



Legislation Text

File #: RES PH 19-409, **Version:** 1

Authorizing the Office of Financial Services to accept a \$250,000 grant from the Minnesota Department of Education focused on CollegeBound Saint Paul for the Office of Financial Empowerment.

WHEREAS, the City of Saint Paul seeks to improve the health, welfare and prosperity of the children and families of Saint Paul by implementing the CollegeBound Saint Paul College Savings Account (CSA) program; and

WHEREAS, the State Legislature appropriated a two-year, \$500,000 legislative grant during the 2019 legislative session to the City of Saint Paul to establish a pilot program creating a college savings account for every child born to a resident of the city of St. Paul during the time period for which funds are available, and to perform an analysis of potential establishment of a statewide program or program duplication by other cities; and

WHEREAS, \$250,000 of the grant is available in 2019-2020 (the "Grant") from the Minnesota Department of Education and \$250,000 is available in 2020-2021; and

WHEREAS, the Grant will be used to establish and fund the accounts, to provide incentives to current and potential pilot program participants and their families, and to provide outreach and education to current and potential pilot program participants and their families, and no grant funds will be used for the administrative costs of managing and operating the pilot program; and

WHEREAS, College Savings Accounts are long-term savings or investment accounts that help children build savings for the future. Initial seed deposits will fund the CSA accounts. Over time, account balances will grow through bonus deposits, and deposits made by families and community organizations, thereby strengthening the educational prospects, financial health, and economic mobility of members of the Saint Paul community; and

WHEREAS, the CSA program will help address key challenges facing Saint Paul families such as financial insecurity and inequality in educational attainment by providing financial education, and other services to build financial literacy and economic health; and

WHEREAS, the CSA program can minimize disparities in educational attainment and economic position by addressing gaps in financial aid for postsecondary education, which will impact a child's ability to access high quality jobs and promote overall economic mobility; and

WHEREAS, by providing funding assistance for postsecondary education, the CSA program contributes to a more skilled and educated workforce within the City of Saint Paul; and

WHEREAS, a citywide CSA program will financially empower Saint Paul families by providing access to services that increase financial capability, and connect families with quality employment opportunities to build assets, ultimately strengthening the economic prowess of the community; and

WHEREAS, the Saint Paul City Council finds that the CollegeBound Saint Paul College Savings Account Program will bolster and advance the financial literacy, empowerment, and economic position of children and families in Saint Paul, and that the CollegeBound Saint Paul College Savings Account Program has a legitimate public and governmental purpose by addressing economic disparities, and promoting health and

welfare of the Saint Paul community at large; and

WHEREAS, the Mayor, pursuant to Section 10.07.1 of the City Charter and by receipt of the Grant, certifies that there is available for appropriation funds of \$250,000 in excess of those dedicated to CollegeBound Saint Paul in 2019; now, therefore, be it

RESOLVED, that the City Council of Saint Paul authorizes the Office of Financial Services to accept the grant from the Minnesota Department of Education in the amount of \$250,000 for CollegeBound Saint Paul and authorizes the appropriate City officials to execute and implement the attached grant agreement, and to amend the budget adopted by Council as outlined in the attached financial analysis.

See Attachment.