having even small savings for college raises children's expectations for their future, and research shows a strong link between children's expectations for postsecondary education and their educational *outcomes*.¹³

CSAs also support parents' ambitions for their children's future. In SEED for Oklahoma Kids (SEED OK), a *randomized control trial*, mothers whose children received a CSA at birth maintained higher expectations for their children's future educational attainment by the time their children reached age four than mothers whose

¹⁰ Source: Prosperity Now.

¹¹ Elliott, W., Song, H., & Nam, I. (2013). Small-dollar Children's Savings Accounts and children's college outcomes by income level. *Children and Youth Services Review*, 35(3): 560-571.

¹² Beverly, S.G., Elliott, W., and Sherraden, M. (2013). [Child Development Accounts and College Success: Accounts, Assets, Expectations, and Achievements](#). Center for Social Development Perspective 13-27 (St. Louis, MO: Washington University, Center for Social Development).

¹³ Elliott, W. & Harrington, K. [Identifying Short Term Outcome Metrics for Evaluating Whether Children's Savings Accounts Programs Are on Track](#) (Boston, MA: The Federal Reserve Bank of Boston, 2016).



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children did not receive a CSA at birth.¹⁴ Research also shows a connection between parental expectations and children's future educational attainment.¹⁵

CSAs also have developmental and health effects on children and families:¹⁶

- **Improved social-emotional development in children** – The SEED OK study found that children with a CSA demonstrated increased social-emotional development (i.e., the ability to identify and understand their own feelings, develop empathy, manage strong emotions, and establish and sustain relationships) at age four than children without a CSA.¹⁷ Early social-emotional development is positively correlated with academic achievement later in life.
- **Improved maternal mental health** – SEED OK found decreased symptoms of maternal depression in mothers whose children were randomly assigned to have a CSA at birth.¹⁸

1.2. Why a CSA Program for Saint Paul?

Saint Paul's CSA program will be an integral piece of a broader citywide effort to address two key challenges facing the city's residents—financial insecurity and inequalities in educational opportunity and attainment.

Financial Insecurity in Saint Paul

Many families in Saint Paul experience financial instability. More than 16% of Saint Paul households have incomes below the *federal poverty level*. Four in ten households are *liquid asset poor*, meaning that they do not have enough savings to subsist at the poverty level for three months if their income is disrupted. Twenty-two percent of the city's households have zero or negative net worth.¹⁹ This data indicates that many families are living paycheck to paycheck and may be one emergency away from a financial crisis.

“There's no money to save. We are poor. Saving is important, but we haven't been able to start saving.”
– Saint Paul parent

Financial instability is particularly acute for households of color in Saint Paul. The city has some of the worst economic disparities between racial groups for children and families, including:

- 32.3% of households of color fall below the federal poverty level, compared to 4.8% of white households.
- Nearly two-thirds of households of color in Saint Paul are liquid asset poor, meaning that they do not have enough savings to subsist at the poverty level for three months if their income is disrupted.

¹⁴ Beverly, S., Clancy, M. & Sherraden, M. [Universal Accounts at Birth: Results from SEED for Oklahoma Kids](#) (St. Louis, MO: Center for Social Development, Washington University in St. Louis, 2016).

¹⁵ Elliott & Harrington, 2016.

¹⁶ For a full overview of all key research on the impact of CSAs see: Markoff, S., Loya, B., and Santos, J. [Quick Guide to CSA Research](#) (Washington, DC: Prosperity Now & Institute on Assets and Social Policy, 2018).

¹⁷ Beverly, Clancy & Sherraden, 2016.

¹⁸ Beverly, Clancy & Sherraden, 2016.

¹⁹ Prosperity Now, [2018 Scorecard](#) (Washington, DC: Prosperity Now, 2018).



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- More than one in five households of color in Saint Paul are *unbanked*, lacking either a checking or savings account and spending significant amounts of money to cash checks, which most Americans pay little or nothing to do.
- The homeownership rate for households of color is 28.4% (including 17% for black households and 34.1% for Latinos), compared to 60.5% for white households.²⁰

Educational Disparities in Saint Paul

Educational attainment among Saint Paul residents is sharply divided by race. While over 96% of white residents over 25 have a high school diploma, only 79% of blacks, 80% of Native Americans, and 62% of Asians over 25 have a high school diploma.²¹ Fewer than one in five adults of color in Saint Paul have a four-year college degree compared to more than half of white adults.²²

Youth in Saint Paul also lag behind peers in Minnesota on educational attainment. In 2017, 74% of Saint Paul public high school students graduated on time (within four years of enrolling) compared to nearly 83% of students statewide.²³

How the CSA Program Can Benefit the City

Children growing up in Saint Paul—particularly children of color—face significant challenges given the high levels of financial insecurity and educational disparities in the city. The CSA program proposed in this report is a key component of Mayor Melvin Carter's broader vision for addressing these challenges. Central to this vision is helping all families become financially empowered, with access to services that increase financial capability, connect them with quality employment opportunities, and build assets. This vision is also fundamentally about changing the odds for Saint Paul's children by connecting families to early childhood services and ensuring families have the resources and support they need to help their children grow up healthy, attain postsecondary education, and become successful adults.

A CSA program can help address Saint Paul's disparities in educational attainment by promoting educational expectations. As described in Section 1.1, research has shown that even small amounts of savings can have a big impact on the lives of low-income students, fostering a college-bound identity in which they see themselves as someone who *will* go to college, not someone who merely aspires to go to college. This college-bound identity is particularly important for children from low-income households, since research shows that, due primarily to financial challenges, their expectations can be lower compared to children from higher-income households.²⁴ By boosting educational attainment, the CSA program will unlock opportunities for participating young people to access high-quality jobs and promote overall economic mobility.

“I want my children to become educated and achieve their dreams.”
– Saint Paul Parent

²⁰ Prosperity Now, [2018 Scorecard](#).

²¹ U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates.

²² Prosperity Now, [2018 Scorecard](#).

²³ Minnesota Compass, [High School Graduation Data](#) for 2017.

²⁴ See for example: Mello, Z. [Racial/ethnic group and socioeconomic status variation in educational and occupational expectations from adolescence to adulthood](#), Journal of Applied Developmental Psychology 30, no. 4 (2009): 494-504.



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It is important to note that while many families will add their own funds to their children's accounts, the expectation should not be that every family will make deposits into their child's CSA or that families will be able to save enough for college tuition. Low-income families often have limited or no discretionary income to save for a long-term goal, such as postsecondary education. However, by providing an initial deposit and bonuses, the CSA program will ensure that every child has at least a small nest egg for their future. While that doesn't cover the cost of college, it can close any remaining gaps after students receive financial aid.

Moreover, the true strength of the CSA program is that it is not envisioned as a standalone program. Rather, the CSA program will be integrated with a set of wrap-around services that build families' financial capability (i.e., the knowledge, skills, and access needed to manage financial resources effectively) and help increase financial security. These services include financial coaching, financial education, free tax preparation, and assistance accessing public benefits. These connections will be facilitated by situating the CSA program administration within the new Office of Financial Empowerment (as described in Section 5.1). Increasing parents' financial capability and stability can benefit children by both improving parents' confidence in serving as a financial role model for their children and by helping families move towards financial security. Additionally, starting the CSA program at birth provides the opportunity to connect families with other community resources that promote the healthy cognitive and physical development of young children, such as well-baby check-ups at clinics and doctor's offices, three-year old screenings, and early childhood education—all of which will help children show up to kindergarten ready to learn.

The CSA program will be an integral piece of achieving the Mayor's long-term vision for a prosperous City of Saint Paul, with an educated, talented workforce and financially secure residents. *The Mayor has set a goal of launching the program in January 2020.*

1.3. Purpose and Contents of this Document

This report describes the recommendations of the Saint Paul College Savings Account Task Force (described in Section 2.1) for the design of the city's CSA program. The report includes background information on the key considerations of the task force in developing the recommendations. This report is intended to inform the decisions of the Mayor, City Council, and Office of Financial Empowerment Director on the CSA program design and budget.

This report also provides guidance and information that will help the CSA program manager (to be hired) implement the program, though that person will also need to flesh out the details of program administration and operations that are outside the scope of this report. This report also offers ideas that the program manager and other staff and advisors may want to consider down the road, after the program has been running successfully for a few years.

Section 2 of the report describes the program design process, including the role of the task force and community involvement. Section 3 lays out the task force's vision for the program, including the anticipated short-, medium-, and long-term outcomes. Section 4 describes the task force's recommendations for each key design element, including the enrollment process, account vehicle, and initial deposit. Section 5 describes the plan for management of the program and for ongoing community involvement. Section 6 provides recommendations for engaging children and families in the program. Section 7 includes an estimated multi-year program budget based on the recommendations, as well as recommendations for raising the funding necessary for the program.



2. Program Design Process

Mayor Melvin Carter announced the CSA program during his inaugural address in January 2018 and made the design and implementation of the program a top priority for his new administration. He tasked his staff with managing the design process—including convening partners and advisors—with the goal of producing a comprehensive set of recommendations for the design of the program by the end of 2018.

The city employed an inclusive design process that encompassed a broad range of government, nonprofit, educational, and corporate stakeholders, as well as community members drawn from Saint Paul's diverse communities. As described in the next three sections, a task force led the process, with grassroots stakeholders and community members—representing the people who will participate in the program—providing critical input and feedback on the program's vision and design.

2.1. CSA Task Force

Early in the Mayor's tenure, his staff engaged a range of stakeholders—including community service providers, postsecondary access programs, colleges and universities, birth centers, foundations, financial institutions, corporations, and the county—in initial conversations about the program. From these discussions, the Mayor identified key stakeholders and created a 31-member College Savings Account Task Force in May 2018. Ann Mulholland of the Saint Paul & Minnesota Community Foundations and Rick Beeson of Sunrise Banks served as co-chairs of the task force. The full list of task force members is in Appendix A.

The Mayor charged the task force with developing recommendations for the design and implementation of the CSA program by:

- Exploring best practices from CSA programs across the country
- Undertaking an extensive community engagement process to gather input and feedback from the population to be served by the program (i.e., parents of young children), representing the diverse communities of the city
- Working with community-based organizations to assess resources and partnership opportunities for connecting the CSA program with other services and systems in the city, such as early childhood education, financial capability services, and the healthcare system

Subcommittees and Executive Committee

To address specific elements of the program design, the task force had four subcommittees. In addition to the 31 task force members, other representatives from community organizations and institutions joined the subcommittees to provide specific expertise. (Members are listed in Appendix A.) Each subcommittee was responsible for exploring a different aspect of the program design:

- **Birth Records Data/Health** – Develop specific, detailed eligibility criteria for the CSA program using the high-level values and goals laid out by the Mayor and create a detailed outline of the program enrollment process.
 - Chair: Lisa Archer, United Hospital



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- **Community and Institutional Partnerships** – Develop a strategy for family and child engagement in the program and explore potential program partners through an analysis of community and institutional organizations that interact with families with young children.
 - Chair: Eva Song Margolis, Lutheran Social Service of Minnesota's East Side Financial Center
- **Engagement and Outreach** – Develop and implement a plan to engage the larger Saint Paul community in the design of the CSA program and keep them informed throughout the design, planning, and launch processes.
 - Chair: Muneer Karcher-Ramos, Saint Paul Promise Neighborhood
- **Funds and Fundraising** – Develop recommendations for the account type used by the program and for selecting partner financial institutions; develop a budget and a fundraising plan to support the program; and create a plan for long-term sustainability.
 - Chair: Erin Dady, Bremer Bank

Each subcommittee developed recommendations for their assigned topics, which were then brought to the executive committee, comprised of each subcommittee chair, the task force co-chairs, Mayor's Office staff, and other city staff with specific expertise. The executive committee received updates on the subcommittee work and deliverables; discussed and provided feedback on subcommittee recommendations; and made decisions on crucial aspects of the CSA program, with input from the full task force.

Technical Assistance Provider

The City of Saint Paul also engaged Prosperity Now as a technical assistance provider. Prosperity Now is a national nonprofit organization with a mission to ensure everyone in the country has a clear path to financial stability, wealth, and prosperity. The organization has worked for nearly two decades to help design and launch new CSA programs and strengthen the performance of existing programs. Prosperity Now has consulted with numerous cities on developing CSA programs, including San Francisco's Kindergarten to College, the first citywide CSA initiative in the country.

Prosperity Now served in an advisory role to the task force. Staff helped task force members and the Mayor's Office create work plans, documents, and agendas. Prosperity Now staff also used their extensive knowledge of the CSA field to share best practices and examples from other CSA programs and guide decision-making on the recommendations for the design, implementation, and launch of the CSA program.

2.2. Grasstops Engagement

The task force engaged grasstops stakeholders, such as local nonprofit social service agencies and hospitals, in the design process. As discussed in the previous section, many organizations had representatives on the task force to bring their unique perspectives to the design process.

The task force also developed a landscape analysis of organizations and institutions that interact with parents of young children and/or children from birth to age five, which is discussed in Section 6. Many of these organizations were invited to a focus group for prospective CSA partners on October 23, 2018. Thirty-five individuals representing 23 agencies and institutions participated. A complete list of the attendees is in Appendix B. The themes that emerged from this focus group meeting are incorporated into the recommendations on participant outreach, engagement, and financial capability services in Section 6.



2.3. Community Engagement

The task force made engaging community members in the design process a top priority, and it created the following principles of engagement to guide the process (described in detail in Appendix C):

- **Those closest to the issues are closest to the solutions** – The intended users of the program know how things will work best for them.
- **How we *think* about the community will determine how we end up designing the program** – The task force should design the program with a strong belief in the potential of its participants.
- **Regenerative for families and communities** – The program should help develop the internal capacities of the community to keep its own wealth and well-being in Saint Paul.
- **Targeted universalism** – Within the universal structure of the program, tailored strategies should be developed around race, ethnicity, language, geography, gender, socioeconomic status, family composition, and other identity markers to reach all families.
- **Thinking/acting adaptively** – The task force must craft solutions that consider competing priorities, beliefs, habits, and patterns.
- **Wanna join in? Know your number** – All community actors who want to contribute to the program must be able to give the number of newborns they are specifically reaching.
- **To know the path ahead, ask those coming back** – The task force should learn from other CSA programs rather than reinventing the wheel.

The task force wanted to make sure that community members were not engaged as a gesture or just to check a box, but rather because their input would be integral to the design process. The task force examined options for the level of community involvement using the Scale of Engagement and Community Ownership (in Appendix D). It settled on a model of “consulted and informed” in which community members give advice on the program—though it is designed and run by others—and community members are informed about how their input will be used and the outcomes of the decisions made by others. **The task force strongly recommends that throughout the implementation and operational phases of the program, the CSA program continue to use a consulted and informed model for community engagement, as well as adhering to the principles of engagement.**

Engagement Sessions

The task force held community engagement sessions in partnership with eight community-based organizations and educational institutions. In total, 145 individuals participated in nine sessions held in November 2018. Based on the principle that those closest to the issues are closest to the solutions, the intention of the sessions was to gather feedback on the CSA program vision and design from community members representative of potential participants in the program. Those insights would then be used to inform the program design recommendations of the task force.

The task force focused on reaching parents of young children in the engagement sessions. But to gather a wider range of perspectives, the sessions also included teens, teen mothers, parents of pre-teens and adolescents, and parents of adult children across the city. The task force also intentionally sought out communities whose voices have historically been excluded or muted in planning processes by partnering with organizations serving people with a broad range of cultures, languages, neighborhoods, and experiences that reflect the diversity of Saint Paul. Out of the 145 participants, 38% were black (25% of whom were African immigrants), 31% were Latino, 13% were Asian, 9% were white, and 1% were indigenous/Native American. More information about the session participants is in Appendix E.



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The engagement sessions functioned as focus groups, where participants were asked to provide their wisdom, feedback, and advice in response to a set of questions. The key discussion topics were:

- How the program would work
- The vision and goals of the program
- The bonus deposit structure
- Trusted sources of information in the community
- The program enrollment process

The insights from these sessions were used to inform and validate the recommendations in this report, and they are incorporated in the applicable sections of the report in “community insights” callout boxes. Overall takeaways from the sessions were:

- **Support for the Program** — Session participants had an overwhelmingly positive response to the idea of the CSA program.
- **Equity** — Participants support directing more resources to families with low incomes, because children in these families need more help to access educational opportunities.
- **Additional Supports** — Participants expressed the importance of offering additional services and supports for children and families in the program, such as providing financial education and connections to resources, as well as connecting people with growth industry jobs.
- **Role of the Community** — Participants stressed the importance of investing in community leaders to overcome the distrust of government and financial intuitions and build trust in the program.

The entire report on the community engagement sessions, which contains detailed information about the feedback and insights gained from them, is in Appendix E.

2.4. Implementation and Launch Timeline

Mayor Carter set out a goal of launching the CSA program in 2020. As a result, 2019 will be an implementation year, in which the various elements of the program design will be put into place. Examples of key implementation tasks include:

- Hiring program staff
- Selecting a financial institution partner and setting up the account vehicle
- Selecting a vendor to provide the online account/information management platform
- Developing partnerships with community organizations to provide outreach and engagement services
- Raising private funds to augment city funding
- Creating agreements with key partners
- Developing program branding and communications materials

The comprehensive implementation timeline is in Appendix F.



3. Program Vision, Outcomes, and Evaluation

3.1. Vision and Values

The task force's first step in developing recommendations for the CSA program was to articulate an overall vision for the program and the impact it would have on Saint Paul residents. This would serve as the foundation for the program design. The task force built upon the Mayor's high-level vision for the program to develop the following vision:

Saint Paul's CSA program and interrelated services will transform our community by empowering children, youth, and families to pursue their dreams and aspirations for the future through investments in education, economic security, and financial well-being. The City will develop an accessible, equitable, and sustainable college savings account program that provides resources and knowledge for all Saint Paul families.

As described in Section 1.2, the task force envisions the CSA program as part of a broader set of services and initiatives to build financial capability and security for Saint Paul families. As a standalone program, it will not reach the intended impacts described in the following sections. This vision will only be achieved as part of a larger citywide investment in the future of the city's children and families.

