

MOTION BY SUPERVISOR MARK RIDLEY-THOMAS

AUGUST 14, 2018

Children’s Savings Accounts

Children’s Savings Accounts (CSA), also known as Children’s Development Accounts, can serve as a powerful and effective strategy to set an expectation for postsecondary education for young learners. As long-term asset-building accounts, established for children as early as birth and allowed to grow over their lifetimes, CSAs can be augmented with savings matches and other incentives, and used to finance higher education or workforce development training once the child reaches age 18, graduates from high school, or earns a general equivalency diploma (GED).

Research has shown that the mere opening of a CSA can increase the likelihood of college attendance and completion rates. Low- and moderate-income children with college savings between \$1 and \$499 are three times more likely to attend college and four times more likely to graduate from college. CSAs have been demonstrated to raise children’s aspirations and encourage them to foster college-bound identities, in which they see themselves as students who will go to college.

There is precedent at the municipal, county, and state levels for use of public funds in the provision of scholarships to students. Because CSA funds are restricted to specific post-secondary uses, they function much like scholarships. Over the past decade, CSA programs have expanded across the country, with programs in more than

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30 states. In 2011, the City and County of San Francisco, in partnership with the San Francisco Unified School District, launched *Kindergarten to College (K2C)*, through which a college savings account is automatically opened for every kindergarten student in the district, with an initial \$50 deposit and built-in opportunities for families to earn incentives by saving. The City of Oakland has launched a K2C program with the Oakland Unified School District; it is two years into a district-wide phased rollout.

In 2016, the Los Angeles City (City) Council and the Los Angeles Unified School District (LAUSD) Board of Education began exploring the feasibility of establishing a CSA for every LAUSD kindergartner. They later determined that because kindergarten is not universally required throughout the district, first grade was a more appropriate time to open accounts. Working with Prosperity Now (formerly the Corporation for Enterprise Development or CFED), the City released a report in May 2018 that proposed recommendations on a CSA structure, timeline, and partnerships with LAUSD, the County of Los Angeles (County), and philanthropic organizations. City charter rules governing gifts of public funds prohibit the City from funding the CSAs of students who do not reside within city limits. Therefore, the City is seeking a partnership with the County to fund CSAs for LAUSD first graders who reside in the unincorporated areas of the County or in other cities served by LAUSD. In June 2018, the LAUSD Board of Education directed the LAUSD Superintendent to report back in 60 days on the steps necessary to create a CSA program for LAUSD students enrolling in first grade.

In addition to its K2C program, the City of Oakland recently established a *Brilliant Baby* program through which CSAs are opened for babies in low-income households participating in Head Start and home visiting/early childhood support programs. It would be worthwhile for the County to explore options to develop a separate CSA program for children and youth who are involved in the foster care system or any of the County's safety net systems.

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I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Direct the Chief Executive Officer (CEO), in conjunction with the Interim Director of the Department of Consumer and Business Affairs (DCBA) and the Director of the Center for Strategic Public-Private Partnerships to report back in writing within 90 days on the feasibility of Los Angeles County's (County) participation in the City of Los Angeles and the Los Angeles Unified School District (LAUSD) Children's Savings Account (CSA) program for first graders enrolled at LAUSD schools, with the County assuming responsibility for the first graders who reside in the unincorporated areas of the County and cities outside the City of Los Angeles that are served by LAUSD; and
2. Direct the CEO, in consultation with County Counsel and key departments including, but not limited to, the Department of Children and Family Services, the Department of Public Social Services, the Child Support Services Department, DCBA, the Auditor-Controller, and the Office of Child Protection, to report back in writing within 120 days on options for the County to develop a CSA program for children and youth who are involved in one or more County systems.

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