

HCS HB 442 -- MISSOURI LEGACY FUND

SPONSOR: Kingery

COMMITTEE ACTION: Voted "do pass" by the Committee on Higher Education by a vote of 8 to 0.

This substitute creates the Missouri Legacy Fund to be administered by the Higher Education Savings Program Board. The fund will consist primarily of transfers from the Abandoned Fund Account. Each year, after transfers of \$22,500,000 to general revenue, the excess amount in the abandoned fund will be transferred to the legacy fund. Interest and moneys earned on investments will be used for the administration of the program and to provide matching funds to participants in Missouri's qualified state tuition program under Section 529 of the federal Internal Revenue Code of 1986 who have a family income no greater than 150% of the state median.

FISCAL NOTE: No impact on state funds in FY 2008, FY 2009, and FY 2010.

PROPONENTS: Supporters say that using money from the abandoned fund will allow the Higher Education Savings Program Board to match contributions from low- and middle-income participants to give them the extra money they might need. As little as \$10 per month is enough to cover the tuition costs at Lincoln University for four years if an account is started when a child is born.

Testifying for the bill were Representative Kingery; Office of the State Treasurer; Constance Williams, Lincoln University; Missouri School Boards' Association; and Missouri National Education Association.

OPPONENTS: There was no opposition voiced to the committee.