Values

In addition to the program vision, the task force also articulated values that are important to incorporate in the design and operation of the program. The program must be:

Community Insights: Program Vision and Values

Community engagement session participants provided feedback on the proposed program vision and values. Their comments showed that the intention and meaning behind the vision and values are on point. However, the specific language used by the task force may be different from the language community members use to understand these concepts.

This means that while the task force is on the right track in how it is conceiving of the program, further discussions with community members and testing of marketing materials will be necessary to develop branding and messaging that appeal to the program's intended participants.

- **Accessible** – Easy to learn about and engage with for families and community partners, opening doors to tools and opportunities that have not always been accessible to everyone
- **Equitable** – Have meaningful participation in all communities and benefit all; effectively and intentionally engages people from communities that have historically been disinvested in to ensure all really means all
- **Sustainable** – Continues beyond this current mayoral administration and becomes a bedrock program for future generations of Saint Paul residents

The program vision and values informed every aspect of the task force's recommendations for the program design.



3.2. Program Outcomes

As described in the previous sections, the vision for the program is not just of individual transformation of participants but one of fundamental changes for the city. Therefore, the task force proposes that the *outcomes* for the program be measured at both the participant and community levels. The proposed long-term outcomes are:

- Participant-level
 - The percentage of Saint Paul's youth enrolling in and completing postsecondary education increases.
 - Young adults have the skills and education needed to succeed in Saint Paul's future economy.
- Community-level
 - Gaps in postsecondary educational attainment by race and income narrow among city residents.
 - Disparities in employment rates and income by race narrow among city residents.
 - More young adults remain in and/or return to Saint Paul and contribute to the city's economy.
 - Saint Paul has a more skilled, educated workforce that will help support the local economy.

Since the CSA program will stretch from birth through adulthood, these long-term outcomes will take more than 20 years to achieve. The task force also proposes a set of short- and medium-term outcomes that will help track if the program is making interim progress toward the long-term goals. Examples include:

- Short-term outcomes (one to five years)
 - Participant Level
 - A higher percentage of children have savings set aside for postsecondary education (includes program-provided funds and family contributions) than non-CSA participants.
 - More children will be connected to early screenings and early prevention/intervention services, as needed, to ensure their readiness for kindergarten.
 - More families take up wraparound financial capability services and public benefits/services that improve their financial security.
 - Community Level
 - Program engagement efforts reach families across all demographic groups, with a particular emphasis on *historically-disinvested in communities*²⁵.
 - There is increased *cross-sector collaboration* among community organizations to streamline services and better serve CSA participants and the broader community.
 - A diverse range of community institutions (nonprofits, faith-based organizations, and businesses) engage in and support the program through philanthropy and/or partnership.

²⁵ Throughout the report, the term "historically-disinvested communities" is used to refer to communities that have historically been under-resourced and disinvested in by the government, businesses, and others, including people of color, indigenous peoples, immigrants, refugees, and low-income people.



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- Medium-term outcomes (six to eighteen years)
 - Participant Level
 - The percentage of children meeting elementary and secondary education markers associated with being on track for college increases.
 - Children and families have increased financial capability (i.e., the knowledge, skills, and access needed to manage financial resources effectively).
 - More students and families have the skills, knowledge, and support needed to navigate the college application and financial aid process; more students and families complete the FAFSA.
 - Community-Level
 - The community demonstrates high expectations and support for the long-term success of *all* children in Saint Paul.
 - Families from historically-disinvested in communities engage in the program (e.g., accessing accounts, participating in activities) at the same levels as historically-advantaged communities.

A *logic model* laying out all of the proposed short-, medium-, and long-term outcomes for the program is in Appendix G. The task force also recommends that the program manager work with an evaluator to collect baseline measurements for these outcomes during the implementation year. These measurements can be used as reference points to measure progress on program outcomes after launch and defining more specific numeric goals.

3.3. Evaluation

Evaluation will be essential to ensuring that the CSA program is meeting its goals. Since the CSA program is a 20-plus year undertaking requiring long-term support and investment from policymakers, funders, and the public, an evaluation will be needed to demonstrate that the program is having an impact in the interim and that progress is being made toward the ultimate goals.

The task force recommends considering two types of evaluations:

- A *process evaluation* during the first few years of the program to ensure that program processes are working as intended, particularly to monitor the effectiveness of the *opt-in enrollment* process (as described in Section 4.2)
- An *impact evaluation*—ideally long enough to track a cohort of children through the program—that would determine if the program is reaching its expected short-, medium-, and long-term outcomes

The task force recommends engaging an outside evaluator, whether from a university or a firm specializing in evaluation. It also recommends building the evaluation in from the start of the program to maximize the results that can be tracked and minimize the costs of retroactively conducting an evaluation. An evaluator should be contracted during the implementation year and an evaluation plan should be developed and implemented before the program launches.



4. Program Design Recommendations

Figure 2: Summary of Design Recommendations

Design Element	Recommendation
Eligibility	The task force recommends universal, inclusive eligibility in which every child who is born on or after January 1, 2020 and who is either a Saint Paul resident at birth or who moves to Saint Paul before age six is eligible for the CSA program.
Enrollment	Automatic enrollment, based on publicly-available birth records, should be used for as many children as possible. Although not ideal, opt-in enrollment will be required in all situations in which birth records are not public or in which children are not residents of Saint Paul at birth (e.g., children adopted by Saint Paul resident parents or children whose families move to the city before age six).
Account Vehicle	The program should use custodial savings accounts to hold initial deposits, bonuses, and deposits on behalf of participating children, because these accounts are more accessible to low-income families and households of color than 529 accounts.
Initial Deposit	Upon account opening, each child's account should receive a \$50 initial deposit to seed their account.
Bonuses	The task force did not settle on final recommendations for the bonuses. More exploration—particularly focus groups with community members—are needed to determine the specific bonuses. Generally, the task force recommends three categories of bonuses: 1) a bonus that will provide additional funds to children from low-income households; 2) a bonus for reaching a milestone (e.g., a first birthday bonus deposit); and 3) a bonus to promote program engagement (e.g., a bonus for logging into the account portal).
Allowable Uses of CSA Funds	Allowable uses of program-provided funds in the CSA (including the initial deposit and bonuses) should be limited to postsecondary education. However, the rules should allow for maximum flexibility of postsecondary educational uses, including a range of costs associated with attending four-year colleges, community colleges, and vocational training.



4.1. Eligibility

When proposing the CSA program, Mayor Carter expressed that he wanted the program to be universal, serving all babies in Saint Paul, as well as children who move to Saint Paul before age six. Using the Mayor's proposal as a baseline, the task force fleshed out a specific set of recommended *universal eligibility* criteria. The task force's overarching value in developing these criteria was inclusivity. The group considered a wide range of possible birth, family, and living situations (e.g., children born out of Minnesota to Saint Paul resident parents and children born to homeless parents in Saint Paul) to come up with the most inclusive rules.

The task force recommends the following eligibility criteria for the program:

Children are eligible for the CSA program if they are born on or after January 1, 2020 and meet one of the following two criteria:

- **Are a Saint Paul resident* at birth OR**
- **Become a Saint Paul resident* before the age of six**

* For the purpose of this program, a child is a Saint Paul resident if one or both of his or her parents, legal guardian, or caretaker make their domicile in Saint Paul.²⁶ An estimated 5,000 children are born as Saint Paul residents each year.

The eligibility rule ensures that children in a range of circumstances are eligible for the program, such as:

- A child born to an incarcerated parent who is a resident of Saint Paul
- A child adopted by a Saint Paul resident parent(s) before the age of six
- A child born to a Saint Paul resident parent(s) temporarily living abroad, such as those serving in the military or the Peace Corps

Appendix H contains a list of eligibility scenarios examined by the task force, which can help inform the development of more detailed internal program policies regarding eligibility during the implementation year. While this list is extensive, occasionally a circumstance may arise that was not foreseen by the task force. In those cases, the task force recommends that the program manager lean strongly on the side of inclusivity in making an eligibility determination. The task force also recommends that the program manager create a clear, concise version of the eligibility rules for public-facing materials, such as the program website.

4.2. Enrollment

CSA programs enroll participants in two ways—*automatic enrollment* (also known as opt-out enrollment) or *parent/self-enrollment* (also known as *opt-in enrollment*). Under automatic or opt-out enrollment, all eligible children receive an account unless their parents or caregivers decide to opt them out of the program. Opt-in or parent/self-enrollment, by contrast, requires parents or caregivers to take proactive steps to sign up for the program. Automatic enrollment makes the recruitment process easier and less resource-intensive for programs, which is particularly relevant for large programs, such as the proposed Saint Paul program.

²⁶ The City of Saint Paul does not have a singular definition of residency, and the State of Minnesota also uses different definitions of residency for different purposes. During the implementation year, the program manager should work with the city's legal counsel to determine which standard the program should use.



Automatic enrollment also removes any barriers to participation for families (e.g., language barriers, limited financial knowledge, or lack of documentation), which often disproportionately affect low-income households and households of color. For example, when the Harold Alfond College Challenge program in Maine used opt-in enrollment, research showed that families with higher education levels, other investments, and a financial advisor were more likely to enroll in the program. When the program switched to opt-out enrollment in 2014, enrollment became virtually universal among babies in the state.²⁷

Automatic Enrollment Process

The task force recommends that the Saint Paul CSA program use automatic enrollment. Automatic enrollment reflects two key values of the program—accessibility and equity. By not requiring any action or documentation on the part of parents or caregivers to obtain an account, automatic enrollment ensures that all children have an account, unless their parent or caregiver chooses to opt them out of the program.

The task force recommends that the state birth certificate system—the Minnesota Registration and Certification System run by the Minnesota Department of Health (MDH)—be the basis for automatic enrollment. The City would work with MDH to develop a data-sharing agreement under which MDH would send the program manager monthly or quarterly electronic data transfers of public birth records for children whose parent(s) list Saint Paul as their residence on the birth certificate form. The files would include, at a minimum, the following data points required to enroll a child in the program:

- Child's name
- Child's date of birth
- Parent(s)' name(s)
- Parent(s)' residence
- Parent(s)' mailing address (if different than residence)

Once the program manager receives a child's information from MDH, the child would be entered into the program's database. The parent(s) listed in the birth record would be sent a program welcome packet in the mail, providing information about the program and an opt-out form if they do not wish for their child to participate. Unless the program manager receives an opt-out form from the parent(s) within a designated period of time (to be determined by the program manager during the implementation year), an account or subaccount would be opened for the child with an initial deposit.

The detailed enrollment process is laid out in the enrollment flow chart in Appendix I.

Community Insights: Automatic Enrollment

Community members support the idea of automatic enrollment. During the community engagement sessions, many people said this would mean that people would have one fewer thing to remember to do when they have just had a baby.

²⁷ Clancy, M. & Sherraden, M. [Automatic Deposits for All at Birth: Maine's Harold Alfond College Challenge](#) (St. Louis, MO: Center for Social Development, Washington University in St. Louis, 2014).



Opt-In Enrollment Process

While the task force strongly recommends automatic enrollment, it will not be possible in all cases. Since children's data will be obtained through the birth certificate system, automatic enrollment will not be possible in any situation in which the program manager cannot identify the child as a Saint Paul resident through that system, such as:

- A child who does not have a public birth record (as discussed in more detail below)
- A child who is not a Saint Paul resident at birth, such as a child who later moves to the city or is adopted later by a resident parent(s)
- A child who is born out-of-state to Saint Paul resident parent(s)

The eligibility document in Appendix H lays out a full list of situations in which opt-in enrollment would be needed, and the flow chart in Appendix I illustrates how the opt-in enrollment process would work.

A significant portion of children would have to opt into the program because of current laws regarding public and confidential birth records. Under Minnesota statute, a birth record is public information if the birth parents are married. If the birth is to unmarried parents, the birth record is confidential unless the mother has designated the record as public.²⁸ Approximately 60% of birth records are public, while 40% are confidential. This means that potentially 40% of eligible children would not be automatically enrolled into the CSA program at birth, because the program manager cannot access their birth records.

The task force explored whether there is a way to obtain confidential records for the purpose of enrolling children in the program. Under the statute, the Commissioner of the Department of Human Services can be granted access to birth records for public health purposes as determined by the Commissioner of the Minnesota Department of Health. However, from early exploration, this exemption appears difficult to obtain.

Many of the children with confidential records are likely from low-income households and may benefit the most from the CSA program. Given the importance of serving these children and the inherent difficulties of opt-in enrollment, the task force recommends that the city continue to explore options for accessing confidential birth records for the CSA program, whether through state agencies or legislative changes to the statute. In the meantime, a first touchpoint with parents could be the birth notice sent to new parent(s) by the Saint Paul Ramsey County Public Health Department (SPRCPH). The task force recommends that the city work with SPRCPH to include information on enrolling in the program with the birth notices.

For all children who fall into the opt-in category, including those with confidential birth records and those who move into the city later, the task force recommends that the program conduct extensive outreach to parents to ensure as many children are enrolled as possible. Specific outreach strategies are described in Section 6.1. It will also be essential that the enrollment process be as simple and streamlined as possible. The task force recommends having both an online and a paper enrollment process with a minimal number of steps to complete the process, as well as training partner organizations to assist with enrollment as described in Section 6.1.

The task force also recommends that, during the implementation year, the program explore possible "second wave" automatic enrollment opportunities—i.e. other venues from which children's information could

²⁸ [Minnesota Statute 144.225.](#)



be obtained to allow for automatic enrollment. For example, the program could work with the Women, Infant, and Children (WIC) program, Early Head Start, or housing programs to collect information for children who were missed during the initial automatic enrollment process. The program could also work with Saint Paul Public Schools to obtain kindergarten rosters, which would provide a final automatic enrollment opportunity for any children not yet enrolled in the program.

4.3. Account Vehicle

Overview of Account Options

Identifying and selecting an account to use for participant savings is one of the most important components of designing a CSA program. Program designers need to consider both what the participant experience with the account will be and how the account structure will function from a back-end program management standpoint.

The account types most commonly used by CSA programs are *custodial savings accounts* with banks or credit unions and *529 college savings accounts*.²⁹ Custodial savings accounts are opened through a bank or credit union by a custodian on behalf of another individual. In CSA programs, the account custodian is generally a third-party entity, such as a government agency or nonprofit organization, that opens and owns the account on behalf of the minor children participating in the program. The primary reasons for having a *third-party account custodian* in a CSA program are to:

- Enable automatic account opening — Parents do not need to take any action to open the account, since it is owned by the custodian.
- Protect families from losing benefits — Families are protected from the potential loss of federal and state benefits that place “asset limits” on the amount of savings and other resources that recipients can accumulate.
- Secure savings — Third-party custodianship safeguards program-provided funds (i.e., initial deposits and bonuses), ensuring that their use is restricted to the program’s allowable uses.³⁰

CSA programs that use 529 accounts typically (though not always) have third party account owners that hold the money on behalf of participating children. For example, in the Harold Alfond College Challenge program in Maine, the Alfond Scholarship Foundation holds all of the initial deposits for participating children in one collective (or omnibus) 529 account owned by the foundation.

While both custodial savings accounts and 529 accounts are viable options and have been used by CSA programs, neither one has every feature that is desirable. In deciding between savings accounts and 529 accounts, programs have to prioritize which features are most important for the population served and the account management needs, since each option has pros and cons.³¹ For example, a custodial savings account is generally more straightforward and easier for families to understand than a 529 account, but 529s usually have a much higher rate of return. It may be easier administratively to set up a CSA using a 529 account than a custodial savings account, since the structure is already intended for saving for

²⁹ A 529 account is a tax-advantaged investment account for saving for postsecondary education. (Recent federal tax law changes allow 529s to be used for K-12 expenses, though state laws vary.)

³⁰ Markoff, S. & Derbigny, D. [Investing in Dreams: A Blueprint for Designing Children's Savings Account Programs](#) (Washington, DC: Prosperity Now, 2015).

³¹ For a full discussion of CSA account options, see Chapter 5 of [Investing in Dreams](#).



postsecondary education. For a third-party custodial savings account, the bank would have to develop or adapt an account structure for the program. However, if program funds are held in a 529, the program can only allow funds to be used for postsecondary educational expenses authorized under the IRS tax code. If funds are held in a savings account, the program can make its own rules about how they can be used.

Task Force Recommendation

The task force examined both the custodial savings account and 529 account options carefully to determine which account vehicle best aligned with the values and aims of the program, including *ensuring accessibility*, *promoting family engagement with the program*, and *building participating families' financial capability*. The task force weighed information from the field about the experiences of other CSA programs in working with both types of accounts.

Factoring in all of the considerations and information above, **the task force recommends using a third-party custodial savings account for the program**. A decisive factor in making this recommendation is the greater accessibility of savings accounts over 529 accounts, particularly for low-income families. Key accessibility features include:

- *Ability to make in-person deposits* — With a savings account, families can make deposits at a local financial institution. They do not need to have an existing bank account to transfer funds into the account, as they would if a 529 account were used to hold CSA funds. This is particularly important for households of color, as more than one in five households of color in Saint Paul are unbanked.³² Using a savings account both allows unbanked families to make deposits and provides the opportunity for them to build a relationship with a mainstream financial institution, which may eventually lead to taking up other services such as checking accounts. Fostering this connection with a financial institution can help reinforce the program's goals around increasing financial capability.

Community Insights: Return on Investment

During the engagement sessions, Somali Muslim community members raised the concern that their families would not be able to participate in the CSA program if the accounts are interest-bearing because of religious prohibitions on receiving interest. While the task force does recommend that the accounts have a return on investment, the CSA program manager should consult with the Muslim community and Islamic Financing and work with the selected financial institution to determine a type of return that would not prevent Muslim families from participating. Other CSA programs, such as San Francisco's Kindergarten to College, have made accommodations for religious groups that have objections to interest, including having a "growth incentive" rather than interest.

- *Ability to make cash deposits* — While electronic financial transactions have become more frequent, many low-income households still conduct a significant portion of their transactions in cash. Data show that households with annual incomes below \$50,000 rely more on cash than higher income households.³³ Therefore, facilitating cash deposits into families' CSAs will help increase accessibility for low-income families.

³² Prosperity Now, [2018 Scorecard](#).

