

February 25, 2013

The Honorable Pete DeGraaf, Chairperson
House Committee on General Government Budget
Statehouse, Room 459-W
Topeka, Kansas 66612

Dear Representative DeGraaf:

SUBJECT: Fiscal Note for HB 2371 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2371 is respectfully submitted to your committee.

HB 2371 would eliminate the Kansas Investments Developing Scholars Matching Grant Program, which requires the state to provide up to \$600 annually to each qualifying participant who invests at least \$100 toward a beneficiary's college education through the Learning Quest 529 Education Savings Program. To qualify, participants must have a Federal Adjusted Gross Income below 200.0 percent of the federal poverty level which is currently \$46,100 for a family of four. Total annual transfers from the State General Fund to the Kansas Postsecondary Education Savings Program Trust Fund are currently capped at \$720,000 for no more than 1,200 participants.

Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	--	--	\$720,000	\$720,000
Expenditure	--	--	--	(\$720,000)
FTE Pos.	--	--	--	--

Since the matching grant is funded by a transfer from the State General Fund, HB 2371 has the potential to save the state up to a maximum of \$720,000 in FY 2014. However, the Governor's FY 2014 and FY 2015 budget includes a transfer of only \$350,000 from the State General Fund and expenditures of \$655,000 from the Kansas Postsecondary Education Savings

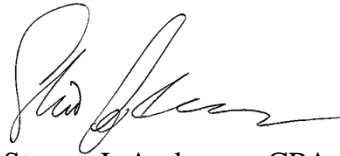
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Program Trust Fund in the Office of the State Treasurer. These amounts were included in the Governor's budget based on program participation levels in prior years. Any fiscal effect associated with HB 2371 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Derek Kreifels, Treasurer's Office