

# K.I.D.S. Program

*Strengthening our future workforce*

## FISCAL FOCUS

Budget and Tax Policy in Perspective

When it comes to the Kansas economy, we have a lot of success stories to tell. Kansas has established itself as a world leader in aerospace technology, manufacturing and agriculture. All of these success stories have been made possible by a strong Kansas work ethic and a strong Kansas workforce.

As we look for ways to strengthen our future economy, it's critical that we look toward resources proven to strengthen our next workforce.

Just as the G.I. Bill equipped veterans in the 1950s and 1960s with an education and job skills training to strengthen our nation's workforce, the Kansas Investments Developing Scholars (K.I.D.S.) Matching Grant Program is creating opportunities today for more children in working-class families to pursue the education resources they need to strengthen our workforce in Kansas.

### Building a more competitive workforce

Maintaining existing industries and attracting new employers to our state will require a workforce that can meet the demands of a global and changing economy. In fact, employers cite the availability of a skilled workforce as the key factor in determining where to locate their businesses. By fostering opportunities – like the K.I.D.S. Program — for more Kansans to access higher education and job training programs, we can strengthen our state's workforce and increase the financial independence of our next generation.

### Improving financial independence

With a skilled workforce comes increased financial security for Kansas families, our communities and our state.

Research tells us that individuals with a bachelor's degree earn almost twice as much on average as their peers with no college degree. By helping our next generation increase its earning power and job stability, we will broaden our tax base and improve the quality of life for Kansas families.

### Participation in the K.I.D.S. program

The program began in 2006 with a potential 400 matched accounts and ramped up to a potential 1,200 matched accounts. Over the first three years of the program, 1,111 participants received a total of \$582,240 in matching grants. In some cases, participants even saved more than the \$600 eligible for a match. For instance, in Fiscal Year 2008, 34 percent of K.I.D.S. accounts had investments exceeding the \$600 match limit.

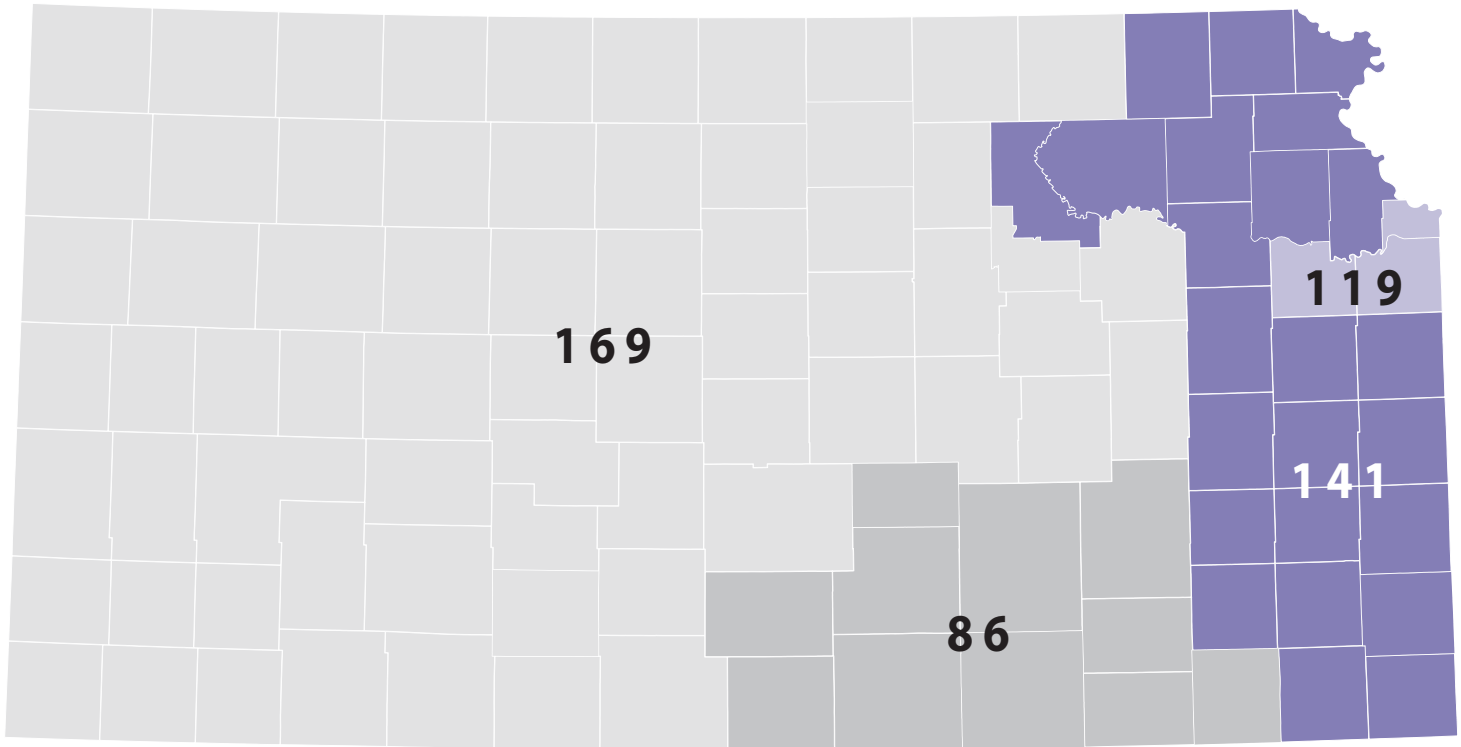
To ensure equal opportunity across the state and to encourage workforce development in rural areas, slots in the K.I.D.S. program are reserved on a first-come, first-served basis in each of the state's Congressional Districts. In 2008, approximately 515 low-income Kansas families invested in a K.I.D.S. account, and the state matched more than \$264,246 in family investments for their children's education. These families reside throughout the state with strong participation from each of the four Congressional districts.

