

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE.

The meeting was called to order by Chairperson David Corbin at 10:50 a.m. on February 28, 2001, in Room 519-S of the Capitol.

All members were present except:

Committee staff present: Chris Courtwright, Legislative Research Department  
April Holman, Legislative Research Department  
Don Hayward, Revisor of Statutes Office  
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Calvin T. Roberts  
Chris Smith, Ph.D, Assistive Technology for Kansans  
Project, University of Kansas  
Deborah Page-Aams, Ph.D, School of Social Welfare,  
University of Kansas  
Brenda Eddy, Assistive Technology for Kansans  
Mary Ellen O'Brien Wright, Kansas Assistive Technology  
Cooperative  
Marilyn L. Jacobson, Integrated Service Delivery Div., SRS

Others attending: See attached list.

The minutes of the February 15, 19, and 20, 2001, meetings were approved.

**Confirmation Hearing: Calvin T. Roberts, Member, State Board of Tax Appeals, effective upon the date of confirmation by the Senate to fulfill an unexpired term ending January 15, 2004.**

Mr. Roberts briefly outlined his background and qualifications. He described his thirty-five years of business experience and his training in the real estate valuation process which he feels qualifies him for his duties as a member of the Board of Tax Appeals. He believes that his experience will enable him to make a fair and unbiased observation of the situations that arise. (Attachment 1)

Chairman Corbin called the Committee's attention to copies of Mr. Roberts' Confirmation Information Summary prepared and submitted by the Office of Governor Bill Graves. (Attachment 2)

Senator Praeger moved to recommend Mr. Roberts for membership on the State Board of Tax Appeals to the full Senate, seconded by Senator Donovan. The motion carried.

**SB 332—Establishing the individual development account program and individual development account reserve fund.**

Chris Smith, Ph.D, Assistive Technology for Kansas Project, testified in support of **SB 332**. He began by defining individual development Accounts (IDAs) as similar to Individual Retirement Accounts (IRAs). In a typical IDA program, for every dollar a person saves for the identified purpose, matching funds are pledged from local, state, or federal sources. He noted that a wealth of research on IDA programs indicates that they are critical in helping people reach financial independence. Evaluation of IDA programs indicates that persons at the poverty level who participate in IDA programs actually save a higher percentage of their income than middle income persons save. He went on to explain that assistive technology is any device or service that helps a person with disability live, learn, or work more independently, and he emphasized that persons with disabilities need this legislation now. (Attachment 3)

## CONTINUATION SHEET

Deborah Page-Adams, PH.D, University of Kansas School of Social Welfare, testified in support of **SB 332**. She believes the bill represents an especially innovative approach to using IDAs to help Kansans with disabilities save money to purchase assistive technology in order to secure their social and economic well being. She discussed the research on the effects of asset holding, particularly for low and moderate income families. Her findings from on going research and evaluation of Kansas IDA programs parallel those from other asset building initiatives in the United States in that low income and low wealth participants are saving for long-term social and economic well being, and the participants who have very low incomes are saving at a higher rate than participants who have slightly higher incomes. ([Attachment 4](#)) To illustrate the hope the IDA program brings to persons in need of assistive technology, Dr. Adams related personal stories about families she has encountered in her research.

Brenda Eddy, Assistive Technology for Kansans (ATK), testified in support of **SB 332**. She explained that ATK is a federal grant program funded through the Technology Related Assistance Act of 1988 and awarded to the University of Kansas. The assistive technology grant was written to be a consumer driven, partnership project. ATK's collaborative efforts with public agencies have resulted in systems changes that have increased access to technology for people with disabilities of all age groups. In spite of the independence assistive technology offers to people with disabilities, many people do not have access to the technology they need because the majority of assistive technology is quite expensive and must be replaced periodically. The IDA proposed in **SB 332** would provide a structured savings approach for low and moderate income people with disabilities to plan and save for assistive technology. ([Attachment 5](#))

Mary Ellen O'Brien Wright, Kansas Assistive Technology Cooperative (KATCO), testified in support of **SB 332**. She explained that KATCO is a loan guarantee program that allows people with disabilities to obtain loans for assistive technology. The loans have proven particularly helpful for people with lower incomes and those who have no credit background or who have problems in their credit history, sometimes related to disability and medical expenses. Ms. Wright noted that President Bush recently announced his commitment to providing access to assistive technology through financial loan programs, and \$15 million in funding will be available this summer. KATCO believes that the chances of receiving a grant through this initiative is excellent if Kansas has the mechanism to allow people with disabilities to begin saving for assistive technology through IDAs. ([Attachment 6](#))

Senator Jenkins commented that **SB 332** limits the total income tax credits to a maximum of \$4 million, and asked Ms. Wright if she could see a problem with amending that amount down. Ms. Wright answered that she had no problem with doing that, and said she was willing to consider a cap on the amount of tax credits as well as the number of accounts that could be set up.

Marilyn Jacobson, Integrated Service Delivery Division of SRS, explained that **SB 332** establishes an IDA program within the Kansas Department of SRS. The bill would allow a family or an individual whose household income is less than or equal to 400 percent of the federal poverty level to open an assistive technology IDA, and funds deposited and interest earned in the accounts would be exempt from Kansas income tax unless withdrawn for an unapproved purpose. Funds deposited and interest earned in such accounts would also be disregarded when determining eligibility to receive any public assistance or benefits. Ms. Jacobson noted that, for some assistance programs, this would be possible, while others might prohibit such asset exemptions in federal statute or regulation. She pointed out that, in addition, the bill directs SRS to prepare a Request for Proposals seeking a community-based organization to administer a reserve fund on a not-for-profit basis. She requested that **SB 332** be amended to clarify that SRS will have no contractual expense in recruiting or maintaining a community-based organization willing to administer the program and to clarify that SRS is under no obligation to provide matching funds if sufficient outside IDA reserve fund contributors are not found. ([Attachment 7](#))

There being no others wishing to testify, the hearing on **SB 332** was closed.

The meeting was adjourned at 11:40 a.m.

The next meeting is scheduled for March 1, 2001.