

# County Council of Cuyahoga County, Ohio

## Ordinance No. O2012-0036

<p>Sponsored by: <b>County Executive FitzGerald and Councilmember Rogers</b></p> <p>Co-sponsored by: <b>Councilmembers Jones, Simon, Brady, Connally and Miller</b></p>	<p><b>An Ordinance</b> establishing a College Savings Account Program and a College Savings Account Program Committee for the purpose of investing in the higher education of Cuyahoga County residents, and declaring the necessity that this Ordinance become immediately effective.</p>
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WHEREAS, Article VII, Section 7.01 of the Cuyahoga County Charter provides that “The County shall have as a primary responsibility the promotion and enhancement of the economic well-being and prosperity of the County and all of its residents. In furtherance of that purpose, the County shall, as authorized by the Constitution of Ohio, general law, and this Charter and enactments pursuant thereto, develop and implement policies, programs, and activities for the expansion and enhancement of economic activity in the County so as to create and preserve jobs and employment opportunities for and available to residents of the County;” and,

WHEREAS, Article III, Section 3.09 of the Cuyahoga County Charter provides that the County may, through legislation, “establish and provide for the administration of a program to provide scholarships, loans, grants and other forms of financial assistance for residents of the County that will enable them to participate in post-secondary education, including vocational education and job training and retraining;” and,

WHEREAS, the County wishes to promote a culture of academic achievement and college success within Cuyahoga County; and,

WHEREAS, the County wishes to establish the Cuyahoga County College Savings Account Program to invest in the post-secondary education of Cuyahoga County residents; and,

WHEREAS, the County through the Executive’s office will administer the Program, and select one or more financial institution partners to provide the financial savings product and other programmatic support; and,

WHEREAS, it is necessary that this Ordinance become immediately effective in order that critical services provided by Cuyahoga County can continue and to provide for the usual, daily operation of a County agency.

**NOW, THEREFORE, BE IT ENACTED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:**

**SECTION 1.** Section 204.03(E) and Section 804.02 of the Cuyahoga County Code are hereby enacted as follows:

Section 204.03(E): College Savings Account Program Committee

(A) There is hereby created the College Savings Account Program Committee to support the College Savings Account Program. The Committee shall provide fundraising support as well as advice on banking, education, and financial literacy. The Committee will also rule on appeals from decisions by the Administration on eligibility and qualified use of funds.

(B) The Committee shall consist of the following members:

- (1) The CEO of the banking partner or designee;
- (2) The CEO of the Educational Services Center of Cuyahoga County or designee;
- (3) The CEO of the Cleveland Metropolitan School District or designee;
- (4) The President of the Greater Cleveland School Superintendents' Association or designee;
- (5) Superintendent of the Catholic Diocese of Cleveland or designee;
- (6) The CEO of the Greater Cleveland Partnership or designee;
- (7) A representative of a higher education institution located within Cuyahoga County, selected by the Administration;
- (8) A member of the foundation and non-profit community, selected by the Administration;
- (9) Both Council and the Administration shall appoint two additional members each. One appointee from each body must be a parent of a student residing in Cuyahoga County. These four appointees shall serve a four-year term commencing on June 1<sup>st</sup>, and shall not serve beyond their four-year terms unless reappointed.

(C) Each vacancy in membership shall be filled in the same manner it was originally filled.

**Section 804.02: Cuyahoga County College Savings Account Program**

(A) There is hereby created the Cuyahoga County College Savings Account Program that shall include the following:

- (1) An agreement with a qualified entity to administer the County College Savings Account Program, which administration may be subsidized by the County;

- (2) College savings accounts automatically established for each eligible student upon entering kindergarten, where the County is the custodial owner of the account and the student is the beneficiary, to be used for qualifying post-secondary education expenses;
- (3) An initial deposit of one hundred dollars (\$100.00) of County funds into each college savings account;
- (4) An opportunity for families who do not wish to participate to opt-out of the Program;
- (5) Growth of the accounts through family, student, and other outside private or public contributions;
- (6) “Benchmark” incentives to promote educational success and sound savings habits, such as savings matches and donor deposits from other sources;
- (7) Opportunities for families and students to increase financial literacy; and
- (8) Opportunities for families and students to establish banking relationships.

(B) An “eligible student,” as used in this ordinance, is a resident of Cuyahoga County who is a new kindergarten student as of a census occurring on October 31<sup>st</sup> of each year. Students in other grades, students that repeat kindergarten after the start of the Program, and kindergarten students who move into the County after the cutoff date each year, are not eligible. For any year a student does not live in the County, the student account will remain active and open for use by the student and his/her parent or guardian but will not be eligible for match or incentive deposits from the Program.

(C) “Post-secondary education,” as used in this ordinance, includes a college, university, vocational school, and any two or four-year degree program from an accredited educational institution.

(D) “Qualifying post-secondary education expenses,” as used in this ordinance, include but are not limited to tuition, mandatory fees, books, supplies, and equipment required for enrollment or attendance, or for any other necessary cost of attending school, including travel to and from school. If a student has special needs, distributions can be used to pay for any accommodations that are required to make it possible for the student to attend school. To assist students in gaining access to post-secondary education, funds may be used for post-secondary school application fees and fees for the ACT, SAT and AP college entrance and placement exams prior to high school graduation.

(E) Withdrawals from a student account must be made prior to the student attaining the age of twenty five. For students who serve in a national service program (such as

the United States Military or Peace Corps), each year of service may increase the maturity date by one year.

(F) If a student does not use all funds in a student account for a qualified expense, any non-Program funds contributed to the student account will be returned to their source. Any funds contributed by the County or donated to the County for the benefit of the Program will remain in the sole possession of the County.

(G) In the case of an emergency or unforeseen circumstance, the student and/or parent/guardian may submit a non-qualified use withdrawal request to the County administration team for review. If approved, only non-Program funds may be withdrawn.

(H) “Non-Program funds,” as used in this ordinance, include any funds deposited directly into a student account by a student, parent, guardian or other private source for the benefit of a particular student.

(I) The Program will be administered by staff in the Executive’s Office, who will accept, review, and make recommendations for approval of eligible students and qualified use of funds.

(J) County administration will provide a policy and procedures manual to the County Council prior to the implementation of the program.

(K) County Council shall be notified of all future changes, additions or subtractions to the aforementioned policy and procedures manual.

(L) A College Savings Account Program Committee shall provide advice and fundraising support to the Administration and rule on appeals from Administration decisions on eligibility and qualified use of funds.

(M) The Administration shall perform annual performance monitoring of the Program. At any time after the Program is initiated, however no later than five years thereafter, the Program shall be evaluated by Council to measure its success in achieving its intended outcomes and for the purpose of making any modifications, amendments, or changes to the Program, including but not limited to, its expansion or termination.

**SECTION 2.** It is necessary that this Ordinance become immediately effective for the usual daily operation of the County and the reasons set forth in the preamble. Provided that this Ordinance receives the affirmative vote of at least eight members of Council, it shall take effect and be in force immediately upon the earliest occurrence of any of the following: (1) its approval by the County Executive through signature, (2) the expiration of the time during which it may be disapproved by the County Executive under Section 3.10(6) of the Cuyahoga County Charter, or (3) its passage by at least eight members of Council after disapproval pursuant to Section

