

SESSION OF 2006

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2722

As Amended by Senate Committee
on Education

Brief*

HB 2722 would establish the Low-Income Family Postsecondary Savings Accounts Incentive Program. The program would be a three-year pilot program providing a state match of postsecondary account (Learning Quest) deposits by Kansas individuals or families with a household income of not more than 200 percent of the federal poverty level. The pilot program would be limited to 400 approved applications in each fiscal year. No more than 100 applications from each Congressional district could be approved each fiscal year. The bill would provide that the state match deposits on a dollar-for-dollar basis if the participant contributes at least \$100 each year to a maximum of \$600 per year.

State funding would be subject to appropriations with the amount for marketing and administration of the program limited to \$50,000. Match funds would be transferred from the State General Fund to the Kansas Postsecondary Education Savings Program Trust Fund based upon amounts certified by the State Treasurer. The program would sunset at the end of FY 2009.

Background

Proponents testifying at the House Higher Education Committee hearing included Representative Ed O'Malley and representatives of the State Treasurer's Office and Kansas Action for Children. Written testimony in support of the bill was received from representatives of Washington University, the Department of Social and Rehabilitation Services, and the Board of Regents. No opponents of the bill presented testimony to the House Committee.

The Senate Committee amended the bill to limit appropriations for marketing and administration of the program to \$50,000; provide a

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

transfer mechanism from the State General Fund to the Kansas Postsecondary Education Savings Program Trust Fund; and to clarify that the state match sunsets in FY 2009.

The fiscal note from the Division of the Budget cites a fiscal impact of \$340,000, including \$240,000 for the match funds and \$100,000 for marketing and administration of the program.