



State of Rhode Island
Office of the General Treasurer

James A. Diossa
General Treasurer

12 May 2026

The Honorable Marvin Abney
Chair, House Committee on Finance

The Honorable Members of the House Committee on Finance

RE: 2026-H 7797, *An Act Relating to Public Finance – Rhode Island Baby Bond Trust*

Chair Abney:

I write in strong support of 2026-H 7797, which would fund Rhode Island’s Baby Bond program through a modest allocation of annual unclaimed property remittances at no new cost to taxpayers. This bill would fulfill the commitment the General Assembly made last year when it passed enabling legislation to create the legal framework for this program.

The Baby Bonds program will be a wealth building catalyst for Rhode Island’s next generation of children in need. Once funded, this program would create a \$3,000 trust for each Rhode Island family with a child under one year of age that has enrolled in RI Works¹ during the prior calendar year.² See R.I. Gen. Laws § 40-5.2-1, *et seq.* Trusts would be managed and invested by the Office of the General Treasurer – in cooperation with third-party managers – until the child reaches age 18 and requests a qualifying disbursement. Participants may claim their funds at any point between ages 18 and 35, provided they have resided in Rhode Island for the two years before their claim.

Program funds can be used for the following wealth-building purposes: (a) to pursue higher education or vocational training in Rhode Island, (b) to purchase a home in Rhode Island, (c) to start a business with a principal place of business in Rhode Island, or (d) to support any investment

¹ RI Works is an employment and financial assistance program – supported by federal Temporary Assistance for Needy Families (“TANF”) funds – intended for parents and families with little to no income who have children high school age or younger. Consistent with the enabling statute, RI Works is intended “to help parents who are eligible for cash assistance to support their children by preparing for, accepting, and retaining employment.” R.I. Gen. Laws § 40-5.2-2 (a); *see also* R.I. Gen. Laws § 40-5.2-3.

² For example, if a child has at least one parent enrolled in RI Works in calendar year 2027, that child will receive a \$3,000 Baby Bond Trust account beginning in calendar year 2028.

in financial assets or personal capital that provides long-term gains to wages or wealth, as defined by regulation promulgated by the General Treasurer. Assuming a 7% rate of return – consistent with the target return rate for the state pension fund – each participant that claims a disbursement would receive approximately \$10,000 to \$32,000, depending on age at the time of withdrawal.

As proposed, this program would be financed entirely through unclaimed property remittances, without relying on direct taxpayer appropriations. Under current law, unclaimed property that is not paid out to claimants is deposited into the state general fund. *See* R.I. Gen. Laws § 33-21.1-23(a) (“[T]he administrator shall promptly deposit in the general fund of this state all funds received under [the unclaimed property statute].”). Over the past five years, this has resulted in an average of \$21.4 million dollars³ remitted to the general fund because of Treasury’s tireless efforts to identify and recover unclaimed property belonging to Rhode Island residents.

Rhode Islanders with unclaimed property will still be able to recover unclaimed funds. Though the program relies on unclaimed property remittances, the state receives more unclaimed property than it returns in any given year.⁴ **As such, the state has more than sufficient reserves to support low-income children without interrupting the Unclaimed Property Program.**

Based on data provided by the Department of Human Services, approximately 150 newborns are added to RI Works cases each year. **At \$3,000 per child, the program requires an annual allocation of approximately \$450,000, representing just 2.1% of the average annual unclaimed property remittance. This bill takes effect July 1, 2027 (the first day of Fiscal Year 2028) and will have no impact on the Fiscal Year 2027 budget.**

By statute, all program funds must be spent in Rhode Island – on education, housing, or entrepreneurship. **Consequently, this investment would engage a *new* segment of the population to spur *new* economic activity and generate economic growth.** A study by the Brookings Institute estimates “that economic output in the U.S. would be \$22.9 trillion higher today if opportunities and outcomes around employment and education had been equally distributed by race and ethnicity.” *Baby Bonds Task Force Findings Report*, Office of the Treasurer and Receiver General of Massachusetts, at 12 (2022). It also provides an incentive for children raised in Rhode Island to stay in Rhode Island, a problem that local policymakers have sought a solution to for decades.

³ Remittances over the past five years have generally increased: **FY2021:** \$16,269,787, **FY2022:** \$19,003,313, **FY2023:** \$14,988,458, **FY2024:** \$22,292,320, **FY2025:** \$34,272,938. Treasury expects this upward trajectory to continue.

⁴ Through recent efforts, the state has been successful in retrieving *even more* unclaimed property rightfully belonging to Rhode Island residents, including a 2025 legislative initiative that expanded the Unclaimed Property program to miscellaneous intangible assets like virtual currency and an auction which resulted in over \$1 million.

If you have any further questions, please do not hesitate to reach out to me directly or to my Director of Policy and Intergovernmental Affairs, Robert Craven, at Robert.CravenJr@treasury.ri.gov.

Respectfully,

A handwritten signature in black ink, appearing to be 'JD', enclosed within a circular scribble.

James A. Diossa
General Treasurer

cc: The Honorable Josh Giraldo