

MINUTES OF THE SENATE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Dwayne Umbarger at 1:30 p.m. on February 13, 2002 in Room 123-S of the Capitol.

All members were present except: Senator Hensley (excused)

Committee staff present: Ben Barrett, Legislative Research
Carolyn Rampey, Legislative Research
Theresa Kiernan, Revisor of Statutes
Dale Dennis, Deputy Commissioner of Education
Judy Steinlicht, Secretary

Conferees appearing before the committee: Chuck Stones, Kansas Bankers Association
John Peterson, American Century
Val Defever, State Board of Education

Others attending: See Attached List

SB403-Postsecondary education savings program, elimination of two-year waiting period for withdrawal, elimination of the state penalty on nonqualified withdrawal and exemption from creditors

Chuck Stones and John Peterson were able to work out a compromise on **SB403**. The concept would be that they would protect lineal descendants only and that the first year prior to a filing of bankruptcy there would be no protection, from 12 to 24 months there would be \$5000 per account protection and from 24 months out there would be total protection from both bankruptcy and judgements. If the Committee agrees that this is a favorable compromise, they will leave it up to the will of the Committee. John Peterson concurs with this compromise.

Chairman Umbarger explained that to accomplish this compromise, the language in **SB403**, page 2, Line 14 (after the f) through 19 would be deleted and replaced with the conceptual language "subject to the provisions of section 529 of the internal revenue code of 1986, in effect on January 1, 2002, or later versions as established in rules and regulations adopted by the treasurer."

Senator Teichman made a motion to amend **SB403** with the language described in the above paragraph as proposed by the State Treasurer's office. Seconded by Senator Vratil. Motion carried.

Senator Vratil made a motion to amend **SB403** further with the balloon amendments as proposed by the State Treasurer's office on page 2, line 19 and 40; deletions on page 3; the amendments on page 4, line 8 13; and page 5, line 40 & 43. Seconded by Senator Teichman. Motion carried. (Attachment 1)

Senator Vratil made a motion to recommend **SB403** favorably as amended. Seconded by Senator Schodorf. Motion carried.

Federal Education Plan, "No Child Left Behind" compared to the State Board of Education Plan

Val Defever gave a slide presentation showing the mandates of the new federal education plan, "No Child Left Behind" and what the state of Kansas already has in place to accomplish the mandates of the federal plan and the goals the state Board has set to accomplish the remaining mandates. (Attachment 2) Val introduced other members of the Board who visited the meeting today.

Dale Dennis distributed and explained information requested by the Committee at a previous meeting concerning the major school district funds and the policy on July 1 cash balances in the funds. (Attachment 3)

Adjourned 2:26 p.m.