³³ O'Brien, S., [Understanding Consumer Cash Use: Preliminary Findings from the 2016 Diary of Consumer Payment Choice](#) (San Francisco, CA: Federal Reserve Bank of San Francisco, 2017).



While the exact structure of the custodial account will be determined by the program manager in collaboration with the selected financial institution, the task force recommends that the account have the following features:

- Allows for a third-party custodian, which could be the city or a designated nonprofit entity
- Ability to differentiate funds from different sources, such as initial deposits, bonuses, and participant deposits, which could be done by holding the funds in separate accounts or through a back-end accounting system
 - Deposits made by the participants need to be distinct from the program funds so that, if needed, participants can withdraw the funds that they contributed, such as for an emergency.
- Provide at least a small return on investments that would be distributed among the participating children's accounts; the return on investment would be negotiated as part of the request for proposals (RFP) process to select the financial institution.

Financial Institution Selection

The task force recommends that the city release a request for proposals (RFP) to select a financial institution that will set up and hold the CSA program accounts. An RFP would allow multiple financial institutions the opportunity to provide information on their offerings and capabilities. The CSA program manager would work with the selected financial institution(s) to determine the exact structure of the program, such as how to separate public and private funds; how to efficiently open accounts or subaccounts for hundreds of children at a time; negotiating the interest rate for the accounts; and determining whether the accounts will be set up at a single financial institution or multiple financial institutions.

Community Insights: Financial Institutions

Community engagement session participants expressed concerns about whether the financial institution(s) that will hold program accounts engage in responsible banking and investment practices. Distrust of financial institutions is particularly high in communities of color because of a history of discriminatory practices and malfeasance among some financial institutions. As one community member said, *"I've had bad experiences with banks."*

Selecting a financial institution with a positive reputation, particularly among communities of color, will be essential to successfully engaging all families in the program.

4.4. Initial Deposit

The task force recommends that every child receive an initial deposit of \$50 upon enrollment to seed their account. These initial deposits would ensure that all participating children have at least some money in their accounts, regardless of their families' ability to make contributions. It is also important to provide an initial deposit because of the research described in Section 1.1 showing that even small amounts of college savings can have significant impacts.



Fifty dollars is the most common initial deposit amount among CSA programs across the country.³⁴ It is also a feasible amount for the Saint Paul program. With an estimated 5,000 babies born each year, the annual program budget for initial deposits would be approximately \$250,000—a manageable sum for the city.

Additional bonuses would be added to grow account balances as described in the next section, along with contributions by families and the children themselves as they get older. Nonetheless, the task force does not anticipate that the account balances will be enough to pay for tuition by the time children reach college age. As discussed in Section 1.2, the savings in the account are not intended to cover the full cost of tuition. Rather, the money in the account is meant to serve two main purposes: 1) help build the expectations of parents and children for the children's educational future; and 2) cover gaps in financial aid.

4.5. Bonuses to Build Account Balances

Overview of Bonus Deposits

Bonus deposits—often called “incentives”—are an important component of CSA programs, because they build account balances, encourage families to save, and help them accrue savings more quickly. For low- and moderate-income CSA participants in particular, bonus deposits are a way of supplementing participants' contributions, since families' ability to make deposits into the accounts may be limited.

The two primary types of bonuses used by CSA programs are:

- **Benchmark bonuses**, which are based on participants achieving certain milestones (e.g., finishing kindergarten) or completing activities (e.g., taking a financial education workshop)
- **Savings matches** in which participant contributions are matched by program contributions, for example dollar for dollar

Selection Process

The task force developed three guiding principles for determining the bonuses for the Saint Paul CSA program, which are aligned with the overall vision, values, and goals of the program:

- **Equity** – Direct incentives towards historically-disinvested in communities and low-income families; ensure that the required action to earn the bonus is accessible to all participating families (e.g., does not involve attending an event that is inaccessible for people without cars or completing an activity that is difficult for people with limited English proficiency).
- **Administrative simplicity** – Minimize the administrative complexity of managing the bonuses.
- **Engagement-focused** – Bonuses should focus on incentivizing ongoing engagement with the account and the program.

The task force noted that these principles may sometimes conflict, particularly equity and administrative simplicity. For example, it may be administratively burdensome to identify children from low-income households and direct more bonuses to them. These two competing ideas will need to be weighed in determining the final bonuses.

³⁴ Copeland, Quezada & Markoff, 2018.



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The task force decided early on to table savings matches as an option because of equity concerns. Many low-income families are unable to save significant amounts into their accounts, so the matches would likely disproportionately go to children from families who have more disposable income to save. As a result, savings matches would reinforce disparities in wealth. While the task force is not including savings matches in its recommendations, this option should be revisited in the future. During the engagement sessions, some community members thought a savings match could be a good motivator for families to contribute to the account, even if it is only a small amount. The program manager should consult with the governing body discussed in Section 5.4 to determine if savings matches could be provided in an equitable way, such as only offering them for families with low incomes.

The task force did not come up with a list of specific benchmark bonuses at the end of the process. Instead, it recommends that the CSA program conduct additional testing of incentive ideas with community members during the implementation phase. As described in the community insights box, the task force engaged in an initial round of testing with community members, but more is needed. The task force came up with three general categories of recommended bonuses that can serve as the basis for these further discussions with community members:

- **A milestone bonus that does not require any action from parent/caregivers** – For example, a birthday bonus distributed on children's birthday(s)
- **Engagement bonus** – For example, a bonus for the first time that a parent or caregiver logs into a child's account through the online portal
- **Bonus for children from low-income families** – For example, an extra initial deposit for children from low-income families

The task force recognizes that a significant challenge for distributing a bonus to children from low-income families will be identifying which households have low incomes. The task force recommends that the CSA program work with city and county agencies to determine proxies that could be used to identify household income, such as participation in public benefit programs. Parents who have to opt into the program could also be asked to self-report their income on the enrollment form.



Community Insights: Bonus Deposits

Bonus deposits were discussed extensively during community engagement sessions. In general, session participants overwhelmingly liked the idea of bonus deposits. To gauge interest and comfort with specific bonuses, facilitators presented participants with three options based on the ideas listed in the previous section and asked them to rank the choices:

- Option A: Bonus deposit for children from families with low incomes
- Option B: Bonus deposit for the parent or caregiver logging into the account portal for the first time.
- Option C: Bonus deposit for the child's birthday

Overall, participants liked all the options, but the birthday bonus (Option C) received the most votes. Participants liked this option because it would both celebrate their children and grow the account without requiring them to remember to take action. The second most popular option was the bonus deposit for children from families with low incomes (Option A). This aligns with a takeaway discussed in Section 2.3, which is that participants in the engagement sessions supported the idea of an equitable program that would direct more resources toward children from families with low incomes.

Young mothers and older individuals consistently showed the least preference for Option B, the bonus deposit for the first time a parent or caregiver logs into the account portal. Some participants expressed concerns that technology barriers might limit the accessibility of this bonus. At the same time, some participants said that these barriers could be overcome by having a portal that would be accessible from mobile devices and providing login support at libraries and learning centers. The task force recommends exploring this question further with community members during the implementation phase.

4.6. Allowable Uses of CSA Funds

As described earlier, CSAs are designed to pay for an asset, usually postsecondary education, though other potential uses include purchasing a home or building a small business. According to the 2017 Prosperity Now CSA Program Survey, 92% of programs only allow participants to use CSA funds for postsecondary education. The four programs that have broader uses are relatively small compared to the anticipated size of the Saint Paul program.

The task force took into account the following considerations in its deliberations on allowable uses of CSA funds:

- **Flexibility** – Expanding allowable uses could give CSA participants flexibility and agency to decide how to use their money to achieve their vision of a successful future.
- **Administrative burden** – Having multiple allowable uses could increase the administrative burden of processing account withdrawals, since the program manager would need to develop different rules and processes for each asset type.
- **Appeal to potential funders and other stakeholders** – Having multiple allowable uses could make it more complicated to market the program to potential funders or other key stakeholders (e.g., city officials). At the same time, broadening the allowable uses could appeal to a different set of funders and stakeholders who are less interested in education, but support issues such as economic development.



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- **Messaging to parents and children** – Expanding allowable uses for CSA funds could complicate the simple messaging of the program to parents and children. At the same time, some parents and children may appreciate the idea of having multiple options for how the funds could be used.
- **Economic development potential** – Allowing participants to use CSA funds for entrepreneurship could contribute to the future vibrancy of Saint Paul's economy. Likewise, allowing young people to use CSA funds toward purchasing a home in Saint Paul could potentially keep more talent in the city.

After much deliberation, the task force's recommendation is to have postsecondary education as the sole allowable use when the program launches. The members thought it would be best to keep the allowable uses narrow to make it easier to message this new program to various stakeholders. *The task force recommends that postsecondary educational expenses be defined as broadly and flexibly as possible* to include a variety of college and career educational options—such as four-year colleges, two-year colleges, and vocational training—and a wide range of costs associated with education beyond tuition (including those that are not considered “qualifying education expenses” under IRS 529 rules), such as books, fees, and transportation to and from campus. The task force also recommends that the CSA program revisit the allowable uses of CSAs in the future as the program develops to determine if other uses should be considered. That process should include engaging program participants to learn about their preferences.

Community Insights: Allowable Uses

In every engagement session, community members raised the question, “How will the program ensure that the funds will be used for postsecondary education?” Some expressed concerns that their children might use the money for frivolous things, like parties, when they would be able to withdraw the money at age 18.

Although the first group of children will not begin withdrawing money for many years, the frequency with which people raised this concern shows that the program needs to convey the rules around allowable withdrawals to participating families and the public from the start of the program, along with assurances that safeguards will be in place to ensure CSA funds will be used for the intended purpose.



5. Program Administration

5.1. Management and Staffing

Earlier this year, the Mayor proposed creating an Office of Financial Empowerment (OFE) for the city and submitted a funding request for the office in the city's fiscal year 2019 budget. The OFE will be tasked with developing a citywide strategy to coordinate financial education and wealth building efforts that are being led by the nonprofit, private, and governmental sectors to help the Saint Paul community build financial wealth. It will also elevate awareness of financial capability resources in the community and help develop an understanding of the gaps in financial capability services in the city.

The Mayor has proposed—and the task force concurs—that the OFE manage the CSA program. Housing the CSA program within the OFE will connect the program to broader goals around building financial capability for the entire family. The OFE will be responsible for the implementation of the program in 2019 and ensuring a successful launch in 2020. It will oversee all aspects of program operations, fundraising, outreach, and engagement.

The task force recommends that the staff working on the CSA program within OFE include:

- **Director of Financial Empowerment** (.5 FTE) — The Director's overall job will be to work with the Mayor's Office and the Office of Financial Services to develop and implement the vision, goals, and objectives of the OFE to promote financial health for Saint Paul residents. The Director will support the development of the CSA program during the implementation year in 2019. After the program launch, the Director will continue to provide high-level support in the management of the program and would help ensure its sustainability.
- **CSA Program Manager** (1 FTE) — The Program Manager will be responsible for managing all aspects of the implementation and operations of the CSA program and ensuring program success. Key elements of the coordinator's role include cultivating and maintaining partnerships with city and county government agencies, nonprofit organizations, and community leaders; managing accounts and maintaining accurate records; coordinating the distribution of initial deposits and bonuses; and overseeing participant outreach and engagement efforts.
- **CSA Outreach Coordinator** (1 FTE) — The Outreach Coordinator will lead the program's outreach and engagement efforts. For example, the coordinator will work with partners to encourage enrollment among families who have to opt into the program, attend community events to promote the program, and coordinate with partners to offer financial capability services to participating families. This role is critical to the success of the program, because reaching out to 5,000 families per year—particularly the 40% who need to opt into the program—and coordinating with multiple partners will be a tremendous lift that the program manager will not be able to manage alone given other responsibilities.

5.2. Account Management/Information System

The task force determined that given the proposed account structure for the CSA program, an online *account/information management platform* will be required to aggregate information on the program-provided funds and participant contributions. The platform will have two components:



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- **A program administration portal** to enable program staff to view participant information, track account activity, and pull reports
- **A user interface** (or “account portal”) in which participants can view their account balance and activities, such as any bonuses earned

The task force does not recommend a specific vendor to provide this service. Outcome Tracker, provided by Vista Share, is used by several CSA programs. Other systems that programs use include Efforts to Outcomes and Invest Cloud. However, based on the experience of other CSA programs, each existing system has benefits and limitations. The city may need to issue a Request for Proposals (RFP) to select a vendor. However, given the limited number of options, the city may want to explore if regulations would allow for sole sourcing of the vendor for the account management system, as some other cities have done. This would decrease the time needed to secure the vendor, as the RFP process can be lengthy.

The account/information management system will need to provide the following functions:

- Integrate with the back-end system used by the financial institution holding accounts and receive updated electronic data on account activity from the financial institution on a daily basis; aggregate data from multiple sources, such as the account holding program-funds and the account holding participant contributions (if held in separate accounts).
- Provide a user-friendly participant interface showing account balance, account activity, and other program information in an easy-to-understand format; the participant interface must be fully accessible from mobile devices.
- Allow uploading of participant data files, such as participant birth records, to facilitate automated enrollment in the program.
- Generate reports on participants and accounts, such as deposit activity.
- Provide database functionality, with the ability to input and track information, such as participant demographics.
- Manage initial deposits and bonuses, including adding and changing bonuses as needed.

The following functions are preferred but not required for the system:

- Automated push notifications or text messages to participants
- Ability to conduct surveys of participants through the system
- Multi-language interface (e.g., Spanish, Hmong)

5.3. Communications and Marketing

The task force recommends that the Saint Paul CSA program develop a robust communications and marketing infrastructure. Communications and marketing will be essential to building excitement about the program among participants, persuading funders to support the program, and maintaining public support. Program communications will need to target several different audiences—such as participating families, funders, and the general public—and the goals for connecting with each audience are different, as described in Figure 3.



Figure 3. CSA Audiences and Communication Goal(s)

Audience	Communication Goals
Opt-in Families	Encourage families whose children are not automatically enrolled to sign up.
Enrolled Families	Foster and maintain excitement and active participation in the CSA program.
Funders	Persuade potential funders of the value of supporting the CSA program and share successes with current funders to maintain their support.
Media	Generate interest in covering the program through various media outlets to reach a larger audience.
Community Leaders	Build buy-in among community leaders who will help share information about the program with community members and foster community trust.
Children and Youth	Engage children and youth in the program and discussions around their future and foster a college-bound identity (once children are old enough to engage directly).
General Public (city residents)	Build excitement about the CSA program among city residents and generate ongoing support (and potentially donations) for the program.

During the design process, the Mayor's staff and members of the task force collaborated with the communications firm Tunheim, which developed a marketing plan pro bono. The plan calls for the following:

- **Branding** – Develop a unique program name, logo, and color scheme to visually represent the program; create a slogan, vision statement, and branding guide.
- **Messaging** – Create a compelling and consistent set of messages about the program to educate and motivate the target audiences.
- **Website** – Design a website to serve as a resource and information hub for all the target audiences.
- **Social Media** – Create social media channels for the program and post regularly to them; use targeted advertisements to reach different audiences.
- **Other** – Develop other types of content to raise visibility, such as videos and podcasts.

The Mayor's Office and task force members are currently working with Tunheim on the branding and messaging, along with developing a work plan to implement the rest of the communications plan. This work will continue into the implementation year, as laid out in the implementation work plan in Appendix F.

To ensure that the messages and communications materials reach and resonate with diverse communities within Saint Paul—especially prospective participants—the task force recommends:

- Translating marketing materials into multiple languages, with culturally appropriate messaging and imagery
- Testing marketing materials and messages with community members before wider release, as described in Section 5.4



- Providing a communications toolkit to community partners to make it easy for frontline staff to talk with clients about the program and ensure consistent, accurate information is provided across partners (see more information on community partners in Section 6)

5.4. Ongoing Community Input and Engagement

As stated in the Principles of Engagement in Appendix C, the task force firmly believes that those closest to the issues are closest to the solutions. As described in Section 2.3, community members played a key role in the design process. Similarly, the task force strongly recommends seeking and incorporating the input of community members on an ongoing basis throughout the implementation period and post-launch. Intentional community engagement is essential to the program taking root in the community and ensuring it will be responsive to the needs of the people it serves.

The task force recommends using human-centered design principles to engage the program's intended recipients during the implementation phase and creating a community-driven governing body to ensure that community members have a voice in the program after it is launched.

Implementation Phase Testing

During the implementation phase, engagement would focus on testing design features and messaging, and receiving feedback from prospective participants using a human-centered design process.³⁵ This process should include focus groups and interviews with individuals and families from the diverse communities that will be participating in the program. Potentially some of the same people who were engaged in focus groups during the design phase could take part in the implementation phase.

In addition to discussing elements of the program, it will be important for participants to review “prototypes” of materials, such as enrollment forms (online and paper), the online account portal, and marketing materials. This will help ensure that the final materials are clear, user-friendly, and resonate with the program's intended participants.

Testing should focus on these elements:

- Development of the bonus deposits
- The enrollment process for families who need to opt into the program
- Marketing materials and messaging
- The online account portal
- Activities, programming, and services for engaging families in the program and connecting them to financial education and other services and supports

Community-Driven Governing Body

Community engagement is equally important after the program is launched. **The task force recommends creating a governing body for the CSA program to ensure community-driven oversight and continuous quality improvement of program operations and outcomes.** The exact form and structure of the governing body (e.g., commission or advisory board) would be determined during the implementation

³⁵ For more information on human-centered design, see [ideo.org](https://www.ideo.org).



phase. However, the task force outlined the following recommendations for the responsibilities and composition of the governing body:

- **Responsibilities**

- Advise on the implementation of the program based on the task force's recommendations and guidance from city officials.
- Ensure that program participants have a voice in the program on an ongoing basis, such as providing feedback on ways to improve participant engagement and suggesting ideas for bonus deposits.
- Monitor program operations and progress in meeting the program's short-, medium-, and long-term goals and recommend changes to the program as needed.
- Ensure continued adherence by program staff to the Principles of Engagement (Appendix C) and Scale of Engagement & Community Ownership (Appendix D) laid out by the task force
- Advise on program reports to stakeholders, such as city officials, funders, and community members.
- Champion the program in the community.
- Monitor the program budget and recommend changes, as needed, to optimize program impact and equity.

