

HOUSE No. 48

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

An Act establishing a Massachusetts Baby Bonds program.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 10 of the General Laws is hereby amended by adding after section
2 78 the following section:-

3 Section 79. (a) As used in this section the followings words and terms shall have the
4 following meanings:-

5 “Accounting”, a designated beneficiary’s pro rata share of the fund, as determined by the
6 state treasurer.

7 “Board”, means the Massachusetts Baby Bonds Trust Fund Advisory Board.

8 “Committee”, means the Massachusetts Baby Bonds Community Advisory Committee.

9 “Designated beneficiary”, means any individual who: (i) is born on or after July 1, 2026;
10 and (ii) receives cash assistance under transitional aid to families with dependent children or is a
11 child under the care or custody of the Massachusetts department of children and families within
12 the first twelve months of their life.

13 “Eligible expenditure”, means an expenditure associated with any of the following: (i)
14 post-secondary education of a designated beneficiary at a vocational or apprentice program,
15 community college, or university that is located in and licensed, approved, or accredited by the
16 commonwealth; (ii) investment in an entity doing business in the commonwealth by a designated
17 beneficiary; (iii) purchase of a home in the commonwealth by a designated beneficiary; or (iv)
18 any investment in financial assets or personal capital that provides long-term gains to wages or
19 wealth, as defined by regulation promulgated by the state treasurer.

20 “Fund”, means the Massachusetts Baby Bonds Trust Fund.

21 (b)(1) There shall be a Massachusetts Baby Bonds Trust Fund for the exclusive purpose
22 of assisting designated beneficiaries in pursuing opportunities for education, housing, and
23 entrepreneurship, in order to create opportunities for financial independence.

24 (2) The state treasurer shall administer the fund. The state treasurer may contract with
25 practitioners, administrators, investment managers and other entities in order to design,
26 administer and provide investment options for the fund. The provisions of section 38 of chapter
27 29 of the general laws shall not apply to the investment of the fund.

28 (3) The state treasurer may accept moneys from public and private sources, including, but
29 not limited to gifts, grants and donations, but not in lieu of contribution by the General Court.
30 The state treasurer may expend moneys from the fund for all reasonable and necessary direct
31 costs and expenses incurred with the management and investment of the fund.

32 (4) Moneys deposited in the fund shall not be subject to further appropriation and any
33 moneys that are unexpended at the end of a fiscal year shall not revert to the General Fund and

34 shall be available for expenditure in the following fiscal year. No expenditure made from the
35 fund shall cause the fund to become deficient at any point.

36 (5) The state treasurer shall report annually on or before December 31 to the governor
37 and house and senate committees on ways and means: (i) the balance of the fund and (ii) the total
38 return generated by the principal of said fund during the prior 12-month period ending on June
39 30.

40 (c)(1) There shall be a Baby Bonds Trust Fund Advisory Board. The board shall meet
41 from time to time to assist the state treasurer in the development of general policy regarding the
42 fund and shall provide technical advice and input to the state treasurer. Matters considered by the
43 board shall include, but not be limited to: (i) identification of eligible expenditures; (ii)
44 development of mitigation measures to prevent fraud, scams, or financial exploitation of
45 designated beneficiaries related to eligible expenditures; and (iii) partnerships with individuals
46 and communities disproportionately impacted by the racial wealth gap in program expansion and
47 development, including, but not limited to, regular collaboration with the Massachusetts Baby
48 Bonds Community Advisory Committee established in subsection (d).

49 (2) The board shall consist of 17 members. There shall be 6 nonvoting members, 2 of
50 whom shall be appointed by the president of the senate, 1 of whom shall be appointed by the
51 minority leader of the senate, 2 of whom shall be appointed by the speaker of the house of
52 representatives and 1 of whom shall be appointed by the minority leader of the house. There
53 shall be 11 voting members: the state treasurer, or a designee, who shall serve as chair; the
54 secretary for administration and finance, or a designee; the secretary of education, or a designee;
55 the attorney general, or a designee; 2 members of the Baby Bonds Community Advisory

56 Committee established in subsection (d), selected by said committee; and 4 members appointed
57 by the state treasurer 2 of whom shall be experts in economics and socio-economic policy and 2
58 of whom shall be individuals from, or who have experience advocating on behalf of, a census
59 tract where over 20 per cent of the populations fall below the federal poverty line. The appointed
60 members shall each serve for a term of 5 years and shall be eligible for reappointment. The board
61 shall serve without compensation but shall be reimbursed for necessary expenses incurred in the
62 performance of their duties.

63 (3) The board shall report annually on or before December 31 to the governor and the
64 house and senate committees on ways and means.

65 (d) There shall be in the office of the treasurer and receiver general a Massachusetts Baby
66 Bonds Community Advisory Committee which shall facilitate regular community engagement
67 and outreach concerning the administration and allocation of the Baby Bonds Trust Fund. The
68 committee shall be comprised of individuals and interested stakeholders from geographically
69 diverse regions of the commonwealth. The committee shall serve without compensation but shall
70 be reimbursed for necessary expenses incurred in the performance of their duties.

71 (e)(1) At any time upon their reaching the age of 18 and prior to their reaching the age of
72 35, a designated beneficiary may submit a claim to distribute, in whole or in part, their
73 accounting; provided, however, that the designated beneficiary shall demonstrate that the
74 distribution will be applied toward an eligible expenditure; provided further, that, at the time of
75 the application, the designated beneficiary is a resident of the commonwealth.

76 (2) A designated beneficiary may not assign, alienate or otherwise dispose of any portion
77 of or interest in such accounting to another individual at any time prior to receiving the full
78 distribution of the amounts in their accounting.

79 (3) If a designated beneficiary fails to submit a valid claim prior to their reaching age 35,
80 their accounting shall be credited back to the assets of the fund.

81 (4) In the case of the death of a designated beneficiary prior to their reaching the age of
82 35, upon receipt of notification of such individual's death, their accounting shall be credited back
83 to the assets of the fund.

84 (5) The state treasurer shall seek to develop and make regularly available relevant
85 resources and supports designed to assist in making financial decisions to designated
86 beneficiaries and their households. The state treasurer shall encourage and incentivize designated
87 beneficiaries to utilize said resources and supports prior to the distribution of funds to support an
88 eligible expenditure.

89 (f) (1) Notwithstanding any general or special law to the contrary, no moneys invested in
90 the fund shall be considered an asset for purposes of determining an individual's or the
91 individual's household's eligibility for, or amount of, any benefit or service, including, but not
92 limited to: temporary assistance for needy families and need-based, institutional aid grants
93 offered to an individual at the public educational institutions in the commonwealth.

94 (2) Notwithstanding any general or special law to the contrary, contributions to an
95 accounting on behalf of a designated beneficiary shall not be included in calculating the gross
96 income of the designated beneficiary under chapter 62.

97 (g) To carry out the purposes of this section, the Massachusetts department of transitional
98 assistance, the Massachusetts department of children and families, the Massachusetts department
99 of elementary and secondary education, and the Massachusetts department of public health shall
100 provide to the office of the state treasurer any information it deems necessary to fund,
101 coordinate, and evaluate activities of the fund. Said agencies shall enter an agreement with the
102 office of the state treasurer to document the data sharing procedures and the information to be
103 shared.

104 (h) The state treasurer may promulgate rules and regulations as necessary or proper for
105 the administration and enforcement of subsections (a) through (g), inclusive.