

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To establish, on an emergency basis, due to congressional review, the Child Trust Fund and the Child Trust Fund Program to provide a subsidized wealth building and investment account for certain children.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Child Wealth Building Congressional Review Emergency Act of 2021”.

Sec. 2. Definitions.

For the purposes of this act, the term:

(1) “Age of majority” means 18 years of age.

(2)(A) “Applicable family household” means a household income that is 300% of the federal poverty guidelines or below and enrolled in DC Medicaid.

“(B) For the purposes of this paragraph, the term “family household” means one or more persons, all of whom are, related by marriage, birth, or adoption.

(3) “Chief Financial Officer” means the head of the Office of the Chief Financial Officer of the District of Columbia, established by section 424a of the Home Rule Act, or the designee of the Chief Financial Officer.

34 (4) “Child trust fund account” means a unique personal identifier, such as a social  
35 security number, or other acceptable identification, for each child enrolled in the Child Trust  
36 Fund Program to enable the Chief Financial Officer to determine the amount in the Fund,  
37 calculating gains, losses, and costs, on a pro rata bases attributable to each eligible child.

38 (5) “CTF Program” means the Child Trust Fund Program established by section  
39 4.

40 (6) “DC Medicaid” means a joint federal/state Medicaid health insurance program  
41 that provides health care coverage to low-income and disabled individuals and families who are  
42 residents of the District and meet non-financial and financial eligibility requirements.

43 (7) “Disability certification” means a written certification, determined to be  
44 satisfactory by the Chief Financial Officer or rules issued pursuant to this act, of a diagnosis  
45 from a licensed doctor and signed by a licensed physician that the eligible child has a medically  
46 determinable physical or mental impairment that results in marked and severe functional  
47 limitations lasting for a continuous 12 months or longer or that can be expected to result in death.

48 (8)(A) “Eligible child” means an individual who:

49 (i) Was born on or after October 1, 2021, whose birth was subject  
50 to medical coverage provided under Medicaid;

51 (ii) Is and remains a resident of the District; and

52 (iii) Has a valid, unique, social security number, or other  
53 acceptable identification.

54 (B)(i) For purposes of subparagraph (A)(ii), the term “resident” means an  
55 eligible child that has been domiciled in the District for at least 16 years prior to the age of  
56 majority and who is continuously domiciled in the District for the 12 months immediately  
57 before reaching the age of majority.

58 (ii) For the purposes of this subparagraph “domiciled” means  
59 having a continuous physical presence in the District and that the District is the individual’s  
60 fixed, permanent home.

61 (9) “Enrollee” means an eligible child participating in the Child Trust Fund  
62 Program who meets the requirements set forth in section 7.

63 (10) “Federal poverty guidelines” means the measure of income, based on the  
64 number of persons in a household, issued every year by the U.S. Department of Health and  
65 Human Services used to determine financial eligibility for certain federal programs.

66 (11) “Fund” means the Child Trust Fund established by section 3.

67 (12) “Home Rule Act” means the District of Columbia Home Rule Act, approved  
68 December 24, 1973 (87 Stat. 774; D. C. Official Code § 1-201.01 *et seq.*).

69 (13) “Medicaid” means the medical assistance programs authorized by title XIX  
70 of the Social Security Act, approved July 30, 1965 (79 Stat. 343; 42 U.S.C. § 1396 *et seq.*), or by  
71 section 1 of An Act To enable the District of Columbia to receive Federal financial assistance  
72 under title XIX of the Social Security Act for a medical assistance program, and for other  
73 purposes, approved December 27, 1967 (81 Stat. 744; D.C. Official Code § 1-307.02).

74 Sec. 3. Child Trust Fund.

75 (a) There is established as a special fund, the Child Trust Fund (“Fund”), which shall be  
76 administered by the Chief Financial Officer in accordance with subsection (c) of this section.  
77 The Chief Financial Officer shall establish within the Fund a child trust fund account for each  
78 eligible child enrolled in the CTF Program.

79 (b) There shall be deposited into the Fund:

80 (1) Earnings from investments of the money in the Fund; and

81 (2) Other monies that may be appropriated for the purposes of this act.

82 (c) Money in the Fund shall be used for the purpose of establishing a child trust fund  
83 account for each eligible child in the CTF Program in accordance with this act and rules issued  
84 pursuant to this act.

