

February 24, 2012

The Honorable Marc Rhoades, Chairperson
House Committee on Appropriations
Statehouse, Room 351-S
Topeka, Kansas 66612

Dear Representative Rhoades:

SUBJECT: Fiscal Note for HB 2745 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2745 is respectfully submitted to your committee.

HB 2745 would prohibit State General Fund dollars from being used for remedial courses at state universities. The bill would not prohibit the courses from being provided, when financed by other sources. HB 2745 would also reduce both the number of freshman class admissions or resident transfer admissions to the state universities allowed as exceptions to the minimum admissions standards from 10.0 percent to 5.0 percent.

During academic year 2010-2011, the state universities taught a total of 16,234 remedial credit hours, primarily in math. Assuming each course is 3 credit hours, this would equate to approximately 5,411 students taking remedial courses. The average cost per student for remedial courses was \$276. The estimated total remedial instruction cost of \$1,493,436 is calculated by taking the estimated number of students multiplied by the average cost per student. It is not possible to determine how much of this estimated remedial course cost is currently funded from the State General Fund versus the tuition paid by those students.

Under HB 2745, revenue to the state universities may be affected if remedial education was no longer offered. The average undergraduate resident tuition and required fees at the state universities for a 3-hour course is \$608. The estimated tuition and fee revenue from the approximately 5,411 students/3-hour courses taught would be \$3,289,888. The revenue may remain unchanged if the state universities continue to offer remedial courses as they do now, but not fund those courses with their State General Fund appropriations. Alternatively, if the university discontinued offering remedial instructions, the revenue would decrease by \$3,289,888 and the universities' \$1.5 million costs to provide these courses would be eliminated.

Under current law, universities permit the admission of 10.0 percent of the total number of freshman class admission as exceptions to the minimum admissions standards. HB 2745

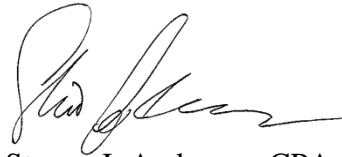
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would reduce the exceptions to 5.0 percent. During academic year 2010-2011, 711 Kansas freshmen students were admitted under the current 10.0 percent exception window at all universities. Three universities (Emporia State University, Fort Hays State University and Pittsburg State University) had exception percentages above 5.0 percent in FY 2011. HB 2745's lower percentage would have excluded 111 students at these three universities by denying them admission. The average undergraduate resident tuition and required fees at these three state universities (two semesters) is \$4,732. The current law allowed the 111 to enroll as full-time students, at 15 credit hours per semester generating tuition of \$525,252. If the exception was at 5.0 percent, that tuition revenue would be lost. Any fiscal effect associated with HB 2745 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Kelly Oliver, Board of Regents