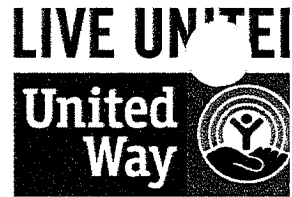


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March 7, 2013

**Kansas House General Government Budget Committee
Written Testimony**

**The Honorable Peter DeGraaf
The Honorable James A. Howell**

Members of the House General Government Budget Committee:

Opposition to House Bill 2371

On behalf of United Way of Greater Kansas City (United Way), we are writing to express opposition to HB 2371, which would eliminate the KIDS Higher Education Savings Match Program. At United Way, we take this stance because of a convergence of factors that are resonating with our community volunteers and business leaders. The following trends highlight their concerns:

- In Kansas, currently 62% of today's jobs require a college degree or postsecondary credential. Nationally that figure is projected to grow to 2:3 in 2018 – up from less than 1:3 (28%) in 1973.
- By 2018, as a nation we are expected to need an additional 22 million new college graduates to fill labor market demand. At current rates of attainment, we are projected to fall short as a nation by three million postsecondary degrees and at least 4.7 million postsecondary certificates.
- An aging population means that we cannot count on a growing number of high school graduates to raise the numbers of skilled workers with credentials for today's jobs.
- At the same time, increasing numbers of secondary students come from families of modest means – household incomes that present challenges to pursuing relevant workforce training. For example, in Johnson County – part of United Way's service area – the number of students qualifying for Free and Reduced School Lunch Program more than doubled over the past 10 years from 9,100 in school year 2003-04 to 23,100 in 2012-13.

These trends are just a few examples of why we in Kansas should strengthen investment in proven strategies to improve postsecondary degree or credential attainment. We urge you to retain KIDS Higher Education Savings Account Match Program as one tool to address these trends.

At United Way, our community volunteers viewed these trends as critically important to community well-being. The result was launching a strategic initiative, *Decade of Difference*, to increase the number of young adults who aspire to, and achieve a postsecondary milestone – investing in strategies that increase personal savings and assets, seeking to eliminate barriers to college and credentialing programs and reaching out to families to make the aspiration of college and other credentials accessible and attainable.

The KIDS Program does just that in several important ways. First it helps to address one of the primary barriers to postsecondary education for families with low incomes – resources that will not result in crushing student loan debt. As the cost of higher education rises, along with student loan debt loads, it is more important than ever for families to save money for their children’s education.

Further, research tells us that even relatively small savings dedicated to a child’s education (less than \$500), increases the likelihood they will graduate by over four and a half times. The key in this case is the 1:1 match provided by the KIDS program, which incentivizes families to save earlier and at a greater rate.

The KIDS program also plays a role increasingly recognized by best practice research – namely, it creates and affirms the expectation that college or a postsecondary credential will be a part of that child’s future. For the whole family, this shapes their behavior and choices throughout childhood and adolescence.

United Way supports the KIDS program because it represents a key strategy to increase postsecondary attainment and reduce poverty. Gates Foundation research documented that parental education level is the single most important driver of children’s future, outpacing even race, ethnicity and gender as a predictor of whether that next generation would escape poverty. Education is a predictor for earnings, health status and civic engagement.

We respectfully request your opposition to HB 2371. KIDS is a successful program that is helping hundreds of Kansas children and their families to plan for post-secondary education and improve the economic outlook for the next generation. An investment in college savings for lower income families is an investment in the future of Kansas.

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