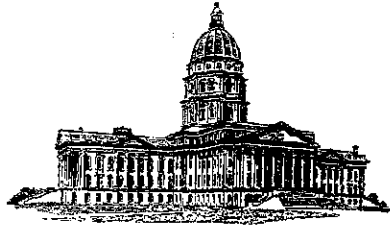


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DENNIS "BOOG" HIGHBERGER
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TESTIMONY ON HB 2096
Before the Committee on Financial Institutions and Pensions of the Kansas House

February 25, 2019

Chairman Kelly and Members of the Committee,

Thank you for the opportunity to talk to you today about HB 2096. This bill, if enacted, would create a college savings account at birth for every child born in Kansas. Research conducted at the University of Kansas has shown that creation of such an account, regardless of how well it is eventually funded, can dramatically increase a child's chance of going to college or receiving other post-secondary education. I will leave the details of that research to the next conferee, but I think that after hearing her presentation you will be as excited about this idea as I am.

Under this bill, parents would opt into the program by checking a box on the child's birth certificate application. Accounts would be created by the Treasurer's Office or the vendor operating the program using data from the State Registrar. Accounts for children who are eligible for TANF would receive initial seed money from TANF funds, and seed money for other accounts would come from contributions eligible for a tax credit and other private donations.

I have to admit that I was shocked by the fiscal note that you see in your packet and I have asked that it be revised. In particular, I was almost knocked over by the estimate of \$95 million for account seed money under the bill. The intent behind the bill was to use around \$1,000,000 in TANF money per year for seed money for approximately 4,000 eligible children, and additional TANF money for operational expenses to the extent allowed by law. There was no intent to use any SGF money at all for seed money, other than that generated by the tax credit. I am prepared to offer amendments as necessary to clarify the intent of the bill and to reduce the expected fiscal impact to an acceptable level. I have also asked for a more detailed explanation of the estimate for the cost of implementing the tax credit portion of the bill. If the cost of implementation is found to be cost-prohibitive, that portion of the bill can be removed.

Please don't let the sticker shock of the original fiscal note close your eyes to the great potential this bill has to make big, positive changes in the lives of thousands of Kansas children. I would be happy to stand for questions at the appropriate time.