

SB0162S01 compared with SB0162

~~{deleted text}~~ shows text that was in SB0162 but was deleted in SB0162S01.

Inserted text shows text that was not in SB0162 but was inserted into SB0162S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Senator Evan J. Vickers proposes the following substitute bill:

INTERGENERATIONAL POVERTY MATCHING ~~{}~~==

EDUCATION SAVINGS PLAN

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Evan J. Vickers

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions of the ~~{Intergenerational Poverty Mitigation Act}~~Student Prosperity Savings Program.

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~~

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- ~~Services' responsibilities in administering the program; and~~
— ~~provides a sunset date;~~ modifies the definition of an individual as part of the Student Prosperity Savings Program; and
▶ makes technical changes.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2019:

- ▶ to the ~~{Department}~~ Board of ~~{Workforce Services}~~ Regents -- Administration, as a one-time appropriation:
 - from the General Fund, ~~{300}~~ \$100,000.

Other Special Clauses:

~~{None}~~ This bill provides a coordination clause.

Utah Code Sections Affected:

AMENDS:

~~{63I-1-235}~~ 53B-8a-201, as ~~{last amended}~~ enacted by Laws of Utah 2017, ~~{Chapters 128 and 469}~~

ENACTS:

~~35A-9-501, Utah Code Annotated 1953~~

~~35A-9-502, Utah Code Annotated 1953~~

~~35A-9-503, Utah Code Annotated 1953}~~ Chapter 389 and last amended by Coordination Clause, Laws of Utah 2017, Chapter 382

Utah Code Sections Affected by Coordination Clause:

53B-8a-201, as enacted by Laws of Utah 2017, Chapter 389 and last amended by Coordination Clause, Laws of Utah 2017, Chapter 382

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

Section 1. Section ~~{35A-9-501 is enacted to read:~~

Part 5. Education Savings Matching Pilot Program

~~35A-9-501. Definitions:~~

~~As used in this part:~~

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

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

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

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

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

~~(4) "Program" means the Education Savings Matching Pilot Program created in Section 35A-9-502.~~

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

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

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

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

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

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

~~35A-9-502. Education Savings Matching Pilot Program.~~

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

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

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

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

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

~~(6) The department shall verify that the parent applicant is eligible for the program, including that the parent applicant is the parent, legal custodian, or legal~~

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~~guardian of a qualified child and is living with the qualified child:~~

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

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

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

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

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

~~—— (9) If the department receives an appropriation for the program that is not sufficient to award a matching contribution to each parent applicant on behalf of a qualified child, the department may adjust the amount of the matching contribution to benefit qualified children who are at the highest risk of continuing in intergenerational poverty as determined by the department.~~

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

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

~~—— 35A-9-503. Reporting.~~

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

~~—— (1) provide the number of parent applicants who have participated in the program;~~

~~—— (2) provide the number of qualified children who have received a contribution~~

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~~from the program to the 529 savings account opened on behalf of the qualified children;~~

~~(3) describe any notification or marketing efforts by the department to make the families of qualified children aware of the program; and~~

~~(4) make recommendations to the Legislature regarding the effectiveness of the program and any suggestions for improving the program.~~

§53B-8a-201 is amended to read:

53B-8a-201. Definitions.

As used in this part:

(1) "529 savings account" means a tax-advantaged method of saving for higher education costs on behalf of a particular individual that:

- (a) meets the requirements of Section 529, Internal Revenue Code; and
- (b) is managed by the plan.

(2) "Child" means an individual less than 20 years of age.

(3) "Community partner" means a nonprofit organization that provide services to a child who is economically disadvantaged or a family member, legal guardian, or legal custodian of a child who is economically disadvantaged.

(4) "Donation" means a gift, grant, donation, or any other conveyance of money by a person other than the Legislature that is not made directly for the benefit or on behalf of a particular individual.

(5) "Economically disadvantaged" means that a child is:

(a) experiencing intergenerational poverty;

(b) a member or foster child of a family with an annual income at or below 185% of the federal poverty level; or

(c) living with a legal custodian or legal guardian with an annual family income at or below 185% of the federal poverty level.

(6) "Eligible individual" means an individual who:

(a) is ~~[at least 15 years of age and]~~ under 20 years of age and is a resident of Utah;

~~[(b) is a student in grade 10, grade 11, or grade 12 in Utah;]~~

~~[(c)]~~ (b) is economically disadvantaged; and

~~[(d)]~~ (c) receives, or has a family member, a foster family member, or a legal custodian or legal guardian who receives, services from a community partner.

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(7) "Federal poverty level" means the poverty level as defined by the most recently revised poverty income guidelines published by the United States Department of Health and Human Services in the Federal Register.

(8) "Higher education costs" means the same as that term is defined in Section 53B-8a-102.5, except that the expenses must be incurred at:

(a) a credit-granting institution of higher education within the state system of higher education;

(b) a private, nonprofit college or university in the state that is accredited by the Northwestern Association of Schools and Colleges; or

(c) a technical college.

(9) "Intergenerational poverty" means the same as that term is defined in Section 35A-9-102.

(10) "Program" means the Student Prosperity Savings Program created in Section 53B-8a-202.

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

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

~~(1) Subsection 35A-4-312(5)(p) is repealed July 1, 2019.~~

~~(2) Title 35A, Chapter 9, Part 5, Education Savings Matching Pilot Program, is repealed January 1, 2020.~~

~~}~~ Section ~~{5}~~2. **Appropriation.**

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

To the ~~{Department}~~Board of ~~{Workforce Services}~~Regents

From General Fund ~~{-- Administration}~~, One-time ~~{\$300}~~\$100,000

Schedule of Programs:

Administration ~~{\$300}~~\$100,000

The Legislature intends that the Department of Workforce Services use the appropriation under this section to carry out the program described in Title ~~{35A}~~53B, Chapter

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~~978a, Part 5, Education Savings Matching Pilot Program.~~

Legislative Review Note

~~2, Student Prosperity Savings Program.~~

Section 3. Coordinating S.B. 162 with H.B. 354 -- Superseding and substantive amendments.

If this S.B. 162 and H.B. 354, Student Prosperity Savings Program Amendments, both pass and become law, it is the intent of the Legislature that the amendments to Section 53B-8a-201 in this bill supersede the amendments to Section 53B-8a-201 in H.B. 354, when the Office of Legislative Research and General Counsel prepares the Utah Code database for publication.