- **Composition**

- Membership should reflect the demographics (race, class, language, geography) of Saint Paul, including but not limited to:
 - Families utilizing the CSA program
 - Organizations and nonprofit professionals invested in the success of the program
 - Ambassador/champion representative(s) (as described in Section 6.4)
 - Funders/philanthropy representatives



6. Family Outreach, Engagement, and Financial Capability Services

Opening accounts for participants and making initial deposits are only part of a CSA program. Equally important is continually engaging children and their families in the program and leveraging the CSA program as an opportunity to connect families with other services that improve their financial security. Because of the anticipated size and scope of the Saint Paul CSA program, community partners will be essential to providing the robust engagement needed.

As described in Sections 6.1-6.3, the task force recommends three key roles for community partners:

- **Conducting outreach** to parents and caregivers whose children will not be automatically enrolled in the program to encourage them to sign up
- **Engaging participating families** in the program through ongoing activities and conversations that reinforce the key messages of the CSA program and connecting families with services that support child and family well-being
- **Providing financial capability services** to participating families

Some of these roles may overlap, and in fact many partner organizations could take on two or even all three of the roles.

The task force conducted a landscape analysis to identify organizations in Saint Paul that are already serving the intended participants of the CSA program (parents of children ages 0-5) and those that offer financial capability and other services aligned with the goals of the CSA program. The task force then developed the following set of criteria to evaluate and narrow down the list of potential partner organizations:

- **Focus on 0-5 years old** – Does the organization have services that target parents of children ages birth to five?
- **Low- and moderate-income families** – Does the organization serve low- and moderate-income families and historically-disinvested communities?
- **Trust** – Is the organization a trusted provider within the community?
- **Reach** – Does the organization have the capacity to reach a high volume of Saint Paul residents or target a specific demographic that may be “harder to reach” or under-resourced?
- **Cultural/linguistic competency** – Does the organization offer services to specific linguistic or cultural communities?
- **Multi-generational services** – Does the organization have services for both parents/caregivers and children?
- **Accessibility** – Are the organizations’ locations accessible to low- and moderate-income Saint Paul residents?
- **Capacity and buy-in** – Is the organization’s mission aligned with the CSA program? Is there institutional buy-in from the leadership level all the way down to front-line staff?
- **Cost** – Is there a prohibitive cost associated with accessing the organization’s services?

From this analysis, the task force identified just over 20 organizations with the highest potential for partnership across each of the three partner roles described above. The list can be found in Appendix J. The task force recommends using this list as a guide for selecting partners during the implementation year. CSA program staff should have extensive discussions with staff at each organization to assess capacity and alignment with the CSA program’s vision and values. In addition, as new partners are considered in the future, CSA program staff should continue to use the criteria listed above to weigh potential partnerships.



Staff should also consult with the community governing body described in Section 5.4 to ensure that community input is included in any decision.

Based on the feedback from the focus group held with community organizations on October 23 (as described in Section 2.2), the task force also noted other considerations to keep in mind for working with partners:

- **Consider ways for partners to engage a wider range of their clients in the CSA program,** including children with disabilities for whom college may not be an option and children who are too old to be eligible for the program (e.g., allowing them to open an account without an initial deposit)
- **Create a plan for data privacy and information-sharing between agencies.** A seamless system for sharing data would make it easier to engage participants across multiple organizations, prevent duplication of data entry, and eliminate the need for participants to give the same information to multiple organizations.
- **Consider creating a mechanism for partners to offer their own bonus deposits.** This would allow partners to use bonuses to incentivize participation in their programs. At the same time, equity considerations and administrative burden must be considered in determining whether to allow partners to offer additional bonuses.

6.1. Enrollment Outreach to Opt-in Participants

As described in Section 4.2, the CSA program will not be able to enroll about 40% of eligible children automatically at birth, because their birth records are confidential under Minnesota law. In addition, several other situations will require opt-in enrollment by parents or caregivers, such as children born out of state to Saint Paul resident parent(s), children adopted after birth by Saint Paul resident parent(s), and children who move to Saint Paul by age six. (A detailed list of opt-in enrollment situations is in Appendix H.)

The task force recommends that the CSA program engage in extensive outreach efforts to reach these parents and caregivers and encourage them to enroll their children. This outreach will be complicated by the fact that the CSA program will not have the names of the children or parents who are eligible for the program but cannot be automatically enrolled. Also, it may be especially hard to reach many of these families for reasons such as limited English proficiency or distrust of government programs.

To overcome these outreach challenges, the task force recommends engaging a range of community partners (“**enrollment outreach partners**”) to build awareness of the program and provide enrollment support. The more extensively the program is embedded in settings where parents of young children are likely to go, and the more the message is delivered by people they trust, the more likely parents and caregivers will be to enroll their children in the program. In selecting outreach partners, the emphasis should be on organizations that serve low- and moderate-income families and other

Community Insights: Reliable Sources of Information

Community members shared the importance of hearing about the program from multiple reliable sources in order to build trust and enthusiasm.

As one engagement session participant said, *“The more places I see and hear about this, the more likely I’m going to trust it’s for real.”*

Community members specifically named community-based nonprofit organizations, faith-based communities, and community leaders as trusted sources of information. For more examples of trusted sources of information cited by community members, see the Engagement Sessions report in Appendix E.



under-resourced communities and offer services specific to diverse linguistic and cultural communities. (A list of potential partners is in Appendix J.)

The task force recommends these strategies for working with community partners to facilitate opt-in enrollment:

- **Integrate CSA outreach and enrollment information into partners' existing services, including intake, classes, and workshops** — Partners can add the CSA program as part of their services in a variety of ways based on their capacity. It could be as simple as including a CSA brochure with their intake materials or inviting CSA program staff to speak in a workshop. Alternatively, it could be more involved, such as helping parents with the enrollment process or co-creating a CSA workshop with CSA program staff.
- **Add the CSA program to benefits screening tools** – Many organizations use online screening tools to assess the public benefits for which families are eligible (e.g. SNAP and Medicaid) and then assist them in applying. The CSA program should work with Children's Defense Fund of Minnesota, which runs the Bridge to Benefits tool, to add a screening question for the CSA program.
- **Develop trainings for community partner staff** – The CSA program should develop a strong and accessible training for front-line staff who interact directly with eligible families. The training would need to cover the nuts and bolts of the CSA program, the enrollment process, and key messaging. Given staff turnover, the training would need to be accessible at multiple times a year or available digitally to easily train new staff.
- **Conduct targeted enrollment outreach and support for "hardest-to-reach" communities** – The CSA program should work with a small number of high-impact partners to provide targeted enrollment focused on the "hardest-to-reach" communities, such as new immigrants, very low-income households, and racial/ethnic groups where there are significant wealth and educational disparities compared to whites.

The task force recommends that the program identify multiple enrollment outreach partners to provide varied levels of outreach services, ranging from low-touch to intensive. These include:

- **Information and Enrollment Referral Partner** – Partner provides basic CSA information and enrollment referral information to clients, such as offering CSA brochures and inviting CSA program staff to workshops. This level would not require additional staff capacity, so the CSA program would not need to provide funding.
- **Custom Outreach and Enrollment Referral Partner** – Partner provides custom CSA information and enrollment referral information, such as co-creating CSA workshops with the program and tailoring outreach materials and messaging to the client population of the organization. This level would require considerable staff time, and the task force estimates that each partner would need \$3,000-\$8,000 in funding to cover costs.
- **"High Impact" Outreach and Enrollment Partner** – Partner provides targeted outreach, focusing on the "hardest-to-reach" families, and *directly enrolls* families into the CSA program through an online portal or paper application. This level would require extensive staff and program resources, and the task force estimates that each partner would need \$15,000-\$25,000 in funding.

Additional details on partner activities and requirements at each of these levels is in Appendix K.



6.2. Participant Engagement

The ongoing engagement of participating children and parents will be key to the success of the Saint Paul CSA program. The intended participant-level outcomes in the program's logic model (Appendix G) depend on building families' awareness of the accounts and connecting families to wrap-around services that build financial capability and financial security and foster the healthy cognitive and physical development of young children. Engaging families is particularly critical for cultivating a college-bound identity in children and supporting their parents' expectations for their future. Keeping participants connected throughout the duration of the program also helps ensure that they understand the account and bonuses offered, and that they will be more likely to add money to their CSA if they are able. Connecting families to early childhood resources through the program, such as well-baby check-ups, three-year-old screenings, and early childhood education, will help ensure children show up to kindergarten ready to learn.

Building this awareness will be challenging, particularly because the majority of participants will be automatically enrolled without parents' knowledge. The task force recommends that the program have two initial touchpoints with families whose children are automatically enrolled:

- **A welcome packet sent by the CSA program** with information about the program, instructions for making deposits into the account, a list of frequently asked questions about the program, and an opt-out form that parents can submit if they do not want their child to participate. Ideally, the welcome packet should also contain one or more giveaways that could serve as a recurring reminder about the program, such as a magnet that can go on the refrigerator or a onesie for babies with the program's logo. (Parents who have to opt their children into the program will also receive a welcome packet after completing the enrollment process.)
- **A program flyer sent with children's birth notice** from Saint Paul - Ramsey County Public Health. (Parents of children with confidential birth records, as discussed in Section 4.2, will instead receive information on enrolling their child in the program with the birth notice.)

Both for families whose children are automatically enrolled and for those who opt into the program, building and maintaining families' engagement with the program will require ongoing, sustained effort after the initial touchpoints described above. With approximately 5,000 children enrolling in the Saint Paul program each year, staff will not have the capacity to develop deep engagement with participating families. However, program staff should have regular low-touch contact with families, including sending automated text messages and/or mailings.

While these low-touch contacts will serve as a reminder about the program, they are not enough for the program to have the transformational impact the task force envisions. Thus, to ensure multiple touchpoints with participating families, **the task force recommends that the CSA program partner with a wide range of community partners that are already serving families with young children to serve as "engagement partners."** These organizations include child care agencies, early childhood education programs, health care providers, workforce development programs, housing agencies, and schools. Many of the organizations proposed as enrollment outreach partners, could serve as program engagement partners as well, as shown in the list in Appendix J.

Similar to enrollment outreach partners discussed in the previous section, program engagement partners could have different levels of engagement ranging from low touch to intensive. Partners at each level would have distinct roles that require differing amounts of staff time and resources on the part of the organizations. Low-touch engagement work might include activities such as:



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- Hosting CSA program staff at events or workshops, where they can explain how the bonus deposits work or help people log into the account portal
- Handing out flyers and other promotional materials for the CSA program to clients; hanging program posters in waiting areas

Intensive engagement by partners might include activities such as:

- Reaching out to families participating in the CSA program to connect them with services offered by the partner organization or others in the community, such as three-year-old screenings, Head Start, and assistance applying for public benefits
- Integrating discussions and support around the CSA program into client meetings and workshops, such as providing assistance in logging into the account portal (requires training of frontline staff by the CSA program)
- Providing financial coaching to participating families (as described in detail in Section 6.3)

Some partner organizations may also want to offer their own bonus deposits into children's CSAs—for instance, to incentivize participation in their services. Any requests to offer bonuses from partner organizations should be carefully vetted by CSA program staff and the community governance structure to ensure that they comply with the three criteria for bonus deposits described in Section 4.5—*equity*, *administrative simplicity*, and *engagement-focused*.

The list of potential partners in Appendix J, which focuses on organizations serving families with children from birth to age five, can serve as a starting point to select the initial CSA engagement partners. However, as the early cohorts of participants get older, it will be important to expand the range of community partners to include those that regularly interact with families with older children and those that serve children and youth directly.

6.3. Financial Capability Services

Based on the goals of the CSA program, building financial capability will be one of the primary focus areas for engaging participating families. Financial capability is defined as the capacity—based on knowledge, skills, and access—to manage financial resources effectively. Financial capability services include financial coaching, financial education, credit counseling, access to safe and affordable financial products, free tax preparation assistance, access to public benefits, and more.³⁶

Financial capability pairs well with CSA programs for several reasons:

- CSA programs provide an opportunity to tie savings into larger, holistic discussions about the totality of families' financial situations, creating an opening to connect families to other services.
- Having a CSA can make financial education more effective and relevant for children, so providing financial education to children who have a CSA can help enhance their learning.³⁷

³⁶ CFED. [Building Financial Capability: A Planning Guide for Integrated Services](#) (Washington, DC: US Department of Health and Human Services, 2015).

³⁷ Wiedrich, K., Collins, J. M., Rosen, L., and Rademacher, I. [Financial Education and Account Access Among Elementary Students: Findings from the Assessing Financial Capability Outcomes \(AFCO\) Youth Pilot](#) (Washington, DC: CFED, 2014).



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- Financial capability skills can help prepare parents and children to navigate the complex financial realities of postsecondary education.

As described in Section 1.2, the Mayor and the task force envision the CSA program as part of a larger initiative to build the financial capability and financial empowerment of the city's residents. This connection will be reinforced by housing the management of the CSA program within the newly-created Office of Financial Empowerment. **The task force also recommends developing partnerships with community organizations to provide financial capability services to CSA program participants.** An initial list of potential partners is in Appendix J.

Although it will be important to offer a range of financial capability services to participating families to meet their individual needs, the key financial capability services that partners should provide to participating CSA families are:

- **Financial coaching**, including financial planning for college
- **Connections to safe, affordable accounts** for *unbanked/underbanked* families
- **Free tax preparation** to ensure families claim all the tax credits and deductions for which they are eligible, and to encourage families to deposit a portion of their refund in their child's CSA
- **Access to public benefits** to help families claim all the assistance for which they are eligible, and increase their financial stability
- **Credit counseling** to help families address debt and build good credit
- **Financial education**, particularly around saving; initially, workshops would focus on parents, but as children get older, the workshops could take a *two-generation approach* and encourage families to discuss financial topics together

Community Insights: Financial Capability Services

Community members support integrating financial capability services into the program. Parents participating in the engagement sessions expressed interest in both financial education for themselves and their children.

Community members also said they wanted to be connected to financial coaching and credit counseling.

They also expressed a need for support in selecting a trustworthy financial institution and opening an account. As one community member said, *"If someone has never done this before [open a bank account], it isn't easy – it's intimidating, and I don't want to do the wrong thing or do it the wrong way. Lots of people are not confident that they know what is the 'right' thing to do."*

The city already has an existing ecosystem of agencies providing these and other financial capability services to Saint Paul families, which can be leveraged through partnerships. Several organizations that attended the October 23 community organization focus group expressed interest in partnering with the program to deliver financial education, coaching, and other related services. For example, both Neighborhood House and Lutheran Social Service of Minnesota's Eastside Financial Center staff said their organizations could incorporate services for CSA participants into their existing financial coaching programs. Prepare + Prosper staff said that the organization could encourage VITA tax preparation clients to deposit a portion of their tax refund into their CSA, and Comunidades Latinas Unidas en Servicio (CLUES) discussed adding a discussion of the CSA program into existing financial education workshops.

While these organizations and others are currently providing financial capability services, many of them are already at maximum capacity. Community partners may need funding and other capacity-building supports



to be able to add CSA-specific work to their existing financial capability programming. Similar to the levels of engagement described for enrollment outreach partners in Section 6.1, the program should have different levels of financial capability partners with each level requiring different capacity and funding levels:

- **Information and Encouragement to Engage with the CSA** – Partners provide CSA information and encourage deposits and college planning as a standard part of their existing services. For example, a VITA site could encourage tax customers to place a portion of their refund into their child's CSA via direct deposit. This level of partnership may require some staff training and internal capacity building. A small stipend (up to \$1,000) may help partner agencies as they make programmatic adjustments.
- **Custom CSA Coaching and CSA Engagement** – Partners provide financial coaching customized for CSA participants as an auxiliary part of their services. For example, a financial coach could support a client who is employed but unbanked to open a non-predatory checking account and complete the paperwork necessary to receive her paycheck via direct deposit. The coach and client would create a plan to set up automatic deposits into the client's child's CSA every pay period, and this plan would be reviewed and adjusted on a quarterly basis. This level of partnership would require staff time for curriculum development, training, and working with clients. The task force estimates each partner would need \$5,000-\$15,000 annually to provide these services.
- **CSA Train-the-Trainer (TTT) Model** – During the focus group with community organizations in October, participants discussed the importance of developing a standardized CSA training model for staff and volunteers who would coach CSA-participating families at partner organizations. The CSA program should work with one or two organizations to co-develop a standard CSA financial coaching curriculum and train other partner agencies on how to implement it. The task force estimates that partners would need approximately \$20,000-\$30,000 to develop and implement the TTT model.

Additional information on these levels of partnership is in Appendix K.

6.4. College Access Programs

While a CSA program is an important tool to help expand postsecondary education attainment, to be most effective, it must be part of a larger ecosystem of programs helping young people to enroll in and complete college. Saint Paul already has several college access and scholarship programs that promote academic achievement in middle and high school, help students and parents navigate the college application and financial aid processes, and provide scholarships to bridge the gap between financial aid and the full cost of attending college.

For example, Neighborhood House has a college access program that works with immigrant, refugee, and low-income populations to prepare them for postsecondary education. The Minnesota Education Equity Partnership also runs a college access program to help students of color and Indigenous students complete higher education. College Possible Minnesota, another program that coaches low-income students to and through college, has expressed interest in partnering with the Saint Paul CSA program in previous stakeholder meetings. **The task force recommends that the CSA program partner with programs like these that have a shared mission to expand educational opportunity.**

Although the first babies enrolled in the program in 2020 will be many years away from college, the task force also recommends that the CSA program work on building partnerships with the college access programs in the early years of the program, rather than waiting until children are closer to college age.



College access partners can help encourage children and parents to think about college from a young age and reinforce the college-bound identity fostered by having a CSA.

6.5. Ambassadors and Champions

In addition to engaging a cadre of organizational partners, the task force also recommends building a network of ambassadors and champions to support outreach and engagement for the CSA program. Inspired by the approach used by Oakland Promise in its [Champion and Ambassador Program](#), the task force recommends that Saint Paul create a comparable strategy to root the program in the broader community and multiply the number of people taking part in outreach and engagement. Moreover, trusted community leaders and peers will be more effective at reaching families than city-funded staff.

