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SAF: Children's Savings Account Bill a Positive Step for Montana Students

Montana students would receive a head start on college savings should a bill introduced in the Montana Senate receive the endorsement of legislators.

SB328, sponsored by Sen. Llew Jones, proposes providing for the establishment of children's savings accounts for babies born in Montana, with an initial, state-funded deposit of \$25 to open the accounts. In addition, the state would match parent contributions for the child's first two years, with a maximum of \$100 each year.

"This bill offers an opportunity for Montana children and families to believe that a college education is possible, and that saving money for education now translates to owing less in student loans in the future," said Sen. Jones, R-Conrad.

As introduced, the bill states the initial deposit and subsequent match money for the children's savings accounts would be drawn from the state special revenue account, funded by state lottery earnings.

The Office of the Commissioner of Higher Education (OCHE) would be responsible for administering the establishment of the accounts, matching the funds as needed, and ensuring the state-funded portion of the children's savings accounts is used for approved, education-related expenses.

Kelly Cresswell, vice president of Foundation Activities for nonprofit Student Assistance Foundation (SAF), touts the introduction of the bill as an important step on the road to helping Montana students manage the cost of postsecondary education.

"Our research indicates that students with up to \$500 saved for college are four times more likely to graduate from college than children with no savings," she said.

At this time, most states incentivize individual deposits into college savings plans for some or all children, including North Dakota and Nevada. In addition, in Maine, the Harold Alfond Scholarship Foundation recently began providing a \$500 educational grant to every baby born in the state after Jan. 1, 2013.

To learn more about children's savings accounts, and the benefits to having these accounts in Montana, visit www.EarnandLearnMT.org. Also, follow us on Facebook (EarnandLearnMT) and Twitter @EarnandLearnMT.

Student Assistance Foundation is a 501(c)(3) nonprofit Montana corporation that provides students with knowledge and tools to pursue and fund their postsecondary education. Funds

generated by SAF are returned to Montanans in the form of education grants and public benefit programs - to date almost \$30 million. For more information, visit www.safmt.org or www.SmartAboutCollege.org.