

State CSA Policy Matrix

Design Principles			ARKANSAS	CA KIDS ACCOUNTS	CALIFORNIA 529	HAWAII	MISSOURI	OKLAHOMA
STATUS			Enacted Legislation	Proposed Legislation	Proposed Legislation	Proposed Legislation	Proposed Legislation	Proposed Legislation
PARTICIPANT								
1. INCLUSIVE								
Eligibility for all			No, income eligibility for pilot TBD	Yes, for all newborn children in California	Yes, award universal to newborns to age 1	Yes, for all newborn children in Hawaii	None specified	No, median income or below
How find accountholders -- SS#, health records, etc.			To be determined by review committee	Unclear	Upon opening of 529 account	Issuance of birth certificate	None specified	To be determined
Automatic enrollment for all (opt out)			No, presumably "first come, first served"	Yes	Unclear, but probably not	No. Voucher issued automatically at birth; account to be opened by parent or guardian	None specified	Yes, apparently, but only for qualified children
Initial deposit for all			No, details to be determined by review committee	\$500	\$50	\$1,000	None specified	No, \$250 for qualified children only
All newborns after 20__			N/A	2008	2008	Unclear	None specified	For qualified children born after July 1, 2008
Other eligibility restrictions?			To be determined by review committee	None specified	Account must be established before child reaches one year of age	None specified	None specified	None specified
Minimum initial deposit amounts?			To be determined by review committee	None specified	None specified	None specified	None specified	None specified
Minimum subsequent deposit amounts?			To be determined by review committee	None specified	None specified	None specified	None specified	None specified
2. PROGRESSIVE								
Deposit for children in families below __% AGI			Yes, presumably; details to be determined by review committee	No	No	No	None specified	Yes, initial deposit only for children at median income or below
Savings match up to \$___/yr up to __% AGI			Yes, presumably; details to be determined by review committee	No	No	No	None specified	2:1 match, not to exceed \$100 annually for children under 6 in families at or below the state median income; 1:1 match, not to exceed \$100 annually, for children age 6-17 in households at or below median income; \$500 lifetime maximum state match
Progressive deposits tied to eligibility for other programs			To be determined	No	No	No	None specified	No
Benchmark deposits			To be determined	No	No	No	None specified	No

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	Tax benefits (refundable?)							
		Deposits	To be determined	Tax free	Tax deduction for contributions up to \$6,000 for married couples filing jointly or head of household with AGI up to \$200,000; tax deduction up to \$3,000 for single person or married individual filing separately with AGI up to \$100,000.	Tax free	None specified	No special tax benefits specified
		Earnings	Tax free	Tax free	Tax free	Unclear	Tax free	Tax-free
	Delivered through							
		Tax returns/refunds	To be determined	No	No	No	Not specified	No
		Direct deposit	To be determined	Yes	Yes	No	Not specified	Yes
		Vouchers	To be determined	No	No	Yes	Not specified	No
	Regressive		Unlikely; participants presumably to qualify by income	Yes, tax features are regressive with no cap on contributions	No	Unclear	Unclear, depends on ultimate design features	No, participants must qualify by income
3. LIFELONG								
	Begin at birth		Unclear	Yes	Yes	Yes	Not specified	Yes
	Minimum reserve requirement of _____		To be determined	No	No	No	Not specified	No
	Maintenance of balance in accounts		To be determined	No	No	No	Not specified	No
	Accounts open until death		No, assuming 529 platform is used	Presumably, yes	No, 529 platform	Not specified	No, 529 platform	No, initial deposit and matching dollars must be returned to the Fund if not used by age 30
4. ASSET-BUILDING								
	Unrestricted		No	No	No	No	No	No
	Age restricted; no withdrawal until 18 or ___?		529 rules likely to apply; no age restrictions, but funds only to be used for post-secondary ed	18 years	529 rules apply; no age restrictions, but funds only to be used for post-secondary ed	Not specified; but account must be used for post-secondary ed	529 rules likely to apply; no age restrictions, but funds only to be used for post-secondary ed	529 rules apply; no age restrictions, but funds only to be used for post-secondary ed
	Use restricted or incented:							
		Postsecondary Education and training	Yes	Yes	Yes	Yes	Yes	Yes
		Home (after age ___?)	No	Yes	No	No	No	No
		Business (after age ___?)	No	No	No	No	No	No
		Retirement (after age ___?)	No	Yes	No	No	No	No
		Other (computer, car, ...)	Unlikely	No	No	No	Unlikely	No

