


FISCAL FOCUS

Budget and Tax Policy in  Perspective

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Legislative Testimony – SB 225
Senate Education Committee
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Good afternoon, Madam Chair and members of the Committee. On behalf of Kansas Action for Children (KAC) I would like to thank you for this opportunity to testify in favor of SB 225.

Kansas Action for Children is a not-for-profit child advocacy organization founded in 1979. For more than 30 years, KAC has worked with lawmakers on policy solutions that improve the lives of Kansas children and their families.

The KIDS Program

The KIDS Program is a three-year pilot project designed to strengthen our future workforce and the availability of skilled workers in our state by helping more Kansas children obtain a degree or job training.

The KIDS program is a division of the state's Learning Quest program. As a public-private partnership, KIDS gives low-income Kansas families the opportunity to establish a 529 College Savings Plan, and encourages these families to save for their children's education by matching the first \$600 the families contribute to the 529 account in a year.

Children whose families earn 200% of poverty or less are eligible to save through the KIDS program. To ensure equal opportunity across the state and to encourage workforce development in rural areas, slots are reserved on a first-come, first-served basis in each of the state's four Congressional Districts. The KIDS program is currently capped at 1,200 children. Right now, 515 children participate in the KIDS program.

Why should we renew the KIDS Program?

- **Strengthens our workforce** - Right now, more than 250,000 Kansas children are growing up in low-income homes. Statistically, these children are less likely to achieve financial independence as adults, which creates a burden on our system. The KIDS Program is a low-cost way to ensure many of these children develop the skills they need to succeed in the workforce and become self-sufficient as adults.
- **Helps Kansas compete with overseas workforce** - As more and more employers require a skilled workforce, and we compete for jobs with workers in other countries, we simply cannot afford the likelihood that those children growing up in low-income homes - roughly one-third of our next generation - to be unprepared for the workforce.

- **Attracts new jobs to Kansas** - Employers cite a readily-available skilled workforce as a key factor in determining where to locate a business. With the KIDS program, we can grow the kind of skilled workforce we need to attract new employers to Kansas and provide the resources our existing employers need to remain competitive in a global economy.
- **Bolsters rural and smaller communities** – The geographic guidelines in place for the KIDS program provide an opportunity for small- and medium-sized communities to develop a highly-skilled local workforce. By encouraging these program participants, legislators can provide a long-term solution for attracting jobs and growing the local economies in these communities.
- **Fosters financial responsibility** – By providing incentive for low-income families to save, the KIDS program encourages healthy financial decisions that will ultimately help improve the economic conditions for Kansas families seeking to break the cycle of poverty.

What needs to happen to maintain the KIDS Program?

To prevent expiration of the program, the Legislature would need to approve SB 225, a bill that authorizes continuation of the KIDS program and allows low-income Kansas families to continue saving for their children's education. The fiscal note for the KIDS program currently stands at \$720,000 SGF. However, given the magnitude of the state's budget situation, there is a cost-effective option to continue the KIDS program that would cut in half the fiscal note and not impact the effectiveness of the program. By capping the number of participants at 600 children, the fiscal note for continuing the program would be \$360,000 SGF and would not cut access to the program for any Kansas families.

We urge you to pass SB 225 in order to maintain the KIDS Program and the important role it plays in preparing future generations for the workforce and fostering financial responsibility in Kansas.