

February 25, 2011

The Honorable Carolyn McGinn, Chairperson
Senate Committee on Ways and Means
Statehouse, Room 545-S
Topeka, Kansas 66612

Dear Senator McGinn:

SUBJECT: Fiscal Note for SB 173 by Senators Hensley and Haley

In accordance with KSA 75-3715a, the following fiscal note concerning SB 173 is respectfully submitted to your committee.

SB 173 would require that, if the State Board of Regents has approved an increase in tuition for public universities, the Governor must increase expenditures for all need-based student financial aid programs administered by the Board. Funding would come from any money available. The percentage increase in need-based aid would be equal to or greater than the average percentage of tuition increase.

SB 173 would increase state expenditures for need-based student financial aid, but the amount cannot be determined until the Board of Regents decides on the annual increase in tuition. The Comprehensive Grant is the largest need-based financial aid program funded by the state. It receives approximately \$15.0 million from the State General Fund annually. If the Board of Regents increased average tuition five percent, the associated cost for this program would be \$750,000. Any fiscal effect associated with SB 173 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,



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

cc: Diane Duffy, Board of Regents