



**Testimony Re: Senate Bill 2843: Unclaimed Intangible and Tangible Property
House Finance Committee**

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Mr. Chairman and members of the Committee, thank you for the opportunity to provide testimony today. Rhode Island KIDS COUNT would like to voice its strong support for Senate Bill 2843 and thank Senator Murray for sponsoring this bill. This bill would fund the Rhode Island Baby Bonds Trust Program by using yearly allocations from unclaimed property funds rather than taxpayer dollars and would take effect on July 1, 2027.

We thank the General Assembly for passing the [*Rhode Island Baby Bond Trust Act*](#) in 2025. This act created an automatic investment account of \$3,000 for every child whose parent or guardian is enrolled in RI Works within the first year of the child's life. Under the program, funds would be held in trust by the state until the child turns 18 years old, at which point they would become eligible to use the funds, provided they have remained Rhode Island residents for at least the previous two years, for wealth-building purposes, including:

- Postsecondary education, vocational training, or registered apprenticeships in Rhode Island;
- First-time homeownership in Rhode Island;
- Entrepreneurship or small business development in Rhode Island; and
- Other long-term investments that promote financial stability and economic mobility.

When the *Rhode Island Baby Bond Trust Act* passed last year, no funding source was included. Senate Bill-2843 would create a funding mechanism without requiring any new taxpayer dollars by using unclaimed property remittances. Under the bill, before unclaimed property funds are deposited into the state's general fund, the state would first set aside a one-time \$3,000 deposit for each eligible baby born in the previous year whose parent or guardian was enrolled in the RI Works program and deposit those funds into the Baby Bonds Trust. Remaining funds would continue to flow into the general fund as usual. The bill would take effect on July 1, 2027, giving the state time to make any necessary adjustments.

This policy builds on models already implemented or explored across the country. In 2021, Connecticut became the first state to pass Baby Bonds legislation, establishing \$3,200 trust accounts for Medicaid-covered newborns.

California has also established a child trust account program for foster youth and low-income children, and several other states — including Massachusetts, Maryland, New Jersey, and Washington State — have introduced or are actively exploring similar proposals.

Baby Bonds are publicly funded trust accounts created at birth to help children from low-income families enter adulthood with a financial foundation for long-term security. By providing children with seed capital they can use when they turn 18, Baby Bonds are designed to help reduce racial and economic disparities in wealth accumulation and promote upward mobility. Without access to start-up capital, young people from low-income backgrounds face significant barriers to achieving the same level of economic mobility as their wealthier peers.

Funding the *Rhode Island Baby Bond Trust Act* is a policy that can significantly improve the economic stability of Rhode Island's most vulnerable children. By investing early in the lives of children born into poverty, the state can empower future generations with the financial tools necessary to achieve long-term economic independence.

We thank Treasurer Diossa and his team for serving as the architects of the Rhode Island *Baby Bond Trust Act* and for their leadership in advancing this innovative policy.

Thank you for your consideration of this important legislation and for the opportunity to provide testimony.