85 (d) The money in the Fund, which shall consist of all the amounts paid into the fund  
86 pursuant to subsection (b) of this section, increased by the net earnings from investments of  
87 amounts held in the Fund or reduced by the net losses from investments of amounts held in the  
88 Fund, and less total payments, including distributions and administrative expenses, shall be used  
89 to:

90 (1) Make distributions pursuant to section 7;

91 (2) Pay the cost of administering the Fund; provided, that no more than 2% of the  
92 balance in any fiscal year shall be used for this purpose; and

93 (3) Pay the cost to contract with, if appropriate and necessary, an independent  
94 fiduciary to manage the investment of the money in the Fund, including the cost of insurance to  
95 cover the potential liability, with respect to the management of the Fund, of the fiduciary; and

96 (e) The money in the Fund shall not be used for any purpose other than the purposes  
97 specified in subsections (c) and (d) of this section.

98 (f)(1) The money deposited into the Fund but not expended in a fiscal year shall not  
99 revert to the unassigned fund balance of the General Fund of the District of Columbia at the end  
100 of a fiscal year, or at any other time.

101 (2) Subject to authorization in an approved budget and financial plan, any money  
102 appropriated in the Fund shall be continually available without regard to fiscal year limitation.

103 (g)(1) All the money in the Fund shall belong to the District government until an amount  
104 is dispersed to make a payment pursuant to subsection (d)(2) or (3) of this section or a  
105 distribution pursuant to section 7.

106 (2) Prior to distribution pursuant section 7, and notwithstanding any other law,  
107 money in the Fund designated for an eligible child enrolled in in the CFT program may not be  
108 considered:

109 (A) Gross income of the eligible child or the parent; or

110 (B) For the purpose of determining eligibility of the eligible child or the  
111 parent for financial aid, local or federal, including the Temporary Assistance for Needy Families  
112 Program, the federal Low Income Home Energy Assistance Program or Weatherization  
113 Assistance Program, an educational aid or grant, or any other need-based aid or grant.

114 Sec. 4. Child Trust Fund Program.

115 (a) There is established a Child Trust Fund Program, which shall be administered by the  
116 Chief Financial Officer, under which an annual deposit amount from the Fund shall be  
117 designated to the child trust fund account for each eligible child enrolled in the CTF Program.

118 (b)(1) To meet the eligibility requirements for the CTF Program, the Chief Financial  
119 Officer, with parental consent, shall use the Medicaid participant information received annually  
120 from the Department of Human Services, or the Department of Health Care Finance, whichever  
121 applies (collectively “agencies”) to determine if the household qualifies as an applicable family  
122 household.

123 (2) The Chief Financial Officer, or the designee, or employees of the Chief  
124 Financial Officer, or employees of the designee shall not disclose information with respect to a  
125 child trust fund account maintained in the Fund; except that child trust fund account information  
126 may be disclosed, pursuant to rule, to the beneficiary of the child trust fund account or to another  
127 person at the beneficiary’s request.

128 (c)(1) Upon enrollment, an amount of \$500 shall be designated to the child trust fund  
129 account for the eligible child enrolled in the CTF Program.

130 (2) By October 1 of the subsequent year, the deposit amount designated to the  
131 child trust fund account for each eligible child enrolled in the CTF Program shall be as follows:

<b>Household’s Federal Poverty Level (FPL)</b>	<b>Annual Deposit Amount</b>
0% to 100% FPL	\$1,000
101% to 200% FPL	\$800

201% to 300% FPL	\$600
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133           (3) On October 1 of each successive year, the maximum annual deposit amount  
134 provided pursuant to this subsection shall increase in proportion to the annual average increase,  
135 if any, in the Consumer Price Index for All Urban Consumers, Washington-Baltimore  
136 Metropolitan area published by the Bureau of Labor Statistics of the United States Department of  
137 Labor for the previous calendar year; provided, that the Chief Financial Officer certifies that  
138 funds are sufficient.

139           (d) If a household is no longer enrolled in the DC Medicaid program or if the household's  
140 income increases above the federal poverty guideline, the annual deposit amounts shall cease but  
141 the amounts credited to the eligible child's trust fund account during the period of deposits shall  
142 remain available for distribution pursuant to section 7.

143           Sec. 5. Independent fiduciary.

144           The Chief Financial Officer may enter into a contract with an independent fiduciary to  
145 administer the Fund and the CTF Program.

