



Erick Russell

CONNECTICUT STATE TREASURER

Senator Moore, Representative Napoli Jr., Senator Martin, Representative Piscopo, and distinguished members of the General Bonding Subcommittee, thank you for the opportunity to submit testimony regarding bond programs administered by the Office of the Treasurer.

As you know, this office does not typically testify in this fashion before this Committee. But two years ago, Connecticut made history by passing the first baby bonds program in the nation. CT Baby Bonds invests up to \$3,200 in a trust, managed and administered by my office, for each child born into poverty. Once that child reaches adulthood, they become eligible to utilize the funds for designated wealth building activities – purchasing a home in Connecticut, starting or investing in a Connecticut business, attending post-secondary education or training, or saving for retirement. After an initial delay, the program is set to begin July 1, 2023.

When the General Assembly passed CT Baby Bonds, it included general obligation bond funding of \$50 million a year for the next twelve years, totaling \$600 million for the program. This funding authorization was delayed along with the effective date of the program itself. The first-year funding authorization is now available for State Bond Commission approval on or after July 1, 2024.

Neither the delay in the program nor the transition to a new administration has delayed progress on implementation or engagement. Since taking office, I have had several productive conversations with the Governor about the future of the program and my staff is working collaboratively with stakeholders across the executive branch to ensure there is a process to verify eligibility when beneficiaries begin to make their claims in 18 years. These conversations have been encouraging and are ongoing.

In addition to the discussions within state government, my office has engaged with community stakeholders, early childhood advocates, and action agencies that serve families on Medicaid, among others, who are eagerly waiting for the program to begin. We have also fielded inquiries from other states looking to pass their own baby bonds programs, as well as national think tanks and thought leaders on economic equity who see Connecticut as a national model for anti-generational poverty initiatives.

I would like to stress that, although we are having ongoing conversations about sustainable funding and the process for verifying eligibility of claimants, everything we need to begin the program this

July is in place. The trust documents, which would create a charitable trust within my office and serve as the investment vehicle for the funds, are prepared and ready to be signed July 1. The process to receive the number of births paid for by HUSKY, which is necessary to determine the pro rata share of the trust for each beneficiary, is codified in statute. We are ready to begin investing the funds and designating shares for beneficiaries the minute the program becomes effective on July 1, 2023.

I am confident that last year's delay in the program is not an indicator of the State's commitment to this program, and I will continue to work diligently to ensure its long-term success.

Thank you again for the opportunity to submit testimony. My office is available to answer any questions you may have.