

As Amended by Senate Committee

Session of 2006

HOUSE BILL No. 2722

By Committee on Higher Education

1-25

10 AN ACT concerning higher education; establishing a pilot program to
11 provide an incentive for low-income families to establish postsecondary
12 savings accounts.

13

14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. (a) As used in this section:

16 (1) "Federal poverty level" means the most recent poverty income
17 guidelines published in the calendar year by the United States depart-
18 ment of health and human services.

19 (2) "Program" means the low-income family postsecondary savings
20 accounts incentive program established by this section.

21 (3) "Qualified individual or family" means an individual or family who
22 resides within the state of Kansas and whose household income is not
23 more than 200% of the federal poverty level at the time of application.

24 (4) "Participant" means a qualified individual or family who has been
25 approved for participation in the program.

26 (5) "District" means a congressional district of the state of Kansas.

27 (6) Words and phrases have the meanings provided by K.S.A. 75-643,
28 and amendments thereto, unless otherwise provided by this section.

29 (b) There is hereby established the low-income family postsecondary
30 savings accounts incentive program. The purpose of the program is to
31 encourage the establishment of family postsecondary savings accounts
32 pursuant to K.S.A. 75-640, and amendments thereto, by qualified indi-
33 viduals and families.

34 (c) The treasurer shall:

35 (1) Implement and administer the program;

36 (2) develop marketing plans and promotional material for the
37 program;

38 (3) prescribe the procedure for, and requirements relating to, the
39 submission and approval of applications;

40 (4) do all things necessary and proper to carry out the purposes of
41 this act; and

42 (5) adopt any rules and regulations and policies deemed necessary
43 for implementation and administration of the program.

1 (d) Applications for participation in the program shall be submitted
2 to the treasurer in the manner and form required by the treasurer. Ap-
3 plications shall be accompanied by any information deemed necessary by
4 the treasurer.

5 (e) During fiscal year 2007, the treasurer may approve no more than
6 400 applications. Each fiscal year thereafter, the treasurer may approve
7 up to 400 applications in addition to those approved in the previous fiscal
8 year. In each fiscal year, the treasurer shall approve no more than 100
9 applications from residents of a single district. If 100 applications from
10 residents of a district are not approved in any fiscal year, the treasurer
11 may approve additional applications submitted by residents of the re-
12 maining districts. The treasurer shall provide written notice, to an appli-
13 cant, of the approval or nonapproval of such person's application. No
14 application shall be approved after June 30, 2009.

15 (f) The provisions of this subsection shall be subject to the limitations
16 of appropriations. The amount of contributions made to an account by a
17 participant who establishes a family postsecondary savings account pur-
18 suant to K.S.A. 75-640 et seq., and amendments thereto, shall be matched
19 by the state on a dollar-for-dollar basis if the participant contributes at
20 least \$100 in each calendar year in which the account is open. The ag-
21 gregate of all matching amounts for any participant shall not exceed \$600
22 in any calendar year. **No moneys shall be appropriated for the purpose**
23 **of marketing or administering this program in an amount which**
24 **exceeds \$50,000. No moneys shall be appropriated for the purpose**
25 **of matching contributions after June 30, 2009.**

26 ~~(g) Between January 1 and January 31 of each calendar year, the~~
27 ~~treasurer shall transfer the amount determined by the treasurer to meet~~
28 ~~the matching obligations under subsection (f) for the preceding calendar~~
29 ~~year to the family postsecondary savings account for each participant.~~

30 ~~(h) All withdrawals shall be used to pay the cost of qualified higher~~
31 ~~education expenses. Withdrawals of matching funds shall be paid directly~~
32 ~~to the institution of postsecondary education in the same manner pro-~~
33 ~~vided for qualified withdrawals under K.S.A. 75-640 et seq., and amend-~~
34 ~~ments thereto.~~

35 **(g) Between January 1 and January 31 of each year, the director**
36 **of accounts and reports shall transfer from the state general fund**
37 **to the Kansas postsecondary education savings program trust fund**
38 **the amount, as certified by the treasurer, necessary to meet the**
39 **matching obligations under subsection (f) for the preceding calen-**
40 **dar year. On or before January 31 of each year, the treasurer shall**
41 **transfer from the Kansas postsecondary education savings program**
42 **trust fund to the account of each participant the amount determined**
43 **by the treasurer to meet the matching obligation due to such par-**

- 1 *participant under subsection (f) for the preceding calendar year.*
2 ***(h) The treasurer shall ensure that all withdrawals of matching***
3 ***funds are used for qualified withdrawals under K.S.A. 75-640 et***
4 ***seq., and amendments thereto.***
5 (i) On or before January 15, 2009, the treasurer shall prepare and
6 submit to the governor and legislature a report on the program. Such
7 report shall include the number of accounts opened under the program,
8 the amount of moneys contributed to such accounts by participants, the
9 amount of matching moneys transferred by the treasurer pursuant to
10 subsection (g), the average income of the participants, an analysis of the
11 success of the program in meeting the purpose of the program and any
12 other information deemed appropriate by the treasurer.
13 (j) The provisions of this section shall be part of and supplemental to
14 the Kansas postsecondary education savings program.
15 Sec. 2. This act shall take effect and be in force from and after its
16 publication in the statute book.