The **ambassador** program would train Saint Paul leaders (e.g., students, parents, educators, and other community leaders) to engage their community around the CSA program, creating a powerful grassroots outreach and engagement effort that would complement the efforts of CSA program staff and partners. Ambassadors would commit to providing two to eight hours per month to engaging with community members and would receive an annual stipend of \$1,200, along with other benefits. More details about this program are in Appendix L.

The task force also recommends identifying **program champions** at both the individual and organizational level to support and endorse the program and its vision. The endorsement of trusted community organizations and leaders would add legitimacy to the program. While their role would be much less formal than that of the ambassadors, the champions would:

- Talk with community members about the program.
- Be invited to CSA events and annual meetings on shared community outcomes.
- Have their names on CSA website and communications materials.

Community Insights: Ambassadors and Champions

Community engagement session participants liked the idea of paying community members to help generate excitement for the program and share accurate information about the program with people in their community. Many people were expressed interest in supporting the program by becoming ambassadors themselves.

Community members also verified the importance of having visible community champions. In a discussion about reliable sources of information to build trust in the program, one community member said, *"I'd like to go to a website where I can see what people and organizations support this program."*



7. Program Budget and Funding

7.1. Implementation Year Budget

The implementation year in 2019 will be used to put all elements of the program operations in place (e.g., selecting a financial institution, developing program materials, and developing data sharing agreements with key partners) so that the program is ready to launch in January 2020. (A workplan for the implementation year is in Appendix F.) The implementation year will also be used to raise additional funds and build awareness of the program among the intended participants. *The total budget for the implementation year is \$705,562, and descriptions of each of the expense categories are listed in Figure 3.*

Figure 4: Budget for Implementation Year (2019)

Expense Category	Cost	Description
Personnel	\$236,362	Includes salary and fringe for OFE director (.5 FTE), CSA Program Manager (1 FTE), and Outreach Coordinator (1 FTE)
Program Engagement & Outreach	\$33,500	Includes marketing/promotional materials, events, and website hosting
Fundraising	\$100,000	Includes fundraising consultant and gala
Consulting & Professional Services	\$279,000	Includes consultants for public relations/marketing, technical assistance, evaluation, and translation
Other Programmatic Costs	\$56,700	Includes account management platform, travel, and supplies
Total	\$705,562	

7.2. Program Budget

As shown in Figure 4, the total budget for the first year of the program (2020) is \$1,029,689. The costs rise in years 2 and 3 to \$1,187,261 and \$1,214,929 respectively as the total number of children enrolled in the program increases. The budget numbers are based on the estimate that about 5,000 new children will be enrolled per year, since that is the approximate number of children born as Saint Paul residents each year. The sections below provide an explanation for each cost category listed in Figure 4.



Figure 5: CSA Program Budget for Years 1-3

Expense Category	Year 1 - 2020	Year 2 - 2021	Year 3 - 2022	Description
Personnel	\$241,089	\$245,911	\$250,829	Includes salary and fringe for OFE Director (.5 FTE), CSA Program Manager (1 FTE), and Outreach Coordinator (1 FTE)
Program Engagement & Outreach	\$157,000	\$216,000	\$220,000	Includes outreach/engagement services by community organizations, mailings, marketing/promotional materials, events, website hosting, and ambassador stipends
Fundraising	\$101,200	\$101,200	\$101,200	Includes fundraising consultant and gala
Consulting & Professional Services	\$165,000	\$115,000	\$115,000	Includes consultants for PR, evaluation, and translation
Other Programmatic Costs	\$17,900	\$17,900	\$17,900	Includes database, travel, and supplies
Initial Deposits	\$250,000	\$250,000	\$250,000	Initial deposits for 5,000 children annually at \$50/child
Bonus Deposits	\$97,500	\$241,250	\$260,000	Estimated costs for three bonuses
Total	\$1,029,689	\$1,187,261	\$1,214,929	

Program Delivery Costs

Program delivery costs refer to all the expenses incurred in managing and operating the CSA program, along with engaging participants in the program. Key program delivery expenses include:

- **Personnel** – Includes the Director of Financial Empowerment (.5 FTE), the CSA Program Manager (1 FTE), and the Outreach Coordinator (1 FTE)
- **Consulting and Professional Services** – Includes consultants for public relations, evaluation, and translation
- **Program Outreach and Engagement** – Includes funding for outreach and engagement services by community partners, mailings, marketing/promotional materials, events, website hosting, and ambassador stipends
- **Fundraising** – Includes fundraising consultant and gala
- **Other Programmatic Costs** – Includes database, travel, and supplies

Initial Deposit and Bonuses

Each of the children enrolled in the program will receive an initial deposit of \$50. An estimated 5,000 children will be enrolled each year, making the *estimated annual cost for initial deposits* \$250,000.

As described in Section 4.5, the final bonuses have not been selected. For budget purposes, the costs of three potential bonuses are estimated below. Budgeting for bonuses is less straightforward than budgeting



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for initial deposits. It requires estimating the *draw-down rate* for each of the bonuses, i.e. how many children will complete the required activity or meet the milestone needed to earn the bonus. The budget assumptions for each of the bonuses are described below, and detailed calculations are in Appendix M.

Extra initial deposit for children from low-income families

This bonus would provide an extra \$50 initial deposit to children from low-income households. The latest U.S. Census Bureau data show that 29% of children under age five in Saint Paul live in households with incomes below the poverty level.³⁸ Therefore, to budget for this assumption, the task force assumed that 29% of the estimated 5,000 children enrolled each year would be eligible for this \$50 bonus. *The estimated annual cost of this bonus is \$72,500.*

First birthday bonus

Participating children would receive a \$25 bonus deposit into their accounts on their first birthday. For budget purposes, the task force assumes that all of the estimated 5,000 children in each yearly cohort would receive this bonus. This bonus would not be distributed until the second year of the program when the first cohort of children turn one. *The annual cost after year one is \$125,000.*

Account login bonus

To encourage families to log into the account portal and view their account balances, the program would provide a \$25 bonus for the first time a parent or caregiver logs into their child's account. For budget purposes, the task force assumes that for each annual cohort of children, 20% will log into the account in the first year that they are enrolled in the program, 15% in the second year, and 15% in the third year. The cost of this bonus would increase each year as more children are enrolled in the program. *The estimated cost for year one is \$25,000; \$43,750 for year two; and \$62,500 for year three.*

7.3. Funding the Program

Most large CSA programs are funded through a variety of sources, including a combination of government, foundations, and individuals. **The task force recommends that a range of sources be used to fund the Saint Paul CSA program, since it will both help the program get off the ground and make it more sustainable in the long term.** Moreover, different types of funders may be willing to fund different elements of the program. For example, foundations are more likely to fund the operational and programmatic elements of the program, while individual donors are more likely to fund money going directly to children, such as the bonus deposits.

The task force recommends the following approach to raising funds for the program:

- **City Funding** – The task force recommends that the city fund the program staff (through the Office of Financial Empowerment), the account/information management platform, and the initial deposits (estimated at around \$250,000/year). Demonstrating a significant city investment in the program will help spur foundations to support the program.

³⁸ U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates.



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- **State Funding** – The City should request \$500,000 in state appropriations from the legislature to support the program. Saint Paul will be the first city in Minnesota to start a CSA program—and the only city in the country with a universal, at-birth program. By appropriating funds, the state can enable Saint Paul's program to serve as a pilot for the state, from which other cities can learn and develop their own programs.
- **Local Foundations** – Fundraising efforts should target local private and family foundations that make investments in education, anti-poverty efforts, social determinates of health, and increasing economic opportunity. For example, foundations that provide college scholarships might be persuaded to instead give “early scholarships” through the CSA program. Having foundation grants will add credibility to the program. Foundations are also more likely than individual donors to cover programmatic costs not covered by city funding, such as family engagement and program evaluation.
- **Corporate Donors** – Corporate social responsibility (CSR) is increasingly important to companies and consumers alike, and CSAs fall into the sweet spot for CSR by encompassing two popular causes: children and education. Corporations choose to donate to causes that elevate their brand while advancing their CSR goals.³⁹ The CSA program can provide an opportunity for local corporations and businesses to raise their profiles as supporters and champions of an initiative that helps local children receive college education and become productive members of the local workforce. For banks and other financial service providers, the primary appeal of funding the program may be the focus on savings and building financial capability.
- **Individual Donors** – CSA programs across the country have found that many individuals are interested in supporting CSA programs. Similarly, many residents of Saint Paul may want to donate to support local children. The program should look to both wealthy individuals who can make large donations (e.g., through estate planning) and those of more modest means who can donate smaller amounts. The program could use a variety of methods to reach out to potential donors, including direct mail, electronic communications, and holding a fundraising gala. Fundraising efforts with individuals should focus on raising money to support bonus deposits, since individual donors are unlikely to be interested in funding operational or programmatic elements of the program.

The program could also take advantage of the opportunity to raise funds from individuals through the [1:1 Fund](#), an online crowdfunding platform for CSA programs run by Prosperity Now. Partner organizations use the 1:1 Fund platform to raise funds from individual donors through quarterly campaigns, and the money raised goes to providing bonus deposits for participating children. As funding allows, Prosperity Now matches money raised on the 1:1 Fund platform during quarterly campaigns. This platform could help reach community members who want to make small donations to support the program.

During the course of the task force's work, it recommended that an account be set up at the Saint Paul and Minnesota Community Foundations to accept contributions from private sources. Donors are more likely to donate to funds managed by a private foundation rather than the city, and donations to a foundation are also tax deductible. The Saint Paul and Minnesota Community Foundations agreed to hold this account and has also hired a grant writer as an in-kind donation. The grant writer and members of the task force developed an extensive list of potential funders from the categories listed in this section. The grant writer is currently

³⁹ Markoff and Derbigny, 2015.



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working on drafting grant requests for local corporate, private, and family foundations. The grant writer will submit several applications in the first quarter of 2019 and will apply for two and three-year investments, when possible.

The task force also recommends the creation of an ongoing fundraising committee or advisory group to support efforts to raise funds for the program. The committee members would advise on fundraising opportunities and help activate and engage the donor base. The task force believes that requests for donations from fundraising committee members would be more impactful than funding requests from the city.



8. Conclusion

At his inauguration, Mayor Melvin Carter announced that creating a CSA program for every Saint Paul newborn would be a priority for his administration. He dedicated staff time and resources to create this program in an inclusive, effective manner—incorporating insights from a wide array of community-based institutions, feedback from community members, and best practices from experts in the CSA field.

The recommendations for the design and implementation of the CSA program in this report represents the culmination of that months-long effort. The report sets out a comprehensive, ambitious vision for a CSA program that will empower Saint Paul families of all backgrounds—especially those from historically-disinvested communities—to pursue their dreams through investments in education, economic security, and financial well-being. Moreover, the inclusive nature of the design process ensures that the City of Saint Paul will create an accessible, equitable, and sustainable CSA program that benefits all of Saint Paul's diverse communities.

As an integral component of Mayor Carter's larger vision for Saint Paul, the CSA program will help create a bright future for the next generation of Saint Paul residents and a vibrant economic future for the city.



Appendices

Appendix A: CSA Task Force and Subcommittee Members

Appendix B: Attendees at the Community Organization Focus Group

Appendix C: Principles of Engagement

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Appendix I: CSA Program Enrollment Flowchart

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Appendix N: Glossary of Terms



Appendix A. CSA Task Force and Subcommittee Members

Task Force Co-Chairs:

- Ann Mulholland, Saint Paul & Minnesota Community Foundations
- Rick Beeson, Sunrise Banks

Birth Records Data/Health Subcommittee

- Chair: Lisa Archer, Allina Health, United Hospital
- Christa Anders, Saint Paul Children's Collaborative
- Erin Bailey, Gillette Children's Specialty
- Anne Barry, Saint Paul - Ramsey County Public Health
- Joe Gothard, Saint Paul Public Schools
- Rochelle Johnson, HealthPartners Regions Hospital
- Kristen McHenry, Allina Health, United Hospital
- Rebecca Noecker, Saint Paul City Council Member
- Dave Pinto, Minnesota State House Representative
- Maria Sarabia, Saint Paul - Ramsey County Public Health
- Molly Crawford, Minnesota Department of Health
- Taina Maki, Saint Paul City Council

Community & Institutional Partnerships Subcommittee

- Chair: Eva Song Margolis, Lutheran Social Service of Minnesota's Eastside Financial Center
- Laurie Davis, Saint Paul Children's Collaborative
- Kelsey Johnson-Kaiser, Saint Paul Public Library
- Tina Jones, HiWay Credit Union
- Ruby Lee, Comunidades Latinas Unidas en Servicio (CLUES)
- Anne Leland Clark, Prepare + Prosper
- Amy McDonough, Minnesota Private College Council
- Joe Nathan, Center for School Change
- Bao Vang, Hmong American Partnership
- Mai Nhia Xiong-Chan, Hamline University
- Asad Zaman, Muslim American Society of Minnesota
- Paul Cerkenik, Minnesota Private College Council

Engagement and Outreach Subcommittee

- Chair: Muneer Karcher-Ramos, Saint Paul Promise Neighborhood
- Samra Asghedom, Community Representative
- Tequla Hamer, Community Representative
- Kedar Hickman, Ujamaa Place
- Liliana Letran-Garcia, Comunidades Latinas Unidas en Servicio (CLUES)
- Kelly Monson, Minnesota Children's Cabinet
- Isaak Rooble, Somali American National Institute
- Kara Schommer, Neighborhood House
- Nujuma Taha, Saint Paul Youth Commission
- Ashley Weatherspoon, Metropolitan State University



Funds and Fundraising Subcommittee

- Chair: Erin Dady, Bremer Bank
- Dave Boden, HiWay Credit Union
- Paul Cassidy, Stinson Leonard Street LLP
- Nancy Dana, Saint Paul City School
- Rassoul Dastmozd, Saint Paul College
- Doug Hennes, University of St. Thomas
- Nevada Littlewolf, Tiwahe Foundation
- Michael Stroik, 3Mgives
- Kris Taylor, Ecolab
- Bill Wagner, HiWay Credit Union
- John Bennett, Western Bank
- David Kline, Saint Paul College Foundation
- Lachelle Williams, Junior Achievement
- Jason Scott, Sunrise Banks

Saint Paul City Officials

- Dr. Bruce Corrie, Planning and Economic Development
- Mary Guerra, Office of Financial Services
- Kristin Guild, Planning and Economic Development
- Kaohly Her, Mayor's Office
- Sharon Kennedy-Vickers, Technology and Communications
- Ikram Koliso, Mayor's Office
- Michael Solomon, Office of Financial Services
- Daniel Yang, Mayor's Office
- Siobhan Tolar, City Attorney's Office

Technical Assistance Providers/Advisors

- Shira Markoff, Prosperity Now
- Lucy Mullany, Consultant
- Diego Quezada, Prosperity Now
- Solana Rice, Prosperity Now
- Carl Rist, Prosperity Now

The task force would like to acknowledge the contributions of Doug Hennes, who served on the Funds and Fundraising subcommittee before his passing on July 19, 2018. Hennes brought his fun-loving yet hardworking spirit to all his roles, from his time on the task force to his work at the University of St. Thomas and at the Saint Paul Pioneer Press. Doug, you are dearly missed.



Appendix B. Attendees at the Community Organization Focus Group

Saint Paul City Officials

- Mayor Melvin Carter
- Kaohly Her, Mayor's Office
- Ikram Koliso, Mayor's Office
- Kathy Korum, Parks and Recreation

Task Force Members and Advisors

- Kelsey Johnson-Kaiser, Saint Paul Public Library
- Anne Leland Clark, Prepare + Prosper
- Liliana Letran-Garcia, CLUES
- Eva Song Margolis, Lutheran Social Services East Side Financial Center
- Shira Markoff, Prosperity Now
- Kristen McHenry, Allina Health, United Hospital
- Lucy Mullany, Consultant
- Bao Vang, Hmong American Partnership

Representatives from Community Organizations

- Erin Bailey, Gillette Children's Specialty
- Tami Baker-Olson, Ramsey County Social Services
- Molly Cave, Head Start – Early Head Start
- Kim Clemson, Ramsey County Social Services
- Roxanne Draughn, Aurora/St. Anthony Neighborhood Development Corporation
- Sadie Fischer, Community of Peace Academy
- Pam Gokey, American Indian Family Center
- Marilyn Grigsby-Harris, Saint Paul Public Schools, Early Childhood Family Center
- Claudia Holt, Prepare + Prosper
- Alison Horner, Saint Paul Public School Early Childhood Special Education
- Teri Jackson, Gillette Family
- Marcie Jeffreys, Ramsey County
- Ezra Kenya, Jeremiah Program
- Sari Olson, Neighborhood House
- Nieeta Presley, Aurora/St. Anthony Neighborhood Development Corporation
- Cara Quinn, Community of Peace Academy
- Cate Rysavy, Lutheran Social Services Financial Services
- Joan Schlecht, Neighborhood House
- Dawn L. Selle, Hallie Q. Brown Community Center
- Jacob Weidenbach, Merrick Community Services
- Evelyn Witherspoon, Saint Paul Public Schools, Early Childhood Family Center
- Mary Yackley, Saint Paul Public Schools
- Viva Yang, Lutheran Social Services, Eastside Financial Center



Appendix C. Principles of Engagement

1) Those closest to the issues, are closest to the solutions

Premise: The intended users of College Savings Accounts know how things will work best for themselves. The vision of the College Savings Account must truly be grounded in the community. Our design, implementation, and launch plans should all be informed, tested, and verified by the community before 'going public.'

2) How we *think* about the community will determine how the program is designed and is implemented

Premise: Too often programs are designed around and rooted in mental models that don't believe in the full possibilities or potential of people who have lived 'the struggle.' This can result in a set of beliefs about people that lowers expectations. We should focus on bridging the belief gap, not only in our expectations, but also in the words we use to talk about different families in our communities. A culture of high expectations should live and breathe in our taskforce.

3) Regenerative for families and communities (opposed to extractive)

Premise: Regeneration refers to the self-feeding, self-renewing processes and experience that nourish the capacity of families and communities to thrive for long periods. This means our approach must pump money, information, energy, and resources back into developing internal capacities of the community to keep its own wealth and well-being in Saint Paul. No program can sustain itself over the long-term, if it is not designed to continuously regenerate through and by the community itself.

