

**INTERGENERATIONAL POVERTY MATCHING --  
EDUCATION SAVINGS PLAN**

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Evan J. Vickers**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies provisions of the Intergenerational Poverty Mitigation Act.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ creates the Education Savings Matching Pilot Program to provide matching contributions to 529 savings accounts on behalf of children experiencing intergenerational poverty;
- ▶ describes the requirements of the program, including the Department of Workforce Services' responsibilities in administering the program; and
- ▶ provides a sunset date.

**Money Appropriated in this Bill:**

This bill appropriates in fiscal year 2019:

- ▶ to the Department of Workforce Services -- Administration, as a one-time appropriation:
  - from the General Fund, \$300,000.

**Other Special Clauses:**

None

**Utah Code Sections Affected:**



28 AMENDS:

29 [63I-1-235](#), as last amended by Laws of Utah 2017, Chapters 128 and 469

30 ENACTS:

31 [35A-9-501](#), Utah Code Annotated 1953

32 [35A-9-502](#), Utah Code Annotated 1953

33 [35A-9-503](#), Utah Code Annotated 1953

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35 *Be it enacted by the Legislature of the state of Utah:*

36 Section 1. Section [35A-9-501](#) is enacted to read:

37 **Part 5. Education Savings Matching Pilot Program**

38 **[35A-9-501](#). Definitions.**

39 As used in this part:

40 (1) "2019 fiscal year" means the time period beginning July 1, 2018, through June 30,  
41 2019.

42 (2) "529 savings account" means a tax-advantaged method of saving for higher  
43 education costs on behalf of a particular individual that:

44 (a) meets the requirements of Section 529, Internal Revenue Code; and

45 (b) is managed by the Utah Educational Savings Plan created in Section [53B-8a-103](#).

46 (3) "Parent applicant" means an applicant for the program who is a parent, legal  
47 custodian, or legal guardian of a qualified child and who is living with the qualified child.

48 (4) "Program" means the Education Savings Matching Pilot Program created in Section  
49 [35A-9-502](#).

50 (5) "Qualified child" means an individual 18 years of age or younger who the  
51 department determines is experiencing intergenerational poverty as shown by:

52 (a) the individual or the parent applicant of the individual receiving public assistance  
53 during the previous calendar year;

54 (b) the receipt by the parent applicant of public assistance for not less than 12 months  
55 since that parent applicant reached age 18;

56 (c) the receipt by the parent applicant or the parent applicant's family of public  
57 assistance for not less than 12 months during that parent applicant's childhood; and

58 (d) other factors as determined by the department.

59 Section 2. Section **35A-9-502** is enacted to read:

60 **35A-9-502. Education Savings Matching Pilot Program.**

61 (1) There is created the Education Savings Matching Pilot Program.

62 (2) The program is administered by the department.

63 (3) Subject to legislative appropriation and the requirements of this part, the program  
64 shall provide a matching contribution of up to \$100 to a 529 savings account on behalf of a  
65 qualified child during the 2019 fiscal year.

66 (4) By November 1, 2018, the department shall provide notice to potential parent  
67 applicants about the program.

68 (5) A parent applicant may apply to the department, in a form approved by the  
69 department, to participate in the program.

70 (6) The department shall verify that the parent applicant is eligible for the program,  
71 including that the parent applicant is the parent, legal custodian, or legal guardian of a qualified  
72 child and is living with the qualified child.

73 (7) Within 30 days of receiving an application from a parent applicant, the department,  
74 in cooperation with the Utah Educational Savings Plan, shall:

75 (a) open a 529 savings account in the name of the parent applicant with the qualified  
76 child as the beneficiary; or

77 (b) confirm that a 529 savings account in the name of the parent applicant with the  
78 qualified child as the beneficiary has been previously opened.

79 (8) (a) Subject to Subsection (8)(b), if within 60 days of the department receiving an  
80 application from a parent applicant, the parent applicant or the Utah Educational Savings Plan  
81 provides evidence to the department of having contributed money to the 529 savings account  
82 opened under Subsection (7), the department will contribute a matching contribution of up to  
83 \$100 to the 529 savings account within 30 days of receiving evidence of the parent applicant  
84 contribution.

85 (b) The department shall ensure that the maximum total matching contribution for each  
86 qualified child under this Subsection (8) is not more than \$100, even if more than one parent  
87 applicant of a qualified child contributes to the 529 savings account.

88 (9) If the department receives an appropriation for the program that is not sufficient to  
89 award a matching contribution to each parent applicant on behalf of a qualified child, the

90 department may adjust the amount of the matching contribution to benefit qualified children  
91 who are at the highest risk of continuing in intergenerational poverty as determined by the  
92 department.

93 (10) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
94 the department may make rules to administer this part and to coordinate with the Utah  
95 Educational Savings Plan.

96 Section 3. Section 35A-9-503 is enacted to read:

97 **35A-9-503. Reporting.**

98 As part of the annual written report described in Section 35A-1-109, the department  
99 shall:

- 100 (1) provide the number of parent applicants who have participated in the program;
- 101 (2) provide the number of qualified children who have received a contribution from the
- 102 program to the 529 savings account opened on behalf of the qualified children;
- 103 (3) describe any notification or marketing efforts by the department to make the
- 104 families of qualified children aware of the program; and
- 105 (4) make recommendations to the Legislature regarding the effectiveness of the
- 106 program and any suggestions for improving the program.

107 Section 4. Section 63I-1-235 is amended to read:

108 **63I-1-235. Repeal dates, Title 35A.**

- 109 (1) Subsection 35A-4-312(5)(p) is repealed July 1, 2019.
- 110 (2) Title 35A, Chapter 9, Part 5, Education Savings Matching Pilot Program, is
- 111 repealed January 1, 2020.

112 **Section 5. Appropriation.**

113 The following sums of money are appropriated for the fiscal year beginning July 1,  
114 2018, and ending June 30, 2019. These are additions to amounts previously appropriated for  
115 fiscal year 2019. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures  
116 Act, the Legislature appropriates the following sums of money from the funds or accounts  
117 indicated for the use and support of the government of the state of Utah.

118 To the Department of Workforce Services

119 From General Fund -- Administration \$300,000

120 Schedule of Programs:

121                                    Administration                                    \$300,000  
122                                    The Legislature intends that the Department of Workforce Services use the  
123 appropriation under this section to carry out the program described in Title 35A, Chapter 9,  
124 Part 5, Education Savings Matching Pilot Program.

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**