

SESSION OF 2009

SUPPLEMENTAL NOTE ON SENATE BILL NO. 225

As Amended by House Committee on
Higher Education

Brief*

SB 225, as amended, would extend the Kansas Postsecondary Education Savings Program indefinitely and would make several changes to the administration of the Program. The bill would clarify that the qualifying household income would be from the tax year prior to the submitted application rather than the income at the time of the application.

The bill would allow the State Treasurer to approve no more than 300 applications from a single congressional district for a total of 1,200 accounts. If fewer than 300 applications in a single district are approved, then additional applications from the remaining districts may be approved by the State Treasurer. Applications would be approved on a first come, first served basis. The bill would authorize the state to match, on a dollar-for-dollar basis, participant contributions during the calendar year for which the participant is approved, providing the participant contributes at least \$100 and no more than \$600 in any calendar year.

The bill would direct the State Treasurer to transfer matching funds from the State General Fund to the Kansas Postsecondary Education Savings Program Trust Fund not exceeding the maximum amount specified by appropriation act for that state fiscal year. The State Treasurer's annual report on the program would be due by January 31.

The bill would take effect upon publication in the statute book.

*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>

Background

Testifying as proponents of the bill at the House and Senate Committee hearings were the State Treasurer and representatives of Kansas Action for Children, Kansas Partners in Asset Development, and the Secretary of the Department of Social and Rehabilitation Services. In addition, the Kansas Board of Regents provided testimony in support of the bill to the House Higher Education Committee. There were no opponents of the bill at either Committee hearing.

The Senate Committee on Education amended the bill to direct the State Treasurer to transfer matching funds from the State General Fund to the Kansas Postsecondary Education Savings Program Trust Fund not exceeding the maximum amount specified by appropriation act for that state fiscal year. The Senate Committee also amended the bill to eliminate a program reporting requirement by the State Treasurer to the Governor and Legislature, as well as amend the effective date of the bill.

The House Higher Education Committee amended the bill to reinsert the State Treasurer's annual reporting requirement, and to make a technical amendment to the bill.

The Division of the Budget fiscal note indicated that enactment of the bill would result in the State Treasurer receiving an annual transfer up to \$720,000 from the State General Fund for the Kansas Postsecondary Education Savings Trust Fund. The fiscal note assumed that the entire \$720,000 would be transferred and expended every fiscal year. The fiscal note further indicated that any fiscal effect associated with the bill was not accounted for in *The FY 2010 Governor's Budget Report*.