4) Targeted universalism

Premise: If the goal is to reach the universe of ~5,000 babies born in Saint Paul every year and engage them until college, we know that a universal, cookie cutter approach will not effectively reach and retain every family. We must think creatively and intentionally about high leverage, targeted approaches so no family is left behind. Targeted approaches mean thinking about and tailoring strategies around race, ethnicity, language, geography, gender, socioeconomic status, family composition, birth circumstance, and other identity markers. When these specific segments of the population do better, the universal population does better.

5) Thinking/acting adaptively (opposed to only technical thinking/acting)

Premise: Crafting adaptive strategies requires an exploration of different community's priorities, beliefs, habits, and patterns. Linear, A to B logic will not always be enough. We must intentionally go beyond any authoritative expertise to craft solutions that will truly allow us to advance targeted strategies that consider competing priorities, beliefs, habits, and patterns.

6) Wanna join in? Know your number

Premise: If the goal is to reach ~5,000 newborns every year in Saint Paul, all community actors who want to contribute must know their number by asking the question, "which newborns am I specifically reaching?" If you can't name your number, your contribution isn't aligned with our efforts.

7) To know the path ahead, ask those coming back

Premise: There's no need to reinvent the wheel. College Savings Accounts exist across the country that we can reach out to, learn from, and create adaptations of. When we get stuck, connect with available resources and people.



Appendix D. Scale of Engagement and Community Ownership

1) Manipulation

Happens when community members are used to support causes that do not benefit them and others pretend that the causes are inspired by community members.

2) Decoration

When community members are used to help or “bolster” a cause in a relatively indirect way, although others do not pretend that the cause is inspired by community members.

3) Tokenism

When community members appear to be given a voice, but in fact have little or no choice about what they do or how they participate.

4) Assigned but informed

When community members are assigned a specific role and informed about how and why they are being involved.

5) Consulted and informed

When community members give advice on projects or programs designed and run by others. Community members are informed about how their input will be used and the outcomes of the decisions made by others.

6) Other-initiated but shared decisions with community

When projects or programs are initiated by others, but the decision-making is shared with community members.

7) Community-initiated & directed

When community members initiate and direct a project/program. Others are involved only in a supportive role.

8) Community-initiated, shared decisions with others

When projects or programs are initiated by community members and decision-making is shared between community members and others. These projects help community members recognize their power while at the same time helping community members recognize the life experience and expertise of others.

Adapted from “Hart’s Ladder” from “Youth Participation in Community Planning,” a report of the American Planning Association Innovation Center for Community and Youth Development (www.theinnovationcenter.org).



Appendix E. Engagement Sessions Report

Introduction

The Engagement & Outreach Subcommittee of the City of Saint Paul College Savings Account Taskforce was tasked with completing a three-phase engagement plan for the College Savings Account program. This report represents the findings from the Design phase of the College Savings Account program and is a summary of nine engagement sessions hosted in November 2018.

Expected process and timeline:



The focus of this phase of engagement is to get feedback on the college savings account program 1) description, including vision, mission, outcomes, and values, as well as some key design and implementation considerations, such as bonus deposit structures, trusted sources of information, program do's and don'ts, among other considerations. The intention of engagement sessions was to see the degree to which these elements are relevant and meaningful to the community.

In total, 145 individuals participated in nine engagement sessions. The engagement sessions functioned like focus groups, where participants were asked to provide their wisdom, feedback, and advice in response to a set of questions.

Guiding Principles & Values. The Outreach & Engagement Subcommittee committed to using the Principles of Engagement and the Scale of Engagement & Community Ownership to guide our engagement efforts. See table below for a summary and Appendices C and D for more details.

Principles of Engagement	Scale of Engagement & Community Ownership <i>Adapted from "Hart's Ladder"</i>
- Those closest to the issues, are closest to the solutions - How we <i>think</i> about the community will determine how we end up designing the program - Regenerative for families and communities - Targeted universalism - Thinking/acting adaptively - Wanna join? Know your number - To know the path ahead, ask those coming back	1) Manipulation 2) Decoration 3) Tokenism 4) Assigned but informed 5) Consulted and informed* 6) Other-initiated but shared decisions with community 7) Community-initiated & directed 8) Community-initiated, shared decisions with others

Key Findings from the Engagement Sessions

- The CSA vision and values, and goals developed by the Taskforce are on point, unleashed energy among participants, and do not require any substantial changes.



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- However, the language community members use to understand the concepts in the vision, values, and goals may be different from the language the taskforce has been using.
- Economic equity matters: Participants supported directing more CSA resources to the families that have low incomes because children in families with low incomes need more help to access educational opportunities.
- Hearing about CSAs from multiple, reliable sources will build community trust, investment, and enthusiasm.
- Bonus Deposits are a great way to help families grow the accounts.
- Design elements can make program enrollment easier or more difficult; program enrollment and program features should be intentionally user-friendly.
- Community members have clear do's and don'ts. Take notice.
- Community members are inquisitive and have lots of questions that should continue to guide design, planning, and implementation.

Recommended Uses of this Report

The Engagement & Outreach Subcommittee recommends this report be used in several ways:

- To bring community voice to validate or challenge the recommendations advanced by taskforce subcommittees or from the taskforce as a whole
- To not be a standalone document, but for relevant excerpts to be fully integrated, where applicable, into the body of the taskforce recommendation report
- Be included in the Appendix of the full taskforce report
- To guide and inform implementation planning and program launch phases in 2019 and 2020+

About the Engagement Sessions & Participants

Nine engagement sessions were hosted at eight partner sites in November 2018. The Engagement & Outreach Subcommittee intentionally attempted to partner with organizations that would help the taskforce gain insights from a broad range of cultures, languages, neighborhoods, and experiences that reflect the City of Saint Paul. We specifically attempted to live out the principle of engagement around targeted universalism, by including communities whose voices have historically been left out or muted in public program planning processes early in this design process.

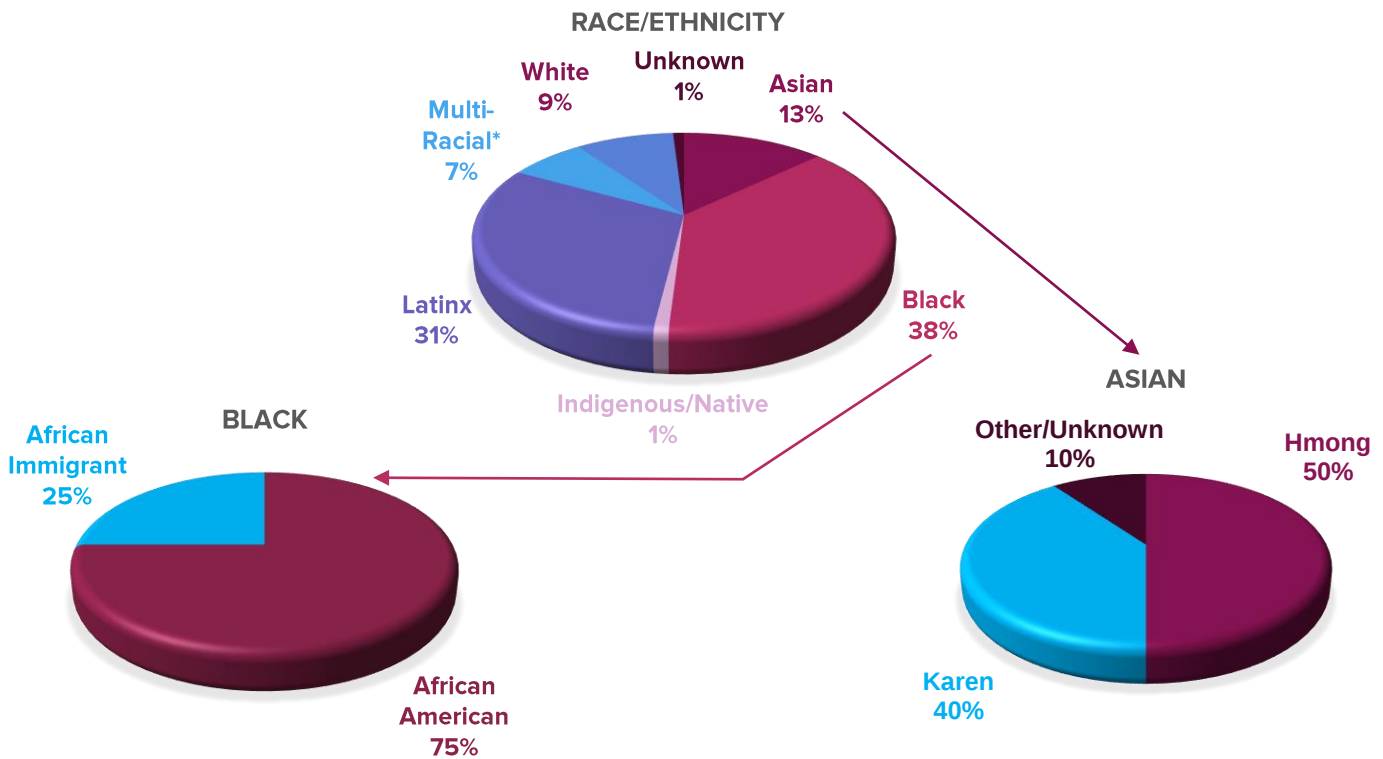
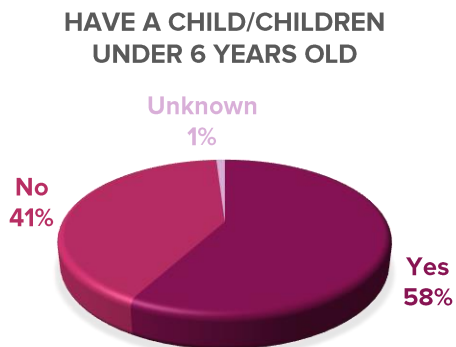
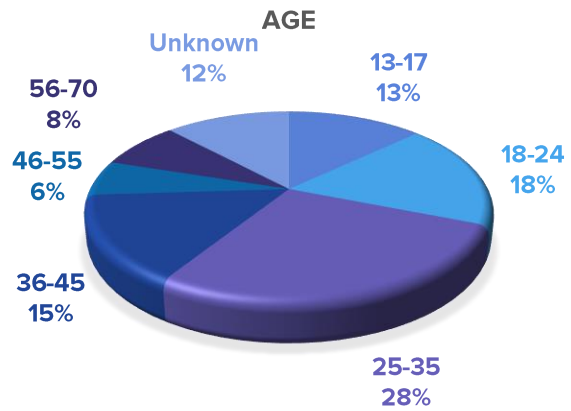
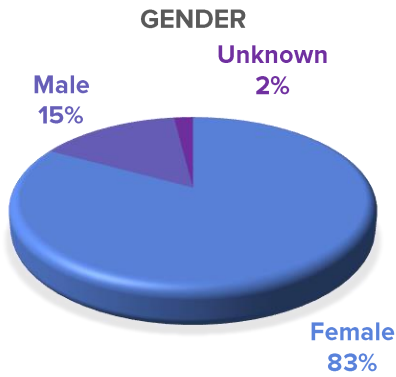
Partner Organizations

- 1) Comunidades Latinas Unidas en Servicio (CLUES) – November 1, 2018
- 2) Adolescent Girls and Parenting Education (AGAPE) High School – November 6, 2018
- 3) Jeremiah Program – November 6 and 8, 2018
- 4) Community School of Excellence – November 7, 2018
- 5) B.R.A.V.E. – November 10, 2018
- 6) Father Project – November 13, 2018
- 7) Indigenous Roots – November 14, 2018
- 8) YWCA Saint Paul – November 15, 2018



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About Engagement Session Participants



Overall response to CSA program

The CSA vision, values, and goals are on point; however, the language community members use to understand the concepts in the vision, values, and goals statements may be different from the language the taskforce has been using. (See Equity section for an example of this.)

We met with 145 Saint Paul community members, and they had an overwhelmingly positive response to the idea of beginning a CSA program in Saint Paul. Participants were equally supportive of and enthusiastic about developing an Office of Financial Empowerment to serve Saint Paul residents. We spoke with teens, teen mothers, parents of young children, parents of pre-teen and teen aged children, and parents of adult children across the city. Our target audience for the engagement sessions were parents of young children who reflect the cultural and ethnic diversity of the city. We focused our efforts on reaching out to organizations that serve people from historically marginalized populations, and we were transparent about that focused effort during the sessions. Participants expressed gratitude that we designed our approach to intentionally gather feedback from populations whose voices are rarely sought out in the early design-stage of public programs.

We reached out to 14 community-based organizations, and we held nine engagement sessions at eight of those organizations. Three organizations were not able to gather a group before November 16 (our subcommittee's deadline to complete sessions), and two organizations did not respond to initial emails nor to the two follow-up communication attempts.

Parents of young children, and especially young parents (14-30 years old) of young children, expressed frustration that their children would not be included in the initial program launch. Since children born before January 1, 2020 are not eligible for the program at this time, parents expressed that this felt like one more opportunity and resource that they are not able to give their children. The privilege of stability was put into relief as we conducted these sessions; financial stability allows community members to think beyond their immediate family towards the entire Saint Paul populace, and beyond their immediate circumstances towards generations to come.

In early sessions, the program start-date and eligibility dominated conversation. We recognized that information about the purpose and goals of the sessions that were shared with organization staff during initial outreach and subsequent logistical conversations did not include a specific framing for the purpose of the engagement sessions; to address this issue, the facilitator reached out to contacts at the partner organizations with the message below.

In past sessions mothers were surprised to learn that the CSA program will begin January 1, 2020, and only children born after that date will be enrolled in the program for the initial launch.

We understand why mothers who are experiencing some sort of crisis to think beyond their children and family have been frustrated and upset to learn about the eligibility/start date.

Could you please share this context with the parents before our scheduled engagement session?

This is a future program that we are building, and we want Saint Paul residents' feedback on it.



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This program is being designed to benefit our community for generations to come, and we hope that in the future children born before January 1, 2020 could somehow opt in; however, at the program launch, only children born on or after January 1, 2020 will be enrolled.

The City of Saint Paul is offering the honorarium to agencies to be used for gift cards for participants to recognize the value of their time, input, and wisdom in helping to shape the program.

Let me know if you have any questions.

In each session, many participants commented that this program is good for new parents and will help children *and* families as children grow and learn. Participants were happy (and even seemed relieved) to hear that this is part of a larger strategy to provide support, education, and resources to build financial stability for children, parents, community, and future generations in Saint Paul. Parents were delighted that the City, Mayor, and community are thinking about and investing in the futures of all children in Saint Paul. Participants said the program would help families talk with their children about saving and planning for the future; motivate children to explore choices for postsecondary education/training; and support parents, especially parents from communities that do not have a culture of saving money, build their own financial management skills and develop and model savings habits. Participants emphasized the importance of a multi-generation approach for the success of the program.

Equity

Economic equity matters — participants support directing more resources to the families that have low incomes, because children in these families need more help to access educational opportunities.

We spent a portion of the engagement sessions discussing equity and how equity is an integral component in designing this program. We clarified the difference between financial equity (such as equity in a house or car) and social applications of equity. We presented the following descriptions:

Equity is about each of us getting what we need to survive or succeed—access to opportunity, networks, resources, and supports—based on where we are and where we want to go. Equity is fair and just distribution of resources and opportunities for individuals, culturally specific business, and community-based organizations, and economic and social systems that are sustainable and that sustain all people.

Participants stated that they were impressed by the Mayor and City for investing in children's postsecondary education to improve the local economy and community strength. Participants thought it is a good idea to provide more resources to low-income households because that's where the greatest need is.

There were many questions about how incomes would be assessed and how/when the bonus deposits would be deposited, since a family's income can change (increasing or decreasing) for various reasons throughout a child's life. Three questions were raised:

- Many participants asked about caps on the accounts since families with low incomes will not be able to save as much as families with moderate or high incomes.
- Participants asked if there would be a sliding scale similar to MNSure when considering incomes and bonus deposits for families with low incomes.



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- Participants asked how this program would be administered equitably so it does not create stigma or additional trauma for families with low income. This speaks to the importance the program being a universal citywide program and not just for low income families.

During conversations about equity, many people asked about long-term accountability:

- How will the city, foundations, and parents know if accounts are used for postsecondary education/trainings?
- Since the account will be restricted, will funds be released in incremental ways?
- What happens if someone enrolls in postsecondary education for a short period and does not attain a degree or certificate?

Reliable Information

Hearing about CSAs from multiple reliable sources will build community trust, investment, and enthusiasm.

Below are lists of people, places, and events where participants consistently receive reliable information about programs and services. Participants also suggested communication methods to get up-to-date information across Saint Paul.

People

- School staff, teachers, administrators, cooks, paraprofessionals, custodians (elementary school, middle school, high school, and Adult Basic Education)
- Doctors
- Nurses
- Childcare providers
- Culturally-specific community-based organization staff
- Community leaders and community elders
- County case workers
- Faith leaders – they are the most trusted in some cases
- Mayor Melvin Carter – because he is active in the community

Places

- Birthing Centers
- Businesses
- Childcare centers
- Clinics (pre-natal, medical, dental, vision)
- Community-based organizations (B.R.A.V.E., CLUES, Father Project, Ujamaa Place, YWCA, Indigenous Roots, Jeremiah Program, AGAPE, LifeTrack, and other community partners)
- Community centers/youth centers/Parks and Recreation Centers, gyms, fields
- Consulates
- County service centers
- Faith centers (churches, mosques, synagogues, etc.)
- Grocery stores
- Housing communities
- Libraries



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- Office of the Mayor – city website
- Schools (public, private, and charter)
- Woman, Infants, and Children program (WIC)
- Workforce centers

Events

- Community festivals (Rondo Days, Rice Street Parade, Cinco de Mayo, Winter Carnival, Grand Old Days, etc.)
- Community-hosted BBQs in city and regional parks in Saint Paul
- Community organizations' family nights
- National Night Out neighborhood parties
- Safe Summer Nights events with Saint Paul Police Department (SPPD)
- School family nights, conferences, concerts, etc.