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	Penalties for							
		Early withdrawal prior to age 18	Presumably, 529 rules would apply	Yes, earnings taxable in the year of withdrawal plus 10% penalty	529 rules apply	529 rules apply	529 rules would apply	529 rules apply
		Inappropriate use	Presumably, 529 rules would apply	Same as early withdrawal	529 rules apply	529 rules apply	529 rules would apply	529 rules apply
	Protections							
		From reductions in public benefits	Yes	Yes	No	No	Not specified	Yes
		From reduction in financial aid	To be determined	Yes, funds not to be taken into account in determining eligibility for any state or federal program intended for low-income people	No	No	Not specified	Yes
		From creditors	To be determined	No	No	No	Not specified	No
		Disclosure requirements	To be determined	No	No	No	Not specified	No
		Licensing requirements	To be determined	No		No	Not specified	No
5. ADEQUATE								
	Initial deposit of \$___ for everyone		To be determined	\$500	\$50	\$1,000	Not specified	\$250 only for children that qualify by income
	Top-ups at ___ years, \$__		To be determined	No	No	No	Not specified	No, but see matching provisions above
	Encourages savings in different cultural forms		To be determined	Not specified	Not specified	Not specified	Not specified	Not specified
	Estimated balance at age 18		To be determined	Depends on assumptions; CFED will generate estimates	Depends on assumptions; CFED will generate estimates	Depends on assumptions; CFED will generate estimates	Not specified	Depends on assumptions; CFED will generate estimates
	Match rate		To be determined	None	None	None	Not specified	2:1 for children under 6, 1:1 for children 6-17
6. LOW-COST TO PARTICIPANT								
	Total Annual fee (%)		To be determined	Not specified	Not specified; state 529 rules would apply	Not specified; state 529 rules would apply	Not specified	Not specified; state 529 rules apply
7. SIMPLE								
	Enrollment requirements		To be determined	SS# issued	Upon opening of 529 account	SS# issued	Not specified	Unclear; State Treasurer and OK Tax Commission to determine methods to establish eligibility
	Number of investment choices		To be determined	Not specified	529 rules would apply	Not specified	Not specified	529 rules would apply
	Account complexity		One type of account only	One type of account only; initial deposit has to be repaid	One type of account only	One type of account only	One type of account only	One type of account only
	Incentive complexity		To be determined	Very easy; only initial deposit	Very easy; only initial deposit	Very easy; only initial deposit	Not specified	Two-tiered matching structure
	simplicity of deposits		529 rules would apply	Allows deposits from multiple sources	529 rules would apply	529 rules would apply	529 rules would apply	529 rules apply

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8. CHOICE								
Choice of providers			State chooses provider	State is provider	State chooses provider	Not specified; presumably chosen by state	State chooses provider	State chooses provider
Choice of investment options			See Arkansas plan	Identified as investment account; investment options unspecified	See California plan	Not specified	See Missouri plan	See Oklahoma plan
Choice of use			Limited to post-secondary education and training	Limited to post-secondary education and training, home purchase, or retirement	Limited to post-secondary education and training	Limited to post-secondary education and training	Limited to post-secondary education and training	Limited to post-secondary education and training
9. AUTOMATIC								
Enrollment			Unlikely	Yes	No	Yes	Unlikely	Unclear, must qualify by income
Account creation			Unlikely	Yes	No	No; voucher must be redeemed	Unlikely	Yes, for those that qualify
Deposits			Yes, offered by 529 plans	Unclear	Yes, offered by 529 plans	Unclear	Likely	Yes, offered by 529 plans
Contributions increases			Not specified, but could be added over time	No	Not specified, but could be added over time	Unclear	Not specified, but could be added over time	Not specified, but could be added over time
Investment choice			To be determined	Not specified	No	Not specified	Not specified	No
10. FINANCIAL EDUCATION								
Required or voluntary			To be determined	Not specified	Not specified	Not specified	Not specified	Unclear, legislation directs various state agencies to develop programs to promote the financial literacy of account holders; also calls on Department of Education to develop programs to incorporate information about Oklahoma College Savings Plans into K-12 curricula and other financial education curricula designed to serve students
		If required, how?						
Financial education provided by whom?			To be determined	Not specified	Not specified	Not specified	Not specified	Primary and secondary schools, in part, though details not specified
Outreach for financial education			To be determined	Not specified	Not specified	Not specified	Not specified	Not specified
Web-based, newsletter, and/or in person?			To be determined	Not specified	Not specified	Not specified	Not specified	Primary and secondary schools, in part, other modes could be developed
Funded?			To be determined	N/A	N/A	N/A	Not specified	Not specified

