

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 HOUSE BILL 2988

By: McDaniel (Jeannie)

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6 AS INTRODUCED

7 An Act relating to schools; creating the Building
8 Equity and Expanding Access to College for Oklahoma
9 Newborns (BEEACON) Act; stating legislative findings;
10 stating purpose of the act; making the Office of the
11 State Treasurer the administering agency; providing
12 for an initial public contribution in an Oklahoma
13 College Savings Plan account for certain children;
14 specifying amount of contribution; directing certain
15 entities to establish eligibility; providing for a
16 state matching deposit to the Oklahoma College
17 Savings Plan for certain children; specifying amount
18 of deposit; establishing lifetime maximum state
19 match; providing for management and ownership of
20 contributions and deposits; providing for return of
21 funds; stipulating application of certain rules;
22 excluding certain amounts when making certain
23 eligibility determinations; requiring certain state
24 agencies to develop financial literacy programs;
creating the Oklahoma College Savings Public Deposit
Fund; stating source of funding; providing for
administration of the fund; requiring expenditures to
be made on warrants; providing for expenditure of
funds; providing for codification; and providing an
effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

1 SECTION 1. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 3971.1 of Title 70, unless there
3 is created a duplication in numbering, reads as follows:

4 This act shall be known and may be cited as the "Building Equity
5 and Expanding Access to College for Oklahoma Newborns (BEEACON)
6 Act".

7 SECTION 2. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 3971.2 of Title 70, unless there
9 is created a duplication in numbering, reads as follows:

10 A. The Legislature recognizes and finds that:

11 1. College attainment is positively related to family success
12 and state economic growth;

13 2. The cost of college is a barrier to attending college;

14 3. 529 College Savings plans are a proven mechanism for helping
15 families save for college and expand college choices; and

16 4. Most lower- and middle-income families are not currently
17 taking advantage of 529 College Savings plans.

18 B. The purpose of the Building Equity and Expanding Access to
19 College for Oklahoma Newborns (BEEACON) Act is to make public
20 investments in 529 College Savings plans that will expand access to
21 college for children in the state and provide incentives and
22 opportunities for personal savings.

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1 C. The Office of the State Treasurer shall be the administering
2 agency and have responsibility to enact rules necessary to implement
3 the provisions of this act.

4 D. 1. For each child born in the State of Oklahoma on or after
5 July 1, 2009, to a qualified taxpayer who is a resident of the
6 state, the State of Oklahoma shall make an initial public
7 contribution in the amount of Two Hundred Dollars (\$200.00) to an
8 Oklahoma College Savings Plan account.

9 2. The State Treasurer and the Oklahoma Tax Commission shall
10 determine appropriate methods to establish the eligibility of a
11 child for the initial public contribution.

12 E. 1. Beginning July 1, 2009, the State of Oklahoma shall
13 provide a matching deposit to the Oklahoma College Savings Plan
14 deposits on behalf of children who reside in the state.

15 2. The matching deposits made by the state shall be made on a
16 two-dollar to one-dollar basis, not to exceed an annual maximum of
17 One Hundred Dollars (\$100.00) for each dependent child under six (6)
18 years of age.

19 3. The matching deposits made by the state shall be made on a
20 one-dollar to one-dollar basis, not to exceed an annual maximum of
21 One Hundred Dollars (\$100.00), for each dependent child who is six
22 (6) years of age or older and under eighteen (18) years of age.

23 4. The lifetime maximum state match per child shall be Five
24 Hundred Dollars (\$500.00).

1 F. The initial public contribution and state-matching deposits
2 made pursuant to this act, and all interest and earnings, shall be
3 managed and owned by the state and shall be accessible only for
4 qualified higher education expenses as defined in Section 3970.3 of
5 Title 70 of the Oklahoma Statutes. Initial public contributions and
6 state-matching deposits not accessed by the time of the thirtieth
7 birthday of the account holder shall be returned to the Oklahoma
8 College Savings Public Deposit Fund as established in Section 3 of
9 this act.

10 G. Unless otherwise specified, all rules that govern the
11 Oklahoma College Savings Plan, as set forth in the Oklahoma College
12 Savings Plan Act, shall apply to accounts established under this
13 act.

14 H. Any amounts deposited in an Oklahoma College Savings Plan
15 account pursuant to this act shall not be taken into account in
16 determining the eligibility of an individual for any federally
17 funded or state-funded benefit, including student financial aid.

18 I. State agencies including, but not limited to, the State
19 Treasurer, the State Department of Education, the Department of
20 Human Services, the Oklahoma Department of Commerce, and the
21 Oklahoma Department of Career and Technology Education shall develop
22 programs to promote the financial literacy of Oklahoma College
23 Savings Plan account holders and the legal guardians of the account
24 holders. The State Department of Education shall develop programs

1 to incorporate information about Oklahoma College Savings Plans into
2 kindergarten through twelfth-grade curriculum and other financial
3 literacy education curricula designed to serve students.

4 SECTION 3. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 3971.3 of Title 70, unless there
6 is created a duplication in numbering, reads as follows:

7 There is hereby created in the Office of the State Treasurer the
8 "Oklahoma College Savings Public Deposit Fund". The fund shall
9 consist of any monies appropriated to the fund. The fund shall be a
10 continuing fund, not subject to fiscal year limitations, and shall
11 be subject to the administrative direction of the Office of the
12 State Treasurer. Expenditures from the fund shall be made upon
13 warrants issued by the State Treasurer against claims submitted to
14 the Director of State Finance. The monies deposited in the
15 revolving fund shall be expended by the Office of the State
16 Treasurer to implement the Building Equity and Expanding Access to
17 College for Oklahoma Newborns (BEEACON) Act.

18 SECTION 4. This act shall become effective November 1, 2008.

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