Suggested Communication Methods

- Billboards
- Bus stop signs and banners on interior and exterior of buses
- Booklets and brochures
- City of Saint Paul website to show who is sponsoring the program (sponsors, supporters, partners)
- Emails and snail mail
- Flyers and information sessions at high schools and colleges
- Hotline for questions (in which a kind and patient human-being answers; provide a way to respond to inquiries in multiple languages)
- Newspaper ads, announcements, and articles
- Park boards
- Posters around the neighborhood
- Social media
- Text messages
- Yard signs
- Share the research, evidence, and testimonials about the benefits of CSAs

Bonus Deposits

Bonus deposits are a great way to help families grow the accounts.

Engagement session participants really liked the idea of bonus deposits. We shared that there could be bonus deposits for many kinds of milestones and achievements including, but not limited to, well-child check-ups, pre-kindergarten screening, academic growth and progress, school attendance, volunteerism and community service, participating in youth programs, participating in extracurricular activities. Families stated that adding match bonuses would help motivate families to contribute to their children's accounts.

We presented participants with three options, and we asked them to rank the choices:

- Option A: Bonus deposit for children from families with low incomes
- Option B: Bonus deposit for the first time a parent or guardian logs into the account portal
- Option C: Bonus deposit on the child's birthday



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Folks stated that they liked all of the options, but some trends did emerge. **Bonus deposit on the child's birthday (option C) received the most favorable votes, followed by bonus deposits for children from families with low incomes (option A).** A surprising question emerged several times challenging the assumption that parents with higher incomes will direct funds towards their child's postsecondary education. What if they don't? Would excluding children based on their parents' income from option A be unfair or unequitable?

Some people only voted for option C as a way to really show their preference. In every group, participants imagined asking family and friends to contribute to the account for birthdays, cultural celebrations, milestones, and holidays.

Young mothers and older folks consistently showed the least preference for a bonus deposit for the first time a parent or guardian logs into the account portal (option B). Concerns about access to technology, reliability of technology, and confidence using technology were mentioned in each session for option B:

- What if someone doesn't have a computer? Doesn't remember the login? Doesn't remember the password?
- Even an app on a cell phone might be hard to navigate.
- What if the computer crashes, and I don't get credit for logging in?
- My computer is really old and really slow, and sometimes I can't afford internet.
- Even if I could log in at a library or other public computer lab, when would I find the time to do that? What if there's no one there who could help me?
- Portals can get a little confusing if family has a number of children with accounts.

Note: These concerns can be addressed by engaging Adult Basic Education learning centers/schools, workforce centers, library mobile labs, faith community facilities, etc. to offer supported access in locations where adults feel comfortable, and ensuring the portal interface is accessible and intuitive.

Nevertheless, option B did receive the most second and third rank votes with many people stating that they like being rewarded for engaging with the account. Several people said engaging with the account makes it more real, and it would be encouraging and empowering for families to watch the account grow together. A few mothers asked if they would get a bonus deposit every time they log into the account, and, if so, they would log in every day.

Enrolling in Programs

Elements that make program enrollment easy:

- Short and simple application available in both paper and electronic versions
 - Start with simple demographic information so it's less intimidating
 - Ask for a simple way to prove residence
 - Don't make it feel like a test (we heard this many, many times)
- Walk-in enrollment sites at various locations
 - Friendly faces at walk-in sites
 - Friendly navigators to help with enrollment (similar to MNSure Navigators) who are posted at walk-in sites



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- Places to opt-into the program
 - Community centers
 - Libraries
 - DMV
 - WIC
 - County service centers
 - Hospitals and clinics
- Auto-enrollment with WIC or other public benefits enrollment
 - If you're receiving some sort of assistance through the community, they should know you qualify and tell you about it
 - Have systems talk to reach other
- Outreach to cultural marriage officiants (couple might not be legally married, but are culturally married) to encourage partners to opt-in

Elements that make program enrollment difficult:

- Too many hoops to jump through
- Verification process being too cumbersome

Recommendations from Engagement Session Participants

Do's listed by participants include:

- Consider responsible banking and morals/ethics of financial institution's investment practices when choosing a financial institution
- Provide additional supports for children/families in the program
 - Financial literacy/empowerment/resources connection is important
 - Help unbanked families connect with a trustworthy financial institution and support families as they build their financial management skills
 - Empowering for kids to achieve whatever they desire
 - Connect families to growth industry jobs so they can earn more and deposit more
- Make the cut-off age for using CSA funds higher (25 or above?)
 - Offer an option to get an extension if you haven't figured what you want to do
- Invest in community leaders to build trust in the program; distrust of government and financial intuitions will continue to be a challenge, but community leaders are a huge asset and are skilled at building trust
- Engage sports teams and clubs in Saint Paul and Minnesota
 - Saint Paul Saints
 - MN United
 - Lynx/Timberwolves Fast Break Foundation (focuses on financial literacy)

Don'ts mentioned by participants include:

- Don't include "college" in the name of the program – just frame it as additional skills for postsecondary
- Don't risk community leaders' reputations by promising something the city can't deliver after the community leaders leverage relationships to build trust in government services



Questions for Taskforce to Consider

Participants had a number of questions that the taskforce should keep in mind as it develops the program design, which are divided by topic below. The questions will also be relevant for the program manager, as that person develops the program's rules and processes.

Most Frequently Asked Questions

- How will low-income be determined?
- How will matches work?
- How will accountability around use of the funds work?
- What services will be offered to support families enrolled in the program?
- Will the accounts have interest?
 - Will the interest accrue in the child's account?
 - Can parents opt-out of the interest portion for religious purposes?

Logistics/Access

- What if the child dies? What happens then to the accounts/money?
- What if one of the parents is in another country and the child moves, but the main parent depositing into the account is still in Saint Paul?
- What if a family gets deported? What happens then to the child's account?
- How will funds be made available to purchase books, supplies, equipment, etc.?
- Can the accounts be used for other things beside college, such as setting up a business?
- What if all of the money in the account isn't used up, and there's extra after tuition and books?
- Will the account cover PSEO classes or summer classes at colleges while still in high school?
- What if students graduate early?

Sources of Account Funds

- Where is the money for CSAs coming from?
- Can the account be connected to direct deposit through employer payroll?
- Can a parent work with the county to make a portion of child support go into CSA accounts?

Financial Empowerment services/education

- How will credit repair, credit building, financial literacy, and other financial empowerment classes/trainings/coaching/services be made available and promoted?
- Will financial literacy be included in school curricula? Starting at what grade?

Institutional Advocacy

- Is any part of this initiative going to work on making changes in institutions?
 - The CSA program currently works to change personal behavior, but it will also be important to consider the systemic changes necessary to make postsecondary education more accessible to people.
- Could there be free postsecondary education in Saint Paul or in Minnesota? Could programs like Power of You be expanded?



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- How will CSA program connect students and families to additional resources, especially students with Individual Education Plans (IEPs)?

Engagement Session Protocol

- 1) Introductions
- 2) Thank you for inviting us into your safe space
 - We are intentionally talking with communities that historically have not been heard or asked for their input in the early stages of program development.
 - Your wisdom and feedback are very important to Mayor Carter and the CSA Taskforce.
- 3) Overview of CSA program
 - CSA program start date
 - Vision for Saint Paul CSA program
 - Goals for Saint Paul CSA program
 - Summary of how CSAs work
- 4) Discussion: Participants share feedback, wisdom, and questions
- 5) Values guiding Saint Paul CSA program
- 6) Ask how participants define “equity”
 - Present definition of equity for purposes of group discussion
- 7) Discussion: Participants share feedback, wisdom, and questions
- 8) Bonus deposits
 - Participants presented with three bonus deposit options and asked to rank preferences
- 9) Discussion: Participants share feedback, wisdom, and questions
- 10) Where do you get trusted and reliable information?
 - How would you know this is program is the real deal?
 - Who gets reliable information out into the community?
 - How do you usually know services and opportunities for your children are reliable/good for your children and family?
- 11) Enrollment into CSA program
 - Think about past experiences of enrolling your children in programs, services, and opportunities.
 - Please share a service or an opportunity that was easy to enroll in.
 - What made it so?
- 12) Closing

Acknowledgements

Many thanks to 145 participants who shared their wisdom at the engagement sessions. We valued their perspectives and hope to hold their voices with integrity. Gratitude is also extended to the eight partner organizations that recruited participants and offered their hospitality by hosting the engagement sessions at their respective sites, including: CLUES, B.R.A.V.E. MN, AGAPE High School (Saint Paul Public Schools), The Father Project, Jeremiah Program, Indigenous Roots, Community School of Excellence, and YWCA Saint Paul. The engagement sessions would not have been possible without Kara Schommer, who was the



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lead consultant on the project, as well as Ikram Koliso from Mayor Carter's staff who guided the process and provided on-site support for engagement sessions and the team at Prosperity Now for providing technical assistance with engagement session questions and process.



Appendix F: Implementation Year Work Plan

January-December 2019 (for planned launch in Jan. 2020)

TASKS	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Finalize Program Design Elements												
Select bonuses												
Final decision on design recommendations made by Mayor, OFE director, and CSA program manager												
Account Vehicle/Financial Institution												
Create and release RFP for financial institution (FI) partner(s)												
Select FI(s) and sign agreement												
Work with FI to set up account structure and protocols												
Account/Information Management Platform												
Create and release RFP for account/info management platform vendor												
Select vendor and sign agreement												
Work with vendor to customize platform features for back-end administration system												
Work with vendor to set up user interface (participant portal)												
Work with vendor and FI to develop protocols for sharing account information between FI and platform												
Train program staff on using the platform for account/information management needs												
Administration/Staffing												
Hire OFE Director and CSA Program Manager												
Hire Outreach Coordinator												
Develop program policies/procedures manual												
Budget and Fundraising												
Receive fiscal year 2019 city appropriations for OFE												
Refine multi-year program budget as needed												
Request fiscal year 2020 city appropriation, if needed												
Create/refine case-making materials for potential funders												
Hire a fundraising consultant (timing TBD)												
Submit grant applications to funders												



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TASKS	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Meet with potential funders; make funding requests												
Create a fundraising committee												
Plan a fundraising gala												
Communications and Marketing												
Develop initial program name, branding, and key messages (e.g., logo, tagline)												
Test name, branding, and message with community members												
Finalize name, branding, and messages												
Develop participant marketing materials (flyers, posters, giveaways, etc.)												
Create outreach toolkits for community partners												
Design program website												
Media outreach to raise awareness of program												
Community Engagement												
Hold community engagement sessions to test program elements and materials												
Set up community-driven governance structure												
Develop ambassador program												
Identify and train first group of ambassadors												
Develop champion program												
Identify and sign up champions												
Enrollment Process												
Implement processes/protocols for the automatic enrollment process (as outlined in task force report), including:												
<i>Work with MN Dept. of Health (MDH) to develop data sharing protocols for public birth records</i>												
<i>Work with Saint Paul Ramsey County Public Health to set up process for mailing program info with birth notices</i>												
Develop process/protocol for opt-in enrollment												
Explore options for "second wave" automatic enrollment												
Evaluation												
Identify external evaluation partner												



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TASKS	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Work with selected partner to develop/implement evaluation plan												
Develop data sharing agreements with partners as needed to facilitate evaluation												
Family Outreach, Engagement, and Financial Capability												
Flesh out plan for outreach, participant engagement, and financial capability												
Identify and secure community partners for outreach, engagement, and financial capability services												
Train partner organization staff												
Legal												
Develop and execute agreements with MDH and SPRCPH												
Develop and execute agreements with FI and account/info management platform vendor												
Develop and execute agreements with community partners for outreach, engagement, and financial capability services												
Work with city attorney's office to develop a document on how the program meets public purpose guidelines												
Develop data/participant information sharing rules and procedures to safeguard participant privacy												
Review program rules/procedures as necessary with city attorney's office to ensure compliance												
Materials and Forms												
Develop opt-in enrollment form												
Create program welcome kit (opt-out form consent forms; deposit information; FAQs; instructions for online portal, if applicable)												
Develop public version of program rules for participants												
State Legislative Process												
Develop advocacy strategy for state appropriations for fiscal year 2020												
Request state appropriations for program for fiscal year 2020												
Develop and implement advocacy strategy for changing statute to allow CSA program to access confidential birth records												



Appendix G. Logic Model

Inputs	Activities	Outputs	Short-Term Outcomes (1-5 years)	Medium-Term Outcomes (6-18 years)	Long-Term Outcomes (19-25 years)
- CSA program management staff - Partners, including MDH, RCPH, financial institution and community partners - Public and private funding	- Enrolling children - Account opening and management - Providing initial deposits and incentives - Connecting children and families with financial education and other financial capability services and public benefits - Connecting children and families with college access/success programs to provide additional support - Outreach and engagement activities for children and parents	- Number of children with accounts - Percentage of eligible "opt-in" children with accounts - Percentage of participating children earning incentives - Percentage of families engaging with accounts (logging into accounts, contributing savings, etc.) - Percentage of participating families accessing financial education and other financial capability services - Percentage of children completing age-appropriate, experiential financial education - Number of children and families reached through outreach and engagement activities	Participant Level Outcomes		
			- High enrollment among historically-disinvested communities (if opt-in enrollment required for some children) - A higher percentage of children have savings set aside for postsecondary education (includes program-provided funds and family contributions) than non-CSA participants - Families' expectations for their children's postsecondary educational attainment increases - More families take up wraparound financial capability services and public benefits/services that improve their financial security - More children will be connected to early screening and early intervention services, as needed, to ensure their readiness for kindergarten	- All children receive age-appropriate, experiential financial education that builds their financial capability - Children and families have increased financial capability - The percentage of children meeting elementary and secondary education markers associated with being on track for college increases - More children develop a college-bound identity (i.e., they expect that they will go to college) - The percentage of students taking the PSATs/SATs and/or ACT increases - More students and families have the skills, knowledge and support needed to navigate the college application and financial aid process; more students/families complete the FAFSA - High school graduation rate increases	- The percentage of students enrolled in postsecondary education increases - The percentage of students completing postsecondary education increases - Graduates have the skills and education needed to succeed in Saint Paul's future economy
Inputs	Activities	Outputs	Short-Term Outcomes (1-5 years)	Medium-Term Outcomes (6-18 years)	Long-Term Outcomes (19-25 years)



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Community Level Outcomes			
			• A diverse range of community institutions (nonprofits, faith-based orgs, businesses) engage in and support the program through philanthropy and/or partnership • Increased cross-sector collaboration among community organizations to streamline services and better serve CSA participants and the broader community • Engagement efforts by the program and partners reach families across all demographic groups, with a particular emphasis on historically-disinvested communities
			• Community demonstrates high expectations and support for the long-term success of <i>all</i> children in Saint Paul • Families from historically-disinvested communities engage in the program (e.g., accessing accounts, participating in activities) at the same levels as historically-advantaged communities
			• Gaps in postsecondary educational attainment by race and income narrow among city residents • Disparities in employment rates and income by race narrow among city residents • Participants remain in and/or return to Saint Paul as adults and contribute to the city's economy • Saint Paul has a more skilled, educated workforce that will help buoy the local economy



Appendix H. Detailed CSA Program Eligibility Rules

Basic Eligibility Statement

Every child who is born as a Saint Paul resident on or after January 1, 2020 or who moves to Saint Paul before age six is eligible for the CSA program.

For the purpose of this program, a child is a Saint Paul resident if one or both of the child's parent, legal guardian or caretaker make their domicile in Saint Paul.

Detailed Eligibility Information

The Birth Records Data/Health subcommittee considered a number of different potential circumstances to flesh out the internal rules around eligibility. Table 1 breaks down whether children would be eligible or ineligible based on each scenario. For the eligible children, the chart further breaks out whether the children could be automatically enrolled or if the children's parents would need to opt them into the program.

The subcommittee identified that the key triggering event for automatic enrollment is that Saint Paul is listed as the parent or legal guardian's residence on a public birth certificate form filed anywhere within Minnesota. That means that for all circumstances in which the City of Saint Paul cannot automatically access birth records that identify the parent or legal guardian as a Saint Paul resident, opt-in enrollment will be required.