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DELIVERY SYSTEM								
11. COHERENT PROGRAM								
	Communication with all participants		To be determined; presumably at least regular communication from provider	Not specified	Presumably at least regular communication from provider	Not specified	Not specified; presumably at least regular communication from provider	Presumably at least regular communication from provider
	Centralized accounting and record keeping		Yes, by 529 plan administrator	Yes, by State Treasury	Yes, by 529 plan administrator	Not specified	Presumably yes, by 529 plan administrator	Yes, by 529 plan administrator
	Low-cost accounts receive equal service		Yes, within plan structure	Presumably within State Treasury system	Yes, within plan structure	Yes, within plan structure	Yes, within plan structure	Yes, within plan structure
	Data set for tracking and research		To be determined	Not specified	Not specified	Not specified	Not specified	Not specified
12. PARTNER ENGAGEMENT								
	Federal, state, local and tribal governments		To be determined	No partners included or excluded	No partners included or excluded	No partners included or excluded	Not specified	No partners included or excluded
	Contributions from all sources matched (not just those from the household)		Presumably, yes	No match	No match	No match	Presumably, yes	Yes
	Non-profit role and funding (churches, tribes, friends, philanthropy, etc.)		To be determined	No partners included or excluded	No partners included or excluded	No partners included or excluded	Not specified	No partners included or excluded
	Financial institution role and incentives		State's 529 plan administrator is sole provider	None specified; State Treasury holds accounts	State's 529 plan administrator is sole provider	Not specified	State's 529 plan administrator is sole provider	State's 529 plan administrator is sole provider
	Employer role and incentives		To be determined	Not specified	Not specified	Not specified	Not specified	Not specified
	Educational institutions		To be determined	No formal role	No formal role	No formal role	Not specified	Department of Education to develop programs to incorporate financial education into K-12 curriculum; Departments of Education, and Career and Technical Education to promote the financial literacy of plan account holders
	Companies		To be determined	No formal role	No formal role	No formal role	Not specified	No formal role

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POLICY								
13. POLICY FEASIBILITY								
Cost			\$200,000 over next two years	\$270 million per year	Presumably, \$27 million per year	Not specified	Limited to interest earned on Missouri Legacy Fund	~\$8 million per year initially; ~\$18 million per year when fully phased in
Bipartisan appeal			Yes, legislation passed; signed by Governor	Initially, yes; however, bipartisanship upset by immigration issue	No, Senator Florez is sole sponsor	No	Yes	Yes for legislation creating task force; no for legislation creating program
Subsidy structure			To be determined	Direct payments into accounts	Direct payments into accounts	Direct transfer into accounts opened with voucher	Not specified	Direct payments into accounts
Leadership			N/A; legislation already passed					
Private sector engagement			State's 529 plan administrator; otherwise to be determined	None specified; State Treasury holds accounts	State's 529 plan administrator	Not specified	State's 529 plan administrator; otherwise not specified	State's 529 plan administrator
Use attractiveness			Limited; only post-secondary education	Broad uses are attractive; however, entrepreneurship not an option	Limited; only post-secondary education	Limited; only post-secondary education	Limited; only post-secondary education	Limited; only post-secondary education
Support			N/A; legislation already passed	Legislation stalled over immigration issue; unlikely to be re-introduced	No	No		