### History of the K.I.D.S. program

The K.I.D.S. Matching Grant Program was first approved by the Kansas Legislature in 2006 as a three-year pilot project. Legislation was passed in 2009 that made the K.I.D.S. program permanent. The 2009 law made a number of small changes designed to clarify the number of accounts eligible for matched dollars, in addition to making ongoing funding for matching grants subject to state appropriation.

### How does the K.I.D.S. program work?

The K.I.D.S. Matching Grant is a division of the state's Learning Quest program. K.I.D.S. encourages low-income Kansas families to establish 529 college savings plans and to save for their children's education by matching the first



**CURRENT K.I.D.S. PARTICIPANTS BY CONGRESSIONAL DISTRICT.** Currently, 515 low-income Kansas families maintain a K.I.D.S. account. These families have saved more than \$260,000 toward their children's education. Savings may be used for higher education expenses, including college tuition and technical school fees.

\$600 a family contributes per year. Children whose families earn 200% of poverty or less are eligible to save through the K.I.D.S. program. K.I.D.S. is limited to 1,200 matched accounts per year.

### Why is the program critical?

Right now, more than 250,000 Kansas children are growing up in low-income or poverty-stricken homes. Research tells us that when families struggle financially to meet basic needs, their children are less likely to succeed in school and less likely pursue higher education. As a state, we simply cannot afford for such a large segment of our next generation to be unprepared for the workforce. With

the K.I.D.S. program, we can put college and job training opportunities in reach for more Kansas children, and we can grow the kind of skilled workforce we need to meet the demands of a competitive and global economy.



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### Sources and Notes

- 1 2006 Senate Bill 332 enacted the Low-Income Family Post-secondary Savings Accounts Incentive Program that later became known as K.I.D.S.
- 2 Office of the State Treasurer of Kansas, "Kansas Investments Developing Scholars Matching Grant Program Pilot Period Report," January 15, 2009.
- 3 Office of the State Treasurer of Kansas, "Kansas Investments Developing Scholars Matching Grant Program Pilot Period Report," January 15, 2009.
- 4 2009 Senate Bill 41 permanently renewed the K.I.D.S. program.