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**TESTIMONY OF KANSAS STATE TREASURER LYNN ROGERS  
IN SUPPORT OF SB 329**

January 18, 2022

Chairman Longbine and Members of the Committee on Financial Institutions and Insurance,

Thank you for your consideration of **SB 329**. I support this bill because it keeps the Kansas ABLE Savings Plan in compliance with mandatory federal regulations. The changes in this bill must be implemented by the federal deadline of November 22, 2022, to allow our program to continue to empower Kansans living with disabilities as intended by current Kansas law.

In 2015 Kansas enacted the Kansas ABLE savings program, joining 45 other states and Washington, D.C. in enacting ABLE programs as permitted by federal tax legislation. The original Kansas bill (HB 2216) had broad bipartisan support, passing the Senate 40-0 and the House 116-4. Managed by the Kansas State Treasurer's Office, our state's ABLE program allows Kansans with disabilities to save and grow their money so they can pay for their own disability-related expenses without jeopardizing federal means-tested benefits. Similar to a 529 college savings plans, account owners invest after-tax funds, and any interest earned is not taxed if used to pay for qualifying expenses.

Kansas ABLE has been tremendously successful. Last year our office enrolled almost 500 new participants, and total assets under management (AUM) grew by 40% to more than \$10.5 million. However, for people who lack capacity to manage their own account, current Kansas law requires a conservator or (in narrow circumstances) a guardian to enroll on the beneficiary's behalf. This time-consuming and costly requirement makes it very difficult to open accounts for one of ABLE's main target populations.

In November 2020 the Trump administration issued final regulations governing state ABLE programs. Among other changes, these regulations specify an expanded group of people (mostly specified family members) who must be permitted to open an account on behalf of an ABLE participant who does not have capacity to do so on their own. All state programs must implement the federal regulations by November 22, 2022, the deadline set forth in the regulations.

SB 329 brings our program into federal compliance by removing the express conservator-or-guardian enrollment limitation and incorporating the federal requirements by reference. If SB 329 is not adopted, Kansas's program will no longer qualify as "qualified ABLE program" under federal law and more than 1,100 Kansans with disabilities who currently have ABLE

accounts will be deprived of important financial benefits that have been promised to them under current federal and state laws.

In addition, SB 329 updates eligibility for the Kansas ABLE program (again, by incorporating federal rules by reference) in anticipation that the bipartisan ABLE Age Adjustment Act will soon pass at the federal level. This change will mean the Kansas ABLE program will automatically stay current as ABLE eligibility changes at the federal level.

Many Kansans have arranged their financial affairs in reliance on the Kansas ABLE program. SB 329 will keep our program strong, by staying in compliance with the federal rules and allowing our program to expand the program to benefit many more Kansans.