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Economic Impact Statement for the proposed amendments to
K.A.R. 3-4-1, 3-4-2, 3-4-4, 3-4-5, & 3-4-7 and the revocation of 3-4-6

Overview of provisions

The proposed amendments will affect matching grants for contributions made after January 1, 2010. The proposed changes will allow each beneficiary to receive one \$600 matching grant instead of the current rule that gives one \$600 match to each account owner. This is accomplished by changing the definition of the term "participant" to refer to the beneficiary. The beneficiary is selected by the account owner and is the student whose higher education expenses can be paid for from the account.

If a beneficiary is enrolled in the matching grant program after January 1, 2010, the account owner will no longer be able to change the beneficiary without forfeiting the matching grant funds. Account owners of existing accounts that have participated in the K.I.D.S. Program in past years will still have the right to change the beneficiary on their existing accounts if the beneficiary for the account is not enrolled in the matching grant program after January 1, 2010. Existing account owners can also change the beneficiary before the regulations take effect on January 1, 2010.

The Treasurer's Office hopes this change will encourage families with multiple children to invest more for their children's future educational needs. The changes also allows the limited number of matching grants to be distributed to more beneficiaries by limiting each beneficiary to receiving one \$600 matching grant each year they are eligible.

Impacted entities

These regulations will primarily impact the low income Kansas residents who are eligible for the program and the State Treasurer's office, who is the program's administrator. It is not anticipated that these amendments will affect cities, counties or other units of government. There will be a minimal impact on the Department of Social and Rehabilitation Services and other entities providing support to low income families to help promote the program to their clients.