

STATE OF NEW YORK

7415

2025-2026 Regular Sessions

IN ASSEMBLY

March 25, 2025

Introduced by M. of A. ANDERSON -- read once and referred to the Committee on Children and Families

AN ACT to establish a "baby bond" pilot program for foster youth; and making an appropriation therefor

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

- 1 Section 1. 1. (a) There is hereby created a pilot program to be under
2 the New York city Administration for Children's Services to provide
3 funds through bonds ("baby bonds") to support foster care youths of
4 low-income households with statistically low likelihood of adoption (age
5 8-18) and limited familial support living outside of the custody of a
6 familial relative.
- 7 (b) For the purposes of this act, "baby bond" shall mean an annuity
8 investment fund deposited in a lump-sum and/or in monthly installments
9 to accrue wealth during a period of time. Such annuity shall not be
10 distributed as it appreciates and shall continue to receive deposits
11 until it reaches maturity.
- 12 2. (a) The participants in such program shall be selected by the
13 administration for children's services from among foster care youths in
14 the city of New York as follows:
- 15 (i) 500 children shall be selected from ages 8 to 11, for whom the
16 initial deposit shall be \$1,000.
- 17 (ii) 500 children shall be selected from ages 12 to 14, for whom the
18 initial deposit shall be \$5,000.
- 19 (iii) 500 teenagers shall be selected from ages 14 to 17, for whom the
20 initial deposit shall be \$10,000.
- 21 (b) \$100 per month shall be deposited into each such account until the
22 age of 25.
- 23 3. The administration for children's services shall hire a not-for-
24 profit organization to execute this pilot program which shall:

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD05370-01-5

1 (a) provide financial counseling for the program participants, includ-
2 ing quarterly financial education trainings;

3 (b) provide updates on the amount in each participant's annuity to
4 facilitate long-term planning; and

5 (c) steward the baby bond fund, which shall be invested in the same
6 manner as the funds of the New York city employees' retirement system.

7 4. Upon reaching age 25 participants shall be allowed to access the
8 annuity for the following qualified uses:

9 (a) transfer to a business account to support business development;

10 (b) down payment for the purchase of such participant's primary resi-
11 dence or build equity in such participant's existing residence; and

12 (c) payment towards student loans or the cost of education.

13 5. If such funds are not drawn upon for qualified expenses by the age
14 of 40, such funds shall be converted into an individual retirement
15 account using its existing investment composition for distribution at
16 retirement. If a participant is adopted at any point during the pilot
17 program, such participant shall no longer receive monthly deposits,
18 unless such participant maintains their participation in the study
19 voluntarily and in full.

20 6. The costs of such program, subject to appropriation, shall be as
21 follows:

22 (a) \$8,000,000 for initial deposits in the accounts of the 1,500
23 participants.

24 (b) \$1,800,000 annually in monthly \$100 deposits into the partic-
25 ipants' accounts.

26 (c) \$750,000 annually for the not-for-profit organization to conduct
27 their financial management and counseling services while collecting data
28 for annual reports.

29 7. The administration for children's services shall prepare an annual
30 report to monitor progress on the overall wellbeing of program partic-
31 ipants, which shall be published on such administration's website. Such
32 report shall include such participants' academic attendance, grade point
33 average, disciplinary records, and overall mental health.

34 § 2. The sum of ten million five hundred thousand dollars
35 (\$10,500,000), or so much thereof as may be necessary, is hereby appro-
36 priated to the New York city administration for children's services out
37 of any moneys in the state treasury in the general fund not otherwise
38 appropriated, for its expenses in carrying out the provisions of this
39 act. Such moneys shall be payable on the audit and warrant of the comp-
40 troller on vouchers certified or approved by the commissioner of the
41 administration for children's services in the manner prescribed by law.

42 § 3. The program shall seek an additional \$2.5 million appropriation
43 every year until the completion of the program 20 years after the effec-
44 tive date of this act.

45 § 4. This act shall take effect immediately.