Table 1: Program Eligibility Scenarios

Eligible		Not Eligible
Automatically Enrolled	Need to Opt-In to Program	
- Children born in Saint Paul to a parent or legal guardian who is a Saint Paul resident (birth records pulled based on where mother resides) - Children born outside of Saint Paul, <i>but within Minnesota</i>, whose parent or legal guardian is a resident of Saint Paul (birth records from within Minnesota can be pulled based on where mother resides) - Children born to incarcerated parent or legal guardian who are residents of Saint Paul (birth record can be pulled if parent or legal guardian lists Saint Paul as residence)	- Children born outside of Minnesota to Saint Paul resident parent(s) - Children adopted any time from birth through age 6 by Saint Paul residents (includes foreign adoption) - Children who move into Saint Paul any time before age 6 - This scenario incorporates immigrant children (including undocumented children) who move to Saint Paul before age 6. Note that this group will require special outreach. - Children in foster care homes in Saint Paul	- Children who are born before January 1, 2020 - Children who move to Saint Paul after age 6 - Children adopted by Saint Paul residents after age 6

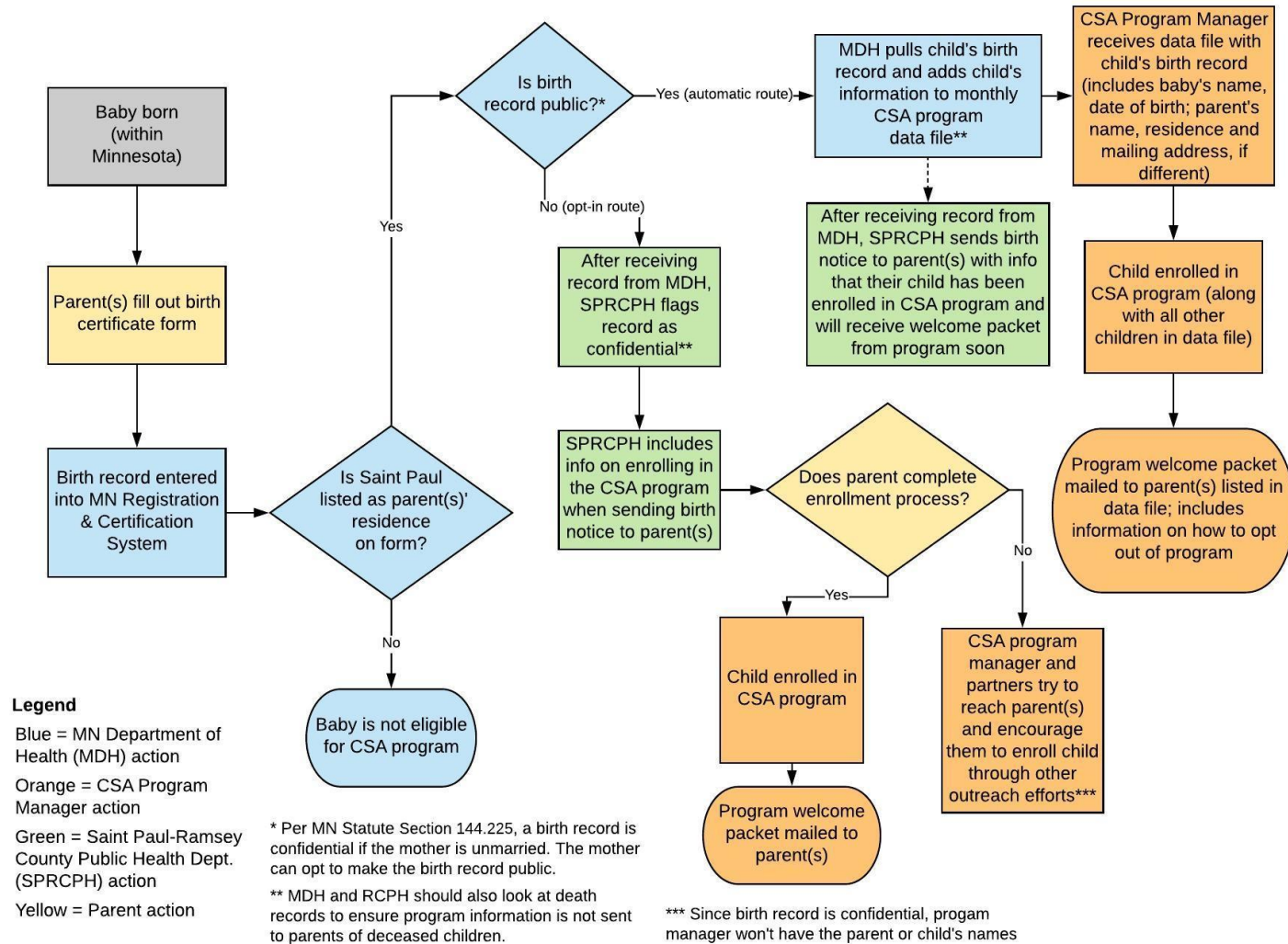


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4. Child born to a surrogate, with the intended parent residing in Saint Paul (birth record can be pulled if Saint Paul is listed as parent's residence) 5. Children born to same sex parents where Saint Paul is listed as the parent's residence 6. Children born to homeless parent who list Saint Paul as their residence* <i>* Further education may be needed at hospitals about the option for homeless women to list a generic Saint Paul address for their residence, while using a different mailing address.</i>	5. Children born to Saint Paul residents temporarily living abroad for employment or volunteer services. (This includes those serving in the military, Peace Corps or missionaries who are stationed outside Minnesota or outside the US.)	
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Appendix I. CSA Program Enrollment Flowchart



Appendix J. Potential Partners

Organization/Institution	Type of Service/Program	Potential Opt-in Enrollment Outreach Partner	Potential Participant Engagement Partner	Potential Financial Capability Partner
Agape High School (Saint Paul Public Schools)	High school (teen parents)	X	X	
American Indian Family Center	Clinic (child wellness check-ups)	X		
Aurora St. Anthony NDC	Community development; financial education/counseling	X	X	X
Bridge to Benefits (Children's Defense Fund of MN)	Online benefits screening tool	X		
Camphor Fiscally Fit (Model Cities)	Financial education/coaching	X		X
Comunidades Latinas Unidas En Servicio (CLUES)	Adult basic education; financial education/coaching; workforce and financial literacy programs; workforce and job training	X	X	X
Community Action Partnership of Ramsey & Washington Counties	Early Head Start/Head Start	X	X	
Community of Peace Academy	High school (teen parents)	X	X	
Goodwill/Easter Seals (MN)	Workforce and job training	X		
Hmong American Partnership	Adult basic education; workforce and job training	X		
Jeremiah Program (Saint Paul)	Education and support for low-income mothers	X	X	
Lutheran Social Service of Minnesota's Financial Counseling & Eastside Financial Center	Financial education/coaching; workforce and job training	X	X	X
Lutheran Social Service of Minnesota	Financial Counseling Services	X		X
Merrick Community Services	Food support/food shelf; workforce and job training	X		
Neighborhood Development Alliance (NeDA)	Community development; financial education/counseling	X	X	X



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Organization/Institution	Type of Service/Program	Potential Opt-in Enrollment Outreach Partner	Potential Participant Engagement Partner	Potential Financial Capability Partner
Neighborhood House	Adult basic education; multi-service agency	X	X	X
Prepare + Prosper	Volunteer Income Tax Assistance (VITA) provider; financial education/coaching	X	X	X
Ramsey County	Child care assistance	X		
Women, Infants and Children Program (WIC), Ramsey County	WIC	X		
Saint Paul Promise Neighborhood	Multi-service agency	X	X	X
Saint Paul Public Libraries	Library and community services	X		
Saint Paul Public Schools	Early childhood screenings; community education	X		
Saint Paul Public Schools - Early Childhood Family Education (ECFE)	Family home visiting	X		
Think Small	Child care assistance	X		



Appendix K. Outreach and Engagement Partnership Levels

Outreach Partner Levels

	Information & Enrollment Referral	Custom Outreach and Enrollment Referral	"High Impact" Outreach & Enrollment
Partnership Summary	Provide CSA information and enrollment referral information	Provide custom CSA information and enrollment referral information	Provide targeted outreach and directly enroll participants, focusing on "hardest to reach" families
Level of partner engagement	Low touch (estimate: hundreds of partnerships)	Medium touch (estimate: 5-10 partnerships)	Intensive (estimate: 3-5 partnerships)
Required partner capacity	Does not require substantial additional staff capacity	Requires considerable additional staff/organizational capacity	Requires extensive staff and program resources
Key partner activities	• Embed into existing intake process • Consider including CSA into participant goal planning • CSA staff present at existing workshops	• All key activities listed in "Information & Enrollment Referral" • Staff co-create with CSA program (and possibly other partners) culturally/life experience specific CSA curriculum • CSA curriculum is implemented at partner agency • CSA curriculum could be provided at other agencies using Train-the-Trainer (TTT) format	• All key activities listed in "Information & Enrollment Referral" • Staff facilitate CSA enrollment • Data privacy/sharing must be vetted • Staff co-create curriculum with CSA staff
Training implications	Partner agency staff to receive basic CSA training from CSA staff	Considerable time for those staff involved in curriculum development and workshop/TTT implementation	Requires intensive staff training, especially on CSA enrollment process
External Collaboration	Does not require collaboration, except for coordination of staff training with CSA program	Considerable collaboration with CSA program and possibly with other partners	Considerable collaboration with CSA program and possibly with other high-impact partners
Partner funding implications	No partner funding support needed (\$0)	Considerable funding support needed (estimate \$3k-\$8k)	Significant funding support needed (estimate \$15k-\$25k/annually)



Financial Capability Partner Levels

	Information & Encouragement to Engage with CSA	Custom CSA Coaching and CSA Engagement	CSA Train-the-Trainer (TTT) Model
Partnership Summary	Provide CSA information and encourage deposits and college planning	Provide custom CSA financial coaching and college planning	1-2 agencies co-develop standard CSA financial coaching curriculum and train other partner agencies on how to implement
Level of partner engagement	Medium touch (estimate: 20-30 partnerships)	Intensive (estimate: 5-10 partnerships)	Intensive (estimate: 1-2 partnerships)
Partner capacity implications	Does not require substantial additional staff capacity	Requires considerable additional staff/organizational capacity	Requires extensive staff and program resources
Key partner activities	• Embed into existing coaching programming • Include CSA into participant financial goal planning • CSA program staff present at existing workshops	• All key activities in Information & Encouragement to Engage with CSA • Staff co-create with CSA program (and possibly other partners) culturally/life experience specific CSA and college planning curriculum • Long-term CSA curriculum is implemented at partner agency via financial coaching service • CSA curriculum could be provided at other agencies using Train-the-Trainer (TTT) format • May require client data privacy policies if partner shares client data with CSA program	• Staff co-create standard CSA and college planning financial coaching curriculum with CSA program • Numerous TTT workshops are held for other partner agencies that have front-line staff providing coaching • Data privacy/sharing must be vetted
Training implications	Partner agency staff to receive basic CSA training from CSA program	Considerable time for those staff involved in curriculum development and TTT implementation	Requires intensive staff training, especially on CSA enrollment process
External Collaboration	Does not require collaboration, except for coordination of staff training	Considerable collaboration with CSA program and possibly other partners	Significant collaboration with OFE
Partner funding implications	Minimal partner funding support needed (estimate: \$0-\$1k stipend)	Considerable funding support needed (estimate \$5k-\$15k)	Significant funding support needed (estimate \$20k-\$30k)



Appendix L. Ambassador Program Description

The Ambassador Program would train Saint Paul leaders (e.g., students, parents, educators and other community leaders) to engage their community around the CSA program. The engagement would foster widespread support and commitment to the long-term sustainability of CSA.

Ambassadors' responsibilities:

- Commit 2-8 hours per month for one year
- Attend a one-hour professional development session every three months
- Commit to one hour of Ambassador training every two to three months
- Facilitate or attend a minimum of one CSA program event per month (on average 1-3 hours per month)
- Minimum of 10 one-on-one conversations about Ambassador Program with respective community
- Recruitment of a minimum of 10 champions for the CSA program

Ambassadors would receive:

- \$1,200 stipend (\$100 per month)
- Letter of recognition from Mayor Carter
- Letter of recommendation from Mayor's Office staff
- Special lunch with Mayor Carter
- Be invited to CSA events and annual meetings on shared community outcomes
- Have their name on CSA website and communications materials



Appendix M: Budget Estimates for Bonus Deposits

Estimated Cost of Extra Initial Deposit for Children from Low-Income Families

Cohort Number	New Children Enrolled	Year 1		Year 2		Year 3		Total Cost Per Cohort
		Number of children receiving bonus	Cost of bonus	Number of children receiving bonus	Cost of bonus	Number of children receiving bonus	Cost of bonus	
Cohort 1	5,000	1,450	\$72,500	0	\$ -	0	\$ -	\$72,500
Cohort 2	5,000	0	\$ -	1,450	\$72,500	0	\$ -	\$72,500
Cohort 3	5,000	0	\$ -	0	\$ -	1,450	\$72,500	\$72,500
Totals/Year		1,450	\$72,500	1,450	\$72,500	1,450	\$72,500	

Estimated Cost for First Birthday Bonus

Cohort Number	New Children Enrolled	Year 1		Year 2		Year 3		Total Cost Per Cohort
		Number of children receiving bonus	Cost of bonus	Number of children receiving bonus	Cost of bonus	Number of children receiving bonus	Cost of bonus	
Cohort 1	5,000	0	\$ -	5,000	\$125,000	0	\$ -	\$125,000
Cohort 2	5,000	0	\$ -	0	\$ -	5,000	\$125,000	\$125,000
Cohort 3	5,000	0	\$ -	0	\$ -	0	\$ -	\$ -
Totals/Year		0	\$ -	5,000	\$125,000	0	\$125,000	



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Estimated Cost for Bonus for Logging into Account Portal

Cohort Number	New Children Enrolled	Year 1		Year 2		Year 3		Total Cost Per Cohort
		Number of children receiving bonus	Cost of bonus	Number of children receiving bonus	Cost of bonus	Number of children receiving bonus	Cost of bonus	
Cohort 1	5,000	1,000	\$25,000	750	\$18,750	750	\$18,750	\$62,500
Cohort 2	5,000	0	\$ -	1,000	\$25,000	750	\$18,750	\$43,750
Cohort 3	5,000	0	\$ -	0	\$ -	1,000	\$25,000	\$25,000
Totals/Year		1,000	\$25,000	1,750	\$43,750	2,500	\$62,500	



Appendix N: Glossary of Terms

Below are key terms used in this report. These words and phrases are defined specifically in the context of this report and may have different meanings in other contexts.

529 college savings plan – A tax-advantaged education savings plan operated by a state or educational institution designed to help families set aside funds for future college costs. Federal tax law changes in 2017 also allow 529s to be used for K-12 expenses, though state laws vary.

Account/information management platform – An online platform used to manage accounts and provide account information to participants in a CSA program. This platform usually has two components: 1) a program administration portal to enable program staff to view participant information, track account activity, and pull reports; and 2) a user interface in which participants can view their account balance and activities.

Automatic enrollment – A type of enrollment in which all eligible children are enrolled in the program and receive an account unless they, their parents, or caregivers act to opt out of the program; also called “opt-out enrollment.”

Benchmark bonus – A type of bonus deposit that participants and their families can earn for achieving certain milestones (e.g., finishing kindergarten) or completing activities (e.g., taking a financial education workshop).

Bonus deposit (bonuses) – Extra deposits or contributions made by the CSA program or other third-party entity into participants’ accounts to help build CSA balances, encourage families to save, and help them accrue savings more quickly; also known as “incentives.” The two primary types of bonus deposits used by CSA programs are benchmark bonuses and savings matches. For low- and moderate-income CSA participants in particular, bonus deposits supplement participants’ contributions, since families’ ability to make deposits into the accounts may be limited.

Children’s Savings Accounts/College Savings Accounts (CSAs) – 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:

- **Savings are intended for purchasing an asset**, particularly postsecondary education (some programs may allow other uses, including small business or homeownership).
- **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 savings in their accounts.
- **Incentives are generally restricted** to paying for postsecondary education or another allowable asset.

College-bound identity – A child’s perception of themselves as someone who will go to college.

Cross-sector collaboration – Alliances of individuals and organizations in the nonprofit, government, philanthropic, and business sectors that use their diverse perspectives and resources to jointly solve a societal problem and achieve a shared goal.⁴⁰

⁴⁰ Becker, J. & Smith, D. [“The Need for Cross-Sector Collaboration.”](#) *Stanford Social Innovation Review*. Winter 2018.



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Custodial savings account – In the context of a CSA program, this refers to a type of account used by CSA programs in which savings accounts are opened at a bank or credit union and “owned” on behalf of participants by a third-party custodian. Also referred to as a “third-party custodial savings account.”

Draw-down rate – The percentage of total available bonuses for all CSA participants that are taken up by participants. For example, a program with 1,000 participants eligible for a \$100 bonus each for logging onto their account for the first time would have a draw-down rate of 50% if 500 children receive \$50,000 total in bonus deposits out of the potential \$100,000.

Equity – Accounting for past and current discrimination and other disadvantages and historical disinvestment that impact specific communities in designing a program.

Federal poverty line – A measure that is used to decide whether the income level of an individual or family qualifies them for certain federal benefits or programs. For more information, see how the Census Bureau measures poverty [here](#).

Financial capability – The capacity—based on knowledge, skills and access—to manage financial resources effectively.

Financial coaching – A practice in which a coach supports participants in achieving self-defined financial goals, guides participants to articulate the steps needed to strengthen their willpower and ultimately develop new skills to take greater control of their personal finances. A principal tenet of coaching is that people should have ownership over their goals and decisions, so they will be more likely to stay motivated, take action, and achieve their goals.

Financial education – Workshops and classes on financial topics designed to help people acquire knowledge and skills that support informed financial decision-making and lead to overall financial well-being.

Historically-disinvested communities – Communities that have historically been under-resourced and disinvested in by the government, businesses, and others, including people of color, Indigenous people, immigrants, refugees, and low-income people.

Initial deposit – A deposit automatically made by the CSA program into a participant’s accounts upon account opening to seed their accounts; also referred to as “seed deposits.”

Liquid asset poor – Households that do not have sufficient savings to cover basic expenses for three months if they experience a sudden job loss, a medical emergency, or another financial crisis leading to a loss of stable income.

Logic model – A visual tool showing the connections between the activities and resources used to implement a program and the expected outputs and outcomes of the program; it can be used to help assess program success.

Opt-in enrollment – A type of enrollment requiring children or their parents/caregivers to take proactive steps to sign up for a CSA program; also known as “self-/parent-enrollment.”

Opt-out enrollment – See “automatic enrollment.”

Outcomes – Changes in the lives or conditions of program participants as a result of the program.



Outputs – The direct results of program activities (e.g. the number of accounts opened for participants).

Program delivery costs – Refers to all expenses incurred in managing, operating, and marketing a CSA program, along with providing wraparound services and supports to engage participants in the program and advance the program's goals.

Parent-/self-enrollment – See “opt-in enrollment.”

Randomized controlled trial (RCT) – A planned experiment designed to assess the efficacy of an intervention or program by comparing the intervention to a control group, where no intervention occurs. The allocation of people to the intervention or control group is determined purely by chance.⁴¹ RCTs are considered the gold-standard for determining the impact of a program.

Savings matches – A type of bonus deposit in which the CSA program or other third-party entity matches deposits made by participants and their families to their accounts (e.g. matching each dollar deposited by a participant into a CSA with a dollar from the CSA program).

Third-party account custodian – A third-party entity, such as a nonprofit organization or government agency, that opens and owns accounts on behalf of minor children participating in a CSA program.

Two-generation approach – Refers to programs or policies that address the needs of both vulnerable children and parents/caregivers together.

Unbanked – Households that lack either a checking or savings account with a mainstream financial institution.

Underbanked – Households that have a checking and/or savings account but use alternative and often costly financial services for basic transactions and credit needs.

Universal eligibility – All children of an identified age in a specific area (e.g. a state or city) are eligible to participate in a CSA program, regardless of income or other criteria.

⁴¹ Gray, R. [“Randomized Trials”](#) (Baltimore, MD: The Johns Hopkins University Bloomberg School of Public Health, 2006).