146           Sec. 6. Enrollment in the CTF Program; denial.

147           (a)(1) Enrollment in the CTF Program shall be automatic. Beginning within 60 days after  
148 the applicability of this act, the Chief Financial Officer shall obtain from the agencies the  
149 information required by paragraph (2) of this subsection and issue rules pursuant to this act.

150 (2) The information obtained shall include the full name, social security number,  
151 place of birth, annual income, and residential address of the child's parent and the birth date of  
152 the child.

153 (b)(1) Following receipt of the information provided pursuant to subsection (a) of this  
154 section, verification by the Chief Financial Officer pursuant to section 4(b) that the child's  
155 household is an applicable family household, and, upon finding that the child is an eligible child,  
156 as defined in section 2(8), the Chief Financial Officer shall enroll the eligible child in the CTF  
157 Program and within 30 days of the enrollment make the required deposit into the Fund.

158 (2) The Chief Financial Officer shall send written notification to the parent  
159 informing the parent of the child's enrollment in the CTF Program.

160 Sec. 7. Distribution of funds.

161 (a)(1)(A) An enrollee shall be entitled to a pro rata share of money in the Fund only upon  
162 reaching the age of majority, or, subject to subparagraph (B) of this paragraph, upon becoming  
163 disabled, and only if the enrollee is a current District resident.

164 (B) For an enrollee to be entitled to the funds described in subparagraph  
165 (A) of this paragraph before reaching the age of majority due to do becoming disable, the  
166 enrollee must file a disability certification.

167 (2) The amount of money to which an enrollee will be entitled at the age of  
168 majority, or following receipt by the Chief Financial Officer of a disability certification, shall be  
169 the amounts credited to his or her child trust fund account pursuant to section 3(b), less any  
170 amounts expended pursuant to section 3(d)(2) through (3).

171 (b)(1) A distribution of the funds from a child trust fund account may be used only by the  
172 enrollee and only for:

- 173 (A) Education; academic or vocational;
- 174 (B) Ownership of a District business;
- 175 (C) Investment in a District business;
- 176 (D) Ownership of a District residential or commercial property; or
- 177 (E) Retirement investments, including stocks, bonds, shares, and other  
178 similar growth investments.

179 (2) No funds may be distributed unless the enrollee certifies, in accordance with  
180 rules issued by the Chief Financial Officer, that the enrollee is a bona fide resident of the District  
181 and that the distributed funds shall be used for a purpose listed in paragraph (1) of this  
182 subsection.

183 Sec. 8. Reporting requirement.

184 By March 1, of each year, the Chief Financial Officer shall submit a report to the Council  
185 for the preceding fiscal year that includes:

- 186 (1) The number of eligible children in the CTF Program;
- 187 (2) The race or ethnicity of each eligible child, where possible;
- 188 (3) The amount of funds in each eligible child's trust fund account;
- 189 (4) A list, by eligible child, of the purposes for which distributed funds  
190 were to be used;
- 191 (5) The amount of money in the Fund gained by investment;

- 192 (6) The amount of money in the Fund decreased by investment loss.  
193 (7) The amount of funding in the Fund decreased by administrative costs;  
194 and  
195 (8) Recommendations for improving the CTF Program.

196 Sec. 9. Rules.

197 Within 60 days after the applicability of this act, the Chief Financial Officer shall issue  
198 rules to implement sections 2 through 7. In drafting the rules, the Chief Financial Officer may  
199 consult with the agencies as the Chief Financial Officers considers necessary and appropriate.

200 Sec. 10. Conforming amendments.

201 (a) Section 47-1803.02(a)(2) of the District of Columbia Official Code is amended by  
202 adding a new subparagraph (QQ) to read as follows:

203 “(QQ) The amount received by an individual pursuant to section 6 of the  
204 Child Wealth Building Act of 2021, as introduced on May 3, 2021 (Bill 24-236).”.

205 Sec. 11. Fiscal impact statement.

206 The Council adopts the fiscal impact statement in the committee report for the Child  
207 Wealth Building Act of 2021, passed on 1st reading on November 2, 2021 (Engrossed version of  
208 Bill 24-236), as the fiscal impact statement required by section 4a of the General Legislative  
209 Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-  
210 301.47a).

211 Sec. 12. Effective date.

212           This act shall take effect following approval by the Mayor (or in the event of veto by the  
213 Mayor, action by the Council to override the veto), and shall remain in effect for no longer than  
214 90 days, as provided for emergency acts of the Council of the District of Columbia in section  
215 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788;  
216 D.C. Official Code § 1-204.12(a)).